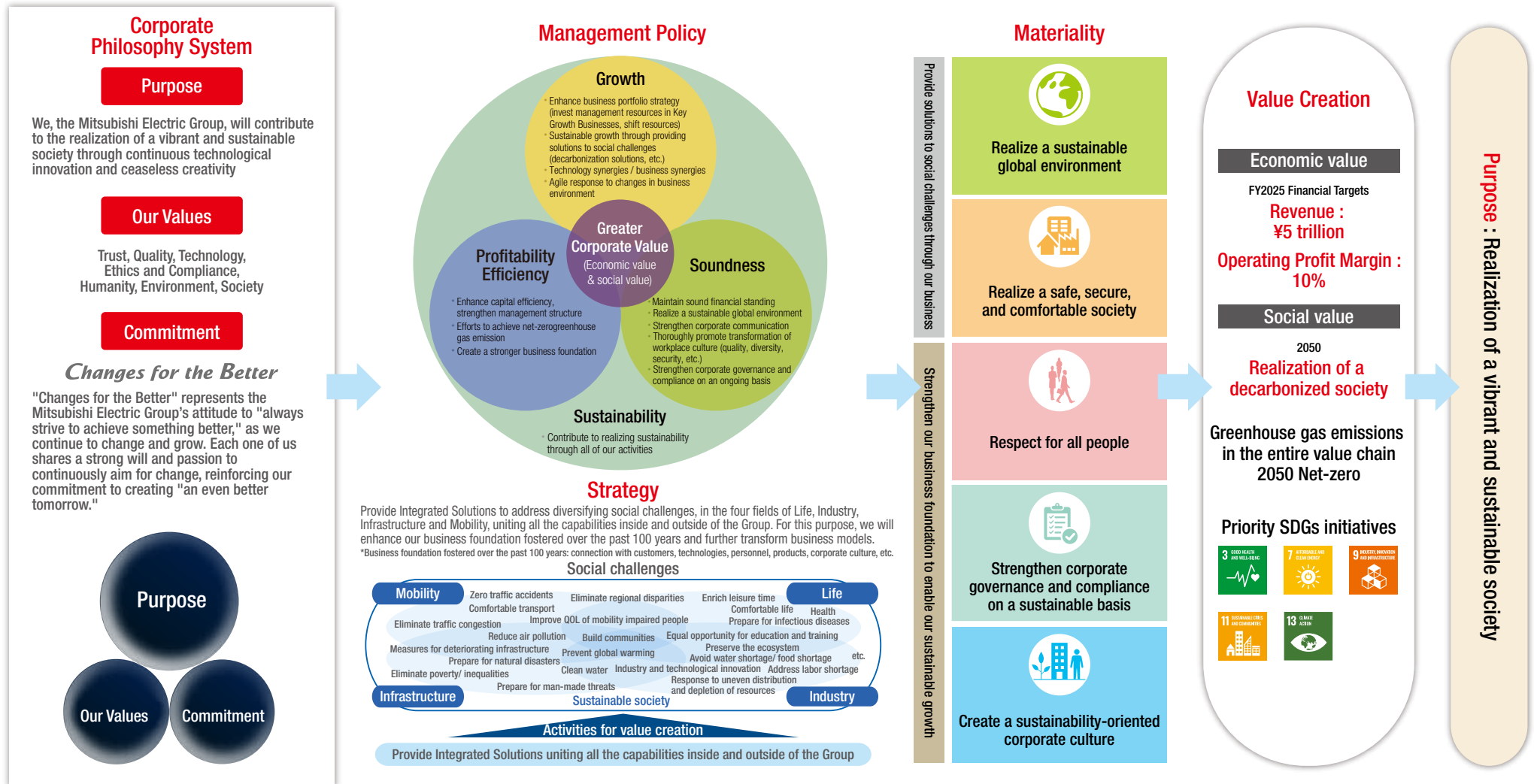


Initiatives to Create Value

Purpose Corporate Strategy Management of Materiality

The Mitsubishi Electric Group has described its commitment to achieve sustainability through all of its activities based on its corporate philosophy system, as part of its Management Policy. We have set priority items in our sustainability initiatives as our materiality, and we engage in initiatives in this regard.

We offer integrated solutions with a focus on the four fields of life, industry, infrastructure, and mobility to help solve social issues and achieve a decarbonized society. We seek to realize a vibrant and sustainable society through activities that create economic and social value.



The Mitsubishi Electric Group's Initiatives to Create Value

Materiality

The Mitsubishi Electric Group's Materiality

The Mitsubishi Electric Group places more focus than ever on sustainability initiatives at the management level to realize the "vibrant and sustainable society" that we have committed to in our corporate philosophy. We have identified five areas as materiality (important challenges) to "Provide solutions to social challenges through our businesses" and as part of our "Strengthen our business foundation to enable sustainable growth." Through these materiality initiatives, we will create economic and social value and will contribute to solving social challenges starting with contributing to achieving the SDGs. We will actively disclose information on the status of our materiality efforts and promote engagement with stakeholders.

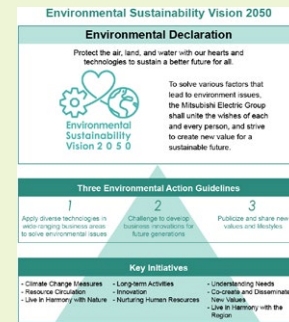
Materiality

Reasons why it is important

Provide solutions to social challenges through our business	 <p>Realize a sustainable global environment</p>	Environmental issues such as climate change and resource/energy issues are global issues. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable global environment.
	 <p>Realize a safe, secure, and comfortable society</p>	The Mitsubishi Electric Group will supply integrated solutions that combine the strengths of the Group and other parties in the areas of life, industry, infrastructure, and mobility to solve diversifying social challenges and to contribute to the realization of a safe, secure, and comfortable society.
Strengthen our business foundation to enable sustainable growth	 <p>Respect for all people</p>	Protection of human rights is a global issue. Everyone's rights as individuals must be respected. The Mitsubishi Electric Group will respect human rights in all of our activities and create a workplace environment in which all employees can thrive.
	 <p>Strengthen corporate governance and compliance on a sustainable basis</p>	Corporate governance and compliance are fundamental preconditions for a company's continued existence. The Mitsubishi Electric Group will continue to strengthen these areas.
	 <p>Create a sustainability-oriented corporate culture</p>	The Mitsubishi Electric Group will contribute to realizing sustainability through all of our activities. To that end, we will proactively communicate with stakeholders and foster a corporate culture that encourages employees to pursue initiatives from a mid-to-long-term perspective.



Realize a sustainable global environment



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

Highly relevant SDGs



Environmental Sustainability Vision 2050

Major mid-to-long-term initiatives

- Realization of a decarbonized society through innovation and integrated solution
- Contributions to achieving a circular economy

Main FY2022 targets

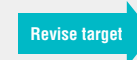
Decrease the amount of CO₂ emitted when using the product compared to previous models [1% or more]

Reduce CO₂ emissions during production by 9% or more compared to FY2017 by the end of FY2024

Percentage of recycled plastics used (amount of molding materials and packaging materials procured). [10% or more by the end of FY2024]

Greenhouse gas emissions in the entire value chain

2050
80% reduction



2050
Net-zero





Realize a safe, secure, and comfortable society



Since our inception, the Mitsubishi Electric Group has been contributing to society primarily by offering products and services.

We aim to solve diversifying social challenges through our businesses to realize the "vibrant and sustainable society" outlined in our corporate philosophy.

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

Highly relevant SDGs



Major mid-to-long-term initiatives

- Solve social challenges in the areas of life, industry, infrastructure, and mobility through integrated solutions
- Provide products and services by continually pursuing a "quality first" policy

Main FY2022 targets

Study goals and indicators that contribute to the resolution of social issues through business, including contribution to the SDGs/promotion of initiatives.	Improve development and design quality by establishing company-wide design guidelines for individual component technologies	Determine the true causes of major defects, and develop company-wide measures to prevent recurrence [Once a month]
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Respect for all people



We recognize that we enjoy a wide range of relationships with the people and societies in the countries and regions where we operate, and we respect the human rights of all people. We promote diversity so that diverse people can do their best work, and we promote the Workplace Culture Reform Program as a Group to realize a work environment in which all employees can thrive.

Highly relevant SDGs



Major mid-to-long-term initiatives

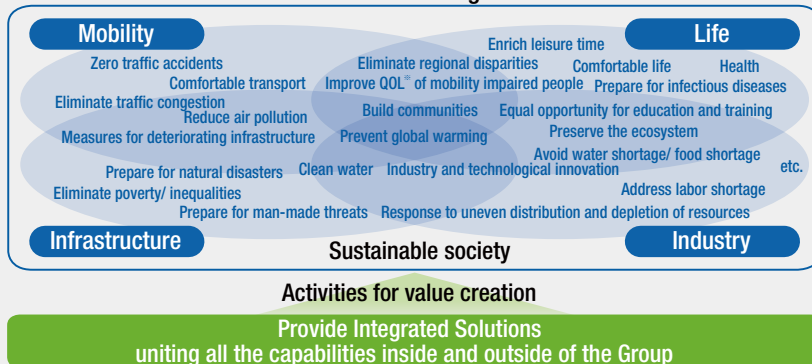
- Promote human rights initiatives that are based on international norms
- Realize a workplace environment that helps all employees work actively
- Promote diversity
- Promotion of occupational health and mental and physical health

Main FY2022 targets

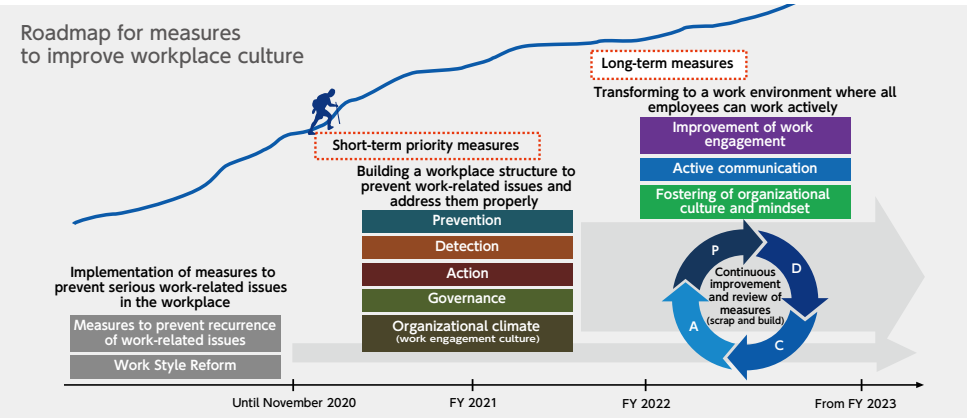
Identify human rights issues by conducting human rights impact assessments, and grasp the statuses of initiatives at each office. [Conduct assessments at 100% of relevant departments]	Employee awareness survey	Target	Promotion of diversity	Target
	Percentage of employees who are proud and motivated to work for the Company	80% or more	Increase the percentage of newly hired woman	1.2*1
	Percentage of employees who responded that they had a good work-life balance	80% or more	Increase the percentage of woman in management	2*2

*1 Compared to the average from FY2017 to FY2021 *2 Compared to FY2021

Social challenges



※ Quality of Life





Strengthen corporate governance and compliance on a sustainable basis



To realize sustained growth and increase corporate value, the Mitsubishi Electric Group works to maintain the flexibility of its operations while promoting management transparency. These endeavors are supported by an efficient corporate governance structure that clearly defines and reinforces the supervisory functions of management while ensuring that the company is responsive to the expectations of customers, shareholders, and all of its stakeholders. Additionally, the Mitsubishi Electric Group recognizes that not only ethics and legal compliance, but also compliance in the wider sense of the term that includes the perspective of corporate ethics, are the foundation of the Group's continued existence.

Highly relevant SDGs



Major mid-to-long-term initiatives

- Corporate management with a sound oversight function
- Thorough compliance
- Procurement that contributes to sustainability
- Information security activities to protect important information

Main FY2022 targets

Carry out proper reporting and discussions at the appropriate time among the board of directors, and conduct regular analysis and evaluation of the board of directors' effectiveness	Maintain a 100% attendance in e-learning programs on compliance [Maintain rate of 100%]	Enhancement comprehensive cybersecurity countermeasures 1. Technical measures, 2. Thorough document management, 3. Framework upgrading
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Create a sustainability-oriented corporate culture



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

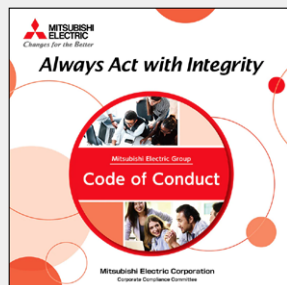
Major mid-to-long-term initiatives

- Promote mid-to-long-term initiatives for addressing social challenges
- Increase sensitivity and adaptability to changes in values among society and individuals
- Promote active communication with stakeholders based on highly transparent information disclosure

Promote sustainability on a management level

- Add "Contribute to realizing sustainability through all of our activities" to the management policy
- Establish a Sustainability Promotion Department (April 2021)

"Mitsubishi Electric Group Code of Conduct"



"Mitsubishi Electric Group Code of Conduct"



Poster













Portable Card

Management Policy

In addition to realizing corporate management that balances growth, profitability/efficiency, and soundness, we will contribute to realizing sustainability through all of our activities, and further enhance our corporate value, which emphasizes the creation of both economic and social value.



Initiatives that Contribute to Addressing Social Issues

Business Group Headquarters	Social Issues for Which Risks and Opportunities Have Been Recognized and Evaluated	Priority SDG initiatives	Initiatives that Contribute to Addressing Social Issues
Public Utility Systems Group	<ul style="list-style-type: none"> ● Appropriate use of water ● Optimal use of energy ● Addressing climate change ● Measures against air, water, and soil pollution ● Waste reduction/management ● Sustainable use and development of resources 		<ul style="list-style-type: none"> ■ Helping to Realize a Society with a Rich Water Cycle Using Ozone Generators and Eco-Membrane Bioreactors ■ Achieving Energy Savings Using Inverters Equipped with AI-SiC Power Modules for Use in Rolling Stock ■ Smaller, Lighter Railcar Air Conditioner Units ■ Using our Railway Maintenance Solution LMS on INFOPRISM to Increase Maintenance Efficiency and Support Data Sharing and Use among Railway Operators ■ Grasping Disaster Situations Timely Through the Helicopter Satellite Communication System and Supporting Swift Rescue Activities ■ Using the Mitsubishi Infrastructure Monitoring System (MMSD™) to Help Reduce the Burden of Social Infrastructure Inspection ■ Promoting the Development of Safe and Secure Cities Through Network Cameras ■ Promoting More Energy-Efficient and Compact Optical Access Systems
Energy & Industrial Systems Group	<ul style="list-style-type: none"> ● Optimal use of energy ● Introduction of clean energy ● Sustainable use and development of resources ● Proper management of chemical substances ● Addressing climate change ● Measures against air, water, and soil pollution ● Strengthening of global partnerships 		<ul style="list-style-type: none"> ■ Contributing Toward Economical and Reliable High-Quality Power Distribution Systems, Optimized Energy Use via ICT for Interconnectivity and Resilient Energy Infrastructure That Operates Seamlessly, Even During Emergencies ■ Improving the Efficiency of Power Generators, Switchgear and Transformers ■ Developing Equipment That Caters to Environmental Consciousness for Eliminating or Reducing the Use of SF6 Gas, Known for Its High Global-Warming Potential ■ Supply and Demand Management with the Growing Use of Renewable Energy Resources, Integrated Management of Distributed Energy Sources Including Demand Control, and Driving Grid Stabilization Solutions ■ Driving Grid Stabilization Solutions Capable of Responding to New Demand, Such As the Wide Area Supply and Demand of Electricity Through Interconnection of Electric Power Utilities
Building Systems Group	<ul style="list-style-type: none"> ● Optimal use of energy ● Development and dissemination of innovative infrastructure ● Development of safe, secure, comfortable and sustainable cities ● Waste reduction 		<ul style="list-style-type: none"> ■ Pursuing Comfortable, Safe and Secure Elevator Transport and Contributing to Smart Buildings ■ Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services ■ Further Improving Safety, Comfort, and Functionality Through Elevator and Escalator Renewal ■ Providing Safety and Security with Entrance/Exit Management and Video Surveillance Through Integrated Building Security Systems ■ Supporting Energy Savings and Comfort for Variety of Buildings Through Building Facilities Operations Systems ■ Providing Comfortable Buildings with Reduced Energy Use to Contribute to a Carbon Neutral Society ■ Contributing to the Achievement of a Smart Building by Supporting Robot Mobility within the Building and Supporting ZEB Operations ■ Supporting Seamless Travel Within the Facility by the Guide System Using Animation Lighting
Electronic Systems Group	<ul style="list-style-type: none"> ● Securing of a sustainable food production system ● Integrated management of water resources ● Creating secure, safe and comfortable sustainable cities ● Waste reduction/management ● Addressing climate change ● Prevention of marine pollution ● Prevention of deforestation 		<ul style="list-style-type: none"> ■ Contributing to World-Leading Global Environment Observation ■ Contributing to Conserving Global Environment and Ensuring Secure and Safe Living by Using Satellite Observation Data ■ Contributing to Secure, Safe, and Comfortable Living through High Precision Positioning Solution
Living Environment & Digital Media Equipment Group	<ul style="list-style-type: none"> ● Optimal use of energy ● Introduction of clean energy ● Development of safe, secure, comfortable and sustainable cities ● Sustainable use and development of resources ● Proper management of chemical substances ● Addressing climate change 		<ul style="list-style-type: none"> ■ The Agency for Natural Resources and Energy (ANRE) Commissioner's Fiscal 2021 Energy Conservation Grand Prize Presented for EcoCute for Home Use and the Energy Conservation Center, Japan Chairman's the 2020 Energy Conservation Grand Prize Presented for Lossnay™ Energy Recovery Ventilators for Commercial Use and Zubakan® Laundry Dehumidifier Dryer at the Same Time. ■ Achieving High Efficiency Operation and CO₂ Emissions Reduction for Hot Water and Heating Systems by Switching from the Combustion Type to the Air to Water (ATW) Heat Pump Hot Water System Mainly in Europe, Which Has Strict Environmental Regulations ■ MILLIE LED Lighting – Realizing Reduced Power Consumption and Comfort ■ EcoCute Provides Excellent Energy Savings and Comfort ■ Recycling of Home Electrical Appliances
Factory Automation Systems Group	<ul style="list-style-type: none"> ● Sustainable use and development of resources ● Proper management of chemical substances ● Addressing climate change ● Measures against air, water, and soil pollution ● Addressing the declining labor force population 		<ul style="list-style-type: none"> ■ Developing FA Equipment, Industrial Robots, and Mechatronics Products that Achieve Automation of Customer Production Facilities and Improve Productivity and Product Quality ■ Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption ■ Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings
Automotive Equipment Group	<ul style="list-style-type: none"> ● Reduction of air pollution and climate change countermeasures ● Zero traffic accidents, elimination of traffic congestion, and comfortable travel ● Elimination of regional gaps ● Enhancement of QOL for vulnerable road users ● City development ● Measures to address aging infrastructure 		<ul style="list-style-type: none"> ■ Technological Innovation of Automotive Equipment Products for a Decarbonized, Safe and Secure Society
Semiconductor & Device Group	<ul style="list-style-type: none"> ● Appropriate use of water ● Proper management of chemical substances ● Addressing climate change ● Preservation of biodiversity 		<ul style="list-style-type: none"> ■ SiC Power Semiconductor Devices that Achieve Low-Power Consumption of Customers' Devices ■ Optical Communication Device that Contributes to Low Power Consumption of Network Equipment for 5G Mobile Communications Base Stations
Information Systems & Network Service Group	<ul style="list-style-type: none"> ● Optimal use of energy ● Introduction of clean energy ● Waste reduction and management ● Sustainable use and development of resources ● Addressing climate change ● Realization of a safe society ● Addressing labor force shortages 		<ul style="list-style-type: none"> ■ Using Internet Data Centers to Help Customers Reduce Environmental Impact ■ Providing Smart Office Solutions that Also Contribute to Work Style Reforms
Business Innovation Group	<ul style="list-style-type: none"> ● Demographic changes and the deterioration of social infrastructure ● Increase in the severity of disasters as well as environmental and energy problems ● Clearing up concerns about retirement and reducing social welfare costs ● Extension of the working age ● Creation of a society that includes the elderly and those in poor health ● Decrease in the number of construction workers and productivity declines ● Response to massive earthquakes, tsunamis, and volcanic eruptions ● Coping with disasters triggered by increasingly severe weather 		<ul style="list-style-type: none"> ■ Contributing to Increases in Productivity at Construction Sites with AI rebar arrangement inspection system ■ Study and Implementation of Healthtech for the Elderly

Public Utility Systems Group

Message from the Group President

Contributing to Creation of a Sustainable, Safe, Secure, Comfortable and Affluent Society by Providing Products, Systems and Services for the Social Infrastructure that Underpins Our Lives

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



Hideki Fukushima
Executive Officer, Group President, Public Utility Systems

1. Realizing a society with rich water cycle

The world has been facing a number of problems related to water use—the number of water pollution sources has been increasing due to concentration of population and industry; demand for water has been growing due to industrial development and population growth; and distribution of water resources is becoming more uneven due to climate change. With this in mind, we will continue to reduce environmental burdens and realize a society with rich water cycle by advancing water and sewage systems using IoT technology and introducing highly efficient water recycling systems that make use of ozone.

2. Contributing to a decarbonized society

We are also contributing to the development of railways, which are an energy efficient and environmentally friendly transportation network. We produce highly reliable, energy efficient electrical components for rolling stock and develop information processing systems that provide a variety of services to railway operators and users. We will continue to contribute to the further development of the railway business and a decarbonized society by providing maintenance solutions that improve the efficiency of troubleshooting and maintenance management as well as platforms that promote data utilization.

3. Creating secure, safe and comfortable cities

Mitsubishi Electric also develops disaster prevention and mitigation systems in response to increasingly severe natural disasters as well as services that enhance maintenance and management of aging social infrastructure such as tunnels to create secure, safe cities. In addition, we also aim to create comfortable cities by providing video analysis solutions for realizing new services, such as analyzing the movement and flow of people to prevent congestion and revitalize communities, in addition to high-speed, large-capacity communication systems that support the development of an IoT society.

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- **Realizing a Society with Rich Water Cycle**
 - Ozone Generator
 - Eco Membrane BioReactor (EcoMBR™)
- **Contributing to a Decarbonized Society**
 - Inverters Equipped with All-SiC Power Modules for Use in Rolling Stock
 - Rolling stock air-conditioning system
 - Railway maintenance solution "LMS on INFOPRISM"
- **Creating Secure, Safe and Comfortable Cities**
 - Helicopter Satellite Communication System (HSA)
 - Mitsubishi Infrastructure Monitoring System MMSD®
 - Network cameras MELOOK3 and ROBOTY Series
 - Optical access system 10G-EPON

Energy & Industrial Systems Group

Message from the Group President

By developing high-performance equipment and next-generation power systems that are capable of responding to natural disasters, human-caused threats including cyberattacks and terrorism, and changes in the electricity market (e.g., achieving carbon neutrality), we will contribute to the realization of a Safe, Secure, and Comfortable Sustainable Society

Due to the spread of renewable energy resources such as solar and wind power, as well as the advancement of digital technologies such as information & communication technology (ICT) and the Internet of Things (IoT), the environment and market needs surrounding the electric power industry are rapidly shifting from high capacity, high voltage hardware to small-medium capacity and voltage based hardware such as renewable energy-related equipment and networked systems and software. Moreover, the electric power industry is at a major turning point as deregulation of the electric power industry and industrial reorganization are occurring at a rapid pace.

In the midst of this situation, the Energy & Industrial Systems Group works to continuously improve the efficiency of the power generators, switchgear and transformers that make up our core businesses, while at the same time developing environmentally friendly equipment to eliminate or reduce the use of SF6 gas, known for its high global-warming potential. We are also pushing forward with development of monitoring and control systems, smart meter systems and battery energy storage systems that allow for economical and reliable high-quality power distribution systems, optimized energy use via ICT for interconnectivity and resilient energy infrastructure that operates seamlessly, even during emergencies.

At the same time, we are also driving business forward with grid stabilization equipment, devices and solutions capable of responding to new demand. This includes supply and demand management with the growing use of renewable energy resources, integrated management of distributed energy sources including demand control, and wide area supply and demand of electricity through interconnection of electric power utilities. Through these and other ongoing initiatives, we're helping to bring about a safer, more secure and more comfortable world.



Noriyuki Takazawa
Executive Officer, Group President, Energy & Industrial Systems

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- Developing power equipment and systems supporting power generation, grid transmission & distribution to help bring about a safer, more secure and more comfortable world.
 - Indirect Hydrogen-Cooled VP-X Series Turbine Generators
 - Reduced Environmental Impact Switchgear
 - Reduced Environmental Impact Transformers (vegetable oil-based, natural-air cooling type)
 - Monitoring and Control Systems
 - Module Type Automatic Voltage Regulator (AVR)
- Contributing to Customer Management via Solutions that Create New Value for Power Systems
 - BLEnDer® Series Software Package for the Electric Power Market
 - Distributed Power Supply Operation & Virtual Power Plant (VPP) Systems
 - Smart Meter System
 - Large-Capacity Energy Storage Control Systems
 - D-SMiree Smart Medium-Low Voltage DC Distribution Network System

Building Systems Group

Message from the Group President

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

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



Tadashi Matsumoto
Representative Executive Officer, Senior Vice President, Group President, Building Systems

1. Pursuing user-friendly, eco-conscious products

- (1) Promoting the development of high-efficiency, energy-saving products and technologies, and saving resources by designing products and systems that are safe and easy to use for everybody.
- (2) Promoting the renewal of existing equipment and facilities in order to reduce power consumption and improve safety and convenience, and minimizing waste emissions by reusing parts whenever possible.

2. Offering one-stop ZEB*1 solutions

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

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

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

3. Contributing to smart buildings*3 and smart cities*4

Mitsubishi Electric contributes to the construction of smart buildings and smart cities by providing building operation support services via our IoT platform.

*3 Smart buildings: Buildings where people feel safe and comfortable and can work efficiently that also solve social issues through energy and labor savings achieved with in-building data collected using IoT technology.

*4 Smart cities: Cities with optimized urban infrastructure and facility management operations as well as increased convenience and comfort for businesses and consumers. AI is used to analyze big data generated from facilities, the environment, and consumer behavior data in order to remotely control facilities and equipment.

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- Pursuing Comfortable, Safe and Secure Elevator Transport and Contributing to Smart Buildings
- Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services
- Further Improving Safety, Comfort, and Functionality Through Elevator and Escalator Renewal
- Providing Safety and Security with Entrance/Exit Management and Video Surveillance Through Integrated Building Security Systems
- Supporting Energy Savings and Comfort for Variety of Buildings Through Building Facilities Operations Systems
- Providing Comfortable Buildings with Reduced Energy Use to Contribute to a Carbon Neutral Society
- Contributing to the Achievement of a Smart Building by Supporting Robot Mobility within the Building and Supporting ZEB Operations
- Supporting Seamless Travel within the Facility by the Guide System Using Animation Lighting

Electronic Systems Group

Message from the Group President

Contributing to Solving Environmental Problems and Create Sustainable Cities by Providing Artificial Satellites and Other High Added-Value Products and Services

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



Yoshihisa Hara
Executive Officer, Group President,
Electronic Systems

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

With our observation satellites, represented by the greenhouse gases observing satellites (the "IBUKI" (GOSAT) series), advanced land observing satellites (DAICHI (ALOS) series), and meteorological satellites (the Himawari series), we contribute to solving global-scale environmental problems by continuously providing data on the global environment, such as greenhouse gas density distribution, disaster situations, and the marine environment.

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

By using our technology to analyze satellite observation data, we provide new solutions such as infrastructure monitoring. With a centimeter-level high-precision positioning solution that combines our three core technologies (the MICHIBIKI quasi-zenith satellite system, high-precision positioning device, high-accuracy 3D mapping), we will bring various innovations to the areas of automotive, railroad, agriculture and civil engineering. We will work on these initiatives to contribute to creating secure, safe, and comfortable sustainable cities.

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

- Securing of a sustainable food production system
- Reduction and management of waste
- Integrated management of water resources
- Addressing climate change
- Creating secure, safe and comfortable sustainable cities
- Prevention of marine pollution
- Prevention of deforestation

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- Contributing to World-Leading Global Environment Observation
- Contributing to Conserving Global Environment and Ensuring Secure and Safe Living by Using Satellite Observation Data
- Contributing to Secure, Safe, and Comfortable Living through High Precision Positioning Solution

Living Environment & Digital Media Equipment Group

Message from the Group President

Providing Products that are Helpful for Society and the Environment in Wide Areas and Reducing Environmental Impact during Production

The Living Environment & Digital Media Equipment Group focuses on the air-conditioning and refrigeration systems business, one of the growth-driving sectors at Mitsubishi Electric. In addition to expanding operations, we are pressing forward with proposals of total solutions using IoT and AI technologies as well as products within and outside the Mitsubishi Electric Group to realize life solutions for everyone, from workers to people at home, to live by their own values by taking advantage of a wide range of synergies in technologies and business operations as a general electric-appliance manufacturer.

As we expand business, we believe it is important to provide products and services that contribute simultaneously to achieving sustainability, safety, security, and comfort as well as to resolving social issues. Part of this includes supplying a broad range of environment-friendly systems and services for the home, office, and industry. These include air conditioners that produce less CO₂ during use and our energy-saving EcoCute product lineup. Additionally, Mitsubishi Electric proposes solutions that aim to achieve energy savings by building systems as a whole in support of programs such as ZEH and ZEB, promoted by the Japanese government.

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



So Suzuki
Executive Officer, Group President,
Living Environment & Digital Media Equipment

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- The Agency for Natural Resources and Energy (ANRE) Commissioner's Fiscal 2021 Energy Conservation Grand Prize Presented for EcoCute for Home Use and the Energy Conservation Center, Japan Chairman's the 2020 Energy Conservation Grand Prize Presented for Lossnay® Energy Recovery Ventilators for Commercial Use and ZubaKan Laundry Dehumidifier Dryer at the Same Time.
- Lossnay® for Commercial Use
- Achieving High Efficiency Operation and CO₂ Emissions Reduction for Hot Water and Heating Systems by Switching from the Combustion Type to the Air to Water (ATW) Heat Pump Hot Water System Mainly in Europe, Which Has Strict Environmental Regulations
- MILIE LED Lighting – Realizing Reduced Power Consumption and Comfort
- EcoCute Provides Excellent Energy Savings and Comfort
- Recycling of Home Electrical Appliances

Factory Automation Systems Group

Message from the Group President

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

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

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

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

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



Yoshikazu Miyata
Senior Vice President,
Group President,
Factory Automation
Systems

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- **Developing FA Equipment, Industrial Robots, and Mechatronics Products that Achieve Automation of Customer Production Facilities and Improve Productivity and Product Quality**
 - MELSEC iQ-R Series Programmable Controllers
 - MELSERVO-J5 Series AC Servo System
 - AC Servo Motor, HK Series
 - MELFA FR Series Industrial Robots
 - GX-F Series Fiber 2D Laser Processing Machines
- **Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption**
 - e-F@ctory – Mitsubishi Electric Integrated FA Solution
- **Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings**
 - Eco Monitor Series Energy Measuring Units
 - EX-α Series Transformer Using Super High Efficiency Oil

Automotive Equipment Group

Message from the Group President

Aiming to Achieve the SDGs through Development of Technologies that Contribute to the Decarbonization of Automobiles and the Creation of a Safe and Secure Society

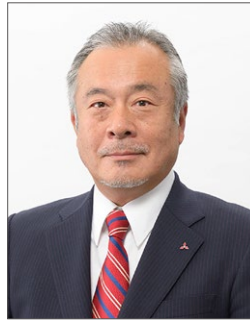
Energy and environmental issues are borderless social problems for which solutions are essential in order to realize sustainability.

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

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

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

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



Atsuhiro Yabu
Executive Officer, Group President,
Automotive Equipment

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- Technological Innovation of Automotive Equipment Products for Autonomous Driving

Semiconductor & Device Group

Message from the Group President

Contributing to the Realization of a Decarbonized Society by Providing Energy-Efficient Products, Key Devices for Customers, in Response to Energy and Environment-related Social Issues

The Semiconductor & Device Group provides semiconductors and devices that play a key role for home to space appliances and enrich our living. We recognize energy and environmental issues as today's social issues and contribute to the realization of a sustainable society by providing low-power products to customers.

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

The Semiconductor & Device Group provides today's society, where DX is underway, with high-performance, low-power, compact high-frequency devices and optical devices for wireless communications equipment, optical fiber communications, and data centers that make full use of multiple semiconductor technologies. Furthermore, by reducing the space required for communications equipment, the cooling function can be simplified, thereby contributing to comprehensive energy savings.

As described above, the Semiconductor & Device Group is taking part in the achievement of carbon neutrality and the realization of a sustainable society by providing key devices for overcoming energy and environmental limitations while driving forward the digital revolution in the post-pandemic society.



Yuzuru Saito
Executive Officer,
Group President,
Semiconductor &
Device

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- SiC Power Semiconductor Devices that Achieve Low-Power Consumption of Customers' Devices
- Optical Communication Device that Contributes to Low Power Consumption of Network Equipment for 5G Mobile Communications Base Stations

Information Systems & Network Service Group

Message from the Group President

Contributing to the Realization of a Decarbonized Society Through the Promotion of Various IT Services

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

More specifically, we work to reduce the environmental impact by, for example, providing support for workstyle reform including reduction of business travel needs with video/web-conferencing systems and promotion of paperless work environments through ledger computerization while making efforts for saving energy in data centers to help companies reduce CO₂ emissions from their business activities. At the same time, we proactively develop products and services that resolve social issues, such as needs for safety in society and labor force shortages.

For example, our video solutions can make towns safer and more comfortable for residents by detecting not only wheelchairs, strollers, and visually impaired cane users but also events such as trespassing or walking instability. At manufacturing sites, our solutions can be used to detect objects such as defective products in order to assist in productivity improvement and address labor force shortages due to the aging society. Going forward, in order to achieve smarter societies, we will leverage the many component technologies and strengths of the Mitsubishi Electric Group to build next-generation information systems using the latest IT solutions, such as IoT*, big data processing, and AI-related technologies.



Koichi Orito
Senior Vice President,
Group President,
Information Systems &
Network Service

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

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

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

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- Using Internet Data Centers to Help Customers Reduce Environmental Impact
- Providing Smart Office Solutions that Also Contribute to Work Style Reforms

Business Innovation Group

Message from the Group President

Contribute to Solving Diversifying Social Issues by Creating New Businesses that Transcend Existing Frameworks

Business Innovation Group contributes to solving diversifying social issues faced by the sustainable society by turning themes that cannot be addressed by existing frameworks into businesses, and by supporting the integration of Group technologies and collaboration among the Group.

We will refocus on the company's philosophy of "realizing a vibrant and sustainable society" as we search for new business domains in an era of high uncertainty, as the ways that people interact change, as the severity of disasters increases, and as the waves of digitalization accelerate. We are creating businesses in the five domains of "Smart Cities," "Healthtech," "i-Construction," "Disaster Prevention and Mitigation," and "Smart Mobility" as well as the "Decarbonized Society."

In creating and fostering new businesses, we will combine sensing technology, video analysis, AI, and other cutting-edge technologies in the integrated IoT ClariSense*, which will help customers realize digital transformations that create value for them from collected data.



Satoshi Matsushita
Senior Vice President,
Group President,
Business Innovation

* ClariSense is a word coined by Mitsubishi Electric that means clarifying the hidden essence of information sensed from equipment to resolve challenges.

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

- Demographic changes and the deterioration of social infrastructure
- Increase in the severity of disasters as well as environmental and energy problems
- Clearing up concerns about retirement and reducing social welfare costs
- Extension of the working age
- Creation of a society that includes the elderly and those in poor health
- Decrease in the number of construction workers and productivity declines
- Response to massive earthquakes, tsunamis, and volcanic eruptions
- Coping with disasters triggered by increasingly severe weather

Priority SDG initiatives



Initiatives that Contribute to Addressing Social Issues

- Contributing to Increases in Productivity at Construction Sites with AI rebar arrangement inspection system
- Study and Implementation of Healthtech for the Elderly

Sustainability management

Management

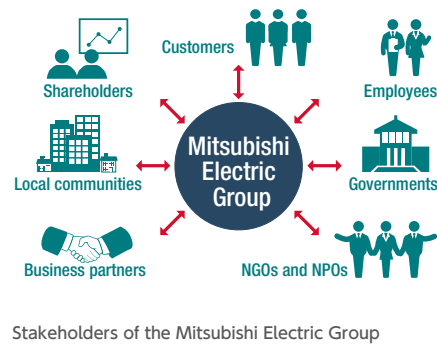
Basic policy of Sustainability

The Mitsubishi Electric Group regards its sustainability initiatives as the foundation of its corporate management, and implements sustainability-oriented initiatives in all corporate activities in accordance with its "Purpose," "Our Values," and "Commitment."

It is crucial to maintain communication with various stakeholders to pursue initiatives for achieving a sustainable society, as well as to incorporate the expectations, requests, and opinions from society into activities and to avoid acts that will inconvenience society.

By ensuring transparent disclosure of information on sustainability, the Mitsubishi Electric Group aims to obtain a favorable response from stakeholders, and to realize a vibrant and sustainable society together with its stakeholders.

Communication with stakeholders



Materiality

In light of requests from the Global Reporting Initiative (GRI),* social trends, and the business environment, in fiscal 2022 the Mitsubishi Electric Group reviewed the materiality identified in fiscal 2016, initiatives, targets, and key performance indicators (KPIs) to address sustainability issues more at the management level and to work on them on a long term basis.

We will conduct continual improvement activities by implementing the Plan-Do-Check-Action (PDCA) cycle for the materiality, initiatives, targets, and KPIs.

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

Materiality and SDGs Management

Promotional System for Sustainability

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are decided by a Sustainability Committee appointed by Mitsubishi Electric's executive officers. The Committee is composed of the heads of Mitsubishi Electric's management departments (23 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources), and discusses the results of activities performed during the previous fiscal year, decisions on future activity plans, and responses to law amendments, from a perspective that spans the entire Mitsubishi Electric

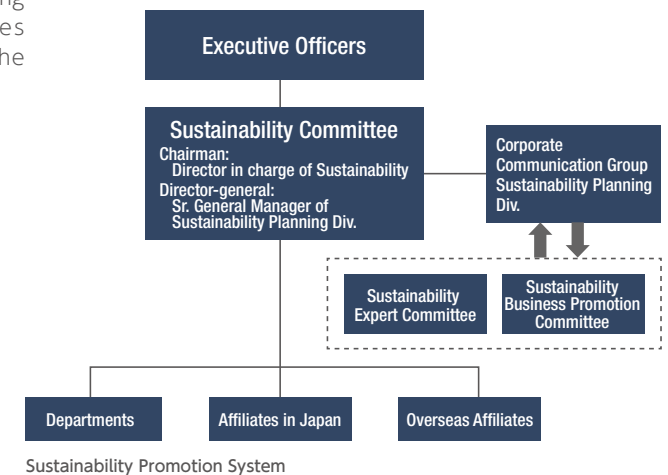
Group. The details of Sustainability Committee meetings are reported to the senior executives through the Executive Officers' Meeting and the Audit Committee.

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

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



Sustainability Committee



Main agenda of the Sustainability Committee (held in April 2021)

- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year
- Sustainability initiatives at the management level
- Review of materiality
- Responses to the sustainable development goals (SDGs)
- Further enhanced information disclosure that takes into account ESG (environment, social, governance) investment
- Human rights initiatives

Sustainability Expert Committee

Officers from 23 departments with particular relevance to sustainability regularly hold meetings to share information and deepen their understanding of the Mitsubishi Electric Group's materiality and future initiatives, as well as discuss responses to laws and regulations and international sustainability standards. They aim to build communication and consensus through these discussions.

Four such meetings were held in fiscal 2021. Discussions focused on verifying the performance and reviewing the targets of initiatives addressing materiality. The committee also examined responses to global human rights initiatives by establishing working groups for relevant departments.



Sustainability Expert Committee and Sustainability Business Promotion Committee (joint meeting)

Sustainability Business Promotion Committee

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

The committee held four meetings in fiscal 2021, with a focus on discussing how the Group could contribute to addressing the sustainable development goals (SDGs) through business.

Main agenda of the Sustainability Expert Committee and Sustainability Business Promotion Committee for fiscal 2021

- Main agenda of the Sustainability Expert Committee and Sustainability Business Promotion Committee for fiscal 2021
- Response to the SDGs
- Further enhancement of information disclosure that takes into account ESG (environment, social, governance) investment
- Human rights initiatives

Materiality and SDGs Management

The Mitsubishi Electric Group and the SDGs

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

Under its Purpose that "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity" the Group aims to contribute to solving social issues. This policy corresponds to what the globally shared goals of the SDGs aim to achieve.

Through our numerous businesses and the entirety of our corporate activities, including environment, social and governance (ESG)-related activities, the Mitsubishi Electric Group is contributing to meeting the 17 SDGs.

SUSTAINABLE DEVELOPMENT GOALS



The SDGs (Sustainable Development Goals)

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

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

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

 United Nations Information Centres

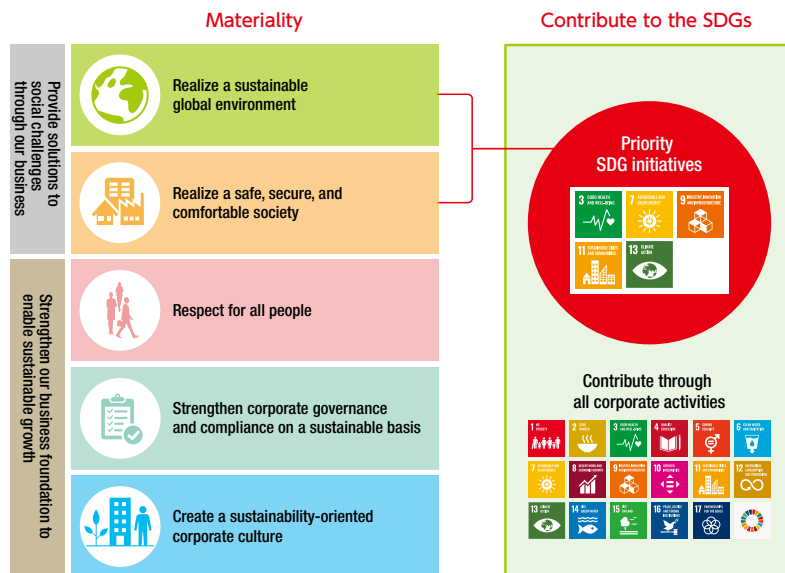
Priority SDG initiatives

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

Based on a study within the company, we set SDGs 3, 7, 9, 11, and 13 as the Priority SDG initiatives, which correspond to "realize a decarbonized society" and "solve social challenges in the four areas of Life, Industry, Infrastructure, and Mobility," the areas that the Group will focus on going forward. By further promoting initiatives to create value for these goals to which we can contribute significantly as a comprehensive electrical and electronics manufacturer, we will make a specific contribution to achieving the SDGs.

- Goal 3: Good Health and Well-being.....Life and Mobility fields
- Goal 7: Affordable and Clean Energy.....Energy savings in production and products and services, etc. for realizing a decarbonized society
- Goal 9: Industry, Innovation, and Infrastructure.....Industry field
- Goal 11: Sustainable Cities and Communities.....Infrastructure and Mobility fields
- Goal 13: Climate Action.....Realization of a decarbonized society

In doing this, the Mitsubishi Electric Group will integrate the concept of the SDGs into its management strategy and contribute to the SDGs that we will prioritize through our materiality initiatives.



Materiality and SDGs

Initiatives related to the 17 SDGs

The Mitsubishi Electric Group, as a comprehensive electrical and electronic manufacturer, handles a wide range of technologies, products, and services, ranging from familiar home electronics products to satellites and projects on a national scale. As such, we believe that we can also greatly contribute toward meeting the 17 Sustainable Development Goals (SDGs).

 1 NO POVERTY No Poverty We are working to end poverty by creating employment through the global expansion of our business, and launching initiatives including the establishment of social infrastructure and volunteer activities.	 2 ZERO HUNGER Zero Hunger We are contributing to solving food-related issues through measures including the provision of IT support for agriculture via ICT and positioning satellites, improving productivity in foodstuffs factories through FA, and supplying refrigeration and freezing technologies for food.	 3 GOOD HEALTH AND WELL-BEING Good Health and Well-being We contribute to improving health and well-being through transportation safety support systems that help to cut down traffic accidents, as well as through cutting-edge Air conditioning Systems that contribute to the advancement of treatment.	 4 QUALITY EDUCATION Quality Education In addition to providing technological assistance to developing nations and supporting remote education through our communication and IT technologies, we are contributing to fostering the next generation and beyond through activities that contribute to society.
 5 GENDER EQUALITY Gender Equality We are supporting the social empowerment of women through providing ICT services and supplying home appliances, and we are promoting the further advancement of women within the Group.	 6 CLEAN WATER AND SANITATION Clean Water and Sanitation The Group has technology for treating and purifying water, and supplies technologies and systems whose purpose is to deliver safe water.	 7 AFFORDABLE AND CLEAN ENERGY Affordable and Clean Energy We are working to develop technologies and systems that will help produce a smart, energy-conserving, and energy-creating society — technologies, products, and services that we are endeavoring to make widely available.	 8 DECENT WORK AND ECONOMIC GROWTH Decent Work and Economic Growth Through our FA and AI technologies, we are working to contribute to increased productivity and the provision of desirable working environments throughout the Group.
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Industry, Innovation and Infrastructure The Group supports manufacturing through its factory automation business, and nurtures development in the industrial field through technological innovation.	 10 REDUCED INEQUALITIES Reduced Inequalities In cooperation with our stakeholders, we are contributing to realizing discrimination-free societies that respect human rights.	 11 SUSTAINABLE CITIES AND COMMUNITIES Sustainable Cities and Communities We provide safety, security, and comfort to people's lives through our work in the disaster-prevention and infrastructure-development fields.	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Responsible Consumption and Production We are endeavoring to reduce the volume of resources used in manufacturing and to recycle spent products. Additionally, we are also pushing to reduce the volume of final waste disposed and to be environmentally friendly in our resource procurements.
 13 CLIMATE ACTION Climate Action We are working to identify a total valuation of our CO ₂ and other greenhouse gas emissions in order to set our goals for reductions.	 14 LIFE BELOW WATER / 15 LIFE ON LAND Life below Water/ Life on Land We develop and supply observation satellites that deliver information about ocean and forest conditions, and furthermore promote initiatives at our offices aimed at harmonizing their activities with the local environment.	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS Peace, Justice and Strong Institutions Based on laws and international norms, we are working to improve both our supply chains and areas including human rights, labor, the environment and the prevention of corruption on a global scale.	 17 PARTNERSHIPS FOR THE GOALS Partnerships for the Goals We are contributing to the achievement of the SDGs through partnerships with entities including governments, universities, research institutes, companies, and NGOs, pushing ahead with open innovation and other initiatives.

Progress of Initiatives to Address the SDGs

The Mitsubishi Electric Group is conducting measures in a variety of forms to make our employees aware of the background to the adoption of the Sustainable Development Goals (SDGs) and to entrench the individual goals themselves, in order to deepen understanding of the SDGs among each of them. Considering how the Mitsubishi Electric Group could contribute, the Sustainability Committee, Sustainability Expert Committee and Sustainability Business Promotion Committee commenced reviews by devising potential responses by their own companies. In fiscal 2019, we decided on "Priority SDG initiatives" and reviewed them in fiscal 2022.

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

Process of Identification and Review of Materiality

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

In fiscal 2021, a full internal review of the materiality, initiatives, and targets/key performance indicators (KPIs) was undertaken by the Sustainability Expert Committee and Sustainability Business Promotion Committee, in view of subjective evaluations from outside the company, including stakeholder questionnaires targeted at general consumers (600 respondents) that have been carried out since fiscal 2017 as well as other questionnaires and interviews from a total of 951 people, including Mitsubishi Electric Group employees, suppliers, investors, and analysts.

In order to expand the scope of information disclosure, while continuing to incorporate opinions from inside and outside the company, these initiatives will be further strengthened, and the materiality, initiatives, and targets/key performance indicators (KPIs) will be reviewed through ongoing improvement activities based on the PDCA cycle.

Step 1 Awareness of social issues (fiscal 2021)

Extraction of candidate materiality from guidelines, etc.

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

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

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

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

Main initiatives to the present

- Lecture presentation for executives by Toshio Arima, a board member of Global Compact Network Japan (fiscal 2018)
- Reflecting of SDGs in our business strategy (fiscal 2018, fiscal 2019, fiscal 2020, fiscal 2021, fiscal 2022)
- Holding lecture presentations regarding the SDGs for research and development divisions (fiscal 2018, fiscal 2020)
- Promoting understanding about the SDGs through internal newsletters (fiscal 2018, fiscal 2019, fiscal 2020, fiscal 2021, fiscal 2022)
- Education of staff to advance the SDGs during training of CSR personnel (fiscal 2018, fiscal 2019)
- SDGs training (fiscal 2019, fiscal 2020)



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



Lecture presentation regarding the SDGs for research and development divisions



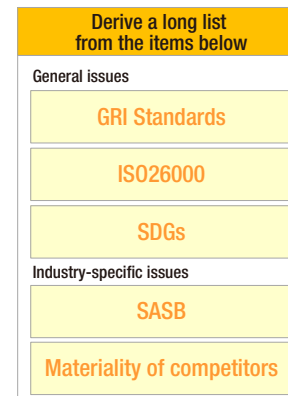
SDGs training



Mitsubishi Electric's Corporate Strategy (Nov. 2020)



In-house newsletter



Extraction of candidate materiality from guidelines, etc.

- Sort similar items
- Eliminate items that have little relevance to Mitsubishi Electric's business
- Eliminate economic-related items

Derive a short list

- 1 Contribution to SDG 1: No Poverty
- 2 Contribution to SDG 2: Zero Hunger
- 3 Contribution to SDG 3: Good Health and Well-being
- 4 Contribution to SDG 4: Quality Education
- 5 Contribution to SDG 5: Gender Equality
- 6 Contribution to SDG 6: Clean Water and Sanitation
- 7 Contribution to SDG 7: Affordable and Clean Energy
- 8 Contribution to SDG 8: Decent Work and Economic Growth
- 9 Contribution to SDG 9: Industry, Innovation and Infrastructure
- 10 Contribution to SDG 10: Reduced Inequality
- 11 Contribution to SDG 11: Sustainable Cities and Communities
- 12 Contribution to SDG 12: Responsible Consumption and Production
- 13 Contribution to SDG 13: Climate Action
- 14 Contribution to SDG 14: Life below Water
- 15 Contribution to SDG 15: Life on Land
- 16 Contribution to SDG 16: Peace, Justice and Strong Institutions
- 17 Contribution to SDG 17: Partnership for the Goals
- 18 Respect human rights (prohibition of discrimination, forced labor, harassment, etc.)
- 19 Promote workplace diversity (use of diverse human resources)
- 20 Promote work-life balance (harmony between work and life)
- 21 Develop human resources
- 22 Ensure occupational safety and mental and physical health
- 23 Secure product quality and safety
- 24 Contribute to local communities (volunteer)
- 25 Strengthen environmental initiatives
- 26 Implement corporate management with sound functional check capabilities (corporate governance)
- 27 Implement appropriate risk management
- 28 Disclose information transparently in a timely and appropriate manner
- 29 Ensure thorough compliance
- 30 Ensure information security (management of trade secrets, protection of personal information)
- 31 Create innovation through research and development
- 32 Strengthen intellectual property capabilities and protect intellectual property rights
- 33 Request that business partners cooperate with Mitsubishi Electric Group's CSR activities (supply chain management)
- 34 Engage in corporate activities globally as a group
- 35 Actively communicate with stakeholders

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

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

Questionnaire for stakeholders



Internal working groups



Interviews with experts

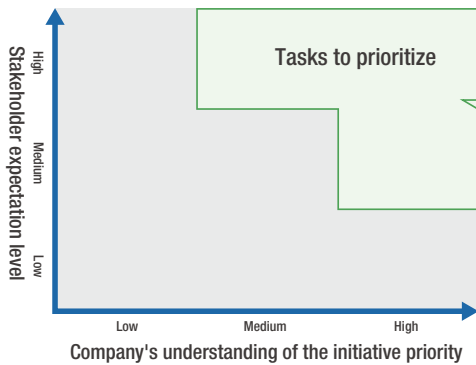


Dialogues with directors and experts

Step 3 Identification of materiality (fiscal 2021)

Identification by the Sustainability Committee

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



Mitsubishi Electric's Matrix of Materiality

- Tasks to prioritize**
- Provide products and services that help to solve environmental issues.
 - Provide products and services that help to solve energy problems.
 - Secure product quality and safety.
 - Develop globally competent human resources. Actively communicate with stakeholders.
 - Strictly enforce compliance.
 - Implement corporate management with sound functional check capabilities.
 - Provide products and services that help to solve health and aging issues.
 - Provide products and services that contribute to peaceful and safe living.
 - Develop products with a low environmental impact in manufacturing, use, and disposal.
 - Request that business partners cooperate with Mitsubishi Electric Group's CSR activities.
 - Promote workplace diversity.
 - Promote work-life balance.



Sustainability Committee

Management Related to Materiality

In fiscal 2016, the Mitsubishi Electric Group identified its materiality, initiatives to fulfill said materiality, and key performance indicators (KPI). In fiscal 2017, it announced its performance in regard to those initiatives and carried out a review of each initiative and KPI. In fiscal 2022, the Mitsubishi Electric Group revised its materiality; accordingly, it revised its initiatives to fulfill said materiality and key performance indicators (KPI) for fiscal 2022.

For the details of our results to date, please refer to our past Sustainability Reports.

-  [Download reports \(Sustainability\)](#)
-  [Materiality](#)

FY2022 Targets

Materiality	Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Provide solutions to social challenges through our business	Realize a sustainable global environment	Reduce CO ₂ emissions from product usage in new products (Improvement of more than 1% compared to the previous model by the end of FY2024)	All Mitsubishi Electric Group companies (Japan, overseas)
		Reduce CO ₂ emissions from production (Reduction of more than 9% compared to FY2017 by the end of FY2024)	
		Use renewable energy in production (Rate of more than 2% by the end of FY2024)	
	Contribute to achieving a circular economy	Use recycled plastics (Rate of more than 10% in terms of the volume of molding and packaging materials by the end of FY2024)	All Mitsubishi Electric Group companies (Japan, overseas)
		Make effective use of waste plastics (Rate of more than 90% by the end of FY2024)	
		Reduce water usage per unit of sales at five high-risk overseas offices (More than 4% compared to FY2020 by the end of FY2024)	
Realize a safe, secure, and comfortable society	Provide integrated solutions to address social challenges in the four fields of Life, Industry, Infrastructure, and Mobility	Discuss goals and KPIs that contribute to solving social challenges through our businesses including contribution to SDGs, and promote initiatives to that end	All Mitsubishi Electric Group companies (Japan, overseas)
	Provide products and services while continually promoting the concept that quality is our top priority	Boost the quality of development and design by creating a design policy encompassing multiple common element technologies	Mitsubishi Electric Group companies (Japan)
		Make Group-wide efforts to investigate the cause of serious malfunctions, and implement recurrence prevention measures (Once a month)	
		Roll out a quality management guidebook on change control to external suppliers	All Mitsubishi Electric Group companies (Japan, overseas)
		Continuously conduct e-learning programs on quality, and provide enhanced learning materials	
Provide training programs on quality, and lecture programs on the concept that quality is our top priority (Create a quality culture) (Four times a year in Japan, and once a year overseas)			
Strengthen our business foundation to enable our sustainable growth	Promote human rights initiatives that are based on international norms	Promotion of ongoing human rights awareness activities	All Mitsubishi Electric Group companies (Japan, overseas)
		Identify human rights issues by conducting human rights impact assessments, and grasp the statuses of initiatives at each office (Conduct assessments at 100% of relevant departments)	
		Enhance response in channels for grievances and inquiries on human rights, and act appropriately accordingly	Mitsubishi Electric
		Provide lectures on human rights awareness and anti-harassment training programs for new employees and those for newly appointed managers (Attendance rate of 100%)	
	Respect for all people	Provide education on harassment prevention for Group employees (Attendance rate of 100%)	All Mitsubishi Electric Group companies (Japan, overseas)
		Strengthen and continue to promote the Mitsubishi Electric Workplace Reform Program and other initiatives to improve the workplace environment as well as actions taken under the policy of activities for Work Style Reforms, "Deepening of communication within the workplace, business transformation by streamlining operations, and improving quality aspects"	All Mitsubishi Electric Group companies (Japan, overseas)
Realize a workplace environment that helps all employees work actively	Carry out surveys on the actual status of harassment, including workplace environment surveys using stress checks, and employee attitude surveys (Quantitative targets for Mitsubishi Electric only) (Employee engagement score*1 of more than 70% by FY2023) (Work-life balance score*2 of more than 70% by FY2023)	All Mitsubishi Electric Group companies (Japan, overseas)	

*1 The percentage of employees who are proud and motivated to work for the Company

*2 The percentage of employees in the employee awareness survey who respond that they have a good work-life balance

Materiality	Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope		
Strengthen our business foundation to enable our sustainable growth	Respect for all people	Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances	All Mitsubishi Electric Group companies (Japan, overseas)		
		Employ people with disabilities beyond the statutory employment rate (higher than 2.3%)	Mitsubishi Electric Group companies (Japan)		
		Increase the ratio of women among new recruits (1.2 times the average for the past five years (FY2017-2021) by FY2026)	Mitsubishi Electric		
		Increase the ratio of women in managerial positions (2 times the ratio in FY2021 by FY2026)			
		Systematically dispatch employees to overseas OJT programs and language programs (More than 80 employees/year)			
	Promotion of occupational health and mental and physical health	Promote safety management and health enhancement activities	All Mitsubishi Electric Group companies (Japan, overseas)		
		Promote safety and health education, and maintain a rate of lost worktime injuries* that falls below the industrial average (Less than 0.52%) * Number of accidents causing lost worktime per 1 million hours	Mitsubishi Electric		
		Actively promote measures for mental health to realize a friendly workplace environment	Mitsubishi Electric Group companies (Japan)		
		Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 39.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)			
	Strengthen corporate governance and compliance on a sustainable basis	Corporate management with a sound oversight function	Hold dialogues with shareholders and investors through the general meeting of shareholders, corporate strategy presentation meetings, business strategy presentation meetings, financial results presentation meetings, and IR activities in Japan and overseas	All Mitsubishi Electric Group companies (Japan, overseas)	
			Carry out proper reporting and discussions at the appropriate time among the board of directors, and conduct regular analysis and evaluation of the board of directors' effectiveness	Mitsubishi Electric	
			Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time		
		Thorough compliance	Conduct an internal audit for ensuring the appropriateness of the Mitsubishi Electric Group's businesses and regularly report the audit result to the Audit Committee via the executive officer in charge of audits	All Mitsubishi Electric Group companies (Japan, overseas)	
			Compliance training on a continuous basis • Provide compliance education that utilizes diverse methods on a continuous basis	All Mitsubishi Electric Group companies (Japan, overseas)	
			Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	Mitsubishi Electric	
			Fair competition (prevention of antimonopoly violations) • Establish and thoroughly implement antimonopoly prevention measures: provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules	All Mitsubishi Electric Group companies (Japan, overseas)	
			Corruption prevention (prevention of bribery) • Establish and thoroughly implement bribery prevention measures: provide bribery prevention education, conduct monitoring with an eye toward establishing regulations and guidelines		
			Procurement that contributes to sustainability	Accomplish obtaining consent forms for the CSR procurement guidelines (Obtain by the end of September 2021)	All Mitsubishi Electric Group companies (Japan, overseas)
				Ascertain material human rights violation risks (forced labor on foreign workers, dangerous and injurious work) in the supply chain and continue activities for corrective action	Mitsubishi Electric Group companies (Japan)
	Integrate the Green Procurement Standards Guide and the CSR Procurement Guidelines, and establish sustainability procurement guidelines (by March 31, 2022)	All Mitsubishi Electric Group companies (Japan, overseas)			
	Information security activities to protect important information	Prevent information leaks (No leaks)	All Mitsubishi Electric Group companies (Japan, overseas)		
Enhancement comprehensive cybersecurity countermeasures 1.Technical measures, 2.Thorough document management, 3.Framework upgrading					
Create a sustainability-oriented corporate culture	Promote medium-to-long-term initiatives for addressing social challenges	Discuss goals and KPIs, and promote initiatives centered around the newly established Sustainability Planning Division	All Mitsubishi Electric Group companies (Japan, overseas)		
	Improve sensibility and adaptability to changes in values among society and individuals				
	Promote active communication with stakeholders based on highly transparent information disclosure				

FY2021 Initiatives and Results

Four material issues	Initiatives		Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation	
Realize a Sustainable Society	Realization of Environmental Vision 2021	Contributing to realizing a low-carbon society	Reduce CO ₂ emissions from production (less than 1.47 million tons by FY2021)	1.16 million tons	All Mitsubishi Electric Group companies (Japan, overseas)	○	
			Reduce CO ₂ emissions from product usage (more than 35% reduction compared to FY2001 by FY2021)	36% reduction compared to FY2001		○	
		Contributing to creating a recycling society	Reduce resource inputs (more than 40% reduction compared to FY2001 by FY2021)	43% reduction compared to FY2001		○	
			Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5% by FY2021)	0.02% by Mitsubishi Electric and domestic affiliates, 0.2% by overseas affiliates		○	
			Reduce water usage per unit of sales (by 10% per annum compared to FY2011 in FY2021)	Reduction by 20% compared to FY2011		○	
		Contributing to realizing a symbiotic society	Increase the number of participants in outdoor classrooms and satoyama preservation activities (cumulative total of more than 51,000 participants by FY2021)	Cumulative total of 48,872 participants		Mitsubishi Electric Group companies (Japan)	△
			Boost the level of biodiversity protection activities by offices in line with the Aichi Targets	Pursued proactive initiatives at our offices		Mitsubishi Electric	○
	Contribution through products and services	Provide products and services that contribute to Goal 7, "Affordable and clean energy," and Goal 13, "Climate action," of the SDGs		Contribute to Goal 7, "Affordable and clean energy," and Goal 13, "Climate action," of the SDGs through products and services and disclose results on the web, etc.	All Mitsubishi Electric Group companies (Japan, overseas)	○	
		Maintain the reduction of CO ₂ during product usage (more than 70 million tons by FY2001 standards)		74 million tons by FY2001 standards		○	
	Provide Safety, Security, and Comfort	Product development that places top priority on customer safety	Ensure safety through risk assessment (maintain a 100% rate of implementation of risk assessments of target home electronic products)		Maintained a 100% rate of implementation of risk assessments of target home electronic products	All Mitsubishi Electric Group companies (Japan, overseas)	○
Strengthen the quality control system to confirm that products definitely meet customer specifications			Revising, developing, and strengthening the roles of quality assurance departments at our offices	△			
Provision of products and services that reflect customers' needs		Develop key persons who are capable of incorporating customer needs into quality (maintain 100% rate of development in all target departments in Japan)		Development of 96% of key persons (FY2018) → Development of 97% of key persons (FY2019) → Development of 100% of key persons (FY2020) → Maintaining a 100% rate of development (FY2021)	Mitsubishi Electric Group companies (Japan)	○	
		Make Group-wide efforts to investigate the cause of serious malfunctions, and implement recurrence prevention measures		<ul style="list-style-type: none"> Achieved a 100% rate of implementation of investigations into the root causes of serious malfunctions discovered in the previous fiscal year Rolled out technical measures to prevent recurrence throughout the Mitsubishi Electric Group for common issues such as metal corrosion, and points of caution when using resin materials 	All Mitsubishi Electric Group companies (Japan, overseas)	○	
		Boost response capabilities by accelerating the company-wide sharing of information on serious malfunctions		Conducted Group-wide efforts to share information before serious malfunctions occur, and to carry out swift response		○	
Continuous implementation of education on quality principles that place top priority on customers		Maintain a 100% rate of participation in e-learning programs on quality (maintain a rate of 100%)		<ul style="list-style-type: none"> Maintained a 100% rate of participation in e-learning programs by Mitsubishi Electric employees and employees of domestic affiliates Mitsubishi Electric Group companies and overseas affiliates that participated in e-learning programs: 52 	All Mitsubishi Electric Group companies (Japan, overseas)	○	
		Provide level-specific group training and lecture programs regarding quality principles (create quality culture)		Held lecture programs, such as continuing to hold level-specific training to match participants' experience, as well as lecture programs at the Corporate Quality Assurance Managers' Committee		○	
Contribution through products and services		Provide products and services that contribute to Goal 11, "Sustainable cities and communities," of the SDGs		Contributed to Goal 11, "Sustainable cities and communities," of the SDGs through products and services, and disclosed results on the web, etc.		○	

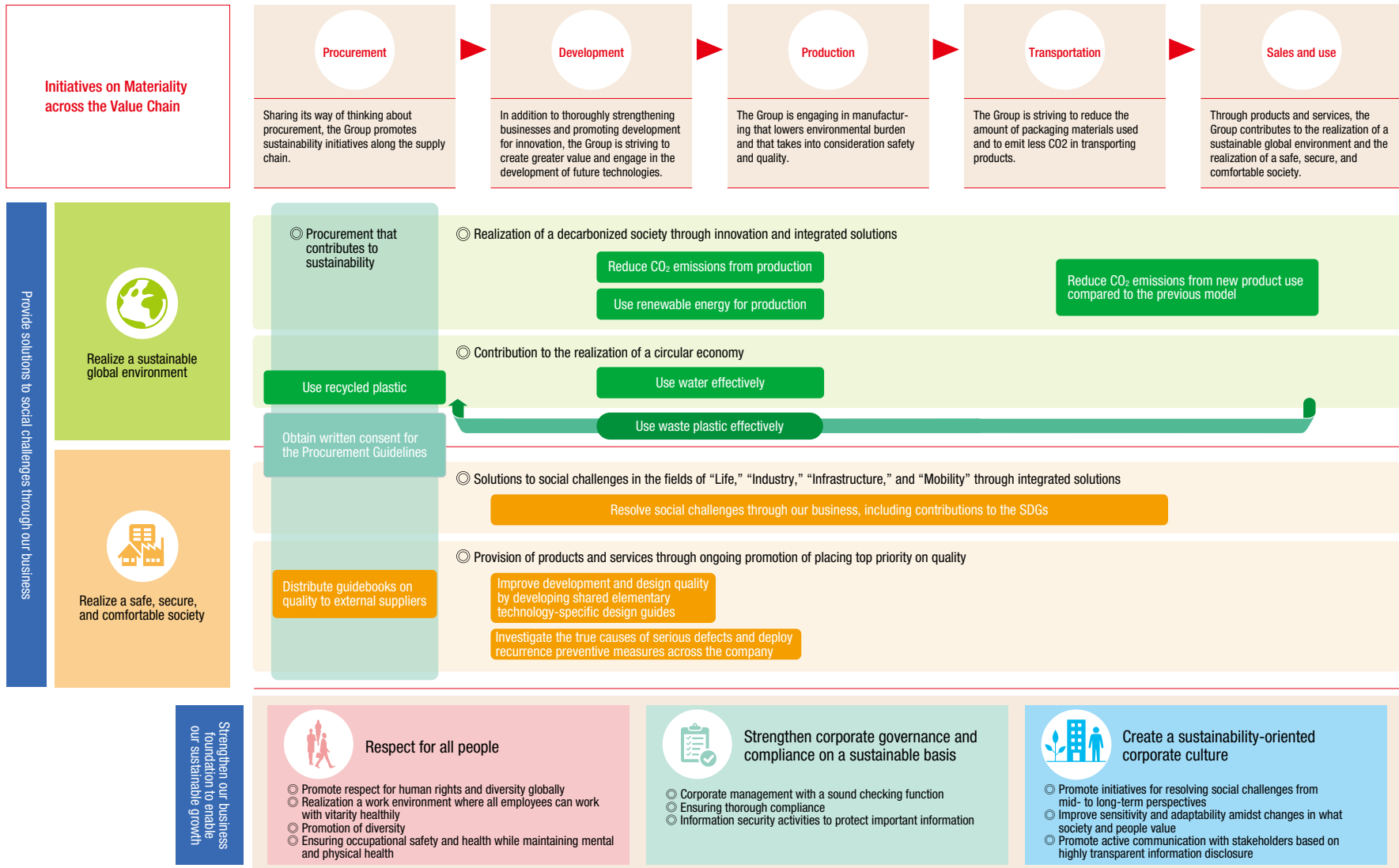
Four material issues	Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation	
Respect Human Rights and Promote the Active Participation of Diverse Human Resources	Promote human rights initiatives that are based on international norms	Promotion of ongoing human rights awareness activities	Published articles that inform about human rights in internal bulletin MELCO 's CSR section	All Mitsubishi Electric Group companies (Japan, overseas)	○	
		Enhance whistleblowing system for human rights violations	Organized grievance response channels in the Mitsubishi Electric Group, and disclosed information and informed internal and external parties via a website		○	
		Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers	Provided lectures on human rights awareness and harassment prevention to all participants attending training programs for 833 new employees and to 478 newly appointed managers	Mitsubishi Electric	○	
		Provide anti-harassment education for all employees (Attendance rate of 100%)	Provided anti-harassment education for all employees from December 2020 to March 2021 (Attendance rate of 100%)		○	
	Realization of workplace environments conducive to work-life balance	Strengthen and continue to promote the Work Style Reforms initiatives on the goal of the reforms, "realizing a workplace that helps all employees work proactively," and based on the new perspectives for the policy of activities since fiscal 2021 "Deepening of communication in the workplace, Business transformation by streamlining operations and improving quality aspects"	Promoted the Work Style Reforms at Mitsubishi Electric Group companies (including enhancing and managing systems that support operation efficiency and flexible work styles such as invigorating communication in the workplace, streamlining and boosting the efficiency of operations, and remote work)	All Mitsubishi Electric Group companies (Japan, overseas)	○	
	Promotion of diversity through the employment and utilization of diverse human resources	Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances		Promoted diversity by employing and utilizing diverse human resources across the Mitsubishi Electric Group (Japan and overseas)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)		<ul style="list-style-type: none"> • <As of March 15, 2021> Consolidated result of three companies*: 2.36% • Promoted the achievement of the statutory employment rate by domestic affiliates * Mitsubishi Electric Corporation + Mitsubishi Electric Life Service Corporation + Melco Tender Mates Corporation (special subsidiary)	Mitsubishi Electric Group companies (Japan)	○
		Increase the ratio of women among new recruits in engineering fields (target of 20% or higher in FY2021)		14.4% (FY2022; October 2020 and April 2021 recruits)	Mitsubishi Electric	△
		Systematically dispatch employees to overseas OJT programs and language programs (The programs for FY2021 canceled due to the spread of COVID-19)		Canceled due to the spread of COVID-19		△
	Promotion of occupational health and mental and physical health	Promote safety management and health enhancement activities		<ul style="list-style-type: none"> • Promoted safety and health management activities in conjunction with affiliated companies that operate in the same areas as Mitsubishi Electric • Provided assistance to affiliated companies (Japan and overseas) from Mitsubishi Electric 	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Promote safety and health education, and maintain a rate of lost worktime injuries* that falls below the industrial average (below 0.58) * Number of accidents causing lost worktime per 1 million hours		<ul style="list-style-type: none"> • Offered safety and health education (e-learning programs) to all employees • <As of March 15, 2021> Rate of lost worktime injuries (absence from work): 0.02 	Mitsubishi Electric	○
		Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 39.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85.0% or higher of employees who get enough rest by sleeping properly)		Rate of employees maintaining proper body weight 68.0%; rate of employees who exercise regularly: 27.4%; rate of employees who smoke: 21.6%; rate of employees who perform dental care at least three times a day: 27.0%; rate of 71.5% of employees who get enough rest by sleeping properly	Mitsubishi Electric Group companies (Japan)	△

Four material issues	Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Strengthen Corporate Governance and Compliance on a Continuous Basis	Active dialogue with stakeholders	Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)	Held three interviews on CSR with experts, and one dialogue on CSR with experts and management officers	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, financial results presentation meetings, and IR activities in Japan and overseas	<ul style="list-style-type: none"> Held a general meeting of shareholders Held corporate strategy presentation meetings, financial results presentation meetings, individual meetings, and other sessions for institutional investors and analysts via online conferences, telephone conferences and online streaming 		○
	Corporate management with a sound oversight function	Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review	<ul style="list-style-type: none"> Issued reports and held discussions on medium-to-long-term business challenges and strategies, measures to reinforce our management base, and the factors behind and measures to prevent recurrence of work related issues, unauthorized access, and other incidents Repeatedly implemented improvements based on the results of assessments on the effectiveness of the board of directors, which was thereby evaluated to be conducting free, active discussion and opinion exchanges through many channels at a greater degree than before 	Mitsubishi Electric	○
		Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time	<ul style="list-style-type: none"> Provided prior training about the roles, responsibilities and dealings of directors and executive officers to new appointees Provided compliance education to directors and executive officers after their appointment, and distributed the latest training materials 		○
		Conduct an internal audit for ensuring the appropriateness of the Mitsubishi Electric Group's businesses and regularly report the audit result to the Audit Committee via the executive officer in charge of audits	Conducted an internal audit of 93 sites in Japan and overseas, and reported the audit results to the Audit Committee		All Mitsubishi Electric Group companies (Japan, overseas)
	Thorough compliance	Compliance training on a continuous basis <ul style="list-style-type: none"> Provide compliance education that utilizes diverse methods on a continuous basis 	Provided compliance education that utilizes diverse methods, including lecture meetings, e-learning, and manual distribution (Conducted lecture meetings by Mitsubishi Electric's Corporate Legal & Compliance Div. 113 times in fiscal 2021 with a total of 8,134 participants)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	Achieved a 100% attendance rate	Mitsubishi Electric	○
		Fair competition (prevention of antimonopoly violations) <ul style="list-style-type: none"> Establish and thoroughly implement antimonopoly prevention measures: provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules 	Provided education on antimonopoly laws (face-to-face education, including online) <48 times, 1,974 participants *Mitsubishi Electric>; e-learning programs <14,824 participants *Mitsubishi Electric>	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Corruption prevention (prevention of bribery) <ul style="list-style-type: none"> Establish and thoroughly implement bribery prevention measures: provide bribery prevention education, conduct monitoring with an eye toward establishing regulations and guidelines 	Provided bribery prevention training; e-learning programs <25,371 participants *Mitsubishi Electric>		○
		Enhancement comprehensive cybersecurity countermeasures 1.Technical measures, 2.Thorough document management, 3.Framework upgrading	1. Strengthened network access controls in Japan and abroad, and reinforced device security measures as well as our auditing and authentication platform. 2. Reassessed the status of document storage and conducted employee training. 3. Established the Corporate Information Security Division in April 2020		○
	CSR procurement (environment, quality, human rights, compliance, etc.)	Ensure obtaining a consent form for the CSR procurement guidelines (Obtain by the end of September 2021)	Requested approximately 650 companies to sign consent forms, and obtained consent forms from 550 companies (have obtained forms from approximately 2,800 companies cumulatively from FY2019 to FY2021)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Ascertain material human rights violation risks (forced labor on foreign workers, dangerous and injurious work) in the supply chain and continue activities for corrective action	Canceled activities because we have suspended efforts to employ foreign workers in order to prevent the spread of COVID-19	Mitsubishi Electric Group companies (Japan)	△

Initiatives Related to the Value Chain

The Mitsubishi Electric Group is engaged in a wide range of businesses, ranging from familiar home appliances to satellites and projects on a national scale. Our operations of these businesses affect society and our value chain is also expanding.

Recognizing these circumstances, the Mitsubishi Electric Group promotes sustainability initiatives across the entire value chain with a focus on materiality.



Initiatives / External Evaluation

Initiatives

Participation in the UN Global Compact

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

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



 UN Global Compact

Expression of approval of the TCFD recommendations

The Mitsubishi Electric Group has expressed approval of the recommendations by TCFD (Task Force on Climate-related Financial Disclosures) and has been promoting initiatives and disclosing information according to its recommendations.



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

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

Mitsubishi Electric has been fulfilling its role as an official partner of the Tokyo 2020 in the category of elevators, escalators and moving walkways by contributing to making relevant facilities and surrounding infrastructure barrier-free, and by promoting the success of the Tokyo 2020 through activities that support the Olympic and Paralympic movement and by assisting the Japanese national team. Although the Tokyo 2020 was postponed to 2021 due to the impact of the spread of COVID-19, as a company celebrating its 100th anniversary, we will continue working in close coordination with the Organising Committee and Tokyo, the host city of the Games, as well as with other local governments, the central government and partner companies to leave a legacy to the next generation after the Tokyo 2020.



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

We not only contribute to spreading and raising awareness of Para-Sports, but also aim to contribute to creating an "inclusive society" where everyone mutually respects and accepts

each other regardless of any disabilities.

For example, the Mitsubishi Electric Going Up Campaign, an event to make para-sports better known to many people in view of the Tokyo 2020 Paralympics, kicked off in October 2016; a total of 110,000 people in 42 prefectures had participated as of November 2019. While the event was suspended thereafter due to the impact of COVID-19, we created and distributed video contents featuring athletes associated with the remaining five prefectures (Ibaraki, Shiga, Tottori, Nara, and Mie) and completed the event in April 2021. Additionally, Mitsubishi Electric Going Up Seminars have also been launched in November 2017 to promote a better understanding of diversity and actions that respect human rights among all employees; the meeting seminars have been attended by approximately 2,200 participants, while the e-learning has had approximately 38,000 participants so far. Based on a legacy of respect for diversity and giving of consideration to those who need support, which we have learned through these activities, we will continue to contribute to the realization of an inclusive society.



Revision of the Charter of Corporate Behavior of the Keidanren

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

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

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



Main initiatives in which Mitsubishi Electric is participating

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

External Evaluation

CDP

Mitsubishi Electric was selected as the highest rating "A List company" from CDP for "Climate Change" and "Water Security." In the water category, it has been selected for five consecutive years. Mitsubishi Electric was also selected as a "Supplier Engagement Leader," acquiring the highest rating in all of the three categories in which its environmental activities are evaluated.



Mitsubishi Electric Again Named to CDP's Climate and Water "A Lists"

Mitsubishi Electric Named to CDP Supplier Engagement Leaderboard

SBT

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



Mitsubishi Electric Sets Ambitious Greenhouse Gas Reduction Targets Approved by SBTi

EcoVadis

Mitsubishi Electric has been awarded the Silver Rating in corporate social responsibility (CSR) by EcoVadis, the global CSR assessment agency. Mitsubishi Electric scored especially highly in the categories of environment and sustainable procurement. The Silver Rating places Mitsubishi Electric among the top 25 percent of all companies assessed by EcoVadis.



FTSE Index Series

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

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



MSCI Indexes

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

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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

S&P/JPX Carbon Efficient Index

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



Eruboshi

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



White500

Mitsubishi Electric has been recognized under the 2021 Health & Productivity Management Outstanding Organizations Recognition Program's White500 (large-scale corporate category), for excellence in our various activities that contribute to health and productivity management by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



Environmental awards

Environmental awards

Communication with stakeholders

Status of Communication

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

Major stakeholders	Responsibilities and issues	Major contact departments	Major communication opportunities
Customers Individual and corporate customers	<ul style="list-style-type: none"> Improvement of customer satisfaction Product safety and quality Customer response and support 	<ul style="list-style-type: none"> Sales departments Quality departments 	Inquiry centers (home appliances: Customer Relations Center; building systems: Information Center, etc.), sales activities, websites, showrooms, events, exhibitions, customer questionnaires, mass media / commercials
Employees Workers related to the Mitsubishi Electric Group in general	<ul style="list-style-type: none"> Occupational health and safety Respect for human rights Human resource development Respect for diversity 	<ul style="list-style-type: none"> Personnel departments Sustainability promotion departments 	Hotlines, intranets, in-house bulletins, training programs, meetings between management and employees, employee awareness surveys
Government, local governments, industrial organizations Governmental institutions, local governments and industrial organizations relevant to the business activities of the Mitsubishi Electric Group	<ul style="list-style-type: none"> Compliance with laws and regulations Compliance with restrictions Policy proposals 	<ul style="list-style-type: none"> External affairs departments 	Participation in advisory councils and committees, participation in the activities of industrial and economic organizations
NGOs and NPOs NGOs/NPOs citizens groups, etc. with relevance to the social and environmental aspects of Mitsubishi Electric Group	<ul style="list-style-type: none"> Grants and partnerships through contributions to regional communities Dialogues on social and environmental issues 	<ul style="list-style-type: none"> Sustainability promotion departments 	Philanthropic activities (funds, foundations, volunteer activities), dialogues on social and environmental issues
Business partners Business partners that supply raw materials and parts	<ul style="list-style-type: none"> Fair transactions Sustainability promotion through the supply chain 	<ul style="list-style-type: none"> Materials departments 	Information sessions on sustainability procurement, BCP seminars, meetings based on the results of fair selection and evaluation of suppliers
Regional communities Communities near Mitsubishi Electric offices	<ul style="list-style-type: none"> Contribution to four activity philanthropic areas (social welfare; science and technology; global environmental conservation; culture, art and sports) 	<ul style="list-style-type: none"> Sustainability promotion departments 	Contributions through business, philanthropic activities (funds, overseas foundations, volunteer activities), grants to universities, plant inspection tours, factory open-house events
Shareholders Shareholders, investment institutions, investors, etc. directly or indirectly possessing Mitsubishi Electric Group shares	<ul style="list-style-type: none"> Increase in corporate value Proper redistribution of profits Information disclosure Response to ESG investments 	<ul style="list-style-type: none"> IR departments 	Financial results presentation meeting (4 times yearly), general meetings of shareholders (once a year), IR events/individual meetings, websites (IR resource library), responses to interviews, shareholder communications
Others Academic institutions and research institutions	<ul style="list-style-type: none"> Cooperation in creating innovation Joint studies 	<ul style="list-style-type: none"> R&D departments 	Industry-academia cooperation in research, stakeholder dialogues (once a year)
Future generations	<ul style="list-style-type: none"> Provision of education opportunities 	<ul style="list-style-type: none"> Sustainability promotion departments Overseas foundations 	Inquiry centers, philanthropic programs, factory inspection tours, grants via foundations, events

Results of Reader Surveys

Questionnaire-based Survey Conducted on the Sustainability Report

The Mitsubishi Electric Group conducted a survey questionnaire among its stakeholders in Japan regarding the Group's sustainability initiatives and Sustainability Report 2020, resulting in responses from 600 individuals.

A portion of the survey results is presented here. The Group's initiatives were quite well-thought of overall, with the responders offering many positive options. They also raised certain issues. The Group takes these points seriously and will adjust based on them in future activities, with the Group as a whole seeking to push further forward on its sustainability efforts.

Survey summary and partial results

[Period]

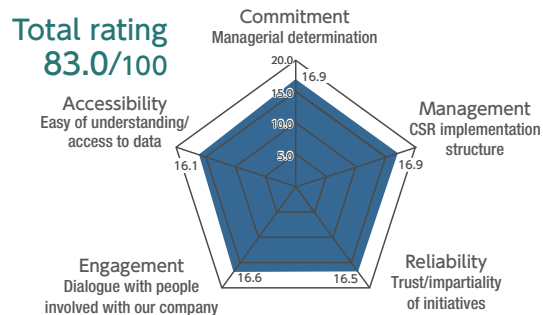
- December 2020

[Questionnaire responders]

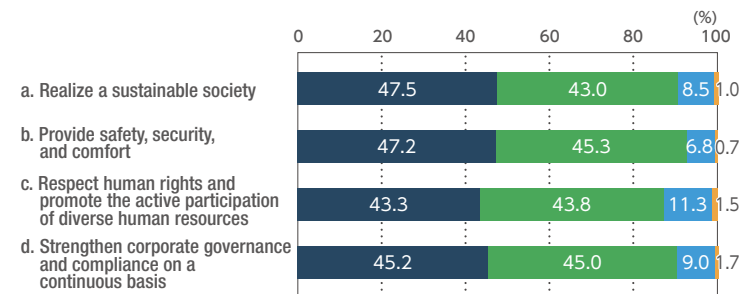
- Japan
- 600 persons
- General population nationwide, men and women aged 15 or older (people with a strong interest in sustainability)

[Main questions]

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



■ Sufficient ■ Somewhat sufficient ■ Somewhat insufficient ■ Insufficient



Comments on initiatives for CSR materiality

	<p>Main comments received</p> <ul style="list-style-type: none"> The company has a high awareness of CO₂ emissions and a track record of acting to address them. (Female, age 35) The goals are precise and easy to understand. (Female, age 35) I wish the company would set higher goals. (Male, age 55)
	<p>Main comments received</p> <ul style="list-style-type: none"> I like the company's attitude that the first step to customer satisfaction is employee education. (Female, age 68) It is good that the company shows what it actually does to its products to ensure safety. (Male, age 47) The company clearly demonstrates that it puts customers first. (Male, age 63) It is unclear whether the company is appropriately implementing measures to prevent recurrence of serious faults such as "inappropriate actions in quality management" and "mistakes in product shipment inspections." (Male, age 65)
	<p>Main comments received</p> <ul style="list-style-type: none"> From the data, I could see that the company thinks about creating an easy-to-work-in environment. (Female, age 33) I felt that the company has strongly recognized its past mistakes, incorporated them into future tasks to achieve the SDGs, and is now working to make improvements. (Male, age 36) While the company says it focuses on how to use human resources, it fails to provide the details of how it does so. I want to see more specific examples because the company uses abstract expressions. (Male, age 66) Given the COVID-19 pandemic, I do not think that the company can survive unless it accepts new working styles. (Male, age 49)
	<p>Main comments received</p> <ul style="list-style-type: none"> I sensed the company's commitment to continuously strengthening compliance. (Male, age 42). It is good that the outcomes shown in the figures suggest that the company is working seriously on this area. (Male, age 33) What the report proposes is excellent, but how the proposals can be put into practice is more important. (Male, age 86) I want the company to be 'clean' both inside and out. It would have been better if the report provided more detailed examples of the company's efforts. (Female, age 61)

Interviews with Experts

The Mitsubishi Electric Group has spoken with insightful experts, who are active in various industries, in order to hear what they think about our sustainability efforts amid the current trends. More specifically, we asked them to read the Mitsubishi Electric Group Sustainability Report 2020 and requested their opinions mainly regarding our materiality and what they expect from us given the domestic and international trends related to the sustainable development goals (SDGs) as well as environmental, social, and governance (ESG) investment. These experts also responded to our survey in order to identify our group's materiality. This section reports some of the opinions that we received.

Expectations for the Mitsubishi Electric Group

Takeshi Shimotaya

Managing Director
Sustainavision Ltd.

Areas of expertise:

Sustainability, Business & Human rights and supply chain management

- Vulnerable workers, such as part-time employees at domestic and international factories, seem to be the greatest victims of the impact of COVID-19. I expect you are considerate of vulnerable workers throughout your supply chains and will not need to cancel already signed orders placed with group companies, suppliers, and so on.
- For a company to ensure compliance with sustainability-conscious procurement standards, it must clearly show that it will trade with suppliers that meet such standards. It is desirable that your agreements with new suppliers include a requirement to meet the procurement standards. As for your current suppliers, in order to generate value throughout the supply chain, it is desirable that they deepen their understandings of the standards. If they fail to meet such standards for some reason, you and the suppliers should work together to improve the situation.
- The principle of human rights means to fully respect all individuals. To get employees to think that they want to work for your company, respecting human rights within the company requires the company to value employees and the president and all managers should communicate to employees that the company values them. This will promote employee motivation and loyalty as well as enable the company to recruit talented individuals.



Mari Yoshitaka

Principal Sustainability Strategist, Deputy General Manager of the Corporate Planning Dept., Mitsubishi UFJ Research and Consulting Co., Ltd.

Areas of expertise:

Environmental finance, climate change, carbon credits, ESG investment and finance, SDGs, and sustainable finance

- Investors strongly require companies to build growth strategies considering risk management and sustainability.
- Human rights issue is recognized as one of the crucial risk factors for companies from a global perspective. Since Japanese society is aging progressively, I especially pay close attention to this factor from the point of view of human resource strategies to acquire high-quality human resources.
- The environment issue has been a highly important matter. In recent years, the importance of cyber security and supply chain management has also been increasing.
- In terms of governance, it is expected to consider ESG aspects in the business evaluation of officers.
- Disclosure of the results alone may be deemed unintentional to implement future measures. Stakeholder capitalism, which places importance on contributions to stakeholders through corporate activities, is expanding. In order for stakeholders to understand its long-term corporate value improvement strategy, it is important for the company to not only disclose results but also to explain how to operate the business in the future and to communicate with stakeholders well. It is expected that outstanding technologies and corporate policy and measures of your company will be swiftly delivered in the manner of such disclosure and communication practices.



Dr. Wong Lai Yong

First Penguin Founder

Areas of expertise:

Sustainability, stakeholder engagement, and empowerment of youth and women in Asia (based in Malaysia)

- I think it is important to consider material issues through backcasting as your company has celebrated its 100th anniversary and is now preparing for the next 100 years, which are hard to predict.
- I expect that you will contribute to the achievement of SDG 9, "Industry, innovation and infrastructure," as well as SDG 13, "Climate action." We have not yet found solutions to realize a decarbonized society, ; I expect that your company, armed with a high level of engineering capabilities, will achieve technological innovation and provide the solutions.
- I expect that your company will contribute to the achievement of SDG 12, "Responsible consumption and production." From circular economy perspective, I hope your initiatives would consider the product life cycle - from design to disposal, and to use less raw materials.



Dialogues with Experts

The Mitsubishi Electric Group holds Dialogues with Experts to hear experts' opinions on our sustainability efforts from stakeholders' perspectives and incorporate them into our future activities. In March 2021, we held the fifth Dialogues with Experts with three experts, covering a wide range of topics including the latest sustainability trends and the experts' expectations for the Mitsubishi Electric Group.

Our group reviewed its material issues based on the Purpose, Our Values, and Commitment, which were revised as the group celebrated its 100th anniversary, and changes in the surrounding environment. In this dialog, we asked the experts for their opinions on identifying material issues.

* The sessions were held online as a COVID-19 countermeasure.



From left to right, Mariko Kawaguchi, Specially Appointed Professor, Rikkyo University Graduate School of Social Design Studies, and Executive Advisor to the CEO, Fuji Oil Holdings Inc. (ESG and market value generation), Toshio Arima, Chairman of the Board, Global Compact Network Japan, Keisuke Takegahara Executive Fellow, Research Institute of Capital Formation, Development Bank of Japan (March 2021)

Important Opinions and Recommendations from the Experts

The importance of clearly communicating the purpose of sustainability efforts to employees

In the process of reviewing the material issues, the Mitsubishi Electric Group conducted a survey of not only domestic and overseas group employees but also a wide range of stakeholders including consumers, suppliers, and investors. This suggests that the Group directly responds to diverse opinions.

Meanwhile, material issues must first be identified and then understood throughout the organization. In the past, manufacturers spent all their efforts ensuring total quality control (TQC). Today, in the same manner, they must disseminate the value they place on sustainability throughout the organization. I want you, the Mitsubishi Electric Group, to take advantage of opportunities like the President's Forum to have direct conversations with employees and to send a clear message about why sustainability efforts are necessary. Communicating the president's intentions is indispensable for boosting employee motivation.

As you have included "provision of integrated solutions" in the new management strategy despite your history as a manufacturing company, I believe that society will continue to change from being object-oriented to experience-oriented. To secure business continuity after this period of change, it is imperative that you reconsider how the organization and individuals should operate, and adapt to such changes.

Finally, I think that after experiencing various pandemic-related events, people have come to stop fearing the fact that "common sense changes." Therefore, I expect you to resolve social issues without being limited by traditional common sense.



Toshio Arima
Chairman of the Board
Global Compact Network
Japan

I anticipate seeing the group sort out the relationships between social issues and people and addressing material issues in the "Mitsubishi Electric" way

Materialities of the Mitsubishi's business seem to be reviewed in a proper process, however, you must develop a long-term vision of what the desirable society looks like and clearly address how you will contribute to such a society. Our Global Society is undergoing a major shift from a carbon society based on oil and coal to a decarbonized society. It is important to communicate to your employees your resolve that you should shift from producing hard products to soft, experience and services, because we should all decarbonize. To resolve social issues, you must begin by recognizing the fact that your corporate activities thus far have had negative impacts on various aspects of the environment and society, and you must always consider how people are affected by these social issues. Based on an understanding of the relationship between people and your four focus areas—namely Life, Industry, Infrastructure, and Mobility—I would like you to strive to become a company that makes everyone affected by your business happy.

Necessary administrative measures have been taken to address labor issues. Still, the corporate culture needs to be transformed, and this cannot be done easily. A gap in attitudes easily arises between management and employees; therefore, I expect you to fully implement the measures to alter the culture while filling the gap. In other words, what is expected is a dramatic corporate culture reform to make management directly communicate its intentions to employees so that, for example, young employees who want to contribute to society fully understand that the company has a policy of aiming to resolve social issues.



Mariko Kawaguchi
Specially Appointed
Professor, Rikkyo University
Graduate School of Social
Design Studies, and
Executive Advisor to the
CEO, Fuji Oil Holdings Inc.
(ESG and market value
generation)

High expectations for the group's new endeavor, the solutions business, to resolve social issues

Having withstood various changes in the environment, you, the Mitsubishi Electric Group, have kept your business going for 100 years. This is remarkable. What investors are looking for in the next 100 years is sustainable corporate growth. I hope that you recognize the issues that society is facing and propose a value creation scenario that synchronizes the resolution of these issues with corporate growth.

Since you have a wide variety of business operations, I think it may be difficult for you to create a simple and clear scenario. However, I recognize that your business model, in which you offer solutions, brilliantly and coherently connects different business areas. You have a large number of excellent products and services, and I believe that these function as a platform upon which you can offer valuable solutions.

As for the review of material issues, you can highlight your uniqueness by placing importance on the connection between these issues and the four areas as well as by combining these areas with the growth strategy, the solution service. In particular, in the area of the environment in which many companies face the task of decarbonization, you will be sending out your message to society by making full use of the products and solutions that you have developed thus far and by contributing to the decarbonization of the entire business community.

Clarifying the types of change you intend to make and the goals behind value creation will lead to the provision of solutions to customers and society.

Although human capital is hard to assess, you have an advanced approach of setting performance indicators (KPIs) to assess job satisfaction and work-life balance with the goal of enhancing employee engagement. My expectation for you is that you will implement concrete measures to address the areas identified as being at high risk and describe your actions both internally and externally.



Keisuke Takegahara
Executive Fellow
Research Institute of
Capital Formation
Development Bank of
Japan

In response to the dialogues

We, the Mitsubishi Electric Group, revised Purpose, Our Values, and Commitment as we celebrated our 100th anniversary. We have also announced that under our management strategy, our goal is to resolve social issues through our solutions. Going forward, we will review our materiality and tackle social issues in a way unique to the Mitsubishi Electric Group.

We appreciate the experts' honest critiques. In particular, we recognize the importance of taking time to thoroughly explain management's intentions to employees. We will work on communication, in addition to other areas, so that employees can take ownership of social issues and engage in tasks to resolve them. Through these efforts, we will foster a sustainability-oriented corporate culture and pursue value creation to resolve social issues by offering integrated solutions in the areas of Life, Industry, Infrastructure, and Mobility. To all the experts, I thank you for your time today.



Jun Nagasawa
Representative Executive
Officer,
Senior Vice President
Mitsubishi Electric
Corporation

Measures for Internal Dissemination

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

Sustainability Lectures for Executives

Lecture presentations are held by experts who are asked to speak about changes in social perspectives and the latest industrial trends concerning sustainability to Mitsubishi Electric executives and members of the Sustainability Committee (the former CSR Committee). These lectures are a good opportunity to reconfirm the importance of sustainability to the executives.



CSR Lectures for executives



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

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



Conference of administrative managers of Group companies

Sustainability Training for New Employees

Every year, sustainability training is held for new employees of Mitsubishi Electric to deepen their understanding of sustainability as a basic foundation of corporate management, to ensure ethics and legal compliance in their daily operations, and to instill the importance of addressing quality and environmental issues. The new employees learn that sustainability efforts must be made by each employee in their daily duties.



Implementing training for new employees (2018)

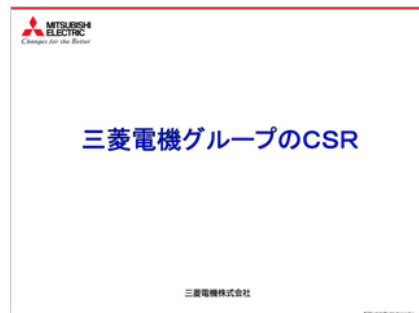


Sustainability Manager Training

Since fiscal 2017, Mitsubishi Electric has held training for sustainability managers from the company's offices and affiliates in Japan. Through lectures and group discussions on the basic principles of sustainability, social demands, and the Mitsubishi Electric Group's sustainability initiatives, participants develop a greater awareness of their specific role as sustainability managers in their daily operations. In addition, we have been distributing e-learning materials so that employees at Mitsubishi Electric and domestic and overseas affiliated companies will be able to learn about sustainability.



Sustainability manager training



Sustainability (CSR) e-learning

Promoting Understanding of Sustainability through In-house Newsletters

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



Promoting understanding of sustainability through in-house newsletters

President's Forum

Mitsubishi Electric holds the President's Forum, a meeting in which the president and employees have a conversation, at various workplaces. At the forum, the president directly communicates the corporate policy to employees while gathering input from employees covering a wide range of topics, including the operational issues at each office as well as opinions and requests regarding corporate matters. These inputs are then incorporated in the implementation of more effective measures.

In April 2021, the "President's Room" opened, whereby employees and the president can "talk" through email. By implementing these programs, the company ascertains the thoughts and feelings of individual employees while communicating the thoughts and feelings of the president.

Sustainability Considerations in Overseas Affiliates

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

In fiscal 2020, efforts were made to disseminate Group-wide sustainability policies overseas. For example, sustainability was widely introduced in training programs for staff members of affiliates in the Asia region and programs for overseas management executives. Additionally, the company exchanged views on sustainability issues and Group-wide sustainability policies with managers of individual regions. We will continue making these efforts to increase the sustainability of the Mitsubishi Electric Group as a whole.



Exchange of views with overseas managers