

# Mitsubishi Electric Group CSR Report 2018



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## About the Report

This report provides information about corporate social responsibility (CSR) initiatives by the Mitsubishi Electric Group to help realize a sustainable society. It primarily reports on significant activities, events, and changes that occurred in fiscal 2018 (year ending March 31, 2018). Based on the PDCA (plan-do-check-act) approach, in reporting our activities we tried to go beyond just presenting our principles and the results of activities to date in order to also refer to future policies and issues.

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

### Structure of the Report

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

### Period Covered by the Report

April 1, 2017 – March 31, 2018

\* Also includes some information on policies, targets, and plans for fiscal 2019 and thereafter.

### Scope of the Report

#### Social Aspects :

Primarily covers activities of Mitsubishi Electric Corporation

\*The range of data compiled is noted individually.

#### Environmental Aspects :

Covers the activities of Mitsubishi Electric Corporation, 107 domestic affiliates, and 84 overseas affiliates (total of 192 companies).

\*Detailed information on economic performance is provided in the [Environment section](#) of our website.

#### Economic Aspects :

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

\*Detailed information on economic performance is provided in the [Investors section](#) of our website.

### References

- ISO26000
- GRI Standards, Global Reporting Initiative
- Environmental Reporting Guidelines (2012), Ministry of the Environment
- Business Owner Environmental Performance Indicator Guideline (2002), Ministry of the Environment
- Environmental Accounting Guidelines (2005), Ministry of the Environment

### Reporting Medium

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

### Regarding Future Projections, Plans, and Targets

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

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

# Embodiment of the Corporate Mission

The Mitsubishi Electric Group has positioned Corporate Social Responsibility (CSR) as a pillar of its corporate management, based on its Corporate Mission and Seven Guiding Principles. Accordingly, the Group has made committed efforts to become a corporation whose efforts are appreciated through its initiative toward solving social issues. Or in other words, a corporation that is trusted by its stakeholders, including its society, customers, shareholders, and employees as a whole, and that earns their satisfaction through its business practices.

The Group has taken on the challenge of resolving environmental issues, resource and energy issues, and other social issues all of us face today on a global scale through its products, systems and services. In doing so, it aims to be recognized as a "Global, Leading Green Company" contributing to the realization of a prosperous society that simultaneously achieves "sustainability" and "safety, security and comfort." In these ways, the Mitsubishi Electric Group pursues the sustainable development of the entire Group.

## 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.

## Embodiment of the Corporate Mission

"Global, Leading Green Company" Contribute to the realization of a prosperous society that simultaneously achieves "sustainability" and "safety, security and comfort"

Growth Targets to be Achieved by FY2021  
**Net Sales 5 trillion JPY or more OPM 8% or more**

### Initiatives to Create Value

Provide Products, Systems, and Services Globally

Make Strong Businesses Stronger

Technology Synergies/  
Business Synergies

### Contemporary Challenges in Society

Environmental issues

Resource/ Energy issues

# Mitsubishi Electric's Business Segments

## Building Systems



### Contributing to giving added value to buildings by integrating elevators, escalators and other diverse building facilities

Throughout our more than 80-year history, we have supplied elevators and escalators to customers in more than 90 countries. Today, over a million Mitsubishi Electric elevators and escalators are in operation throughout the world.

We also contribute to realizing comfortable, efficient and energy-saving buildings with total building solutions that combine building management systems that manage and control building facilities, security systems such as access control, and various building facilities such as elevators, escalators, air conditioners and lighting fixtures.

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

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## Factory Automation Systems



### Underpinning manufacturing in the world as a leading FA supplier

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

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

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## Public Systems



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

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

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

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## Energy Systems



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

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

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

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## Transportation Systems



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

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

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

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## Automotive Equipment



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

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

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

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## Space Systems



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

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

Main products ■ Satellites ■ Large telescopes ■ Onboard satellite equipment

## Information & Communication Systems



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

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

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

## Semiconductors & Devices

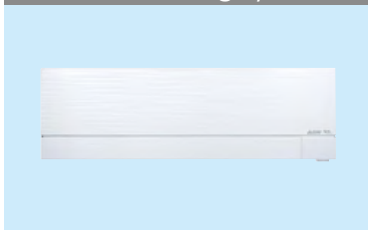


### Providing key devices underpinning a more affluent society, harnessing cutting edge technologies

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

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

## Air Conditioning Systems

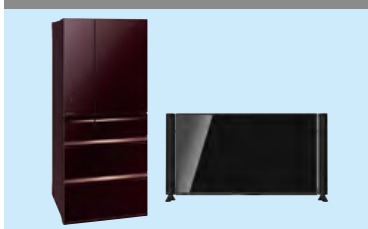


### Providing comfortable and energy-efficient air conditioning for industry and in our everyday life

We provide a broad range of highly energy-efficient air conditioning systems, from the Kirigamine brand of room air conditioners to air conditioner systems for buildings and industry. At the same time, we also supply a number of low-temperature systems, from distribution to industry, including cool warehouses and cold storage as well as ice makers for food processing plants and ice skating rinks.

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

## Home Products



### Making the lives of our customers more comfortable

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

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

## IT Solutions

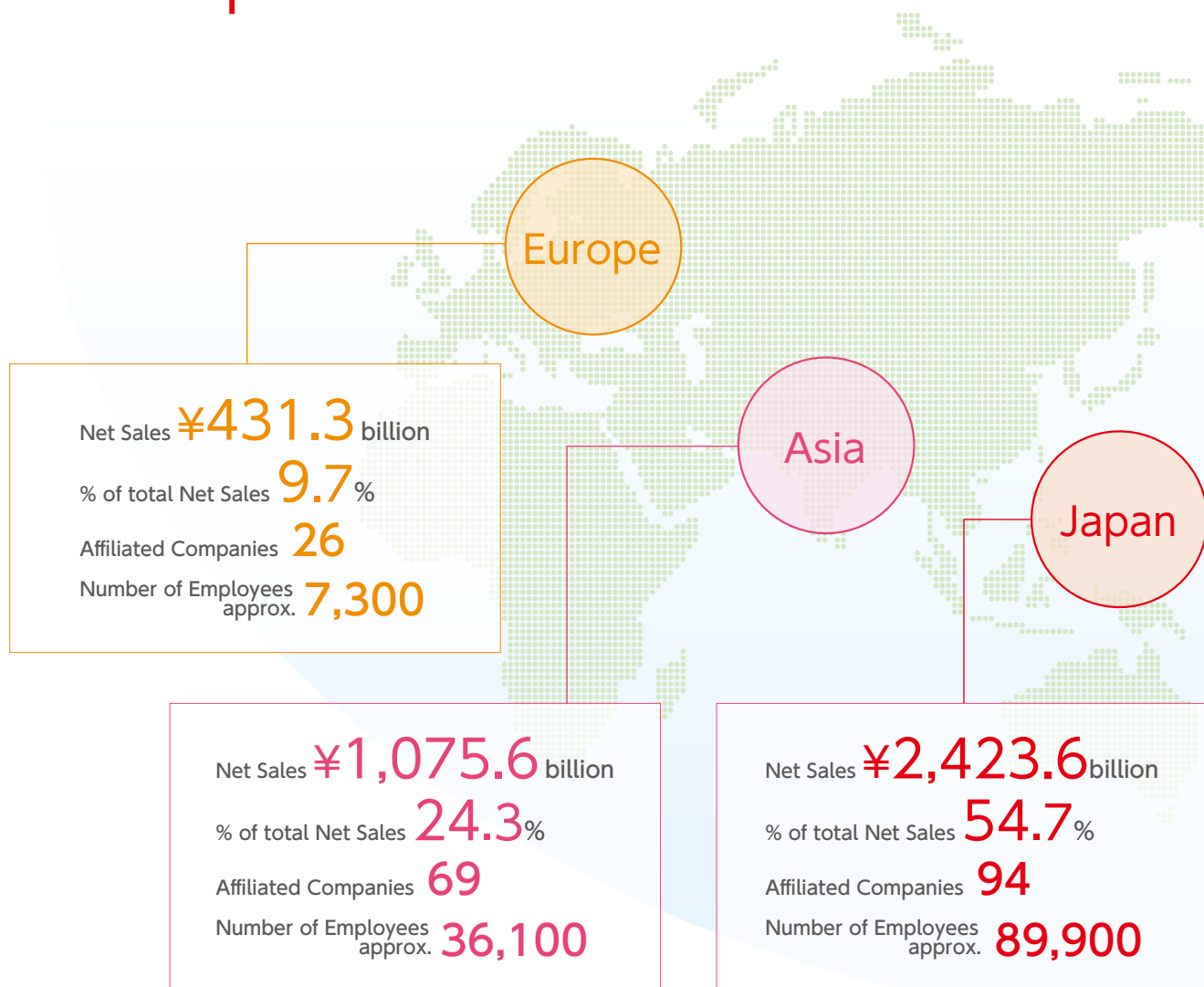


### Providing IT solutions to make all aspects of our life more convenient, comfortable, and advanced

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

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

# Global Operations



## Corporate Data (As of March 31, 2018)

Mitsubishi Electric Corporation

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

President & CEO : Takeshi Sugiyama (assumed position on April 1, 2018)

Phone : +81 (3) 3218-2111

Established : January 15, 1921

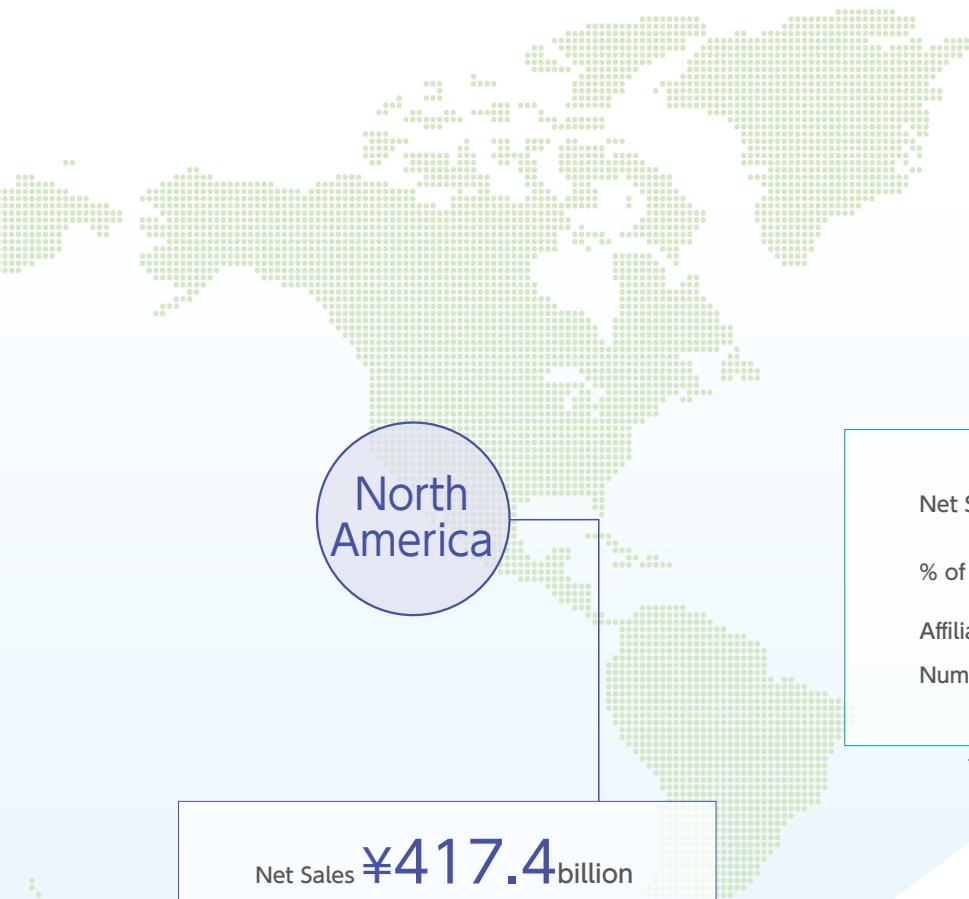
Paid-in Capital : ¥175,820 million

Shares Issued : 2,147,201,551 shares

Consolidated Net Sales : ¥4,431,198 million

Consolidated Total Assets : ¥4,264,559 million

Employees : 142,340



North America

Other\*

Net Sales **¥83.1** billion  
 % of total Net Sales **1.9%**  
 Affiliated Companies **3**  
 Number of Employees approx. **2,800**

\* Oceania, Central and South America, and Africa

Net Sales **¥417.4** billion  
 % of total Net Sales **9.4%**  
 Affiliated Companies **13**  
 Number of Employees approx. **6,200**

## Financial Results

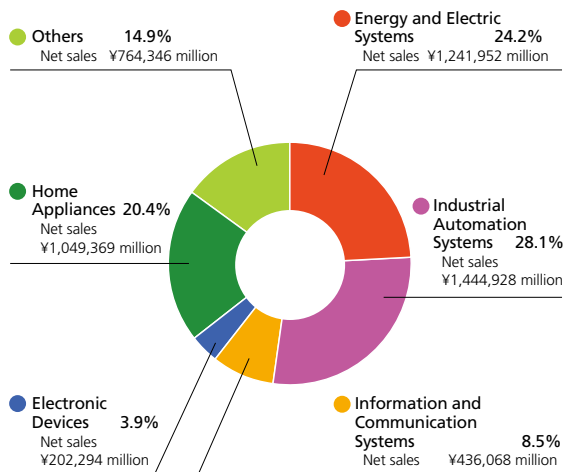
### Performance for the Year Ended March 31, 2018

Years ended March 31	Yen (millions)			U.S. dollars (thousands)
	2018	2017	2016	2018
Net sales	¥4,431,198	¥4,238,666	¥4,394,353	\$41,803,755
Operating income	318,637	270,104	301,172	3,006,009
Net income attributable to Mitsubishi Electric Corp.	271,880	210,493	228,494	2,564,906
Total assets	4,264,559	4,172,270	4,059,941	40,231,689
Interest-bearing debt	311,485	352,124	404,039	2,938,538
Mitsubishi Electric Corp. shareholders' equity	2,259,355	2,039,627	1,838,773	21,314,670
Capital expenditure (Based on the recognized value of property, plant and equipment)	181,513	175,542	177,801	1,712,387
R&D expenditures	210,308	201,330	202,922	1,984,038
Per-Share Amounts				
Yen				
Net income attributable to Mitsubishi Electric Corp.				U.S. dollars
Basic	¥126.70	¥98.07	¥106.43	\$1.195
Diluted	—	—	—	—
Cash dividends declared	40	27	27	0.377
Statistical Information				
Operating income ratio	7.2%	6.4%	6.9%	—
Return on equity (ROE)	12.6	10.9	12.4	—
Interest-bearing debt to total assets	7.3	8.4	10.0	—

See accompanying Notes to Consolidated Financial Statements.

- 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.
- From the fiscal year ended March 31, 2018, the Company has adopted Accounting Standards Update 2015-17 "Balance Sheet Classification of Deferred Taxes" issued by the Financial Accounting Standards Board. The consolidated balance sheet as of the previous fiscal year has been reclassified to reflect this adoption.
- 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.
- Diluted net income per share attributable to Mitsubishi Electric Corp. is not included in the above figure as no dilutive securities existed.
- U.S. dollar amounts are converted from yen at the rate of ¥106=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2018.

### Net Sales Breakdown by Business Segment



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

# President's Message

Aiming to Become a Global, Leading Green Company  
Working as a Group to pursue our Corporate Mission.



## Pursuing our Corporate Mission

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The Mitsubishi Electric Group places top priority on pursuing its Corporate Mission, which states that "The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, we enhance the quality of life in our society."

Based on this policy, we strive to resolve environmental issues, resource and energy issues, and other contemporary social issues on a global scale by providing suitable products, systems and services. At the same time, we aim to be a global, leading green company that contributes to realizing an affluent society that simultaneously achieves "sustainability" and "safety, security and comfort." We also direct our efforts to contribute to achieving the 17 SDGs\* that are the world's common goals by creating new value toward resolving social issues and pursuing sustainable growth through all our corporate activities.

The commitment to "enhance the quality of life in our society," as stated in our Corporate Mission, I believe, is synonymous with realizing a "sustainable society." This means our initiatives to achieve the SDGs correspond to the Group's Corporate Mission and are crucial.

Mr. Sakuyama, our previous president, likened our financial figures as the "height and weight" and our corporate social responsibility as the "personality" of our company, and noted the importance of being accepted by society based on these two aspects. No company can continue to exist without trust. In order to be recognized for our personality, we must promote greater awareness among our stakeholders about our initiatives to pursue our Corporate Mission. And upon doing so, we must earn trust by satisfying society, customers, shareholders and employees, as mentioned in our management policy.

\* The SDGs (Sustainable Development Goals) are a plan of action adopted by the United Nations General Assembly in 2015 for people, the planet and prosperity towards 2030.

## Continuous initiatives to address the CSR materiality

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At the Mitsubishi Electric Group, we have set down four materiality in the area of CSR to give more concrete expression to our corporate philosophy, and in fiscal 2017 began efforts to shift them into full swing.

The first materiality is to realize a sustainable society, and the second is to provide safety, security and comfort. Each of our businesses aims to offer products and services that simultaneously deliver sustainability and safety, security and comfort, but we are also creating new value through technology synergies and business synergies. For example, combinations of differing technologies and businesses, such as ZEB (net Zero-Energy Building) that ensure energy-saving throughout entire buildings, autonomous driving technologies that take advantage of the high-precision positioning information service provided by the quasi-zenith satellite, and smart factories that deliver dramatic improvements in productivity and quality through automation and IoT technologies, create new value that contributes to resolving social issues.

The third materiality is to respect human rights and promote the active participation of diverse human resources. To address



international human rights issues, we established the Mitsubishi Electric Group Human Rights Policy in September 2017, and from the perspective of diversity, we are now employing an increasing number of non-Japanese nationals and women. Furthermore, to create an environment that promotes the active participation of all human resources and embraces diverse working styles, we have launched work style reforms in fiscal 2017 as a Company-wide policy. The Group is endeavoring to improve both the tangible and intangible aspects of business from the four perspectives of "Improvement of productivity by streamlining operations," "Further pursuit of achievements and efficiency," "Work-life fulfillment" and "Promotion of communication in the workplace." It is my hope that our employees achieve a good work-life balance and feel good about working for the Mitsubishi Electric Group.

The fourth materiality is to strengthen corporate governance and compliance on a continuous basis. Strengthening corporate governance and enhancing its effectiveness are prior issues at the Mitsubishi Electric Group. To improve our business supervisory functions, we continuously enhance the effectiveness of the Board of Directors. For example, we have offered various opportunities to provide information and exchange views with outside directors, and held reviews of the Board of Directors. Through these measures, we have acquired various opinions about our corporate responsibility from outside directors based on their wealth of knowledge and experiences. By incorporating them into our management policy, we aim to corporate management that is supervised by a sound oversight mechanism.

The Group regards compliance as the foundation of corporate management. Recent years have witnessed Japan experiencing a spate of compliance violations related to quality and other aspects of business, but one reason why these incidents have occurred is because companies have prioritized reaping short-term profits over fulfilling their social responsibilities. To prevent such incidents, each and every one of our employees need to be fully aware of our Corporate Mission, which calls for us to "enhance the quality of life in our society," and to act with a conscious awareness not to "violate applicable laws or business ethics or practices."

## Identifying which SDGs to prioritize

The Mitsubishi Electric Group has launched initiatives to address the SDGs in fiscal 2018. Moreover, the Keidanren has also revised its Charter of Corporate Behavior to include a provision that seeks full contribution to the SDGs to reflect growing social expectations.

Through the Group's diverse businesses and corporate activities related to the environment, society and governance, we believe we can make a contribution toward accomplishing the SDGs. However, to contribute further, we need to identify goals to which we are particularly well positioned to contribute. As a comprehensive

electronics manufacturer that aims to be a global, leading green company, we can contribute significantly to environmental issues and to the resource and energy sectors. In this light, we have selected Goal 7 "Affordable and clean energy," Goal 11 "Sustainable cities and communities," and Goal 13 "Climate action" as areas where we can create new value and that correspond to our vision of becoming a global, leading green company.

In May 2018, the Mitsubishi Electric Group signed the UN Global Compact\* to promote CSR activities based on international norms. Taking this as a new beginning, we intend to step up our efforts to promote activities toward realizing a sustainable society on a global scale.

Research and development are also an important part of the Group's activities toward achieving sustainable growth, and efforts are made with a focus on "smart manufacturing," "smart mobility," "comfortable space," and "infrastructure for safety, security and relief" as keywords for solving social issues and creating value. At the same time, with eyes on the future of society, we are pursuing research of future technologies that are needed to achieve our vision.

\* The UN Global Compact is an initiative launched by the United Nations to realize sustainable growth.

## Promoting further our Corporate Mission

Mitsubishi Electric will celebrate its 100th anniversary in fiscal 2021. I wish to forge a medium- to long-term vision that also includes environmental initiatives and will serve as a roadmap showing how the Mitsubishi Electric Group will contribute to realizing an affluent society.

For the Group to achieve continuous growth, all our employees must gain a solid understanding of the concept and importance of CSR and the SDGs. I hope that each and every one of our approximately 150,000 employees engages in their duties with the understanding that environmental issues, poverty and other such global-scale issues are matters that personally concern them. I also hope they will continue to be the kind of individuals who are capable of contributing to society even outside their business duties by participating in philanthropic activities.

The Mitsubishi Electric Group could become a corporate group that can better contribute to society if each employee thinks independently and executes the Group's Corporate Mission. By striving to become a Global, Leading Green Company, we will make Group-wide efforts to pursue sustainable growth and further enhance our corporate value.

*T. Sugiyama*

Takeshi Sugiyama  
President & CEO



# CSR Management

## Principles of CSR

The Mitsubishi Electric Group regards its corporate social responsibility (CSR) initiatives as the foundation of its corporate management, and upholds its Corporate Mission and Seven Guiding Principles as the basic policies of its CSR. Particularly with respect to initiatives related to ethics and legal compliance, Group-wide efforts are made to enforce measures such as enhancing training and strengthening internal controls. Active measures are also taken to ensure and improve quality assurance.

### Mission

#### Corporate Mission

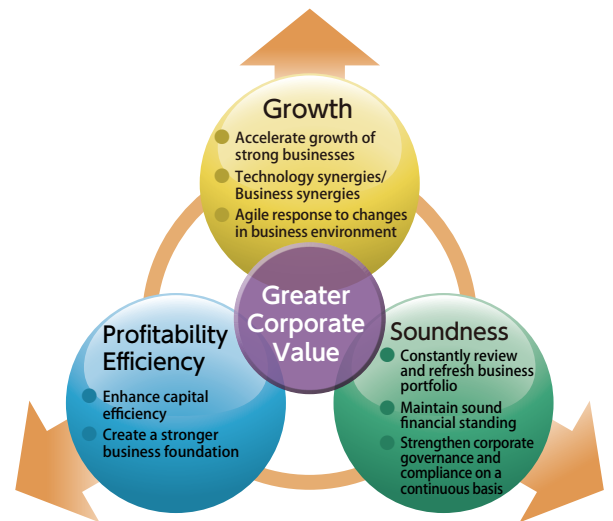
The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, enhance the quality of life in our society. To this end, all member of the Group will pursue the following Seven Guiding Principles.

#### Seven Guiding Principles

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

### Management Policy

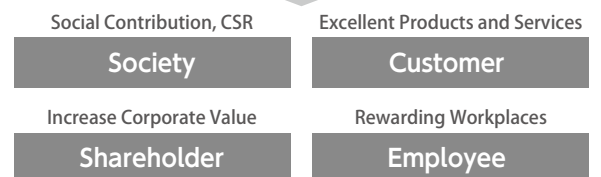
#### Maintain Balanced Corporate Management for Sustainable Growth



#### Strive for Continuous Innovation

Always improving.  
Always delivering new value.

#### Pursue the Satisfaction of the Four Stakeholder Categories



### Identified Social Issues

### Contemporary Social Issues

Environmental Issues

Resource/ Energy Issues

environmental preservation activities, philanthropic activities, and communication with stakeholders.

By engaging in corporate activities based on a management plan and implementing ongoing improvement activities related to CSR and key performance indicators (KPI) based on the PDCA approach, we will contribute toward creating an affluent society.

### Corporate Activities

#### Initiatives through Business



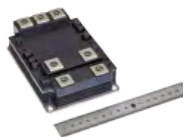
Energy and Electric System



Industrial Automation System



Information and Communication System



Electric Devices



Home Appliances

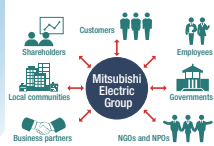
#### Initiatives That Support Business



Environment

Social

Governance



### CSR Materiality

The Mitsubishi Electric Group upholds the Corporate Mission and Seven Guiding Principles as its basic CSR policies, and aims to become a Global, Leading Green Company that contributes to realizing a prosperous society while promoting initiatives to fulfill the four aspects of materiality through the supply chain.



Realize a sustainable society



Provide safety, security, and comfort



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



Strengthen corporate governance and compliance on a continuous basis

Key Performance Indicators (KPI)

Contribute to the realization of a prosperous society

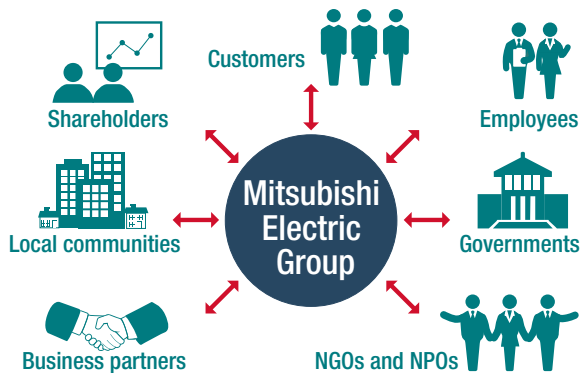
SDGs  
17 Goals and 169 Targets of the SDGs

17 GOALS TO TRANSFORM OUR WORLD



## Mitsubishi Electric Stakeholders

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



Stakeholders of the Mitsubishi Electric Group

negative effects.

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



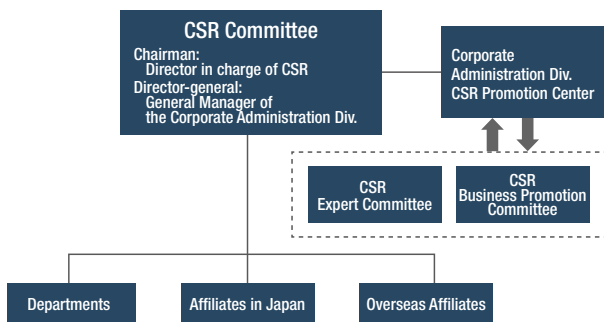
Pursue the Satisfaction of the Four Stakeholder Categories

## Promotional System for CSR

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

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

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



CSR Promotion System



CSR Committee

### Main agenda of the CSR Committee (held in April 2018)

- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year
- Responses to the sustainable development goals (SDGs)
- Responses to ESG (environment, social, governance) investment
- Human rights initiatives
- Supply chain management

## CSR Expert Committee

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

Five such meetings were held in fiscal 2018. Discussions focused on verifying the performance and reviewing the targets of initiatives addressing CSR materiality, and discussing responses to the SDGs. The committee also examined responses to global human rights initiatives by establishing working groups for relevant departments.



CSR Expert Committee

## CSR Business Promotion Committee

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

The committee held five meetings in fiscal 2018, with a focus on discussing how the Group could contribute to addressing the SDGs through business.



CSR Business Promotion Committee

# CSR Materiality and SDGs Management

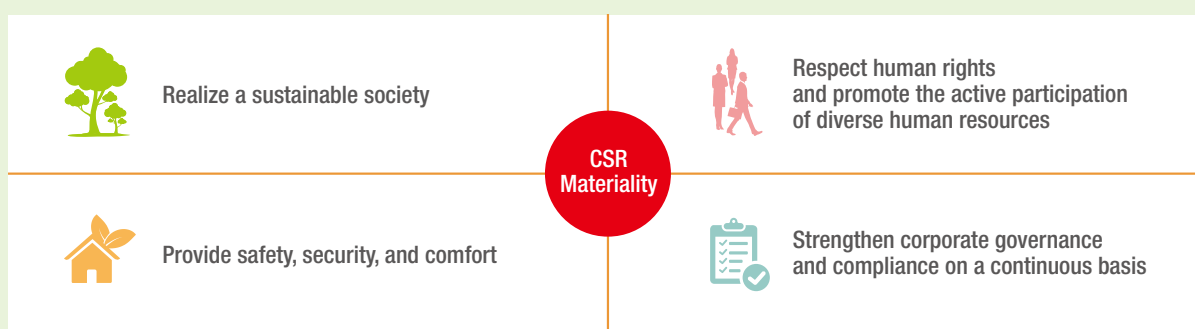
## CSR Materiality

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

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

### CSR materiality

The Mitsubishi Electric Group upholds the Corporate Mission and Seven Guiding Principles as its basic CSR policies, and aims to be a global, leading green company that contributes to realizing a prosperous society while promoting initiatives to fulfill the four aspects of materiality through the supply chain.



## The Mitsubishi Electric Group and the SDGs

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

As set forth in the corporate strategy, the Mitsubishi Electric Group positions itself to become a "Global, Leading Green Company." As such, we contribute to the realization of a prosperous society that simultaneously achieves "sustainability" and "safety, security and comfort" as an embodiment of the Group's corporate mission. This policy corresponds to what the globally shared goals of the SDGs aim to achieve.



### The SDGs (Sustainable Development Goals)

The SDGs are a set of global goals that are to be achieved between 2016 and 2030. They were adopted by the United Nations General Assembly in September 2015 as a successor to the Millennium Development Goals (MDGs) that were formulated in 2001, and are composed of 17 goals and 169 targets for achieving a sustainable world. Two key principles of the SDGs are that they seek change in developed countries, including Japan, and that they pledge "no one will be left behind" in the implementation of their initiatives.

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

 United Nations Information Centres

## Initiatives to address the SDGs

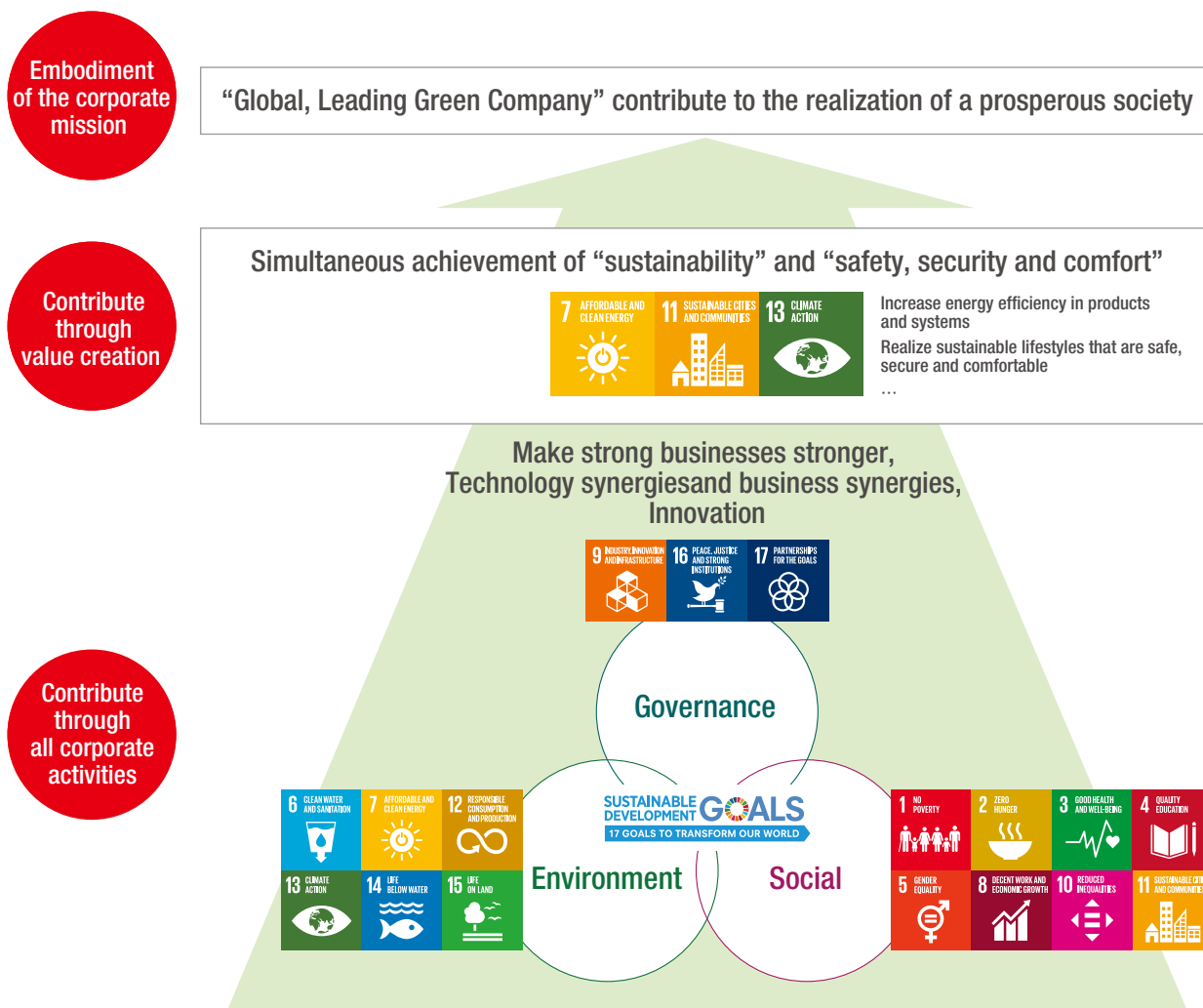
Through the Group's diverse businesses and corporate activities related to the environment, society and governance (ESG), we believe we can make a contribution toward accomplishing the 17 globally shared goals of the SDGs.

However, to contribute further, we need to identify goals to which we are particularly well positioned to contribute. As a comprehensive electronics manufacturer, we can contribute significantly to Goal 7 "Affordable and clean energy," Goal 11 "Sustainable cities and communities," and Goal 13 "Climate action" are areas that correspond to our vision of becoming a global, leading green company. We will contribute even more to achieving the SDGs by creating value in these areas via technology synergies and business synergies and prioritizing the initiatives we advance.

In these ways, the Mitsubishi Electric Group will integrate the concept of the SDGs into its management strategy and continue to promote company-wide awareness of the SDGs.

Through the Group's diverse businesses and corporate activities related to the environment, society and governance (ESG), we believe we can make a contribution toward accomplishing the 17 globally shared goals of the SDGs.

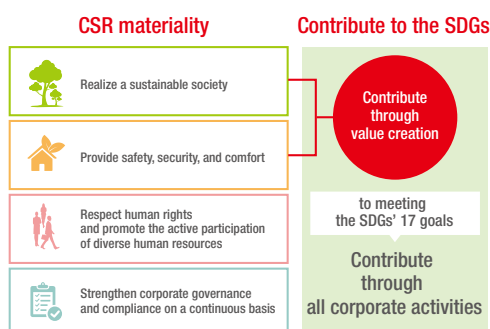
### SDGs for the Mitsubishi Electric Group to prioritize



## Contributing to realizing the SDGs through initiatives related to CSR materiality

The Mitsubishi Electric Group has specified CSR materiality and defined individual targets and KPI, and is pushing ahead with initiatives to achieve the targets. We will specify and revise our CSR materiality with a focus on how we can contribute to resolving social issues as a company, and seek to contribute to realizing the SDGs through the initiatives we apply to the CSR materiality.

Mitsubishi Electric's CSR materiality and our thinking with regard to the SDGs



## Initiatives related to the 17 SDGs

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

projects on a national scale. As such, we believe that we can also make a contribution toward accomplishing the 17 SDGs.



### No Poverty

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



### Zero Hunger

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



### Good Health and Well-being

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



### Quality Education

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



### Gender Equality

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



### Clean Water and Sanitation

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



### Affordable and Clean Energy

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



### Decent Work and Economic Growth

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



### Industry, Innovation and Infrastructure

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



### Reduced Inequalities

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



### Sustainable Cities and Communities

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



### Responsible Consumption and Production

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



### Climate Action

We are working to identify a total valuation of our CO<sub>2</sub> and other greenhouse gas emissions in order to set our goals for reductions.



### Life below Water / Life on Land

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



### Peace, Justice and Strong Institutions

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



### Partnerships for the Goals

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



## Progress of Initiatives to Address the SDGs

The Mitsubishi Electric Group is conducting measures in a variety of forms to make our employees aware of the background to the adoption of the SDGs and to entrench the individual goals themselves, in order to deepen understanding of the SDGs among each of them. Considering how the Mitsubishi Electric Group could contribute, the Group's CSR committee, CSR expert committee and CSR business promotion group commenced reviews by devising potential responses by their own companies. In fiscal 2018, we decided on goals that we could implement on a priority basis.

In addition, in fiscal 2018, Ms. Kaoru Nemoto,

Director of the United Nations Information Centre in Tokyo, participated in a dialogue between Mitsubishi Electric management and experts, and indicated potential expectations on the Group in relation to the SDGs.

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

### Main initiatives to the present

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



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



Lecture presentation regarding the SDGs for research and development divisions



Training of CSR personnel



Corporate Strategy 2018



In-house newsletter

### VOICE (In charge of training on SDGs for research and development divisions)

Group Manager Marketing Group, Center for Future Innovation, Industrial Design Center Mitsubishi Electric Corporation  
**Tomoki Tsukada**



The SDGs encompass numerous issues that can and should be addressed using products and services that employ Mitsubishi Electric Group's technologies.

Up to the present, I have conducted a variety of activities aimed at encouraging an understanding of the fact that the SDGs can function as the point of origin of business ideas. These include calling for participation in external workshops focusing on the SDGs, and organizing lecture presentations by experts.

In the future, my goal is to obtain an accurate grasp of trends in social change from a long-term perspective, and, by establishing concrete areas in which the Mitsubishi Electric Group should conduct R&D and advancing that R&D, to contribute to achieving the Sustainable Development Goals that will improve the quality of life of the greatest number of people through business activities.



# Research and Development Activities for the Lives of the BOP Segment

## About the Small World Project

An excess of seventy percent of the world population falls within the low-income segment known as the "BOP". The Small World Project was hatched by the Mitsubishi Electric junior researchers, based on the idea that Mitsubishi Electric products and technologies should be utilized to benefit not only certain developed countries, but the communities and lives of people throughout the world.

We will contribute to improving the lives of the world's people by visiting local communities and extracting challenges and approaches to solutions through experience and communication with people in the BOP segment.

## A Compact Refrigerator for Increasing Incomes from Selling Fish

On the numerous large and small islands that make up Indonesia, fish from the sea are not only a primary source of food, but their sales are also a source of daily livelihood for many people. However, fish sold under the scorching sun tend to spoil quickly. This causes drops in sales prices or fish left unsold, leading to income instability. There are also health issues such as food poisoning caused by consuming spoiled fish. To address such issues that have been revealed by local investigation, we aim to develop a compact refrigerator as one of the challenges of this project.



Selling fish by motorcycle, and a close-up of spoiled fish

### SDGs to which we can Contribute



**Goal 1:** The compact refrigerator will enable sales of fresh fish over longer hours and to more distant locations. This would lead to more stable/increased income by preventing price drops and reducing the number of unsold fish.



**Goal 3:** The compact refrigerator will prevent food poisoning caused by consumption of spoiled fish. It would also be useful in delivering vaccines in areas without electricity, and for applications that require temperature control.



Prototype model of the motorcycle-powered compact refrigerator



A meeting with local people who will take part in the test sale using the prototype


**User Interface for  
Voice-activated  
Drawing**

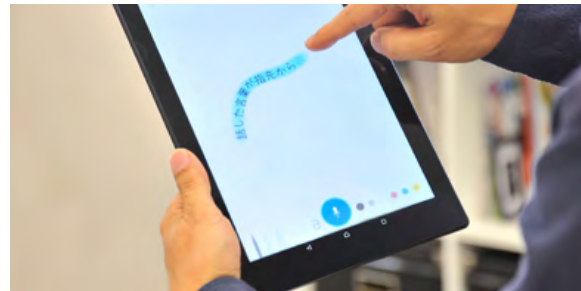
Develop a world-first app to achieve smooth and diverse communications with the deaf, hard-of-hearing people and foreigners.

## Communication that allows the deaf, hard-of-hearing people and foreigners to break through barriers

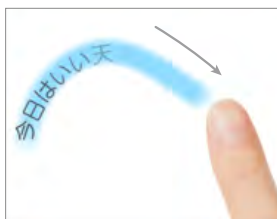
There have always been major communication barriers between the deaf, hard-of-hearing people and hearing people who don't know sign language, and among people without a common language. Japan, in particular, is looking forward to rapid growth in foreign visitors, so barriers of language and hearing impairment are major social issues.

Mitsubishi Electric has developed the world-first "User Interface for Voice-activated Drawing" which can display spoken words as text on lines traced with the fingers. This UI has a new function that displays text along the line traced with your finger if you move your finger on the display while talking.

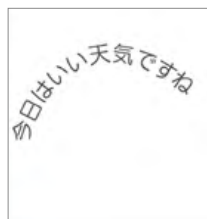
"User Interface for Voice-activated Drawing," used in a voice-activated app that combines drawing with multilingual translation and other functions, achieves an intuitive and approachable ease of operation, enabling easy enjoyable direct dialog with the deaf, hard-of-hearing people and foreigners who would have been hard to communicate with before.



### Features of "User Interface for Voice-activated Drawing" Trace with your finger while talking to display text



Trace with your finger while talking



Text is displayed along the traced line

### Main SDGs to Which We Can Contribute



Support smooth, fun communication that breaks through barriers of hearing impairment and language. Help to build a society in which the emotions of people around the world are connected.

### CASE

#### Break through the barrier of hearing impairment

Conventionally, sign language and written communication have been used as tools to break through barriers imposed by hearing impairment. However, even when hearing people try to communicate by pointing to documents or diagrams, the deaf and hard-of-hearing people had difficulty following the explanation because they cannot watch both the speaking person's mouth and hands at the same time. The "User Interface for Voice-activated Drawing" App can be used to point at text and illustrations and display spoken words as text from a fingertip, so the content can be understood just by looking at the screen.



#### Scenario illustration

The deaf and hard-of-hearing children can talk with their parents while drawing pictures

## Initiatives / External Evaluation

### Initiatives

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

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

 [UN Global Compact](#)



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

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

spreading and raising awareness of Para-Sports, but also aim to contribute to creating a "inclusive society" where everyone mutually respects and accepts each other regardless of any disabilities.

For example, the Mitsubishi Electric Going Up Campaign kicked off in October 2016 as a project for spreading familiarity with wheelchair basketball and various other sports among as many people as possible. It will be held in sequence throughout Japan toward 2020. Additionally, Mitsubishi Electric Going Up Seminars have also been launched in November 2017 to promote a better understanding of diversity and actions that respect human rights among all employees. This initiative will also be implemented in all offices toward 2020.



Tokyo 2020 Official Partner (Elevators, Escalators and Moving Walkways)

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

Through these activities, we not only contribute to



## Revision of the Charter of Corporate Behavior of the Keidanren

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



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

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

## Main initiatives in which Mitsubishi Electric is Participating

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

## External Evaluation

### CDP

Mitsubishi Electric has once again in fiscal 2018 been named to the A List Companies, the highest ranking given by the international non-governmental organization CDP, in recognition of its environmental initiatives in the three categories of climate, water resources and supply chain for the second consecutive year following fiscal 2017.



 Named to the highest "A List" rank by CDP (Environment)

### FTSE Index Series

FTSE Russell (UK) is a company that engages in the development of global investment indexes and the provision of financial data to investors. Mitsubishi Electric was named as a constituent of the company's FTSE4Good Index Series for the first time in 2017.

Additionally, in July 2017, Mitsubishi Electric was selected as a constituent of the FTSE Blossom Japan Index. The index has also been adopted as an investment outlet by the Government Pension Investment Fund.



### MSCI Indexes

MSCI (USA) is a company that calculates and announces various indexes of global constituents. In July 2017, Mitsubishi Electric was chosen as a constituent for the MSCI Japan ESG Select Leaders Index, which consists of Japanese stock names ranked according to their ESG (environment, social, governance) performance, and also for the MSCI Japan Empowering Women Index (WIN), consisting of select companies in Japan displaying excellent gender diversity. The two indexes have also been adopted as an investment outlet by the Government Pension Investment Fund.



### MS-SRI (Morningstar Socially Responsible Investment Index)

In January 2018, Mitsubishi Electric was selected to the Morningstar Socially Responsible Investment Index (MS-SRI), which selects and creates an index of 150 Japanese companies evaluated by Morningstar Japan K.K. as socially responsible companies.



# Process of Identification and Review of the CSR Materiality

In fiscal 2016, the Mitsubishi Electric Group identified CSR materiality and initiatives in response to today's social trends and business environment, as also specified in the fourth edition of the GRI Guidelines (G4 Guidelines).

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

information disclosure.

In fiscal 2018, an internal review of the materiality was undertaken by the CSR Expert Committee and CSR Business Promotion Committee, in view of subjective evaluations from outside the company, including stakeholder questionnaires (600 respondents) that were also carried out in fiscal 2017, interviews with experts, and dialogues between experts and management.

## Process of Identifying and Reviewing the Materiality

### Step 1

### Awareness of social issues

#### Extraction of candidate materiality from guidelines, etc.

Candidate CSR materiality (29 issues) were identified based on the core issues of ISO26000\*1, the 46 priority aspects laid out in the fourth edition of the GRI Guidelines\*2, and the 169 items of the Sustainable Development Goals (SDGs)\*3.

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

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

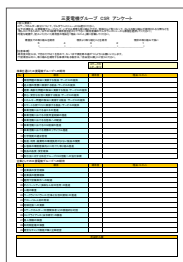
\*3 Sustainable development goals adopted by the UN General Assembly, composed of 17 goals and 169 targets, including issues to be addressed not only by developing countries, but by developed countries as well



Extraction of candidate materiality from guidelines, etc.

### Step 2

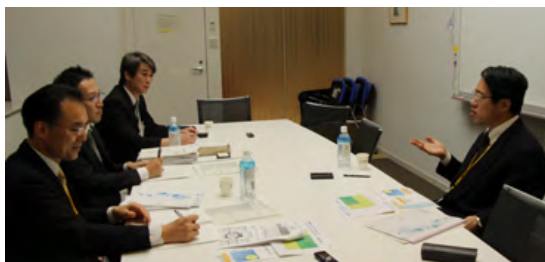
### Assessment of internal and external views and identification of materiality



Questionnaire for stakeholders



Internal working groups



Interviews with experts



Dialogues with experts

### Step 3 **Establishment of materiality**

#### Decision-making by the CSR Committee

The issues thus extracted and identified through the above-described process and specific initiatives and key performance indicators (KPIs) were confirmed by an internal working group and adopted as the Mitsubishi Electric Group's CSR materiality by the CSR Committee.



Decision-making by the CSR Committee

### Step 4 **Review of the materiality**

In fiscal 2018, an ongoing review of was conducted in continuation from fiscal 2017 regarding the CSR materiality, initiatives, and key performance indicators (KPIs), in consideration of opinions from both inside and outside the company.

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



Interviews with experts



Dialogues with experts

## Key points for fiscal 2018: Identifying sustainable development goals (SDGs) to address with priority

In fiscal 2018, discussions were held to identify which SDG goals the Mitsubishi Electric Group should address with priority. These discussions incorporated the views obtained through interviews with experts, dialogues with senior executives, and reader surveys regarding the CSR Report, and elicited the active participation of all business groups across the company.

 **CSR Materiality and SDGs Management**

## CSR Committee, CSR Expert Committee, CSR Business Promotion Committee

In fiscal 2018, particular efforts were made to identify the SDGs to address with priority and to share an awareness regarding the importance of disclosing information in response to growing ESG (environment, social, governance) investments.

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

## Social demands that were particularly taken into consideration in fiscal 2018

- SDGs
- Further promotion of information disclosure in response to growing ESG investments
- Paris Agreement
- Global trends in human rights
- Initiatives of the Group as a global company

# Management of the CSR Materiality

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

By upholding the Corporate Mission and Seven Guiding

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

## Realize a Sustainable Society

### FY2018 initiatives and results

Initiatives		Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Realization of Environmental Vision 2021*1	Contributing to realizing a low-carbon society	Reduce CO <sub>2</sub> emissions from production (less than 1.37 million tons by FY2018)	1.28 million tons (FY2016) → 1.34 million tons (FY2017) → 1.27 million tons (FY2018)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Reduce CO <sub>2</sub> emissions from product usage (35% reduction compared to FY2001 by FY2018)	34% reduction (FY2016) → 35% reduction (FY2017) → 35% reduction (FY2018)		○
	Contributing to creating a recycling society	Reduce resource inputs (40% reduction compared to FY2001 by FY2018)	39% reduction (FY2016) → 38% reduction (FY2017) → 40% reduction (FY2018)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5% by FY2018)	Less than 0.1% by Mitsubishi Electric and domestic affiliates, 0.67% by overseas affiliates (FY2016) → Less than 0.1% by Mitsubishi Electric and domestic affiliates, 0.69% by overseas affiliates (FY2017) → Less than 0.1% by Mitsubishi Electric and domestic affiliates, 0.57% by overseas affiliates (FY2018)		△
		Maintain a plastic recycling rate of 70% or higher for home appliances (maintain rate of 70%)	Maintained a rate of 70% (FY2017) → 70% (FY2018)		○
	Contributing to realizing a symbiotic society	Increase the number of participants in outdoor classrooms and satoyama preservation activities (cumulative total of more than 30,000 participants by FY2018)	28,000 participants (FY2016) → 32,600 participants (FY2017) → 39,000 participants (FY2018)	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Expansion of local species protection activities to offices in Japan (a total of 24 offices by FY2018)	7 offices (FY2016) → 17 offices (FY2017) → 24 offices (FY2018)	Mitsubishi Electric	○
Strengthening the environmental management foundation	Maintain a 100% attendance in environmental e-learning programs (maintain rate of 100%)	Maintained a rate of 100% (FY2017) → 99.8% (FY2018)	Mitsubishi Electric	△	
Contribution through products and services	Provide products and services that contribute to "mitigating and adapting to climate change," "optimizing energy use" and "sustainable production and consumption."	Contributed to mitigating and adapting to climate change by optimizing energy use through products and services*2	All Mitsubishi Electric Group companies (Japan, overseas)	○	
		Contributed to sustainable production and consumption through products and services*2			
	Maintain the reduction of CO <sub>2</sub> during product usage (92 million tons by FY2018)	67 million tons (FY2016) → 69 million tons (FY2017) → 71 million tons (FY2018)		×	

\*1 Targets of the 8th environmental plan (fiscal 2016–2018)

\*2 Example (FY2018): MIND Internet data center, SIC chips, GaN transistors and devices, semi-transmissive LCD modules, station auxiliary power supply, BuilUnity, ZEB, development for expansion of motor generator variations, DIAPLANET TOWN EMS service for smart towns, ECOrates integrated environmental information system, e-Image electronic form system

### FY2019 targets

Initiatives		Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Realization of Environmental Vision 2021*1	Contributing to realizing a low-carbon society	Reduce CO <sub>2</sub> emissions from production (less than 1.47 million tons by FY2019)	All Mitsubishi Electric Group companies (Japan, overseas)
		Reduce CO <sub>2</sub> emissions from product usage (35% reduction compared to FY2001 by FY2019)	
	Contributing to creating a recycling society	Reduce resource inputs (40% reduction compared to FY2001 by FY2019)	All Mitsubishi Electric Group companies (Japan, overseas)
		Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to reduce the rate to less than 0.5% by FY2019)	
		Maintain a plastic recycling rate of 70% or higher for home appliances (maintain rate of 70%)	
Contributing to realizing a symbiotic society	Improve the per-unit sales of water usage (annual improvement of 1% compared to FY2011)	All Mitsubishi Electric Group companies (Japan, overseas)	
	Increase the number of participants in outdoor classrooms and satoyama preservation activities (cumulative total of more than 51,000 participants)	All Mitsubishi Electric Group companies (Japan, overseas)	
	Enhance the level of biodiversity protection activities by offices in line with the Aichi Targets*2	Mitsubishi Electric	
Contribution through products and services	Provide products and services that contribute to the mitigation and adaptation to climate change, optimization of energy use, and sustainable production and consumption		All Mitsubishi Electric Group companies (Japan, overseas)
		Maintain the reduction of CO <sub>2</sub> during product usage (70 million tons by FY2001 standards)	

\*1 Targets of the 9th environmental plan (fiscal 2019–2021)

\*2 Aichi Targets: 20 targets for stopping biodiversity loss agreed upon at COP10



## Provide Safety, Security, and Comfort

### FY2018 initiatives and results

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Product development that places top priority on customer safety	Ensure safety through risk assessment <b>(maintain a 100% rate of implementation of risk assessments of home electronics)</b>	Maintained a 100% rate of implementation of risk assessments of relevant home electronics	All Mitsubishi Electric Group companies (Japan, overseas)	○
Provision of products and services that reflect customers' needs	Develop key persons who are capable of incorporating customers' needs into quality <b>(development of 100% of relevant persons in all departments by FY2021)</b> ※ Relevant persons: Persons who are able to assess and verify customer demands and the basic functions of products and secure and guarantee functions, safety, security and reliability at the development and design stages	Development of 75% of relevant persons (FY2016) → Development of 88% of relevant persons (FY2017) → Development of 96% of relevant persons (FY2018)	Mitsubishi Electric Group companies (Japan)	○
	Make Group-wide efforts to investigate the cause of serious malfunctions that have occurred in the past, and implement countermeasures	Achieved a 100% rate of implementation of investigations into the root causes of serious defects discovered in the previous fiscal year Called attention throughout the Mitsubishi Electric Group (Japan and overseas) regarding common technical issues such as failsafes at the end of the lifecycle of products and salt corrosion	All Mitsubishi Electric Group companies (Japan, overseas)	○
Continuous implementation of education on quality principles that place top priority on customers	Maintain a 100% rate of participation in e-learning programs on quality <b>(maintain a rate of 100%)</b>	Maintained a 100% rate of participation in e-learning programs by Mitsubishi Electric employees and employees of domestic affiliates Expanded the participation of overseas affiliates in e-learning programs 12 overseas affiliates (FY2016) → 27 overseas affiliates (FY2017) → 41 overseas affiliates (FY2018)	All Mitsubishi Electric Group companies (Japan, overseas)	○
Contribution through products and services	Provide products and services that contribute to creating safe and secure communities and to improving health and welfare	Contributed to creating safe and secure communities through products and services* Contributed to improving health and welfare through products and services*	All Mitsubishi Electric Group companies (Japan, overseas)	○

\* Provision of cyberattack countermeasures, information security services, recording and distribution systems for network cameras, AXIEZ multi-language emergency response system, autonomous driving technologies

### FY2019 targets

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

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

### FY2018 initiatives and results

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Prohibition of discriminatory treatment, and human respect	Ensure proper response to international norms related to human rights and dissemination among employees	Established the Human Rights Policy based on international norms and disseminated it in and outside the Group Provided human rights education to the CSR Expert Committee for dissemination across the company	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers	Provided lectures on human rights awareness and harassment prevention to all participants attending training programs for new employees and newly appointed managers	Mitsubishi Electric	○
Realization of workplace environments conducive to work-life balance	Slim down operations through the Work Style Reforms, and cultivate an awareness of results and efficiency.	Incorporated the Work Style Reforms as a management issue of Mitsubishi Electric, slimmed down operations across the Group and cultivated an awareness of results and efficiency	All Mitsubishi Electric Group companies (Japan, overseas)	○
Promotion of diversity through the employment and utilization of diverse human resources	Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances	Promoted diversity by employing and utilizing diverse human resources across the Mitsubishi Electric Group (Japan and overseas)	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Employ people with disabilities beyond the statutory employment rate (higher than 2.0%)	Consolidated result of three companies*1: 2.21% (as of March 15, 2018) Promoted the achievement of the statutory employment rate by domestic affiliates	Mitsubishi Electric Group companies (Japan)	○ (Mitsubishi Electric)
	Increase the ratio of women among new recruits in technical positions (future target of 20%)	9% (FY2017; October 2015 and April 2016 recruits) → 11% (FY2018; October 2016 and April 2017 recruits) → 13% (FY2019; October 2017 and April 2018 recruits)	Mitsubishi Electric	○
	Systematically dispatch employees to overseas OJT programs and language programs (more than 180 employees/year)	Dispatched 103 employees to overseas OJT programs, 103 employees to overseas language programs		○
Promotion of occupational health and mental and physical health	Promote safety management and health enhancement activities	Promoted safety and health management activities in conjunction with affiliated companies that operate in the same areas as Mitsubishi Electric Provided assistance to affiliated companies (Japan and overseas) from Mitsubishi Electric	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Promote safety and health education, and maintain a rate of lost worktime injuries*2 that falls below the industrial average (below 0.51)	Offered safety and health education (e-learning programs) to all employees Rate of lost worktime injuries (absence from work): 0.10	Mitsubishi Electric	○
	Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) Stage III activities (rate of employees maintaining proper body weight: 73.0% or higher; rate of employees who exercise regularly: 39.0%; rate of employees who smoke: 20.0%; rate of employees who perform dental care at least three times a day: 25.0%; rate of 85% or higher of employees who get enough rest by sleeping properly)	Rate of employees maintaining proper body weight 70.2% or higher; rate of employees who exercise regularly: 24.7%; rate of employees who smoke: 24.0%; rate of employees who perform dental care at least three times a day: 24.2%; rate of 67.0% or higher of employees who get enough rest by sleeping properly	Mitsubishi Electric Group companies (Japan)	△

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

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

### FY2019 targets

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Promote human rights initiatives that are based on international norms	Identify and evaluate impacts on human rights across the Group (achieve a 100% rate of implementation by target companies)	All Mitsubishi Electric Group companies (Japan, overseas)
	Promote ongoing human rights training programs, relief measures against human rights violations and other such measures	
	Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers	Mitsubishi Electric
Realization of workplace environments conducive to work-life balance	Continue to promote the Work Style Reforms based on four perspectives (Improvement of productivity by streamlining operations, Further pursuit of achievements and efficiency, Work-life fulfillment and Promotion of communication in the workplace)	All Mitsubishi Electric Group companies (Japan, overseas)
Promotion of diversity through the employment and utilization of diverse human resources	Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances	All Mitsubishi Electric Group companies (Japan, overseas)
	Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)	Mitsubishi Electric Group companies (Japan)
	Increase the ratio of women among new recruits in technical positions (future target of 20%)	Mitsubishi Electric
	Systematically dispatch employees to overseas OJT programs and language programs (more than 180 employees/year)	
Promotion of occupational health and mental and physical health	Promote safety management and health enhancement activities	All Mitsubishi Electric Group companies (Japan, overseas)
	Promote safety and health education, and maintain a rate of lost worktime injuries*3 that falls below the industrial average (below 0.51)	Mitsubishi Electric
	Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 39.0% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)	Mitsubishi Electric Group companies (Japan)

\*3 Number of accidents causing lost worktime per 1 million hours

## Strengthen Corporate Governance and Compliance on a Continuous Basis

### FY2018 initiatives and results

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Results	Scope	Evaluation
Active dialogue with stakeholders	Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)	Held interviews with experts regarding CSR issues seven times; held a dialogue between experts and management officers on CSR issues	All Mitsubishi Electric Group companies (Japan, overseas)	○
	Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, business strategy presentation meetings, and IR activities in Japan and overseas	Held a general meeting of shareholders		○
		Held corporate strategy presentation meetings, financial results presentation meetings, and individual meetings with institutional investors and analysts, in addition to business strategy presentation meetings of the power devices business and FA systems business, and presentations on R&D strategies and achievements		
Corporate management with a sound oversight function	Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review	Held company information sessions for individual investors	Mitsubishi Electric	○
		Provided information that directors require for the supervision of management, in a timely and proper manner, and created new forums for providing data and exchanging views with outside directors to ensure greater provision of proper and timely information to directors		
	Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time	Conducted a review of the board of directors, with the result that the board's ongoing initiatives based on the results of the review of the board of directors and its discussions that have become more active and frank compared to before were deemed valid		○
Compliance training on a continuous basis	Establish the necessary internal regulations and frameworks for ensuring the appropriateness of the Mitsubishi Electric Group's businesses, conduct an internal audit of their status of operation, and regularly report the audit result to the Audit Committee via the executive officer in charge of audits	Provided prior training about the roles, responsibilities and dealings of directors and executive officers to new appointees	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Provided compliance education to directors and executive officers after their appointment, and distributed the latest training materials		
Fair competition (prevention of antimonopoly violations)	Enhance measures for compliance with antimonopoly laws and competition laws	Provided practical training programs based on case studies pertaining to each business on an ongoing basis to approx. 7,000 participants	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Systematization of some rules concerning contacts with other companies in the same business (Aim to mitigate workload by improving efficiency, make sure the evidence is stored and avoid missing procedures, etc.)		
Corruption prevention (prevention of bribery)	Enhance corruption prevention measures	Established the Mitsubishi Electric Group Bribery Prevention Policy	All Mitsubishi Electric Group companies (Japan, overseas)	○
		Developed regulations and guidelines that specifically aim to prevent bribery (scheduled to be distributed within the Group within the next fiscal year or later)		
CSR procurement (environment, quality, human rights, compliance, etc.)	Promote CSR procurement and provide improvement instructions to parts of the supply chain that pose a risk (assess the number of relevant suppliers to whom instructions have been provided)	Provided bribery prevention education (approx. 730 onsite education participants, approx. 21,800 e-learning participants)	Mitsubishi Electric, Mitsubishi Electric Group companies (Japan, some overseas) supply chain	○
		Provided improvement instructions to 26 suppliers. Verified an improvement in 26 companies		
		Expanded the scope of target suppliers to overseas companies (carried out surveys of approx. 400 suppliers mainly in China and Thailand)		

### FY2019 targets

Initiatives	Key performance indicators (KPI) (quantitative targets are shown in brackets)	Scope
Active dialogue with stakeholders	Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)	All Mitsubishi Electric Group companies (Japan, overseas)
	Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, financial results presentation meetings, individual meetings and other such information meetings, and IR activities in Japan and overseas	
Corporate management with a sound oversight function	Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review	Mitsubishi Electric
	Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time	
Compliance training on a continuous basis	Establish internal regulations and frameworks needed to ensure proper operations of the Mitsubishi Electric Group, conduct an internal audit of their operational status, and regularly report the results of the audit to the audit committee via the executive officer in charge of auditing	All Mitsubishi Electric Group companies (Japan, overseas)
	Provide compliance education that utilizes diverse methods, on a continuous basis	
Fair competition (prevention of antimonopoly violations)	Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	All Mitsubishi Electric Group companies (Japan, overseas)
	Provide practical training in reference to case studies that reflect the characteristics of each business, on a continuous basis	
Corruption prevention (prevention of bribery)	Identify issues that accompany the systematization of rules concerning contacts with other companies in the same business and enhance the operation of the system	All Mitsubishi Electric Group companies (Japan, overseas)
	Strengthen responses to vertical restraints and regulations of antimonopoly laws	
CSR procurement (environment, quality, human rights, compliance, etc.)	Enhance bribery prevention measures: provide bribery prevention education (onsite education, e-learning programs), conduct monitoring with an eye to the establishment of regulations and guidelines	All Mitsubishi Electric Group companies (Japan, overseas)
	Formulate CSR procurement guidelines, and obtain a compliance agreement from suppliers targeted for the FY2019 survey (100%)	
	Expand the scope of the survey of overseas suppliers to Europe and the U.S.	Mitsubishi Electric, Mitsubishi Electric Group companies (Japan, some overseas) supply chain

# Realize a Sustainable Society



## "Energy-saving throughout entire buildings" creating new value by combining the Mitsubishi Electric Group's comprehensive strengths and advanced technologies

At the COP21\* held in 2015 (the meeting that produced the Paris Agreement), 175 Parties agreed to an overall target of holding the increase in the global average temperature to well below 2°C above pre-industrial levels, and to a non-binding target of limiting the temperature increase to 1.5°C, by 2025 or 2030. To achieve this target, it is vital to reduce CO<sub>2</sub> emissions from all aspects of our activities—from households and offices to transportation and factories.

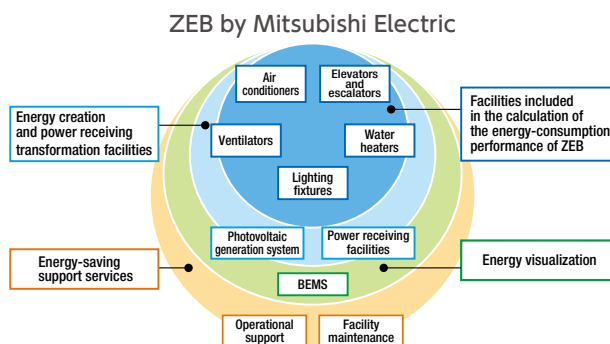
The Mitsubishi Electric Group contributes to promoting energy-saving, highly efficient buildings by combining multiple technologies and applying leading-edge technologies in the area of the operation and control of facilities in office buildings and other buildings.

\* COP21: 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. An international conference for discussing climate change issues.

## The value of ZEB supplied by Mitsubishi Electric, the first ZEB planner among Japanese electronics manufacturers

ZEB stands for net Zero Energy Building, and refers to buildings that achieve significant energy savings, with standards differing by country.

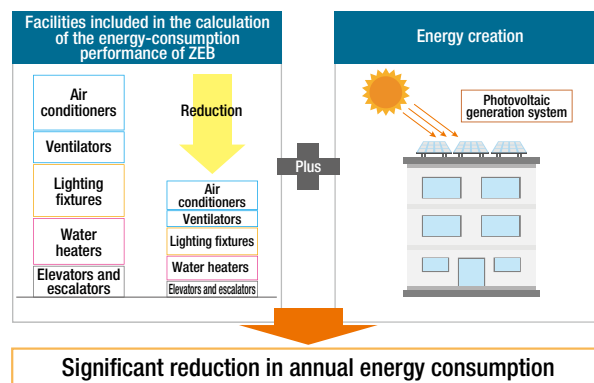
The Mitsubishi Electric Group's ZEB realize these significant energy savings by comprehensively incorporating not only highly energy-efficient building facilities (air conditioners, ventilators, lighting fixtures, water heaters, elevators, escalators), but also energy creation and power receiving/transformation facilities such as photovoltaic generation facilities, energy visualization achieved by BEMS\* and other such systems, and energy-saving support services.



\* BEMS (Building Energy Management System): A system that visualizes and centrally manages the energy usage of an entire building.

## Achieving energy savings through synergies between diverse equipment and technologies

To effectively reduce a building's energy consumption, it is vital to achieve coordination between the know-how that the Mitsubishi Electric Group has developed over many years and the hardware and software of the diverse electrical equipment that has been installed in the building to date. In addition to deploying Mitsubishi Electric-brand high-efficiency facilities, the installation of facilities including photovoltaic generation equipment to create energy also contributes to significantly reducing the annual energy consumption of buildings.



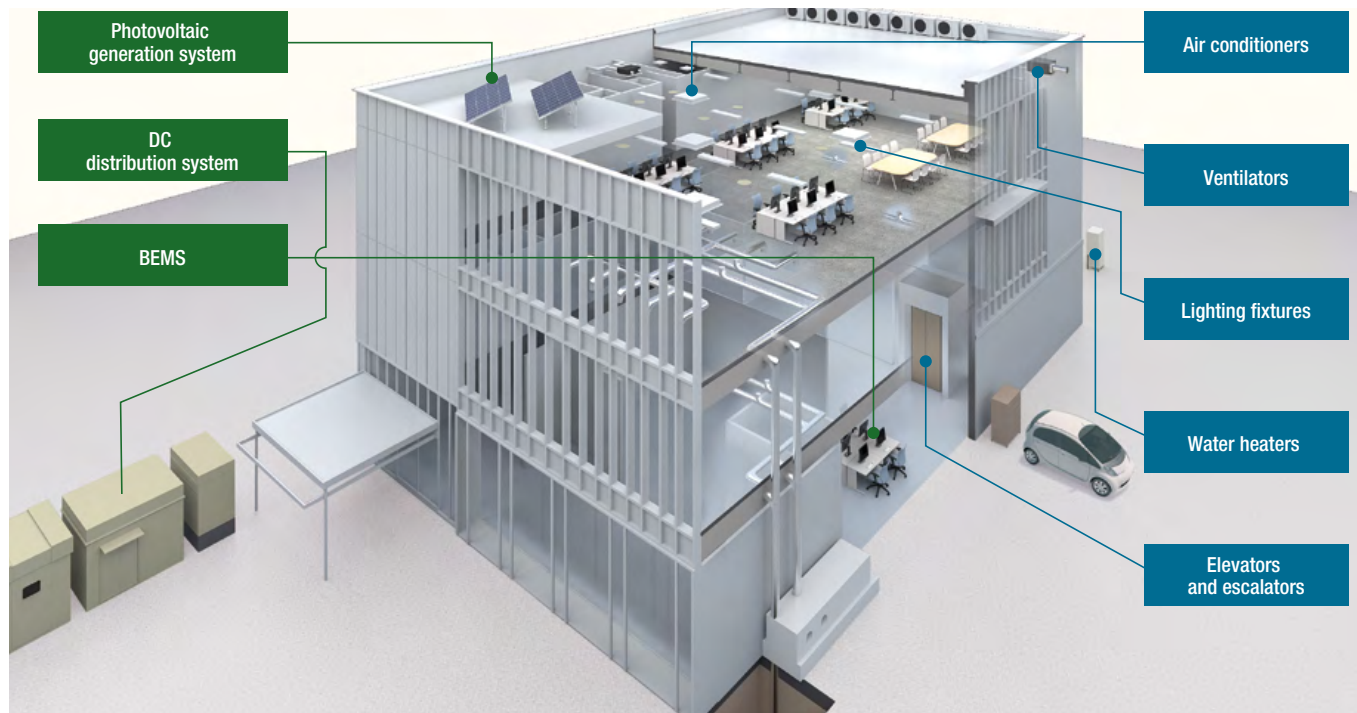
How a building's energy consumption can be reduced

## Mitsubishi Electric's advanced technology : DC distribution system allows energy to be fully utilized

The Mitsubishi Electric Group has succeeded in realizing efficient power supply with its DC distribution system, the latest in its power receiving and distributing facilities. Normally, OA equipment and electric facilities receive AC power, but they actually operate by internally converting the AC power to DC power. As a result, loss or waste is generated in the conversion process. The DC distribution system, by contrast, directly supplies DC power, eliminating any conversion loss or waste. Linking the system to a photovoltaic generation system that generates DC power and storage batteries that store and supply DC power will realize efficient power supply, and is therefore expected to contribute to the realization of ZEB.

## Issues going forward

In the future, energy conservation is expected to steadily advance in all aspects of society on a global scale. To address the energy-saving issues that buildings and homes are likely to face, the Mitsubishi Electric Group will deploy the technologies and know-how that are its strengths as a comprehensive electronics manufacturer in the development of ZEB and ZEH (net Zero Energy Houses), expanding its role in these areas. By further boosting energy-saving performance and using technologies that create a best mix of renewable energies, the Group aims to contribute to the creation of low-carbon societies, bringing an active role in the global arena into its sights.



Schematic diagram of ZEB case study

## CASE (Shirasagi Denki Kogyo Co., Ltd. head office building)

### Realizing 75% energy savings

In February 2018, the Mitsubishi Electric Group installed facilities and systems that included air conditioners, ventilators, lighting fixtures, elevators, photovoltaic generation facilities, BEMs and a DC distribution system in Shirasagi Denki Kogyo's head office, which had been rebuilt in a new location after the original building was damaged in the Kumamoto Earthquake. These installations have realized significant energy savings and enabled the building to achieve "Nearly ZEB"\* status.

\* Evaluation based on "Building-Housing Energy-efficiency Labeling System" formulated by the Ministry of Land, Infrastructure and Transport



Shirasagi Denki Kogyo Co., Ltd. head office building

### VOICE (Customer)



Mr. Yukihiro Numata  
President, Shirasagi Denki  
Kogyo Co., Ltd.

During the Kumamoto Earthquake, our office building suffered considerable damage, to the point that it had half collapsed. We therefore had to build a new office building. We decided to build the new building based on the twin concepts of constructing a disaster-resistant building that could be used as an evacuation center by our employees and their families in a disaster, and deploying ZEB technologies to minimize energy consumption.

Examining several examples of ZEB, we developed a strong interest in Mitsubishi Electric's DC distribution system, and decided to adopt it. Our new office building, which incorporates a BCP (business continuity plan) and environmental measures, is in a way symbolic of our forward-looking attitude. We will continue to pursue whatever we can do as a company for the benefit of our employees and their families, and for the future of the world.

### VOICE (In charge of ZEB engineering)



Tadashi Ishio  
Energy Management Technologies Group,  
Total Building System Solution & Engineering  
Dept. 2, Domestic Marketing Division, Building  
Systems Group, Mitsubishi Electric Corporation

A ZEB is not something that can be realized with one superior building facility. It involves the appropriate combination and optimal control of diverse facilities. It also requires a good coordination between energy-saving designs that are incorporated into the building itself and actual facilities. Therefore, ZEB engineers need to be knowledgeable not only about the facilities that their own department is responsible for designing, but also facilities that are handled by other departments. Cooperation with relevant departments outside the company, such as companies that undertake building design and construction, is also vital to the realization of ZEB.

This recent project made me keenly aware that we are able to supply outstanding ZEB precisely because of Mitsubishi Electric's wealth of building facility products. We hope to contribute to the realization of sustainable societies by offering even better ZEBs going forward.



# Provide Safety, Security, and Comfort

## Towards the solution of traffic issues via autonomous driving technologies – bringing together core Mitsubishi Electric technologies

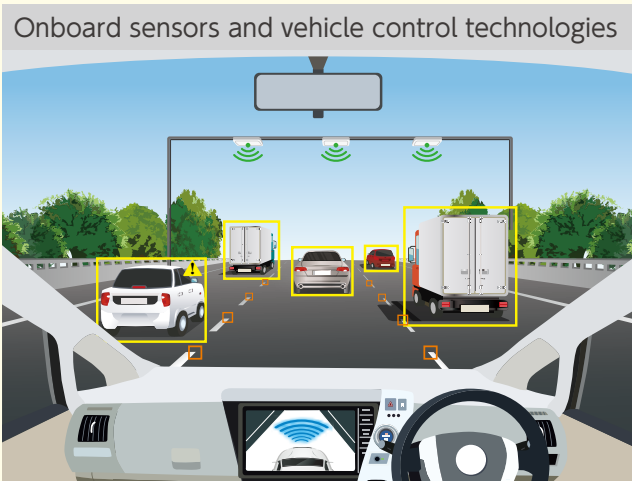
Traffic accidents and traffic congestion are responsible for enormous economic and social losses. In Japan, where a declining birthrate and an aging population are seeing accidents caused by elderly drivers becoming a social problem, these are urgent issues. The Mitsubishi Electric Group is working to realize high-precision autonomous driving systems through the fusion of two technologies: self-sensing driving technologies and network-based driving technologies.

Solution of social problems by means of autonomous driving technologies

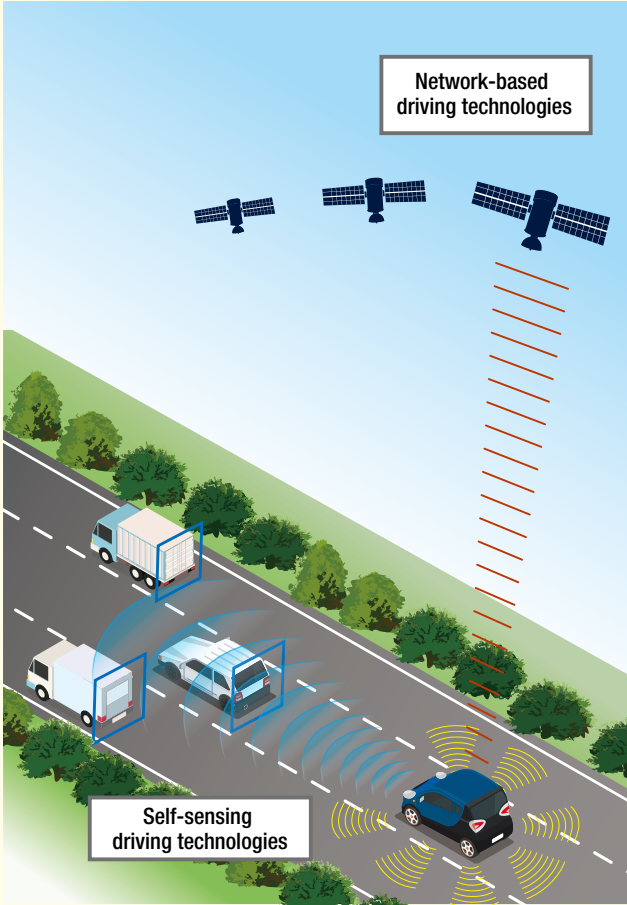
- Reduction of traffic accidents
- Easing of traffic congestion etc.

## Autonomous driving mechanisms and the Mitsubishi Electric Group technologies that support them

### Self-sensing driving technologies



Self-sensing driving technologies will enable vehicles to operate autonomously using a variety of onboard sensors, including cameras, millimeter-wave radar and sonar. Applying sensing technologies fostered in a broad range of fields, the Mitsubishi Electric Group is working to develop new products that assist drivers in recognition, judgment, and vehicle operation. Mitsubishi Electric will continue to polish these technologies into the future, at the same time as advancing applied development in the area of integrated control systems that will be key to the realization of safer, more secure and more comfortable autonomous driving, with the company's core AI technology Maisart as a central element.



### VOICE (In charge of autonomous driving technology development)



**Fumiaki Kadoya**  
Advanced Safety System Development Sect.,  
ADAS Business & Development Dept.,  
Automotive Electronics Development  
Center, Mitsubishi Electric Corporation

In seeking to realize autonomous driving systems, in addition to considering the safety, security and comfort of passengers, I believe that it will also be important to realize vehicle control that is able to reproduce natural driving, operating the vehicle as an experienced driver might. This would further boost the sense of security and the comfort of the passengers.

Given this, Mitsubishi Electric is advancing development that will enable us to integrate self-sensing driving and network-based driving with a high degree of sophistication. We are engaging in a process of trial and error in order to ensure reliability in actual road environments by means of tests on public roads using our experimental vehicles.

Changes in the environment of the domestic and overseas automotive industry are accelerating, and one of the demands on us is to further advance and distinguish driver assist and autonomous driving technologies. Against this background, it is my goal to make our automotive society an even more appealing one through the advanced technologies that only Mitsubishi Electric is able to realize.



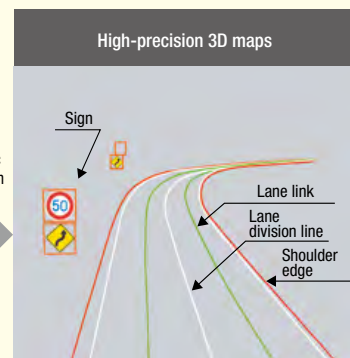
Quasi-Zenith Satellite System



High-precision positioning data



Automatic  
generation



High-precision 3D maps



Road status data

## Network-based driving technologies

Network-based driving technologies are new technologies that seek to enable more precise autonomous vehicle operation by means of cooperation between the vehicle and infrastructure in the surrounding environment. In order to realize these systems, a diverse range of technologies must be integrated, allowing us to make use, apart from the vehicle itself, of systems in the surrounding environment including technologies that gather precise position data from satellites, high-precision three-dimensional maps, and intelligent transport systems.

### The Quasi-Zenith Satellite System: Satellites that provide high-precision position data

Three satellites of the Quasi-Zenith Satellite System were launched in 2017. Mitsubishi Electric was responsible for the design and manufacture of this satellite system, which provides high-precision position data services. The use of these services will make it possible to realize autonomous driving in a range of road environments and conditions in which visibility is poor, such as heavy fog or snow. Mitsubishi Electric commenced proving

trials of autonomous driving on Japanese expressways from September 2017, and we have demonstrated that the use of high-precision positioning terminals that receive position data signals from the Quasi-Zenith Satellite System makes it possible to identify the position of the subject vehicle at the level of centimeters.

### High-precision 3D maps

Dynamic maps are essential to accurately identifying the position of the subject vehicle on a map. In addition to static data on lanes and road edges, these digital maps include dynamic data that changes moment to moment, such as data on congestion and traffic signals. The Mitsubishi Electric Group is continuing research and testing in this area, and has been commissioned by a government agency to conduct and manage large-scale proving trials towards the creation of digital maps. In addition, in June 2017, Mitsubishi Electric joined together with an industrial innovation network, mapping companies, surveying companies, and Japanese automotive manufacturers to launch Dynamic Map Platform Co., Ltd., which is moving ahead with the formulation of data to create a dynamic map platform covering approximately 30,000km of Japanese expressways and vehicle roads.

### Anticipatory data provision

Anticipatory data provision is a system that assists in making advance lane changes, etc. by providing the driver and the vehicle with information that cannot be obtained from the vehicle itself, including data on accidents ahead, data on traffic congestion, and data on traffic regulations (anticipatory data).

Mitsubishi Electric is working towards the practical realization of anticipatory data provision, conducting test course trials in the provision of support for lane changes by providing autonomously operating vehicles with anticipatory data for each lane using road-to-vehicle communication.

## Technological synergy × open innovation: blazing a path to the future

Autonomous driving technologies necessitate the integration of diverse and wide-ranging element technologies. The Mitsubishi Electric Group is advancing initiatives to create innovative technologies, for example by forming project teams across different divisions of the company and promoting open innovation that crosses industry boundaries.

In March 2017, we successfully developed a technology able to efficiently create and modify high-precision 3D maps using AI and Mitsubishi Mobile Mapping System (MMS) technology.

In October 2017, we formed a partnership with Holland's HERE Technologies. By bringing together HERE's global high-precision maps and cloud-based position data services and Mitsubishi Electric's high-precision positioning technologies, our aim is to provide user-friendly position data services.

The Japanese government is seeking to realize fully-autonomous driving with no human input on expressways by 2025. By means of these initiatives, the Mitsubishi Electric Group is contributing to the realization of a society that allows safer, more secure and more comfortable lifestyles.



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

The Mitsubishi Electric Group respects the human rights of all peoples in countries and regions where it engages in business, based on a conscious awareness of its widespread interaction with people and society. Efforts are also made to ensure employee diversity and occupational health and safety, as well as to promote work style reforms that maximize the potential of diverse human resources.

## Message from Management

The Mitsubishi Electric Group sets forth employee codes of conduct on human rights in the Corporate Ethics and Compliance Statement, which was formulated in 2001. The Group has provided employee training on the importance and mental attitude regarding human rights through various programs and activities such as the "Mitsubishi Electric Going Up Campaign," which aims to realize a Inclusive Society\*.

The Mitsubishi Electric Human Rights Policy, which was established in September 2017, sets forth the Group's commitment to further promote proper responses to human rights issues in line with international human rights norms. Based on this policy, we will strive to ensure human rights due diligence and to establish a mechanism for responding to grievances.

Human rights issues pertain to workers, customers, local communities and all other aspects of society, and the scope of the issues extend globally and through all supply chains. Thus, all employees need to participate in addressing them, with cooperation among all departments. Toward this end, we need to realize a further change in employee awareness and to take measures to create a culture that respects human rights, so that each employee can recognize human rights issues as their own and take appropriate action.

The initiatives of the Mitsubishi Electric Group have just begun. By receiving advice from experts on human rights issues and human rights organizations, and by maintaining communication with diverse stakeholders, we will ensure that the Group's initiatives will truly contribute to solving human rights issues.

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



**Mitsuharu Kiwada**

Chief of the Corporate Administration Division  
Mitsubishi Electric Corporation

## Formulation of the Human Rights Policy and Future Roadmap

In September 2017, the Mitsubishi Electric Group formulated the Mitsubishi Electric Human Rights Policy according to the spirit of the Corporate Mission and Seven Guiding Principles. The objective is to promote greater awareness of human rights and deal properly with related issues, thereby ensuring that the Group's business activities do not negatively impact on human rights. In particular, we are implementing measures that prevent and mitigate adverse impacts on human rights by ensuring human rights due diligence that conforms with the UN Guiding Principles on Business and Human Rights. Moreover, the Group is creating a corrective mechanism in the event it comes to light that a Group company's action or involvement has inflicted an adverse impact on human rights.

In fiscal 2019, the Mitsubishi Electric Group will launch

human rights due diligence initiatives by identifying and evaluating impacts on human rights (a human rights impact assessment) at all company sites. We will also explore ways to improve the mechanism for receiving grievances from those who have suffered a human rights violation and provide an avenue for relief (a grievance handling mechanism). At the same time, all suppliers along our supply chain will be requested to strengthen their human rights responses as part of their initiatives to promote CSR procurement.

In fiscal 2020 and beyond, we will promote these initiatives further, and plan to create a system that also includes the supply chain in preventing and mitigating adverse impacts on human rights. The program will include follow-up evaluations of the initiatives for human rights responses.



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

Since fiscal 2017, Mitsubishi Electric promotes a "Work Style Reforms" as a management policy, and strives to create a working environment where work-life balance can be achieved by everyone by "creating a corporate culture that places even greater emphasis on achievements and efficiency" and "reforming employees' attitudes toward work." Each department, organization and office implements specific measures that promote the Work Style Reforms based on the following four perspectives.

### Four perspectives on Work Style Reforms

#### Improvement of productivity by streamlining operations

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

#### Further pursuit of achievements and efficiency

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

#### Work-life fulfillment

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

#### Promotion of communication in the workplace

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

\* JIT (Just in Time): Small-group activities that aim to increase productivity by thoroughly eliminating operational inefficiencies.

In February 2017, the "President's Forum on Work Style Reforms" was launched, in which the president of Mitsubishi Electric makes a round of all offices to personally explain the objectives and importance of the initiative to all employees. By directly engaging employees in dialogue with the president and absorbing their views, requests and opinions about issues in promoting Work Style Reforms in each office and about corporate matters, the forum aims to disseminate even more effective measures.



Poster for in-house dissemination of information

### Examples of office-specific activities

- Lectures for management personnel by external lecturers
- Establishment of conference rules (50 minutes as a rule, no meetings to be held after 5 p.m., etc.)
- Introduction of concentrated work times
- Introduction of "Refresh Wednesday" to promote work-life balance

## TOPICS

### ● Dialogues with outside experts for effective human rights initiatives

To ensure that the Mitsubishi Electric Group implements viable initiatives to address human rights issues, we hold dialogues with experts and human rights NGOs to gather their advice on human rights initiatives.

In fiscal 2018, the Group had the opportunity to hold a dialogue with Amnesty International Japan, and gained advice on establishing a mechanism for handling grievances. Also emphasized was the importance of addressing human right issues from the perspective of human rights in the broad sense of the term such as long working hours, gender equality and so forth, and not from the perspective of individual issues.

We will continue to hold dialogues with stakeholders to steer the Group's human rights initiatives in the right direction.



Dialogue with Amnesty International Japan

### ● Mitsubishi Electric Going Up Seminar on diversity

In Japan, the upcoming 2020 has triggered a growing demand for initiatives to promote greater understanding of diversity and realize a inclusive society. Mitsubishi Electric has launched the Mitsubishi Electric Going Up Seminar in October 2017 with the cooperation of Mirairo Inc.\*. The seminar teaches employees how to properly interact with people with disabilities, and is being held sequentially in all offices so that as many employees as possible can attend.

\* Mirairo Inc.: A company that provides consultation services regarding universal design from the perspective of "barrier value," or the concept of changing barriers into value



Mitsubishi Electric Going Up Seminar

# Strengthen Corporate Governance and Compliance on a Continuous Basis

To realize sustained growth and increase corporate value, the Mitsubishi Electric Group works to maintain the flexibility of its operations while promoting management transparency. These endeavors are supported by an efficient corporate governance structure that clearly defines and reinforces the supervisory functions of management while ensuring that the company is responsive to the expectations of customers, shareholders, and all of its stakeholders. Additionally, the Mitsubishi Electric Group

## Corporate Governance

### Message from Management

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

Mitsubishi Electric has adopted a committee system, with the separation of the management supervisory functions from the execution of business being one of its core principles. Based on this principle, the Chairman, who oversees the management supervisory functions, is separate from the President & CEO, who is head of all executive officers, and neither is a member of the nomination or compensation committees. By clearly separating the two functions, Mitsubishi Electric ensures the effectiveness of its corporate governance.

As also stated in the CSR Materiality, Mitsubishi Electric's drive to strengthen its corporate governance is a continuous process. To further enhance the Board of Director's business supervisory function, venues were established for supplying information to, and exchanging views with, outside directors, in FY2016. Through these venues, efforts were continued in FY2018 to ensure proper and timely provision of information to the directors.

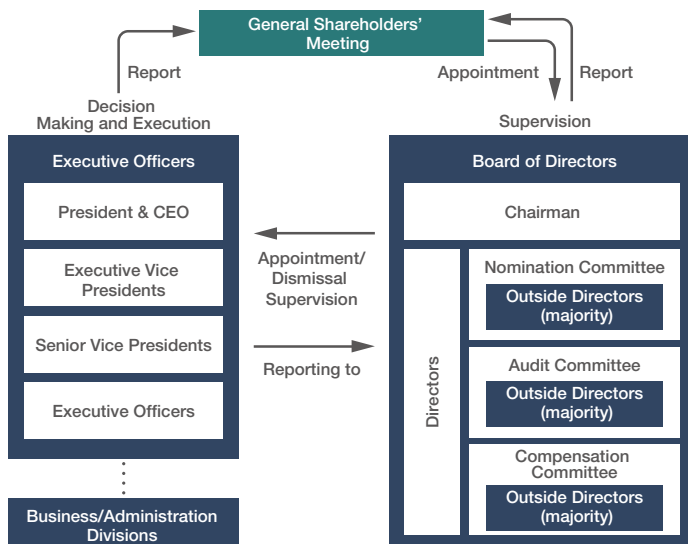
The review of the Board of Directors, which is held every year to strengthen the performance of the Board of Directors, was also held again in FY2018. The review results yielded the evaluation that the Board is consistently sharing management-related information with executive officers in a proper and timely manner and is making readjustments as necessary in response to the results of the review of the Board of Directors in order to properly fulfill its business supervisory function, and that discussions have become even more active and open compared to before. This evaluation in effect endorses the performance of the Board of Directors, but further efforts will be made to enhance debates and discussion by the Board, such as by expanding deliberation times.

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



**Shinji Harada**

Executive Officer  
Mitsubishi Electric Corporation



Corporate Governance Framework



Board of Directors

recognizes that not only ethics and legal compliance, but also compliance in the wider sense of the term that includes the perspective of corporate ethics, are the foundation of the Group's continued existence. Based on this understanding, ongoing efforts are being made to strengthen initiatives related to anti-trust laws, the prevention of corrupt practices and supply chain management, as priority action items.

## View from an Outside Director

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

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

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

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

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



**Mitoji Yabunaka**

Outside Director  
Mitsubishi Electric Corporation

## Continually Strengthening Compliance

The Mitsubishi Electric Group abides by the Corporate Ethics and Compliance Statement formulated in 2001 as its basic guideline for compliance, and recognizes the importance of ethics and legal compliance as a fundamental precondition for the Group's continued existence.

Based on this awareness, efforts are directed at strengthening the compliance system, maintenance of facilities, and employee education program, to broadly promote compliance that not only encompasses legal compliance, but also includes the perspective of corporate ethics.

In particular, the Mitsubishi Electric Group treats preventing the violation of anti-trust laws and corruption prevention (preventing bribery) as important issues. We have established a set of internal company regulations, strengthened education and awareness, and are in the process of working on other prevention initiatives. Reflecting on mistakes made in the past, we are establishing rules for contacting companies in our industry, holding continual training divided by level and business headquarters, and engaging in other measures keep the prevention of antitrust violations clear in people's minds and prevent recurrences. For the prevention of bribery, we have enacted the Mitsubishi Electric Group Anti-Bribery Policy in April 2017 and spread it both inside and outside the company, as well as built internal policies for dealing with public officials and other figures, held e-learning geared toward bribery prevention and interview-based practical training with case studies included, and taken other measures to strengthen our policies.

We have also distributed the Mitsubishi Electric Group Standard for Ethics and Regulatory Compliance, a summary of our company's

principal approach to compliance, to all employees and are holding continual training related to the standard.

Various learning programs on laws and regulations related to procurement are also provided to employees in charge of procurement activities as one aspect of supply chain management. In Japan, a course on material procurement laws provides guidance and education on the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, the Construction Contractors Law, and our systems of internal checks and balances. In overseas offices, compliance education related to procurement is provided to ensure no employee becomes involved in bribery, embezzlement, or anything else that goes against the principle of fair trade. In addition to the above, CSR education based on CSR Procurement Guidelines is also provided to employees in procurement departments to further strengthen CSR initiatives along the supply chain.



Working-level conference on compliance in the China region



Meeting of compliance managers in the Asia region

# Communication with stakeholders

## Status of Communication

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

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

# Results of Reader Surveys

## Questionnaire-based Survey Conducted on CSR Reports

The Mitsubishi Electric Group conducted a survey questionnaire among its stakeholders in Japan regarding the Group's CSR initiatives and CSR Report 2017, resulting in responses from 600 individuals.

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

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

### Survey summary and partial results

**[Period]**

December 2017

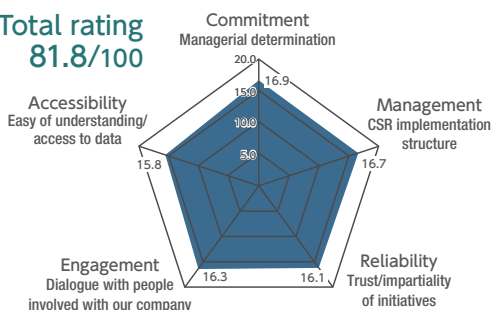
**[Questionnaire responders]**

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

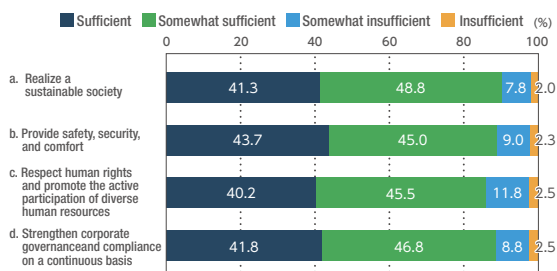
**[Main questions]**

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

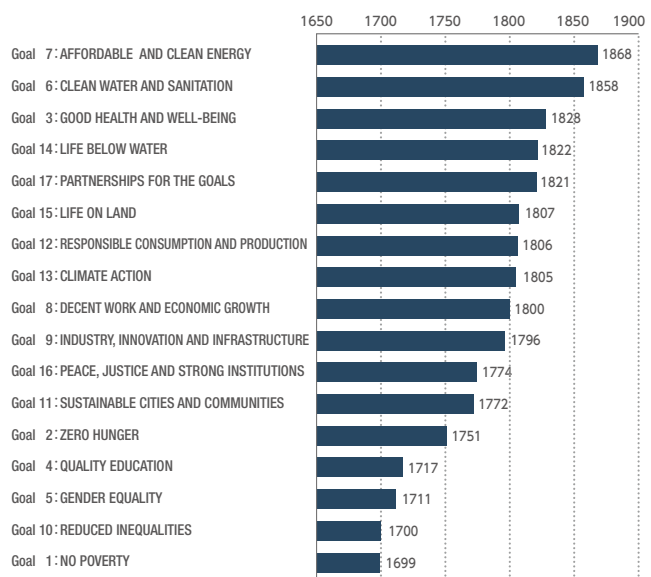
**Total rating**  
81.8/100



**● Evaluation of the CSR materialities**



**● Expectations of the Mitsubishi Electric Group to address the Sustainable Development Goals (SDGs)**



\* The graph shows the total scores of each SDG based on a score system, where "large expectations" is given four points, "some expectations" three points, "low expectations" two points, and "little expectation" one point.

## Interviews with Experts

The Mitsubishi Electric Group has held interviews with experts with profound knowledge who play an active role in their respective fields to hear their opinions on the Group's CSR initiatives in light of the latest CSR trends. Staff responsible for driving CSR initiatives and representatives of departments closely involved with CSR efforts interviewed the experts in person. The interviews mainly targeted the Mitsubishi Electric Group's CSR

materiality and the experts' expectations of the Group regarding the Sustainable Development Goals (SDGs), ESG (environment, social and governance) investment, and other such trends in Japan and overseas.

In fiscal 2018, we received opinions from overseas experts and multiple asset management institutions and incorporated these global and investor viewpoints into our CSR activities.



Chief Researcher, Daiwa Institute of Research Ltd.;  
Co-CEO, Japan Sustainable Investment Forum (JSIF)

### Mariko Kawaguchi

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

#### Opinions offered:

- The ESG investment market is expanding rapidly. As this market emphasizes long-term perspectives, the Mitsubishi Electric Group should strengthen its formulation of medium to long-term strategies and initiatives.
- The criticism that Japan's technical intern trainee system is a modern-day system of slavery should be regarded as a domestic human rights issue. While Mitsubishi Electric may not directly employ technical intern trainees, it should consider responding appropriately to this problem, as they may be employed within the Group's supply chain.



Representative, Sustainavision Ltd.

### Takeshi Shimotaya

Field of specialization: Human rights issues, CSR trends in Europe

#### Opinions offered:

- It is important to ensure that the human rights policies established in fiscal 2018 are disseminated across all companies in the Mitsubishi Electric Group. Human rights issues should be conveyed in an easy-to-understand manner by exposing all personnel, from the management to employees, to situations that involve human rights issues.
- Human rights issues largely differ by region. Responses need to be based upon listening to the voices of stakeholders in each region.
- Mitsubishi Electric evaluates suppliers based on a self-assessment questionnaire, but it should also strengthen its training programs for suppliers, so they can function even more efficiently.
- It is admirable that the company actively incorporates the voices of its stakeholders in its CSR activities, but from now on it should also consider people in vulnerable positions who cannot speak directly to the company.



Director and Head of Business Development  
Lloyd's Register Japan

## Hidemi Tomita

Field of specialization: CSR in general (has engaged in the design of various standards, such as the Tokyo 2020 Olympic and Paralympic Games Sustainable Sourcing Code, ISO20400, and GRI)

### Opinions offered:

- My impression is that the Mitsubishi Electric Group addresses CSR seriously and sincerely. I hope that the company will continue to strive to participate in global initiatives and comply with international standards.
- To contribute more to achieving the SDGs, the company should tighten the focus of its initiatives.
- Although it may be difficult to observe the rules of supply chain management a hundred percent, the company needs to clearly communicate to business partners the standards it aims to achieve. Communication is instrumental to strengthening the cooperative framework with business partners.
- In accordance with international procurement standards, the company needs to keep a close eye on the supply chain, from upstream to downstream, to ensure that no human rights issue occurs in relation to its installation work.



Executive Director  
Shared Value Initiative

## Justin Bakule

Field of specialization: CSV\* (based in the U.S.)

### Opinions offered:

- As a company that strives to be a "leading global green company," it is desirable for the Mitsubishi Electric Group to establish a clear relationship between its environmental and social goals and activities and its business performance, and to present a clear picture of how these initiatives contribute to sales and profits.
- The four materialities are highly apt and serve an indispensable role in the Group's effort to fulfill its social responsibilities.
- Among the CSR materialities, the company's initiatives for realizing a sustainable society can be expected to contribute to the SDGs through energy conservation, efficiency improvement and emissions reductions. Toward this end, I hope that the company will play a leading role in developing the necessary technologies.
- The materiality of providing safety, security and comfort is related to SDG 11 pertaining to sustainable cities and communities, and is an area where the Mitsubishi Electric Group can demonstrate its strengths. Expectations are particularly high in the transportation system, urban planning and emergency network sectors, where there is strong demand from public institutions and enterprises.

\* CSV: Creating Shared Value. This is a strategy for balancing corporate economic profit activities and creating social value (resolving social issues).



Founder & Chief  
First Penguin

## Wong Lai Yong

Field of specialization: CSR in Asia, community engagement, developing and providing youth educational programs at First Penguin (based in Malaysia)

### Opinions offered:

- With overseas sales accounting for close to 50%, I expect a further strengthening of global initiatives and information disclosure.
- CSR issues of concern in the countries of Asia differ according to each country's stage of development, population of migrant workers, and environmental conditions. The company should explore CSR activities and employee education that matches the region.
- In developing countries where the level of education and awareness of industrial health and safety are not necessarily high, the company needs to construct a management system for industrial health and safety.
- Toward realizing gender equality, I would like to see the company define key performance indicators to establish specific goals for women's active participation, education for female employees and the appointment of female employees to management positions.
- The company's process of identifying and evaluating the CSR materiality from both internal and external perspectives is excellent. Furthermore, the four materiality that have been identified have highest relevance to the entire Mitsubishi Electric Group. From now on, I hope the company will communicate even more actively with stakeholders overseas and reflect their views in its activities.
- In Asia, the rising level of education is expected to also raise people's awareness of consumer rights. The company should therefore continue its commitment to lend an ear to the voices of civil society.

## Major opinions from investors concerning ESG

※ Views were received from a number of asset management institutions.

- ESG is considered necessary for gaining a general picture of the company and for evaluating its values.
- We attach particular importance to ESG initiatives that are implemented across the entire Group on the global scale and throughout its supply chains.
- Even if a company engages in activities that promote ESG, insufficient information disclosure will reflect poorly on the company. Consequently, the Group should proactively disclose information.
- In recent years, companies throughout the world have been trending toward establishing voluntary rules concerning ESG, but Japan is lagging behind. Japanese companies need to actively participate in this trend.
- We place high expectations on the strong commitment of top management.
- Amid a general decline in the R&D expenses of Japanese companies, we place high hopes on strategic investments.
- Companies that have a broad range of businesses should present their priority fields and corporate characteristics in an easy-to-understand manner in the form of strategies. The electric industry is particularly expected to make a significant contribution to environmental businesses.
- We eliminate companies that respond inappropriately to human rights and other such issues from consideration for investment.
- In future, we will consider investing in companies that contribute to achieving the SDGs.



## Dialogues with Experts



From left to right, Mitsuharu Kiwada, Chief of the Corporate Administration Division, Mitsubishi Electric Corporation, Nobuyuki Okuma, Senior Vice President, Mitsubishi Electric Corporation, Masaki Sakuyama, President&CEO, Mitsubishi Electric Corporation, Kaoru Nemoto Director, United Nations Information Centre, Mariko Kawaguchi, Chief Researcher, Daiwa Institute of Research Ltd., Co-CEO, Japan Sustainable Investment Forum (JSIF), Takeshi Shimotaya, Representative, Sustainavision Ltd. (February, 2018)

We held a dialogue on CSR initiatives with guest experts for the third time. Three guests once again participated in the recent occasion and offered their views on the latest CSR trends, as well as their opinions and suggestions regarding their expectations of the Mitsubishi Electric Group.

These dialogues with experts provide an important opportunity for Mitsubishi Electric to promote CSR perspectives as an integral part of management. Last

year, we gained extensive knowledge about SDGs, and subsequently incorporated them into our management strategies. Further beyond to future society, we exchanged views on how the Mitsubishi Electric Group could provide effective solutions to social issues, such as those concerning the global environment, resources and energy, and human rights, through its core businesses.

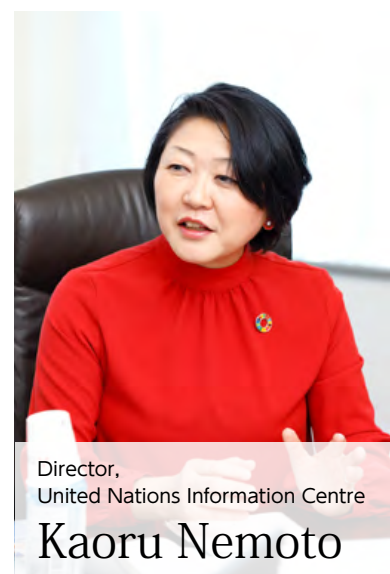
## Important Opinions and Suggestions Offered by Our Guest Experts

### Embrace diversity to create a society that leaves no one behind

I sense a strong commitment in the Mitsubishi Electric Group to promote the SDGs through its core businesses. Given a situation where the numbers of natural disasters caused by climate change have doubled between 2015 and 2016, the population of starving people is increasing, and some 800 million people are undernourished, the company has a large role to play as a comprehensive electronics manufacturer.

In 2020, Mitsubishi Electric will celebrate its 100th anniversary. There are many long-running companies in Japan, and what the SDGs aim for is probably deeply ingrained in the culture of Japanese companies. In the future, I hope that companies augment the traditional Japanese principle of sampo-yoshi, which seeks a three-way benefit among sellers, buyers and society, and pursue a five-way benefit with the inclusion of achieving benefits for the future and for the earth.

The SDGs uphold the commitment to "leave no one behind." It is time to once again make sure the company is open to all minorities, including disabled people and LGBTs. Women's active participation has also yet to see progress. Using their abilities in the workplace translates to the possibility of connecting their needs to new businesses. I hope that the Mitsubishi Electric Group will engage in management based on an awareness that diversity breeds corporate energy.



Director,  
United Nations Information Centre

**Kaoru Nemoto**



Chief Researcher, Daiwa Institute of  
Research Ltd.;  
Co-CEO, Japan Sustainable  
Investment Forum (JSIF)

**Mariko Kawaguchi**

## Create value not only by developing elemental technologies but also by combining businesses

This is my third year participating in this dialogue, and I am once again impressed with the sincere attitude with which the Mitsubishi Electric Group promptly adopts the suggestions it receives and reports on the outcome at the next dialogue. I think the company has also come to master the method of information dissemination.

The ESG (environment, social and governance) investment market in Japan is rapidly expanding. This expansion was triggered by the active engagement of the Government Pension Investment Fund (GPIF), but ESG investment has moved into the mainstream at an increasing pace from the beginning of 2018, with the launch of ESG Financial Meetings among leading figures in banks, securities companies and other financial institutions hosted by the Ministry of the Environment. Within this development, the SDGs have increased their importance as pillars for evaluating ESG investing.

The Mitsubishi Electric Group is in a position to demonstrate its strengths as a comprehensive electronics manufacturer. In doing so, it is important to provide not only high-level elemental technologies, but also systems that bring various businesses together. I have expectations that the company will reinforce its broad range of businesses by the process of addition, and further develop them by the power of multiplication.

## Keep a firm eye on human rights to the very end of the supply chain

I sense a difference in human rights awareness between leading companies in Europe and Japanese companies. In Europe, modern-day slavery, such as forced labor and human trafficking, is a major issue, and in the U.K., the Modern Slavery Act was enacted in March 2015. It is clear that further initiatives and information disclosure will continue to be pursued in the future.

The human rights issue is related to all of the SDGs, and respect for human rights must underlie all corporate activities. From here on, it is essential to disseminate the concept of human rights so that all employees proceed toward the same goal. It is also effective to establish targets for the number of participants in training programs or number of people acquiring a proper understanding of human rights.

For a company to acquire a perspective on human rights, it must communicate with stakeholders and learn what they are thinking. It must also pay heed to people who have no direct stake in the company, such as refugees, immigrants, and indigenous peoples. In plants overseas, the company must pay careful attention to ensure that no relevant supplier uses forced labor or fails to duly consider refugees and immigrants. It is of vital importance to prioritize and assess risks along the supply chain.



Representative, Sustainavision Ltd.

**Takeshi Shimotaya**

## In response to the dialogues

As a goal toward fiscal 2021, the year of the Mitsubishi Electric Group's 100th anniversary, we have set forth a growth target of consolidated net sales of ¥5.0 trillion or more and an operating profit ratio of 8% or more. However, to attain a higher level of presence, we must not only achieve our financial targets, but we must also be a company that is constantly needed by society and that makes a meaningful contribution to it. Therefore, at the Mitsubishi Electric Group, we are placing CSR initiatives at the foundations of our corporate management.

We will take to heart the views we have received from our guest experts on issues related to human rights, diversity, the supply chain, and ESG investment, and once again integrate them into our management initiatives. We thank you for your valuable input today.



Senior Vice President  
Mitsubishi Electric Corporation

**Nobuyuki Okuma**

## Measures for Internal Dissemination

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

### CSR Lectures for Executives

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

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



CSR Lectures for executives (1)



CSR Lectures for executives (2)

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

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



Conference of Administrative Managers of Group Companies

### CSR Training for New Employees

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

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



Implementing CSR Training for New Employees (1)



Implementing CSR Training for New Employees (2)

## CSR Manager Training

Continuing from fiscal 2017, Mitsubishi Electric once again held training in fiscal 2018 for 140 CSR managers from the company's offices and affiliates in Japan. Through lectures and group discussions on the basic principles of CSR, social demands, and the Mitsubishi Electric Group's CSR



CSR Manager Training (1)

initiatives, the participants gained a greater awareness of their specific role as CSR managers in their daily operations.

From fiscal 2019, CSR training for general employees will be implemented via CSR managers to disseminate further understanding of CSR.



CSR Manager Training (2)

## Promoting Understanding of CSR through In-house Newsletters

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



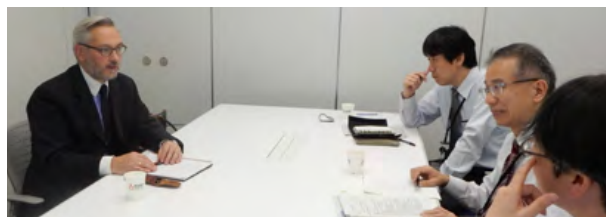
Promoting understanding of CSR through in-house newsletters

## CSR Considerations in Overseas Affiliates

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

In fiscal 2018, particular efforts were made to disseminate Group-wide CSR policies overseas. For example, a shared understanding of the CSR and SDG concepts was established at a conference for overseas departments. CSR was widely introduced in training programs for staff members of affiliates in the Asia region and programs for overseas management executives. Additionally, the company exchanged views on CSR

issues in each region and Group-wide CSR policies with managers of the Asia, Americas and Europe regions.



Exchange of views with overseas managers

### CSR training for local staff in the Asia region

In December 2017, CSR training was held in Thailand. A CSR manager from the Mitsubishi Electric head office led the training for local staff who hold managerial positions in affiliated companies in the Asia region. The program attracted 24 employees from 18 companies in six countries, including Thailand, India, Malaysia, the Philippines, Vietnam, and Indonesia. In the session themed on "What CSR means to you," a number of employees made strong presentations about their thoughts on CSR and articulated their wish to spread the CSR concept more widely in their companies. Efforts will continue from now on to disseminate CSR on a global scale through such exchange forums.



# Corporate Governance

## Basic Corporate Governance Policy

To realize sustained growth and increase corporate value, the Mitsubishi Electric Group works to maintain the flexibility of its operations while promoting management transparency. These endeavors are supported by an efficient corporate governance structure that clearly

defines and reinforces the supervisory functions of management while ensuring that the Company is responsive to the expectations of customers, shareholders, and all of its stakeholders.

 IR Library

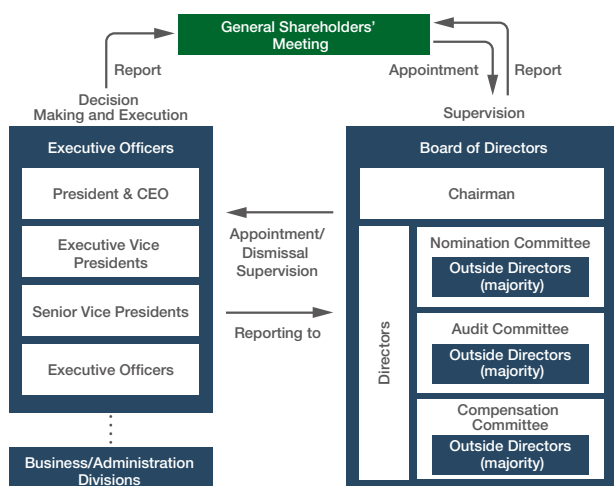
## Corporate Management and Governance Structure

### 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 twelve members (five of whom are Outside Directors, one of whom is a woman), 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, the majority of whom are outside directors. The Audit Committee is supported by dedicated independent staff.

A salient characteristic of Mitsubishi Electric's management structure is that the roles of Chairman of the Board, who heads the supervisory function, and the President & CEO, who is head of all executive officers, are clearly separated. Additionally, neither is included among the members of the Nomination and Compensation Committees. The clear division of supervisory and executive functions allows the Company to ensure effective corporate governance.



Corporate Governance Framework

### Internal Control System

(A) For proper execution of duties by the Audit Committee, the committee's independence is ensured such as by assigning dedicated employees to assist in its duties, and the expenses and responsibilities incurred by the committee in the course of executing its duties are appropriately processed according to internal regulations.

A framework is also in place for reporting to the Audit Committee. The Internal Control Department keeps the Audit Committee informed of information about Mitsubishi Electric and affiliate companies, and an internal reporting system is used to report that information to audit committee members.

Audit committee members attend executive officers' meetings and other such important conferences, and conduct hearings and surveys of executive officers and the executive staff of Mitsubishi Electric offices and affiliated companies. It also receives regular reports from the accounting auditor and executive officer in charge of auditing, and discusses auditing policies and methods and the implementation status and results of audits.

(B) Internal regulations and system are in place to ensure proper operations by the Mitsubishi Electric Group. Within this system, executive officers undertake their duties on their own responsibility and hold executive officers' meetings to deliberate on important matters.

Executive officers themselves make periodic inspections of the operational status of the system, and the Internal Control Department inspects the design and operation of the internal control framework and regulations, and the status of internal reporting system and then report the result to audit committee members.

Furthermore, an internal auditor audits the operational status of the framework, and through an executive officer in charge of auditing, regularly reports the results of such audits to the Audit Committee.

## 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.

The Audit Committee 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.

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

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

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

- Frequency, scheduling, and time spent on the meetings
- The information supplied in relation to discussions at the meetings (quality and quantity) and the method of its provision

- Materials, details and methods of explanation, question-and-answer guidelines, time apportioned for each proposal on the meetings
- Other mechanisms for improving the functioning of the Board of Directors
- Points for improvement of policies based on previous reviews of the Board of Directors, etc.

As a result of the recent review, the Board of Directors was evaluated for making ongoing improvements in response to the results of previous reviews and engaging in discussions in an even more active and open manner compared to before, based on the understanding that sharing timely and appropriate management information with executive officers is essential for the Board to properly fulfill its business supervisory function. This evaluation in effect endorses the performance of the Board of Directors, but further efforts will be made to enhance debates and discussion by the Board, such as by expanding deliberation times.

## Policies regarding decisions on compensation, etc.

### Compensation scheme for Directors and Executive Officers

Policies regarding decisions on compensation, etc. will be made through resolutions by the Compensation Committee, the majority of which consists of Outside Directors. A summary of the policies is as follows.

#### Compensation scheme for Directors

1. Directors give advice to and supervise the Company's management from an objective point of view, and therefore, the compensation scheme for Directors is the payment of fixed-amount compensation and the retirement benefit upon resignation.
2. Directors will receive their compensation as a fixed amount, and the compensation to be paid will be set at a level considered reasonable, while taking into account the contents of the Directors' duties and the Company's conditions, etc.
3. Directors will receive the retirement benefit upon their resignation, and the retirement benefit to be paid will be set at a level decided on the basis of the monthly amount of compensation and the number of service years, etc.

## Compensation scheme for Executive Officers

1. The compensation scheme for the Executive Officers focuses on incentives for the realization of management policies and the improvement of business performance, and performance-based compensation will be paid in addition to the payment of fixed-amount compensation and the retirement benefit upon resignation.
2. Fixed-amount compensation will be set at a level considered reasonable taking into account the contents of the Executive Officers duties and the Company's conditions.
3. The level of performance-based compensation will be decided while taking into account the consolidated business performance and the performance of the business to which the respective Executive Officer is assigned, etc. With the purposes of meshing the interest of shareholders with the Executive Officers and further raising management awareness that places importance on the interest of shareholders, and increasing the incentives for the improvement of business performance from the mid- and long-term perspectives, 50% of performance-based compensation will be paid in the form of shares. The Company sets a rule that, when the Executive Officers acquire the Company shares as a part of compensation, they are required to continue the shareholding until 1 year has passed from resignation.
4. The amount of the retirement benefit will be decided on the basis of the monthly amount of compensation and the number of service years, etc.

 [Annual securities report \(Japanese only\)](#)

## Outside Directors

### Effective Utilization of Outside Directors

The Board of Directors comprises twelve members, five of whom are Outside Directors (one of whom is a woman), who objectively supervise and advise the Company's management (composition ratio of outside directors: 42%).

Outside Directors receive reports about the activity status of internal auditors, the audit committee, accounting

auditors, and internal control departments via the Board of Directors, and provide their impartial views regarding Mitsubishi Electric's management from an objective perspective. By doing so, they bring greater transparency to the management framework and strengthen the Board's function of supervising management.

### Criteria for Judgment of the Independence of Independent Outside Directors

Outside Directors are expected to supervise management from a high-level perspective based on their abundant experience. Those who are comprehensively judged to possess the character, acumen, and business and professional experience suited to fulfill that role, and who satisfy the requirements of independent executives specified by the Tokyo Stock Exchange and the

requirements specified in Mitsubishi Electric's Guidelines on the Independence of Outside Directors (see below) and thus possess no risk of giving rise to any conflict of interest with the general shareholders of the company, are selected as outside director candidates by the Nominating Committee.






#### <Independency Guideline for Outside Directors>

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

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

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

## Outside Directors (as of June 28, 2018)

Title	Name, Picture	Positions Held	Reasons for Nomination	Board Attendance Rate (FY2018)
Outside Director	 Mitoji Yabunaka	Member of the Nomination Committee  Member of the Compensation Committee	Mr. Yabunaka's experience and insights as an expert in international affairs cultivated through the course of a career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Hiroshi Obayashi	Chairman of the Nomination Committee  Member of the Audit Committee	Mr. Obayashi's experience and insights cultivated through the course of a career as a lawyer (public prosecutor, attorney-at-law) are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Kazunori Watanabe	Member of the Audit Committee  Member of the Compensation Committee	Mr. Watanabe's experience and insights as a certified public accountant cultivated over the course of his career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)
Outside Director	 Katsunori Nagayasu	Member of the Nomination Committee  Member of the Audit Committee	Mr. Nagayasu's experience and insights as a business specialist cultivated over the course of his career in bank management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.	86% (Six out of five meeting)
Outside Director	 Hiroko Koide	Member of the Nomination Committee  Member of the Compensation Committee	Ms. Koide's experience and insights as a business specialist cultivated over the course of her career in international corporate management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects her to bring an objective viewpoint to the overseeing of the Company's business operations.	100% (Seven out of seven meetings)

## Note

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



# Compliance

## Message from Top Management / Our Concept of Compliance

### Message from Top Management

The Mitsubishi Electric Group regards "ethics and compliance" as the foundation of corporate management, and issues the following message to all employees as part of its efforts to establish even stronger relationships of trust with society, customers, and stakeholders.

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

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

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

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

President & CEO  
  
 Takeshi Sugiyama

### Our Concept of Compliance

With the Mitsubishi Electric Group Corporate Ethics and Compliance Statement formulated in 2001 as our basic guideline for compliance, the Mitsubishi Electric Group recognizes the importance of ethics and absolute compliance with legal requirements as a fundamental precondition for the Group's continued existence.

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

### The Corporate Ethics and Compliance Statement

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

## Mitsubishi Electric Group Conduct Guidelines

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

These Guidelines were first established in 1990, and became what they are now through multiple revisions based on revisions of relevant laws and regulations,

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

In addition to the Japanese language, the Code of Conduct is published in English, Chinese, and Thai, and offers identical content for each country and region in which we operate, presenting norms to which every Mitsubishi Electric Group employee should conform.

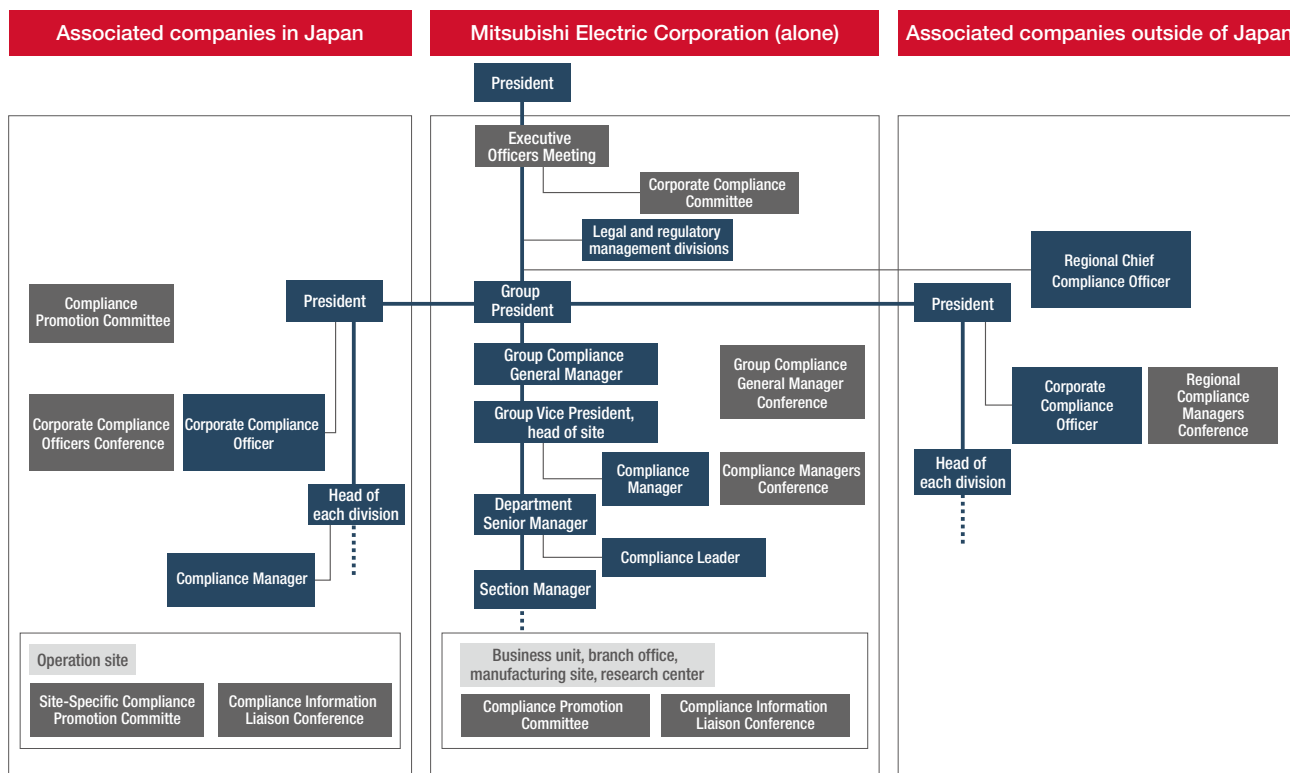
[The Mitsubishi Electric Group Conduct Guidelines](#)

## System to Ensure thorough Implementation of Compliance at the Global Level

Based on recognition that the promotion of compliance is inseparably linked with business promotion, the Mitsubishi Electric Group's compliance system has our business divisions and affiliates in Japan and overseas take the initiative in promoting compliance.

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.



Mitsubishi Electric Group compliance promotion structures



Working-level conference on compliance in the China region



Meeting of compliance managers in the Asia region

## VOICE (Compliance activity promotion officer in China)

Legal Office Mitsubishi Electric (China) Co., Ltd. Li Li



I consult on compliance promotion activities and laws and regulations in the China region. In China, frequent revisions are made to laws and regulations owing to an active legal system. Therefore, it is my responsibility to promptly notify all business sites of the latest legal information by distributing a monthly e-mail preliminary report summarizing major new laws and regulations at both the central and local government levels. I also help business sites to establish a compliance framework, and play a role in creating learning materials and acting as instructor in compliance education programs and lecture courses. This is to instill an awareness of ethics and legal compliance among employees throughout the China region.

As a legal affairs staff member in the China region, I wish to make an ongoing contribution to enhancing legal awareness among all employees in China.

## Initiatives against Major Compliance Risks

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

The Mitsubishi Electric Group deeply regrets its experience of having received an administrative penalty for violating anti-trust laws in Japan and overseas. Out of this regret, we uphold anti-trust laws as one of the most important laws that we must abide by, and make ongoing Group-wide efforts to both prevent any recurrence of such incidents and prevent previous incidents from being forgotten.

In addition to formulating and operating internal regulations that govern Mitsubishi Electric and its affiliated companies in Japan and overseas, we have also strengthened internal audits that specialize in anti-trust laws, and place importance on employee training through a combination of e-learning and classroom programs.

Between fiscal 2014 and fiscal 2016, company-wide intensive training was implemented 241 times with the participation of 11,248 employees. In affiliated companies, training was implemented between fiscal 2014 and fiscal 2017 for executives, sales and other departments, and has been attended by 3,326 employees to date. Practical training that reflects the characteristics of each business

and affiliated company, has continued to be implemented beyond fiscal 2017, and ongoing education has been provided to both prevent the recurrence of incidents in violation of anti-trust laws and prevent previous violations from being forgotten.

Practical training that reflects the characteristics of each business and affiliated company has continued to be implemented beyond fiscal 2017. The plan is to offer it around 350 times for approximately 10,700 employees by fiscal 2019. Additionally, education on anti-trust laws that focus on regional characteristics is offered to overseas employees in the form of face-to-face education and e-learning programs.

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

## Corruption Prevention (Preventing Bribery)

The Mitsubishi Electric Group takes measures to prevent bribery involving Japanese and overseas public officials, such as enhancing internal rules, providing employee education, requiring self-inspections, and conducting internal audits.

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

 [English version](#)

 [Chinese version](#)

Additionally, e-learning programs are available to employees who have opportunities to interact with public officials within their duties at Mitsubishi Electric. Some 21,800 employees have taken these programs so far. Also implemented are face-to-face education that emphasizes practical issues and case studies intended for employees who frequently interact with foreign public officials. To date, the programs have attracted approximately 730 employees.

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

## Support and Responses to Political Activities

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

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

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

## Export Control

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

Chinese, and Thai) to all associated companies, and provide guidance for the establishment of regulations, the development of a framework, employee training and internal audits in each company. In fiscal 2018, we held educational workshops in Thailand, Taiwan, China and Europe, intended for ECAs (Export Control Administrators) in associated companies. In Japan, we provided e-learning courses that approximately 36,000 Mitsubishi Electric employees and 34,000 employees of associated companies took. For overseas associated companies, we have English, Chinese, and Thai e-learning materials for the implementation of training programs in each company.

# Disassociation with Anti-social Groups

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

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

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

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

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

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

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

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

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



Corporate Ethics and Compliance Statement Poster



Portable Card



"Mitsubishi Electric Group Conduct Guidelines" Booklet

- English version
- Simplified Chinese version
- Traditional Chinese version
- Thai version

## Compliance Education by Diverse Means

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

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

e-learning programs, group lessons, distance learning or other such methods. In fiscal 2018, as many as 122,909 employees in Japan (employees of Mitsubishi Electric and affiliated companies in Japan) participated in such programs (100% participation in compliance-related e-learning programs by Mitsubishi Electric alone). Overseas as well, some 7,125 employees have participated in compliance-related e-learning programs that have been uniformly implemented in the Southeast Asia and Oceania regions, for example.

In fiscal 2018, Mitsubishi Electric's Corporate Legal & Compliance Division conducted approximately 314 compliance-related workshops within the Group, in which a cumulative total of 12,796 people participated.

## Compliance Audits

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

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

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

## Establishment of Internal and External Ethics and Legal Compliance Hotlines

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

Alleged issues of each notification are examined by a group composed "ad hoc" of members from departments capable of conducting investigation, depending on the nature of the notification. In case an alleged issue casts doubt on compliance with pertinent laws and/or internal rules, efforts are made to reinforce the prevalence of adequate norms through a revision of rules or explanatory meetings for promoting due understanding of the same. Where misconduct contrary to any laws and/or internal rules is detected, the concerned employee is subject to disciplinary action, and if any organized involvement in the detected incident is found, remediation is demanded of the concerned department.

The detailed functions of these "ethics and legal compliance hotlines" are provided in the booklet distributed to all employees for dissemination of Mitsubishi Electric Group Conduct Guidelines. Posters are also displayed in each workplace (each department and operational basis), as well as on the Group website, to thoroughly make known its function to all employees.

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



Poster for internal dissemination of information on the hotline

# Risk management

## Basic Policy

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

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

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

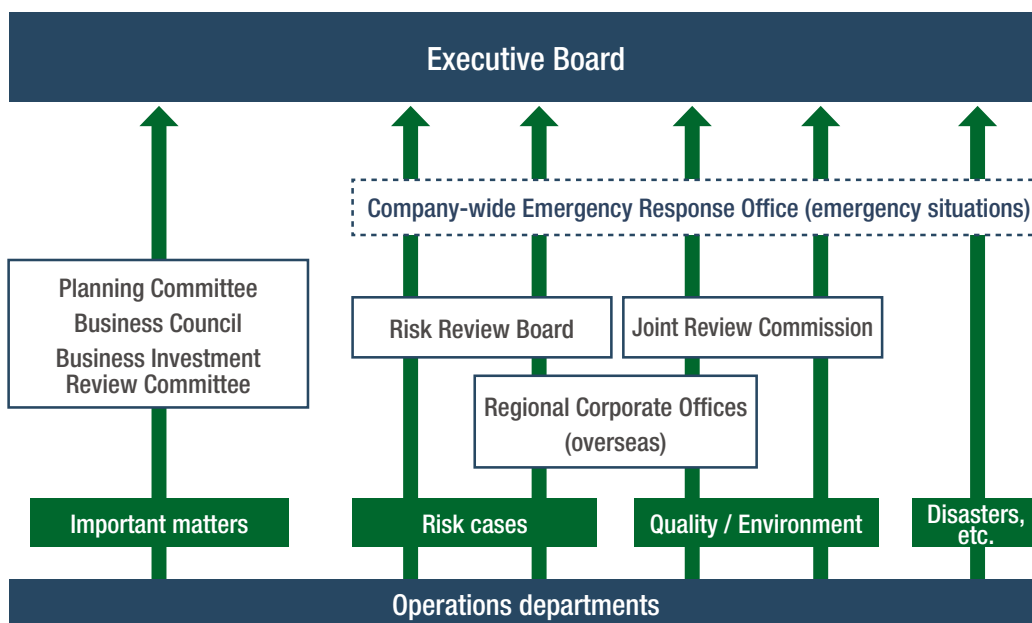
The framework provides proper responses to risks depending on their type, size and impact. For example, by incorporating risk management into business activities, risks are managed according to the size and characteristics of each business, and important risks that cover the entire Group are mainly managed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

## Risk Management Framework

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

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

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



Risk management framework



## Responding to Environmental Risk

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

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

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

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

 [\[Environment\] Environmental risk management](#)

## Disaster Countermeasures

### Development of a Response Framework for Large-scale Disasters

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

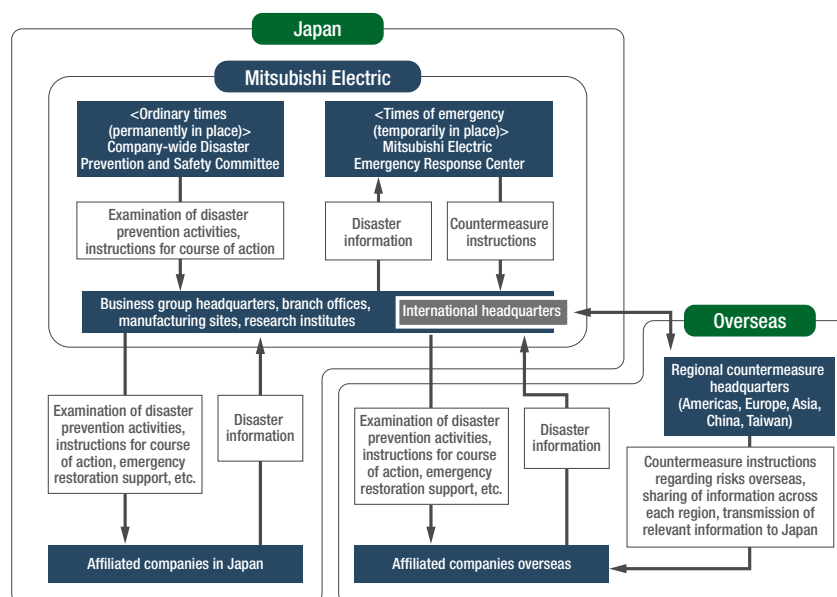
response framework, reexamining its disaster prevention system and disaster countermeasures, to prepare for emergencies.

### Emergency disaster prevention framework

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

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

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



Disaster prevention framework (Mitsubishi Electric Group)

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

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

In fiscal 2018, the Committee prioritized enhancing and implementing emergency drills and BCP training, promoting anti-earthquake and disaster-mitigation measures, and promoting the formulation of BCPs among suppliers, as issues to address within the Group.

In fiscal 2019, the Committee will focus on reviewing BCPs toward increasing their viability in times of emergency as a Group-wide priority.

\* BCP: Business Continuity Plan

## Initiatives for Business Continuity and Disaster Response

### BCP formulation and regular (annual) review

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

In fiscal 2014, we began an examination of continuing

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

### Business continuity in the supply chain

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

#### 1. Evaluation of BCP risks among suppliers

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

#### 2. Activities for mitigating supplier risks

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

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

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

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

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

## Strengthening disaster responses

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



BCP training at a Mitsubishi Electric site in Japan

In fiscal 2018's drill, the target time for recovery of all enterprise systems was successfully achieved.

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



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

## Pandemic countermeasures

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

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

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

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

## Ensuring safety overseas

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

In fiscal 2018, we organized overseas safety seminars for employees scheduled to take up an overseas

assignment or business trip, including to affiliates, and visited 14 sites in 10 countries to survey security situations and provide advice on medical and health environments and educational and living conditions. We also participated in the public-private overseas safety cooperation conference sponsored by the Ministry of Foreign Affairs, and exchanged information and views with other companies and organizations. The results of the conference have been incorporated into the risk management activities of our company and overseas sites.

# Our approach to information security

## Basic Policy

The Mitsubishi Electric Group handles confidential corporate information and personal information appropriately as part of its social responsibility to make certain that such sensitive information does not leak out and cause concern for our customers and society.

Confidential corporate information, which includes information on Mitsubishi Electric's sales, engineering matters and intellectual property, is managed based on the Declaration of Confidential Corporate Information Security Management that was established in February 2005. Information that is entrusted to us by our corporate customers is managed and protected in compliance with a non-disclosure agreement, as well as by the same

level of security measures that are applied to our own confidential corporate information.

Personal information collected from our customers through questionnaires, registration of purchased products, repair services, and other such means is managed based on the "Personal Information Protection Policy" that was established in April 2004. Owing to this system, Mitsubishi Electric acquired the "Privacy Mark" certification, which is the system for personal information protection in Japan grants, in January 2008 in recognition of our ongoing efforts to ensure proper handling of personal information.

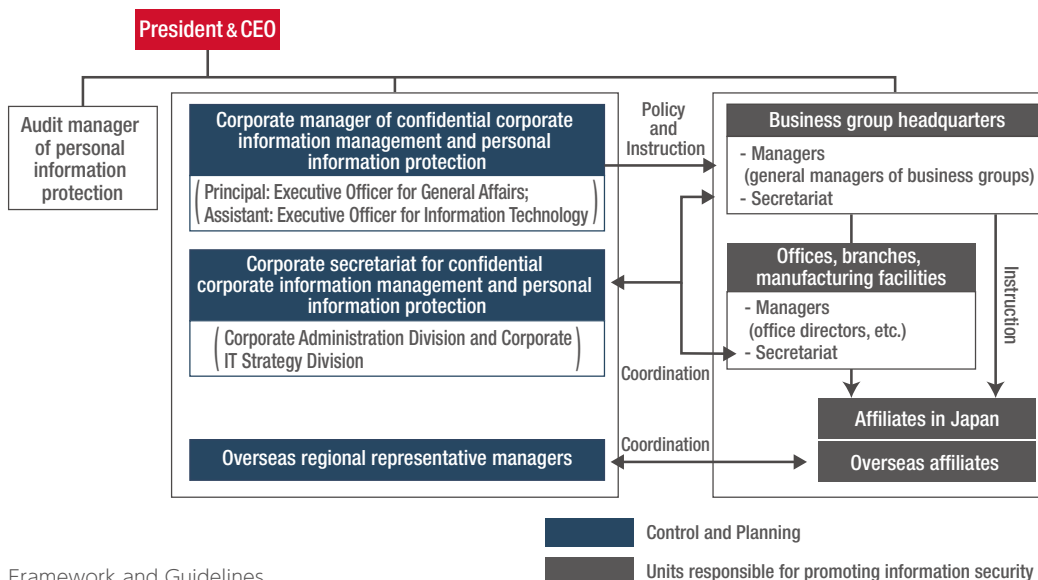
## Framework and Guidelines

The President & CEO assigns a Corporate Manager for Confidential Corporate Information Management and Personal Information Protection and an Audit Manager for Personal Information Protection. The Corporate Manager assumes overall responsibility for information security, and the Corporate Secretariat for Confidential Corporate Information Management and Personal Information Protection is in charge of planning and promoting information security measures. Responsibility for the actual utilization and management of confidential corporate information and personal information lies with the general manager of each business group (Confidential Corporate Information Management and Personal Information Protection Managers) and the manager of each business site (office directors, etc.). The Business Group Secretariat and Business Office Secretariat strive to ensure information security by maintaining close coordination and regularly holding meetings with the Confidential Corporate Information Management and Personal Information Protection Secretariat.

The Audit Manager is responsible for implementing and reporting the results of personal information protection audits. 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 leader 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.

Business Groups also issue instructions and guidance to overseas affiliates in the same way as they do to domestic affiliates, and strive to ensure information security in cooperation with overseas regional offices.

The Mitsubishi Electric Group learned a bitter lesson from an accident that occurred in 2010 involving a leak of personal information collected from customers. Based on this experience, it is taking every step to ensure that no leakage of confidential corporate or personal information, or no similar accident, occurs again.



Framework and Guidelines

## Global activities

To maintain and improve the information security level of the Mitsubishi Electric Group as a whole, including overseas affiliates, various inspections are conducted in line with information security systems prescribed in the Guidelines to Information Security Management Rules for Affiliated Companies.

## Management principles

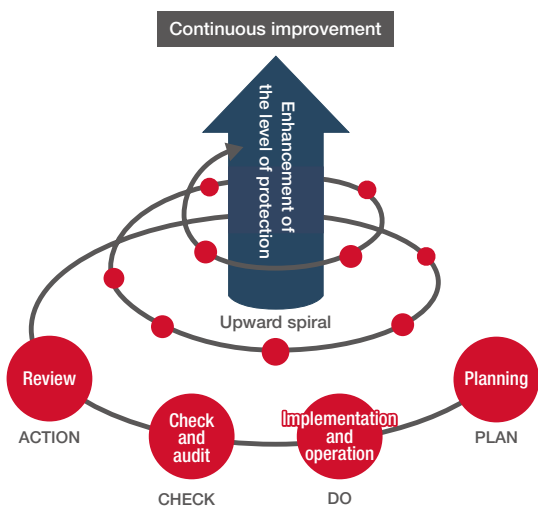
The Mitsubishi Electric Group engages in activities for confidential corporate information management and personal information protection as ongoing improvement activities that are implemented according to the PDCA (Plan, Do, Check, Action) cycle, and employs four security measures to ensure proper management and protection of confidential corporate information and personal information from the organizational, human, physical, and technological perspectives.

## Information security regulations and guidelines

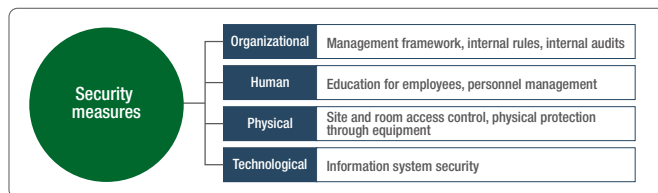
The Mitsubishi Electric Group has established regulations and guidelines to ensure information security with respect to four security measures, and reviews them as necessary to stay in compliance with current laws.

## Information security inspections and audits

on checking whether confidential corporate information management and personal information protection activities are being implemented properly by the Mitsubishi Electric Group as a whole, and on confirming the status of those activities so that improvements can be made.



PDCA cycle to ensure information security



Security Measures

## Inspections and audits related to information security

Self-check program on confidential corporate information management and personal information protection	Using a checklist, each Mitsubishi Electric Group company performs a self-inspection of their activities for information security.
Cross-check program on confidential corporate information management and personal information protection	Mitsubishi Electric's business sites mutually check each other's status of information security management. The status of information security in affiliated companies is checked by Mitsubishi Electric.
Personal information protection audits (Personal information protection management system audits)	In Mitsubishi Electric, the status of personal information protection is internally audited under the supervision of the Audit Manager for Personal Information Protection. In affiliated companies in Japan that have acquired the Privacy Mark certification, the same internal audit is conducted by the audit manager in each company.

## Various Measures

### Information security education

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

#### Education for all employees

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

#### Education corresponding to each career stage

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

#### Other specific education

Employees posted overseas are provided with a preliminary education program which includes the status of Mitsubishi Electric's activities for confidential corporate information management and personal information protection, "Trade secret management guidelines" of

the Ministry of Economy, Trade and Industry in Japan, and examples of information leakage incidents that have occurred overseas.

### Contractor management

Confidential corporate information and personal information are entrusted to a contractor only after a proper non-disclosure agreement is concluded between Mitsubishi Electric and the contractor. The agreement stipulates all the security matters that we require. 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 that provides for the protection of the personal information that we have submitted.

### Responses to cyber-attacks

Prompt response is also taken in regard to today's increasing threat of cyber-attacks, by establishing a CSIRT (computer security incident response team) and strengthening surveillance. Based on this premise, Mitsubishi Electric and affiliated companies in Japan also conduct exercises where they practice handling phishing e-mails, so that all employees can act properly in the event that they receive such an e-mail.

## Activities for personal information protection

### Personal information protection

Mitsubishi Electric first created company rules on personal information protection in October 2001, and since then requires all employees and affiliated persons to obey those rules strictly. After issuing a personal information protection policy in 2004, Mitsubishi Electric satisfied the requirements of JIS Q 15001:2006 Personal Information Protection Management Systems in January 2008, and was permitted to use the "PrivacyMark," which certifies the establishment of management systems that ensure proper measures for personal information protection. We have maintained our "PrivacyMark" certification until the present through five biennial assessments.

We have also conducted a review of our internal regulations to ensure a proper response to the amended Act on the Protection of Personal Information that came into force in May 2017.

### Proper handling of personal information

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



### Response to the EU General Data Protection Regulation (GDPR)

The Mitsubishi Electric Group handles personal data from the EU in an appropriate manner with due consideration to the General Data Protection Regulation (GDPR) that was put into force in the EU in May 2018 as a framework to protect privacy.

# Research and Development

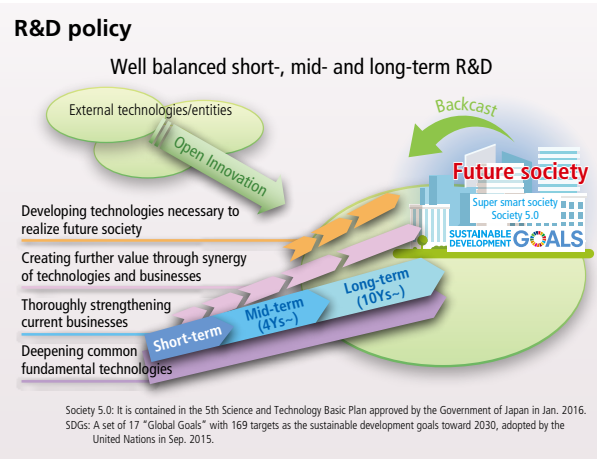
## Basic Policy on Research and Development

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

In addition to thoroughly strengthening current businesses, the Group is striving to leverage its accumulated strengths as an innovative, diversified electrical equipment manufacturer to create greater value through technological and business synergies and is engaging in R&D of future technologies needed to realize its ideal vision.

At the same time, the Group is also focused on research into fundamental technologies that support all of its products. Furthermore, the Group will maximize achievements by promoting enhancement of efficiency of development through proactive

utilization of open innovation in collaboration with universities and other external R&D institutions.



## Major R&D Achievements in Fiscal 2018

### Development of Object-Recognition Camera Technology for Coming Mirrorless Cars

Mitsubishi Electric Corporation has developed what is believed to be the industry's highest<sup>\*1</sup> performing automotive camera technology for coming mirrorless cars<sup>\*2</sup> that instantly detects various object types at distances of up to 100 meters using Mitsubishi Electric Corporation's proprietary Maisart<sup>\*3</sup> -brand artificial intelligence (AI) technology.

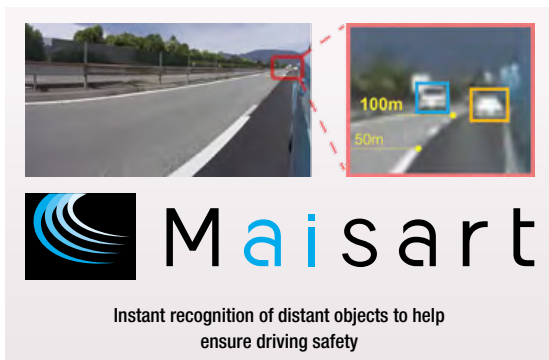
As a result of the approval of mirrorless cars for use in Europe and Japan in June 2016, the market is expected to rapidly expand in the future.

This technology instantly detects approaching objects and identifies the type of object at the same time, which is expected to help prevent accidents, especially when drivers change lanes, by warning drivers. As such, the development of this technology will contribute to the realization of a safe and secure automobile society.

\*1 As of January 17, 2018 (survey conducted by Mitsubishi Electric Corporation)

\*2 System that replaces rearview and side mirrors with camera-monitoring systems

\*3 Mitsubishi Electric's AI creates the State-of-the-ART in technology Mitsubishi Electric's AI technology brand aimed at making all equipment smart



### Development of 6.5 kV Full-SiC Power Semiconductor Module<sup>\*1</sup>

Mitsubishi Electric Corporation has developed a 6.5 kV full-SiC<sup>\*2</sup> power semiconductor module featuring the world's highest<sup>\*3</sup> power density<sup>\*4</sup> of 9.3 kVA/cm<sup>3</sup> (1.8 times compared with Si<sup>\*5</sup> module) enabled by insulating substrate with both thermal conductivity and heat tolerance, and by high reliable bonding technology.

Since the replacement of Si modules with full-SiC modules substantially reduces switching loss and makes it possible to conduct high frequency operations, which had been difficult to carry out with Si modules, this technology can realize energy-efficient power electronics equipment as well as compact peripheral components. The application of this module will lead to smaller and more energy-efficient power electronics equipment for high-voltage electrical equipment for railcars and power system and transformer equipment.

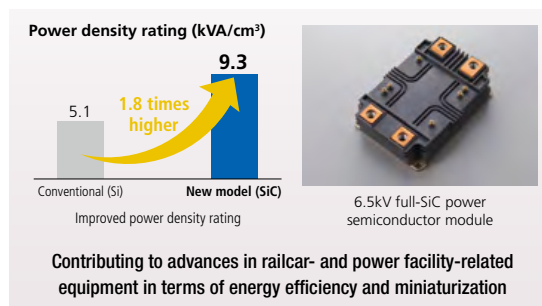
\*1 This development is subsidized by the New Energy and Industrial Technology Development Organization (NEDO).

\*2 SiC: Silicon Carbide (a compound of carbon and silicon)

\*3 As of January 31, 2018, as high-voltage power semiconductor module (survey conducted by Mitsubishi Electric Corporation)

\*4 The magnitude of power generated by a certain volume at the time of standard operation

\*5 Si: Silicon



# Protection of Intellectual Property Rights

## Basic Policy

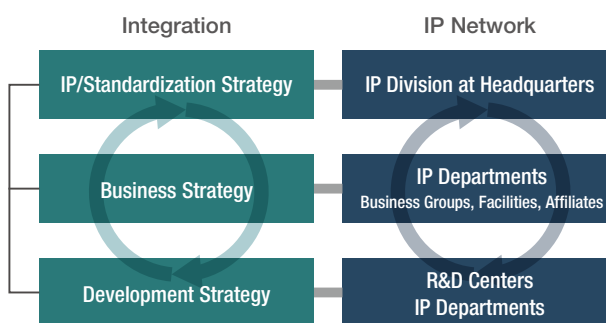
The proper protection of intellectual property (IP) rights promotes technological progress and sound competition, and also contributes to realizing affluent lifestyles and the development of society.

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

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

## Structure of the Intellectual Property Division

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



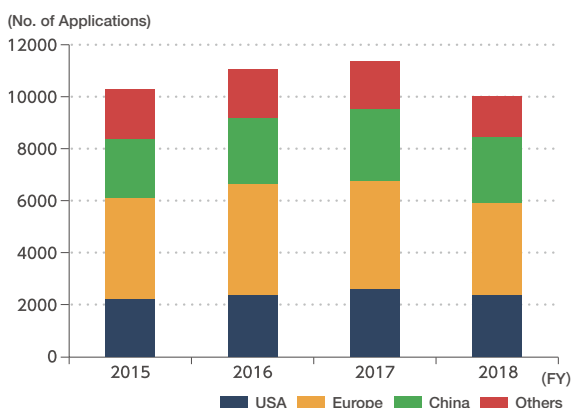
Integrating Business, R&D and IP Activities

## Global IP Strategy

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

As an indication of the Mitsubishi Electric Group's IP capability and global IP activities, the company ranked 1st in Japan in terms of the number of patent registrations (in 2017) announced by the Japan Patent Office (JPO), and 4th in the world in terms of Patent Cooperation Treaty (PCT) applications by businesses (in 2017) announced by the World Intellectual Property Organization (WIPO).

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



Annual Trends in Overseas Patent Applications by the Mitsubishi Electric Group



Further Strengthening Global IP Capabilities



(Top 5) PCT applicants: businesses, 2017 (WIPO, PCT Yearly Review)

Rank	Applicant	Country	No. of patents
1	Huawei	China	4,024
2	ZTE	China	2,965
3	Intel	USA	2,637
4	<b>Mitsubishi Electric</b>	<b>Japan</b>	<b>2,521</b>
5	Qualcomm	USA	2,163

(WIPO)

No. of patent registrations in 2017 (Japan)

Rank	Applicant	No. of patents
1	<b>Mitsubishi Electric</b>	<b>4,484</b>
2	Canon	3,931
3	Toyota Motor	3,378
4	Panasonic	2,990
5	Honda	2,502

(JPO)

## IP Strategy for International Standardization

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

the organization are contributing to improvement and growth in business earnings. The Group is also working to increase activities for acquiring patents in competitive fields involving international standards, and promoting IP activities that contribute to increasing product competitiveness and expanding market share.

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

## Respecting IP Rights

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

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

In order to prevent any infringement on the IP rights of

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

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

## Cooperation in IP Policies

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

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

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

# Responsibility to Shareholders & Investors

## Basic Policy

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

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

## Communication with Shareholders

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

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

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

And furthermore, at the beginning of December every year we send a Shareholder Communique (Midterm

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



Shareholder Communique (Japanese version only)

## Major IR Activities in Fiscal 2018

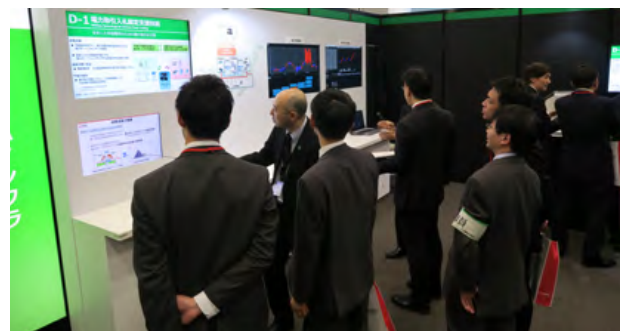
In fiscal 2018, in addition to holding presentations concerning corporate strategies and financial results for institutional investors and analysts and organizing individual meetings with them, we also held a variety of events to deepen understanding of the Mitsubishi Electric Group's businesses. These sessions featured

presentations on our power devices business and FA systems business as well as R&D open house providing opportunities to explain our research and development strategies and outcomes. Also held were company presentation meetings for individual investors.

 [Investor Relations website](#)



Presentations on corporate strategy (FY2019)



R&D open house

# Environment

## FROM THE PRESIDENT

### Aiming to Become a Global, Leading Green Company by Contributing to the Environment Through Products and Services, and Reducing Environmental Load from Production

#### Contributing as a Manufacturer Throughout the Product Lifecycle

As Mitsubishi Electric works towards becoming a “Global, Leading Green Company,” it is contributing to the creation of a more affluent society that simultaneously achieves sustainability, safety, security and comfort.

As a manufacturer, among a number of environmental initiatives, Mitsubishi Electric places the greatest importance on creating a recycling-based society. This is because manufacturers are involved in the entire lifecycle of every product, from procuring resources and materials to manufacturing and sales, as well as the collection and recycling of products at the end of their service life.

The Mitsubishi Electric Group is committed to taking responsibility for its products throughout their lifecycles, doing so by promoting original approaches for saving resources such as reducing product size and weight beginning from the initial design stage. In the product collection and disposal stages, our initiatives are wide-ranging, including the modernization (renewal) of elevator systems utilizing existing parts and equipment, and resource recycling businesses such as recycling used home appliances. We are also striving to contribute towards a low-carbon society through the dissemination of highly efficient, energy-saving products.

The Mitsubishi Electric Group contributes to initiatives that focus mainly on promoting the creation of a recycling-based society and is committed to resolving environmental problems. Our efforts contribute to society through the provision of eco-conscious products and services to customers and the implementation of activities that minimize the environmental impact caused by production.

Through these environmental initiatives, I believe that the Mitsubishi Electric Group will be recognized by all stakeholders as a company needed by society. Accordingly, I hope that each and every employee of the Mitsubishi Electric Group is proud of his/her work and speak well of the company to their families, doing so with purpose and a sense of pride.

#### Promoting Environmental Plans in Order to Achieve Environmental Vision 2021

The Mitsubishi Electric Group set forth Environmental Vision 2021 targeting completion in the year 2021, when the company will celebrate its 100th anniversary. To date, as the company progresses towards achieving that vision, we have implemented various measures based on environmental plans that have been drawn up every three years. In the 8th Environmental Plan (fiscal 2016-2018), our activities were driven under four pillars: creating a low-carbon society, creating a recycling-based society, creating a society in tune with nature, and strengthening our environmental foundations.

The fruition of such efforts includes improvements in production efficiency utilizing IoT\*1 and the global expansion of highly efficient, energy-saving products. As a result, we have reduced CO<sub>2</sub> emissions from production and product use, thereby contributing to lower levels of greenhouse gases. Additionally, we have achieved zero emission of wastes both in Japan and in all overseas regions, thereby contributing to more effective use of resources. Furthermore, improving employee environmental awareness has led to an increase in the number of participants in the Mitsubishi Electric Outdoor Classroom and “Satoyama” Woodland Preservation Projects, which have substantially outperformed our targets. Biodiversity preservation activities have expanded to all Mitsubishi Electric business sites in Japan as well, thus contributing to the creation of a society in tune



with nature. By focusing on improving the quality of environmental initiatives at each manufacturing base, higher levels of environmental management capability have been achieved and our environmental management foundations strengthened.

Our environmental initiatives have not gone unrecognized. Mitsubishi Electric was given the highest rank, the A list, by CDP\*2 in fiscal 2018 for the second consecutive year in three categories: climate, water and supply chain. It gives me great pleasure, and I am honored, that our consistent efforts in carrying out these activities have been recognized by society.

The period covered by the 9th Environmental Plan (fiscal 2019-2021), which was launched in fiscal 2019, is regarded as the final three years for achieving our vision. For this period, we have taken into consideration how we will manage future water shortages and more stringent overseas regulations, in addition to the aforementioned four pillars of the 8th Environmental Plan. Consequently, effective water usage and improving the level of environmental initiatives at overseas business sites have been added to the key issues for our activities.

Our goal is to become a Global, Leading Green Company, and in line with this, we have set targets for consolidated sales of ¥5 trillion and operating margins of 8% or higher to be achieved by fiscal 2021. In order to achieve these growth targets, it is imperative that we meet stakeholders' expectations through various initiatives, including those which contribute to the environment through business operations.

## Long-term Outlook for Environmental Activities

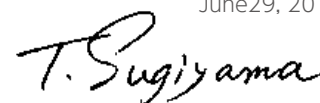
The Mitsubishi Electric Group has been working on the formulation of a next long-term environmental vision that contributes to achieving SDGs\*3 looking ahead as far as 2030, or even 2050. We will set forth targets for the next long-term vision, together with a concrete and feasible roadmap to achieve those targets, after studying possible changes in the future social environment and various risks likely to emerge. Among those far-sighted initiatives, we are hoping to set targets for CO<sub>2</sub> emission reductions and obtain approvals for SBT\*4 initiatives by fiscal 2020.

In relation to Society 5.0\*5 –being promoted by the

Japanese government—our aim is to contribute to the achievement of a sustainable society that flourishes environmentally and economically. To this end, we have listed, as one of the problems to be solved, overcoming environmental restrictions on energy through the use of resources and energy that generate zero waste. Mitsubishi Electric will strive to contribute to realizing Society 5.0 and achieving SDGs by developing and providing energy-saving products and systems that help reduce CO<sub>2</sub> emissions, including devices such as power semiconductors, products like air-conditioners and system solutions such as ZEB.\*6

In the past, through my involvement in the Company's automotive equipment, home appliances and other business operations, I put my energy into developing and providing products and services that simultaneously achieve comfort for customers and reduce environmental load. Going forward, I will use all my knowledge and skills to lead the Mitsubishi Electric Group toward the creation of a prosperous society; doing so by clarifying how to contribute to society and indicating the direction in which we shall proceed.

June 29, 2018



Takeshi Sugiyama President & CEO  
Mitsubishi Electric Corporation

- \*1 Internet of Things: the network of various things connected via the Internet and controlling each other through the exchange of information.
- \*2 CDP: International non-government organization that conducts surveys, discloses performance and evaluates the environmental activities of companies and cities.
- \*3 Sustainable Development Goals to be achieved by 2030, included in "The 2030 Agenda for Sustainable Development", which was adopted at the United Nations Sustainable Development Summit in September 2015.
- \*4 Science-Based Target initiatives: Initiatives regarding targets for reducing CO<sub>2</sub> emissions based on scientific grounds.
- \*5 One of the basic guidelines advocated by the Japanese government in its science and technology policies. An initiative to realize a "super smart society", the 5th phase of a society, which follows hunting, agrarian, industrial and information societies.
- \*6 Zero Energy Building: A building where the net consumption of fossil fuel energy is zero or roughly zero, offset by energy savings and the utilization of renewable energy resources.

# OUR ACTION FOR THE FUTURE

## What We Can Do for the Future

At Mitsubishi Electric Group, we make full use of the strengths developed by our diverse range of businesses to respond to customer demands, while also aiming to create an affluent society where both a “sustainable society” and “safe, secure, and comfortable lifestyles” are simultaneously achieved.

01

### Public Utility Systems Group

#### Main Products and Technologies

- Total energy and environmental solutions for railways
- Railcar air-conditioner units
- Ozone generators
- Water treatment systems
- Aurora Vision



#### Aiming to Build Next-Generation Social Infrastructure with a Broad Range of Technologies and Continuous R&D to Realize a Low-Carbon Society

The Public Utility Systems Group offers an extensive range of products and services for customers responsible for building social infrastructure, including the public sector and road/railway-related companies. These solutions include water treatment plant systems, intelligent transport systems, railway information systems, and electromagnetic products for rolling stock. In the process of designing and manufacturing these products, we are promoting a shift towards smaller and lighter products, as well as saving resources and greater energy efficiency through improving product performance and efficiency.

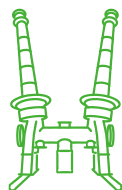
For example, we incorporated SiC power modules in station energy-saving inverters that supply the surplus power left over from the regenerated electric power produced when rolling stock is braking to power other systems such as station lighting and air conditioning. This system was awarded the Agency of Natural Resources and Energy Director-General's Award in the New Energy Grand Prize in fiscal 2017. We aim to expand the use of SiC power modules and further increase the conservation of energy.

02

### Energy & Industrial Systems Group

#### Main Products and Technologies

- Turbine generators
- Switchgear
- Transformers
- Power electronics systems for electric power
- Smart meter systems
- Battery storage systems
- Plant monitoring and control systems



#### Developing High-performance, Eco-conscious Devices and Systems to Create a “Safe, Secure, and Comfortable Sustainable Society”

The Energy & Industrial Systems Group provides a wide range of systems and products that play vital roles in power generation, transmission, power distribution, and power retailing. On the product side, this includes generators, transformers, switchgear, and vacuum circuit breakers, while systems include plant monitoring, grid stabilization, grid protection and control systems, and direct-current technologies. Through these products and systems, we comprehensively support the establishment and operation of electric power infrastructures.

With the realization of a sustainable society now an important theme globally, we will continue to develop eco-conscious, high-performance devices and next-generation power systems capable of managing disasters, human threats and changes in the electricity market. Our aim is to contribute to creating a “safe, secure and comfortable sustainable society”.

03

### Building Systems Group

#### Main Products and Technologies

- Elevators
- Escalators
- Access control systems
- Building management systems
- Surveillance cameras



#### Proactively Proposing Building Solutions Leading to Energy Savings While Pursuing Eco-conscious Products

The Building Systems Group provides public and private building owners with vertical transport systems such as elevators and escalators, and building management systems such as access control, building management, and surveillance. During the course of the development and offering of these products, we prioritize customer safety and security throughout the lifecycle of the products while focusing on the following environmental approaches:

##### 1. Pursuit of eco-conscious products

- (1) Development of products and technologies with excellent energy efficiency and resources-saving performance
- (2) Continuous efforts to reduce environmental load during the processes of production and testing
- (3) Promotion of greater energy efficiency and waste reduction through updating existing equipment

##### 2. Proposal of total building solutions leading to higher energy efficiency

Energy management and improvement in comfort and convenience

## 04 Electronic Systems Group

### Main Products and Technologies

- Communications, broadcast, and observation satellites
- Ground control systems for satellite operation
- Large telescopes
- Doppler Lidar
- Contact image sensors
- Millimeter-wave radar modules
- Mobile mapping systems



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

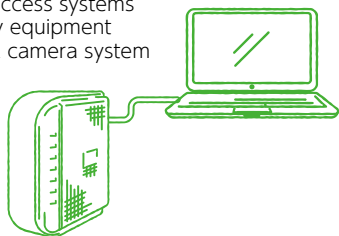
The Electronic Systems Group manufactures space infrastructure, ranging from observation satellites to ground control systems for satellite operation and large terrestrial telescope facilities, among other products. These products play a key role in leading to solutions to social issues around the globe.

For example, we oversaw the manufacturing of the DAICHI-2 Advanced Land Observation Satellite (ALOS-2) and meteorological satellites Himawari-8 and Himawari-9, which contribute to improving the assessment of disaster situations, the monitoring of oceans and forests and the observation of the atmosphere, as well as safeguard communities and help solve global environmental problems. Furthermore, the Doppler Lidar, which is capable of remotely measuring the speed of dust and particulates in the atmosphere, is expected to improve wind power generation efficiency and extend the operating life of wind power plants.

## 05 Communication Systems Group

### Main Products and Technologies

- Subscriber terminal equipment for optical access systems
- Gateway equipment
- Network camera system



### Contributing to Expanding the Market and Reducing Environmental Load by Offering Systems with High Added-value

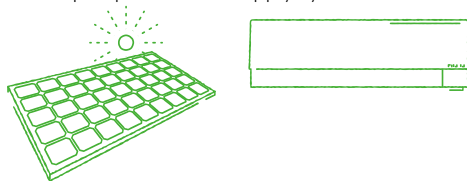
The Communication Systems Group is contributing to advancement of the information society through products and services supplied to customers such as communications carriers, financial services and retail distribution companies, and government agencies in Japan and overseas. These products and services include communications infrastructure equipment that uses optical and wireless information communications technologies and network camera systems equipped with imaging technologies.

While the products and systems are key elements of social infrastructure and offer greater functionality, the use of more and more devices has resulted in a rapid increase in the amount of electricity consumed. Under these circumstances, the Communications Systems Group focuses on four themes: energy-efficient products; energy savings in services provided through Group products; eco-conscious installation; and reducing CO<sub>2</sub> emissions from production and during product transportation. Through these initiatives, our aim is to contribute to expanding the market and reducing environmental load by developing and offering systems with high added-value.

## 06 Living Environment & Digital Media Equipment Group

### Main Products and Technologies

- Room air conditioners
- Retail and office/building air conditioning
- LED lighting
- Solar power generation systems
- Heat-pump hot-water supply systems



### Developing Environmentally Friendly Products and Reducing Our Own Environmental Impact

The Living Environment & Digital Media Equipment Group provides air conditioners, ventilating units, water heaters, photovoltaic systems, lighting solutions, kitchen appliances, home electronics, and digital media equipment. In particular, we focus on the air-conditioning and refrigeration systems business, one of Mitsubishi Electric's growth drivers. In addition to expanding operations in various segments such as room and packaged air-conditioners, we are pressing forward with the creation of new businesses and strengthening present ones. While providing customers at home, offices and factories with eco-conscious products and services, we also offer solutions that achieve higher energy efficiency for systems as a whole, such as ZEHs and ZEBs. We aim to expand the scale of our operation and help society reduce environmental impact. We also make continuous efforts to reduce the environmental impact of our own plants.

## 07 Factory Automation Systems Group

### Main Products and Technologies

- Total factory automation solutions
- Programmable Controllers
- Fiber 2D Laser Processing Machines
- Industrial robots
- Energy-saving motors
- Energy measurement units
- Molded Case Circuit Breakers for DC Circuit (up to 1000VDC)



### Delivering Devices, Equipment, and Solutions that Help Reduce Energy Usage during Production to Customers around the World

The Factory Automation Systems Group provides a wide variety of products and solutions for customers in the industrial mechatronics segment. In recent years, we have been maximizing the use of factory automation (FA) technologies that Mitsubishi Electric has developed over the years and IT-connected technologies. With the concept of solution proposals for manufacturing ahead of time, we are strongly supporting the optimization of manufacturing and management. By connecting all devices and equipment with Internet of Things (IoT) networks and analyzing and utilizing data, we offer e-F@ctory solutions that optimize entire manufacturing processes. We hope that our tireless campaign for improvement will significantly contribute to greater energy efficiency at production facilities.

## 08 Automotive Equipment Group

### Main Products and Technologies

- Alternators
- Starters
- Electric power steering
- Engine control units
- Car navigation systems



### Contributing to the Realization of a Low-carbon Society through the Development of Low Fuel Consumption and Electrification Technologies for Vehicles

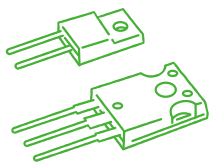
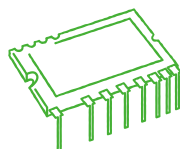
The Mitsubishi Electric Group is contributing to the realization of a sustainable global environment with the aim of being a "global leading green company".

The Automotive Equipment Group provides powertrain products, body control products, and car multimedia devices globally. As a full-support supplier, we work together with our customers to develop cutting-edge technologies and endeavor to provide a wide range services, from production, sales, and supply to spare parts and rebuilds. The Automotive Equipment Group aims to expand its environmental contribution through its business operation. It is engaged in initiatives to reduce CO<sub>2</sub> emissions both by installing its products in vehicles to achieve better fuel efficiency and electrification, and by reducing energy consumption during the manufacturing process. We are also working on technological innovations for automotive products that will lead to the practical use of autonomous driving in coming years.

## 09 Semiconductor & Device Group

### Main Products and Technologies

- Power devices
- High frequency devices
- Optical devices
- TFT-LCD modules



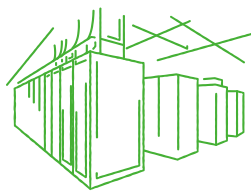
### Contributing to the Realization of a Low-carbon Society by Providing Energy-efficient Products

Minimizing loss of generated power is essential to creating a sustainable global environment. The Semiconductor & Device Group globally provides key devices that play a significant role in reducing power loss and supporting a sustainable low-carbon society. These products include power devices that support higher efficiency of motor control and power conversion for home appliances and industrial equipment. We also provide high-frequency devices used in a wide range of areas, from wireless and satellite communications, and optical devices to support high-speed optic communications to TFT-LCD modules that enhance information interfaces. In recent years, we have been providing state-of-the-art products that incorporate the use of silicon carbide (SiC), a material that significantly reduces power loss, with the aim of further contributing to the creation of a low-carbon society.

## 10 Information Systems & Network Service Group

### Main Products and Technologies

- Cloud services
- Security solutions
- ERP solutions
- Document management solutions
- CTI



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

The Information Systems & Network Service Group operates in a wide range of areas, from social and public systems to corporate systems. We are involved in the entire lifecycle of information and network systems including planning and design stages, construction, operation, and maintenance, offering a one-stop IT service with optimal solutions that best suit customers' needs.

Our objective is to propose solutions that reach the heart of a customer's management strategies and issues, as well as ideas that take into account current social issues. The aim, of course, is to improve customer satisfaction and achieve a sustainable society.

## Evaluation of the Importance of Environmental Issues

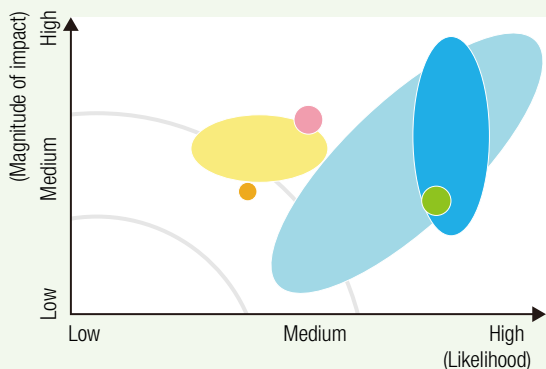
In order to determine which environmental issues should be prioritized when reducing the environmental impact of our business activities, each of our ten business groups (the organizational units for environmental management)

evaluate the level of importance of key environmental issues. This assessment is made from two perspectives: the likelihood of a risk or opportunity that could affect a business group and the magnitude of its impact.

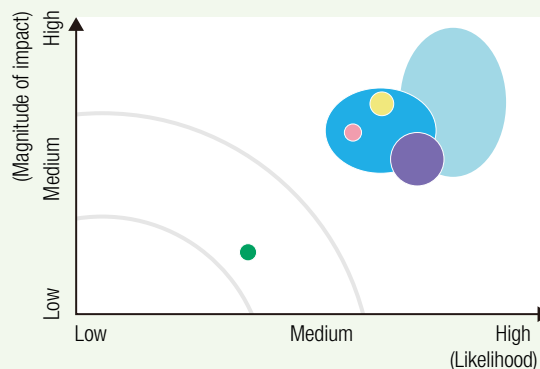
### Image Chart of Evaluation

The horizontal axis shows the likelihood of the emergence of a risk/opportunity, while the vertical axis indicates the magnitude of impact. The environmental issue with the highest importance is climate change for both risk and opportunity.

#### Evaluation of Risk



#### Evaluation of Opportunity



#### Response to Environmental Issues

- Climate change
- Waste reduction and management
- Depletion of mineral resources
- Air, water, and soil pollution
- Proper management of chemical substances
- Conservation of biodiversity
- Deforestation
- Appropriate use of water

## Working to Achieve Sustainable Development Goals (SDGs)

In 2015, the United Nations set 17 global goals, collectively known as the Sustainable Development Goals (SDGs), that should be achieved by the year 2030. The Mitsubishi Electric Group has been working to achieve all of these targets throughout its business operations, and six of the goals in particular are closely related to its environmental activities. We will continue to focus our efforts on coming up with new ideas and creating new technologies for solving social issues from the environmental aspect.





## 9th Environmental Plan (Fiscal 2019-2021)

The Mitsubishi Electric Group implements a new environmental plan every three years, in which concrete targets and initiatives for environmental preservation are set.

For the 9th Environmental Plan, the following have been identified as key issues for making final touches to achieve Environmental Vision 2021, and efforts are being made to realize it.



### Reducing CO<sub>2</sub> from Production

We will push forward with reductions in CO<sub>2</sub> from production (CO<sub>2</sub> originating from energy), as well as reducing non-CO<sub>2</sub> greenhouse gases (SF<sub>6</sub>, HFC, and PFC).

#### Fiscal 2021 Target

Total emission of greenhouse gases from production (CO<sub>2</sub> equivalent)

**1.47**  
million tons or less



### Contribution to Reducing CO<sub>2</sub> from Product Usage

We will help reduce CO<sub>2</sub> emissions through reducing the electricity consumed by customers during product use.

#### Fiscal 2021 Target

Reducing CO<sub>2</sub> emissions from product usage by an average of **35%** compared to use in fiscal 2001

Contribution to reducing CO<sub>2</sub> from product usage **7,000**  
million tons



### Effective Utilization of Resources

We will promote thorough waste separation, recycling, and greater efficiency of waste collection and transport in order to reduce final waste disposal.

#### Fiscal 2021 Target

Final disposal rate in Japan Less than

**0.1%**

Final disposal rate overseas Less than

**0.5%**



### Reducing Resource Inputs

We will reduce the use of resources (resource inputs) as a measure towards creating a recycling-based society.

#### Fiscal 2021 Target

Reduce resource inputs by an average of

**40%** compared to fiscal 2001



### Using Water Effectively

Considering the increasing importance of water resources, we set new targets. We will engage in thorough management of water usage and drainage volumes, and promote water savings and reuse in Japan and overseas.

#### Fiscal 2021 Target

Reduce water usage per unit of sales by

**1%** per annum compared to fiscal 2011



### Nature Conservation Activities

We will continue to hold Mitsubishi Electric Outdoor Classrooms and proceed with the "Satoyama" Woodland Preservation Project.

#### Fiscal 2021 Target

The cumulative number of participants in Mitsubishi Electric Outdoor Classrooms and the "Satoyama" Woodland Preservation Project

**51,000** or more

### Compliance with Environmental Regulations

We will work to introduce alternative technologies in order to ensure compliance with RoHS2 chemical substance regulations in Europe.

### Improving the Level of Environmental Initiatives at Manufacturing Bases

We will strengthen the monitoring of compliance at all overseas manufacturing bases and proceed with the development of technologies in response to various laws and regulations.

# Overall Environmental Impact

Period : April 1, 2017 - March 31, 2018

Scope of Data Compilation : Mitsubishi Electric Corporation, 107 affiliates in Japan, and 84 overseas affiliates (total of 192 companies)

\* Up to fiscal 2009, the scope of our report was limited to those companies that had drawn up an environmental plan for governance from an environmental conservation perspective. However, under the policy of expanding global environmental management, we have broadened the scope of the report to cover Mitsubishi Electric, its consolidated subsidiaries, and its affiliated companies.

## Materials for Manufacturing

IN			
Materials for Manufacturing			
	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Materials *1	1,130,000 tons	280,000 tons	950,000 tons
Manufacturing			
Electricity	1,100 million kWh	310 million kWh	410 million kWh
Natural gas	25,110,000 m <sup>3</sup>	2,080,000 m <sup>3</sup>	11,640,000 m <sup>3</sup>
LPG	954 tons	2,165 tons	716 tons
Oil (crude oil equivalent)	1,878 kl	2,377 kl	585 kl
Water	7,510,000 m <sup>3</sup>	1,620,000 m <sup>3</sup>	1,950,000 m <sup>3</sup>
Public water	1,230,000 m <sup>3</sup>	450,000 m <sup>3</sup>	640,000 m <sup>3</sup>
Industrial water	2,130,000 m <sup>3</sup>	79,000 m <sup>3</sup>	1,290,000 m <sup>3</sup>
Groundwater	4,150,000 m <sup>3</sup>	1,090,000 m <sup>3</sup>	13,000 m <sup>3</sup>
Others	0.0 m <sup>3</sup>	0.0 m <sup>3</sup>	3,000 m <sup>3</sup>
Reuse of water	3,290,000 m <sup>3</sup>	1,070,000 m <sup>3</sup>	170,000 m <sup>3</sup>
Controlled chemical substances (amounts handled)	4,592 tons	1,482 tons	6,458 tons
Ozone depleting substances (amounts handled)	1.1 tons	0.1 tons	541 tons
Greenhouse gases (amounts handled)	3,086 tons	58 tons	4,594 tons
Volatile organic compounds (amounts handled)	1,448 tons	1,073 tons	390 tons

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



OUT			
Emissions (From Manufacturing)			
	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Discharge into water			
Water	6,930,000 m <sup>3</sup>	1,340,000 m <sup>3</sup>	1,300,000 m <sup>3</sup>
Controlled chemical substances	2.1 tons	0.0 tons	12 tons
BOD (biological oxygen demand)	78 tons	4.6 tons	38 tons
COD (chemical oxygen demand)	16 tons	3.6 tons	124 tons
Nitrogen	79 tons	13 tons	8.2 tons
Phosphorus	3.2 tons	0.2 tons	3.8 tons
Suspended solids	78 tons	3.1 tons	56 tons
n-hexane extracts (mineral)	1.8 tons	0.2 tons	0.0 tons
n-hexane extracts (active)	11 tons	0.2 tons	0.0 tons
Total emissions of zinc	0.2 tons	0.0 tons	0.3 tons
Emissions into the atmosphere			
Carbon dioxide (CO <sub>2</sub> )	580,000 tons-CO <sub>2</sub>	170,000 tons-CO <sub>2</sub>	330,000 tons-CO <sub>2</sub>
Controlled chemical substances (excluding amounts contained in other waste)	230 tons	253 tons	480 tons
Ozone depleting substances	0.0 ODP tons	0.0 ODP tons	0.2 ODP tons
Greenhouse gases	47,000 tons-CO <sub>2</sub>	32,000 tons-CO <sub>2</sub>	110,000 tons-CO <sub>2</sub>
Volatile organic compounds	530 tons	274 tons	245 tons
Sulfur oxide (SO <sub>x</sub> )	0.4 tons	0.2 tons	0.0 tons
Nitrogen oxide (NO <sub>x</sub> )	588 tons	45 tons	22 tons
Fly ash	0.4 tons	0.5 tons	9.4 tons
Waste			
Total waste emissions	88,395 tons	46,298 tons	80,897 tons
Amount recycled	71,284 tons	36,761 tons	54,636 tons
Non-hazardous waste emissions	85,783 tons	45,649 tons	75,855 tons
Hazardous waste emissions	2,612 tons	649 tons	5,042 tons
Waste treatment subcontracted out	19,478 tons	19,342 tons	74,557 tons
Final disposal	1.2 tons	2.4 tons	480 tons
In-house weight reduction	687 tons	0.0 tons	209 tons
Products			
Weight of all Products sold *2	990,000 tons	230,000 tons	760,000 tons
Weight of packaging materials	54,000 tons	8,000 tons	100,000 tons

\*2 Products sold: Shipping weight of products.

Sales and Logistics *3			
	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Fuel for trucks (gasoline)	10,393 kl	1,653 kl	3.0 kl
Fuel for trucks (diesel)	27,043 kl	5,118 kl	18,968 kl
Fuel for rail (electricity)	1,421 MWh	495 MWh	0.0 MWh
Fuel for marine transport (bunker oil)	361 kl	2.0 kl	62,812 kl
Fuel for air transport (jet fuel)	610 kl	29 kl	30,613 kl

\*3 Sales and logistics: Figures for overseas affiliated companies include transportation between countries.



Emissions *4			
	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Carbon dioxide (CO <sub>2</sub> )	97,000 tons-CO <sub>2</sub>	17,000 tons-CO <sub>2</sub>	310,000 tons-CO <sub>2</sub>

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

Energy Consumption			
	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Energy consumed during product use *5	48,200 million kWh	3,200 million kWh	26,600 million kWh

\*5 Energy consumed during product use: Total energy consumed (estimated value) when using 83 finished products targeted for CO<sub>2</sub> reduction. The length of use (operating time) is set for each product according to statutory useful life, designed service life, statistical values, etc.



Emissions			
	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Amount of CO <sub>2</sub> emitted during product use (converted value) *6	24,050,000 tons-CO <sub>2</sub>	1,630,000 tons-CO <sub>2</sub>	11,550,000 tons-CO <sub>2</sub>
Amount of SF <sub>6</sub> emitted during product use (corresponding value) *7	127,000 tons-CO <sub>2</sub>	—	—

\*6 Amount of CO<sub>2</sub> emitted during product use (converted value): Sum of CO<sub>2</sub> emitted when using 83 finished products targeted for CO<sub>2</sub> reduction. The amount of CO<sub>2</sub> emitted is equal to the energy consumed multiplied by the CO<sub>2</sub> emissions coefficient, for which the value shown in CO<sub>2</sub> Emissions from Fuel Combustion Highlights (2013 Edition) is used.  
 \*7 Amount of SF<sub>6</sub> emitted during product use (corresponding value): Sum of SF<sub>6</sub> gas naturally leaked during the operation of products (7) that use SF<sub>6</sub> gas for insulation. Leakage rate used is the value from JEA5001-2000. Global warming potential value used is from the 2nd Revised Guidelines of the IPCC.

End-of-Life Products *8	
	Mitsubishi Electric
Air conditioners	15,320 tons
Televisions	2,693 tons
Refrigerators	22,391 tons
Washing machines / Clothes dryers	6,246 tons
Personal computers	50 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.



Resources Recovered *9	
	Mitsubishi Electric
Metals	28,265 tons
Glass	658 tons
CFCs	302 tons
Others	9,329 tons

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

## Greenhouse Gas Emissions along the Value Chain

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

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

### Fiscal 2018 Greenhouse Gas Emissions

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

Scope	Category	Accounting / 10,000 tons-CO <sub>2</sub> (Scope 3 Emission Rates)	Accounting summary*1
Scope 1	Direct emissions associated with fuel use at our company	★ 31	Direct emissions from fuel use and industrial processes at our company*2
Scope 2	Indirect emissions associated with use of externally-purchased electricity and heating		Indirect emissions associated with use of electricity and heat purchased by our company*3
	Market based	★ 98	Calculated using power emission coefficient based on contract
	Location based	★ 97	Calculated using average power-generation emission coefficient within the zone
Scope 3	Indirect emissions outside the scope of our company's operational activities		
	<b>Category 1</b> Purchased goods and services	670 (15%)	Emissions associated with activities up to the manufacturing of materials, etc. relating to raw materials, parts, purchased products, and sales*4
	<b>Category 2</b> Capital goods	66 (1.5%)	Emissions generated by the construction and manufacturing of own capital goods
	<b>Category 3</b> Fuel- and energy-related activities not included in Scope 1 or Scope 2	8.5 (0.2%)	Emissions associated with procurement of fuel necessary for power generation, heat supply, etc. and power such as electricity supplied by other parties
	<b>Category 4</b> Upstream transportation and distribution	43 (1.0%)	Emissions associated with logistic processes up to the delivery to our company of materials, etc. relating to raw materials, parts, purchased products, and sales*5
	<b>Category 5</b> Waste generated in operations	0.04 (0.0%)	Emissions associated with transporting and processing waste produced by our company*6
	<b>Category 6</b> Business travel	★ 4.0 (0.1%)	Emissions associated with employee business travel*7
	<b>Category 7</b> Employee commuting	★ 2.9 (0.1%)	Emissions associated with employees commuting to and from their respective workplaces*8
	<b>Category 8</b> Upstream leased assets	—	Emissions associated with operation of leased assets hired by our company (Calculated by Mitsubishi Electric under Scope 1 and Scope 2)
	<b>Category 9</b> Downstream transportation and distribution	0.7 (0.0%)	Emissions associated with the transportation, storage, cargo handling and retailing of products
	<b>Category 10</b> Processing of sold products	0.2 (0.0%)	Emissions associated with the processing of interim products by business operators
	<b>Category 11</b> Use of sold products	★ 3,736 (82%)	Emissions associated with the use of products by users (consumers/business operators)
	<b>Category 12</b> End-of-life treatment of sold products	3.0 (0.1%)	Emissions associated with the transportation and processing of products for disposal by users (consumers/business operators)*4
	<b>Category 13</b> Downstream leased assets	0.01 (0.0%)	Emissions associated with operation of leased assets
	<b>Category 14</b> Franchises	—	Emissions at companies operating as franchises (Not applicable to Mitsubishi Electric)
<b>Category 15</b> Investments	8.0 (0.2%)	Emissions associated with operation of investments	
	<b>Total</b>	<b>4,543</b>	

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

\*2 CO<sub>2</sub>, SF<sub>6</sub>, PFC, and HFC emissions associated with the use of gas, heavy oil, etc., and with product manufacturing

\*3 CO<sub>2</sub> emissions associated with the use of electricity, etc.

\*4 Excludes some regions

\*5 CO<sub>2</sub> emissions associated with product distribution/circulation (sales distribution) Subject to accounting: 55 companies (production sites)

\*6 CO<sub>2</sub> emissions associated with transportation of waste (waste distribution) Subject to accounting: Mitsubishi Electric

\*7 Results for Japan. Excludes CO<sub>2</sub> emissions associated with actual use of taxis and accommodation

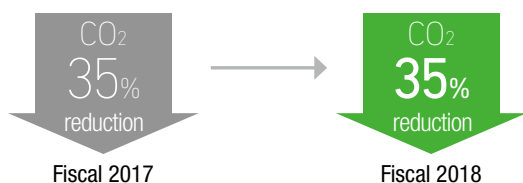
\*8 Assuming that all employees use passenger rail services

## Contribution to Reducing CO<sub>2</sub> from Product Usage

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

In fiscal 2018, two areas—information and communication systems and electronic devices—reported notable progress in energy savings. As a result, average reduction rates were maintained at a high level of 35% compared to that reported for fiscal 2001.

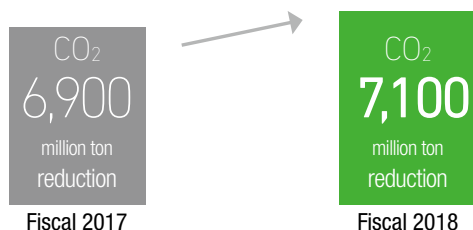
### Reducing CO<sub>2</sub> from Product Usage through Improving Energy Efficiency



We are also trying to expand the reduction of CO<sub>2</sub> by visualizing the amount reduced as a result of replacing old products with their new counterparts that operate with higher energy efficiency. In fiscal 2018, contribution to reducing CO<sub>2</sub> from product usage amounted to 71 million tons.

**Contribution to Reducing CO<sub>2</sub> = Effect of reducing CO<sub>2</sub> from product usage per unit × Number of units sold during the fiscal year**

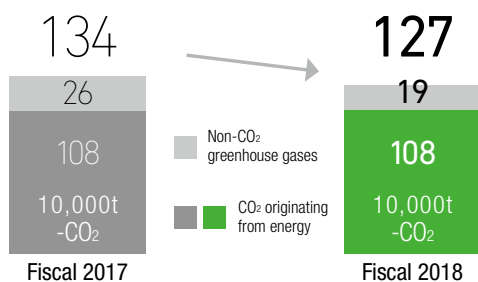
### Contribution to Reducing CO<sub>2</sub> from Product Usage



## Reducing CO<sub>2</sub> from Production

In fiscal 2018, our initiatives to reduce CO<sub>2</sub> emissions originating from energy included the introduction of high-efficiency devices and the expansion of new energy-saving technologies in Japan, and the adoption of technologies that have proven effective for saving energy in Japan to our overseas affiliates. Combined with abatement and recovery of non-CO<sub>2</sub> greenhouse gases (SF<sub>6</sub>, HFC and PFC), the total of all greenhouse gas emissions combined was substantially reduced.

### CO<sub>2</sub> Emissions from Production



## Effective Utilization of Resources

In fiscal 2018, we focused on reducing the final disposal ratio, especially overseas. With a target of a final disposal ratio of 0.5% or less, initiatives for thorough separation of wastes and the expansion of recycling activities were implemented.

We ensured that hazardous wastes\* were appropriately disposed of according to laws and regulations while actively promoting recycling.

\* The Mitsubishi Electric Group defines hazardous wastes as follows:  
 Mitsubishi Electric and affiliates in Japan: "Specially-controlled industrial wastes" specified by the Japanese Waste Disposal Law.  
 Overseas affiliates: Wastes determined by each affiliate as hazardous wastes based on local laws and regulations.

### Total Waste Output

Fiscal 2017	Fiscal 2018
Mitsubishi Electric ..... 8.6	Mitsubishi Electric ..... <b>8.8</b>
Affiliates in Japan ..... 4.7	Affiliates in Japan ..... <b>4.6</b>
Overseas affiliates ..... 7.2	Overseas affiliates ..... <b>8.1</b>
	10,000 tons

### Final Disposal Ratio

Fiscal 2017	Fiscal 2018
Mitsubishi Electric ..... 0.002 %	Mitsubishi Electric ..... <b>0.001 %</b>
Affiliates in Japan ..... 0.01 %	Affiliates in Japan ..... <b>0.01 %</b>
Overseas affiliates ..... 0.69 %	Overseas affiliates ..... <b>0.59 %</b>

### Hazardous Wastes Emissions

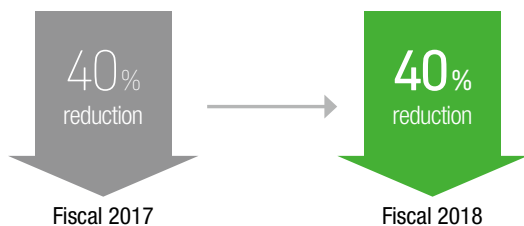
#### Fiscal 2018

Mitsubishi Electric ..... <b>2,612</b> tons
Affiliates in Japan ..... <b>649</b> tons
Overseas affiliates ..... <b>5,042</b> tons

## Reducing Resource Inputs

In fiscal 2018, all products in all segments saw steady reductions in resource inputs. Consequently, an impressive average reduction rate of 40% was achieved for 64 targeted products.

### Reducing Resource Inputs



## Using Water Effectively

In fiscal 2018, we carried out initiatives to save water in Japan and overseas, including the reuse of the warm water used in shipment testing for processing and cleaning components, and the use of treated wastewater for flushing toilets.

### Total Water Usage (Water Recycling Volume)

Fiscal 2017	Fiscal 2018
Mitsubishi Electric ..... 1,032 (317)	Mitsubishi Electric ..... <b>1,080</b> (329)
Affiliates in Japan ..... 255 (94)	Affiliates in Japan ..... <b>269</b> (107)
Overseas affiliates ..... 210 (18)	Overseas affiliates ..... <b>211</b> (17)
10,000 m <sup>3</sup>	10,000 m <sup>3</sup>

## Chemical Management and Reduced Disposal

We have identified a total of 3,264 controlled substances at present and are comprehensively managing them utilizing a chemical management system that includes information on parts and materials procurement.

### Chemicals Used

Fiscal 2017	Fiscal 2018
Mitsubishi Electric 141 types 4,116 tons	Mitsubishi Electric <b>141 types 4,592 tons</b>
Affiliates in Japan 41 types 1,376 tons	Affiliates in Japan <b>41 types 1,482 tons</b>

## Mitsubishi Electric Outdoor Classroom and Satoyama Woodland Preservation Project

The Mitsubishi Electric Group cultivates an environmental mindset among its employees, using forests, rivers, parks, beaches, and other natural areas such as classrooms and lead participants in learning about the importance of nature in the "Mitsubishi Electric Outdoor Classroom." We also encourage social service based on the employees' spirit of volunteerism through our continuing "Satoyama" Woodland Preservation Project with the aim of restoring parks, forests, rivers, and other local nature spots surrounding our business sites. Our goal is to host 30,000 total participants by fiscal 2018 (10,000 participants in fiscal 2015 to 2017). A total of 5,000 people took part in, making the cumulative total 39,000 and achieving the plan.



Mitsubishi Electric Outdoor Classroom (Chugoku Branch)



Satoyama Woodland Preservation Project

## Developing Personnel to Proactively Engage in Environmental Activities

We are working to develop personnel who think for themselves what is required for the environment and act on it. Based on this, we will continue our environmental activities in the years to come as we work to achieve Environmental Vision 2021 and our environmental plans.

In the area of environmental training, we have implemented various educational programs in two categories: general education and specialized education. The goal of the specialized education program is for personnel to acquire the knowledge and skills required to create a low-carbon, recycling-based society, respect

biodiversity, and conduct the environmental management activities that form the pillars of Environmental Vision 2021.

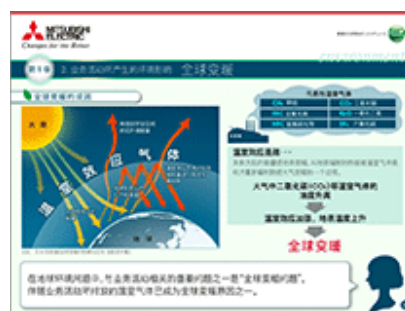
Under the 8th Environmental Plan (fiscal 2016 - 2018), we have implemented the "Mitsubishi Electric Group Environmental Management" e-Learning course, the aim of which is to improve the basic knowledge and awareness level of environmental issues. The program is offered globally and provides the same contents in Japanese, English and Chinese so that all who take the course can learn using the same materials.



Japanese



English



Chinese

### Environmental Education System

Field	Target	General employees	Managerial staff
Environmental Awareness Education		Activities to foster environmental awareness <ul style="list-style-type: none"> <li>Preserving biodiversity at business sites</li> <li>"Satoyama" Woodland Preservation Project</li> <li>Mitsubishi Electric Outdoor Classroom</li> </ul>	
Specialized Education		Key Environmental Personnel Training	Environmental Management Chief Administrator Training
		Environmental Section Manager Training	
General Education		MELCO Seminar Environmental Courses <ul style="list-style-type: none"> <li>Waste Management</li> <li>Energy Conservation Law</li> <li>Chemical Substances Management</li> <li>Environmental Regulations</li> <li>Design for the Environment</li> <li>Biodiversity</li> <li>Environmental Audits</li> <li>ISO14001</li> </ul>	
		Environmental Training Course for Employees in Their 20s or 30s	Environmental Training Course for New Section Managers
		Environmental Course for Employees Dispatched Overseas	Common Basic Training for New Employees
	e-Learning for All employees, Mitsubishi Electric Environmental Management		



Environmental section manager training



Developing nature protection leaders

# Group Biodiversity Action Guidelines

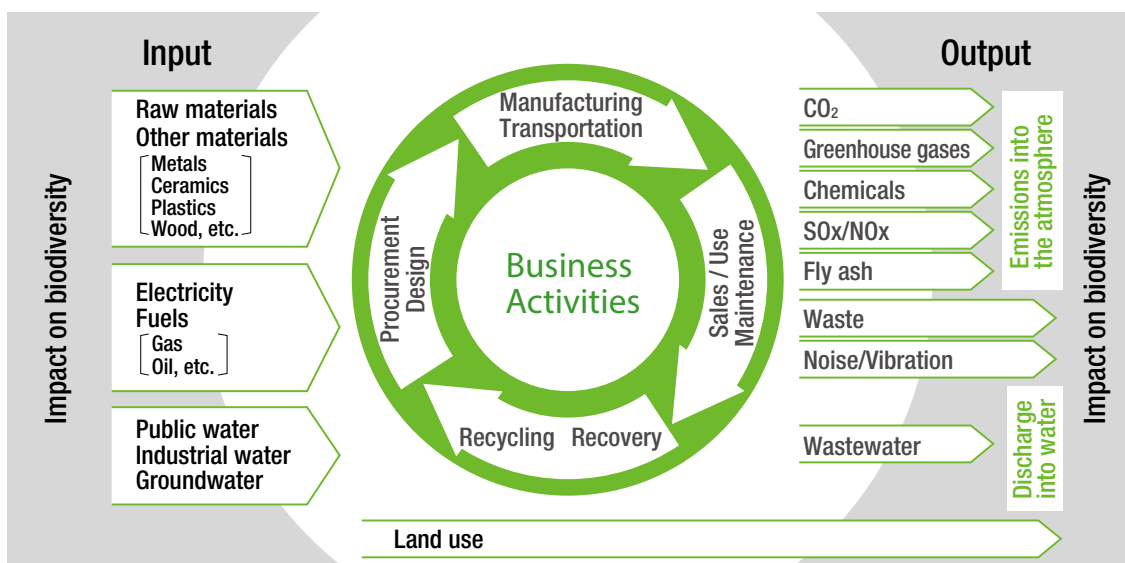
## Respect for Biodiversity

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.

### Relationship between Business Activities and Biodiversity



## 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.

## Promoting Three Initiatives to Realize a Society Living in Harmony with Nature

### ● Mitsubishi Electric Outdoor Classroom

Regarding natural fields, including woodlands, river banks, parks and coastal areas as classrooms, our employees lead participating in learning the importance of nature.

### ● “Satoyama” Woodland Preservation Project

As part of our social contribution activities built on employee volunteer spirit, this project is aimed at recovering local nature, including parks, woodlands and rivers around business sites, to its original state.

### ● Preserving Biodiversity at Business Sites

At all business sites in Japan, we are promoting the preservation of local indigenous species, control of alien species, and improvement of greenery with biodiversity in the surrounding areas in mind.



Field trip to observe nature with kindergarten children

## Activities at Business Sites for Preserving Biodiversity Action Guidelines

Preserving biodiversity at business sites forms one pillar of the 8th Environmental Plan, and our goal is to educate employees so that they think and take action with regard to the impacts business activities have on ecosystems and the diversity of living organisms.

We have set out three courses of action as action guidelines for each business site as shown in the table below. At all our domestic production sites, based on

the Guiding Principles set up according to the Aichi Biodiversity Targets \*1 and the results of the survey we conducted up to fiscal 2018, we started full-scale conservation of cultivate native species, management of nonnative plants, and biodiversity conservation activities such as improvement of greenery areas considering the surrounding ecosystem.

Trends in Actions	Examples	
A Reducing negative impact on living creatures	1. Control development pressure*2 and alien species pressure*3	(1) Environmental assessment (2) Alien species control
	2. Call attention to and preserve rare species and endemic species	(1) Disclosure of list of living creatures on premises (2) Preservation of rare species and endemic species (3) Cooperation in regards to conservation issues for surrounding areas
	3. Manage pesticides	(1) Control the killing/harming of living creatures
B Aiming for more fruitful symbiosis with other living creatures	4. Set up functional greenery (1) Contribute to ecosystem of surrounding areas (2) Enhance quality of urban ecosystem	(1) Land used by flying organisms (2) Priority land for greenery and living creatures (3) Provision of continuity with areas surrounding premises (4) Cooperation in regards to issues for surrounding ecosystems
	5. Break away from industrial orientations such as simplifying/specifying greenery	(1) Diversification/multi-stratification of vegetation (2) Management of greenery appropriate for plants
C Restoring the relationship between employees and nature in the working environment	6. Proactively utilize ecosystem services in the workplace (break rooms, individual floors)	(1) Provision and utilization of opportunities for cultural services (2) Provision and utilization of opportunities for supply services
	7. Change situation from everyone being disinterested and unrelated to everyone being involved	(1) Education for understanding and promoting action (2) Creation of relationships through the workplace or work duties

\*1 The global target that is the core of the "Strategic Plan for Biodiversity 2011-2020" adopted at the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity held in Nagoya, Aichi Prefecture in October 2010.

\*2 Development pressure: An action resulting in the destruction of habitats. The construction of a new business site and development (including that in the supply chain) intended to extract natural resources are deemed as such behaviors. One such example is when the use of water by operations affects the surrounding area, the source of water, and subsequently the habitats of living creatures.

\*3 Alien species pressure: When ditches, greenery at the side of buildings, and hedges are created, non-native species of insects, vegetation, etc. may be introduced. The unintentional transfer of living creatures could pose a threat to the habitats of indigenous species or trigger genetic pollution.



# Responsibility to customers

## Basic Policy

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

To give concrete shape to this basic spirit, the

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

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

## Four Basic Quality Assurance Principles

Our commitment to quality, as referred to in the Seven Guiding Principles, is reflected in the Four Basic Quality Assurance Principles laid down as a means of realizing the corporate motto of "Service through Quality" adopted

in 1952. The spirit of serving society through steady quality continues to be upheld by each employee of the Mitsubishi Electric Group up to the present day.

### <Four Basic Quality Assurance Principles>

1. Product quality is our top priority. It comes before price and on-time delivery.
2. 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.

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

### <Product Safety-related Principles>

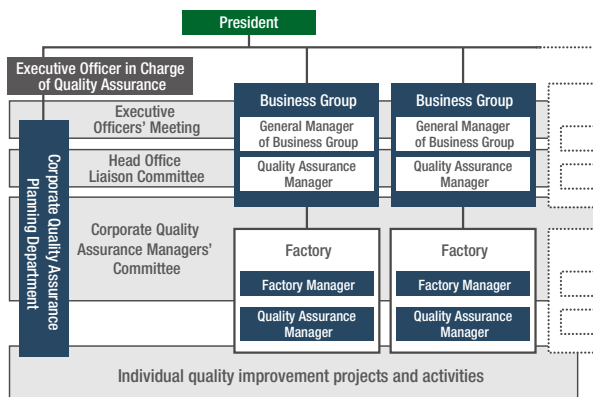
1. We will not only comply with the laws related to product safety, but also work on offering safe and reliable products to our customers.
2. We will prevent product-related accidents by indicating cautions and warnings to help customers use our products safely.
3. We will work actively to collect information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

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

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

# Management System

Based on the Four Basic Quality Assurance Principles, we have established a system for quality assurance and improvement activities throughout the entire Group, including the appointment of a quality assurance promotion manager in all business group headquarters. We have also formulated quality assurance guidelines to ensure



Promotion of Quality Assurance and Improvement Activities (in Mitsubishi Electric alone)

compliance with quality assurance legislation and standards and further develop quality improvement activities.

Worldwide manufacturing bases take responsibility for the quality assurance of each product and are implementing concrete improvement measures. At the level of management, we also regularly report on the status of quality at meetings of executive officers.

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

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

# Quality Improvement Activities

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

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

With regard to affiliates in Japan and overseas that engage in production, installation and maintenance, initiatives were also launched in fiscal 2012 for onsite

verification of operational processes (design, procurement, production), responses to failures and legal compliance, and management of laws, regulations and standards.

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

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



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

"Quality room"



Entrance



Inside the room

# Providing Easy-to-Use Products

## Basic Policy

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

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

## Universal Design that Provides Ease of Use

Universal Design 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. In fiscal 2011, targeting expansion of the market to include elderly users in their 70s, we developed a series equipped with the "RakuRaku Assist" function. "RakuRaku Assist" incorporates the latest convenience functions in a way that is fun and easy to use. 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 nonskilled 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 2018, a number of Mitsubishi Electric products developed based on evaluation tests targeting a diverse range of users were well received at the IAUD Awards, organized by the International Association for Universal Design. The Mitsubishi elevator touch panel-style elevator hall registry control panel took the gold award. Other prizes were awarded to products including the Mitsubishi air conditioner ZW/ZXV series, the Oven/Grill with voice navigation ZITANG range grill with voice guidance, and a car navigation system that provides better user assistance and reduces danger during collisions (NR-MZ300PREMI). Mitsubishi Electric products were awarded a total of seven prizes.

In fiscal 2019 as well, we will continue to sensibly and ingeniously apply universal design in the creation of products throughout our wide-ranging business domain.


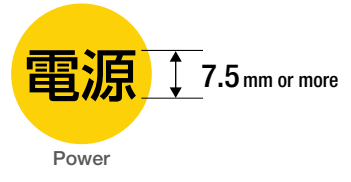
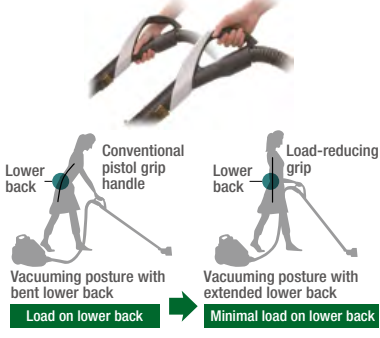
## Universal Design Examples to Date

### Universal Design Guidelines for widespread usability

To promote greater usability of our products by all users, including children, the elderly, and people with physical disabilities, we formulated guidelines grounded in surveys and research on changes that occur to human characteristics with age. The guidelines give consideration to these changes mainly in terms of the following three perspectives.

#### Structure of the Universal Design Guidelines

1. Recognition: consideration for ease of understanding
2. Identification: consideration for ease of reading and/or hearing
3. Physical use: consideration for comfortable posture and minimum physical load

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
E.g.) Buttons with easy-to-understand functions (Television remote control with record function)	 <p>*Rovi, G-GUIDE, and the G-GUIDE logo are trademarks or registered trademarks of Rovi Corporation in the United States and/or its affiliates in Japan.</p>	E.g.) Large characters easy even for aged persons to read	<p>Main characters/numbers</p>  <p>電源 Power</p>	E.g.) Easy-to-hold handle shape for each product	 <p>Lower back Conventional pistol grip handle Lower back Load-reducing grip Vacuuming posture with bent lower back Load on lower back Vacuuming posture with extended lower back Minimal load on lower back</p>

### "RakuRaku-IH" Cooking Heater (home appliance equipped with RakuRaku Assist)

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" Cooking Heater CS-G20AKS

##### Large characters & numerical indicators of steps for use

###### <Features>

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



Large-character buttons & numerical indication of steps for use

##### Safety sensor & audio support

###### <Features>

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



Safety sensor & audio support

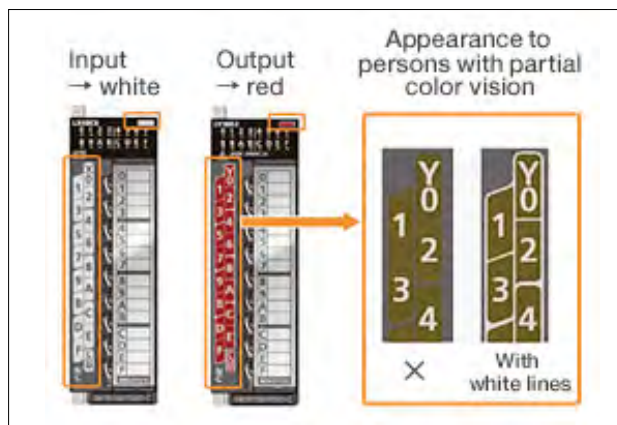
## MELSEC L-Series Programmable Logic Controller (PLC) designed for use even by less-experienced workers

Mitsubishi Electric's MELSEC L-Series general-purpose PLCs function as factory computers, and deliver the following three advantages 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

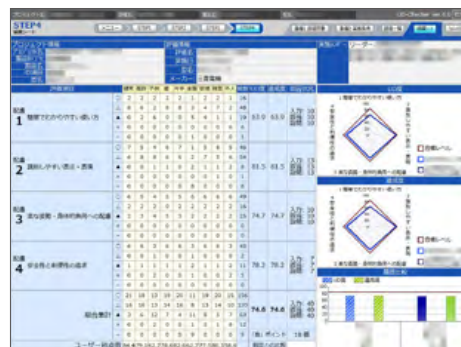
UD-Checker is a tool that can be used by both industrial designers and engineers to evaluate for universal design qualities. This tool shows four quantitative measures of universal design, indicating specific design aspects for development and improving the efficiency of product

development.

The UD-Checker is used on a wide variety of Mitsubishi Electric products from home appliances and public equipment to industrial equipment.



Check sheet of UD-Checker



Results sheet of UD-Checker

# VOICE (In charge of universal design)

UX Design Foundation Group Solutions Design Div. Industrial Design Center Mitsubishi Electric Corporation Yuka Yamazaki



Observe the user, and think from their standpoint. This is what we abide by the most when developing products from the standpoint of universal design. We design products by incorporating usability evaluations and other scientific approaches while listening to people who will actually use the products. Each user is different, and the situations they use our products in, along with their intended purposes, differ from user to user. Based on our commitment to deliver usability suited to every individual, we aim to spread that usability to as many people as possible. We will continue to devote our efforts to the development of universal design, with hopes that our products also deliver happiness to large numbers of people.

## Creating easy-to-understand instruction manuals

Under a campaign to provide first-rate instruction manuals, the Mitsubishi Electric Group is directing its efforts to creating easy-to-read and easy-to-understand instruction manuals to ensure the safe and comfortable use of our products. Forming the basis of this effort is

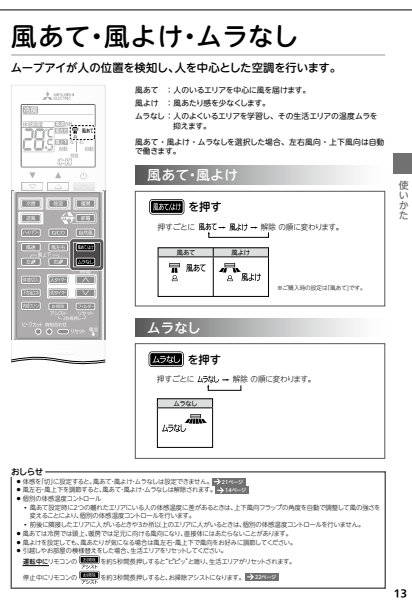
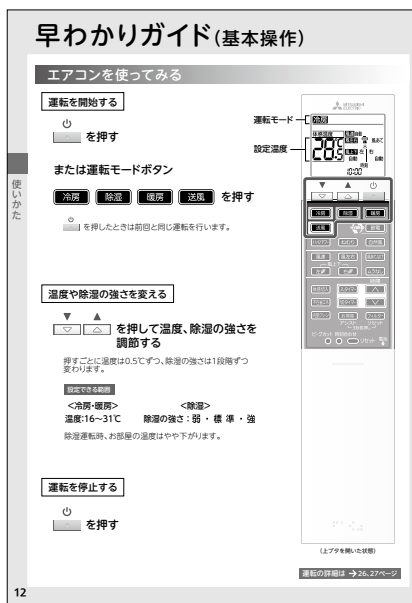
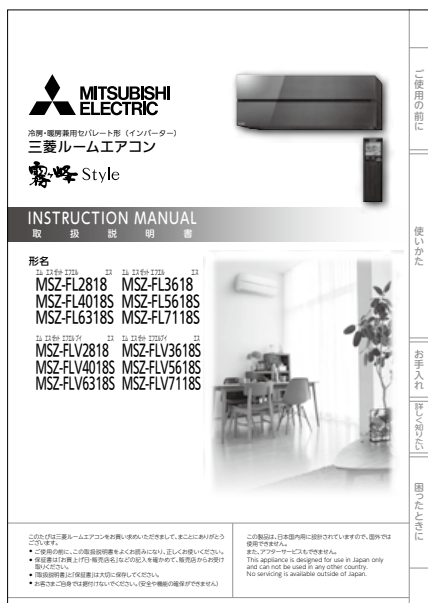
Mitsubishi Electric's original "Guidelines for the creation of instruction manuals for home appliances—Instructions." To raise the quality level of instruction manuals, this handbook is distributed to all affiliates in Japan who handle home appliances.

## Example instruction manual: Mitsubishi Electric Kirigamine FL Series room air conditioners

Our Quick Guide (Basic Operations) enlarges each button, allowing users to recognize at a glance which button they should push on their remote control. In addition to this,

large font sizes and ample margins make the explanations extremely easy to understand.

Instruction manual for Mitsubishi Electric Kirigamine FL Series room air conditioners (Japanese only)



Quick Guide (Basic operations)

# Increasing Customer Satisfaction

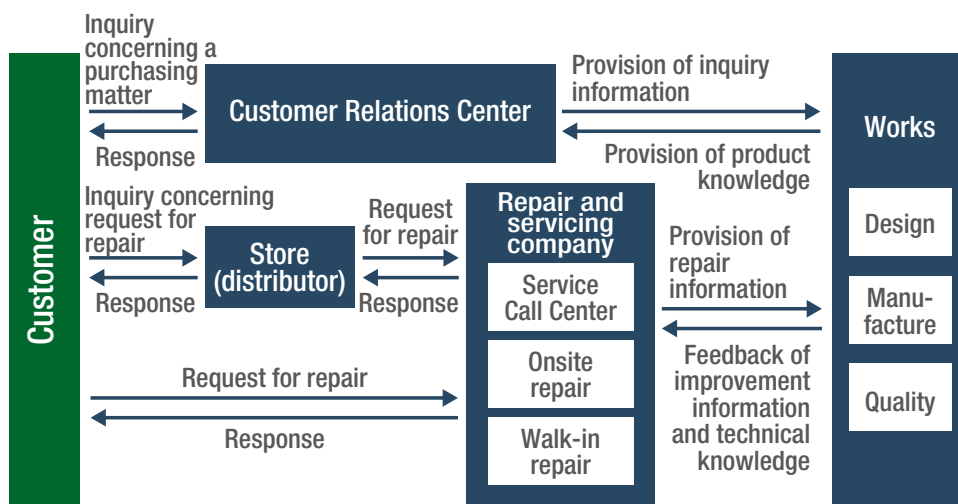
## Basic Policy

Customer satisfaction has been a priority management principle of the Mitsubishi Electric Group since its founding in 1921. Inheriting this spirit, we will continue to make dedicated efforts to satisfy customer needs in all aspects of our business activities, from the creation of high-quality, easy-to-use products to our after-purchase support and response to major issues.

We collect feedback from our customers through

customer satisfaction surveys as appropriate to the characteristics of each business operation, and incorporate customer opinions into improving product development, marketing strategies, and services.

We also strive to maintain customer satisfaction by strengthening our repair/service systems, providing effective staff training, and expanding access to information via our websites.



Flow of responses to customer inquiries (in Mitsubishi Electric alone)

## CS Activities by the Home Appliances Group (in Japan)

out customer satisfaction (CS) improvement activities in Japan. It makes sure that customers across the country are satisfied with the Mitsubishi Electric product they

purchase, and strives to increase the number of such satisfied customers.

### The beginning of CS activities related to home appliances

The CS Department at Mitsubishi Electric was established in Japan in July 1993. In addition to assuring product quality and optimum product usability and functionality, the department engages in CS improvement activities with strong awareness of the significance of customer satisfaction. Mitsubishi Electric quickly proceeded to create the necessary climate, systems and tools that would

enhance its products, marketing strategies, and services.

Each works conducts satisfaction surveys of its major products using questionnaires to product purchasers and questionnaires to employee monitors. The results of these surveys are shared within the Group and reflected on sales and development strategies.

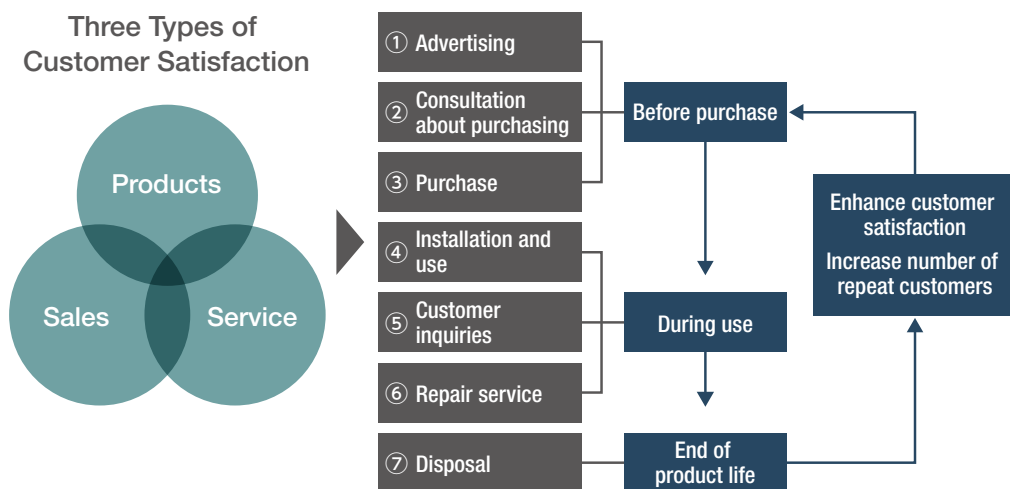
## Understanding customer satisfaction

A customer's selection, purchase, and use of a product involve a number of different departments, such as the development, manufacturing, sales, and service departments. Customer satisfaction cannot be achieved if a customer is 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.



Customer checkpoints

## Taking calls 24 hours a day, 365 days a year

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

Today, the Customer Relations Center and Service Call Center operate 24 hours a day, 365 days a year.

The Technical Support Call Center, which responds to technical inquiries from distributors, and the Repair Service Station, the stronghold of repair services operated by Mitsubishi Electric System & Service Co., Ltd., also respond to inquiries 365 days a year (excluding some regions).

As the relations center receives a wide array of inquiries every year due to the diversification of product functionality, we are constantly reinforcing staff members, and are making consistent efforts to provide proper training.



Customer Relations Center



Service Call Center



Repair Service Station





## System of reviewing customers' comments

The content and results of consultations and repair requests from customers and details of technical inquiries are sent as feedback to the manufacturing works at the

end of each day. They are used to improve both products under production and development, and to provide repair information to distributors.

### Customer relations center

Customers' comments that are collected by the Customer Relations Center are entered into a database and analyzed in terms of trend, and the analysis results are regularly sent to relevant manufacturing plants, sales companies, and research institutes. Manufacturing plants and sales companies utilize this information in their ongoing efforts to improve existing products and to make websites, catalogs, and instruction manuals even easier to understand. Research institutes utilize the information to refine products that are under development. Particularly with respect to information that is obtained following

the release of a new product, efforts are made to convey customers' expectations, wishes, and dissatisfactions regarding the new product to relevant departments in a timely manner, so they may review the feedback as quickly as possible.

At the same time, regular liaison meetings are held between each manufacturing plant and Customer Relations Center to identify medium-term issues that are brought to light by customers' comments and enhance their cooperation in collecting further information.

### Manufacturing plants

At Shizuoka Works, where Mitsubishi Electric manufactures air conditioners, quality improvement efforts are made by arranging opportunities for development engineers to personally hear the opinions of customers and provide feedback to their product development. More specifically, Shizuoka Works actively invites questions and comments from customers, or when a quality issue occurs that is thought to be of high technical difficulty, directly visits the customer's home to inspect the product installation environment.

There are many cases where customers' comments have benefited product development. With air conditioners, most inquiries are related to how to use the product and problems with cooling and heating functions. Therefore, direct visits are made to customers' homes to personally hear their inquiries, and such visits are used to improve product quality by reflecting the results in design

criteria or incorporating them into measures for improving product control specifications.

As an example, our unique sensory temperature control was developed based on customers' comments, with some customers saying the air conditioner is too weak, and others saying it overcools. We looked into this issue and found that in addition to ambient temperature, humidity and floor temperature also affect sensory temperature. With regard to the noise of outdoor units, we found that not only the loudness but also the nature of the noise also makes a difference in how noise is actually heard, and thus incorporated this concept in our development evaluation criteria.

We will continue to refer to customers' opinions as we continue to accumulate a history of Kirigamine air conditioners.



Kirigamine FZ Series room air conditioner MSZ-FZ4018S  
Airflow control that can adjust sensory temperature delivers optimum comfort to each user.

## CS Activities by the Building Systems Group (in Japan)

The Building Systems Group handles elevators and escalators that provide vertical transportation within buildings and building management systems. By ensuring their safety and security and continuously delivering comfortable means of transportation and living spaces as indispensable social infrastructures on a global scale, we contribute to making society even more vibrant and affluent.

Under the slogan "Quality in Motion", the Building

Systems Group continues to pursue the highest level of quality in relation to safety, comfort, efficiency, safety, and the environment in its overall business activities (sales, development, manufacturing, installation, and maintenance), making use of our advanced technologies and environmental expertise. By this means, we are able to provide our customers with optimal solutions and a level of security and reliability that wins their complete satisfaction.

### 24-hour, 365-day Safety Hotline Information centers of Mitsubishi Electric Building Techno-Service Co., Ltd.

Mitsubishi Electric Building Techno-Service, one of Mitsubishi Electric's group companies in Japan, specializes in the maintenance of elevators, escalators, and other such building facilities. This company's information centers provide a "safety hotline" for response in cases of trouble, such as failure signals and telephone calls from customers.

Mitsubishi Electric information centers situated in eight locations throughout the country constantly monitor remotely the status of contracted customers' building facilities. When an error signal is received, the system provides information on the current locations, works in progress, and even the technical levels of approximately 6,000 engineers, so that the most appropriate engineer closest to the customer's building can be located and dispatched to the site immediately.

The system also supports the quick recovery of building functions, by taking actions such as e-mailing information on the history of repairs and other matters related to the building to the engineer, or processing urgent orders for parts.

Moreover, by monitoring changes in data on the operational status of elevators and air-conditioning facilities, we can detect and address abnormalities before they develop into a malfunction and prevent problems from occurring.



Information center

### Mitsubishi Elevator and Escalator Safety Campaign

Elevators and escalators are used to transport a large and indefinite number of persons, so a high level of safety is imperative, and they are thus required to be equipped with various safety devices and functions.

At the same time, to ensure safe operation, it is necessary to maintain the functioning of elevators and escalators through regular maintenance and inspection, and for people to use them correctly.

Based on this awareness, Mitsubishi Electric Building Techno-Service not only performs maintenance and inspection as appropriate, but has also been holding a safety campaign since 1980 to increase understanding of the proper usage of elevators and escalators among users and to promote their safe usage.

We also hold explanatory meetings for users, to teach children, senior citizens, people with disabilities, and other such users the proper and safe way to ride elevators and escalators, as well as explanatory meetings for apartment and building owners and managers, with a focus on daily

management methods and emergency responses. These meetings have been attended by more than 300,000 people to date, and will continue to be held as an important safety activity of the Mitsubishi Electric Group.



Mitsubishi Elevator and Escalator Safety Campaign

## Inazawa Works SOLAÉ showroom

The showroom attached to the 173-meter-tall SOLAÉ elevator testing tower receives visitors from facility owners, design offices, and construction companies—as well as children from the local community—and having them see, feel, and experience actual Mitsubishi Electric products and technologies that are fundamental to building operation, the showroom communicates the safety and security of Mitsubishi Electric's products.

The elevator and escalator zone on the first floor introduces visitors to the history of elevators and escalators, and, using actual elevator and escalator units, provides a survey of subjects ranging from their basic structure to the latest products and technologies that ensure their safety, security and comfort. Visitors are also able to experience the sense of speed of the world's fastest elevator\* using computer graphics projected onto a huge monitor. The building management system zone on the second floor allows visitors to experience technologies including the latest building management and security systems.

\* Installed in Shanghai Tower (based on internal research of elevators in operation as of March 2018)



SOLAÉ elevator testing tower



SOLAÉ showroom

## VOICE (in charge of health and safety in Thai)

Manager of the training center Mitsubishi Elevator (Thailand) Co., Ltd. (Thailand) **Kanitpong Sarcon**



Mitsubishi Elevator Thailand obtained certification in ISO 9001:2015 (quality), ISO 14001:2015 (environment), and OHSAS 18001:2007 (safety) as a package. This provides a useful tool for explaining our level of quality and reliability when making sales presentations to customers. The training center I supervise is the largest in the region, and is in full operation, providing education and training in the installation and maintenance of elevators and escalators on a daily basis to our employees, the employees of sales companies, and representatives of customers who so desire. As the member of staff responsible for overseeing the training center, I strive every day in planning effective education and training programs and realizing the acceptance of our customers, and I devote my full energies to perfecting the facility.

# Responding to Product-Related Issues

## Basic Policy

In the event of an issue, we place top priority on not inconveniencing our customers, and take action based on a system that ensures prompt and accurate responses and measures.

## Policies for Notification and Information Collection, and the Repairs and Recalls of Products

If we receive any report of a major issue occurring in a product that we have sold, we have a system in place that includes the top management to ensure quick and accurate decisions on the steps and measures to take, so that we can take proper action while placing top priority on not inconveniencing our customers. For recalls in particular, we work on an ongoing basis to ensure that

all the relevant products that were sold are returned and repaired, and apply these efforts to a wide array of sales channels.

In Japan, we promptly release appropriate information on issues in consumer products, which directly and deeply affect consumers.

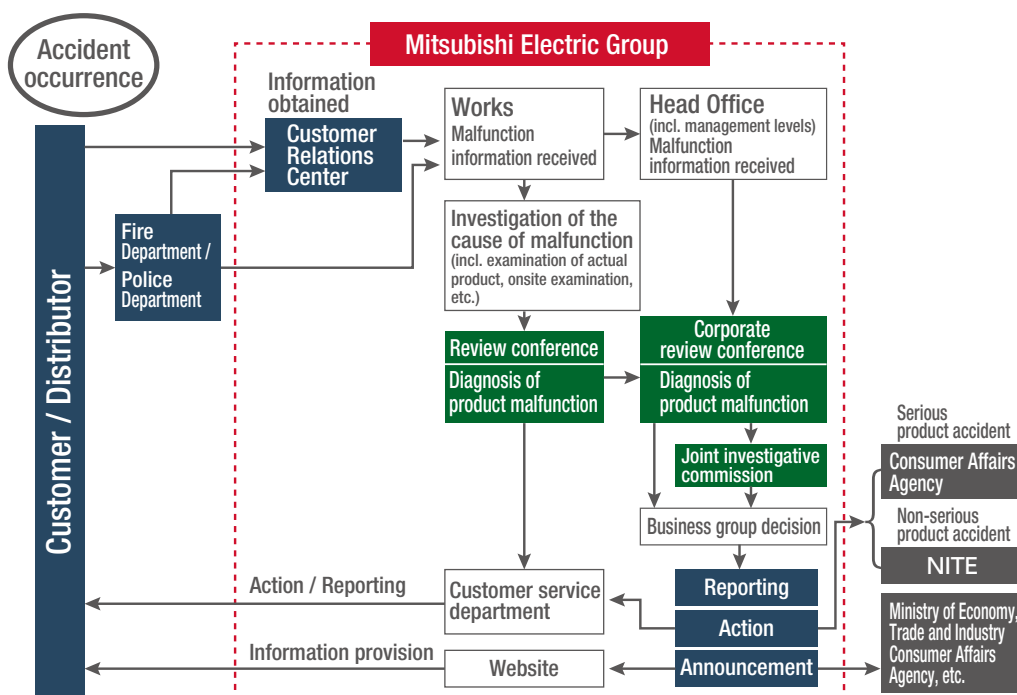
## Reporting Major Product Issues (in Japan)

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.

Under our policy regarding the disclosure of accident information, we also disclose information on cases that are under investigation.



Flow of responses to accidents (Mitsubishi Electric Group)

# Human rights

## Human Rights Policy

### Mitsubishi Electric Group Human Rights Policy

September 20,2017

Protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group's business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations. On that basis, the Mitsubishi Electric Group enacted its Corporate Ethics and Compliance Statement in 2001 and pledged that all executives and members of the Group "will conduct ourselves always with a respect for human rights, will not discriminate based on nationality, race, religion, gender, or any

other reason".

As the Mitsubishi Electric Group continues to expand its business globally, in accordance with the spirit of the Mitsubishi Electric Group's Corporate Mission and Seven Guiding Principles, it has established this Human Rights Policy and shall raise awareness of human rights among its members and make sure to properly deal with related incidents in order to ensure that its business activities do not have a negative impact on human rights.

1. The Mitsubishi Electric Group recognizes that, as a minimum, it must respect international standards related to human rights, such as the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. On that basis, we shall respect human rights while making sure to adequately understand relevant laws and regulations in every country and region where we do business.

If such laws and regulations do not conform to international standards related to human rights, we shall consult with local authorities on how to properly handle cases involving human rights in order to respect the international standards.

2. Based on the United Nations Guiding Principles on Business and Human Rights, the Mitsubishi Electric Group shall undertake human rights due diligence measures, such as specifying and assessing the impact of its business activities on human rights, and studying ways of proactively preventing or mitigating any negative impact of those activities. Furthermore, the Group shall put a framework in place for rectifying any cases in which its business activities are found to have negatively impacted

human rights, or its members are found to have been clearly involved in violations of human rights.

3. The Mitsubishi Electric Group has identified CSR materialities, has set concrete tasks and goals for those materialities, and works to achieve them, and, through that process, takes steps to ascertain the status of its initiatives related to respect for human rights, and properly discloses its findings.
4. The Mitsubishi Electric Group shall work to ensure that its initiatives related to respect for human rights are implemented with the participation of all executives and employees. Furthermore, the Group shall request cooperation from various stakeholders involved in its whole value chains such as business activities, products, and services, in order to help promote respect for human rights in society at large.
5. The Mitsubishi Electric Group shall implement training programs and awareness campaigns on a continuous basis for the purpose of ensuring that all executives and members of the Group understand initiatives related to respect for human rights, and conduct themselves accordingly.

## Code of Corporate Ethics and Compliance—Respect for Human Rights

### Basic Principle

We will respect human rights with an awareness that our activities are widely interrelated with peoples and 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. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

- **Respect for individuality**

In all countries and regions where we do business, we will respect the individuality of each employee and will not engage in any act that disregards the person's individuality, such as harassment, defamation, slander, or compelling the person to do work through threats. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

- **Principle concerning health and safety in the workplace**

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

- **Principle concerning labor relations**

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

- **Principle concerning personal information protection**

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

## Human Rights Management

### Status of Present Initiatives and Future Issues

#### Human rights responses according to international norms

The Mitsubishi Electric Group established Policies on Respect for Human Rights in September 2017 and declared its commitment to ensure human rights responses that match international norms. In particular, we are striving to implement measures to prevent and mitigate adverse impacts on human rights. To do so, we are conducting

due diligence on human rights in conformance with the UN Guiding Principles on Business and Human Rights, and creating a corrective mechanism in the event it comes to light that a company's action or involvement has inflicted an adverse impact on human rights.

#### Specific initiatives

In fiscal 2019, the Mitsubishi Electric Group will launch human rights due diligence initiatives by identifying and evaluating impacts on human rights (a human rights impact assessment) at all company sites. We will also explore ways to improve the mechanism for receiving grievances from those who have suffered a human rights violation and provide an avenue for relief (a grievance handling mechanism). At the same time, all suppliers along our supply chain will be requested to strengthen

their human rights responses as part of their initiatives to promote CSR procurement.

In fiscal 2020 and beyond, we will promote these initiatives further, and plan to create a system that also includes the supply chain in preventing and mitigating adverse impacts on human rights. The program will include follow-up evaluations of the initiatives for human rights responses.

### Response to the UK's Modern Slavery Act

In fiscal 2017, Mitsubishi Electric Europe B.V. and Mitsubishi Electric Air Conditioning Systems Europe Ltd. issued a statement in response to the Modern Slavery Act that was enacted in the UK with the aim of eradicating forced labor, human trafficking, and other such acts that constitute "modern slavery." Continued efforts will be

made to ensure information disclosure and strengthen relevant initiatives. Due consideration is also given to the UK Gender Pay Gap Report.

 [Statement by Mitsubishi Electric Europe B.V.](#)

 [Statement by Mitsubishi Electric Air Conditioning Systems Europe Ltd.](#)

## Harassment Training

Mitsubishi Electric provides ongoing training programs regarding human rights to new employees and newly appointed managers, as part of its efforts to ensure a healthy workplace environment that is free of discrimination or harassment.

Particular emphasis is placed on harassment prevention training for newly appointed managers, as they bear an important responsibility as managers to maintain and improve their workplace environment. The programs include not only lectures that provide information about sexual harassment, power harassment and "maternity harassment," but also lectures that allow managers to identify any harassment issues in the workplace, such as by introducing specific case examples of harassment.

Those who attend the program actively engage in creating a comfortable working environment for employees, by making certain there are no harassment issues in their workplace, as is their responsibility as managers.



Lecture on "Respect for human rights and the active participation of diverse human resources"

## Human Rights Awareness Activities

Mitsubishi Electric provides a human rights awareness training program to all new employees, with a view to developing an organizational culture where a diversity of people work actively with mutual respect for each other.

In one instance, we organized a human rights training program for members of the CSR Expert Committee (Head Office management departments) with Mr. Shimotaya, Managing Director of Sustainavision Ltd. and an expert in human rights issues, as guest lecturer, to deepen understanding of trends in worldwide human rights issues and international human rights norms.

Additionally, for new employees who have just become full-fledged members of society and newly

appointed managers, a program has been implemented that promotes understanding of the basic principles of human rights and Mitsubishi Electric's human rights initiatives, and that includes lectures on specific issues regarding human rights, such as harassment, discrimination against disabled people, and the Dowa social integration issue.

Through such programs, we are striving to raise awareness of human rights in the minds of new employees from an early stage after joining the company, so when they are assigned to their workplace, they can act with a sense of respect for human rights while engaging in their daily duties.

### VOICE (CSR manager in the EU)

Manager Strategic Planning and Corporate Communication MITSUBISHI ELECTRIC EUROPE B.V. **Hans-Joerg Hinkel**



Within the MEU Corporate office I am in charge of our CSR activities and follow CSR related developments in Europe, for example as the representative in the JBCE CSR Committee in Brussels.

One topic within the Human Rights sphere that has been very prominent lately is the prevention of slavery, which even in this day and age is wide-spread. While several European countries have issued related legislation, the most notable and comprehensive law in this context is the Modern Slavery Act, which came into force in the UK in 2015. It requires companies to investigate their operations and supply chains for existing acts of slavery as well as to take actions to prevent them from occurring in the future. Since 2016 companies also have the obligation to publicly issue an annual Modern Slavery Statement in which they for instance have to state the actions taken in the previous year to combat Modern Slavery. As MEU we of course take the prevention of slavery very seriously and for example have introduced an e-learning program, which educates our colleagues about where and how to spot signs of slavery in the modern day work environment.

# Labor practices

## Basic Policy on Human Resources

### Basic Policy

Mitsubishi Electric actively recruits employees to maintain a proper personnel structure over the medium to long term, and to achieve further global expansion of its growth areas, which are centered on power systems, transportation systems, building systems, FA systems, automotive equipment, space systems, power devices, and air-conditioning systems.

Affiliated companies in Japan also implement plans for continuous recruitment of employees from the standpoint

of strengthening business, technological capabilities, marketing capacities, and manufacturing power.

All recruitment activities are implemented in compliance with the guidelines on recruitment and selection of undergraduate and postgraduate students who are scheduled to graduate or complete their master's courses, outlined by the Japan Business Federation (Keidanren).

### Active Employment on a Continuous Basis

Mitsubishi Electric plans to employ a combined total of 1,190 new graduates in October 2018 and April 2019. We have employed more than 1,000 new graduates every

year since fiscal 2013, and will continue to employ the same scale of people with an eye to achieving an even higher level of growth.

#### Recruitment plan of the Mitsubishi Electric Group (as of March 2018)

##### 1. New graduates

(Unit: no. of people)

		October 2016 and April 2017 (result)	October 2017 and April 2018 (projection)	October 2018 and April 2019 (plan)
Mitsubishi Electric	Engineering positions	650	650	690
	Sales & administrative positions	220	220	230
	Technical positions	270	270	270
Mitsubishi Electric		1,140	1,140	1,190
Affiliated companies in Japan		April 2017 (result)	April 2018 (projection)	April 2019 (plan)
		1,500	1,500	1,500
Total		2,640	2,640	2,690

##### 2. Mid-career Hires

(Unit: no. of people)

		Fiscal 2017 (result)	Fiscal 2018 (projection)	Fiscal 2019 (plan)
Mitsubishi Electric		550	550	550
Affiliated companies in Japan		1,200	1,000	1,000
Total		1,750	1,550	1,550

##### 3. Ratio of women among new graduates in engineering positions at Mitsubishi Electric (alone)

Fiscal 2018 (result)	Fiscal 2019 (projection)	Fiscal 2020 (plan)	Fiscal 2021 (target)
11%	13%	15%	20%



# Basic Personnel Data

## Employment Situation

### Employment situation of the Mitsubishi Electric Group

#### (1) Consolidated data

(as of March 31, 2018)

Segment	No. of employees (persons)
Energy & Electric Systems	45,919
Industrial Automation Systems	32,399
Information & Communication Systems	15,131
Electronic Devices	5,588
Home Appliances	26,000
Other	12,005
Common	5,298
Total	142,340

#### (2) Data for Mitsubishi Electric Corporation alone

(as of March 31, 2018)

No. of employees	Average age	Average number of years worked	Average annual income
34,561 employees (incl. 3,249 women) [7,413 employees]	40.2 years of age	16.3 years	7,924,292 yen

Segment	No. of employees (persons)
Energy & Electric Systems	8,630
Industrial Automation Systems	9,538
Information & Communication Systems	4,987
Electronic Devices	2,161
Home Appliances	5,022
Other	0
Common	4,223
Total	34,561

#### NOTES:

- "Employees" refers to all personnel who are working. The number of temporary workers is indicated in terms of average number per year and provided in brackets ([ ]) as a separate number not included in the total number.
- Average annual income includes bonuses and extra wages.
- There is no difference in the amount of remuneration between men and women under Mitsubishi Electric's personnel treatment system.

## Relationship with Labor Unions

Mitsubishi Electric and Mitsubishi Electric labor unions strongly realize that it is important for them to cooperate in promoting the company's growth and improving the working conditions of labor union members based on an awareness of the company's social mission and responsibility, and to form and maintain a labor-management relationship founded on mutual sincerity and trust. Based on this realization, they enter into a labor contract by consent of both parties and mutually comply with the contract in good faith.

Under the union-shop system, employees (excluding management level employees) become union members after completing a trial period, as a rule. To facilitate

mutual negotiations, the company and labor unions establish a management council and labor council, and endeavor to seek resolutions by holding thorough rational discussions on equal footing, as a basic principle.

Group companies also share the principle of holding thorough rational discussions between labor and management, and endeavor to maintain and improve sound working conditions and workplace environments in compliance with labor-related laws and regulations concerning employment, personnel affairs, work duties, wages, working hours and immigration control in the countries and regions where they do business, as well as with internal regulations and procedures.

# Workforce Diversity

## Basic Policy

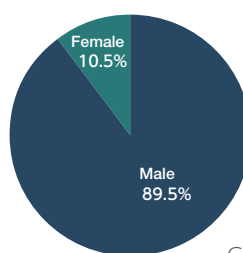
Within today's rapidly changing workforce environment, providing a workplace where employees can work to their full potential regardless of gender or age is essential to business development. Furthermore, it has become more vital than ever before to employ an even greater

diversity of people, given the increasingly aging and diminishing population in Japan. Based on this awareness, Mitsubishi Electric promotes employee diversity through the following measures.

## Women's Participation

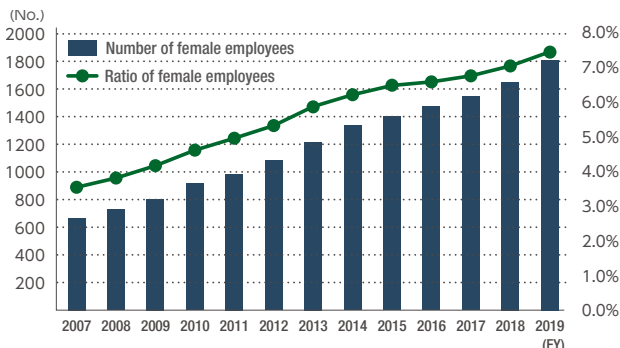
To formulate and implement original measures that would help female employees and employees with children form a career while also enriching their personal lives, Mitsubishi Electric established the CP-Plan\* Promotion Center within its Corporate Human Resources Division in April 2006, with a mandate to promote recruitment, training, assignment, and institutional initiatives from a diversified perspective.

※Career management & Personal life well-balanced Plan

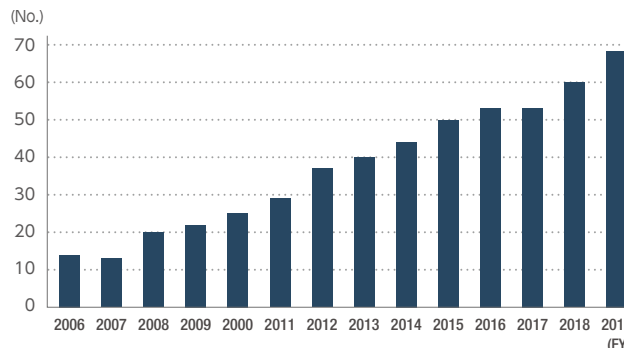


Gender ratio (entire Group)

### Basic data (Mitsubishi Electric alone)



Trend in the number of female employees (Mitsubishi Electric alone)



Trend in the number of female managers (at or above section manager level; Mitsubishi Electric alone)

## Initiatives for Even Greater Participation of Women

### Career forum for young female employees

A career forum (CP-Plan Forum) is offered to young female employees, to actively inspire them to form a career around life events such as childbirth and childcare. Through a lecture personally given by the president on the managerial significance of promoting women's participation, stories of senior employees' personal experiences, and group discussions, the forum urges

female employees to think and act on their own and promotes personal networking (attended by approx. 330 employees in FY2014, approx. 210 employees in FY2016, approx. 120 employees in FY2017 and approx. 120 employees in FY2018).

In addition to this forum that is held at the Head Office, exchange events are also held in some offices.

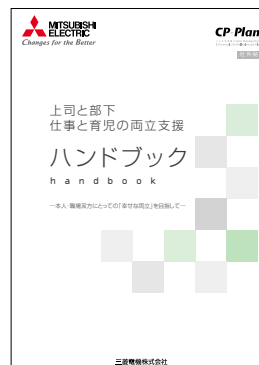
### Strengthening management capacities

Various efforts are made to raise management's awareness of women's participation and strengthen management capacities. For example, a curriculum on women's participation is included in the training program

for newly appointed managers, to disseminate an understanding of the managerial significance of women's participation and considerations to be heeded in the management of female subordinates.

## Handbook on supporting work/childcare balance for employees and supervisors

Various initiatives are in place so that employees who have taken childcare leave can smoothly return to the workplace and perform to the maximum of their ability while caring for their children. For example, a handbook is distributed both to these employees and their supervisors, and regulations require that these employees have the opportunity to meet with their supervisors periodically before and after returning to their positions.



Handbook on Supporting Work/Childcare Balance for Employees and Supervisors

## Training in management of female employees

A management training program for managers supervising female employees has been implemented in several research centers. It aims to strengthen management's capacity for maximizing the potential of female employees by promoting greater awareness of developing female employees as part of the medium to long-term workforce, while giving consideration to life events unique to women and providing an opportunity to think about how this can be done through their relationships with managers.



Training in management of female employees

## Active recruitment of female students in science (organization of events and production of pamphlets that specifically target women in science)

Mitsubishi Electric makes active efforts to recruit female students in science, based on a target of "achieving a more than 20% female ratio in new recruits from engineering fields by FY2021," as stated in the company's Action Plan, pursuant to the Act Concerning Promotion of Women's Career.

### Ratio of women among new recruits for engineering fields (Mitsubishi Electric alone)

Fiscal 2017	Fiscal 2018	Fiscal 2019
9%	11%	13%

※October hires and April hires

Various events are organized to actively disseminate genuine perspectives on working at Mitsubishi Electric. These include exchange forums where female students in science can interact with female employees at various stages in their life, from junior employees to employees who have children, and seminars designed to introduce day nurseries and other in-house facilities at Mitsubishi Electric to female science students. Attendees also receive pamphlets that introduce Mitsubishi Electric's female engineers. are also distributed.



Exchange forum with female engineers



Pamphlet for female science students

## Principles and Initiatives for Developing Global Human Resources

### To become a global company that employs global human resources

As a global company, Mitsubishi Electric has 205 consolidated affiliates in Japan and overseas, employing some 57,000 overseas employees, which corresponds to 40% of the total number of employees of the Group as a whole. Particular attention is given to personnel assignments and development, with the aim of becoming a corporate body where employees of the entire Group can maximize their potential and are able to realize their personal career plan. More than 100 overseas employees from ten to twenty countries are invited to receive training at a Mitsubishi Electric manufacturing facility (plant) in Japan every year, to acquire technologies, skills, and know-how. Upon their return to their companies, a cycle is put in motion that leads to greater independence of each overseas affiliate and greater employee engagement.

An initiative is also in place to provide a roughly two-week training program in Japan to selected overseas employees who hold promise as future management executives. Participants, who acquire knowledge and a network of personal connections in Japan, return to their company and engage in greater levels of work. At the

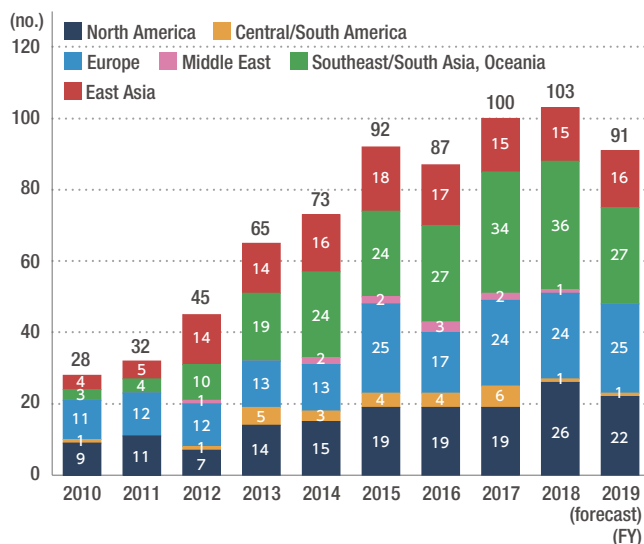
same time, companies in Japan are actively promoting the employment of foreign employees. Around 10 to 20 foreign employees are employed on a continuous basis every year, and a cross-cultural training program is offered regularly, to be attended in pairs with a senior Japanese employee from the same workplace, so that foreign employees can work actively and comfortably in Japan. Future initiatives will also provide training on Mitsubishi Electric's corporate philosophy, including its corporate mission, values, and history in both Japan and overseas to strengthen awareness of corporate principles that all employees of the Mitsubishi Electric Group worldwide ought to share.

Today, local staff members account for more than 40% of all executive officers (above the level of general manager) in overseas affiliates. Mitsubishi Electric continues to widely promote the placement of human resources in positions that are suitable for them, be they local staff or expatriates of Mitsubishi Electric (Japan), for managerial positions in overseas affiliates.

### Employees dispatched under the overseas OJT system (FY2010 – FY2019 (planned))

As part of the effort to develop human resources in Japan capable of working at the global level, Mitsubishi Electric employees are dispatched to affiliated companies under

the overseas OJT system. In recent years, an average of 100 employees have been dispatched to various locations around the world every year.



Employees dispatched under the overseas OJT system

Employees have also been dispatched to English-speaking countries, Chinese-speaking countries and Spanish/Portuguese-speaking countries, as shown below, for foreign language training.

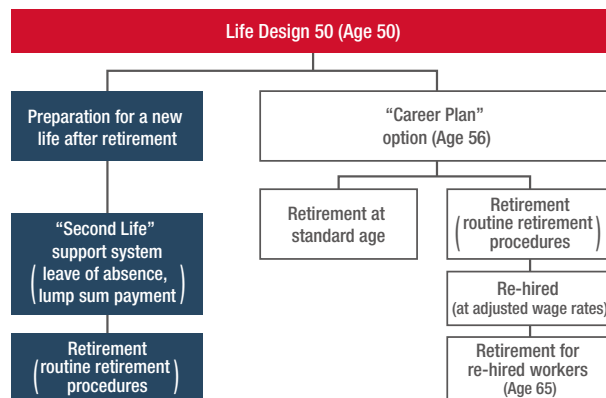
### Employees dispatched to attend foreign language training overseas

Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
94	101	90	98	103

## 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 by facilitating group discussions.



Multi-track personnel system from the core career track (for unionized workers)

## Promoting Employment of People with Disabilities

In October 2014, Mitsubishi Electric established Melco Tender Mates Corporation, a special subsidiary\* that specializes in businesses mainly suited to people with intellectual disabilities. As of March 15, 2018, people with disabilities comprised 2.21 % of the total workforce at Mitsubishi Electric and its special subsidiaries combined.

The company name of Melco Tender Mates Corporation expresses the principle that able-bodied employees and employees with disabilities are equal partners in the workplace and peers who mutually care for each other. The company mainly engages in the

cleaning service, café, business card, food service, and health promotion (massage) businesses, and employs 52 people with disabilities as of March 15, 2018. It plans to establish a cookie factory as a second location in FY2018, and to gradually expand its businesses to increase its employment of employees with disabilities.

※Special subsidiary: A subsidiary which, if certain requirements are met, is regarded as the same business entity as its parent company and whose rate of employment of people with disabilities is calculated in consolidation with that of the parent company.



Cafe business



Cookie manufacturing



Business card production

### VOICE (Melco Tender Mates instructor)

Instructor, Café Group, Division 2 Melco Tender Mates Corporation **Kaori Oshige**



I work with employees who have a disability and take particular care to support them so they develop a sense of ambition and the spirit of hospitality. In particular, I make a constant effort to create a congenial workplace environment that not only makes daily communication easier but also deepens mutual trust and, through personal interviews, leaves not even the slightest change unnoticed.

I myself try to understand the views of the employees I instruct and the various matters that arise from many perspectives, by taking the time to hold weekly exchanges of views with instructors of other groups such as the business card group and the meal delivery group. We discuss issues related to instructing employees with disabilities.

# Creating a Fulfilling Workplace

## Basic Policy

In the context of intensifying global competition, the Mitsubishi Electric Group upholds a management policy of strengthening global business competitiveness toward achieving sustainable growth, and implements various management policies to realize the Group's growth strategy. Enhancing and creating measures that maximize employee achievements is essential for the Group to secure a sustainable advantage in competition with other companies.

Achievement = ability × motivation. To strengthen employee motivations, it is necessary to increase employee satisfaction (ES). Mitsubishi Electric believes

that increasing employee satisfaction leads to greater achievements by employees and organizations driven by increased employee motivation and productivity. This inevitably leads to greater customer satisfaction (CS), stronger competitiveness, and better performance.

Employee satisfaction underlies Mitsubishi Electric's personnel policies. At the same time, there are policies such as those described below that are implemented in response to the trends of the times, social circumstances, and changes in the management environment and personnel frameworks.

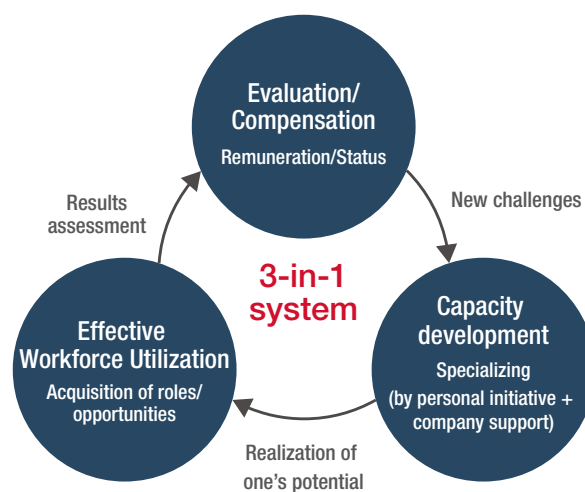
## Compensation System Based on Individual Job Descriptions and Performance

In Japan, Mitsubishi Electric has adopted a compensation system with a view to developing a corporate culture in which employees each recognize organizational targets as well as their own roles, work to raise their own value, and take on the challenge of difficult goals.

Under this compensation system, employee performance is emphasized, with appropriate assessment given to employees who contribute substantially to management and participate actively in it. Bonuses are awarded for outstanding service. In order to increase understanding of employees about the operation of the system, we fully disclose its evaluation methods and standards, conduct surveys on the functioning of the system to gauge employee opinion on it, provide a system for handling complaints, and otherwise work to increase understanding and acceptance by employees and further enhance operations.

We are committed to making the system function effectively by organically combining and harmonizing the three components of the system, evaluation/compensation, capacity development, and effective

workforce utilization, in order to provide opportunities for employees to develop their own skills and advance their careers.



Organic combination of components through management enhancements

## Transfer Opportunities at the Request of Employees

In order to assign the employees to positions that are suitable for them and provide transfer opportunities at the request of employees, Mitsubishi Electric instituted an intranet-based recruitment system and a system that allows employees to publicize their request to be transferred.

Specifically, we launched Job-Net on our company intranet to allow employees to build a career plan on their own. The site posts information on recruitment and skill development training at Mitsubishi Electric and Group companies as well as companies outside the Group.

## Promoting Communication in the Workplace

At Mitsubishi Electric in Japan, each employee sets individual goals based on the policies and objectives of the organization or division to which they belong, and a system for reviewing employee roles and performance is implemented to track the progress of those goals through communication between employees and their managers. Under this system, regularly -scheduled interviews take place held in which employees and managers discuss such topics as the employee's development and training

based on evaluation of performance, and the placement and utilization of human resources, to promote improved communication in the workplace.

We also place value on a corporate culture in which labor and management share an understanding of the status of business, management strategies, and personnel management policies, working together to address issues through labor-management meetings and committees.

## Motivating Employees with Bonuses for Inventions (in Japan)

In line with provisions in the Japanese Patent Law, Mitsubishi Electric has established an employee invention bonus system to motivate employees to create inventions. Regarding inventions made by employees during the course of their work, the Company pays patent filing and registration bonuses to those employees as a reward. If the inventions are out-licensed to another company, the relevant employees also receive utilization bonuses from the Company. If inventions that have contributed to the Company's business win an award from outside the Company, the relevant employees receive a cash reward appropriate to the award, with no upper limit set.

Furthermore, to maintain fairness and transparency of the system, the criteria of the employee invention bonus system is disclosed, an Invention Consultation Committee

is established to deliberate on petitions from employees concerning their bonus, and an Invention Evaluation Committee is established to discuss the amount of cash reward to disburse for inventions that contribute to business.

In addition to the above, a program for rewarding outstanding inventions and industrial designs also encourage inventions by employees. Each year, this program honors inventions and industrial designs, and those that are judged as especially outstanding receive commendation from the president.

※An easy-to-understand description of the employee invention bonus system and its provisions are posted on the company Intranet for access by all employees.

# Maintaining a Favorable Working Environment

## Basic Policy

Japan's working population is expected to dramatically decrease in conjunction with its aging and declining population, and there is apt to be a further increase in the number of employees, both men and women, who work while caring for children or elderly members of their family. In order for Mitsubishi Electric to survive through the tough international competition and realize sustainable growth

under these circumstances, it will be essential to create a working environment where all employees can work to their full potential within their limited time.

Various initiatives are in place at Mitsubishi Electric to create a working environment where all employees can work actively while maintaining a good work-life balance.

## Support for Flexible Working Styles

### Development and availability of childcare and family-care programs in japan

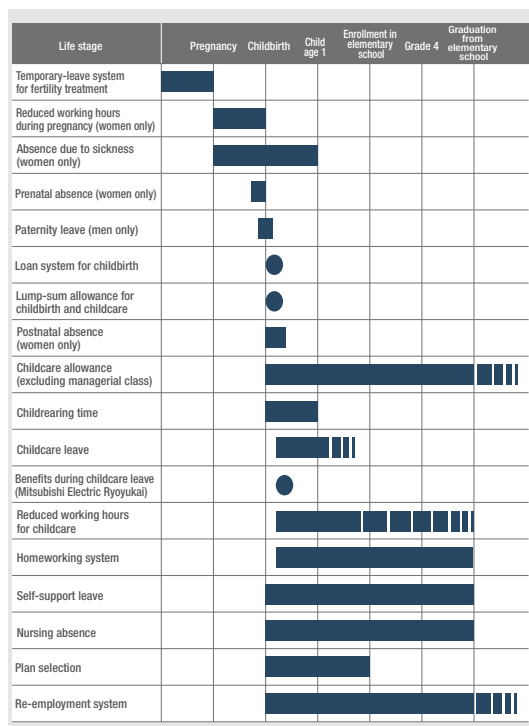
Mitsubishi Electric is making every effort to fully establish a work-life balance support system that more than satisfies the legal requirements, and to develop workplace conditions that allow employees to comfortably do their jobs and raise children or care for elderly family members. Our childcare leave program can be extended to the month of March following the child's first birthday, or 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 more than three 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 to participate in a child's school event, a "work-at-home" program for employees providing family care, as well as a re-hiring system for employees who have temporarily left the company to provide family care.

Furthermore, we have made it possible for employees to take half-day absences from work to care for elderly family members or attend to a sick child, and have introduced a reduced working hour system that allows employees to work shorter hours on a certain day of every week, as one form of reducing working hours for family care. We have also relaxed the requirements for our work-at-home program so that employees may work at home up to two days a week to care for elderly family members or children who are still in primary school.

In fiscal 2019, we will further support the work-life balance of our employees by expanding the scope of leaves for a specific purpose (self-support leaves) to include PTA activities. We will also be introducing an hourly leave system that allows employees to take up to 40 hours off from work per year and expand the work-from-home system. In addition, we will support the development of the next generation by introducing a temporary leave system for employees who wish to undergo fertility

treatments. There will also be an extension to the scope of the program that allows employees to take an absence from work to take care of sick children who are under elementary school age, to also include children who are currently in elementary school.

To raise employee awareness of these initiatives, we actively disseminate relevant information through a portal site, which features a range of information on work-life balance, such as a list of support systems for employees raising children (see chart below), and interviews with working mothers. We make this information available to employees, managers, and new hires, aiming to create an environment that is conducive to using these support systems. Along with enhancing our programs, we will work to foster a workplace culture in which employees can enrich their personal lives while advancing their careers.



Work-life balance support measures related to childcare (As of April 2017)



## Diamond Kids Day-care centers

To support the career development of employees raising children, Mitsubishi Electric opened Diamond Kids, an onsite day-care center, in Kamakura City, Kanagawa Prefecture and Amagasaki City, Hyogo Prefecture on October 1, 2014, with an enrollment of approximately 10 children in each center.

By providing its services in locations adjacent to a Mitsubishi Electric workplace on days and during hours

corresponding to the workplace, catering to extended hours, and ensuring security measures that prevent intrusion by suspicious individuals as well as accident prevention measures, Diamond Kids offers a childcare environment that allows employees to fully concentrate on their jobs without worrying about their children. It also promotes employees' return to work after taking a leave, by accepting children all year round.

Name	Diamond Kids Shonan	Diamond Kids Itami
Location	5-1-1 Ofuna, Kamakura City, Kanagawa Prefecture Within the Information Technology R&D Center	6-9-22 Tsukaguchi-honmachi, Amagasaki City, Hyogo Prefecture Within the Mitsubishi Electric Health Insurance Association Itami General Gymnasium BRIO
Facility area	Floor space: approx. 100m <sup>2</sup>	
Enrollment capacity	Approx. 10 children	
Children's ages	Ages 0 (children over 57 days old) up to enrollment in primary school	
Eligibility	Mitsubishi Electric employees (not restricted to women)	
Operating hours	8:00 - 18:00 (extended hours up to 21:00)	

## Other Programs

### Flextime

Flextime allows employees to decide on their working hours for themselves so that they may improve their productivity and exercise creativity, and thereby achieve a good balance between their corporate life and personal life. The program may be utilized depending on the specific duties and job performance of each employee.

Working hours are divided into "core time" and "flexible time." Core time is a band of time during which all employees must be present in the office as a rule unless special circumstances exist. Flexible time is a band of time within which employees may choose when they arrive and depart from the office in consideration of the progress of their work and fluctuations in workloads. Specific time bands are determined by each office.

### Self-support leave

Employees who do not use up their annual paid vacation time by the end of the fiscal year may accumulate up to 20 days of unused vacation time and carry them over to the next fiscal year and onward.

Those who receive company approval to take more than three days off from work to recuperate from an illness, engage in family care, take part in a volunteer activity, etc., may acquire a self-support leave.

## Utilization status of childcare and family care programs (by Mitsubishi Electric employees) (Unit: No. of employees)

No. of employees who have taken a leave	FY2016			FY2017			FY2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Childcare leave	11	215	226	12	237	249	24	273	297
Acquisition rate of leave of absence (%)	—	99%	—	—	98%	—	—	98%	—
Reduced working hours for childcare	6	341	347	5	348	353	11	368	379
Reduced working hours during pregnancy	—	8	8	—	13	13	—	11	11
Family care leave	5	4	9	3	4	7	7	4	11
Reduced working hours for family care	4	5	9	5	4	9	4	8	12
Prenatal and postnatal absence	—	138	138	—	142	142	—	182	182
Paternity leave	643	—	643	658	—	658	735	—	735
Nursing absence	13	5	18	18	8	26	13	15	28

## Creating a working environment where work-life balance can be achieved by everyone through a "Work Style Reforms"

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

Each department, organization and office implements specific measures that promote the reform of working styles based on the following four perspectives.

During the first two years of the initiative, company-wide efforts were made to fully disseminate and establish the initiative. We provided information and promoted employee awareness through posters, in-house newsletters, the internal website and other such tools, and implemented an education campaign to raise awareness of Work Style Reforms for employees in managerial positions. In February 2017, the "President's Forum on Work Style Reforms" was launched, in which the president of Mitsubishi Electric makes a round of all offices to personally explain the objectives and importance of the initiative to all employees.

In addition to this Group-wide initiative, each office also implements activities that suit their specific situations.

### Four perspectives on Work Style Reforms

#### Improvement of productivity by streamlining operations

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

#### Further pursuit of achievements and efficiency

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

#### Work-life fulfillment

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

#### Promotion of communication in the workplace

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



"Work Style Reforms"

※JIT (Just in Time): Small-group activities that aim to increase productivity by thoroughly eliminating operational inefficiencies.

### Examples of office-specific activities

- Lectures for management personnel by external lecturers
- Establishing conference rules (50 minutes as a rule, no meetings to be held after 5 p.m., etc.)
- Introducing condensed work times
- Introducing "Refresh Wednesday" to promote work-life balance

At Mitsubishi Electric, Head Office management departments play a central role in streamlining and increasing the efficiency of company-wide operations by promoting the following specific measures.

1. Developing an IT environment
  - Introducing tablets and eliminating paper documents from executive meetings
  - Providing mobile terminals to employees in all offices who need them
  - Implementing of video conferences for meetings between remote offices and reduction of business trips
  - Realizing flexible working styles by expanding the work-at-home program
  - Promoting the use of smartphones outside the company (schedule confirmation, verification tasks, etc.)
2. Simplifying and reducing company-wide documents
  - Simplifying documents by shortening discussion times and schedules in management meetings
  - Reducing the number of periodic reports (weekly reports, monthly reports, etc.) issued by each department
  - Reviewing report formats
3. Promoting indirect JIT improvement activities
  - Analyzing operations by external consultants and implementing JIT improvement activities company-wide

## President's Forum on Work Style Reforms

To accelerate the promotion of Work Style Reforms in each office, a dialogue meeting titled "President's Forum on Work Style Reforms" is held in sequence in each area since February 2017 as an opportunity for the president and employees to engage in dialogue on Work Style Reforms. In these meetings, the thoughts

of top management about Work Style Reforms, and the direction the company aims to take, are conveyed directly to employees by the president. The meetings also collect onsite feedback on the issues each office faces in promoting reforms and corporate matters, collecting and incorporating them into viable policies.



President's Forum in 2017(1)



President's Forum in 2017(2)

# Supporting Career Development

## Basic Policy

"A company is its people, and cannot grow without their growth. The development and utilization of human resources is the source of a company's development, and education is a fundamental undertaking that creates the foundation of management."

Under this principle, the Mitsubishi Electric Group

believes it is important to link the expertise, skills, and mentality it has cultivated as an organization to maintaining and strengthening corporate competitiveness and contributing to society. By adding new values at times and achieving further growth, we actively promote the human resource development of all our employees.

## Human Resources Development System Supports the Career of Employees

Mitsubishi Electric's training system for employees in Japan consists of passing down everyday business know-how and acumen through on-the-job training. Knowledge and skills that are difficult to acquire through on-the-job training as well as career development are provided through off-the-job training on a supplementary basis. Off-the-job training consists of conferring information on ethics, legal compliance, and other matters. Exceptional teachers from inside or outside the company provide expertise and skills training, or motivational education. Tests and competitions to improve skill levels are conducted, and practical training or international study

opportunities at overseas sites and universities in Japan and abroad are provided. Emphasis is also placed on a managerial training program that focuses on training individuals for the core management positions that drive our businesses, and on developing core personnel and leaders.

With regard to new graduate employees and mid-career recruits, we provide company orientation and training sessions to elicit their consciousness as workers and educate them on basic knowledge, management principles, compliance, and other matters.

### Self-development support program

Mitsubishi Electric instituted a self-development support program that supports employees' voluntary skills development based on a human resource development system that allows employees to take the initiative to actively develop their own skills.

The program provides support in the form of money and time for participants in educational programs inside and outside the company and also pays bounties to employees that have acquired certain external certifications. The program is intended to foster a corporate culture in which each and every employee independently and actively takes on the challenge of developing their skills to reach higher goals as a professional.

### Stratified training program

In fiscal 2012, Mitsubishi Electric introduced Value-up Training, a stratified training program intended for employees at certain junctions in their career (at ages 25, 30 and 40), to provide an awareness and understanding of the qualities and roles that are expected of them at those ages.

The program aims to strengthen young employees' capacity for work, or the mentality, knowledge, and skills they need to fulfill their duties, and medium-level and veteran employees' capacity for development, or their skills to convey their working capacity to the younger generation (subordinates and juniors) and enhance their capacity for work. Through this program, we will make continued efforts to strengthen the working capacity of each employee and create a culture for development in the workplace as a whole.

## Promoting systematic and efficient skills development

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



Point System for Employee Training

## Mitsubishi Electric Group Skills Competition

A skills competition is held annually as a measure to strengthen the skills of the Mitsubishi Electric Group, with the aim of "handing down skills and raising skills to even higher levels," "further creating a climate that respects skills," and "developing top-level engineers."



Mitsubishi Electric Group Skills Competition

## Passing on technological skills, knowledge, and know-how

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



Technical help desks

# Ensuring Occupational Safety & Health

## Basic Policy

Mitsubishi Electric adheres to the basic policy of prioritizing the safety and health of our employees above all else. Based on the understanding that health and safety management form the foundation of business management, we aim to establish a culture that places top priority on safety and health in all social and business environments. Furthermore, we strive to provide mental healthcare to all employees as we endeavor to create a workplace environment that allows everyone to work to

the best of their ability, comfortably and in good health.

This basic policy underlies our company-wide Five-year Plan (current plan covering the five years from FY2018 to FY2022), which defines priority measures in safety and health management, respectively, and by which we implement specific activities toward achieving annual targets. Our Group companies also engage in health and safety management activities in line with relevant laws, regulations and company-specific issues.

## Promotional Framework

The Mitsubishi Electric Group actively promotes safety and health activities across the entire Group under the strong leadership of the top management, such as by regularly holding the Mitsubishi Electric Group Health Convention with the attendance of management executives from Mitsubishi Electric and Group companies in Japan.

Ongoing efforts are made to strengthen the safety and health management framework, as Mitsubishi Electric and Group companies cooperate in exchanging information, engage in education activities, and implement various safety measures. Active communication is also held with

employees through meetings with labor unions and the Safety and Health Committee, and labor-management efforts are made to promote both top-down and bottom-up activities that aim to raise the level of safety and health.

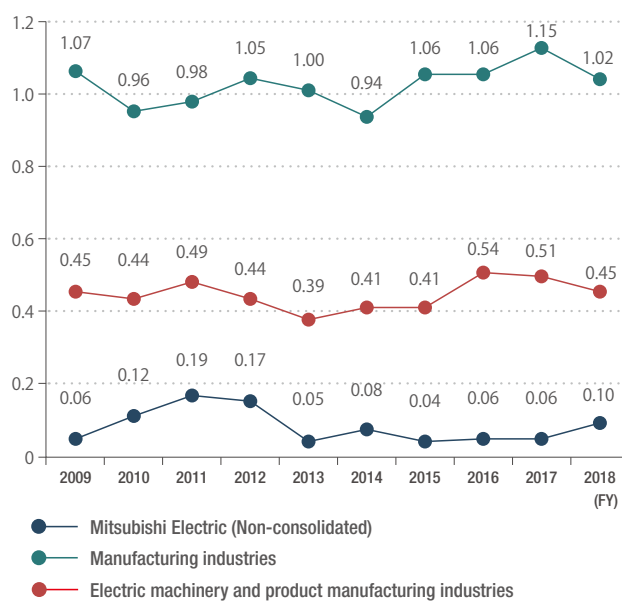
In the event of an industrial accident, safety measures are immediately taken by the department where the accident occurred. At the same time, efforts are made to prevent similar accidents by delegating a third party to conduct safety inspections, and laterally disseminating case examples of disasters and countermeasures.

## Occupational Safety and Health Management System

In 2009, Mitsubishi Electric introduced a program for internal accreditation of the Occupational Safety and Health Management System (OSHMS\*). Under the program, each office creates a PDCA cycle for safety and health activities based on the Mitsubishi Electric Group's requirements for safety and health management, such as in regard to the development of a management framework in each office governed by a safety and health supervisor and the implementation of risk assessments and other relevant activities.

The goal is to have all Mitsubishi Electric offices acquire accreditation, pass a surveillance inspection after two years, and a renewal inspection every four years, which will raise the occupational safety and health management level of the company as a whole. As a result of this initiative, we have achieved one of the lowest frequency rates and severity rates of industrial accidents (number of people killed or injured in a fatal accident or an accident that requires time off from work per 1 million hours of work, and number of working days lost per 1,000 hours) in the industry.

※OSHMS (Occupational Safety and Health Management System)



Frequency of Labor Accidents  
(Number of accidents requiring a leave, per million hours)

## Thorough Safety and Health Education

The Mitsubishi Electric Group implements safety and health education that matches its business characteristics and social environment, including stratified programs and occupation-specific programs, in addition to education programs prescribed by law. As a common feature of the Group, Mitsubishi Electric and Group companies in Japan also provide safety and health education based on an internal e-learning system, which has been instrumental in promoting greater understanding of the principles and concept of safety and health to more than 100,000 employees, managers, and supervisors every year.

Furthermore, efforts are also made to strengthen employee safety education through risk simulation, such as by installing a "safety room."



E-learning of Safety and Health Education

### "Danger simulation room" at Mitsubishi Electric's Himeji Works

To increase employee sensitivity to danger, a danger simulation room was created in 2011, where education is provided to all onsite employees and employees of affiliated companies (approx. 6,000) every year. Its facilities are being upgraded in sequence, such as by adding a slipping and falling simulation machine, a machine that simulates gear accidents, and a facility for engaging in finger-pointing safety confirmation.



"Danger simulation room"

## Health Management Initiatives toward a Healthy Company

Since 2002, Mitsubishi Electric and its Group companies in Japan have carried out the Mitsubishi Electric Group Health Plan 21 (MHP21) intended for their 100,000-some employees and their families, as a three-party cooperation project (Collaborative Health) with the labor union and health insurance union. MHP21 promotes a review of lifestyle habits from an early stage, as a means for preventing lifestyle-related diseases and thereby improving Quality of Life (QOL), and for realizing a "health-oriented company." Under the slogan, "Change Your Lifestyle Habits, Extend Your Healthy Years," MHP21 involves setting company-wide improvement goals in five health categories—maintaining proper body weight, creating an active lifestyle, stopping smoking, maintaining proper dental care, and sleeping properly—and evaluating the degree of achievement of these goals every year.

After implementing Stage I of the plan over ten years and Stage II over five years, a new five-year plan was launched in 2017 as Stage III, with a focus on

strengthening individual approaches based on health data, introducing an award system for healthy offices, promoting cooperation between Mitsubishi Electric and Group companies, and otherwise revitalizing Group activities as a whole.

The MHP21 activities, which we have been carrying out for over ten years, have been recognized by the First Smart Life Project Award sponsored by the Ministry of Health, Labour and Welfare, and we have received the Minister's Award for Excellence in the corporation category. Mitsubishi Electric was also recognized under the Large Enterprise Category (White 500) of the Certified Health and Productivity Management Organization Recognition Program that was launched in fiscal 2018 by the Ministry of Economy, Trade and Industry.

Group companies overseas are likewise taking initiatives to maintain and promote health among their employees, in consideration of the health situation in their respective countries.

## Targets and results of MHP21 activities

MHP21 activities Priority items	Before commencement of activities (FY2002)	Stage I Final year (FY2012)	Stage II Final year (FY2017)	Stage III First year (FY2018)	Stage III Target (FY2018–2022)
People maintaining proper body weight <sup>※1</sup>	73.0%	71.7%	70.4%	70.2%	73% or more
People who have an active lifestyle <sup>※2</sup>	11.7%	16.2%	24.1%	24.7%	39% or more
Smokers	40.0%	27.6%	24.7%	24.0%	20% or less
People who brush their teeth three times a day or more	13.3%	20.5%	22.5%	24.2%	25% or more
People who get enough sleep and are well rested <sup>※3</sup>	—	—	—	67.0%	85% or more

※1 BMI of 18.5 or more and less than 25.0

※2 30 minutes or more of exercise twice a week or more, or an average of 10,000 steps (1 hour of walking) or more per day

※3 Included from Stage III

## Promoting Mental Health Care

Mental health care is a top priority for health management in the Mitsubishi Electric Group. By establishing a counseling program that includes an industrial physician and/or counselor and other such initiatives, active efforts are made to help employees cope with everyday worries related to work and family and other emotional issues.

Also through a legislated stress check system, and through telephone and e-mail counseling provided by an employee assistance program (EAP\*), importance is placed on the primary prevention of employee mental health disorders.

Employees who return to work after taking a mental health leave are fully supported by the receiving department, personnel department, and industrial physician based on the Mitsubishi Electric Guidelines for Return-to-Work Support, and every effort is made to facilitate their return to their workplace and prevent any relapse.

Furthermore, by appointing dedicated counselors in the Mitsubishi Electric head office, focused care is also provided to employees posted outside of Japan, where working and living environments largely differ from Japan.

In terms of education, line-care and self-care training

are repeatedly implemented through lectures and internal e-learning programs, to provide knowledge of mental health and strengthen responses to mental health among managers and employees.

※EAP (Employee Assistance Program): a program that provides support to employees



Mental Health Care Education

## Creating Comfortable Workplace Environments

The Mitsubishi Electric Group recognizes that people spend a large part of their lives at their place of employment, so we make people-friendly enhancements to the workplace environment and promote the creation of pleasant spaces that also give consideration to elderly people and people with disabilities.

By establishing voluntary standards (workplace environment standards) for air, lighting, noise, and facilities, and by working to achieve each standard, Mitsubishi Electric pursues ongoing efforts to create comfortable workplace environments.



# Supply Chain Management

## Basic Policy

The Mitsubishi Electric Group ensures fair and impartial selection and evaluation of business partners in Japan and overseas by providing an explanation of the Group's Purchasing Policy and CSR Procurement Policy, and requesting business partners' understanding of these policies. By ensuring proper evaluation of suppliers based on selection and evaluation criteria established by the

Group, risks are also mitigated along the supply chain.

The Group's criteria for evaluating business partners include not only quality, cost, delivery schedules and services, but also initiatives in response to environmental regulations and CSR initiatives. As a basic policy, the Group preferentially procures materials from suppliers who rank high in a comprehensive evaluation.

### Our Purchasing Philosophy

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

#### 1. Easy Access and Equal Opportunity

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

#### 2. Mutual Prosperity

We believe in long-term relationships built upon understanding and trust. This will allow the participation of our business partners during the product development stage, paving the way for mutual prosperity.

#### 3. Ecological Soundness

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

### CSR Procurement Policy

We carry out material procurement activities in line with our "CSR Procurement Policy," which was established in 2007.

We have also established the CSR Procurement Guidelines in 2018 to widely disseminate Mitsubishi Electric's CSR policies and matters for compliance by our business partners. Going forward, approaches will be made to all business partners to verify their agreement to promote procurement activities in line with the guidelines.

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

- (1) Ensuring compliance with laws and regulation
- (2) Respecting human rights and prohibiting discrimination, child labor, and forced labor
- (3) Creating proper work environments and giving consideration to safety and health

#### 2. Assurance of quality and safety of products and services

#### 3. Environmental considerations

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

#### 4. Promotion of fair trade based on corporate ethics

- (1) Practicing honest trade on fair and equal footing, based on laws/regulations and agreements
- (2) Ensuring strict management and safeguarding of information by establishing an information security system
- (3) Thorough elimination of fraudulence, bribery, and other such conduct that violates corporate ethics

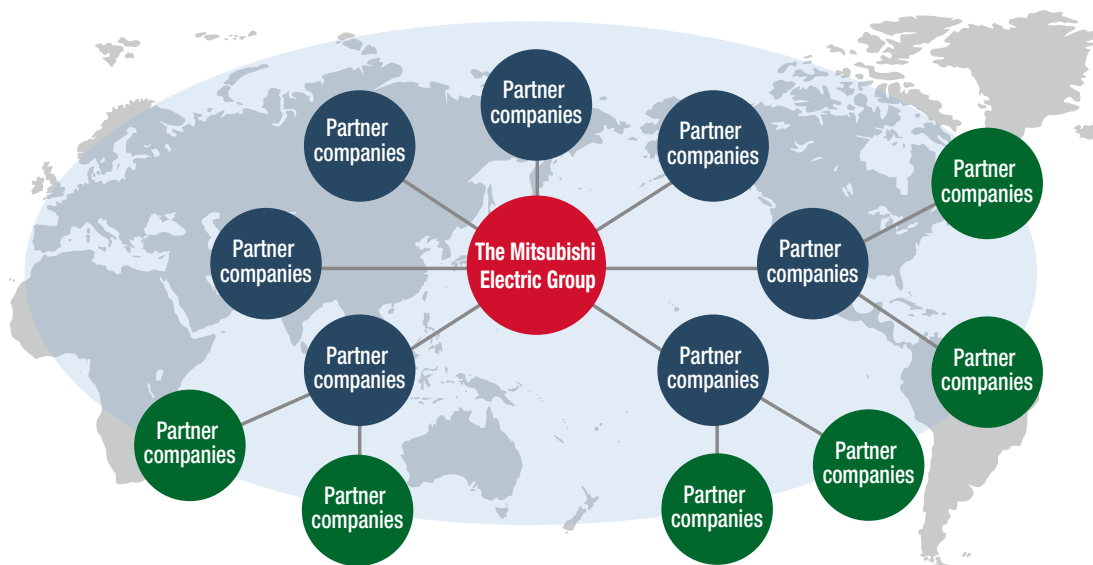
## Framework for Promotion of Supply Chain Management

The Mitsubishi Electric Group launched the WΣ21II (Worldwide Strategic Integration for Global Markets in the 21st Century Advance to the Next Stage)\* activity in April 2017, and is promoting optimal procurement activities suited to each region through the Materials Planning Office. The Materials Planning Office was established in collaboration among regional corporate offices in China, Asia, Europe and Americas to implement purchasing strategies through conferences of procurement officers and other such meetings. Accompanying this initiative, the supply chain has also expanded to various countries where the Group operates, so initiatives are also pursued to mitigate any perceived risks regarding a range of issues related to labor laws and regulations, and to environmental problems.

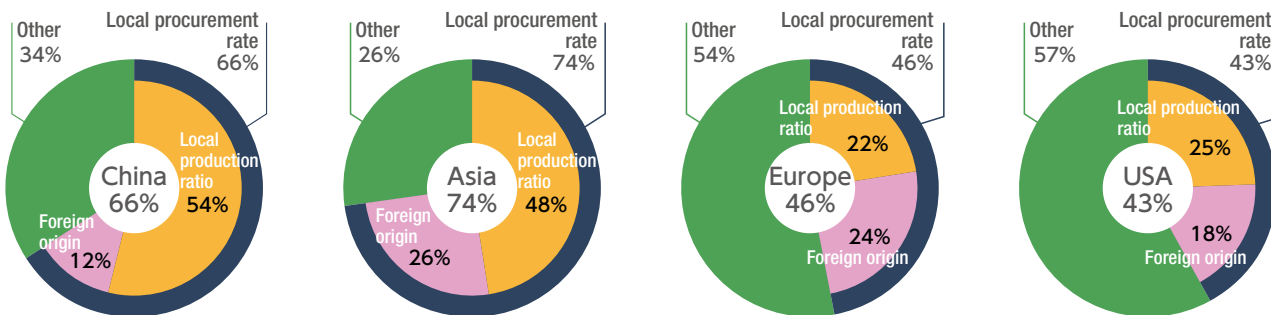
※WΣ21II : An initiative by the Corporate Purchasing Division toward achieving sales of 5 trillion yen and an operating profit of 8% or more by 2020

1. **Duration:** Three years from 4/1/2017 to 3/31/2020
2. **Priority activities**
  - (1) Progress of cost-planning activities toward the achievement of target costs
  - (2) Strengthening of the competitiveness of product models in cooperation with suppliers
  - (3) Promotion of optimal regional procurement throughout the world
  - (4) Strengthening of supply chain management
  - (5) Construction of a platform for supporting relevant activities and measures

### Expansion of CSR initiatives through the supply chain



The Supply Chain of the Mitsubishi Electric Group



\*1 Local procurement rate: Materials, parts, etc. (regardless of country of origin) that are procured by overseas production sites at their own discretion

\*2 Local production ratio: Among all locally procured items, the procurement ratio of items produced in the country of the overseas site

\*3 Foreign origin: Among all locally procured items, the procurement ratio of items produced in countries other than the country of the overseas site

## Mitsubishi Electric Group 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. As transactions of conflict minerals\* are said to fund these armed groups, we are implementing measures to ensure the transparency of our supply chain so that

we do not encourage or become complicit in such issues in any way, and to promote responsible mineral procurement.

※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.

### Survey of restrictions on conflict minerals

Mitsubishi Electric takes part in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), and addresses restrictions on conflict minerals in cooperation with other industry organizations. Surveys are conducted using the survey form (EICC-GeSI\* conflict mineral report template) that is commonly used in the automobile, electric, and electronic industries. In fiscal 2018, surveys

were carried out on approximately 1,000 suppliers, and responses were obtained from 95% of these suppliers. In addition to requesting suppliers to collect accurate information on smelting companies, various other measures will continue to be implemented in order to comply with the restrictions on conflict minerals.

※EICC : Electronic Industry Citizenship Coalition  
GeSI : Global e-Sustainability Initiative

Identification of smelting companies in FY2018 (No. of smelting companies identified: 12,000 companies)

Tin	Tantalum	Tungsten	Gold
57%	63%	61%	61%

Of the smelting companies that have been identified, it was found that roughly 75% handle conflict-free minerals.

## Strengthening CSR Initiatives along the Supply Chain

### Initiatives to address environmental issues

Since 2006, the Mitsubishi Electric Group has been evaluating the progress of suppliers' initiatives to address environmental issues under the Green Accreditation System. Based on the Green Procurement Standards Guide and using an original survey form, the System involves a survey of each supplier's progress in acquiring environmental management system certification, the supplier's status of compliance with laws and regulations related to the environment, and its management of

chemical substances contained in components and materials they deliver to our company. Under the System, suppliers who meet our standards are certified.

We ultimately minimize environmental risks by properly evaluating the progress of our suppliers' environmental initiatives under this System, and by providing advice on any corrections that should be made by suppliers who do not meet the certification standards.

### Initiatives to address social issues

From 2009, the status of CSR initiatives has been included in the survey items, and a survey is also made of issues such as human rights, labor practices, safety and health, legal compliance, and product safety. Furthermore, the CSR Procurement Guidelines were established in 2018 based on international standards; the Guidelines contain the RBA Code of Conduct (Version 6.0) that was formulated and announced by the Responsible Business Alliance, and the Supply Chain CSR Promotion Guidebook

issued by JEITA's Materials Committee. To verify our suppliers' commitment to promoting the content of the guidelines, a consent form is attached to the last page of the guidelines.

※The Mitsubishi Electric Group's Green Procurement Standards Guide and CSR Procurement Guidelines are provided below. These documents are reviewed as appropriate in response to changes in laws, regulations and social norms.



Procurement Activities

## Requests to Suppliers

Suppliers to the Mitsubishi Electric Group are requested to gain an understanding of the Group's Purchasing Policy and CSR Procurement Policy, and to disseminate these policies to their supply chain. They are especially requested to thoroughly comply with the points below, which the Group has identified as priority issues to be addressed through the entire supply chain. Additionally, new suppliers are asked to submit their agreement to

comply with the CSR Procurement Guidelines and a completed survey form upon reading and understanding the guidelines.

For details, please refer to each of our guidelines (Green Procurement Standards Guide, CSR Procurement Guidelines).

 [Procurement Activities](#)

### 1. Compliance with laws, regulations and social norms

Please comply with laws and regulations in countries and regions where you engage in business, as well as with international agreements, transaction ethics, and social norms.

(Elimination of corrupt practices such as bribery, embezzlement, and illegal political contributions; compliance with relevant laws and regulations, including the Antimonopoly Act, Subcontractor Act, and Foreign Exchange Act; prohibition of the illegal acquisition and utilization of intellectual property; proper information disclosure; execution of faithful transactions based on contracts, etc.)

### 2. Respect for human rights

Please respect basic human rights in countries and regions where you engage in business.

(Prohibition of inhumane treatment like forced labor, child labor, abusive treatment, human trafficking, and harassment; prohibition of all forms of discrimination; proper payment of wages; proper management of working hours; respect for the right to organize, etc.)

### 3. Consideration for health and safety

Please give due consideration to health and safety in all countries and regions where you engage in business.

(Safety measures for machines and devices; evaluation and measures against the occurrence of accident and health hazard risks; preventive measures against large-scale disasters and accidents, etc.)

### 4. Environmental considerations

Please take measures to provide products and services that place minimum burden on the environment.

(Acquisition, maintenance and management of environmental management system certification; compliance with environmental laws and regulations; proper management of chemical substances in products, etc.)

### 5. Product and service quality and safety

Please take measures to ensure the quality and safety of products and services you provide.

(Design, evaluation and testing for ensuring safety; compliance with laws and regulations related to safety; construction, maintenance and management of quality management systems, etc.)

### 6. Security measures for information systems

Please take appropriate measures to protect against computer network threats.

(Construction of prevention measures against computer viruses and cyberattacks; prevention of information leakage through proper management of confidential information and personal information, etc.)

## Evaluation Status of Suppliers' Initiatives to Address CSR Issues

### Basic policy of supplier surveys

The Mitsubishi Electric Group verifies the progress of suppliers' initiatives to respond to the requirements outlined in the Green Procurement Standards Guide and CSR Procurement Guidelines by requesting principal suppliers who fall within the top 80% in terms of purchase amounts to complete a survey form (prior to commencing transactions in the case of new transactions and at certain intervals in the case of ongoing transactions (every three

years, as a rule)). In response to our suppliers' replies to these surveys, we provide feedback about the results of the evaluation. We also communicate with suppliers who have scored low in any one of the survey items, to request the necessary corrections. This is done through individual meetings and other such means. The survey form has been revised in 2018 following the formulation of the CSR Procurement Guidelines.

## Record of evaluation activities

From 2006, the evaluation covered domestic suppliers only. However, the range was expanded in fiscal 2018 to include overseas suppliers also. The fiscal 2018 survey placed priority on the China and Thailand region, but

going forward, survey will be implemented in sequence in other regions as well. Particular efforts will be made to extend the survey to suppliers in Europe and the U.S. in fiscal 2019.

Responses to the Green Accreditation/CSR Procurement survey form (Mitsubishi Electric Group)  
(Only the Green Accreditation survey was conducted from 2006 to 2008. CSR items were added to the survey in 2009.)

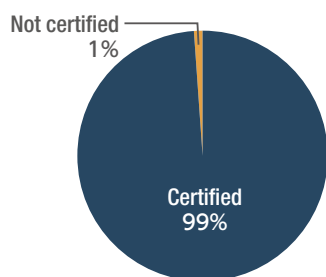
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
2,656 companies	1,390 companies	534 companies	1,932 companies	954 companies	929 companies	1,395 companies	771 companies	675 companies	1,704 companies	1,062 companies	1,178 companies (incl. approx. 400 overseas companies)

\* Total number of suppliers: Approx. 25,000 companies (FY2018)

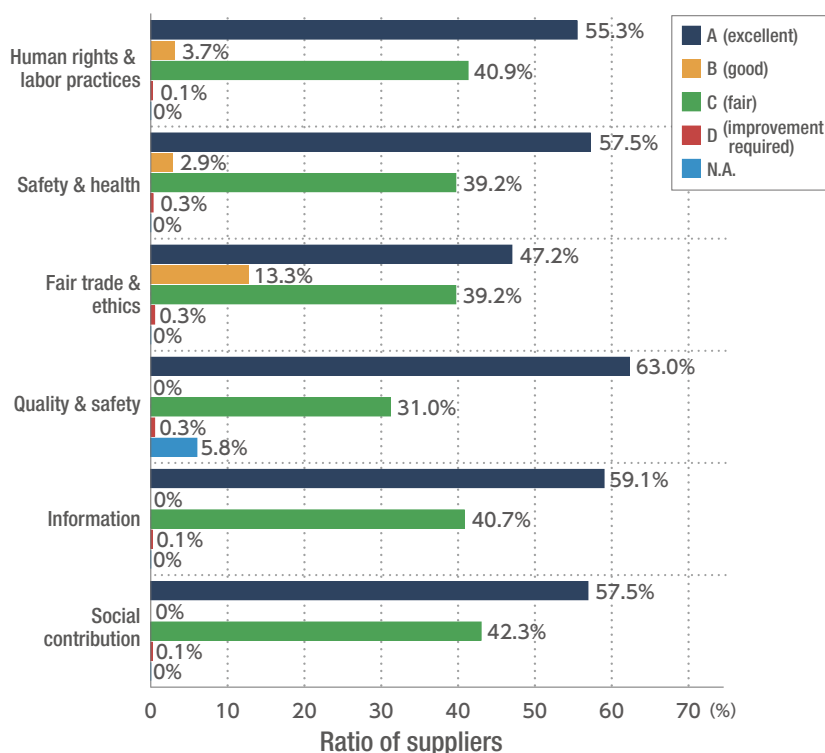
\* Survey rate for new suppliers: 100% (FY2018)

\* The above figures include cases where the survey form was re-submitted following guidance for improvement.

\* In FY2018, there were no suppliers whose business relationship with the Mitsubishi Electric Group was canceled because of their evaluation results.



FY2018 rate of green accreditation certification among suppliers (Mitsubishi Electric Group)



FY2018 results of supplier surveys on green accreditation/CSR procurement

Number of suppliers given guidance in fiscal 2018 and the content of the guidance

Item	No. of companies given guidance	Content of guidance
Environment	11	Further strengthening of initiatives for the restriction of chemical substances in products (particularly in response to the revised RoHS2 Directive)
Human rights, labor practices, safety and health	15	Improvement of the management of working hours, correction of dangerous areas, strengthening of safety measures for machines and devices



Providing safety guidance during an onsite inspection of a supplier's company (overseas)



Providing safety guidance during an onsite inspection of a supplier's company (in Japan)

## Communication with Suppliers

At each office, the Mitsubishi Electric Group holds seminars that disseminate a full understanding of the Group's Purchasing Policy and CSR Procurement Policy among suppliers. Through these initiatives, suppliers are asked to concur with the policies and strengthen CSR initiatives at their companies as well.

In fiscal 2018, as before, we held a variety of seminars for our suppliers, including BCP\* seminars, seminars to disseminate an understanding of changes in chemical substance restrictions such as the EU RoHS Directive, and compliance programs (export control, information security and management, the Subcontract Act, etc.). Direct exchanges of views are also held with our suppliers in regard to matters outlined in the supplier survey form. In these ways, we will maintain close communication with our suppliers and continue to organize seminars that promote further CSR initiatives.

\* BCP (business continuity planning): Being prepared for any disaster or other emergency situation by planning how to minimize damage to the company and how to continue or restore business activities.

The Mitsubishi Electric Group believes it is important to provide an understanding of the Group's policies to overseas suppliers as well, and thus holds CSR seminars and other relevant seminars in overseas sites.



Exchange of views with suppliers

### Fiscal 2018 seminars

	No. of site	No. of participating companies
CSR seminar	24	(In Japan) Approx. 1,800 companies (Overseas) 243 companies
BCP seminar (anti-earthquake and disaster mitigation measures)	13	Approx. 400 companies
Information session on chemical substance restrictions	19	Approx. 5,000 companies

\* The number of companies is the cumulative total number of companies.



Seminars for suppliers held at each office (Communication Systems Center)



Seminars for suppliers held at each office (Power Distribution Systems Center)



Seminars for suppliers held at each office (Thailand region)

## Strengthening Partnerships with Key Suppliers

Recognizing the importance of building a favorable business relationship with our business partners from a medium-term perspective, we preferentially procure materials and components from suppliers who have acquired high overall scores in a supplier selection evaluation. Suppliers who play a particularly important role in promoting our business are regarded as "key suppliers." With key suppliers of parts that influence product performance and parts that require advanced technological capabilities, we build a partnership and together engage in activities for creating cost (cost co-creation activities), such as by pursuing their joint development from the initial development stages, adopting advanced products, and promoting value engineering (VE)\*.

Through these initiatives, we reduce the input of materials and minimize environmental burden by making products more compact and lightweight, and build a win-win relationship that leads to increased sales and enhanced technology capabilities for both Mitsubishi Electric and our partners.

The cost co-creation activities that Mitsubishi Electric has thus pursued with our key suppliers from the initial stages of product development have produced significant

results since fiscal 2004, giving us reason to actively continue the initiative.

We also recognize the need to promote initiatives to strengthen our competitiveness alongside our suppliers not only in Japan but also overseas, including in Europe, the Americas, China, and other Asian countries, in terms of cost, quality, and delivery time. To strengthen these initiatives, we actively organize presentations on VE case examples and VE lectures overseas (UK, US, China, Thailand, Indonesia, Mexico, India, Colombia, etc.). We also promote human resource development, such as by conferring an instructor's certificate on those who have taken a writing test and VE program and demonstrate a certain level of knowledge.

Based on the awareness that it is essential to also build partnerships with outstanding suppliers overseas, in fiscal 2017 we established a system for awarding suppliers who have made particular achievements in terms of price, quality, and delivery time, as part of our ongoing initiatives for creating good relationships with our suppliers.

\* VE (value engineering): a method in which the minimum cost that is required to achieve a product's essential functions is pursued from the initial parts stage.



VE lecture in the Southeast Asia region (Indonesia)



VE lecture in the Southeast Asia region (India)



Presenting an award to a supplier in the Southeast Asia region (Malaysia)



Meeting with a supplier in the China region

## Providing Learning Programs on Procurement Laws and Regulations

The Mitsubishi Electric Group offers various learning programs on laws and regulations related to the operations of employees in charge of procurement activities. In Japan for example, our course on materials procurement laws provides guidance and education for thorough compliance with laws and regulations that particularly pertain to procurement activities, such as the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and the Construction Contractors Law. Guidance and education are also provided overseas. Based on the Code of Conduct and check sheets, learning programs strictly

teach employees not to become involved in bribery, embezzlement, or any other form of action that goes against the principle of fair trade. Compliance education related to procurement is also held for local employees in charge of procurement operations overseas.

To further strengthen CSR initiatives (particularly along our supply chain), we are making greater efforts to share information on activities implemented by each office as well as instructional information, such as by holding *Review Meetings for CSR Promotion in the Supply Chain* and providing CSR education to employees in procurement departments.



Compliance education related to procurement in the Thailand region



Review Meeting for CSR Promotion in the Supply Chain



# Philanthropic Activities

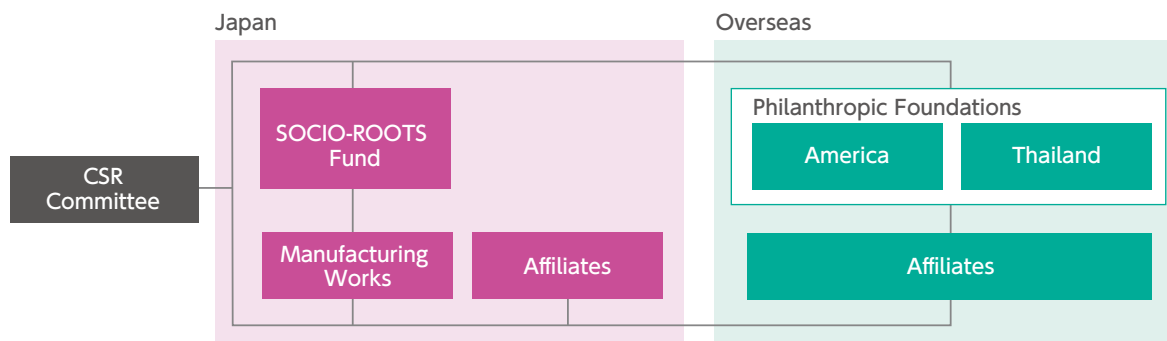
## Our Philosophy on Philanthropic Activities

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

## Our Policies on Philanthropic Activities

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

## Philanthropy Promotion Framework



In 1990, company-wide approach was initiated to promote Mitsubishi Electric's philanthropic activities. In 1991, the foundations in the United States and Thailand were established, and in 1992 the matching gift program "Mitsubishi Electric SOCIO-ROOTS Fund" was formed to carry out at all business sites across Japan. Since then, the "Satoyama Woodland Preservation Project" was started in 2007 aiming at restoring and preserving the

natural environment, and the "Mitsubishi Electric Science Workshops" was launched in 2009 to convey the joy of science to children.

In addition, Mitsubishi Electric Group companies in Japan and overseas are committed to carrying out community-based activities and contributing to developing the next generation in line with the mission and policy on philanthropic activities.

## Engaging in Philanthropic Activities in Four Key Areas

Community-based activities		Activities that develop next-generation human resources	
<p><b>Social Welfare</b></p> <p>We support people with disabilities and senior citizens mainly through the Mitsubishi Electric SOCIO-ROOTS Fund. Many employees participate in this program every year, and have made donations to a total of more than 2,000 social welfare facilities.</p>	<p><b>Global Environmental Conservation</b></p> <p>We encourage our employees to participate in Satoyama Woodland Preservation Projects for restoring natural environments in areas where Mitsubishi Electric offices are located, so that they may gain an awareness of the environmental burden that is generated through our daily business activities and exemplify the importance of environmental conservation through their actions.</p>	<p><b>Science and Technology</b></p> <p>In order to nurture children who love science, the "Mitsubishi Science Workshops" are held. Children can experience the basic scientific principles while taking part in experiments and crafts there.</p>	<p><b>Culture and Arts, Sports</b></p> <p>We also convey to children and people around the world the excitement of culture and sports, which extend on a global scale and bring enjoyment and fulfillment to people's lives.</p>

## Social Welfare

### Mitsubishi Electric SOCIO-ROOTS Fund

#### — Overview —

The Mitsubishi Electric SOCIO-ROOTS Fund was established in 1992 as a gift program in which the Company matches the amount of any donation made by its employees, thus doubling the goodwill of the gift. Many employees participate in the Fund each year. As of March 2018, the Fund has provided more than 12.7 billion yen to some 2,000 various social welfare facilities and programs.

Branches have been set up at each of our business sites across Japan so that employees can provide monetary gifts that benefit social welfare facilities in their community. Community chest of in each prefecture have cooperated since the Fund's inception to provide referrals to donation recipients and information about community needs.

The Fund will continue to steadily support grass roots activities, as its name indicates, so that it can help to create smiles with big support that consists of consideration shown to people in need by each employee.

#### — Donations —

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

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



We have donated our "REAL" LCD TVs (talking TVs)—which can read digital programming and the setup menu aloud—to schools for the blind in order to assist people with visual impairments.

#### Assistance that Delivers Our Commitment —Conveying the Good Intentions of Employees with a Smile—



We provide assistance to not only facilities supporting people with disabilities, but also nurseries, maternal and child living support facilities, foster homes, and assisted living facilities. Through presentation ceremonies, we strive to convey the feelings of our employees and provide support that people can put a face to. Messages of thanks from these facilities are a big motivator for our activities and always put a smile on employees' faces.

#### Donations for the Great East Japan Earthquake —Support for the healthy growth of children —



The Fund is making ongoing efforts to support children affected by the earthquake. As of March 31, 2018, it has donated a sum of 148.5 million yen since the program began in fiscal 2012.

## Global Environmental Conservation

### Employees participation program "Woodland Preservation Project"

#### — Overview —

We have conducted the Satoyama Woodland Preservation Project since 2007. This project seeks to restore "familiar nature," such as parks, forests, and rivers located in the vicinity of our business sites.

The aim of this project is to repay nature for its various bounties and for cultivating diverse life, and to contribute

to the communities where our business sites are located. Under the key words "simple" and "sustained," these activities are taking place throughout Japan in phases.

Employees put in physical effort to participate in building a safe and secure community, which also helps to broaden communication with the local community.



Activities on remote islands suffering from depopulation



Recovering abandoned farmland



Coastal sea preservation activity



Woodland preservation project

## Science and Technology

### Mitsubishi Electric Science Workshops

Since 2009, through the "Mitsubishi Electric Science Workshops" children can experience basic scientific principles related to electricity, heat, sound, light, wind, communications and programming. The workshops convey the joy of science through experiments and other activities, show the relationships between the basic scientific principles taught and real products, and help the children realize how the products are useful in society. It is also a good opportunity for employees, who serve as lecturers, to look back on their work. In fiscal 2018, 23 domestic business sites participated, and a sum of about 70 workshops was held.

In January 2018, Mitsubishi Electric Group received the "Encouragement Award (Large enterprise category)" at the "Eighth Career Education Awards" held by the Ministry of Economy, Trade and Industry.



Received the 8th Career Education Awards "Encouragement Award"



Experiment of cutting ice with body temperature with heat pipe technology



Game to pick up bells by turning a hand-held electric generator with an electromagnet made by coiling wire

## Culture and Arts, Sports

### Activities by Mitsubishi Electric's Sports Teams

#### Basketball

Nagoya Diamond Dolphins and Mitsubishi Electric Koalas, actively engage in activities to promote basketball, such as regularly sending their coaches and players to basketball workshops held throughout Japan for primary and junior high school students.



Basketball workshop

#### American football

The American football team is continuing volunteer activities to express their gratitude to society.

The team has utilized the players' power to carry out volunteering for reconstruction assistance for the Great East Japan Earthquake and cleaning activities in a park near practice areas.



Cleaning of fallen leaves and sludge collected in a pond in the park

## Tennis

Professional players and employees who belong to Mitsubishi Electric's Tennis Japan League team "Mitsubishi Electric Falcons" sponsor tennis workshops throughout Japan. Also, through wheelchair tennis and blind tennis, people with/without disabilities interact learning the importance of deepening mutual understanding.



Workshops in Tohoku

## Badminton

Our badminton team in the Japan League, called Diamond Wings, engages in activities to promote badminton and contribute to the local community mainly in Hyogo prefecture, where the team is based. It helps train athletes and shares the excitement of badminton by holding training sessions and allowing high school students to participate in practices.



Badminton workshop

## Culture and Arts

### Mouth and Foot Painting Artists of the World Exhibition

Every year, Mitsubishi Electric Building Techno-Service Co., Ltd. sponsors "Mouth and Foot Painting Artists of the World Exhibition" throughout Japan. As the title indicates, the exhibition features paintings by artists around the world who are deprived of the use of their hands, and thus paint using their mouths or feet to hold a paintbrush.

The company encountered paintings drawn by artists belonging to the Association of Mouth and Foot Painting Artists of the World for the first time in 1991, when it purchased paintings to put on the wall of a lodging attached to a training facility in Kodaira city, Tokyo. Employees who saw these paintings were so impressed with the pieces that were laboriously painted by such artists, that they hosted an informal painting exhibition in the training facility in 1992. The response to this exhibition was so overwhelmingly positive that it came to be held

throughout Japan starting in 1994. Promotional activities for the event are being continued by volunteers including the company employees and their families.



Mouth and Foot Painting Artists of the World Exhibition

## Mitsubishi Electric Foundations

### Mitsubishi Electric America Foundation

#### Summary

Established in 1991, the Mitsubishi Electric America Foundation (MEAF) has invested \$18 million in innovative projects that help young people with disabilities maximize their potential and participation in society. The employment rate of people with disabilities in the

U.S. is about 21%, compared to about 70% of people without disabilities. Therefore in 2012, MEAF launched its national M>PWR possible initiative focused on supporting innovative approaches to empower youth with disabilities so they can lead productive lives and achieve possible.

### Example of activities

Through the 10-year "M>PWR possible" initiative, MEAF is aiming to "empower" youth and young veterans with disabilities to increase their employment\* rate by 2020. MEAF aims to increase independence, self-confidence and employment possibilities by empowering young people with disabilities through funding for regional and nationwide organizations, and building networks between these organizations.

In 2018, MEAF received the "2018 CATALYST AWARD" from the American Association of People with Disabilities (AAPD) in recognition of its long-term efforts.\*

\* MEAF supports the AAPD Summer Internship program, which places university students with disabilities in Congressional offices, federal agencies, and non-profit organizations in Washington, DC, since the program's inception in 2002.



Received the "2018 CATALYST AWARD" from the American Association of People with Disabilities

### Collaboration with U.S. employees

Employee volunteers from Mitsubishi Electric Group companies in the U.S. engage in their communities as the foundation's ACCESSTEAM\*. In fiscal 2018, the ACCESSTEAM volunteered more than 7,800 hours to local community organizations.

\* Refers to the TEAM of Mitsubishi Electric volunteers in the U.S. that are empowering youth with disabilities, and alludes to supporting ACCESS to employment in the field of S.T.E.A.M. (Science, Technology, Engineering, Art/Design, and Mathematics).



Local employees participating in a workshop organized by the MEAF

## Mitsubishi Electric Thai Foundation

### Summary

Established in 1991, the Mitsubishi Electric Thai Foundation (METF) provides scholarships to university students, grants elementary school lunch, and conducts volunteer activities jointly with the Mitsubishi Electric Group companies in Thailand.

Furthermore, METF focuses on new volunteer activities in collaboration with the Thai Philanthropic Committee, which was newly established in 2015 to implement more effective activities throughout the Group.

### Example of activities

Since 1993, scholarships have been awarded to students at four engineering universities. Aimed at students who have excellent grades, but have difficulties in studying due to economic circumstances, the scholarships help to develop Thai science and technology.

Also, since 1999 the Foundation has granted a sum of money for school lunch to 30 elementary schools recommended by the Thai Ministry of Education.



Scholarship presentation ceremony

### Collaboration with Thai employees

In collaboration with local Mitsubishi Electric Group companies in Thailand, METF contributes to local communities through tree-planting activities, Science classroom for elementary school students, Community contribution activities through 5S (Seiri (Sort), Seiton (Set in Order), Seisou (Shine), Seiketsu (Standardize), Shitsuke (Sustain)) activities in temples, and making donations to temples that care for AIDS patients. More than 500 employees and local people participated at maximum at a time, and participants were able to share joy with many people through these activities. In 2017, the Foundation began supporting the "Prateep Dek Thai Project" to build a Child Development Center in underprivileged areas.



5S activities in temples

# Overseas Activities



Educational program on renewable energy (UK)



Support for the Special Olympics (Italy)



Sponsoring a music festival "El Primer Palau" (Spain)



Joint Mangrove planting activity involving three local group companies (Indonesia)



Educational support for underprivileged children (Colombia)

# mitsubishi electric corporation

[www.MitsubishiElectric.com](http://www.MitsubishiElectric.com)



**for a greener tomorrow**

Eco Changes is the Mitsubishi Electric Group's environmental statement, and expresses the Group's stance on environmental management. Through a wide range of businesses, we are helping contribute to the realization of a sustainable society.



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