[Translation]
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Corporate Governance Report

CORPORATE GOVERNANCE Mitsubishi Electric Corporation

Last Update: December 24, 2024
Mitsubishi Electric Corporation
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The corporate governance of Mitsubishi Electric Corporation (the "Company" or the "Group" for Mitsubishi Electric Group) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The Mitsubishi Electric Group places more focus than ever on sustainability initiatives at the management level to realize "a vibrant and sustainable society" that we have committed to in our Purpose. The Group has identified five areas as materiality (important challenges) to "provide solutions to social challenges through our businesses" and to "strengthen our business foundation to enable sustainable growth." Through these materiality initiatives, the Group will create economic and social value and will contribute to solving social challenges.

As a part of our initiatives to strengthen our business foundation to enable sustainable growth, the 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, the Company segregates the supervisory and executive functions; the Board of Directors plays a supervisory decision-making role and Executive Officers handle the day-to-day running of the Company. 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. 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.

In regard to compliance with the Corporate Governance Code established by the Tokyo Stock Exchange (issued in June 2021), "Mitsubishi Electric Corporation Initiatives to Comply with the Corporate Governance Code" is disclosed based on the Corporate Governance Guidelines.

This Corporate Governance Report contains the Company's corporate governance policies and information for the fiscal year, in accordance with the format prescribed by the Tokyo Stock Exchange.

"Corporate Governance" https://www.mitsubishielectric.com/en/investors/management/corp_governance/

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company implements all principles of the Corporate Governance Code, as revised in June 2021.

Disclosure Based on the Principles of the Corporate Governance Code

[Principle 1.4. Cross-Shareholdings]

(1) Policy on cross-shareholdings

The Company has a basic policy of not holding cross-shareholdings in principle. However, the Company may hold shares that are deemed necessary for business operations.

The Company will determine the significance of shareholdings holistically based on factors such as profitability, business viability, and holdings risk. Every year, such shareholdings are examined and verified in the Executive Officers' and the Board of Directors' Meetings. Profitability is evaluated based on whether the total income and dividends received from related businesses are sufficient to cover capital costs. Business viability is assessed based on whether there have been any significant changes in business relationships, transaction amounts, or other relevant factors. Holdings risk is assessed based

on whether there has been a decline in the investee's corporate value.
Any shares that are deemed to be of little significance for holding are reduced by selling them or other means, taking into account the circumstances of the company in question.

(2) Standards for exercising voting rights in cross-shareholdings
The Company reviews the exercise of voting rights related to cross-shareholdings based on the separately provided guidelines for voting rights. Our decision to exercise or not exercise these voting rights is based on whether it will benefit not only the investee's corporate value but also contribute to the enhancement of the Company's corporate value. The Company will counter-exercise a proposal if it raises concerns that our corporate values may be negatively impacted.

[Principle 1.7. Related Party Transactions]
The Company's Rules for the Board of Directors specify that any competitive or conflict-of-interest transactions involving Directors and Executive Officers will be addressed by the Board of Directors. The Board of Directors will fully deliberate on such matters based on the opinions of independent outside directors.
The Company also periodically conducts annual surveys to determine whether there are any related party transactions between the Company and its Directors, Executive Officers, Executive Officers (Associates), and their relatives.

[Supplementary Principle 2.4.1. Ensuring Diversity]
In the Medium-term Management Plan towards fiscal 2026 (year ending March 31, 2026), the Company states that 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. To achieve this, the Company recognizes that it is extremely important for employees with diverse values and abilities, regardless of race, ethnicity, nationality, gender, age, beliefs, religion, social status, sexual orientation, gender identity, or disability, and other factors, to display their full potential and play an active role, and the Company is promoting various initiatives to ensure diversity.
For more information, please refer to "Other" under "III3. Status of Measures to Ensure Due Respect for Stakeholders" of this report.

[Principle 2.6. Roles of Corporate Pension Funds as Asset Owners]
The Company manages its corporate pension funds through the Mitsubishi Electric Pension Fund.
In April 2021, the Fund announced the adoption of Japan's Stewardship Code and has requested that entrusted asset management firms engage in stewardship activities.

Adoption of Japan's Stewardship Code
https://melco-kikin.or.jp/stewardship/

The Mitsubishi Electric Pension Fund is managed by the Board of Representatives in accordance with the fundamental management policies decided by the Council, which consists of representatives of the Company and employees. As for the investment management of pension assets, the Asset Management Committee is consulted for advice, and important decisions are made and implemented by the Board of Representatives and Council after careful deliberations. The Council, Board, Committee, and other relevant groups are all made up of both representatives of employees and personnel who have knowledge of HR, accounting, finance, and other relevant functions. This structure is intended to ensure sound management of pension assets from the perspective of professional expertise and beneficiary protection. The Board of Representatives is elected from among the Council members, and among them, a person with knowledge and experience in finance and accounting is appointed as the Investment Executive Director, who is responsible for the execution of asset management. After starting the management of pension assets, the Company strives to ensure stable management of the fund by monitoring investment status, confirming consistency with the investment guidelines, and interviewing fund managers on a regular basis.

[Principle 3.1. Full Disclosure]
(1) Purpose, Corporate Strategy, and Management Plan
The Company endeavors to communicate its Purpose, Corporate Strategy, and Management Plan in a timely and appropriate manner by promoting proactive information dissemination and investor relations activities.
The Company has declared that it will contribute to the realization of a vibrant and sustainable society in our Purpose. In accordance with the Purpose, the Company 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, in addition to realizing well-balanced corporate management from the three perspectives of growth, profitability/efficiency, and soundness. To promote "addressing social challenges through our businesses," the Company has designated five challenge areas to focus

on: Carbon neutrality, Circular economy, Safety and security, Inclusion, and Wellbeing. To achieve this, 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. From this approach, the Group 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.

In the Medium-term Management Plan, the Company has made efforts to further improve corporate value, with financial targets for fiscal 2026 including consolidated net sales of 5 trillion yen or more, an operating profit margin of 8% or more, a return on equity (ROE) of 9%, and cash generation of 3.3 trillion yen in five years. In terms of the Company's policy on generated cash, 2.8 trillion yen out of the 3.3 trillion yen generated over five years will be allocated to Key Growth Businesses with the highest priority on investment for growth. The 0.6 trillion yen is intended to further strengthen shareholder returns through profit growth.

For more information, please visit the Company's website.

"Purpose" https://www.mitsubishielectric.com/en/about/purpose

"Management policy/Corporate strategy" https://www.mitsubishielectric.com/en/about/policy/

"IR Day" https://www.mitsubishielectric.com/en/investors/library/presentations/

(2) Basic Views and Basic Policy on Corporate Governance

Please refer to "I1. Basic Views" of this report. For more information, please visit the Company's website.

"Corporate Governance" https://www.mitsubishielectric.com/en/investors/management/corp_governance/

(3) Policy for Determining Compensation for Directors and Executive Officers, etc.

The policies for determining compensation for Directors, Executive Officers, etc. are determined by the Compensation Committee, which is chaired by an independent outside director, with the majority of the members being independent outside directors. The Committee also determines the details of compensation for individual Directors and Executive Officers, performance evaluations related to the incentive compensation of Executive Officers, and the individual compensation of Executive Officers. The details of activities of the Compensation Committee are reported to the Board of Directors each time an activity is performed.

For more information, please refer to "Disclosure of Policy for Determining Compensation Amounts and the Calculation Methods Thereof" of "Compensation for Directors and Executive Officers" under "II1. Organizational Composition and Operation" of this report.

(4) Policies and Procedures for Nominating and Appointing the Directors and Executive Officers

(a) Policies

<Directors>

Based on the Company's policy, the Nomination Committee nominates candidates who meet the requirements to hold a Director position. The Nomination Committee evaluates each candidate comprehensively to determine whether they possess the character, acumen, and business and professional experience suited to supervise the Company's management. To continuously improve the supervisory function to be performed by the Board of Directors, ultimately leading to an increase in corporate value, the various skills held by Directors are matrixed and disclosed in the Notice of Convocation of the General Meeting of Shareholders.

<Executive Officers>

Based on the Company's policy, the Board of Directors nominates candidates who meet the requirements to hold an Executive Officer position. The Board of Directors evaluates each candidate comprehensively to determine whether they possess the character, acumen, and business and professional experience suited to execute management.

(b) Procedures

The candidates for the Board of Directors are nominated by the Nomination Committee, and those for the Executive Officers are nominated and appointed by the Board of Directors. To ensure sufficient independence and objectivity, the Company's Board of Directors and Nomination Committee will be chaired by independent outside directors, and the majority of their members will also be independent outside directors.

When dismissing the Directors and Executive Officers, the Nomination Committee and the Board of Directors will make decisions from a comprehensive perspective, respectively.

(5) Reasons for Nominating and Appointing the Directors and Executive Officers

The reasons for the nomination of candidate Directors and the brief biographical outlines, positions, and responsibilities of Directors and Executive Officers are disclosed in the Notice of Convocation of the General Meeting of Shareholders, the Annual Securities Report, and other reports. In the Notice of Convocation of the General Meeting of Shareholders, in particular, the Company strives to provide appropriate information so that shareholders have a better understanding of

candidates' qualifications and performances, which serves as useful information for making decisions regarding their election. For more information, please visit the Company's website.
"Shareholders' Meeting" https://www.mitsubishielectric.com/en/investors/meeting/
"Annual Securities Report" https://www.mitsubishielectric.com/en/investors/library/securities_report/

[Supplementary Principle 3.1.3. Sustainability Initiatives]
The Company's views, policies, and initiatives on sustainability are disclosed through the Company's website, the Integrated Report, etc.
"Sustainability" https://www.mitsubishielectric.com/en/sustainability/
"Integrated Report" https://www.mitsubishielectric.com/en/investors/library/integrated_report/

For more information, please refer to "Implementation of Environmental Preservation Activities and CSR Activities, etc." under "III3 Status of Measures to Ensure Due Respect for Stakeholders" of this report.

[Supplementary Principle 4.1.1. Decisions, etc., Made by the Board of Directors]
The Company's Board of Directors is dedicated to supervising management after stipulating specific topics as deliberation criteria for the Board of Directors. By delegating to the Executive Officers the authority to make all business execution decisions within the limits permitted by the Companies Act, it is possible to ensure swift and decisive decision-making and appropriate risk-taking in business execution.
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. From July 2024 to June 2025, the key agenda items includes company-wide management strategy, sustainability management, human resources strategy, DX, etc.
The Board of Directors is chaired by an independent outside director, and a majority of the members are independent outside directors who provide advice and supervision to management from an independent and objective perspective.

[Principle 4.9. Independence Standards, etc., for Independent Outside Directors]
The Company has specified the independence standards for outside directors, and these standards are disclosed in the Notice of Convocation of the General Meeting of Shareholders, the Annual Securities Report, the Corporate Governance Report, etc.
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.
For specific independency standards, please refer to "Other Matters Concerning Independent Directors" of "Matters Concerning Independent Directors" under "II1. Organizational Composition and Operation" of this report.

[Supplementary Principle 4.10.1. Nomination Committee and Compensation Committee]
As a company with a three-committee system, the Company has set up the statutory Nomination Committee and Compensation Committee, each chaired by independent outside directors. Recognizing the importance of ensuring independence and objectivity for both Committees, the majority of each Committee is composed of independent outside directors.
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.
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, performance evaluations related to the incentive compensation of Executive Officers, and the individual compensation of Executive Officers.
Under this authority and role, both Committees deliberate on matters relating to the nomination and compensation, giving due consideration to the diversity and skills perspective.
The members and attendance of each Committee and their activity results are disclosed in the Notice of Convocation of the General Meeting of Shareholders, the Corporate Governance Report, the Annual Securities Report, etc.

For more information, please refer to [Committees] in "II2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)" of this report.

[Supplementary Principle 4.11.1. Overall Balance of Expertise, Experience, and Capabilities the Board of Directors Should Possess and Views Regarding Diversity and Scale]
The Group will appropriately collaborate with all stakeholders, including society, customers, shareholders, and employees, and through co-creation and by integrating knowledge within and outside the Group, the Group will transform into a "Circular Digital-Engineering" company that provides evolved, integrated solutions, thereby contributing to solving various social issues and pursuing a sustained enhancement of our corporate value.
The Nomination Committee discusses the skills the Board of Directors should have to properly supervise the execution of corporate strategy. The Company recognizes the importance of ensuring the Board of Directors as a whole is competent in various areas of corporate management, corporate strategies and globalization, sustainability, finance and accounting, legal affairs, compliance and governance, human resources and human resources development, engineering, DX and R&D, 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, in-depth knowledge of international affairs, with expertise in compliance and other internal controls and as well as with extensive expertise in accounting and tax practices.
The specific skills held by individual Directors are matrixed and disclosed in the Notice of Convocation of the General Meeting of Shareholders. The skill matrix explains the capabilities that the Board of Directors should have as a whole and currently possesses. The skill matrix is also shown in the attachment.
"Shareholders' Meeting" https://www.mitsubishielectric.com/en/investors/meeting/
For more information, please refer to [Policy on Director Candidate Selection] in "II2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System" of this report.

[Supplementary Principle 4.11.2. Status of Directors and Executive Officers Concurrently Serving as Officers of Other Listed Companies]
The attendance of each Board of Directors and Audit Committee member, as well as significant concurrent positions of Directors and Executive Officers, are disclosed in the Notice of Convocation of the General Meeting of Shareholders, etc.
The Company's Nomination Committee comprehensively examines whether a Director candidate possesses the character, acumen, and business and professional experience suited to supervise the Company's management. The Committee also scrutinizes whether the candidate holds a reasonable number of concurrent positions and whether it is feasible for them to devote enough time and effort to the Company's business operations.
"Shareholders' Meeting" https://www.mitsubishielectric.com/en/investors/meeting/

[Supplementary Principle 4.11.3. Analysis and 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 2023. The assessment results have been delivered to the Company, along with suggestions for how to address issues that need to be improved.
A summary of the assessment method and process of the third-party organization is as follows.
<Assessment methods/processes by the third-party organization>
(1) Assessment methods
  (a) Review the minutes of the Board of Directors meetings and other documents
  (b) Survey of all Directors (excluding two new independent outside directors)
  (c) Interviews with all Directors
  (d) Evaluation based on the expertise of the third-party organization
(2) 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

(3) Assessment process
(a) Conduct an assessment by a third-party organization based on (1) Assessment methods and (2) Target items of assessment
(b) Report on the assessment results on the effectiveness of the Board of Directors based by the third-party organization to the Company's Board of Directors
(c) Conduct discussions by the Board of Directors on future actions based on the above assessment report

The summary of the assessment results on the Board of Directors' effectiveness based on the third-party organization is indicated as follows.

- The effectiveness of the Board of Directors has generally been ensured. Progress has also generally been made on the issues cited in the evaluation of the effectiveness of the Board of Directors in fiscal 2023.
- The effectiveness of the Board of Directors is supported by the following strengths:
  (a) Commitment to continued reform
  (b) Enhancement of the composition of the Board of Directors
  (c) Elevation of the discussions at Board of Directors meetings
- On the other hand, new issues have also emerged, and the Board of Directors is expected to address the following key issues in order to achieve overall optimization and enhance corporate value.
  (a) Further enhancement of monitoring
  (b) Strengthening Group governance
  (c) Strengthening Board of Directors and committee agendas

Based on these results of evaluations and recommendations from the Governance Review Committee, the Board of Directors will discuss measures to improve the effectiveness of the Board of Directors, and will improve its operations and further strengthening its management monitoring functions based on external perspectives.

[Supplementary Principle 4.14.2. Policy on Training for Directors and Executive Officers]
The Group engages in the development, manufacture, sale, etc. of products in four Business Areas, including Infrastructure, Industry and Mobility, Life, and Business Platform, as well as in the Semiconductor & Device Group.
The Group, which is composed of such a diverse range of businesses, uses a three-committee system to segregate between the supervisory and executive functions in order to maintain the flexibility of its operations and promote management transparency. By doing so, the Company aims to promote sustained growth in corporate value. Therefore, the Company 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.

[Principle 5.1. Policy for Constructive Dialogue with Shareholders]
The Company 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, and this is our basic approach to constructive dialogue with shareholders and investors.
Based on this approach, the Company has established the Corporate IR and SR Div., with the CFO 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, the Company 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.
For details, please refer to "III2. IR Activities" of this report and the Company's website.

"Investors" https://www.mitsubishielectric.com/en/investors/

[Principle 5.2. Formulation and Publication of Corporate Strategy and Management Plan]
[Supplementary Principle 5.2.1. Business Portfolio Strategy]
[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price] [Disclosed in English] [Last Update: June 25, 2024]
The Company's Directors and Executive Officers set specific medium-term management targets under the Mitsubishi Electric Group's Basic Policies on Management, taking into account the relationship between calculated and identified capital costs and the results of the analysis of current situation. The financial targets for fiscal year 2026 are set at consolidated net sales of 5 trillion yen or more, an operating profit margin of 8% or more, a return on equity (ROE) of 9%, and cash generation of 3.3 trillion yen in five years.
In the Medium-term Management Plan for fiscal 2026, the Group has listed strengthening its business portfolio strategy as one of the primary focuses. The Group will focus more than ever on the profitability and asset efficiency (including ROIC) with a constant focus on generating profits that exceed the cost of capital. Specifically, the Company has classified its businesses according to their characteristics into Key Growth Businesses (high profitability & asset efficiency and high growth potential), Resilient Businesses (high profitability & asset efficiency but low growth potential), Potential Businesses/New Businesses (low profitability & asset efficiency but high growth potential), and Value Recapturing Businesses (low profitability & asset efficiency and low growth potential). If any Value Recapturing Businesses can add new values, the Company will aim to convert them into Resilient Businesses. As for businesses that are deemed to have issues and whose profitability and other factors fall below a certain level, the Company will consider withdrawing from or selling them and shifting resources to the Key Growth Businesses. The Company has also strategically allocated resources to the Potential Businesses/New Businesses in order to transform them into the next Key Growth Business. Also, the Company aims to strengthen our business portfolio and achieve our management targets by allocating investment appropriately to areas such as capital investment, research and development, human resources, and intellectual property.
In addition, to enhance shareholder values, the Company will monitor Total Shareholder Return (TSR), which includes dividends and share price fluctuations, and strive for company management with an awareness of share price.
The Company strives to gain the understanding of its shareholders and investors by disclosing and explaining our Purpose, Corporate Strategy, Management Plan, and specific management targets, etc., through Integrated Reports, various presentations including IR Day, and the Company's website.
"Integrated Report" https://www.mitsubishielectric.com/en/investors/library/integrated_report/
"IR Day" https://www.mitsubishielectric.com/en/investors/library/presentations/

2. Capital Structure

Foreign Shareholding Ratio	30% or more

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	337,492,400	16.15
SSBTC CLIENT OMNIBUS ACCOUNT	110,848,150	5.30
Custody Bank of Japan, Ltd. (Trust Account)	108,603,900	5.20
Meiji Yasuda Life Insurance Company	81,862,190	3.92
STATE STREET BANK AND TRUST COMPANY 505223	52,037,443	2.49
JP MORGAN CHASE BANK 380055	48,910,271	2.34
Mitsubishi Electric Group Employees Shareholding Union	45,089,685	2.16
JP MORGAN CHASE BANK 385632	38,768,621	2.03
STATE STREET BANK WEST CLIENT-TREATY 505234	52,037,443	1.85
Nippon Life Insurance Company	36,339,748	1.74

Name of Controlling Shareholder, if applicable (excluding Parent Company)	———
Name of Parent Company, if applicable	Not Applicable

Supplementary Explanation

- Dodge & Cox submitted a change report of a large amount of shares on May 9, 2024. The Company was unable to confirm the

exact number of shares held by them as of March 31, 2024, so the "Status of Major Shareholders" column is based on the shareholder register.
In the said report, the status of shareholding as of April 30, 2024 is as follows.
Name/Number of Shares Held/Ratio (%) : Dodge & Cox /77,663,000 shares/3.62%

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Electrical Appliances
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	Over 1 trillion yen or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	100 or more and fewer than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which May have Material Impact on Corporate Governance

1. Views and Policies on Group Management

(1) Views and policies on Group management

In accordance with its Purpose, the Mitsubishi Electric Group 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, in addition to realizing well-balanced corporate management from the three perspectives of growth, profitability/efficiency, and soundness. Having set its management policy that places the realization of sustainability as the cornerstone of its management, the Group has defined specific priorities as materiality (important challenges) to implement initiatives.

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. To realize this "Circular Digital-Engineering," the Mitsubishi Electric Group will work to strengthen its assets in the digital field—assets that it will share with a wide range of customers—including human resources and technological development.

The Mitsubishi Electric Group will continue to expand and develop its Business Area (BA) management system in order to rapidly implement business transformation in response to social changes. The BA owners, who oversee their respective BA, will review portfolios with the aim of maximizing profitability and asset efficiency by reallocating resources across the BA. In this context, we will invest aggressively at the right time and in the appropriate manner in our key growth businesses of factory automation control systems, air conditioning and refrigeration systems, building systems, and power devices. We will work to create further value by advancing our business portfolio strategy and strengthening our management system.

(2) Basic views and policies with regard to the Group management system

With regard to listed subsidiaries and listed affiliates, the Company considers it reasonable to maintain a high degree of independence in terms of the characteristics of their businesses, brand power in the relevant business domains, individual corporate culture, and speed of decision making, and respects the decision making of each company.

By ensuring independence in business operations and transactions, the Company respects the rights of minority shareholders and has established an effective governance structure to prevent conflicts of interest with minority shareholders.

In addition, each business group assembles the business plans of individual companies into the management plan for the business group, formulating management plans on a consolidated basis.

Further, the Mitsubishi Electric Group has a group funding system in place to improve funding efficiency, and its listed subsidiaries also use this system.

2. Listed Subsidiaries

(1) Listed subsidiaries owned by the Company

Kodensha Co., Ltd. (listed on the Standard Market of the Tokyo Stock Exchange) is a listed subsidiary. Its main business is electrical equipment construction.

(2) Views and policies on Group management

As described in section 1.

(3) Significance of having a listed subsidiary

Kodensha Co., Ltd. became our subsidiary in 1951. The company is an electrical equipment construction company in the Mitsubishi Electric Group and is segregated from our core business.

The Group considers it meaningful to have this company from the following perspectives: increasing the Group's corporate value, contributing to its consolidated financial results, and improving the Group's overall ability to support customers by owning a construction company within the Group.

The company was listed for the purpose of increasing its business value from the perspectives of diversifying its means of raising capital, enhancing its name recognition and creditworthiness, recruiting talented human resources, and expanding business opportunities by maintaining its independence from the Group, and we believe this contributes to improving the corporate value of the Group as a whole.

(4) Measures to ensure the effectiveness of governance systems of listed subsidiaries

Under the Group management system described in item (2) of section 1 above, as a parent company, the Company respects the independence of our listed subsidiary, Kodensha Co., Ltd., and does not restrict its business activities. We believe that appropriate protection of the general shareholders' interests in the company will contribute to the enhancement of the its corporate value.

In addition, the company determines the terms and conditions of transactions with each Mitsubishi Electric Group company through individual negotiation in the same way as with companies outside the Mitsubishi Electric Group. Transactions with the Company are conducted on fair and appropriate terms and conditions in the same manner as with other parties. The company has established a governance system that effectively utilizes independent outside directors.

With respect to the exercise of voting rights, we will consider and decide how to vote from the perspective of how it will contribute to the enhancement of our corporate value in addition to the enhancement of the corporate value of the investee company. In the voting and nomination process regarding the selection and dismissal of independent outside directors, we fully respect the decisions made by the boards of directors of the investee company in consultation with the Nomination and Compensation Advisory Council.

In June 2020, Kodensha Co., Ltd. changed its institutional design from a "Company with a Board of Corporate Auditors" to a "Company with an Audit and Supervisory Committee" to further strengthen corporate governance, such as by increasing the ratio of outside directors. The company's board of directors reviews the status of transactions with the parent company from the perspective of protecting minority shareholders, and the independent outside directors provide appropriate opinions on the company's management, thus ensuring a certain degree of independence from the Company.

3. Listed Affiliates

(1) Listed affiliates owned by the Company

The following five companies are listed affiliates. Please refer to the Annual Securities Report for details.

- RYODEN CORPORATION (listed on the Prime Market of the Tokyo Stock Exchange)
- KANADEN CORPORATION (listed on the Prime Market of the Tokyo Stock Exchange)
- Shizuki Electric Co., Inc. (listed on the Standard Market of the Tokyo Stock Exchange)
- MANSEI CORPORATION (listed on the Standard Market of the Tokyo Stock Exchange)
- Seiryo Electric Co., Ltd. (listed on the Standard Market of the Tokyo Stock Exchange)

(2) Views and policies on Group management

As described in section 1.

(3) Significance of having listed affiliates

The Group considers it meaningful to have these companies from the following perspectives: increasing the Group's corporate value; contributing to its consolidated financial results; and improving the Group's overall ability to support customers, through such means as proposing solutions and supplying key parts, by owning manufacturing and sales companies within the Group.

(4) Measures to ensure the effectiveness of governance systems of listed affiliates

Under the Group management system described in item (2) of section 1 above, as a parent company, the Company respects the independence of our listed affiliates, and does not restrict their business activities. We believe that appropriate protection of the general shareholders' interests in these companies will contribute to the enhancement of their corporate value.

In addition, each associate determines the terms and conditions of transactions with each Mitsubishi Electric Group company through individual negotiation in the same way as with companies outside the Mitsubishi Electric Group. Transactions with

the Company are conducted on fair and appropriate terms and conditions in the same manner as with other parties. These companies have established governance systems that effectively utilize independent outside directors. With respect to the exercise of voting rights, we will consider and decide how to vote from the perspective of how it will contribute to the enhancement of our corporate value in addition to the enhancement of the corporate value of the investee company. In the voting and nomination process regarding the selection and dismissal of independent outside directors, we fully respect the decisions made by the boards of directors of each company.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Corporate Governance System	Company with Three Committees (Nomination, Audit and Compensation)

Directors

Number of Directors Stipulated in Articles of Incorporation	No upper limit
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	10

Outside Directors

Number of Outside Directors	6
Number of Independent Directors	6

Relationships with the Company (1)

Name	Attributes	Relationship with the Company*									
		a	b	c	d	e	f	g	h	i	j	k
Tatsuro Kosaka	From another company											
Hiroyuki Yanagi	From another company								△			
Masako Egawa	Other											
Haruka Matsuyama	Lawyer											
Kunihito Minakawa	From another company											
Peter D,Pedersen	Other										○	

*Categories for "Relationship with the Company."

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business of the Company or a subsidiary
b. Person who executes business or a non-executive director of a parent company
c. Person who executes business of a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for such person/entity
e. Major client of the Company or a person who executes business for such client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
i. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
j. Person who executes business for an entity receiving contributions from the Company (applies to self only)
k. Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
	Nomination Committee	Remuneration Committee	Audit Committee			
Tatsuro Kosaka	○	○		○	He is an independent Director who satisfies the requirements specified by the Tokyo Stock Exchange and others.	- Mr. Kosaka's experience and insights as a business specialist cultivated over the course of his career in management of a

					[Important concurrent positions] Senior Advisor, Chugai Pharmaceutical Co., Ltd. Outside Audit Supervisory Board Member, Komatsu Ltd. Outside Director, Olympus Corporation	manufacturing company are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2022, he has overseen the Company's business operations, and he is also currently making efforts for various activities as Chairperson of the Nomination Committee and the Compensation Committee. The Company expects him to oversee the Company's business operations by using a wide range of experience and insights especially in the fields of corporate management, corporate strategies and globalization, sustainability, human resources and human resources development, engineering, DX and R&D, and business development and investment at the Board of Directors and each Committee. .- The Company has designated him as an independent Director because he does not fall under any of the grounds stipulated in Article 412, Paragraph 2 of the Tokyo Stock Exchange's Listing Regulations, "Guidelines on Listing Management, etc." and meets 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.
Hiroyuki Yanagi	○	○		○	He is an independent Director who satisfies the requirements specified by the Tokyo Stock Exchange and others. [Important concurrent positions] Advisor, Yamaha Motor Co., Ltd., Outside Director, AGC Inc. Non-executive Director of the Board, Kirin Holdings Company, Limited Outside Director, Japan Airlines Co., Ltd.	- Mr. Yanagi's experience and insights as a business specialist cultivated over the course of his career in management of a manufacturing company are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2022, he has overseen the Company's business operations, and he is also currently making efforts for various activities as Chairperson of the Board of Directors and Member of the Nomination Committee and the Compensation Committee. The Company expects him to oversee the Company's business operations by using a wide range of experience and insights especially in the fields of corporate management, corporate strategies and globalization, sustainability, human resources and human resources development, engineering, DX and R&D, and business development and investment at the Board of Directors and each Committee.

						- Although Mr. Hiroyuki Yanagi was Director of Yamaha Motor Co., Ltd. until March 2022, the Company's transaction amount with Yamaha Motor is less than 1% of consolidated revenue of both companies. The Company has designated him as an independent Director because he does not fall under any of the grounds stipulated in Article 412, Paragraph 2 of the Tokyo Stock Exchange's Listing Regulations, "Guidelines on Listing Management, etc." and meets 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.
Masako Egawa	○	○		○	She is an independent Director who satisfies the requirements specified by the Tokyo Stock Exchange and others. [Important concurrent positions] Chancellor, Seikei Gakuen Vice-Chairperson, The Japan Securities Dealers Association External Director, Mitsui & Co., Ltd.	- Ms. Egawa's experience and insights as a specialist cultivated over the course of her career in working at global financial institutions, research and experience in corporate governance, management experience in educational corporations, are highly beneficial to Mitsubishi Electric. Serving as Outside Director of the Company since June 2023, she has overseen the Company's business operations, and she is also currently making efforts for various activities as Member of the Nomination Committee and the Compensation Committee. The Company expects her to oversee the Company's business operations by using a wide range of experience and insights especially in the fields of corporate management, corporate strategies and globalization, sustainability, finance and accounting, legal affairs, compliance and governance, and business development and investment at the Board of Directors and each Committee. - The Company has designated her as an independent Director because he does not fall under any of the grounds stipulated in Article 412, Paragraph 2 of the Tokyo Stock Exchange's Listing Regulations, "Guidelines on Listing Management, etc." and meets 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.
Haruka			○	○	She is an independent Director who	- Ms. Matsuyama's experience and

Matsuyama					satisfies the requirements specified by the Tokyo Stock Exchange and others. [Important concurrent positions] Attorney-at-law Outside Audit & Supervisory Board Member, AGC Inc. Outside Director, Tokio Marine Holdings, Inc.	insights as an attorney-at-law are highly beneficial to a governance reform of Mitsubishi Electric. Serving as Outside Director of the Company since June 2023, she has overseen the Company's business operations and she is also currently making efforts for various activities as Chairperson of the Audit Committee. The Company expects her to oversee the Company's business operations by using a wide range of experience and insights especially in the fields of sustainability, and legal affairs, compliance and governance at the Board of Directors and each Committee. Although she has never been involved in the management of a company other than as an outside officer before, Mitsubishi Electric has judged that she is capable of performing her duties properly as Outside Director for the above reason. - The Company has designated her as an independent Director because he does not fall under any of the grounds stipulated in Article 412, Paragraph 2 of the Tokyo Stock Exchange's Listing Regulations, "Guidelines on Listing Management, etc." and meets 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.
Kunihito Minakawa			○	○	He is an independent Director who satisfies the requirements specified by the Tokyo Stock Exchange and others. [Important concurrent positions] Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner External Director, Nippon Sheet Glass Co., Ltd. Outside Director, Santen Pharmaceutical Co., Ltd.	- Mr. Minakawa's experience and insights as a management, finance and audit specialist cultivated over the course of his career, serving as Corporate Senior Vice President in charge of accounting and Auditor of a manufacturing company, are highly beneficial to Mitsubishi Electric. The Company expects him to oversee the Company's business operations by using a wide range of experience and insights especially in the fields of corporate management, corporate strategies and globalization, finance and accounting at the Board of Directors and each Committee. .- The Company has designated him as an independent Director because he does not fall under any of the grounds stipulated in Article 412, Paragraph 2 of the Tokyo Stock Exchange's Listing Regulations, "Guidelines on Listing Management, etc." and meets 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.
Peter D.Pedersen			○	○	He is an independent Director who satisfies the requirements specified by the Tokyo Stock Exchange and others. [Important concurrent positions] Executive Director, NELIS, non-profit organization Professor (full-time), Graduate School of Leadership and Innovation, Shizenkan University External Director, MARUI GROUP CO., LTD. Independent Outside Member of the Board, Meiji Holdings Co., Ltd.	-Mr. Pedersen's experience and insights as a global-level sustainability specialist cultivated over the course of his career, which involves working at environment and corporate, social and responsibility (CSR) consulting companies, etc., are highly beneficial to Mitsubishi Electric. The Company expects him to oversee the Company's business operations by using a wide range of experience and insights especially in the fields of corporate management, corporate strategies and globalization, sustainability, human resources and human resources development, and business development and investment at the Board of Directors and each Committee. - Mr. Pedersen is Executive Director of NELIS, non-profit organization to which the Company makes donations. However, the amount of donations from the Company to NELIS was less than 2 million yen in the most recent fiscal year, and since he meets the requirements in Mitsubishi Electric's Independency Guideline for Outside Directors, there is no special relationship that affects the independence of NELIS and the Company. The Company has designated him as an independent Director because he does not fall under any of the grounds stipulated in Article 412, Paragraph 2 of the Tokyo Stock Exchange's Listing Regulations, "Guidelines on Listing Management, etc." and meets 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.

Supervisory Committees

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Nomination Committee	4	0	1	3	Outside Director
Compensation Committee	4	0	1	3	Outside Director
Audit Committee	4	1	1	3	Outside Director

Executive Officers

Number of Executive Officers	12

Status of Additional Duties

Name	Representative Authority	Concurrent Duties as Director			Concurrent Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Kei Uruma	Yes	Yes	Yes	No	No
Tadashi Matsumoto	Yes	No	No	No	No
Kunihiko Kaga	Yes	No	No	No	No
Noriyuki Takazawa	No	No	No	No	No
Satoshi Kusakabe	No	No	No	No	No
Yoji Saito	No	No	No	No	No
Eiichiro Mitani	No	No	No	No	No
Kuniaki Masuda	No	Yes	No	Yes	No
Tomonori Sato	No	No	No	No	No
Yoshikazu Nakai	No	No	No	No	No
Satoshi Takeda	No	Yes	No	No	No
Yasunari Abe	No	No	No	No	No

Auditing Structure

Appointment of Directors and/or Employees to Support the Audit Committee	Appointed

Matters Related to the Independence of Such Directors and/or Employees from Executive Officers

Dedicated employees are assigned to support the duties of the Audit Committee. The Senior General Manager in charge of human resources consults with the Audit Committee members upon the performance evaluation and personnel transfer of such employees.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Department

Please refer to [Audit by the Audit Committee and Status of Internal Audit] in “II2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System” of this report.

Matters Concerning Independent Directors

Number of Independent Directors	6

Other Matters Concerning Independent Directors

- The Company has six outside directors, each of whom has no special interest with the Company. Although companies in which each of the outside directors holds office in or has been a director or officer of include those with trading relationships with the Company, no such relationships have an impact on the independence of each relevant outside directors based on the scale or nature of such trading, and thus they possess no risk of giving rise to any conflict of interest with the general shareholders of the Company.
- Outside directors are expected to supervise management from a high-level perspective based on their abundant experience. Those who are comprehensively judged to possess the character, acumen, and business and professional experience suited to fulfill that role, and who satisfy the requirements of independent executives specified by the Tokyo Stock Exchange and the requirements specified in Mitsubishi Electric’s Independency Guideline for Outside Directors (see note at below) and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the Company, are selected as outside

director candidates by the Nomination Committee.

<Mitsubishi Electric's 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

Incentives

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers	Introduction of Performance-linked Compensation Scheme and Other

Supplementary Explanation for Applicable Items

- The Company has introduced a performance-based compensation system for the Executive Officers with a focus on incentives for improving performance.
- For an overview, please refer to "Disclosure of Policy for Determining Compensation Amounts and the Calculation Methods Thereof" of "Compensation for Directors and Executive Officers" under "II1. Organizational Composition and Operation" of this report.

Persons Eligible for Stock Options	———

Supplementary Explanation for Applicable Items

———

Compensation for Directors and Executive Officers

Status of Disclosure of Individual Directors' Compensation	No Disclosure for any Directors
Status of Disclosure of Individual Executive Officers' Compensation	Disclosure for Selected Executive Officers

Supplementary Explanation for Applicable Items

The compensation for the Directors and Executive Officers is disclosed in the Business Report and the Annual Securities Report. In the Annual Securities Report, the compensation of some Executive Officers is disclosed individually in accordance with the provisions of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.

Policy on Determining Compensation Amounts and the Calculation Methods Thereof	Established

Disclosure of Policy on Determining Compensation Amounts and the Calculation Methods Thereof

The policy for determining compensation for Directors and Executive Officers are deliberated upon and decided by the Compensation Committee, a majority of which is comprised of Outside Directors, including the chairperson. The policy for fiscal 2024 is as follows. If the Director concurrently serves as an Executive Officer, the policy for determining compensation for Executive Officers is applied.

A. Basic Policy

As a Company with a Three-committee System, the Company 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 Directors and the compensation scheme for the Executive Officers will be set differently, corresponding to the contents and responsibilities of each duty and position. The compensation will be determined by the Compensation Committee based on the following basic policies:

(A) Directors

a. The compensation scheme should encourage the Directors to demonstrate their supervisory function of management.

b. The compensation should be the amount necessary to secure suitable talent to fulfill the responsibilities of the Company's Directors.

(B) Executive Officers

a. The compensation scheme should observe the corporate philosophy of the Mitsubishi Electric Group, and be fully accountable to all stakeholders including society, customers, shareholders, and employees.

b. The compensation scheme should encourage the execution of duties in line with management strategies and provide strong incentives to achieve management goals.

c. The compensation scheme should function as an incentive for sustained performance growth and the improvement of corporate value.

d. The compensation scheme should reflect a fair and impartial evaluation of the achievements and contributions toward their respective roles and responsibilities.

B. The System for Determining Compensation

(A) Directors

The compensation scheme for Directors shall consist exclusively of basic compensation (fixed compensation), in light of the Directors' role to provide advice and supervise management from an objective and independent perspective.

(B) Executive Officers

The compensation scheme for Executive Officers shall be as follows, with an emphasis on the improvement of medium-term corporate value and shareholder value.

a. Basic compensation

Fixed compensation is set in accordance with the roles and responsibilities of each Executive Officer and is paid monthly in cash by dividing the position-based annual standard amount by 12.

b. Performance-based bonus

The performance-based bonus consists of "Corporate Performance Evaluation" and "Individual Evaluation." Toward the implementation and achievement of targets of important indicators, priority measures, etc. in the Medium-term Management Plan, the consolidated revenue, consolidated operating profit ratio, operating cash flow, and ROE are used as evaluation indicators for "Corporate Performance Evaluation." For "Individual Evaluation," as an evaluation indicator, non-financial targets and business areas are determined for each Executive Officer. For Executive Officers who control a Business Area or Business Group, actual results of their Business Group as well as non-financial targets are used as evaluation indicators. The amount to be paid is determined in accordance with the status of achievements of these indicators. The payment amount for each individual will fluctuate in the range of 0% to 200% and shall be calculated as below and paid in a lump sum in cash after the end of each fiscal year.

[Individual payment amount = Position-based standard amount x (Corporate performance evaluation coefficient + Individual evaluation coefficient) (in the range of 0-200%)]

c. Performance-based stock compensation (Performance Share Unit (PSU))

In principle, the number of shares to be issued as performance-based stock compensation (PSU) varies between 0% and 200%, depending on the comparison result (in percentile) between the Company's TSR (total shareholder return) for the three years and the TSR of a pre-selected group of comparable companies. The comparable companies are selected from domestic and overseas companies in the business areas in which the Company operates. The number of shares to be delivered to each individual is calculated as follows:

[Number of shares delivery to each individual ＝ Standard PSU points for the position × PSU grant rate (in the range of 0-200%)]

d. Restricted Stock Units (RSU)

In order to promote continuous shareholding and shareholder value during the term of office, the Restricted Stock Unit

(RSU) program shall, in principle, deliver shares, with transfer restrictions, equivalent to the standard amount for the position at the end of each fiscal year. The transfer restrictions shall be lifted at retirement (when the Company's Director or Executive Officer retires from his/her position).

C. Method of Setting Compensation Levels and Compensation Compositions Ratios

The compensation levels and compensation composition 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.

(A) Directors

The basic compensation levels of Directors are set in consideration of the compensation levels of non-executive internal directors and Outside Directors of the compensation benchmark companies, their roles and responsibilities, and other factors.

(B) Executive Officers

The compensation, etc. of Executive Directors is set in consideration of the trends in compensation levels of executive officers at the compensation benchmark companies, the management strategy and business environment of the Company, the objectives of incentive compensation and the degree of difficulty in achieving the targets, the roles and responsibilities of the Executive Officer concerned and other relevant factors. Additionally, from the perspective of pay-for-performance, the compensation composition has been set with a higher ratio of incentive compensation to place greater emphasis on the link between performance and the medium- and long-term improvement of corporate value and shareholder value.

D. Compensation Governance

As a Company with a Three-committee system, the Company has set forth the following:

- The major roles and authority of the Compensation Committee

  The Company's Compensation Committee has the authority to determine the details of compensation, etc. for individual Directors and Executive Officers of the Company. It mainly determines the policies for determining executive compensation, etc., the details of compensation, etc. for individual Directors and Executive Officers, company-wide performance evaluations related to the incentive compensation of Executive Officers, and the individual evaluations of Executive Officers. The Compensation Committee will be chaired by an outside director.

- Decision-making process and annual schedule

  In the deliberation and determination of the policy for determining executive compensation, etc., the Company's Compensation Committee gathers information and receives advice from compensation consultants from an external professional organization with abundant global experience and knowledge, from the standpoint of ensuring independence of its judgement and enhancing the effectiveness of the roles and authority of the Compensation Committee. The Compensation Committee conducts deliberation and determination based on such information as well as due consideration of the environment and general trends surrounding the compensation for management.

E. Stock Ownership Guidelines

We believe 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, we have established the following stock ownership guidelines and require Executive Officers to continuously hold the Company's stock during their term of office, even after the target amount has been reached.

[Stock Ownership Guidelines]

Targeted holdings to be achieved within four years of assuming the position

Position	Target amount	
President & CEO	The multiple to be applied to the annual basic compensation	1.3 times
Executive Vice President		1.1 times
Senior Vice President		1.0 times
Executive Officer		0.8 times

F. Malus and Clawback Provisions

The Company shall introduce "malus and clawback provisions" so that, 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 his/her right to receive incentive compensation (malus) or return his/her paid compensation (clawback). The compensation that may be subject to these provisions shall be 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.

Support System for Outside Directors

The Company establishes the following organizations responsible for communication and coordination with the Directors including independent outside directors and Executive Officers (management): the Board of Directors Secretariat (Human Resources and General Affairs Div.), the Nomination Committee and Compensation Committee Secretariat (Global Human Resources Div.), and the Audit Committee Secretariat (Audit Committee Office).

The Board of Directors Secretariat and the Nomination Committee and Compensation Committee Secretariat are each assigned an Executive Officer, who is responsible for communication and coordination among the Directors, including independent outside directors, Executive Officers (management), and other internal parties.

Along with the full-time Audit Committee members, the Audit Committee Secretariat supports communication and coordination among the Directors, including independent outside directors, Executive Officers (management), and other internal parties.

For more information, please refer to the relevant sections of this report, the Company's website, and the Corporate Governance Guidelines.

"Corporate Governance" https://www.mitsubishielectric.com/en/investors/management/corp_governance/

Statuses of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc.	0

Other Related Matters

1. As of March 2023, the Company discontinued the Senior Advisor Program, under which the Company commissions retired full-time executives to serve as Senior Advisors. After April 2023, the Company will only commission retired full-time executives on a part-time basis for the external activities of public, industrial, and economic organizations. The persons to be commissioned will never be involved in the management of the Company, and their duties will be limited to the external activities.

2. After April 2023, the Company's rules for commissioning retired full-time executives are as follows:
   (1) The duties will be external activities, and the term will be one year, which can be renewed. The renewal period will be based on the term of office in external activities (public organizations, business associations, economic organizations, etc.) commissioned by the Company, but in principle, it will be a maximum of six years.
   (2) The commissioning process for retired full-time executives will involve the Board of Directors, which has a majority of independent outside directors. When commissioning a person with experience as President & CEO, such a commission will be approved by the Board of Directors in terms of matters such as who will be commissioned, the duration of the term, the purpose of the commission, and the compensation involved.

1. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)

The Company has chosen to have a three-committee system in place. The Company segregates the supervisory and executive functions; the Board of Directors plays a supervisory decision-making role and Executive Officers handle the day-to-day running of the Company. 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.

To promote the segregation of supervisory and executive functions, which is the characteristic of this system, the Company's Board of Directors is dedicated to supervising management with specific details of deliberations stipulated as the Board of Directors' deliberation criteria. By delegating to the Executive Officers, the authority to make all business execution decisions within the limits permitted by the Companies Act, the Company ensures swift and decisive decision-making and appropriate risk-taking in business execution. Both the Board of Directors and the three statutory committees are chaired by independent outside

directors, and a majority of their members are independent outside directors as well, thereby improving the effectiveness of the supervisory function. In addition, the Executive Officers' meeting has been established as a voluntary body to deliberate and make decisions on important business matters from the perspective of pursuing synergy and multifaceted risk management, in addition to sharing information among Executive Officers.

[Board of Directors (Fiscal 2024)]

- The present Board of Directors is comprised of 12 members (seven of whom are independent outside directors, three of whom are women), who objectively supervise and advise the Company's management by executing their duties based on the objectives and authority of the Companies Act, as well as by delegating to Executive Officers the decision authority for executing all operations, except the matters listed in the items of paragraphs 1 and 4 of Article 416 of the Companies Act.
- The Company held Board of Directors meetings 14 times during fiscal 2024. The attendance rate for each Director was as follows:
  ○ Mitoji Yabunaka: 100% (14 out of 14)
  ○ Kazunori Watanabe: 100% (14 out of 14)
  ○ Hiroko Koide: 100% (14 out of 14)
  ○ Tatsuro Kosaka: 100% (14 out of 14)
  ○ Hiroyuki Yanagi: 100% (14 out of 14)
  ○ Masako Egawa: 100% (10 out of 10)
  ○ Haruka Matsuyama: 100% (10 out of 10)
  ○ Kei Uruma: 100% (14 out of 14)
  ○ Tadashi Kawagoishi: 100% (14 out of 14)
  ○ Kuniaki Masuda: 100% (14 out of 14)
  ○ Jun Nagasawa: 100% (14 out of 14)
  ○Satoshi Takeda: 100% (10 out of 10)
  Because Mses. Masako Egawa, Haruka Matsuyama, and Mr. Satoshi Takeda were appointed as a Director on June 29, 2023, their attendance after their appointment is shown.
  Messrs. Mitoji Yabunaka, Kazunori Watanabe, Ms. Hiroko Koide, Messrs. Tadashi Kawagoishi and Jun Nagasawa retired at the conclusion of the 153nd Ordinary General Meeting of Shareholders held on June 25, 2024, due to the expiration of their terms of office.
- The Board of Directors in fiscal 2024 made decisions on 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 schedules, the consolidated financial statements, dividends of surplus, convocation of the General Meeting of Shareholders and appointment of Executive Officers. In addition, in order to promote the medium- and long-term sustainable improvement of the corporate value of the Mitsubishi Electric Group, we established and discussed "important agenda items" for the Group (business portfolio strategy, sustainability management, human capital strategy, ECM/SCM strategy, digital strategy [business DX], and information system strategy [operational DX] from July 2023 to June 2024). The "Three Key Reforms Monitoring Committee," established under the Board of Directors continuously supervised the progress and effectiveness of the three key reforms (quality assurance, organizational culture, and governance), which were aimed at restoring trust in the Company in response to a series of improper quality control practices that had been identified since June 2021.
  Furthermore, we received reports from Executive Officers on the progress and results of business execution and fully discussed them..

[Committees (Fiscal 2024)]

- The Board of Directors has three statutory internal bodies: the Nomination Committee, Audit Committee, and Compensation Committees, each chaired by an independent outside director.
- Each body has five to six members, the majority of whom are independent outside directors, who are chosen by the Board of Directors, taking into account the experience and specialties of each person. Each Committee undertakes its duties based on the objectives and authority of the Companies Act.
- The roles and authority of the Nomination Committee were reviewed on November 25, 2021, and are set forth as follows:
  - Determination of proposals for the appointment and dismissal of Directors to be submitted to the general meeting of shareholders
  - Determination of proposals to be submitted to the Board of Directors regarding the appointment and dismissal of the President & CEO
  - Deliberation on the following matters drafted by the President & CEO in response to consultation from the Board of Directors, as well as the provision of the Committee's opinions to the Board of Directors.
    (a) Matters related to the personnel requirements for the President & CEO

(b) Details and operating status of the succession plan for the President & CEO (selection and development of potential successors)

- In fiscal 2024, the Nomination Committee held 9 meetings, the Audit Committee held 14 meetings, and the Compensation Committee held 7 meetings. The attendance at the Nomination and Compensation Committee meetings was as follows: For the attendance rate of the Audit Committee, please refer to [Audit by the Audit Committee and Status of Internal Audit] in "II2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System" of this report.

<Nomination Committee (Fiscal 2024)>
○ Tatsuro Kosaka: 100% (9 out of 9)
○ Mitoji Yabunaka: 100% (9 out of 9)
○ Hiroko Koide: 100% (9 out of 9)
○ Hiroyuki Yanagi: 100% (9 out of 9)
○ Masako Egawa: 100% (7 out of 7)
○ Kei Uruma: 100% (7 out of 7)
Because Ms. Masako Egawa and Mr. Kei Uruma were appointed as a member of the Nomination Committee on June 29, 2023, their attendance after their appointment is shown.

<Compensation Committee (Fiscal 2024)>
○ Kazunori Watanabe: 100% (7 out of 7)
○ Mitoji Yabunaka: 100% (7 out of 7)
○ Hiroko Koide: 100% (7 out of 7)
○ Tatsuro Kosaka: 100% (7 out of 7)
○ Masako Egawa: 100% (5 out of 5)
○ Kuniaki Masuda: 100% (7 out of 7)
Because Ms. Masako Egawa was appointed as a member of the Compensation Committee on June 29, 2023, her attendance after her appointment is shown.

- Based on the objectives and authority of the Companies Act, the Nomination Committee determined the candidates for Directors to be submitted to the General Meeting of Shareholders. In addition, in order to ensure objectivity and transparency in the selection and dismissal of the President and CEO, the committee also has 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 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 "(4) Compensation for Directors and Executive Officers" for details concerning the said system.

[Audit by the Audit Committee and Status of Internal Audit (Fiscal 2024)]

- Please also refer to "IV1. Basic Views on Internal Control Systems and the Status of Development" for an overview of auditing and monitoring methods.

(1) Status of audit by the Audit Committee

A. Organization, members, and procedures of the Audit Committee
The Audit Committee is made up of five Director, three of whom are Outside Director. The Committee audits the legality, adequacy, and efficiency of the execution of the duties by Director and Executive Officers and creates an audit report to be submitted to the shareholders' meeting with its resolution.
Kazunori Watanabe, a member of the Audit Committee, is a Certified Public Accountant and has a considerable degree of knowledge about finance and accounting. Tadashi Kawagoishi, a member of the Audit Committee, has long years of experience in the accounting and financial operations of the Company. The Audit Committee has four dedicated staffers who take direct orders from Audit Committee members and support them in executing their duties.

B. Frequency of the Audit Committee meeting and attendance of each Audit Committee member
The Company held fourteen Audit Committee meetings during the fiscal 2024. Each meeting took about one and a half

hours. Audit Committee members worked to secure sufficient time for questions and answers on the day of the Audit Committee meeting, such as by checking materials with audio commentary in advance through the Audit Committee website, mainly for matters for reporting. The attendance of each Audit Committee member is as shown below.

○ Hiroyuki Yanagi: 100% (11 out of 11)
○ Kazunori Watanabe: 100% (14 out of 14)
○ Haruka Matsuyama: 100% (11 out of 11)
○ Tadashi Kawagoishi: 100% (14 out of 14)
○ Jun Nagasawa: 100% (14 out of 14)

Out of the above members, Messrs. Tadashi Kawagoishi and Jun Nagasawa are responsible for investigation.

Because Mr. Hiroyuki Yanagi and Ms. Haruka Matsuyama was appointed as a member of the Audit Committee on June 29, 2023, their attendance after their appointment is shown.

Messrs. Kazunori Watanabe, Tadashi Kawagoishi and Jun Nagasawa retired upon the expiration of their terms of office at the end of the 153rd Ordinary General Meeting of Shareholders held on June 25, 2024.

C. Activities of the Audit Committee members

- The Audit Committee members–mainly those responsible for investigation (full-time Audit Committee members)–attend Executive Officers' meetings and other such important conferences, and conduct investigations such as interviews with Executive Officers and Executive Officers (Associate), as well as visits of the Company's offices and subsidiaries and interviews with executive staff thereof in accordance with the policies and assignments agreed upon the Committee.
- The Audit Committee members receive internal audit reports and monthly reports from the Corporate Auditing Division. At Audit Committee meetings, members also receive reports on internal audit policies for the fiscal year and the results of semi-annual internal audits, and provide their opinions as necessary.
- The Audit Committee members receive reports from the Corporate Legal & Risk Management Group and other departments in charge of internal control, such as reports on the building of an internal control system that emphasizes predictive indicators and prevention, the formulation and operation of a compliance program, and the development and operation of an internal whistle-blowing system, and provide their opinions as necessary.
- The Audit Committee members discuss policies and methods of auditing with Independent Auditors, who furnish them with quarterly reports on the implementation status of reviews, including responses to audit risks, and explanations of their quality management system and independence, and exchange opinions with them.

In addition, Outside Audit Committee members visit the Company's offices and subsidiaries to offer their opinions based on the various skills they each possess at the Audit Committee meeting and other occasions.

D. Specific Agenda Contents of the Audit Committee

The specific agenda of the Audit Committee includes the formulation of audit policies and activity planning, checks on the status of execution of the duties by Directors and Executive Officers and the status of establishment and operation of the internal control system, checks on methods of auditing by the Independent Auditor and validity of results, and evaluation of the Independent Auditor and drafting of proposals for reappointment and non-reappointment of the Independent Auditor.

In fiscal 2024, the Audit Committee focused on monitoring and verifying various measures to address quality issues and to prevent the recurrence of labor and information security issues that have occurred in recent years. At the same time, the Audit Committee conducted interviews with and expressed its opinions to Executive Officers, Executive Officers (Associate), and the executive staff of the Company's offices and subsidiaries as necessary on matters such as the status of efforts for initiatives aimed at sustainably increasing the Mitsubishi Electric Group's corporate value and fulfilling its responsibilities to stakeholders, namely the promotion of sustainability management, the acceleration of portfolio strategies and business transformation under the new business area management structure, and strengthening the business structure, including the building of an internal control system that emphasizes prediction and prevention, and the formulation and operation of a compliance program.

The Group is focusing on accelerating its transformation to realize its ideal vision (Circular Digital-Engineering Company), strengthening its business structure, promoting material sustainability management, deepening and developing the three key reforms, and thoroughly instilling legal and ethical compliance. The Audit Committee will closely monitor the permeation of these initiatives throughout the Group, along with the various recurrence prevention initiatives being implemented by the Company, including efforts to prevent improper quality control practices as well as work-related and cybersecurity issues identified thus far from being forgotten.

E. Effectiveness evaluation of the Audit Committee

The Audit Committee conducts evaluation to improve performance every year in the form of questionnaires to be filled out by each committee member. In fiscal 2024, the following opinions and proposals were made:

- The frequency of Audit Committee meetings, explanations of proposals, and Q&A sessions are sufficient and

appropriate. Operations could be improved by setting key agenda items and providing materials in an even more timely manner.

- The Audit Committee members responsible for investigation (full-time Audit Committee members) periodically report their activities and the results thereof, and management information is properly shared among Audit Committee members in a timely manner.

Although we believe that these evaluations in effect endorse the performance of the Audit Committee, we will continue to make efforts to improve performance.

(2) Status of Internal Audit

A. Organization, members, and procedures for internal audit

An internal audit is intended to contribute to the sound management and strengthened management structure of the Company 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 Company's Corporate Auditing Division conducts internal audits of the Company from a fair and impartial standpoint. In addition, the division's activities are supported by auditors with extensive knowledge of their particular fields, assigned from relevant business units.

B. Relationship with the divisions in charge of internal control

In the Group, the corporate management divisions and corporate staff groups such as the Corporate Strategic Planning Division, the Corporate Accounting Division, the Corporate Legal & Licensing Division, and the Corporate Export Control Division inspect the establishment and operation of the internal control system and regulations, etc. under their scope of responsibility for internal control. In addition, each business division has its own compliance department, which reliably spreads companywide compliance policies and inspects the compliance status in each business division.

The Corporate Auditing Division internally audits the operation and other aspects of the internal control system, evaluates the internal control related to the financial review, and mutually exchanges necessary information with each division in charge of internal control.

C. Mutual relationship among internal audit, the audit by the Audit Committee, and accounting audit

The Corporate Auditing Division reports the internal audit policies and internal audit results to the Audit Committee and exchanges opinions with the Audit Committee members on a regular basis.

The Corporate Auditing Division also reports internal audit results to the Independent Auditors and continuously works with them, discussing the evaluation of the internal control related to financial review as needed.

D. Activities to ensure the effectiveness of internal audits

The Corporate Auditing Division prepares and sends an audit report to the head of the audited department after the internal audit is conducted, and instructs the head of the audited department to formulate improvement measures as necessary. In order to ensure the effectiveness of internal audits, the Corporate Auditing Division confirms the improvement measures developed by the audited department through the written responses submitted by the audited department, and conducts follow-up audits and evaluations to confirm the implementation progress as necessary.

In addition, the Corporate Auditing Division prepares a report summarizing the internal audit for the first and second half of the year as a regular report, and reports it, via the Executive Officers (Associate) in charge, to the Audit Committee, and the President & CEO twice a year.

[Executive Officers and Executive Officers' meeting (Fiscal 2024)]

- Executive Officers make decisions about the execution of operations on matters delegated by the Board of Directors within the range of duties allocated to each Executive Officer based on the objectives and authority of the Companies Act, and then execute such operations.
- 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.
- Based on the company-wide management policy, the Company has newly appointed Executive Officers (Associate) who make decisions on overall management and execute business in relation to groups/business groups/corporate divisions within their purview since fiscal year ended March 31, 2023.

[Policy on Director Candidate Selection (Fiscal 2024)]

Please refer to "(4) Policies and Procedures for Nominating and Appointing the Directors and Executive Officers in [Principle 3.1. Full Disclosure]" under "[Disclosure Based on the Principles of the Corporate Governance Code] in the "I1. Basic Views" of this report for basic views and "Other Matters Concerning Independent Directors" under "[Matters Concerning Independent Directors]" in the "II 1. Organizational Composition and Operation" of this report for appointing outside directors.

[Policies Regarding Decisions on Compensation]

For policies regarding decisions on compensation, please refer to “Disclosure of Policy for Determining Compensation Amounts and the Calculation Methods Thereof” of “Compensation for Directors and Executive Officers” under “II1. Organizational Composition and Operation” of this report.

[Status of Accounting Audit]
The Company has appointed KPMG AZSA LLC as its accounting auditor.
The auditing firm has been engaged in an accounting audit of our consolidated financial statements under the Securities and Exchange Act (currently known as the Financial Instruments and Exchange Act) in fiscal 2005 and under the Companies Act and the Securities and Exchange Act (currently known as the Financial Instruments and Exchange Act) since fiscal 2006.
Following the issuance of U.S. dollar-denominated convertible bonds in the European market in March 1970, the Company has been preparing consolidated financial statements in English in accordance with U.S. GAAP since fiscal 1970 and IFRS since fiscal 2019. Since fiscal 1981, the Company has outsourced the auditing to the Japanese member firm (currently known as KPMG AZSA LLC) of Peat, Marwick, Mitchell & Co. (currently known as KPMG) to audit these English consolidated financial statements.

[Overview of the Liability Limitation Agreement]
- In accordance with Article 427, Paragraph 1 of the Companies Act, the Company and all non-executive Directors have entered into an agreement to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under this agreement is 10 million yen or the minimum amount stipulated by laws and regulations, whichever is higher.

2. Reasons for Adoption of Current Corporate Governance System

[Reasons for Adopting the Structure of a Company with a Three-Committee System]
The Company has chosen to have a three-committee system in place. The Company segregates the supervisory and executive functions; the Board of Directors plays a supervisory decision-making role and Executive Officers handle the day-to-day running of the Company. 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.

[Roles and Functions of Outside Directors]
- 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 (Refer to “Other Matters Concerning Independent Directors” of “Matters Concerning Independent Directors” under “II1. Organizational Composition and Operation” in this report) and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the Company, are selected as outside director candidates by the Nomination Committee.
- The Company’s independent outside directors deliberate on the Group’s management policy, the “key agenda items,” and other matters and provide objective advice based on their respective professional perspectives. From July 2024 to June 2025, the key agenda items is company-wide management strategy, sustainability management, human resources strategy, DX, etc.. In giving such advice, the independent outside directors recognize the importance of appropriately reflecting the intentions of all stakeholders, including society, customers, shareholders, and employees.
  As a company with a three-committee system, the Company has set up the Nomination Committee, Compensation Committee, and Audit Committee. Each of these committees is chaired by an independent outside director, and the majority of the members are independent outside directors. The independent outside directors, who are committee members, deliberate and make decisions from an objective standpoint regarding the appointment and dismissal of Directors, the CEO succession plan, executive compensation policies, and individual compensation details, while also appropriately supervising management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	● The notice will be dispatched at least one week before the statutory due date.
Electronic Exercise of Voting Rights	● Starting with the General Meeting of Shareholders held in June 2002, electronic voting has been implemented.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	● Starting with the General Meeting of Shareholders held in June 2006, the electronic voting platform for institutional investors has been available.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	● English translations of a set of attached documents, including the Notice of Convocation of the General Meeting of Shareholders and the Business Report, are prepared and submitted to the Tokyo Stock Exchange. ● English translations are available for shareholders to view on the websites of the Company and the Tokyo Stock Exchange, as well as on the electronic voting platform. ● The publication date of the English translation is the same as that of the Japanese translation.
Other	● A set of attached documents, including the Notice of Convocation of the General Meeting of Shareholders and the Business Report, is posted on the website in advance. ● Visual presentations are provided at the General Meeting of Shareholders. ● The General Meeting of Shareholders has been live-streamed since 2020. ● Questions have been accepted in advance on the Company' website since 2021. ● Based on the recognition that the General Meeting of Shareholders is the highest decision-making body in the Company, the Company has been working to ensure that all shareholder rights are substantially secured and to proactively disclose information that enables them to exercise their voting rights and engage in dialogue.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company has developed its Insider Information Management Rules to ensure that all dialogues are carried out in compliance with the Fair Disclosure Rules and appropriate information management practices. Based on the Rules, the Company strives to promote dialogue through timely, appropriate, and proactive disclosure of corporate information that has a significant impact on the investment decisions of shareholders and investors. "Information Disclosure Policy" https://www.mitsubishielectric.co.jp/ir/management/policy/	
Regular Investor Briefings held for Individual Investors	The Company has updated information about IR activities for individual investors.	Not Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Company strives to enhance its means of dialogue through activities such as individual IR meetings held by the top management, mainly the CEO and CFO, for domestic and overseas shareholders and investors, IR Day (CEO and	Held

	Business Area Owner: 1 time/year), and quarterly financial results briefings (CEO and CFO: 1 time/year, CFO: 3 times/year)	
Regular Investor Briefings held for Overseas Investors	The President & CEO and CFO conduct individual IR meetings for major overseas institutional investors.	Held
Online Disclosure of IR Information	From the perspective of timely and appropriate information disclosure, corporate and business strategies, financial results information, initiatives related to sustainability, and other IR materials are posted on the Company's website. "Investors"https://www.mitsubishielectric.com/en/investors/	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has designated the CFO as a Director/Executive Officer to oversee all dialogue with shareholders, with the CEO assuming overall responsibility. To handle all IR-related activities, the Company has established the Corporate IR and SR Div. The Corporate IR and SR Div. comprises employees who hold concurrent positions in related divisions, such as corporate strategic planning, sustainability strategy, corporate human resources, public relations, and advertising. The Corporate IR and SR Div. has implemented measures for positive cooperation, such as holding meetings as needed.	
Other	Market reactions and opinions, investor trends, and the results of individual interviews obtained during the dialogue are reported at the Board of Directors' and Executive Officers' meetings. After receiving such reports, sufficient discussions are held based on the opinions of the independent outside directors, and feedback is provided to related divisions. The Board of Directors will be informed of corrective actions taken in response to such opinions. In fiscal 2024, The Company had opportunities for direct dialogue with shareholders and investors in Japan and overseas, with the implementation 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 1,239 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	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company has formulated our "Purpose," "Our Values," and "Commitment" with regard to appropriate collaboration with stakeholders, respect for their interests, and sound business ethics. These have been formally adopted by the Board of Directors as our basic policies on management in order to ensure due respect for stakeholders. "Purpose" We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant

	and sustainable society through continuous technological innovation and ceaseless creativity. “Our Values” - Trust: We develop relationships based on strong mutual trust with all stakeholders including society, customers, shareholders, suppliers, and employees working together. - Quality: We ensure the satisfaction of society and customers by providing products and services of the best quality. - Technology: We provide society with new value by enhancing technology and onsite capabilities. - Ethics and Compliance: We act with high ethical standards and comply with laws and social norms. - Humanity: We prioritize health and safety, promote diversity and respect personalities and human rights. - Environment: We strive to protect and improve the global environment, doing so in harmony with nature. - Society: We contribute to the development of a better society as a corporate citizen. “Commitment” Changes for the Better “Changes for the Better” represents the 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, the Company will return to its fundamental principle of addressing social challenges through our businesses and position the realization of sustainability as the cornerstone of our management. From this approach, the Company 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.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	(1) Sustainability initiatives 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." The five materiality areas are: 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. The Group pursue sustainability by “trade on” approach to create business solutions for social challenges while securing its own business growth at the same time through materiality initiatives. 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 order to communicate with our stakeholders, the Company discloses the views, policies and initiatives on sustainability on the Company’s website, in the Integrated Report, etc. The Board of Directors regards the statuses of sustainability management as one of the "key 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.

"Sustainability" https://www.mitsubishielectric.com/en/sustainability/

"Integrated Report"

https://www.mitsubishielectric.com/en/investors/library/integrated_report/

(2) Human resources initiatives

In the Mitsubishi Electric Group Medium-term Management Plan Towards 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 Group places extreme importance on the hiring and development of human resources with diverse values and abilities. Thus, the human resources strategy is selected as one of the "key agenda items" by the Board of Directors and discussed based on the opinions of independent outside directors.

From this perspective, the Group has been planning to recruit more than 3,000 new graduates and mid-career employees every year in Japan. The Group has also reinforced human resources overseas in an attempt to strengthen our business and technology development capabilities. In addition, the Group has been promoting measures to prevent long working hours by improving work efficiency.

With the understanding that there is no business development or social contribution without the growth of employees, the Company has invested about three to five billion yen annually in training and education every year, and our affiliates have also aggressively invested in education. The Company has also systematically invested required funds, such as in improving employee engagement and the workplace environment, as well as promoting diversity. Specific initiatives are disclosed through the Company's website, the Integrated Report, etc.

"Sustainability (Social)"

https://www.mitsubishielectric.com/en/sustainability/social/

(3) Intellectual property initiatives

The proper protection and utilization of intellectual property (IP) rights promotes technological progress and sound competition, and also contributes to realizing affluent lifestyles and the development of society. The Group recognizes that IP rights represent a vital management resource essential to its future and must be protected.

In particular, for the five challenge areas to focus on in order to realize sustainability, the Group has set technological areas that contribute to our transformation into a "Circular Digital-Engineering company" as company-wide themes and are strategically investing in intellectual property activities. Further, to support this transformation, the Group is working to strengthen our AI- and solution-related intellectual properties in addition to intellectual properties relating to the equipment that support our businesses.

From this perspective, the Mitsubishi Electric Group views its business, R&D, and intellectual property activities as an integrated whole, and is actively working to strengthen global intellectual property capabilities that

	contribute to its businesses and to society. In addition, the Group will link its intellectual property activities and standardization activities and apply them to front loading activities in its businesses. Together with this, the Group work to form rules to advance its business in an advantageous manner. With regard to the utilization of intellectual property, the Group is engaging in Open Technology Bank activities leveraging its intellectual properties to promote internal and external collaborations and realize a sustainable future. By combining the Group's wide-ranging technological assets with the technologies, knowledge, and ideas of partner companies, the Group will co-create new value and businesses to help solve increasingly diverse social issues. Specific initiatives for R&D, IP activities, and standardization activities are available on the Company's website, in the Integrated Report, etc. "Protection of Intellectual Property Rights" https://www.mitsubishielectric.com/en/about/rd/ip/rights/ "Open Technology Bank" (In Japanese text) https://www.mitsubishielectric.co.jp/corporate/chiteki/otb/ (4) Disclosure Based on TCFD Recommendations 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. The Group views the transition to a decarbonized society as an opportunity common to all its businesses. The Group is working to achieve carbon neutrality with the aims of "net zero greenhouse gas emissions in the entire value chain by fiscal 2051" and "net zero greenhouse gas emissions from factories and offices by fiscal 2031." These specific measures are disclosed on the Company's website, in the Integrated Report, etc. Financial information based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) https://www.mitsubishielectric.com/en/sustainability/environment/
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company discloses legally required Business Reports and Annual Securities Reports in a lawful and appropriate manner. The corporate strategy, management issues, and sustainability initiatives, as well as other information that is highly useful to shareholders and investors and contributes to dialogue, will also be provided through disclosure media such as the Company's website, and the Integrated Report, with the aim of enriching and visualizing the information provided. The Board of Directors is actively involved in ensuring appropriate information disclosure, such as by discussing how to make the information disclosed as informative as possible for users, including non-financial information such as sustainability. The Company's basic stance and internal system on information disclosure are set forth in the Information Disclosure Policy, which is disclosed on the Company's website. "Information Disclosure Policy" (In Japanese text) https://www.mitsubishielectric.co.jp/ir/management/policy/
Other	(1) Ensuring diversity In the Medium-term Management Plan towards fiscal 2026 (year ending March 31, 2026), the Company states that 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. To achieve this, the Company recognizes that it is extremely important for employees with diverse values and abilities, regardless of race, ethnicity, nationality, gender, age, beliefs, religion, social status, sexual

orientation, gender identity, or disability, and other factors, to display their full potential and play an active role, and the Company is promoting various initiatives to ensure diversity.

(a) Gender balance

The Company has set a numerical target of "achieving a ratio of women in management positions of approximately 12% by the end of fiscal 2031 (reference: approximately 3.6% in April 2024)." To achieve this target as quickly as possible, the Company has promoted various initiatives, such as launching a "Woman in Managerial Position Program." in fiscal 2022.

In order to achieve even higher goals, the Company has developed the Career Forum for Young Female Employees, which provides opportunities for female employees to become aware of work-life integration and to develop a positive career vision, and distributed a handbook on supporting work/childcare balance for employees and supervisors to help employees on childcare leave return to work smoothly and to maximize their abilities while caring for their children. In fiscal 2023, we began providing pair-based training sessions for employees returning from childcare leave and their supervisors. As a rule, supervisors must now set up regular meetings with employees before and after the subordinate goes on childcare leave. In fiscal 2024, we introduced unconscious bias training for all executives and managers, to learn about the obstacles faced by women in terms of career advancement. The aim is to create an organizational culture that allows human capital development to be carried out in a planned and intentional way, and to create an environment where women can advance their careers without any barriers.

(b) Non-Japanese employees

Since the introduction of the October entry system in fiscal 2012, the Company has continuously worked to hire non-Japanese employees. There are currently around 380 non-Japanese employees working in Japan, and 15 of them have active managerial positions. Today, local staff members account for more than 40% of all top management at overseas work sites. The Company will continue its efforts to assign excellent human resources to managerial positions in Japan and local employees to executive positions at our overseas sites.

(c) Mid-careers

The Company has continued to actively recruit mid-career hires and currently has about 8,600 of them, of which about 500 have active managerial positions. Employees are assigned to management positions based on their abilities and skills, regardless of their hiring categories. In the future, more specialized technical and business areas will require human resources with diverse cultural backgrounds and abilities. Regardless of gender or nationality, the Company will hire such human resources and actively promote recruitment activities from management to staff.

(2) Human Resources Development and Internal Environment Development Toward Ensuring Diversity

As the business environment around the Group is rapidly changing, the Group recognizes that providing a workplace where employees can work to their full potential regardless of gender or age is essential to business development. Based on this recognition, the Group has been committed to promoting initiatives to ensure diversity among employees, regardless of gender, nationality, age, disability, or other factors.

Regarding matters such as initiatives for gender balance, the development of

human resources, and the addressing of work-related issues, the Board of Directors, the majority of whom are independent outside directors, will receive relevant reports from the executive functions and actively hold discussions as needed.

Specific measures include the establishment of a daycare center and enhancement of the childcare support system; the introduction of a rehiring system for employees who left the Company for childcare reasons; and the introduction of a system that exempts employees who have difficulty relocating for childcare from transfers requiring a relocation for up to three years. Furthermore, the Company introduced a rehiring system that allows for extended employment up to age 70, while actively hiring local staff at overseas bases and promoting non-Japanese employees to managerial positions in Japan. As for LGBTQ issues, the Company has established an internal consultation service and provides employee education to improve the workplace environment and promote a better understanding of them.

Information on human resources development and internal environment development and their progress are also available on the Company's website, in the Integrated Report, etc.

"Sustainability (Social)"
https://www.mitsubishielectric.com/en/sustainability/social/

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

[Basic Views on Internal Control Systems and the Status of Development]
The following matters are resolved as basic policies regarding the internal control system.
(1) Necessary matters for the execution of the duties of the Audit Committee
The following have been established with regard to necessary matters for the execution of the duties of the Audit Committee.
(a) Assign employees whose job is exclusively to assist the Audit Committee members.
(b) The General Manager of the division in charge of human resources shall consult with the Audit Committee members in the performance evaluation and transfer of employees dedicated to assisting the Audit Committee in its duties.
(c) Establish a system to report information on the Company and its subsidiaries to the Audit Committee via the Company's divisions in charge of internal control.
(d) Provide opportunities for Full-time Audit Committee members to attend important meetings, such as Executive Committee meetings.
(e) Establish internal rules and systems to protect persons who report information concerning the Company and its subsidiaries to the Audit Committee.
(f) Establish internal regulations regarding the processing of expenses and debts incurred in the execution of the duties of the Audit Committee members.
(g) The following other systems related to the Audit Committee's audits shall be established.
- Conducting surveys of the Company and its subsidiaries.
- Discussion of audit policies and methods, status of implementation, results, etc., through regular briefings with the accounting auditor and the Executive Officer or the Executive Officer (Associate) in charge of auditing.
- Dialogue between Audit Committee members and Executive Officers and others (executive departments) to ensure the effectiveness of the Audit Committee's audits.

(2) Systems necessary to ensure the properness of operations of the Company and the Mitsubishi Electric Group
The following have been established with regard to systems necessary to ensure the properness of operations of the Company and the Mitsubishi Electric Group.
(a) Internal rules shall be established to ensure that the execution of duties by Executive Officers comply with laws and regulations and the Articles of Incorporation. The status of its operation shall be audited by internal auditors.
(b) Establish internal rules for compliance and develop a system necessary for compliance.
(c) The following systems shall be established to ensure the properness of operations of the Company.
・Internal rules shall be established for the storage and management of information related to the execution of duties by Executive Officers. The status of their operation shall be audited by internal auditors.
・Each Executive Officer shall be responsible for establishing a system for managing the risk of loss within the scope of their responsibilities. Important matters shall be deliberated at the Executive Officers' meeting. The status of its operation shall be audited by internal auditors. In addition, the Company shall establish internal regulations concerning the company-wide Emergency Response Division and other functions in preparation for emergency situations that are expected to have a significant impact on the company-wide management.
・Each Executive Officer shall be responsible for ensuring management efficiency within the scope of their responsibilities. Important matters shall be deliberated at the Executive Officers' meeting. The status of its operation shall be audited by internal auditors. In addition, an environment shall be created in which company-wide issues can be shared and discussed by each Executive Officer.
・The following systems shall be established to ensure that the execution of duties by employees complies with laws and regulations and the Articles of Incorporation. The status of its operation shall be audited by internal auditors.
- Establish internal rules and code of conduct regarding ethics and compliance.
- Implement an internal whistle-blowing system.
(d) The following system shall be established to ensure the properness of operations of the Mitsubishi Electric Group.
・Each Executive Officer of the Company shall manage subsidiaries within the scope of their responsibilities.
・Establish a code of conduct regarding ethics and compliance throughout the Mitsubishi Electric Group.
・Establish a dedicated organization to manage Mitsubishi Electric Group companies across the board.
・Establish a system for reporting matters related to the execution of duties by Mitsubishi Electric Group companies, managing the risk of loss, and ensuring the efficiency of the execution of duties, as well as management standards. Important matters shall be deliberated and reported at the Company's Executive Officers' meeting.
・Audits of subsidiaries by internal auditors.

[Overview of Internal Control over Financial Reporting]
To ensure the reliability of financial reporting, each of the Group's sites maintains and refines internal control over financial reporting under the direction of the Corporate Accounting Div. The status of refining and operating these controls is assessed

independently at each site and by the Corporate Auditing Div. in an effort to maintain and improve them. Top management receives reports on these activities and evaluation results and confirms the effectiveness of internal control over financial reporting.

[Group's Risk Management Framework]
To establish an appropriate risk management system, the Board of Directors of Mitsubishi Electric will strive to maintain an appropriate internal control system, monitor internal controls through audits by internal auditors, and engage in thorough discussions on significant risks related to management supervision and execution.
Risk management (risks and opportunities) will be implemented independently by each division and by associated companies in the Group. Furthermore, 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 the division in charge of corporate risk management 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 the carbon-neutral business, the related Corporate Management Divisions and Business Groups will work together to pursue profitable opportunities by taking offensive risks while also appropriately managing defensive risks that could have negative impacts on the Group. After receiving a report on the status, the Board of Directors has discussions and evaluations based on the opinions of the independent outside directors.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

[Basic Views on Measures for Eliminating Anti-social Forces]
The Group's basic policy against anti-social forces is to have no relationship with such forces that threaten the order and safety of civil society, assuming a firm attitude toward such forces.

[Status of Developing the System to Eliminate Anti-social Forces]
The Company established departments responsible for overseeing measures against anti-social forces and assigned officer for preventing unreasonable demands. Through this system, the Company has collected and managed information on anti-social forces in collaboration with the police, lawyers, and other outside professional organizations. The Company has also prepared a manual for dealing with anti-social forces and conducted internal training.
The Group will continue to strengthen its systems for eliminating anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

At present, the Company has not specifically established its Basic Policy or Anti-Takeover Measures.
The Company will aim to further enhance corporate value by improving business performance. In addition, the Company will strive to communicate our management policy, strategy, financial results, and other pertinent information to the market in a timely manner by actively promoting IR activities.
At the same time, the Company believes that appropriate actions should be taken against large-scale share acquisitions that do not contribute to our corporate value and the common interests of our shareholders. The Company will carefully consider such actions, while also keeping an eye on future social trends.

2. Other Matters Concerning the Corporate Governance System

[Governance Reform]
With regard to the improper quality control practices that were brought to light, the Company has taken the findings and recommendations from both the Investigative Committee and the Governance Review Committee very seriously, and the entire Group has been fully committed to preventing any recurrence in the future. In October 2021, the Company developed Three Key Reforms (Quality assurance, Organization culture, and Governance), in addition to measures to prevent the recurrence. In an effort to regain trust, the Company has since continued to make company-wide, all-out efforts to implement fundamental reforms by enhancing and developing the Three Key Reforms. The "Three Key Reforms Monitoring Committee" established under the Board of Directors is supervising the status of these reforms, including their progress and other relevant information, with the participation of outside experts. Regular updates will be provided to both internal and external stakeholders via the Company's website.
In terms of Governance Reform, the entire company is working to build a "governance and internal control system to detect predictive indicators and prevent improper behavior while incorporating external perspectives". The progress of Governance Reform and future initiatives are described on the Company's website.
An overview of the Three Key Reforms is also provided in the attachment.
"Progress of the Three Key Reforms" (In Japanese text) https://www.mitsubishielectric.co.jp/reform/

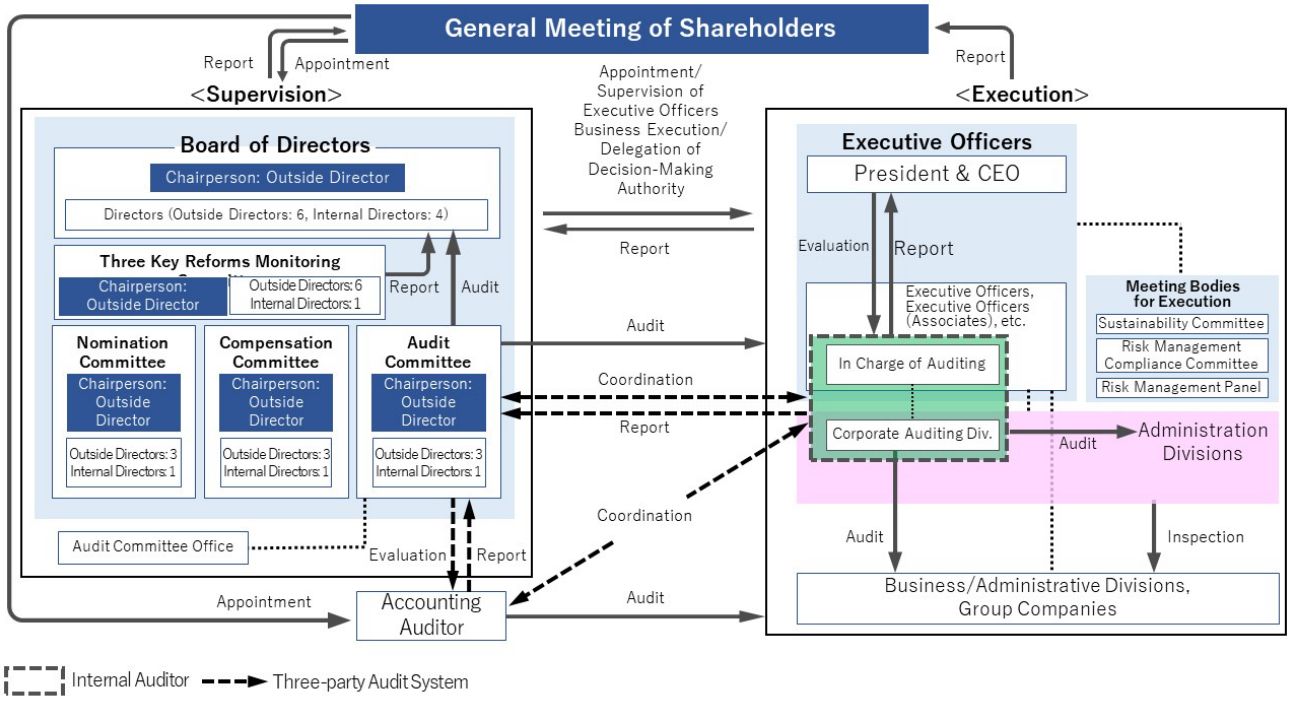
[Company's Basic Stance on Timely Disclosure]
- The Company's basic stance is to disclose corporate information in a timely and appropriate manner, which may have a significant impact on the decisions of our investors, and the Company has always strived to do so.
- The Company has established "Insider Information Management Rules," which are company rules for the purpose of preventing insider trading by officers and employees and ensuring thorough information management and timely and appropriate disclosure. The Company has been making efforts to comply with the Financial Instruments and Exchange Act and other related laws and regulations.

[Internal system for timely disclosure of corporate information]
The Company has designated the Public Relations Div. as the division in charge of managing information (Person in charge of managing information: the Senior General Manager of the Public Relations Div.). In accordance with the above-mentioned Insider Information Management Rules and the Publicity Handling Rules, the Company will disclose corporate information in a timely and appropriate manner under the following system:
(1) Aggregation of corporate information and determination of timing of disclosure
  - Important corporate information about the Company's Business Groups, Administration Divisions, and major subsidiaries will be immediately reported to the Public Relations Div.
  - The Public Relations Div. will determine the necessity of timely disclosure of information in accordance with the Timely Disclosure Rules of the Tokyo Stock Exchange and other relevant rules.
(2) Timely disclosure of corporate information
  - If timely disclosure is determined to be necessary, the Public Relations Div. will disclose corporate information in a timely manner upon request of the Executive Officer or the Executive Officer (Associate) in charge of such disclosure.
  - With respect to timely information disclosure, the Company will comply with the Financial Instruments and Exchange Act and other related laws and regulations, as well as the Insider Information Management Rules, to strictly manage internal information. Disclosure requiring review from a company-wide perspective will be examined by the Information Disclosure Committee, which is chaired by the Executive Officer in charge of public relations and comprised of the heads and other individuals of Corporate Management Divisions.

- Matters requiring a resolution at the Executive Officers' meeting or the Board of Directors' meeting will be timely disclosed after discussion and approval.

Attachment

<Corporate Governance Framework>



<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 1, 2, 4 and 5 includes a case in any fiscal year during the past three fiscal years.

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

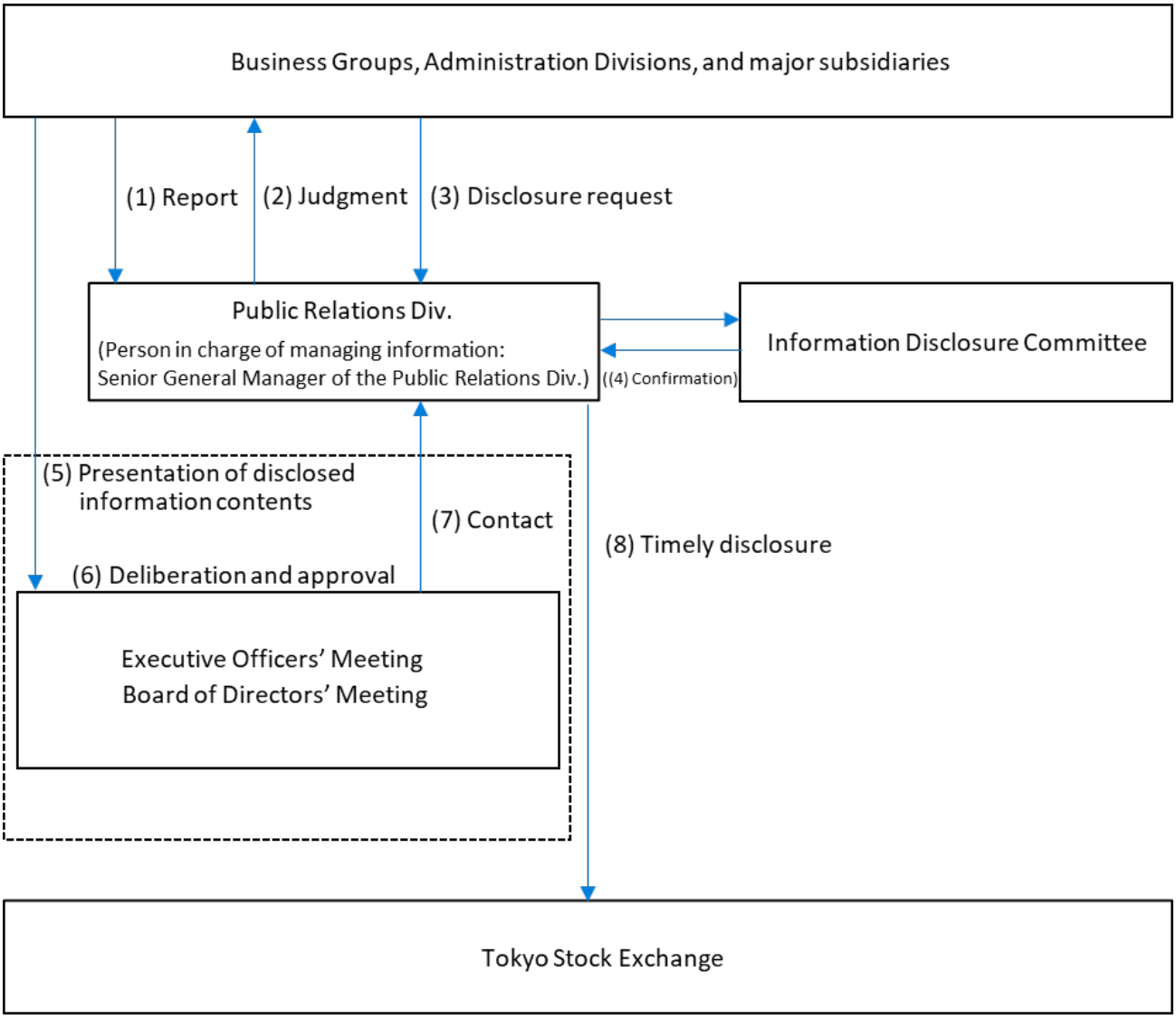
<Skill Matrix of Directors>
For the purpose of continuously improving the supervisory function to be performed by the the Company's Board of Directors, the skills held by each Director are matrixed and disclosed as below. (The data in the table below is as of 25 June, 2024.)

Name	Position	Corporate management, corporate strategies and globalization	Sustainability	Finance and accounting	Legal affairs, compliance and governance	Human resources and human resources development	Engineering, DX and R&D	Business development and investment
Tatsuro Kosaka	Director Chairperson of the Nomination Committee Chairperson of the Compensation Committee	○	○			○	○	○
Hiroyuki Yanagi	Chariperson of the Board Member of the Nomination Committee Member of the Compensation Committee	○	○			○	○	○
Masako Egawa	Director Member of the Nomination Committee Member of the Compensation Committee	○	○	○	○			○
Haruka Matsuyama	Director Chairperson of the Audit Committee		○		○			
Kunihito Minakawa	Director Member of the Audit Committee	○		○				
Peter D. Pedersen	Director Member of the Audit Committee	○	○			○		○
Kei Uruma	Director Member of the Nomination Committee President & CEO	○	○			○	○	○
Kuniaki Masuda	Director Member of the Compensation Committee Executive Officer, CFO (In charge of Financial Strategy, Accounting and Finance), In charge of IR and SR	○		○		○		○
Satoshi Takeda	Director Executive Officer, CSO (In charge of Corporate Strategic Planning, Operations of Associated Companies, and Three Key Reforms), CDO (In charge of DX, Vice President, Corporate Business Innovation)	○	○				○	○
Atsuhiro Yabu	Director Member of the Audit Committee	○	○				○	○

*Of the ten (10) directors, six (6) are independent outside directors and two (2) are female directors.

Skill item	Reason for selection of the skill item
Corporate management, corporate strategies and globalization	The Group needs Directors with abundant management experience and achievements in corporate management at globally operating companies as well as experience, knowledge and skills for formulating a sustainable growth strategy, in order to sustainably increase corporate value amid a drastic change in the business environment surrounding the Group.
Sustainability	The Group needs Directors with experience, knowledge, and skills concerning sustainability in order to promote "addressing social challenges through our businesses," since we have positioned the realization of sustainability as the core of management.
Finance and accounting	The Group needs Directors with experience, knowledge, and skills concerning finance and accounting for building a strong financial base and realizing appropriate returns to shareholders as well as maintaining the discipline and governance of finance and accounting.
Legal affairs, compliance and governance	The Group needs Directors with experience, knowledge, and skills concerning these items in order to globally develop the business, while thoroughly ensuring the legal and ethical compliance and enhancing corporate governance that 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.
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.

<Internal Timely Disclosure System Overview>



< Progress and Related Information on Three Key Reforms >

Since it was discovered in June 2021 that air conditioning systems and other equipment for railway vehicles were not properly inspected, the Group has worked with an external investigative committee to determine the facts and root causes of the improper quality control practices and developed the Three Key Reforms, including measures to prevent recurrence.

As a top management priority, the Group will continue to promote the Three Key Reforms, and the latest updates on their progress will be disclosed on our website. While responding to customers and people in society with the utmost sincerity, the Group will endeavor to restore public trust by implementing fundamental reforms and promoting measures to prevent a recurrence.

■ Three Key Reforms

In collaboration with the company-wide transformation project, the Company will make every effort to transform itself towards creating a new Mitsubishi Electric by enhancing and developing the Three Key Reforms of quality assurance, organizational culture, and governance.



Overview of the Three Key Reforms

■ Progress and Related Information on Three Key Reforms

In April 2023, the Company will implement an organizational restructuring, including reform of the Business Area (BA) management system, to promote dynamic collaboration among people and technologies across BAs and the provision of solution businesses in order to solve social issues through the realization of synergies beyond the boundaries of business divisions. The Company will continue to make company-wide, all-out efforts to implement reforms, led by the CSO, CRO, CHRO, and the Three Key Reforms Div.

The progress of measures to prevent recurrence has been announced on the Company's website. The Company will continue to announce the progress of the measures on the website.

"Progress of the Three Key Reforms" (In Japanese text) https://www.mitsubishielectric.co.jp/reform/