

CSR Report
2014



About the Report

This report provides information about corporate social responsibility (CSR) initiatives by the Mitsubishi Electric Group to help realize a sustainable society. It primarily reports on significant activities, events and changes that occurred in fiscal 2014 (year ending March 31, 2014). Based on the PDCA (plan-do-check-act) approach, in reporting our activities, we tried to go beyond just presenting our principles and the results of activities to date in order to also refer to future policies and issues. We endeavor to fulfill our responsibility of presenting information to the public in order to broaden our range of communication with stakeholders. We appreciate any and all frank and honest feedback intended to further improve the report.

■ Structure of the Report

Aiming to fulfill our responsibility of presenting information to the public, the report consists of and discloses information in three main sections of content: CSR Policy, Environmental Responsibility, Social Responsibility. In particular, Social Responsibility section reports on our responsibility and conduct toward stakeholders. The Environmental Responsibility section introduces our activities grounded in Environmental Vision 2021 and a number of unique initiatives expected of a global, leading green company. It also provides easy-to-understand explanatory animated content about our environmental technologies.

■ Period Covered by the Report

April 1, 2013 – March 31, 2014

* Also includes some information on policies, targets and plans, and activities and events occurring after the close of fiscal 2014.

■ Scope of the Report

Social Aspects	Primarily covers activities of Mitsubishi Electric Corporation * The range of data compiled is noted individually.
Environmental Aspects	Covers the activities of Mitsubishi Electric Corporation, 116 domestic affiliates, and 73 overseas affiliates (total of 190 companies).
Economic Aspects	Primarily covers performance of Mitsubishi Electric Corporation, consolidated subsidiaries, and equity method affiliates

■ References

- Environmental Reporting Guidelines (2012), Ministry of the Environment
- Business Owner Environmental Performance Indicator Guideline (2002), Ministry of the Environment
- Environmental Accounting Guidelines (2005), Ministry of the Environment
- Environmental Reporting Guidelines 2001—With Focus on Stakeholders, Ministry of Economy, Trade and Industry
- Sustainability Reporting Guidelines Version 3.1, Global Reporting Initiative
- Sustainability Reporting Guidelines Version 4, Global Reporting Initiative
- ISO26000

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About Us

Corporate Mission

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

Seven Guiding Principles

- 1. Trust** Establish relationships with society, customers, shareholders, employees, and business partners based on strong mutual trust and respect.
- 2. Quality** Provide the best products and services with unsurpassed quality.
- 3. Technology** Pioneer new markets by promoting research and development, and fostering technological innovation.
- 4. Citizenship** As a global player, contribute to the development of communities and society as a whole.
- 5. Ethics and Compliance** In all endeavors, conduct ourselves in compliance with applicable laws and high ethical standards.
- 6. Environment** Respect nature, and strive to protect and improve the global environment.
- 7. Growth** Assure fair earnings to build a foundation for future growth.

Corporate Statement *Changes for the Better*

The Mitsubishi Electric Group's corporate statement, "Changes for the Better," represents our goal and attitude to always strive to achieve "something better," as we continue to change and grow. It is a statement that promises "to create an ever better tomorrow" to our customers by the initiative of each and every one of our employees, who seek to improve themselves by aiming for "the better," and daily aim to "improve technologies, services, and creativity," as stated in our corporate philosophy.

Corporate Data (As of March 31, 2014)

Name	Mitsubishi Electric Corporation	Paid-in Capital	¥175,820 million
Address	Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan Tel: +81(3)3218-2111	Shares issued	2,147,201,551 shares
Established	January 15, 1921	Employees	124,305
		Stock Exchange Listings	Japan: Tokyo Europe: London

Financial Results

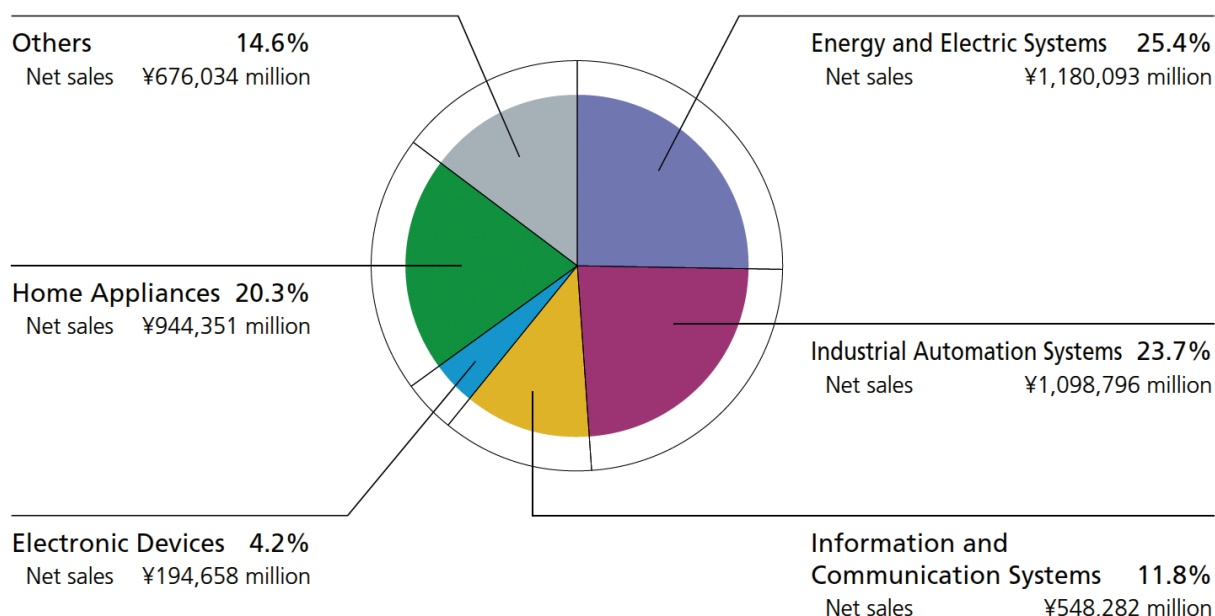
Performance for the Year Ended March 31, 2014

Years ended March 31	Yen (millions)			U.S. dollars (thousands)
	2014	2013	2012	2014
Net sales	¥4,054,359	¥3,567,184	¥3,639,468	\$39,362,709
Operating income	235,172	152,095	225,444	2,283,223
Net income attributable to Mitsubishi Electric Corp.	153,473	69,517	112,063	1,490,029
Total assets	3,612,966	3,410,410	3,391,651	35,077,340
Interest-bearing debt	373,478	540,572	542,291	3,626,000
Mitsubishi Electric Corp. shareholders' equity	1,524,322	1,300,070	1,132,465	14,799,243
Capital expenditures	151,840	150,425	159,346	1,474,175
R&D expenditures	178,945	172,222	169,686	1,737,330
Yen				
U.S. dollars				
Per-Share Amounts				
Net income attributable to Mitsubishi Electric Corp.				
Basic	¥71.49	¥32.38	¥52.20	\$0.694
Diluted	—	—	—	—
Cash dividends declared	17	11	12	0.165
%				
Statistical Information				
Operating income ratio	5.8%	4.3%	6.2%	—
Return on equity (ROE)	10.9	5.7	10.3	—
Interest-bearing debt to total assets	10.3	15.9	16.0	—

See accompanying Notes to Consolidated Financial Statements on page 39.

- 1 The Company prepares consolidated financial statements with procedures, accounting terms, forms, and preparation that are in conformity with accounting principles generally accepted in the United States of America based on the rules and regulations applicable in Japan.
- 2 Operating income is presented as net sales less cost of sales, selling, general, administrative and R&D expenses, and loss on impairment of long-lived assets.
- 3 Diluted net income per share attributable to Mitsubishi Electric Corp. is not included in the above figure as no dilutive securities existed.
- 4 U.S. dollar amounts are translated from yen at the rate of ¥103=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2014.

Net Sales Breakdown by Business Segment



President's Message

President's Message

In keeping with the spirit of our corporate statement, "Changes for the Better," we shall continue to pursue the change required to create new value, in order to help realize a sustainable society.



We Have Emphasized Corporate Social Responsibilities Since the Time of Our Founding

The operating environment continues to undergo dramatic changes, reflecting advances in globalization, revisions to legislation, and other factors. What must continue regardless of how the times may change is respect for corporate ethics and compliance and a commitment to not compromise on environmental issues and product quality. This commitment of the Mitsubishi Electric Group was first articulated in the Keys to Management (in Japanese, Keiei no Yotei), which was drawn up at the time of the company's founding in 1921. The spirit of this document, which states our contributions in areas such as the prosperity of society, product quality and customer satisfaction, lives on today in our Corporate Mission and Seven Guiding Principles. With these tenets as our core principles, the Group promotes various initiatives in order to fulfill our corporate social responsibilities.

Economic Aspects: Enhancing Corporate Value

In fiscal 2014, the Mitsubishi Electric Group placed even stronger emphasis than before on promoting growth strategies rooted in the Group's unique strengths, while also making ongoing efforts to give all of our business

segments a stronger competitive edge and reinforcing the Group's management foundation. As a result, our sales amount increased 14% from the previous year to ¥4.543 trillion, operating income increased 55% to ¥235.1 billion (for an operating income ratio of 5.8%), and net income for the year increased 121% to reach a total of ¥153.4 billion. In fiscal 2015, we will continue to pursue the goals of our growth strategies from a global perspective by strengthening collaboration both inside and outside the company. We will also implement Group-wide management improvement measures to stably achieve the management indicators that we should achieve on a continuous basis and to realize the growth targets that we should achieve by fiscal 2021.

Growth Targets to be Achieved by Fiscal 2021

Sales amount	¥5.0 trillion or more (¥4.543 trillion)
Operating income ratio:	8% or more (5.8%)

Management Targets to be Continuously and Stably Achieved

ROE:	10% or more (10.9%)
Ratio of interest-bearing debt to total assets:	15% or less (10.3%)

(Figures in parentheses indicate fiscal 2014 performance)

Environmental Aspects:

Promoting Environmental Initiatives based on Environmental Vision 2021

The Mitsubishi Electric Group pursues environmental management practices in its effort to achieve Environmental Vision 2021* by the target year of 2021, which marks the 100th anniversary of the company's founding.

These practices specifically focus on the following:

- Reducing total CO₂ emissions through energy conservation activities in offices and plants based on visualization of energy consumption and the use of IT technologies
- Reducing CO₂ emissions during product use by incorporating control technologies in addition to offering basic energy-saving performance
- Promoting the 3Rs (reduce, reuse, recycle) for the effective utilization of resources

Concerning our efforts last year, as one of our electricity-saving measures in light of today's strained electricity supply we introduced our original electricity demand monitoring system to all major sites nationwide (68 locations), thereby making electricity demand "visible" and allowing demand in multiple locations to be monitored and managed centrally. Since the summer of 2013, we have upgraded the system by adding a function enabling the real-time monitoring of photovoltaic generation in Mitsubishi Electric's facilities nationwide in order to control electricity demand according to the amount of electricity generated, as part of our strategy to save energy in offices and plants—which is one example of how we are advancing our efforts to contribute to the realization of a low-carbon society. We are also directing our attention towards creating a recycling-based society, and our efforts to that end include a project for high-purity plastic recycling that targets end-of-life home appliances, a project for recovering rare earth metals from room air conditioner compressors at the end of their lifecycle, and our consistent promotion of initiatives that are based on our original technologies. Furthermore, based on the Mitsubishi Electric Group Biodiversity Action Guidelines (established in fiscal 2011), we have systematized activities that promote deeper awareness among all employees of the relationship between our business activities and biodiversity, to ensure they take appropriate action in regard to biodiversity conservation. Through this initiative, we will continue to foster and develop environmental awareness in each employee as part of our effort to protect the environment for the future and create a sustainable society.

* Environmental Vision 2021, formulated in October 2007, is the long-term environmental management vision of the Mitsubishi Electric Group. It establishes a framework for realizing a sustainable planet, and defines long-term initiatives to realize a low-carbon society—such as cutting CO₂ emissions from product usage by 30% (compared to fiscal 2001)—and to create a recycling-based society.

Social Aspects:

Contributing to Society through Technology While We Uphold Corporate Ethics and Compliance and Engage in Social Contribution Activities

As a member of society, the Mitsubishi Electric Group is responsible for upholding corporate ethics and compliance as well as engaging in social contribution activities. The Group also recognizes its responsibility to contribute to society through the technologies it has built up over the years. In particular, our commitment to compliance has underpinned corporate management while forming the core of our efforts to strengthen the Group's internal control system and implement employee training programs. In keeping with this spirit, we will make devoted efforts to further strengthen our compliance activities by enforcing strict adherence to compliance policies, strengthening our internal control system, and providing effective training—with the hope of establishing stronger relationships of trust with society, our customers, and shareholders. Environmental considerations and contributions are an integral part of the Group's businesses. Therefore, our technologies and products that support environmental protection, energy conservation, and social infrastructure can help contribute to the realization of a society that is more friendly to both people and the earth or, in other words, a more prosperous society. We are also garnering a high level of expectation for the development of Smart Grids and Smart Communities, which are designed to provide a highly reliable supply of electricity from the large-scale use of photovoltaic power and other renewable energy sources, and we have commenced full-scale demonstration tests in Amagasaki (Amagasaki City, Hyogo Prefecture) and Wakayama (Wakayama City, Wakayama Prefecture) in fiscal 2012, toward the practical application of such Smart systems. We will harness the entire Group's comprehensive technological capabilities to play a part in the creation of a low-carbon society. In fiscal 2015, we will make even greater efforts to uphold corporate ethics and compliance and take an active part in social contribution activities, while also contributing to society through our technologies, products, and services. Through these initiatives, the Group will work to build a relationship of trust with stakeholders and do its part to help create a sustainable society. In the spirit of our corporate statement, "Changes for the Better," and our environmental statement, "Eco Changes," we shall pursue continuous improvement and continue to transform and grow as we strive to become a global, leading green company. We ask for your understanding and support as we pursue these goals.

NOTE : Fiscal years used on this page refer to the fiscal period starting on April 1st of the previous year and ending on March 31st of the year shown.

M. Sakuyama

Masaki Sakuyama
President & CEO

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The Environment and Business

Products and Technologies Contributing to the Realization of a More Affluent Society

As a global, leading green company contributing to the realization of a more affluent society, Mitsubishi Electric in all of its business fields is engaged in developing products and technologies that contribute to the formation of a low-carbon, recycling-based society.

Public Utility Systems Group

The Public Utility Systems Group supplies products that support social infrastructure—such as water treatment facilities, roadways, and rolling stock—to its customers. Three engineering and production sites in Japan, all of which are individual production factories, manufacture customer-aligned products. At each site, by improving facilities, testing, logistics and other factors, we are promoting energy savings and the effective use of resources while endeavoring to prevent soil and water pollution through thorough management of harmful substances.

The environmental issues our group focuses on are climate change, depletion of mineral resources, water and soil pollution associated with operations and procurement, and the proper management of chemical substances in design and production process.

Inverters Enhancing the Energy Efficiency of Railways

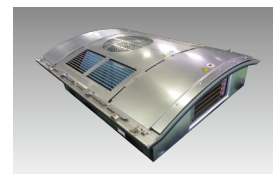
We provide products that further enhance energy efficiency and contribute to the overall optimization of railways, a mode of transportation that has low environmental impact. Compared to conventional products, large-capacity, railcar traction inverters with all-SiC (silicon carbide) power module reduce power loss by approximately 55%, have realized a 65% reduction in size and weight, and contribute an energy savings of 30% for the system as a whole.



Railcar inverter

Railcar Air-conditioning Systems Contributing to Reduced Environmental Impact

We are working on reduction in the environmental impact of air-conditioning systems installed in railcars. As a result of using thinner piping, we have reduced the size of the heat exchanger by 20%, thus realizing a more compact air-conditioning system. Furthermore, to prevent depletion of the ozone layer, a factor linked to global warming, we are driving forward to replace refrigerants with the ones that have an ozone depleting potential of zero.



Railcar air-conditioning system

Energy & Industrial Systems Group

The Energy & Industrial Systems Group supplies products and systems for energy, including power generation, electricity transformation, transmission and distribution, to electric power utilities and companies in general. Manufacturing is mainly carried out at two small-lot production sites and one small-lot/mass production site, and these sites are supported by production at affiliate companies in Japan and overseas.

With a focus on reducing the environmental impact of overseas affiliates, under the guidance of the mother factory in Japan, we are working to reduce the atmospheric emission of SF₆ gas, which has a high global warming potential, and strengthening the management of chemical substances.

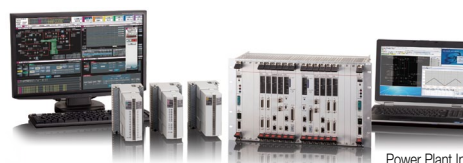
The environmental issues our group focuses on are climate change, depletion of mineral resources, proper management of chemical substances in design and production, and the preservation of biodiversity in areas where we operate.

Smart Meter and Storage Battery Systems Contributing to the Realization of Smart Grids and Communities

Leveraging the results obtained in our large-scale demonstration and testing facilities, we provide smart meter systems and storage battery systems needed for the realization of smart grids and smart communities. As part of this, we are driving market expansion as a leading Japanese company in smart meter systems. As a result of enabling electricity supply and demand adjustments, this is expected to contribute to energy savings. Additionally, storage battery systems are products that contribute to increasing the implementation of wind and photovoltaic power generation systems, and thus they contribute to reducing the consumption of fossil fuels.

Monitoring and Control System Realizing Resource and Space Savings, and Low Power Consumption

We have developed a system for monitoring the status and controlling operations at power generation plants. While ensuring compatibility with existing instrumentation and control systems, the new system offers extensively enhanced functionality and improved performance, realizing precise control. By consolidating functions, reducing the number of parts, reviewing the power source system, and taking other measures, we have reduced volume and weight by up to 30% compared to the previous model. This realizes a savings in resources and space, as well as a 30% reduction in power consumption.



Power Plant Instrumentation Control System



GOOD DESIGN
AWARD 2014

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Building Systems Group

The Building Systems Group provides elevators, escalators and building management systems to public and private sector building owners in more than 90 countries. With Inazawa Works as the mother factory, manufacturing companies are spread across 10 countries. Environmental initiatives, such as reducing CO₂ from production, switching over to lead-free solder and eliminating the consumption of wood in packaging materials, are being expanded from the Inazawa Works to other manufacturing companies as we promote reducing environmental impact globally.

The environmental issues our group focuses on are climate change, waste reduction and management, and proper management of chemical substances in design and production.

Elevators Realizing Further Energy Savings

For the globally strategic NEXIEZ Series, by incorporating our gearless traction machine equipped with a permanent magnet motor, size and weight reductions have been realized, in addition to a 20% reduction in power consumption compared to the previous system. Through measures such as utilizing regenerative power and LED lighting, further energy savings are possible. We have also introduced models for emerging countries and are promoting the use of energy-saving elevators in all parts of the world.



NEXIEZ-LITE
(elevator for India)

Building Automation System Realizing Energy Savings for Entire Buildings

We provide the Facima building automation system, which monitors and controls building air conditioning, lighting, access status and other facilities to realize energy savings for the entire building. As a result of measures such as visualizing energy use status, and controlling demand and facilities according to tenant business hours and holidays, energy savings that take user comfort and convenience into consideration are possible.



Facima BA-system touch control panel

Electronic Systems Group

The Electronic Systems Group produces satellites and satellite control systems, imaging sensors used in photocopiers and millimeter-wave radar used in automobile safety systems primarily at two sites in Japan. At our production sites, in addition to efforts to reduce CO₂ from production, we are engaged in preserving biodiversity, local area cleanup activities and visiting local elementary and junior high schools for the purpose of educating children about coursework prior to entering a company, and environmental issues.

The environmental issues our group focuses on are climate change, deforestation and the preservation of biodiversity in areas where we operate.

"Himawari": Observing Various Meteorological and Environmental Phenomena Accurately and Frequently

Geostationary meteorological satellites, as next-generation models succeeding the currently operating "Himawari-7", "Himawari-8" was launched on October 7 and we are continuing development "Himawari-9". Equipped with world-leading next-generation meteorological observation sensors, "Himawari-8" and "Himawari-9" will capture localized events such as torrential rains as well as regional-scaled typhoons, and they will also monitor climate change, sea surface temperatures, and sea ice on a global scale. As a result, they will be able to provide data related to a wider range of meteorological phenomena and the global environment with more accuracy and higher frequency than previously possible.



Geostationary meteorological satellite "Himawari"

Ecological Contributions in Various Fields through Transmission of Highly Precise Positioning Data

The Quasi-Zenith Satellite System, a system of positioning satellites especially for Japan, enables positioning signals to be sent to spots where signal reception was previously difficult, such as places blocked by buildings or mountains. As a supplement to GPS, it has enabled a dramatic improvement in positioning precision, from approximately 10m to the centimeter-level. It is expected that highly precise positioning data will be used to realize solutions contributing to the environment in diverse fields; for example, ecological driving control and automatic driving using road elevation and positioning data in the automotive sector, more efficient railcar operation and management in the railway sector, and the automatic operation of agricultural and construction machinery in the agricultural, construction and civil engineering sectors.



First Quasi-Zenith Satellite "MICHIBIKI"

Communication Systems Group

The Communication Systems Group supplies communications infrastructure equipment and surveillance camera systems to customers worldwide, including telecommunications carriers, financial institutions and logistics companies. Our two production sites in Japan are working to develop cutting-edge technologies and improve manufacturing efficiency.

The environmental issues our group focuses on are climate change and depletion of mineral resources.

Optical Access System Unit Reduces Power Consumption and Materials Use

The GE-PON ONU is a network termination unit for optical access systems that enables a single optical fiber to be shared by up to 64 users, thereby realizing space and energy savings for devices. Taking this further, we have adopted energy-efficient parts and reduced the number of components, which has resulted in a 65% reduction in power consumption and 74% reduction in materials use compared to conventional models.

*GE-PON ONU: Gigabit Ethernet-passive optical network optical network unit.



GE-PON ONU

Gateway Devices Realizing Demand Response* Services

We provide gateway devices that connect networks in homes, factories and buildings to cloud-based energy management systems. Utilizing these devices to collect power consumption data from various sources, such as home appliances, air-conditioning systems and production lines, enables the realization of the home energy management system (HEMS), and other energy management and demand response services.

*Demand response: When tight supply-demand conditions are present, the user curbs power use or shifts it to another time at the request of the supplier to maintain an appropriate supply-demand balance.



Gateway

Living Environment & Digital Media Equipment Group

The Living Environment & Digital Media Equipment Group is globally expanding its businesses for air conditioning and ventilation, hot-water supply, photovoltaic power generation, lighting, cooking appliances, home appliances and visual systems. At our production bases in Japan and overseas, all of which feature mass-production assembly factories, we are promoting energy savings through improvements to utilities and production, strengthening the management of chemical substances across the entire supply chain and ensuring the proper management of waste, exhaust and wastewater.

The environmental issues our group focuses on are climate change, depletion of mineral resources, proper management of chemical substances in design and production, and air, water and soil pollution associated with operations and procurement.

Room Air Conditioners Realizing Both Energy Savings and Comfort

The Kirigamine Z Series of room air conditioners offers an exceptional quality of comfort using the Move Eye Kiwami motion sensor, which can measure temperatures at people's hands and feet. Furthermore, they realize high power conservation owing to indoor units and compressors that feature a new structure, and hybrid operations that automatically ensure both comfort and energy savings.



Kirigamine Z Series

Photovoltaic Systems that Maximize Natural Energy Use for Many Years

The Multi-Roof Series of solar cell modules places primary focus on lifetime power-generating capacity—which is calculated by multiplying the amount of power generated by the service life of the product—and promises stable, high output. The modules can be combined to fit almost any shape of roof, maximizing the area that generates power. Moreover, our power conditioner, which boasts industry-leading power conversion efficiency, minimizes energy loss and ensures a plentiful supply of usable electricity.



Multi-Roof Series

Factory Automation Systems Group

The Factory Automation Systems Group provides industrial automation products and solutions for customers in the manufacturing sector. Backed by an extensive global engineering, production, sales and service network, the group promotes productivity improvements and energy conservation. In addition, we are strengthening overseas environmental risk management in areas such as chemical substance management during parts procurement, wastewater discharge and atmospheric emissions from factories aligned with our expansion of overseas procurement and production.

The environmental issues our group focuses on are climate change, depletion of mineral resources, proper management of chemical substances in design and production, and air, water and soil pollution associated with operations and procurement.

Solutions Contributing to Factory Floor Energy Savings

By proposing e&eco-F@ctory, an energy solution that visualizes specific energy consumption (i.e., energy consumed per product unit), we contribute to reducing the energy used by factory production facilities by improving productivity as well as reducing cost.



MELSEC iQ-R Series



GOOD DESIGN AWARD 2014

RV-F Series Intelligent Assembly Robot Enhancing Factory Floor Efficiency

To resolve the issues of efficient supply of parts, shorter startup time and the flexibility to cope with parts variations, we have developed intelligent technologies using force sensors, three-dimensional vision sensors, multifunctional hands and more.



RV-F Series

Automotive Equipment Group

The Automotive Equipment Group provides vehicle electric components and car multimedia devices globally. Our three development sites in Japan function as mother factories and manage 14 production sites overseas. In recent years, in addition to strengthening local procurement and production, we have been ensuring compliance with Design for the Environment guidelines that consider both recyclability and the environment laws and regulations in each country and region, and working to prevent air, water and soil pollution.

The environmental issues our group focuses on are climate change, proper management of chemical substances in design and production, and air, water and soil pollution associated with operations and procurement.

Initiatives for Technologies to Improve the Fuel Efficiency of Internal Combustion Engines

We are helping to make alternators, starters and electric power steering systems more fuel efficient with our proprietary compact, lightweight, high-performance and high-efficiency designs. Our idling stop-and-start systems, which link the engine control unit, transmission control unit, alternator, starter and electric oil pump, ensure reduced fuel consumption for customers.



Motor and controller for an electric power steering system

Electric-powered Products* Contributing to the Dissemination of EVs/HEVs

We are optimizing Mitsubishi Electric's strengths in semiconductor device design, circuit design and structural design for electric vehicles (EVs) and hybrid electric vehicles (HEVs) in order to provide even more electric-powered products.

*Electric-powered products: Products that contribute to promoting the use of electricity in automobiles by having equivalent or superior functions compared to devices driven by gasoline combustion.



EMIRAI 2 xEV concept car

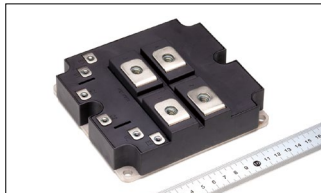
Semiconductor & Device Group

The Semiconductor & Device Group provides products including energy-efficient power devices, high-frequency devices, optical devices and TFT LCD modules that support our information-based society. At our factories and affiliates in Japan and overseas where our products are developed and manufactured, we are focusing on energy savings in manufacturing processes through measures such as utilizing more efficient air-conditioning systems and reducing the amount of water consumed by recycling the pure water used for manufacturing.

The environmental issues our group focuses on are climate change, depletion of mineral resources, proper use of water in areas where we operate and proper management of chemical substances in design and production.

Power Devices Realizing Lower Power Consumption

We are proceeding with the development and production of power devices that utilize silicon carbide (SiC) in the semiconductor component, thereby realizing a massive reduction in power loss and faster switching compared to silicon semiconductors. These devices are already being incorporated into some of our products, such as air conditioners for general consumers and railcar inverters, resulting in dramatic reductions in power consumption.



SiC power semiconductor module

Communications Modules That Suppress Increases in Optical Transmission Power Consumption

As a result of introducing high-speed, high-capacity communications networks, "energy efficiency in IT" is becoming a global social issue. For our newly developed Optical fiber communication device, as a result of raising the maximum operable temperature, the heat exchange element used for cooling has been downsized, realizing an approximate 50% reduction in power consumption compared to conventional products.



Optical fiber communication device

Information Systems & Network Service Group

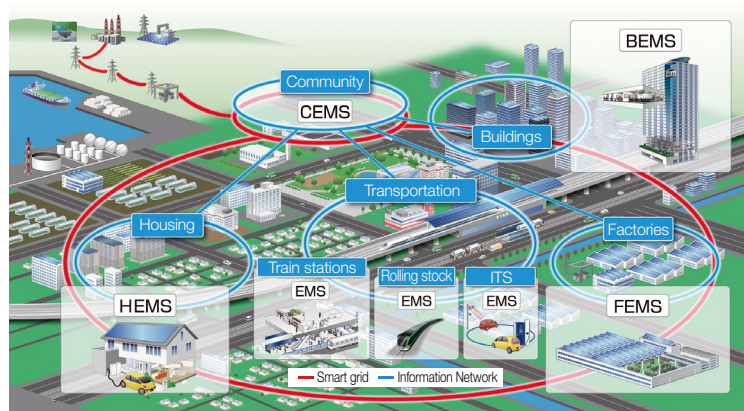
The Information Systems & Network Service Group provides optimal solutions and IT services for social and public systems as well as corporate systems. Mitsubishi Electric and three affiliated companies manage operations of the group.

The environmental issue our group focuses on is climate change.

IT Systems Realizing Smart Communities

Given the increasing seriousness of global environmental issues such as climate change, deforestation and preservation of biodiversity, we are aiming to realize smart communities with optimally controlled energy throughout all areas, from power systems to home appliances. Based on energy management systems (xEMS) that link machines and IT and process the enormous amount of data collected from the machines, we contribute to optimized energy control in various fields such as home appliances and housing equipment, factories and buildings.

- BEMS: Building Energy Management System
- CEMS: Community Energy Management System
- HEMS: Home Energy Management System
- FEMS: Factory Energy Management System
- ITS: Intelligent Transportation System



Organizational Governance

Our Policy of CSR

The Mitsubishi Electric Group promotes its corporate social responsibility (CSR) activities based on the conviction that all business activities must take CSR into consideration. The Group's Corporate Mission and Seven Guiding Principles form its basic CSR policies.

We are vigilant in our enforcement of corporate ethics and compliance and constantly work to improve educational programs and strengthen our internal control system. At the same time, we pursue initiatives related to quality management, environmental preservation, philanthropy and improved communication with all stakeholders.

Promotional System for CSR

Considering that our CSR activities involve a wide range of initiatives such as corporate ethics and compliance, securing as well as improvement of quality, environmental preservation, philanthropy and improved communication with all stakeholders, a CSR Committee (with the Executive Officer in charge of General Affairs serving as the Chairman of the Committee) has been formed. The business divisions are in charge of carrying out each initiative within the scope of their assigned duties.

Corporate Governance

Basic Corporate Governance Policy

To realize sustained growth and increase corporate value, Mitsubishi Electric 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 our stakeholders.

Corporate Management and Governance Structure

Corporate Management Structure

In June 2003, Mitsubishi Electric became a company with a committee system. Key to this structure is the separation of supervisory and executive functions; the Board of Directors plays a supervisory decision-making role and executive officers handle the day-to-day running of the Company. The present Board is comprised of 12 directors (five of whom are outside directors), who objectively supervise and advise the Company's management. The Board of Directors has three internal bodies: the Audit, Nomination and Compensation committees. Each body has five members, three of whom are outside directors. The Audit Committee is supported by dedicated independent staff.

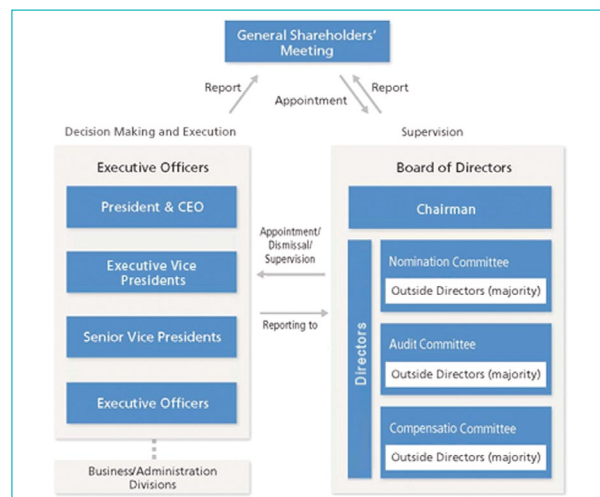
Internal Control System

Further ensuring effective corporate governance, the roles of Chairman and President & CEO are clearly defined and exclusive. The Chairman heads the board of directors and the President & CEO heads the Company's executive officers. Neither the Chairman nor the President & CEO is a member of the Nomination or Compensation Committees. This allows for the clear division of executive and supervisory functions, thereby enabling Mitsubishi Electric to ensure effective corporate governance. Executive officers are responsible for ensuring compliance and management efficiency in their assigned areas of operations. Internal auditors monitor executive officers' performance of duties. Internal auditors report on the results of such monitoring to the executive officer in charge of auditing. And the executive officer in charge of auditing and accounting auditors report on the results of such monitoring to the Audit Committee.

Mitsubishi Electric maintains a multi-dimensional risk management system in which all executive officers participate. Under this system, executive officers are responsible for risk management in their assigned areas of operation. In addition, executive officers exchange information and participate in important management initiatives and decisions through regularly scheduled executive officers' meetings.

The Corporate Auditing Division and Audit Committee

Acting independently, Mitsubishi Electric's Corporate Auditing Division conducts internal audits of the Company from a fair and impartial standpoint. In addition, the division's activities are supported by auditors with profound knowledge of their particular fields, assigned from certain business units. Overseeing this department is the Audit Committee, which is made up of five directors, three of whom are outside directors. In accordance with the policies and assignments agreed to by the committee, the performances of directors and executive officers as well as affiliated companies are audited. The Corporate Auditing Division, through the executive officer in charge of auditing, submits reports to the Audit Committee, which holds periodic meetings to exchange information and discuss auditing policies. In addition, the Audit Committee discusses policies and methods of auditing with accounting auditors, who furnish it with reports on the status and results of the audits of the Company that they themselves conduct.



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Risk Management

Risk Management System

Mitsubishi Electric maintains a multi-dimensional risk management system in which all executive officers participate. Under this system, executive officers are responsible for risk management in their assigned areas of operation. In addition, executive officers exchange information and participate in important management initiatives and decisions through regularly scheduled executive officers' meetings. Strictly adhering to this management structure and system, the Mitsubishi Electric Group is redoubling its efforts to implement measures aimed at minimizing business risks and detecting them at an early stage at which they may have significant social impact, such as those related to corporate ethics and compliance, the environment and product quality, to fulfill its responsibilities to stakeholders.

Responding to Environmental Risk

The Mitsubishi Electric Group works to quickly discover latent risks in business activities that can impact or potentially impact the environment in a substantial way. In order to prepare for the event of an accident or emergency, head office divisions, manufacturing facilities, R&D centers, branches, affiliates, and all other organizations have developed detailed risk descriptions and procedure manuals that specify departmental responsibilities. Mitsubishi Electric also anticipates the possibility of accidents, claims, or violations of the law occurring by construction subcontractors or companies working under outsourcing agreements, and informs these outside parties of our risk response procedures, as well as request that they ensure to implement the proper procedures in their respective organizations. Each of our business sites run tests once a year to determine if the managers in charge are capable of appropriately responding to an emergency. The tests simulate an emergency that has the potential of occurring to determine whether communication channels, the chain of command, movement methods at the site, and reporting procedures function properly. When problems are uncovered, the procedures are revised and the new version is publicized throughout the organization. The tests also serve as drills to help employees become proficient in the proper response procedures.

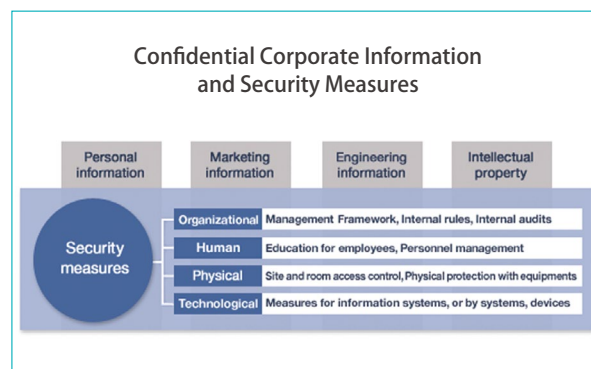
Our approach to information security risk Policy and Principles

Mitsubishi Electric Group has opportunities to obtain personal information from customers through questionnaires, registration of purchased products, and repair services. To handle personal information carefully, and to manage properly, we issued our "Personal Information Protection Policy" in April 2004, then

established our management system for protection of personal information. Mitsubishi Electric is admitted to use "PrivacyMark", most popular certification for personal information protection in Japan, in January 2008. We have extended security management not only for personal information but also for confidential corporate information, which includes information on sales, engineering matters and intellectual property. Such information is managed through organizational, human, physical and technological security measures. As a part of the effort, in February 2005 we issued the "Declaration of Confidential Corporate Information Security Management" in order to widely publicize our policy. When information is entrusted to us by other companies, we follow non-disclosure agreement. Moreover we manage and protect such information using the same security measures as apply to our in-house information.

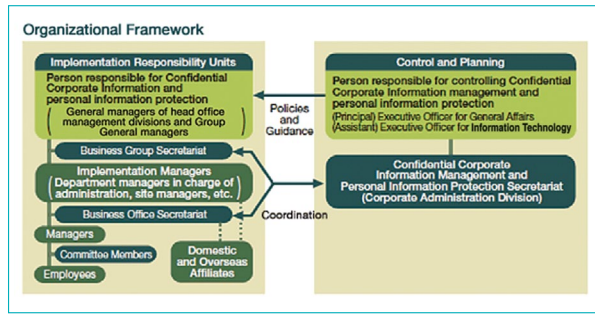
Management Principles

We continuously strive to improve our activities for managing confidential corporate information and protecting personal information through a plan-do-check-act, or PDCA, cycle, and with organizational, human, physical and technological security measures.



We revise internal rules as needed to comply with current laws. Since fiscal 2004, we have offered e-learning training to all employees in order to recognize "Declaration of Confidential Corporate Information Security Management." Furthermore, we instruct all employees basic way in daily work through distributing the brochure on the management of confidential corporate information and on the protection of personal information. We have enacted "Guidelines to Information Security management Rules for Mitsubishi Electric Group Companies," and affiliate companies have built their rules and framework based on the guidelines. The status of management for confidential corporate information and personal information is constantly checked through internal audits by staff of the head office, in addition to self-inspection. Our group will improve the quality of management by going through the PDCA cycle for ensuring information security.

Framework and Guidelines



The Executive Officer for General Affairs assumes overall responsibility for the management of confidential corporate information and for the protection of personal information. Confidential Corporate Information Management and Personal Information Protection Secretariat takes charge of planning and promoting information security measures. Each group general manager (person responsible for overall in the business group) and each site manager (implementation manager) is in charge of the specific management of confidential corporate information and personal information in each business group and each site. Business Group Secretariat and Business Office Secretariat strive to ensure information security by maintaining close coordination and regularly holding meetings with Confidential Corporate Information Management and Personal Information Protection Secretariat. In the incident of a leakage of confidential corporate information or personal information or in any other information security incident within the Mitsubishi Electric Group, the matter is reported to the top through the framework, where it is promptly dealt with in compliance with relevant laws and regulations and is disclosed as necessary in a timely and appropriate manner.

Information Security Regulations and Guidelines

Mitsubishi Electric Group has established various regulations and guidelines to ensure information security, including "Confidential Corporate Information Management Regulations" and "Regulations Concerning Personal Information Protection," as shown below.

(1) Security measures	Organizational: "Confidential Corporate Information Management Regulations"
	Human: "Employees' Rules of Employment"
	Physical: "Entrance and Exit Management Guidebook"
	Technological: "Information System Security Management Rules"
(2) Personal information protection	Personal information management: Regulations Concerning Personal Information Protection
(3) Group regulations	"Guidelines to Information Security management Rules for Mitsubishi Electric Group Companies —General Baselines"
	"Guidelines to Information Security management Rules for Mitsubishi Electric Group Companies —Technical Baselines"

Information Security Inspection and Audit

The following inspection and audit programs are conducted at the "check" step of the PDCA cycle, to assess whether activities for confidential corporate information management and for personal information protection are properly implemented within the entire Group. The programs tell us our level of information security management and points to be improved.

Information security self-check program	Mitsubishi Electric and affiliate companies inspect their activities for information security with checklists by themselves.
Information security cross-check program	Mitsubishi Electric's business sites mutually check each other's status of information security management.
Personal information protection audits (PMS audits)	The status of personal information protection is internally audited under the supervision of the audit controller of personal information protection in Mitsubishi Electric.

Information Security Education

Our Mitsubishi Electric provides the following education programs to foster our corporate culture that enforces proper handling of confidential corporate information and personal information.

• Education for all employees

An e-learning program is offered once a year to all 40,000-some employees, in order to acknowledge various issues on information security, including Mitsubishi Electric's policies, the status of accident occurrences, the review on the previous year's activities, the Act on the Protect of Personal Information and the Unfair Competition Prevention Act in Japan, and human, physical, technological and organizational security measures to be taken by all employees.

• Education corresponding to each career stage

Education of both confidential corporate information management and personal information protection is provided at each career stage as part of the training program for new employees, employees in their twenties, employees in their thirties, and newly appointed section managers.

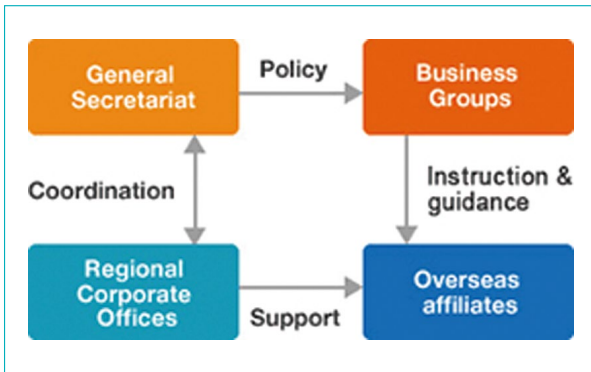
• Other specific education

Employees posted overseas, are provided with a preliminary education program which includes confidential corporate information management and personal information protection, where the status of Mitsubishi Electric's such activities, "Trade secret management guidelines" issued by the Ministry of Economy, Trade and Industry in Japan, and examples of accidents occurred overseas are introduced. Additionally, to properly handle targeted cyber-attacks, which have become increasing threats in recent years, all employees are subject to preliminary exercises against suspicious emails.

Global activities

• Overseas framework for information security management

The Business Group instructs and guides its overseas affiliates on information security management and the Regional Corporate Office established in each region supports overseas affiliates.



• Information security management regulations (guidelines) for overseas affiliates

"Guidelines to Information Security management Rules for Mitsubishi Electric Group Companies" have been enacted. Our Mitsubishi Electric Group, including overseas affiliates strives to maintain and improve our level of information security management by obeying the guidelines.

• Information security inspection and audit in overseas affiliates

All overseas affiliates also inspect their activities for information security with the above-mentioned self-check program.

Contractor Management

Confidential corporate information and personal information are entrusted to a contractor only after a proper non-disclosure agreement is concluded between Mitsubishi Electric and the contractor. The agreement stipulates all the security matters that we require. Before entrusting the information to the contractor, we confirm that the contractor will maintain the proper level of protection. After submitting the information, we supervise the contractor by regularly examining a status report on the use and management of the information that we have submitted. Moreover, we make a special agreement regarding the protection of the personal information that we have submitted.

Activities for personal information protection

• Personal information protection

First we created company rules on personal information protection in October 2001 and require all Mitsubishi Employees and affiliated persons to obey those rules strictly. After the issue of a personal information protection policy in 2004, Mitsubishi Electric satisfied the requirements of JIS Q 15001:2006 Personal Information Protection



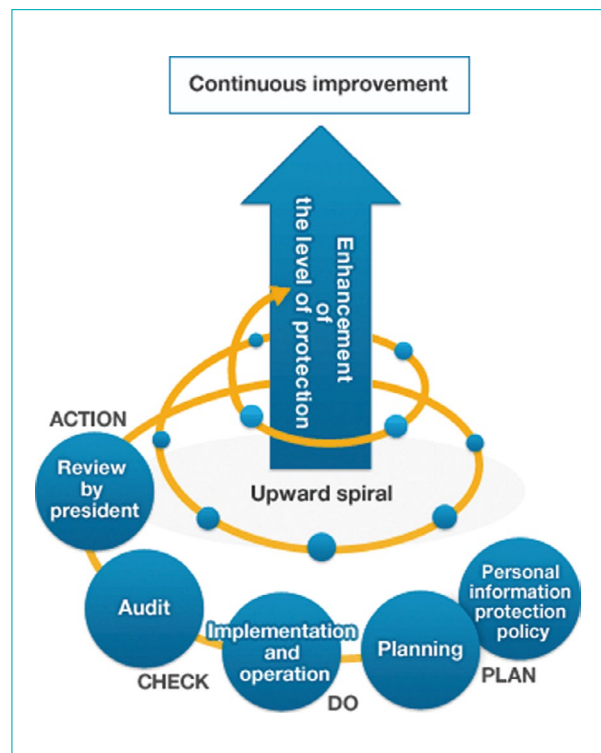
Management Systems and was admitted to use "PrivacyMark," which certifies the establishment of management systems that ensure proper measures for personal information protection, in January 2008. We have maintained our "PrivacyMark" certification until the present through biennial assessments.

• Personal information protection framework

The President & CEO appoints the Executive Officer for General Affairs as the head controller of personal information protection, and the Executive Officer for Audit as the audit controller of personal information protection. The head controller is responsible for operating the personal information protection management system (PMS), and the audit controller is responsible for conducting and reporting on personal information protection audits (PMS audits). Under the leadership of the head controller, the PMS is operated in the above-mentioned information security management framework.

• Personal information protection management

The PMS ensures proper protection of personal information by repeating the PDCA cycle and enhancing the level of protection on an ongoing basis.



• Security measures for personal information protection

Security measures for personal information protection are implemented with those for confidential corporate information management.

• Proper handling of personal information

Mitsubishi Electric handles personal information appropriately; we acquire it by specifying purpose of use, use it only within the intended scope and provide it to a third party only with prior consent from users.

Responding to Large-scale Disasters (Natural Disasters, Pandemics, etc.)

Reexamination of Disaster Response Measures after the Great East Japan Earthquake and Other Events

For many years, Mitsubishi Electric has formulated disaster response manuals for each of its specific workplaces, and has implemented preparatory measures (disaster mitigation) and disaster prevention training. However, in 2011 a series of large-scale disasters including the Great East Japan Earthquake and flooding in Thailand overturned conventional thinking regarding safety, upon which society and companies had previously relied. For Mitsubishi Electric, this necessitated that our disaster prevention measures be reexamined and our disaster response capabilities be enhanced accordingly.

(1) Establishment of an Emergency Disaster Prevention System

In the event that any of our company workplaces suffer serious damage as the result of a large-scale disaster, or concerns exist that this might be the case, we have a system in place to enable us to respond to the emergency situation by establishing a Mitsubishi Electric Disaster Response Center headed by the company's President. In addition to surveying the status of casualties and property damage, the Mitsubishi Electric Disaster Response Center will rapidly review and implement measures to ensure business continuity, and to enable us to conduct activities that help contribute to society.

(2) Enhancement of Disaster Response Measures

Up to this point, Mitsubishi Electric's disaster response manuals have mainly focused on earthquakes, but we have now upgraded our manuals to also take into consideration a wide range of large-scale disasters, including floods, typhoons, fires and explosions. Additionally, we are enhancing our disaster responses across the board. For example, we are bolstering measures for employees unable to return to their homes

following a disaster by stockpiling emergency supplies, and diversifying our systems for the confirmation of safety and our modes of communication.

(3) Creation of a PDCA Cycle for Disaster Response

At the same time, in order to ensure that the disaster prevention measures we have put in place up to this point continue to be valid and up-to-date, we have established a Company-wide Disaster Prevention and Safety Committee, and are applying the PDCA cycle in periodically reexamining disaster response measures and conducting training exercises.

Response to New Strains of Influenza

Throughout the world, outbreaks of new types of influenza are requiring concerted regional initiatives by national governments, regional government bodies, companies and households. In fiscal 2009, we commenced activities to fulfill our social responsibilities as a company to ensure people's safety, sustain business operations that serve societal functions and minimize economic impact on the Company in the event of an outbreak of a new influenza virus.

Business Continuity Initiatives

Each Mitsubishi Electric business site in Japan began formulating a business continuity plan assuming the spread of new strains of influenza in fiscal 2010, and a business continuity plan assuming a large-scale earthquake in fiscal 2012. In fiscal 2013, alternate bases for business continuity were investigated and business continuity plans for our main affiliate companies in Japan were formulated. Looking ahead, we of the Mitsubishi Electric Group shall continue our ongoing efforts to ensure business continuity based on lessons learned and problems that became manifest in the wake of the Great East Japan Earthquake, so that important operations, and particularly those that are critical to sustaining social infrastructure, can be continued even in the face of a large-scale disaster.

Serving Shareholders & Investors

Increasing Shareholder Value

Promoting "Balanced Corporate Management" and Increasing Corporate Value

By promoting balanced corporate management that gives consideration to the three perspectives of growth, profitability and efficiency, and soundness, the Mitsubishi Electric Group is working to achieve sustainable growth with a commitment to increasing corporate value even further.

Promoting Proactive Investor Relations

In order to gain understanding and confidence from shareholders, the Mitsubishi Electric Group proactively promotes investor relations activities to disclose and provide appropriate information on a timely basis, including management policies, strategies and financial results. The Corporate Administration Division and Corporate Finance Division are responsible for keeping lines of communication open with shareholders and investors. Our activities in this area include holding presentations on corporate strategy and accommodating meetings with shareholders and investors.

Our R&D achievements open house, which has been held every year since fiscal 1994, has garnered a particularly strong reputation for providing the opportunity to learn about our technologies and growth potential. In addition, we work to incorporate the opinions of shareholders and investors, and the results of dialogue with them into our management plans and practices.



Presentations on corporate strategy



R&D achievements open house

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Human Rights

Respecting Human Rights

Initiatives for Promoting Respect for Human Rights

The Mitsubishi Electric Group formulated the "Corporate Ethics and Compliance Statement" in 2001 and defined its stance on respect for human rights. In the statement, Mitsubishi Electric pledges "to act consistently with respect for human rights, and to never discriminate against individuals based on nationality, race, religion, gender, or any other such attributes." In April 2010, we also revised our codes of conduct relating to respect for human rights in the "Corporate Ethics and Compliance Code of Conduct" of the Mitsubishi Electric Group. We consistently strive to conduct ourselves in a manner that conforms to these codes of conduct.

Basic Principle

We will respect human rights with an awareness that our activities are widely interrelated with peoples and societies in all countries and regions where we do business.

Principle concerning child labor and forced labor

In all countries and regions where we do business, we will not use child labor or forced labor under any circumstance or form of employment.

Principle concerning discrimination

In all countries and regions where we do business, we will not tolerate any discrimination relating to employment and personnel treatment based on race, ethnicity, nationality, gender, age, beliefs, religion, social status, disability, or any other form of discrimination that violates laws concerning human rights. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

Respect for individuality

In all countries and regions where we do business, we will respect the individuality of each employee and will not compel anyone to engage in any activity through sexual harassment, defamation, slander, threats, or other acts that disregard the person's individuality. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

Principle concerning health and safety in the workplace

We will comply with relevant laws and regulations in all countries and regions where we do business, as well as with in-house regulations and procedures, to create safe and clean workplace environments where everyone concerned can work comfortably. Particularly when engaging in production activities and construction works, we will make every effort to secure health and safety in cooperation with affiliated companies, cooperating companies, customers, and suppliers.

Principle concerning labor relations

We will comply with laws and regulations relating to employment, personnel affairs, working styles, wages, working hours, and immigration control in all countries and regions where we do business, as well as with relevant in-house regulations and procedures, to maintain sound labor conditions and environments.

Principle concerning personal information protection

In all countries and regions where we do business, we will collect and properly utilize personal information only through legitimate and appropriate means, and only when necessary. We will also do our utmost to prevent illegal access, leakage, loss, and falsification of personal information.

Creating Barrier-Free Workplaces and Employing People with Disabilities

Mitsubishi Electric works to promote the employment of people with disabilities and to create barrier-free workplaces at its business sites throughout Japan to make it easy for people with disabilities to work at the company.



Barrier-free elevator (Advanced Technology R&D Center)

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Workforce Diversity & Equal Opportunity

Basic Employment Policy

Hiring a diverse array of people with respect for human rights and without discrimination by gender, age, nationality or race is essential to the ongoing business development of a global company. Based on this thinking, Mitsubishi Electric not only complies with Japan's Labor Standards Law and the Equal Employment Opportunity Law, it provides equal treatment to all employees regardless of nationality, creed or social status, uses the same pay scale for men and women, and determines working conditions with equal standing given to employers and workers. These employment policies also apply to Group companies across Japan.

Ongoing Proactive Hiring

To address the problem of mass retirement of baby boomers in Japan, we continue to actively hire both recent graduates and mid-career professionals. Cumulatively, this amounts to approximately 1,600 new employees per year. In addition to our longstanding practice of hiring new graduates in April, from fiscal 2012 we have also implemented a system for hiring new graduates in October to better suit the circumstances of students studying at universities outside Japan, students studying in Japan who graduate in September, post-doctorate students, and students who have already graduated. This new system enables us to, in a timely manner, secure quality human resources needed to help achieve the growth strategies of each of our businesses.

Promoting Systematic and Efficient Skills Development

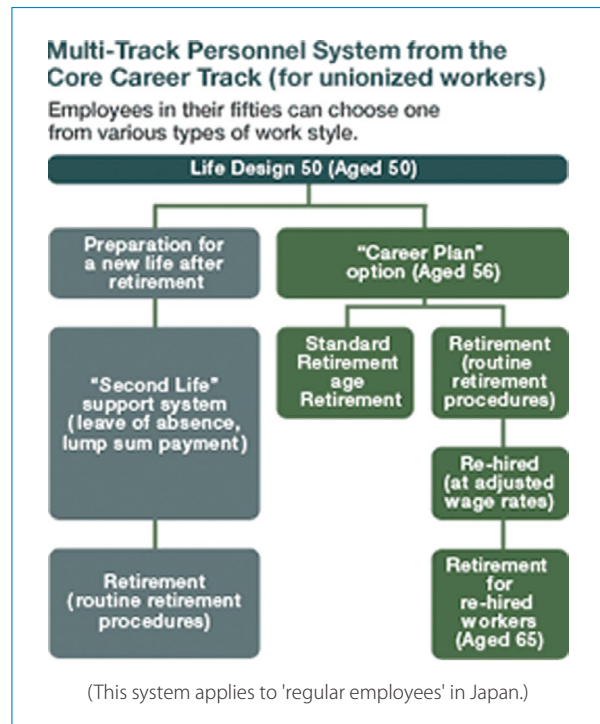
Mitsubishi Electric introduced to its operations in Japan a point system for employee training, to promote systematic and efficient skill and capability development by tracking the progress of ability-building activities by its employees, particularly its young employees. Each training course is worth a certain number of points according to the amount of training involved. Employees receive the relevant points upon completing each course, and aim to achieve their individually recommended total number of points.

Passing on Technological Skills, Knowledge and Know-how

In order to pass on the skills possessed by highly experienced employees to younger technicians at Japan production sites accompanying the company's generational shift, we have developed a training program that allows the skills of accomplished employees to be learned in one-on-one settings. Technical skills are also passed on to young technicians through various measures such as installing technical help desks through which newer employees can consult with highly experienced employees through the company's intranet.

Providing Diverse Employment Formats for Older Employees

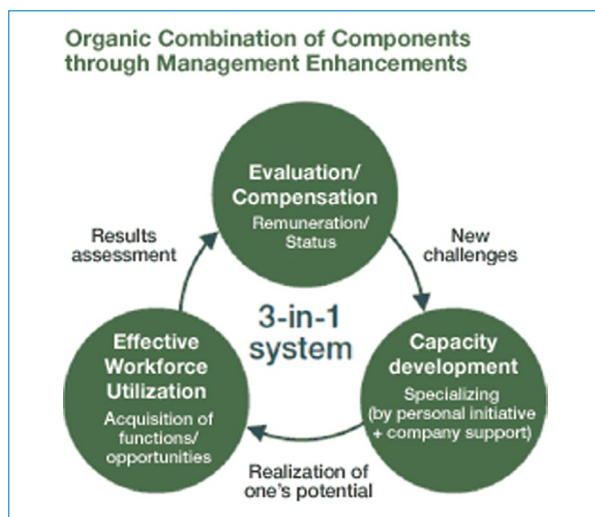
In Japan, Mitsubishi Electric instituted a multi-track personnel system in fiscal 2002, which makes diverse employment formats possible by allowing employees aged 50 and over to choose from among a variety of options. The options include financial assistance for an employee's "second life" following retirement, a "second life" support program that provides two years of paid vacation, and extending employment up to the age of 65 through a re-employment program. We also offer an annual "lifestyle design" training session at each of our business sites to employees turning 50 and their spouses. The sessions encourage employees to take an interest in planning the rest of their lives and designing a rewarding lifestyle by providing information on pensions and retirement benefits, social insurance, taxes, hobbies, health and other topics, and facilitating group discussions. In fiscal 2014, over 1000 employees participated in these sessions.



Creating a Fulfilling Workplace

Compensation System Based on Individual Job Descriptions and Performance

In Japan, Mitsubishi Electric has adopted a compensation system with a view to developing a corporate culture in which employees recognize organizational targets as well as their own roles, work to raise their own value, and take on the challenge of difficult goals. Under this compensation system, performance is emphasized more than it was in the past, with appropriate assessment given to employees who contribute substantially to management and participate actively in it. Bonuses are awarded for outstanding service. In order to increase understanding of employees about the operation of the new system, we fully disclose its evaluation methods and standards, conduct surveys on the functioning of the system to gauge employee opinion on it, and otherwise work to increase understanding and acceptance by employees. In fiscal 2014, some 80% of employees participated in the survey conducted on the functioning of the new compensation system. The results are reflected for enhancement of its operation. We are committed to making the system function effectively by organically combining and harmonizing the three components of the system, evaluation/compensation, skills development and effective workforce utilization, in order to provide opportunities for employees to develop their own skills and advance their careers.



Promoting Communication in the Workplace

At Mitsubishi Electric in Japan, each employee sets individual goals based on the policies and objectives of the organization or division to which they belong. To encourage two-way communication between employees and their managers we have implemented and continue to maintain a regular interview-based system of communication. In the regularly-scheduled interviews, employees and managers discuss such topics as the employee's development and training based on evaluation of performance, and the placement and utilization of human resources, thereby helping promote improved communication in the workplace.

Motivating Employees with Bonuses for Inventions (in Japan)

In line with provisions in the Japanese Patent Law, Mitsubishi Electric has established an employee invention bonus system to motivate employees to create inventions. Patent rights on inventions created by employees during the course of their work are transferred to the Company, but as a reward, the Company pays patent filing and registration bonuses to those employees. Furthermore, if the inventions are used in a Company product or out-licensed to another company, the relevant employees also receive utilization bonuses from the Company. Details of the bonus system and easy-to-understand explanations of its provisions are posted on the company Intranet for access by all employees. To maintain fairness and transparency of the system, we also disclose the basis of bonus calculation, including the utilization status of inventions in company products. Moreover, we established the Invention Consultation Committee to make it possible for employees to petition the committee to review the amount of their bonus when they cannot consent to it. In addition to the above system of bonuses for employee inventions, we also have a program for rewarding outstanding inventions and industrial designs. Under this program, 30 to 40 inventions and industrial designs are honored each year, and those that are judged as especially outstanding receive commendation from the president.

Maintaining a Favorable Working Environment

Development and Penetration of Childcare and Family-Care Programs in Japan

Mitsubishi Electric is working to develop workplace conditions that allow employees to both do their jobs and raise children, by enhancing childcare programs and ensuring their utilization is available throughout the company. Our childcare leave program can be extended to the month of March following the child's first birthday, or until the end of September at the longest. We also have a program that allows employees to work shorter days when raising their children, and this program can be extended up until the end of March in the year the child graduates from elementary school. Our family-care leave program allows employees with families that meet the requirements to take a leave of absence for as long as two years. It also allows employees to work shorter days for up to three years to help them take care of their families. In addition, when the employee is the spouse of an expectant mother, the spouse may take up to five days of special paid leave. There is also a program to provide the spouse with special paid leave to use in certain circumstances such as participation in a child's school event. Furthermore, in 2012 we implemented a "work-at-home" program for employees providing family care, as well as a re-hiring system for employees who temporarily left the company to provide family care. In accordance with Japan's Law for Measures to Support the Development of the Next Generation, in fiscal 2006 we formulated a companywide action plan and have

since been carrying out various initiatives to ensure a favorable working environment for all employees. In April 2007 and May 2012 we were approved by the Japanese government as a corporation that supports childcare and the development of the next generation, due to achievements under government standards. Under the third action plan, which commenced in April 2012, we promoted initiatives to increase awareness of and support for related systems.

To raise employee awareness, we provide synopses of the various systems that are in place to support people who are working while raising children. We also operate a portal site that features a range of information designed to assist employees, such as interviews with working mothers. We make this information available to employees, managers and new hires, aiming to create an environment where it is easy to make use of these support systems. Going forward, we will enhance the content of discussions between employees returning from family-care leave and their superiors in order to facilitate this process. Along with enhancing our programs, we will work to foster a workplace culture in which employees can take on both family-care and their jobs, and in which women employees are able to enhance their personal lives while advancing their careers.



"We support childcare" Certified in 2012

Supporting Career Development

Human Resources Development System Supports the Career of Employees

Mitsubishi Electric's training system for employees in Japan consists of passing down everyday business know-how and acumen through on-the-job training. Knowledge and skills that are difficult to acquire through on-the-job training as well as career development are provided through off-the-job training on a supplementary basis. Off-the-job training consists of conferring information on ethics, legal compliance and other matters. Exceptional teachers from inside or outside the company provide expertise and skills training, or motivational education. Tests and competitions to improve skill levels are conducted, and practical training or international study opportunities at overseas sites and universities in Japan and abroad are provided. We also select outstanding employees for a managerial training program that focuses on training individuals for the core management positions that drive our businesses. For new graduate employees, we conduct a company orientation as well as training sessions to elicit consciousness as a worker and educate them on basic knowledge, management principles, compliance, and other matters.

Self-Development Support Program

Mitsubishi Electric instituted a self-development support program in fiscal 2005 to provide support for employees in Japan who take the initiative to develop their skills. The program provides support in the form of money and time for participants in educational programs inside and outside the company and also pays bonuses to employees that have acquired certain external certifications. The program is intended to foster a corporate culture in which each and every employee independently and actively takes on the challenge of developing their skills to reach lofty goals as a professional.

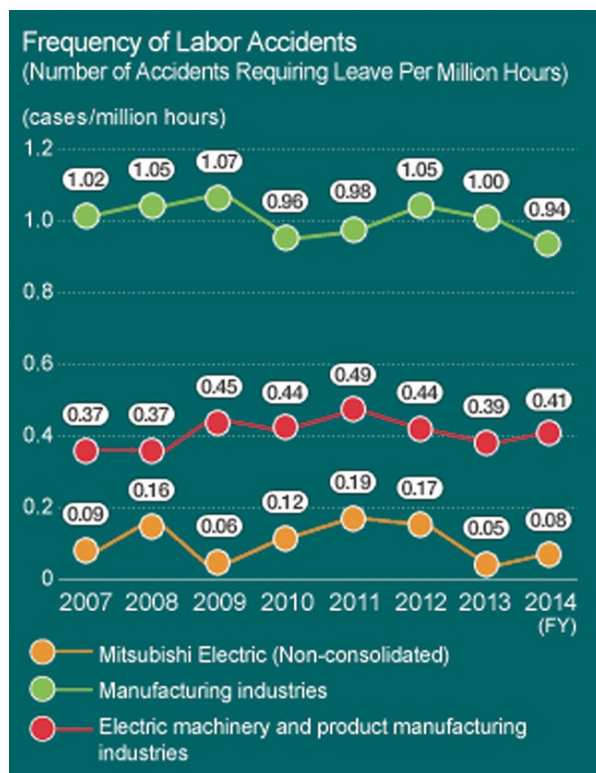
Transfer Opportunities for Willing Employees

Mitsubishi Electric instituted an intranet-based internal recruitment system in fiscal 2002 in Japan in order to optimize our human resources and provide transfer opportunities to willing employees. In fiscal 2005, we put in place a "free agent" program that publicizes the willingness of employees to be transferred. Specifically, we launched Job-Net on our company intranet in fiscal 2002 to allow employees to consider career advancement possibilities on their own. The site posts information on recruitment and skill development training at Mitsubishi Electric and Group companies as well as companies outside the Group.

Ensuring Occupational Safety & Health

Occupational Safety and Health Management System Strives for Zero Risk

We recognize that supervising the occupational safety and health of our employees is essential to business management. Based on a spirit of respect for all human beings, we feel that, as a matter of policy, it is a corporate responsibility to establish an atmosphere that prioritizes occupational safety and health in all social and corporate environments. From zero accidents to zero risk — Mitsubishi Electric is dedicated to developing a new culture of safety. Based on our proprietary system for managing occupational safety and health, we are enhancing our management system and promoting a variety of initiatives that include risk assessments. As a result of activities such as these, the frequency of labor accidents within different categories of business have decreased (based on the number of accidents requiring leave per million hours).



Preventing Lifestyle-related Diseases

Since fiscal 2003 we have carried out activities under the Mitsubishi Electric Group Health Plan 21 (MHP21) for our approximately 100,000 Group employees and their families in Japan. These activities are inspired by the slogan "Change Your Lifestyle Habits, Extend Your Healthy Years!" and involve setting company-wide improvement goals in five categories: maintaining proper body weight, creating an active lifestyle, stopping smoking, maintaining proper dental care and improving stress management skills. The degree of achievement of these goals is evaluated every three

months. Individual achievements are also evaluated every three months. In addition, activities are lent vitality by yearly health surveys, campaigns throughout the year, leadership training for MHP21 promotion aimed at passing on success stories and health competitions between business divisions. In fiscal 2013, we implemented the Mitsubishi Electric Group Health Plan 21 (MHP21)—Stage II, a five-year health program system.

Promoting Mental Health Care

Mental health is a top priority for health management at Mitsubishi Electric. The head office and each of our business sites in Japan have a counseling program in place that includes an industrial physician and/or counselor, and which works to help employees with their everyday worries related to work and family and other emotional issues. Training for managers regarding mental health issues is carried out, while each business site also holds lectures on mental health, autogenic training (how to prevent stress from building up), and other related topics. Additionally, the company has introduced a mental care health plan in which mental health care promotion programs are created at each business site. The programs involve practicing four measures: self-care, care by staff in the business units, care by nursing staff and other staff at the business site, and care using resources outside of the business site. Utilizing an employee assistance program (EAP*), counseling is provided via telephone as well as e-mail and other methods of interaction. An annual survey with questions that enable us to make to a more detailed judgment about employee stress levels is also conducted. Furthermore, we carry out care initiatives with a priority on workers posted outside of Japan, by assigning designated counselors.

* EAP (employee assistance program): An employee assistance program is a system by which a company provides support for its employees, their mental health in particular.

Workplace Environment Standards that Exceed Legal Requirements

We recognize that people spend a large part of their lives at their place of employment, so we make people-friendly enhancements to the workplace environment and promote the creation of pleasant spaces that give consideration to people with disabilities and older workers. We have established our own workplace environment standards for air, lighting, noise and facilities that exceed Japanese legal requirements. We are also working to attain information on whether the standards are achieved as we seek to meet and maintain them. The standards include a section on regular workplaces that is targeted at business offices and a section on special workplace environments targeted at sites that handle hazardous substances and the like.

The Environment

From the President

“Our mission as a global, leading green company is to contribute to the creation of a more affluent sustainable society.”

The “Affluent Society” That the Mitsubishi Electric Group Aims to Realize

The Mitsubishi Electric Group is committed to Environmental Vision 2021, which sets 2021—the 100th anniversary of Mitsubishi Electric’s founding—as the year for reaching the Group’s targets. Based on this vision, our aim is to grow as a global, leading green company that contributes to creating a more affluent society. We recognize the need to consider the global environment in all activities, and so “more affluent society” means to us not only that people around the world live contentedly and in comfort, but also that we have achieved a sustainable society in which diverse forms of life coexist.

We clarified three pillars of action in Environmental Vision 2021: “creating a low-carbon society,” “creating a recycling-based society,” and “respecting biodiversity.” Amidst the critical global issue of the dwindling supply of fossil fuels, minerals, water, and other resources, our mission is to provide customers worldwide with products high in energy- and resource-efficiency, thereby effectively utilizing limited resources. At the same time, we must implement initiatives based on the three pillars in all business activities, including but not limited to material procurement, manufacturing, and delivering products to our customers.

Exercising Our Comprehensive Strength to Contribute to Creating Low-Carbon Societies

The amount of CO₂ emitted due to the use of a product is far greater than the amount of CO₂ that is emitted during the manufacturing of that product; in fact, the former amount is several dozen times greater than the latter, according to our calculations. That is why we are making efforts in all business fields to develop products that not only function well, but also have higher energy efficiency, thereby emitting less CO₂ when used.

Promoting the widespread use of our high value-added products throughout society is also important. For example, in emerging countries with rapidly expanding economies and marked population growth, we must respond to increasing energy demand and reduce environmental impact at the same time.

In a wide range of fields, from in the home to outer space, the Mitsubishi Electric Group provides products that help customers reduce their environmental impact, and offers total solution services that contribute to resolving customers’ issues. Fully leveraging our high technological prowess and comprehensive strength, we seek to contribute even further to creating low-carbon societies in various countries and regions.

Aiming to Enhance Global Performance by Demonstrating Our True Strengths

The Mitsubishi Electric Group is engaged in global environmental activities and is making efforts to build global value chains that extend not only Group-wide, but also include other suppliers and retailers in Japan and overseas. To this end, simply complying with environmental laws and regulations in each country and region is not sufficient. Rather, the environmental technologies, expertise, and know-how we have carefully cultivated need to be applied globally.

When mentioning “low-carbon,” there is a tendency to focus solely on CO₂. However, SF₆ gas, which is said to have a global warming potential approximately 24,000 times that of CO₂, is widely used both as an insulating medium in certain power devices and in the production of semiconductors. The Mitsubishi Electric Group is leading the industry in efforts to prevent leakage during production and recover the gas as well. By proactively adopting similarly advanced initiatives at overseas sites, we will continue to further improve our performance at the global level.

There are various restrictions depending on the country and region, and there are many challenges facing us as we work to execute our initiatives. Even so, I am confident that we will be able to utilize our advanced technological strength and vast experience to overcome these challenges, taking our environmental performance in global value chains to an even higher level.

Taking a Step Forward from the Status Quo in Pursuit of “New Affluence”

When it comes to work, I believe that people should first of all improve their skills while performing their professional duties. Then, once people have reached a certain level of proficiency, I think that it is important for them to be motivated to break new ground—on their own accord—and rise to the next level.

For the Mitsubishi Electric Group, rising to the next level means allowing the “more affluent society” that I mentioned above to advance into a new dimension. In other words, it means “to create a society where people live more affluently without sacrificing the Earth’s resources or biodiversity.” In the same way that people who learn through work go on to break new ground and rise to the next level, our initiatives should pursue “new affluence.” To accomplish this, I believe that we ourselves must achieve new growth and development.



Masaki Sakuyama
President & CEO

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Environmental Plan and Environmental Vision 2021

Clearly Defining “Our Ideal State” and Drafting a Group-wide Environmental Plan That Reflects Importance-based Evaluations

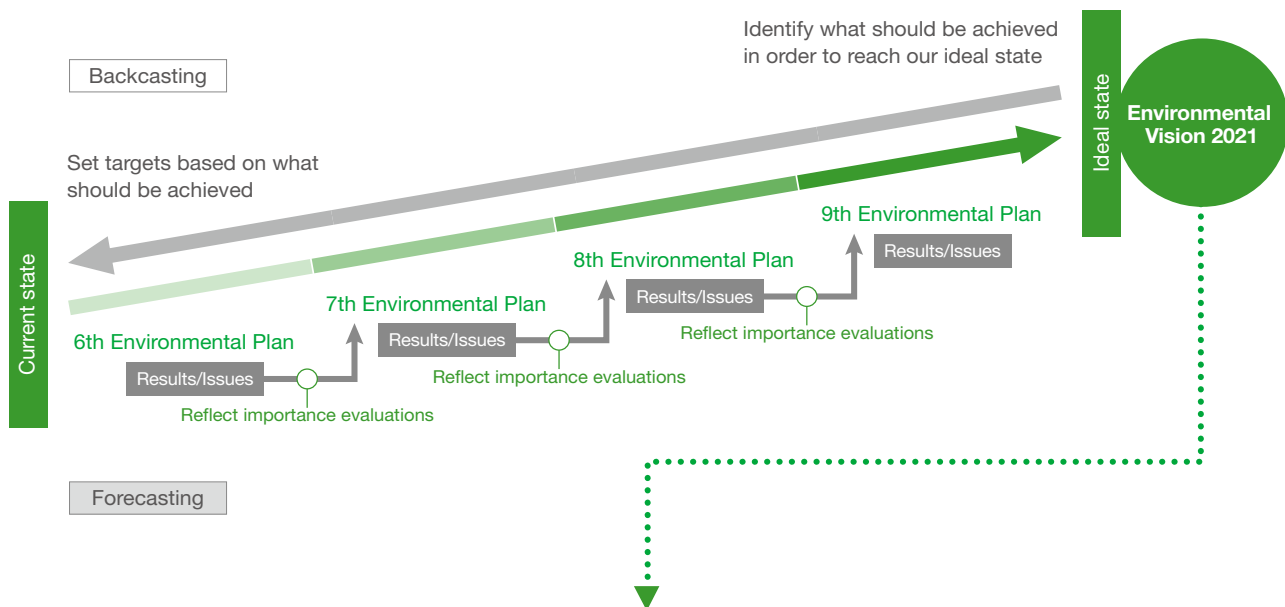
The Mitsubishi Electric Group prepares an environmental plan every three years.

Every item (target) in the plan is geared towards achieving the goals of Environmental Vision 2021, which is based on three pillars: “creating a low-carbon society,” “creating a recycling-based society” and “respecting biodiversity and

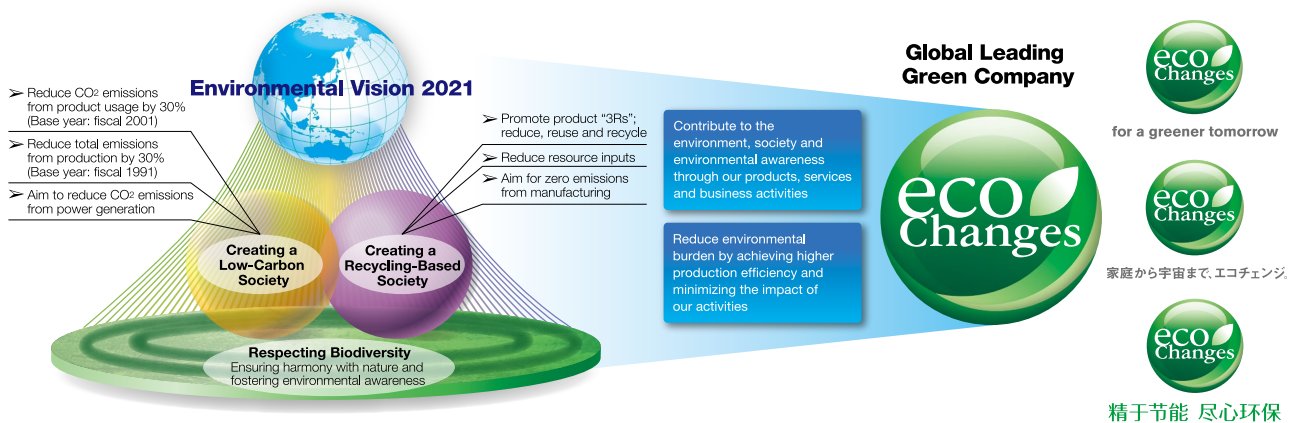
fostering environmental awareness.”

Targets are set using both backcasting and forecasting based on the achievements and issues of the previous environmental plan. In this way, throughout the plan drafting process, we evaluate both “importance to society” and “importance to the Mitsubishi Electric Group.”

Relationship Between Environmental Plan and Environmental Vision 2021



Environmental Vision 2021



Mitsubishi Electric is aiming to be a global, leading green company that contributes to the creation of a more affluent society. We will continue to put Eco Changes into practice as a way of changing our own actions and changing society to be more eco-conscious.

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Environmental Management

Establishing Integrated Operations for Our Environmental Management System While Working to Achieve the Environmental Plan

The Mitsubishi Electric Group is building a mechanism that enables the integrated operation of its environmental management system (EMS). This involves viewing the Environmental Plan not as an “important item to consider,” but as a “goal.” This perspective is shared uniformly across all companies in the Group and all EMS organizations. Each organization develops environmental goals and implementation plans by setting environmental objectives taken from targets of the Environmental Plan each fiscal year.

In the 7th Environmental Plan (fiscal 2013~2015), we are focusing on “creating a low-carbon society,” “creating a recycling-based society,” and “strengthening the environmental management foundation and expanding environment-related business.” To help create a low-carbon society, we are reducing CO₂ emissions from production and product usage, and

strengthening efforts to reduce non-CO₂ greenhouse gases (SF₆, PFCs and HFCs). As part of our efforts to create a recycling-based society, we are reducing the final disposal ratio by conducting thorough analyses, separating waste and lowering the volume of resources used in products by reducing product size and weight.

To strengthen our environmental management foundation and expand environment-related business, we concentrate on preventing environmental accidents and training environmental personnel. At the same time, in order to contribute to the environment globally, our aim is to create products with highly innovative environmental features.

Details of progress made towards achieving the 7th Environmental Plan in fiscal 2014 can be seen on our website.

www.MitsubishiElectric.com/company/environment/report/targets/

Integrated Operation	Head office, branch offices	Mother Factories (EMS organizations)	Factories (EMS organizations)	R&D centers (EMS organizations)	Affiliates in Japan (EMS organizations)	Overseas affiliates (EMS organizations)
	Environmental goals 7th Environmental Plan	Environmental goals 7th Environmental Plan	Environmental goals 7th Environmental Plan	Environmental goals 7th Environmental Plan	Environmental goals 7th Environmental Plan	Environmental goals 7th Environmental Plan
	Environmental targets Implementation plan	Environmental targets Implementation plan	Environmental targets Implementation plan	Environmental targets Implementation plan	Environmental targets Implementation plan	Environmental targets Implementation plan

Building a Unified, Group-wide Environmental Management Promotion System

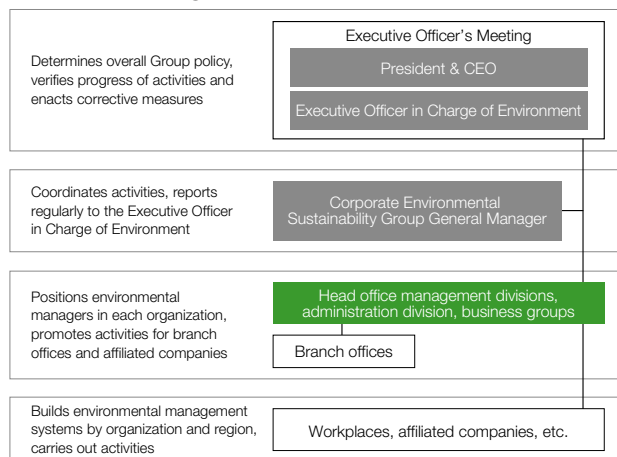
Mitsubishi Electric positions environmental governance as an essential component of corporate governance. The scope of our environmental governance extends throughout the Company and our major affiliates.

The Mitsubishi Electric Group’s environmental management and organizational systems are essentially one and the same. Each business group responsible for business operations is also responsible for promoting the environmental management system (EMS) and managing the environmental initiatives of mother factories (works) in Japan and affiliates under their jurisdiction in Japan and overseas.

Similarly, affiliates under the jurisdiction of head office divisions other than business groups (Corporate Administration Division, Corporate Staffing Division, etc.) are managed by the respective division.

During Executive Officers’ Meetings chaired by the President, environmental guidelines are determined for the Group as a whole, and the progress of environmental activities is examined. The overall responsibility for the Group’s environmental management promotion structure lies with the Executive Officer in Charge of the Environment, who is supported by the General Manager of the Corporate Environmental Sustainability Group. In addition, at head office management divisions, administration divisions, business groups, branches, business sites, and affiliated companies, environmental managers (either the head or a person appointed by the head of each head office division, site, or affiliated company) are present. Within the scope of their management and direction responsibilities, these managers oversee environmental plans and their state of execution, as well as environmental performance. By setting up this framework, the Company is promoting environmental activities Group-wide.

Environmental Management Promotion Structure



Major affiliates

- Consolidated companies: Companies with 50% or more of shares owned by Mitsubishi Electric (voting rights ratio) or companies that Mitsubishi Electric has management hegemony over.
- Non-consolidated companies: Companies judged to require integrated environmental management by Mitsubishi Electric.
- 189 companies overall, including 116 in Japan and 73 overseas.

Environmental Performance

Material Balance

IN



Factory

Materials for Manufacturing

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Materials ¹	320,000 tons	80,000 tons	230,000 tons

Manufacturing

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Electricity	103 million kWh	340 million kWh	330 million kWh
Natural gas	22,190,000 m ³	2,580,000 m ³	11,020,000 m ³
LPG	1,815 tons	2,339 tons	575 tons
Oil (crude oil equivalent)	5,891 kl	3,193 kl	1,822 kl
Water	7,240,000 m ³	1,670,000 m ³	2,170,000 m ³
Public water	1,260,000 m ³	450,000 m ³	510,000 m ³
Industrial water	2,090,000 m ³	230,000 m ³	1,480,000 m ³
Groundwater	3,890,000 m ³	990,000 m ³	20,000 m ³
Others	0 m ³	0 m ³	160,000 m ³
Reuse of water	3,480,000 m ³	1,510,000 m ³	130,000 m ³
Controlled chemical substances (amounts handled)	7,113 tons	1,950 tons	4,610 tons
Ozone depleting substances (amounts handled)	1.5 tons	169 tons	1,054 tons
Greenhouse gases (amounts handled)	3,403 tons	46 tons	3,012 tons
Volatile organic compounds (amounts handled)	1,352 tons	1,359 tons	208 tons

¹ Materials: Total value for shipping weight of "Design for the Environment" (DfE) products, plus amount of product packaging materials used, plus total amount of waste.



Logistics

Sales and Logistics³

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Fuel for trucks (gasoline)	12,190 kl	1,784 kl	187 kl
Fuel for trucks (diesel)	26,772 kl	5,363 kl	14,689 kl
Fuel for rail (electricity)	2,011 MWh	402 MWh	0 MWh
Fuel for marine transport (bunker oil)	344 kl	0 kl	67,567 kl
Fuel for air transport (jet fuel)	557 kl	117 kl	22,424 kl

³ Sales and logistics: Includes one sales company in Japan. Figures for overseas affiliated companies include transportation between countries.



Products (Customer)

Energy Consumption⁵

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Energy consumed during product use	81,200 million kWh	6,300 million kWh	11,700 million kWh

⁵ Energy consumption: Total energy consumed (estimated value) when using 97 finished products targeted for CO₂ reduction. The length of use (operating time) is set for each product according to statutory useful life, designed service life, statistical values, etc.



Recycle

End-of-life Products⁸

	Mitsubishi Electric
Air conditioners	15,939 tons
Televisions	4,246 tons
Refrigerators	24,487 tons
Washing machines/ Clothes dryers	8,009 tons
Personal computers	133 tons

⁸ End-of-Life Products: Weight of products recovered from four types of appliances subject to Japan's Home Appliance Recycling Law, plus personal computers.

OUT

Emissions (from Manufacturing)

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Water	6,510,000 m ³	1,260,000 m ³	1,610,000 m ³
Controlled chemical substances	5.6 tons	0.0 tons	39.2 tons
BOD (biological oxygen demand)	61.6 tons	5.2 tons	28.5 tons
COD (chemical oxygen demand)	12.5 tons	5.6 tons	47.7 tons
Nitrogen	71.3 tons	13.4 tons	5.7 tons
Phosphorus	2.9 tons	0.2 tons	0.1 tons
Suspended solids	50.6 tons	3.0 tons	0.4 tons
n-hexane extracts (mineral)	1.2 tons	0.3 tons	0.0 tons
n-hexane extracts (active)	3.2 tons	0.2 tons	0.0 tons
Total emissions of zinc	0.4 tons	0.0 tons	0.4 tons
Carbon dioxide (CO ₂)	506,000 tons-CO ₂	168,000 tons-CO ₂	266,000 tons-CO ₂
Controlled chemical substances (excluding amounts contained in other waste)	412.6 tons	209.6 tons	235.6 tons
Ozone depleting substances	0.0 ODP tons	0.0 ODP tons	0.7 ODP tons
Greenhouse gases	77,000 tons-CO ₂	48,000 tons-CO ₂	124,000 tons-CO ₂
Volatile organic compounds	502.0 tons	300.6 tons	7.1 tons
Sulfur oxide (SO _x)	1.1 tons	0.5 tons	11.7 tons
Nitrogen oxide (NO _x)	14.6 tons	11.0 tons	19.6 tons
Fly ash	0.6 tons	0.4 tons	27.3 tons
Amount of fluorocarbon recovered	2.7 tons	240.6 tons	—

Waste

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Total waste emissions	91,778 tons	64,065 tons	62,040 tons
Amount recycled	80,197 tons	61,797 tons	56,848 tons
Waste treatment subcontracted out	22,587 tons	54,277 tons	57,491 tons
Final disposal	1 tons	55 tons	643 tons
In-house weight reduction	1,651 tons	0 tons	747 tons

Products

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Weight of all "DfE" sold ²	180,000 tons	10,000 tons	50,000 tons
Weight of packaging materials	52,000 tons	7,000 tons	119,000 tons

² Products sold: Shipping weight of "Design for the Environment" (DfE) products.

Emissions⁴

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Carbon dioxide (CO ₂)	101,000 tons-CO ₂	180,000 tons-CO ₂	292,000 tons-CO ₂

⁴ Emissions: Includes one sales company in Japan. Figures for overseas affiliated companies include transportation between countries.

Emissions

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Amount of CO ₂ emitted during product use (converted value) ⁶	41,430,000 tons-CO ₂	3,110,000 tons-CO ₂	9,640,000 tons-CO ₂
Amount of SF ₆ emitted during product use (corresponding value) ⁷	61,000 tons-CO ₂	—	—

⁶ Amount of CO₂ emitted during product use (converted value): Sum of CO₂ emitted when using 97 finished products targeted for CO₂ reduction. The amount of CO₂ emitted is equal to the energy consumed multiplied by the CO₂ emissions coefficient, for which the value shown in CO₂ Emissions from Fuel Combustion Highlights (2013 Edition) is used.

⁷ Amount of SF₆ emitted during product use (corresponding value): Sum of SF₆ gas naturally leaked during the operation of products (6) that use SF₆ gas for insulation. Leakage rate used is the value from JEAC5001-2000. Global warming potential value used is from the 2nd Revised Guidelines of the IPCC.

Resources Recovered⁹

	Mitsubishi Electric
Metals	31,289 tons
Glass	1,599 tons
CFCs	328 tons
Others	13,439 tons

⁹ Resources recovered: Weight of resources recovered from four types of appliances subject to Japan's Home Appliance Recycling Law, plus personal computers.

Reducing Greenhouse Gas Emissions

The Mitsubishi Electric Group refers to the Greenhouse Gas (GHG) Protocol, international standards relating to accounting for greenhouse gas emissions, and the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain, published by Japan's Ministry of the Environment, for determining how to account for emissions from business activities

(Scope 1 and 2 of the GHG Protocol) and indirect emissions from outside the range of our business activities (Scope 3 of the GHG Protocol).

For Scope 3, only categories 4, 5 and 11 are shown in fiscal 2014, but we plan to increase the categories subject to accounting and widen the boundaries in the future.

Fiscal 2014 GHG Emissions in the Value Chain

Scope	Emissions (10,000t)	Accounting Summary	
Scope 1 Direct emissions from owned or controlled sources	37	CO ₂ , SF ₆ , PFC and HFC emissions from use of gas, heavy oil, etc., and product manufacturing	
Scope 2 Indirect emissions from the generation of energy purchased and consumed by the Mitsubishi Electric Group	82	CO ₂ emissions from use of electricity, etc.	
Scope 3 All other indirect emissions that occur in the value chain	5,459		
	Category 4 Upstream transportation and distribution	41	CO ₂ emissions from product distribution/circulation (sales distribution) Subject to accounting: 55 companies (production sites) consisting of Mitsubishi Electric, 33 affiliates in Japan and 21 overseas affiliates)
	Category 5 Waste generated in operations	0.06	CO ₂ emissions from transportation of waste (waste distribution) Subject to accounting: Mitsubishi Electric
Category 11 Use of sold products	5,418	CO ₂ emissions from use of sold products (including SF ₆ emissions converted to a CO ₂ equivalent value) Subject to accounting: 97 end products subject to measures to reduce CO ₂ during product usage.	

■ Reducing CO₂ from Production

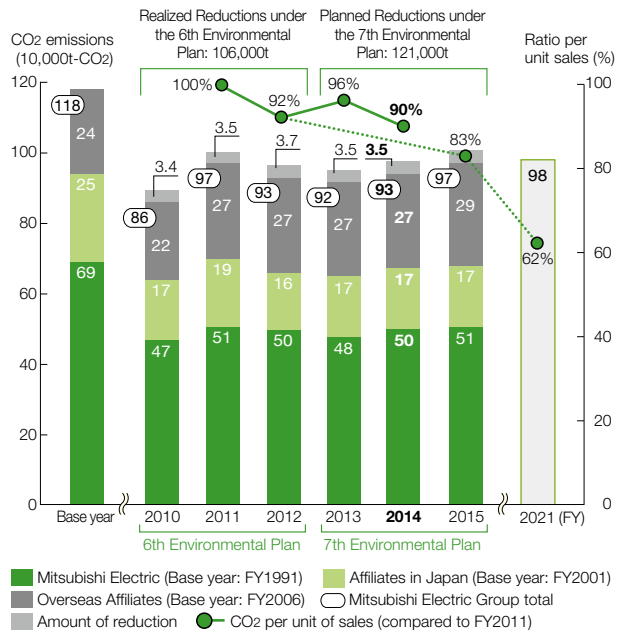
The Mitsubishi Electric Group manages its goal for reducing CO₂ emissions using a sales unit ratio index from the 7th Environmental Plan (fiscal 2013~2015). This makes it possible to evaluate reduction efforts correctly regardless of increases or decreases in productivity.

To reach our goal of improving the CO₂ emissions per unit of sales to 83% compared to fiscal 2011 (a reduction of 17%), we are "reducing CO₂ from production lines" by visualizing the energy wasted during production and promoting the "use and operation of highly efficient facilities equipment" such as air conditioning and lighting systems. We are also promoting "reduction activities through demand management" by introducing monitoring systems that manage and control peak power usage. Additionally, we are continually expanding the introduction of photovoltaic generation systems.

For fiscal 2014, we improved CO₂ emissions per unit of sales to 90%, falling short of the fiscal year goal of 86%, but realizing an improvement of 6% compared to the 96% reported in fiscal 2013.

Looking to fiscal 2015, due to changes in the social environment since we drafted the 7th Environmental Plan, sales have failed to reach anticipated figures. Accordingly, these circumstances have made it difficult to achieve our per-unit-of-sales goal. Even so, we will continue with reduction efforts, aiming to make more progress than we did in the previous fiscal year.

Plan to Reduce CO₂ from Production across the Mitsubishi Electric Group

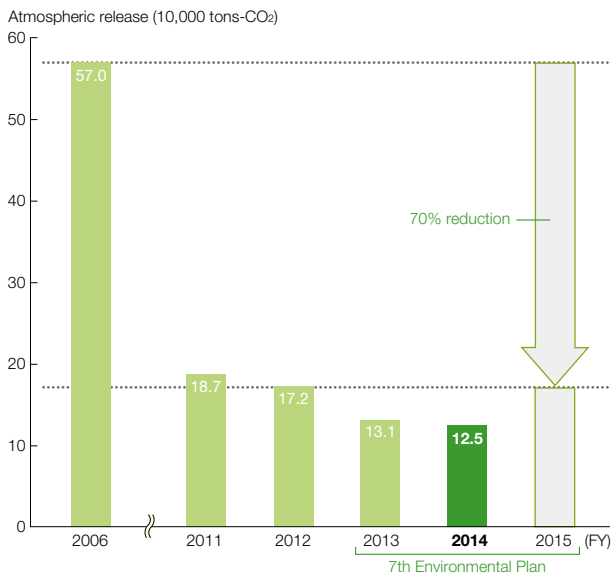


■ Reducing Emissions of Non-CO2 Greenhouse Gases

Non-CO2 greenhouse gases emitted by the Mitsubishi Electric Group during its business activities include sulfur hexafluoride (SF6, an electrical insulating gas used in gas-insulated switchgears), perfluorocarbons (PFCs, used as etching gas in the production of semiconductors and liquid crystals), and hydrofluorocarbons (HFCs, gases used as refrigerants in air conditioners and refrigerators). As these gases produce a greenhouse effect hundreds or even tens of thousands of times greater than that of CO2, we are making efforts to reduce their use through measures such as improving the gas collection rate, improving operational management and helium leak testing.

One of the goals of the 7th Environmental Plan is for Mitsubishi Electric and affiliates in Japan to reduce the use of greenhouse gases by 70% compared to the levels used in fiscal 2006—a target that was actually achieved in fiscal 2012. Even though production increased in fiscal 2014, by strictly enforcing measures in a planned manner, the amount of greenhouse gases emitted was contained to the equivalent of the previous year. In the case of overseas affiliates, production bases carried out planned initiatives, understanding the details regarding the circumstances of emission volumes in fiscal 2014.

Reduction in Greenhouse Gas Emissions (SF6, PFCs, HFCs) Mitsubishi Electric and affiliates in Japan

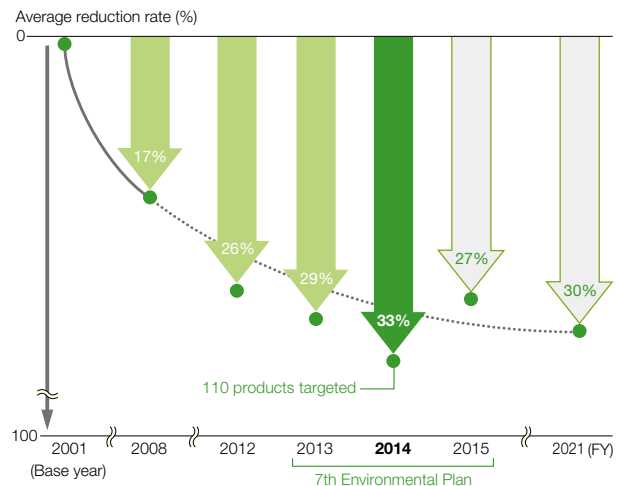


■ Reducing CO2 from Product Usage

Raising the energy efficiency of products enables the reduction of CO2 during product usage. As part of the 7th Environmental Plan, the Mitsubishi Electric Group is aiming for an average CO2 reduction ratio of 27% (as compared to fiscal 2001) for 84 products. These are specified products that Mitsubishi Electric can take the initiative in regarding design and development. Additionally, based on an analysis of the environmental aspects of these products, it is deemed that a reduction in CO2 emissions during use is important.

In fiscal 2014, for the 110 products targeted (97 end products and 13 interim products), the average reduction ratio was 33%, achieving and going beyond the target for the final fiscal year. For power devices (for consumers and electric railways) and lighting fixtures, impressive reductions continued. In fiscal 2015, we will continue working to maintain and improve the reduction ratio.

Plan for Reducing CO2 from Product Usage through Improved Energy Efficiency



■ Expanding Our Contributions to Reducing CO2 from Product Usage

Our contribution to reducing CO2 from product usage is the amount of CO2 reduced as a result of switching from older products (those equivalent to products sold in fiscal 2001) to new, energy-efficient products (those for the fiscal year under review). The calculation is done utilizing two assumptions: the case of contribution from direct reduction of end product size, and the case of contribution from incorporating an interim product in a clients' end product. In order to increase our contribution to reducing CO2 in this manner, we are improving the energy-saving performance of individual products as a single unit and expanding the scale of sales.

In fiscal 2014, the combined domestic and overseas reduction contributions were 28,200,000t from 99 end products and 66,490,000t from 31 interim products. For calculation, if an industry-specific or public standard product usage calculation method exists, that calculating method is applied. If there is no method for calculating product usage specified, we establish our own usage scenario and calculate the level of contribution to reducing CO2. As for interim products, based on the Scope 3 guidelines of the GHG Protocol, we calculate emissions by proportionally dividing product weight and sales volume ratio.

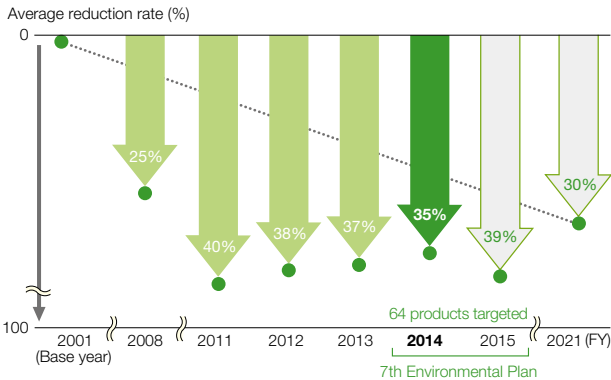
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Reducing Use of Resources and Recycling End-of-life Products

Regarding the reduction of resources used, for the final fiscal year of the 7th Environmental Plan (fiscal 2015), our target is to achieve a 39% average reduction rate for 64 products (i.e., compared to resources used in fiscal 2001). The average reduction rate was 35% in fiscal 2014. The lower index figure is due to slower sales of LCD televisions—the increased sales of which previously buoyed the average reduction rate—and a continual increase in the sales of heavy electrical machinery and industrial mechatronics products, the production of which requires the heavy use of resources. Although the average reduction rate is affected by the details of our business, we will maintain our target, increase the sales of products that boost the reduction rate, and work towards further reductions for all products. For end-of-life products, in fiscal 2014, Mitsubishi Electric recycled 46,000 tons of four home appliances.* Computers and monitors totaled 15,096 units, with an average recycle rate of 76.7%.

* Four home appliances: air conditioners, televisions (CRT, LCD and plasma), refrigerators/freezers, and washing machines / clothes dryers.

Plan for Reducing Use of Resources



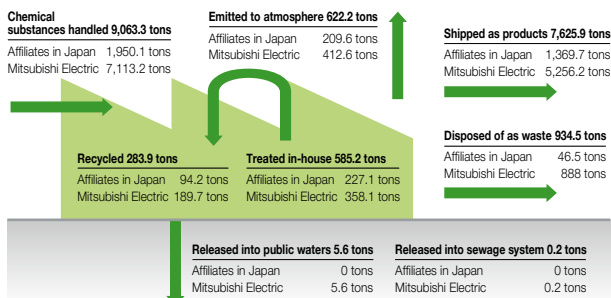
Managing Chemical Substances

Mitsubishi Electric and affiliates in Japan utilize a Chemical Substance Management System that incorporates procurement data for materials and parts to comprehensively manage 3,181 substances. The list includes refrigerant fluorocarbons used in air conditioners and refrigerators, volatile organic compounds (VOCs), the six RoHS substances and the 462 substances designated under revisions to a chemical substances management law*1 (PRTR*2 law) in Japan. In fiscal 2014, Mitsubishi Electric used 7,113.2 tons of 144 different chemical substances and affiliates in Japan used 1,950 tons of 43 different substances.

*1 Act on Confirmation, etc., of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

*2 PRTR: Pollutant Release and Transfer Register.

Material Balance of Chemical Substances Subject to Regulation

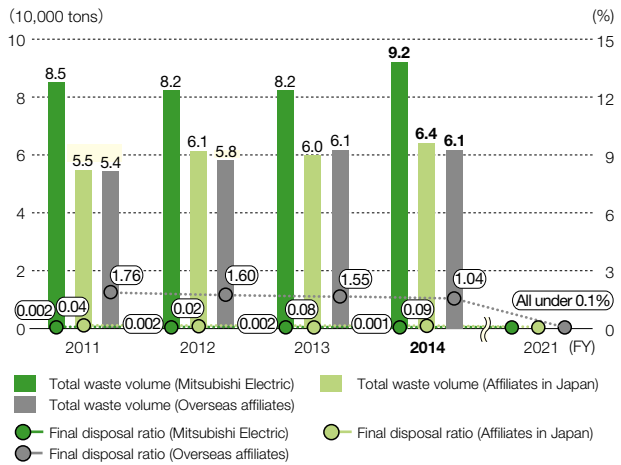


Initiatives toward Zero Final Waste Disposal Ratio

Mitsubishi Electric and its affiliates in Japan are working to thoroughly analyze and separate the waste we generate so as to sustain our level of final waste disposal under the targets of the 7th Environmental Plan. In fiscal 2015, we will continue to maintain the previously achieved target of under 0.1% through initiatives such as improving the efficiency of waste transportation and converting waste to materials with commercial value.

For overseas affiliates with high levels of final disposal, we have set a target of less than 1.0% under the 7th Environmental Plan and are making steady progress. Working towards achieving this goal, we are thoroughly analyzing and separating waste at these affiliates, promoting the mitigation of waste generation and sourcing recycling contractors.

Total Waste Output and Final Disposal Ratio



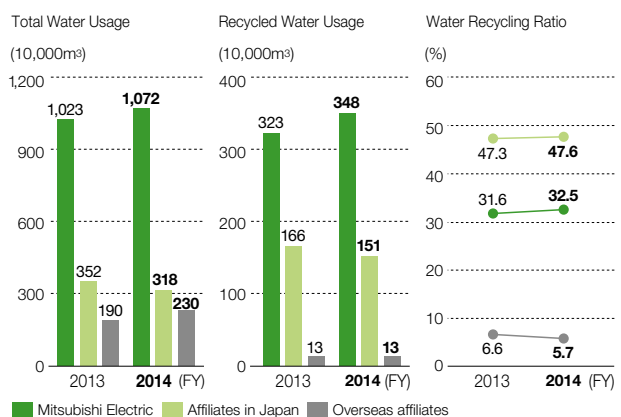
Effective Water Usage

The Mitsubishi Electric Group views public water, industrial water, groundwater and other sources of water as a valuable resource. We work to assess our water usage at all sites and to conserve and recycle this resource.

In fiscal 2014, water usage increased compared with the previous fiscal year at Mitsubishi Electric and affiliates overseas, but decreased at affiliates in Japan.

Compared to the previous fiscal year, recycled water usage increased at Mitsubishi Electric, decreased at affiliates in Japan and was largely the same at affiliates overseas.

Total Water Usage, Recycled Water Usage and Water Recycling Ratio



Environmental Accounting

Period: April 1, 2013 - March 31, 2014

Scope of Data Compilation: Mitsubishi Electric Corporation, 116 affiliates in Japan and 73 overseas affiliates (total of 190 companies)

Environmental Conservation Costs

□ Mitsubishi Electric Group □ Mitsubishi Electric (100 million yen)

Item	Capital Investment	Costs*	Year-on-Year Change	Main Costs
Business area activities	42.0	109.9	9.6	
	30.9	69.0	1.1	
Pollution prevention	3.3	26.2	3.1	Maintenance of wastewater treatment and exhaust treatment facilities
	2.2	18.4	2.9	
Global environmental conservation	38.5	50.4	3.0	Upgrading air conditioners, introducing servomotors for sheet-metal turret punch presses, introducing LED lighting, upgrading transformers, integrating power distribution facilities, installing photovoltaic systems
	28.7	32.1	(1.0)	
Resource recycling	0.1	33.3	3.5	Recycling valuable resources, consigning PCB-related processing, consigning wood-chip recycling processes
	0.0	18.4	(0.7)	
Upstream and downstream from production	0.8	4.7	(5.1)	Recycling center construction, transport/product packaging improvements, green procurement
	0.8	2.9	(4.9)	
Management activities	0.0	29.8	(0.5)	ISO 14001 review (certification acquisition, maintenance, upgrades), participation in environment-related exhibitions, publication of report disclosing environmental information, collection of environmental data, operation of chemical substance management system, site beautification and greenification
	0.0	22.7	(1.3)	
R&D activities	4.2	39.4	2.6	Activities related to smart grids, air conditioner energy savings, SiC devices, plastics, rare-metal recycling, vacuum circuit breakers with less environmental impact, development of high-efficiency motors
	4.2	38.9	4.0	
Community activities	0.0	0.3	0.0	Satoyama woodland preservation activities, river/local region clean-up, Mitsubishi Electric Outdoor Classroom
	0.0	0.2	0.0	
Environmental damage	0.0	1.3	(1.7)	Measures for oil-contaminated soil on old factory sites, groundwater measurement/treatment facilities
	0.0	1.3	(1.7)	
Consolidated total	47.0	185.5	4.9	
Non-consolidated total	35.9	135.0	(2.7)	

* Includes depreciation of capital investment over the past five years.

Environmental Conservation Benefits (Environmental Performance)

Item	Unit	Fiscal 2014	Year-on-Year Change	Year-on-Year Per Net Sales
Total energy used	10,000 GJ	1,906	(10)	89%
		1,144	(44)	91%
Total water used	10,000 m ³	1,107	43	93%
		724	(5)	94%
Total greenhouse gas emissions	10,000 tons-CO ₂	119	1	91%
		58	(4)	88%
CO ₂ (energy consumption)	10,000 tons-CO ₂	94	1	90%
		51	0	95%
HFCs, PFCs, SF ₆	10,000 tons-CO ₂	25	1	92%
		8	(4)	61%
Total releases and transfers of chemical substances into the atmosphere	tons	810	(76)	82%
		502	(39)	88%
Total wastewater discharged	10,000 m ³	938	15	91%
		651	(13)	93%
Total releases and transfers of chemical substances into the water and soil	tons	45	(5)	81%
		6	(2)	70%
Total waste discharged	tons	217,883	23,627	101%
		91,778	9,587	106%
Final disposal	tons	699	(246)	66%
		1	(1)	45%

Economic Benefits from Environmental Conservation Activities (Actual Benefits)

Item	Amount	Year-on-Year Change	Main Benefits
Earnings	30.4	(12.4)	Cost of selling the saleable materials resulting from recycling of scrap metal, etc.
	14.8	0.1	
Savings	30.1	(9.9)	Reduction in electricity costs from energy-saving air conditioning/lighting facilities, upgraded transformers and power distribution facilities, valuable-resource recycling, reduced use of packaging materials, etc.
	15.2	(9.1)	
Total	60.5	(22.3)	
	30.0	(9.1)	

Economic Benefits from Environmental Consideration in Products and Services (Estimated Benefits)

Item	Amount	Main Products
Economic benefits to customers ¹	12,692	Reduction in electricity costs owing to reduced energy consumption ² of 97 final products (including plant monitoring and control devices, air conditioning and vehicle-mounted equipment for automobiles, monitoring, protection and control devices for power-generation plants, particle therapy systems, circuit breakers, elevators, satellite communications earth station systems, optical and wireless access systems, air conditioners, televisions, refrigerators, Lossnay systems, processing machines, robots, lighting fixtures and lamps, IH cooking heaters, etc.)
	10,826	

¹ The economic benefit to customers was recalculated on September 1, 2014.

² The baseline products used to calculate the reduction in energy consumption correspond to products sold in fiscal year 2001. In calculating the amount of economic benefit, reference was made to electricity prices in "IEA Energy Prices and Taxes."

Corporate Profile (as of March 31, 2014)

Company Name: Mitsubishi Electric Corporation

Head Office Location:

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

Established: January 15, 1921

Paid-in Capital: ¥175,800 million

President: Masaki Sakuyama

Number of Employees:

Consolidated 124,305
Non-consolidated 31,797

Number of Affiliated Companies:

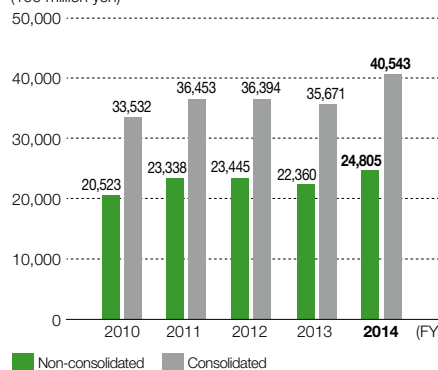
Subsidiaries 167 Affiliates 37

Business Segments:

Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices, Home Appliances, Others

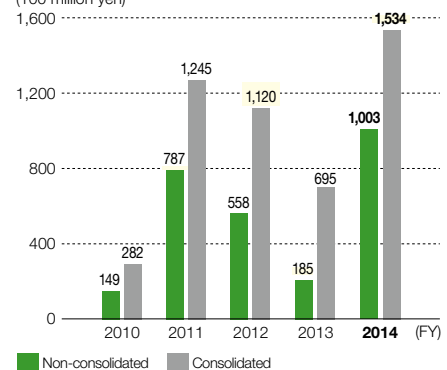
Net Sales

(100 million yen)



Net Income

(100 million yen)



Respecting Biodiversity

Considering Biodiversity in All of Our Business Activities

All human activity benefits from the workings of the diverse life forms that live on the planet. At the same time, human activity also exerts a significant impact on biodiversity, including damage to ecosystems. Now, at a time when many species face extinction, the preservation of biodiversity is a shared issue for all of humanity. Mitsubishi Electric formulated its Environmental Vision 2021 in October 2007. This Vision positions respect for biodiversity as one of the Company's basic policies. The policy stems from the strong desire to protect the natural environment and realize a sustainable society through fostering environmental awareness among our employees. Furthermore, we formulated the Mitsubishi Electric Group Biodiversity Action Guidelines in May 2010. These Biodiversity Action Guidelines have two main features: (1) they include the pledge of every Mitsubishi Electric Group employee to understand the relationship between business activities and biodiversity; and (2) they are structured according to each stage of the product lifecycle.

Mitsubishi Electric Group Biodiversity Action Guidelines

Respect for Biodiversity

The Earth's ecosystem is made up of diverse living organisms. All aspects of human civilization benefit from this ecosystem, but at the same time, we affect it in both direct and indirect ways. Today, damage to the ecosystem is said to be driving many species to extinction and otherwise eroding biodiversity. In recognition of this, the Mitsubishi Electric Group has established Biodiversity Action Guidelines, which add to the Group's environmental activities aimed at the creation of a low-carbon and recycling-based society from the perspective of biodiversity conservation. These guidelines define the role of business activities in preserving biodiversity, and outline the Group's efforts toward the development of a sustainable society through its business activities.

Action Guidelines

Resources & Procurement

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

Product Design

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

Manufacturing & Transportation

When commencing or making changes to land use, such as when constructing factories or warehouses,

we will give due consideration to protecting the biodiversity of the land in question. In manufacturing and transportation, we aim to minimize energy use, waste generation and the emission of chemical substances.

Sales, Usage & Maintenance

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

Collection & Recycling

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

Understanding & Action

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

Cooperation

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

Incorporating the Opinions of Experts in Our Action Guidelines

In formulating Mitsubishi Electric's Biodiversity Action Guidelines and the Relationship between Business Activities and Biodiversity chart, we invited Dr. Ryo Kohsaka, who was then an associate professor at Nagoya City University, to exchange ideas regarding biodiversity, in March 2010. His feedback on our efforts is summarized as follows:

1. Activities are based first upon the emotional desire to cherish living things. The next step is action based on logic.
2. Using indices for management can be effective; however, focusing on the effect of manufacturing on the ecosystem is more important.
3. As a company that procures resources globally, a focus on procurement is vital; begin first by confirming legal compliance.
4. Collaborative relationships with regional communities are essential.

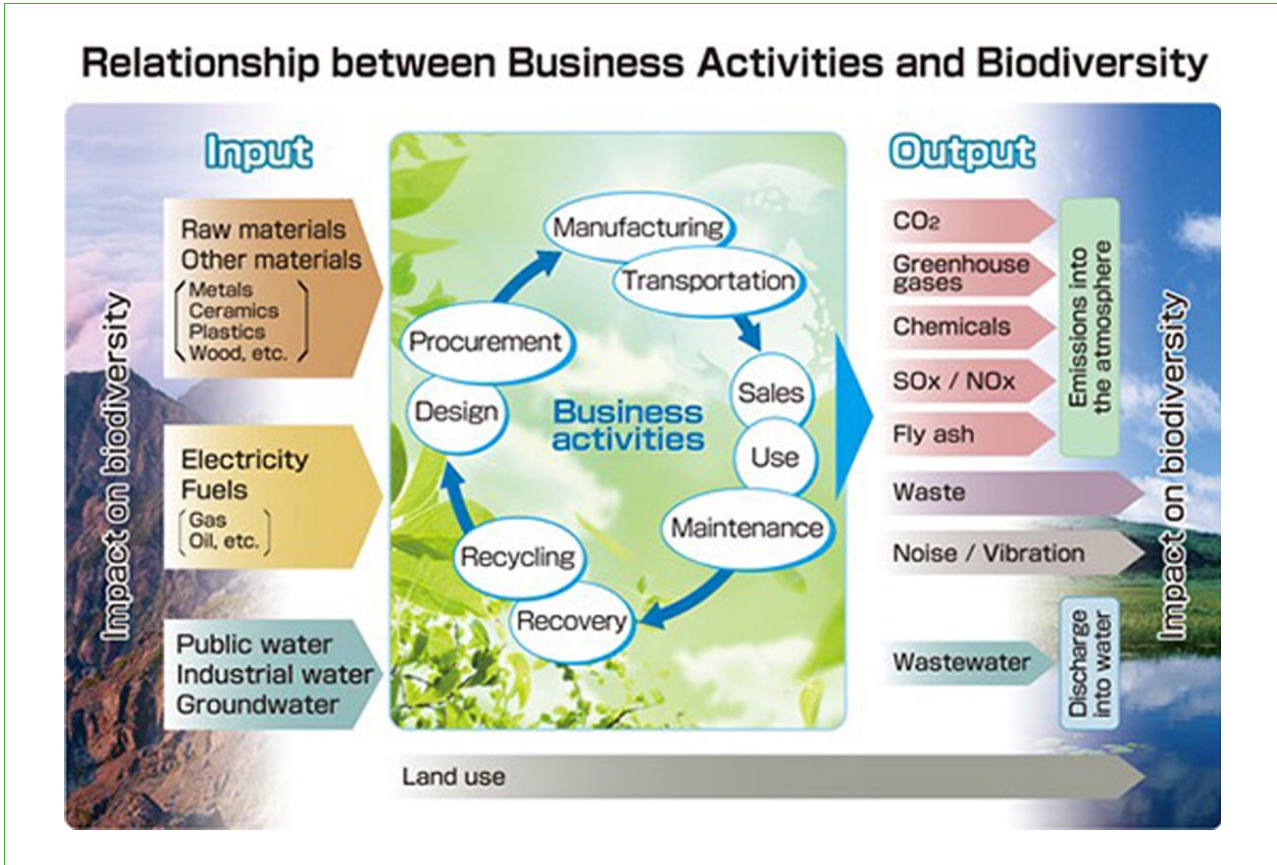
Based on this feedback, we completed steps to implement our guidelines and relational chart, which were announced on May 18, 2010.



Visualizing the Relationship between Business Activities and Biodiversity while Promoting Wide-Ranging Initiatives

In addition, to deepen employee understanding of biodiversity, we have created a chart that shows the relationship between business activities and biodiversity.

Using this chart, we will promote renewed awareness among all business sites both inside and outside Japan of the relationships between their business activities and surrounding regions' ecosystems and natural environment, and link this awareness to concrete actions that contribute to communication with those regions and to the preservation of biodiversity.



Activities Linked to the Preservation of Biodiversity

Activity	Purpose	Details
Mitsubishi Electric Outdoor Classroom	Foster environmental awareness among employees	Participants and employees, who serve as leaders, work to improve environmental awareness in natural classroom settings such as woodlands, waterways, parks and seacoasts.
"Satoyama" Woodland Preservation Project	Contribute to society, drawing on the voluntary efforts of employees	Employees strive to restore parks, woodlands, rivers and other natural areas located close to business sites.
Living Creature Studies	Deepen understanding of our impact on the natural environment	Employees observe the natural environment at business sites and surrounding areas while evaluating and improving behavior.
Biodiversity-Conscious Procurement	Reduce procurement-related environmental risks	Employees evaluate suppliers from a variety of perspectives; for example, in terms of the status of environmental initiatives and in terms of management of products that contain chemical substances.

Fair Operating Practices

Compliance

Strengthening Compliance Activities

In regard to ethics and legal compliance, the Mitsubishi Electric Group will base its corporate management on the fundamental principle of compliance as before and will further make committed efforts to strengthen internal control with an emphasis on employee training and education. Based on incidents that took place in the past, the compliance system was revised in October 2012, and various measures regarding ethics and compliance were firmly implemented to further strengthen the solid trust relationship we have established with society, customers and shareholders.

Our Concept of Compliance

With the Mitsubishi Electric Group Corporate Ethics and Compliance Statement formulated in 2001 as our basic guideline for compliance, the Mitsubishi Electric Group recognizes the importance of ethics and absolute compliance with legal requirements as a fundamental precondition for the Group's continued existence. Based on this awareness, we are attempting to perfect a compliance system which promotes compliance in the broadest sense, encompassing the perspective of corporate ethics, rather than merely focusing on following the letter of the law. At the same time, we are working to educate our employees in this area.

The Corporate Ethics and Compliance Statement

Compliance with the Law

We will conduct ourselves always in compliance with applicable laws and with a high degree of sensitivity to changes in social ethics or local practices. We will never establish a target, nor make a commitment, that can only be achieved with conduct that would violate applicable laws or business ethics or practices.

Respect for Human Rights

We will conduct ourselves always with a respect for human rights. We will not discriminate based on nationality, race, religion, gender, disability or any other reason prohibited by applicable laws nor will we violate international laws providing protection for individual and human rights or any treaties providing such protection to which the country where any of our companies is located is a party.

Contributing to Society

Concurrently with the pursuit of a reasonable profit, we will conduct ourselves always with an awareness of our corporate social responsibility in order to further the progress of the entire society.

Collaboration and Harmonization with the Community

As a good corporate citizen and neighbor, we will support civic and charitable organizations and activities in the communities where we reside or work that in our view contribute to community development.

Consideration of Environmental Issues

As part of our goal to achieve a recycling-oriented society, we will pay attention to and respect the global environment in every aspect of our business.

Awareness of Personal Integrity

We will conduct ourselves with the highest integrity, making a proper distinction between public and private matters and, we will use company resources, including money, time and information for legitimate business purposes. We will use company computers and various networks and on-line services, including e-mail and Internet access, primarily for company business.

The Mitsubishi Electric Group Conduct Guidelines

The Mitsubishi Electric Group Conduct Guidelines (hereinafter "Conduct Guidelines") introduces the content of the Mitsubishi Electric Group Corporate Ethics and Compliance Statement and offers practical guidelines for conduct. The Conduct Guidelines are consistently revised in order to reflect the formulation, revision and abolition of laws and changes in society. The version presented here is the most recent revision, published in April 2013. In addition to the Japanese language, the Code of Conduct is published in English and Chinese, and offers identical content for each country and region in which we operate, presenting norms to which every Mitsubishi Electric Group employee should conform.

History of the Mitsubishi Electric Group's Code of Corporate Ethics and Compliance

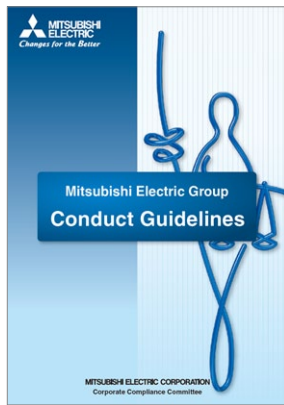
1990	Formulated and issued "Corporate Ethics Guidelines" as the first codified guidelines for ethical corporate conduct.
2001	Announced the "Corporate Ethics and Compliance Statement."
2003	Renamed "Corporate Ethics Guidelines" to "Corporate Ethics and Compliance Code of Conduct" to strengthen awareness of compliance.
2010	Renamed "Corporate Ethics and Compliance Code of Conduct" to "Mitsubishi Electric Group Conduct Guidelines" and expanded and disseminated the content to worldwide employees of the Mitsubishi Electric Group.
2013	Revised the "Mitsubishi Electric Group Conduct Guidelines" to mainly add a message from the president and stipulations concerning compliance with agreements and the antimonopoly law.

Ensuring that Employees are Familiar with Our Compliance Policy

The top management of the Mitsubishi Electric Group, including the President, takes every opportunity to directly address employees on the subject of compliance in a diverse range of situations, ensuring that an awareness of the importance of compliance and our stance on it takes root throughout our organization. To raise awareness even further, we also display posters of the Mitsubishi Electric Group Corporate Ethics and Compliance Statement in our workplaces and distribute cards printed with the Statement to each of our employees in Japan. In addition, we distribute the "Mitsubishi Electric Group Conduct Guidelines" to all Mitsubishi Electric Group employees, including overseas employees, and we have systems in place to check annually that all employees have been provided with the booklet. Employees in Japan receive a booklet containing the Conduct Guidelines, which summarizes points that employees should be aware of in relation to compliance as they conduct their work duties.



Corporate Ethics and Compliance Statement Poster



"Mitsubishi Electric Group Conduct Guidelines" Booklet



Portable Card

System to Ensure Thorough Implementation of Compliance at the Global Level

Based on the recognition that the promotion of compliance is inseparably linked with business promotion, the Mitsubishi Electric Group's compliance system is made up of independent compliance systems established in each of our companies and business divisions, and systems which provide support for each specific organization. We renamed the Legal Division to the "Corporate Legal & Compliance Division" as of October 2012, in order to promote group-wide compliance. Moreover, in each business group of Mitsubishi Electric Corporation, we established a

"Compliance Department" whose purpose is to enhance implementation of group-wide compliance measures and conduct inspections of the state of compliance in that respective group. Furthermore, in order to further strengthen and expand previously established overseas compliance systems and ensure thorough compliance at the global level, a special department was established in the Corporate Legal & Compliance Division in April 2014.

1. Independent compliance systems established in each company and business division

The independent compliance systems established in each of our companies and business divisions are systems which function to advance compliance by clarifying the roles of management and every individual affiliated with that company or division, and ensuring that each individual is aware that they are responsible for the promotion of compliance. In concrete terms, the management of each company and division guide and supervise staff members and establish a compliance promotion system in that company or division. To this end, the management implement measures including establishing the Compliance Promotion Committee to formulate concrete initiatives for the advancement of compliance in that company or division. In addition, each member of staff promotes compliance within the scope of their particular work duties. Furthermore, each business group in Mitsubishi Electric has its own Compliance Department. These departments are responsible for promoting compliance within their respective business groups, based on companywide compliance initiatives.

2. Systems which provide support for each specific organization

The Corporate Compliance Committee, Compliance Department and Compliance Managers are examples of systems which provide support. The Corporate Compliance Committee formulates comprehensive guidelines for compliance and standards of employee conduct for the Mitsubishi Electric Group as a whole. The Corporate Compliance Committee was established in 1991, the year in which the Japan Business Federation (Nippon Keidanren) formulated its Corporate Conduct Charter. The Corporate Compliance Committee is chaired by an executive officer responsible for legal affairs and holds regular meetings twice annually and extraordinary meetings as required. Details of discussions held by the Corporate Compliance Committee are disseminated to each company, business division or business group of Mitsubishi Electric through channels including the Compliance Liaison Committee, which is responsible for assisting the management of each company, division or business group. Compliance Managers are appointed for specific companies, divisions, or levels, and their particular roles and the details of their activities are explicated in in-house regulations. Overseas, in addition to the systems of assistance discussed above, we have also established systems to provide assistance operating across entire regions. Regional Compliance Officers

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("RCOs") responsible for assisting affiliates in their specific region are assigned in the United States, Europe, Asia, China (including Hong Kong), Taiwan and Korea, and work to improve the level of compliance by means of Regional Compliance Committees ("RCCs"). We are also working to establish similar systems in other regions, depending on the specific circumstances of the region in question.



Global Legal Meeting ("GLM") with Regional Compliance Officers and compliance managers from the United States, Europe, Asia, China and Taiwan.



China Regional Compliance Committee (working level)

■ Compliance Audits

Throughout the Mitsubishi Electric Group, each company and division conducts self-audits of compliance in a variety of forms several times a year based on multiple check sheets covering specific laws and areas of corporate ethics, in order to determine the status of compliance and make corrections as necessary. We also conduct internal audits of compliance in which the Corporate Auditing Division takes a central role. Companies and divisions determined to be in need of corrective action as a result of these audits are directed to make improvements.

■ Establishment of Internal and External Ethics and Legal Compliance Hotlines

We have established an "Ethics and Legal Compliance Hotline" to enable us to identify instances of improper or unethical conduct and infringements of the law, and to correct such cases by our own efforts. Any information provided to the hotline is investigated by the Corporate Auditing Division and if any violations of the law or other examples of improper conduct are discovered, the individual responsible is subject to punishment or the relevant division is directed to make improvements. Internal rules clearly set out protections for the whistleblower, including prevention of discriminatory treatment and protection of anonymity. In April 2006, in line with the launch of the Whistleblower Protection Act, we established external hotlines to legal offices. These hotlines are also open to our business partners and affiliates in Japan. The Ethics and Legal Compliance Hotline system is explained in the booklet containing the Mitsubishi Electric Group Corporate Ethics and Compliance Code of Conduct, which is distributed to all employees. We also work to make employees aware of the hotlines through posters, the Group's intranet, and other means.

■ Compliance Education by Diverse Means

The Mitsubishi Electric Group works to ensure that employees are aware of the Group's concept of compliance and of the laws that are essential to the conduct of our business activities, using a variety of tools, including workshops, e-learning programs, the distribution of manuals, and screen displays when employees log in. In using these tools, we carefully consider and provide the optimum content for different businesses, job levels, job categories, and regions (overseas). In addition to educational activities conducted independently by each of the Group's affiliated companies and business divisions, we also carry out Group-wide educational initiatives. For example, Mitsubishi Electric Group employees in all of the countries in which we operate are required to take part in an education program concerning the major relevant laws and the Group's concept of compliance, either through e-learning programs, group lessons, or distance learning. Compliance Managers also distribute materials concerning improper conduct to supervisors at Mitsubishi Electric and our affiliates in Japan in order to help us prevent such conduct from occurring. We also conduct workshops at our various bases (branch offices and production sites) for personnel responsible for compliance at affiliates located in those regions. These workshops seek to foster a thorough awareness of compliance and a deeper understanding of key legislation at our affiliates, in addition to promoting closer cooperation with Mitsubishi Electric. In fiscal 2013, the Corporate Legal & Compliance Division of Mitsubishi Electric Corporation conducted approximately 250 compliance-related workshops throughout the Group, in which a total of 10,200 people participated.

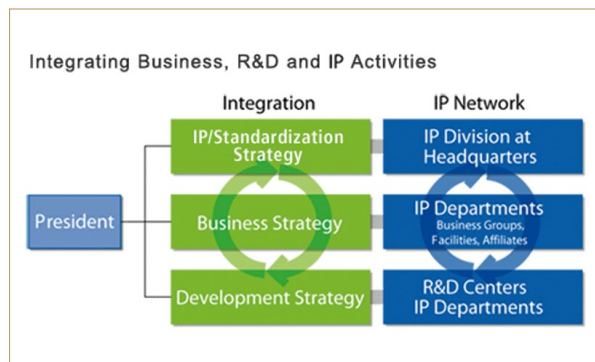
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Intellectual Property Activities

The Mitsubishi Electric Group recognizes that intellectual property (IP) rights represent a vital management resource essential to its future. Therefore, every effort is made to integrate the Group's business, R&D and IP activities. Moving forward, the Mitsubishi Electric Group will further strengthen its IP capabilities while promoting its growth strategy.

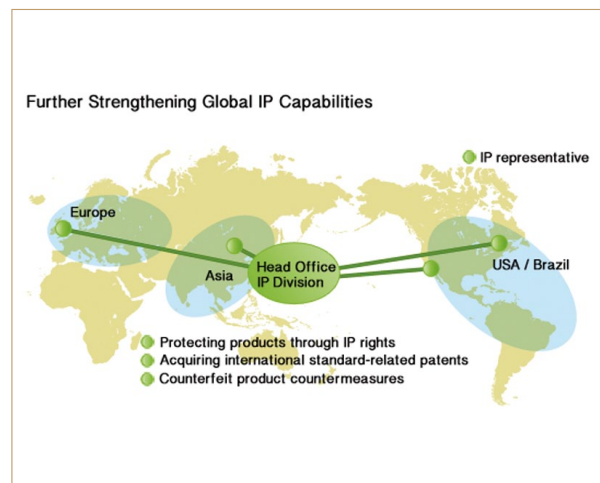
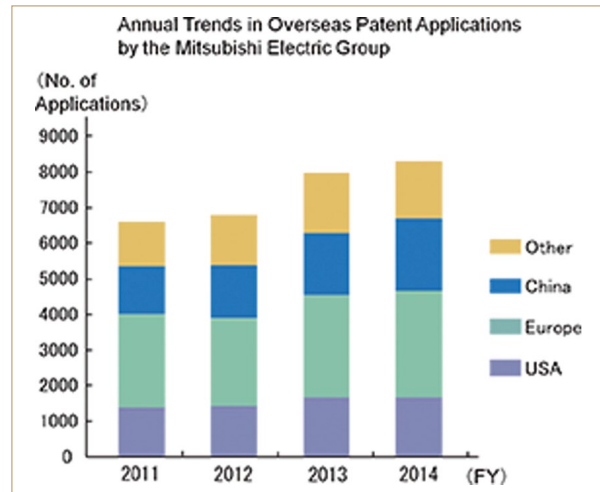
Structure of the Intellectual Property Division

The Mitsubishi Electric Group's IP-related operations are the direct responsibility of the president and overseen by the Head Office IP Division under an appointed IP executive officer. Day-to-day issues are handled by IP departments at relevant facilities, R&D centers and affiliated companies. The Head Office IP Division formulates strategies for the entire Group, promotes critical IP-related projects and coordinates interaction with the patent office. At the manufacturing facility, R&D center and affiliated company levels, IP departments pursue specific objectives in line with the Group's overall IP strategies.



Global IP Strategy

The Mitsubishi Electric Group identifies critical IP-related themes in connection with mainstay businesses and important R&D projects. At the same time, the Group channels its energies toward the globalization of its robust patent portfolio by promoting patent filing activities. With regard to its overseas operations, the Group is accelerating the globalization of its IP activities through actions such as working to increase the number of patent applications it files prior to undertaking business development in emerging countries, including India and Brazil. Moreover, the Mitsubishi Electric Group is actively engaging in activities aimed at acquiring design rights in Japan and overseas to further enhance its robust patent portfolio. These efforts are specifically to protect proprietary assets in both the technology and design areas. The Mitsubishi Electric Group has assigned IP representatives to each of its bases in the United States, Europe and China. Every effort is being made to strengthen IP capabilities at Group facilities, R&D centers and affiliated companies in each country.



Standardization Strategy

As companies continue to globalize their business activities, the international standardization of technologies that contribute to global market growth is significantly impacting business strategies. For this reason, the importance of promoting IP strategies in consideration of international standards is increasing. In response to this situation, the Mitsubishi Electric Group is placing emphasis on activities to standardize its development technologies and acquire related IP rights. The Group is paying particular attention to the acquisition of international standard patents, while patent pools, including those for MPEG and Blu-ray Disc™*, are proving to be a wellspring for IP revenues. These revenues are contributing to improvement and growth in business earnings. Furthermore, the Mitsubishi Electric Group is working to reinforce its activities to acquire rights for international standard-related technologies. The Group is looking to utilize these patents to help increase the market share of its products.

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

Activities Aimed at Preventing Infringement on the Group's IP Rights

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

Respecting the IP Rights of Others

The Mitsubishi Electric Group recognizes that any infringement on the IP rights of another company

has the potential to significantly impair the Group's continued viability as a going concern. The resulting potential impairments include being obliged to pay significant licensing fees or being forced to discontinue the manufacture of a certain product. In order to prevent any infringement on the IP rights of other companies, the Group provides education and training to raise employee awareness and promote greater respect for the IP rights of others. At the same time, the Group has put in place a set of rules to facilitate appropriate actions such as surveying other companies' patent rights at every stage from development to production. The Mitsubishi Electric Group works diligently to ensure strict adherence to these rules.

Cooperating with Business Partners

Our Purchasing Philosophy

Mitsubishi Electric purchases a wide variety of materials and components from both Japanese and overseas markets. We recognize our corporate responsibility and are eager to provide business opportunities for the communities in which we operate.

1. Easy Access and Equal Opportunity

To guarantee our customers the highest-quality products, we are constantly searching for new suppliers. We encourage business partners from all over the world, regardless of size, to contact us about submitting a quotation. The decision to embark on a new business relationship is made after careful consideration of three major factors: product price, product quality and delivery performance. To ensure continued high quality and efficiency, we periodically review our relationships with our partners.

2. Mutual Prosperity

We believe in long-term relationships built upon understanding and trust. This will allow us to develop with one another from the very beginning and achieve mutual prosperity.

3. Ecological Soundness

We are interested in the materials and manufacturing processes used by our suppliers. Because we value the environment, we buy only ecologically sound products. Our mission is to satisfy the needs of people around the globe. To meet their growing expectations, we must widen and strengthen our affiliations with companies all over the world. We are seeking cooperation, not just business, and are looking for potential partners who are willing to join us in our drive toward global prosperity.

Furthermore, we plan to carry out our distribution activities in line with our "CSR Procurement Policy," which was established in fiscal 2008.

CSR Procurement Policy

Compliance with domestic and foreign laws/regulations and social standards

1. Compliance with domestic and foreign laws/regulations and social standards

- (1) Ensuring compliance with laws and regulations
- (2) Respecting human rights and prohibiting discrimination, child labor, and forced labor
- (3) Creating proper work environments

2. Assurance of quality and safety of products and services

3. Environmental considerations

- (1) Procuring materials with less negative impact on the environment
- (2) Ensuring strict management of harmful chemical substances based on an environmental management system

4. Promotion of fair trade based on corporate ethics

- (1) Practicing honest trade on fair and equal footing, based on laws/regulations and agreements
- (2) Ensuring strict management and safeguarding of information by establishing an information security system
- (3) Thorough elimination of ethical misconduct

Mitsubishi Electric Group Initiatives for Responsible Minerals Procurement

The Mitsubishi Electric Group views such issues as environmental destruction and the abuse of human rights by armed groups in the Democratic Republic of Congo and its neighboring countries as issues of the utmost concern. We are implementing measures to ensure transparency of our supply chain and promote responsible mineral procurement to avoid the use of conflict minerals*, the extraction or trade of which supports conflict and inhumane treatment in these countries.

* Conflict minerals refers to gold, tin, tantalum, tungsten and other minerals that have been determined by the U.S. State Department to be a source of support for armed groups when mined in the countries referred to above.

■ Building Good Relationships with Suppliers

Based on our supplier selection standards, the Mitsubishi Electric Group regularly evaluates its business partners in terms of quality, price, delivery, customer service, environmental issues, regulatory compliance systems and other attributes.

We make purchases from business partners placing a strong overall evaluation on a priority basis in an effort to build good business relationships from a long-term perspective. The Group gives the designation of "key supplier" to business partners especially important in the promotion of our business activities.

A "key supplier" is defined as a business partner that provides

key parts related to product performance or that has high-level technology or other critical attributes.

Our partnerships with these business partners are more involved than with regular ones, as they engage in joint development of parts and materials from the initial development stage, adopt cutting-edge products, and promote value engineering*. We also work with key suppliers to develop activities aimed at the joint creation of costs. Through such initiatives, we seek to minimize our impact on the environment by making products more compact and lightweight, thereby requiring less material. At the same time, we endeavor to maintain win-win relationships with our business partners that result in mutual sales increases and technical advances.

Since fiscal 2004, the Company has worked with its suppliers to promote a shared cost consciousness from the early stages of development. We will continue to aggressively pursue these efforts, which have been greatly successful. As in Japan, we are working with business partners in Europe and the Americas, China and throughout Asia on enhancing the price/quality competitiveness of the overall procurement capabilities of the Mitsubishi Electric Group.

* Value engineering is a method in which the costs required to obtain the essential functions of a product are minimized beginning from the design stage of product components.

■ Ensuring Product Quality and Safety

Considering that our business involves a wide range of products such as satellites, power generation equipment, electric transmission and distribution equipment, home appliances and numerous others, each of our customers expect differing standards of quality.

The Mitsubishi Electric Group establishes quality standards for each product and requests that business partners achieve required levels of quality based on them.

Product quality and safety are ensured through cooperation with our suppliers.

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Consumer Issues

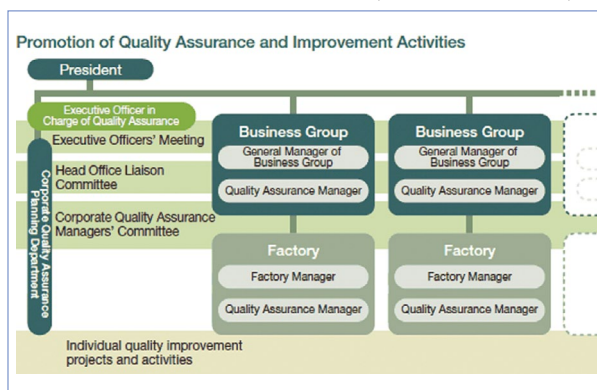
Ensuring Consistent Quality

Quality Management Principles and System

The quality items indicated by the seven guiding principles formulated in 2001 (quality: provide the best products and services with unsurpassed quality) reflect the Four Basic Quality Assurance Principles laid down as a means of realizing the corporate motto of "Service through Quality" adopted in 1952, and have continued to be upheld by each employee of the Mitsubishi Electric Group to the present day. Based upon these principles, we have established a system for quality assurance and improvement activities throughout the entire Group and formulated quality assurance guidelines. We comply with quality assurance legislation and standards and are working to further develop quality improvement activities. Worldwide manufacturing bases take responsibility for the quality assurance of each product and are implementing concrete improvement measures.

Four Basic Quality Assurance Principles

1. Product quality is our top priority. It comes before price and on-time delivery.
2. Whatever the sacrifice, our commitment to quality does not waver.
3. Products must be safe to use, have a long usage life, and have consistent performance.
4. Every manager and employee involved in manufacturing a product shares equal responsibility for product quality.



Quality Improvement Activities

The Mitsubishi Electric Group incorporates quality considerations into products from the design and development stage, promotes activities to improve quality in all processes, including manufacturing, shipping and after-sales service, and works to make ongoing improvements in product quality, safety and reliability. We have also built a database for sharing quality-related information that is used by the entire company. It consists of information provided by prior employees on past problems, lessons learned, explanations, as well as examples of improvements that have been made, and has proven effective in helping to build quality into products, implement quality improvement measures, prevent the occurrence or recurrence of problems, and train young

engineers. Based on cases where there were problems, we also developed an e-learning tool called "Learning from Problems" and utilize it for employee educational purposes. Throughout the entire production process, from the design and manufacturing stages to after-sales service, we work to make quality readily apparent to help prevent problems before they occur and promptly respond to them when they do.

Ensuring Product Safety

Based on the Corporate Statement and the Seven Guiding Principles, the Mitsubishi Electric Group promotes initiatives to ensure product safety under the following principles:

Product Safety-Related Principles

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

Particularly in regard to consumer products, Mitsubishi Electric is committed to preventing serious hazards that could result in death, injury, fire, or other damage, by subjecting all products to a quantitative risk assessment at the development stage, while also designing and developing products in consideration of their end-of-life management. At the same time, our Customer Service Center in Japan operates 24 hours a day, 365 days a year, to assist customers and gather their views about Mitsubishi Electric products. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website. In recognition of these efforts, we have been awarded the Bronze Prize in the Large Manufacturer and Importer Category of the FY2008 Ministry of Economy, Trade and Industry Awards for Best Contributors to Product Safety.



2008 Best Contributors to Product Safety
FY2008 Bronze Prize

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Providing Easy-to-Use Products

■ Universal Design that Provides Ease of Use

Universal Design (UD) is an approach that aims to create designs that can be used easily by as many people as possible. Mitsubishi Electric evaluates its products from many perspectives, considering whether they are simple and easy to understand, have easy-to-recognize displays and layouts, have been given sufficient ergonomic consideration in terms of comfortable posture and minimal physical load, and are safe and convenient. In this way, we strive to manufacture products that are easy to use and result in more comfortable lifestyles. Imagining use by various people, we have continuously applied universal design and allowed it to evolve in the production of home appliances like air conditioners and televisions as well as products used by the general public, such as elevators. The "Uni & Eco" business strategy was introduced for home appliance products in fiscal 2005. After that, targeting expansion of the market to include elderly users in their 70s by incorporating the latest convenience functions in a way that is fun and easy to use, in fiscal 2011 we developed a series equipped with the "RakuRaku Assist" function. A continuation of this is the "Smart Quality" initiative launched in fiscal 2013. Additionally, for elevators, we are developing voice-activated operation and other functions for visually impaired users and users in wheelchairs. The need for universal design has also grown in the industrial sector, a field traditionally characterized by professional workers who handle equipment. The working environment in this field has begun to change, with an increase in the number of older workers, foreign workers, and unskilled laborers. In response to this situation, Mitsubishi Electric widely applies universal design principles to its industrial products, including factory automation (FA) equipment

and electric power equipment, as well as to the installation and maintenance of such products on the shop floor. In fiscal 2014, at IAUD 2013, organized by the International Association for Universal Design, Mitsubishi Electric was presented two Gold Awards: one for our "Train Vision," and one for "Activities to Disseminate Voice Guidance Products Aimed at Improving the QOL (Quality of Life) of the Visually Impaired: An Undertaking—by Rival Companies, Based on the Universal Design Concept—that Transcends Barriers," a joint collaboration with Panasonic Corporation. These awards are recognition for our initiatives in the application of visual information systems (Train Vision) to display important information in trains, and for our efforts to provide voice-activated television. In fiscal 2015 as well, we will continue to sensibly and ingeniously apply universal design in the creation of products throughout our wide-ranging business domain.



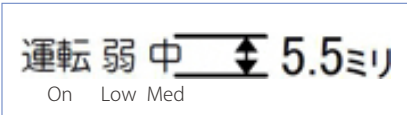

■ Universal Design Examples to date

Universal Design Guidelines for Persons of Age

In order that persons in their 60s can continue to use a given product even after ten years, we established a set of guidelines based on data about the physical characteristics of healthy persons in their 70s. The guidelines take into consideration the various physical changes that occur with aging, and they are organized into three perspectives: recognition, identification, and physical use. An excerpt is shown below.

- **Recognition** : consideration for ease of understanding
- **Identification** : consideration for ease of reading and/or hearing
- **Physical use** : consideration for comfortable posture and minimum physical load

Guidelines based on data on characteristics of 70-year-olds (recognition, identification [visual, aural], physical use)

Recognition	Identification	Physical use
Easy to understand	Easy to read and hear	Comfortable posture, minimum physical load
E.g.) Easy to understand from which button to start operations	E.g.) Large characters easy even for aged persons to read	E.g.) Easy-to-hold handle shape and weight for each product
	<p>■ Main characters/numbers</p>  <p>Power</p> <p>■ Other printed characters, etc.</p>  <p>On Low Med</p>	

"RakuRaku-UD" Induction Heating (IH) Cooking heater

This Mitsubishi Electric product in Japan incorporates features such as large characters, visual and aural notification and easy maintenance, which are three concepts of "revolutionary ease of use" based on Universal Design Guidelines.

"RakuRaku-IH" Induction Heating

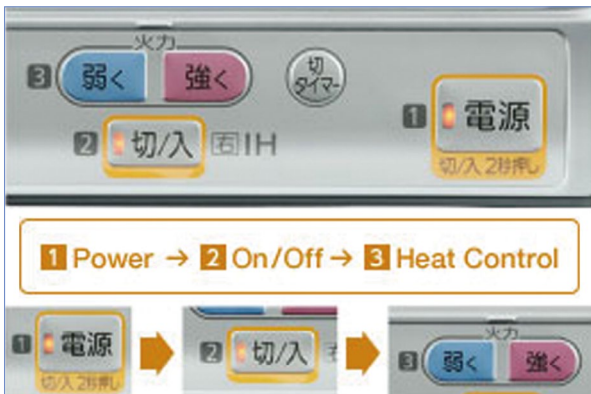
Cooking heater CS-G20AKS

- **Large-character buttons and numerical indication of steps for use:** Characters are displayed approximately 1.8 times larger than our conventional model (Model G38MS). The product is easy to use because it can be operated simply by pushing the buttons in the order of the numerical indicators: (1) Power → (2) Heat On/Off → (3) Heat Control.
- **Safety sensor & audio support:** Built-in sensor detects if a person is standing in front of the unit, and offers audio (spoken) assistance or safety warnings.

Large characters

Large characters & numerical indicators of steps for use

- Characters are approximately 1.8* times the size of our conventional system.
* Compared to Mitsubishi Electric's conventional model G38MS
- Can be operated simply by pressing buttons in order of numbers displayed.



Large-character buttons & numerical indication of steps for use

Visual & aural notification

Safety sensor & audio support

- Built-in sensor checks for people in vicinity.
- Offers audio support for ease of operation.

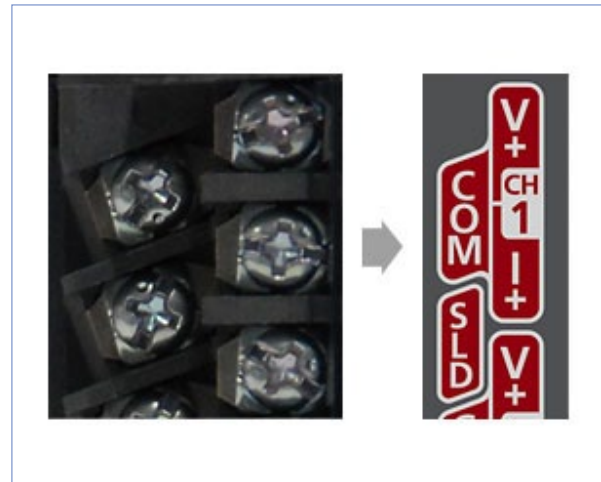


MELSEC L-Series Programmable Logic Controller (PLC) designed for use even by less-experienced workers

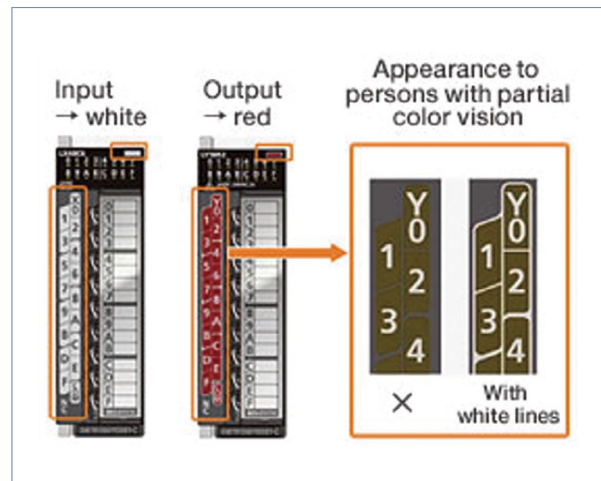
Mitsubishi Electric continually implements design improvements in its industrial equipment products, incorporating the know-how of experienced workers and maintaining appropriate visibility and readability for the usage environment, so that less experienced workers can operate the equipment correctly.

General-purpose PLCs function as a factory's computers. Mitsubishi Electric's MELSEC L-Series aims to meet the needs of a wide variety of users, by delivering both the productivity improvements demanded by veteran workers and also the ease of use needed by less-experienced laborers.

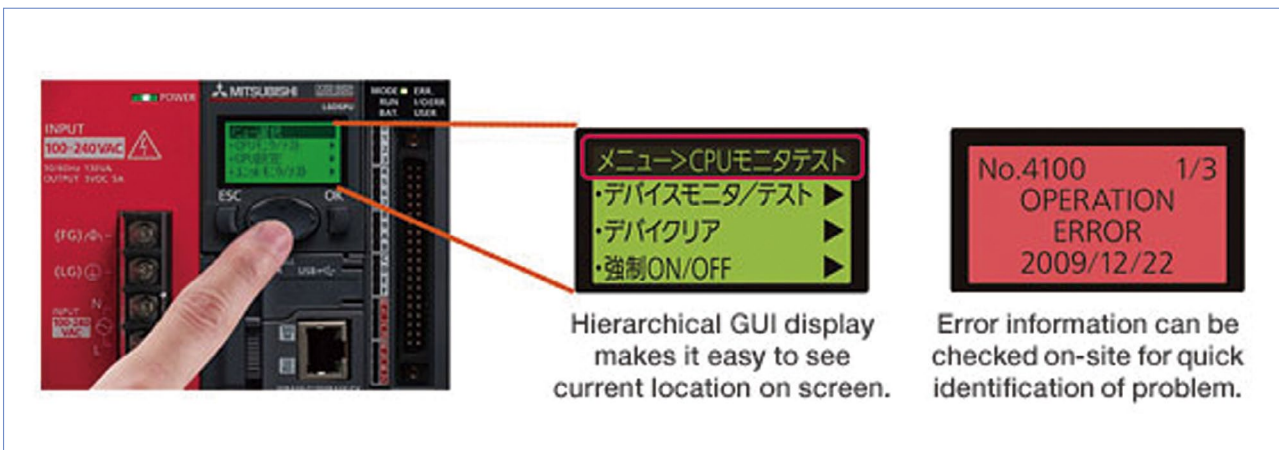
- **The terminal arrangement is printed to display wiring groups,** for intuitive function display.
- **The unit employs UD fonts, with large character display that is well-contrasted from the background color,** to prevent wiring errors.
- **Text is displayed in English/Japanese on the LCD screen,** making it easy for even less-experienced workers to deal with on-site trouble.



Printed to illustrate wiring groups



Characters and displays are easy to read



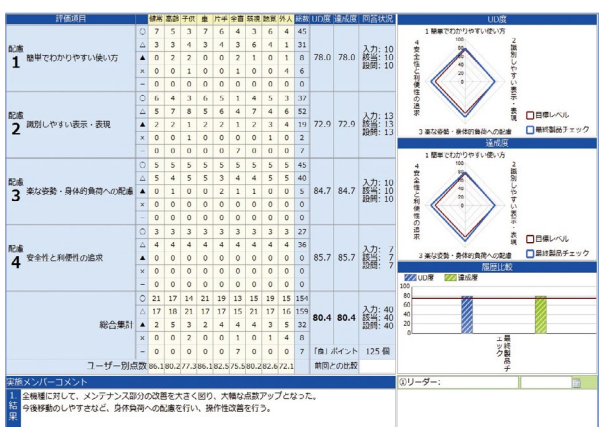
Text-based information display is easy to understand

"UD-Checker" Original System for Universal Design Evaluation

UD-Checker is a tool that can be used by both industrial designers and engineers to evaluate for universal design qualities. This tool shows four quantitative measures of universal design, indicating specific design aspects for development, and improving the efficiency of product development. The UD-Checker is used on a wide variety of Mitsubishi Electric products from home appliances and public facilities to industrial equipment.



Check sheet



Results sheet

Increasing Customer Satisfaction

Improving Customer Satisfaction

Customer satisfaction has been a priority management principle of the Mitsubishi Electric Group since its founding in 1921. The unchanging dedication to satisfying customer needs underlies all our business activities even today. We collect feedback from our customers through customer satisfaction surveys as appropriate to the characteristics of each business operation, and incorporate their voices into improving product development, marketing strategies, and services. We also strive to maintain customer satisfaction by strengthening our repair/service systems, providing effective staff training, and expanding access to information via our Websites.

CS Activities by the Home Appliances Group (in Japan)

The Living Environment & Digital Media Equipment Group handles matters related to home appliances and carries out customer satisfaction (CS) activities in Japan. It makes sure that customers across the country are satisfied with the Mitsubishi Electric product they purchase, and strives to increase the number of such satisfied customers.

The Beginning of CS Activities Related to Home Appliances

The CS Department at Mitsubishi Electric was established in Japan in July 1993. In addition to assuring product quality and optimum product usability and functionality, the department engages in CS improvement activities with strong awareness of the significance of customer satisfaction. Maximizing on the know-how and experience of the United States, where the concept of CS had already been systematically established, Mitsubishi Electric quickly proceeded to create the necessary climate, systems and tools that would enhance its products, marketing strategies, and services. Our domestic manufacturing works track customer satisfaction through customer questionnaires on their purchase of major products and also through employee monitor surveys. Customer satisfaction of the Mitsubishi Electric Group's sales and services is assessed through an evaluation of customer satisfaction by distributors. For example, distributors are asked to respond to CS surveys on the sales policies of manufacturers and retail companies, and on manufacturer support at electronics retail stores. The survey results are shared among the Group and reflected in marketing and development strategies.

Understanding Customer Satisfaction

A customer's selection, purchase, and use of a product involve a number of different departments, such as the development, manufacturing, sales, and service departments. Customer satisfaction cannot be achieved if a customer is discontent with any aspect of this process, or if there is any weakness in the departments concerned. Customer satisfaction increases in the following order.

- **Assurance:** The customer is assured that the product is not flawed or defective
- **Contentment:** The product satisfies the customer's needs and requirements
- **Emotion:** The customer acquires a new value from the product

The ultimate form of customer satisfaction is achieved when a product exceeds customer expectations and provides an emotional benefit. The key to achieving customer satisfaction is to therefore assess and satisfy customer expectations.

Taking Calls 24 Hours a Day, 365 Days a Year

To satisfy customer expectations, it is necessary to think of customers throughout the sales, service, development, and manufacturing stages, and to quickly detect and respond dynamically to signs of market changes. As one strategy to provide a response to customers in Japan when they require one, in October 1998, Mitsubishi Electric extended the service hours of its Japan Customer Relations Center to 24 hours a day, 365 days a year. Previously the center responded to inquiries concerning product usage only during daytime hours from Monday thru Saturday except on holidays.

As the relations center receives increasing numbers of inquiries every year due to more diversity in product functionality, we are constantly augmenting staff members, and are making consistent efforts to provide proper training.

- April 1999: Calls for visiting repairs are accepted 24 hours a day, 365 days a year, and repair services are dispatched 365 days a year
- October 1999: Online requests for shopping advice and consultations/requests concerning products are accepted
- March 2003: Online product registration service is made available to purchasers of Mitsubishi Electric products in Japan via the company's Official Web Site

Cooperation for Further Improvement

In addition to the Customer Relations Center, which operates 24 hours a day, 365 days a year, other sites and services in Japan also operate throughout the year. They include the Service Center, which receives repair requests; the Technical Support Call Center, which responds to

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technical inquiries from distributors; Mitsubishi Electric System Service, our stronghold of repair services; our production sites and manufacturing plants; and the CS Department, the department at the helm of all CS activities. The content and results of consultations and repair requests from customers and details of technical inquiries are fed back to the manufacturing works at the end of each day. They are used to improve both products under production and development, and to provide repair information to distributors. The Living Environment & Digital Media Equipment Group aims to deliver satisfaction to each and every one of our customers and achieve customer satisfaction in the true sense of the term by pursuing continuous improvement.

CS Activities by the Building Systems Group (in Japan)

The Building Systems Group provides elevators, escalators and building management systems. We ensure safety and security for vertical transportation and infrastructures within buildings, and continue to deliver comfortable means of transportation and living spaces on a global scale. By doing so, we shall contribute to making society even more vibrant and affluent. Under the slogan "Quality in Motion," this group continues its evolution toward making Mitsubishi Electric the top-quality brand on a global scale by achieving the highest quality for comfort, efficiency, safety, and environment in its overall business activities (sales, development,

manufacturing, installation, and maintenance). Even amid these rapidly changing times, we will draw on our advanced technologies, environmental expertise and comprehensive strengths to earn our customers' trust and confidence.

24-hour Safety Hotline Available 365 Days a Year

Mitsubishi Electric Building Techno-Service, one of Mitsubishi Electric's group companies in Japan, specializes in the maintenance of elevators and building management systems. This company's information centers provide a "safety hotline" for response in cases of trouble, such as failure signals and telephone requests from customers. Mitsubishi Electric information centers situated in nine locations throughout the country constantly monitor remotely the status of contracted customers' building facilities. When an error signal is received, the system provides information on the current locations, works in progress, and the technical levels of 6,000 engineers, so that the most appropriate engineer closest to the customer's building can be located and dispatched to the site immediately. The system also supports the quick recovery of building functions, by taking actions such as e-mailing information on the history of repairs and other matters related to the building to the engineer, or processing urgent orders for parts. Moreover, by monitoring changes in data on elevator operational status, we can detect signs of malfunction and promptly address them to prevent problems from occurring.

Responding to Product-Related Issues

Principle of Notification, Collecting Information, Repair and Recall of Products

In a case where there is a report that a major problem has occurred in a product that we have sold, we have a system for quickly and accurately considering and deciding on steps and measures to take, including the participation of upper management. For recalls in particular, we will work on an ongoing basis to make sure all the relevant products that were sold are returned and repaired, and we will apply these efforts to a wide array of sales channels. In Japan, we are also taking initiatives to ensure rapid and appropriate delivery of information on malfunctions in consumer products that have a direct link with consumers.

Reporting Major Product Issues (in Japan)

A detailed list of information pertaining to important product-related and quality issues is posted on Mitsubishi Electric's Japanese-language official website.

Accident Reporting Based on the Consumer Product Safety Act

Detailed information on our compliance with Japan's revised Consumer Product Safety Act, which went into effect in May 2007, is available on Mitsubishi Electric's Japanese-language official website.

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Community Involvement and Development

As a Corporate Citizen

Our Philosophy on Philanthropic Activities

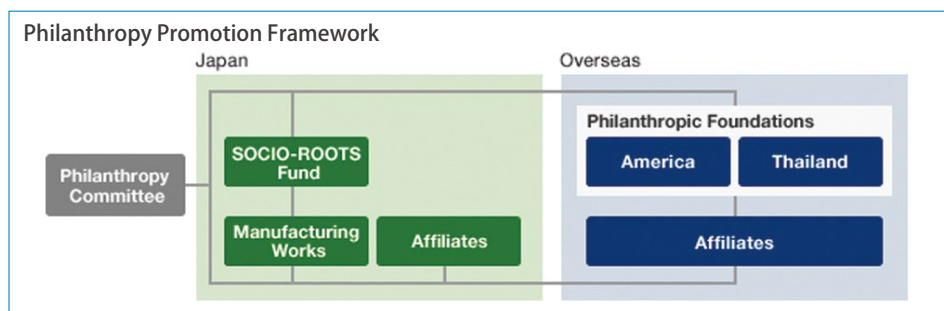
As a corporate citizen committed to meeting societal needs and expectations, the Mitsubishi Electric Group will make full use of the resources it has at hand to contribute to creating an affluent society in partnership with its employees.

Our Policies on Philanthropic Activities

- We shall carry out community-based activities in response to societal needs in the fields of social welfare and global environmental conservation.
- We shall contribute to developing the next generation through activities that support the promotion of science and technology, culture and arts, and sports.

Three Key Areas of Philanthropy

Mitsubishi Electric promotes philanthropic activities with an emphasis on the three categories of social welfare, global environmental conservation, and science and technology. For more information about philanthropic activities around the world, please refer to the pages on Philanthropic Activities.



Employee Participation Program "Woodland Preservation Project"

Mitsubishi Electric works to reduce environmental impact through its business activities. As part of this, we are involved in the "Satoyama" Woodland Preservation Project to restore parks, woodlands, rivers and other natural areas located close to our business sites while gaining the understanding of the government and local community members. This project that our employees play a key role in is a vital program in the field of global environmental conservation.

Project in Action

From young employees to corporate officers, everyone works together in the project. Under the slogan "down-to-earth and sustainable," we implement nature conservation activities designed to match the particular circumstances of each region. In some sections of the Woodland Preservation Project, outdoor classrooms are held to help children learn about the mechanisms of the earth's natural cycles.



Forest thinning



Outdoor classroom



Eelgrass field restoration project



Activity to restore the natural woodlands of Mt. Fuji



Our Chairman, President & CEO and other corporate officers have been proactively involved.

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Mitsubishi Electric SOCIO-ROOTS Fund

The Mitsubishi Electric SOCIO-ROOTS Fund was established in 1992 as a gift program in which the Company matches the amount of any donation made by its employees, thus doubling the goodwill of the gift. Many employees participate in the Fund each year. As of March 2014, the Fund has provided more than 1 billion yen to some 1,650 various social welfare facilities and programs.

Donations

Each Mitsubishi Electric business site makes inventive efforts to facilitate donation by its employees, carrying out fund-raising activities suitable to the site. Some examples of these activities include charity bazaars, charity auctions, and donations through vending machines.

Donation of "talking TVs" —Products that exhibit our strengths—



To support people who have visual impairments, we donate our REAL series of LCD TVs to relevant organizations. These TVs are "talking TVs," so-called because they read aloud program listings, operational menus, and other text information.

Cooperation in the Inochi-no-Baton (Baton of Life) installation project (Inazawa city, Aichi prefecture) —Action suited to local needs—



Mitsubishi Electric contributes donations from the SOCIO-ROOTS Fund to the Inochi-no-Baton (Baton of Life) installation project launched by the Inazawa Council of Social Welfare in 2011 in response to the increase in single-member households in Japan.

Donations for the Great East Japan Earthquake —Activities prompted by our employees—



A presentation ceremony held in April 2014
In response to appeals from our employees, we are making ongoing efforts to support children affected by the earthquake.
As of March 31, 2014, we have donated a sum of 80.5 million yen since the program began in FY2012.

Science and Technology

To create inquisitive minds and promote a desire to learn among young people who will lead the development of the next generation of technologies, Mitsubishi Electric supports the engineers of tomorrow by sponsoring science lessons and workshops held by its employees, in addition to providing academic aid in the forms of donations and scholarships.

Project in Action

As a social contribution activity befitting an electrical manufacturer, Mitsubishi Electric has been sponsoring science lessons for children since 2010 to introduce, in phases, some of the mechanisms and key technologies behind our products. Children learn the enjoyment of science while taking part in experiments and quizzes.



Experiment of "Diamond Vision OLED"



Experiment of the RGB color model

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Overseas Foundations

The Mitsubishi Electric America Foundation (MEAF) and the Mitsubishi Electric Thai Foundation (METF), both of which were founded in 1991, play a central role in implementing social welfare and science and technology activities outside Japan.

MEAF works in the United States to promote the full inclusion of youth with disabilities in society. METF grants scholarships to university students and sponsors elementary school lunch support programs in Thailand.

Mitsubishi Electric America Foundation

The Mitsubishi Electric America Foundation works to empower youth with disabilities to lead productive lives, providing grants for innovative projects that help build their leadership and employability skills. An example is the American Association of People with Disabilities Summer Internships Program, which places students with disabilities in Congressional and Federal Offices in Washington, D.C.

MEAF also works with Mitsubishi Electric employee volunteers in local communities in the United States to make Changes for the Better in the lives of youth with disabilities, and other charitable causes. Since 1991, MEAF has invested more than \$11 million in U.S. communities, and Mitsubishi Electric employee volunteers have provided more than 45,000 hours of volunteer time. MEAF has been recognized with awards from the American Foundation for the Blind.



An alumnus of the 2007 MEAF-AAPD Congressional Internship Program



Employee volunteers work with students on Disability Mentoring Day.

Mitsubishi Electric Thai Foundation

The Mitsubishi Electric Thai Foundation launched a scholarship program in 1993 to promote science and technology development in Thailand. Every year, students in three engineering universities in Thailand are selected to receive the scholarship. Recipients are students who excel in academics but are not able to receive sufficient financial resources from their family to devote themselves to their studies. Since fiscal 2013, one more regional school has been added as a target of the scholarship program.



Presentation ceremony for scholars

The Mitsubishi Electric Thai Foundation also engages in a program that purchases fertilizer and feedstock and works with elementary school students to grow vegetables and raise livestock, with the cooperation of employees of local Mitsubishi Electric offices. The fruits of their labor are included in lunches for elementary school students who do not have the means to buy school lunches. At the same time, the program teaches children about the importance and joys of growing and raising food.



Students grow vegetables by themselves in the support program for grade school lunches.

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