MITSUBISHI ELECTRIC

Changes for the Better

Sustainability Report 2023

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About the Report

This report provides information about sustainability 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 2023 (year ending March 31, 2023) . 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. Especially regarding our responses to incidents that caused stakeholders to worry and be troubled, we endeavored to report the progress of our efforts.

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.

Period Covered by the Report

April 1, 2022 – March 31, 2023
*Also includes some information on policies, targets, and plans for fiscal 2024 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 affiliates (Japan: 149, overseas: 101, total: 251)
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.

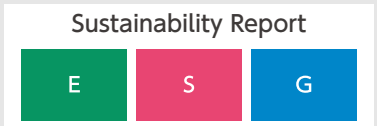
Locations where our disclosed information is published

Investors (website)

- Annual Securities Report
- Integrated Report
- Corporate Governance Report

Sustainability (website)

Sustainability Report



Details on This Configuration

To fulfil accountability to society, in addition to reporting our sustainability management, we divide our activities into three different categories in our reports: environment, society, and governance.

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 Sustainability section of the website and "Sustainability Report."
Sustainability

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.

Inquiry

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Mitsubishi Electric Corporation
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Inquiries on sustainability

President's Message

Our intensification of sustainability management



President & CEO
Kei Uruma

In fiscal 2023, the Mitsubishi Electric Group positioned realizing sustainability as the cornerstone of corporate management in our management policy. In accordance with this policy, we have organized four points to be focused, namely "contribution to a sustainable society through our businesses," "responsibility for a sustainable society," "risk management in response for long-term social and environmental changes," and "communication with stakeholders."

In addition, we have identified five areas as materiality (important challenges) to "provide solutions to social challenges through our businesses" and to "strengthen our business foundation to enable sustainable growth" in order to push forward sustainable management.

For "providing solutions to social challenges through our businesses," we have identified "carbon neutrality," "circular economy," "safety and security," "inclusion," and "well-being" as areas of focus, and we are directing our initiatives toward achieving five targets of SDGs.

Especially, "carbon neutrality" is one area in which we can demonstrate our strengths, and we are accelerating initiatives in terms of both "responsibility" and "contribution." For "responsibility," by which we aim to decarbonize within our domain, we have revised our previous target for fiscal 2031 of "reducing greenhouse gas emissions at factories and offices by 50% or more (compared to fiscal 2014)" to "net zero by fiscal 2031". For "contribution," we aim to create and expand businesses that contribute to all of society realizing carbon neutrality.

As for other four areas, we aim to realize a cycle in which we not only "contribute" to realizing a sustainable society through our businesses but also work to solve issues as part of our "responsibility" for realizing a sustainable society, and apply the knowledge and good practices obtained in this process to our businesses.

Transforming into a "Circular Digital-Engineering Company"

Based on a long-term perspective, the Mitsubishi Electric Group is working to transform itself into a "Circular Digital-Engineering Company" that delivers new value through co-creation and by integrating knowledge within and outside the Group. The Group has conventionally sold standalone products and services, and has developed its business primarily through components. When our customers use the products we deliver, operational status and other such data is stored, and this data is becoming increasingly important. By consolidating and analyzing data acquired from our customers in a digital space and by creating strong bonds within the Group and putting our heads together, we will evolve our components, systems, and Integrated Solutions and create new value. And to more widely return to our customers the benefits of the new value we thus create, we will transform into a "Circular Digital-Engineering Company" and thereby contribute to solving today' s diverse social challenges.

Some of these businesses are already seeing growth. For example, in the FA system business, we are now able to make proposals that extend to consulting, such as improving the efficiency of manufacturing processes and appropriate maintenance methods, by carrying out simulations by analyzing data accumulated in physical space with our Digital Twin, which is a digital reproduction of the customer's production line. This, we believe that, will not only enable us to offer new value to our customers, but also greatly expand our business areas.

Fostering of diverse, multifaceted human capital

For the sustainable growth of the Mitsubishi Electric Group, it is essential to foster human capital to serve as the Group's driving force. Based on this belief, we will expand and strengthen our investment in people, who are the core of the company's growth. In particular, we respect individual career ownership and value "diverse and versatile human capital" who think independently, act proactively, and continue to take on challenges. In addition, to maximize the value of human capital, human capital strategies must be integrated with business strategies. For example, to realize our goal of becoming a "Circular Digital-Engineering Company," we need core human capital such as "DX system architects" who can design the overall picture for connecting data and systems based on core components and field knowledge and, "DX engineers" who can develop and implement DX-related software and systems. We will hire and train human capital to reach our desired state in five to ten years.

In terms of gender balance, we feel that issues remain to be addressed, such as the

male-female ratio in managerial positions at locations in Japan. To ensure equal opportunities for employees, we must eliminate unconscious biases stemming from an attitude of "because someone is male/female." We are also creating a more comfortable work environment for employees who are raising children through measures such as expanding on-site childcare facilities. In April 2022, we started the "President's School" for newly appointed Executive Officers and others to foster management professionals. As a preliminary step, it is essential to systematically foster the next generation of management candidates. We will conduct candidate assessments and promptly compensate for shortages in terms of overseas experience or work experience in order to promote career development with an eye to the future. In addition, we are working to create a system for promoting new and competent employees as well as for introducing job-grading to stimulate personnel transfers globally.

Three key reforms

About a year has passed since the start of the three key reforms aimed at restoring trust, namely the "quality assurance reform," "organizational culture reform," and "governance reform," and measures for reforms are progressing as planned.

For the quality assurance reform, we are rebuilding organizational capabilities to provide technically correct explanations to customers and reducing workloads on the front lines by having management themselves engage in dialogue and negotiation with customers, thereby establishing a system through which "the front lines do not have cause to carry out improper quality control in the first place."

For organizational culture reform, we are working to foster a culture which "Employees feel that they can consult with their superiors," "failures are tolerated," and "problems are solved together. "We are reforming management itself and changing the behavior of those in managerial positions, and we are promoting initiatives such as "town hall meetings" in which management and front-line employees discuss issues directly on equal footing as well as facilitating dialogue using in-house social media.

For governance reform, we are building a compliance system that emphasizes prevention. By appropriately including external perspectives, we will realize a governance/internal control structure that inhibits and prohibits misconduct. A third-party evaluation conducted on the effectiveness of the Board of Directors in fiscal 2023 found that its effectiveness had improved. In addition, two new female outside directors were appointed at the 152nd Annual General Meeting of Shareholders in June 2023. Our Board of Directors, of which independent outside directors comprise the majority, will continue to develop our business from various perspectives brought together by diversity in terms of gender, nationality, work experience, and age.

The Mitsubishi Electric Group's Purpose and each employee's individual purpose



We conduct our businesses based on our Purpose that "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity." This is the raison d'etre of the Mitsubishi Electric Group, and the ultimate goal that we always pursue.

While the Company's Purpose is the aspirations of the organization, it is "My Purpose," which is the aspirations of each individual employee, that is essential to the steady implementation of the organization's aspirations. The entire Group is currently promoting My Purpose activities in order to make the Company's Purpose into something personal to each employee.

I have set "Build a vibrant company, through maintaining passion, enthusiasm, and goal-focused persistence" as My Purpose. Currently, all executives, including myself, are sharing their individual Purposes within the company, and we plan to gradually expand this initiative from the management level to front-line workers. To make a change, it is necessary to act with oneself as the target of the change, and in this sense, we believe that it is particularly important for everyone to clarify his or her My Purpose. By doing so, they can become aware that the Company's aspirations partially overlap with their own. Furthermore, employees can feel and realize what the Mitsubishi Electric Group is aiming to achieve while engaging in their own daily work through My Purpose activities.



Kei Uruma
President & CEO
July 2023

Message from the Executive Officer Responsible for Sustainability

Toward Realizing Sustainability

A year has passed since the Mitsubishi Electric Group adopted the management policy: "we will return to our fundamental principle of 'addressing social challenges through our businesses' and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders." We have made various efforts to implement sustainability into our management.



Executive Officer
Satoshi Takeda

Promoting the Realization of Sustainability

First, the Sustainability Committee and other committees discussed what Mitsubishi Electric should do now that sustainability is positioned as the cornerstone of our management, and clarified four actions to promote the realization of sustainability.

The first action is to contribute to the "realization of a vibrant and sustainable society" by solving social and environmental issues through our businesses. The second is to conduct business responsibly in a manner that does not cause or exacerbate social challenges or environmental issues. The third is to adapt to changes in society and the environment not only in the short and medium terms but also in the long term, in other words, to create business opportunities to develop sustainability, and to predict risks to control or minimize their impacts on business management. The fourth is to communicate with society, customers, shareholders, employees, and other stakeholders through highly transparent disclosure of information in a way that reflects society's expectations, requests, and opinions to the corporate management.

Essential KPIs Regarding Materiality (Important Challenges)

The Mitsubishi Electric Group has set materiality (important challenges) as follows: “Realize a sustainable global environment,” “realize a safe, secure, and comfortable society,” “respect for all people,” “strengthen corporate governance and compliance on a sustainable basis,” and “create a sustainability-oriented corporate culture.”

As for the five materiality initiatives that we identified from the two aspects of "providing solutions to social challenges through our businesses" and "strengthening our business foundation to enable sustainable growth," we promote continuous activities for improvement by implementing the PDCA cycle for mid- to long- term goals. In 2023, we identified 17 essential targets and KPI. To achieve them, the Sustainability Committee promotes measures with checking the progress in order to steadily incorporate them into management.

Sustainability Vision

Creating Harmony with People and the Planet



Our Challenge Areas toward Solving Social Issues

Among the broad range of our business fields, from home appliances to space electronics, we have reorganized the social issues we want and are expected to solve with the Mitsubishi Electric Group's human capital and technologies. Throughout the reorganization, our Sustainability Vision formulated in 2022, "Creating Harmony with People and the Planet" is always on our minds. It is exactly what we aim to realize by 2050 as "a Sustainable Society Full of Prosperity." Mitsubishi Electric Group believes that such a society makes our stakeholders feel happy, including our business partners, customers, and Mitsubishi Electric Group employees.

Backcasting from our goals for 2050, we identified the five challenge areas as follows: Carbon neutrality, Circular economy, Safety/Security, Inclusion, and Well-being.

Carbon neutrality: A decarbonized society with fewer CO_2 emissions from our company and society itself, and with mitigations against climate change.
Circular economy: A society that effectively uses and sustainably circulates resources.
Safety/Security: A resilient society that can respond to various environmental changes and risks.
Inclusion: A society in which all kinds of people are respected and anyone can live freely, fairly, and in a lively manner.
Well-being: Comfortable lives and physical and mental well-being for each and every individual.

We aim to achieve these challenges to realize a Sustainable Society Full of Prosperity. Especially, carbon neutrality is one area in which we can demonstrate our strengths by accelerating initiatives in terms of both "responsibility" and "contribution." For "responsibility," by which we aim to decarbonize within our domain, we have revised our target for fiscal 2031 from "reducing greenhouse gas emissions at factories and offices by 50% or more (compared to fiscal 2014)" to "net zero by fiscal 2031." For "contribution," we aim to create and expand businesses that contribute to all of society realizing carbon neutrality.

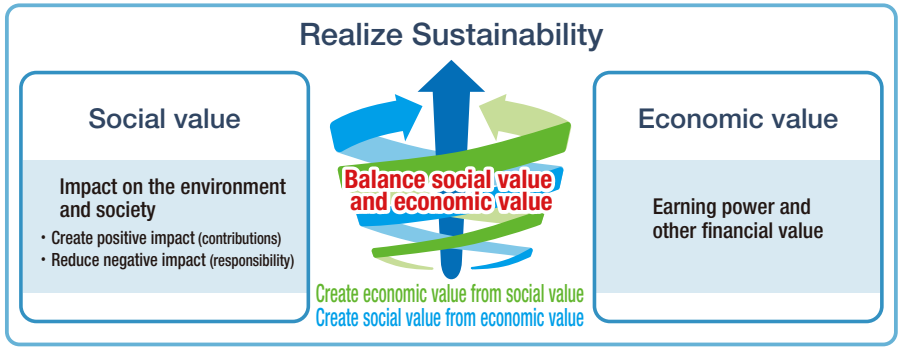
Our Approach to Human Capital

The driving force for realizing sustainability is none other than the people involved in the Mitsubishi Electric Group. Based on this mindset, we are further promoting our human capital strategy that considers "people = capital that generates value for the future." In order to regain society's trust and thrive in an increasingly competitive global business environment, the Mitsubishi Electric Group will push forward with all kinds of reforms by mobilizing the diverse, multifaceted strengths of its individuals.

Toward Reforms

It has thus been a year since Mitsubishi Electric announced that it would position the realization of sustainability as the cornerstone of its management. In response to the improper quality control practices in fiscal 2023, Mitsubishi Electric is taking steps to change. This reform will not be accomplished instantly. In particular, the activities we are undertaking to reform our culture will not be a one-time event, and we must patiently resolve each issue individually over the next five to ten years to ensure that a better corporate culture takes root.

In these initiatives, I personally value "taking ownership and working voluntarily." This is what I consider to be my Purpose. I commit myself to achieving sustainability by aligning my own individual Purpose with the ideal conditions that the Mitsubishi Electric Group envisions.



Satoshi Takeda
Executive Officer

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Our Roadmap for the Three Reforms

We give serious weight to the findings and recommendations of the Investigative Committee and the Governance Review Committee with regard to the improper quality control practices that have come to light, and the entire Group is working to prevent recurrence. In October 2021, we formulated three reforms (quality assurance, organizational culture, and governance), including measures to prevent recurrence, and the entire company is working to implement fundamental reform initiatives while deepening and developing the three reforms to restore confidence in the company.

Regarding the progress of the three reforms and other efforts, we established the "Monitoring Committee for the Three Reforms" under the Board of Directors in December 2022 and started monitoring on the supervisory side with the participation of outside experts.

On our website, we disclose the details of the progress of measures to prevent recurrence as of the end of FY2023.

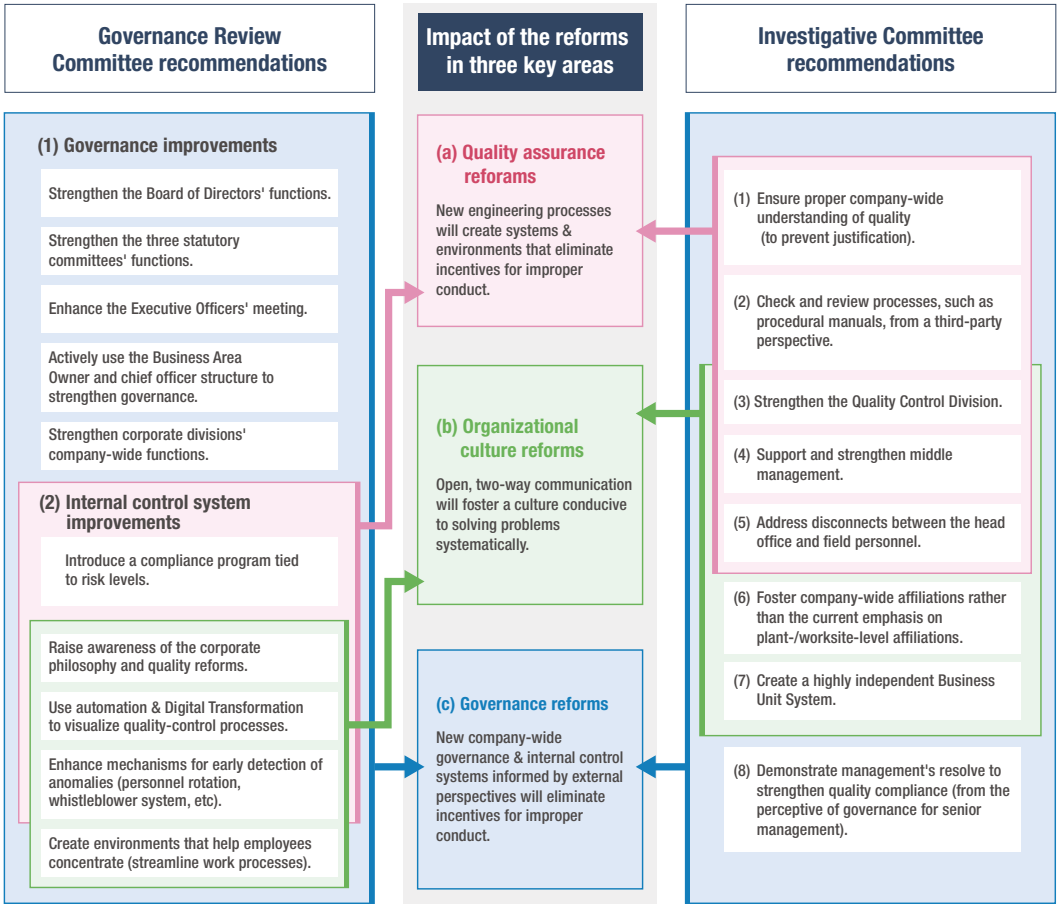
We plan to continue to announce the progress on our website.

Restoring trust: Our roadmap for reform



Overall Concept of Recurrence Prevention Measures

Based on the surface causes, true causes, and proposed countermeasures brought to attention by the Investigation Committee and the Governance Review Committee to date, we will steadily promote reforms in the three areas of quality assurance, organizational culture, and governance at the company-wide levelto prevent recurrence.



Sustainability highlights

Our Roadmap for the Three Reforms

Enhancement and Development of the Three Reforms

Prevent the recurrence of improper quality control practices and restore trust

Quality assurance reforms
- Revising engineering processes -

- Creation of a manufacturing management environment (optimization of resources, control span and health diagnosis for plants, etc.)
- New design review method, designer training program
- Data-driven quality control , development of rules, and monitoring

Organizational culture reforms
- Facilitating two-way communication -

- Coaching for executives, town meetings, and communication via internal social media
- Rotation, 1-on-1 meetings, psychological safety, "On-Site Capabilities and Cultural Reform" workshops
- Behavioral changes initiated by management that lead to organizational solutions

Governance reforms
- Building a compliance system focused on preventive measures -

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

Progress

Generally, we are making progress as planned with respect to system building and implementation of activities for each item.
We have also confirmed progress in spreading quality compliance awareness through the employee awareness surveys, and we will continue to work to get quality compliance activities to take root and spread.

In addition, since December 2021, the Quality Governance Subcommittee (chaired by the General Manager of the Corporate Legal & Compliance Division) has been monitoring and checking the effectiveness of each initiative carried out under the quality assurance reform on a regular basis with the advice of outside experts.



Discussions among employees

Progress

With regard to strengthening communication skills, we are actively providing a variety of training programs for employees and increasing opportunities for executives to deliver messages directly to employees.

While we will continue our efforts to review the control span and authorities of middle managers, we have already established a framework for the personnel system as planned, including implementation of the rotation system among offices and positions as well as the establishment of an internal recruitment system and a career consulting office, and we will continue to make efforts to get these activities to take root.



Internal social media community

Progress

Regarding the monitoring of the Board reforms and company-wide reforms, we have completed the construction of the framework, and the implementation phase will begin in FY2024.
We have already started a variety of studies to improve the internal control system, and in FY2024, we will formulate the details of compliance strategies.

Everything Starts with Communication Transformation

As part of a company-wide effort to reform the organizational culture, we did a full-scale launch of the company-wide reform project Team Sousei (Creation) in October 2021.
Here is the latest initiatives on the project, now in its second year.

In 2022, the Mitsubishi Electric Group took another step forward in its reform that began the previous year.

We proposed the "Robust Policies" formulated in April 2022 and launched reform projects in each business group, branch office, and Works, and we are strengthening the promotion system to ensure initiatives are carried out to reform the negative corporate culture (from minus to zero) and to build a new corporate culture (from zero to an even better tomorrow).

Among these initiatives, we planned measures concerned with "communication transformation" in FY2023. We have begun a variety of initiatives in diverse locations to foster the culture that we envision.

Addressing everyone by "san"

～To spread an open atmosphere throughout the company in which all employees can build a relationship of trust regardless of rank～

As the first initiative of the Team Sousei project, we launched an initiative to address everyone by the neutral honorific "san," though previously supervisors were addressed as "XX Kacho" (section chief) and so forth.

This practice has spread at an accelerated pace after the president encouraged all employees to make this a basic behavior together with sharing greetings and showing appreciation. This initiative has led to significant changes throughout the company, such as lowering barriers to and making the internal environment more facilitating for conversations as well as making the tone in emails more casual.

Townhall Meeting



Town hall meeting between President Uruma and employees (Power Device Works)

Provided a total of 314 opportunities for two-way dialogue between top management and employees to deepen understanding

We have held dialogue-style discussions based on our belief that to promote cultural reform, it is important to have two-way conversations rather than top-down, one-way communication. In FY2023, the president and general managers visited business sites and held this style discussions 314 times in total.

The top management's intention to change Mitsubishi Electric is starting to resonate with employees, who see how seriously the company is attempting to change and the direction that the company is going to change.

Direct dialogue between management and employees

Grassroots Activities

Opportunities for dialogue are expanding among nation-wide business sites

Having also launched the reform project in business groups and divisions, each workplace is conducting a variety of activities.

We provide opportunities to facilitate dialogue across ranks and divisions, including workshops where all participants think together about how each workplace will tackle the organizational culture reform. These programs are designed to enable participants to talk as frankly as possible, including by providing opportunities for directors and employees to chat and consult with each other as well as for employees of the same rank to share information in order to help solve problems at their workplaces.



Meeting for section chiefs to share information (High Frequency & Optical Device Works)



Cross-rank/-division workshop

Promote Carbon Neutrality by Sharing Renewable Energy among Sites

In recent years, there has been growing demand for companies to use renewable energy. Mitsubishi Electric's new solutions support companies in pursuing carbon neutrality.

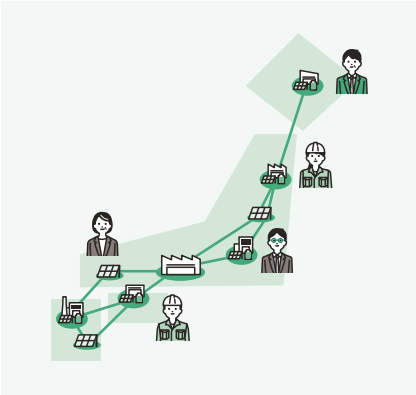
Multi-Region EMS*1 to Promote Effective Use of Renewable Energy

In April 2023, we began offering a Multi-region EMS that makes corporate efforts towards carbon neutrality more efficient and transparent. We will support to achieve company's decarbonization targets at a locational level by dispatching distributed renewable energy from other sites through a self-service wheeling*2 and by using battery storage control system.

*1 Official name: Multi-region digital power supply system
*2 A system in which energy from the company's own generation facilities is transmitted to other sites of demand within the company using a power transmission and distribution network owned by electrical utilities.

What is self-service wheeling, which enables power to be distributed to other sites?

Self-service wheeling means to consume electricity from the company's own generation facilities in remote locations. If the power generated by solar panels and other renewable energy resources can be distributed to other sites through self-service wheeling, in addition to reducing the cost of electricity, the company will also be able to demonstrate to society a high level of environmental awareness. While the number of companies and local governments adopting self-service wheeling is increasing, the task to use this system is considered to be complicated, and multi-region EMS is a notable solution to this challenge.



Voice

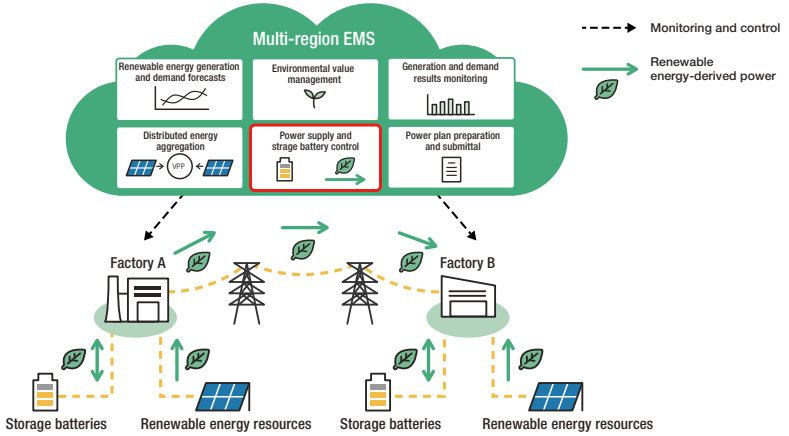
Bringing together advanced power technologies to help companies achieve carbon neutrality

Multi-region EMS is a cloud service for companies and municipalities to manage decarbonization targets for their own sites. In the development process, we made numerous improvements based on our understanding of user needs. We also promptly responded to power system changes brought about by increasing environmental awareness. We then created a solution to share renewable energy value among sites, optimizing their environmental value management in 30-minute increments. This technology is unique to our company, which operates in all domains related to energy. In addition to helping companies achieve carbon neutrality, we also hope to contribute to solving climate change issues.



Seiya Nakano
Energy & Industrial Systems Group
Energy Systems Center,
Digital Energy Business and
System Research &
Development Department
Application Development Section 1

Multi-region EMS structure



Transmission of distributed power to priority sites using self-service wheeling

Using a system that controls and operates distributed energy resources make it possible to instantly transfer such energy where it is needed. Decarbonization targets can be met on a site-by-site basis by overcoming challenges such as space limitation to install generation facilities and fluctuations in power generation due to changes in weather or time of day.

Large capacity batteries control ensures stable operation

Installing large-capacity storage batteries allows for the intermittency of renewable energy output to be adjusted on a millisecond basis. This ensures stable power supply system operation, which is a challenge for large-scale renewable energy resources generation facilities.

Utilizing renewable energy without waste by optimizing operations

It is possible to optimize the combination of self-service wheeling, on-site consumption, and battery recharging in 30-minute increments by taking into account highly accurate generation forecasts as well as electricity demand forecasts, storage battery capacities, and the prices of environmental certificates.* This optimizes utilization of renewable energy value without waste.

* Environmental certificates are certified by an accredited body to demonstrate the environmental value and greenhouse gas emission reduction benefits achieved by renewable energy generation. In Japan, these are currently non-fossil certificates, J-credits, and green power certificates.

All-in-one representation of complicated tasks in system operation

The demand and supply of electric power is required to be balanced on a 30-minute basis as a rule, and demand forecast and generation and transmission plans must be reported every 30 minutes. Not only does this perform these complicated tasks on behalf of the customer, it also automates the power planning tasks required for self-service wheeling, which streamlines the operations.

Mitsubishi Electric Biz Timeline, seven key words you need to know to solve energy problems (in Japanese text)

Sustainability highlights

Realize a safe, secure, and comfortable society

Three health technologies to monitor the elderly while ensuring privacy

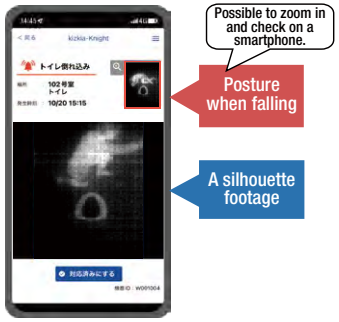
For the era of rapid aging, the Mitsubishi Electric Group has begun to offer services that provide gentle care for the elderly. Here, we present three initiatives that provide peace of mind and reduce the burdens imposed on family members and nursing staff while respecting the privacy of those being monitored.

Privacy space silhouette footage monitoring

kizkia-Knight

The kizkia-Knight makes it possible to monitor toilets, where cameras cannot be installed for privacy reasons. A built-in infrared sensor captures temperature data, transmits it to the cloud, and converts to a silhouette footage. Monitoring can be implemented while respecting privacy without using a real video footage. In addition, AI analysis of the silhouette footage detects toilet use and duration as well as conditions such as falls and stooping, and notifies staff members via their smartphones. Even if no staff member is nearby, a staff member can quickly be dispatched to the site.

Nursing care robot AI x Monitoring service kizkia-Knight (in Japanese text)



When an event occurs

Installing the infrared sensor is simple and requires no installation or relocation work. In the event of a fall or other accident, images taken at the time of the event as well as the current status can be viewed. Image review reduces staff workloads by helping them to determine the necessity and priority of rushing to the scene.

A subscription service that uses home appliances to provide monitoring services to family members who live far away

MeAMOR

For family members who live far away may be concerned about elderly people living alone. Mitsubishi Electric provides MeAMOR,* a subscription service that enables customers to monitor the conditions of elderly people living alone and others in similar situations through the use of home appliances, the indoor temperature, and others. If the air conditioner, the refrigerator, or the water heater is not used for an extended period or another unusual trend is detected, the system notifies the connected application to alert family members living far away. Use of home appliances makes it possible to monitor the living conditions of elderly family members without invading their privacy.



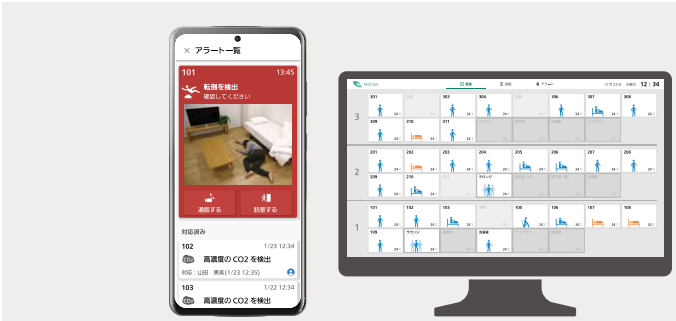
* AMOR is a word coined by our company to encourage communication among family members inspired by the Latin word for love (affection).

Elderly monitoring service MeAMOR (in Japanese text)

Monitoring elderly people in their residences and reducing the burden of nursing staff

MelCare

In addition to ensuring resident safety and security, staffing and streamlining of operations have been identified as major concerns for nursing facilities. MelCare, which uses sensors and the cloud, is a solution for monitoring residents to prevent falls as well as for reducing regular patrolling of the premises by staff members. The system reduces the workload for staff members through streamlining of monitoring operations by sending the status of in-room information to each staff member's smartphone or other device. This service enables residents to be observed naturally without the stress of feeling that they are being observed.



MelCare's three major monitoring functions

Fall monitoring	An alert is issued if a resident falls in their room. Staff can quickly rush to rooms where something is wrong. “Video confirmation” and “calling out for peace of mind” can also be done from smartphones.
Fresh air monitoring	Anomalies in room temperature, humidity, and CO_2 concentration are detected, leading to rapid discovery of inappropriate air conditioning operations and heat stroke risk.
Life rhythm monitoring	Based on sensor information, the system tracks sleep patterns, getting up from bed, and bathroom usage frequency to prevent accidents and detection delays by visualizing residents' conditions.

Mitsubishi Electric's MelCare for safe, reliable monitoring support (in Japanese text)

Sustainability highlights

Realize a Safe, Secure, and Comfortable Society

Comfortable Air and Light that Enriches People's Lives and Creates Well-Being in Interior Spaces

Now that we have experienced the COVID-19 pandemic, the need for interior spaces is becoming more diverse. With the growing demand for spaces that are not only safe but also comfortable, Mitsubishi Electric is committed to contributing to people's well-being through our products.



Kirigamine Year 2023 Model Z Series

*1 In air conditioning equipment (as of February 17, 2023, according to internal research); a technology that controls temperature and airflow by measuring the pulse of a person in a room in a non-contact manner in order to estimate the person's emotions based on their pulse.

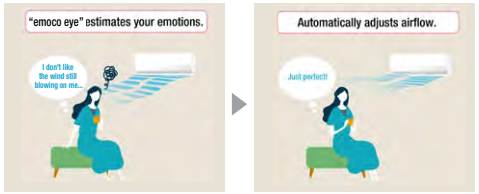
*2 Estimates the emotion of the person from the pulse by non-contact measurement of the person's pulse and controls the temperature and air flow. Effects vary depending on conditions of use, etc. and may differ from person to person.

The world's first※1

Caring for People's Emotional State and Controlling Air Quality※2 Pursue Comfort with "emoco tech"

In February 2023, Kirigamine's Z-Series room air conditioners were equipped with the world's first "emoco tech" technology, which controls air quality by measuring your emotional state. The air conditioning system uses information on windchill temperature measured by the conventional infrared sensor "move eye mirA.I.+" and information on a person's pulse measured by the newly developed vital signs sensor "emoco eye" to assess even emotions and controlling the air quality accordingly. The key to our air conditioning system is the "emoco eye", a revolutionary sensor developed in collaboration with three companies that measures a person's pulse without contact and estimates feelings of comfort or discomfort and the amount of brain activity based on how the pulse fluctuates. We continue to evolve toward an air conditioning system that is more in tune with human comfort.

When you need to relax and unwind



"emoco eye" estimates emotions based on a person's pulse and automatically adjusts the wind direction if it determines that the person is feeling discomfort. Temperature and airflow are controlled to achieve a comforting flow of air.

When you want to feel refreshed (Fresh Mode)



"emoco eye"estimates brain activity based on the pulse, and when it determines that the activity level is low and the person's mood is sluggish, it applies wind to the person to stimulate them and to create an air flow that encourages mental sharpness.

Voice

Providing Real Comfort for Our Customers

As a pioneer brand of infrared sensors, Kirigamine has been used to measure wall, floor, and ceiling temperatures, the position of people, surface temperatures, and other factors for comfort control. "emoco tech" was born from the idea that "we can make people more comfortable." Developing the sensor was never an easy task. We made strenuous efforts to find collaborators after many phone calls, and we finally found collaborators, which resulted in the creation of an unprecedented technology for the estimating emotions. Looking beyond comfort in pursuit of better living, we aim to apply our products to a wide range of fields, including air conditioning, thereby contributing to well-being.



Jiro Nakasu
Living Environment & Digital Media Equipment Group
Shizuoka Works, Sales Department
Room Air Conditioner Sales Planning Group

Mitsubishi Electric Room Air Conditioner "emoco tech" (in Japanese text)

The latest Jet Towel with Health Air® Function to Clean Even the Space

Hand dryers, which have sometimes been discouraged in the wake of the COVID-19 pandemic, do not spray water droplets directly and are safe to use with regular cleaning. Jet Towel Slim Type (Enhanced Hygiene Model) strengthens the hygienic aspect even more than conventional models. The air is circulated and cleaned 24 hours a day by a circulating fan equipped with the Health Air® technology. It is also effective in deodorizing troublesome odors. In addition, the body is made of antiviral resin for improved hygiene, and the two-stage nozzle structure prevents water droplets from splashing onto the user.

Jet Towel Slim Type (Enhanced Hygiene Model) (in Japanese text)



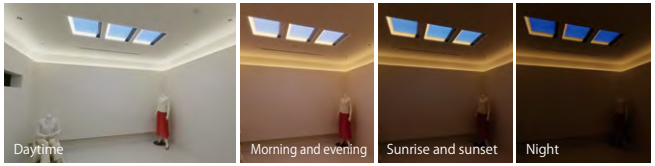
Jet Towel Slim Type
(Enhanced Hygiene Model)



Blue-sky Lighting "misola" (in Japanese text)

Provide a Sense of Openness with the "misola" Lighting that Makes It Appear as if It Is a True, Real Blue Sky

Blue-sky Lighting "misola" was born from the idea of bringing lighting that mimics the blue sky into the lives of people who want to feel comfortable in a natural environment. In pursuit of the reproducibility of the blue sky, we developed a scatter panel that expresses an endlessly expanding blue sky with no visible light points. We even intended to create a shadowed part of the frame to express the natural light streaming through the frame, which is designed to look like sunshine. This effect brings a sense of openness to rooms even without windows, and serves as a means of stimulating communication and helping to create a restful atmosphere, and has therefore been delivered to many clients.



Expresses not only the blue sky of the daytime, but also the changing expression of the sky in the morning, evening and night. In addition to scene changes, it is also possible to change the atmosphere according to the application.

Initiatives that Contribute to Addressing Social Challenges

Public Utility Systems Group 15

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Public Utility Systems Group

Contributing to creation of a sustainable, safe, secure, comfortable and affluent society by providing products, systems and services for the social infrastructure that underpins our lives



Hideto Negoro
Executive Officer,
Group President,
Public Utility Systems

The Public Utility Systems Group provides a host of products, systems and services used in social infrastructure in the areas of water environment, rivers, railways, roads, aviation, and communication. Integrating the wide range of technologies. We have accumulated over the years, we provide solutions to address various social challenges in order to contribute to a safe, secure, comfortable and affluent society.

1. Realizing a society with rich water cycle.

We will continue to reduce environmental burdens and realize a society with rich water cycle by advancing water and sewage systems using IoT technology and introducing highly efficient water recycling systems that make use of ozone.

2. Contributing to the achievement of carbon neutrality

We will contribute to further development of environmentally-friendly railways and to the achievement of carbon neutrality with energy efficient electrical components for rolling stock and by providing solutions that improve maintenance efficiency.

3. Creating safe, secure and comfortable cities

Mitsubishi Electric aims to create safe, secure and comfortable cities by providing disaster prevention and mitigation systems in response to natural disasters as well as services that enhance maintenance and management of social infrastructure.

Major social challenges for which risks and opportunities have been recognized and evaluated

- Appropriate use of water
- Optimal use of energy
- Addressing climate change
- Measures against air, water, and soil pollution
- Waste reduction and management
- Sustainable use and development of resources
- Development of safe, secure, comfortable, and sustainable cities

Priority SDG initiatives



Public Utility Systems Group

Topics

Railway LMS on INFOPRISM*

Solutions to support safety, security and efficiency of railway operation

"Railway LMS on INFOPRISM" is designed for railway operators, who are tasked with ensuring safe and suitable transportation. We provide multifaceted support by utilizing our proprietary IoT platform "INFOPRISM" which leverages our own AI technology.

* LMS stands for "Lifecycle Management Solution", i.e., a total life-time support for rolling stock in railway business.

Wide range of support for "Railway LMS on INFOPRISM"

Improved rolling stock availability

In the event of a breakdown, Realtime remote monitoring for rolling stock equipment data enables quick and accurate operations and reduces the impact on personnel arrangement and rolling stock operations. In the future, we will attempt to prevent breakdowns and malfunctions by using data analysis to detect signs in advance.



Tokyo Metro and Tobu Railway have conducted the trial operation of the Rolling Stock Information Monitoring System, which enables data linkage between railway operators.



Mutual data utilization among railway operators

If railway operators have already set up the rolling stock information monitoring system on INFOPRISM, they can monitor the failure statuses of other operators' rolling stock running on the same line, which can lead to improved operations.

In addition, the analysis of various rolling stock data is expected to make a wide range of other contributions, such as improving and streamlining maintenance as well as optimizing operations from the perspectives of management and the environment.

Launch of "Railway LMS on INFOPRISM," a maintenance solution for railway rolling stock

Voice

Combination of railway expertise and data analysis to promote customer challenges

Since its introduction in 2019, we have gradually expanded the number of routes and added features that go beyond data analytics. Customers have commented that when a breakdown occurs, they can check data in real time without having to visit the site, which enables faster, more accurate, and more efficient recovery. They also note that having data-based views at their fingertips makes it easier to consider energy-saving measures. Through Railway LMS, we will continue to contribute to operation, maintenance and development of railways, which are critical social infrastructure, from safe, secure transportation to advanced, efficient maintenance, energy savings, and passenger services.



Yohei Harashima
Public Utility Systems Group
Transportation Systems Division,
Transportation Division,
Transportation Section 1 and Railway Asset Management Business Promotion Group

Energy & Industrial Systems Group

In response to increasing electric demand to support a sustainable society, we will contribute to realization both of carbon neutrality and stable power supply through our strong development and engineering capabilities



Soichi Hamamoto
Executive Officer,
Group President, Energy & Industrial Systems

Amid growing awareness concerning response to increasingly severe natural disasters as well as energy security, the markets surrounding the energy industry face various challenges. While solving technology challenges, including increase of local production for local consumption in terms of the supply and demand of electricity due to the spread of renewable energy resources and storage batteries, fluctuations in the output of variable renewable energy resources such as solar and wind power, and the influx of surplus electricity generated at factories, households, etc. (consumers) into the power grid, the industry needs to realize both stable power supply and its efficient operation.

In the midst of this situation, the Energy & Industrial Systems Group has defined the realization of both carbon neutrality and the stable power supply as a social issue to be resolved. While investing resources in the creation of digital energy (via visualization of electricity) business value within the power ICT field and in the technology development to contribute maximum use of renewable energy, such as DC power transmission and power system stabilization technology as well as distributed energy resources control and wide-area monitoring control systems, we will contribute to realization of carbon neutrality. In the power generation and transmission & distribution business, which are underlying business of the Group, we will also work to ensure the stable power supply by enhancing maintenance service that supports stable power grid operation.

Major social challenges for which risks and opportunities have been recognized and evaluated

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

Priority SDG initiatives



Energy & Industrial Systems Group

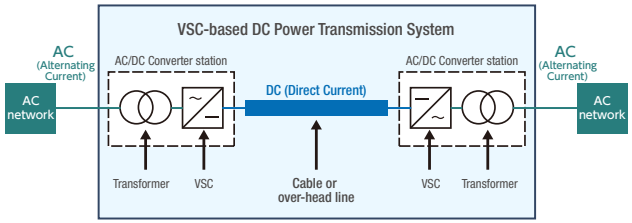
Topics

VSC-based high-voltage direct current systems "HVDC-Diamond®"*

Stable supply of electricity from offshore wind power generation

* High Voltage Direct Current (HVDC) range is more than 1500VDC in the power industry.

Renewable energy, which is considered to be an effective energy resource to achieve carbon neutrality which has come to be a global environmental challenge in recent years, is typically generated far from onshore substations or where power is needed, so advanced transmission technology is required to ensure effective, reliable power supply. Thus, direct current (DC) power transmission has been attracting attention. DC transmission has higher transmission efficiency than alternating current (AC) transmission and can easily be interconnected with offshore wind, solar power generation, and other renewable energy resources. In particular, demand for "VSC-based" DC power transmission systems, which do not require a generator appropriate for the converter to convert between AC and DC, is expected to grow because it has few limitations on the grid conditions to connect.



Leveraging its extensive experience in power generation and transmission & distribution fields, Mitsubishi Electric has developed the HVDC Diamond®, a VSC-based HVDC power transmission system that integrates a power converter station with covering all DC power transmission system. The system contributes to realizing stable power supply generated from wind firms by installing in onshore wind substations.

Comprehensive evaluation at the HVDC verification facility

The HVDC-Diamond® verification facility has been operating since 2018. In addition to accumulating data on control, long-term stability, and practical performance, we will verify operation in the event of a fault on the AC network and DC network with actual scalet to provide highly reliable systems that meet diversifying market needs.



Voice

Contributing to social infrastructure toward carbon neutrality

MMC(Modular Multi-level Converter)-based Voltage Sourced Converter, which have excellent controllability and contribute to converter station miniaturization, have become the mainstream of power converters. I was involved in the development, commercialization, and product testing of the MMC-based STATCOM (SVC-Diamond®), which became operational in 2017, and the construction of a demonstration plant for the same system (HVDC-Diamond®). I am presently involved in product development to apply the technology to actual projects in the future, and system development to achieve greater efficiency and further miniaturization. Our aim is to contribute to the safety and stability of social infrastructure, with a view to introducing renewable energy, which is attracting a great deal of attention in the age of carbon neutrality.



Daisuke Yamanaka
Energy & Industrial Systems Group
Transmission & Distribution Systems Center
Power Systems Engineering Center
FACTS/HVDC System Development Section

Building Systems Group

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



Iwao Oda
Senior Executive Officer,
Group President, Building Systems

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
2. Offering one-stop ZEB*1 solutions
3. Contributing to smart buildings*2 and smart cities*3

*1 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 Buildings where people feel safe and comfortable and can work efficiently that also solve social challenges through energy and labor savings achieved with in-building data collected using IoT technology.
*3 Cities with optimized urban infrastructure and facility management operations as well as increased convenience and comfort for businesses and consumers. AI is used to analyze big data generated from facilities, the environment, and consumer behavior data in order to remotely control facilities and equipment.

Major social challenges for which risks and opportunities have been recognized and evaluated

- Optimal use of energy
- Development of safe, secure, comfortable and sustainable cities
- Waste reduction
- Addressing climate change

Priority SDG initiatives



Building Systems Group

Topics

Robot mobility support service utilizing Ville-feuille®

Solving labor shortages by creating a robot-friendly building environment

To solve the labor shortage, one of current social challenges, service robots are being introduced in many buildings. Mitsubishi Electric, which has extensive expertise in building equipment, provides robot mobility support services utilizing the Ville-feuille® building IoT platform. By connecting robots to elevators and other equipment, this service facilitates the movement of robots within buildings, enabling robots to autonomously move between floors and managing multiple robots with various applications. We support the activities of service robots and their coexistence with humans, thus contributing to solving the labor shortage.



Toward a safe, secure environment in which humans and robots coexist

An experiment was conducted at Fujita Health University Hospital (in December 2022) to verify elevator safety when a human and a robot ride together. Safe, smooth transportation has been realized by alleviating the existing problem of reduced operational efficiency due to robot-only operation that forbids human passengers from riding in the same elevator car.



Mitsubishi Electric SOLUTION SITE "Robot Management Solution" (in Japanese text)

Voice

Robot-friendly building environment for easy robot movement

Using my experience as a former building systems engineer, I have been involved in the concept planning and demonstration testing of Ville-feuille® since its inception. Utilizing Ville-feuille®, we have achieved synergy between the long-established technology of elevators and the new service of robots. The number of service robots is expected to grow rapidly in the next few years, and we will support their smoother movement within buildings to help establish traffic rules among robots.



Tomoaki Sugiyama
Mitsubishi Electric Building Solutions Corporation
Domestic Business Group
Business Development Division
Administration & Sales Management Department
System Planning Department
Service Section

Defense & Space Systems Group

Contributing to solving environmental issues and create sustainable cities by providing artificial satellites and other high added-value products and services



Tomonori Sato
Executive Officer, Group President, Defense & Space Systems

The Defense & Space Systems Group is contributing to the realization of an affluent society by providing artificial satellites, various sensor systems, and other ranges of products and services. By further enhancing our strength in the satellite system, sensor, high-precision positioning, and other technologies and advancing the following initiatives by leveraging these strengths, we will continue to solve social issues:

1. Providing products and services that contribute to solving environmental issues

With our observation satellites, represented by the greenhouse gases observing satellites (the GOSAT series), we contribute to solving global-scale environmental issues by providing data on the global environment, such as greenhouse gas density distribution and air pollution monitoring.

2. Providing solutions that contribute to solving various social issues by using satellite data

By utilizing image data and location information from observation and positioning satellites to provide new solutions for disaster prevention and reduction as well as automated driving, we will contribute to creating secure, safe, and comfortable sustainable cities.

Major social challenges for which risks and opportunities have been recognized and evaluated

- Securing of a sustainable food production system
- Integrated management of water resources
- Infrastructure development that supports economic growth and disaster prevention
- Creating secure, safe and comfortable sustainable cities
- Reduction and management of waste
- Addressing climate change
- Prevention of marine pollution
- Prevention of deforestation

Priority SDG initiatives



Defense & Space Systems Group

Topics

Quasi-Zenith Satellite System MICHIBIKI

The number of satellites monitoring our whereabouts is scheduled to increase from four to seven*

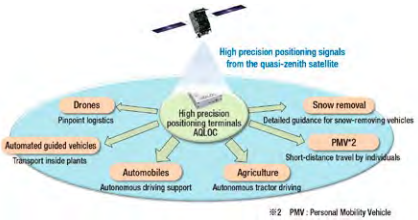
Navigation functions enable you to view your whereabouts on a map using a variety of devices. In the Quasi-Zenith Satellite System MICHIBIKI, one of the four positioning satellites developed and manufactured by Mitsubishi Electric is constantly positioned near the zenith over Japan. This makes it possible to send positioning signals to places where it was previously unavailable, such as built-up urban areas and mountainous regions. By supplementing GPS signals, it enables positioning accuracy down to the centimeter level. Three additional satellites are planned to be launched from fiscal 2025 onwards, and these are expected to further stabilize positioning accuracy.



* In addition to the four satellites currently in operation, three additional satellites (Nos. 5 to 7) are scheduled to be launched from fiscal 2025 onwards.

Active in a variety of fields directly related to our daily lives

By combining high-precision positioning terminals that receive positioning signals from satellites with highly accurate 3D maps generated from location information obtained by MMS,* we are working to provide various solutions that contribute to the creation of safe, secure, and comfortable communities in the following areas:
・The automobile sector, such as eco-drive control and automated driving;
・Railways, such as improving the efficiency of train operations and management;
・Automated operation of agricultural and construction machinery in the agricultural sector; and
・Construction and civil engineering, etc.



* Mobile Mapping System: A system in which a GPS antenna, laser scanner, camera, and other devices are mounted on a vehicle to collect 3D positioning information about the shapes of buildings, roads, and their surroundings while the vehicle is in motion.

Quasi-Zenith Satellite System MICHIBIKI (in Japanese text)

Voice

Services to realize a high-precision positioning society using “MICHIBIKI”

MICHIBIKI, which has offered services as a four-satellite constellation since 2018, will add three additional satellites from fiscal 2025 onwards, bringing the total number of satellites in service to seven. The seven-satellite constellation will provide continuous positioning by Japan's own satellites, without relying on GPS or other satellites, and is expected to continue to be used as part of the country's sustainable infrastructure. Our centimeter level augmentation service is used in advanced driver assistance and autonomous driving systems, including hands-free systems, as well as in automotive and snowplow applications, and their applications continue to expand. Future expected applications include the fields of drones, agricultural machinery, construction machinery, ships, and so on. We will continue to support the government in developing and expanding infrastructure that contributes to creating a safe, secure, and comfortable society for people.



Hisashi Domoto
Quasi-Zenith Satellite Promotion Division Sales Section

Living Environment & Digital Media Equipment Group

Providing products that are helpful for society and the environment in wide areas to create comfortable spaces



Yasumichi Tazunoki
Executive Officer, Group President, Living Environment & Digital Media Equipment

The Living Environment & Digital Media Equipment Group is working to expand our businesses including the air conditioning and refrigeration systems business as one of the key growth sectors at Mitsubishi Electric. In addition, we are pressing forward with proposals of total solutions using IoT and AI technologies as well as products within and outside the Mitsubishi Electric Group to realize life solutions for everyone, from workers to people at home, to live by their own values.

As we expand business, we believe it is important to provide products and services that contribute simultaneously to achieving sustainability, safety, security, and comfort as well as to resolving social challenges in the living environment. As part of this, we offer environment-friendly systems and services, including air conditioners that produce less CO2 during use and our energy-saving EcoCute product lineup, to create comfortable spaces across a broad range of areas such as the home, the office, and industry. Additionally, Mitsubishi Electric proposes solutions that aim to achieve energy savings by building systems as a whole in support of programs such as ZEB, promoted by the Japanese government, in cooperation with the Building Systems Group.

Major social challenges for which risks and opportunities have been recognized and evaluated

- 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

Priority SDG initiatives



Living Environment & Digital Media Equipment Group

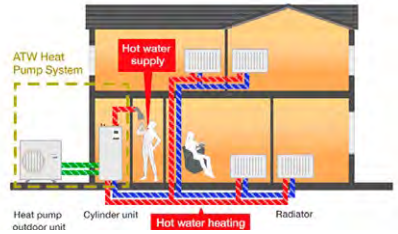
Topics

"ecodan" series

All eyes on ATW,* a highly energy efficient heating and hot water system

In European countries that are advancing decarbonization policies, the trend in heating and hot water supply equipment is shifting from fossil fuel boilers to heat pumps that use air heat. In particular, demand for air-to-water systems, which can be used directly with hot water heating systems prevalent in Europe, is growing rapidly. Air-to-water systems are also highly energy efficient and are attracting attention as a solution to skyrocketing utility costs.

* Air to Water (heat pump hot water system)



Using heat pump technology that utilizes electricity, heated water is circulated through pipes and radiated from floor heaters and radiators to warm the entire residence. It can also be used to provide hot water for shower and cooking.

"ecodan" uses new refrigerants to significantly reduce environmental impact

In Europe, Mitsubishi Electric has expanded "ecodan" series of air-to-water (ATW) heat pump hot water systems. In response to the trend toward replacing refrigerants having high global warming potential (GWP), which are subject to F-gas regulations, with refrigerants having lower GWP, we have launched the new PUZ-WZ series in 2023, which use R290 as a refrigerant. R290 reduces the GWP to 1/225 compared to conventional R32 refrigerant, significantly reducing environmental impact.



Strengthening of the development and production

EHL (ecodan Heating Lab.) was established in France to strengthen the development system for accelerating the introduction of products and services that meet market needs. Regarding production, we started mass production of the ATW at a new plant in Turkey. The target production volume for the first year is 100,000 units, and we are planning to increase production in subsequent years.



Voice

Meet local needs while responding to rapidly expanding markets

We don't expand ATW in Japan, so it is difficult to understand customer's needs. However, the establishment of EHL in France has made it possible to gather market information from various European countries and to apply it to development. ATW leads the market by offering a product lineup that is carefully tailored to local cultures, such as featuring low noise and compactness, while striving to reduce environmental impact. In addition, by strengthening our plant in Turkey and establishing a production system, we will meet the increasing demand in Europe.



Mariko Nakamura
Shizuoka Works
Sales Department
Air Conditioning Overseas Planning Section

Factory Automation Systems Group

Contributing to the realization of a sustainable society through the provision of energy saving equipment and solutions and the utilization of automation technology at production sites



Toshie Takeuchi
Executive Officer, Group President,
Factory Automation Systems

The Factory Automation Systems Division is focused on enriching the lives of people around the world by contributing to co-innovation with industry and infrastructure customers through the use of technology.

Going forward, we will continue to contribute to solving social challenges, such as decarbonization and labor shortages, with the aim of realizing a sustainable society by providing production sites with energy-saving equipment and solutions that utilize automation technology.

1. Contributing to decarbonization by providing energy-saving equipment and solutions

Amid the growing demand for decarbonization related products, such as batteries, electric vehicles, and solar panels, we will contribute to manufacturers of those products by providing equipment, systems, and solutions with high energy saving capabilities for use in production equipment helping to reduce their overall energy consumption.

2. Contributing to measures to reduce the impact of labor shortages by utilizing automation technology

We will contribute to measures to reduce the impact of labor shortages by supporting customers in improving manufacturing efficiency through the utilization of automation technology.

Major social challenges for which risks and opportunities have been recognized and evaluated

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

Priority SDG initiatives



Factory Automation Systems Group

Topics

Key growth businesses (Controllers (PLCs), Servo, and CNC)

Helping address labor shortages, especially in growing industries, by improving manufacturing efficiency

In an aging society with a declining birth rate, pursuing automation is essential to making manufacturing sustainable. By using automation technology to streamline manufacturing, we can prepare for an era of labor shortages. In 2022, the Factory Automation Systems Group established a global slogan of "Automating the World" with the determination to "support the innovation of cutting-edge automation technology and contribute to the realization of a more prosperous society" through strong support for growth industries, such as EVs and batteries, semiconductors, and displays, as well as helping solve social challenges.





From left to right: Controllers (PLCs), Servo, and CNC (numerical control unit). In these key growth businesses, we will enhance our competitiveness and do our part to address social challenges.

Voice

Contributing to sustainability through innovation in motor control technology

We develop and manufacture servo systems used to drive the various moving parts of manufacturing equipment. Our servo systems are supplied to equipment manufacturers and others globally. Devices such as servo motor's execute precise angular rotation of the motor shaft as commanded, in order to accurately control machine positioning. Servo systems are widely used in manufacturing equipment for LCD displays, smartphones, semiconductors, and other products that require high-speed, high-precision positioning control, and they have contributed to improving the quality and lowering the cost of our customers' products. In recent years, servo systems have been increasingly applied to the production of batteries used in EVs as well as photovoltaic equipment, both of which are attracting attention for their role in achieving carbon neutrality. We are focusing our efforts on developing energy-saving systems and motors that can be produced in a resource-efficient manner.



Takashi Okamuro
Nagoya Works,
Drive System Department

Automotive Equipment Group

Aiming to achieve the SDGs through development of technologies and corporate activities that contribute to the decarbonization of the automobile industry and the creation of a safe and secure society



Atsuhiro Yabu
Executive Officer, Group President, Automotive Equipment

The Automotive Equipment Group aims to provide a range of equal opportunities to move safely and freely with low impact on the environment for all people, including the elderly, those with disabilities, and visitors from foreign countries people who do not understand language, by providing electronic and electric device components. Through these efforts, we will contribute to realizing a sustainable society.

As an example of efforts for decarbonization in the manufacturing processes of automotive equipment, we are reducing electricity usage by introducing high energy efficiency equipment, using waste heat for production equipment, and thoroughly implementing energy-saving technologies such as centralized monitoring and optimized control of air conditioning and ventilation equipment. Moreover, we are promoting energy generation, such as new installation and expansion of our own PV*1 and the introduction of PPA*2 models, and procurement of renewable energy in a planned manner to accelerate decarbonization. These activities are also being implemented at overseas manufacturing bases to accelerate our global decarbonization efforts.

*1 Photovoltaic
*2 Power Purchase Agreement

Major social challenges for which risks and opportunities have been recognized and evaluated

- Reduction of air pollution and climate change countermeasures
- Zero traffic accidents, elimination of traffic congestion, and comfortable travel
- Elimination of regional gaps
- Enhancement of QOL for vulnerable road users
- City development
- Measures to address aging infrastructure

Priority SDG initiatives



Automotive Equipment Group

Topics

Infrastructure-coordinated local autonomous driving system

Toward the practical deployment of autonomous driving technologies that enable high levels of safety and comfort

As the public and private sectors work together to promote the use of autonomous driving against the backdrop of labor shortages due to the declining birthrate and aging population, as well as heightened safety awareness, Mitsubishi Electric has been developing an "infrastructure-coordinated local autonomous driving system" by extending to infrastructure the ADAS (Advanced Driving Assistance System) technology that it has cultivated in the market. As part of a policy project under the auspices of the Ministry of Economy, Trade and Industry, which we have been participating in since 2021, we realized Japan's first Level 4 autonomous driving system in Eiheiji-cho, Fukui Prefecture (approved in May 2023), and have been relentlessly developing the technology.



Vehicles in the area are provided with a dynamic map* that is "blind spot free" based on peripheral information from the infrastructure side and obstacle information generated by roadside machine sensors that detect vehicles and pedestrians. Based on location information, the autonomously driving vehicle performs optimal route calculation to achieve safe unmanned vehicle control.

* Technology that displays real-time dynamic information on a high-precision map

Japan's first Level 4 unmanned autonomous driving service starts (in Japanese text)

Voice

Safe, secure autonomous driving to create comfortable urban spaces

Since 2021, we have been participating in the Theme 1 activities of the Project on Research, Development, Demonstration and Deployment (RDD&D) of Automated Driving toward the Level 4 and its Enhanced Mobility Services (RoAD to the L4), a policy project of the Ministry of Economy, Trade and Industry, with the aim of implementing this system in Japan. We have been making products mainly for automakers, so we are new to the field of mobility services and are iterating a trial-and-error process to develop services that will please our customers. Please look forward to our contribution to improving users' quality of life through Japan's first Level 4 autonomous driving experiment, which is the first step to realizing a more vibrant society.



Hideyuki Tanaka
Himeji Works
Automotive Electronics Development Center
AD Engineering Division

Semiconductor & Device Group

Contributing to the realization of a decarbonized society and GX* by providing energy-efficient products, key devices for customers, in response to energy and environment-related social issues



Masayoshi Takemi
Senior Executive Officer,
Group President,
Semiconductor & Device

*Green Transformation

The Semiconductor & Device Group supports reducing energy use as well as affluent and comfortable living by providing low-power-consumption, cutting-edge power semiconductor and other devices using silicon carbide (SiC) for EVs and air conditioners, as well as by supplying high-performance, low-power, compact high-frequency devices and optical devices enabled by compound semiconductor technologies for wireless and optical fiber communications equipment, data centers, sensors, and more.

In order to achieve carbon neutrality, a requirement for 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 SiC, which enables significant reductions in power loss, and conventional products using Si.

Going forward, the Semiconductor & Device Group will continue to contribute to the realization of a safe, secure, comfortable, and sustainable society by providing key devices for realizing a decarbonized society.

Major social challenges for which risks and opportunities have been recognized and evaluated

- Appropriate use of water
- Optimal use of energy
- Proper management of chemical substances
- Addressing climate change

Priority SDG initiatives



Semiconductor & Device Group

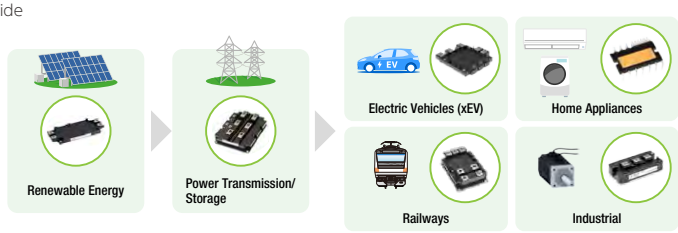
Topics

Power semiconductors

Serving as a key device to decarbonized society

Electronic devices equipped with power semiconductors play an important role in reducing CO_2 emissions from power generation, transmission/storage, and consumption. Mitsubishi Electric aids in energy conservation by providing power semiconductors for power generation with low greenhouse gas emissions, power transmission/storage with low power loss, and various applications such as EVs, home appliances, railways, industrial equipment, and others. We will continue to contribute to realizing GX (Green Transformation) by further developing (increasing the efficiency and functionality of) SiC* power semiconductors that have superior energy-saving performance in addition to our conventional Si products.

* Silicon Carbide



Construct new wafer plant to boost sic power semiconductor business

Including the construction of a new plant building (in Kumamoto Prefecture) to strengthen our SiC power semiconductor production capacity, we will double our cumulative capital investment from fiscal 2022 to fiscal 2026 over that of our previous plan* to approximately 260 billion yen. The plan is to respond to increasing demand for EVs, as well as expanding markets for new applications that require, for example, low energy loss, high temperature operation or high-speed switching. We will strengthen our production capacity in the power device business to contribute to realizing GX and further expand our business.



* The previous plan was approximately 130 billion yen.

Mitsubishi Electric to Construct New Wafer Plant to Boost SiC Power Semiconductor Business

Voice

Gentle and durable. We will continue to maintain customers' high level of confidence in our products.

I am responsible for translating customer needs into consumer electronics products, primarily home appliances such as air conditioners. Our IPM*1 for consumer products has the largest market share in the world.*2 Its strength is that we were the first to provide our customers with simple and compact design in an optimal package that incorporates peripheral components. As numerous customers use our products, we have achieved de facto standardization, with cumulative shipments reaching 1 billion units as of 2022. In fact, many have commented that the product has "few failures," and we will further respond to our customers' expectations and trust by improving our production system.

*1 Highly functional module with built-in self-protection function in IGBT (Insulated Gate Bipolar Transistor) module.
*2 As of 2021, according to internal research.



Toma Takao
Power Device Works
Product Strategy Department
Marketing and Application
Engineering Section C

Information Systems & Network Service Group

Contributing to the realization of improved customer value and a safe, secure, and sustainable society through the provision of IT services



Eiichiro Mitani
Executive Officer, Group President, Information Systems & Network Service

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 challenges.

More specifically, we provide solutions to support environmental management by visualizing GHG*1 emissions for companies working toward carbon neutrality. We also work to realize a safe, secure, and comfortable society through reducing energy use at data centers to reduce the CO_2 emitted as a result of business activities, support supporting those who lack physical strength using image analysis technologies, and more.

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,*2 big data processing, and AI-related technologies.

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

Major social challenges for which risks and opportunities have been recognized and evaluated

- Optimal use of energy
- Introduction of clean energy
- Waste reduction and management
- Sustainable use and development of resources
- Addressing climate change
- Realization of a safe society
- Addressing labor force shortages

Priority SDG initiatives



Information Systems & Network Service Group

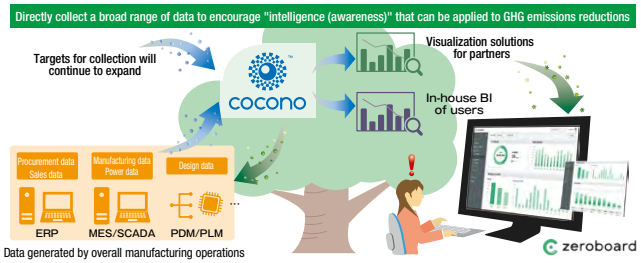
Topics

Centralized GHG*1 emissions data management solution "cocono"

Visualizing GHG emissions across the supply chain to support environmental management

Managing greenhouse gas emissions is an important issue for companies that aim to achieve carbon neutrality by 2050. In addition to emissions from their own operations (Scopes 1 and 2),*2 companies must also collect data and calculate emissions beyond their own operations from their supply chains (Scope 3).*2 This is a complex, challenging task for many companies. Against this backdrop, Mitsubishi Electric Information Systems Corporation (MDIS) has launched "cocono," a centralized greenhouse gas emissions data management solution. "cocono" collects and manages data without involving labor. It also provides knowledge that can be leveraged to reduce GHG emissions.

*1 Greenhouse gas
*2
Scope 1: Direct greenhouse gas emissions by companies (fuel combustion, industrial processes).
Scope 2: Indirect emissions from the use of electricity, heat, and steam supplied by other companies.
Scope 3: Indirect emissions other than Scopes 1 and 2 (emissions from other companies related to the company's activities).
Source: Ministry of the Environment and Ministry of Economy, Trade and Industry "Green Value Chain Platform"



Outline of cocono in action

By combining our expertise in automation and data collection technologies at manufacturing sites with visualization tools and dedicated GHG management services, we provide energy dashboards that enable multi-faceted analysis. We have also begun working with zeroboard Inc. to provide cloud services for calculating and visualizing GHG emissions.

cocono, a centralized GHG emissions data management solution (in Japanese text)

Voice

Reducing the burden of aggregation work and making it a useful tool for business management

As the movement toward carbon neutrality is rapidly accelerating and an increasing number of companies are including GHG emissions reductions as a management indicator, we have developed "cocono" as an IT-based support system. We strive to facilitate easy implementation and use for our customers. Collaborating with outside companies has improved our technology and enabled us to reflect accurate information in a timely manner, eliminating the need for manual data collection. In addition, we have improved system reliability by, for example, incorporating relevant regulatory compliance and advice from environmental consulting firms. We believe that we can help companies in their efforts to promote carbon neutrality by using this up-to-date, highly accurate data for their management decisions.



Yurina Nihei
Mitsubishi Electric Information Systems Corporation
Industry and Service Systems Division A
System Department B
Manufacturing Digital Transformation Section

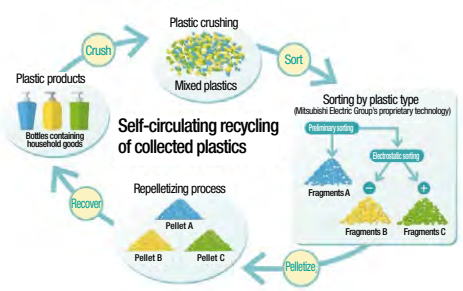
Co-creations with external parties

Co-creation initiatives using advanced plastic sorting technology

In recent years, various companies have been collaborating beyond the boundaries of industry to recycle plastic waste toward the realization of a circular society. Some plastic products use several types of plastic materials in combination. Recycling plastic waste requires sorting of such materials. Moreover, improving the rate of collection of plastic materials by sorting them at high purity has become a major challenge. Mitsubishi Electric aims to solve social issues through its business activities by using its advanced plastic sorting technology that it has cultivated over many years of work in home appliance recycling as well as by collaborating with companies across industries to solve this challenge.

Realizing advanced sorting of household plastics

Plastics sorting trial with Kao Corporation



In October 2022, we began a trial using our proprietary advanced plastic sorting technology on sorting mixed plastics originating from household products using plastics such as shampoo bottles supplied by Kao Corporation. Going forward, we will conduct similar trials in various fields to verify the effectiveness of the advanced sorting technology for recycling a wide variety of plastic products.

Mitsubishi Electric began a trial using our advanced plastic sorting technology on sorting household plastics supplied by Kao Corporation (in Japanese text)

Contributing to solving marine plastic waste problems

Joining CLOMA

CLOMA Ocean Material Alliance

In April 2023, Mitsubishi Electric joined the Japan Clean Ocean Material Alliance (CLOMA) to help solve marine plastic waste problems. By participating in the Technical Subcommittee consisting of CLOMA members as well as demonstration projects led by CLOMA, we will accelerate our efforts toward solving waste plastic problems, including those related to marine plastics, by utilizing our proprietary advanced plastic sorting technology.

Joining the Japan Clean Ocean Material Alliance (CLOMA) (in Japanese text)

Investing in startups to solve social issues

The Business Innovation Group creates new value through the creation of new businesses that transcend the framework of existing business domains and through the practice of open innovation. For example, the ME Innovation Fund, a corporate venture capital fund, works to solve various social issues by bringing innovative technologies and out-of-the-box business ideas to fruition through start-up investments.

Solving water pollution problems in Southeast Asia

A Collaboration with Hydroleap



Hydroleap Pte. Ltd is a Singapore-based startup company we invested in July 2023 that provides wastewater treatment solutions. Southeast Asia, also known as the “factory of the world,” is facing a serious water pollution problems caused by industrial effluents. Mitsubishi Electric also, with its many manufacturing bases, is also not immune to this problem. Through the business developments with Hydroleap, we will address the water pollution in Southeast Asia and use the knowledge we gain from this effort to contribute to solving global-scale environmental problems.



List of initiatives that contribute to addressing social challenges

Business Group headquarters	Social challenges for which risks and opportunities have been recognized and evaluated	Priority SDG initiatives	Examples of initiatives
Public Utility Systems Group	● Appropriate use of water ● Optimal use of energy ● Addressing climate change ● Development of safe, secure, comfortable, and sustainable cities		▪ Reducing Environmental Burdens and Realizing a Society with Rich Water Cycle by Advancing Water and Sewage Systems Using IoT Technology ▪ Developing High Efficiency Electrical Components for Rolling Stock and Providing Maintenance Solutions that Contribute to the Development of Railways, Which Are an Energy Efficient and Environmentally Friendly Transportation Network ▪ Providing Disaster Prevention and Mitigation Services and Other Solutions that Enhance Infrastructure Maintenance and Management that Contribute to the Development of Safe, Secure, and Comfortable Cities
Energy & Industrial Systems Group	● Optimal use of energy ● Introduction of clean energy ● Sustainable use and development of resources ● Addressing climate change		▪ Contributing Toward Economical and Reliable High-Quality Power Distribution Systems, Optimized Energy Use via ICT for Interconnectivity and Resilient Energy Infrastructure that Operates Seamlessly, Even During Emergencies ▪ Improving the Efficiency of Power Generators, Switchgear and Transformers ▪ Developing Equipment that Caters to Environmental Awareness for Eliminating or Reducing the Use of SF6 Gas, Known for Its High Global Warming Potential ▪ Supply and Demand Management with the Growing Use of Renewable Energy Resources, Integrated Management of Distributed Energy Sources Including Demand Control, and Driving Grid Stabilization Solutions ▪ Driving Distributed Power Supply Operation Solutions Capable of Responding to New Demand, Such As the Wide Area Supply and Demand of Electricity Through Interconnection of Electric Power Utilities
Building Systems Group	● Optimal use of energy ● Development of safe, secure, comfortable and sustainable cities ● Waste reduction ● Addressing climate change		▪ Pursuing Comfortable, Safe and Secure Elevator and Escalator Transport. Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services ▪ Further Improving Energy Savings, Safety, Comfort, and Functionality Through Elevator and Escalator Renewal ▪ Providing Smart Building Solutions by Supporting Robot Mobility within the Building, Supporting ZEB Operations, etc. ▪ Providing Safety and Security with Integrated Building Security Systems. Supporting Energy Savings and Comfort in Buildings Through Building Facilities Operations Systems ▪ Providing Both a Comfortable Indoor Environment and Improved Energy Efficiency by Maintaining and Replacing Building Systems
Defense & Space Systems Group	● Securing of a sustainable food production system ● Integrated management of water resources ● Creating secure, safe and comfortable sustainable cities ● Addressing climate change, prevention of marine pollution, and prevention of deforestation		▪ Contributing to World-Leading Global Environment Observation ▪ Contributing to Conserving Global Environment and Ensuring Secure and Safe Living by Using Satellite Observation Data ▪ Contributing to Secure, Safe, and Comfortable Living Through High Precision Positioning Solution
Living Environment & Digital Media Equipment Group	● Optimal use of energy ● Introduction of clean energy ● Sustainable use and development of resources ● Addressing climate change		▪ LossnayÒ for Commercial Use, High-performance Ventilation Equipment ▪ Achieving High Efficiency Operation and CO_2 Emissions Reduction for Hot Water and Heating Systems by Switching from the Combustion Type to the Air to Water (ATW) Heat Pump Hot Water System Mainly in Europe, Which Has Strict Environmental Regulations ▪ MILIE LED Lighting – Realizing Reduced Power Consumption and Comfort ▪ EcoCute Provides Excellent Energy Savings and Comfort ▪ Recycling of Home Electrical Appliances
Factory Automation Systems Group	● Sustainable use and development of resources ● Addressing climate change ● Measures against air, water, and soil pollution ● Addressing the declining labor force population		▪ Contributing to decarbonization by energy-saving ▪ Contributing to measures to reduce the impact of labor shortages by supporting improving manufacturing efficiency
Automotive Equipment Group	● Reduction of air pollution and climate change countermeasures ● Zero traffic accidents, elimination of traffic congestion, and comfortable travel ● Elimination of regional gaps ● Enhancement of QOL for vulnerable road users		▪ Technological Innovation of Automotive Equipment Products for a Decarbonized, Safe and Secure Society
Semiconductor & Device Group	● Appropriate use of water ● Optimal use of energy ● Proper management of chemical substances ● Addressing climate change		▪ SiC Power Semiconductor Devices that Achieve Low-Power Consumption of Customers' Devices ▪ Optical Communication Device that Contributes to Low Power Consumption of Network Equipment for 5G Mobile Communications Base Stations
Information Systems & Network Service Group	● Optimal use of energy ● Introduction of clean energy ● Realization of a safe society ● Addressing labor force shortages		▪ Using Internet Data Centers to Help Customers Reduce Environmental Impact ▪ Providing Smart Office Solutions that Also Contribute to Work Style Reforms

Sustainability Management

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Initiatives to Create Value

The Mitsubishi Electric Group aims to realize "a vibrant and sustainable society" that we have committed to in our Purpose. Furthermore, we have returned to our fundamental principle of "addressing social challenges through our businesses" and positioned the realization of sustainability as the cornerstone of our management. By utilizing all the resources available to the Mitsubishi Electric Group and realizing Circular Digital-Engineering, we aim to create social and economic value, solve social challenges and sustainably enhance our corporate value.

Purpose We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity.

Business Foundation

Human capital

- Consolidated number of employees: **149,655** (as of March 31, 2023)
- Investments in human capital development and workplace environment: **approx. 20 billion yen** (Target for FY2024–FY2026 (Mitsubishi Electric))

Financial capital

- Mitsubishi Electric Corp. stockholders' equity: **3,239.0 billion yen** (FY2023 actual)
- Ratio of Mitsubishi Electric Corp. stockholders' equity: **58.0%** (FY2023 actual)
- Cash flow from operating activities: **166.7 billion yen** (FY2023 actual)

Manufacturing capital

- Manufacturing companies: **79** (consolidated subsidiaries, as of March 31, 2023)
- Capital investment: **365.3 billion yen** (FY2023 actual*1)

Intellectual capital

- R&D expenditures: **212.3 billion yen** (FY2023 actual)
- Number of patents held: **62,102** (31,833 in Japan and 30,269 overseas) (as of March 31, 2023, Mitsubishi Electric)

Natural capital

- Total energy input: **20.92 million GJ** (FY2023 actual)
- Water consumption (intake + reuse): **14.98 million m³** (FY2023 actual)
- Effective utilization rate of waste plastic (Japan): **92.5%** (FY2023 actual)

Social capital

- Group locations (number of countries/regions): **44 countries/regions** (as of March 31, 2023)
- Investment in startup companies via the ME Innovation Fund*2: **Cumulative total of 5 companies** (as of July 19, 2023)
- Funds invested in social contribution activities (Japan, overseas): **Approx. 1.77 billion yen** (FY2023 actual)*3

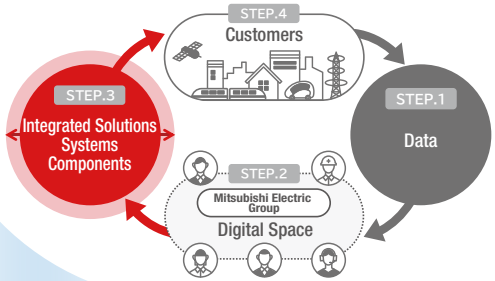
*1 Total investment amount determined in FY2023

*2 Corporate venture capital fund established by Global Brain, an independent venture capital firm, and Mitsubishi Electric

*3 Including philanthropic-related expenses such as internal programs and product donations

Business Model

Circular Digital-Engineering



STEP.1
Consolidate diverse data
Consolidate data generated through usage of our components and systems by a wide range of customers into a digital space

STEP.2
Ascertain potential issues and needs of customers
Analyze the consolidated data via a digital space and ascertain potential issues and needs of customers

STEP.3
Create new value
Create new value evolving components, systems, and integrate Solutions based on potential issues and needs

STEP.4
Return value to a wide range of customers
Return new value to a wider range of customers, and solve social challenges with customers

Business Area (BA), Segment

Infrastructure BA
Support social infrastructure with reliable technologies
Group
- Public Utility Systems
- Energy & Industrial Systems
- Defense & Space Systems

Industry & Mobility BA
Expand possibilities for manufacturing and mobility
Group
- Factory Automation Systems
- Automotive Equipment

Life BA
Realize smarter, more comfortable life and workplace
Group
- Building Systems
- Living Environment & Digital Media Equipment

Business Platform BA
Respond with a wide range of IT services for a better future
Group
- Information Systems & Network Service

Semiconductor & Device
Provide key devices that support a more affluent society
Group
- Semiconductor & Device

Materiality (important challenges)

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

Three key reforms

- Quality assurance reforms
- Organizational culture reforms
- Governance reforms

Value Creation

Economic value (FY2026 financial target)

Net sales: 5.0 trillion yen+	Operating profit margin: 10%
ROE: 10%	Cash generation*: 3.4 trillion yen/5 years

* Adjusted operating cash flow

Social value



Carbon neutrality
Reduce the company's and society's CO_2 emissions, and realize a decarbonized society that lessens climate change



Circular economy
Realize a society in which resources are utilized effectively and recycled sustainably



Safety and security
Realize a resilient society that can cope with a variety of environmental changes and risks



Inclusion
Realize a society in which all people are respected and everyone can live freely, fairly, and in a vibrant way



Well-being
Realize healthy, comfortable lives for everyone, both mentally and physically

Mitsubishi Electric Corporate Strategy

The Mitsubishi Electric Group has defined its management policy as follows: "In addition to our threefold balanced management policy consisting of 'Growth,' 'Profitability & Efficiency,' and 'Soundness,' we will return to our fundamental principle of 'addressing social challenges through our businesses' and positions the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders."

The Group has established its Corporate Strategy as follows: "Through co-creation and by integrating knowledge within and outside the Group, we will transform into a 'Circular Digital-Engineering' company that provides evolved integrated solutions thereby contributing to solving various social issues."

It is essential to strengthen innovation and our business foundation to achieve sustainable growth. To realize this growth, the Mitsubishi Electric Group pursues the strategies and initiatives such as innovation strategies, human capital strategy, risk management, and the three reforms.

Mitsubishi Electric Corporate Strategy

Sustainability Management

Respond to key social challenges in five basic areas in order to contribute to sustainability

Key social challenges

- **Carbon neutral** — Decarbonize society
- **Circular economy** — Build a circular society
- **Safety/Security** — Resilient society
- **Inclusion** — Society that values diversity
- **Well-being** — Vibrant lives

Initiatives for realizing sustainability

Contribution to a sustainable society through business

- Decarbonize society with energy management and heat pumps technologies etc.
- Build a circular society through innovation in the fields of maintenance/ operation and recycling
- Build a resilient society through maintenance/management of infrastructures and facility automation etc.
- Realize vibrant lives of all people through sophisticated use of people flow data and personal data

Progress in social initiatives causes positive impacts on the Company

Realize sustainability

Apply initiatives within the Company to business

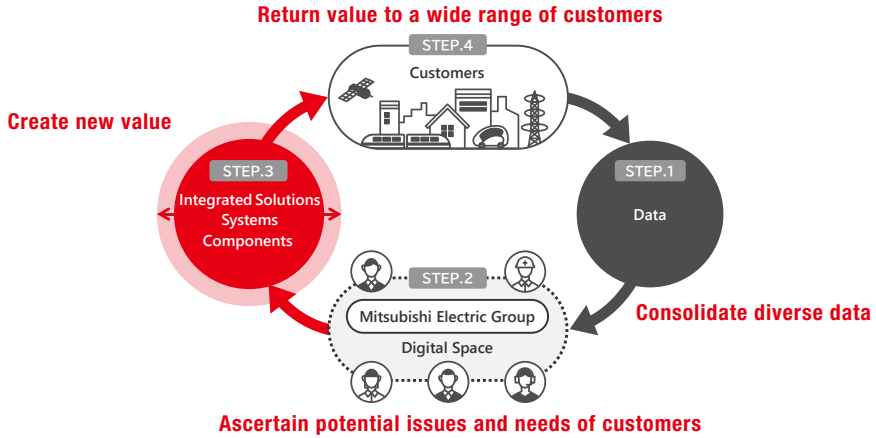
Responsibilities for a sustainable society

- Strengthen efforts for cutting greenhouse gas emissions
  - FY2051: Aim for net zero greenhouse gas emissions in the entire value chain
  - FY2031: Aim for net zero greenhouse gas emissions from factories and offices
- Respect for human rights based on international norms
- Realize workplace where diverse and versatile human capital gathers and works together
- Adherence to compliance

Circular Digital-Engineering

Leverage strong intra-group connections and knowledge sharing in order to consolidate and then analyze data in the digital space to create new value and contribute to solving key social challenges

Solving social challenges through Circular Digital-Engineering



Enhance assets in the digital field

- Digital Space — Data analysis and utilization
- DX Human Capital — Foster and acquire
- Co-creation — Develop new markets

Accelerate by DX Innovation Center

- Technological Development — Enhance AI/ model-based development
- Process Reforms — DX in production and operation process

Materialize and commercialize Integrated Solutions

OT*1 security solution

One-stop service to improve availability/safety of customer OT assets and address needs for promoting IoT/DX adoption

E&F*2 solution

Integrate various engineering technologies to optimize energy management and offer comprehensive facility operation/maintenance services

Enhance and evolve components and systems

Systems

Realize secure and highly flexible/expandable systems utilizing various knowledge of fields and components

Components

Pursue miniaturization, energy conservation and smartification by fusion of strengthen technology, such as power-electronics, control, etc., and advanced technology, such as AI, modeling, etc.

*1 Operational Technology *2 Energy & Facility

Enhancement of Innovation and Business Foundation to Achieve Sustainable Growth

Innovation Strategy | Human Capital Strategy | Risk Management | Three Key Reforms

Three Key Reforms

Innovation Strategy

Promote open innovation with technical capabilities and creativity

Build digital platform and space to consolidate various data and knowledge, leveraging our advantage, OT[*1] and domain knowledge, and reform to a future-oriented business model.
Design the future and provide new value in a timely manner by integrating knowledge within and outside the Group and through co-creation with customers.

Recent strategies and initiatives

Build digital platform and space

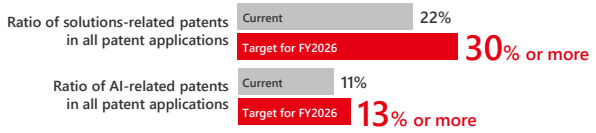
- Established the DX Innovation Center
- Build digital platform that integrates various OT solutions in a composable form[*2], and digital space that fuses data on things, experiences, markets and operation

Co-create with external parties

- Strengthen business-academia collaboration, starting with the Mitsubishi Electric and The University of Tokyo Future Design Conference
- Invested in 4 companies in total, through the ME Innovation Fund[*3] (total investment amount of ¥5.0 billion). Plan to invest in 4 additional companies in FY2024
- Started with Kao Corporation a sorting trial of plastics, utilizing our advanced sorting technologies, through OTB[*4] activities. Negotiations are underway with 43 companies, seeking co-creation in a variety of industries

KPIs : Digital technology-related patent applications

Number of patent applications expected in FY2026: 4,000



*1 Operational Technology *2 A scheme to provide applications flexibly and efficiently according to requirements by combining independent services *3 A corporate venture capital (CVC) fund established jointly with Global Brain Corporation, an independent venture capital *4 Activities to promote co-creation through disclosing technology assets on internal and external websites and vitalizing inter-businesscollaborations within the company and licensing to external parties

Human Capital Strategy

Grow together with our people and building a brighter future with the power of human capital

Expand and strengthen investment in human capital. Through this initiative, respect career ownership of each person, in particular, and embrace and cherish diverse and versatile human capital who can think independently, act proactively, and continuously take on challenges.
Promote early appointment and well-planned development of senior management[*5] candidates who will lead the company, based on open talent management by building a global human capital management system.

Recent strategies and initiatives

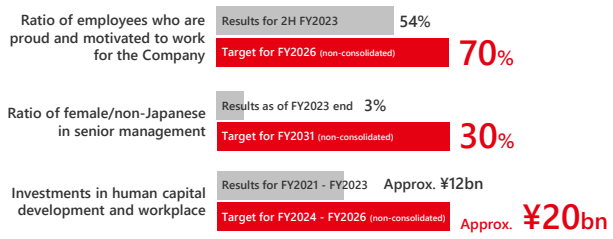
Enhance career ownership that respects self-initiative and challenging spirit

- Enhance initiatives to increase mobility of human capital and personal career development support programs such as in-house job offering/application systems
- Revamp the salary and compensation system into a new, hybrid one by adding the job-based employment to the existing membership-based model

Diversification of senior management and early appointment

- Promote D&I[*6] in management leaders based on succession management utilizing the global job grading
- Early appointment of personnel for managerial positions linked with a management candidate development system and promote recruitment of mid-career people

KPIs : Employee engagement survey, D&I of senior management



*5 Senior management: Executive Officers and Directors *6 Diversity and Inclusion

Risk Management

Strategically control diversifying uncertainties in the business environment

Visualize our global business structure/supply chains and enhance capability to address increasing risks associated with geopolitics, natural environment, etc.
Work to minimize intrinsic risk through a company-wide control and operational process standardization/DX.

Recent strategies and initiatives

Enhance a company-wide risk management system

- Established the Corporate Information Security Division, the Corporate Economic Security Division, and the Corporate Risk Management Division under the direct control of the president to accumulate know-how and knowledge in risk handling. Enhance our company-wide capability to address risks

Reinforce supply chains

- Build a procurement database in the entire company
- Ascertain information on hazards and sanctions in a timely manner; Visualize supply chains, including the 2nd-tier partners and beyond, with the use of AI

Prevent intrinsic risk

- Draw up a risk map to identify prioritized themes/bases
- Eliminate any chance of improper practices with the use of DX in operational process
- Prioritize prevention and foster a mindset that encourages employees to learn from mistakes and to create a better company, and thereby regain trust from society

Materiality

Mitsubishi Electric Group's Materiality

The Mitsubishi Electric Group has positioned the realization of sustainability at the cornerstone of our management based on the principle of "Provide solutions to social challenges through our businesses." To address sustainability at the management level and to promote it over the long term, we have identified five areas as materiality to "Provide solutions to social challenges through our businesses" and as part of our "Strengthen our business foundation to enable sustainable growth." Through these materiality initiatives, we will create economic and social value and will contribute to solving social challenges, starting with contributing to the achieving the SDGs. In our materiality-related initiatives, we promote continuous activities for improvement by implementing the PDCA cycle for mid- to long-term goals as well as for targets/Key Performance Indicators (KPIs).

With regard to the SDGs, we believe that they are in line with our Purpose of contributing to solving social challenges, and we will contribute to the achievement of the 17 Sustainable Development Goals (SDGs) through all of our corporate activities.

	Materiality	Initiative items	Long-term target	Priority SDGs initiatives
Provide solutions to social challenges through our business	Realize a sustainable global environment	Carbon neutrality	FY2051 : Aiming for net zero greenhouse gas emissions in the entire value chain Achieving a decarbonized society through innovation and integrated solutions	
		Circular economy	Contributing to the realization of a circular economy	
	Realize a safe, secure, and comfortable society	Safety/security, inclusion, well-being	Achieving safety/security, inclusion, and well-being through our business activities	
	Respect for all people	Human rights	Establishing human rights initiatives based on international norms and implementing responsible supply chains	
		Human capital	Realize workplace where diverse and versatile human capital gathers and works together	
Strengthen our business foundation to enable sustainable growth	Strengthen corporate governance and compliance on a sustainable basis	Governance	Increase effectiveness of the Board of Directors	
		Quality	Prevent the recurrence of improper quality control practices	
		Compliance	True understanding and practices of a compliance motto "Always Act with Integrity"	
		Information security	Improve the Cybersecurity maturity level	
	Create a sustainability-oriented corporate culture	Understanding and practices of sustainability	Understanding and practices of sustainability by employees	
		Communication	Promote communication with stakeholders both inside and outside the company	

Realize a sustainable global environment

The Group has formulated its Environmental Sustainability Vision 2050 to clarify the Group's stance on addressing long-term environmental issues. Based on this, we have engaged in activities since fiscal 2022 in line with our medium-term Environmental Plan 2023, and we aim to achieve carbon neutrality and a circular economy by promoting innovation in products and services, and by providing integrated solutions.

Reasons why it is important

Environmental challenges such as climate change and resource/energy issues are hurdles at a global scale. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable global environment.

Targets and key performance indicators (KPIs)

Fiscal 2051

Aim for

net zero greenhouse gas emissions

in the entire value chain

Scope: Mitsubishi Electric Group

Fiscal 2031

Aim for

net zero greenhouse gas emissions

from factories and offices

Scope: Mitsubishi Electric Group

Fiscal 2024

90% or more

effective use of waste plastics

Scope: Mitsubishi Electric Group (in Japan)

Provide products, services, and solutions that contribute to carbon neutrality

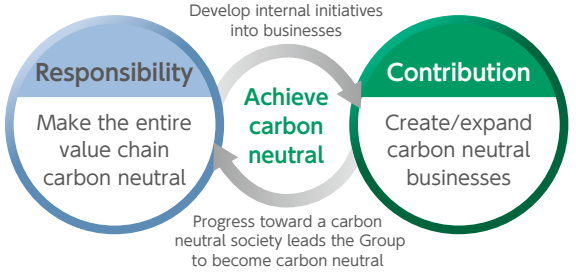
Scope: Mitsubishi Electric Group

Topics

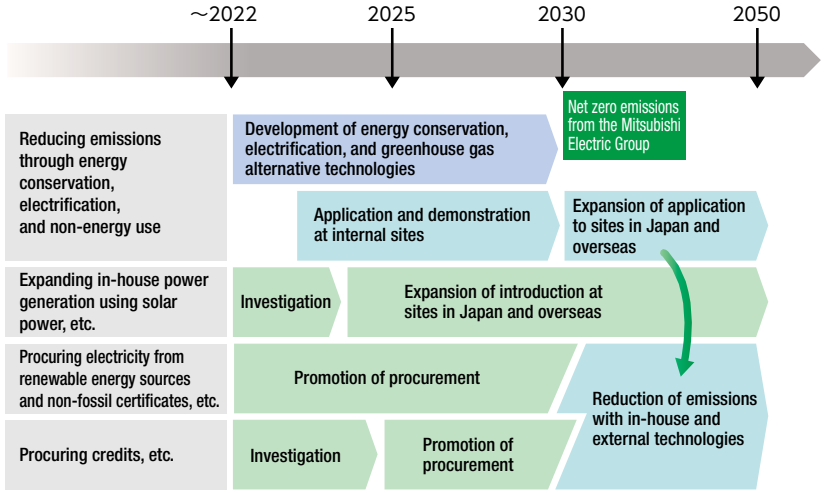
Toward the achievement of carbon neutrality

The Mitsubishi Electric Group is working to achieve carbon neutrality from two aspects: responsibility and contribution. As we expand our business, our target is to achieve effectively zero greenhouse gas emissions from our own operations and carbon neutrality throughout our entire value chain by 2050. Although in May 2022, the Company announced an interim target of "reducing our own emissions to 50% of fiscal 2014 levels by fiscal 2031," we changed the interim target in May 2023 to "aiming for effectively zero greenhouse gas emissions in fiscal 2031" in order to more proactively align with the global movement to keeping the global average temperature rise to below 1.5°C.

Adopted dual approaches to carbon neutral: Responsibility and Contribution.



Roadmap for reducing emissions from factories and offices



Realize a safe, secure, and comfortable society

Since our inception, the Mitsubishi Electric Group has been contributing to society primarily by offering products and services.
We aim to solve diversifying social challenges through our businesses to realize the "vibrant and sustainable society" outlined in our Purpose.

Reasons why it is important

Aiming to solve diversifying social challenges, the Mitsubishi Electric Group will contribute to the realization of a safe, secure, and comfortable society by providing integrated solutions that combine the strengths of both inside and outside the Group in the Business Areas and segments of Infrastructure, Industry & Mobility, Life, Business Platforms, and Semiconductor & Devices.

Targets and key performance indicators (KPIs)

Provide products, services, and solutions that contribute to "safety and security"

Scope: Mitsubishi Electric Group

Provide products, services and solutions that contribute to "inclusion" and "well-being"

Scope: Mitsubishi Electric Group

Topics

Contributing to the realization of a safe, secure, and comfortable society through business activities

The Mitsubishi Electric Group provides various products and services that contribute to safety/security, inclusion, and well-being, while also promoting co-creation and joint studies with external parties.

Management Related to Materiality

[Fiscal 2023 Example]

- Water Surface Condition Monitoring Service MINAMONITOR

Remote monitoring of water levels in reservoirs, etc. to streamline maintenance and management of agricultural irrigation facilities, which also contributes to disaster prevention and mitigation.

Mitsubishi Electric Starts Accepting the Order of Water Surface Condition Monitoring Service MINAMONITOR (in Japanese text)



MINAMONITOR (Buoy type water surface sensor)

- Mitsubishi Electric EcoCute P/S series

These series are equipped with "Kirariyuki Keep PLUS," which sterilizes hot water before bathing or washing by continuous irradiation of deep UV rays. In addition, the "pakatto handle" function enables to users to take hot water easily from the hot water storage tank in case of emergency such as a water outage.

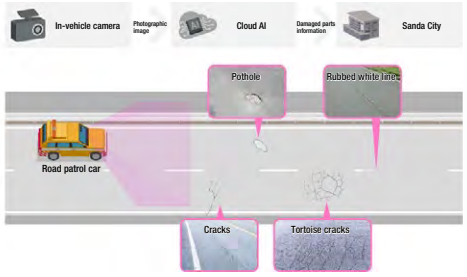
Mitsubishi Electric Launches New series of EcoCute (in Japanese text)



Heat pump unit (left) and hot water storage tank (right)

- Started joint research with Sanda City on a road management system using cloud AI

We contribute to improvement of the efficiency of road maintenance and repair work, and optimization of city functions and the "smartification of city hall."



Road Management System (Outline of service)

Mitsubishi Electric Starts joint research with Sanda City on Road Management system Using Cloud AI (in Japanese text)

Respect for all people

We recognize that we enjoy a wide range of relationships with the people and societies in the countries and regions where we operate, and we respect the human rights of all people. In addition, we promote diversity so that diverse people can do their best work, and we make Group-wide efforts to create work environments in which all employees can maintain their physical and mental health as well as work actively.

Reasons why it is important

The protection of human rights is a global issue. Everyone's rights as individuals must be respected. The Mitsubishi Electric Group will respect human rights in all of our activities and realize a workplace environment that helps all employees work actively.

Targets and key performance indicators (KPIs)

Fiscal 2024

Implementation of the Human Rights Impact Assessment based on the United Nations Guiding Principles on Business and Human Rights in all business groups

Scope: Mitsubishi Electric Group

Fiscal 2025

Establishing a mechanism for respecting human rights in the supply chain based on the RBA process

Scope: Mitsubishi Electric Group

Fiscal 2026

Employee engagement score*1

70% or more

(Scope: Mitsubishi Electric)

60% or more

(Scope: Some of related companies)

Fiscal 2031

Ratio of female and non-Japanese in senior management*2

30% or more

Scope: Mitsubishi Electric

Fiscal 2031

Ratio of female in managerial positions 12% or more

Scope: Mitsubishi Electric

*1 Average percentage of positive responses to the five questions in the employee attitude survey conducted annually (twice a year since fiscal 2021): "Pride in working for the Company," "Willingness to contribute," "Desire to change jobs," "Encouraging others to join the Company," and "Sense of achievement through work"

*2 Senior management: Directors, Executive Officers and Executive Officers (Associate)

Topics

Joining JaCER

Mitsubishi Electric has joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which was established in June 2022 to support and promote the redress of grievances by companies. Going forward, we will continue to strengthen its grievance handling mechanisms in order to promote respect for human rights in society.

JaCER
一般社団法人ビジネスと人権対話救済機構

Improve employee engagement through their career ownership empowerment

The Company is implementing various initiatives to realize a work environment in which all employees can work "actively". In particular, we are implementing numerous measures to empower career ownership that respects employees' sense of initiative and challenges.

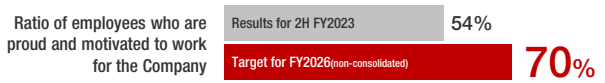
- Implementation of career consulting (career interviews)

  In addition to the consultation and resolution function between managers and employees, we have established the Career Consulting Room. Employees, regardless of which division they belong to, are free to choose internal or external career consultants (advisors) for advice and guidance on career development.

- Provision of transfer opportunities that contribute to employees' career development

  This measure helps employees to realize their desired careers by matching such careers with the human resources needed in their workplaces through the Job-Net system (an intranet-based internal recruitment system) and the Career Challenge system (an internal job search system).

  Through these efforts, we are working to improve our employee engagement scores.



Strengthen corporate governance and compliance on a sustainable basis

While maintaining the flexibility of its operations and promoting management transparency, the Mitsubishi Electric Group 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 customers, shareholders and all of its stakeholders, while endeavoring to further increase corporate value. 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.

Reasons why it is important

Corporate governance and compliance are fundamental preconditions for a company's continued existence. The Mitsubishi Electric Group will continue to reinforce these areas.

Targets and key performance indicators (KPIs)

Maintain the ratio of independent outside director

over 50%

Scope: Mitsubishi Electric

Promote three key reforms (quality assurance, organizational culture, and governance), monitoring of the three key reforms by the Board of Directors, and appropriate information disclosure

Scope: Mitsubishi Electric Group

Provide compliance education on a continuous basis

Scope: Mitsubishi Electric Group

FY2029

Achieve Level 2 or higher

in the Cybersecurity Maturity Model Certification

Scope: Mitsubishi Electric Group

Topics

Roundtable discussion with Outside Directors and members involved with the reform project for the purpose of monitoring the Three Key Reforms

The Mitsubishi Electric Group is implementing the Three Key Reforms in response to a series of improper quality control practices. One of these, the governance reforms include efforts to strengthen directors' monitoring function with respect to business execution.

Recently, as part of this project, a roundtable discussion was held among all seven outside directors and six members involved with the reform project. By sharing not only what has changed in Mitsubishi Electric as a result of the reform project's efforts but also the challenges that must be overcome, opinions were exchanged from diverse perspectives regarding the progress of organizational culture reform. The discussion concluded with confirmation that the Board of Directors will continue to provide advice and support as well as to closely monitor the reform.

Key Topics

- How to improve employees' understanding of the need for change
- The current situation of working at the manager level
- Employee engagement, including job satisfaction





Roundtable discussion between outside directors and members involved with the reform project (May 2023, Information Technology R&D Center)

Create a sustainability-oriented corporate culture

To contribute to realizing sustainability, the Mitsubishi Electric Group must instill a corporate culture that includes: a commitment to solving social challenges from a long-term perspective, having sensitivity and adaptability to changes in society, and proactive disclosure of information to stakeholders. Corporate culture cannot be changed overnight. We will work to build this culture over a long period as a foundation to support sustainable management.

Reasons why it is important

The Mitsubishi Electric Group will contribute to realizing sustainability through all of our activities. To this end, we will proactively communicate with stakeholders and foster a corporate culture that encourages employees to pursue initiatives from a mid- to long-term perspective.

Targets and key performance indicators (KPIs)

Fiscal 2026

Understanding on the operation of business in line with the corporate purpose and goals according to the results of the employee awareness survey

Good

75% or more

Scope: Mitsubishi Electric

Fiscal 2024

Issue the Sustainability Report and the Integrated Report, hold dialogues with experts, and conduct sustainability report questionnaires

Scope: Mitsubishi Electric Group

Topics

Organizational culture reform through the company-wide reform project "Team Sousei (Creation)"

"Team Sousei (Creation)" is a company-wide reform project led by the president and composed of volunteers selected through internal recruitment. The aims are to foster the culture "Employees feel that they can consult with their superiors," "failures are tolerated," and "problems are solved together." In Fiscal 2023, the project's second year, "revitalizing communication" was positioned as a top priority for organizational culture reform, and measures were implemented to deepen understanding of what the term "psychological safety" means. We will continue to make efforts to promote the understanding that a high level of psychological safety is essential to organizational development and to have this awareness deeply take root.

Information about "Team Sousei (Creation)" activities is posted as necessary to the company website so that all employees can check the current status and share comments.

Key measures implemented

Activities to change awareness and behavior, such as on why psychological safety is necessary, throughout the company from the top down:

- The "Psychological Safety Guidelines" rolled out company-wide as the ideal interpersonal relationships to achieve in our company
- Lectures for personnel in executive management positions and middle management
- Job-level specific lectures to promote practices of senior managers and section managers
- Collaboration with the measure for productivity improvement such as meeting guidelines, etc.



A lecture for personnel in executive management positions and middle management with Mr. Ryosuke Ishii

Mid- to long-term initiatives and goals for FY2024 (17 items)

Materiality	Item	Long-term target	Mid-term target／KPI	Initiatives for FY2024	Scope
Realize a sustainable global environment	Carbon neutrality	[Scope 1、2、3] FY2051 : Aiming for net zero greenhouse gas emissions in the entire value chain		[Scope 3] Newly developed models with an energy efficiency improvement of 1.0% or more compared to the previous models	Mitsubishi Electric Group
			[Scope 1、2] FY2031 : Aim for net zero greenhouse gas emissions from factories and offices	Reduce greenhouse gas emissions from factories and offices by 30% or more compared to FY2014	Mitsubishi Electric Group
		Achieving a decarbonized society through innovation and integrated solutions	Provide products, services and solutions that contribute to carbon neutrality		Mitsubishi Electric Group
	Circular economy	Contributing to the realization of a circular economy	FY2036 : 100% effective use of waste plastics	90% or more effective use of wasted plastics	Mitsubishi Electric Group (in Japan)
Realize a safe, secure, and comfortable society	Safety/Security, Inclusion, and Well-being	Achieving safety/security, inclusion, and well-being through our business activities	Provide products, services and solutions that contribute to safety/security		Mitsubishi Electric Group
			Provide products, services and solutions that contribute to inclusion and well-being		
Respect for all people	Human rights	Establishing human rights initiatives based on international norms and implementing responsible supply chains	FY2025: Establish a foundation for human rights due diligence in accordance with international norms	Implementation of the Human Rights Impact Assessment based on the United Nations Guiding Principles on Business and Human Rights in all business groups	Mitsubishi Electric Group
			FY2025: Establishing a mechanism for respecting human rights in the supply chain based on the RBA process	Operational development for the transition to the RBA supplier human rights due diligence process	
	Human capital	Realize workplace where diverse and versatile human capital gathers and works together	FY2026: Employee engagement score*1 of 70% or more (Mitsubishi Electric) and 60% or more (Some of related companies)	• Steady implementation of organizational culture reforms (related measures) • Strengthening of support for career autonomy • Consideration of a new personnel treatment system	Mitsubishi Electric Group (in Japan)
			FY2031: Ratio of female/non-Japanese in senior management*2 30% or more	• Promotion of strategic recruitment of external human resources • Planned succession planning for leadership candidates within the company, etc.	Mitsubishi Electric
			FY2031: Ratio of female in managerial positions 12% or more	• Promotion of programs to promote women to managerial positions • Linking to management candidate development programs, etc.	Mitsubishi Electric
Strengthen corporate governance and compliance on a sustainable basis	Governance	Increase effectiveness of the Board of Directors	Maintain the ratio of independent outside director of Mitsubishi Electric over 50%	• Outside directors as more than 50% of directors • Continued disclosure of the skills matrix in General Meeting of Shareholders reference documents • Appointment of an outside director as Chairman of the Board of Directors	Mitsubishi Electric
	Quality	Prevent the recurrence of improper quality control practices	Promote three reforms (quality assurance, organizational culture and governance), monitoring of the three reforms by the Board of Directors, and appropriate information disclosure		Mitsubishi Electric Group
	Compliance	True understanding and practices of a compliance motto “Always Act with Integrity”	Provide compliance education on a continuous basis		Mitsubishi Electric Group
	Information security	Improve the Cybersecurity maturity level	FY2029: Achieve level 2 or higher*3 in the Cybersecurity Maturity Model Certification		Mitsubishi Electric Group
Create a sustainability-orientated corporate culture	Understanding and practices of sustainability	Understanding and practices of sustainability by employees	FY2026: Understanding on the operation of business in line with the corporate purpose and goals according to the results of the employee awareness survey 75% or more	Promotion of sustainability awareness via internal newsletters, the intranet, training, etc.	Mitsubishi Electric
	Communication	Promote communication with stakeholders both inside and outside the company	Issue the Sustainability Report and the Integrated Report Hold dialogues with experts, and conduct sustainability report questionnaires		Mitsubishi Electric Group

*1 Ratio of employees who respond that they feel that they are proud and motivated to work for the Company in the employee awareness survey
*2 Senior management: Directors, Executive Officers and Executive Officers (Associate)
*3 Framework for Cybersecurity Maturity Model Certification set forth by the U.S. Department of Defense (CMMC 2.0)

Basic policy and Promotional System for Sustainability

Basic policy on Sustainability

The Mitsubishi Electric Group implements sustainability-oriented initiatives in all corporate activities in accordance with its "Purpose," "Our Values," and "Commitment." Our management policy states, "we will return to our fundamental principle of 'addressing social challenges through our businesses' and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders." We will pursue initiatives for achieving a sustainable society to incorporate the expectations, requests, and opinions from society into activities, and to minimize the negative impact on society and the environment.

Actions to promote the realization of sustainability

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

Contribution to a sustainable society through our businesses	To contribute to the realization of a "vibrant and sustainable society" by solving social and environmental issues through our business activities
Responsibility for a sustainable society	To conduct business responsibly in a manner that does not cause or exacerbate social challenges or environmental issues
Risk management for long-term social and environmental changes	To adapt to changes in society and the environment not only in the short and medium terms but also in the long term. To create business opportunities and sustainable development. To predict risks and to control or minimize their impacts on business management
Communication with stakeholders	To communicate with society, customers, shareholders, employees, and other stakeholders through highly transparent disclosure of information in a way that reflects society's expectations, requests, and opinions in our corporate management

Promotional System for Sustainability

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are decided by the Sustainability Committee, which is chaired by the Chief Strategy Officer (CSO), the Executive Officer in charge of corporate planning and sustainability, and appointed by Mitsubishi Electric's Executive Officers meeting. The Sustainability Committee comprises of the heads of Mitsubishi Electric's corporate divisions and corporate strategic planning divisions (as of April 1, 2023, there are 34 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources). Based on the materiality, the Committee discusses monitoring the results of activities,, decisions on future activity plans, and responses to law amendments, and promoting initiatives from a perspective that spans the entire Mitsubishi Electric Group. In addition, the corporate divisions are responsible for the promotion of specific initiatives such as ethics and legal compliance, quality assurance and improvement, environmental protection activities, social contribution activities, and stakeholder communication.

The Sustainability Planning Division provides the secretariat for the Sustainability Committee. We have established the Sustainability Planning Division under the direct control of the President as the core organization responsible for this task from fiscal 2024 in order to realize sustainability.

The Sustainability Committee generally holds meetings at least three times a year, and the details on the discussion are reported to the senior executives the Executive Officers' Meeting. From fiscal 2022, the details on the discussion are also reported to the Board of Directors. The Board of Directors regards the statuses of sustainability initiatives as one of "main agenda items" for the Mitsubishi Electric Group and it holds full discussions from the perspective of risk management and profit-generating opportunities, receiving diverse opinions from independent outside directors, as well as supervising the status of initiatives by Executive Officers.

The promotion of sustainability initiatives is one of the compensation indicators for Executive Officers, and the achievement of performance indicators in non-financial areas such as sustainability and ESG-related areas is reflected in incentive compensation.

In order to deal with sustainability challenges that involve multiple divisions in a cross-sectional manner, we also have established 'Sub-committees' as permanent meetings and 'Projects' as temporary meetings under the Sustainability Committee. The two subcommittees,

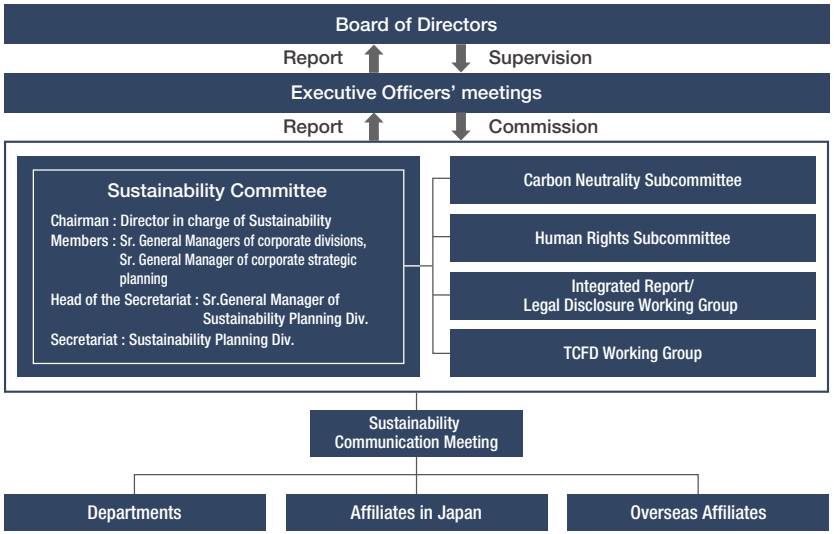


Sustainability Committee

the “Carbon Neutrality Subcommittee” and the “Human Rights Subcommittee," promote initiatives in response to legal and social requirements. In addition, we have established the "Integrated Report/Legal Disclosure Working Group" and "TCFD Working Group" to consider the clarification of individual categories of activities and the roles of participating divisions, information disclosure in accordance with norms, and other matters. Subcommittees and projects are led by the relevant corporate division, andthe progress of these subcommittees' initiatives is confirmed at each Sustainability Committee meeting.

Further, to share and execute the policies and plans established by the Sustainability Committee, we have established the "Sustainability Communication Meeting" aimed at collaboration between internal divisions and affiliates in Japan and overseas.

Materiality
Corporate governance
Human Rights Subcommittee
Carbon Neutrality Subcommittee
Integrated Report/Legal Disclosure Working Group
TCFD Working Group



Sustainability Promotion Framework

Main agenda of the Sustainability Committee (Apr., Oct., and Jan., FY2023, and Apr., FY2024)

- Sustainability initiatives at the management level
- Strengthening the management of the Sustainability Committee (setting up Sub-committees and Projects, etc.)
- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year, with focus on materiality initiatives
- Responses to sustainability-related legal regulations and to requests from stakeholders
- Responses to the sustainable development goals (SDGs)
- Initiatives to carbon neutrality
- Human rights initiatives
- Response to TCFD
- Responses to legal disclosures related to sustainability
- Production of Sustainability Reports and Integrated Reports
- Promotion of social contribution activities

Main suggestions from the Board of Directors

- Sustainability initiatives are necessary to gain customer trust and sustain the business.
- Society expects the Mitsubishi Electric Group to "realize a sustainable global environment" and to "realize a safe, secure, and comfortable society," and the Group must demonstrate its capabilities in these areas, with carbon neutrality at the forefront of such efforts.
- More and more companies are being criticized for greenwashing*. It is important to get the facts right.
- In order to disseminate the Purpose, Management policy, and so forth, it is necessary for management to communicate directly and repeatedly with employees.

* Creating an illusion of efforts being made for the environment when in reality, such efforts were non-existent

Carbon Neutrality Subcommittee

The Carbon Neutrality Subcommittee confirms items related to decarbonization of the Mitsubishi Electric Group that are to be reported to the Sustainability Committee, along with holding discussions on issues that practicing departments such as the Corporate Total Productivity Management & Environmental Programs Group and each business group are not able to resolve on their own.

Main agenda of the Carbon Neutrality Subcommittee (FY2023)

- Initiatives toward zero emissions from our company in fiscal 2031
- Initiatives in the Contribution category
- SBT certification updates
- Using internal carbon pricing
- Sharing external trends related to carbon neutrality

Integrated Report/Legal Disclosure Working Group

We have established the Integrated Report/Legal Disclosure Working Group under the Sustainability Committee to comply to sustainability legal disclosures on a global scale.

Main agenda of Integrated Report/Legal Disclosure Working Group (FY2023)

- Responses to CSRD and ESRS
- Responses to laws and regulations around the world related to sustainability
- Warranty of sustainability information
- Response to revisions to the Annual Securities Report
- Production of the Integrated Report

Human Rights Subcommittee
TCFD Working Group

Materiality of the Mitsubishi Electric Group

The Mitsubishi Electric Group has positioned the realization of sustainability as the cornerstone of our management based on the principle of "Provide solutions to social challenges through our businesses." To address sustainability at the management level and to promote it over the long term, we have identified five areas as materiality (important challenges) to "Provide solutions to social challenges through our businesses" and as part of our "Strengthen our business foundation to enable sustainable growth." Through these materiality initiatives, we will create economic and social value and will contribute to solving social challenges, starting with contributing to the achieving the SDGs. In our materiality-related initiatives, we promote continuous activities for improvement by implementing the PDCA cycle for mid- to long-term goals as well as for targets/Key Performance Indicators (KPIs). In terms of targets and KPIs, we have identified 17 essential company-wide sustainability-related targets for fiscal 2024 from among a range of initiatives, and the Sustainability Committee confirms and drives progress towards these targets to increase corporate value.

With regard to the SDGs, we believe that they are in line with our Purpose of contributing to solving social challenges, and we will contribute to the achievement of the 17 Sustainable Development Goals (SDGs) through all of our corporate activities.

About the Sustainability Report

The Sustainability Committee discusses and confirms creation policy for the reports, sustainability management, and other especially important items regarding the Sustainability Report before publication. In particular, the report describes the results of materiality-related initiatives and targets approved by the Sustainability Committee for such initiatives.

Process of Identification and Review of Materiality

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

In fiscal 2021, a full internal review of the materiality, mid-to-long-term initiatives, and targets/key performance indicators (KPIs) was undertaken by the Sustainability Expert Committee and Sustainability Business Promotion Committee, in view of subjective evaluations from inside and outside the company, featuring questionnaires and interviews from a total of 1,551 people, including Mitsubishi Electric Group employees, suppliers, investors, analysts, and general consumers.

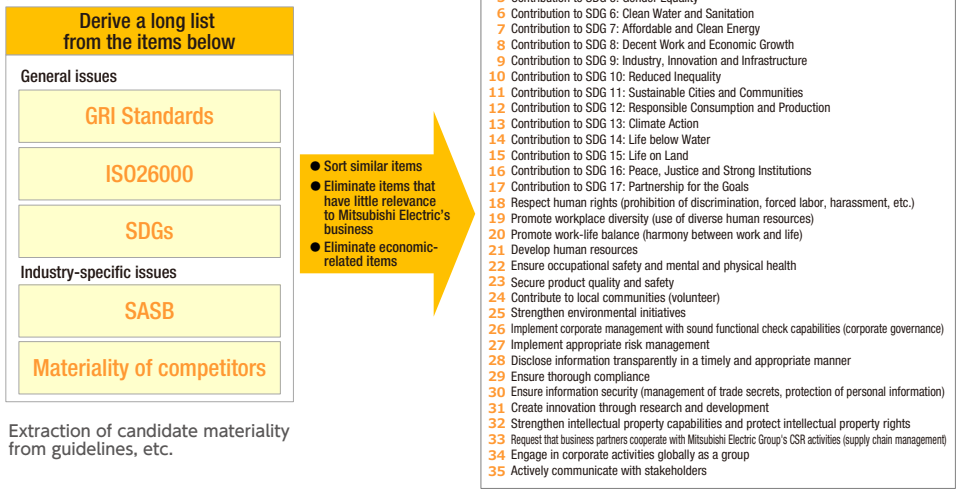
We have carried out stakeholder questionnaires targeted at general consumers (600 respondents) since fiscal 2017, and we held a questionnaire in fiscal 2022 as well. We will take evaluation from external parties into account as we review these mid-to-long-term initiatives and targets.

While incorporating opinions from inside and outside the company, these initiatives will continue to be improved, and the materiality, mid-to-long-term initiatives, and targets/key performance indicators (KPIs) will be reviewed by implementing the PDCA cycle.

Step 1 Awareness of social issues (fiscal 2021)

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

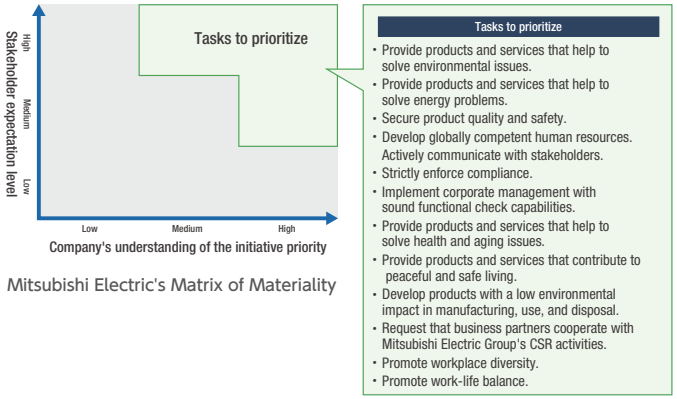
*1 Guidelines concerning social responsibility issued by the International Organization for Standardization (ISO)
*2 International standards for sustainability reporting issued by the international NGO, Global Reporting Initiative (GRI)
*3 Information disclosure rules concerning the environment, society, and governance (ESG) created by the Sustainability Accounting Standards Board (SASB), a non-profit organization in the U.S.



Extraction of candidate materiality from guidelines, etc.

Step 2 Assessment of internal and external views and study of materiality (fiscal 2021)

Using the short list created in step 1, we conducted a questionnaire survey of consumers, suppliers, investors, and Mitsubishi Electric Group employees, who are our stakeholders, regarding what expectations they have for the Mitsubishi Electric Group to contribute to addressing social challenges. In addition, we received opinions from experts regarding the identification of materiality through interviews and dialogues with them in order to assess both internal and external views of the Mitsubishi Electric Group. Based on the results obtained, internal working groups narrowed down the issues that the Mitsubishi Electric Group should address as top priority, and the Sustainability Expert Committee and Sustainability Business Promotion Committee are studying the materiality of such issues.



Mitsubishi Electric's Matrix of Materiality



Internal working groups



Interviews with experts

Step 3 Identification of materiality (fiscal 2021)

Identification by the Sustainability Committee

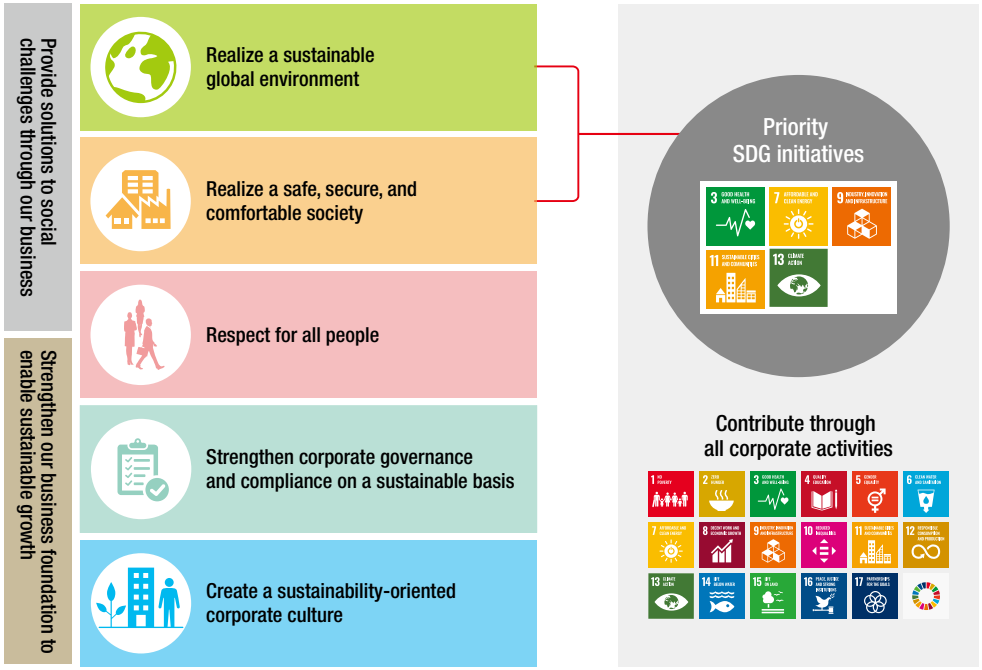
The issues thus extracted and studied through the above-described process and specific mid-to-long-term initiatives and targets/key performance indicators (KPIs) were confirmed by executive officers and identified as the Mitsubishi Electric Group's materiality by the Sustainability Committee.

Materiality and 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 Purpose that "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity" the Group aims to contribute to solving social issues. This policy 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, social and governance (ESG)-related activities, the Mitsubishi Electric Group is contributing to meeting the 17 SDGs.



*The SDGs are a set of global goals that are to be achieved betw een 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.

Priority SDG initiatives

In line with the materiality identified for fiscal 2022, we reviewed the SDGs to address on a priority basis that we determined in fiscal 2019. In the course of reviewing our goals, we conducted an internal and external survey. As a result of it, we found that Mitsubishi Electric is expected to contribute to resolving social challenges through its business activities.

Based on a study within the company, we set SDGs 3, 7, 9, 11, and 13 as the Priority SDG initiatives, which correspond to "realize a sustainable global environment" and "realize a safe, secure, and comfortable society," the areas that the Group will focus on going forward. 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.

- Goal 3: Good Health and Well-being
- Goal 7: Affordable and Clean Energy
- Goal 9: Industry, Innovation, and Infrastructure
- Goal 11: Sustainable Cities and Communities
- Goal 13: Climate Action

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 our materiality initiatives.

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).

Management Related to Materiality

FY2023 Targets and Results

For single-year goals ○: Goals achieved △: Partially not achieved or not achieved for reasonable causes (Excluding non-numerical goals) ×: Not achieved
For multiple-year goals ○: Expected to be achieved in the final fiscal year △: Slight delay for the final fiscal year ×: Delay for the final fiscal year

Materiality	Mid- to long-term initiatives	FY2023 targets/Key performance indicators (KPIs)		Target year	Quantitative targets	FY2023 Result	Scope	Evaluation
Realize a sustainable global environment	Realize a decarbonized society through innovation and Integrated Solutions	Reduce CO_2 emissions related to the usage of new products and improve the rate of "CO_2 emission reduction contribution by product use" compared to the previous model		FY2024	1.0% or higher	2.8%	Mitsubishi Electric Group	○
		Reduce CO_2 emissions from our company		FY2024	30% or higher vs. FY2014	27%		○※1
	Contribute to achieving a circular economy	Use recycled plastics (in terms of the volume of molding and packaging materials)		FY2024	10.0% or higher	8.1%	Mitsubishi Electric Group (Japan)	△
		Make effective use of waste plastics		FY2024	90.0% or higher	92.5%		○
		Rate of reduction in water usage at high-risk sites (per unit of sales)		FY2024	4% or higher vs. the FY2020 level	16%	Mitsubishi Electric Group (Overseas)	○
Realize a safe, secure, and comfortable society	Contribution through business activities in the areas of safety/security, inclusion, and well-being	Safety/security	① Promotion of products, services, and solutions that contribute to minimizing damage due to natural threats, including prevention of natural disasters			• Next Generation Geostationary Meteorological Satellite (Himawari-10) • Water surface condition monitoring service MinaMonitor • Ecocute	Mitsubishi Electric Group	○
			② Promotion of products, services, and solutions that contribute to avoidance, damage mitigation, and quick solutions regarding human-caused threats, including crime and accident suppression			Developed a technology to automatically detect dangerous behaviors with high accuracy from camera images		
			③ Promotion of products, services, and solutions that contribute to improving adaptability to urban and social challenges, including labor shortages, declining population, and depopulation			Launched joint research on a cloud AI-operated road management system to streamline road maintenance and repair operations		
		Inclusion	Promotion of products, services, and solutions that reduce the impact of physical limitations (age, disability, etc.) and environmental limitations such as residential areas			• Service for watching over seniors MeAMOR • AI × watching over service for seniors kizkia-Knight		○
		Well-being	Promotion of products, services, and solutions that contribute to realizing more comfortable and healthy living			• Mitsubishi Electric and AIST established the Human-Centric system design collaboration laboratory • SUSTIE, a ZEB-related technology demonstration building, acquired Platinum WELL certification • Released the Emoco Eye Mitsubishi room air conditioner Kirigamine Z Series equipped with emoco eye		○
Respect for all people	Promote human rights initiatives that are based on international norms	Identify and improve priority initiative items based on the results of the FY2022 Human Rights Impact Assessment		FY2024	All items addressed	Developed improvement plans for items that had yet to be addressed	Mitsubishi Electric Group	△
		Grasp the improvement statuses of human rights initiatives based on the FY2023 Human Rights Impact Assessment		FY2023	100%	100%		○
		Enhance response for grievances on human rights				• Have established and run JaCER in addition to the contact points for inquiries regarding sustainability and harassment as well as the ethics and compliance hot line • Improved accessibility and transparency by improving the "Sustainability Inquiries" section of the official website and joining JaCER		○
		Provide education on human rights and e-learning sessions		FY2023	100%	100%	Mitsubishi Electric	○

*1 Rated as good because we achieved the target emissions for FY2023, which are equivalent to the quantitative targets for the target year.

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For multiple-year goals ○: Expected to be achieved in the final fiscal year △: Slight delay for the final fiscal year ×: Delay for the final fiscal year

Materiality	Mid- to long-term initiatives	FY2023 targets/Key performance indicators (KPIs)	Target year	Quantitative targets	FY2023 Result	Scope	Evaluation
Respect for all people	Procurement that contributes to sustainability	Carry out CSR assessments of major suppliers to build a responsible supply chain, and identify and correct risks related to human rights violations			Conducted CSR Procurement surveys of 300 major business partners; confirmed that there are no serious human rights violations, such as forced labor or child labor	Mitsubishi Electric Group	○
		Establish a plan for sustainability procurement policy guidelines (Integrate the Green Procurement Standards Guide with the CSR Procurement Guidelines)			Reviewed plans to ensure that the procurement guidelines are developed in a manner that complies with the RBA process		
	Realize a workplace environment that helps all employees work actively	Carry out a transformation starting with the renewal of the personnel system based on the "Robust Policies" from the company-wide reform project "Team Sousei (Creation)"			Facilitated internal human resource mobility by updating the rules for operating the internal recruitment program and internal job search program	Mitsubishi Electric Group (Japan)	○
		Continue to promote the Mitsubishi Electric Workplace Reform Program. In particular, accelerate initiatives for improving employee engagement (Quantitative targets for Mitsubishi Electric only)			• Implemented a variety of measures from Mitsubishi Electric's Workplace Culture Reform Program • Promoted work style reforms at domestic affiliates		×
		Employee engagement score* (for Mitsubishi Electric only) * Percentage of employees with pride and motivation in their work	FY2023	70% or higher	54%		
		Work-life balance score* (for Mitsubishi Electric only) *Percentage of employees who respond that they feel that they have a good work-life balance in the employee awareness survey	FY2023	70% or higher	66%		
	Promote diversity	Increase the ratio of women among new recruits (Reference value: the average of the past five years, FY2017 to FY2021) *1	FY2026	1.2 or more times the baseline	1.3 times*1	Mitsubishi Electric	○
		Increase the ratio of women in managerial positions	FY2026	2.00 or more times the ratio of FY2021	1.38 times		○
		Encourage male employees to take child-care leave (including those taking leave when their spouse gives birth)	FY2026	70.0% or higher	76.1%		○
		Overseas actively appoint local national staff as executives for overseas bases			Promoted one local national staff member to Senior Executive Officer, and another to head of an overseas office	Mitsubishi Electric Group (Overseas)	○
		Promote the hiring of people with disabilities at more than the statutory employment rates and promote the development of a workplace environment that is comfortable for them (including special subsidiary companies ; Mitsubishi Electric Life Service Corporation and Melco Tender Mates Corporation)	FY2024	2.50% or higher	2.47%	Mitsubishi Electric	△
	Promotion of occupational health and mental and physical health	Make improvements regarding the rate of lost worktime injuries*2	FY2023	0.25 or less	0.37	Mitsubishi Electric	×
		Realization of a workplace environment where people can work while maintaining their mental and physical health through the establishment of a health-conscious management by implementing Mitsubishi Electric Group Health Plan 21 activities and other initiatives.				Mitsubishi Electric Group (Japan)	×
		Percentage of employees who were classified as having high stress levels at stress checks	FY2023	Less than 9.0%	9.8% (Mitsubishi Electric)		

*1 Total number from FY2022
*2 Total number of accidents per 1 million hours Mitsubishi Electric

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For multiple-year goals ○: Expected to be achieved in the final fiscal year △: Slight delay for the final fiscal year ×: Delay for the final fiscal year

Materiality	Mid- to long-term initiatives	FY2023 targets/Key performance indicators (KPIs)	Target year	Quantitative targets	FY2023 Result	Scope	Evaluation
Strengthen corporate governance and compliance on a sustainable basis	Improve the board of directors' effectiveness	Continue to strengthen the function of the board of directors and the three statutory committees based on the effectiveness assessment			Had a third-party evaluation of the effectiveness of the Board of Directors carried out in FY2023, and made improvements based on the evaluation results	Mitsubishi Electric	○
		Realize a highly independent composition in the board of directors	FY2023	Over 50%	58%		○
	Thorough compliance	Compliance training on a continuous basis			Conducted training by a variety of mean such as workshops, e-learning programs, and handouts	Mitsubishi Electric Group	○
		Rate of attendance in e-learning programs about the Code of Conduct	FY2023	100%	100%	Mitsubishi Electric	○
		Fair competition (prevention of antimonopoly violations) •Establish and thoroughly implement antimonopoly prevention measures: provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules			Conducted training on antimonopoly laws (Mitsubishi Electric)	Mitsubishi Electric Group	○
		Major incidents of the violation of the prevention of antimonopoly violations	FY2023	0	0		○
		Corruption prevention (prevention of bribery) •Establish and thoroughly implement bribery prevention measures: provide bribery prevention education, and conduct monitoring with an eye toward establishing regulations and guidelines			Conducted anti-bribery training (Mitsubishi Electric)		○
		Number of major bribery incidents	FY2023	0	0		○
	Information security activities to protect important information	Number of major information leakage incidents	FY2023	0	0	Mitsubishi Electric Group	○
		Violation of information security related laws and regulations	FY2023	0	0		○
		Improve the information security maturity level*1	FY2026	Level 2 or higher	Made steady progress toward achievement in FY2026	Mitsubishi Electric Group (Japan)	○
	Complete reform in the area of quality assurance with an aim for zero quality-related fraud	Reconstruct functions for checks and balances •Conduct quality audits and promote improvements once a year at all manufacturing facilities and plants	FY2023	Implementation rate: 100%	100%	Mitsubishi Electric	○
		Measures for technology capability and resource issues •Build a system for compliance with quality-related laws, regulations and public standards; develop and implement an investment plan for infrastructure development, etc. related to the quality assurance system			•Developing an environment to confirm the latest standards by utilizing an online standard viewing system (accessed 23,470 times) •Establishing a consultation contact point related to product quality laws and regulations •Reorganizing check items and content for laws and regulations development/modification management	Mitsubishi Electric Group	○
		Renewed efforts to raise awareness on quality compliance •Improve quality compliance awareness and provide e-learning (Attendance rate of 100%) Survey the awareness of employees on quality	FY2023	Attendance rate: 100%	•E-learning attendance rate: 100% •Conducted a biannual employee awareness survey on quality •Comprehension level of the employee awareness survey related to quality philosophy rules and regulations: 86%	Mitsubishi Electric Group (Japan)	○

*1 Framework of the Cyber Security Maturity Model Certification (CMMC) issued by the U.S. Department of Defense.

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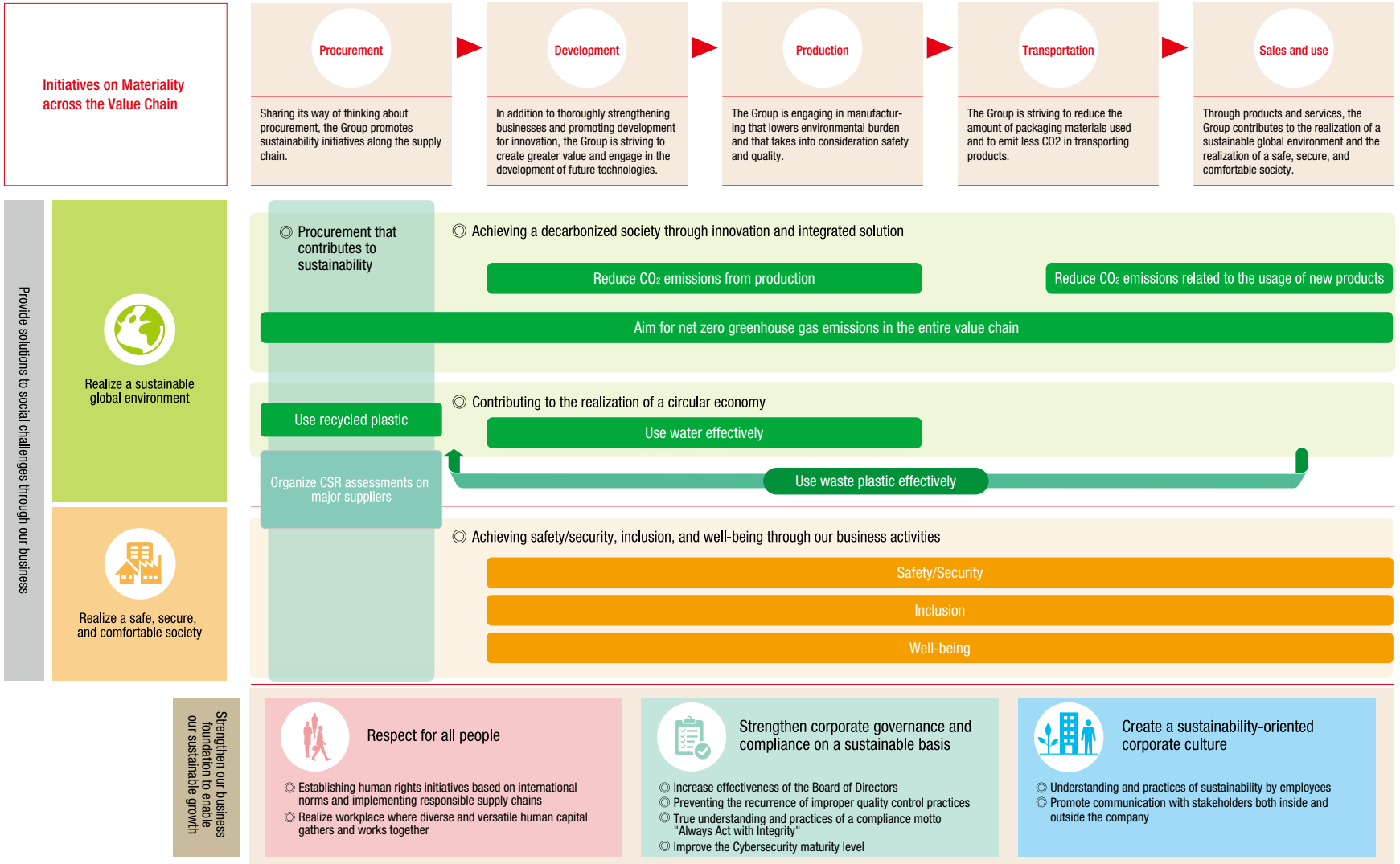
Materiality	Mid- to long-term initiatives	FY2023 targets/Key performance indicators (KPIs)		Target year	Quantitative targets	FY2023 Result	Scope	Evaluation
Create a sustainability-orientated corporate culture	Promote mid- to long-term initiatives for addressing social challenges	Strengthen the management system to realize sustainability management that integrates the promotion of sustainability •Report to the Executive Officers' Meeting and the Board of Directors at least three times •Business divisions participating in the Sustainability Committee				•Reported to executive officers and directors at least three times •Business units began participating, starting from the Sustainability Committee meeting in October 2022	Mitsubishi Electric Group	○
		Improve understanding on the relationship between business operation and sustainability	Rate of employees who understand the new management policy according to the results of an employee engagement survey	FY2023	80% or higher	71%		×
			Rate of employees who understand the operation of business in line with the management policy according to the results of an employee engagement survey	FY2023	75% or higher	67%		
		Promote activities aimed at realizing an inclusive society •Coexistence with the global environment: As an activity related to the Mitsubishi Electric Outdoor Classroom, contribute to biodiversity preservation activities by using BIOME, a living things collection application developed by Kyoto University's environmental venture company, Biome Inc. (1,000 participants) •Coexistence with the local community: Support organizations that contribute to solving social challenges including support for people with disabilities, based on the SOCIO-ROOTS Fund •Coexistence with all people: Promote the development of people in the next generation through support for science, technology, culture, art, and sports				Although the number of BIOME participants did not reach the target, the activities are making steady progress		△
		Promote organizational culture reform with focus on the Robust Policies Plan from "Team Sousei"				Promoted by encouraging employees to greet, express appreciation, and address one another with the "san" honorific, implementing the psychological safety guidelines, etc.		○
	Improve sensibility and adaptability to changes in values among society and individuals	Discuss social trends in Sustainability Committee meetings and respond to these trends				Conducted a survey of global laws and regulations, and discussed and considered responses at the Sustainability Committee meeting		○
	Promote active communication with stakeholders based on highly transparent information disclosure	•Issue the Sustainability Report and the Integrated Report, •Hold dialogues with experts, and conduct sustainability report questionnaires				•Issued the Sustainability Report and Integrated Report in FY2023 •Held dialogues with experts •Conducted a survey of 600 members of the general public		○

Please refer to materiality for mid- to long-term initiatives and goals for FY2024 (17 items), and back issues of our Sustainability Report for results to date.

Materiality
Reports (Sustainability)

Initiatives Related to the Value Chain

The Mitsubishi Electric Group is engaged in a wide range of businesses, ranging from familiar home appliances to satellites and projects on a national scale. Our operations of these businesses affect society and our value chain is also expanding. Recognizing these circumstances, the Mitsubishi Electric Group promotes sustainability initiatives across the entire value chain with a focus on materiality.



Materiality
Environmental Considerations for Value Chain Management

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 sustainability activities based on international norms.

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

UN Global Compact

* A voluntary initiative to participate in creating a global framework to achieve sustainable growth.

SBT

It is recognized that the Mitsubishi Electric Group's greenhouse gas reduction targets for 2030 are based on scientific grounds to "Holding the increase in the global average temperature to well below 2°C above preindustrial levels" as stipulated in the Paris Agreement. We have obtained certification from the SBT (Science Based Targets) initiative.

Mitsubishi Electric Sets Ambitious Greenhouse Gas Reduction Targets

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) and has been promoting initiatives and disclosing information according to its recommendations.

Financial Information Based on Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Joining CLOMA

On April 1, 2023, Mitsubishi Electric joined the Japan Clean Ocean Material Alliance (CLOMA) to help solve marine plastic waste problems. By accelerating our efforts toward solving waste plastic problems including those related to marine plastics through the use of our proprietary advanced plastic sorting technology, we will further contribute to realizing a circular society.

Joining the Clean Ocean Material Alliance (CLOMA) (in Japanese text)

Participating in the GX League

Mitsubishi Electric is participating in the GX League announced by the Ministry of Economy, Trade and Industry (METI). The GX League has been established by companies which actively work on green transformation (GX) together with players who strive to achieve GX, including governments, academia, public research institutions, and financial institutions, as a forum for discussing the overall economic and social system and creating new markets accordingly. Mitsubishi Electric will promote efforts to achieve GX through the activities of the GX League.

Participating in METI's GX League (in Japanese text)

Joining the RBA

In February 2022, Mitsubishi Electric joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in global supply chains. We commit to progressively align our own operations with the provisions of the RBA Code of Conduct, a global standard, to promote continuous improvement of our sustainability efforts.

Mitsubishi Electric Joins the Responsible Business Alliance (RBA)

Joining JaCER as a Founding Member

Mitsubishi Electric has joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which was established in June 2022 to support and promote the redress of grievances by companies, as a founding member (regular member). Going forward, we will continue to strengthen its grievance handling mechanisms in order to promote respect for human rights in society.

Mitsubishi Electric Joins Japan Center for Engagement and Remedy on Business and Human Rights as a Founding Member

Main initiatives in which Mitsubishi Electric is participating

- Japan Business Federation (Keidanren)
- Ministry of the Environment (30by30 Alliance for Biodiversity)
- 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

Positive Impact Finance

Mitsubishi Electric has entered into a Positive Impact Finance (PIF) financing agreement, which is intended to continuously support the activities of companies that comprehensively assess and monitor the impacts of their corporate activities on the environment, society, and the economy, thereby contributing to the achievement of the SDGs, with MUFG Bank, Ltd. Upon entering the agreement, we received qualitative and quantitative assessment from Mitsubishi UFJ Research and Consulting Co., Ltd. and obtained independent opinions from Japan Credit Rating Agency, Ltd.

Mitsubishi Electric Enters into a PIF Agreement with MUFG Bank (in Japanese text)

CDP

Mitsubishi Electric was selected as a "Supplier Engagement Leader" in the Supplier Engagement Rating from CDP. We also received "A-" (Leadership Level) ratings in the Climate Change and Water Security categories.

Mitsubishi Electric Named CDP Supplier Engagement Leader for Three Consecutive Years and Sixth Time

EcoVadis

Mitsubishi Electric has been awarded the Bronze Rating in corporate social responsibility (CSR) by EcoVadis, the global CSR assessment agency. The Bronze Rating places Mitsubishi Electric among the top 50 percent of all companies assessed by EcoVadis.

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 and the FTSE Blossom Japan Sector Relative Index. These indexes have also been adopted as investment outlets by the Government Pension Investment Fund (GPIF).

MSCI Indexes

2023 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)

MSCI (USA) is a company that calculates and announces various indexes of global constituents. Mitsubishi Electric was selected as a constituent for the MSCI Japan Empowering Women Index (WIN), consisting of select companies in Japan displaying excellent gender diversity. The index has 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.

PRIDE Index 2022

Mitsubishi Electric received the Gold award in the "PRIDE Index 2022," an index to evaluate initiatives for LGBTQ and other sexual minorities at workplaces in Japan. We were recognized for our continuing LGBTQ initiatives and received the Gold award for the first time following our receipt of the Silver award in 2021.

Mitsubishi Electric Receives "PRIDE Index 2022" Gold Award (in Japanese text)

Eruboshi

Mitsubishi Electric has received Eruboshi (Grade 2) from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.

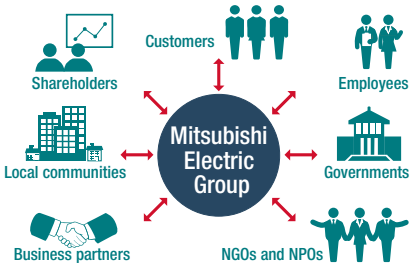
Communicating with stakeholders

Basic policy on stakeholder engagement

The Mitsubishi Electric Group understands that requests and opinions from its stakeholders are extremely important—not only to avoid acts that will inconvenience society, but also to pursue initiatives for achieving a sustainable society.

As such, the Group captures every opportunity to communicate with various stakeholders, it shares opinions and other information received from them among director-level personnel and elsewhere within the Group through the Sustainability Committee, and we incorporates these opinions and information within various initiatives.

Going forward, the Mitsubishi Electric Group aims to realize a vibrant and sustainable society while endeavoring to ensure transparent disclosure of information on sustainability and while working to solve social challenges together with its stakeholders.



Stakeholders of the Mitsubishi Electric Group

Reflecting stakeholders' opinions

Stakeholders have expressed a variety of opinions regarding the Mitsubishi Electric Group's efforts in FY2023. In response, the Group has been working to promote and implement sustainability initiatives.

Opinion 1: Clarification of four areas to promote the realization of sustainability

We identified four areas to promote the realization of sustainability in response to an employee's comment that we should be more specific about what the Mitsubishi Electric Group will do to realize sustainability.

Basic policy and promotional system for sustainability

Opinion 2: It is difficult to see what specific activities the Mitsubishi Electric Group is implementing

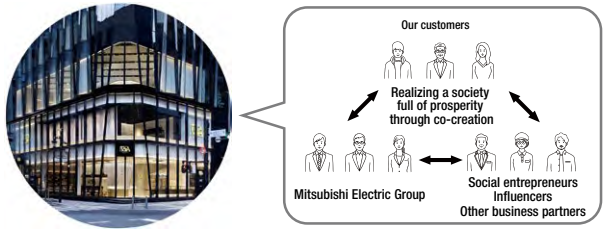
Investors and other stakeholders have commented that the Mitsubishi Electric Group should disclose the specific details of how it will strive to reform. In our 2023 Sustainability Report, we will disclose what social issues our products and services are attempting to solve and how we are working to reform our organizational culture, including the views of our employees.

Opinion 3: Please explain the concept of Circular Digital-Engineering in an easy-to-understand manner

We have received many comments asking us to explain Mitsubishi Electric's concept of "Circular Digital-Engineering" in an easy-to-understand manner using concrete examples. We did our best to provide an easy-to-understand explanation at Corporate Strategy briefings and other meetings in FY2024.

We are also giving serious consideration to many other comments that we have received, and we will incorporate them into the Mitsubishi Electric Group's sustainability efforts.

METoA Ginza, a place for co-creation with stakeholders



METoA Ginza, which is located in Tokyo Ginza district, aims to be a "space for co-creation" with stakeholders by providing opportunities to experience ideas in the development stage at the Mitsubishi Electric Group and by incorporating the opinions gathered there into the development process.

Visitors are diverse, ranging from families and foreign tourists to students, government officials, customers, and employees. In this place, visitors can deepen their understandings of social issues and solutions both in the physical and digital worlds. Hands-on exhibits showcase the latest technologies that can help solve social issues, while public recordings and archives of speaking events roundtable discussions among social entrepreneurs, influencers, and Mitsubishi Electric engineers can be accessed via the website.

In fiscal 2023, we received approximately 8,000 comments and opinions from visitors, which has motivated our employees to provide even better products and services. In addition, when we exhibited "ekinote," a guidebook application that integrates transportation, sightseeing, and dining information at approximately 9,100 stations across Japan and their surrounding towns and cities, we incorporated approximately 8,200 pieces of visitor feedback into our development process, thus contributing to regional revitalization.

By expanding METoA Ginza's activities as a "space for co-creation," we will increase the number of people who will work together to realize a sustainable future, and together with our stakeholders, we will work toward the realization of a "sustainable society full of prosperity."

METoA Ginza

Dialogues with Experts



From right to left

External Experts
- **Mr. Peter David Pedersen**, President of NELIS, a non-profit organization, Full-time Professor, Graduate School of Leadership and Innovation, Shizenkan University, Director of the Center for Sustainability and Innovation
- **Ms. Yukari Takamura**, Professor, Institute for Future Initiatives, the University of Tokyo
- **Ms. Chieko Matsuda**, Professor, Faculty of Economics and Business Administration and Graduate School of Management, Tokyo Metropolitan University

Mitsubishi Electric
- **Kei Uruma**, Representative Executive Officer, President and CEO
- **Yoji Saito**, Executive Officer
- **Asako Ueno**, Head of the Sustainability Planning Division

The Mitsubishi Electric Group incorporates opinions from external experts on sustainability into our management activities and initiatives. We invited three experts to our head office to exchange their views with three executives, including the president, in March 2023.

We began by explaining the Mitsubishi Electric Group's Corporate Strategy for becoming a Circular Digital-Engineering Company, which is our new framework for promoting sustainability from fiscal 2024, and the progress we have made in specific initiatives. We also introduced "My Purpose" activities, which we are currently promoting to have every employee personally adopt the Company's Purpose, and the "President's School," which is designed to develop future executives. Experts shared their perspectives on our initiatives based on the latest global trends, and we used their input to deepen our discussions.

During the discussions, the experts provided a wide range of advice on various topics, including our efforts to achieve carbon neutrality by 2050, how to prepare TCFD (Task Force on Climate-related Financial Disclosures) disclosures, and measures to integrate sustainability into management.

The dialogue lasted for two hours with positive feedback and expectations for the management structure, which consists of four Business Areas (hereafter, BA), and the governance reform.

Main topics of discussion

- Toward achieving carbon neutrality by 2050
- How to integrate TCFD into management
- Spreading awareness within the company and fostering the next generation
- Expectations for the governance reform

Setting clear timescales for achieving goals and working with stakeholders to keep initiatives moving forward

Professor, Institute for Future Initiatives, the University of Tokyo
Ms. Yukari Takamura

I consider that the BA management structure, which was put in place in fiscal 2023, is an effective platform for addressing specifically to social challenges. My expectation is that BAs will make good use of the diverse technological seeds that they have collected and grow buds of new businesses, starting from the question of "How can we help solve social challenges?"

To achieve the goal of carbon neutrality by 2050, it is important to consider initiatives with a clear understanding of the timescale, including the technological prospects. It is also essential for employees to share the timeline in which the technological development they are involved in will contribute to achieving the goal and the importance of their contributions to the company's initiatives in order to increase motivation. Moreover, it is not easy to reduce Scope 3 emissions, because your company has a wide range of products. It is desirable for Mitsubishi Electric to be able to clearly demonstrate its approach to initiatives and the progress made.

Thinking about and working with stakeholders is critical to recognizing the materiality of sustainability as a social challenge and helping to address it. Mitsubishi Electric must establish similar mechanisms for other issues, just as you have worked with and engaged in dialogue with international NGOs and other organizations to address human rights issues in the supply chain.

In terms of the structure for promoting sustainability, I expect that stronger measures will be taken with the Sustainability Planning Division being positioned under the direct control of the president in fiscal 2024. Meanwhile, the company could consider inviting third parties to serve on the Sustainability Committee. Establishing governance is an important step in integrating sustainability issues into the business. I look forward to seeing how the President's initiatives have progressed in a year's time.





Looking forward to the realization of green innovation that converts "environmental costs" into "corporate value"

President of NELIS, a non-profit organization
Full-time Professor, Graduate School of Leadership and Innovation, Shizenkan University, Director of the Center for Sustainability and Innovation
Mr. Peter David Pedersen

When considering sustainability and its relevance to business, it is important to take into consideration the particular focus and strengths of different business lines in a company. I expect Mitsubishi Electric to realize green innovation by leveraging the strengths of its diverse technologies and products to reduce CO_2 emissions, to recycle resources, to regenerate ecosystems, and to solve water issues.

We recognize that the goal of carbon neutrality by 2050 is important, but we will not be able to achieve it all at once. It is essential for those in charge of the business to accumulate experience by steadily building a solid foundation while obtaining small wins by solving each problem in a stepwise fashion before realizing the distant future vision. While formulating strategies to solve big problems based on backcasting, it is important to build technologies and businesses through forecasting.

Although the TCFD may seem like a severe restriction in that it requires the disclosure of the specified items based on standards, it is essential to demonstrate how you will incorporate them into your company's strategy based on a full understanding of the elements contained within those standards. I would like to see the company demonstrate its management skills by transforming "environmental costs" into "corporate value" and realizing "trade-ons" instead of "trade-offs."

In my opinion, the Circular Digital-Engineering Company value creation model is an excellent vision to strive for. The four BAs also have great market potential. I hope that under the leadership of the BA owners, the entire business will be linked to sustainability and spiral upwards. The ultimate responsibility that a company should bear is not "responsibility to shareholders" but "responsibility to the future," specifically future generations yet to be born, and I hope that the company will accelerate innovation as a true pioneer.

Sharing with employees the story of business and management for the future, and continuing rapid reforms

Professor at the Faculty of Economics and Business Administration and Graduate School of Management, Tokyo Metropolitan University
Ms. Chieko Matsuda

I participated in the Dialogue last year as well, and I have seen several developments in advancing sustainability over the past year. It is commendable as a demonstration of the company's determination that the starting point is clearly stated as "solving social challenges through business" and that "My Purpose" activities to disseminate the Purpose are being carried out under the President's leadership.

On the other hand, there are several points that need to be re-examined to improve the approach. There is room for improvement in the diagram currently used to represent the three innovation areas of "Green By," as it is not sufficiently clear in terms of the timeframes, resources to be used, and business models. The four elements that are becoming the framework for sustainability disclosure—namely Strategy, Risk Management, Metrics and Targets, and Governance—are essentially a series. First, there is the Corporate Strategy, and then consideration of risk scenarios to implement the strategy. Quantitative indicators and targets have been set to manage and understand the risks assumed in the scenarios. Get the governance that monitors the risk scenarios to work, and feed the results back into the strategy. It is important to follow the PDCA cycle in this way.

In the four BAs, the question is how much authority and power the BA owners have to lead the company. To advance business based on market response, direct dialogue between investors and BA owners could be considered. In addition, developing the next generation of managers to have excellent management acumen is essential to achieving sustainability transformation.

It is also important to consider employees as stakeholders. Employees want to know where Mitsubishi Electric is heading and what its business and management story will be.

Because your company has experienced the crisis brought about by the improper quality control practices, I believe that the company is now in a situation in which it is possible to make drastic revisions to all internal systems and structures. I sincerely hope that this crisis will be turned into an opportunity and that the company will continue to carry out its reforms with a sense of urgency.

After the dialogue

The various opinions we heard have renewed our determination to achieve sustainability starting from "solving social challenges through our businesses."

As the Sustainability Planning Division came under the direct control of the president in fiscal 2024, we will strive to further strengthen the connection with management and to make effective efforts. We seriously consider the comment that the three innovation areas of "Green by" and the timescale for achieving carbon neutrality have not been communicated well, and we will revise them to strengthen our communications with stakeholders.

We also appreciate the valuable comments on the TCFD's proposed framework of Strategy, Risk management, Metrics and Targets and Governance, which is not intended to be completed on an item-by-item basis but is necessary to properly implement the PDCA cycle for managing risks and opportunities on climate change as well as to disclose these four elements as a whole process. This framework will be used not only for climate change but for human capital, diversity, and other sustainability disclosures. Through the dialogue, I was convinced that it is necessary to have a proper understanding of why these items are important and to ensure that they are rooted in the PDCA cycle of Corporate Strategy. Thank you for your time today.

Senior General Manager of Sustainability Planning Division, Mitsubishi Electric Corporation Asako Ueno

Results of Reader Surveys

Questionnaire-based Survey Conducted on the Sustainability Report

The Mitsubishi Electric Group conducted a survey questionnaire among its stakeholders in Japan regarding the Group's sustainability initiatives and Sustainability Report 2021, 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 pushing further forward on its sustainability efforts.

Survey summary and partial results

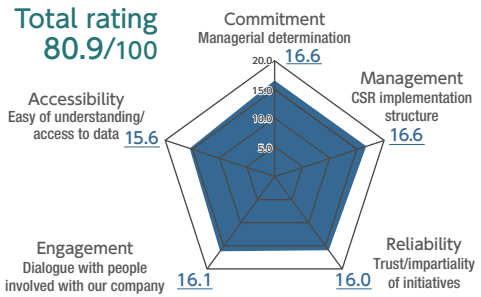
[Period] November 2022

[Questionnaire responders] ●Japan ●600 persons

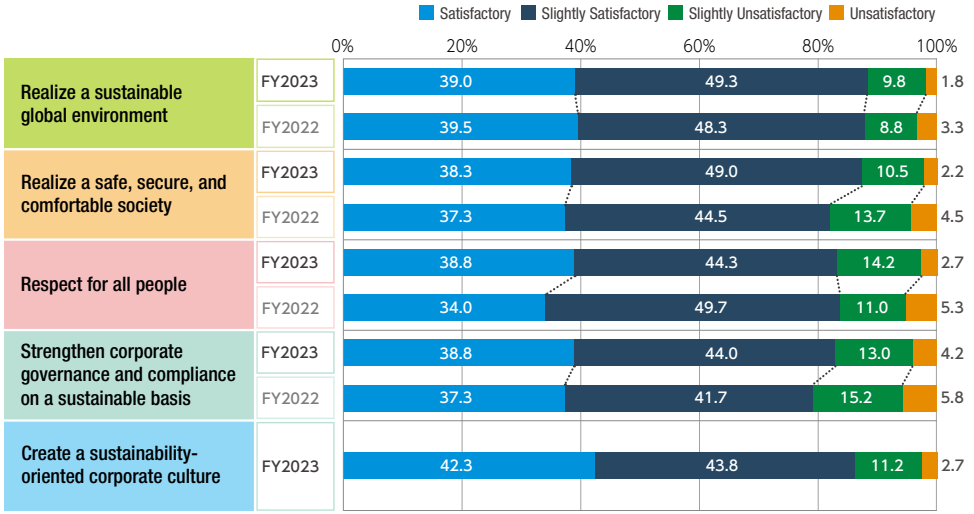
- ●General population nationwide, men and women aged 15 or older (people with a strong interest in sustainability)

[Main questions]

- ●Is senior management pursuing sustainability initiatives in earnest?
- ●Does the company have the framework that will allow it to implement sustainability efforts as a total organization?
- ●Are the 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.).
- ●Whether the company's efforts to address materiality (important challenges) are sufficient
- ●What is the social challenge among five areas that you particularly expect to be solved in the core businesses?
- ●What kind of stakeholder groups do you think the company should be fostering a dialog with?



Whether the company's efforts to address materiality are sufficient



* The "Create a sustainability-oriented corporate culture" was not surveyed in Fiscal 2022 because it was newly formulated in Fiscal 2023.

Main comments received on expectations regarding materiality

Realize a sustainable global environment	・Issues such as the realization of a sustainable global environment and the occurrence of extreme weather events seem to be alarm bells and cries from the earth for humanity. These issues are very important for companies that are heavily involved in energy (Male over 60). ・A process chart for decarbonizing and a policy compatible with the circular economy are clearly laid out (Male, 30s).
Realize a safe, secure, and comfortable society	・I feel that the company is learning from a series of issues related to misconduct of the past and is correcting its corporate structure in a number of ways (Male, 50s). ・I hope that universal design efforts will continue to be promoted to create products that are easy for many people to use and apply in their daily lives (Male, 60s).
Respect for all people	・Proactive efforts are being made to reform the corporate culture to eliminate gender barriers, with an example being the promotion of women and the provision of maternity leave for men (Female, 30s). ・The company takes on the challenge of creating an environment where employees can work confidently while being well-rounded, physically and mentally healthy individuals, regardless of their diversity with regard to point of view, gender, and abilities. And I find it very wonderful that the company is showing these efforts to every section of the company, thereby promoting a corporate environment where employees have abundant opportunities to freely realize their dreams and goals (Male, 20s and below).
Strengthen corporate governance and compliance on a sustainable basis	・I like their orientation towards listening to and understanding employees' feedback proactively (Female, 40s). ・I think the reform of the system is sufficient, but the most important thing is the restoration of trust and the building of a track record for the future (Male, 50s).
Create a sustainability-oriented corporate culture	・I hope that the company pursue essential wealth and happiness for people (Female, 30s). ・I think disclosure is sufficient. If I had to choose, I hope that the company describe more about the results of internal communication and alignment of understandings (Male, 30s).

Measures for Internal Dissemination

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

Internal Dissemination Measures

Target	Description of Initiative
Executives	·Sustainability lectures Lecture presentations are held by experts who are asked to speak about changes in social perspectives and the latest industrial trends concerning sustainability to Mitsubishi Electric executives and members of the Sustainability Committee.
Affiliate companies in Japan	·Sharing of sustainability information in conferences of Mitsubishi Electric Group administrative managers Twice a year, general managers of administrative departments of affiliate companies in Japan gather in a conference to discuss compliance and other related matters, in which they share information on the Mitsubishi Electric Group's company-wide sustainability policy and initiatives.
Affiliate companies overseas	·Sustainability promotion activities in each region Overseas affiliates of the Mitsubishi Electric Group also hold committees for promoting sustainability and otherwise implement activities as needed for each region.
Sustainability managers	·Sustainability manager training Mitsubishi Electric holds training for sustainability managers from the company's offices and affiliates in Japan. Through lectures, they learn the basic principles of sustainability, social demands, and the Mitsubishi Electric Group's sustainability initiatives.
Group employees	·Promoting understanding of sustainability through training and in-house newsletters E-learning educational materials are distributed so that employees of Mitsubishi Electric and its group companies in Japan can learn about sustainability. In addition, in-house newsletters distributed to the group companies in Japan and overseas introduce sustainability initiatives both in Japanese and English.
New employees	·Sustainability training Sustainability training is provided to new Mitsubishi Electric employees to give them an opportunity to deepen their understanding of sustainability, which is positioned as the cornerstone of its management. They are also informed of the importance of ensuring ethical and legal compliance as well as addressing quality and environmental issues in their daily work.

Key Initiatives for Fiscal 2023

Direct dialogue between executives and employees

Mitsubishi Electric holds interactive meetings between executives and employees at each workplace to communicate executives' thoughts regarding reforms to employees, as well as to exchange views between them. In fiscal 2022, these meetings were held at a total of 42 bases, and in fiscal 2023, 314 meetings were held in the form of small-scale town hall meetings to facilitate deeper dialogue. We have listened to our employees' diverse opinions and will feed them back into various reforms.



Scene at a town hall meeting

Sustainability lectures for executives

Lecture presentations are held by experts regarding changes in social perspectives and the latest industrial trends concerning sustainability for Mitsubishi Electric executives and members of the Sustainability Committee. These are opportunities for executives to reaffirm the importance of sustainability.



Sustainability lectures for executives

Sustainability training

To deepen each employee's understanding, we conduct training, such as e-learning and new employee training, and check the degree of dissemination through an employee awareness survey.

We also disseminate the SDGs to our employees in various ways to help them understand the context of their adoption and their individual goals, and to help them contribute to the achievement of the SDGs.

Results of the employee survey on the awareness of sustainability training

Understanding of the new management policy	71%
Implementing operations in accordance with management philosophy	67%

Dissemination of information to group employees

The Mitsubishi Electric Group actively utilizes information to disseminate sustainability internally. In particular, it is important for employees to understand our Management policy and Corporate strategy, which position the realization of sustainability as the cornerstone of our management.

For this reason, we have posted easy-to-understand video contents on the intranet and posters for employees at manufacturing sites, which are about "Sustainability Management," "Addressing Social Challenges through our Businesses," "Circular Digital- Engineering company," and "Purpose," etc, from the perspectives of what is different from the past and how to apply the concepts to their work.



The thoughts behind Mitsubishi Electric's Purpose and the need for "Purpose"



Video of executive officers answering employees' various questions regarding sustainability management



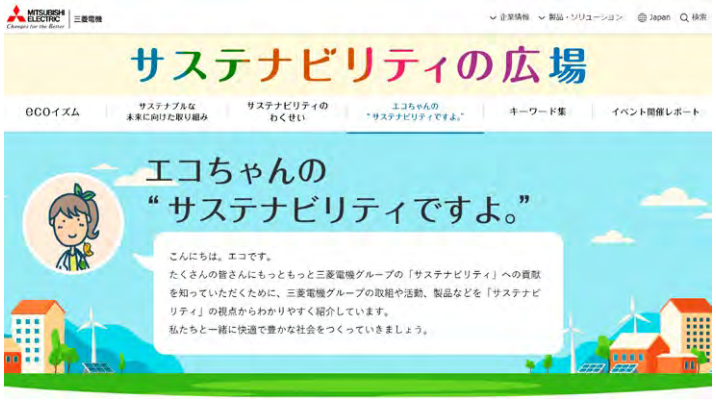


Posters for employees who are not in the environment to access the videos on the intranet (scripted overview)

Eco-chan activities

As stated in our corporate strategy, the Mitsubishi Electric Group contributes to realizing sustainability by solving social issues through the products and services we provide. One measure to disseminate our sustainability efforts to our employees is creating the "Sustainability Square" website. This site features easy-to-understand explanations of how Mitsubishi Electric Group's products and services contribute to solving social issues by using characters such as "Eco-chan." In addition, the site also includes content that introduces human rights and other sustainability initiatives.

Employees are regularly notified by email of new content postings. Timely, appropriate content is also added in response to the employee questionnaire. We strive to ensure that all employees of the Mitsubishi Electric Group deepen their understandings of our sustainability initiatives.



Sustainability Square (in Japanese text)



Example content appearing in the Sustainability Square



Human rights explanation video

Communication with stakeholders

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

Major stakeholders	Responsibilities and issues	Major contact departments	Major communication opportunities
Customers Individual and corporate customers	・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 ・Sustainability promotion 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 departments	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 Group	・Grants and partnerships through contributions to regional communities ・Dialogues on social and environmental issues	・Sustainability promotion departments	Philanthropic activities (funds, foundations, volunteer activities), dialogues on social and environmental issues
Business partners Business partners that supply raw materials and parts	・Fair transactions ・Sustainability promotion through the supply chain	・Materials departments	Information sessions on sustainability 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)	・Sustainability promotion departments	Contributions through business, philanthropic activities (funds, overseas foundations, volunteer activities), grants to universities, plant inspection tours, factory open-house events
Shareholders Shareholders, investment institutions, investors, etc. directly or indirectly possessing Mitsubishi Electric Group shares	・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 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	・Sustainability promotion departments ・Overseas foundations	Inquiry centers, philanthropic programs, factory inspection tours, grants via foundations, events, METoA

Environment

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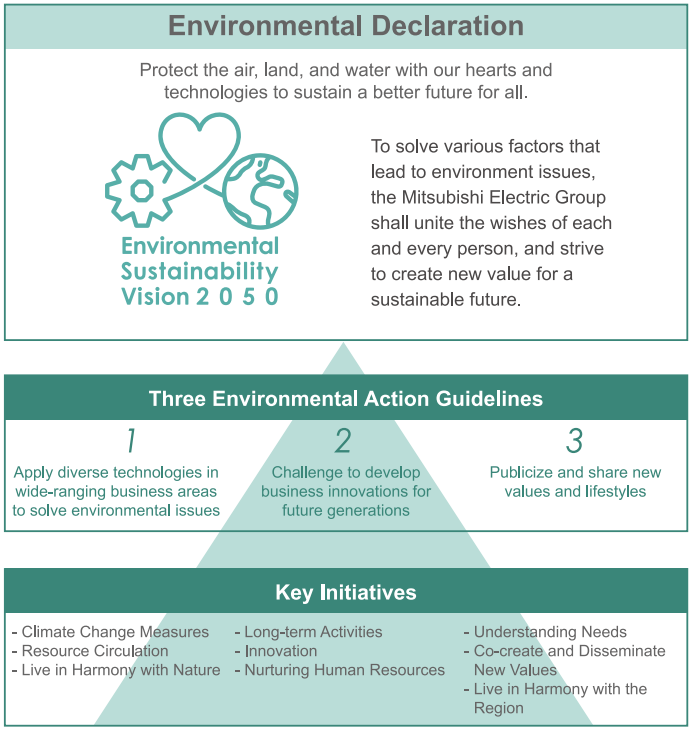
Basic Policy

The Mitsubishi Electric Group sets forth a clear course of action it shall take toward 2050 in Environmental Sustainability Vision 2050, and promotes initiatives to realize sustainability of the global environment based on an environmental policy that outlines how the Group shall contribute to the environment.

Environmental Sustainability Vision 2050

In recent years, corporations are expected to further continue their long-term efforts to solve global environmental issues. The Mitsubishi Electric Group's new Environmental Sustainability Vision 2050 defines environmental protection as an even greater corporate priority and stipulates increased initiatives toward this end. It establishes Mitsubishi Electric's future course toward 2050 in the form of the Environmental Declaration, Three Environmental Action Guidelines, and Key Initiatives.

Environmental Sustainability Vision 2050



1 Apply Diverse Technologies in Wide-Ranging Business Areas to Solve Environmental Issues

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

Key Activities

Climate Change Measures

1) 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.
2) Respecting the global shift toward carbon neutrality, 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. Our present target is to reduce CO_2 emissions to net-zero by 2050.
3) Observing changes in the global environment, we will provide solutions that contribute to minimizing the risks of natural disasters.

Resource Circulation

1) 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.
2) Eliminating resource waste throughout the value chain, we will strive to maximize the effective use of resources.
3) 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.
4) We will promote the effective use of water taking the water environment of each region into consideration.
5) We will promote resource recycling businesses globally, such as reuse, repair of products/ systems and waste reduction.
6) We will aim to achieve 100% effective use of wastes, such as plastics, generated during manufacturing processes.

Live in Harmony with Nature

1) 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.
2) We will work to control, suppress, substitute, and properly dispose of harmful substances that may affect the natural environment.

2 Challenge to Develop Business Innovations for Future Generations

The Mitsubishi Electric Group shall draw on internal and extern al strengths, combine them when required to resolve difficult issues, and take on the challenge of developing technologies and business innovations for future generations.

Key Activities

Long-term Activities

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

Innovation

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

Nurturing Human Resources

1) We will foster a corporate culture in which employees, as ordinary citizens, take the initiative on creating new lifestyles in harmony with nature.
2) 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

1) We will work to understand our customers' needs and expectations for the environment through sales activities, exhibitions, events, and other initiatives.
2) 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

1) 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

1) 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 Policy

Based on its Purpose, "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity," the Mitsubishi Electric Group clearly states its contribution to the realization of sustainability as one of its key management policies. Our aim is to realize both a sustainable global environment and a safe, secure, and comfortable society. To find solutions to environmental problems such as climate change, resource depletion, and the loss of biodiversity, contributing to the protection of the environment is positioned as one of the most important issues that the Group must address.

Utilizing our accumulated and newly developed state-of-the-art technologies, and in accordance with "Environmental Vision 2050," we will provide products and services through a wide variety of businesses that contribute to resolving climate change issues and creating a recycling-based society. At the same time, we will draw on strengths, both within and outside of the Group, and with the passion of all employees, focus on creating innovative technologies, products and services while proposing new values that will support future generations. Particularly, in view of the global trend towards rapid decarbonization, we are addressing the reduction of greenhouse gas emissions throughout our value chain while also promoting the recycling of resources globally and making efforts to preserve biodiversity.

As a good corporate citizen, the Group will continue to work with its employees, their families, and local communities to foster environmental awareness and expand the sphere of its activities that are contributing to society. We will actively disseminate information on our environmental initiatives in an effort to promote a mutual understanding with society. In doing so, we will comply with laws and social norms, change the ways we think and act with a keen sensitivity to changes in society, and always conduct business activities while giving continuous consideration to protecting the environment.

Under the Environmental Declaration, "Protect the air, land, and water with our hearts and technologies to sustain a better future for all," all employees of the Mitsubishi Electric Group will contribute with pride and passion to enrichen people's lives and improve the global environment.

November 2021



Kei Uruma
President & CEO

Strategy for Climate Change

Financial Information Based on Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

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

We view response to the TCFD as an activity to fulfill our "responsibility to a sustainable society" and "contribute to a sustainable society through our business" by addressing the global environmental challenge posed by climate change. Moreover, we view it as "risk management in response to long-term social and environmental changes" towards the realization of sustainability, and "communication with stakeholders" to promote the resolution of social issues.

Governance

Basic policy of Sustainability

The Mitsubishi Electric Group implements sustainability-oriented initiatives in all corporate activities in accordance with its "Purpose," "Our Values," and "Commitment." Our Management policy states, "we will return to our fundamental principle of 'addressing social challenges through our businesses' and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders." We will pursue initiatives for achieving a sustainable society to incorporate the expectations, requests, and opinions from society into activities, and to minimize the negative impact on society and the environment.

Actions to promote the realization of sustainability

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

1. Contribution to a sustainable society through our businesses
   To contribute to the realization of a "vibrant and sustainable society" by solving social and environmental issues through our business activities
2. Responsibility for a sustainable society
   To conduct business responsibly in a manner that does not cause or exacerbate social challenges or environmental issues
3. Risk management for long-term social and environmental changes
   To adapt to changes in society and the environment not only in the short and medium terms but also in the long term. To create business opportunities and sustainable development. To predict risks and to control or minimize their impacts on business management
4. Communication with stakeholders
   To communicate with society, customers, shareholders, employees, and other stakeholders through highly transparent disclosure of information in a way that reflects society's expectations, requests, and opinions in our corporate management

Promotional System for Sustainability

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are decided by the Sustainability Committee, which is chaired by the Chief Strategy Officer (CSO), the Executive Officer in charge of corporate planning and sustainability, and appointed by Mitsubishi Electric's Executive Officers meeting. The Sustainability Committee comprises of the heads of Mitsubishi Electric's corporate divisions and corporate strategic planning divisions (as of April 1, 2023, there are 34 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources). Based on the materiality, the Committee discusses monitoring the results of activities, decisions on future activity plans, and responses to law amendments, and promoting initiatives from a perspective that spans the entire Mitsubishi Electric Group. In addition, the corporate divisions are responsible for the promotion of specific initiatives such as ethics and legal compliance, quality assurance and improvement, environmental protection activities, social contribution activities, and stakeholder communication.

The Sustainability Planning Division provides the secretariat for the Sustainability Committee. We have established the Sustainability Planning Division under the direct control of the President as the core organization responsible for this task from fiscal 2024 in order to realize sustainability.

The Sustainability Committee generally holds meetings at least three times a year, and the details on the discussion are reported to the senior executives at the Executive Officers' Meeting. From fiscal 2022, the details on the discussion are also reported to the Board of Directors. The Board of Directors regards the statuses of sustainability initiatives as one of the "key agenda items" for the Mitsubishi Electric Group (medium- and long-term management plan, organizational culture reform, sustainability initiatives, and human capital strategy from July 2022 to June 2023), and it holds full discussions from the perspective of risk management and profit-generating opportunities, receiving diverse opinions from independent outside directors, as well as supervising the status of initiatives by Executive Officers.

The promotion of sustainability initiatives is one of the compensation indicators for Executive Officers, and the achievement of performance indicators in non-financial areas such as sustainability and ESG-related areas is reflected in incentive compensation.

In order to deal with sustainability challenges that involve multiple divisions in a cross-sectional manner, we also have established 'Subcommittees' as permanent meetings and 'Projects' as temporary meetings under the Sustainability Committee. The two subcommittees, the "Carbon Neutrality Subcommittee" and the "Human Rights Subcommittee," promote initiatives in response to legal and social requirements. In addition, we have established the "Integrated Report/Legal Disclosure Working Group" and "TCFD Working Group" to consider the clarification of individual categories of activities and the roles of participating divisions, information disclosure in accordance with norms, and other matters. Subcommittees and projects are led by the relevant corporate division, and the progress of these subcommittees' initiatives is confirmed at each Sustainability Committee meeting.

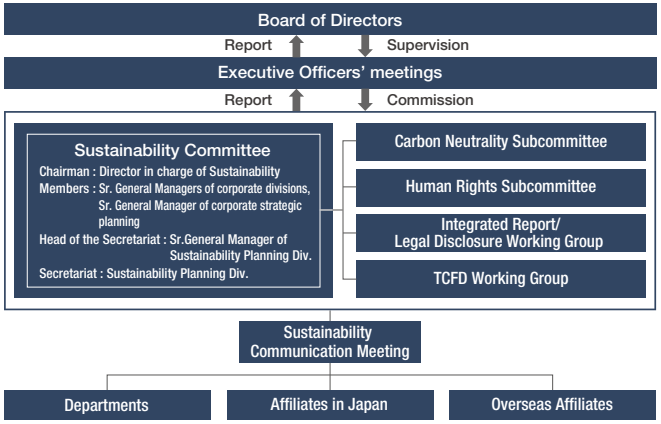
Further, to share and execute the policies and plans established by the Sustainability Committee, we have established the "Sustainability Communication Meeting" aimed at collaboration between internal divisions and affiliates in Japan and overseas.

Key Feedback from the Board of Directors

Regarding the agenda items related to the impact of climate change, "Initiatives to carbon neutrality" and "Response to the TCFD" were discussed at the Sustainability Committee meetings in April and October 2022 and January and April 2023.

In response, the Board of Directors has provided feedback to the Executive Officer Responsible for Sustainability, including the following points:

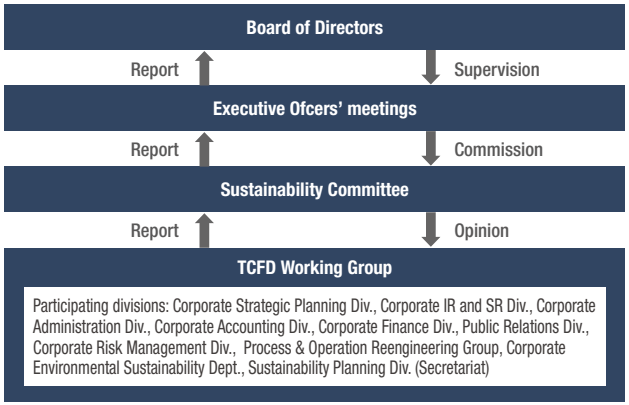
- Society expects the Mitsubishi Electric Group to "realize a sustainable global environment" as well as "a safe, secure, and comfortable society." We must also demonstrate our strength in these areas, and it is necessary to promote initiatives with carbon neutrality at their core.
- More and more companies are being criticized for "greenwashing" (pretending to contribute to the environment). There is a need for accurate communication of the facts.



Sustainability Promotion Framework

TCFD Working Group

During fiscal 2023, the TCFD Working Group was established under the auspices of the Sustainability Committee with the aim of stepping up efforts to address risks and opportunities associated with climate change, both in terms of "risk management in response to long-term social and environmental changes" and "communication with stakeholders."



TCFD Working Group

As a point of reinforcement, the project considered the financial impact assessment based on scenario analysis and the global environmental risks management in the risk management of the Mitsubishi Electric Group.

Considering the financial impact assessment based on scenario analysis

We have identified and extracted the corporate divisions that are considered to be relatively highly sensitive to the impacts of climate change by examining the following documents and records as well as assessing them from a bird's-eye view: external assessments (ESG investment guidelines, various climate-related initiatives, etc.) of the magnitude and sensitivity of the effects that climate change has on industries; greenhouse gas emission amounts by division; and the business portfolio of each corporate division. We next estimated the financial impacts on our current business plans over the long-term in an uncertain future year based on the assumption of scenarios in which climate change is below 2°C and in which climate change is 4°C. We then verified the resilience of these businesses and examined the degree of impacts on the Mitsubishi Electric Group's overall business as well as the accuracy and validity of the information disclosed. In fiscal 2024, with the aim of conducting a financial impact assessment of the Mitsubishi Electric Group as a whole and disclosing the results in fiscal 2025, we will continue this study and expand it into a consistent analysis of all corporate divisions.

Examination of global environmental risk management in the risk management of the Mitsubishi Electric Group

With regard to risk management, we have established a risk management framework for the Mitsubishi Electric Group, positioned global environmental risks including climate change within this framework, and improved management processes for risks related to the global environment. In fiscal 2024, we aim to further contribute to the global environment by deepening and clarifying the identification, assessment, and management of risks and opportunities related to climate change.

Strategy

Climate Change Risks and Opportunities in the Short, Mid-to-Long Term

The Mitsubishi Electric Group has identified climate-related risks and opportunities.

Table 1 Examples of Climate-related Risks and Initiatives by the Mitsubishi Electric Group

Risks	Examples of the Group's Initiatives
■ Transition Risks	
Policy and Legal Risks (Short-to-Long Term) • Increase in carbon pricing • Strengthened obligation of emission reports • Orders and regulations for existing products and services by relevant authorities • Litigation	• Reduction of GHG[*1] emissions through promotion of environmental plans and setting and taking initiative on SBT[*2] • Promotion of environmentally conscious design (global warming, resource conservation, recyclability, hazardous substances, packaging) • Capital investment related to environmental activities, including energy saving and global warming countermeasures • Implementation of supply chain management (formulation and implementation of green procurement standards) • Reporting of Scope 1, 2 and 3 emissions and implementation of third-party certification • Acquisition and maintenance of ISO 14001 certification • Confirmation of legal compliance through environmental audits • Disclosure of initiatives related to climate change and other environmental issues
Technology Risks (Mid-to-Long Term) • Replacement of existing products and services with low-emission alternatives • Failed investment in new technologies • Cost of transition to low-emission technologies	• Development of new technologies through R&D investment • Implementation of intellectual property activities • Mobile capital investment mainly in key growth businesses • Capital investment related to environmental activities, including energy saving and global warming countermeasures
Market Risks (Mid-to-Long Term) • Changes in customer behavior • Uncertainty in market signals • Rise in raw material costs	• Promotion of environmentally conscious design • Capital investment related to environmental activities, including energy saving and global warming countermeasures • Market research and feedback on product development
Reputation Risks (Mid-to-Long Term) • Changes in consumer preferences • Criticisms of the industrial sector • Increased concerns among stakeholders, or negative feedback from them	• Reduction of GHG emissions through promotion of environmental plans and setting and taking initiative on science based targets • Capital investment related to environmental activities, including energy saving and global warming countermeasures • Promotion of environmentally conscious design • Response to environmental risk management • Implementation of natural environment conservation activities, including the protection of local biodiversity • Disclosure of initiatives related to climate change and other environmental issues
■ Physical Risks	
Acute Risks (Short-to-Long Term) Increased severity of extreme weather such as cyclones and floods	• Formulation and periodic review of BCPs[*3] • Implementation of supply chain management (formulation and implementation of green procurement standards, decentralization of production sites by purchasing from multiple companies, etc.) • A certain amount of investment every year in environmental activities, including initiatives against climate change • Reduction of GHG emissions through promotion of environmental plans and setting and taking initiative on science based targets
Chronic Risks (Mid-to-Long Term) Changes in precipitation patterns and extreme variations in weather patterns	

*1 Greenhouse gas *2 Science Based Targets *3 Business continuity plan

Table 2 Examples of Climate change-related Opportunities and Initiatives by the Mitsubishi Electric Group

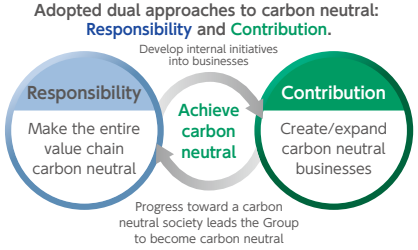
Social Challenges (Opportunities)	Examples of the Group's Initiatives
■ Resource Efficiency	
• Use of more efficient modes of transport (modal shift) • Use of more efficient production and distribution processes • Promotion of recycling • Relocation to a more efficient building • Reduction in water usage and consumption	• Development of products suitable for resource conservation, such as thinner materials and smaller tubes • Promotion of plastic recycling • Verification of plastic sorting technology in collaboration with other companies, joining the alliance "CLOMA[*1]" • Energy conservation and reduction of operation costs for buildings as a whole through ZEB (net Zero Energy Building), etc. • Development of Ville-feuille®[*2] and other linked control technologies for mobility and building equipment • Provision of systems for water distribution management, water storage and discharge through dam management, and water intake management for agricultural water • Promotion of reclaimed water use • Strengthening of products and solutions that support e-F@ctory[*3] • Promotion of a modal shift • Localization of production and sales bases
■ Energy Source	
• Use energy sources that contribute to carbon neutrality • Use of new technologies • Shift toward decentralized energy generation	• Effective use of electricity and response to needs for system stabilization accompanying the expansion of renewable energy and decentralization of power sources - Large energy storage systems - VSC-based high-voltage direct current systems "HVDC-Diamond®[*4]" - Smart medium voltage DC distribution network system D-SMiree[*5] - Distributed power supply system/VPP system - Multi-region digital power supply system (multi-region EMS)[*5] - Heat pump technology[*6]
■ Products and Services	
• Development and/or expansion of goods and services that contribute to carbon neutrality • Development of new products or services through R&D and innovation • Ability to diversify business activities • Shift in consumer preferences	• Development of energy-saving products optimized for local climate conditions and needs • Development of innovative new products such as the Misola,[*7] a lighting fixture that imitates a deep blue sky and natural light in indoor spaces. • Development for further improving evergy efficiency of railway vehicles and Railway LMS on INFOPRISM[*8], a solution for streamlining maintenance • Demonstration of ZEB-related technologies, including the construction of demonstration facilities • Development and supply of the EcoMBR[*9] filtration membrane cleaning system for water treatment • Provision of smart meters • Development and supply of energy conservation equipment that facilitates the measurement of energy consumption and the collection and analysis of energy consumption data • Global supply of high-efficiency equipment, including electric power train systems • Development and supply of low-loss SiC devices • Centralized GHG emissions data management solution "cocono[*10]" • Localization of production and sales sites • Balanced promotion of short-, medium- and long-term research and development
■ Resilience	
• Participation in renewable energy programs and adoption of energy efficiency measures • Resource substitutes/diversification	• Effective use of electricity and response to needs for system stabilization accompanying the expansion of renewable energy and decentralization of power sources • Contribution to preventing global warming by using observation satellites, strengthening the monitoring of meteorological phenomena and the global environment, understanding of disaster situations, and promoting disaster prevention[*11] • Meteorological radar system • Field Edge® image-based water level measurement device • Provision of BCP solutions, such as data centers, teleworking, and video conferencing services

*1 Contributing to Solving the Marine Plastic Waste Problems "Joining CLOMA"
*2 Smart city/building IoT platform "Ville-feuille®" <Japanese site>
*3 Introduction of e-F@ctory
*4 Topics: VSC-based high-voltage direct current systems "HVDC-Diamond®"
*5 Energy & Industrial Systems Group
*6 Topics: "ecodan" series
*7 "misola" blue sky lighting <Japanese site>
*8 Topics: Solution that supports safe, secure, and efficient railway operations
*9 Water treatment technology using membrane bioreactor with ozonated water <Japanese site>
*10 Centralized GHG emissions data management solution "cocono" <Japanese site>
*11 Observation Satellites

Promotion of carbon neutrality

The Mitsubishi Electric Group is working to achieve carbon neutrality from the aspects of responsibility and contribution. While continuing and growing our business, we aim to achieve net zero greenhouse gas emissions from our own operations and to achieve carbon neutrality throughout our value chain by 2050. In May 2022, we announced an interim target of "reducing our own emissions to 50% of the fiscal 2014 level by fiscal 2031," and in May 2023, we changed the interim target to "aiming for net zero greenhouse gas emissions from factories and offices by fiscal 2031" to proactively join in the international trend to limit the increase in global average temperature to 1.5°C or less. In Japan, we also participate in the GX League, a collaboration between industry, government, academia, and private citizens to achieve carbon neutrality by 2050, which is led by the Ministry of Economy, Trade and Industry (METI).

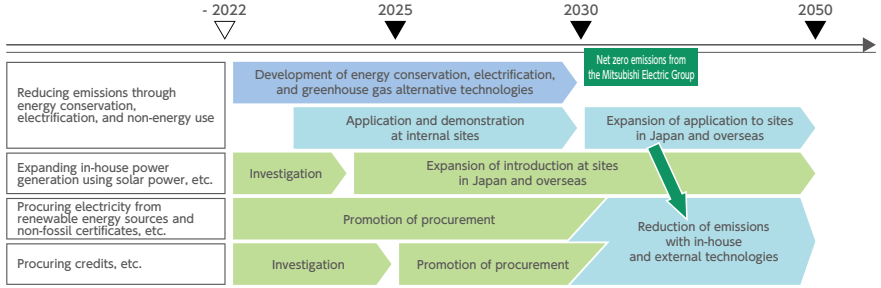
We will apply our internal initiatives to our business and return the positive impacts on the Mitsubishi Electric Group resulting from progress made in these initiatives throughout society to our business. In this way, we will work to achieve carbon neutrality by mutually reinforcing each other's efforts.



Basic policy for promoting carbon neutral

Responsibility: Carbon neutral initiatives in the entire value chain

The Mitsubishi Electric Group has set out to achieve net zero greenhouse gas emissions in the entire value chain by 2050. As initiatives to reduce such emissions at factories and offices, we aim to achieve net zero greenhouse gas emissions from factories and offices by fiscal 2031 by (1) reducing emissions through energy conservation, electrification, and non-energy use; (2) expanding in-house power generation using solar power, etc.; (3) procuring electricity from renewable energy sources and non-fossil certificates, etc.; and (4) procuring credits, etc.

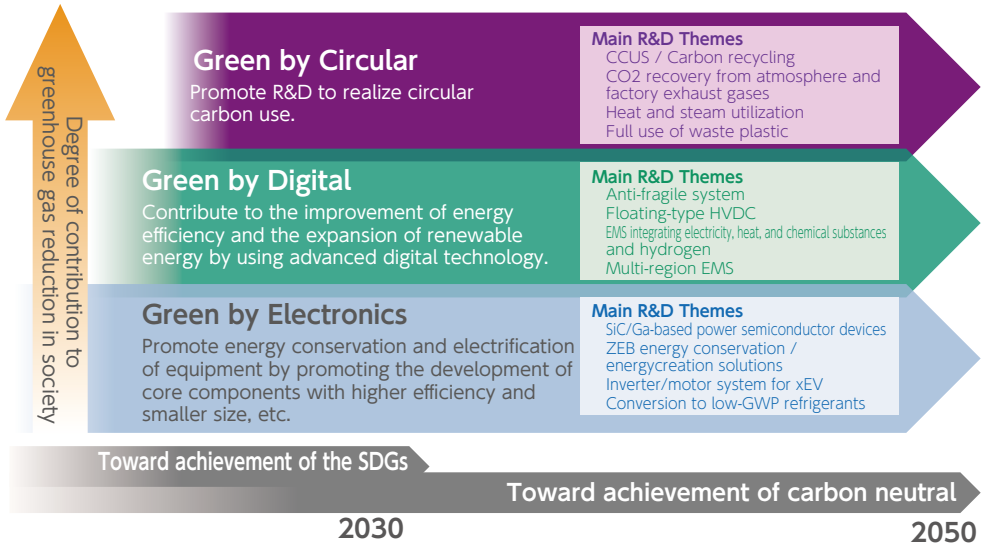


Roadmap for reducing emissions from factories and offices

Contribution: Create/expand businesses that contribute to carbon neutral

To make society as a whole carbon neutral, we have established a development roadmap up to 2050 and will accelerate R&D in three innovation areas: Green by Electronics, Green by Digital, and Green by Circular.

As an example of our efforts, we have established the Mitsubishi Electric Energy & Carbon Management Collaborative Research Center with Tokyo Institute of Technology to promote research and development of energy and carbon management technologies, including environmental value trading of electricity, heat, and chemical substances as well as carbon recycling technologies.



CCUS (Carbon dioxide Capture, Utilization and Storage), HVDC (High Voltage Direct Current)
EMS (Energy Management System), ZEB (net Zero Energy Building), GWP (Global Warming Potential)

Development roadmap for achieving carbon neutral

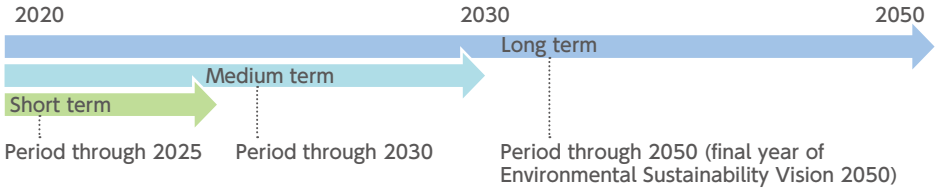
Scenario-based Analysis and Resilience

The corporate activities of the Mitsubishi Electric Group are assessed through scenario analysis based on IPCC* representative concentration pathway scenarios. The assessment is made based on two scenarios: a scenario that shows the state of transition (social trend) when keeping the global average temperature rise to below 2°C compared to pre-industrial levels (the 2°C scenario), and a scenario in which the temperature rises nearly 4°C as a result of continuing with conventional global warming countermeasures (the 4°C scenario).

* IPCC: Intergovernmental Panel on Climate Change

The scenario analysis forecasts up to 2050 with periods classified as shown below.

- Long-term: Period through 2050 (final year of Environmental Sustainability Vision 2050)
- Medium-term: Period through 2030
- Short-term: Period through 2025



Risks related to climate change and the Mitsubishi Electric Group's initiatives

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

If the 2°C scenario progresses, social demand for reducing greenhouse gas emissions is expected to grow, raw material costs are expected to rise due to changes in the energy demand and supply balance, and the amount of generated power by renewable energy sources is expected to increase, in the transition to a decarbonized society. As a result of efforts to realize such a society, the likelihood of transition risks arising from the tightening of laws and regulations on greenhouse gas emissions and an increase in the burden of technological development will be relatively high (compared to physical risks).

If the 4°C scenario progresses, there is expected to be a significant increase in the frequency and severity of heavy rains and floods and a chronic rise in temperature. Physical risks such as the suspension of operations and disruption to supply chains due to disaster will be relatively high (compared to transition risks).

To address these risks, the Mitsubishi Electric Group is implementing the initiatives shown in "Table 1: Examples of Climate-related Risks and Initiatives by the Mitsubishi Electric Group."

For example, even if laws and regulations strengthen the curtailment of greenhouse gases under the 2°C scenario, the Group can mitigate the impacts of such a regulatory move, as it is already working to reduce its emissions through its Environmental Plan and participating in science-based targets. Similarly, the impact of rising raw material costs can be mitigated by further promoting environmentally conscious design, which is already being implemented with respect to tackling global warming, resources conservation, and improved recyclability. We are also making capital investments related to environmental activities, including energy saving and other measures to combat global warming. Additionally, we are investing in the research and development of new technologies in a well-balanced manner from the short, medium, and long-term perspectives.

In response to physical risks, such as flooding, which will materialize under the 4°C scenario, we have formulated a business continuity plan and review it once a year while moving ahead with the decentralization of production sites. We are also taking steps to prevent production problems in the supply chain, such as by purchasing from multiple companies and having our suppliers operate multiple production plants.

Examples of climate change-related opportunities and initiatives by the Mitsubishi Electric Group

As the 2°C or 4°C scenario progresses, social issues arising from climate change and the need to respond to them are expected to become more apparent.

For example, if the 2°C scenario progresses, it is predicted that the amount of power generated by renewable energy will increase. The Mitsubishi Electric Group is capable of contributing to addressing needs for effective use of electricity and system stabilization that stem from such expansion of renewable energy and the decentralization of power sources, by providing large energy storage systems, smart medium- and low-voltage direct current distribution network systems, distributed power source operation systems / virtual power plant (VPP) systems, and multi-region digital power delivery systems (multi-region EMS).

If the 4°C scenario progresses, frequent heavy rain and floods are expected. Using observation satellites, the Group is able to enhance the monitoring of meteorological phenomena and the global environment, understand disaster situations, and help prevent disasters.

The Mitsubishi Electric Group has a wide range of businesses. Our strength is our ability to provide a wide range of products, services, and solutions that contribute to solving social issues arising from climate change. We therefore believe that we have sustainable growth opportunities over the short to long term through our solutions to these social challenges as shown in Table 2 "Examples of Climate-related Opportunities and Initiatives by the Mitsubishi Electric Group."

Resilience of Climate change-related Strategies

As a result of this assessment of the risks and opportunities associated with climate change and our efforts to address them, we believe that the Mitsubishi Electric Group is resilient to the risks associated with climate change and can achieve sustainable growth by resolving social issues caused by climate change under both the 2°C or 4°C scenarios.

Risk Management

Processes for addressing climate change-related risks and opportunities

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

Each of Mitsubishi Electric's department (business groups, corporate divisions), and affiliated companies in Japan and overseas will identify climate change-related risks that are relevant to them, consider how to respond to such risks and turn them into opportunities, and proactively incorporate them into their business and divisional strategies. The CSO (Chief Strategy Officer) will also formulate an overall management strategy for the Mitsubishi Electric Group based on the formulated business and divisional strategies, the policies for seizing opportunities related to climate change, the return on investment of measures to achieve carbon neutrality, and the carbon costs estimated by ICP (Internal Carbon Pricing).

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

Mitsubishi Electric Group risk management system and positioning of global environmental risks

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

Risks in each specialty area identified and assessed by the divisions in charge of such risks are consolidated by the Corporate Risk Management Division, and their impacts on group management are evaluated through relative comparisons among each risk, etc. The CRO determines their materiality, and all Executive Officers discuss the risks (comprehensive evaluation of risks/measures).

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

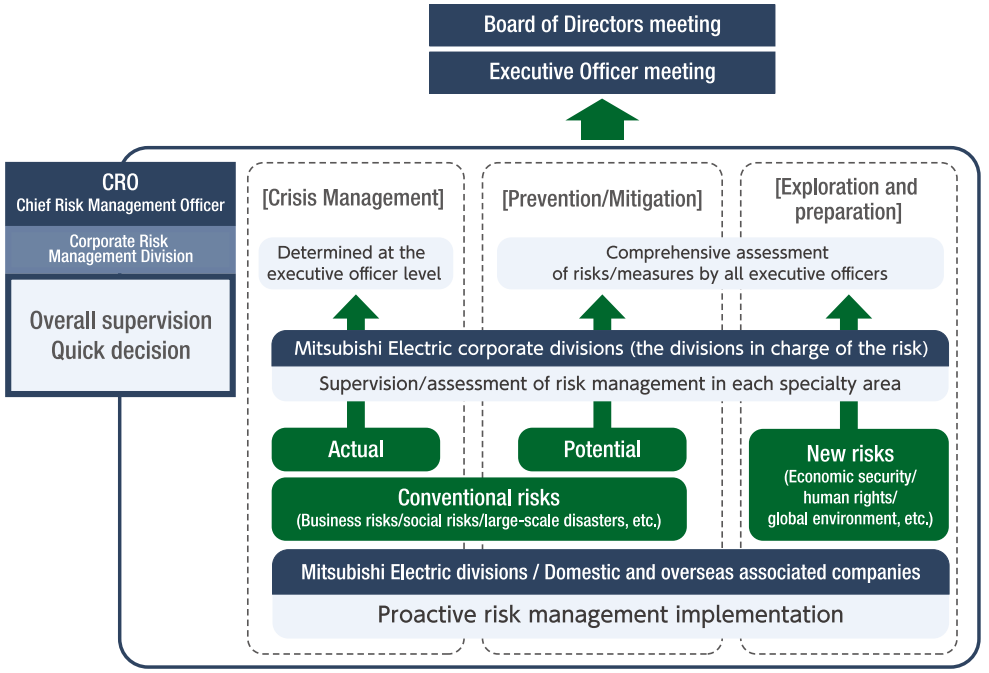
Management process for risks related to the global environment

Global environmental risks, including climate change, are identified, assessed, and managed by the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs and the Corporate Environmental Sustainability Department, the department in charge of risk, under the direction of the CRO, in accordance with the Mitsubishi Electric Group risk management system described above.

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

Each group organization (business groups, affiliated company, etc.) formulates its own annual environmental implementation plan based on these plans and reports the results to the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs and the Corporate Environmental Sustainability Department.

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



Risk Management Framework

Indicators and Targets

Calculating and Understanding Greenhouse Gas Emissions in the Value Chain

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

Long-Term Target

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

Mid-Term Targets

The Mitsubishi Electric Group has reviewed its Scope 1 and Scope 2 targets in order to strengthen its efforts towards reducing greenhouse gas emissions, and it has set a new target during fiscal 2024 of "Achieving net zero greenhouse gas emissions from factories and offices by fiscal 2031."

In addition, the following greenhouse gas emission reduction targets were approved by the Science Based Targets initiative in January 2020.

- Scope 1 and 2: Reduce greenhouse gas emissions by 18% by 2030 compared to fiscal 2017 levels
- Scope 3* : Reduce greenhouse gas emissions by 15% by 2030 compared to fiscal 2019 levels

* Scope 3 emissions cover Category 11 (Use of sold products)

Short-Term Targets

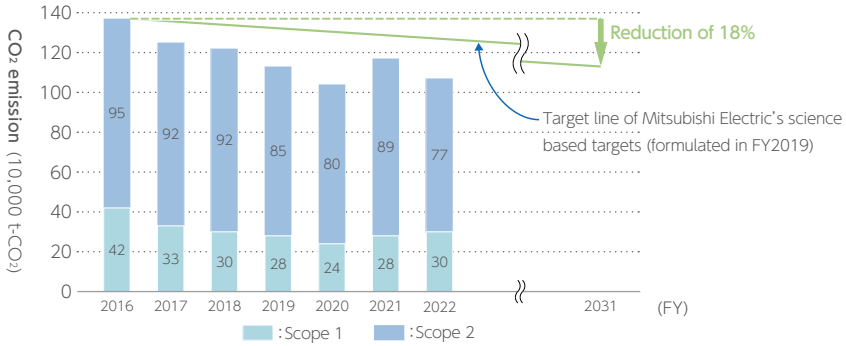
Since fiscal 1994, the Mitsubishi Electric Group has formulated an Environmental Plan every three years that sets out specific activity targets. We are presently pursuing various activities in line with the current Environmental Plan 2023 (fiscal 2022 to 2024) which sets out indicators and targets in four areas based on the action guidelines of the Environmental Sustainability Vision 2050, namely: "environmental contribution through products and services," "reducing the environmental impact of business activities," "pursuing business innovations," and "publicizing and sharing new values and lifestyles."

For details, see "Environmental Plan 2023"

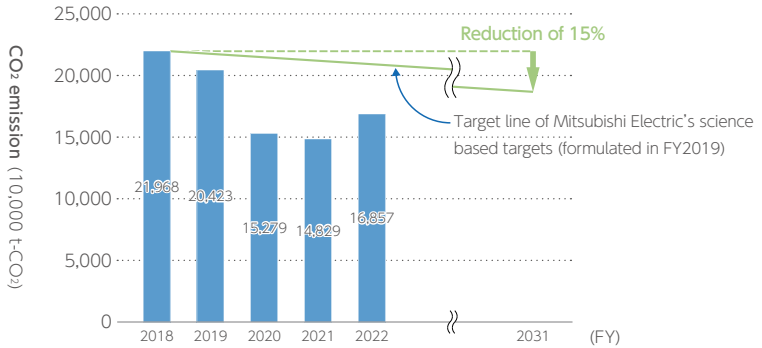
Environmental Plan 2023

Progress

Initiatives to achieve greenhouse gas emission reduction targets are making steady progress.



Scope 1 and 2 emissions*1 (Mitsubishi Electric Group)



Scope 3 emissions*2 (Mitsubishi Electric Group)

*1 Scope 2 is location based. The CO_2 emission coefficient for electricity is calculated in reference to the following: Japan—the latest figures published by The Electric Power Council for a Low Carbon Society (ELCS); Overseas—the latest figures published by International Energy Agency. The global warming potential for greenhouse gases is calculated in reference to figures published in the IPCC Fifth Evaluation Report.

*2 The scope of third-party verification for Scope 3 emissions includes Category 11 (Use of sold products).

Third-party Verification

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

* The scope of third-party verification for Scope 3 emissions includes Category 1 (Purchased goods and services), Category 6 (Business travel), Category 7 (Employee commuting), and Category 11 (Use of sold products).

For details, see "Third-party Verification Report (Environmental Disclosure of 5 items)"

Third-party Verification Report (Environmental Disclosure of 5 items)

The Structure of Our Environmental Management System

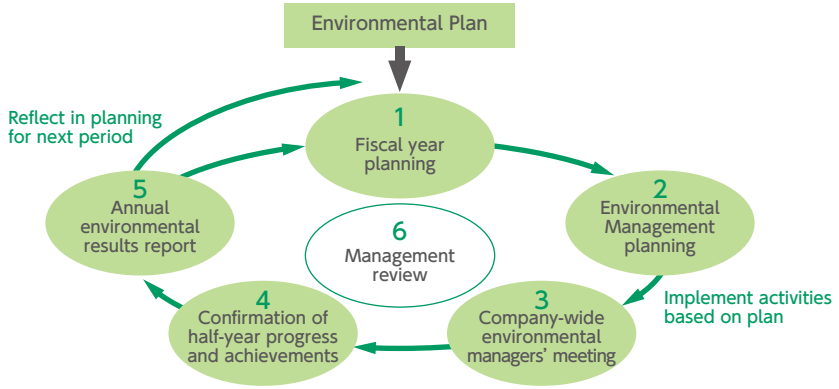
Scope of Environmental Management

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

Environmental Plan and Environmental Management Plan

The Mitsubishi Electric Group formulates an environmental plan every three years, comprised of measures and targets for realizing the Environmental Sustainability Vision.

To achieve the targets of this environmental plan, each management organization formulates and acts on a yearly environmental implementation plan.



(1) Formulation of a Fiscal Year Plan–(2) Formulation of an Environmental Management Plan
Based on environmental plans, objectives and action plans are determined for that fiscal year.

(3) Company-wide Environmental Managers' Meeting
A meeting is held that is attended by all people who are responsible for promoting environmental practices. Information such as focus issues and policies is shared and confirmed.

(4) Confirmation of Progress and Achievements
Every six months, the Corporate Environmental Sustainability Department compiles environmental performance data and other relevant information, and reports them to the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs, who is responsible for environmental management. The Executive Officer then conducts a review and modifies environmental plans as necessary (e.g., when any significant change occurs in the business environment related to the Group).

(5) Reporting of Annual Environmental Results
The Corporate Environmental Sustainability Department compiles environmental performance data and other relevant information for the fiscal year to report to the Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs.

(6) Management Review
The Executive Officer in charge of Corporate Total Productivity Management & Environmental Programs carries out the review of activity results and reconsiders environmental plans and/or the environmental implementation plan for the next fiscal year if necessary.

Our activity level is enhanced through the "formulation," "implementation," "verification of results," and "review" of the plans throughout the fiscal year. In addition to this, audits and inspections on an "as needed" basis ensure that appropriate activities are carried out.

Sharing Information with Environmental Managers in Each Organization

Within the Mitsubishi Electric Group, in addition to the technology committees for different issues and meetings held by the people in charge of each organization, general meetings are held and attended by all people responsible for promoting the environmental practices for each division in Japan and overseas. The aims of such meetings include confirming key issues and unifying the approaches to these that the various divisions take, as well as sharing useful information such as "favorable case examples" of each other's practices and "matters to watch out for" on a regular and continuous basis. Such meetings are useful for improving overall management levels.

The "Company-wide Environmental Managers' Meeting" and the "Overseas Regional Environmental Meeting" are representative of this practice. The former brings together all environmental managers from across Japan. The latter is held in our four overseas regions (the Americas, Europe, China and the rest of Asia). In fiscal 2023, almost all of these meetings were held online to prevent the spread of COVID-19. In Europe, where restrictions were lifted ahead of other regions, we resumed in-person meetings during the latter half of the fiscal year.

Training of Environmental Personnel

Developing Personnel to Proactively Engage in Environmental Activities

The Mitsubishi Electric Group recognizes "nurturing human resources" as one of its key activities in accordance with the action guideline to "challenge to develop business innovations for future generations," as set forth in the long-term environmental management vision, "Environmental Sustainability Vision 2050."

We strive to foster a corporate culture in which each Mitsubishi Electric Group employee takes the initiative to create a new lifestyle in harmony with nature as an ordinary citizen. To this end, all employees participate in an annual e-learning program, "Mitsubishi Electric Group Environmental Management." We also develop human resources who possess a high degree of expertise and who accept diverse values and proactively tackle environmental issues, on a continuous basis. Furthermore, in order to provide effective training, we employ various educational curricula in accordance with each employee's role and expertise.

Environmental Education System

Target	Lecture Name
Employees Having Environmental Responsibilities	●Environmental Management Representative Training ●Environmental Section Manager Training ●New Environmental Section Manager Training ●MELCO Seminar Environmental Courses - Waste Management - Energy Saving Law - Chemical Substances Management - Environmental Basic Guidance - Environmental Audits - ISO 14001 - Introduction to Environmental Issues - Training Internal Auditors
General Employees	●e-Learning for All Employees, Mitsubishi Electric Group Environmental Management ●Training for Specific Ranks - Training for New Section Chiefs for All Companies - Common Basic Training for New Employees ●Environmental Course for Employees Dispatched Overseas ●Initiatives to Live in Harmony with Nature and Foster Environmental Awareness - Preserving Biodiversity at Business Sites - Satoyama Woodland Preservation Project - Mitsubishi Electric Outdoor Classroom ●Outdoor Classroom Leader Development/Satoyama Preservation Projects, Mitsubishi Electric Outdoor Classroom Promotion Meetings

Preventing Environmental Incidents

Preventing Environmental Incidents through Information-Sharing and Equipment Inspections

Both within Japan and overseas, the Mitsubishi Electric Group strives to prevent environmental incidents, such as the leakage of substances that may result in water or soil pollution or have a negative impact upon the environment. Owing to its efforts, the Group received no administrative punishments or penalties for any environmental violation in fiscal 2023.

As preventive measures, Mitsubishi Electric ensures that its entire workforce is fully familiar with the relevant laws and regulations, revises company rules to reflect any updates to such laws and regulations, and ensures these updates are made known throughout the Group. In the case of a problem (e.g., minor oversight) occurring, Mitsubishi Electric shares the cause and countermeasures throughout the entire Group to prevent it from reoccurring. Aiming to increase the awareness of environmental risk management, the Mitsubishi Electric Group's offices and factories across Japan take measures such as watching internal training videos that introduce examples of problems and the establishment and renewal of important laws, thereby firmly instilling environmental management issues across a wider range of occupational levels. In addition, periodic facilities inspections are carried out at all Group bases, the results of which are compiled into necessary measures from time to time and utilized.

Environmental audits are also conducted at major affiliated companies overseas in an effort to uncover and prevent environmental risks.

Responding to Soil and Groundwater Pollution

As stated in our internal rules, the Mitsubishi Electric Group's business sites (works, laboratories, etc.) conduct environmental assessments such as when there is a change in land characteristics. These assessments are based on a survey method that complies with relevant laws and regulations, and the necessary countermeasures or solutions are implemented in accordance with the state of pollution.

In fiscal 2023, we assessed survey results and countermeasures regarding the condition of soil and groundwater due to land utilization for a total of eleven cases and have confirmed that all cases were handled appropriately.

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

Appropriate Storage and Processing of PCB Waste and Devices Containing PCBs

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

In fiscal 2023, we completed disposal of waste having a high PCB concentration that had been stored by Mitsubishi Electric.

With respect to low-concentration PCB waste and devices containtaining PCBs, Mitsubishi Electric and its domestic affiliates disposed of 522 units (114.5 tons) and 41 units (45 tons) of devices respectively in fiscal 2023.

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

ISO Certification

Mitsubishi Electric has obtained company-wide multi-site (collective) ISO 14001:2015 certification. This certification structure was chosen as part of our attempt to strengthen compliance by the company as a whole and to further strengthen our contribution to the environment through business operations based on our environmental plans.

Please refer to "ISO 14001 Certificate of Registration (Scope: Mitsubishi Electric Corporation" for details of sites included in the multi-site certification. Among all Group companies required to report on their environmental management system, roughly 50% have acquired ISO 14001 certification.

ISO 14001 Certificate of Registration (Scope: Mitsubishi Electric Corporation)

Environmental Audits

The Mitsubishi Electric Group combines the multiple types of environmental auditing shown below in order to carry out checks from various perspectives. These audits are performed at each business site to confirm their compliance with laws and regulations, the operational status of the environmental management system, and the progress of environmental action plans.

Overview of the Four Types of Environmental Audits

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

Environmental Plan 2023

Formulation Background and Concept

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

Products

Environmental activities starting from product development

Starting from fiscal 2022, we have been assessing the extent of reduction of the environmental impact of newly developed products (or improvement rates from previous models) over our entire product range, using indices specified for each product.
We will centrally manage the energy consumption of each product and the environmental data of materials that are used as well as packaging materials, and apply the PDCA cycle to raise our level of environmentally conscious designs.

+

Services

Expansion of environmental solutions and services

We will make energy-saving proposals for systems using integrated solutions, strive to extend the service life of equipment through maintenance, and promote the modernization of elevators and escalators. We will also enhance our resource recycling solutions, including the reuse of air-conditioning piping, and further expand the "closed-loop recycling" of plastics.

+

Business Activities

Maintaining/improving measures to reduce the environmental impact of business activities

When constructing new buildings and introducing energy-saving equipment, we will ensure strict compliance with all relevant energy-efficiency guidelines. We will also continue to manage the reduction of energy usage by establishing targets to improve the operations of our facilities. Furthermore, we will strive to introduce renewable energy that is suited to each area, and strengthen our governance of waste.

The targets of Environmental Plan 2023 and the results of fiscal 2023 are as shown in the chart below. Steady progress is being made in reducing CO_2 emission from our products and from our plants and offices. Toward the realization of a circular economy, we will promote the effective utilization of plastics with an eye on achieving the FY2024 targets.

Note that the target for reducing CO_2 emission from our company has been changed from the initial target that had been established at the time of formulation of the plan to reflect the new fiscal 2031 target established in 2022.

Targets for Environmental Plan 2023 and Fiscal 2023 Results

Activity	KPI	Target set in Environmental Plan 2023	Fiscal 2023 results
Environmental contribution through products and services			
Expanding our contribution to CO_2 emission reduction with new products	Improvement rate of new products over previous models	1% or more in fiscal 2024	2.8%
Improving the usage rate of recycled plastics	Usage rate of recycled plastic (molding materials)	10% or more in fiscal 2024	8.1%
Reduction of the environmental impact of our business activities			
Reducing CO_2 emitted from our company	CO_2 emission (Scopes 1 and 2)	Reduction of 30% or more compared to fiscal 2014	27% reduction
Improving the effective usage rate of plastic waste	Effective usage rate of plastic waste (in Japan)	90% or more in fiscal 2024	92.5%
Using water effectively	Water consumption per unit of sales in high-risk sites	Reduction of 4% or more by fisical 2024 compared to fiscal 2020	16% reduction
Publicizing and sharing new values and lifestyles			
Promoting the "Mitsubishi Electric Outdoor Classroom" and "Satoyama" Woodland Preservation Project"	Number of areas where activities are held	39 areas	38 areas

We have set indexes and targets in order to measure the progress of product improvement initiatives undertaken by the Mitsubishi Electric Group as a whole and by our business sites. With respect to items that may require creative efforts by each business site, we will encourage participation from all business sites and employees, without setting across-the board targets.

Measures Regarding "Environmental Contribution through Products and Services" and "Pursuing Business Innovations"

Making Our Environmental Contribution Visible and Setting Targets

We will make our environmental contribution visible and set targets by following the below procedure. In doing so, we aim to instill in our employees awareness of environmentally friendly design, particularly among our designers, and to strengthen this awareness.

(1) Define the operating conditions and evaluation items* for carrying out an environmental performance evaluation of each product group (including systems and solutions).
(2) Centrally manage the environmental performance of products using an electronic system. This will facilitate the collection and analysis of data.
(3) Set targets for each product group and assess their achievement at the development and design stages (during design reviews).
Further improvements will be made based on the results of the above.

* Global warming countermeasures and resource-saving efforts are mandatory evaluation items. Other than these, appropriate items are selected for each product group from recyclability, volume of chemical substances used, and weight of packaging materials used.

Examples of Environmental Performance Evaluation Items

Classification	Evaluation item
(1) Global warming (mandatory)	・Contribution to reducing greenhouse gas emissions ・Power consumption during operation
(2) Resource saving (mandatory)	・Amount of recycled plastics used　・Weight of product/ component
(3) Recyclability	・Number of components　・Improvement of ease of disassembly ・Standardization of materials　・Material labeling ・Non-use of flame retardants　・Reduction of instruction manuals
(4) Chemical substances	・Reduction of substances of concern contained in products
(5) Packaging materials	・Packaging materials (plastics, etc.) ・Weight and volume of packaging materials

Expansion of Recycled Plastic Use

In order to expand the use of recycled plastics, we will promote the development and trial production of products using recycled plastics at relevant business sites.

Measures Regarding "Initiatives to Reduce Environmental Impact of Business Activities"

Setting CO_2 Emission Targets in Annual Plans and Formulating Measures

Business groups in charge of production works formulate CO_2 emission reduction plans and measures as part of their annual business plans. Based on these plans, they strive to reduce their CO_2 emissions.

Thorough Efforts to Improve Energy Efficiency in Buildings and Facilities

We strictly observe the Building Energy-saving Guidelines when planning the construction of new buildings or the refurbishment of existing structures, and the Production Facilities Energy-saving Guidelines when introducing new production facilities at our factories.

Expanding the Introduction of Renewable Energy

We will expand the introduction of renewable energy using the following two approaches.
(1) Examine the best means for each region, including the installation of solar power generation systems, examination of other renewable energy sources, and utilization of the green electricity certificate, and identify issues.
(2) Examine how to effectively utilize any surplus electricity from solar power generation, including the use of self-consignment systems.

Effective Utilization of Plastic Waste

We will aim to achieve a 100% effective usage rate of used plastics by 2035. Toward this end, we will promote the visibility of waste sources and the quantitative management of plastic waste by setting target values. We will also survey and share information about recycling contractors possessing the required technologies.

Measures Regarding "Publicizing and Sharing New Values/Lifestyles"

We will further enhance our interaction with and contribution to local communities by holding the Satoyama Woodland Preservation Project and the Mitsubishi Electric Outdoor Classrooms in an integrated manner. We will also focus on environmental activities such as the cleaning of local areas, which will also help to spread information about plastic pollution in the world's seas and oceans. The outcomes of our initiatives in Japan and overseas will be published as and when needed, and the Group's contribution to environmental improvement will be made visible.

From the perspective of proposing new lifestyles, we will begin our efforts from within the Group, such as by making active use of remote working to save energy and optimize work-life balance, and encouraging the use of reusable cups/bottles to establish the habit of being environmentally conscious in all aspects of everyday life. By having each employee practice an environmentally conscious lifestyle, we hope to eventually spread these activities to local communities.

Environmental Considerations for Value Chain Management

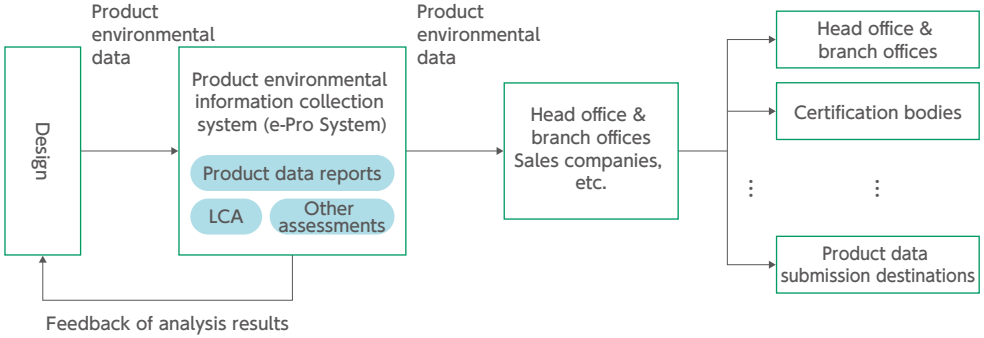
Implementation of Environmentally Conscious Design

Utilization of a product environmental information collection system

To ensure proper disclosure of product environmental information to outside the company and to respond to environmental laws and regulations in each country, a product environmental information collection system (e-Pro System) has been established that centrally manages such data as CO_2 emissions from product use and the environmental data of raw materials and packaging materials, among others. This system conforms to customer requirements to provide product data. It also contributes to promoting eco-conscious design, by enabling environmental assessment and LCA* to be implemented within the e-Pro system and fed back to design departments.

Additionally, to strengthen product designs that respond to social needs for decarbonization, an eco-design subcommittee engages in internal activities for sharing best practices and other information on laws, regulations, and eco-conscious designs in each country. It also examines the validity of LCA calculations and examines product assessment items.

* LCA: Life Cycle Assessment. Quantitative assessment of the environmental load generated from throughout the life cycle of products and services.



Utilization of product environmental data based on the product environmental information collection system (e-Pro System)

Resource recycling initiatives

To contribute to the circular economy, we promote resource recycling initiatives through product design for environment. Under the Environmental Plan 2023, we promote such initiatives mainly for plastic materials, which have a high environmental impact.

Evaluating improvements in the usage rate of recycled plastics

For plastic parts to be used in products, we can effectively utilize resources and help reduce environmental impacts by increasing the use of recycled plastics and by reducing plastic use.

Under the Environmental Plan 2023, we use the following new indexes to evaluate the usage rate of recycled plastics and to promote resource recycling initiatives.

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

* Procurement volume at main sites

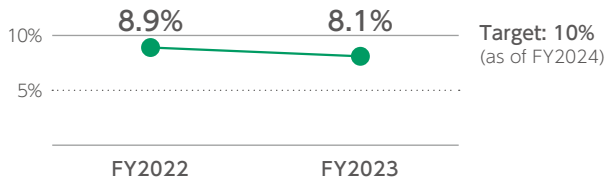
Targets and achievements of our efforts to improve the usage rate of recycled plastics

Under the Environmental Plan 2023, we are working to improve the usage rate of recycled plastics by 10% or more by fiscal 2024.

In fiscal 2023, the usage rate of recycled plastics reached 8.1%, which fell short of the target for fiscal 2024. However, we are promoting the use of recycled plastics in a variety of products, including vacuum cleaners and heat pump cooling and heating systems, and we will continue to expand our initiatives.

We are also working to reduce plastic use and promoting initiatives for a variety of products, including heat pump electric water heaters and general-purpose motors.

We will continue to contribute to society by striving to increase the use of recycled plastics and reducing plastic use.



Usage rate of recycled plastics

Research and Development of Products and Technologies to Solve Environmental Issues

Example Development and Operation of ZEB for Net-Zero Energy Consumption



ZEB testing facility "SUSTIE"

In October 2020, Mitsubishi Electric completed the construction of a net-zero energy building test facility, SUSTIE, on the premises of the Information Technology R&D Center (Kamakura City, Kanagawa Prefecture). This new facility conducts research and development aimed toward the further spread of ZEBs[*1]. Looking ahead to the future of ZEB, we are working to realize Mitsubishi Electric's original ZEB+® (zeb plus)[*2] concept and to enhance the functionality of buildings, for example by increasing the efficiency of working environments.

SUSTIE received the highest rating, five stars, and ZEB[*4] under the BELS[*3] energy-saving certification; the highest rank of S from the CASBEE Wellness Office[*5], which is a certification of health and comfort; and the highest platinum rank of the WELLBuilding Standard® (the "WELL certification"), an international certification program to evaluate building environments. This makes SUSTIE the first in Japan to receive the highest ranks from each of BELS, the CASBEE Wellness Office, and the WELL certificate[*6].

*1 ZEB: Net-Zero Energy Building
*2 ZEB+®: Mitsubishi Electric's unique initiative that aims to enhance building functionality by adding such values as productivity, comfort, convenience, and business continuity to ZEB, and managing a building throughout its lifecycle.
*3 Building-Housing Energy-efficiency Labeling System: An evaluation program for displaying the energy-saving performance of buildings with high energy-saving efficiency in Japan.
*4 ZEB: The highest rank of the BELS certification system.
*5 Tools for evaluating the office parts of buildings with respect to how healthy they are for their users, building specifications that help maintain and promote comfort, their performance, and initiatives.
*6 As of July 29, 2022, according to internal research.

Learn more about SUSTIE on our website.

SUSTIE (ZEB test facility)

ZEB test facility SUSTIE achieves platinum level WELL certification

Example **Synchronous Reluctance Motor system for railway vehicles successfully saves energy for the first time in the world**

Mitsubishi Electric collaborated with Tokyo Metro Co., Ltd. to install the synchronous reluctance motor (SynRM) with high energy-saving performance and the synchronous reluctance motor system (SynTRACS®)* composed of inverters to control the motor on the model 13000 vehicles of the Hibiya Line on a trial basis in order to carry out a long-term evaluation test of energy consumption during commercial operation, etc., confirming that they can save approximately 18% more energy than the induction motor system.

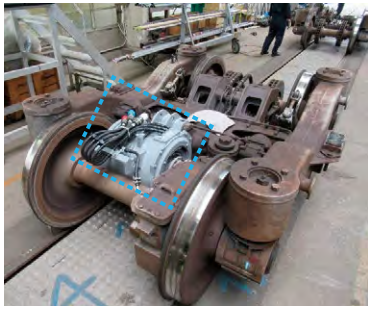
The SynRM runs on the reluctance torque generated by the interaction between the stator's magnetic field and the magnetic poles created by the difference in magnetic resistance in the rotor iron core. Compared to the induction motors widely used in railway vehicles, these motors feature lower rotor heat loss as well as superior efficiency and mass characteristics.

This quantitative confirmation through commercial operation of the energy-saving effects of a SynRM for railway vehicles is a world first.

* SynTRACS is a trademark of Mitsubishi Electric Corporation.



Long-term evaluation of model 13000 vehicles of the Hibiya Line



Installation of SynRM on a trial basis

Design/ Development | **Procurement** | Production | Packaging/ Transportation | Usage | Disposal/ Recycling

Evaluating the Status of Environmental Initiatives by Our Suppliers

The Green Accreditation System Is Introduced in Consideration of Biodiversity and Environmental Risk

In April 2006, the Mitsubishi Electric Group introduced a Green Accreditation System based on the Green Procurement Standards Guide established in September 2000 and revised in July 2020. Under the system, suppliers in and outside of Japan are evaluated with respect to their status of acquisition of environmental management system accreditation, compliance with statutory and regulatory requirements, management of chemical substances contained in products, and biodiversity initiatives, and suppliers that meet the Company's criteria and standards are certified. With regard to suppliers who do not meet the Company's criteria and standards, efforts are made to minimize environmental risks by engaging them in discussion and providing guidance for improvement as necessary so they can make relevant corrections. New suppliers are also asked to comply with the Green Procurement Standards Guide before commencing transactions.

Major suppliers accounting for the top 80% of total purchase amount are evaluated once every three years to renew their accreditation. In fiscal 2023, approximately 400 companies (including offices) were evaluated. 87% of them acquired and/or renewed their Green Accreditation, but 46 companies that were not up to standard were subject to guidance and improvement requests from Mitsubishi Electric.



Green accreditation

Reducing CO_2 from Plants and Offices

Targets and Achievements

The Mitsubishi Electric Group is working to realize Environmental Sustainability Vision 2050 by promoting activities to reduce the emission of greenhouse gases (CO_2, SF6, HFCs, PFCs originating from energy) from plants and offices.

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

Since we included small offices overseas, etc. in the calculations for fiscal 2022, CO_2 emissions increased compared to fiscal 2021, but the greenhouse gas emissions for fiscal 2023 decreased to a CO_2-equivalent of 1.05 million tons. In fiscal 2023, we accelerated our initiatives to deploy photovoltaic equipment and to procure renewable energy as well as to reduce CO_2 emissions originating from energy by deploying high-efficiency devices and to reduce non-CO_2 greenhouse gas emissions by switching to gases with a lower GWP.

In addition to establishing and operating energy-saving guidelines for buildings and production facilities, and promoting thorough energy saving in plants and offices, Mitsubishi Electric is also placing a focus on utilizing renewable energy. Going forward, we will flesh out further details of the road map for greenhouse gas reduction and promote measures for even greater reduction, toward the steady achievement of our targets.

Initiatives to Reduce CO_2 Originating from Energy and Their Results

Toward reducing CO_2 originating from energy, we systematically introduce and update high-efficiency and energy-saving equipment, improve operations, and extend energy conservation measures to production lines. In fiscal 2023, these and other energy conservation-saving measures reduced emissions by 18 kt, which, together with a reduction of 102 kt through the use of renewable energy and other measures, resulted in a reduction of 120 kt compared to the previous year.

Half of the major achievements were realized through the introduction of high-efficiency machinery, while activities to develop energy-efficient technologies implemented by an internal technical committee also produced solid results. These activities also focus on visualizing and reducing the wasteful use of utilities and production equipment during nonoperational hours.

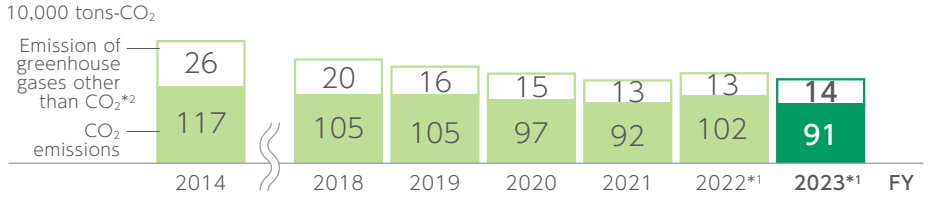
In the classification system (SABC assessment) based on Japan's Energy Savings Law, 6 out of 19 specific Group companies in Japan, including Mitsubishi Electric, have been recognized as excellent business operators (S Class) in terms of energy conservation.

Initiatives to Reduce SF_6, HFCs and PFCs, and the Results

Three types of non-CO_2 greenhouse gases are emitted by the Mitsubishi Electric Group in its business activities: SF 6 (sulfur hexafluoride), HFCs (hydrofluorocarbons), and PFCs (Perfluorocarbons). SF6 is used inside gas-insulated switchgear for electrical insulation, as well as in the etching process during semiconductor and liquid-crystal display production.

HFCs are used as refrigerants in air conditioners and refrigerators, while PFCs are used during the etching process in production of semiconductors and liquid-crystal displays.

In fiscal 2023, emissions were reduced by 93 kt due to the switch to lower GWP refrigerants, operational improvements and continued gas recovery and capture, but emissions were 140 kt, partly due to the impact of increased production.



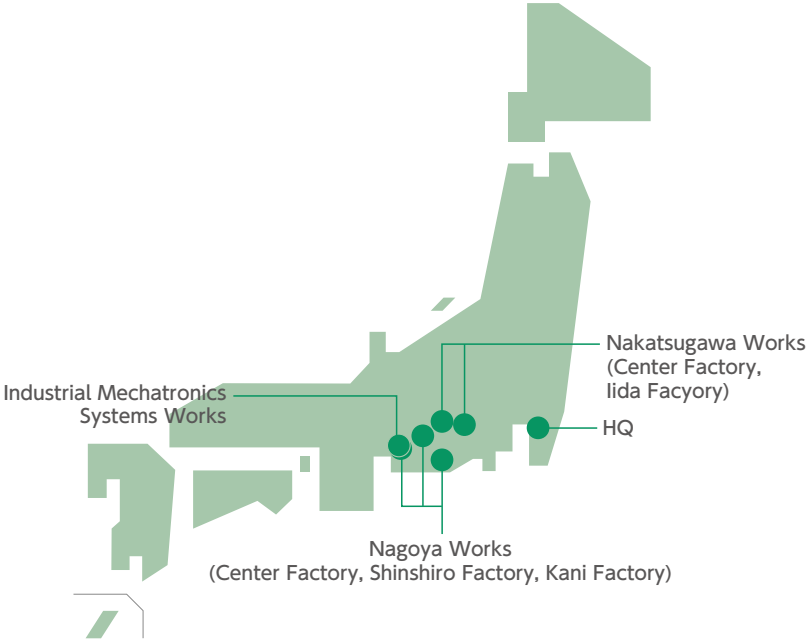
(Note) The CO_2 emission coefficient for electricity and global warming potential used in the calculations for each fiscal year are as follows.
- CO_2 emission coefficient for Japan: The figure published by The Electric Power Council for a Low Carbon Society
- Overseas CO_2 emission coefficient: Figure based on the figure published by International Energy Agency
- Global warming potential: Figure published in IPCC's Fifth Assessment Report

*1: Expanded the calculation scope for CO_2 emissions from FY2022.
*2: Emissions of SF6, HFCs, PFCs from production sites

CO_2 emissions from plants and offices (Mitsubishi Electric Group)

Adoption of renewable energy

The Mitsubishi Electric Group utilizes renewable energy at 103 business sites. In addition, as of fiscal 2023, we had completed our transition to 100% renewable energy for the power used at offices and plants (manufacturing facilities) at 19 business sites (9 in Japan (Mitsubishi Electric: 7, affiliates: 2), 10 overseas).



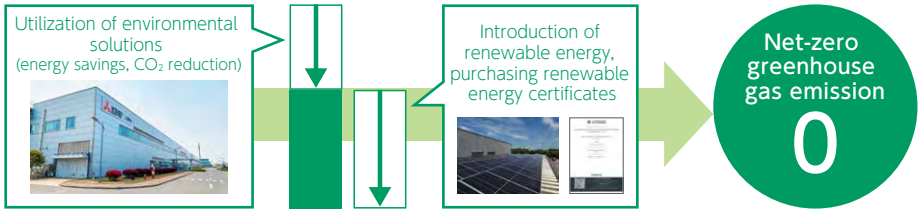
Business sites using 100% renewable energy (Mitsubishi Electric business sites in Japan)

Case Example Net-zero greenhouse gas emission achieved by Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd.

In China, the manufacturing industry accounts for roughly 70% of total power consumption, befitting its moniker as "the world's factory." In recent years, however, it has begun promoting decarbonization of the manufacturing industry as a national policy, based on a declaration to "achieve carbon neutrality (net-zero CO_2 emission) by 2060."

Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd. (MEAMC), which operates in China, has also been directing its efforts to save energy and reduce CO_2, taking advantage of the Mitsubishi Electric Group's environmental solutions such as the E-JIT* System. It has also introduced renewable energy, purchased renewable energy certificates, and achieved net-zero greenhouse gas emissions in June 2021 as the first plant to do so within the Group.

Greenhouse gas emissions



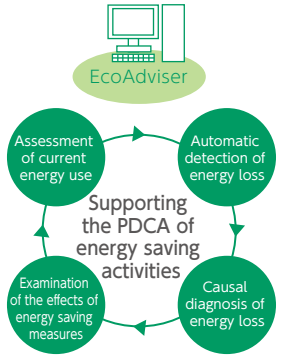
* E-JIT (Environment & Energy Just in Time): Mitsubishi Electric's comprehensive solution to simultaneously optimize the efficiency of environmental measures, maximize energy efficiency, and strengthen production efficiency.

Case Example Helping Customers to Reduce CO_2 emissions using the energy-saving analysis & diagnosis application EcoAdviser

The Mitsubishi Electric Group offers an application called EcoAdviser to contribute to saving energy in entire plants. EcoAdviser comprehensively supports customers engage in continuous energy saving activities by visualizing the status of power usage by each production facility and automatically analyzing energy loss and its causes via AI.

Mitsubishi Electric Fukuyama Works has achieved an annual energy savings of roughly 10% with certain facilities by using this application. Moreover, the time required for data analysis and for identifying causes of energy loss has been reduced by approximately 90% compared to conventional methods.

Monitoring and analysis of power consumption status



Effective Usage of Plastic Waste

In Environmental Plan 2023 that has been newly launched in fiscal 2022, we have set forth a target of achieving effective plastic utilization rates of 90% or more in Japan by fiscal 2024. This target is based on the Ocean Plastics Charter that was adopted at the G7 Summit and the Resource Circulation Strategy for Plastics formulated by the Ministry of the Environment. It also conforms to the Act on Promotion of Resource Circulation for Plastics that went into force in April 2022.

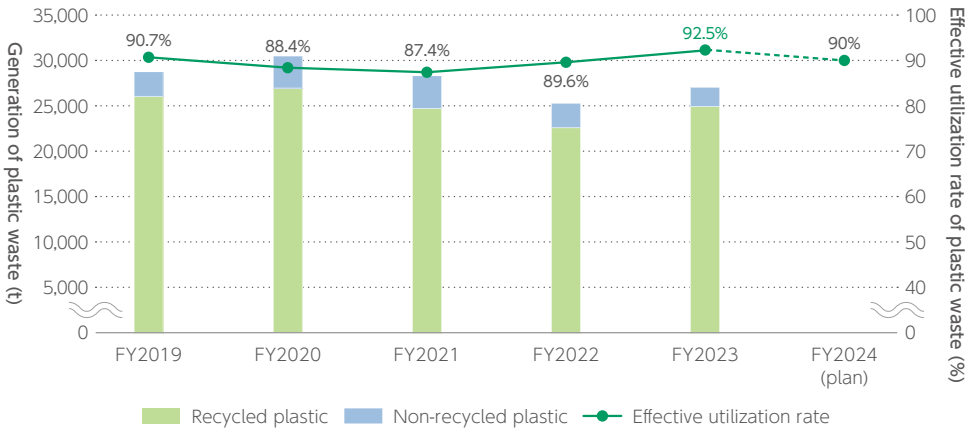
Target values have been individually established for each site according to their actual (average) effective utilization rates from fiscal 2018 to 2020, instead of applying uniform targets across all sites.

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

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

In fiscal 2023, 270,000 tons of plastic waste were generated, which was 9.5% more than the previous year, but the effective utilization rate of plastic waste in Japan reached 92.5%, achieving the target for fiscal 2024.

Going forward, we will endeavor to further control plastic waste output by promoting sharing of information on recycling companies among our business sites and visualization of plastic waste. We will also strive to increase the ratio of material recycling for plastics, etc.



Plastic waste output, effective utilization rate, and target values

Status of initiatives by the Mitsubishi Electric Group (overseas)

Overseas laws, regulations, and waste treatment situations vary according to country and region. Therefore, we plan to address the plastic waste issue overseas by assessing the actual state of plastic waste and the status of material and chemical recycling. Then we will establish targets suitable for each region's situation and work toward achieving them.

Specification, Disposal and Transportation of Hazardous Wastes

The Mitsubishi Electric Group specifies hazardous wastes as follows, monitors their output and appropriately disposes of them in compliance with the laws and regulations of the regions in which our facilities are located. We also carry out material recycling and thermal recycling where we can in order to reduce final disposal (landfill) volume.

- Mitsubishi Electric 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

Wastes containing polychlorinated biphenyl (PCB) are managed separately based on the "Law concerning Special Measures for Promotion of Proper Treatment of PCB Wastes, PCB Special Measures."

In fiscal 2023, total hazardous waste emissions of Mitsubishi Electric Group companies in Japan amounted to 1,445 tons, of which 436 tons were recycled. That of overseas affiliates totaled 5,192 tons, of which 3,251 tons were recycled.

Reducing Water Usage

Managing Water Risk

Water risk is increasing worldwide with ever-more serious water shortages and pollution, as well as abnormal weather caused by climate change. This also affects the production of both raw materials and products, making corporate water risk management more important.

Water risk within the Mitsubishi Electric Group is evaluated as part of our corporate risk management framework. The evaluation factors in the influence on stakeholders, as well as the impact on ecosystems. We use the results of this assessment to prioritize countermeasures for each business site and take clear action. We also take measures to minimize any impact on the surrounding environment, such as by ensuring compliance with wastewater standards in each region. Furthermore, during product development, we evaluate product impact on water sources and their lifecycles and strive to minimize the impact.

Response to High-Risk Sites

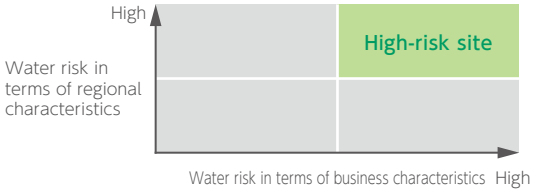
Mitsubishi Electric Group uses WRI Water Aqueduct*1 and other risk assessment tools to keep track of current and future water risk at business sites both in Japan and abroad (including the presence of water stress*2). Based on this data, overseas business sites with particularly high water risks have been identified as high-risk sites in consideration of their regional characteristics (i.e., seasonal high water/drought conditions of oceans and rivers from which water is taken) and business characteristics (i.e., water usage accompanying production activities).

To reduce water usage in high-risk sites (total of five sites), Environmental Plan 2023 sets forth a target of “reducing water usage per unit of sales by 4% or more by fiscal 2024 compared to fiscal 2020.” The five selected sites together account for roughly 5% of tot al water usage by the Mitsubishi Electric Group as a whole and roughly 8% of total sales.

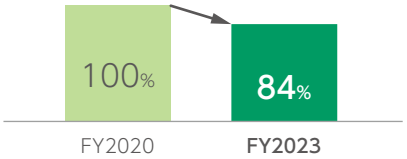
By distributing survey sheets to high-risk sites, we confirmed the status of water conservation at facilities that use water and their efforts to reuse water. Additionally, based on the results of these surveys, water faucets were replaced with water-saving faucets, and the use of recycled water was promoted. As a result, water usage per unit of sales was reduced by 16% in fiscal 2023 compared to fiscal 2020. By implementing effective water risk measures in consideration of regional characteristics and circumstances at each Group business site, we aim to co-exist in harmony with local communities.

We will continue to strengthen our efforts based on this policy with a focus on high-risk sites.

*1 WRI Aqueduct: Water risk assessment tool developed by the World Resources Institute (WRI).
*2 Water stress: Water stress levels can be defined by an index that indicates how close the relationship is between the supply and demand of water. When maximum water availability per capita falls below 1,700 m³, it is considered that water stress is present.



Conceptual diagram of water risk analysis



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

Status of Water Usage and Water Intake/Drainage/Reuse

Status of Water Usage

The water usage of the Mitsubishi Electric Group in fiscal 2023 was 14,980,000m³, and the amount per unit of sales was 3.0m³/million yen.

In Japan, in addition to reusing water in production processes, we promoted the use of greywater by treating wastewater for water purification to use as toilet water and as supply water for cooling towers. In addition, our efforts to reduce groundwater consumption through rainwater harvesting resulted in water consumption of 13,036,000m³, of which 3,969,000m³ was reused (reuse rate of 30%). Overseas, we focused on reducing water intake by reusing water and expanding use of greywater.

Status of Water Intake

At business sites of the Mitsubishi Electric Group, water is taken to be used mainly for cooling, cleaning and adjusting the concentration of water-based paints, and as a solvent, an additive to materials and a heat medium. In fiscal 2023, the production increase associated with the resumption of economic activities that had fallen due to the COVID-19 pandemic resulted in a water intake of 10,878,000m³, which is an increase of approximately 134,000m³ compared to the previous fiscal year.

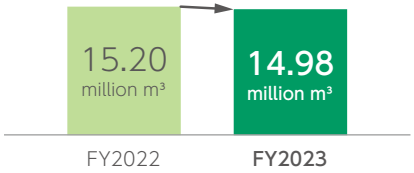
Status of Water Drainage

To avoid exceeding standard values set for each drainage point, the Mitsubishi Electric Group’s business sites have established even more stringent voluntary standards, based on which water is treated before it is discharged. When there is a certain drainage standard in place according to properties specific to the water area, such a standard is also incorporated into our standards. Compliance with these standards is confirmed through measurements conducted on a regular basis. Water drainage in fiscal 2023 was 8,467,000m³.

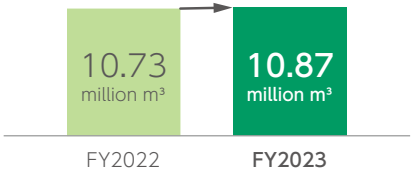
Status of Water Reuse

At Mitsubishi Electric Group's business sites, not only fresh intake water, but water that has been used once is reused after it is treated and recycled.

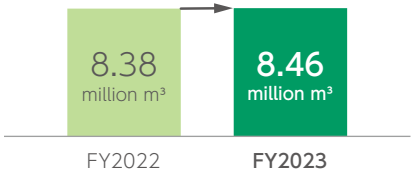
In fiscal 2023, since the closure of the liquid crystal display manufacturing plant resulted in lower production of LCDs, which use a high volume of recycled water, water reuse across the entire Mitsubishi Electric Group fell to 4,102,000m³, making the water reuse ratio 27%. Meanwhile, at our sites in Southeast Asia, because we deployed water reprocessing facilities, the water reuse ratio improved to approximately 6% from the previous fiscal year.



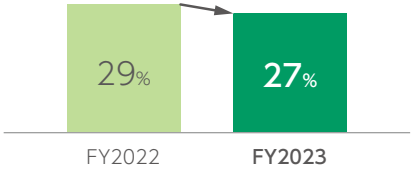
Water Usage (Mitsubishi Electric Group)



Water Intake (Mitsubishi Electric Group)



Water Drainage Volume (Mitsubishi Electric Group)



Water Reuse Ratio (Mitsubishi Electric Group)

For the details of water usage, please refer to "Material Balance."

Material Balance

Case Example Reducing water use by recycling wastewater

In Thailand, economic development has brought about a serious water shortage, and there has been a rising awareness of the importance of water resources. In January 2020, the Thai Ministry of Industry has even issued a request to manufacturing industries for their cooperation in reducing the amount of wastewater that is discharged outside of factories and promoting efficient water use.

Under this situation, Mitsubishi Electric Automation (Thailand) Co., Ltd., an affiliated company based in Bang Chan Industrial Estate in Bangkok, succeeded in reducing the amount of wastewater discharged outside the plant and in reducing 600 m³ of annual use of water supply, by recycling wastewater at its wastewater treatment facility and using the recycled water to nurture a wall garden (approx. 228 m²) installed in a rest area within its site. Recognized for its environmental initiatives including the wall garden, the company has been certified as an ECO Factory in Thailand.



Wall garden using diskidia (foliage plant)



Mitsubishi Electric Automation (Thailand) Co., Ltd.

Managing Chemical Substances

Regulations on chemical substances to prevent pollution are becoming stricter by the year.

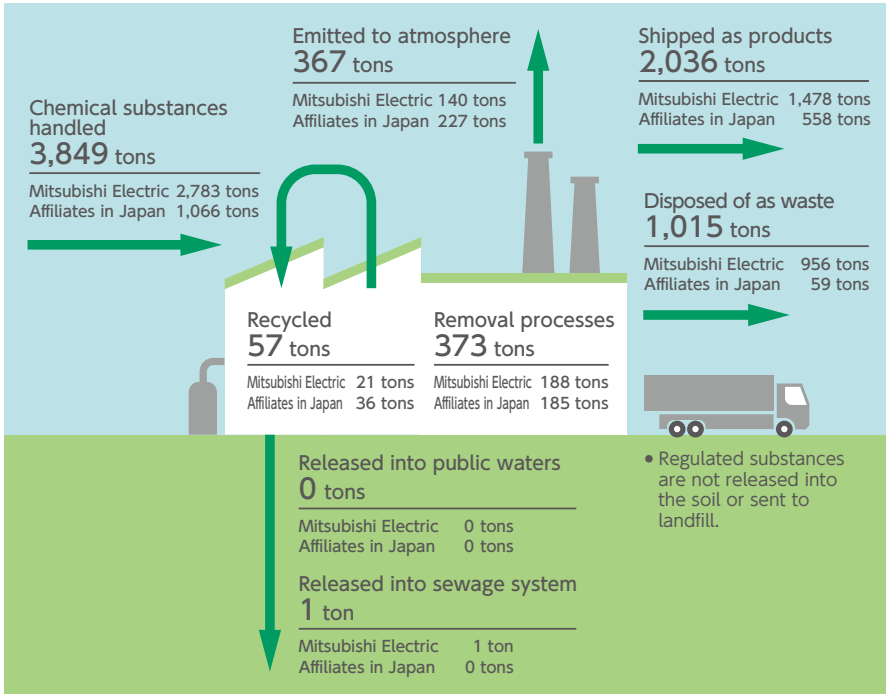
The Mitsubishi Electric Group is promoting initiatives to control and reduce emissions through the management of chemicals released from our business sites and those contained in products.

Managing chemical substances released from business sites

We utilize an internal system to manage the release and transfer of chemical substances regulated by the PRTR Law[*1] (PRTR[*2]) and VOC[*3] that are released from our business sites.

In fiscal 2023, the Mitsubishi Electric Group (Japan) used 3,849 tons of chemical substances. In fiscal 2024, we will update the system in accordance with the revision of the PRTR Law.

Sulfur oxide (SOx) and nitrogen oxide (NOx) are also managed using our voluntary standards based on the laws and regulations of the regions where our business sites are located.



Fiscal 2023 Release and Transfer of Substances Regulated by the PRTR Law (Mitsubishi Electric Group Companies in Japan)

Managing the chemical substances contained in products

In order to comply with EU RoHS Directive[*4], EU REACH Regulation[*5], and other regulations on chemical substances contained in products, we globally register purchase information for materials and parts in our internal system in order to manage them. We carry out system updates as needed in anticipation of strengtheining regulations. and we work to systematically reduce the usage amounts of chemical substances that are expected to be subject to regulation.

*1 PRTR Law: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.
*2 PRTR: Short for Pollutant Release and Transfer Register. A system under which companies track the quantity of substances potentially harmful to human health or the ecosystem which are released into the environment or transferred outside a business establishment through waste materials, and report this data to government authorities. The authorities then use these reports and other statistics to produce estimates on release and transfer, and announce them publicly.
*3 VOC:Short for Volatile Organic Compounds.
*4 RoHS Directive: Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment.
*5 REACH Regulation: Regulation on registration, evaluation, authorisation and restriction of chemicals.

For details on the release and transfer of chemical substances, please refer to “Material Balance.”

Material Balance

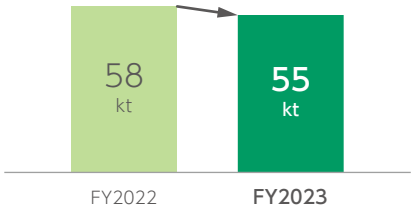
Reducing the Use of Disposable Packaging Materials

Achievements of Mitsubishi Electric Group Companies in Japan in Fiscal 2023

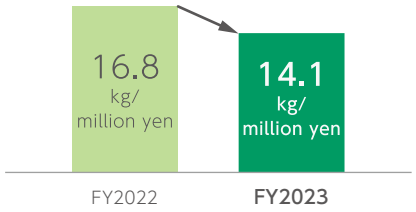
Improvements in logistics are part of Mitsubishi Electric Group's Just-In-Time improvement activities. Our basic policy is to reduce the weight of transport packaging while ensuring that products are delivered safely to customers. Based on this policy, we practice the 3Rs in packaging: reduce (simplify packaging), reuse (more returnable containers and packaging), and recycle (recycling of used packaging material).

At Mitsubishi Electric Group companies in Japan, simpler packaging is promoted, and the use of returnable containers and packaging has been expanded. Owing to these initiatives, the amount of packaging materials used was 55 kt, and the amount per unit of sales was 14.1 kg/million yen.

The amount of packaging materials used by our 23 overseas affiliates was 58 kt, and the amount per unit of sales was 43 kg/million yen.



Usage of Packaging Materials (Mitsubishi Electric Group Companies in Japan)



Packaging Materials Used per Unit of Sales (Mitsubishi Electric Group Companies in Japan)

For details of the usage of packaging materials, please refer to "Material Balance."
Material Balance

Reducing CO_2 from Logistics

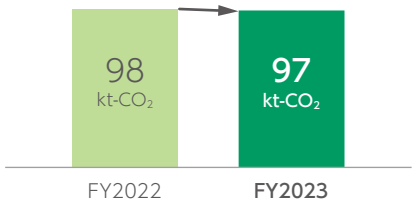
Basic Policies on Logistics (Distribution)

To improve product logistics (distribution), we strive to eliminate irrational, irregular, and wasted efforts by visualizing logistics work by quantification, with the ultimate goal of realizing Economy & Ecology Logistics (Eco-Logistics) that improve transport efficiency and economy and to reduce environmental impact.

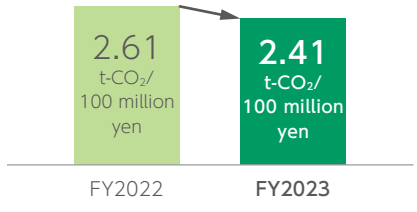
Fiscal 2023 Achievements of Mitsubishi Electric Group Companies in Japan

At Mitsubishi Electric Group companies in Japan, the following measures continued to be implemented throughout fiscal 2023. As a result, CO_2 emissions totaled 97 kt-CO_2, and the amount per unit of sales was 2.41 t-CO_2/100 million yen.

- Reviewing transportation routes
- Switching from truck transportation to rail transportation (modal shift)
- Reducing the number of trucks by improving load ratios (including Container Round Use)



Total CO_2 Emissions from Distribution (Mitsubishi Electric Group Companies in Japan)



CO_2 Emissions per Unit of Sales from Distribution (Mitsubishi Electric Group Companies in Japan)

Regarding overseas affiliates, the amount of CO_2 emitted by a total of 24 companies was 509 kt, amount per unit of sales amounted to 0.376 t-CO_2/100 million yen.

For details of CO_2 emissions from distribution, please refer to "Material Balance."
Material Balance

Contribution to Reducing CO_2 from Product Usage

As more CO_2 is emitted during product usage than during production, the Mitsubishi Electric Group has identified "reducing CO_2 from product usage" and "contributing to reducing CO_2 by product usage" as priority issues, and is working to improve its products.

Evaluation of Reducing CO_2 from Product Usage

Power consumed during product use is viewed as corresponding to the amount of CO_2 emissions resulting from generating that power. Increasing product energy efficiency can lead to a reduction of CO_2 from product use.

Environmental Plan 2023 promotes initiatives to increase product energy efficiency by evaluating improvements in product energy efficiency using the new indicator shown below, beginning with models that are newly developed in fiscal 2022.

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

Evaluation of Our Contribution to Reducing CO_2 by Product Usage

Among products of the Mitsubishi Electric Group, there are some that can help customers reduce CO_2 by being used. For example, using the Group's heat pump system has greater potential to reduce CO_2 emissions compared to using combustion-type heating and hot water systems. The Group's inverters and power devices, as well, can reduce CO_2 by being used, since they contribute to enhancing the energy efficiency of the final products they are embedded in.

Contribution to reducing CO_2 is calculated by comparing the use of a relevant product with the use of an alternative product that would likely be used if the relevant product did not exist. It is based on the following formula, with the alternative product as the reference product.

$$\text{Contribution to reducing } CO_2 = (CO_2 \text{ emission from using a "reference product")} - (CO_2 \text{ emission from using the relevant product})$$

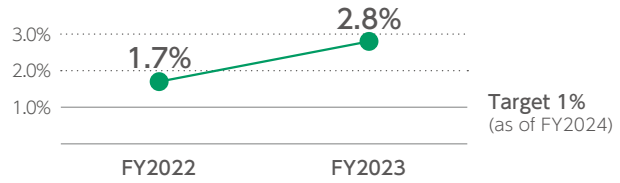
In Environmental Plan 2023, the improvement in contribution to reducing CO_2 when a customer chooses to use a Mitsubishi Electric product is calculated using the new indicator shown below, beginning with models newly developed in fiscal 2022.

$$\text{Improvement rate over previous model (\%)} = \frac{\text{(contribution to reducing } CO_2 \text{ by newly developed model} - \text{contribution to reducing } CO_2 \text{ by previous model)}}{\text{contribution to reducing } CO_2 \text{ by previous model}} \times 100$$

Targets and Achievements of "Reducing CO_2 from Product Usage" and "Contribution to Reducing CO_2 by Product Usage"

Under the Environmental Plan 2023, we are working to reduce CO_2 emissions from product usage and to increase our contribution to reducing CO_2 emissions due to product usage by an average of 1% in total compared to the previous model. In fiscal 2023, we achieved an average improvement rate of 2.8% compared to the previous model thanks to improvements in a variety of products, including pressure ventilation fans and general purpose motors.

We will continue our efforts to pursue greater energy efficiency and contribution to reducing CO_2 throughout the process of developing new models as our contribution to society.



Annual energy consumed by newly developed models and average rate of improvement of contribution to reducing to CO_2 over previous models

Breakdown of products relevant to "reducing CO_2 from product usage" and "contribution to reducing CO_2 by product usage"

Evaluation item	Product examples	Indicator used to evaluate improvement rate over previous models
Reducing CO_2 from product usage	Monitoring, control, and protection devices for power generation plants and systems, railcar air-conditioning systems, electrical equipment for railcars, movable platform gates, vacuum circuit breakers, elevators, escalators, intelligent transport systems (ITS; ETC, smart interchanges), air conditioners, refrigerators, ventilation fans, electric fans, processing machines, LED light bulbs, residential lighting fixtures, etc.	Reduction in annual energy consumed during product usage
	Turbine generators	Improvement of power conversion efficiency
	Optical communication network systems, wireless communication systems	Reduction in annual energy consumed per product performance
	Car electronic products	Reduction from the incorporation of products with power energy use, proportionally divided by weight
Contribution to reducing CO_2 by product usage	Water heating systems (heat pump electric water heaters, electric water heaters)	Improvement of the contribution to reducing CO_2 by using heat pumps, in reference to combustion-type heating and hot water systems
	Inverters, power devices (power modules, high power devices)	Improvement in the contribution to reducing CO_2 gained by the incorporation of products with lower power loss
	Total heat exchanging ventilation equipment, electrical equipment for railcars (control devices)	Improvement in the contribution to reducing CO_2 expected from the introduction of said products

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

Coinciding with the enforcement of the Home Appliance Recycling Law, Hyper Cycle Systems Corporation commenced operations in Ichikawa City, Chiba Prefecture in May 1999 as the industry's first recycling plant, and has since engaged in recycling home appliances. Information obtained from this plant is fed back to product designs, to enhance the recyclability of products and to contribute to environmental conservation.

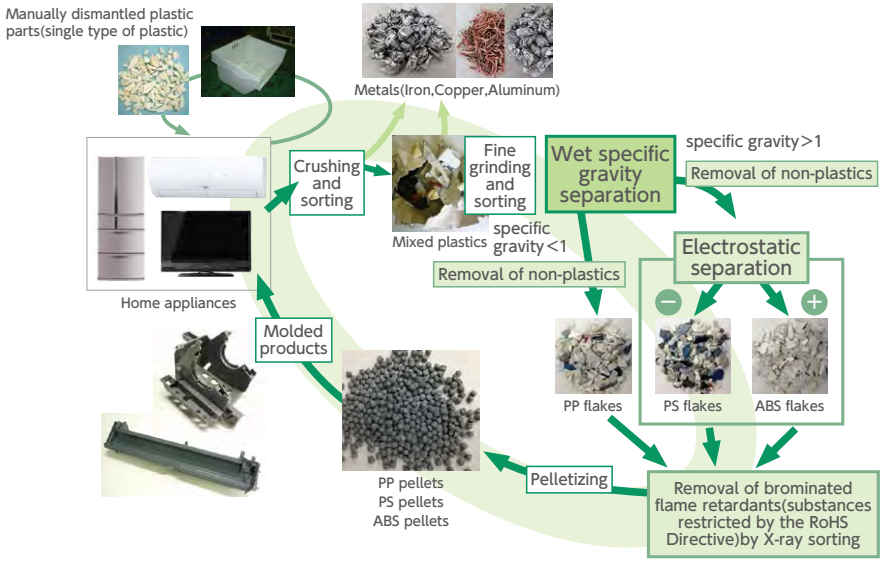


Learn more about the Mitsubishi Electric Group's home appliance recycling efforts and performance on the following website.

Recycling Home Appliances

Closed-Loop Recycling of Plastic

Since 2010, the Mitsubishi Electric Group has been fully implementing "closed-loop recycling," in which plastic recovered from used home appliances is reused in Mitsubishi Electric's new home appliance products. Green Cycle Systems Corporation utilizes Mitsubishi Electric's original technology for advanced sorting of crushed mixed plastics to recycle them into high-purity plastics that are equivalent to virgin materials.



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

Flow chart of Mitsubishi Electric Group closed-loop plastic recycling

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

Co-creation with External Parties

For detailed information on closed-loop recycling, see the website "Plastic Recycling Comes of Age."

Plastic Recycling Comes of Age

Biodiversity Preservation Activities

Biodiversity Action Guidelines

The Earth's ecosystem is made up of diverse living organisms. All aspects of human civilization benefit from this ecosystem, but at the same time, we affect it in both direct and indirect ways. Today, damage to the ecosystem is said to be driving many species to extinction and otherwise eroding biodiversity.

In recognition of this, the Mitsubishi Electric Group has established Biodiversity Action Guidelines, which add the perspective of biodiversity as a means for living in harmony with nature to the Group's conventional measures against climate change and environmental activities aimed at achieving resource recycling. These guidelines define the role of business activities in preserving biodiversity, and outline the Group's efforts toward the development of a sustainable society through its business activities.

Resources & Procurement
Recognizing that we utilize globally procured natural resources such as minerals, fuels and plants, we shall aim to preserve biodiversity in Japan and around the world by carrying out green procurement activities.

Product Design
In designing our products and services, we shall promote the effective utilization of resources and the efficient use of energy, as well as aim to prevent the emission of substances that pose a risk to the environment.

Manufacturing & Transportation
When commencing or making changes to land use, such as when con structing factories or warehouses, we will give due consideration to protecting the biodiversity of the land in question. In manufacturing and transportation, we aim to minimize energy use, waste generation and the emission of chemical substances.

Sales, Usage & Maintenance
In our sales activities, we will work to promote better understanding among our customers of the impact that product/service usage and maintenance can have on biodiversity.

Collection & Recycling
We will actively develop recycling technologies and apply them to collected end-of-life products.

Understanding & Action
We will deepen our understanding of the importance of biodiversity and our relationship to it, and will actively and voluntarily take actions necessary to coexist in harmony with nature.

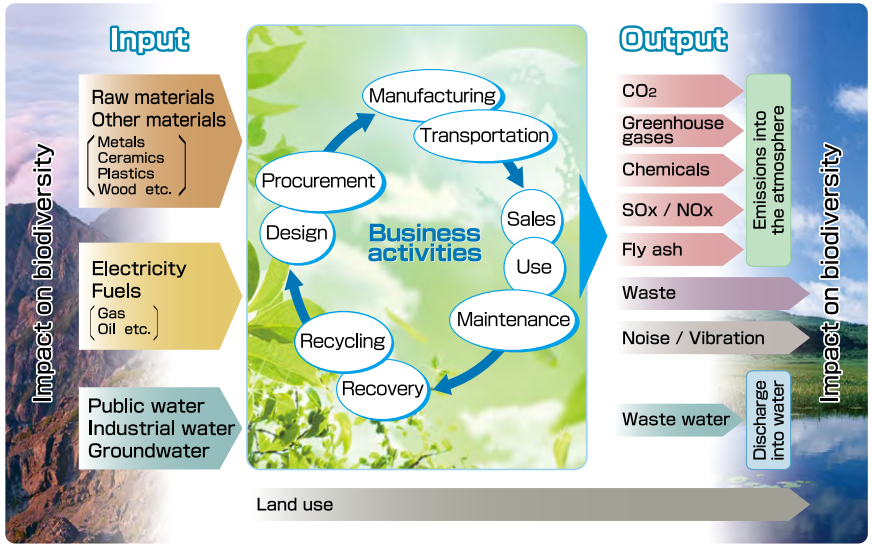
Cooperation
All companies in the Mitsubishi Electric Group, including overseas affiliates, will act as one, in cooperation with local communities, NGOs and governments.

Biodiversity Preservation Measures at Business Sites

Visualizing the Relationship between Business Activities and Biodiversity to Implement Proper Action

To deepen employee understanding of biodiversity, Mitsubishi Electric has summarized the relationship between the company's business activities and biodiversity in a chart as shown on the following page. Using this chart, the Mitsubishi Electric Group's business sites both in Japan and overseas are renewing their awareness of relations between their own business activities and the biodiversity and natural environment of their surrounding region, and are linking this awareness to concrete actions that contribute to communication with local communities and to the preservation of biodiversity.

Relationship between Business Activities and Biodiversity



Biodiversity Preservation Activities

Activity	Purpose	Details
Mitsubishi Electric Outdoor Classroom Mitsubishi Electric Outdoor Classroom	Foster environmental awareness among employees	In natural classroom settings such as woodlands, parks, waterways, and seacoasts, employees who serve as leaders invite families to experience nature to learn about the interrelationship between living creatures.
"Satoyama" Woodland Preservation Project "Satoyama" Woodland Preservation Project <Japanese site>	Contribute to society, drawing on the voluntary efforts of employees	Employees strive to restore parks, woodlands, rivers, and other natural areas located close to business sites.
Preserving biodiversity at business sites Preserving biodiversity at business sites	Activities centered around co-existence with nature carried out at business sites	Confirmation and appropriate management of rare species, endemic species, and non-native species; promotion of co-existence with nature; and gaining an understanding of our involvement with the surrounding natural environment.

Improving the Quality of Greenery in Line with Three Courses of Action

The Mitsubishi Electric Group has set forth three courses of action as guidelines for all business sites. They are: (1) reducing negative impact on living creatures, (2) aiming for more fruitful symbiosis with other living creatures, and (3) restoring the relationship between employees and nature in the working environment. At each business site, action plans provide for the preservation of local indigenous species, control of alien species, and development of green space in consideration of the surrounding ecosystem, to ensure these initiatives are steadily addressed in all businesses.

Three Courses of Action

Courses of Action	Examples	
A Reducing negative impact on living creatures	1. Control development pressure and alien species pressure*	(1) Assessment of impacts on living creatures
		(2) Alien species control
	2. Call attention to and preserve rare species and endemic species	(1) Disclosure of list of living creatures on premises
		(2) Preservation of rare species and endemic species
		(3) Cooperation in regards to conservation issues for surrounding areas
	3. Manage pesticides, preserve greenery and natural resources	(1) Control the killing/harming of living creatures
		(2) Consideration to natural resources, such as water and soil
B Aiming for more fruitful symbiosis with other living creatures	4. Set up functional greenery	(1) System to manage green space
		(2) Management of land used by flying organisms
		(3) Development of priority land for greenery and living creatures
		(4) Provision of continuity of greenery with areas surrounding business sites
		(5) Contribution to biodiversity preservation activities in areas surrounding business sites
	5. Break away from agricultural orientations such as simplifying/ specifying greenery	(1) Diversification/multi-stratification of vegetation
		(2) Management of greenery that accords with the characteristics of plants, etc.
		(3) Contribution/consideration to regions
C Restoring the relationship between employees and nature in the working environment	6. Proactively utilize ecosystem services in the workplace (break rooms, individual floors)	(1) Provision and utilization of opportunities for cultural services
		(2) Provision and utilization of opportunities for supply services
	7. Change situation from everyone being disinterested and unrelated to everyone being involved	(1) Education for understanding and promoting action
		(2) Creation of relationships through the workplace or work duties

* Activities are carried out pursuant to the regulation on raising, planting, storing, carrying, or other handling of specified IAS in the Invasive Alien Species Act.

Specific initiatives for biodiversity preservation

The Mitsubishi Electric Group engages in initiatives that give specific consideration to all species of living creatures. These initiatives include the Mitsubishi Electric Outdoor Classroom, the Satoyama Woodland Preservation Project, and measures to reduce the impacts of development pressure*1 and alien species pressure*2 on ecosystems. As the basis of these initiatives, we have been promoting biodiversity preservation activities at business sites since fiscal 2015, with a focus on improving the quality of greenery within the premises of all business sites. The initiatives aim for all employees to make a direct contribution to regional/urban ecosystems in areas around their site by working to preserve biodiversity at their own workplace. It also encourages employees to take positive and voluntary action by regarding biodiversity as a personally relevant issue.

As these initiatives have spread, since fiscal 2020, we have been working to establish a structure to visualize the initiatives of each of Mitsubishi Electric's domestic business sites and consistently improve. In March 2020, we formulated the Biodiversity Guidelines (a check sheet) in line with the three courses. Since then, the implementation level of activities and the quality of greenery at each of our business sites in Japan have been assessed in numbers for quantitative monitoring. Each business site evaluates the situation of activities by fiscal year based on the Guidelines and calculates the improvement rate in the implementation level compared to the baseline fiscal year. By visualizing the improvement and outcomes of measures, we endeavor to establish the activities and improve outcomes throughout the organization.

Since fiscal 2022, we have been implementing the Guidelines at affiliated companies in Japan in order to widen their scope.

*1 Development pressure: An action resulting in the destruction of habitats. The construction of a new business site and development (including that in the supply chain) intended to extract natural resources are deemed as such behaviors. One such example is when the use of water by operations affects the surrounding area, the source of water, and subsequently the habitats of living creatures.

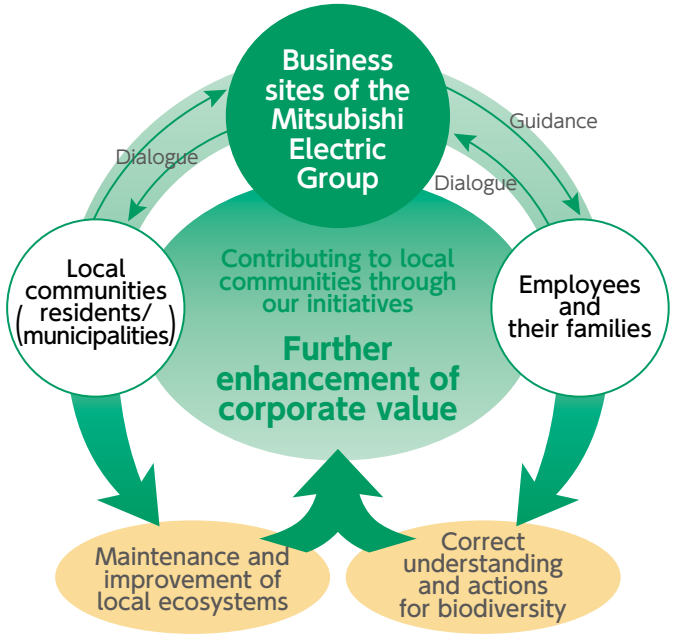
*2 Alien species pressure: When ditches, greenery at the side of buildings, and hedges are created, non-native species of insects, vegetation, etc. may be introduced. The unintentional transfer of living creatures could pose a threat to the habitats of indigenous species or trigger genetic pollution.

Enhancing Corporate Value through a Long-term Commitment to Environmental Initiatives

Since it takes many years to maintain and improve biodiversity, we must work continuously to this end.

The Mitsubishi Electric Group is committed to contributing to the attainment of the SDGs *1 and to implementing biodiversity preservation activities as part of its business activities. Through initiatives related to the above, we will further contribute to preserving regional ecosystems, and by earning respect and trust from local communities, we will strive to enhance our corporate value.

*1 SDGs (Sustainable Development Goals): Sustainable development goals to be achieved by 2030 included in the 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly in September 2015.



Activities Contributing to Local Ecosystems

Environmental Data

Material Balance

Manufacturing (Input)

	FY 2021	FY 2022	FY 2023
■ Manufacturing			
Materials*1	2,420 kt	2,570 kt	2,920 kt
Total energy input*2*3	19,030,000 GJ	21,150,000 GJ	20,920,000 GJ
Electricity*3	1,740 GWh	1,912 GWh	1,894 GWh
Traditional electric power	1,715 GWh	1,870 GWh	1,624 GWh
Electric power from renewable energy sources	25 GWh	42 GWh	270 GWh
City gas	34,930,000 m³	37,960,000 m³	35,780,000 m³
LPG	3,725 t	3,989 t	3,780 t
Oil (crude oil equivalent)*3	10,484 kl	19,811 kl	18,659 kl
Other greenhouse gases	6,720 t	8,217 t	9,271 t
Water usage*9	148,600,000 m³	152,060,000 m³	149,800,000 m³
Intake	103,140,000 m³	107,440,000 m³	108,780,000 m³
Reuse	45,470,000 m³	44,630,000 m³	41,020,000 m³
Chemical substances			
Controlled chemical substances*4	2,614 t	3,153 t	4,236 t
Volatile organic compounds	2,018 t	2,123 t	2,440 t

*1 Total value for shipping weight of products, plus amount of product packaging materials used, plus total amount of waste.

*2 Includes electricity, city gas, LPG, oil, etc.

*3 Figures include commercial vehicles and other company-owned vehicles (the figure for FY2021 includes the number of such vehicles for sites in Japan only, while the figures for FY2022 and FY2023 include the numbers for sites in Japan and overseas).

*4 Japan: Substances subject to Japan's PRTR law. Overseas: Controlled chemical substances designated by Mitsubishi Electric and used in amounts of 18 kg or more.

Manufacturing (Output)

	FY 2021	FY 2022	FY 2023
■ Products			
Weight of all products sold*5	2,111 kt	2,249 kt	2,495 kt
Weight of packaging materials*6	124 kt	137 kt	130 kt
Japan	56 kt	59 kt	54 kt
Overseas	68 kt	78 kt	76 kt
■ Emissions (from manufacturing)			
Emissions into the atmosphere			
Greenhouse gas emissions (CO_2-equivalent)	1,048 kt-CO_2	1,161 kt-CO_2	1,046 kt-CO_2
CO_2*7*9	923 kt-CO_2	1,033 kt-CO_2	910 kt-CO_2
HFCs*8*9	37 kt-CO_2	35 kt-CO_2	19 kt-CO_2
PFCs*8*9	22 kt-CO_2	24 kt-CO_2	22 kt-CO_2
SF6*8*9	67 kt-CO_2	68 kt-CO_2	95 kt-CO_2
Chemical substances			
Controlled chemical substances*4	814 t	389 t	515 t
Volatile organic compounds	792 t	645 t	882 t
NOx	25 t	28 t	40 t
SOx	1 t	0.6 t	0.3 t
Discharge into water			
Water	8,068,000 m³	8,386,000 m³	8,467,000 m³
Chemical substances			
Controlled chemical substances*4	8.0 t	7.2 t	5.7 t
BOD	101 t	65 t	81 t
COD	109 t	57 t	73 t
■ Waste			
Emissions	187,137 t	269,306 t	292,814 t
Non-hazardous waste	181,689 t	263,197 t	286,177 t
Hazardous waste	5,448 t	6,109 t	6,637 t
Waste treatment subcontracted out	101,605 t	84,639 t	134,100 t
In-house weight reduction	757 t	824 t	835 t
Amount recycled	147,258 t	69,984 t	223,258 t
Final disposal	121 t	1,562 t	1,561 t
Japan	28 t	445 t	117 t
Overseas	93 t	1,117 t	1,445 t
Final waste disposal ratio (Japan)	0.02 %	0.24 %	0.06 %
Final waste disposal ratio (Overseas)	0.1 %	1.3 %	1.4 %

*5 Shipping weight of products.

*6 Total of disposable and returnable packaging materials.

*7 CO_2 emission coefficient for electricity calculated in reference to: <Japan> figures published by the Federation of Electric Power Companies; <Overseas> figures published by International Energy Agency.

*8 Global Warming Potential (GWP) for greenhouse gases other than CO_2 is calculated in reference to figures published in the IPCC 5th Evaluation Report.

*9 Figures for FY2022 have been re-calculated.

Transporting (Input)

	FY 2021	FY 2022	FY 2023
■ Sales and Logistics[*10]			
Fuel for trucks (gasoline)	5,679 kl	5,725 kl	6,091 kl
Japan	5,675 kl	5,725 kl	6,091 kl
Overseas	4 kl	0 kl	0 kl
Fuel for trucks (diesel)	55,635 kl	58,778 kl	57,535 kl
Japan	41,969 kl	48,183 kl	41,185 kl
Overseas	13,666 kl	10,595 kl	16,350 kl
Fuel for rail (electricity)	1.4 GWh	1.3 GWh	1.5 GWh
Japan	1.4 GWh	1.3 GWh	1.5 GWh
Overseas	0 GWh	0 GWh	0.0 GWh
Fuel for marine transport (bunker oil)	60,037 kl	81,514 kl	91,941 kl
Japan	525 kl	397 kl	333 kl
Overseas	59,512 kl	81,117 kl	91,608 kl
Fuel for air transport (jet fuel)	20,833 kl	44,838 kl	69,255 kl
Japan	511 kl	602 kl	558 kl
Overseas	20,322 kl	44,236 kl	68,697 kl

*10 Figures for overseas affiliated companies include transportation between countries.

Transporting (Output)

	FY 2021	FY 2022	FY 2023
■ Emissions[*11 *12]			
CO_2	384 kt-CO_2	515 kt-CO_2	607 kt-CO_2
Japan	124 kt-CO_2	141 kt-CO_2	126 kt-CO_2
Overseas	260 kt-CO_2	375 kt-CO_2	481 kt-CO_2

*11 Figures for overseas affiliated companies include transportation between countries.

*12 The sum of these figures and CO_2 emissions from procurement/logistics (1 kt-CO_2) make up Scope 3 Category 4 emissions (see next page).

Using (Input)

	FY 2021	FY 2022	FY 2023
■ Energy Consumption			
Energy consumed during product use[*13*15]	311,016 GWh	304,427 GWh	336,341 GWh

Using (Output)

	FY 2021	FY 2022	FY 2023
■ Emissions			
Greenhouse gas emissions during product usage (CO_2-equivalent)[*14*15]	154,650 kt-CO_2	151,769 kt-CO_2	168,568 kt-CO_2

*13 The total amount of power consumed (estimated value) over the operating periods of finished products when using products targeted for CO_2 reduction. The operating period, which is determined for each product, is set using the product's statutory useful life (years), its number of operating years based on its design, statistical values, and other values.

*14 CO_2 emission during product usage (CO_2 equivalent): Sum of CO_2 emitted during the operation of final products. CO_2 emission coefficient for electricity calculated in reference to: <Japan> figures published by the Federation of Electric Power Companies; <Overseas> figures published by International Energy Agency.

*15 Figures for FY2021 and FY2022 have been re-calculated.

Reducing Greenhouse Gases Emitted in the Value Chain

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

Scope / Category	Accounting (kt-CO_2) (Bottom row: Total emission ratio) FY 2021	FY 2022	FY 2023	Accounting Summary*1
Scope 1: Direct emissions from fuel use and industrial processes at our company*2*3				
★	242 (0.1%)	276 (0.2%)	272 (0.1%)	
Scope 2: Indirect emissions associated with use of electricity and heat purchased by our company*4				
Market based ★	732	819	679	Calculated using the power emission coefficient based on the contract
Location based*3 ★	806 (0.5%)	885 (0.6%)	774 (0.4%)	Calculated using the average emission coefficient of power generated in the area
Scope 1 + Scope 2 (Location based) ★	1,048 (0.6%)	1,161 (0.7%)	1,046 (0.6%)	Coverage: 99% (energy usage based)
Scope 3: Indirect emissions outside the scope of our company's operational activities*4				
Category 1 Purchased goods and services*5 ★	9,454 (5.8%)	10,099 (6.3%)	11,947 (6.5%)	Emissions associated with activities up to the manufacturing of materials, etc. relating to raw materials, parts, purchased products, and sales*6
Category 2 Capital goods	334 (0.2%)	549 (0.3%)	1,048 (0.6%)	Emissions generated by the construction and manufacturing of own capital goods
Category 3 Fuel- and energy-related activities*5	146 (0.1%)	166 (0.1%)	148 (0.1%)	Emissions associated with procurement of fuel necessary for power generation, heat supply, etc. and power such as electricity supplied by other parties
Category 4 Upstream transportation and distribution	386 (0.2%)	513 (0.3%)	607 (0.3%)	Emissions associated with logistic processes up to the delivery to our company of materials, etc. relating to raw materials, parts, purchased products, and sales*7
Category 5 Waste generated in operations	0.4 (0.0%)	0.4 (0.0%)	0.6 (0.0%)	Emissions associated with transporting and processing waste produced by our company*8
Category 6 Business travel*5 ★	4.8 (0.0%)	6.1 (0.0%)	15.7 (0.0%)	Emissions associated with employee business travel*9
Category 7 Employee commuting*5 ★	40 (0.0%)	36 (0.0%)	41 (0.0%)	Emissions associated with employees commuting to and from their respective workplaces*10
Category 8 Upstream leased assets	—	—	—	Emissions associated with operation of leased assets hired by our company (Calculated by Mitsubishi Electric under Scope 1 and Scope 2)
Category 9 Downstream transportation and distribution*5	5.9 (0.0%)	5.2 (0.0%)	5.9 (0.0%)	Emissions associated with the transportation, storage, cargo handling and retailing of products
Category 10 Processing of sold products*5	2.1 (0.0%)	2.4 (0.0%)	2.2 (0.0%)	Emissions associated with the processing of interim products by business operators
Category 11 Use of sold products*3 ★	152,794 (93.0%)	148,292 (92.2%)	168,568 (91.9%)	Emissions associated with the use of products by users (consumers/business operators)
Category 12 End-of-life treatment of sold products*5	5.6 (0.0%)	5.3 (0.0%)	5.4 (0.0%)	Emissions associated with the transportation and processing of products for disposal by users (consumers/business operators)*6
Category 13 Downstream leased assets	13 (0.0%)	12 (0.0%)	14 (0.0%)	Emissions associated with operation of leased assets
Category 14 Franchises	—	—	—	Emissions at companies operating as franchises (Not applicable to Mitsubishi Electric)
Category 15 Investments	38 (0.0%)	26 (0.0%)	26 (0.0%)	Emissions associated with operation of investments
Scope3 total	163,223 (99.4%)	159,711 (99.3%)	182,427 (99.4%)	
Total (Scope 2 is location based.)	164,271 (100.0%)	160,872 (100.0%)	183,473 (100.0%)	

*1 Excerpt from Basic Guidelines published by the Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry.
*2 CO_2, SF6, HFCs, and PFCs emissions associated with the use of city gas, heavy oil, etc., and with product manufacturing.
*3 CO_2 emission coefficient for electricity calculated in reference to: <Japan> annual figures published by the Federation of Electric Power Companies; <Overseas> annual figures published by International Energy Agency.
*4 CO_2 emissions associated with the use of electricity, etc.
*5 Figures have been calculated using the CO_2 emission coefficient for each fiscal year specified in the "emission in tensity database for calculating greenhouse gas emissions of the organization throughout the supply chain."
*6 Excludes some regions.
*7 CO_2 emissions associated with product distribution/circulation (sales distribution). Subject to accounting: 53 companies (manufacturing companies).
*8 CO_2 emissions associated with transportation of waste (waste distribution). Subject to accounting: Mitsubishi Electric.
*9 Results for Japan. Excludes CO_2 emissions associated with actual use of taxis and accommodation.
*10 Assuming that all employees use passenger rail services.

Amount of Water Intake/Drainage/Reuse

Unit: 10,000 m³

Item	Group	Japan*11	Overseas	China	Southeast Asia	Europe	US	Latin America	others*12
■ FY 2023 results									
Water usage (water intake plus reuse)	14,980	13,036	1,943	727	937	115	41	47	76
Intake	10,878	9,068	1,810	668	880	113	41	46	62
Surface water	86	85	1	0	0	0	0	0	0
Groundwater	5,422	5,395	27	0	8	3	0	0	16
Seawater	0	0	0	0	0	0	0	0	0
Water discharged during development/mining processes	2	2	0	0	0	0	0	0	0
Water purchased from third parties	5,369	3,586	1,783	667	872	110	41	46	46
Drainage volume	8,467	7,122	1,345	580	556	101	40	35	34
Surface water	2,489	2,487	2	0	0	2	0	1	0
Groundwater	1,159	1,159	0	0	0	0	0	0	0
Seawater	54	54	0	0	0	0	0	0	0
Water discharged into third-party drainage facilities	4,765	3,422	1,343	580	556	99	40	34	34
Water reused	4,102	3,968	133	59	57	3	0	1	14
Water consumption (water intake minus drainage volume)	2,411	1,947	464	87	325	11	1	11	29
Reuse ratio (reused/used) (%)	27	30	7	8	6	2	0	1	18
Water usage per unit of sales (Water usage/sales) (m³/million yen)	3.0	—	—	—	—	—	—	—	
■ FY 2022 results									
Water usage (water intake plus reuse)	15,206	13,302	1,904	752	899	124	48	47	34
Intake	10,744	8,948	1,796	670	881	121	48	47	29
Surface water	3,067	2,057	1,010	209	757	16	0	28	0
Groundwater	5,336	5,310	26	0	7	5	0	0	14
Seawater	0	0	0	0	0	0	0	0	0
Water discharged during development/mining processes	0	0	0	0	0	0	0	0	0
Water purchased from third parties	2,341	1,582	759	461	117	100	48	19	15
Drainage volume	8,385	7,221	1,164	524	489	68	43	34	7
Surface water	3,930	3,928	1	0	0	1	0	0	0
Groundwater	43	29	13	3	0	5	1	4	0
Seawater	0	0	0	0	0	0	0	0	0
Water discharged into third-party drainage facilities	4,412	3,263	1,149	521	488	61	42	30	7
Water reused	4,463	4,354	109	83	18	3	0	1	4
Water consumption (water intake minus drainage volume)	2,359	1,727	632	146	392	53	6	13	22
Reuse ratio (reused/used) (%)	29	33	6	11	2	2	0	1	13
Water usage per unit of sales (Water usage/sales) (m³/million yen)	3.4	—	—	—	—	—	—	—	
■ FY 2021 results									
Water usage (water intake plus reuse)	14,860	13,143	1,717	736	868	28	48	36	—
Intake	10,314	8,734	1,580	639	831	26	48	36	—
Surface water	2,998	2,022	976	217	733	1	0	25	—
Groundwater	5,185	5,178	7	0	7	0	0	0	—
Seawater	0	0	0	0	0	0	0	0	—
Water discharged during development/mining processes	0	0	0	0	0	0	0	0	—
Water purchased from third parties	2,130	1,534	596	423	90	25	48	11	—
Drainage volume	8,068	6,986	1,082	498	493	13	48	29	—
Surface water	3,925	3,925	0	0	0	0	0	0	—
Groundwater	38	29	8	3	0	1	0	4	—
Seawater	0	0	0	0	0	0	0	0	—
Water discharged into third-party drainage facilities	4,105	3,032	1,074	495	493	12	48	25	—
Water reused	4,547	4,410	137	97	38	2	0	0	—
Water consumption (water intake minus drainage volume)	2,246	1,748	498	141	337	13	0	7	—
Reuse ratio (reused/used) (%)	31	34	8	13	4	7	0	1	—
Water usage per unit of sales (Water usage/sales) (m³/million yen)	3.5	—	—	—	—	—	—	—	—

*11 Sum of Mitsubishi Electric Corporation (non-consolidated) and affiliated companies in Japan.
*12 Areas classified as "others" from FY2022 onward due to an increase in the number of business sites in scope for the survey.

Verification Statement

In order to ensure reliability of our reports, Mitsubishi Electric gets third party verification by SGS Japan Inc. for our greenhouse gas emissions, energy consumption and water usage and drainage.
Third Party Verification Report (Environmental Disclosure of 5 items)

Environmental Accounting

Environmental Conservation Costs

Unit: 100 million yen

	FY 2021		FY 2022		FY 2023		Main Costs
	Capital Investment	Costs	Capital Investment	Costs	Capital Investment	Costs	
Business area activities	42	68	52	64	55	68	
Pollution prevention	3	14	7	12	2	13	Updating of processing facilities for emissions, sewage water, deodorization, etc.
Global environmental conservation	35	25	39	25	50	28	Updating of air conditioning equipment, switch to low fuel-consumption vehicles
Resource recycling	5	29	6	27	3	28	Consignment of the disposal of waste, construction of additional recycling facilities
Upstream and downstream production	0.0	2	0.1	2	0.0	2	Sewage expenses, reduction of the environmental impact of packaging
Management activities	0.8	16	0.3	18	0.4	20	Personnel expenses, employee education
R&D activities	0.9	39	0.8	26	0.6	44	Improvement of energy/ resources efficiency, designs to reduce size and weight
Community activities	0.0	0.5	0.0	0.6	0.0	0.6	Outdoor classrooms, Satoyama woodland preservation activities, cleaning and greening activities in the suburbs
Environmental damage countermeasures	0.0	0.2	0.0	0.2	0.0	0.1	Purification of contaminated soil/groundwater, measuring contamination levels
Total	44	126	54	111	56	135	

Environmental Conservation Benefits

Unit: 100 million yen

	FY 2021	FY 2022	FY 2023	Main Costs
Earnings	37	68	72	Profit on sale of valuable materials (mainly metals)
Savings	7	13	12	Results of energy savings, reuse of materials/water, and introduction of equipment to reduce the input of resources
Total	44	81	84	

Social

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Quality

Basic Policy and Management

Basic Policy

The Mitsubishi Electric Group conducts business under the Purpose, "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity." This Purpose inherits the principles outlined in the Keys to Management (in Japanese, Keiei no Yotei) set out when Mitsubishi Electric was established 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, employees perform their work according to "Our Values," which teach us to develop relationships based on strong mutual trust, ensure products and services that satisfy standards provided in laws and regulations and the specifications agreed upon with customers are delivered in the best quality, and provide society with new value by enhancing our technology and onsite capabilities. Based on these values, 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, response to major issues, and product disposal.

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 reasonable usage life, and have consistent performance.
4. Every manager and employee involved in manufacturing a product shares equal responsibility for product quality.

Product Safety-related Principles

Based on the "Purpose" and "Our Values," the Mitsubishi Electric Group promotes initiatives to ensure product safety under the following principles:

<Product Safety-related Principles>

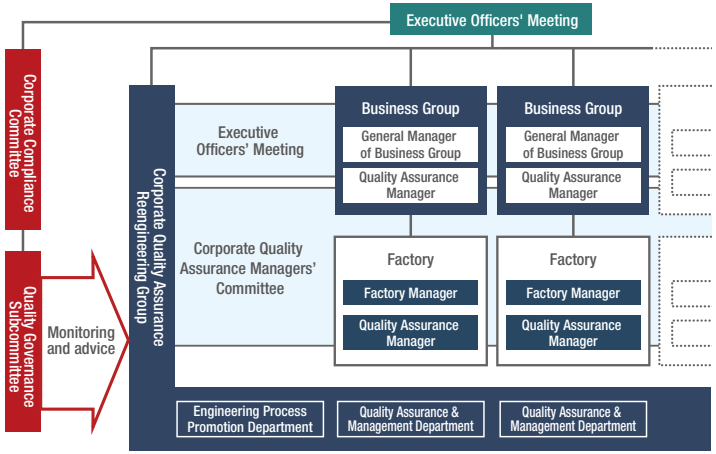
1. We will not only comply with the laws related to product safety, but also work on offering safe and reliable products to our customers.
2. We will prevent product-related accidents by indicating cautions and warnings to help customers use our products safely.
3. We will work actively to collect information 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 Service Call Center and Customer Relations Center in Japan operates 24 hours a day, 365 days a year to gather information on product-related issues and enable prompt response. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website.

Important information about our products (in Japanese text)

Management

The Corporate Quality Assurance Reengineering Group under the direct control of the president has been implementing company-wide measures to promote quality assurance reform and strengthen activities for improving quality. The Quality Assurance & Management Departments under the Corporate Quality Assurance Reengineering Group assigned to each manufacturing base assumes the function for checking, including shipping authority It is also responsible for acting as the contact point for consultation on issues in the field. In addition, the Engineering Process Promotion Dep. (QED) was newly established to implement realize a company-wide environment that enables designers to carry out their design work in a consistently manner, thereby promoting facilitating the realization of quality assurance reform. The Quality Governance Subcommittee has been established under the Corporate Compliance Committee, to which business execution has been delegated from the Executive Officers' Meeting, and the Corporate Quality Assurance Reengineering Group implements the PDCA cycle for improvement in response to the monitoring and advice from the Subcommittee. Our works in Japan and overseas are responsible for ensuring the quality of individual products, and implementing specific improvement activities for quality assurance activities in our business process, including market investigation and development and design, manufacturing, distribution, maintenance services following shipment, and product disposal.



Promotion of Quality Assurance and Improvement Activities (Mitsubishi Electric)

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 business processes—including maintenance and servicing after shipping—and works to improve product quality, safety and reliability.

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

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

With regard to product defects, we have also built a database of failure cases that have occurred in the Mitsubishi Electric Group. We use this database to build quality into products to prevent defect recurrence. We also working to prevent defects by consolidating and utilizing our technical resources, such as defect analysis methods, and applying them in order to build quality into products and to improve quality.

List of Announcements: Cases of improper Quality Control Practices at Mitsubishi Electric (in Japanese text)
Status of Registration and Certification with ISO and other Standards (in Japanese text)

Providing Easy-to-Use Products

Basic Policy

The Mitsubishi Electric Group engages in universal design under the principle of "creating user-friendly products and comfortable living environments that benefit as many people as possible." To achieve user-friendliness and comfortable living in the true sense of the words, we are committed to providing products and living environments that offer a high level of satisfaction to as many people as possible.

Mitsubishi Electric Group's Efforts in Universal Design (In Japanese text)

Mitsubishi Electric Group's Efforts in Universal Design

We have applied the concept of universal design (UD) to home appliances such as air conditioners and refrigerators, as well as to public equipment such as elevators, 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 and are still advancing it. The aim is to enable more people to take advantage of the latest convenient features freely and easily.

Universal Design Guidelines for widespread usability

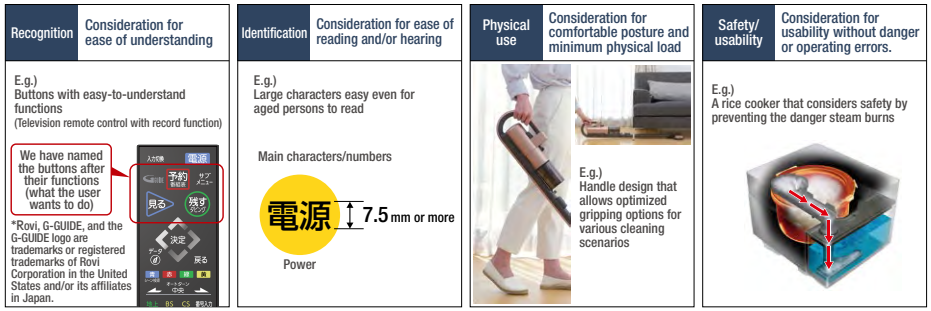
The Universal Design Guidelines are a set of standards that apply to a wide range of product development, and were formulated based on the expertise gained through using the UD-Checker. To promote greater usability of our products by all users, including children, senior citizens, and people with physical 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.



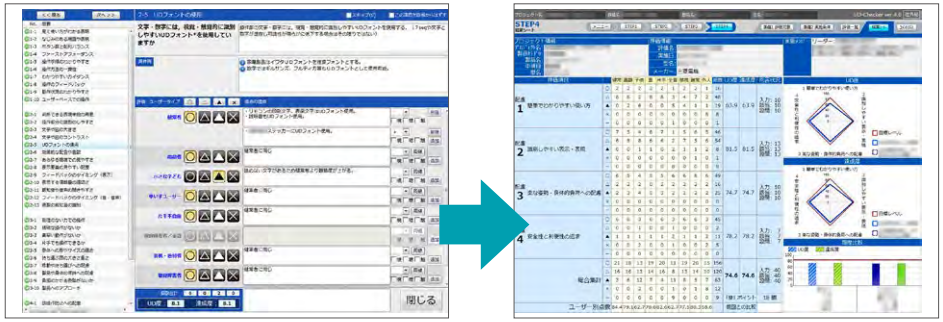
UD-Checker, the universal design evaluation system

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.



The UD-Checker's four evaluation criteria



Results sheet is automatically output based on the entry into the check items

Details of "UD-Checker" (in Japanese text)

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

- 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." ◦ 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-G221AKS

Large characters & numerical indicators of steps for use

<Features>

- Characters are approximately 1.8* times the size of our conventional system. (Compared with Mitsubishi Electric's conventional model G38MS)
- Can be operated simply by pressing buttons in order of numbers displayed.



Large character & 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

Other "RakuRaku Assist" products (in Japanese text)

Application to the industrial sector

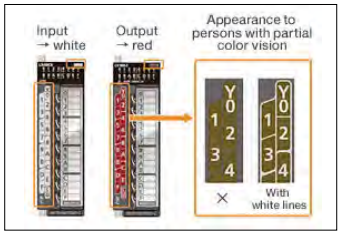
Even in the industrial sector, where there is a high level of specialization and a relative lack of diversity in terms of operators who handle equipment, the labor environment is changing. Examples of this transformation include the aging of workers, and more foreign and inexperienced workers – changes 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.

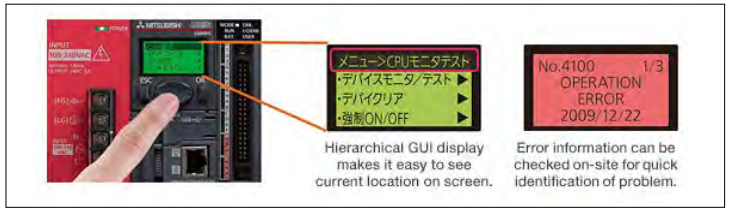
- Easy-to-understand expressions, such as printed designs that are images of actual objects, make the displayed content more intuitive.
- The unit employs a large UD font display and offers good contrast against the background color, considering people with impaired color vision.
- By showing the text 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

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.





Quick Guide (Basic operations)

Instruction manual for Mitsubishi Electric Kirigamine FL Series room air conditioners (In Japanese text)

Award received

In fiscal 2023, following the International Association for Universal Design (IAUD)'s evaluations of Mitsubishi Electric's attempts to find a better alternative solution to the increasingly severe labor shortage, we won awards at the IAUD International Design Awards. The accolades included the Gold Award for the Safety Monitoring Support (Anshin Mimamori Support) MelCare, and the Bronze Award for the "MR-MZ/WZ Series 6-door refrigerator and freezer" and the "Unified remote control design for air conditioners". Going forward, Mitsubishi Electric aims to continue creating universal products and services that take ingenious approaches and consider various perspectives across a broad range of business areas.



Safety Monitoring Support, MelCare



MR-MZ/WZ Series 6-door refrigerator and freezer



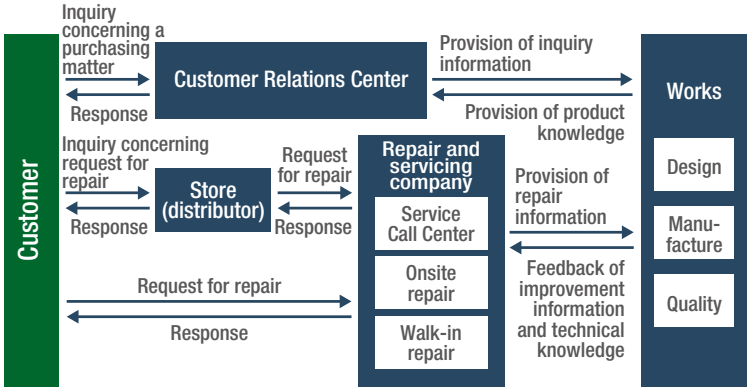
Unified remote control design for air conditioners

Improving Customer Satisfaction

Basic Policy

Customer satisfaction has been a priority management principle of the Mitsubishi Electric Group since its founding. Inheriting this spirit, we collect feedback from our customers through customer satisfaction surveys as appropriate to the characteristics of each business operation, and incorporate customer opinions into product development, marketing strategies, and services.

We also strive to maintain customer satisfaction by strengthening our repair/service systems, providing effective staff training, and expanding access to information via our websites.



Flow of responses to customer inquiries (Mitsubishi Electric)

CS Activities by the Home Appliances Group (in Japan)

The Living Environment & Digital Media Equipment Group handles matters related to home appliances and carries out customer satisfaction (CS) improvement activities 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 culture, systems and tools that would enhance its products, marketing strategies, and services.

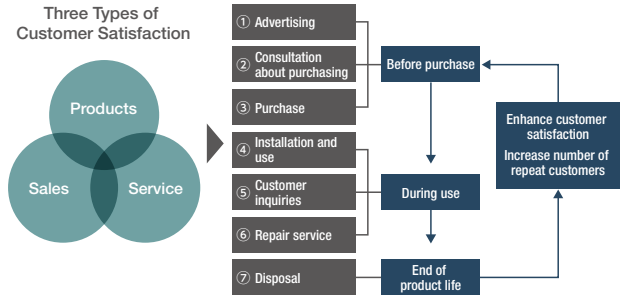
Each works conducts satisfaction surveys of its major products using questionnaires to product purchasers and questionnaires to employee monitors. The results of these surveys are shared within the Group and reflected on sales and development strategies.

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 the 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 room air conditioner
Brand Cconcept: "We can make people more comfortable."

CS Activities by the Building Systems Group (in Japan)

The Building Systems Group handles elevators and escalators that provide vertical transportation within buildings and building management systems. By ensuring their safety and security and continuously delivering comfortable means of transportation and living spaces as indispensable social infrastructures on a global scale, we contribute to making society even more vibrant and sustainable.

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

Mitsubishi Electric information centers situated in eight locations throughout the country provide a "safety hotline" for response in cases of trouble, such as failure signals and telephone calls from customers following issues with elevators, refrigerators, air-conditioning equipment, or other building facilities. Mitsubishi Electric information centers constantly monitor remotely the status of contracted customers' building facilities. When an error signal is received, the system provides information on the current locations, works in progress, and even the technical levels of approximately 6,000 engineers, 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, we not only perform maintenance and inspection as appropriate, but have 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 Building Systems Works SOLAÉ showroom

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

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



SOLAÉ elevator testing tower



SOLAÉ showrooms

Responding to Product-Related Issues

Basic Policy

If we receive any report of a major issue occurring in a product that we have sold, we have a system in place that includes the top management to ensure quick and accurate decisions on the steps and measures to take, so that we can take proper action while always placing top priority on not inconveniencing our customers. In addition, we will share information on major issues that occurred with regard to products across the entire Group promptly to strengthen our ability to respond to such issues.

For recalls in particular, we work on an ongoing basis to ensure that all the relevant products that were sold are returned and repaired, and apply these efforts to a wide array of sales channels.

Reporting Major Product Issues (in Japan)

A detailed list of information pertaining to important product-related and quality issues is posted on Mitsubishi Electric's Japanese-language official website.

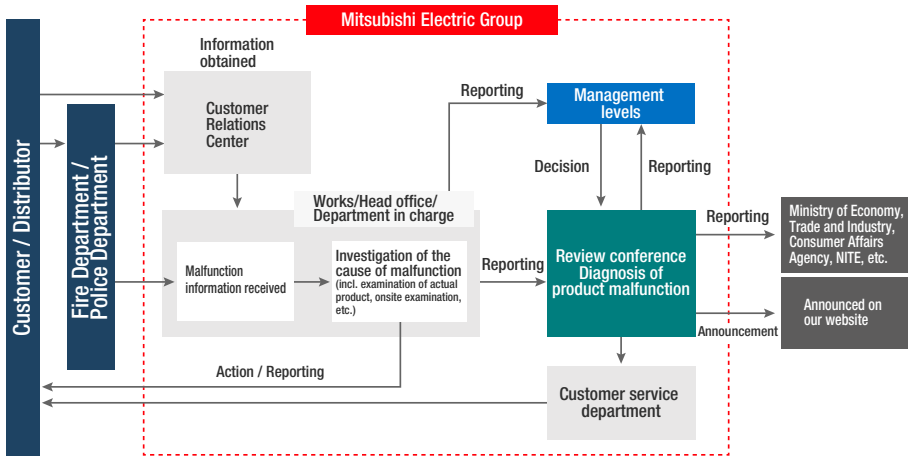
List of important information pertaining to products (n Japanese text)

Accident Reporting Based on the Consumer Product Safety Act

In Japan, we promptly release appropriate information on issues in consumer products, which directly and deeply affect consumers. Detailed information on our compliance with Japan's revised Consumer Product Safety Act, which went into effect in May 2007, is available on Mitsubishi Electric's Japanese-language official website.

Accident reporting based on the Consumer Product Safety Act (in Japanese text)

Under our policy regarding the disclosure of accident information, we also disclose information on cases that are accidents related to products other than gas or oil equipment and that have not been identified as accidents caused by products or that have been determined as being uncertain as to whether they were caused by products.



Flow of responses to accidents (Mitsubishi Electric Group)

Human Rights

Concept of Respect for Human Rights

Policy on Respect for Human Rights

Protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group's business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations. 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 "Purpose" and "Our Values," 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.

Mitsubishi Electric Group Human Rights Policy

Action Guidelines of Respect for Human Rights

In its "Code of Conduct," the Mitsubishi Electric Group has established the following guidelines for respecting human rights (excerpts follow).

- Respect for Human Rights of Employees
  - ✓ We prohibit forced labor, child labor, harassment, and all other acts that disregard individuality.
  - ✓ We prohibit discrimination based on race, ethnicity, nationality, gender, age, belief, religion, social status, gender identity/sexual orientation, disability, and so forth.
  - ✓ We ensure fair opportunities and treatment.
  - ✓ We protect personal data and other information.

- Fair Employment
  - ✓ We ensure compliance with labor-related laws and regulations as well as the work rules of each country and region, etc.

- Respect for Human Rights
  - ✓ We respect human rights based on international norms, thereby ensuring there are no human rights violations or other problems.

Mitsubishi Electric Group Code of Conduct

Policy on Respect for Human Rights in the Supply Chain

In 2018, we established the CSR Procurement Guidelines to inform suppliers of the Mitsubishi Electric Group's approach to sustainability and the points that we expect suppliers to comply with, and we rolled the Guidelines out to our suppliers.

Based on the RBA Code of Conduct, the CSR Procurement Guidelines clearly prohibit forced labor, hazardous and harmful labor, and child labor; mandate a reduction in the number of excessive working hours; and ensure the right to a minimum wage, etc. We ask our suppliers to understand and comply with the Mitsubishi Electric Group's approach.

Green Accreditation / CSR Evaluation
Transitioning to RBA-compliant initiatives

Respect for Human Rights in Utilizing AI

The Mitsubishi Electric Group ensures that business activities that involve utilization of AI respect human rights.

Mitsubishi Electric Group AI Ethics Policy

Ensuring Personal Information Protection

In order to balance the usability of personal information while respecting the right to privacy, which is an essential human right, the Mitsubishi Electric Group is promoting personal information protection initiatives according to rules based on the eight privacy principles defined in the OECD Privacy Guidelines.

Initiatives for Personal Information Protection
Personal Information Protection Policy

Management System Related to Respecting Human Rights

In order to undertake human rights due diligence and other measures based on the United Nations Guiding Principles on Business and Human Rights, etc., the Mitsubishi Electric Group has been implementing the Plan-Do-Check-Act (PDCA) cycle, in which the results of human rights initiatives are confirmed and policies and plans are considered and approved in a meeting of the Sustainability Committee held every year.

In fiscal 2023, a permanent "Human Rights Subcommittee" was established as a subordinate organization to the Sustainability Committee in order to respond promptly to improve human rights initiatives and to resolve issues.

Since human rights issues relate to a wide range of fields, the responsible division is identified first to work on specific issues, while the Human Rights Subcommittee discusses and decides which direction to take with respect to issues of concern to the entire company. A system is in place for reporting progress to the Sustainability Committee and the Executive Officers Meeting, and to have the Executive Officers and Directors provide guidance and oversight.

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

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

In fiscal 2023, the Human Rights Subcommittee met three times, while the Human Rights Working Group met eleven times. The main agenda items of the Human Rights Subcommittee meetings held in fiscal 2023 were as follows.



Main agenda items of the Human Rights Subcommittee

	Agenda item
First meeting	• Confirmation of the purpose of establishing the Human Rights Subcommittee • Background on the need for human rights initiatives and the current status of the Mitsubishi Electric Group • Future action items for the Human Rights Subcommittee to promote • Report on the results of the fiscal 2022 Human Rights Impact Assessment and discussion of improvement activities, etc.
Second meeting	• Approval of proposed improvement activities based on the results of the fiscal 2022 Human Rights Impact Assessment • Approval of mid- to long-term human rights goals and the roadmap • Outline of sustainability procurement activities and use of the RBA management process • Complaint handling mechanism (membership in JaCER) • Japanese government guidelines, etc.
Third meeting	• Report on activities in fiscal 2023 • Approval of the activity plan for fiscal 2024

Human Rights Management

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

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

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

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



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

Human Rights Due Diligence

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



1. Identification and assessment of negative impacts on human rights (Human Rights Impact Assessment)

The Mitsubishi Electric Group periodically carries out "Human Rights Impact Assessments" in order to assess the impact of the Group's business activities on human rights.

The human rights impact assessment conducted in fiscal 2022 at a total of 417 sites among Mitsubishi Electric, domestic affiliates, and overseas affiliates identified human rights issues for which the Mitsubishi Electric Group should strengthen its efforts and evaluated the statuses of efforts at each site.

2. Correcting, preventing, and mitigating negative impacts on human rights

The Mitsubishi Electric Group has taken the following actions to address the issues identified.

Human rights issues to be addressed and strengthened

Issue to be addressed / strengthened	Overview
Harassment prevention Working time management Occupational health and safety	We strengthened the following efforts: • Awareness-raising activities, including the publication of a harassment prevention handbook • Reduction in the number of long working hours by implementing organizational culture reform • Partial acquisition of ISO 45001 certification Regarding harassment prevention, reform of working practices and reduction in the number of long working hours, and occupational health and safety initiatives
Human rights education	• In addition to the harassment and diversity training that has been conducted, we explained business and human rights, the Mitsubishi Electric Group Human Rights Policy, and other topics in the new company-wide training course "Sustainability in the Mitsubishi Electric Group."
Supply chain human rights initiatives, addressing conflict minerals	• In addition to our existing CSR procurement activities, we are exploring the possibility of implementing the supply chain management process of the Responsible Business Alliance (RBA), which we joined in 2022 (we plan to start explaining the process to our suppliers in fiscal 2024). Supply Chain Management (Procurement)
Grievance handling	• We joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) primarily to strengthen the collection of human rights complaints across the supply chain. • We have improved user accessibility by providing a separate "Human Rights Contact Desk" on our official website and by improving the homepage (landing and description) in the "Inquiries on Sustainability" section of the official website.

In addition, at any site where human rights efforts are deemed inadequate, improvement plans are developed to correct, prevent, or mitigate negative impacts on human rights.

3. Tracking and evaluating human rights initiatives

We review the progress of each site's plans and strive to achieve continuous improvement.

4. Identification and assessment of negative impacts on human rights in fiscal 2024 (Human Rights Impact Assessment)

To identify significant human rights issues in our operations, we plan to conduct a more objective human rights impact assessment based on global standards with the help of external human rights experts.

Initiatives Related to Employee Human Rights

We will respect the human rights of employees and implement initiatives, such as embracing diversity, maintaining a favorable working environment, and ensuring occupational safety and health and mental and physical health, in order to create a work environment where all employees can work actively with a sense of security.

Human Capital

Human Rights Initiatives in the Supply Chain; Joining the RBA

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

Supply Chain Management (Procurement)

In order to enhance the objectivity and transparency of the Mitsubishi Electric Group's human rights initiatives, in February 2022 we jointed the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in the global supply chains. We commit to progressively align our own operations with the provisions of the RBA Code of Conduct, to promote continuous improvement of our sustainability efforts.

RBA

Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Affiliate Member

Compliance with Laws and Regulations on Human Rights

Mitsubishi Electric is working with relevant divisions to respond in a timely and appropriate manner to legislation being developed in various countries regarding the implementation of human rights due diligence by companies.

UK 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." We update the content of the statement and disclose it every year. Due consideration is also given to the UK Gender Pay Gap Report.

Statement on the UK Modern Slavery Act

Australian Modern Slavery Act

Mitsubishi Electric Australia submitted a Modern Slavery Statement to the Australian authorities in response to the Modern Slavery Act enforced in Australia as of January 1, 2019.

Human Rights Education

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

Human rights education

Hierarchy-specific training

For new employees and newly appointed managers, we provide ongoing training programs regarding human rights. In the training for managers, after completing the course, participants confirm from a manager's perspective whether any problems have occurred in their own workplaces, thereby facilitating the realization of workplace environments in which employees can work comfortably.

Company-wide training (e-learning)

In the "Mitsubishi Electric Group Sustainability" e-learning course for all employees of Mitsubishi Electric and its domestic affiliates, we provide education on global trends in human rights, the reasons why human rights must be respected, and the Mitsubishi Electric Group's human rights policy, etc., to provide employees with opportunities to deepen their understandings of the importance of corporate efforts to respect human rights.

Harassment training

To prevent harassment by promoting proper understanding of harassing behavior and practicing appropriate communication skills when performing work, Mitsubishi Electric started conducting harassment training in the second half of fiscal 2020.

The training includes not only providing information on power harassment and sexual harassment, including harassment against people of the same sex and LGBTQ people, maternity harassment, SOGI harassment, and so on but also introducing specific case studies of harassment. Lectures are given that allow each employee to identify any harassment issues in the workplace and report and communicate any issues that they have become aware of by communicating internal and external points of contact for consultation to everyone.

We have deployed this harassment training program to affiliates. In particular, all employees of Mitsubishi Electric and its domestic affiliates have completed the e-learning program on harassment prevention implemented in accordance with the Mitsubishi Electric Workplace Culture Reform Program.



Lecture on "Respect for human rights and the active participation of diverse human capital"

Grievance Handling Mechanism

Primary contact point for human rights grievances

The Mitsubishi Electric Group has established several contact points to receive human rights inquiries from various stakeholders as listed in the table below.

In fiscal 2023, to further strengthen prompt identification of information on human rights violations in the supply chain and remediation activities, as well as to improve transparency in complaint handling, we joined the Japan Center for Engagement and Remedy on Business and Human Rights ("JaCER") as a founding member (regular member) in October 2022. This enables Mitsubishi Electric stakeholders to report grievances to JaCER, a non-judicial grievance platform in accordance with the UN Guiding Principles on Business and Human Rights.

In addition, JaCER participants, including Mitsubishi Electric, can obtain third-party investigations, advisory mediation, and other services through JaCER as needed.

Furthermore, we have improved user accessibility by providing a separate "Human Rights Contact Desk" on our official website and by improving the homepage (landing and description) in the "Inquiries on Sustainability" section of the official website.

Responding to human rights grievances

In response to individual reports on human rights risks, the responsible division shall promptly confirm the facts of the case in accordance with the consultation content.

In the event that a human rights violation or other problem is identified to have resulted from the Mitsubishi Electric Group's business activities, we shall promptly implement corrective and remedial measures as well as take appropriate actions, including responding to victims and considering disciplinary measures for those who committed such violations, etc.

The Mitsubishi Electric Group's main point of contact shall share the details of each consultation with the division in charge of resolving the problem. Nevertheless, efforts shall be made to minimize information sharing among the parties concerned.

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

Mitsubishi Electric's main points of contact for whistleblowing/consultation

Service available to	Name of point of contact for whistleblowing/consultation	Matters to be consulted	Contact
Various stakeholders (customers, people in the community)	"Inquiries on sustainability" and "Other Inquiries" on the Mitsubishi Electric Group official website	• Inquiries regarding the Mitsubishi Electric Group's sustainability • Other various inquiries regarding the Mitsubishi Electric Group's business activities	<Japanese> Inquiries on sustainability Other Inquiries <Global (English)> Inquiries on sustainability Other Inquiries
	Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)*1	Whistleblowing or consultations on human rights violations within the Mitsubishi Electric Group, especially those in the supply chain.	JaCER
Mitsubishi Electric employees, group companies employees*2, suppliers to Mitsubishi Electric*2	Ethics observance hotline	Whistleblowing or consultation regarding organized or individual employees' fraud, legal violation, act of breach of ethics	Internal points of contact/external points of contact (lawyers) *3*4
Mitsubishi Electric employees	Points of contact for consultation on sexual harassment, power harassment, etc.	Whistleblowing or consultation on various types of harassment in Mitsubishi Electric's workplace	Human Resource Div. at each office of Mitsubishi Electric

*1 The Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) provides a non-judicial "Engagement and Remedy Platform," in accordance with the UN Guiding Principles on Business and Human Rights. The "Engagement and Remedy Platform" receives grievances and reports of violations or alleged violations of international and national codes of conduct as well as assists member companies in addressing grievances.

*2 Limited to whistleblowing that is relevant to Mitsubishi Electric in personal and business aspects.

*3 The points of contact are listed on Mitsubishi Electric's intranet, internal posters, "Code of Corporate Ethics and Compliance," etc.

*4 A whistleblowing system has been established at each domestic and overseas family companies of the Mitsubishi Electric Group.

Discussion with External Parties

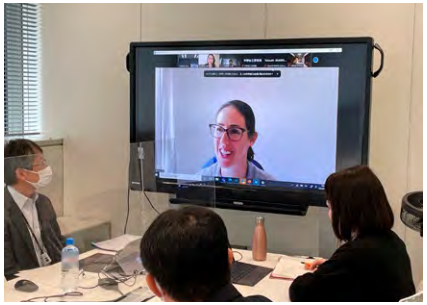
In order to make the Mitsubishi Electric Group's efforts for human rights issues effective, we have discussions with experts, human rights NGOs and other parties to receive advice on human rights initiatives.

In fiscal 2023, as part of the "Business and Human Rights Academy: Human Rights Due Diligence Training for Japanese Companies" organized by the United Nations Development Programme (UNDP), we had the opportunity to participate in individual sessions with human rights experts from Japan and overseas. In this session (held in January 2023), Ms. Alice Cope (Director and Chief of Operations, Pillar Two) and Mr. Hideaki Umetsu (Mori Hamada & Matsumoto) provided in-depth advice on the Mitsubishi Electric Group's ongoing human rights due diligence and supply chain management issues.

Ms. Alice Cope commented on the importance of collaboration among companies to prevent and address negative impacts on human rights, the importance of ensuring that every employee understands why respecting human rights is part of their role, and clarifying our expectations of suppliers in key documents such as our human rights policies.

Mr. Hideaki Umetsu advised us to include human rights clauses in basic transaction agreements and also commented on the importance of making employees understand that they too are rightsholders in order to expand human rights activities within the Group.

The advice we received was shared and discussed at the Human Rights Subcommittee meeting held in March 2023, and will be reflected in our future efforts to respect human rights in the Mitsubishi Electric Group for continuous improvement.



Session with Ms. Alice Cope

Topics

Exchanging Opinions with Experts

Mitsubishi Electric provides opportunities to receive opinions from experts who are active in various fields and have deep knowledge and experience. Last fiscal year, we held a session for exchanging opinions about the theme of "Inclusion" with Ms. Leah Kats-Hernandez, an advisor to the Mitsubishi Electric America Foundation, and two Mitsubishi Electric executive officers in charge of sustainability.

"Technology Utilization and Inclusion"



Ms. Leah Katz-Hernandez
Microsoft CEO Communications Manager
(Advisor to Mitsubishi Electric America Foundation)

【Career】

Leah Katz-Hernandez is a communications expert and inclusion advocate, and the first deaf person to serve as a reception at the White House during the Obama administration. Most recently, President Biden appointed her to the President's Advisory Council on Promoting Equity and Economic Opportunity in Hispanic Education. After participating in the support program of the Mitsubishi Electric America Foundation, she became an advisor in 2017.

The use of technology can go a long way toward fostering a culture of inclusion in the workplace. Technology enables people with disabilities to work on an equal footing with peers without disabilities. When people with disabilities work together with people without disabilities, they can create more sophisticated services and products, which leads to increased value for the company.

For example, online communication, which has spread rapidly over the past decade, is not suitable for the hearing-impaired. It was difficult to use because I couldn't hear what was being said. Recently, however, captions can be displayed, making it much easier to communicate and obtain information. This technology is also useful for non-native speakers who want to keep meeting notes or learn another language.

In this way, products and services that are convenient for people with disabilities are useful for everyone.

I sincerely hope that Mitsubishi Electric's five areas of social issues, "inclusion," will be addressed from such perspective.



Exchange opinion via American Sign Language Interpretation (ASL)

AI Ethics Policy

Mitsubishi Electric Group AI Ethics Policy

The Mitsubishi Electric Group has declared that it will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity. In accordance with this, we will contribute to the realization of a sustainable society by solving social issues through technological innovations in AI. Furthermore, the Mitsubishi Electric Group will promote the responsible development and use of AI, taking into account not only convenience, but also safety and security. In addition, we will adapt and evolve this policy based on changes in the technology related to AI, social trends, and continuous dialogue with diverse stakeholders. In summary, using this policy as a guide, the Mitsubishi Electric Group will create a brighter tomorrow by contributing to the realization of a society of Human-Centered AI.

1. Realization of a Human-Centered AI society

The Mitsubishi Electric Group aims to realize a society in which human dignity is protected by developing and utilizing AI that leads to people's happiness and active participation in the society.

2. Fair and non-discriminatory utilization

The Mitsubishi Electric Group recognizes the possibility that decisions may be biased in AI-equipped products and services, but will always strive to treat people fairly and not discriminate in a society where diverse people coexist. In addition, the Mitsubishi Electric Group will seek cooperation with the customers and business partners who we provide AI products or services to, so that fairness principles are respected in all applications of AI technology.

3. Ensuring safety and security

The Mitsubishi Electric Group aims to ensure that the lives and freedoms of people in our society are not threatened by rigorously testing the safety of products and services equipped with AI to ensure that they work as expected. We will also continue to work on security measures such as protecting the AI products and services against unauthorized access by outsiders.

4. Consideration for privacy

The Mitsubishi Electric Group believes that the appropriate handling of data including personal information is of utmost importance and will work to ensure that the privacy of data associated with AI-equipped products and services is maintained.

5. Transparency and accountability

The Mitsubishi Electric Group strives to enhance the transparency of AI by explaining the reasons for certain decisions in AI-equipped products and services. In addition, through continuous dialogue with diverse stakeholders, we will aim to be accountable regarding the purpose of use and usage of AI, as well as the various effects that could be expected when using AI-equipped products and services.

6. Development of AI and Human Resources

The Mitsubishi Electric Group will continuously evolve AI technologies and AI-equipped products and services. Also, we will train our employees to understand AI technologies and issues, enabling them to contribute to the realization of a Human-Centered AI society.

7. Compliance with laws and regulations

The Mitsubishi Electric Group will comply with the laws and regulations of each country and region in the development and utilization of AI-equipped products and services.

Human Capital

Basic Policy on Human Capital

Basic Policy

In the Mitsubishi Electric Group Medium-term Management Plan for FY2026, the Mitsubishi Electric Group states it will contribute to realizing a vibrant and sustainable society, including response to decarbonization, by increasing the provision of integrated solutions through the strengthening of the business management foundation, promoting digital transformation, and other activities. People are the driving force behind this sustainable growth, and we will continue to promote ”human capital management,” which views "people as the capital that creates future value." To regain the trust of society and to develop as a " Circular Digital-Engineering Company" amid increasingly intense global competition, the Mitsubishi Electric Group will implement all kinds of reforms by mobilizing all of our human capital, i.e., our diverse and versatile “individual” powers.

- **Human capital development**
  Recognizing that "business development and social contribution cannot be achieved without employee growth," we will raise the overall level of our employees by investing in education and training for all employees, and nurture "diverse and versatile human capital" who will practice "Changes for the Better" by thinking independently, acting proactively, and continuing to take on challenges.

- **Improvement of the internal environment**
  To achieve sustainable growth, we believe it is important to create a work environment in which each and every employee can maximize their abilities within a limited time frame. We will therefore promote a sense of unity and collaboration with our organization by respecting diversity, individual fulfillment, and enhancing engagement as well as improving the working environment to realize one in which everyone can work realizing a safe, secure, and rewarding.

- **Human capital investment**
  In Japan, we have been continuing to invest in the hiring of more than 3,000 new graduates and mid-career people every year. We also promote the reinforcement of human capital overseas in an attempt to strengthen our business and technology development, marketing, and manufacturing capabilities. We will continue to secure and invest in the necessary human capital for strengthening our business.

Workforce Diversity & Inclusion

Basic Policy

As the business environment around Mitsubishi Electric Group is rapidly changing, 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.

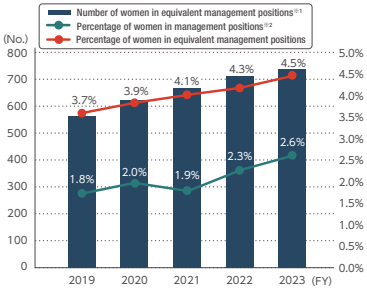
Promotion Framework

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

In April 2023, this organization has been reorganized as the “Human Capital Management Group,” and is working to strengthen various initiatives, considering the promotion of diversity as part of the overall efforts for talent management, including the promotion of women to management positions. Through these efforts, we aim to create a workplace where diversity, including not only gender, but also age, nationality, disability, sexual diversity (LGBTQ) and work style, is respected and where individuals can maximize their abilities and work actively.

Women’s Participation

Mitsubishi Electric formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace* and set the following targets. To achieve these targets under the current action plan, we have created measures such as nurturing young employees by giving them business experience and providing training opportunities in a systematic manner, as well as the proactive dissemination of information regarding various support systems for balancing work and family life.



Trend in the number of woman managers or equivalent (Mitsubishi Electric)

*1 Women in equivalent management positions: Those whose duties and responsibilities are equivalent to those of a section manager.
*2 Percentage of women in management positions: Ratio of women in management positions to all management positions.
* As of March 15 for the relevant fiscal year.

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

Employment situation

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

Initiatives	Target	Performance for FY2023
Percentage of woman in management	2 times (Compared to FY2021)	1.38 times
Percentage of newly hired women	1.2 times (Compared to the average for FY2017–2021)*1	1.3 times (FY2022–2023)*1
Percentage of men on childcare leave*2	70%	76.1%

*1 Total from FY2022

*2 Includes those who obtained special leave for childcare purposes

Initiatives for Even Greater Participation of Women

Career forum for young female employees

A career forum is offered to young female employees to actively inspire them to form a career vision that considers work-life integration. Through a lecture personally given by the president on the managerial significance of promoting women's participation, talks by a woman outside director of the company on her own career experiences and her thoughts about working, stories of senior employees' personal experiences, and group discussions, the forum, attended by around 200 people every year, encourages woman employees to think independently and act proactively, 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 woman 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.

Furthermore, in FY2023, we introduced a new training program for employees returning from childcare leave (including men taking childcare leave) and their supervisors as an opportunity for both parties to communicate with each other in an inclusive manner.



Handbook on supporting work/childcare balance for employees and supervisors

Recruitment to promote women's participation: Organizing events to promote further understanding of Mitsubishi Electric and producing promotion Media (websites, leaflets, etc.)

Mitsubishi Electric makes active efforts to recruit woman students by setting a future goal for the woman ratio in new recruits in the company's Action Plan, pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace.

Percentage of female employees in all new hires
Basic Policy on Human Capital

Various events are organized to actively disseminate genuine perspectives on working at Mitsubishi Electric. These include exchange forums where woman students in science can interact with woman employees at various business areas and occupations, from junior employees and other employees who have children to managers, and seminars that include a tour designed to introduce in-house facilities at Mitsubishi Electric. Websites and leaflets that introduce the way Mitsubishi Electric's woman employees carry out their jobs and their careers are also produced and meetings are held with employees who are former students of the same university as candidates. The whole of Mitsubishi Electric Group is actively making efforts to promote women's participation and advancement in the workplace; its domestic group companies create websites featuring woman employees; Mitsubishi Electric's overseas sites lead participation in "Grace Hopper Celebration," the world's largest event for exchanges between personnel, as a sponsor company.



Pamphlet for woman students wishing to pursue a career in engineering



Top page of a featured website

Acquisition of Eruboshi

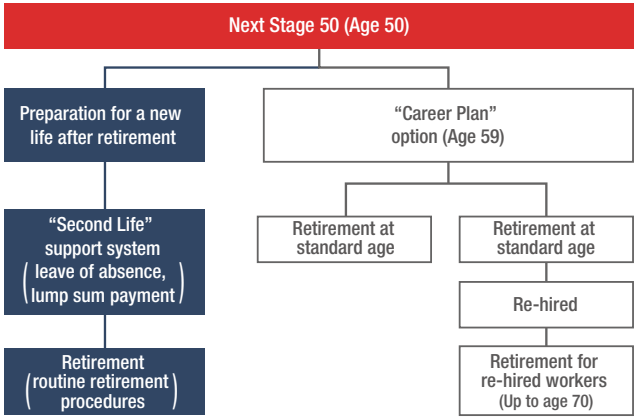
Mitsubishi Electric has received Eruboshi (Grade 2) from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.

Providing Diverse Employment Formats for Older Employees

In Japan, Mitsubishi Electric instituted various multi-track personnel systems in FY 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 reemployment program. In April 2021, we introduced a rehiring system that allows for extended employment up to age 70. We will continue to build an environment in which older workers with a wealth of experience and skills can work actively.

Furthermore, we also offer an annual "Next Stage 50" training session at each of our business site to employees turning 50 years old. The sessions encourage employees to take an interest in planning the rest of their lives and designing a rewarding lifestyle by providing information on pensions and retirement benefits, social insurance, health, and other topics.

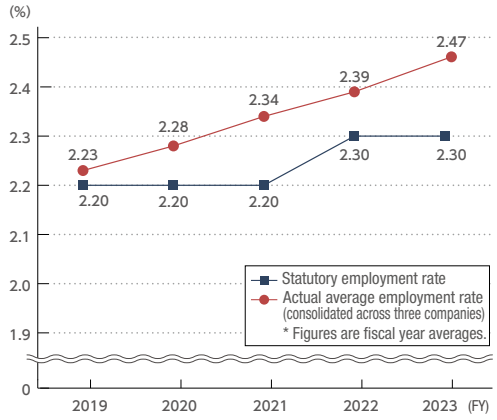
Employees in their fifties can choose one style of working from among various options



Multi-track personnel system (Mitsubishi Electric)

Promoting Employment of People with Disabilities

The Mitsubishi Electric Group has been actively employing people with disabilities in various companies from the perspectives of sustainability and diversity promotion. We promote barrier-free initiatives to create comfortable work environments for people with disabilities. In October 2014, 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, 2023, people with disabilities comprised 2.48% of the total workforce at Mitsubishi Electric and its special subsidiaries combined. The company name of Melco Tender Mates Corporation expresses the principle that employees with or without disabilities are equal partners in the workplace and peers who mutually care for each other. The company mainly engages in the cleaning service, cafe, business card, food service, and health promotion (massage) businesses, and employs 122 people with disabilities as of March 15, 2023.



Changes in the Ratio of Hired People with Disabilities

The company plans to gradually expand its operations and further promote the employment of people with disabilities by opening a cookie factory in FY 2018, the Nagoya Works in FY 2021, the Himeji Works in FY 2023, and the Itami Works in FY 2024.

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



Cafe business



Cookie manufacturing



Business card production

Initiatives for LGBTQ

Mitsubishi Electric respects diversity and promotes initiatives that deepen understanding on sexual diversity (LGBTQ), with the aim of realizing a workplace environment where all individuals can maximize their own ability and work actively. In June 2021, the president sent out a message that we would develop a workplace environment that was comfortable for LGBTQ people and all other employees to work. We have designated June as the Mitsubishi Electric Pride Month and we will conduct initiatives to understand sexual diversity (seminars for the management and human resources divisions to understand LGBTQ, and e-learning for employees). We have established an external contact point for consultation for use by not only LGBTQ people but also their superiors (supervisors who are holding a higher level position in the company) and colleagues at the workplace.

In-house Community Activities and Penetration of Understanding Among Internal Personnel

In fiscal 2022, we have designated the Diversity Promotion Office (currently the Human Capital Management Group) as the secretariat and started "Mitsubishi Electric Ally Community*" activities. Inviting external lecturers, we learn the significance of ally activities and deepen our understanding by exchanging views.

* An in-house community in which anyone can participate to understand and support LGBTQ people.

Recognition of Same-sex Partners as Spouses

In March 2022, we reviewed the Work Regulations to recognize same-sex marriage partners as spouses and to apply the same systems to these couples as those that are applied to legally married people.

“PRIDE Index 2022” Gold Award Received

Mitsubishi Electric received the Gold award for the "PRIDE Index 2022," an index developed by the private organization "work with Pride" to evaluate initiatives for LGBTQ people and other sexual minorities at workplaces in Japan. In recognition of its ongoing commitment to sexual diversity (LGBTQ), Mitsubishi Electric received the Gold award for the first time, following the Silver award in 2021.



Supporting Career Development

Basic Policy

"A company is its people, and cannot grow without their growth. The development and utilization of human capital 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 human capital development for all our employees.

As a global company, the Mitsubishi Electric Group has 203 consolidated subsidiaries in Japan and overseas, with approximately 140,000 employees working around the world. We are working to assign and develop human capital with the aim of creating a corporate entity in which all Mitsubishi Electric Group employees can enjoy working with a sense of responsibility and vitality while instilling our purpose in our group employees and sharing our values globally. As part of this effort, a video introducing Mitsubishi Electric's history and purpose has been produced and made available in multiple languages, with the aim of spreading the purpose and empathy for its values on a global scale.

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

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

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

For managers, we are working to support the acquisition of skills such as measures to revitalize communication in the workplace, active listening, and stress management methods,

so that they can provide support tailored to the needs of each employee working directly under their supervision. We will promote the development of core human capital in order to create a workplace with openness for communication.

| | | |

Global Human Capital Development

Global (borderless) organization management and human capital utilization

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

Promotion and training of international staff from overseas affiliates to senior management positions

In our overseas affiliates, we are driving promotion of quality international staff to senior management positions with the purpose of enhancing the management of local businesses and improving employee engagement. We intend to achieve this by organically linking training and placement, including career development through training and the formulation of succession plans. In addition to the training plans in each company and each region (regional management), Mitsubishi Electric also takes initiative in conducting training in Japan. To be specific, engineers in overseas affiliates stay in Japan to participate in training to learn technologies and skills at production sites. Selected executives and those in management positions in overseas affiliates gather at the Mitsubishi Electric headquarters to go through training to learn the necessary knowledge and mindset as a global leader as well as to understand management in the Mitsubishi Electric Group. While participating in training from overseas, the international staff grow as individuals and develop a sense of unity as the Mitsubishi Electric Group and a network, which transcends national borders and is connected globally.

In FY 2023, training programs have been resumed one after another and face-to-face training has begun with participants from various countries coming to Japan.

In April 2023, the first MGEP* participant has been appointed as a senior executive officer of Mitsubishi Electric, and we will continue to organically link the training and deployment of national staff to further expand the program.

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

	2018	2019	2020	2021	2022	Cumulative total
MGEP	5	7	Canceled due to the impact of COVID-19	18	15	53
GMW	29	30		Canceled	30	238
WKP	91	105		Canceled	Canceled	407

MGEP : Mitsubishi Electric Global Executive Program (In some years, one or two selected members in Japan may participate.)
GMW : Global Management Workshop
WKP : Workshop for Key Personnel



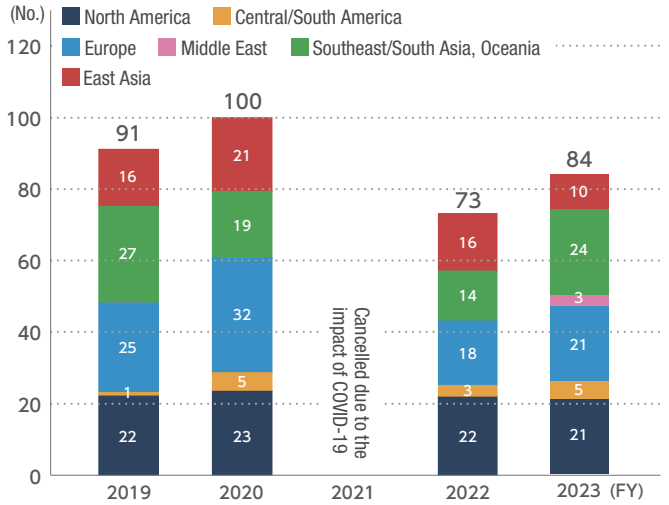


GMW in FY 2023

Training measures for employees in Japan

Mitsubishi Electric dispatches its employees in Japan to overseas affiliates or overseas business schools, universities, languages schools, and the like as a program that allows them to not only improve language skills, but also experience and understand the local business, culture, and lifestyles. The overseas OJT system involves dispatching employees to an overseas affiliate for one year, and about 100 employees are dispatched to overseas affiliates every year, as part of our efforts to develop human capital who will drive our global businesses.

Employees dispatched under the overseas OJT system



Strengthening Career Ownership by Respecting Employee Autonomy and Challenges

Transfer Opportunities that Contribute to Employees' Career Development

In order to support employees' autonomous career development, Mitsubishi Electric instituted an internal recruitment system (Job-Net) and job search system (Career Challenge System).

Job-Net enables employees to apply for job openings within the Mitsubishi Electric Group that are posted on the intranet.

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

Both Job-Net and Career Challenge System allow for transfers to be realized through mutual matching between employees and the recruiting department. Approximately 100 employees were transferred using these systems in fiscal 2023.

Lifestyle Design Training

We offer an annual "lifestyle design 40" training session at each of our business sites to employees turning 40 years old. The sessions encourage employees to take an interest in planning the rest of their lives and designing a rewarding lifestyle by providing information on career design and mid- to long-term life planning, including retirement benefits and health, and other topics, and by facilitating group discussions.

Self-development Support Program

Mitsubishi Electric instituted a self-development support program that supports employees' voluntary skills development based on a human capital 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.

Establishment of the Career Consulting Room

In order to strengthen support for employees' "independent career realization" and "self-realization through their careers," in addition to the existing consultation and resolution function between managers and employees, a new "Career Consulting Room" has been established where career consultants (advisors) provide consultation and advice on career development to employees regardless of the department they belong to.

We provide consultation and awareness support for employees regarding their career development, introduce/explain internal and external systems and consultation services to employees upon their request, and encourage relevant internal departments.

Fair Evaluation and Compensation

Basic Policy

The Mitsubishi Electric Group upholds a management policy, 'In addition to realizing well-balanced corporate management from the three perspectives of growth, profitability/efficiency, and soundness, we will return to our fundamental principle of "addressing social challenges through our businesses" and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders' and implements various policies to realize its corporate strategy.

Mitsubishi Electric believes that realizing a workplace environment where all employees can thrive and increasing employee engagement leads to increased motivation and productivity among each employee as well as to greater corporate value. Efforts to boost employee engagement underlie Mitsubishi Electric's personnel policies.

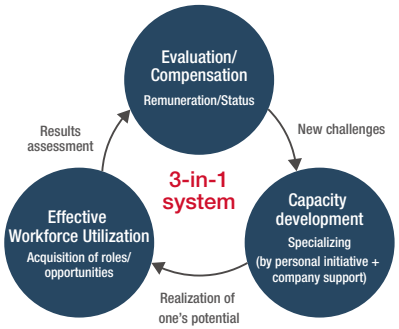
At the same time, the policies described below are implemented in response to the trends of the times, social circumstances, and changes in the management environment and personnel frameworks.

Compensation System Based on Individual Job Descriptions and Performance

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

Promoting Communication in the Workplace

At Mitsubishi Electric, 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 capital, to promote improved communication in the workplace. In fiscal 2023, such interviews were carried out for 98% overall (98% for men and 99% for women) of employees.

We consider that creating a workplace with openness for communication is essential for workplace reforms. Accordingly, in addition to the above mechanism involving regularly scheduled interviews, we share the importance of daily communication during management training programs and other opportunities to stimulate such communication.

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 Group to survive through the tough international competition and continuously increase our corporate value, we believe it is vital to create a working environment where all employees can work to their full potential within their limited time by mobilizing the power of diverse human capital. Based on this belief, various initiatives are in place at the Mitsubishi Electric Group to create a working environment where all employees can work actively while maintaining good physical and mental health.

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

Organizational culture reform

The Mitsubishi Electric Group took the multiple work-related issues that it experienced until fiscal 2020 within the Group seriously, and has been working on the Mitsubishi Electric Workplace Reform Program that aims at creating a workplace where employees can openly communicate with one another, thorough and appropriate care of employees with mental health issues, and other goals. Regarding this program, we completed the application of short-term priority measures in fiscal 2022 and implemented long-term measures focusing on "improvement of work engagement," "active communication," and "fostering of organizational culture and mindset" in fiscal 2023. Going forward, we will integrate these efforts with "organizational culture reform," which is one of the three reforms, and we will more vigorously pursue their implementation. To create a workplace environment where employees can thrive and engage more easily, Mitsubishi Electric has set key performance indicators (KPIs) related to a "rewarding work" and "work life balance." We will regularly monitor these indicators, thereby continuing to work to further improve and entrench our organizational culture and workplace environment.

Changes in effort evaluation indicators

Employee engagement scores remained flat in the second half of fiscal 2023. We will continue to strive to improve the scores by continuously implementing the following measures: increasing opportunities for dialogue between management and employees; developing measures to prompt communication between supervisors and subordinates in the workplace (one-on-one meetings, etc.); reforming outdated and overly formalized procedures; strengthening measures to support the formation and development of employees' career paths; and carrying out various robust implementation measures with a resolve to reform the organizational culture, such as revision of the personnel system, etc.

KPI	Result for FY2021	Result for 1H FY2022	Result for 2H FY2022	Result for 1H FY2023	Result for 2H FY2023	FY2026 Goal
Employee Engagement Score (Percentage of employees who are proud and motivated to work for the Company) *	63%	61%	54%	54%	54%	70% or higher
Percentage of employees who responded that they had a good work-life balance	66%	66%	65%	65%	66%	70% or higher

* Average percentage of positive responses to the five questions in the annual employee attitude survey: "Pride in working for the Company," "Willingness to contribute," "Desire to change jobs," "Encouraging others to join the Company," and "Sense of achievement through work"

Social Data

Work Style Reform and Prevention of Long Working Hours

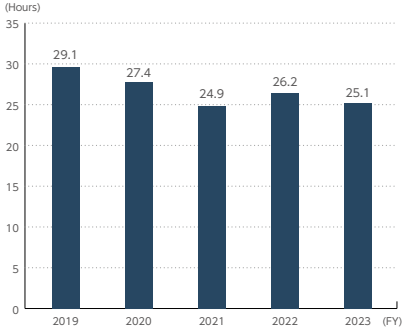
Mitsubishi Electric determined "Work Style Reforms" as an important management policy in fiscal 2017 to create a workplace environment in which everyone can maintain physical and mental health and thrive with a good work-life balance and has promoted a variety of measures that contribute to the improvement of operational efficiency and productivity, as well as a reduction in total working hours. In fiscal 2021, we will move to the next stage and deepen the initiatives, especially focusing on work style reform and work quality improvement, with the slogan, "Kaeru! MELCO (Kaeru is a Japanese word that, depending on how it is written, means both to make changes and to go home)." Specifically, the Company has spread policies and raised awareness through messages from the President to employees and other activities, while establishing an environment for efficient business operation; for example, by distributing laptop PCs to all employees, enhancing online meeting facilities, expanding the work-from-home program, promoting company-wide paperless work environments, and expanding IT use.

In addition to these initiatives, we have attempted to properly manage working hours in line with reality by automatically calculating working hours from objective data such as the entry/exit time and PC logon/logoff time from the viewpoint of preventing long working hours. We believe that these efforts have paid off to some extent. Specifically, in fiscal 2023, we reduced monthly overtime hours per employee by 14% compared to fiscal 2019.

In the future, we will also work on "Work Style Reforms" in conjunction with "Organizational Culture Reforms" to prevent long working hours and to create workplaces where all employees can work actively while maintaining their physical and mental health. In addition, we will ensure that employee healthcare measures are implemented based on properly recorded working hours.



"Work Style Reforms" internal poster



Changes in monthly overtime hours per employee (including managers)

Examples of workstyle reform initiatives

At Mitsubishi Electric, Head Office management departments play a central role in improving the quality of company-wide operations by promoting company-wide activities, with each office conducting activities in line with the circumstances of business.

Examples of company-wide activities

1. Developing an IT environment

- Promote the elimination of paper documents throughout the company
- Providing mobile terminals to employees in all offices who need them
- Implementing online conferences for meetings between remote offices
- Realizing flexible working styles by enhancing the work-from-home program
- Developing and releasing manuals describing how to use IT tools, etc.

2. Simplifying and reducing company-wide documents

- Promoting initiatives for expansion of RPA*1
- 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*2

- Promoting improvement activities suitable for each workplace through activities in small groups*3
- Analyzing operations by external consultants and implementing JIT Kaizen activities company-wide

Examples of activities at offices

- Lectures from external lecturers for personnel in managerial positions and workshops intended for business improvement
- Establishing conference rules (50 minutes long in principle, no meetings to be held after 5 p.m., etc.)
- Introducing condensed work times
- Introducing "Refresh Wednesday" to promote work-life balance

*1 A system that automates tasks that were previously performed manually using software that incorporates AI technology, etc.

*2 Just-in-time improvement activities (productivity improvement activities) implemented to improve the efficiency and productivity of indirect operations in departments that are not directly involved in production activities

*3 Improvement activities by workplaces to address latent issues and problems in all business processes

Support for Flexible Working Styles

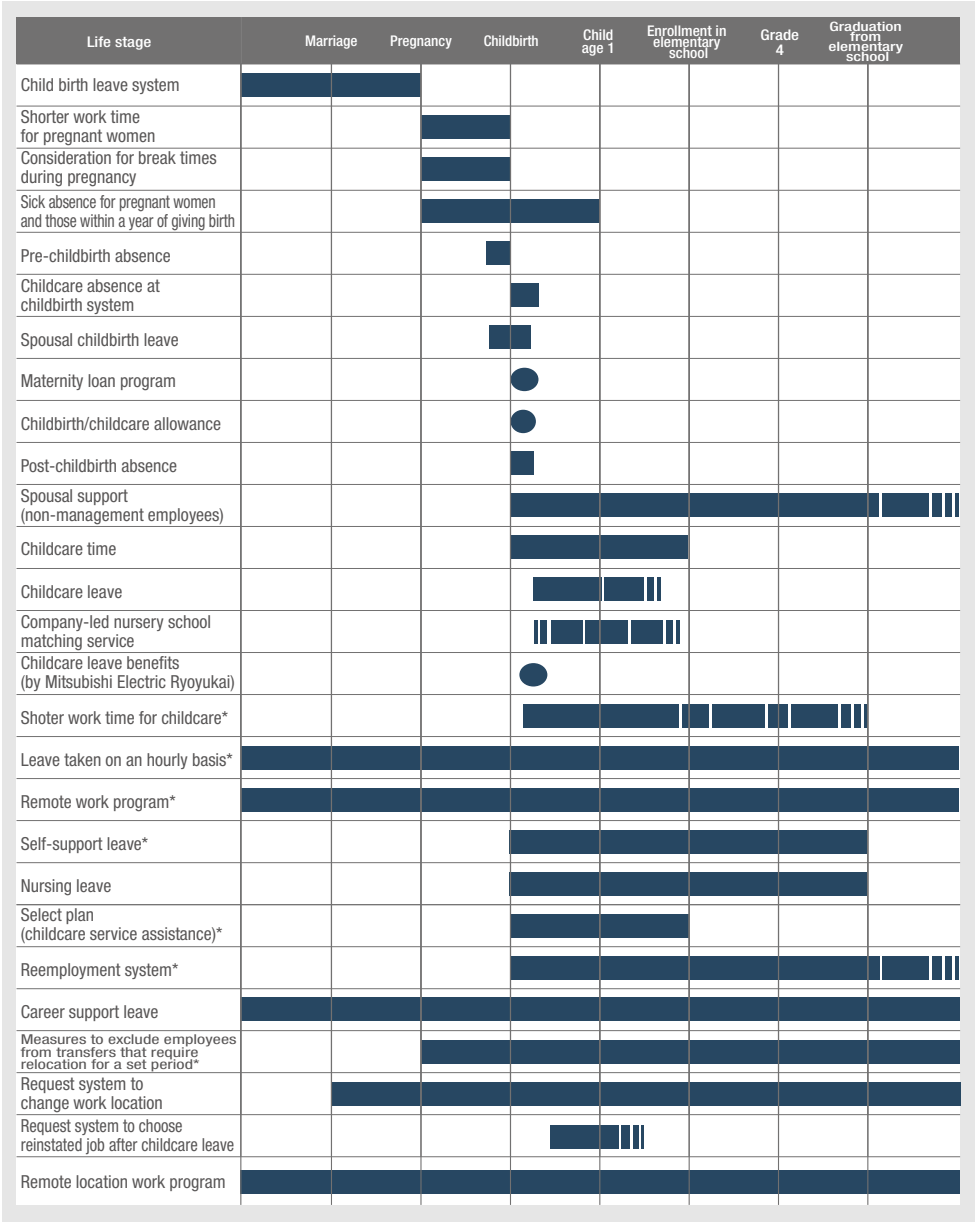
Development and implementation of childcare and family-care programs

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

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

Status of development of main childcare and nursing care systems for the last three years

Increased the number of days of Leave to Prepare for Impending Childbirth by Employees' Spouses	The number of days of special leave that can be taken to prepare for forthcoming childbirth by employees' spouses has been increased from 5 days to 10 days.
Introduced a measure to exclude employees from transfers that require relocation for a set period	A system that excludes employees from transfers that require relocation for up to three years for employees who have difficulty relocating due to childcare, nursing care, treating an illness, or other circumstances.
Introduced the Career Support Leave System	A system that enables employees to take leave for self-improvement, volunteer activities (including Overseas Cooperation Volunteers), or to accompany their spouse who has been transferred to an overseas site.
Introduced the request system to change work location	A program whereby employees can apply to change their work location to where their spouse is located in order to offer employees the possibility to move in with their spouse when they get married or when their spouse changes work location.
Introduced the request system to choose reinstated job after childcare leave	A program that allows employees who are returning from childcare leave to indicate their preference for a workplace.
Enhanced the remote work program	Covered all employees, eliminated the upper limit for the use of the program, and expanded the range of applicable work locations.
Introduced the Company-led Nursery School Matching Service	A match-making service between employees looking for a nursery school and company-led nursery schools with openings to accept children.
Introduced the remote location work program	A program that allows employees to live outside the commuting area of their offices and engage mainly in remote working (commenced on a trial basis in FY2022)
Newly established the Childcare Absence at Childbirth System, etc.	Newly established the Childcare Absence at Childbirth System (with no payroll deduction) and developed an environment where employees can feel comfortable taking childcare leave in response to the Child Care and Family Care Leave Act revised in 2022.



* Nursing care reasons are also eligible.
The eligibility period is the one during which the reason occurs.

(As of April 2023)

Childcare balance support measures (Mitsubishi Electric)

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	
Operating hours	8:00 – 18:00 (extended hours up to 21:00)	

Cafeteria plan (selectable plan)

Mitsubishi Electric is introducing a cafeteria plan in 2004 with the aim of respecting the independence and diverse value of each individual employee and supporting each individual employee achieve happiness through a welfare program with selectable options. In the cafeteria plan, points equivalent to 83,000 yen are granted in the start of the fiscal year and each employee can apply for subsidies by selecting the necessary menu item as desired according to his/her life stage or lifestyle. To support employees in balancing childcare or nursing care with work, support is given to the value of double the regular number of points for menu items related to subsidies for childcare and nursing care service usage fees.

Special paid leave (Self-support leave)

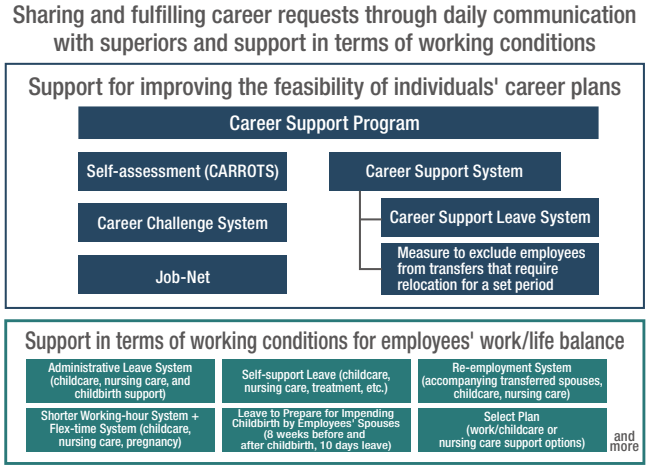
The self-support leave is a system that allows employees who do not use up their annual paid vacation time by the end of the fiscal year to accumulate up to 20 days of unused vacation time and carry them over to the next fiscal year and onward. Those who receive company approval to participate in their children's school programs, recuperate from an illness, engage in family care, take part in a volunteer activity, etc., may acquire a self-support leave.

Remote location work program

Mitsubishi Electric has introduced the remote location work program, which allows employees to live outside the commuting area of their offices and engage mainly in remote working, to realize diverse workstyle regardless of employees' place of work. Following the trial in FY2022, the program will be introduced at full scale in FY2023 to enable personnel to achieve a workstyle that suits their own lifestyle by eliminating situations of employees living separately from their family members and by letting them engage in child care or nursing care.

System for continuing careers according to individual employees' circumstances

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



Career support program (Mitsubishi Electric)

Utilization status of childcare and family care programs

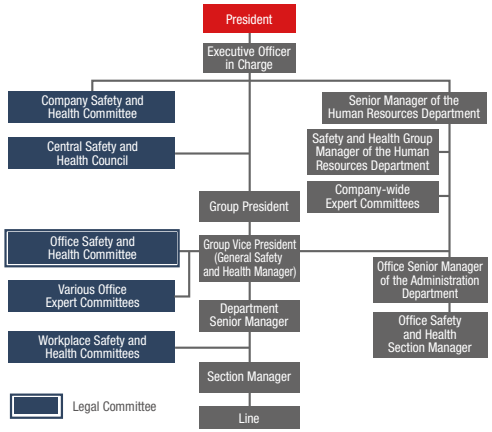
Occupational Safety & Health Management

Basic Policy

Adhering to the basic policy of prioritizing the safety and health of our employees above all else, the Mitsubishi Electric Group aims to establish a culture that places top priority on safety and health in all social and business environments based on the understanding that health and safety management form the foundation of business management. Furthermore, we aim to establish health management and create a workplace environment that allows everyone to maintain good health both mentally and physically and thrive in work as one of our core management policies for increasing employee engagement. This basic policy underlies our company-wide Safety and Health Five-year Plan (current plan covering the five years from FY2023 to FY2027), which defines priority measures in safety and health management, respectively, to annually create a company-wide safety and health management policy by which we implement specific activities toward achieving annual targets. This program has been rolled out to our group companies in Japan and overseas who also engage in health and safety management activities in line with relevant laws, national 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 group companies in Japan and overseas cooperate in exchanging information, engage in education activities, and implement various safety and health 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. Specifically, we discuss the content of training for taking care of younger personnel as well as self-care and line-care in the course of considering mental health care measures, introduce such training programs, and review their content. If an industrial accident occurs, safety measures are immediately taken by the department where the accident occurred. At the same time, efforts are made to prevent similar accidents by delegating a third party to conduct safety management status inspections, and laterally disseminating case reports of disasters and countermeasures developed through root cause analysis.



Company-wide safety and health management framework

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

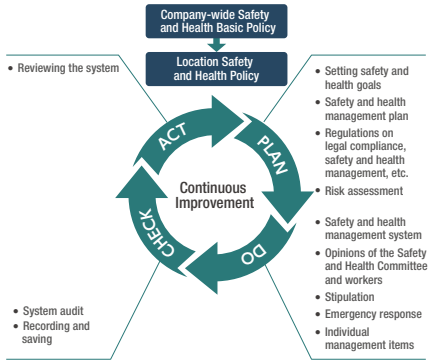
- When new equipment is installed and when equipment is changed
- When there is new work or a change in work
- For work involving the handling of chemical substances

Occupational Safety and Health Management System

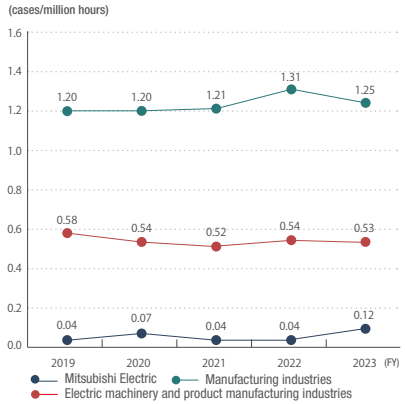
In 2009, Mitsubishi Electric introduced the Occupational Safety and Health Management System (OSHMS*). Under the program, each office runs PDCA cycles for safety and health activities by implementing internal audits based on the Mitsubishi Electric Group's requirements for safety and health management on foundation management and items to be individually managed. These requirements range from the development of policy and management frameworks in each office governed by a safety and health supervisor to the implementation of risk assessment and other accident prevention activities through education to improve employee awareness of safety and health management.

The goal is to raise the occupational 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



Occupational Safety and Health Management System



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

	FY2020	FY2021	FY2022	FY2023
Domestic	0	0	0	0
Overseas	3	0	0	0

Frequency of fatal accidents (Mitsubishi Electric Group (domestic/overseas), excluding worktime accidents in construction)

Thorough Safety and Health Education

The Mitsubishi Electric Group implements safety and health education that matches its business characteristics and social environment, including stratified programs and occupation-specific programs, in addition to education programs as stipulated by law.

As a common feature of the Group, Mitsubishi Electric and its group companies in Japan also provide safety and health education based on an internal e-learning system, which has been instrumental in promoting greater understanding of the principles and concept of safety and health to more than 100,000 employees, managers, and supervisors every year. Furthermore, efforts are also made to strengthen employee safety education through risk simulation, such as by installing a "safety room."*

* A facility for conducting danger simulation training by simulating the dangers of being caught between or in equipment or suffering electric shock (e.g., the Danger simulation room at Mitsubishi Electric's Himeji Works).

Training name	Date conducted	No. of participants
Training for newly appointed safety and health section managers	April 2022	12
Training for newly appointed safety and health members	June 2022	45
Training for newly appointed safety and health promotion members	July 2022	40
Training for newly appointed occupational health physicians and public health nurses	May 2022	9
Liaison meetings for safety and health members	October 2022	79
Company-wide safety and health education (for general employees)	July to September 2022	34,161
Company-wide safety and health education (for managers and supervisors)	July to September 2022	4,849

Examples of training held by the head office (Mitsubishi Electric)

Employees who took safety and health education programs

"Danger simulation room" at Mitsubishi Electric's Himeji Work

Under the slogan of "putting safety awareness into action," Himeji Works provides danger simulation education to all onsite employees and employees of group companies (approx. 6,000). The Works has been working to increase all employees' awareness of danger by upgrading the simulation machine, introducing a virtual reality (VR) simulator, developing and providing education to instructors, and establishing an education system.



"Danger simulation room"

Health Management Initiatives toward a Healthy Company

Since 2002, Mitsubishi Electric and its group companies 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 for 20 years, in an attempt to promote a review of lifestyle habits from an early stage, as a means for preventing lifestyle-related diseases and thereby improving Quality of Life (QOL), and for realizing a "health-oriented company."

In FY2023, MHP21 was renamed to the "Mitsubishi Electric Group Health Management Plan" and another five-year activity has started as "MHP 'Lively and Exciting Action.'" Under the activity principle, "We promote fitness activities for each one of us to be excited to spend time in a lively way," we are developing activities with the ultimate goal of achieving a subjective feeling of liveliness and excitement, that is to say, improved health satisfaction among each and every employee as well as their family members.

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

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

MHP "Lively and Exciting Action" Activity Goals and Achievements

<Health Satisfaction>

Target item		Target value(by FY2027)	FY2023 result
Good appetite	Percentage of people who have a good appetite and enjoy eating well	90.0% or more	87.2%
Good sleep	Percentage of people sleeping comfortably and soundly	80.0% or more	55.9%
Good bowel movements	Percentage of people who are not constipated and have good bowel movements	80.0% or more	64.8%

<Lifestyle>

Target item		Target value(by FY2027)	FY2023 result
Diet	Controlled quantity and quality of meals	50% or more	15.9%
Exercise	Performance of weekly exercise that leaves one breathless and sweaty	50% or more	31.3%
	Walking an average of at least 8,000 steps per day	50% or more	30.3%
Sleep	Doing things that lead to a good night's sleep	60% or more	40.2%
Dental care	Taking care of one's teeth three times a day	40% or more	26.6%
	Regularly undergoing tartar removal and dental cleanings	65% or more	50.0%
Smoking	Never smokes	90% or more	79.2%
Drinking	Moderate alcohol consumption	90% or more	69.8%

Mitsubishi Electric Group Health Declaration(in Japanese text)

Promoting Mental Health Care

Mental health care is a top priority for health management in the Mitsubishi Electric Group. By establishing a counseling program that includes an industrial physician and/or counselor and other such initiatives, active efforts are made to help employees cope with everyday worries related to work and family and other emotional issues.

Through conventional telephone and e-mail counseling and a newly introduced face-to-face counseling program as well as an online counseling program provided by an employee assistance program (EAP*), which covers domestic group companies as well, we have actively worked on the primary prevention of employee mental health disorders. As a place to check issues related to mental health and also for cooperation between parties developing a location (office) policy and measures, after formulating a Mental Health Development Plan, the Office Safety and Health Committee (Committee to Promote Mental Health) will further be effectively used. By disclosing through the Committee information such as the presence or absence of employees who had an injury/ sick leave or absences due to mental health, the status of implementation of measures to ensure health and welfare (the number of people eligible for long-term counseling, etc.), and the plans for and results of mental health-related training programs, continuous improvement activities are promoted.

With regard to a stress check system in line with legislation, efforts are being made to improve the workplace climate of organizations with issues in light of the results of organizational analysis.

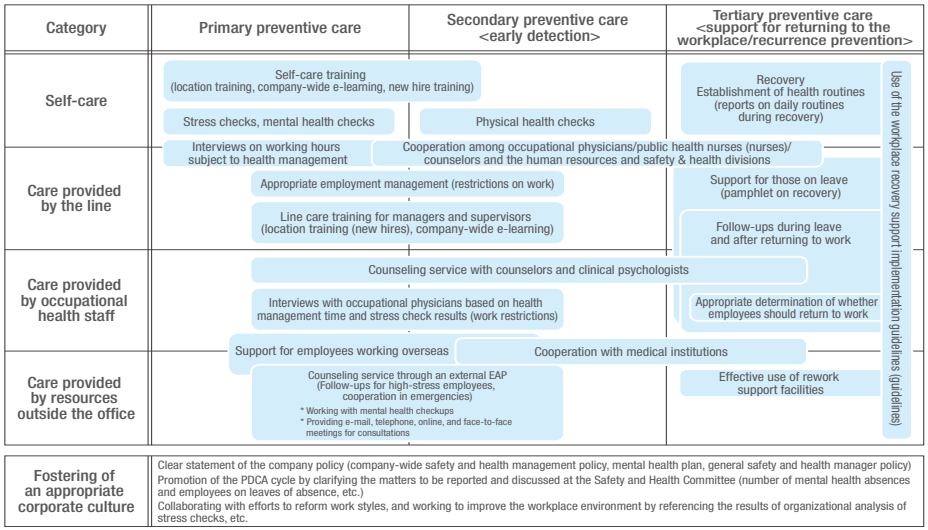
Employees who return to work after taking a mental health leave are fully supported by the belonging department, human resource department, and industrial physician based on the Mitsubishi Electric Guidelines for Return-to-Work Support revised in 2021, and every effort is made to facilitate their return to their workplace and prevent any relapse. Specifically, inspection is carried out in order to ensure thorough operation regarding the periodic ascertainment of the situation of employees who are absent from work, compliance with giving consideration to employees who have returned to the workplace based on the opinions of an industrial physician (restricting work, etc.), such as creating an environment where the workplace as a whole can provide support for smoothly returning after a long leave.

Furthermore, by conducting stress checks and appointing dedicated counselors in the Mitsubishi Electric head office, focused care is also provided to employees posted outside of Japan, where working and living environments largely differ from Japan.

In terms of education, line-care and self-care training are repeatedly implemented through lectures, to provide sessions on mental health and strengthen responses to mental health among managers and employees, especially for mental health. As a common feature of the Group, Mitsubishi Electric and its group companies in Japan also provide safety and health education based on an internal e-learning system, which has been instrumental in promoting greater understanding of mental healthcare (line-care, self-care) to more than 100,000 employees, managers, and supervisors every year.

Starting fiscal 2021, these education programs will be strengthened by making mental healthcare education for new employees mandatory and enhancing the resilience training program.

* EAP (Employee Assistance Program): a program that provides support to employees, by providing a wide range of counseling covering physical health, relationships with family and colleagues, as well as mental health.



Mental health initiatives (Mitsubishi Electric)

Creating Comfortable Workplace Environments

The Mitsubishi Electric Group recognizes that people spend a large part of their lives at their place of employment and is committed to creating a comfortable work environment where everyone can work actively that is designed with the elderly and people with disabilities in mind. 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.

Labor-management Relationship

Basic Policy

Mitsubishi Electric is committed to respecting the basic rights of employees, an approach that is included in the principles of the Universal Declaration of Human Rights as well as the United Nations Global Compact, as provided in Mitsubishi Electric Group Code of Conduct.
In addition, Mitsubishi Electric respects the freedom of association as a company and assures Mitsubishi Electric labor union to hold the three basic rights of labor (the right to organize, the right to collective bargaining, and the right to act collectively), under the labor agreement entered into between Mitsubishi Electric and Mitsubishi Electric labor union.

Relationship with Labor Union

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.

With a basic principle of seeking resolutions by holding thorough rational discussions on equal footing, the company and labor unions periodically hold meetings of a management council and labor council to facilitate mutual negotiations and have active communication based on the labor agreement.
Under the union-shop system, all employees (excluding management level employees) become union members after completing a trial period, as a rule.

In addition, working conditions for employees not covered by this labor agreement are generally set according to the labor agreement concluded between Mitsubishi Electric and the Mitsubishi Electric labor union, while taking into consideration each employee's employment status and laws related to equal pay for equal work.

Group companies 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.

Notification of Secondments and Transfers within and Outside the Organization

In the labor contract established with the Mitsubishi Electric labor union, Mitsubishi Electric has stipulated that the company will swiftly notify the labor union of secondments and transfers of employees within and outside the organization for business reasons. The contract states that, particularly when large numbers of employees will be seconded or transferred within or outside the organization, Mitsubishi Electric will consult with the labor union regarding the basic terms.

Supply Chain Management (Procurement)

Procurement Policy and Supplier Criteria

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 (Sustainability 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, procurement 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 sustainability initiatives. As a basic policy, the Group preferentially procures materials from suppliers who rank high in a comprehensive evaluation.

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

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

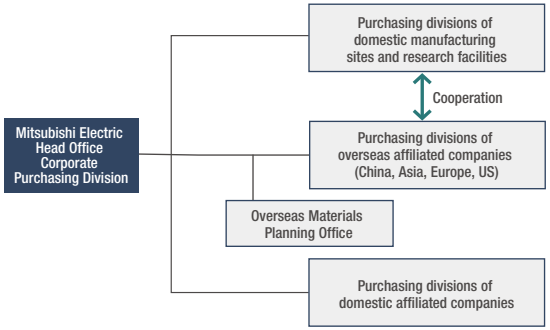
We carry out material procurement activities in line with our "CSR Procurement Policy," which was established in 2007. We also established the CSR Procurement Guidelines in 2018 to widely disseminate Mitsubishi Electric's sustainability policies and matters for compliance by our business partners. The guidelines are prepared in four languages (Japanese, English, Chinese, and Thai) and are shared with business partners globally as our directions for procurement. We are approaching all business partners to verify their agreements 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 Procurement Supply Chain Management

Under globally sustainable procurement, target costing and cost co-creation by enhancement of partnership (G-STEP) strategy toward strengthening the purchasing structure, the Mitsubishi Electric Group aimed to achieve the lowest cost ratio ever starting in fiscal 2021. In this effort, we developed and promoted the measures with the following aim: "We will contribute to the realization of sustainability through all corporate activities. By doing so, we will make further efforts to enhance economic and social value so as to raise our corporate value," which is the Group's business goal, through sustainable and stable procurement. In cooperation with the Materials Planning Office in regional corporate offices in China, Asia, Europe and the Americas, we implement purchasing strategies through conferences of procurement officers and other such meetings to promote optimal procurement activities suited to each region.

In addition to this initiative, we will also promote activities to mitigate any perceived risks regarding a range of issues related to labor practices and environmental problems in the procurement supply chain and thereby strengthen our business continuity plan (BCP).



Framework for promotion of procurement supply chain management

Mid- to Long-Term Priority Activity Objectives

Continuing activities to identify and address risks involving major human rights violations (forced labor, hazardous or dangerous labor, and child labor) in the supply chain

The Mitsubishi Electric Group verifies the progress of suppliers' initiatives to respond to the requirements outlined in the Green Accreditation Guideline and CSR Procurement Guidelines by requesting principal suppliers who fall within the top 80% in terms of purchase amounts to complete a survey form once every three years. We identify high risk business partners through the survey and by confirming survey questionnaire answers by individually determining the presence of especially major human rights violations risks, such as forced labor, dangerous or hazardous labor, and child labor. In the case that a risk is identified, we will continue to request corrections through communication with the applicable business partners. Note that we have not identified any business partners who are cause for concern about such major human rights violations risks based on the survey in fiscal 2023. In the guidelines, we will also include reduction of the number of excessive working hours and the right to a minimum wage, and we will continue to confirm this by means of the survey form.

In addition, we have conducted a survey of 390 main subcontract factories in the Mitsubishi Electric Group's production activity on foreign technical intern trainees in 2019. Although there were no suppliers who are at risk of infringing on the Technical Intern Training Act, we will continue promoting activities for preventing the violation of human rights of foreign technical intern trainees.

Survey on Foreign Technical Intern Trainees

Transitioning to RBA-compliant initiatives

We joined the RBA in February 2022. In fiscal 2023, we organized our thinking on how to align the current CSR Procurement Guidelines and the Green Accreditation Guideline with the RBA Code of Conduct. Going forward, we will prepare specific guidelines and explain them to suppliers.

Establishing a grievance mechanism for the entire supply chain

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

Human Rights Management Procurement Activities

Initiatives to decarbonize procurement supply chain activities

The Environmental Sustainability Vision 2050 aims to achieve decarbonization in the entire value chain. We will grasp the level of reduction in CO2 emissions generated during production by suppliers and call for further reductions. In fiscal 2023, we conducted a survey on the status of carbon neutral initiatives and greenhouse gas emissions of our major suppliers. Based on the survey results, we will improve the accuracy of "greenhouse gas emissions in the value chain."

Environmental Sustainability Vision 2050

Strengthening Sustainability Initiatives along the Procurement Supply Chain

Priority activities

1. Establishing a framework for strengthening stable procurement
2. Further strengthening the cost planning activity
3. Expanding centralized purchasing
4. Strengthening procurement quality control
5. Strengthening a procurement platform for supporting relevant activities and measures
6. Strengthening global optimal procurement

Toward responsible minerals procurement

The Mitsubishi Electric Group aims for transparency in its procurement supply chain to avoid any affiliation with armed groups that trade in conflict minerals*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 procurement 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 Area

Report of survey results of restrictions on conflict minerals

Mitsubishi Electric takes part in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), and addresses restrictions on conflict minerals in cooperation with other industry organizations. Surveys are conducted using the survey form (CMRT*1 and EMRT*2) that is commonly used in the automobile, electric, and electronic industries. In fiscal 2023, surveys were carried out on 658 suppliers, and responses in survey form were obtained from 575. As a result of the survey, 350 smelters were identified. Of the identified smelters, 165 were RMAP*3 compliant. We will continue to promote RMAP compliance among smelters through industry activities.

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

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

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

Number of smelting companies identified in a survey of conflict minerals
Count and list of smelters identified in fiscal 2023

Initiatives to address environmental issues

Since 2006, the Mitsubishi Electric Group has been evaluating the progress of suppliers' initiatives to address environmental issues under the Green Accreditation System. Based on the Green Accreditation Guideline 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.

Procurement Activities

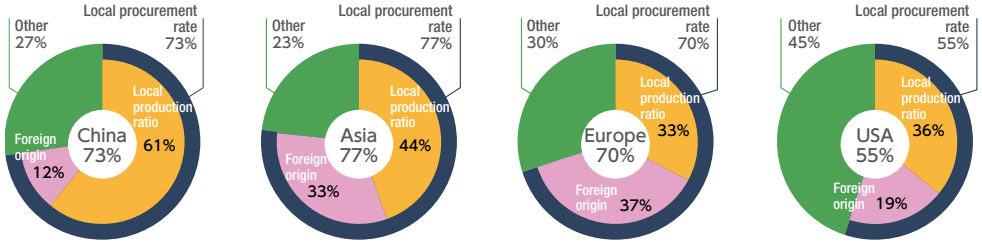
Initiatives to address social issues

From 2009, the status of sustainability initiatives has been included in the survey items, and a survey is also made of issues such as human rights, labor practices, safety and health, legal compliance, and product safety. Furthermore, the CSR Procurement Guidelines were established in 2018 based on the RBA Code of Conduct (Version 7.0) that was formulated and announced by the Responsible Business Alliance. To verify our suppliers' commitment to promoting the content of the guidelines, a consent form is attached to the last page of the guidelines.

Procurement Activities

Strengthening of global optimal procurement

The Mitsubishi Electric Group aims to realize global optimal procurement.



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

* Local procurement rate: Materials, parts, etc. (regardless of country of origin) that are procured by overseas production sites at their own discretion
* Local production ratio: Among all locally procured items, the procurement ratio of items produced in the country of the overseas site
* Foreign origin: Among all locally procured items, the procurement ratio of items produced in countries other than the country of the overseas site

Requests to suppliers

We ask our suppliers to understand the Mitsubishi Electric Group's Purchasing Policy and CSR Procurement Policy*, and to inform their supply chains of these policies. We also ask all suppliers to be thoroughly aware of the items that the Group has identified as priority issues to be addressed through the entire procurement supply chain. Additionally, new suppliers are asked to submit their agreement to comply with the CSR Procurement Policy and a completed survey form upon reading and understanding the guidelines.

* The Mitsubishi Electric Group's Green Accreditation Guideline and CSR Procurement Guidelines are provided below. These documents have been revised appropriately in response to changes in laws, regulations and social norms.

Procurement Activities

Important requests to suppliers

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.)

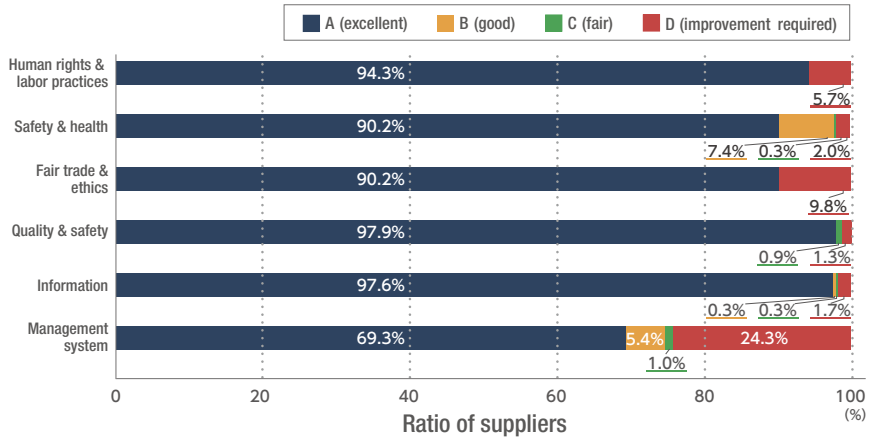
Evaluation status of suppliers' initiatives to address sustainability issues

Basic policy on supplier surveys

The Mitsubishi Electric Group verifies the progress of suppliers' initiatives to respond to the requirements outlined in the Green Accreditation Guideline and 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.



Fiscal 2023 results of green accreditation and CSR procurement surveys among suppliers (Mitsubishi Electric)

Number of suppliers given guidance in fiscal 2023 and the content of the guidance (Mitsubishi Electric)

Environment	No. of companies given guidance	27
	No. of completions	0
	Content of guidance	Clarification of the person in charge of environment management (participation in environment management conducted by management at business partners)
Human rights, labor practices, safety and health	No. of companies given guidance	73
	No. of completions	2
	Content of guidance	Encouraging secondary suppliers to take up sustainability practices



Providing safety guidance during an onsite inspection of a supplier's company (overseas)

Responses to the Green Accreditation/CSR Procurement survey form, Rate of green accreditation certification among suppliers

Survey on Foreign Technical Intern Trainees

In fiscal 2020, Mitsubishi Electric conducted a survey of 390 main subcontract factories in the Mitsubishi Electric Group's production activity on foreign technical intern trainees and obtained responses from all the companies surveyed. Among the companies surveyed, 136 companies hire technical intern trainees, and we confirmed with the suppliers as to whether they are "excellent implementing organizations*" and the presence or absence of risks associated with implementing training (50 suppliers have been accredited as "excellent implementing organizations"). As a result of the survey, it was found that 24 out of 86 companies who have not been accredited as "excellent implementing organizations" are required to make improvements. However, there were no suppliers who do not observe the Technical Intern Training Act, the Labor Standards Law, etc.

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

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

Items to be improved and the number of companies

Matters to be improved	No. of companies (may be duplicated)
A procedure or mechanism for "accepting requests" and "considering taking measures" for cases where special facilities must be provided for religious reasons (worship, meals, etc.) is absent	9
Important indications for safety and health, such as dangerous goods labels and the display of evacuation routes, are not displayed in languages understood by technical intern trainees	17
Matters supervised by the supervising organization are not recorded or saved	5
A mechanism for internal or external whistleblowing has not been built	2

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 sustainability initiatives at their companies as well. Even after the spread of COVID-19, we continue to hold various seminars both on site and online. We will continue to 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.

Initiatives for Strengthened Partnership with Suppliers

Mitsubishi Electric also participated in the Declaration of Partnership Building introduced in response to the discussion in the Council on Promoting Partnership Building for Cultivating the Future hosted by the Cabinet Office and the Ministry of Economy, Trade and Industry, and Mitsubishi Electric announced its declaration on July 1, 2020. We have been conducting a supplier satisfaction questionnaire survey since fiscal 2021 aimed at improving business practices with suppliers and further strengthening the partnership based on the policy of building mutually-beneficial relationships as stated in the Declaration of Partnership Building.

In fiscal 2023, we conducted a survey following from the previous fiscal year with a total of 16 questions covering Mitsubishi Electric's business attitude, ethics, compliance, and other topics in an attributed survey form for each supplier using a website. We aggregate the results of answers to the questionnaire received from suppliers and analyze each survey item comparing with the results from the previous fiscal year, and we use the results to extract areas to be improved, to analyze causes, and to correct Mitsubishi Electric's business attitude.

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

Declaration of Partnership Building by Mitsubishi Electric Corporation (in Japanese text)

Value Engineering (VE) Activities with Suppliers

The Mitsubishi Electric Group engages in joint-development from the initial stages to the development of parts and materials, and works in partnership with suppliers to engage in Value Engineering (VE) activities with the aim of adopting advanced products, recycling resources, and reducing the consumption of materials. Through these activities, we reduce the input of materials and minimize environmental burden by making products more compact and lightweight, and build a win-win relationship that leads to increased sales and enhanced technology capabilities for both Mitsubishi Electric and our partners. We also give awards to suppliers whose achievements are especially significant. Mitsubishi Electric proactively conducts this activity to suppliers not only in Japan but also overseas, including in the UK, US, China, Thailand, Indonesia, Mexico, India, and Colombia. We also promote internal and external human 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 Building Systems Works)



VE lecture in the Southeast Asia region (Indonesia)



VE workshop in the Asia region (Thailand)



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, we hold lectures on laws and regulations that particularly pertain to procurement activities, such as the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, and the Construction Contractors Law, and we provide guidance and training to ensure thorough compliance. Guidance and education are also provided overseas. Based on the Code of Conduct and check sheets, learning programs strictly teach employees not to become involved in bribery, embezzlement, or any other form of action that goes against the principle of fair trade. Compliance education related to procurement is also held for local employees in charge of procurement operations overseas. To further strengthen CSR initiatives (particularly along our procurement 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

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.

"Three forms of coexistence" that the Mitsubishi Electric Group Aims for

To realize an inclusive society, the Mitsubishi Electric Group has been promoting activities at the level of people with a focus on each and every individual, the level of society as an aggregate of local communities, and the level of the Earth, which is the foundation for all individuals and communities. The Mitsubishi Electric Group will continue to strive to achieve “coexistence” at each of these levels.

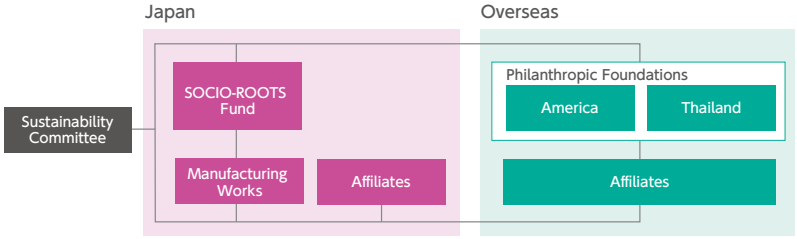
Employees and the company shall work together to promote the "three forms of coexistence" and realize an inclusive society



Coexistence with the Global Environment	Promote activities that remind us how much we appreciate nature, which nurtures a diversity of life and provides us with many blessings, and encourage environmentally conscious behavior, through activities to protect and nurture nature.	Satoyama Woodland Preservation Project Mitsubishi Electric Outdoor Classroom
Coexistence with Local Communities	Collaborate with NPOs and other organizations in the field of social welfare, education and other basic infrastructure for daily life to promote activities that focus on realizing sustainable and vibrant local communities where all people, including people with disabilities, can live their life in their own way.	Mitsubishi Electric SOCIO-ROOTS Fund Mitsubishi Electric Science Workshops
Coexistence with All People	Create opportunities and environments where all people, from adults to children, with or without disabilities, can respect and recognize each other and improve their physical and mental health.	Para-sports support Sports promotion Culture & arts support

Philanthropy Promotion Framework

As part of the Group's Sustainability initiatives, each Mitsubishi Electric Group company and business site is pursuing community activities to meet local needs. This effort is based on the philosophy 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.



Main Activities in FY2023

- Donations from the Mitsubishi Electric SOCIO-ROOTS Fund to support social welfare facilities and children at disaster areas
- Satoyama Woodland Preservation Project, Mitsubishi Electric Outdoor Classroom, and Mitsubishi Electric Science Workshop
- Support for developing the next generation of human resources through donations to organizations related to culture, the arts, and sports
- Employment assistance for young people with disabilities from the Mitsubishi Electric America Foundation
- Support for educational institutions from the Mitsubishi Electric Thai Foundation
- Holding Soccer clinics in Asia

FY2023 Activity Results

Philanthropic activity expenditures
(Mitsubishi Electric and major domestic and overseas affiliates)

Approx. **1.77** billion yen

* Expenditures include philanthropic-related expenses such as internal programs and product donations

Coexistence with the Global Environment

FY2023 Activity Results

Satoyama Woodland Preservation activities: Mitsubishi Electric Outdoor Class:
38 business sites

Activities promoted by employees together with the local community for harmonious coexistence with nature "Woodland Preservation Project" "Mitsubishi Electric Outdoor Classroom"

The Mitsubishi Electric Group conducts two types of environmental conservation activities for achieving coexistence with nature, led by employees at each business site.
The Satoyama Woodland Preservation Project, which started in 2007, seeks to restore "familiar nature," such as forests, the ocean, rivers, and fields located in the vicinity of our business sites. With the Mitsubishi Electric Outdoor Classroom project, which started in 2006, employees act as nature leaders to encourage their awareness of nature ecosystems through experiencing nature with the local people under the guidance of Nihon Yagaiseikatsu Suishin Kyokai (the Japan Wildlife Activity Association).

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.

Since FY2021, when we were significantly affected by the COVID-19 pandemic, we have been using guidelines formulated through consultation with industrial physicians regarding the avoidance of the three Cs and health management. As an alternative measure for group activities, we are striving to continue our promotion through the event "Biodiversity Observation by One Million People," which has started and lets individual families enjoy nature and using the BIOME living things collection app (Biome Inc.) for smartphones.

In FY2024, we expect to be able to resume in-person and going forward, employees will continue to put in physical effort to live in coexistence with nature, which also helps to broaden communication with the local community in collaboration with local governments, the Japan Environment Association (the Junior Eco-Club) and other environmental activity organizations, local experts, kindergartens, and nursery schools.


Preservation of natural conservation areas (Chiba Prefecture)


Restoration of idle farmland (Kanagawa Prefecture)


Nature School class in a rice field (Hyogo Prefecture)


Outdoor Classroom in the forest (Hiroshima Prefecture)


Living creature observation at the site (Kagawa Prefecture)


Forest preservation activities (Fukuoka Prefecture)

Coexistence with Local Communities

FY2023 Activity Results

Total donations using the matching gift program:
Approx. **47.2** million yen

Mitsubishi Electric SOCIO-ROOTS Fund

The Mitsubishi Electric SOCIO-ROOTS Fund was established in 1992 as a gift program in which the Company matches the amount of any donation made by its employees, thus doubling the goodwill of the gift. Many employees participate in the Fund each year. As of March 2023, the Fund has provided more than 1.49 billion yen to some 2,300 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.

Donation and fundraising activities at our business locations

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. In addition to the conventional donation boxes, a new online donation system has also been introduced in FY2022, as a means that agree with the recent increase in remote working.



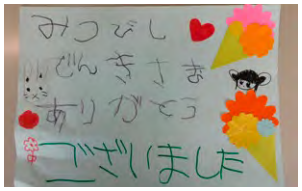
Fundraising activities at each business location

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 to areas affected by natural disasters — Support for the healthy growth of children —

The Fund is making ongoing efforts to support children affected by natural disasters including the Great East Japan Earthquake. As of March 31, 2023, it has donated a sum of 198.5 million yen since the program began in fiscal 2012.



Science and Technology

Mitsubishi Electric Science Workshops

FY2023 Activity Results

Mitsubishi Electric Science Workshop held: **28**

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.





Experiments on heat transfer

Living with diversity

Culture and Arts, Sports

Para-sports support

Mitsubishi Electric promotes initiatives to realize an inclusive society in which everyone, with or without a disability, respects and accepts each other. For example, by supporting para-sports, we train people to recognize and care for those who need support. As an official partner of the Japanese Para-Sports Association and the Japan Wheelchair Basketball Federation (JWBF), we contribute to spreading and raising awareness of para-sports.

JWBF Player Discovery Support Project "Challengers presented by Mitsubishi Electric"

In fiscal 2023, we sponsored a player discovery support project which was held at six locations (Tokyo, Kagawa, Aomori, Okinawa, Niigata, and Osaka) and had a total of 80 participants.



Osaka Challengers presented by Mitsubishi Electric

Became a Special Cosponsor of the 48th Emperor's Cup Japan Wheelchair Basketball Tournament

The 48th Emperor's Cup Japan Wheelchair Basketball Tournament was held with spectators for the first time in 3 years and 8 months. More than 6,000 spectators attended.
(For visitors' enjoyment, a photo booth for visitors and a photo exhibition of the U23 World Championships were offered at the tournament site.)

We also gift "competition wheelchairs" so that as many people as possible can participate in this sport.



48th Emperor's Cup Japan Wheelchair Basketball Tournament: Presentation of additional prizes



"Odaiba Challengers" Competition Wheelchair Award Ceremony

Activities by Mitsubishi Electric's Sports Teams

Basketball

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



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

Tennis

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



Wheelchair Workshops

American football

The American football team utilizes its players' power to carry out volunteering in reconstruction assistance for the Great East Japan Earthquake and cleaning activities in a park near practice areas to express their gratitude toward society.



Cleaning of fallen leaves and sludge collected in a pond in the park

Badminton

Our badminton team in S/J League Ⅱ, called Diamond Wings, engages in activities to promote badminton and contribute to the local community mainly in Hyogo prefecture, where the team is based. It helps train athletes and shares the excitement of badminton by holding training sessions and allowing high school students to participate in practices.



Badminton workshop

Culture and Arts

Mouth and Foot Painting Artists of the World Exhibition



Mouth and Foot Painting Artists of the World Exhibition

Mitsubishi Electric Building Solutions Corporation 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 since 1994. Promotional activities for the event are being continued by volunteers including the company employees and their families.

Supporting Narimichi Kawabata, a world-famous vision-impaired violinist



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

Introduction of foundations operating internationally

Mitsubishi Electric America Foundation

The Mitsubishi Electric America Foundation (MEAF) has been working toward a more inclusive society in the United States since 1991. Given the high unemployment rate* of people with disabilities, combined with the need for capable talent, MEAF has invested $16.5M, to date, in national grant projects designed to empower youth with disabilities to lead productive lives. MEAF also matches Mitsubishi Electric U.S. group company employee donations to support local community needs with $8.9M contributed and matched, for a total of $25.4M in contributions in the U.S. to date.

* Disability Employment Statistics ¦ U.S. Department of Labor (dol.gov): The unemployment rate for working aged persons with a disability was 9.0 percent in Mar. 2023, compared to 3.5% for those without a disability.



MEAF is the lead supporter of the documentary film My Disability Roadmap, which was featured in The New York Times Op-Docs and won Best Documentary Shot at the LA Shorts Festival.



The American Association of People with Disabilities (AAPD) celebrated the 20th anniversary of the MEAF-supported AAPD Internship Program in Washington, DC

Example National Grant Activities



The MEAF-supported Nuts, Bolts and Thingamajigs Inclusive Manufacturing Camps introduce students with disabilities to careers in manufacturing. The program was featured on local TV news stations.

Through its eleven-year "M>PWR possible" initiative, MEAF has helped "empower" more than 53,000 youth and veterans with disabilities to secure jobs in diverse industries, like hospitality, healthcare, distribution, manufacturing, IT, animation, and electronics recycling.

MEAF has been recognized for its efforts to prepare the next generation of youth with disabilities for employment with receipt of the American Association of People with Disabilities "Catalyst Award" in 2018, the Blue Star Recyclers "Star Partner Award" in 2019, and the Nuts, Bolts and Thingamajigs® charitable foundation of the Fabricators & Manufacturers Association, International® "Industry Innovation Award" in 2020.

Collaboration with U.S. Employees

Mitsubishi Electric U.S. group company employees volunteer more than 12,000 hours annually to support their communities. From supporting special needs schools, to food banks, to environmental conservation efforts, Mitsubishi Electric employees are "On the M.O.V.E." to make a difference in society.





Mitsubishi Electric employees participate in the ALS Ice Bucket Challenge to raise money for the ALS Association

Mitsubishi Electric Thai Foundation

Established in 1991, the Mitsubishi Electric Thai Foundation (METF) has been contributing to the development of education in Thailand for over 30 years by providing scholarships to college students and helping educational institutions to operate independently. Since we started our environmental preservation initiatives in collaboration with the Thai government and private organizations, as well as Mitsubishi Electric Group companies in Thailand in 2014, we have actively engaged in volunteer activities related to environmental conservation. In addition, we established the Thai Philanthropic Committee in order to strengthen sustainability initiatives in Mitsubishi Group companies in Thailand. The Committee's latest initiatives include COVID-19 and drought countermeasures to meet Thailand's current needs.

Example of activities

(1) Support for educating the next generation

Scholarship program

Scholarships have been awarded to students at four engineering universities. They are intended for students who have excellent grades but have difficulties in studying due to economic circumstances, and play an important role in the development of science and technology in Thailand.



Ceremony at Thammasat University

Science school

We provide a science class program for elementary school students with a different venue each time across Mitsubishi Electric Group companies. Our enjoyable science school activities include scientific experiments and introductions to technologies used in products from the Mitsubishi Electric Group to help educate children and contribute to the community.





Science school (Kang Yong Electric Public Co. Ltd)

Prateep Dek Thai Project

METF matches contributions from employees at Mitsubishi Electric Group's locations in Thailand and funds projects to construct nursery schools in rural areas that are in need of such facilities to help children grow healthily and to provide support for households that are struggling financially.



Ceremony for the Prateep Dek Thai Project

Partnership School Project

As we consider schools to be the hubs of lifelong learning in communities, we engage students and communities in collaboration with the Mechai Viravaidya Foundation and Thai's educational ministry. Program participants can make preparations to become entrepreneurs by learning about crop production, marketing, accounting, and other topics.



Growing vegetables in agricultural field training



Meditation class at an educational institution we support

(2) Environmental preservation activities

Community Water Management Project

We provide support for initiatives to construct reservoirs for villages suffering from droughts and floods. We promote these initiatives in collaboration with the Utokapat Foundation. In January 2023, the Mitsubishi Electric Thai Foundation received an award from Her Royal Highness Princess Sirindhorn for its contributions.



Observing of a reservoir



Award ceremony (January 2023)

Climate change initiatives

In collaboration with Thai government organizations, the Mitsubishi Electric Thai Foundation works to prevent global warming and foster independent communities through environmental conservation activities by reducing greenhouse gas emissions, promoting carbon sinks (initiatives to absorb greenhouse gases, including carbon dioxide), and more.



Planting to prevent soil runoff



Building a reservoir

Collaborative planting initiatives across the Group

As a nature preservation initiative, the Mitsubishi Electric Thai Foundation holds an annual planting activity through volunteer work by employees in collaboration with eleven Mitsubishi Electric Group companies in Thailand. In June 2022, over 200 Group employees gathered to plant trees and construct a dam.



Group-wide volunteer activity

Topics

Soccer clinics in Asia

On the title sponsorship of the AFF Mitsubishi Electric Cup 2022, we held soccer clinics in Thailand, Singapore, Malaysia, Indonesia, and Vietnam in cooperation with the ASEAN Football Federation (AFF). Former national team players from each country were invited as coaches, and Mitsubishi Electric Group employees participated as assistant coaches and played minigames with the children. We hope that this activity will give children, who will be leading the next generation, the opportunity not only to acquire soccer skills but also to dream big.



Soccer clinic in Singapore



Soccer clinic in Thailand



Soccer clinic in Malaysia

Example of Overseas Activities by the Mitsubishi Electric Group

As a company globally expanding of our business, Mitsubishi Electric Group carries out activities worldwide to contribute to the realization of a vibrant and sustainable society.



Volunteering at renovations for a children's hospital (Poland)



Environmental protection promotion activities (China)



Hosting a business plan contest toward attaining a circular society (Germany)



Tree planting activity (India)



Pangolin (endangered species) conservation activities (Taiwan)



Supporting local food banks (England)



Opening a school STEM Lab (Vietnam)



Tree planting activities (Columbia)



Environmental protection activities (Philippines)

Social Data

Human Capital

Employment situation

【Mitsubishi Electric】

Category			FY2019	FY2020	FY2021	FY2022	FY2023
Full-time employee		Total	35,203 persons	35,649 persons	36,162 persons	36,700 persons	35,136 persons
		Male	31,619persons	31,997persons	32,346 persons	32,701 persons	31,141 persons
		Female	3,584 persons	3,652 persons	3,816 persons	3,999 persons	3,995 persons
Temporary staff		Total	7,202 persons	7,105 persons	6,838 persons	6,682 persons	6,505 persons
		Male	—	—	4,179 persons	4,092 persons	4,130 persons
		Female	—	—	2,659 persons	2,590 persons	2,375 persons
Average age		Total	40.4 years of age	40.5 years of age	40.7 years of age	41.1 years of age	41.3 years of age
		Male	—	—	40.6 years of age	41.0 years of age	41.3 years of age
		Female	—	—	41.2 years of age	41.3 years of age	41.3 years of age
Average number of years worked		Total	16.3 years	16.4 years	16.6 years	16.9 years	16.9 years
		Male	—	—	16.5 years	16.8 years	16.9 years
		Female	—	—	17.2 years	17.1 years	16.9 years
Turnover rate		Total	2.2%	2.7%	2.3%	2.7%	2.8%
		Male	—	—	2.2%	2.7%	2.8%
		Female	—	—	2.4%	3.1%	3.5%
Average annual wage	Full-time employee	Total	8,169,232 yen	8,069,144 yen	7,963,544 yen	8,067,252 yen	8,273,671 yen
		Gender difference*1	70.4%	70.8%	71.6%	71.4%	71.3%
	All workers	Gender difference*1	54.9%	58.5%	60.7%	61.0%	61.5%
	Full-time employee*2	Gender difference*1	61.2%	62.3%	63.5%	63.6%	63.6%
	Non-regular employee	Gender difference*1	71.0%	66.5%	63.5%	62.4%	63.2%
Diversity & inclusion	Managerial position	Female employees (%)*3	1.8%	2.0%	1.9%	2.3%	2.6%
	Manager-equivalent position*4	Female employees (%)	3.7%	3.9%	4.1%	4.3%	4.5%
	Regular position	Total	24,715 persons	25,138 persons	25,308 persons	25,391 persons	24,559 persons
		Female employees (%)	6.8%	7.0%	7.3%	7.6%	8.2%

*1 Female average annual wage compared to male average annual wage, expressed as a percentage
*2 Full-time employees and non-regular employees who are full-time, open-ended
*3 Percentage of female employees in managerial positions out of all employees in managerial positions
*4 Persons with work tasks and responsibilities that are equivalent to those of a section manager

Employee breakdown per segment and Business Area

【Mitsubishi Electric Group】(Unit: No. of people)

Segment	FY2019	FY2020	FY2021	FY2022	FY2023
Energy & Electric Systems	46,732	46,852	47,697	47,113	—
Industrial Automation Systems	33,480	33,544	32,975	32,692	—
Information & Communication Systems	15,185	15,042	13,900	13,818	—
Electronic Devices	5,415	5,431	5,323	5,393	—
Home Appliances	26,789	27,462	27,545	28,710	—
Other	12,716	12,643	12,603	12,329	—
Common	5,500	5,544	5,610	5,641	—
Total	145,817	146,518	145,653	145,696	—

【Mitsubishi Electric Group】(Unit: No. of people)

Business Area (BA)	FY2019	FY2020	FY2021	FY2022	FY2023
Infrastructure BA	—	—	—	—	21,840
Industry & Mobility BA	—	—	—	—	31,897
Life BA	—	—	—	—	61,833
Business Platform BA	—	—	—	—	11,557
Other	—	—	—	—	16,575
Common	—	—	—	—	5,953
Total	—	—	—	—	149,655

New graduates

【Mitsubishi Electric Group Companies in Japan】(Unit: No. of people)

		October 2019 and April 2020 (result)	October 2020 and April 2021 (result)	October 2021 and April 2022 (result)	October 2022 and April 2023 (projection)	October 2023 and April 2024 (plan)
Mitsubishi Electric	Engineering positions	660	560	500	600	600
	Sales & administrative positions	200	170	200	200	200
	Technical positions	300	210	200	300	300
	Total	1,160	940	900	1,100	1,100
Group companies in Japan		1,500	1,370	1,200	1,300	1,600
Total		2,660	2,310	2,100	2,400	2,700

Mid-career hires

【Mitsubishi Electric Group Companies in Japan】(Unit: No. of people)

	FY2020 (result)	FY2021 (result)	FY2022 (result)	FY2023 (result)	FY2024 (plan)
Mitsubishi Electric	530	420	400	900	1,000
Group companies in Japan	1,000	660	700	1,000	1,000
Total	1,530	1,080	1,100	1,900	2,000

Percentage of female employees in all new hires

【Mitsubishi Electric】(Unit: %)

	FY2020 (result)	FY2021 (result)	FY2022 (result)	FY2023 (result)	FY2024 (projection)
Overall	15.1	18.8	20.0	23.3	18.4
Sales & administrative positions	31.5	37.0	38.0	44.3	36.1
Engineering positions	9.4	13.4	14.4	15.0	11.3

Employment rate of people with disabilities

【Consolidated across three companies※】(Unit: %)

FY2019	FY2020	FY2021	FY2022	FY2023
2.23	2.28	2.34	2.39	2.47

* Actual average employment rate (consolidated across three companies) Figures are fiscal year averages.

Starting salary

【Mitsubishi Electric】

	Monthly wage	Compared to the minimum wage
High school graduate	179,000 yen	104%
Technical high school graduate	202,000 yen	118%
College graduate	232,000 yen	135%
Graduate school graduate	257,000 yen	150%

* Minimum wage is calculated based on the minimum wage for Tokyo Prefecture as of March 2023 (1,072 yen per hour), working 20 8-hour days per month.

Annual amount of human resources development and training expenses per employee

【Mitsubishi Electric】

	FY2019	FY2020	FY2021	FY2022	FY2023
Training hours/year	—	—	—	—	25.7 hours
Training expenses/year	—	—	—	86,000 yen	124,000 yen

* Results solely for training organized by corporate divisions in FY2023; does not include training conducted by divisions and production sites. (Note that trainee training is included in the results.)

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

【Mitsubishi Electric Group Companies】(Unit: No. of people)

	FY2019	FY2020	FY2021	FY2022	FY2023	Cumulative total
MGEP	5	7	Canceled due to the impact of COVID-19	18	15	53
GMW	29	30		Canceled	30	238
WKP	91	105		Canceled	Canceled	407

MGEP: Mitsubishi Electric Global Executive Program (In some years, one or two selected members in Japan may participate.)
GMW: Global Management Workshop
WKP: Workshop for Key Personnel

Employees dispatched under the overseas OJT system

【Mitsubishi Electric Group Companies in Japan】(Unit: No. of people)

	FY2019	FY2020	FY2021	FY2022	FY2023
North America	22	23	Canceled due to the impact of COVID-19	22	21
Central/South America	1	5		3	5
Europe	25	32		18	21
Middle East	0	0		0	3
Southeast/South Asia, Oceania	27	19		14	24
East Asia	16	21		16	10
Total	91	100		73	84

Evaluation indicators related to workplace culture improvement initiatives

【Mitsubishi Electric】(Unit: %)

	Result for FY2021	Result for 1H FY2022	Result for 2H FY2022	Result for 1H FY2023	Result for 2H FY2023	FY2026 Goal
Employee Engagement Score (Percentage of employees who are proud and motivated to work for the Company) *	63	61	54	54	54	70 or more
Percentage of employees who responded that they had a good work-life balance	66	66	65	65	66	70 or more

* Average percentage of positive responses to the five questions in the annual employee attitude survey: "Pride in working for the Company," "Willingness to contribute," "Desire to change jobs," "Encouraging others to join the Company," and "Sense of achievement through work"

Monthly overtime hours per employee

【Mitsubishi Electric】(Unit: hours)

FY2019	FY2020	FY2021	FY2022	FY2023
29.1	27.4	24.9	26.2	25.1

Utilization status of childcare and family care programs

【Mitsubishi Electric】(Unit: No. of people)

		FY2019	FY2020	FY2021	FY2022	FY2023
Childcare leave	Total	340	414	513	634	747
	Men	38	66	144	240	362
	Women	302	348	369	394	385
Spousal childbirth leave	Men	769	861	920	923	991
Prematernal/postnatal absence	Women	178	198	204	209	204
Rate of taking leave from work(%)	Total	—	—	—	—	—
	Men*	55.4%	59.1%	64.9%	67.8%	76.1%
	Women	99%	100%	99%	99%	100%
Shorter working hours during childcare	Total	392	406	406	413	413
	Men	13	14	13	16	13
	Women	379	392	393	397	400
Shorter working hours during pregnancy	Women	20	14	3	11	11
Nursing leave	Total	18	16	12	15	25
	Men	11	7	6	8	16
	Women	7	9	6	7	9
Shorter working hours for nursing care	Total	7	21	16	27	27
	Men	1	1	4	1	2
	Women	6	20	12	26	25
Nursing absence	Total	35	48	26	31	40
	Men	20	29	6	19	26
	Women	15	19	20	12	14

* Including those taking special leave for childcare purposes

Human Rights

Human rights education

【Mitsubishi Electric Group Companies in Japan】(Unit: No. of people)

			FY2019	FY2020	FY2021	FY2022	FY2023
Group training session related to human rights and harassment	Mitsubishi Electric	New employees	—	927	833	941	912
		Newly appointed managers	—	584	478	436	534
		Employees in charge of new employee training	—	—	—	713	696
e-learning	Mitsubishi Electric		—	—	—	—	39,001
	Group Companies in Japan		—	—	—	—	35,085

Occupational Safety & Health Management

Frequency of fatal accidents

【Mitsubishi Electric Group Companies】

		FY2019	FY2020	FY2021	FY2022	FY2023
Fatal accidents	Domestic	1	0	0	0	0
	Overseas	1	3	0	0	0
Number of accidents causing lost worktime	Mitsubishi Electric	3	0	3	3	10
Frequency rate of industrial accidents (%)	Mitsubishi Electric	0.04	0.07	0.04	0.04	0.12

Targets and results of "MHP Lively and Exciting Action" activities

<Health satisfaction>

【Mitsubishi Electric Group Companies in Japan】(Unit: %)

Target		Target value (by FY2027)	FY2023 result
Good appetite	Percentage of people who have an appetite and enjoy their meals	90.0 or more	87.2
Good sleep	Percentage of people who sleep comfortably and soundly	80.0 or more	55.9
Good bowl movements	Percentage of people with good bowel movements that leave them feeling comfortable	80.0 or more	64.8

<Lifestyle habits>

【Mitsubishi Electric Group Companies in Japan】(Unit: %)

Target		Target value (by FY2027)	FY2023 result
Food	People who can control the quantity and quality of the food they eat	50 or more	15.9
Exercise	People who engage in weekly exercise that gets them breathing more and working a sweat	50 or more	31.3
	People who walk an average of 8,000 steps or more in a day	50 or more	30.3
Sleep	People who get enough sleep and are well rested	60 or more	40.2
Oral hygiene	People who brush their teeth three times a day or more	40 or more	26.6
	People who regularly undergo professional tartar removal or prophylaxis dental cleaning	65 or more	50.0
Smoking	People who do not smoke	90 or more	79.2
Alcohol	People who can drink alcohol in a moderated and controlled manner	90 or more	69.8

Employees who took safety and health education programs

【Mitsubishi Electric Group Companies in Japan】(Unit: No. of people)

		FY2019	FY2020	FY2021	FY2022	FY2023
Training for newly appointed safety and health section managers	Mitsubishi Electric	12	14	6	7	12
Training for newly appointed safety and health members	Group Companies in Japan	38	43	43	42	45
Training for newly appointed safety and health promotion members	Mitsubishi Electric	30	24	46	33	40
Training for newly appointed occupational health physicians and public health nurses	Mitsubishi Electric	14	16	13	8	9
Liaison meetings for safety and health members	Mitsubishi Electric	39	39	54	58	79
Company-wide safety and health education (for general employees)	Mitsubishi Electric	37,039	37,557	33,639	33,916	34,161
Company-wide safety and health education (for managers and supervisors)	Mitsubishi Electric	—	—	4,814	4,864	4,849

Supply Chain Management (Procurement)

Number of smelting companies identified in a survey of conflict minerals

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of smelting companies identified	Cumulative total: 4,600 companies	337 companies	364 companies	486 companies	350 companies
Tin	70%	91 companies	108 companies	165 companies	83 companies
Tantalum	73%	42 companies	43 companies	50 companies	37 companies
Tungsten	71%	48 companies	50 companies	69 companies	52 companies
Gold	74%	156 companies	163 companies	202 companies	178 companies

Responses to the Green Accreditation/CSR Procurement survey form

【Mitsubishi Electric Group】(Unit: No. of companies)

	Range of data	FY2019	FY2020	FY2021	FY2022	FY2023
Surveyed suppliers	All Mitsubishi Electric Group companies	1,856	1,721	1,660	1,549	499
Survey carried out by Mitsubishi Electric						
Surveyed suppliers	Mitsubishi Electric	1,261	552	580	934	338
Existing suppliers		1,201	455	511	809	252
New suppliers		60	97	69	125	86
Response rate (%)		96%	82%	88%	82%	83%
Survey carried out by domestic and overseas affiliated companies						
Surveyed suppliers	Domestic and overseas affiliated companies	595	1,169	1,080	615	161
Response rate (%)		61%	74%	71%	84%	82%

<Note>
- The survey on existing suppliers is carried out every three years in principle with principal suppliers who fall within the top 80% in terms of purchase amounts.
- The above figures include cases where the companies resubmitted their survey response after receiving improvement instructions.

Rate of green accreditation certification among suppliers

【Mitsubishi Electric】(Unit: %)

	FY2019	FY2020	FY2021	FY2022	FY2023
Certified	90	94	91	92	89
Not certified	10	6	9	8	11

FY2023 results of green accreditation and CSR procurement surveys among suppliers

【Mitsubishi Electric】(Unit: %)

	A (excellent)	B (good)	C (fair)	D (improvement required)
Human rights & labor practices	94.3	0.0	0.0	5.7
Safety & health	90.2	7.4	0.3	2.0
Fair trade & ethics	90.2	0.0	0.0	9.8
Quality & safety	97.9	0.9	0.0	1.3
Information security	97.6	0.3	0.3	1.7
Management system	69.3	5.4	1.0	24.3

Results of green accreditation and CSR procurement surveys among suppliers - Number of suppliers given guidance and the content of the guidance

【Mitsubishi Electric】(Unit: No. of companies)

		FY2019	FY2020	FY2021	FY2022	FY2023
Environment	Companies given guidance	97	52	64	52	27
	Content of guidance	Further strengthening of initiatives regarding restrictions on chemicals contained in products (chiefly, responding to the revisions in the RoHS 2 Directive)	Strengthening management of chemical substances contained in products (creating management rules and understanding the chemical substances contained in products)		Clarifying the person in charge of environment management (participating in environment management conducted by management at business partners)	
Human rights, labor practices, safety and health	Companies given guidance	188	114	96	114	73
	Content of guidance	Encouraging secondary suppliers to take up sustainability practices				

Governance

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Corporate Governance

Basic Views on Corporate Governance

As a part of our initiatives to strengthen our business foundation to enable sustainable growth, the Mitsubishi Electric Group recognizes the importance of corporate governance as a fundamental precondition for our continued existence. The Group's fundamental policy is to further enhance its corporate value by constructing, maintaining, and sustainably strengthening a corporate governance system that more accurately meets the expectations of society, our customers, shareholders, employees, and all other stakeholders.

As a company with a three-committee system, Mitsubishi Electric segregates the supervisory and executive functions; the Board of Directors plays a supervisory decision-making role, and the Executive Officers handle the day-to-day running of the Company. This system maintains the flexibility of its operations and promotes management transparency, leading to swift and decisive management decision-making. Through this system, the Company aims to promote sustainable growth in corporate value and shareholders' value. To this end, the Company recognizes the importance of a highly independent Board of Directors adequately fulfilling its roles and responsibilities in corporate governance as a supervisory function.

The Board of Directors formulates and publishes "Mitsubishi Electric Corporation Corporate Governance Guidelines" based on the views outlined above. The purpose of the Guidelines is to promote a clear understanding of the fundamental approach and framework of corporate governance and to build long-lasting, mutually trusting relationships through constructive dialogue with shareholders. The Board will inspect and review the Guidelines on an ongoing basis to ensure that the basic policy is effectively implemented and enhance our corporate governance practices.

Corporate Governance Framework

To promote the segregation of supervisory and executive functions, the Mitsubishi Electric's Board of Directors is dedicated to supervising management with specific details of deliberations stipulated as the Board of Directors' deliberation criteria. By delegating to the Executive Officers, the authority to make all business execution decisions within the limits permitted by the Companies Act, the Company ensure swift and decisive decision-making and appropriate risk-taking in business execution.

Both the Board of Directors and the three statutory committees are chaired by independent outside directors, and a majority of their members are independent outside directors as well, thereby improving the effectiveness of the supervisory function.

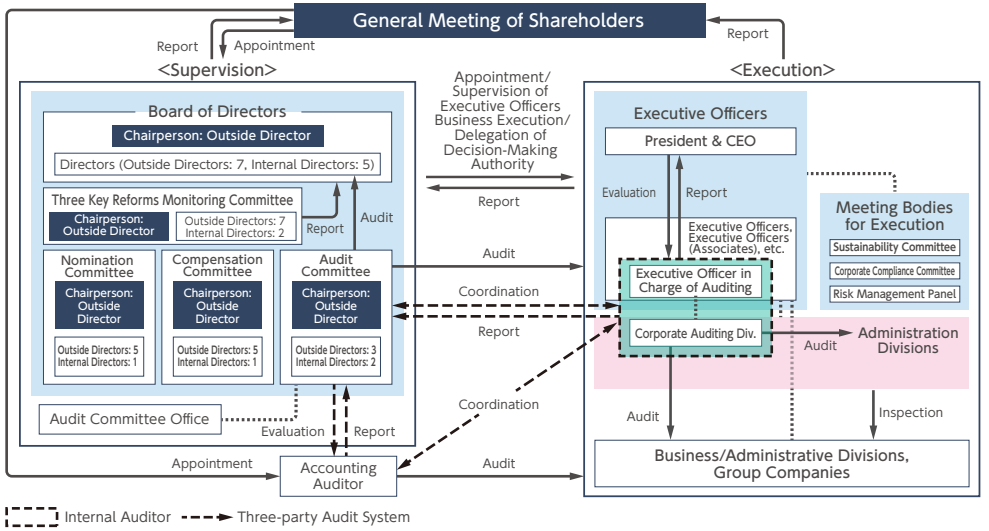
In addition, the Executive Officers' Meeting has been established as a voluntary body to deliberate and make decisions on important business matters from the perspective of pursuing synergy and multifaceted risk management, in addition to sharing information among Executive Officers.

Mitsubishi Electric's Board of Directors (June 29, 2023)



Back row: from the left, Kuniaki Masuda, Hiroyuki Yanagi, Hiroko Koide, Kazunori Watanabe, Tatsuro Kosaka, Tadashi Kawagoishi, Jun Nagasawa
Front row: from the left, Satoshi Takeda, Kei Uruma, Mitoji Yabunaka, Masako Egawa, Haruka Matsuyama

Corporate Governance Framework



List of directors and skill matrix

Name	Independent Outside Director	Membership of Committee			Position	Skill matrix							
		Nomination Committee	Audit Committee	Compensation Committee		Corporate management and corporate strategies	ESG	Finance and accounting	Legal affairs and compliance	Human resources and human resources development	Global affairs	Engineering, DX and R&D	Business development and investment
Mitoji Yabunaka	○	○		○	Chairman of the Board, Member of the Nomination Committee, Member of the Compensation Committee		○			○	○		
Kazunori Watanabe	○		○	●	Director, Chairman of the Compensation Committee, Member of the Audit Committee		○	○		○			
Hiroko Koide	○	○		○	Director, Member of the Nomination Committee, Member of the Compensation Committee	○	○			○	○		○
Tatsuro Kosaka	○	●		○	Director, Chairman of the Nomination Committee, Member of the Compensation Committee	○	○			○	○	○	○
Hiroyuki Yanagi	○	○	●		Director, Chairman of the Audit Committee, Member of the Nomination Committee	○	○			○	○	○	○
Masako Egawa	○	○		○	Director, Member of the Nomination Committee, Member of the Compensation Committee	○	○	○			○		○
Haruka Matsuyama	○		○		Director, Member of the Audit Committee		○		○				
Kei Uruma		○			Director, Member of the Nomination Committee, President & CEO	○	○			○	○	○	○
Tadashi Kawagoishi			○		Director, Member of the Audit Committee	○	○	○					○
Kuniaki Masuda				○	Director, Member of the Compensation Committee, Executive Officer, CFO (in charge of Accounting and Finance)	○	○	○		○			○
Jun Nagasawa			○		Director, Member of the Audit Committee	○	○		○				○
Satoshi Takeda					Director, Executive Officer, in charge of Auditing, CSO (in charge of Corporate Strategic Planning, IR and SR, Operations of Associated Companies, Three Key Reforms and Sustainability)	○	○				○		○

*The Board of Directors is composed of twelve members (seven of whom are independent outside directors, three of whom are female directors). *● indicates the Chairperson.

Reference: Skill items required for Director

Skill item	Reason for selection of the skill item	Skill item	Reason for selection of the skill item
Corporate management and corporate strategies	The Group needs Directors with abundant management experience and achievements in corporate management at companies as well as experience, knowledges and skills for formulating a sustainable growth strategy, in order to sustainably increase corporate value amid a drastic change in the business environment surrounding the Group.	ESG	The Group needs Directors with experience, knowledge, and skills concerning ESG in order to realize “addressing social challenges through our businesses", positioning the realization of sustainability as the core of management, as well as to fulfill responsibilities to stakeholders including society, customers, shareholders, and employees.
Finance and accounting	The Group needs Directors with experience, knowledge, and skills concerning finance and accounting for building a strong financial base and realizing appropriate returns to shareholders as well as maintaining the discipline and governance of finance and accounting.	Legal affairs and compliance	The Group needs Directors with experience, knowledge, and skills concerning these items in order to globally develop the business, while thoroughly ensuring the legal and ethical compliance that forms the fundamentals of corporate activities.
Human resources and human resources development	The Group needs Directors with experience, knowledge, and skills concerning these items in order to promote human capital management, positioning human resource strategies as one of the important policies of business strategies.	Global affairs	The Group needs Directors with management experience from a global perspective and specialized knowledge and experience concerning international affairs in order to further grow in the global market.
Engineering, DX and R&D	The Group needs Directors with specialized knowledge and experience concerning engineering, DX and R&D in order to advance its "integrated solutions,” strengthening core components, field knowledge, and advanced digital technologies that are the Group’s advantages, as well as to promote open innovation and R&D strategies toward future growth.	Business development and investment	The Group needs Directors with experience, knowledge, and skills concerning these items as the implementation of growth strategies including promotion of business portfolio strategies, development of new businesses, and M&As is necessary for transforming itself into a “Circular Digital-Engineering” company and increasing corporate value in a sustainable way.

Board of Directors

Because the Board of Directors is dedicated to supervising management, the Board is able to fully discuss critical decisions that form the foundation of management, such as the Group's basic management policies (Purpose, Our Values, Commitment, Management Policy, and Corporate Strategy) and the Group's key agenda items set by the Board. From July 2023 to June 2024, the key agenda items includes medium- to long-term management strategy, sustainability management, human resources strategy, DX, three key reforms, etc. The Board of Directors sufficiently discuss based on reports on the status of execution, and monitors as needed whether initiatives are being addressed in line with the basic policies and Corporate Strategy, and strives to improve corporate value sustainably over the medium- to long-term. The Board also strive to support swift and decisive decision-making and to appropriately evaluate business execution so that executive officers are encouraged to take appropriate risks.

Activities of the Board of Directors (Fiscal 2023)

In fiscal 2023, the Company held Board of Directors meetings thirteen times (three special meetings). Each meeting took about three hours. The main content of each discussion is as follows. In addition to the regular meetings, other meetings are held to exchange opinions among outside directors and with employees.

Agenda	Discussion content	Time Allocated
Key agenda items	In order to promote the medium- to long-term sustainable improvement of the corporate value of the Mitsubishi Electric Group, we established and discussed "key agenda items" for the Group (medium- to long-term management plan, organizational culture reform, sustainability initiatives, and human capital strategy from July 2022 to June 2023). The "Three Key Reforms Monitoring Committee," established under the Board of Directors continuously supervised the progress and effectiveness of the three key reforms (quality assurance, organizational culture, and governance), which were aimed at restoring trust in the Company in response to a series of improper quality control practices that had been identified since June 2021.	Approx. 34%
Statutory resolution items	Matters required by the Companies Act, including basic policies of management, matters necessary for the execution of duties by the Audit Committee, the establishment of systems necessary to ensure the legality of duties executed by the Executive Officers and the properness of other corporate operations, the business report and its supplementary schedules, the financial statements and their supplementary schedule, the consolidated financial statements, dividends of surplus, convocation of the General Meeting of Shareholders and appointment of Executive Officers	Approx. 7%
Execution status report	Received reports from Executive Officers on the progress and results of business operations etc., and held sufficient discussions	Approx. 31%
Other	Financial results, schedule of Board of Directors' meetings, evaluation of effectiveness of the Board of Directors, reports on status of holding cross-shareholdings, reports on interviews with investors, etc.	Approx. 28%

Information Gathering by the Directors

Mitsubishi Electric establishes the bureaus for the Board of Directors and the three statutory committees responsible for communication and coordination with the Directors including independent outside directors and Executive Officers (management).
The Directors will request information necessary to supervise management from the bureaus and related departments, and the bureaus and departments in charge will provide such information in a timely and appropriate manner.
The independent outside directors will actively seek a wide range of necessary information, nor only from the Executive Officers and the bureaus, but also through direct dialogue with other employees.

The Board of Directors will conduct regular reviews to ensure that information if provided appropriately, giving particular attention to the opinions of independent outside directors.

Evaluation of Effectiveness of the Board of Directors

In order to continue the evaluation of the effectiveness of the Board of Directors' composition and operations and pursue sustainable improvements in the monitoring board functions, the Board of Directors conducts an annual third-party evaluation of the effectiveness of the Board of Directors, and discusses the issues identified and initiatives for improvement. The Company requested Board Advisors, Inc., a third-party organization, to assess the effectiveness of the Board of Directors of the Company from July to September 2022. The assessment results have been delivered to the Company, along with suggestions for how to address issues that need to be improved.

Based on these results of evaluations and suggestions, the Board of Directors will improve its operations, including setting more appropriate key agenda items and further strengthen its management monitoring functions based on external perspectives.

Assessment methods/processes by the third-party organization

Assessment methods	(a) Review the minutes of the Board of Directors meetings and other documents (b) Survey of all Directors* (c) Interviews with all Directors (d) Evaluation based on the expertise of the third-party organization
Target items of assessment	(a) Overall assessment (b) Composition of the Board of Directors (c) Support system of the Board of Directors (d) Agenda for Meetings of the Board of Directors (e) Status of Deliberations at Meetings of the Board of Directors (f) Contribution of Directors (g) Activities of the three statutory committees (h) Monitoring system of the Executives

※Excluding two newly appointed independent outside directors

FY 2023 Summary of the assessment results on the Board of Directors' effectiveness

Efforts have been made to address the issues identified by the examination of the effectiveness of the Board of Directors in fiscal 2022, and the following improvements in the effectiveness of the Board of Directors have been achieved.

Issues identified by the examination of the effectiveness of the Board of Directors in fiscal 2022	The following improvements in the effectiveness of the Board of Directors have been achieved: "The supervisory functions of the Board of Directors have been strengthened by having a majority of the Board composed of independent outside directors" "The composition of the Board of Directors has been improved through the appointment of two new outside directors with management experience in the manufacturing industry" "Discussions at the Board of Directors have been elevated by setting relevant agendas and facilitating the Board's proceedings under the new chairperson" "The operation of the Board of Directors has shown some improvements through the advance delivery of materials, the provision of information, etc."
Issues expected to be addressed	The following four issues are expected to be addressed in order to further improve the effectiveness of the Board of Directors: "Enhanced monitoring" "Elevating discussions at the Board of Directors meetings with relevant agendas" "Further strengthening the functions of the Board of Directors Secretariat" "Strengthening the functions of the Nomination Committee"

Nomination Committee

The Nomination Committee has authority over the appointment and dismissal of Directors and the decision on proposals regarding the appointment and dismissal of the President & CEO to be submitted to the Board of Directors. The Committee is also responsible for leading the succession planning of independent outside directors, discussing the personnel requirements for the President & CEO and the content and operational status of succession planning (the appointment and training of candidates), and reporting back to the Board of Directors.

Under this authority and role, the Nomination Committee recognizes the value of diverse perspectives, such as gender, internationality, work experience, and age, in fostering business development. As such, the Committee has established criteria for selecting Directors that prioritize a balanced mix of knowledge, experience, and abilities for the Board as a whole. Candidates are carefully chosen in accordance with these criteria.

Proposals regarding the appointment of the candidates for Directors and dismissal of Directors submitted to the General Meeting of Shareholders are comprehensively judged and decided by the Nomination Committee, and the appointment and dismissal of the Executive Officer by the Board of Directors.

The Nomination Committee is chaired by independent outside directors, and a majority of the members are also independent outside directors to ensure sufficient independence and objectivity.

Activities of Nomination Committee (FY2023)

Based on the objectives and authority of the Companies Act, the Nomination Committee determined the candidates for Directors to be submitted to the Genera Meeting of Shareholders.

In addition, in order to ensure objectivity and transparency in the selection and dismissal of the President and CEO, the committee also has the authority on decisions regarding proposals to be submitted to the Board of Directors regarding the selection and dismissal of the President and CEO. The committee also led the succession of Independent Outside Directors, discussed personnel requirements for the President and CEO and the contents and status of operation of succession planning (appointment and training of successor candidates), and submitted its recommendations to the Board of Directors.

The Company held nine Nomination Committee meetings during the fiscal 2023. Each meeting took about 40 minutes.

Audit Committee

The Audit Committee is chaired by an independent outside director and the full-time internal audit committee members also assist the Audit Committee's ability to collect information.

The Audit Committee members recognize that they owe fiduciary duty to shareholders, which include contributing to sustainable growth and enhancing corporate value.

To achieve this, the Committee will not limit itself to conducting defensive audits, such as operational and accounting audits. Rather, for enhanced information sharing, it will also attend important meetings such as Executive Officers' Meetings and Corporate Compliance Committee Meetings, hold meetings with senior management as appropriate, and assess the management policy and the progress of business execution in each division and base. This will help investigate any potential management issues and risks from the perspectives of legality, appropriateness, and efficiency.

When conducting such investigations, the Audit Committee will properly confirm the development and operation status of the internal control system and provide its opinions, in collaboration with the internal auditors for internal audits and the external accounting auditors for external audits.

The Audit Committee is chaired by independent outside directors, and a majority of the members are also independent outside directors to ensure sufficient independence and objectivity.

Activities of Audit Committee (FY2023)

The Audit Committee members, mainly those responsible for investigation (full-time Audit Committee members), attended Executive Officers' meetings and other such important conferences, and conducted investigations such as interviews with Executive Officers and the executive staff of the Company's offices and subsidiaries in accordance with the policies and assignments agreed upon the Committee.

Divisions in charge of internal control, including the Corporate Auditing Div., submitted internal audit reports to the Audit Committee members, who hold meetings such as those to discuss internal audit policies and periodic report meetings to exchange opinions. Outside Audit Committee members visited our offices, affiliates, and other locations with the members responsible for investigation as needed and offered their opinions based on their expert knowledge at the Audit Committee meeting and other occasions.

In addition, the Audit Committee members discussed policies and methods of auditing with accounting auditors, who furnished them with reports on the status and results of the audits of the Company that they themselves conducted, and exchanged opinions with them.

The Company held fifteen Audit Committee meetings during the fiscal 2023. Each meeting took about two hours.

Compensation Committee

The Compensation Committee has the authority to determine the policies for determining compensation for Directors, Executive Officers, etc.; the details of compensation for individual Directors and Executive Officers; and the Company-wide performance evaluations and individual assessment of compensation, etc., related to the incentive compensation of Executive Officers.

Under this authority and role, the Compensation Committee deliberates on matters relating to compensation, giving due consideration to the diversity and skills perspective. In addition, the compensation system for Executive Officers was reviewed in fiscal 2023, and discussions is held on how to ensure that the system is fully operational.

The compensation scheme for Directors and the compensation scheme for the Executive Officers are set differently, corresponding to the contents and responsibilities of each duty and position. The compensation is determined based on the basic policies set by the Compensation Committee. Please refer to "Compensation for Directors and Executive Officers" for the details.

The Compensation Committee is chaired by independent outside directors, and a majority of the members are also independent outside directors to ensure sufficient independence and objectivity.

Compensation for Directors and Executive Officers

Activities of Compensation Committee (FY2023)

The Compensation Committee executed its duties based on the objectives and authority stipulated under the Companies Act. Specifically, the Committee discussed and decided on the policy regarding the determination of compensation for Directors and Executive Officers, the details of individual compensation for Directors and Executive Officers, performance evaluation regarding incentive compensation for Executive Officers, and compensation for each individual.

In addition, the Compensation Committee, at its meeting held in May 2022, decided to revise the compensation system for the Company's Executive Officers and to apply this system from fiscal 2023. Please refer to the Annual Securities Report for the details concerning the said system.

The Company held eleven Compensation Committee meetings during the fiscal 2023. Each meeting took about one hour.

Criteria for Election to Board of Directors

Mitsubishi Electric recognizes the importance of ensuring the Board of Directors is competent in various areas of corporate management and corporate strategies, ESG, finance and accounting, legal affairs and compliance, human resources and human resources development, global affairs, engineering, DX and R&D, and business development and investment. Therefore, the Company has identified these as skills that should be possessed by the Board of Directors.

The outside directors, in particular, are chosen after consideration to ensure a well-balanced Board composition. For instance, the Board includes individuals with extensive experience in corporate management and in-depth knowledge of international affairs, lawyers with expertise in compliance and other internal controls, as well as certified public accountants and tax accountants with extensive expertise in accounting and tax practices.

The specific skills possessed by individual Directors are disclosed through a skills matrix that describes the capabilities that the Board of Directors as a whole should possess and the status of securing such capabilities.

Independency Guideline for Outside Directors

Mitsubishi Electric has specified the independence standards for outside directors.

The outside directors are expected to supervise management from a high-level perspective based on their abundant experience. Those who are comprehensively judged to possess the character, acumen, and business and professional experience suited to fulfill that role, and who satisfy the requirements of independent executives specified by the Tokyo Stock Exchange and the requirements specified in Mitsubishi Electric's Independency Guideline for Outside Directors and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the Company, are nominated as the outside director candidates by the Nomination Committee.

In the Independency Guideline for Outside Directors defined by the Company, the independence of candidates is more strictly judged by setting specific numerical criteria, such as the amount of transactions, etc., as well as by the standard of the Financial Instruments Exchange.

Mitsubishi Electric Corporation Independency Guideline for Outside Directors

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

Each of the following (a), (b), (d), and (e) includes a case in any fiscal year during the past three fiscal years.

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

Training for Directors and Executive Officers

Mitsubishi Electric recognizes the importance of Directors and Executive Officers having a thorough understanding of the business characteristics, finances, and organizational structure of each of our businesses, as well as the general roles and responsibilities expected of corporate officers, and being able to supervise, advise, and make business decisions from a company-wide perspective.

Based on this recognition, training is provided on the new roles, responsibilities, and actions, etc., expected of Directors and Executive Officers prior to their taking office. To continue to fulfill their roles and responsibilities as Directors and Executive Officers after their appointment, the Company provides compliance education and updated training materials for them. The Company also provides the Directors and Executive Officers with sufficient information about the characteristics and latest status of Business Areas and Business Groups to promote understanding as well as opportunities to gain an understanding of the business and listen to the voices of on-site managers and employees by visiting Works.

Succession Planning/Training of Successor Candidates

The Nomination Committee deliberates on the contents regarding the personnel requirements of the President & CEO and succession planning (appointment and training of successor candidates) based on proposals drafted by the President & CEO, monitors the status of appointment and training of successor candidates, and reports to the Board of Directors.

The personnel requirements for the President & CEO are positioned as criteria for training of successor candidates, and the Committee is promoting the succession plan under the monitoring of the Nomination Committee so that successor candidates meet these criteria.

The Nomination Committee and the Board of Directors supervise the systematic training of successor candidates by sufficiently deliberating on these matters.

Compensation for Directors and Executive Officers

Process for Determining Compensation

In order to ensure the independence of judgment and enhance the effectiveness of the roles and authority of the Compensation Committee, the Committee gathers information and receives advice from compensation consultants of an external professional organization with abundant global experience and knowledge. The Committee deliberates and makes decisions about the policies for determining compensation for Directors, Executive Officers, etc. based on such information, giving due consideration to the surrounding environment and general trends in managerial compensation.

Policy on Determining Compensation Amounts

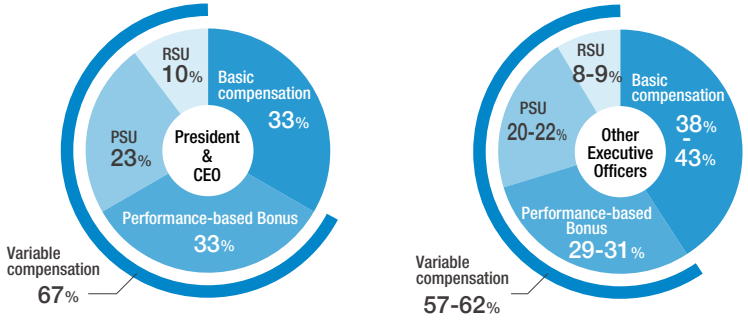
Mitsubishi Electric segregates the supervisory function and the execution function of management. The supervisory function of management is assigned to the Directors and the Board of Directors and the execution function of management is assigned to the Executive Officers. The compensation scheme for the Directors and the compensation scheme for the Executive Officers are set differently, corresponding to the contents and responsibilities of each duty and position.

	Directors	Executive Officers
Basic Policy	・The compensation scheme should encourage the Directors to demonstrate their supervisory function of management. ・The compensation should be the amount necessary to secure suitable talent to fulfill responsibilities of the Company's Directors.	・The compensation scheme should observe the Purpose of the Group, and be fully accountable to all stakeholders including society, customers, shareholders, and employees. ・The compensation scheme should encourage the execution of duties in line with management strategies and provide strong incentives to achieve management goals. ・The compensation scheme should function as an incentive for sustained performance growth and the improvement of corporate value. ・The compensation scheme should reflect a fair and impartial evaluation of the achievements and contributions toward their respective roles and responsibilities.
The System for Determining Compensation	The compensation scheme for Directors consists exclusively of basic compensation (fixed compensation), in light of the Directors' role to provide advice and supervise management from an objective and independent perspective.	The compensation scheme for Executive Officers consists of basic compensation, performance-based bonus, performance-based stock compensation and restricted stock unit, with an emphasis on the improvement of medium-term corporate value and shareholder value.
Compensation Levels	The compensation levels and compensation ratios of Directors and Executive Officers are set each year according to their roles and responsibilities based on a comparison with market compensation levels using compensation survey data of external professional organizations. When comparing with market compensation levels, major domestic manufacturers similar to the Company in terms of scale, type of business, global expansion, etc., are selected as the compensation benchmark group.	

* Please refer to Annual Securities Report for the details.

Annual Securities Report

Composition of standard compensation for fiscal 2023



* PSU: Acronym for Performance Share Unit
* RSU: Acronym for Restricted Stock Unit
* The ratio of "Basic compensation: Performance-based bonus: Stock compensation (PSU + RSU)" is "1: 1: 1" for the President & CEO, and within the range of "1: (0.67 to 0.8): (0.67 to 0.8)" for the other Executive Officers. The ratio has been set so that the higher the position of the Executive Officer, the greater the ratio of variable compensation. The weight of short-term and medium- to long-term are considered to be the same, and the ratios of performance-based bonus and stock compensation have been equally set.

Stock Ownership Guidelines

Mitsubishi Electric believes it is important to ensure that our Executive Officers share the same value with our shareholders on a long-term and sustainable basis. To this end, the Company requires its Executive Officers to continuously hold its stock during their term of office, even after the target amount has been reached.

Malus and Clawback Provisions

According to"Malus and Clawback Provisions", in the event of any material misconduct or violation by an Executive Officer, or in the event of any material revision to the financial results of prior fiscal years, the Compensation Committee may, by resolution, demand that such Executive Officer forfeit their right to receive incentive compensation (malus) or return their paid compensation (clawback). The compensation that may be subject to those provisions is performance-based bonuses to be paid or already paid, points granted before the delivery of shares and shares before the lifting of transfer restrictions, and some or all of the shares already delivered.

Sustainability initiatives reflected in compensation for Directors, Executive Officers, etc.

The promotion of sustainability initiatives is one of the indicators of compensation for Executive Officers, and is reflected in incentive compensation for achievement of performance indicators in non-financial items such as sustainability and ESG areas.

Internal Audit

An internal audit is intended to contribute to the sound management and strengthened management structure of Mitsubishi Electric and its affiliates in Japan and overseas by improving management efficiency, strengthening risk management, thoroughly observing the code of corporate ethics and ensuring compliance, and enhancing internal control.

With approximately 60 members acting independently in Japan and overseas, the Corporate Auditing Div. conducts internal audits of the Company from a fair and impartial standpoint. In addition, the division's activities are supported by auditors with extensive knowledge of their particular fields, assigned from relevant business units.

Relationship with the divisions in charge of internal control

Mitsubishi Electric's Corporate Management Divisions and Corporate Staff Groups, such as the Corporate Strategic Planning Div., the Corporate Accounting Div., the Corporate Legal & Compliance Div., and the Corporate Export Control Div. inspect the establishment and operation of the internal control system and regulations, etc. under their scope of responsibility for internal control. In addition, each Business Area or Business Group has its own compliance department, which reliably spreads company-wide compliance policies and inspects the compliance status in each Business Area or Business Group.

The Corporate Auditing Div. internally audits the operation and other aspects of the internal control system, evaluates the internal control related to the establishment of internal whistle-blower system and financial review, and mutually exchanges necessary information with each division in charge of internal control.

Mutual relationship among internal audit, the audit by the Audit Committee, and accounting audit

The Corporate Auditing Div. reports the internal audit policies and internal audit results to the Audit Committee and exchanges opinions with the Audit Committee members on a regular basis.

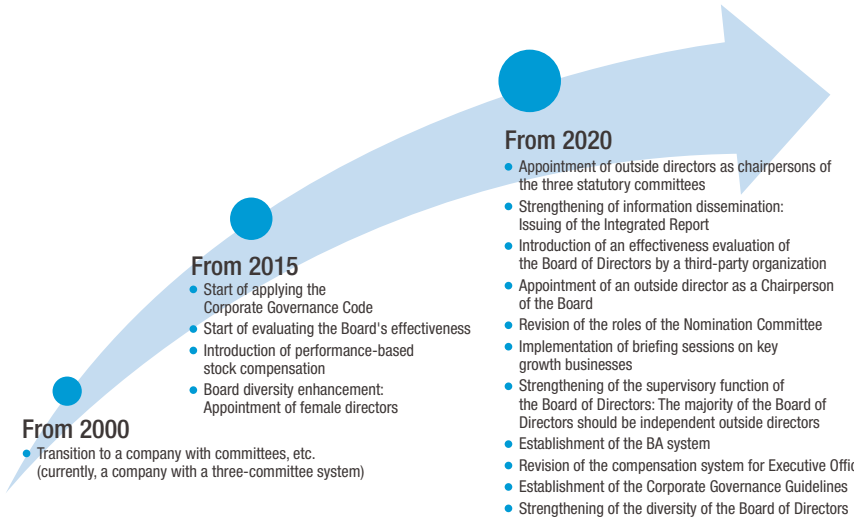
The Corporate Auditing Div. also reports internal audit results to the accounting auditors and continuously works with them, discussing the evaluation of the internal control related to financial review as needed.

Activities to ensure the effectiveness of internal audits

The Corporate Auditing Div. prepares and sends an audit report to the head of the audited department after the internal audit is conducted, and instructs the head of the audited department to formulate improvement measures as necessary. In order to ensure the effectiveness of internal audits, the Corporate Auditing Div. confirms the improvement measures developed by the audited department through the written responses submitted by the audited department, and conducts follow-up audits and evaluations to confirm the implementation progress as necessary.

In addition, the Corporate Auditing Div. prepares a report summarizing the internal audit for the first and second half of the year as a regular report, and report it, via the Executive Officers in charge, to the Audit Committee, and the President & CEO twice a year.

Initiatives to date to strengthen corporate governance



Mitsubishi Electric Corporation Corporate Governance Guidelines
Mitsubishi Electric Corporation Initiatives to Comply with the Corporate Governance Code
Corporate Governance Report

Compliance

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

Dear colleagues, Our Values that are shared equally by all members of Mitsubishi Electric Group declare that "we act with high ethical standards and comply with laws and social norms.

" Based on these Values, we must fully recognize as our responsibility that adherence to ethics and compliance forms the basis for the company to remain in business, and we must never engage in conduct that violates ethics and compliance and always act with integrity. In recent years, however, Mitsubishi Electric Group has been faced with a series of quality-related misconduct and other situations that could cause us to lose the trust of our stakeholders that we have built up over the years. Each member of the top management team, including myself, must take this misconduct seriously.

In order for Mitsubishi Electric Group to remain capable of sustainable growth, we must work to foster a corporate culture that compels us to always "do the right thing" with strong determination and enthusiasm to make continuous changes for the better. If your workplace still has the mindset or culture that prioritizes profit and efficiency over compliance, please work to change it immediately.

In the course of your daily work, if you have doubts or discomforts about your own actions or the practices of your department or workplace, please promptly consult with your manager or the department in charge of compliance. In addition, those of you in managerial and supervisory positions must foster a workplace culture in which subordinates can consult with you without hesitation and take serious action to correct problems when you are consulted.

Mitsubishi Electric Group has a history of over a century. For the sake of our next 100 years of contributing to the realization of a vibrant and sustainable society, let us work together, with the flames of change always burning in each of our hearts, to create a new Mitsubishi Electric Group that is overflowing with pride and a strong sense of ethics.



Kei Uruma
President & CEO

Compliance Motto – "Always Act with Integrity"

Always Act with Integrity
いかなるときも「誠実さ」を貫く

The Mitsubishi Electric Group established a compliance motto "Always Act with Integrity" for all Mitsubishi Electric Company's officers and employees on June 1, 2021. "Integrity" means the strong will and attitude to persist in doing the right thing and having character traits such as "being fair," "being honest," "being sincere," "taking responsibility for one's behavior" and "respecting others."

At the same time of the establishment of the compliance motto, we established "Questions to test for Integrity" as a hint for officers of employees to ask themselves whether their action or decision is right if they are at a loss as to whether their action or decision is right.

Questions to test for Integrity

1	Is your action or decision in line with laws and regulations, internal rules, contractual terms or this Code of Conduct?
2	Can you tell your family and friends about your action or decision without feeling ashamed?
3	Will you be proud of your action or decision if it is reported in the mass media or social media?
4	Does your action or decision give priority to compliance over other considerations, e.g., profit, efficiency, etc.?
5	Can you rationally and honestly defend your action or decision without having to give excuses such as, "It is just a small thing, there will be no problem"; "It will not be found out "; "I need to do this for the company"; "It has been done this way for a long time"; "My senior colleague also did that" or "I was instructed by my superior"?
6	Do you first assess if your superior's instructions are right in light of this Code of Conduct before acting upon the instructions?

Mitsubishi Electric Group Code of Conduct

Mitsubishi Electric Group Code of Conduct is a uniform code of conduct in which laws and regulations and social norms to be complied with and respected by each officer and employee of Mitsubishi Electric Group in executing company business and performing their duties are put together and summarized, and is intended to serve as guidelines for our day-to-day conduct. This Code of Conduct was first established in 1990, and became what they are now through multiple revisions based on revisions of relevant laws and regulations, changes to people's perceptions of social norms and other relevant factors. The version presented here is the most recent revision, published in March 2023.

In addition to the Japanese language, the Code of Conduct is published in English, Chinese, and Thai, etc. and offers identical content for each country and region in which we operate, presenting norms to which every Mitsubishi Electric Group officer and employee should conform.

Mitsubishi Electric Group Code of Conduct



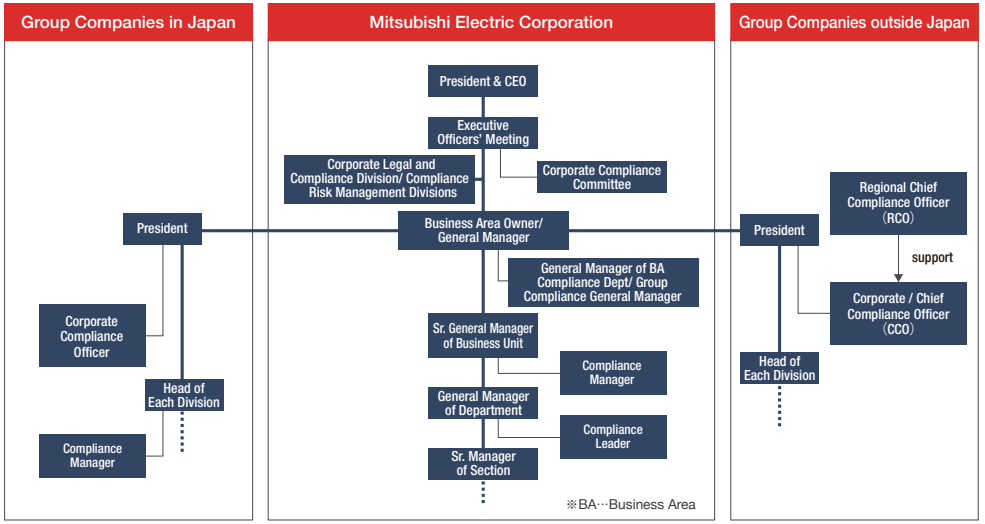
Mitsubishi Electric Group Code of Conduct

- Japanese version
- English version
- Chinese (Simplified) version
- Chinese (Traditional) version
- Thai version
- Other languages

Mitsubishi Electric Group Compliance Promotion Structure

The Mitsubishi Electric Group's compliance promotion structure is based on the recognition that the promotion of compliance is inseparably linked with business promotion. Based on this structure, the President and CEO of Mitsubishi Electric Corporation is the chief compliance promotion officer, and each Mitsubishi Electric business division as well as each affiliate in Japan and overseas proactively promotes compliance.

The Corporate Compliance Committee has been established as a company-wide organization in order to formulate overall compliance policies for the Mitsubishi Electric Group, to develop measures to maintain and strengthen the systems necessary to promote compliance, and to share information.



Mitsubishi Electric Group compliance promotion structure



Meeting of compliance managers in the Europe region



Meeting of compliance managers in the Korea region

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

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

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



Poster



Portable Card



Mitsubishi Electric Group Code of Conduct

Compliance Education by Diverse Means

The Mitsubishi Electric Group works to ensure that employees are aware of the Group's concept of compliance and of the laws that are essential to the conduct of our business activities, using a variety of tools including workshops, e-learning programs, and the distribution of manuals. 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. Officers and employees in all countries in which we operate take part in an educational program concerning the major relevant laws and the Group's concept of compliance, through e-learning programs, group lessons, distance learning or other such methods. The rate of participation in e-learning on compliance at Mitsubishi Electric in fiscal 2023 was 100%. In fiscal 2023, though workshops faced various restrictions due to the influence of COVID-19, we aggressively conducted online workshops.

Education covering major laws and regulations, as well as the Group's concept of compliance workshops related to compliance

Basic Initiatives against Compliance Risks

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

The Mitsubishi Electric Group deeply regrets its experience of having received an administrative penalty for violating anti-trust laws in Japan and overseas. Out of this regret, we uphold antitrust laws as one of the most important laws that we must abide by, and make ongoing Group-wide initiatives to both prevent any recurrence of such incidents and prevent previous incidents from being forgotten.

In addition to formulating and operating internal regulations that govern 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. In Japan, in addition to providing e-learning to directors, officers, and employees of Mitsubishi Electric and domestic affiliated companies, we have continued to conduct practical training that reflects the characteristics of each business since fiscal 2014. Additionally, we provide education on antitrust laws that focus on regional characteristics overseas in the combined form of e-learning programs and face-to-face education.

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

Compliance e-learning programs

Corruption Prevention (Preventing Bribery)

We 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. We also work to prevent the occurrence of partners offering bribes by conducting pre-screenings to check for the risk of bribery before entering into new transactions with partners, including agencies, consultants, agents, and distributors, as well as by prescribing a strict antibribery provision in any agreements to be concluded. In addition, we provide training to directors, officers and employees of Mitsubishi Electric and its affiliates in Japan who regularly interact with public officials in the combined form of e-learning programs and face-to-face training. We also provide training to prevent bribery in our overseas offices in the combined form of e-learning programs and face-to-face training according to the characteristics of the respective region.

We will continue to enhance measures in each region, and take effective and efficient measures by selecting countries and transactions with particularly high risks of being involved in bribery, to respond to the expansion of our business at a global level. Note that there were no incidents where a fine, penalty, etc. relating to bribery was imposed.

English version　Chinese version

Compliance e-learning programs

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 Purpose 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 2023, in Japan we provided e-learning courses and held online workshops for working-level personnel. For overseas affiliated companies, we have e-learning materials for the implementation of training programs in each company in major languages in Europe, America and Asia.

Compliance e-learning programs

Disassociation with Anti-social Groups

The Mitsubishi Electric Group clearly sets forth in the following three provisions in the Mitsubishi Electric Group Code of Conduct and implements them.

1. We will not have any relationship with nor will we conduct business with any anti-social forces (including crime syndicates, terrorists, drug dealers). If any demand is made by antisocial forces, we refuse such demand.

2. We comply with applicable anti-money laundering, anti-corruption and anti-social forces laws and regulations. Furthermore, in Japan, it is recommended to include an article on the "elimination of crime syndicates and other anti-social groups" in transaction contracts and an officer for preventing unreasonable demands, as stipulated in the 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.

Compliance Audits / Ethics and Legal Compliance Hotlines

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.



Poster for internal dissemination of information on the hotline

The detailed functions of these "ethics and legal compliance hotlines" are provided in Mitsubishi Electric Group Code of Conduct Handbook disseminated to all employees. These detailed functions also appear on posters displayed in each workplace (each department and operating base), on the handheld cards containing the contact information of internal and external contact points that are distributed to all employees, and on the Group 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.

Tax Initiatives

Basic Policy on Tax

Based on the concept of fulfilling our social responsibility through the proper payment of taxes, the Mitsubishi Electric Group has established the “Mitsubishi Electric Group Global Tax Policy” and is working to ensure tax compliance.

Tax Governance Framework

Based on a recognition that tax compliance is inseparably linked with business promotion, the Mitsubishi Electric Group's tax governance framework ensures tax compliance by having each group company implement risk management under the direction and supervision of the Chief Financial Officer (CFO)*.

The CFO reports tax matters at Executive Officer meetings and on other occasions as necessary in consideration of their importance.

* Some taxes, including customs duties and personal income taxes, are the responsibility of the division in charge of complying with the respective laws and regulations.

Tax Policy

The Mitsubishi Electric Group has established the basic policy on tax that each group company shall adhere to in its domestic and international business activities.

<Mitsubishi Electric Group Global Tax Policy>

- **Our principles**

  The Mitsubishi Electric Group has positioned sustainability as a pillar of its corporate management, based on its "Purpose" and "Our Values."

  Furthermore, the Mitsubishi Electric Group recognizes the importance of ethics and absolute compliance with legal requirements as a fundamental precondition for the Group's continued existence.

  Aligning with these principles and the "Mitsubishi Electric Group Code of Conduct," the Mitsubishi Electric Group is committed to complying with tax laws and regulations, and pays the correct amount of tax.

- **Our attitude towards tax planning**

  The Mitsubishi Electric Group complies with tax laws and regulations of the countries and regions in which we conduct business, including without limitation treaties applicable to them. We also respect guidelines such as, but not limited to OECD guidelines, and conduct transactions between group companies on an arm’s length principle.

  The Mitsubishi Electric Group may seek to apply the tax incentives and exemptions available in the countries and regions in which we conduct business, however, we do not engage in any artificial tax arrangements which are not in line with "Our principles."

- **Tax risk management**

  The Mitsubishi Electric Group believes that tax compliance is inseparably linked with business promotion. Therefore, each group company shall thoroughly ensure tax risk management in carrying out their business operations.

  The Mitsubishi Electric Group has put in place a framework for tax governance to ensure that tax management at the group level is properly implemented, and each group company maintains an organizational structure and processes in place to ensure that all applicable tax rules are respected and taxes are paid in accordance with those rules.

  Where material uncertainty exists, the Mitsubishi Electric Group may proactively seek the advice of external experts as appropriate. Also, if available, we may consider to seek predictability from tax authorities by obtaining an interpretation/clarification of the application of tax laws and regulations through prior consultation.

  In the event a disagreement with the tax authority arises on the appropriate tax treatment of a case and it cannot be resolved between both parties, the Mitsubishi Electric Group will resolve the issue constructively through an appropriate method.

- **Relationship with tax authorities**

  The Mitsubishi Electric Group adopts a collaborative and constructive relationship at all times with tax authorities. We make accurate and timely declarations and respond to queries and information requests from tax authorities in a sincere and timely manner.

Tax Compliance Initiatives

In accordance with its tax governance framework, the Mitsubishi Electric Group is strengthening risk management by grasping the statuses of tax investigations by the tax authorities of each country and tax disputes, and other matters.

With regard to the transfer pricing regulation, as an important issue for our business operations, we are working to strengthen transfer pricing management based on the OECD Transfer Pricing Guidelines as well as the transfer pricing regulations of each country and region.

Risk Management

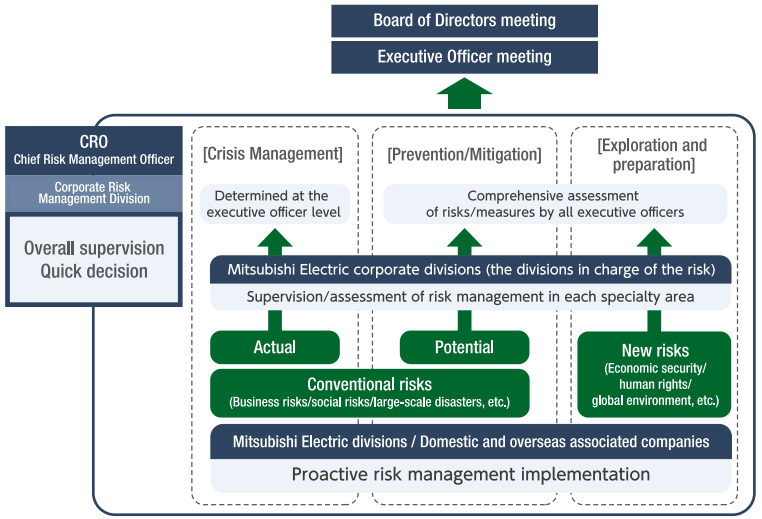
Basic Policy

With overseas revenue accounting for over 50%, the Mitsubishi Electric Group aims to transform into a “Circular Digital-Engineering Company” in a wide range of business areas. We also take the various compliance incidents that came to light seriously and have been working to improve our internal control system and others. To fulfil its responsibility to all stakeholders beginning with society, customers, shareholders, and employees, and to realize sustainability, the Group appropriately manages risks associated with the conduct of its business while strengthening its internal control system with an emphasis on prevention. Specifically, the framework incorporates risk management into business activities whereby risks are managed according to the size and characteristics of each business. Significant risks common to the entire Group are managed and prioritized according to their impact on the management of the Group as a whole. For new risks, such as human rights, demand for decarbonization, geopolitical risks, and game-changing trends in the future, we will respond in an effective manner through cross organizational and flexible team behavior.

Risk Management Framework

Risk management is implemented independently by each division and by domestic and overseas associated companies. In addition, the Group has built a framework to enable appropriate and quick decision making where Mitsubishi Electric's each corporate division (division in charge of risk management) supervises and assesses each division and domestic and overseas associated companies in their respective specialized areas, and a CRO (Chief Risk Management Officer) and a Corporate Risk Management Division supervise the entire Group.

We will focus on a wide variety of risks according to their degree of impact on the management of the entire Group, and will not only respond to conventional risks such as large-scale disasters and social risks, but also flexibly and strategically investigate and prepare for new risks in areas such as economic security, human rights, and the global environment. In particular, important matters related to management supervision and execution are deliberated upon and decided at the Board of Directors meetings and the Executive Officer meetings.



Risk management framework (Mitsubishi Electric Group)

Disaster Countermeasures

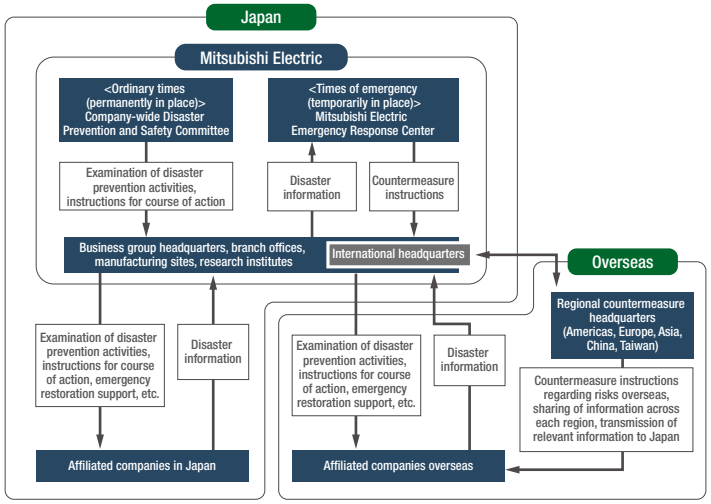
Development of a Response Framework for Large-scale Disasters

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 2023, the Committee rolled out a Group-wide mechanism that enables a system to be developed step by step in order to improve the effectiveness of the BCPs by visualizing the progress of the effort.

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 and urged major affiliated companies in Japan and overseas to formulate a BCP.

Each office and affiliated company in Japan and overseas where the BCP has been established reviews it and upgrades countermeasures every year so that the BCP once developed will not turn into a mere formality.

Business continuity in the supply chain

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

1. **Activities for visualizing the procurement parts supply chain and mitigating procurement risks in addition to procurement**
   To prepare for the risk of supply chain disruptions in the event of an emergency, we implement various measures, such as visualizing the supply chain per procured item and purchasing from multiple suppliers. In addition, we continue to educate and support our suppliers on disaster preparedness by holding BCP seminars for them.

2. **Activities for ensuring a prompt initial response and efficient response tasks in times of emergency**
   We are restructuring our frameworks and systems to accelerate and streamline operations, including centralized management of supply chain information for purchased goods, supplier impact surveys in the event of an emergency, and automation of response tabulation.

Strengthening disaster responses

Each office and 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, Mitsubishi Electric carries out an emergency drill and safety confirmation training that involves the use of a safety confirmation system at each site. For IT continuity, we have two separate data centers in Tokyo and the Kansai region and carry out an annual drill for switching between data centers in the event of an emergency.

We have also instructed 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.



BCP training at a Mitsubishi Electric site in Japan



Disaster prevention drill at a Mitsubishi Electric site in Japan

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 there is a high probability of an outbreak of a new strain of influenza, we provide direction for formulating 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 Security 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 2023, restrictions on overseas business travel were gradually relaxed as the impact of the COVID-19 waned. In particular, the number of overseas business travelers gradually increased after the Ministry of Foreign Affairs significantly eased border control measures in October 2022.

In addition, from the perspective of geopolitical risks, each overseas site prepares a crisis management manual that outlines evacuation procedures and routes in the event of an emergency, and collects relevant risk information from overseas crisis management consultants and other sources on a weekly basis and shares it with relevant personnel.

We also participated in the public-private overseas safety cooperation conference sponsored by the Ministry of Foreign Affairs, and exchanged information and views with other companies and organizations. The results of the conference have been incorporated into the risk management activities of our company and overseas sites.

Economic Security

Against the backdrop of the recent competition for dominance in technology between the U.S. and China, more countries are introducing their unique systems that are beyond the traditional export controls based on international agreements within investment, procurement, development, human resources, network, data management, and so on. As tensions rise in the international community due to the global economic turmoil caused by the COVID-19 pandemic, Russia's invasion of Ukraine, and other events, risk management should go beyond the status quo of individual compliance in order to decipher the background and intent of policies and regulations from a bird's-eye view and the necessary control measures should be implemented accordingly.

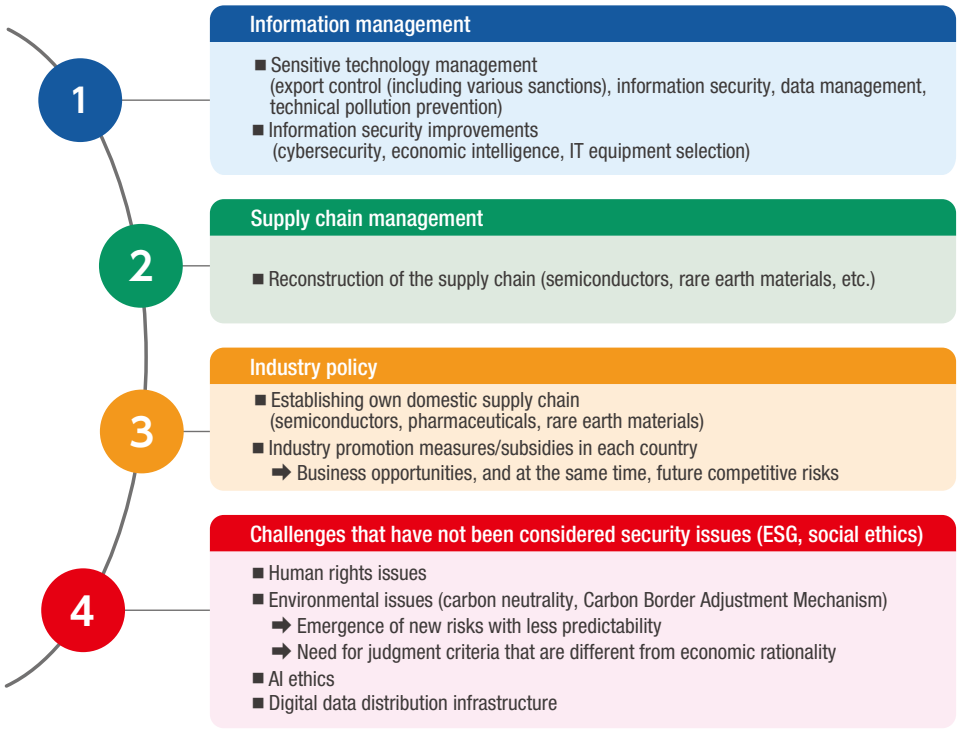
Meanwhile, there is growing concern about forced labor and environmental issues in supply chains. With respect to the former in particular, the U.S. has enacted the Uyghur Forced Labor Prevention Act, and Japan has issued "Guidelines for Respecting Human Rights in Responsible Supply Chains, etc." In these areas, there is a steady shift from soft law norms created by NGOs and NPOs to hard law, and the EU is also preparing the EU Corporate Sustainability Due Diligence Directive (CSDDD). It is important for risk management to properly identify trends and respond to them at as early a stage as possible, including by participating in rulemaking.

In addition, the geopolitical risks that have arisen as a result of Russia's invasion of Ukraine are directly related to supply chain disruptions and the risk of supply disruptions for critical commodities. To ensure business continuity, it is essential to identify vulnerable items and commercial distribution channels as well as to strengthen supply chains through appropriate risk control.

In addition to compliance with individual regulations as we have been thus far, in order to keep up with the dynamic changes in the economic security environment, we have set up the Corporate Economic Security Division directly under the president. This division investigates and analyzes technologies, policy trends and legal systems related to security as well as implements integrated management from a perspective of comprehensive economic security as it relates to company-wide information management, supply chains, industry policies, ESG, and social ethics.

We have also created a groupwide economic security system by setting up the Economic Security Secretariat in each department, the Economic Security Office in affiliated companies in Japan, and the Economic Security Administrator in affiliated companies overseas.

The four aspects of economic security considered by Mitsubishi Electric



Information Security

Basic Policy

In order to prevent the recurrence of a data leak incident caused by unauthorized system access, the Mitsubishi Electric Group will continue to strengthen its information management and utilization systems and other functions, and it will strengthen its security measures for cyberattacks. As a specific target, we will aim to achieve level 2 or higher in the Cybersecurity Maturity Model Certification (CMMC ver. 2).*

Mitsubishi Electric manages information entrusted to the company by its customers and stakeholders and confidential corporate information relating to sales, engineering, intellectual property, and other areas. This management is carried out based on the Declaration of Confidential Corporate Information Security Management established in February 2005. In light of past events, we will once again work to increase awareness of this declaration further within the Mitsubishi Electric Group and strive to protect and manage information even more carefully.

* Framework for Cybersecurity Maturity Model Certification set forth by the U.S. Department of Defense. Level 2 or higher means that excellent security measures and management systems are put in place.

Declaration of Confidential Corporate Information Security Management

Framework and Guidelines

A new "Corporate Information Security Division" was established under the direct control of the president, to oversee all the Group's information security management. Since April 2020, it has integrated three functions that were previously separate: management of confidential corporate information and personal data protection, information system security, and product security. Since April 2021, we have enhanced the structure and add members of Corporate Information Security Division. In addition, we will invest more than ¥50 billion to implement cybersecurity measures and establish sustainable information security management system so that we can achieve Level 2 or higher of the Cybersecurity Maturity Model.

The Executive Officer in charge of Information Security is responsible for the Group's overall information security management. Under this officer's direction, the Corporate Information Security Division is in charge of planning and implementing the Group's information security management structure and rules as well as activities to ensure the security of information systems. The Division is striving to ensure information security by working closely with the Computer Security Incident Response Team (CSIRT) established in each business group and office that utilizes and manages the data and systems.

As other companies suffered cyberattacks that affected their factory productivity, Mitsubishi Electric also formed a section to ensure factory security, thereby bolstering preparedness.

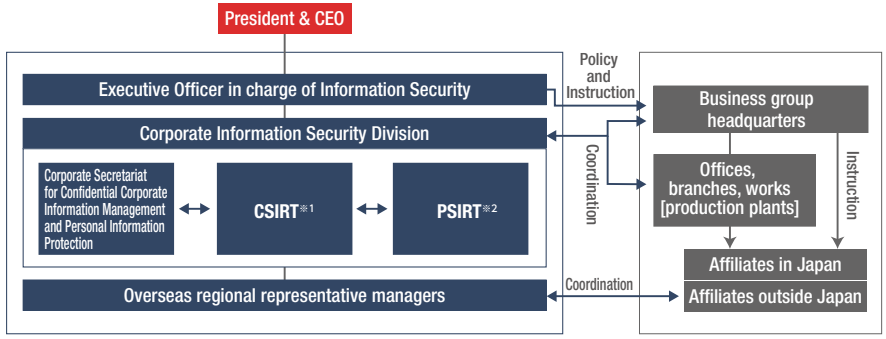
In addition, as part of PSIRT activities*1 to promote product security measures, we were accredited as a CNA*2 in November 2020 and we now assign CVE IDs*3 to vulnerabilities that affect Mitsubishi Electric products and publish them by ourselves. This has strengthened a framework to practice efficient vulnerability handling with external stakeholders. Identified vulnerabilities are reported, instructions are given in keeping with this framework, and appropriate response is 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 Information Security Division will build close cooperative relations with overseas regional representative managers at sites in the Americas, Europe, and Asian countries to ensure information security.

*1 PSIRT is an abbreviation for Product Security Incident Response Team, which works on the security quality of products and services.

*2 CVE Numbering Authority. CVE is an abbreviation for Common Vulnerabilities and Exposures.

*3 Internationally used vulnerability identifiers



Information security organization structure (Mitsubishi Electric Group)

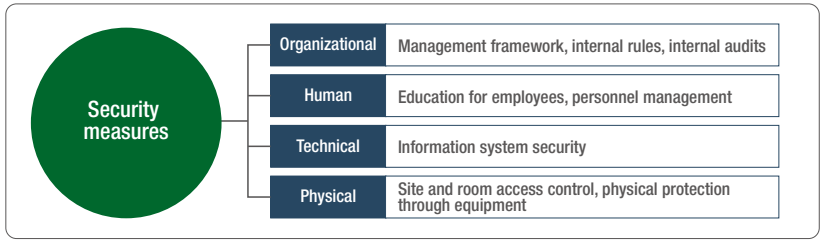
Global Activities

To maintain and improve the information security level of the Mitsubishi Electric Group as a whole, including overseas affiliates, various inspections are conducted under the above information security framework, as prescribed in the Guidelines to Information Security Management Rules for Affiliated Companies.

Information Security Management

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, technical, and physical perspectives, taking the external environment into consideration, including the handling of personal data overseas.



Four security measures

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, which we apply to affiliates as well.

Information Security Regulations and Guidelines

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

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. We review measures based on 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	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 offices 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)	At Mitsubishi Electric, the status of personal information protection is internally audited under the supervision of the Audit Manager for Personal Information Protection, who is appointed by the President & CEO of Mitsubishi Electric. 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 at each company.

Information Security Education

Mitsubishi Electric fosters a corporate culture that enforces the proper handling of confidential corporate information and personal information. We provide education programs to enable employees to ensure the implementation of specific security control measures, such as the server storage and encryption of files according to security levels.

Specifically, information security education is provided to all employees in the form of e-learning to disseminate thorough knowledge of the security control measures (organizational, human, technical, and physical) that they should be aware of. This education is provided in response to the telework and to changes in the business environment and business models based on the growing use of cloud services, as well as in line with the roles that are expected of them at each career stage. In addition, Mitsubishi Electric regularly conducts exercises to verify that employees know how to handle spoofed e-mails.

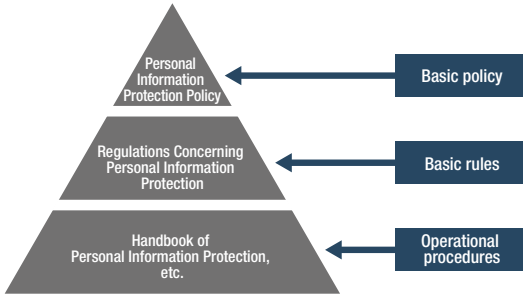
Activities for Personal Information Protection

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 April 2022.

Privacy Policy



System of rules for personal information protection

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. Furthermore, in preparation for data leakage risks from cyberattacks, we continue to strengthen security control measures, such as server storage and encryption.

Response to the EU General Data Protection Regulation (GDPR) and China's Personal Information Protection Law

The Mitsubishi Electric Group handles personal data from the EU in an appropriate manner with due consideration to the General Data Protection Regulation (GDPR), which was put into force in the EU in May 2018 as a framework to protect privacy. In addition, cross-border transfer of personal data is now also being regulated outside Europe with China's Personal Information Protection Law enforced on November 1, 2021, and the Group is taking appropriate measures.

Cyber-Attack Countermeasures

Cyber-attacks have become a major threat for businesses as they are growing increasingly sophisticated and diverse year-by-year. The Mitsubishi Electric Group is centrally managing the network, devices, and servers (cloud) and working to implement a multilayered defense which is based on the concept of zero-trust security* as countermeasures for cyber-attacks that are growing increasingly sophisticated and diverse, along with the wider use of cloud services and the wider adoption of teleworking. A multilayered defense lets us protect ourselves from cyber-attacks, detect suspicious signs and intrusions, and put in place a system to respond immediately should an incident occur, to prevent or minimize damage.

In addition, we have implemented multi-factor authentication that supports operations being conducted through access from offices, teleworking sites, and business trip destinations, and we manage authentication in a centralized manner. Internet websites are constantly exposed to many external threats, and so we only launch websites that are approved by Mitsubishi Electric in order to maintain a high security level.

* Concept of not giving trust to anything either inside or outside of the company, and testing and authorizing all communication attempts.

Initiatives Regarding Security Quality of Products and Services

Mitsubishi Electric has the Mitsubishi Electric Product Security Incident Response Team (PSIRT) as an internal framework to handle the security quality of products and services.

The following are Mitsubishi Electric PSIRT's roles:

- Gather information on vulnerabilities in products and services provided to customers
- Respond swiftly to vulnerabilities discovered in cooperation with product design and production departments and service management departments
- Strengthen and promote technical initiatives to preclude vulnerabilities from the stage of product and service development
- Provide security training to all officers and employees involved in product and service development
- Disclose vulnerability information and measures to customers

Third-Party Certification

Mitsubishi Electric and affiliates in Japan promote holding third-party assessments and gaining third-party certification on information security.

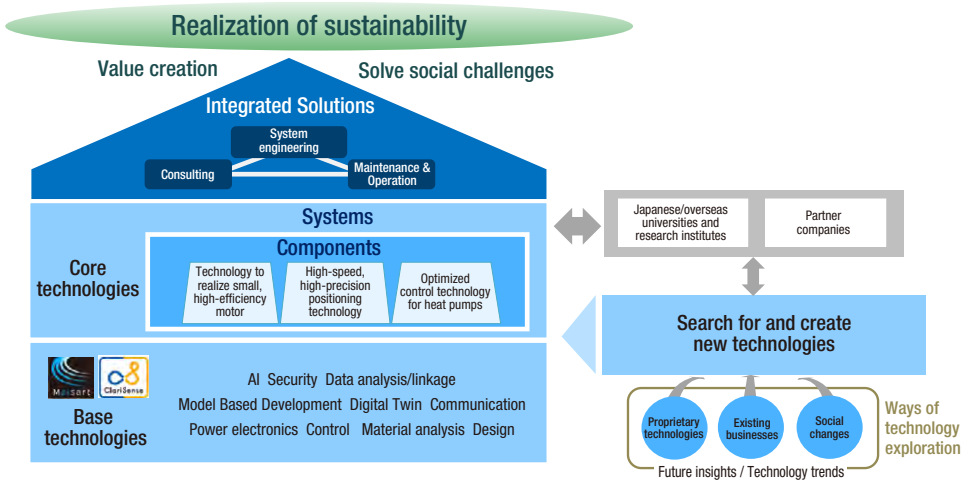
Research and Development

Research and Development Strategy

Toward realizing sustainability, the Company advances research and development, aiming to provide solutions by fusing knowledge within and outside the Group as a "Circular Digital-Engineering" company.

We thoroughly enhance core technologies that create a competitive advantage for business, deepen fundamental technologies that support functions, properties, quality and reliability of equipment, systems and services, and investigate and create new technologies in a balanced way, preparing for a game change or any other event in the future. The Company will also accelerate development and create value through proactive cooperation with universities and other external R&D institutions, contributing to solving diversifying social issues.

During fiscal 2023, the total R&D expenses for the entire Group have amounted to 212.3 billion yen (9% increase compared to the previous fiscal year).



Major R&D Achievements in Fiscal 2023

Development of High-power, High-efficiency Power Semiconductor Module

Demand for a high-power, high-efficiency power semiconductor module has been increasing for power systems such as a traction system for railway vehicles and DC-power transmitters.

The Company has developed a HV100 dual type X-Series HVIGBT* module with a high voltage of 4.5 kV and rated current of 450 A. The seventh-generation IGBTs and RFC diode chips mounted have achieved higher current density with lower loss compared to existing products. In addition, the terminal layout is optimized for easy paralleling, which enables correspondence with various types of inverters.

We contribute to realizing carbon neutrality by making efforts to achieve further higher power and higher efficiency of power semiconductor modules.

* HVIGBT: High voltage insulated gate bipolar transistor



X-Series HVIGBT module HV100 dual-type(4.5kV/450A)

Contributing to further higher power and higher efficiency of inverters for large industrial devices

HV100 Dual-type X-Series HVIGBT Module

Development of Wire-laser Metal 3D Printer AZ600

Demand for metal 3D printers that create objects from 3D shape data is expected to increase due to such advantages as a significant reduction in manufacturing processes, a reduction in waste materials disposed of in manufacturing processes and an increase in the freedom of designing. We recently developed a wire-laser metal 3D printer "AZ600" that combines the world's first*1 simultaneous 5-axis spatial control and digital manufacturing technology that cooperatively controls processing conditions, which enables high-quality, high-precision 3D printing. In addition, we apply a near-net-shape method*2 to parts machining, which realized both energy saving by shortening machining time and a reduction in waste materials.

Going forward, we will continue to contribute to environmentally friendly manufacturing in a decarbonized era.

*1 As of February 24, 2022, according to Mitsubishi Electric's research
*2 A near-finished shape is formed.
Note: Although we announced the release of AZ600 on February 24, 2022, this information is included here because the product's major contributions to our business performance pertain to fiscal 2023.



Wire-laser metal 3D printer "AZ600"



Shaping sample

Realized both energy saving by shortening machining time and a reduction in waste materials.

Wire-laser metal 3D printer "AZ600"

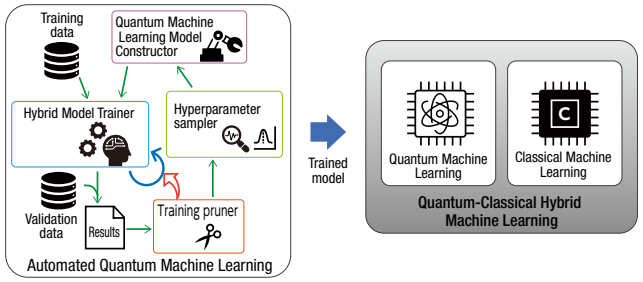
Development of "Quantum Artificial Intelligence Technology" That Uses Automated Design to Realize Compact Inference Models

The development of quantum computers that exhibit advanced processing power through computation using quantum bits*1 is accelerating around the world.

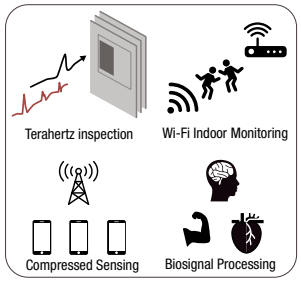
The Company has developed a quantum artificial intelligence technology that automatically designs and optimizes inference models to downsize the scale of computation and confirmed for the first time in the world*2 that the technology contributes to higher performance in multiple areas such as non-destructive terahertz inspections, Wi-Fi indoor monitoring, compressed sensing and biosignal processing.

This recently developed technologies allow for significantly shorten computation time in a hybrid combination of both quantum and classical AI*3, even when using limited data. Going forward, we will advance the development of quantum artificial intelligence technology, aiming for its application to FA, air conditioning, building systems, mobility and a wide range of other industrial areas.

*1 Minimum unit of quantum information handled for quantum computers
*2 As of December 2, 2022, according to Mitsubishi Electric's research
*3 Machine learning with conventional computers using classical bits



Newly developed quantum AI technology



Example applications

Can be incorporated in first-ever application for terahertz imaging

Mitsubishi Electric's New Quantum Artificial Intelligence Technology Uses Automated Design to Realize Compact Inference Models

Intellectual Property

Intellectual Property Activities

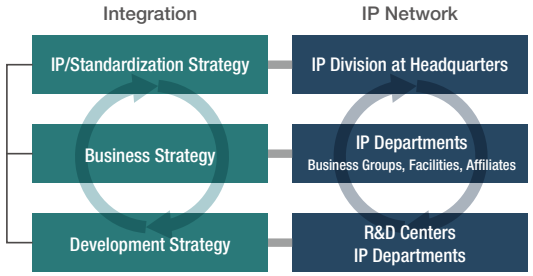
Basic Policy

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 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.



Integrating Business, R&D and IP Activities

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. 2 in Japan in terms of the number of patent registrations (in 2022) announced by the Japan Patent Office (JPO), and No. 4 in the world in terms of Patent Cooperation Treaty (PCT) applications by businesses (in 2022) 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, 2022
(WIPO, PCT Yearly Review)

Rank	Applicant	Country	No. of applicants
1	Huawei	China	7,689
2	SAMSUNG	South Korea	4,387
3	Qualcomm	USA	3,855
4	**Mitsubishi Electric**	**Japan**	**2,320**
5	Ericsson	USA	2,158

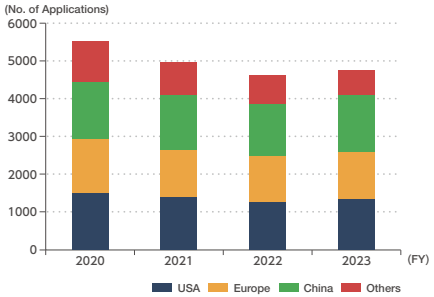
(WIPO)

No. of patent registrations in 2022(Japan)

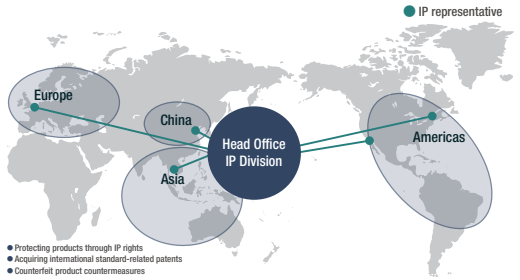
Rank	Applicant	No. of patents
1	Toyota Motor	4,559
2	**Mitsubishi Electric**	**3,692**
3	Canon	3,382
4	DENSO	2,919
5	Panasonic	2,856

(JPO)

Annual Trends in Overseas Patent Applications by the Mitsubishi Electric



Further Strengthening Global IP Capabilities



Open Technology Bank Activity

In order to realize a sustainable future, Mitsubishi Electric launched activities of the Open Technology Bank, which promotes internal and external collaborations based on intellectual property in fiscal 2022. In the past, the primary use of intellectual property was for competition between companies (monopolizing their use, preventing imitation, and exercising rights in relation to other companies); however, going forward, the Company will actively use intellectual property as tools for promoting collaborative creation.

Promoting external collaboration

The Mitsubishi Electric Group has a wealth of proprietary technology assets (patents, knowledge, etc.) in a wide range of areas, from home to outer space. The Open Technology Bank activities aim to create new value and businesses through combining and multiplying Mitsubishi Electric's technologies with partner companies' technologies and ideas. This is achieved through efforts to support partner companies in developing new products and services by granting licenses for Mitsubishi Electric's technology assets that contribute to solving diverse social challenges. Through these actions of taking its technologies that contribute to solving various challenges including the realization of a decarbonized society and preparation for natural disasters, and granting licenses for these technologies to various industry sectors and fields, Mitsubishi Electric actively promotes co-creation with external parties based on intellectual properties, and thereby contributes to the realization of a sustainable future.



Open Technology Bank Activities
— Promoting external collaboration —

Strengthening internal collaboration

As a result of its active intellectual property activities, the Mitsubishi Electric Group is maintaining a high level in number of patent applications and registrations both in Japan and overseas. On the other hand, the execution of each patent is closed within the works that filed the relevant patent in many cases, and patented technologies have not fully been rolled out internally. As such, we internally released a technology map that classifies and visualizes our patents with a focus on technology and social challenges in an attempt to promote the utilization of technologies beyond division boundaries and to create synergy as a comprehensive electrical and electronics manufacturer. This map is designed to allow people to reference summaries of each patent, the division and name of the inventor, as well as other details. This reference information will promote internal collaboration across department boundaries.

Open Technology Bank (in Japanese text)

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, Blu-ray Disc™* 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.

* 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 and SR 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.

Status of Communication with Shareholders and Investors

Shareholders Meeting and Shareholder Communique

Mitsubishi Electric holds a General Meeting of Shareholders in late June every year. We regard shareholders' meetings as a precious opportunity for direct communication with our shareholders and implement the following measures:

- Providing the measures for electronic provision of notice of convocation in late May and mailing it in early June to ensure sufficient time for shareholders to examine the agenda;
- Sending a document containing excerpts from the notice of convocation to shareholders who have not requested a delivery of the document;
- Providing an environment for shareholders to exercise their voting rights via the Internet and the electronic voting platform;
- Providing an environment that enables shareholders who are unable to attend the meeting to follow the meeting and to ask questions in advance, such as livestreaming the meeting and accepting questions in advance;
- Providing easy-to-understand explanations to shareholders through visual presentations of business strategies, performance, etc.;
- Providing detailed answers to questions that our shareholder pose and striving for honest, constructive dialogue.

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 (In Japanese text)

IR and SR Activities

1. Framework for IR/SR Activities

Mitsubishi Electric recognizes that dialogue with stakeholders, including shareholders, is extremely important to promote initiatives to achieve sustainable growth and increase medium- to long-term corporate value. Based on this recognition, we believe it is crucial to give due consideration to their opinions and actively engage in dialogue to reflect their perspectives into management decisions. This is our basic approach to constructive dialogue with shareholders and investors.

Mitsubishi Electric has established the Corporate IR and SR Div., which is under the direct control of the president, with the CSO serving as the executive officer responsible for overall dialogue with shareholders and investors. Dialogue with shareholders and investors is led by top management, including the CEO and CFO, and conducted by the Corporate IR and SR Div. and other related departments.

Under this system, Mitsubishi Electric strives to enhance its communication tools with shareholders and investors by conducting enhanced dialogues and providing timely and appropriate information, as well as distributing various information sessions on demand and posting explanatory materials on its official website.

The responses and opinions obtained during the dialogue, investor trends, and results of individual interviews will be reported to the Board of Directors and the Executive Officers' meeting. Based on this, the Board of Directors will hold sufficient discussions and provide feedback to the relevant departments, taking into account diverse opinions from independent outside directors, as well as report on improvement measures based on their opinions.

2. Achievements in fiscal 2023

In fiscal 2023, opportunities for direct dialogue with shareholders and investors in Japan and overseas gradually returned, with the resumption of face-to-face meetings, including the overseas roadshow where management meets with foreign investors. During the meetings, the dialogue focused on management strategy and management plan, ESG, and improper quality control and three key reforms which includes measures to prevent its recurrence.
Key activities include:

- Online and face-to-face individual interviews in Japan and abroad (total of 661 person)
- Holding financial results briefings (four times a year), IR Day (once a year) and other various briefings, as well as small meetings with management
- Conducting overseas roadshows, participating in conferences for overseas investors

Investor Relations website

Governance Data

Corporate Governance

Directors

【Mitsubishi Electric】

No. of directors		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Internal directors	Total	7 persons	7 persons	7 persons	5 persons	5 persons
Outside directors	Total	5 persons	5 persons	5 persons	5 persons	7 persons
Internal directors + Outside directors	Total	12 persons	12 persons	12 persons	10 persons	12 persons
	Male	11 persons	11 persons	11 persons	9 persons	11 persons
	Female	1 person	1 person	1 person	1 person	1 person
Percentage of Independent outside directors		42%	42%	42%	50%	58%
Percentage of female directors		8%	8%	8%	10%	8%
No. of Board meetings held		7 times	7 times	8 times	20 times	13 times
Chairperson		Internal	Internal	Internal	Outside	Outside

Directors and Officers (Directors+Executive Officers+Executive Officer (Associate))

【Mitsubishi Electric】

No. of directors and officers		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Internal directors and officers	Total	24 persons	24 persons	24 persons	24 persons	26 persons
Outside directors and officers	Total	5 persons	5 persons	5 persons	5 persons	7 persons
Internal directors and officers + Outside directors and officers	Total	29 persons	29 persons	29 persons	29 persons	33 persons
	Male	28 persons	28 persons	28 persons	28 persons	32 persons
	Female	1 person	1 person	1 person	1 person	1 person
Percentage of female directors and officers		3%	3%	3%	3%	3%

Nomination Committee

【Mitsubishi Electric】

No. of directors		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Internal directors	Total	1 person	1 person	1 person	1 person	1 person
Outside directors	Total	4 persons	4 persons	4 persons	4 persons	6 persons
Internal directors + Outside directors	Total	5 persons	5 persons	5 persons	5 persons	7 persons
	Male	4 persons	4 persons	4 persons	4 persons	6 persons
	Female	1 person	1 person	1 person	1 person	1 person
Percentage of outside directors		80%	80%	80%	80%	86%
No. of Nomination Committee meetings held		3 times	3 times	3 times	16 times	9 times
Chairperson		Outside	Outside	Outside	Outside	Outside

Audit Committee

【Mitsubishi Electric】

No. of directors		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Internal directors	Total	2 persons	2 persons	2 persons	2 persons	2 persons
Outside directors	Total	3 persons	3 persons	3 persons	3 persons	3 persons
Internal directors + Outside directors	Total	5 persons	5 persons	5 persons	5 persons	5 persons
	Male	5 persons	5 persons	5 persons	5 persons	5 persons
	Female	0 person	0 person	0 person	0 person	0 person
Percentage of outside directors		60%	60%	60%	60%	60%
No. of Audit Committee meetings held		7 times	13 times	14 times	13 times	15 times
Chairperson		Internal	Internal	Outside	Outside	Outside

Compensation Committee

【Mitsubishi Electric】

No. of directors		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Internal directors	Total	2 persons	2 persons	2 persons	2 persons	1 person
Outside directors	Total	3 persons	3 persons	3 persons	3 persons	5 persons
Internal directors + Outside directors	Total	5 persons	5 persons	5 persons	5 persons	6 persons
	Male	4 persons	4 persons	4 persons	4 persons	4 persons
	Female	1 person	1 person	1 person	1 person	1 person
Percentage of Outside Directors		60%	60%	60%	60%	83%
No. of Compensation Committee meetings held		3 times	4 times	4 times	13 times	11 times
Chairperson		Internal	Internal	Outside	Outside	Outside

Compliance

Education covering major laws and regulations, as well as the Group's concept of compliance

【Mitsubishi Electric Group】(Unit: No. of people)

Target	FY2019	FY2020	FY2021	FY2022	FY2023
Officers and employees in Japan (including contract employees, temporary employees, part-time employees, short-term workers, etc.)	127,300	125,614	126,049	131,306	Approx. 131,700
	100%	100%	100%	100%	100%
Employees in Southeast Asia, Oceania, and other regions	6,815	6,644	Approx. 7,000	Approx. 7,000	Approx. 7,300

Workshops related to compliance

【Mitsubishi Electric Group (in Japan)】(Unit: No. of people)

Target	FY2019	FY2020	FY2021	FY2022	FY2023
Officers and employees in Japan (including contract employees, temporary employees, part-time employees, short-term workers, etc.)	240 times	180 times	113 times	111 times	—
	9,071	6,531	8,134	10,018	Approx. 3,300

Compliance e-learning programs

【Mitsubishi Electric Group (in Japan)】(Unit: No. of people)

Target		FY2019	FY2020	FY2021	FY2022	FY2023
Fair competition	Directors, officers and employees of Mitsubishi Electric and its affiliates in Japan who regularly interact with other companies	—	15,310	14,824	51,901	58,207
	Of which, those in Mitsubishi Electric	—	—	—	—	15,502
	Of which, those in Group companies in Japan	—	—	—	—	42,705
Corruption prevention	Mitsubishi Electric Group Companies in Japan	24,056	24,365	25,371	39,951	41,544
	Of which, those in Mitsubishi Electric	—	—	—	—	25,562
	Of which, those in Group companies in Japan	—	—	—	—	15,982
Export control	Mitsubishi Electric	36,578	37,520	38,415	38,726	39,432
	Group companies in Japan	32,859	33,880	34,364	27,341	52,791

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Corporate Data

Financial Results

Purpose/Management Policy/Corporate Strategy

Mitsubishi Electric's Business Segments ····· 172

Profile of the Mitsubishi Electric Group

Corporate Data

(As of March 31, 2023)

President & CEO:	Kei Uruma
Phone:	+81 (3) 3218-2111
Established:	January 15, 1921
Paid-in Capital:	¥175,820 million
Shares Issued:	2,147,201,551 shares
Consolidated Revenue:	¥5,003,694 million
Consolidated Total Assets:	¥5,582,519 million
Employees:	149,655

Financial Results

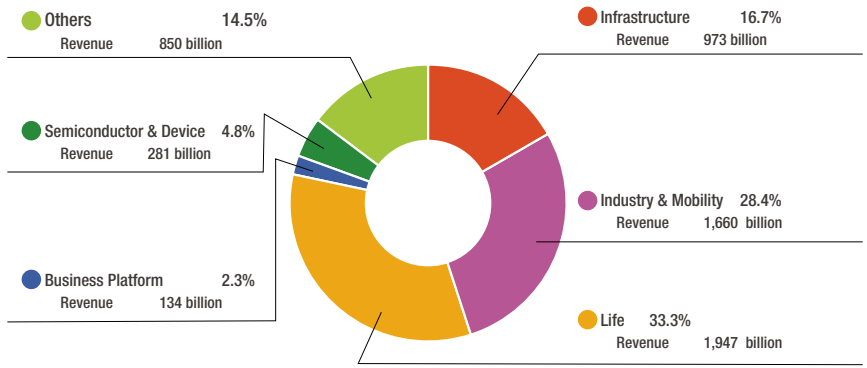
Performance for the Year Ended March 31,2023

Yen (millions)

	2022	2023
Revenue	¥4,476,758	¥5,003,694
Operating profit	252,051	262,353
Net profit attributable to Mitsubishi Electric Corp. stockholders	203,482	213,908
Total assets	5,107,973	5,582,519
Bonds and borrowings	217,171	252,265
Mitsubishi Electric Corp. stockholders' equity	2,975,941	3,239,027
Capital expenditure (Based on the recognized value of property, plant and equipment)	167,772	240,971
R&D expenditures	195,144	212,386
		Yen
Per share Amounts:		
Earnings per share attributable to Mitsubishi Electric Corp. stockholders		
Basic	¥95.41	¥101.30
Diluted	95.41	101.30
Cash dividends declared	40	40
		%
Statistical Information		
Operating profit ratio	5.6%	5.2%
Return on equity (ROE)	7.1	6.9
Bonds and borrowings to total assets	4.3	4.5

1. The balance of bonds and borrowings and the ratio of bonds and borrowings to total assets do not include lease liabilities.
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.

Revenue by Business Segment



*Sales of each segment include internal sales (transfers) between segments

Purpose/Management Policy/Corporate Strategy

Purpose

We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity.

Our Values

Trust/Quality/Technology/Ethics and Compliance/Humanity/Environment/Society

Commitment

Changes for the Better

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



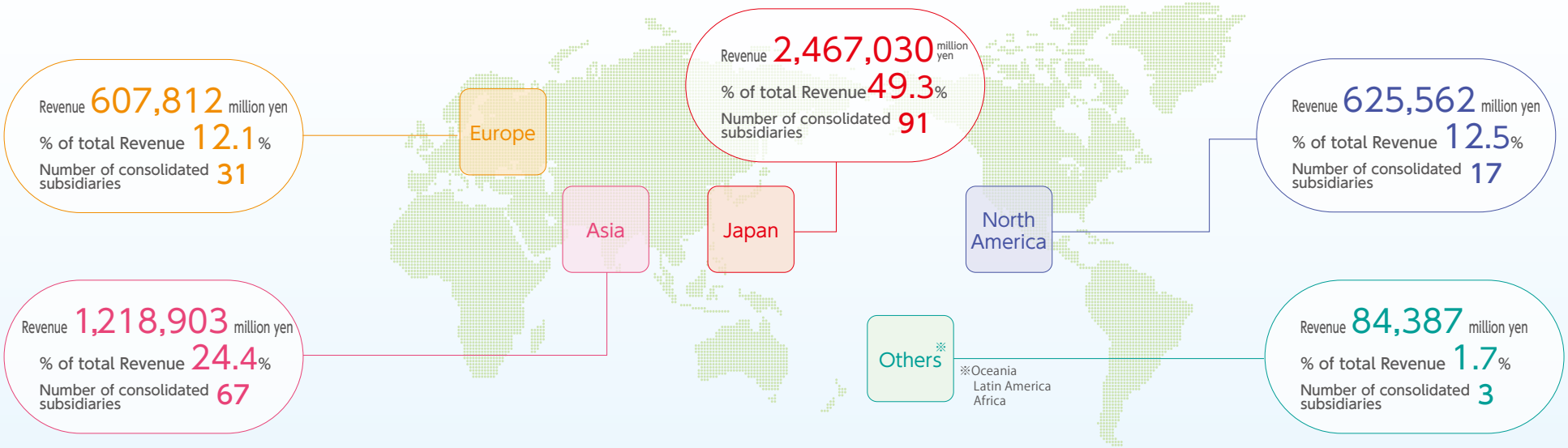
Management Policy

In addition to realizing well-balanced corporate management from the three perspectives of growth, profitability/efficiency, and soundness, we will return to our fundamental principle of "addressing social challenges through our businesses" and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders.

Corporate Strategy

Through co-creation and by integrating knowledge within and outside the Group, we will transform into a "Circular Digital-Engineering" company that provides evolved integrated solutions thereby contributing to solving various social issues.

Global Operations



Mitsubishi Electric's Business Segments

Building Systems



Contributing to the smart development of cities and buildings by providing solutions in building space

Mitsubishi Electric elevators and escalators in operation in over 90 countries around the world realize high transportation efficiency, safety, and security using advanced technology. What is more, by using IoT and AI to operate elevators, air conditioning, lighting, and other building systems flexibly in response to the flow of people in buildings, we contribute to the realization of smart buildings and smart cities that are efficient and comfortable.

Main products
- Elevators
- Escalators
- Building management systems
- Building security systems
- Net zero energy buildings (ZEB)
- Smart city building solutions
- Total building management services
- Building diagnosis and consulting
- Comprehensive renovation of building facilities

Factory Automation Systems



Underpinning global manufacturing by providing value-added products, solutions and services

We are a major FA supplier whose wide range of automation technologies from PLCs to laser processing machines underpin manufacturing. Our e-F@ctory concept also offers solutions to Digital Manufacturing challenges by utilizing FA and IT technologies to reduce the total cost of development, production and maintenance.

Main products
- Edge and Programmable Logic Controllers (PLCs)
- Servo systems
- Industrial and collaborative robots
- Circuit breakers
- Energy-saving support systems
- NC controllers
- Laser processing machines
- 3D (metal) printers
- Software

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 systems
- Air traffic management systems
- Road information management systems
- Large-scale visual information systems
- Disaster information systems

Energy Systems



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

Energy systems represent a core business that Mitsubishi Electric has been engaged in since our founding. We have played a major role in the development of power infrastructure around the world in all phases, from power generation to transmission and distribution. Mitsubishi Electric will work to maintain a balance between the active development of new businesses including "digital energy" and "renewable energy business," and delivering a stable supply of electricity, with a view to achieving the social challenge of carbon neutrality.

Main products
- Turbine generators
- System protection and control systems
- Vacuum breakers
- Transformers
- Power receiving and distribution systems
- Grid stabilization systems
- Switchgears
- Battery energy storage control systems
- Power conversion systems
- Power ICT solutions

Transportation Systems



Mitsubishi Electric as 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 wayside 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 energy-efficient, comfortable and safe rail services both in Japan and abroad.

Main products
- Propulsion systems
- Air conditioning systems for rolling stock
- Train control and management systems
- Train vision
- Power systems
- Transportation operation systems

Automotive Equipment



Contributing to the advancements in next-generation mobility with a broad lineup of products

We have developed and successfully mass produced the Advanced Driver Assistance System (ADAS) that combines a high-efficiency motor and inverter for xEV vehicle, camera, and high-precision locator etc. by leveraging our technology cultivated through the development of many kinds of in-vehicle equipment products that hold a leading market share globally. Going forward, we will help make safer, more secure, and comfortable cars for everyone, by incorporating the various needs of our changing automobile society into automotive equipment.

Main products
- Electrification components
- ADAS products
- Electric power steering system products
- Engine management products
- Charging & Starting products

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 650 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 ■ Satellite control system

Information & Communication Systems

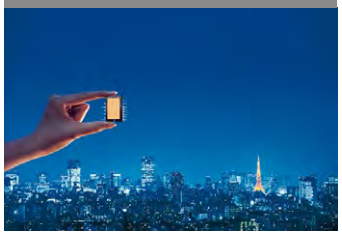


Making communications easier and more convenient with technologies that "send" information

We provide products for optical communication systems that enable high-speed transfers of content-rich data, such as HD videos, existing communications infrastructure including Internet. We also contribute to making better society through various solutions, including wireless communication systems for smart meters to optimize energy use and network camera systems to make society safer and more secure.

Main products: ■ Optical communication systems ■ Wireless communication systems ■ Network camera systems

Semiconductors & Devices



Leading the way in realizing Green Transformation (GX) by providing key devices underpinning a more affluent society

We supply semiconductors and devices that enable energy conservation and seamless communication systems as key devices in equipment used in a wide range of fields, from home electronics to space. In particular, power semiconductors devices are used in a truly wide range of fields, such as power control systems and motor control systems for home appliances, industrial equipment, electric vehicles and railways, as well as wind turbines and photovoltaic systems. The performance of our products helps to lower energy usage in each of these fields, too.

Main products: ■ Power semiconductors modules ■ Optical devices ■ High frequency devices

Air Conditioning Systems

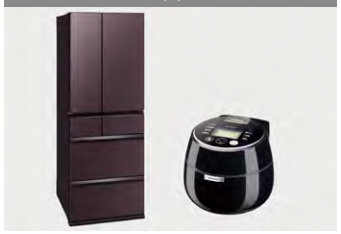


Providing comfortable and energy-efficient air conditioning for industry and in our everyday life

We provide not only in Japan but around the world with a broad range of highly energy-efficient air conditioning systems for houses, stores, offices, buildings, factories, and industrial facilities while featuring environmentally compatible, energy-saving technologies. In the area of industrial cooling and heating, we also offer a wide range of products and systems such as refrigerating machines, chillers, and water heaters for a variety of users, from warehouses and factories to ice skating rinks.

Main products: ■ Room air conditioners ■ Commercial air conditioners ■ Refrigeration systems, water heaters, and industrial cooling and heating systems

Home Appliances



Making the lives of our customers more comfortable

We supply a wide range of home appliances 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: ■ Refrigerators and freezers ■ Vacuum cleaners ■ Rice cookers ■ Lossnay ■ EcoCute ■ Lighting fixtures

IT Solutions



Realizing comfort and convenience with IT

We provide IT solutions that underpin a more affluent life and society for use by companies and in social infrastructure. Using cutting edge digital technology from AI to IoT, we help our customers realize DX (digital transformation) to transform customers' work processes and create new value and business models, in addition to solving various social issues.

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

Sustainability Report 2023

https://www.mitsubishielectric.com/en/sustainability/index.page

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