

Mitsubishi Electric Group CSR Report 2016



Editorial Policy

Contents

■ Editorial Policy / About Mitsubishi Electric	1
■ President's Message	5
■ CSR at Mitsubishi Electric	7
■ Contributing to Society through Business	20
■ Realize a Sustainable Society	21
■ Provide Safety, Security, and Comfort	23
■ Initiatives Underpinning Our Businesses	25
■ Governance	25
Corporate Governance	25
Risk Management	28
Responsibility to Shareholders & Investors	35
■ Environment	36
■ Social	50
Responsibility to Customers	50
Fair Operating Practices	62
Human Rights	76
Labor Practices	78
Philanthropic Activities	94

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 2016 (year ending March 31, 2016). Based on the plan-do-check-act (PDCA) 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 various activities and initiatives from the aspects of governance, the environment, and society.

● Period Covered by the Report

April 1, 2015 – March 31, 2016 (next planned publication : October 2017)
*Also includes some information on policies, targets, and plans for fiscal 2017 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, 112 domestic affiliates, and 79 overseas affiliates (total of 192 companies).
*Click here for details.
- **Economic Aspects :** Primarily covers performance of Mitsubishi Electric Corporation, consolidated subsidiaries, and equity method affiliates
*Detailed information on economic performance is provided in the Investor Relations section of our website.
Environmental Aspects :
<http://www.MitsubishiElectric.co.jp/corporate/environment/index.html>
Economic Aspects :
<http://www.MitsubishiElectric.co.jp/ir/index.html>

● References

- ISO26000
- Sustainability Reporting Guidelines Version4, 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 CSR Report (PDF) provided in the CSR section of our website. Among this information, environmental information is introduced in detail in the Environment section of the website. The CSR Report is available in PDF format in two versions—a detailed version and highlight version—via the Mitsubishi Electric Group website.

● 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 readers to keep these points in mind when reviewing this report.

Corporate Data / Financial Results

Corporate Data (As of March 31, 2016)

Name :	Mitsubishi Electric Corporation	Paid-in Capital :	¥175,820 million
Address :	Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan	Shares Issued :	2,147,201,551 shares
President & CEO :	Masaki Sakuyama	Consolidated Net Sales :	¥4,394,353 million
Phone :	+81 (3) 3218-2111	Consolidated Total Assets :	¥4,059,941 million
Established :	January 15, 1921	Employees :	135,160 人

Financial Results

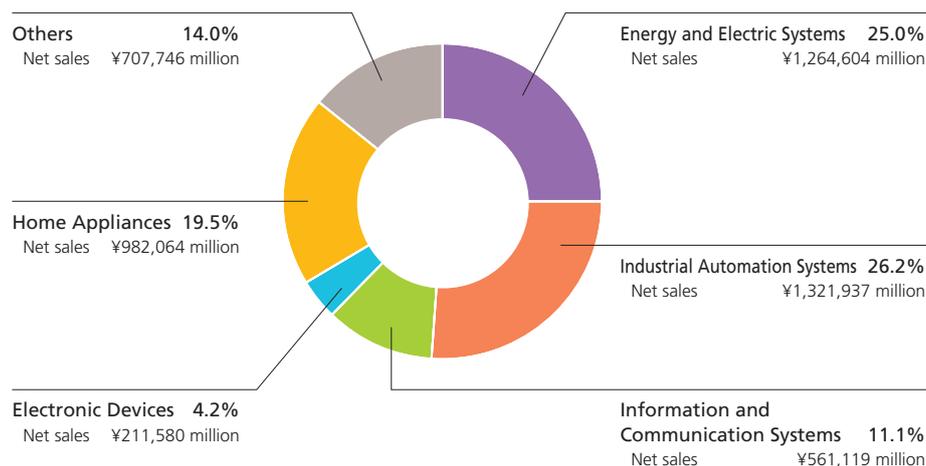
Performance for the Year Ended March 31, 2016

Years ended March 31	Yen (millions)			U.S. dollars (thousands)
	2016	2015	2014	2016
Net sales	¥4,394,353	¥4,323,041	¥4,054,359	\$38,888,080
Operating income	301,172	317,604	235,172	2,665,239
Net income attributable to Mitsubishi Electric Corp.	228,494	234,694	153,473	2,022,071
Total assets	4,059,941	4,059,451	3,612,966	35,928,681
Interest-bearing debt	404,039	381,994	373,478	3,575,567
Mitsubishi Electric Corp. shareholders' equity	1,838,773	1,842,203	1,524,322	16,272,327
Capital expenditures	182,251	199,758	151,840	1,612,841
R&D expenditures	202,922	195,314	178,945	1,795,770
Yen				
U.S. dollars				
Per-Share Amounts				
Net income attributable to Mitsubishi Electric Corp.				
Basic	¥106.43	¥109.32	¥71.49	\$0.942
Diluted	—	—	—	—
Cash dividends declared	27	27	17	0.239
%				
Statistical Information				
Operating income ratio	6.9%	7.3%	5.8%	—
Return on equity (ROE)	12.4	13.9	10.9	—
Interest-bearing debt to total assets	10.0	9.4	10.3	—

See accompanying Notes to Consolidated Financial Statements on page 41.

- 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.
- 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 ¥113=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2016.

Net Sales Breakdown by Business Segment



Mitsubishi Electric's Business Lines

Building Systems

Ensuring building safety and security with the world's foremost elevator systems



With over 80 years of experience, we have supplied elevators to customers in over 90 countries. In Japan, one in three elevators now in operation was made by Mitsubishi Electric. In terms of building management systems, we ensure safety and security as well as greater energy efficiency through our integrated solutions that include access control and surveillance systems as well as the maintenance and operation of building facilities.

Main products

- Elevators ■ Building management systems
- Escalators ■ Building surveillance systems

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, from making society safer and more secure with water and environmental systems and advanced medicine to supplying video entertainment solutions.

Main products

- Water treatment technologies
- Aircraft management and training systems
- Particle therapy system ■ Large screen video systems
- Disaster information systems

Transportation Systems

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



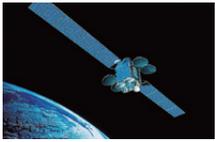
We developed an unrivaled level of technical prowess from our involvement in the development of rolling stock and operating systems for all of Japan's Shinkansen since it began service back in 1964. We are also utilizing our expertise in power and communications across various fields to improve energy 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.

Main products

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

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

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, 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

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 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

Factory Automation Systems

Underpinning manufacturing in the world as a leading FA supplier



We are one of the three 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 also deliver integrated factory energy-saving solutions in recent years that visualize every single energy usage of the production facilities and lines in real time based on high-precision measurement of production-site data.

Main products

- Programmable logic controllers (PLCs) ■ Servo systems
- Industrial robots ■ Circuit breakers ■ Laser processing machines
- Energy-saving support systems

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.

Main products

- Turbine generators ■ Protection and control systems
- Vacuum breakers ■ Transformers ■ Substation systems
- Grid stabilization systems ■ Switchgears
- Photovoltaic systems

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.

Main products

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

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 broadband systems ■ Wireless access systems
- Home ICT systems ■ Video surveillance systems
- Railway radio systems

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

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.

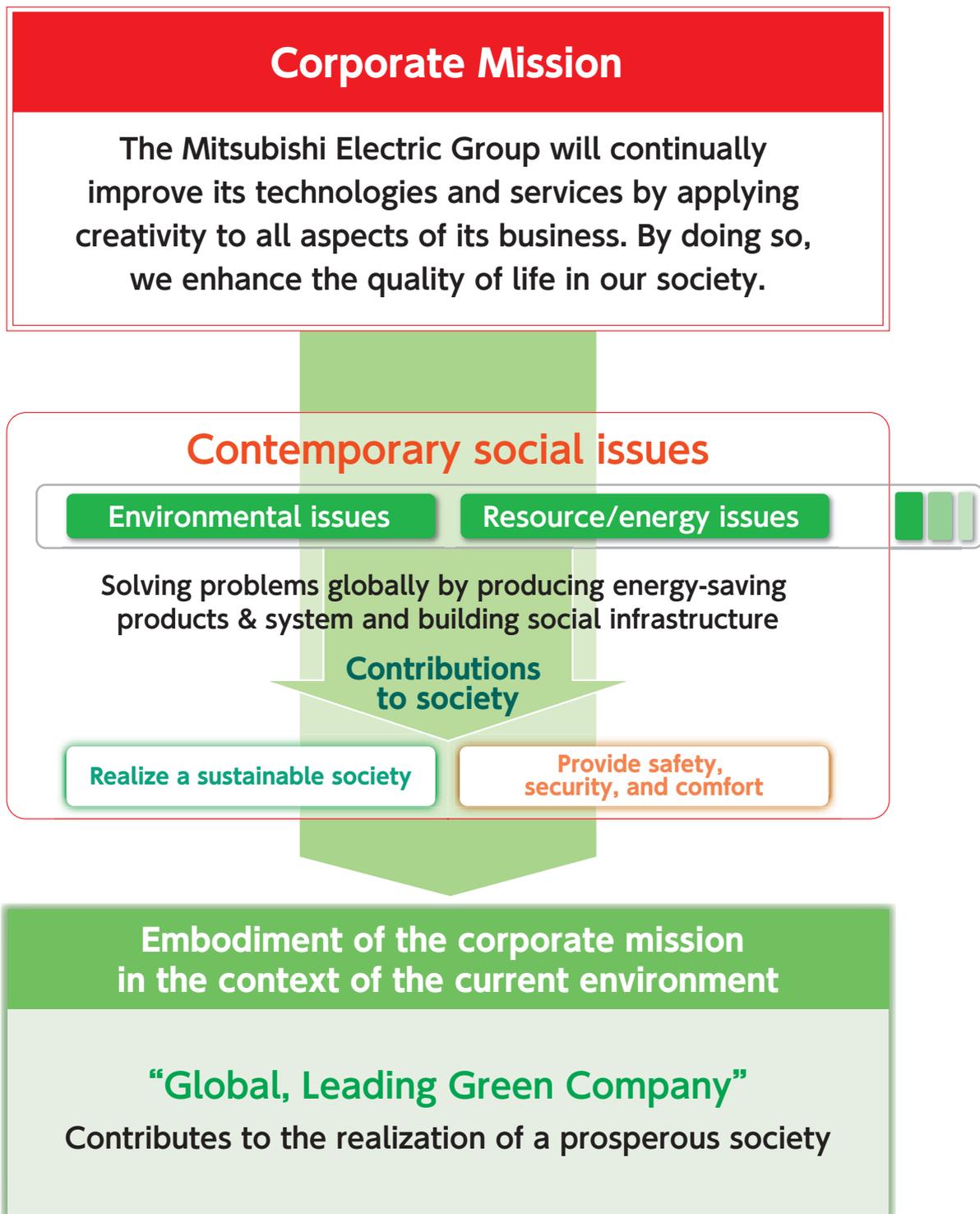
Main products

- Automated radar terminal systems
- Flight information systems
- Energy management systems
- Large-scale security systems

Embodiment of the Corporate Mission

The Mitsubishi Electric Group's business activities are rooted in the Corporate Mission that states 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.

Of today's social issues, we will focus on global solutions through the development of social infrastructure and initiatives that make products and systems for environmental issues and resource/energy issues more energy efficient. Through these efforts, we will aim to become a company well regarded by society and a "Global, Leading Green Company" that contributes to a more affluent society that is sustainable and offers a balance of safety, security, and comfort for all.



Through initiatives that contribute to enhancing the quality of life in our society, we aim to achieve sustainable growth and prove worthy of our stakeholders' trust.



Making social contribution the central goal of all our business activities

"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." We abide by this corporate mission as the central goal of all our business activities. I myself joined the company in the 1970s, attracted by the large-capacity power generators that were built by Mitsubishi Electric, and felt immense pleasure in "providing light in countries where no electricity existed" through my duties as an engineer. The pride and confidence that I could be of help in improving people's lives by developing infrastructure became the source of my efforts to "enhance the quality of life in our society."

Since being appointed President & CEO in 2014, I have used my visits to various business sites inside and outside of Japan as an opportunity to convey to our employees that "our mission is to contribute to countries and regions where we operate." This is precisely where a company's true significance lies; there is no meaning in simply increasing sales and profits. It is foremost important to provide products and services that society truly seeks and will be pleased with. Performance figures and other data will follow naturally as outcomes.

Under this concept, our vision of the ideal company is of a "global, leading green company" that contributes to the realization of a prosperous society. Seeking global solutions to today's social issues, and running a well-balanced business from the three perspectives of "growth," "profitability and efficiency," and "soundness" to satisfy all stakeholders, including society, customers, shareholders, and employees, by simultaneously achieving a sustainable society and providing safety, security, and comfort, represents the core of the Mitsubishi Electric Group's growth strategy.

Four aspects of CSR materiality for promoting CSR integrally with management

The Mitsubishi Electric Group positions corporate social responsibility (CSR) as the foundation of corporate management, and promotes the Corporate Mission and Seven Guiding Principles as its basic policies of CSR. To integrate the Group's CSR initiatives more closely with management initiatives and promote CSR over the long term, we have defined four aspects of CSR materiality for fiscal 2016.

The first is the realization of a sustainable society. Many of the products and services we provide contribute to energy conservation, and allow us to aim to become number one in the environment field. In fiscal 2016, we delivered

a power regeneration and harmonic loss reduction system with all-SiC modules for railway cars to Odakyu Electric Railway Co., Ltd., and received the METI Minister's Award at the 36th Energy-Efficient Machinery Awards in recognition of the system's ability to reduce the amount of railcar energy consumption by approximately 40%. We also delivered to Chugoku Electric Power Co., Inc. a hybrid battery system for installation in the Oki Islands. To solve the problem that renewable energies such as solar and wind power generation are readily affected by the weather and are unsuited to ensuring stable power supply, we are conducting a technical demonstration toward the stable utilization of renewable energies.

President's Message

Furthermore, our recycling initiatives and initiatives for reducing environmental burden are implemented from a global perspective, and contribute to the environment by satisfying standards that go beyond those required by laws in each country.

The second is the provision of safety, security, and comfort. The products and services we provide support people's affluent lifestyles in diverse areas, including the residential, security, and transportation sectors. The technology for tsunami monitoring support using radar, which we succeeded in developing for the first time in the world, was placed in actual operation in fiscal 2016, and is contributing to preventing and mitigating disasters in coastal regions. With respect to the satellite business, which is one of our strengths, high-accuracy positioning information provided by our quasi-zenith satellite system is contributing to enhancing safety precision toward the practical application of automated driving and ensuring proper maintenance management of social infrastructures.

The third is respect for human rights and the participation of diverse personnel. We are striving to create a workplace environment where employees can work actively while enjoying work-life balance at all stages of life, whether they are experiencing childbirth, raising a child, or providing nursing care to elderly family members. Furthermore, in response to the increasing numbers of foreign employees, we are working to diversify our personnel from a medium to long-term perspective, by creating workplaces where people with diverse backgrounds can work to their full potential. At the same time, the Mitsubishi Electric Group as a whole and all partners along our supply chain are taking action to promote respect for human rights based on international rules and regulations.

As a corporate group that pursues continuous innovation

Our corporate culture of "bringing about change always with an aim for something better" has supported the Mitsubishi Electric Group through its almost 100-year history. The corporate statement "Changes for the Better," which we established in 2001, precisely expresses this culture, and is a favorite phrase of mine. The plural form of "Changes" is used, because there are many aspects and dimensions of change, and "Better" is used instead of "Best," because today's best is not necessarily tomorrow's best, and there is no end to innovation.

As observed in Darwin's theory of evolution, only those who can adapt to environmental changes are able to survive. In order for a company to develop amidst dramatic changes in its external environment, it must continuously pursue innovation in response to social expectations, and continue to be a presence that is needed by society. Society's trust in the Mitsubishi Electric Group—the belief that the products, services, and technologies we provide are necessary for a brighter future—allows us to enhance our business performance and secure talented human resources that wish to work with us, and will furthermore help us create an even more stable foundation for growth as a company.

The fourth is the continued strengthening of corporate governance and compliance. With regard to corporate governance, we are implementing ongoing improvement measures, including initiatives for ensuring proper response to Japan's Corporate Governance Code. In the area of compliance, we adhere to the understanding that ethics and compliance are the fundamental precondition of our existence as a company, and pledge "not to establish a target or make a commitment that can only be achieved by taking action that would violate applicable laws, social ethics, or social norms." We also require all employees to strongly realize their responsibility of not acting in violation of ethics and legal compliance as a member of society, and to always act with a sense of ethics and pride several levels higher than what is commonly expected.

Through our sincere efforts to address these four aspects of materiality, we will endeavor to achieve our targets of achieving consolidated net sales of ¥5.0 trillion or more and an operating income ratio of 8% or more by fiscal 2021, the year that marks the 100th anniversary of the Mitsubishi Electric Group.



All employees of the Mitsubishi Electric Group are expected to constantly take on new challenges without ever being content with the present. As a corporate group that manufactures a wide range of products for every sphere of life, from ordinary households to outer space, we are ideally suited to combining these products to create new value. This, however, will require greater exchange among various departments and stronger synergy among multiple business groups. Cross-border cooperation must also be strengthened among the roughly 140,000 employees of our Group who work throughout the world.

The Mitsubishi Electric Group will make continuous innovation a part of its efforts to achieve even higher growth as a leading global green company that contributes to the creation of a prosperous society where a "sustainable society" and "safety, security, and comfort" are simultaneously realized.

President & CEO

M. Sakuyama

CSR Management

Principles of CSR

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

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

Through continuous innovation, we develop new frontiers

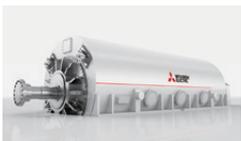
Pursue the Satisfaction of the Four Stakeholder Categories



By engaging in corporate activities based on a management plan and implementing ongoing improvement activities based on the PDCA approach to CSR materiality identified in fiscal 2017 and key performance indicators (KPI), we will contribute to realizing a prosperous 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 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.



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

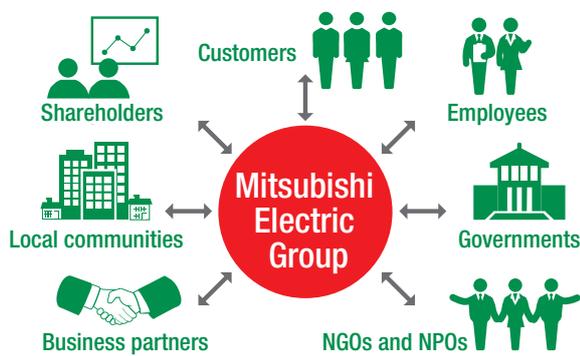
Key Performance Indicators (KPI)

Contribute to the realization of a prosperous society

Stakeholders of the Mitsubishi Electric Group

To achieve sustainable growth, the Mitsubishi Electric Group must engage 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 positive effects and reduce negative effects on society.

Through engagement with stakeholders, we uphold the "Four Satisfactions" as a management policy that aims to provide satisfaction to all stakeholders, including society, customers, shareholders, and employees.



Stakeholders of the Mitsubishi Electric Group

Pursue the Satisfaction of the Four Stakeholder Categories



Promotional System for CSR

Company-wide CSR activities are coordinated by a CSR Committee appointed by Mitsubishi Electric's meeting of executive officers. The Committee is composed of the heads of management departments at Mitsubishi Electric, and discusses the achievements of activities performed during the previous fiscal year, makes decisions on future activity plans, and responds to legal amendments, from a cross-functional perspective inclusive of the entire Mitsubishi Electric Group.

Based on the awareness that CSR activities are directly linked to corporate management, specific activities are carried out at the responsibility of departments in charge of ethics and legal compliance, quality assurance and improvement, environmental conservation and philanthropy activities, and communication with stakeholders, based on the CSR policy of the Mitsubishi Electric Group.



CSR Promotion System

Working Groups on CSR

Regular working groups are held by departments that have strong relevance to CSR. They spend time discussing CSR materiality and future CSR initiatives of the Mitsubishi Electric Group, as well as responses to laws and regulations and international CSR standards.



CSR Committee



Working Groups on CSR

Measures for Internal Dissemination of CSR

We implement the following measures as our initiatives for disseminating CSR across our company.

● CSR Lectures for Executives

Lecture presentations are held by experts to introduce changes in social perspectives and the latest industrial trends concerning CSR to officers of Mitsubishi Electric and members of the CSR Committee. They provide opportunities for executives to reaffirm the importance of CSR.



CSR Lectures for Executives

● Information Sharing within the Mitsubishi Electric Group

General managers of the administrative departments of Mitsubishi Electric Group companies in Japan gather in a conference on compliance and other related matters twice a year. In response to the increasing importance of CSR in recent years, emphasis has been placed on sharing information on Group-wide CSR policies and best practices related to CSR, to raise the CSR level of the entire Group.



Conference of Administrative Managers of Group Companies

● CSR Training for New Employees

CSR training was held for new employees joining Mitsubishi Electric in fiscal 2017, to deepen their understanding of CSR as the basic foundation of corporate management, ensure ethics and legal compliance in their daily duties, and instill the importance of addressing quality and environmental issues. New employees learned that CSR must be addressed and practiced by all employees in their daily work.



CSR Training for New Employees

● Promoting Understanding of CSR through the Company Newsletter

The Mitsubishi Electric Group's initiatives concerning CSR are introduced in the company newsletters that are distributed to Group companies in Japan and overseas. The articles 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 the Company Newsletter

CSR Materiality and Initiatives

In 2015, the Mitsubishi Electric Group identified CSR materiality (priority issues) in response to today's social trends and business environment, as also specified in the fourth edition of the GRI Guidelines (G4 Guidelines). Initiatives for addressing each materiality and key performance indicator (KPI) have also been formulated (for details of the process, see "Process of Identifying CSR Materiality"). While continuing to receive opinions from inside and outside the company, we will further strengthen these initiatives through ongoing improvement activities based on the PDCA cycle, to expand the scope of information disclosure.

CSR Materiality of the Mitsubishi Electric Group

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.

Four aspects of materiality	Initiatives
 <p>Realize a sustainable society</p>	<ul style="list-style-type: none"> ▶ Realization of Environmental Vision 2021 <ul style="list-style-type: none"> • Realizing a low-carbon society • Creating a recycling society • Creating a society in tune with nature • Strengthening the environmental management foundation ▶ Contribution through products and services
 <p>Provide safety, security, and comfort</p>	<ul style="list-style-type: none"> ▶ Product development that places top priority on customer safety ▶ Provision of products and services that reflect customers' needs ▶ Continuous implementation of training on quality principles that places top priority on customers ▶ Contribution through products and services
 <p>Respect human rights and promote the active participation of diverse human resources</p>	<ul style="list-style-type: none"> ▶ Prohibition of discriminatory treatment, and encourage human respect ▶ Realization of workplace environments conducive to work-life balance ▶ Promotion of diversity through the hiring and utilization of diverse human resources ▶ Promotion of occupational health and safety as well as mental and physical health
 <p>Strengthen corporate governance and compliance on a continuous basis</p>	<ul style="list-style-type: none"> ▶ Active dialogue with stakeholders ▶ Corporate management with a sound oversight function ▶ Compliance training on a continuous basis ▶ Fair competition (prevention of antimonopoly violations) ▶ Corruption prevention (prevention of bribery) ▶ CSR procurement (environment, quality, human rights, compliance, etc.)

Key performance indicators (KPI) for FY2017 (quantitative targets are shown in brackets)	Scope
•Reduce CO ₂ emissions from production (less than 1.37 million tons by FY2018)	All Group companies (Japan, overseas)
•Reduce CO ₂ emissions from products usage (35% reduction compared to FY2001 by FY2018)	All Group companies (Japan, overseas)
•Reduce resource inputs (40% reduction compared to FY2001 by 2018)	All Group companies (Japan, overseas)
•Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliate to maintain a rate of less than 0.1%, and overseas affiliate to have the rate to less than 0.5% by FY2018)	All Group companies (Japan, overseas)
•Maintain a plastic recycling rate of 70% or higher for home appliances (maintain rate of 70%)	Home appliances
•Increase the numbers of participants in environmental awareness activities (cumulative total of more than 30,000 participants by FY2018)	All Group companies (Japan, overseas)
•Expand local species protection activities to offices in Japan (all offices in Japan by FY2018)	Mitsubishi Electric
•Maintain a 100% attendance in environmental e-learning programs (maintain rate of 100%)	Mitsubishi Electric
•Expand the range of products and services that contribute to a sustainable society	All Group companies (Japan, overseas)
•Expand the reduction of CO ₂ during usage (80 million tons by FY2018)	All Group companies (Japan, overseas)
•Ensure safety through risk assessments	All Group companies (Japan, overseas)
•Develop key persons who are capable of incorporating customers' needs into quality (develop 100% of relevant persons in all department by 2021)	All Group companies (Japan, overseas)
•Promote initiative that aim to increase customer satisfaction	All Group companies (Japan, overseas)
•Expand e-learning programs on quality	All Group companies (Japan, overseas)
•Expand the range of products and services that contribute to providing safety, security, and comfort	All 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	Mitsubishi Electric
•Slim down operations through a reform of work styles, and cultivate an awareness of results and efficiency.	Mitsubishi Electric
•Employ people with disabilities beyond the statutory employment rate (higher than 2.0%)	Mitsubishi Electric
•Increase the ratio of women among new recruits in technical positions (future target of 20%)	Mitsubishi Electric
•Systemically dispatch employees to overseas OJT programs and language programs (more than 180 employees /year)	Mitsubishi Electric
•Promote safety and health education, and maintain a rate of lost worktime injuries that falls below the industry average (below0.4) <small>※Number of accidents accompanying lost worktime per 1 million hours</small>	Mitsubishi Electric
•Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MHP21) 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 brush their teeth at least three times a day)	Group companies (Japan)
•Hold dialogue on CSR with stakeholders more than once a year (more than once/year)	All Group companies (Japan, overseas)
•Hold dialogue with stakeholders through the general meeting of shareholders, management strategy presentation meeting, business strategy presentation meetings, and IR activities in Japan and overseas	All Group companies (Japan, overseas)
•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	Mitsubishi Electric
•Maintain a 100% attendance in e-learning programs on compliance (maintain rate of 100%)	Mitsubishi Electric
•Continue and enhance measures and education for compliance with antimonopoly laws and competition law	All Group companies (Japan, overseas)
•Continue and enhance corruption prevention measures and education	All Group companies (Japan, overseas)
•Promote CSR procurement and provide improvement instructions to parts of the supply chain that pose a risk	Supply chain

Process of Identifying CSR Materiality

The Mitsubishi Electric Group has identified CSR materiality through the following three steps.

Step1 **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 mentioned in the United Nations' 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

Derive a long list from the items below

[General issues]

GRI G4 aspects

ISO26000

SDGs

[Industry-specific issues]

SASB

Materiality of competitors

➔

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

Derive a short list

1. Provide products and services that contribute to resolving environmental issues
2. Provide products and services that contribute to growth in developing countries
3. Provide products and services that contribute to resolving health and aging population issues
4. Provide products and services that contribute to safe and secure lifestyles
5. Provide products and services that contribute to resolving energy issues
6. Provide products and services that contribute to creating smart cities
7. Promote energy conservation in business activities
8. Promote reduced water usage in business activities
9. Give consideration to ecosystems in business activities
10. Promote CO₂ reduction in business activities
11. Promote recycling of resources in business activities
12. Ensure proper management of chemical substances
13. Develop products that impose minimum environmental impacts during their manufacture, utilization, and disposal
14. Promote initiatives aimed at increasing environmental awareness among customers
15. Secure product quality and safety
16. Request the cooperation of business partners in the Mitsubishi Electric Group's CSR activities
17. Secure employees' safety
18. Secure employees' health
19. Give consideration to employment and labor conditions
20. Promote diversity (utilize diverse human resources)
21. Respect human rights
22. Promote work-life balance (harmony between work and private life)
23. Develop global human resources
24. Contribute to local communities
25. Hold active dialogue with stakeholders
26. Ensure compliance (compliance with laws and regulations)
27. Protect personal information
28. Protect intellectual property rights
29. Ensure a sound oversight function in corporate management

Awareness of social issues

Step2 **Assessment of internal and external views and identification of materiality**

- **Questionnaire for stakeholders**

In a questionnaire, approximately 200 people, including general consumers, business partners and suppliers, shareholders, and Group employees, were asked to evaluate their expectations of the 29 items extracted in Step 1, on a scale of 1 to 5. The results were used as one criterion for selecting materiality.

三菱電機グループ CSR アンケート

ご記入事項は、アンケート実施について、フルタイムメンバーが対象となります。お答えに際しては、お答えの項目が関係する分野を含む製品・サービスの提供状況や、お客様に提供しているサービスや商品について、お答えください。お答えの項目が関係する分野がフルタイムメンバーが提供していない場合は、お答えください。お答えの項目が関係する分野がフルタイムメンバーが提供していない場合は、お答えください。

調査対象は、三菱電機グループの従業員、取引先、顧客、株主、社会一般の方々です。お答えの項目が関係する分野がフルタイムメンバーが提供していない場合は、お答えください。

調査対象は、三菱電機グループの従業員、取引先、顧客、株主、社会一般の方々です。お答えの項目が関係する分野がフルタイムメンバーが提供していない場合は、お答えください。

調査対象は、三菱電機グループの従業員、取引先、顧客、株主、社会一般の方々です。お答えの項目が関係する分野がフルタイムメンバーが提供していない場合は、お答えください。

調査対象	調査項目	調査結果
三菱電機グループの従業員	1. 三菱電機グループの製品・サービスの品質	
三菱電機グループの取引先	2. 三菱電機グループの製品・サービスの品質	
三菱電機グループの顧客	3. 三菱電機グループの製品・サービスの品質	
三菱電機グループの株主	4. 三菱電機グループの製品・サービスの品質	
三菱電機グループの社会一般の方々	5. 三菱電機グループの製品・サービスの品質	
三菱電機グループの取引先	6. 三菱電機グループの製品・サービスの品質	
三菱電機グループの顧客	7. 三菱電機グループの製品・サービスの品質	
三菱電機グループの株主	8. 三菱電機グループの製品・サービスの品質	
三菱電機グループの社会一般の方々	9. 三菱電機グループの製品・サービスの品質	
三菱電機グループの取引先	10. 三菱電機グループの製品・サービスの品質	
三菱電機グループの顧客	11. 三菱電機グループの製品・サービスの品質	
三菱電機グループの株主	12. 三菱電機グループの製品・サービスの品質	
三菱電機グループの社会一般の方々	13. 三菱電機グループの製品・サービスの品質	
三菱電機グループの取引先	14. 三菱電機グループの製品・サービスの品質	
三菱電機グループの顧客	15. 三菱電機グループの製品・サービスの品質	
三菱電機グループの株主	16. 三菱電機グループの製品・サービスの品質	
三菱電機グループの社会一般の方々	17. 三菱電機グループの製品・サービスの品質	
三菱電機グループの取引先	18. 三菱電機グループの製品・サービスの品質	
三菱電機グループの顧客	19. 三菱電機グループの製品・サービスの品質	
三菱電機グループの株主	20. 三菱電機グループの製品・サービスの品質	
三菱電機グループの社会一般の方々	21. 三菱電機グループの製品・サービスの品質	
三菱電機グループの取引先	22. 三菱電機グループの製品・サービスの品質	
三菱電機グループの顧客	23. 三菱電機グループの製品・サービスの品質	
三菱電機グループの株主	24. 三菱電機グループの製品・サービスの品質	
三菱電機グループの社会一般の方々	25. 三菱電機グループの製品・サービスの品質	
三菱電機グループの取引先	26. 三菱電機グループの製品・サービスの品質	
三菱電機グループの顧客	27. 三菱電機グループの製品・サービスの品質	
三菱電機グループの株主	28. 三菱電機グループの製品・サービスの品質	
三菱電機グループの社会一般の方々	29. 三菱電機グループの製品・サービスの品質	

Questionnaire for stakeholders

- **Internal working groups**

Internal departments that have strong relevance to CSR held regular working groups and spent time closely discussing and examining materiality.



Internal working groups

13

Step2 Assessment of internal and external views and identification of materiality



• Interviews with experts

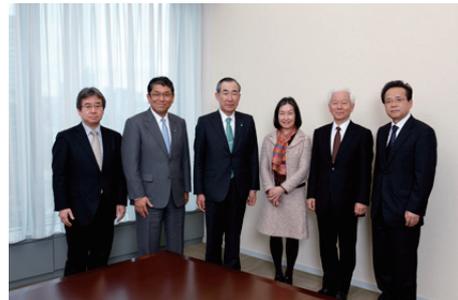
The views of experts in the areas of environment, society, and governance were sought on the theme of "materiality of the Mitsubishi Electric Group."



Interviews with experts

• Dialogue with experts

The views of experts in the areas of environment, society, and governance were sought on the theme of "materiality of the Mitsubishi Electric Group."



Dialogue with experts

Step3

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 (KPI) 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

Stakeholder Engagement

Receiving Opinions from Experts

We have organized dialogue meetings enabling personnel responsible for advancing CSR initiatives and representatives of departments particularly closely involved in CSR efforts to hear discussions and receive opinions on the topic of CSR materiality within the

Mitsubishi Electric Group from experts with specialized knowledge and extensive experience in the areas of the environment, society, and governance.



Professor Emeritus, The University of Tokyo;
Chairman, Institute for Promoting Sustainable Societies (IPSuS)

Itaru Yasui

Field of specialization: Environmental issues

Opinions offered:

- Taking the movement away from fossil fuels into consideration, it will be essential to respond to energy issues. In particular, it will be necessary to examine the effective use of unstable power (power from natural sources such as solar, which will not provide a stable supply).
 - In order to reduce environmental impacts, it is not enough to simply develop products with a minimal environmental impact; it is also necessary to make efforts to increase environmental awareness among customers to help ensure that they use products correctly.
 - In order to respond to diverse expectations from society, it will be essential to cultivate global human resources (engineers, etc.) who understand the diversity among product users in terms of religion and history.
-



Professor, Faculty of Economics, Reitaku University

Iwao Taka

Field of specialization: Compliance issues

Opinions offered:

- The greatest CSR-related risks are anti-competitive practices, and instances of corruption overseas (bribery of public officials, etc.). It will be essential to establish guidelines to prevent corruption in global business activities.
 - Japanese companies have been caught up in a number of scandals in the area of B-to-B business recently. Illegal activities should not be tolerated, even when attempting to respond to the demands of customers.
 - In relation to governance, dialogue between management and stakeholders is essential. It is also important for the relationship between executives to be such that they are able to freely exchange opinions. The realization of effective governance and the setting of key performance indicators that enable the status of governance to be understood are more urgent tasks than satisfying external demands.
-



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:

- It will be necessary to set important agendas in relation to social issues based on consideration of how the company should respond over the long-term.
- It will be desirable to publish information in forms easily understandable for the general public, such as examples of the company's contributions to society through its products and technologies.
- Public attention towards corporate governance is increasing. It is essential to realize effective and highly transparent management.
- Respect for diversity and the realization of working environments in which all employees are able to work comfortably will be important to the resolution of issues related to human resources.
- Responses to human rights, supply chains, and the environment at the global level will be essential.



Corporate Adviser, Nippon Association of Consumer Specialists (NACS)

Yukiko Furuya

Field of specialization: Consumer issues

Opinions offered:

- To ensure that consumers are able to safely use products, it is essential to provide consumers with information enabling them to make their own decisions regarding what the risks are and how they should use a product.
- At the same time, there are consumers who will use a product incorrectly without bothering to read the user's manual. There may also be social issues behind this failure to read the information provided, such as the consumer does not adequately comprehend the meaning of the information released by the company. It is necessary for the company to make effective use of customer opinions, basing itself on an awareness of the actual situation of consumers.
- With regard to the influence of customer choices on the resolution of environmental, safety, human rights, and labor issues, it will be necessary to provide information in order to promote an awareness of the issues in consumers and work to resolve the issues in tandem with this process.



Consulting Fellow, The Research Institute of Economy,
Trade and Industry (RIETI)

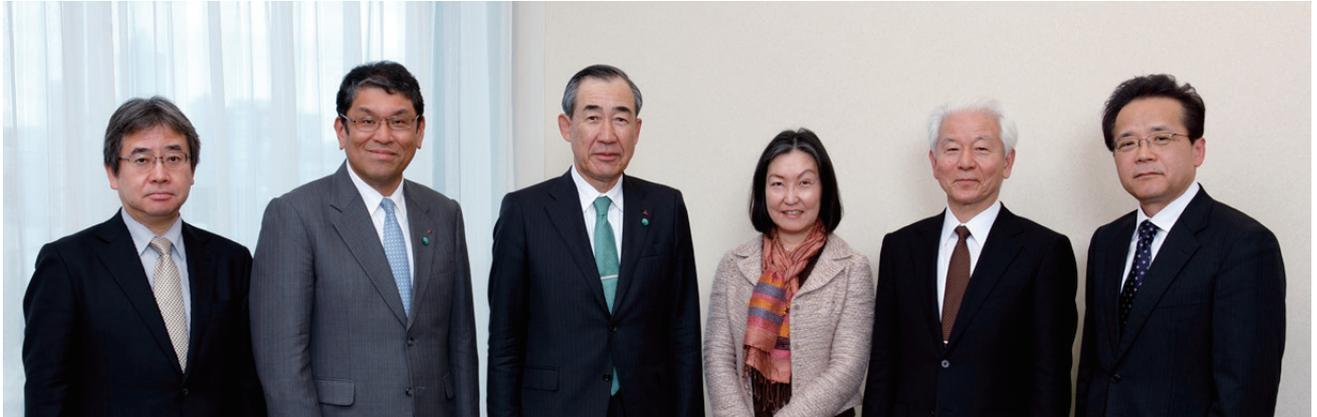
Toshihiko Fujii

Field of specialization: CSR procurement

Opinions offered:

- CSR means to take into consideration the abstract entity "society" separately from "customers" considered by business departments.
- With regard to initiatives on the business front, if customer needs exist and an area of activity succeeds as a business, this does not need to be referred to as CSR. I believe that CSR is the creation of "social necessity," as for example when a new service tackling social issues becomes a business.
- I believe that the greater part of CSR-related issues at present involve the supply chain. The important question is to what extent the company is prepared to intervene with suppliers.

Dialogue with Experts



From left, Shinji Harada, Executive Officer and General Manager, Corporate Administrative Division; Nobuyuki Okuma, Senior Vice President (In charge of CSR); Masaki Sakuyama, President & CEO; Mariko Kawaguchi, Chief Researcher, Daiwa Institute of Research Ltd. and Co-CEO, Japan Sustainable Investment Forum (JSIF); Itaru Yasui, Professor Emeritus, The University of Tokyo and Chairman, Institute for Promoting Sustainable Societies (IPSuS); Iwao Taka, Professor, Faculty of Economics, Reitaku University (As of February 2016)

The Mitsubishi Electric Group has positioned CSR as the foundation of its corporate management, and pursues CSR initiatives based on its Corporate Mission and Seven Guiding Principles. In fiscal 2015, we established a CSR Committee to enhance initiatives that had previously been implemented by our administrative departments. The committee proceeded to identify important issues for the strategic advancement of CSR towards the future. After numerous discussions giving consideration to opinions from within and outside the company, the committee proposed four areas as being of the greatest significance for CSR: the environment, lifestyle, human rights and human resources, and governance and compliance.

The dialogue focused on here, held with three guest experts, was organized in order to objectively verify the relevance of these important issues from an outside perspective. We explained the status of our CSR initiatives to them, following which we sought opinions and expectations from the stakeholder perspective. Based on their own specialized standpoints, these experts discussed a wide range of topics, including important technological innovations towards the realization of sustainable societies, the necessity to engage in fair business practices as a global company, and the international trend towards ESG investment. In addition to the identification of important issues for CSR, Mitsubishi Electric's representatives and guest experts engaged in a lively exchange of opinions concerning how best to communicate information regarding the Group's CSR initiatives in Japan and overseas.

Important opinions and suggestions offered by our guest experts

A long-term perspective is essential

A long-term perspective is essential to thinking about technological innovation related to the environment. With the adoption of the Paris Agreement at COP21 in 2015, it will no longer be possible to operate a business unless a net zero level of emissions of greenhouse gases is realized within this century. This largely corresponds to an end of the use of fossil fuels. It is essential to be aware of the importance of this and to face the necessity squarely. In addition, it is predicted that numerous resources will become depleted by 2050, and I believe that this will increase the importance of the recycling business that Mitsubishi Electric already operates. While Japanese companies tend to think of "targets" as something that must be achieved and avoid making them clear, it is my hope that internationally, Mitsubishi Electric will indicate an orientation and a stance towards "goals," and actively communicate a concrete image of what the Group is aiming towards and how it will make a contribution.



Professor Emeritus, The University of Tokyo;
Chairman, Institute for Promoting Sustainable Societies (IPSuS)

Itaru Yasui

A new awareness and new mechanisms are essential for global business

In developing a global business, the areas that demand particularly prudent responses are anti-competitive practices, and instances of corruption overseas (bribery of public officials, etc.). Each country has its own domestic laws regulating human rights, labor, the environment, and other important areas, and these laws must, as a basic principle, be obeyed when conducting business overseas. However, depending on the country, there are numerous cases in which the rule of law does not function normally as a result of corruption among public officials responsible for enforcing the law. The contemporary global community demands that in countries such as this, companies should use their contract power, and exert their influence throughout the entire supply chain in order to ensure correct behavior. What is needed is for companies to contribute to sustainable development in the countries they advance into through the performance of contracts based on good faith.

The speeding-up of ESG investment represents a business opportunity for Mitsubishi Electric

Globally, the scale of the ESG investment market was 21.3 trillion US dollars in 2014. More than half of the top 20 pension funds have signed the Principles for Responsible Investment (PRI). In the area of the environment, attention has been focused on the risk to business represented by climate change, and moves to reduce CO2 emissions from assets held between the world's major institutional investors have accelerated. Japan has lagged behind, but even here the signing of the PRI by the Government Pension Investment Fund (GPIF) has rapidly increased momentum towards ESG investments. This trend represents a significant business opportunity for Mitsubishi Electric.

In order to engage with socially responsible investment, it is necessary to clarify materiality, and to provide explanations that lay out a vision, indicating why particular areas are being emphasized and how specific initiatives will lead to increased corporate value. Mitsubishi Electric's identification of CSR materiality corresponds to this process, and is to be praised.



Professor, Faculty of Economics, Reitaku University

Iwao Taka



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

Mariko Kawaguchi



Senior Vice President (In charge of CSR)
Nobuyuki Okuma

In Response to the Dialogue

As a global company, we understand the effect we have on the countries in which we conduct our business activities, and we reaffirm the importance of fully accepting the responsibility that this entails. We also recognize that the communication of information when we have put a CSR initiative into effect represents an issue, and in the future we will both advance our CSR initiatives and provide information concerning those initiatives more strategically. Thank you for offering your opinions today.

Contributing to Society through Business

The Mitsubishi Electric Group is committed to realizing a prosperous society by creating values that simultaneously realize a sustainable society and provide safety, security, and comfort.



Contribution to society through initiatives that simultaneously realize a prosperous society and provide safety, security, and comfort

Realize a Sustainable Society

Energy recycling and saving for a low-carbon society

The realization of a low-carbon society is an important issue facing the world. Mitsubishi Electric is contributing to creating a sustainable society by engaging in the development and application of technologies that contribute to reducing environmental burden. For example, these include storage batteries and control systems that are useful for the utilization of renewable energies such as wind and solar power generation, and inverters that significantly reduce power consumption by railways.



Odakyu Electric Railway's renewed 1000 Series railcar

Solutions that significantly reduce railway power consumption

Toward the realization of a low-carbon society, much is expected of railways themselves. If power consumption by railways could be significantly reduced, it would be possible to accelerate the railways' contribution to a low-carbon society.

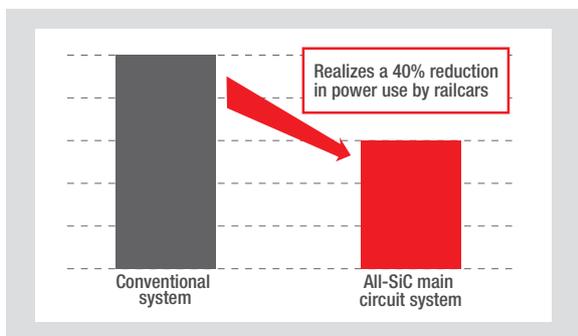
Mitsubishi Electric has thus developed the "all-SiC main circuit system." To drive the train motor, the system incorporates a VVVF inverter that converts direct current from the overhead wiring to alternating current, and a high-efficiency motor that is optimized by the use of all-SiC modules. By employing all-SiC (silicon carbide) semiconductor modules in a railcar inverter for the first

time in the world, power conversion loss has been reduced compared to conventional Si (silicon) modules. Furthermore, by increasing the regenerative power that is generated when braking, the system is able to reduce total power consumption by approximately 40%.

The system was delivered to Odakyu Electric Railway Co., Ltd., and was placed in commercial operation in January 2015. In November 2015, Odakyu Electric Railway and Mitsubishi Electric jointly received the Promotion Council Chairman's Prize (Excellent Prize) as an Eco-Products Award. The METI Minister's Award for Outstanding Energy-Efficiency Machinery, and the Achievement Award of the Ichimura Industrial Award have also been received in recognition of the expanded application of the system.

As of June 2016, the all-SiC system has been delivered to railway companies in Japan including Odakyu Electric Railway. Mitsubishi Electric wishes to expand the all-SiC system's scope of application in the future as its contribution to realizing a low-carbon society.

The power module was developed in part as a study funded by the New Energy and Industrial Technology Development Organization (NEDO).



Power consumption

VOICE



Manager, System Design
Power Electronics Systems
Designing Section-A
Traction Systems Department
Itami Works

Yoshinori Yamashita

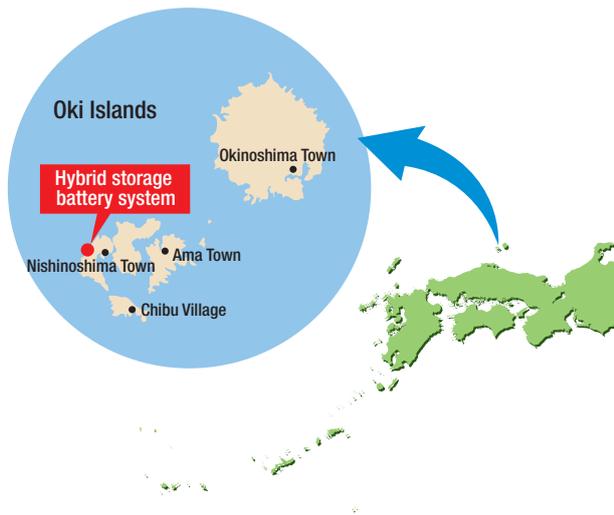
It is my role to expand our customer base both in Japan and overseas

I think the reason why we were able to realize the world's first all-SiC inverter is because personal exchanges were held between the research institute and our semiconductor plant, and also because a forum was in place in which officers from various fields within Mitsubishi Electric could mutually share their knowledge and engage in discussions.

As a public transportation company, Odakyu Electric Railway Co., Ltd. must not, at all costs, stop traffic due to a malfunction. Thus, numerous reliability assessments had been conducted prior to introducing it as a world-first technology, and test runs of actual railcars were held over a total distance of 5004 kilometers before commencing commercial service.

Odakyu Electric Railway posted an introduction of our initiative to contribute to a low-carbon society inside the railcars, much to our delight.

The "all-SiC main circuit system" has a large impact also from the social aspect of minimizing environmental burden. I thus believe it is my role to expand the recognition of the technology's high energy-saving effect to as many railway operators as possible both in Japan and overseas.



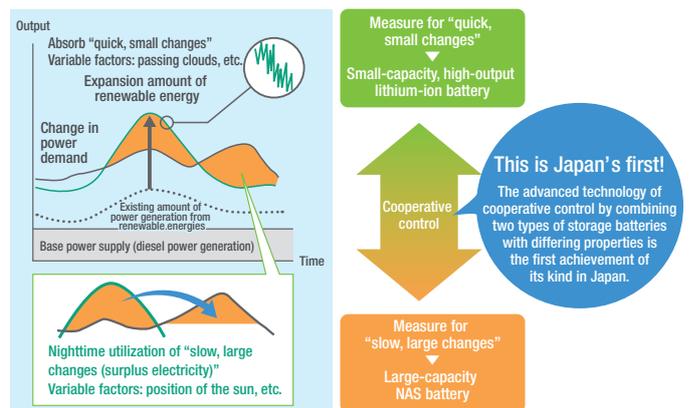
Substation storage battery installation (Nishinoshima Island, Oki Islands)

Oki Islands Hybrid Project : Aiming to promote the utilization of renewable energies

The Chugoku Electric Power Co., Inc. launched the Oki Islands Hybrid Project in the Oki Islands of Shimane Prefecture in September 2015 as a three-year demonstration project that aims to create a sustainable society by expanding the introduction of renewable energies such as solar and wind power generation and reducing CO₂ emissions.

With solar and wind power generation and other such renewable energies, the amount of power generation changes according to weather conditions. To absorb such "quick, small changes," a small-capacity, high-output lithium-ion battery is used. On the other hand, since solar power is used to generate electricity during the daytime and no power is generated during the night, "slow, large changes" are absorbed by a large-capacity NAS battery, to allow the surplus electricity that is generated during the daytime to be used at night. This hybrid storage battery system combines two types of batteries with differing properties as the first attempt of its kind in Japan. Mitsubishi Electric plays a role in developing this system by undertaking its design and construction.

At present, approximately 10,000 to 24,000 kilowatts of electricity is needed in the Oki Islands. Over the three years of the demonstration test period, wind and solar power generation will be sequentially increased, to ultimately introduce 11,000 kilowatts of renewable electricity, to more than satisfy the minimum demand amount.



Source: "Hybrid Storage Battery System" on the website of Chugoku Electric Power Co., Inc.

VOICE



Manager
Power Grid Engineering Section 1
Power System Solution Department

Tsuneo Shimizu

From Oki to the world, I wish to spread the utilization of renewable energies

I participated in the smart grid demonstration project that Mitsubishi Electric conducted in the Itami district in 2010, followed by the project for the development of a lithium-ion battery power control system for remote islands in Iki in 2013 and in Tsushima in 2014. In 2015, I was assigned to the Oki Islands Hybrid Project and placed in charge of overseeing the hybrid system.

We commenced a demonstration test in September 2015. I am relieved above all that the system is so far supplying stable power without any interruption. I keep a fatherly eye on it as though it were my child.

For continued success of the project, we hold frequent study meetings with members of Chugoku Electric Power Company, and are directing our efforts to developing an optimal system.

Demand for such a hybrid system is expected to grow overseas as well. To widely disseminate our product, the technology for constructing a power control system that delivers both stability and economic efficiency of renewable energies is indispensable.

By harnessing the experience that I acquired in the Oki project and accumulated through the demonstration test in Itami, I wish to propose an optimal combination of storage battery and power system in response to diverse needs.

Provide Safety, Security, and Comfort

Achieving a safe and comfortable society through satellite technology

GPS, satellite broadcasts, weather reports... The day-to-day convenience we enjoy as part of modern life is in large part the result of satellite technology. At Mitsubishi Electric, we have been engaging in the satellite business since the 1960s, and have developed not only the satellite systems themselves, but also the on-ground systems technologies that support the satellite-based systems using big data. We provide new and additional social value by utilizing the synergies we bring as an all-round electrical manufacturer.

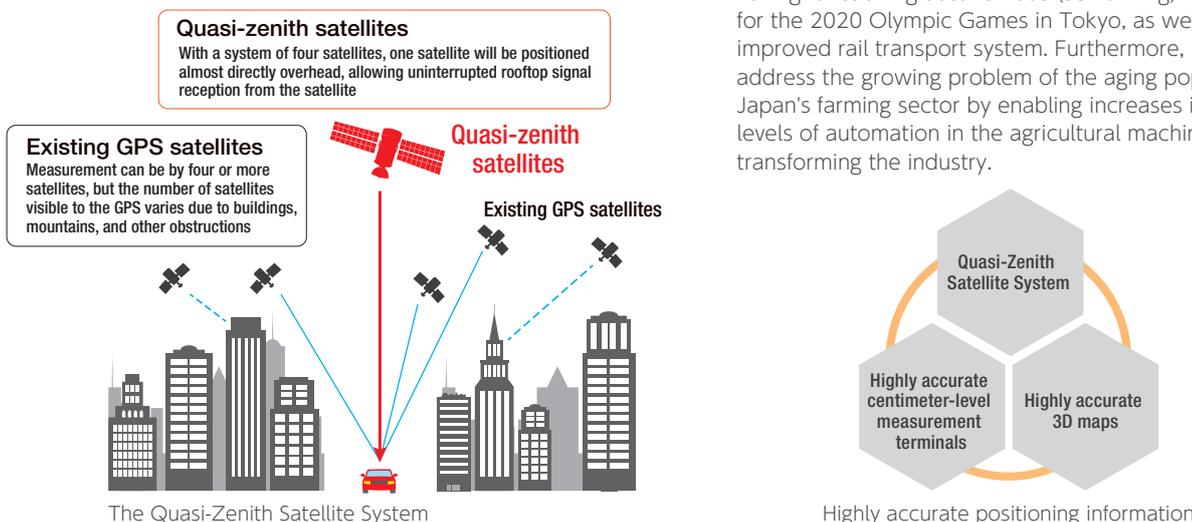
Quasi-zenith satellites transmit highly accurate positioning information that can be used to resolve social infrastructure problems safely and efficiently

— "Michibiki" quasi-zenith satellite

The Quasi-Zenith Satellite System is a program undertaken by Japan's National Space Policy Secretariat. Currently, construction is under way on satellites 2 to 4 and the provision of their on-ground systems. Under the supervision of the Cabinet Office, Mitsubishi Electric is responsible for the manufacture of satellites 2 to 4 based on the successful outcomes we achieved in the system design and manufacturing work for the first of the quasi-zenith satellites, known as "Michibiki", which was launched in September 2010 by the Japan Aerospace Exploration Agency (JAXA). Satellites 2 to 4 are scheduled to go into orbit in 2017, with fully active services to be provided as of FY2019. Once the system transitions to a four quasi-zenith satellite system, it will provide full-time coverage in the skies above

and around Japan (quasi-zenith), enabling more accurate positioning information than the measurements provided by the US GPS satellites alone. Mitsubishi Electric is also responsible for manufacturing the services that will provide high-precision positioning information, and the use of those services will allow accuracy in the order of mere centimeters.

The applications for this sort of highly accurate positioning information cannot be overestimated, and the potential uses will undoubtedly broaden further. It could offer new value to society through a wide variety of means, including by providing ways to lessen risk and improve efficiency in workplaces and eliminate or reduce risks of natural hazards. It is key to the Japanese Government's declared aim of having functioning autonomous (self-driving) vehicles in time for the 2020 Olympic Games in Tokyo, as well as an improved rail transport system. Furthermore, it can help address the growing problem of the aging population in Japan's farming sector by enabling increases in the scale and levels of automation in the agricultural machinery that is transforming the industry.



VOICE



Project Group Manager
Application Business Development
Project Group
GNSS Promotion and Utilization Department
Space System Division
Yukikazu Kanoya

We are exploring the potential of quasi-zenith satellites

Since 2003, I have been involved in positioning information technology utilizing satellites, and starting in 2014 I have also been engaged in promoting the application of information from quasi-zenith satellites.

There is increasing potential for the use of quasi-zenith satellite technology. Up to now, there have been limits to the number of users of existing satellites, but many more users can access quasi-zenith satellites. We are conducting campaigns to provide a wide range of people with information on this new and relatively unknown technology, as well as programs that allow various corporate and research bodies to conduct demonstration tests using the Michibiki satellite. While this is not easy, we are acutely aware that this technology can make a significant contribution to making people's lives safer, more secure, and more comfortable. We are committed to establishing services by 2018, so each day we are seeking out new ways to use this technology.



"Michibiki" quasi-zenith satellite

New technologies and potential created by quasi-zenith satellites

Safe-driving support/ Automated driving field

Monitors merging and lane position at the centimeter-level. Makes highly accurate automated driving systems a possibility.



Railway field

Ability to locate train positions with centimeter-level high accuracy, doing so in real-time. More precise train operation services are realized.



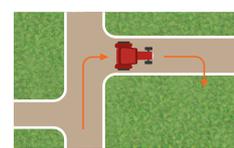
IT-assisted construction field

Enables the operation of various civil engineering machines to be controlled at the centimeter-level. Contributes to the safety and accuracy of hazardous construction work.



IT agriculture field

Controlling agricultural equipment with centimeter-level high accuracy. This makes highly efficient unmanned/automated operation possible.



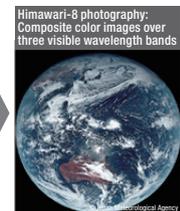
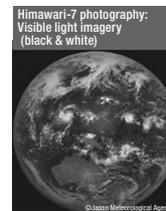
Himawari-8 and -9 geostationary meteorological satellites

Important infrastructure for people's lives

The Himawari-8 satellite launched in 2014 is a new-generation meteorological satellite capable of providing high-resolution color observational images in a short time frame. Because it supplies more detailed meteorological data than previous satellites, it is also capable of observing localized weather phenomena such as sudden downpours, as well as worldwide changes in the climate such as global warming and desertification. Because it can assist in reducing the amount of harm caused by natural disasters such as typhoons, floods, and volcanic activity, meteorological data is crucial information that has an actual impact on people's lives. To achieve this, satellites require high levels of precision, as do the ground systems used to analyze the data from satellites.

The Himawari-8 has started operation, and its data has been used for daily weather forecasting since July 2015. The color and smoothness of the cloud imagery in the weather forecasts has been widely praised.

The service also contributes more widely by extending to the Asia and Oceania areas, with efforts already underway to extend the service even further in the future.



Provision of color images

VOICE



Program Manager, Himawari Satellites
Geostationary Satellite Systems Department
Kamakura Works

Hiroshi Nishiyama

The importance of communication bringing together a range of experts

When we saw the world's first-ever high-resolution color images of the world transmitted from Himawari-8, there were gasps of astonishment at how unexpectedly beautiful they were.

In terms of the satellite itself, once it has been launched we can no longer maintain it, so the question is what level of quality can we craft that will provide a firm guarantee in the harsh conditions of space... The challenge for the project overall is how to find a common approach for all the many professionals involved, such as the company manufacturing the ground facilities, the operations company, and the people analyzing the meteorological images.

Various problems arise in a massive project like this, and I think the key to success is taking the time to carefully address each problem fully until it has been resolved.



Himawari-8 and -9 Contributing to Accurate Meteorological Measurement

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.

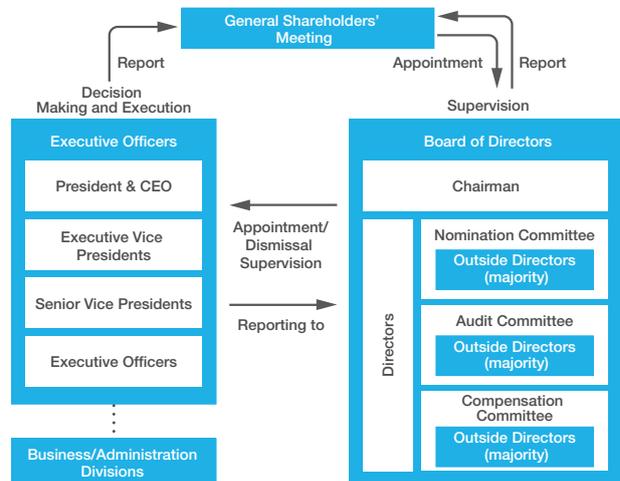
Corporate Management and Governance Structure

• 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 directors (five of whom are outside directors), who objectively supervise and advise the Company's management. The Board of Directors has three internal bodies: the Audit, Nomination and Compensation committees. Each body has five members, 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, 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.

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.

Outside Directors

• Effective Utilization of Outside Directors

The Board of Directors comprises twelve members, including five Outside Directors (42% composition ratio). 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 29, 2016)

Title	Name, Picture	Positions Held	Reason for Nomination	Board Attendance Rate (FY2016)
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% (Five out of five meetings)
Outside Director (New)	 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.	—
Outside Director (New)	 Hiroko Koide	Member of the Nomination Committee Member of the Audit 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.	—

Note

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

The status of attendance for Mr. Kazunori Watanabe is based on the number of Board of Directors meetings and Audit Committee meetings held after he assumed the office on June 26, 2015.

Outside Director Katsunori Nagayasu and Hiroko Koide were newly elected to the Board of Directors at the Company's 145th General Meeting of Shareholders, which convened on June 29, 2016.

Risk Management

Basic Policy

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.

Strictly adhering to this management structure and system and aiming to fulfill its responsibilities to stakeholders, the Mitsubishi Electric Group is redoubling its efforts to implement measures aimed at minimizing business risks which may have a significant social impact and detecting them at an early stage, including risks related to corporate ethics and compliance, the environment, and product quality.

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, affiliates in Japan and overseas, and all other organizations 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, requesting that they thoroughly implement 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.

Disaster Countermeasures

Development of a response framework for large-scale disasters

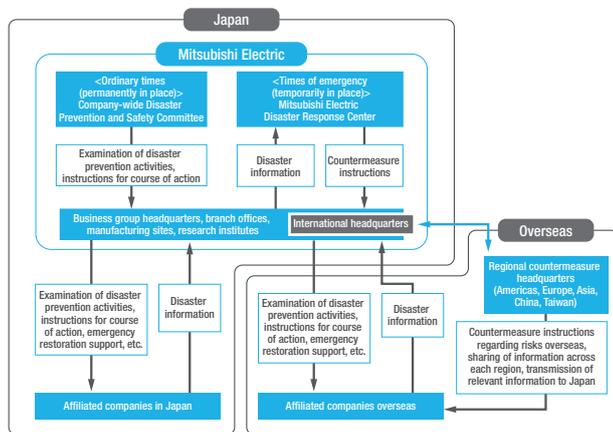
The series of large-scale disasters that occurred in 2011, including the Great East Japan Earthquake and flooding in Thailand, overturned conventional thinking regarding safety, upon which society and companies had previously

relied. Such disasters prompted the Mitsubishi Electric Group to reexamine its emergency disaster prevention framework and disaster countermeasures and strengthen disaster response capabilities.

● **Emergency disaster prevention framework**

In the event that any of our company workplaces 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 Disaster 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 Disaster 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

● **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 2016, the Company-wide Disaster Prevention and Safety Committee defined as its priority issues "a review of BCP* invocation procedures" and "a review of BCP toward the fulfillment of responsibilities as a product supplier," and brought these issues to the Group.

In fiscal 2017, it defined as its priority issues "a review of BCP in the event of a large-scale power outage" and "the strengthening of interdepartmental cooperation during BCP invocation," and brought these issues to the Group.

* BCP : Business Continuity Plan

Initiatives for business continuity and disaster response

● **BCP formulation, regular review and improvement (BCM*)**

To fulfill our responsibility as a product supplier, we had all of our 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 at least once a year.

* BCM : Business Continuity Management

● **Business continuity in the supply chain**

We are pursuing 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, at the head office, we reviewed the disaster response manual in 2011 to take into consideration a wide range of large-scale disasters including floods, typhoons, and fires in addition to earthquakes, and we now conduct drills based on this manual. We are also strengthening disaster responses, in ways such as providing support to employees who are unable to return to their homes following a disaster by stockpiling emergency supplies, and diversifying our safety confirmation systems and modes of communication. At Mitsubishi Electric production facilities, initiatives are being taken that match each of their circumstances, such as by holding nighttime emergency drills specifically for workers on the night shift.



Emergency drill at a Mitsubishi Electric office in Japan



Emergency drill at an affiliated company in Taiwan

Affiliated companies are also instructed to establish the same level of disaster countermeasures as those implemented by Mitsubishi Electric.

● 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 business, 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

Employees posted overseas are exposed to various risks, such as regional conflicts, terrorism, natural disasters, and infectious diseases. As the Mitsubishi Electric Group pursues business globalization, the Overseas Safety Response Center under the Personnel 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 2016, we organized an overseas safety seminar in three locations that include our affiliated companies, and visited 18 overseas 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.



Fire safety lecture at an overseas site

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 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. Under this system, we acquired the Privacy Mark certification in all aspects of our business in January 2008, and make ongoing efforts to ensure proper handling of personal information.

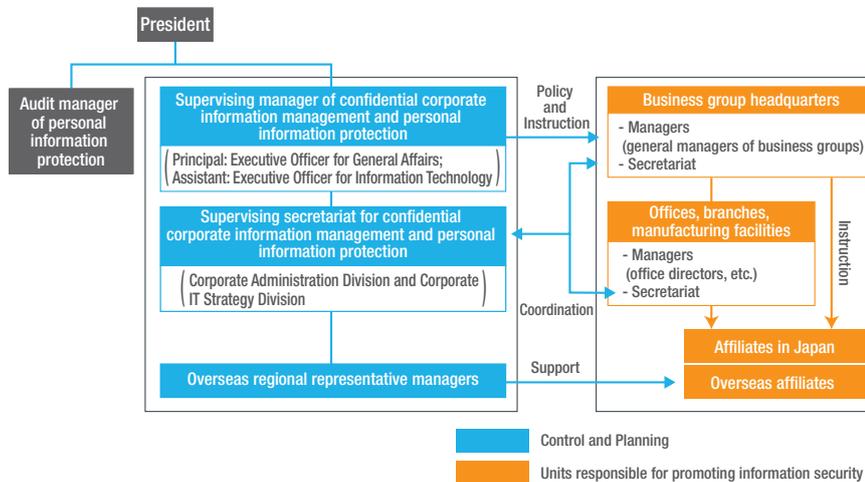
Framework and Guidelines

The President & CEO assigns a Supervising Manager for Confidential Corporate Information Management and Personal Information Protection and an Audit Manager for Personal Information Protection. The Supervising Manager assumes overall responsibility for information security, and the Confidential Corporate Information Management and Personal Information Protection Secretariat 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.

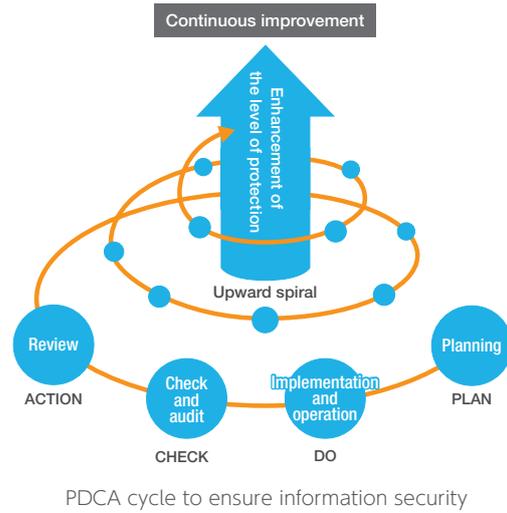
The Audit Manager is responsible for implementing and reporting the results of personal information protection audits.

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 overseas regional offices provide their support.



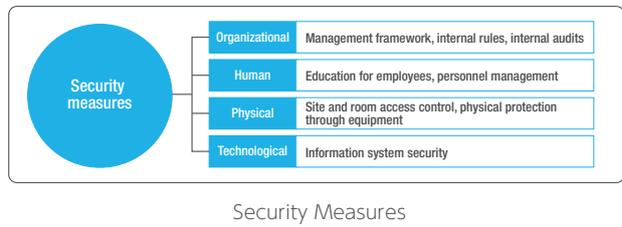
• **Global activities**

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**

The following inspections and audits are performed as part of the C (check) stage of the PDCA cycle. They focus on checking whether confidential corporate information management and personal information protection

activities are being implemented properly by the Mitsubishi Electric Group as a whole, and on confirming the status of those activities so that improvements can be made.

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, employees in their thirties, 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.

● Measures against 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 suspicious 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 "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 four biennial assessments.

- **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.



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.

Major IR Activities in Fiscal 2016

In fiscal 2016, we mainly organized presentations on corporate strategies and financial results for institutional investors and analysts, and held individual meetings with them. We also gave briefings on the business strategies for Building Systems and Air-conditioning and Refrigeration Systems to deepen the understanding of investors in each

business of the Mitsubishi Electric Group. At the same time, we gave tours of Inazawa Works, the mother factory of the Building Systems Business, and held an R&D open house as a forum for presenting the strategy and results of our R&D activities.



Presentations on corporate strategy



R&D open house

From the President

The Mitsubishi Electric Group is contributing to society through the simultaneous pursuit of a sustainable society and safe, secure, and comfortable lifestyles for all.

- **Simultaneously pursuing a sustainable society and safe, secure, and comfortable lifestyles**

We have declared the following in our corporate mission: "The Mitsubishi Electric Group will continue to 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." Under this mission, we operate in a wide range of areas, from products for the home to equipment and systems for use in outer space. Today, climate change is one of the major issues that must be addressed to realize a sustainable global environment. In the 2015 Paris Climate Conference (COP21), the Paris Agreement was adopted, listing climate change as a key issue to be addressed in the United Nation's Sustainable Development Goals (SDGs*1). This demonstrates a strong need for a low-carbon society.

The Mitsubishi Electric Group defines a "global leading green company" to be one that fully utilizes its advanced technologies in business activities around the world—including environmental issues—in order to contribute to creating an affluent society where both a "sustainable society" and "safe, secure, and comfortable lifestyles" are simultaneously achieved. Our aim is to be recognized as such a company. While making efforts to realize a low-carbon society through our products and services in the course of satisfying individual customers' needs, we will also try to reduce the environmental load at our business sites.

- **Contributing to the realization of a low-carbon society through energy-saving products and systems**

The Mitsubishi Electric Group is carrying out initiatives to reduce the volume of CO₂ emitted during production activities at its business sites as well as suppress the volume that is generated during product and system use. This is being accomplished by making production processes and product and systems performance more energy efficient. The volume of CO₂ emissions suppressed by improving product and system energy efficiency (i.e., contribution to reducing CO₂ emissions*2) is tens of times that of the CO₂ emitted during activities at business sites. We therefore believe that our "energy-saving products and systems" will make a significant contribution to realizing a low-carbon society.

We have been pressing forward with energy savings through two effective ways: improving the energy efficiency of individual products and appropriately controlling systems that combine multiple products. The Mitsubishi Electric Group has been contributing to energy savings by incorporating the use of power semiconductors, which is the key to achieving a higher level of energy-saving performance in individual products. We have developed power semiconductors that are produced using silicon carbide (SiC), which results in less power loss compared to traditional semiconductors that use silicon, and we have been expanding the application

of these advanced devices in recent years.

Additionally, leveraging our strengths in the development and manufacture of many products, such as in the area of social infrastructure, we are combining the use of our power devices for various applications. For example, we offer solutions for overall systems that deliver high energy-saving performance, such as net zero-energy buildings (ZEBs*3) and net zero-energy houses (ZEHs*4).

We will continue to simultaneously pursue the realization of a "sustainable society" and "safe, secure, and comfortable lifestyles," and prove ourselves worthy of stakeholders' trust by delivering safety, security, and comfort to customers while using less energy. We believe that this will lead to achieving our management targets of ¥5 trillion or more in consolidated sales and operating margins of 8% or more by FY2021.

- **Promoting resource savings and recycling, and reducing environmental load at business bases around the world**

The Mitsubishi Electric Group has been working to reduce environmental load associated with its business activities at all business sites around the world. From the perspective of the entire value chain, as well as production and sales activities, we are carrying out initiatives that increase the effective use of resources while pressing forward with resource savings and recycling. There are countries and regions in the world where environmental laws and regulations are still inadequate. Instead of using the absence of regulations as an excuse for the lack of environmental initiatives, we are working to reduce environmental load at all business sites, taking the circumstances of each country into consideration. We will continue offering energy-saving products and systems, and reducing environmental load at business sites from the long-term perspective so that future generations will be able to inherit an abundant global environment.

June 30, 2016



Masaki Sakuyama, President & CEO
Mitsubishi Electric Corporation

- *1 SDGs: Sustainable Development Goals, as defined by the United Nations in September 2015.
- *2 Contribution to reducing CO₂ emitted: Amount of CO₂ deemed to be reduced as a result of switching from older products (those equivalent to products sold in fiscal 2001) to new, more energy-efficient products. Estimated using in-house calculation standards.
- *3 ZEB (net Zero Energy Building): A building where the net consumption of fossil fuel energy is zero or roughly zero, offset by the use of renewable energy resources or other means.
- *4 ZEH (net Zero Energy House): A house where the net consumption of fossil fuel energy is zero or roughly zero, offset by the use of renewable energy resources or other means.

Medium- and Long-term Perspectives of Environmental Management

Long-term Perspective Contributing to Sustainable Development Goals

Today, climate change has become a major issue for sustaining the global environment. In September 2015, Sustainable Development Goals (SDGs*), which include responding to climate change, were adopted. The Mitsubishi Electric Group is contributing to the realization of a low-carbon society by providing total energy-saving solutions that utilize the strengths offered by the diverse

businesses and products of member companies.

* SDGs denote objectives declared in the action plan, "Transforming our World - The 2030 Agenda for Sustainable Development," which was adopted at the United Nation's Sustainable Development Summit in September 2015. There are 17 goals in three areas—economy, society, and environment—to be achieved by 2030.

Sustainable Development Goals (SDGs) Deeply Related to Mitsubishi Electric Group Environmental Activities

7 RESPONSIBLE CONSUMPTION AND PRODUCTION Securing Sustainable Energy and Expanding Its Use

We're developing technologies and systems that contribute to energy savings, power generation, and the realization of smart societies, while promoting the use of those technologies and products in society.



13 CLIMATE ACTION Climate Change and Mitigating Its Effects

We're gaining a full understanding of greenhouse gas emissions, including CO₂, throughout the entire value chain and setting targets to reduce them.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION Securing a Sustainable Production and Consumption Format

In addition to reducing the volume of resources used in manufacturing, and collecting and recycling used products, we're reducing final waste disposal and promoting green procurement.



15 LIFE ON LAND Protecting and Restoring Ecosystems, and Preventing the Loss of Biodiversity

We're developing and providing observation satellites that report the status of oceans and forests, and promoting coexistence with the surrounding environments at each business site.



Various examples can be seen on our website.

www.MitsubishiElectric.com/company/environment/report/issues/sdgs/

Mid-term Perspective Aiming to Achieve Environmental Vision 2021



The environmental goals to be achieved by the Mitsubishi Electric Group before the end of fiscal 2021 are defined in Environmental Vision 2021. This policy is based on three pillars: "creating a low-carbon society," "creating a recycling-based society," and "respecting biodiversity and fostering environmental awareness." To effectively realize those goals, we prepare an environmental plan

every three years and proactively implement it in order to achieve the vision.

For environmental management, each organization expanding globally has an environmental management system (EMS) that operates in unison with the entire Group.

The Environment and Business

Each business group's initiatives towards realizing a low-carbon society

The Mitsubishi Electric Group responds to each customer's needs utilizing the strengths of its various businesses while simultaneously aiming to ensure "safe, secure, and comfortable lifestyles for all" and a "sustainable global environment."

Public Utility Systems Group

Aiming to Construct Next-Generation Social Infrastructure Utilizing an Extensive Range of Technologies and Continuous R&D

Products manufactured by the Mitsubishi Electric's Public Utility Systems Group play an important role in the long-term support of social infrastructure in areas such as water treatment, roads, and railways. Therefore, our goal in the design and manufacturing stages is to ensure high quality and superior performance. We also focus on simultaneously saving resources and electric power by reducing product size and improving performance and efficiency as a means of contributing to the creation of a low-

carbon society.

In the railway sector of the Group's business, an inverter equipped with a large-capacity, full-SiC power module for rolling stock won the Ministry of Economy, Trade and Industry Minister's Award, the top prize of the Excellence in Energy Conservation Equipment Awards in fiscal 2016. We will continue to work to realize greater energy savings by expanding the application of full-SiC modules.



Executive Officer
In Charge of
Public Utility Systems
Takahiro Kikuchi

Energy & Industrial Systems Group

Contributing to the Realization of a Sustainable Society through Development of High-Efficiency Equipment and by Strengthening Smart Grid-/Community-Related Business

Mitsubishi Electric's Energy & Industrial Systems Group provides a wide range of systems and products that play a vital role in power generation, power conversion, power distribution, and power retailing. On the product side, this includes generators, switches, transformers, switchgear, and vacuum circuit breakers, while systems include plant monitoring, system stabilization, grid protection & control systems, and DC technologies. With the realization of a low-carbon society now

an important theme globally, we are more committed than ever to making contributions to the realization of society where power companies and end users alike can live safely, securely, and comfortably, through the development of high-efficiency equipment and by stepping up our involvement in businesses related to smart grids and smart communities, as well as continuing our activities to reduce environmental burden.



Executive Officer
In Charge of Energy &
Industrial Systems
Yasuyuki Ito

Building Systems Group

Proposing Building Solutions That Lead to Energy Savings and Reduce Environmental Impact

Mitsubishi Electric's Building Systems Group is promoting business operations with priority given to users' safety and security throughout the products' lifecycle while working on environmental initiatives in the following areas: (1) developing products and technologies with excellent energy- and resources-saving performance, (2) manufacturing activities that give due consideration to reducing environmental impact, (3) renewing existing facilities to energy-saving models with the

flexibility to use existing equipment, and (4) enhancing the building solutions (i.e., energy management in accordance with the status of building usage) offered. Our aim is to improve energy conservation, comfort, convenience, and efficiency for building owners and users alike. We are contributing to the realization of a society with more vitality and comfort.



Executive Officer
In Charge of
Building Systems
Nobuyuki Abe

Electronic Products and Systems Group

Initiatives to develop products that solve global environmental problems and lead to next-generation energy development

The products of the Electronic Systems Group play an important role in solving global-scale environmental problems that are common to all human beings, and they lead to next-generation energy development. For example, the Advanced Land Observing Satellite-2 "DAICHI-2" (ALOS-2) and the Himawari-8 and Himawari-9 meteorological satellites, which we were responsible for manufacturing, lead to the improvement of observation capabilities—including ascertaining the status of disasters,

monitoring the conditions of oceans and forests, and observing other weather phenomena—and thereby contribute to the safeguarding of people's lives and to the solution of global-scale environmental problems. In addition, Doppler Lidar—which remotely measures the moving velocity of dust and micro-particles in the atmosphere—is a product expected to contribute to the improvement of generation efficiency and extend the service life of wind turbines in the wind power industry.



Executive Officer
In Charge of Electronic Products and Systems
Masamitsu Okamura

Communication Systems Group

Contributing to the Development of Communications and Network Camera Markets, and Reducing Environmental Impact through Value-Added Systems

Telecommunication networks that incorporate ICT* and security systems that utilize video surveillance technologies are key elements of the social infrastructure that make progress in our daily lives and industry possible. As these devices become more functional and are used by more and more people, electricity consumption will also rapidly increase. As a result, the Communication Systems Group is striving to develop globally expanding communications markets and a network camera market including security systems, as well as reduce environmental impact by

focusing on three core themes: (1) energy-efficient products, (2) achieving energy savings in services provided using our products, and (3) environmental contributions during installation work. This should be achieved by further refining our optical and wireless information communication technologies and video surveillance technologies, while offering value-added systems. This will enable us to help develop communication and network camera markets around the world, including security systems, while mitigating environmental impact.
*ICT: Information and Communication Technology



Executive Officer
In Charge of Communication Systems
Takashi Nishimura

Living Environment & Digital Media Equipment Group

Developing Eco-friendly Products and Reducing Our Own Environmental Impact

Based on the concept of "Smart Quality," the Living Environment & Digital Media Equipment Group is supplying a broad range of eco-friendly products and services for the home, office, and industry. These include energy-saving products that reduce CO₂ from usage as well as photovoltaic systems that generate renewable energy and do not produce CO₂ during power generation. At our manufacturing bases, we are supplying

energy-saving products and services that are advantageous to business and promoting activities to reduce CO₂ by introducing the Living Environment & Digital Media Equipment Group's products and improvements in productivity.



Senior Vice President
In Charge of Living Environment & Digital Media Equipment
Takeshi Sugiyama

Factory Automation Systems Group

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

Mitsubishi Electric's Factory Automation Systems Group proposes the "e-F@ctory" integrated FA solution. Various data collected in real time from a production site go through preliminary processing according to usage, and then data to be used onsite is fed back immediately to the production site, while the data required for higher levels of information utilization is supplied to IT systems. In this

way, we provide an overall environment that is optimized to the fullest for Monozukuri (manufacturing). We are also contributing to energy savings, one of our goals, by continuing to promote improvements using such a manufacturing environment.



Executive Officer
In Charge of Factory Automation Systems
Kei Uruma

Automotive Equipment Group

Contributing to the Realization of a Low-carbon Society through the Development of Low Fuel Consumption Technology for Vehicles

Aiming to be an advanced global environmental entity, the Mitsubishi Electric Group is contributing to the realization of a sustainable global environment. The Automotive Equipment Group is proactively developing business at the global

level, engaging in initiatives to reduce CO₂ emissions by both installing its products in vehicles to realize better fuel efficiency and reducing energy consumption in manufacturing processes.



Senior Vice President
In Charge of Automotive Equipment
Isao Iguchi

Semiconductor & Device Group

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

In order to achieve a sustainable global environment, it is imperative to minimize power loss when generating and using energy. Power modules are key devices playing a significant role in reducing power loss and are being incorporated into home electric appliances, rolling stock, and industrial equipment. Products offered by Mitsubishi Electric, the world's No.1 power module manufacturer, are being used all over the world and are contributing to a reduction in energy consumption globally. In

addition, Mitsubishi Electric's Semiconductor & Device Group has developed state-of-the-art power modules using silicon carbide (SiC), which contributes to a sustainable reduction of the energy consumed when compared to conventional silicon (Si) products. By enhancing the lineup of these power modules and expanding the market for them and our related businesses, we are contributing to reducing carbon emissions further.



Executive Officer
In Charge of Semiconductor & Device
Toru Sanada

Information Systems & Network Service Group

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

Under the creed "Diamond Solutions - Comfort, Peace of Mind, Development," the Information Systems & Network Service Group is committed to enhancing customer satisfaction and helping

achieve a sustainable society through its solutions tailored to the management strategies and challenges of its customers, as well as solutions that resolve social issues.



Executive Officer
In Charge of Information Systems & Network Service
Shinya Fushimi

Contributing to the Environment through Resource Recycling Businesses

Expanding Resource Recycling Businesses by Strengthening Partnerships through Shared Case Examples and Technical Information

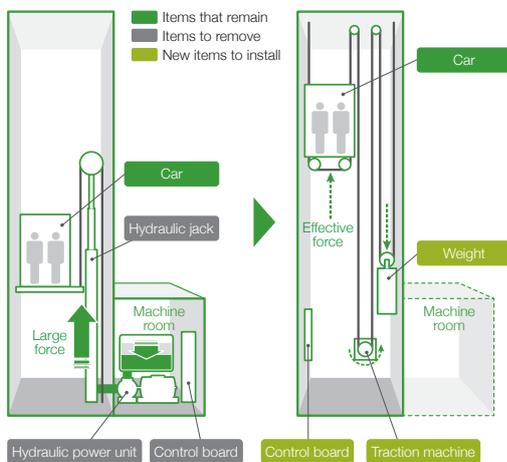
With the world population on the rise and the living standards of emerging nations improving, it is imperative to use resources more efficiently in order to achieve sustainable growth. This issue is one of the flagship initiatives of "EU 2020," a long-term strategy announced by the European Commission in June 2010, and in the Leaders' Declaration adopted at the G7 Summit in Elmau during June 2015. This highlights the fact that global efforts are required.

In order to reduce the input of new resources, the Mitsubishi Electric Group has commercialized "resource

recycling businesses" in which we recover resources from used Mitsubishi Electric products and recycle them, in addition to refurbishing existing products, salvaging components that are still usable and using them as they are. In the 8th Environmental Plan (fiscal 2016-2018), strengthening partnerships with resource recycling businesses is listed as one of our objectives, and we intend to internally share case examples and technical information that fall under multiple business categories, while conveying the information outside of the company as well.

"EleFine" Hydraulic Elevator Renewal

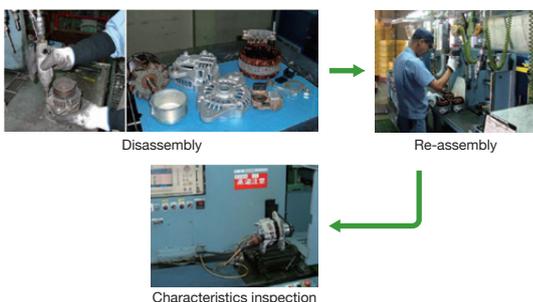
In 2011, we began an elevator renewal service that renovates old elevators into ones with rope-based systems by replacing the controls and drives of existing hydraulic elevators. This service realizes a reduction in resource input of approximately 66% compared to that of replacement with a brand-new rope-based elevator.*



*Comparison with Mitsubishi Electric's machine-room-less elevator (AXIEZ) based on the following specifications: passenger capacity of 9 people, 2-panel center-opening doors, and 6-floor operating system.

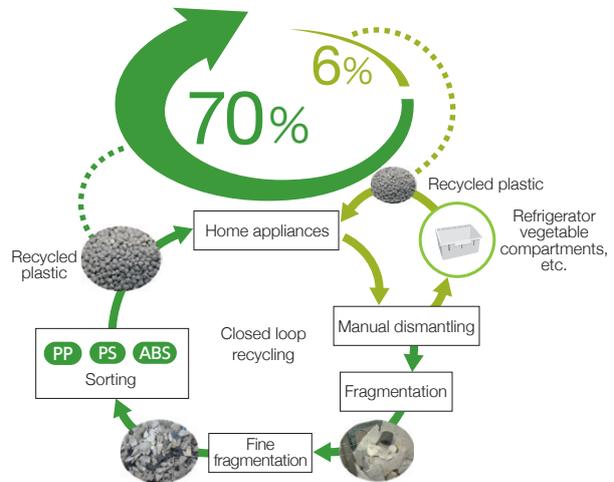
"Rebuild Business"

We have a "rebuild business" for alternators that supply electric power to vehicles and the starters used to start the engine. In this business, used alternators and starters are collected from automakers and rebuilt to be as good as new. By replacing only broken components and reconditioning them for reuse, this business is helping to save resources.



Home Appliances Recycling Business (Self-circulation Recycling of Plastics)

The Mitsubishi Electric Group is engaged in its own "self-circulation recycling" initiative, in which plastics are recovered from used home appliances and then reused in new home appliances. By establishing a technology to sort plastics by type, we have improved the recycling rate of plastics from a mere 6% to as much as 70%.



Other Businesses

In addition to these businesses, our recycling-oriented businesses include renewing electrical-discharge machines, which are often purchased used. We also offer coil rewinding services, which help to maintain power generator efficiency by preventing deterioration. While reducing resource input through product longevity, we are furthermore working to expand our resource recycling businesses, taking advantage of our ability to meet the demand for shorter delivery times and lower costs.

Performance Data

Period: April 1, 2015 - March 31, 2016

Scope of Data Compilation: Mitsubishi Electric Corporation, 112 affiliates in Japan, and 79 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.

* Data posted to our website on June 30, 2016 was calculated based on aggregate estimates for the semiconductor business, which was affected by the Kumamoto earthquakes. Recalculation was carried out later on, and based on actual results, the data has been revised and is included in this report. The data on the website was updated on August 31, 2016.

Material Balance

IN

OUT



Factory

Materials for Manufacturing

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Materials*1	1,130,000 tons	270,000 tons	1,150,000 tons

Manufacturing

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Electricity	1,100 million kWh	310 million kWh	370 million kWh
Natural gas	25,170,000 m ³	2,330,000 m ³	11,000,000 m ³
LPG	1,125 tons	2,118 tons	672 tons
Oil (crude oil equivalent)	2,101 kl	2,604 kl	627 kl
Water	7,540,000 m ³	1,420,000 m ³	1,820,000 m ³
Public water	1,270,000 m ³	460,000 m ³	610,000 m ³
Industrial water	2,310,000 m ³	96,000 m ³	1,060,000 m ³
Groundwater	3,890,000 m ³	870,000 m ³	20,000 m ³
Others	0.0 m ³	0.0 m ³	4,000 m ³
Reuse of water	3,260,000 m ³	1,000,000 m ³	140,000 m ³
Controlled chemical substances (amounts handled)	4,962 tons	1,471 tons	5,142 tons
Ozone depleting substances (amounts handled)	1.4 tons	0.2 tons	802 tons
Greenhouse gases (amounts handled)	2,901 tons	44 tons	3,671 tons
Volatile organic compounds (amounts handled)	1,294 tons	1,288 tons	245 tons

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

Emissions (from Manufacturing)

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Water	6,460,000 m ³	1,220,000 m ³	1,330,000 m ³
Controlled chemical substances	5.4 tons	0.0 tons	10 tons
BOD (biological oxygen demand)	46 tons	4.7 tons	14 tons
COD (chemical oxygen demand)	11 tons	4.5 tons	34 tons
Nitrogen	18 tons	15 tons	6.4 tons
Phosphorus	2.0 tons	0.2 tons	0.2 tons
Suspended solids	35 tons	7.0 tons	16 tons
n-hexane extracts (mineral)	0.7 tons	0.2 tons	6.5 tons
n-hexane extracts (active)	1.9 tons	0.2 tons	0.2 tons
Total emissions of zinc	0.1 tons	0.0 tons	0.1 tons
Carbon dioxide (CO ₂)	580,000 tons-CO ₂	170,000 tons-CO ₂	300,000 tons-CO ₂
Controlled chemical substances (excluding amounts contained in other waste)	329 tons	164 tons	282 tons
Ozone depleting substances	0.0 ODP tons	0.0 ODP tons	0.7 ODP tons
Greenhouse gases	62,000 tons-CO ₂	38,000 tons-CO ₂	140,000 tons-CO ₂
Volatile organic compounds	456 tons	257 tons	26 tons
Sulfur oxide (SO _x)	1.2 tons	0.5 tons	0.0 tons
Nitrogen oxide (NO _x)	15 tons	2.7 tons	4.4 tons
Fly ash	0.7 tons	0.1 tons	6.0 tons

Waste

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Total waste emissions	84,606 tons	62,301 tons	65,174 tons
Amount recycled	82,592 tons	53,008 tons	63,691 tons
Waste treatment subcontracted out	20,243 tons	50,939 tons	64,129 tons
Final disposal	1.4 tons	30 tons	438 tons
In-house weight reduction	876 tons	0.0 tons	52 tons

Products

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Weight of all products sold*2	1,000,000 tons	210,000 tons	950,000 tons
Weight of packaging materials	51,000 tons	6,000 tons	140,000 tons

*2 Products sold: Shipping weight of products.



Logistics

Sales and Logistics*3

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Fuel for trucks (gasoline)	10,599 kl	1,680 kl	60 kl
Fuel for trucks (diesel)	27,155 kl	4,351 kl	111,227 kl
Fuel for rail (electricity)	1,593 MWh	434 MWh	0.0 MWh
Fuel for marine transport (bunker oil)	325 kl	0.0 kl	77,519 kl
Fuel for air transport (jet fuel)	717 kl	110 kl	33,845 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 ₂)	98,000 tons-CO ₂	16,000 tons-CO ₂	340,000 tons-CO ₂

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



Products (Customer)

Energy Consumption

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Energy consumed during product use*5	39,800 million kWh	4,100 million kWh	24,300 million kWh

*5 Energy consumed during product use: Total energy consumed (estimated value) when using 89 finished products targeted for CO₂ reduction.
The length of use (operating time) is set for each product according to statutory useful life, designed service life, statistical values, etc.

Emissions

	Mitsubishi Electric	Affiliates (Japan)	Affiliates (Overseas)
Amount of CO ₂ emitted during product use (converted value)*6	20,250,000 tons-CO ₂	2,090,000 tons-CO ₂	12,200,000 tons-CO ₂
Amount of SF ₆ emitted during product use (corresponding value)*7	100,000 tons-CO ₂	—	—

*6 Amount of CO₂ emitted during product use (converted value): Sum of CO₂ emitted when using 89 finished products targeted for CO₂ reduction.

The amount of CO₂ emitted is equal to the energy consumed multiplied by the CO₂ emissions coefficient, for which the value shown in CO₂ Emissions from Fuel Combustion Highlights (2013 Edition) is used.

*7 Amount of SF₆ emitted during product use (corresponding value): Sum of SF₆ gas naturally leaked during the operation of products (6) that use SF₆ gas for insulation.

Leakage rate used is the value from JEA5001-2000. Global warming potential value used is from the 2nd Revised Guidelines of the IPCC.



Recycling

End-of-life Products*8

	Mitsubishi Electric
Air conditioners	13,082 tons
Televisions	3,779 tons
Refrigerators	20,150 tons
Washing machines / Clothes dryers	6,773 tons
Personal computers	55 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	25,761 tons
Glass	1,190 tons
CFCs	269 tons
Others	8,420 tons

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

Reducing Greenhouse Gas Emissions

The Mitsubishi Electric Group refers to regulations such as the Greenhouse Gas (GHG) Protocol—international standards relating to the calculation of 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 (Scope 1 and 2) and indirect emissions from outside the range of its business activities (Scope 3).

Owing to the fact that over 80% of CO₂ emissions in the value chain are associated with the use of sold products, the Mitsubishi Electric Group focuses on developing highly energy-efficient products that are linked to reducing CO₂ emissions during product usage. At the same time, we strive to continuously reduce CO₂ emissions from production, as well as the emission of other greenhouse gases with greater global warming potential than CO₂.

Fiscal 2016 Greenhouse Gas Emissions

Accounting (10,000 tons-CO₂) Total emission ratio

Scope	Category	Accounting	Accounting summary ¹
Scope 1 All direct GHG emissions		37	Direct emissions from using fuel and industrial processes at our company ²
		0.9%	
Scope 2 Indirect GHG emissions from consumption of purchased electricity, heat, or steam		93	Indirect emissions associated with using electricity and heat purchased by our company ³
		2.1%	
Scope 3 All indirect emissions not covered in Scope	Scope 1 Purchased goods and services	534 12.5%	Emissions associated with activities until material, etc. is manufactured concerning raw ingredients, parts, purchased products, and sales ⁴
	Scope 2 Capital goods	61 1.4%	Emissions produced from constructing/manufacturing own capital goods
	Scope 3 Fuel- and energy-related activities	8 0.2%	Emissions associated with procurement of fuels from other parties and fuel necessary for generation of electricity, heat, etc.
	Scope 4 Upstream transportation and distribution	46 1.1%	Emissions associated with logistic processes for material, etc. to be delivered to our company concerning raw ingredients, parts, purchased products, and sales ⁵
	Scope 5 Waste generated in operations	0.07 0.0%	Emissions associated with transporting and processing waste produced by our company ⁶
	Scope 6 Business travel	4 0.1%	Emissions associated with employee business travel ⁷
	Scope 7 Employee commuting	3 0.1%	Emissions associated with employees commuting to and from their respective workplaces
	Scope 8 Upstream leased assets	- -	Emissions associated with operation of leased assets hired by our company (excluded if calculated in Scopes 1 and 2)
	Scope 9 Downstream transportation and distribution	0.7 0.0%	Emissions associated with the transportation, storage, cargo handling, and retail of products
	Scope 10 Processing of sold products	0.2 0.0%	Emissions associated with the processing of interim products by business operators
	Scope 11 Use of sold products	3,464 81.3%	Emissions associated with the use of products by users (consumers / business operators)
	Scope 12 End-of-life treatment of sold products	3 0.1%	Emissions associated with the transportation and processing of products for disposal by users (consumers / business operators) ⁴
	Scope 13 Downstream leased assets	0.013 0.0%	Emissions associated with operation of leased assets
	Scope 14 Franchises	(n/a)	Emissions at companies operating as franchises
	Scope 15 Investments	10 0.2%	Emissions related to investments
Total		4,264 100%	

¹ Excerpt from the fundamental guidelines published by the Ministry of Environment and Ministry of Economy, Trade and Industry ² CO₂, SF₆, PFC, and HFC emissions from use of gas, heavy oil, etc., and product manufacturing ³ CO₂ emissions from use of electricity, etc. ⁴ Excludes some regions ⁵ CO₂ emissions from product distribution/circulation (sales distribution) Subject to accounting: 55 companies (production sites) ⁶ CO₂ emissions from transportation of waste (waste distribution) Subject to accounting: Mitsubishi Electric ⁷ Achievements in Japan

Reducing CO₂ from Product Usage

Among approximately 260 Mitsubishi Electric Group products, we have designated applicable products according to the following criteria: (1) the product can be designed and developed under our initiatives, and (2) the product has been specified as having a major environmental influence because it generates CO₂ during use, based on the results of a product environmental aspect analysis we conduct. For these products, we are reducing CO₂ during use and expanding our contributions to reducing CO₂ from product usage. With regard to the reduction of CO₂ during use, we believe that reducing the power consumed by the customer when using a product will lead to the reduction of CO₂ emissions during the generation of electricity. Based on this aspect, we are striving to improve the

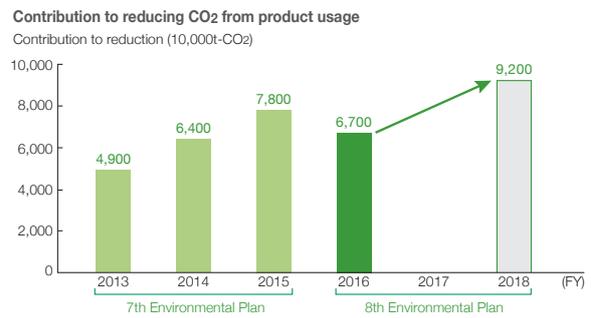
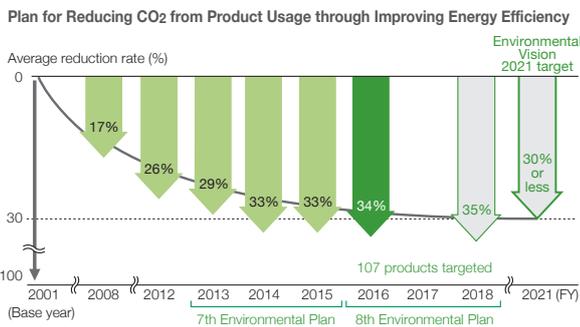
Targets of 8th Environmental Plan (FY2016–2018)

- Reducing CO₂ Emissions from Product Usage by Improving Product Performance: Average reduction rate in 107 product groups: 35% (compared to FY2001)
- Increasing Contribution to Reducing CO₂ Emissions from Product Usage: Contribute to reducing emissions by 92 million tons for than 127 product groups

energy efficiency of our products. The average reduction rate was 34% in fiscal 2016. In order to expand our contribution to reducing CO₂ from product usage, we are visualizing the amount of CO₂ considered to have been reduced through the replacement of old products with new highly energy-efficient models using the following formula:

Contribution to reducing CO₂=
 Effect of reducing CO₂ from product usage per unit x
 Number of units sold during the fiscal year

Contribution to reduction was 67 million tons for 124 products in fiscal 2016.

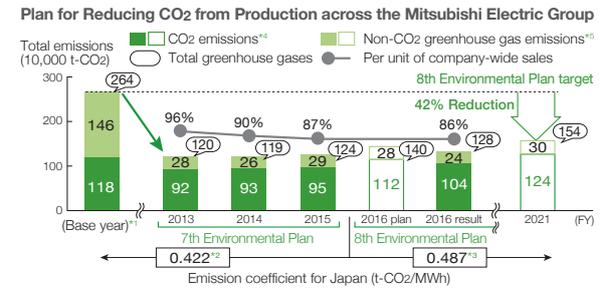


Reducing CO₂ from Production

Under the 8th Environmental Plan (fiscal 2016-2018), we are working to reduce emissions by combining CO₂ originating from energy and non-CO₂ greenhouse gases (SF₆, HFCs, and PFCs). In fiscal 2016, CO₂ emissions (combined with CO₂ equivalents of SF₆, HFC, and PFC emissions) amounted to 1.28 million tons, which allowed us to reach our fiscal 2016 goal of 1.4 million tons or less. This was due mainly to (1) aging air conditioners and transformers being replaced with high-efficiency equipment in Japan, (2) progress in the shift to LED lighting in Japan, (3) energy savings thanks to the development of original production technologies overseas, and (4) improved recovery capacity for SF₆ gas overseas.

Targets of 8th Environmental Plan (FY2016–2018)

- Annual emission of greenhouse gases (CO₂ conversion): 1.37 million tons



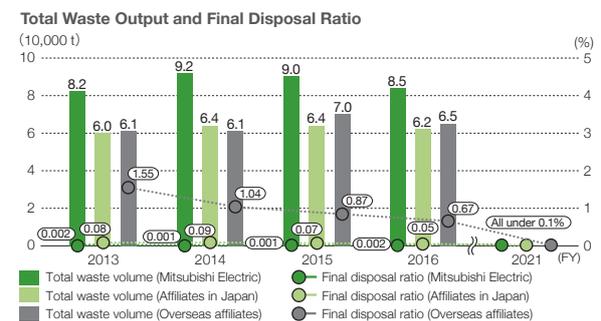
*1 Base year (CO₂/non-CO₂ greenhouse gases): Mitsubishi Electric Corporation (fiscal 1991/2001), affiliates in Japan (fiscal 2001/2001), overseas affiliates (fiscal 2006/2006) *2 Figure published by the Japan Electrical Manufacturers' Association (JEMA) in 1997 *3 Figure published by the Federation of Electric Power Companies of Japan at the time of drawing up the 8th Environmental Plan (in 2013, when two nuclear power stations were operational) *4 Figure published by JEMA in 2006 has been referred to for calculating the overseas emission coefficient. *5 Figure published in IPCC's Second Assessment Report was referred to for calculating the Global Warming Potential (GWP) for non-CO₂ greenhouse gases.

Effective Utilization of Resources

We are striving to reduce final disposal rates via the following three measures: (1) turning waste into valuable resources through thorough waste analysis and separation, (2) a higher level of conversion to materials with commercial value through finding new waste disposal contractors and sharing information with them, and (3) more efficient waste (recycling) logistics. In fiscal 2016, the final disposal rates were 0.002% and 0.05% for Mitsubishi Electric and affiliates in Japan, respectively, with both achieving the targets of under 0.1% set in the 8th Environmental Plan. For overseas affiliates, the final disposal rate came to 0.67%, reaching the fiscal 2016 target of under 0.8%.

Targets of 8th Environmental Plan (FY2016–2018)

- Mitsubishi Electric: Final disposal rate of 0.1% or less
- Affiliates (Japan): Final disposal rate of 0.1% or less
- Affiliates (Overseas): Final disposal rate of 0.5% or less



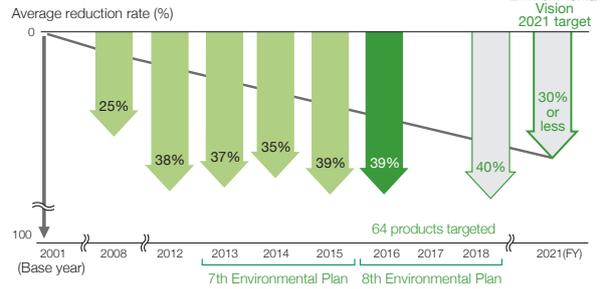
Reducing Resource Inputs

The Mitsubishi Electric Group is proceeding with reductions in resource input, by reducing the sizes and weights of the products set as targets. The average reduction rate was 39% in fiscal 2016, maintained at the fiscal 2015 level. This is due to growth in product sales, which resulted in further reductions in resource input, among the groups of heavy electric machinery systems, IT systems, and home electric appliances.

Targets of 8th Environmental Plan (FY2016–2018)

■ Reducing Use of Resources: Average reduction rate in 64 product groups: 40% (compared to FY2001)

Plan for Reducing Use of Resources

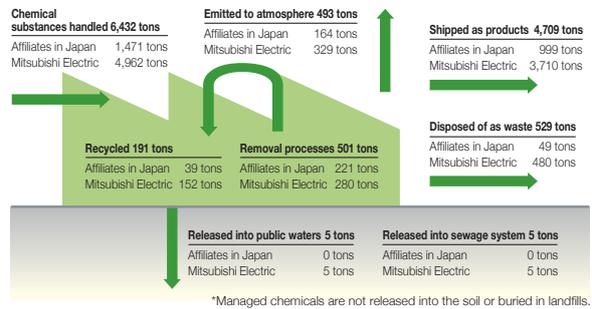


Managing Chemical Substances

Mitsubishi Electric and affiliates in Japan utilize a Chemical Substance Management System that incorporates procurement data for materials and parts to comprehensively manage 3,163 substances. The list includes refrigerant fluorocarbons used in air conditioners and refrigerators, volatile organic compounds (VOCs), the ten RoHS substances, and the 462 substances designated under revisions to a chemical substances management law*1 (PRTR*2 law) in Japan.

In fiscal 2016, Mitsubishi Electric used 4,962 tons of 145 different chemical substances and affiliates in Japan used 1,471 tons of 41 different substances.

Material Balance of Chemical Substances Subject to Regulation

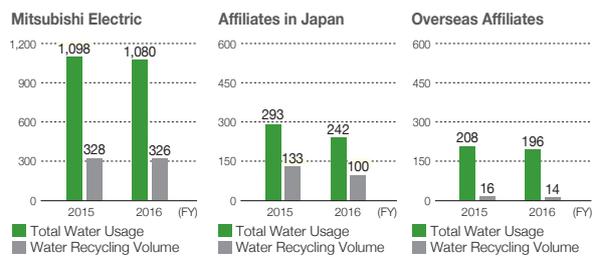


Effective Water Usage

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

In fiscal 2016, water use was reduced at all Mitsubishi Electric locations, as well as affiliates in Japan and overseas, compared to the previous fiscal year. Meanwhile, recycled water use also decreased at all Mitsubishi Electric locations and affiliates in Japan and overseas, compared to the previous fiscal year.

Total Water Usage and Water Recycling Volume



Implementation of Mitsubishi Electric Outdoor Classrooms and Satoyama Woodland Preservation Project

In our effort to foster employees' environmental awareness, we continue to hold sessions of "Mitsubishi Electric Outdoor Classrooms" and the "Satoyama Woodland Preservation Project." The Mitsubishi Electric Outdoor Classrooms are an initiative in which natural areas such as forests, riversides, parks, and coasts are regarded as "classrooms," and participants and employees who act as leaders work together to improve the natural environment. The Satoyama Woodland Preservation Project is a social contribution activity built on employees' spirit of volunteerism, aimed at protecting natural habitats—including parks, forests, and rivers surrounding our business sites. Our target is a total of 30,000 participants or more by the end of fiscal 2018

Targets of 8th Environmental Plan (FY2016–2018)

■ Total participants: 30,000 people

(10,000 people from fiscal 2016 to 2018). A total of 4,700 people took part in fiscal 2016.



Mitsubishi Electric Outdoor Classrooms

Satoyama Woodland Preservation Project

Training of Environmental Personnel

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.

As part of our 8th Environmental Plan (fiscal 2016 - 2018), we have extended our on-demand "Mitsubishi Electric Group Environmental Management" course—the aim of which is to improve the basic knowledge and awareness level of environmental issues, as well as the ability to take action—to 98 affiliated companies in Japan and overseas.

Environmental Education System

Field	Target	General employees	Managerial staff
Environmental awareness education		Activities to foster environmental awareness • Preserving biodiversity at business sites • "Satoyama" Woodland Preservation Project • Mitsubishi Electric Outdoor Classroom	
Specialized education		Key Environmental Personnel Training	Environmental Management Chief Administrator Training Environmental Section Manager Training
		MELCO Seminar Environmental Courses • Waste • Design for the Environment • Environmental Audits • Energy-saving • Biodiversity • ISO14001 • Chemical Substances • Environmental Risk	
General education		Environmental Training Course for Employees in Their 20s or 30s	Environmental Training Course for New Section Managers
		Environmental Course for Employees Dispatched Overseas	
Basic education		e-Learning for all employees, Mitsubishi Electric Environmental Management	
		Common basic training for new employees	

Global Promotion of Key Environmental Personnel Training

The Mitsubishi Electric Group has been carrying out Key Environmental Personnel Training in Japan and overseas in order to foster personnel who will play a leading role in its environmental management activities.

In fiscal 2016, overseas training was conducted in China and Thailand. The contents of the training courses varied from region to region. For instance, a group discussion was held among participants from several bases in Thailand. Based on an evaluation of the level of environmental initiatives at each base, a focus was placed on plumbing, and the group embarked on visualizing the types and flows of wastewater and steam, sharing excellent case examples.

In this way, we are developing personnel capable of improving their environmental initiatives from various angles by sharing each base's efforts and evaluating them.



Developing Nature Protection Leaders

Mitsubishi Electric Outdoor Classrooms are held in the fields adjacent to business sites, enabling participants and employees who are training to become leaders to experience nature together. Under the theme of harmony with nature, the objective of these classrooms is to develop the ability to take action toward improving the environment, and create leaders out of like-minded employees who will plan and execute such action. In the leader development course, which is an employee training program, participants learn about the relationship between living creatures, safety management, child physiology, and communication skills through field study and classroom training. A total of 18 development courses have been held from fiscal 2007 to fiscal 2016, with a total of 352 participants.

New programs have been added to the development course since fiscal 2017 in order to provide a more attractive classroom for a wider range of age groups, as well as to enhance nature observation techniques that engage children further.



Classroom training combining lectures and group work

Utilizing knowledge and skills to teach children the importance of protecting nature.

Environmental Accounting

Period: April 1, 2015 - March 31, 2016

Scope of Data Compilation: Mitsubishi Electric Corporation, 112 affiliates in Japan, and 79 overseas affiliates (total of 192 companies)

Environmental Conservation Costs

Mitsubishi Electric Group Mitsubishi Electric (100 million yen)

Item	Capital Investment	Costs	Year-on-Year Change	Main Costs
Business area activities	52.0	100.1	(7.8)	
	34.9	70.0	(0.0)	
Business area activities	5.3	13.8	(13.4)	Emission purification equipment overseas Facility management, wastewater treatment, pollution measuring, soil investigation/treatment
	3.1	10.5	(8.2)	
	45.7	57.3	9.8	Updating of utilities, such as air conditioners, lighting, and compressors to high-efficiency models, introduction of residual heat recovery systems, updating of production facilities
	31.4	42.3	9.1	
Resource recycling	1.0	28.9	(4.3)	Outsourcing of industrial waste disposal, waste management, PCB-related treatment
	0.3	17.2	(0.8)	
Upstream and downstream from production	0.0	2.4	(3.2)	Packaging improvement activities, contained material investigation/analysis
	0.0	2.2	(2.0)	
Management activities	0.1	15.1	(16.1)	Environment Bureau, beautification/afforestation, ISO assessment, education
	0.0	11.8	(12.8)	
R&D activities	1.5	47.9	11.3	Development of SiC devices, development of air-conditioning devices compliant with refrigerant regulations, development of energy-saving products, development of C-GIS for offshore wind power generation, development of high-productivity technologies
	1.4	47.2	11.7	
Community activities	0.0	0.3	(0.0)	Beautification/clean-up activities around business sites, Satoyama Woodland Preservation activities, regional volunteer activities
	0.0	0.2	(0.0)	
Environmental damage	0.0	2.0	0.2	Air pollution load tax
	0.0	2.0	0.2	
Consolidated total	53.7	170.5	(13.0)	
Non-consolidated total	36.3	135.5	(0.7)	

Environmental Conservation Benefits (Environmental Performance)

Mitsubishi Electric Group Mitsubishi Electric

Item	Unit	Fiscal 2016	Year-on-Year Change	Year-on-Year Per Net Sales
Total energy used	10,000 GJ	1,911	(8)	98%
		1,154	(3)	100%
Total water used	10,000 m ³	1,078	(44)	95%
		754	(16)	98%
Total greenhouse gas emissions	10,000 tons-CO ₂	128	4	102%
		64	6	110%
	CO ₂ (energy consumption)	104	9	108%
	58	7	113%	
HFCs, PFCs, SF ₆	10,000 tons-CO ₂	24	(5)	81%
	6.2	(0.8)	89%	
Total releases and transfers of chemical substances into the atmosphere	Tons	740	(137)	83%
		456	(60)	88%
Total wastewater discharged	10,000 m ³	901	(35)	95%
		646	(32)	95%
Total releases and transfers of chemical substances into the water and soil	Tons	15	(29)	34%
		5.4	(4.6)	54%
Total waste discharged	Tons	212,081	(11,787)	93%
		84,606	(5,437)	94%
Final disposal	Tons	470	(184)	71%
		1.4	0.4	140%

Economic Benefits from Environmental Conservation Activities (Actual Benefits)

Mitsubishi Electric Group Mitsubishi Electric (100 million yen)

Item	FY2016	Year-on-Year Change	Main Benefits
Earnings	31.8	(6.0)	Profits from sale of valuable resources (scrap metals, waste plastics, paper, cardboard, and wooden boards)
	20.4	1.4	
Savings	29.4	(1.0)	Savings in electricity bills through improving energy efficiency, reduction in package cushioning
	17.9	3.2	
Consolidated total	61.1	(7.0)	
Non-consolidated total	38.2	4.7	

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

Mitsubishi Electric Group Mitsubishi Electric (100 million yen)

Item	Amount	Main Benefits
Consolidated total	34,420	Reduced electricity costs owing to lower energy consumption of 124 finished products that are targeted for reducing CO ₂ from product usage.*
Non-consolidated total	27,071	

*Base products for reducing energy consumption are those products sold in FY2001. The energy prices appearing in IEA Energy prices and taxes were referred to when calculating the amount of benefit.

Corporate Profile (as of March 31, 2016)

Company Name: Mitsubishi Electric Corporation

Head Office Location:
Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku,
Tokyo 100-8310, Japan

Established: January 15, 1921

Paid-in Capital: ¥175,800 million

President: Masaki Sakuyama

Number of Employees:

Consolidated 135,160

Non-consolidated 33,321

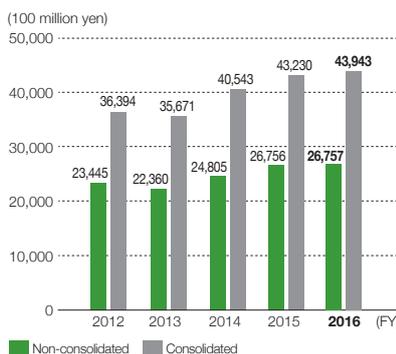
Number of Affiliated Companies:

Subsidiaries 218 Affiliates 38

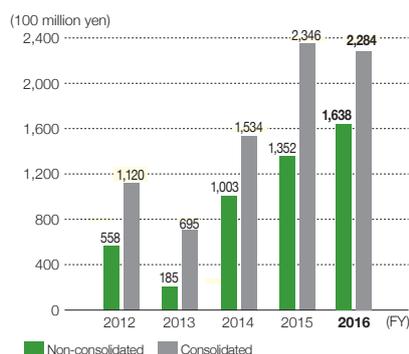
Business Segments:

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

Net Sales



Net Income



Group Biodiversity Action Guidelines

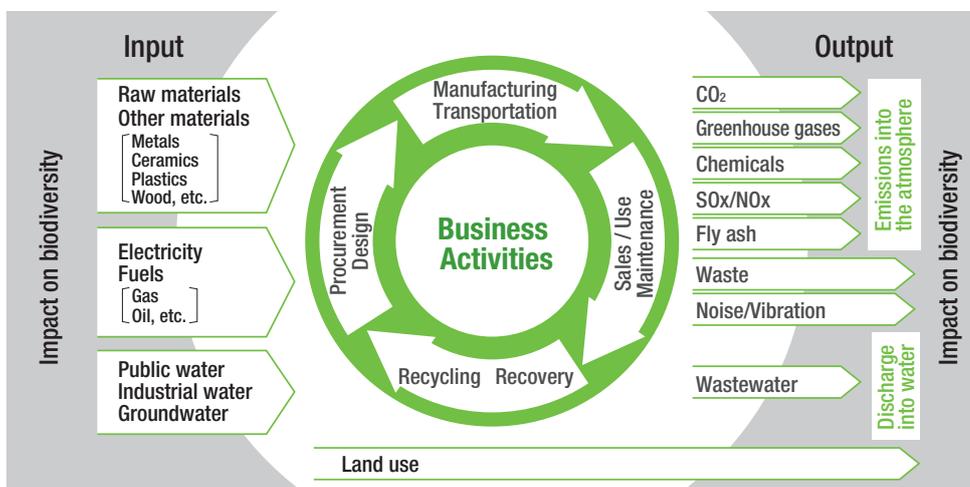
Respect for Biodiversity

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.

Activities for Biodiversity Preservation

The table contains activities taking place across the Mitsubishi Electric Group with the goal of preserving biodiversity. These activities not only help to preserve ecosystems and the natural environment surrounding

our business sites, restore local nature, and mitigate environmental risks, they also help us to communicate with people in the local community and foster an eco-friendly mindset among our employees and their families.

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

Activities at Business Sites for Preserving Biodiversity

We recognize that preserving biodiversity is an extremely important environmental issue. Preserving biodiversity at business sites forms one pillar of the Eighth 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. Each business site determines their own initiatives with regard to greening based on the following action goals, which are then incorporated into environmental action plans to promote continual improvement.

Action goals

- Mitigate negative impacts on living organisms
- Aim to achieve greater symbiosis with living organisms
- Create and use green spaces that benefit employees

Specific examples of our initiatives include monitoring surveys conducted by each business site, while dialogue is also held with experts and events are held inviting local community members to view our initiatives. Through these efforts we are working to develop environments that are considerate of community needs.

Monitoring survey report

Each of our business sites conducts "research about living organisms," creating a list of organisms, including local species that are endangered. The results of these surveys as well as dialogue and interaction with the local community are published on our website.

Visit our website for additional details (in Japanese only): <http://www.mitsubishielectric.co.jp/corporate/environment/research>



Dialogue with Experts

We establish regular opportunities to exchange opinions with experts in their field with regard to the theme of realizing a symbiotic relationship with all living things. Through dialogue with researchers focused on preserving endangered species, experts in urban greening, and specialists in green landscaping methods, we are able to gain various knowledge and perspectives that in turn help us to formulate the direction of the Mitsubishi Electric Group.

Opinions from Experts



Senior Curator
Kanagawa Prefectural
Museum of Natural History
Mr. Haruki Karube

- Today, many endangered species in Japan are facing a critical situation and efforts are now underway to protect them from extinction.
- Not only special places, but familiar places, too, such as suburban vegetation and paddy fields, are facing a critical situation.
- It is important to understand that pressure from development and pressure from non-native species are factors behind extinction.
- Japanese companies with overseas operations need to play a leading role in environmental efforts.



Associate Professor
University of Hyogo Graduate
School of Landscape Design
and Management
Tetsuya Iwasaki

- Business sites in urban areas can improve ecosystems by attracting bugs and insects with their facilities.
- The key is providing porous spaces and ensuring diversity. Perspectives need to be expanded to include multiple tree species as well as dead and decayed trees.
- When planting trees, consideration must be given to preserving the local ecosystem.
- Original approaches need to be established on the handling of non-native species.



Associate Professor
University of Hyogo Graduate
School of Landscape Design
and Management
Masahiro Toyoda

- A green environment alleviates people's stress and also helps them to recover from fatigue spontaneously.
- Green spaces that help to alleviate stress should be considered. This includes the use of places outdoors, such as places where the workplace cannot be seen (liberating and separate), places that are open (expansive), places that draw attention for their beauty (attractive), and places that encourage employees to take the right actions (conformance).

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 and convenient to use, must have a reasonable operating life and consistent performance.
4. Every manager and employee involved in manufacturing a product shares equal responsibility for product quality.

Product Safety-Related Principles

Based on the 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.

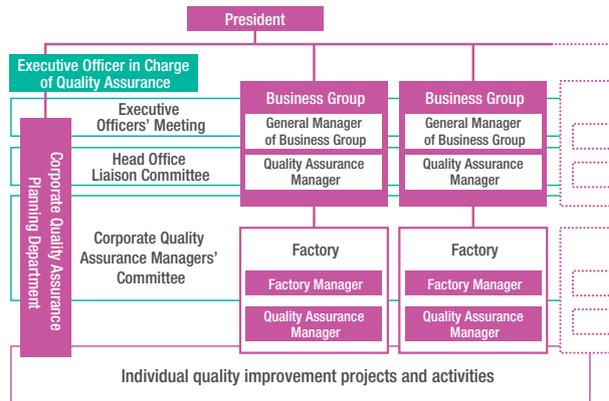
Particularly in regard to consumer products, Mitsubishi Electric is committed to preventing serious hazards that could result in death, injury, fire, or other damage, by subjecting all products to a quantitative risk assessment at the development stage, while also designing and developing products in 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 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.



Promotion of Quality Assurance and Improvement Activities

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.

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.

"Quality room"



Entrance

Inside the room



"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.

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 (UD) is an approach that aims to create designs that can be used easily by as many people as possible. Mitsubishi Electric evaluates its products from many perspectives, considering whether they are simple and easy to understand, have easy-to-recognize displays and layouts, have been given sufficient ergonomic consideration in terms of comfortable posture and minimal physical load, and are safe and convenient. In this way, we strive to manufacture products that are easy to use and result in more comfortable lifestyles. Imagining use by various people, we have continuously applied universal design and allowed it to evolve in the production of home appliances like air conditioners and televisions as well as products used by the general public, such as elevators. The "Uni & Eco" business strategy was introduced for home appliance products in fiscal 2005. 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 unskilled laborers. In response to this situation, Mitsubishi Electric widely applies universal design principles to its industrial products, including factory automation (FA) equipment and electric power equipment, as well as to the installation and maintenance of such products on the shop floor. In fiscal 2016, Mitsubishi Electric's "RakuRaku Assist: an initiative to develop products that are safe, easy, and fun to use" won the Grand Award in the Business Strategy category of IAUD Award 2015, organized by the International Association for Universal Design. This was the second consecutive Grand Award following "Improvement of manufacturing sites by Universal Design," which won the Grand Award in fiscal 2015. The Mitsubishi Electric Group received a total of 8 awards at IAUD Award 2015, including the Silver Award in the Product Design category for "Cordless Stick Cleaner iNSTICK HC-VXE20P." These awards were a testament to our initiatives to widely apply universal design not only to home appliances, but also to industrial applications. In fiscal 2017 as well, we will continue to sensibly and ingeniously apply universal design in the creation of products throughout our wide-ranging business domain.

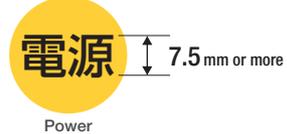
Universal Design Examples to Date

● 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 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
<p>E.g.) Buttons with easy-to-understand functions (Television remote control with record function)</p> <p>We have named the buttons after their functions (what the user wants to do)</p>  <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>	<p>E.g.) Large characters easy even for aged persons to read</p> <p>Main characters/numbers</p>  <p>電源 Power</p>	<p>E.g.) Easy-to-hold handle shape for each product</p>  <p>Lower back Conventional pistol grip handle Lower back Load-reducing grip</p> <p>Vacuuming posture with bent lower back → Load on lower back Vacuuming posture with extended lower back → Minimal load on lower back</p>

The main functions are distinguished by large, noticeable buttons.

● "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" Induction Heating 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.

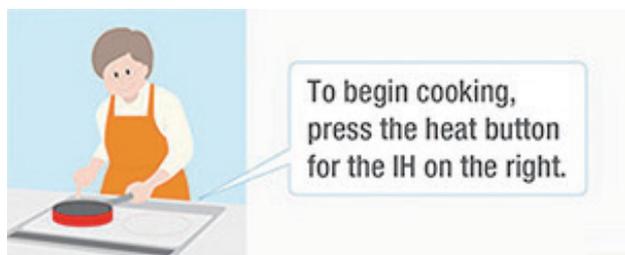


Large-character buttons & numerical indication of steps for use

Safety sensor & audio support

<Features>

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



Safety sensor & audio support

Responsibility to Customers

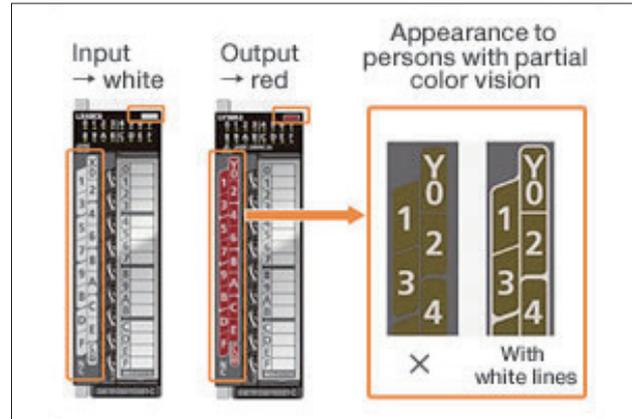
- **MELSEC L-Series Programmable Logic Controller (PLC) designed for use even by less-experienced workers**

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.

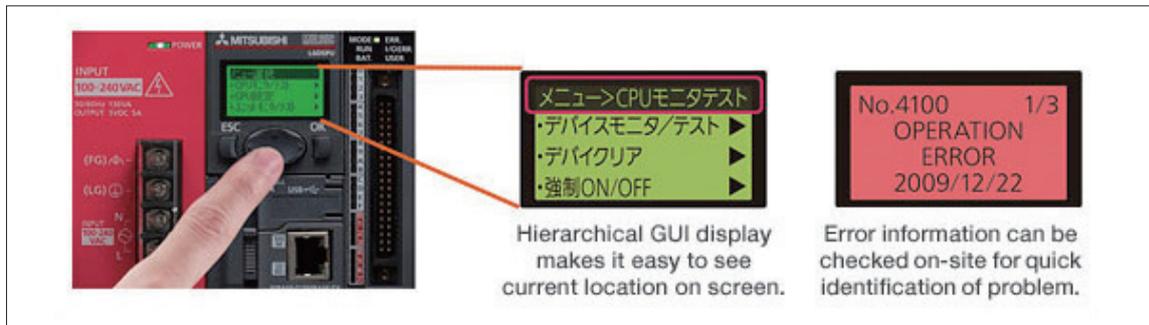
- The terminal arrangement is printed to display wiring groups, for intuitive function display.
- The unit employs UD fonts, with large character display that is well contrasted from the background color, to prevent wiring errors.
- Text is displayed in English/Japanese on the LCD screen, making it easy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

Responsibility to Customers

● "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

Easy-to-understand Video Instruction Manual

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.

In particular, instructions that have elicited frequent inquiries from customers and those that can be more

easily explained via video are now introduced on the "FAQ Videos" page on our website.

(Japanese only)

Questions that are frequently asked by our customers are also introduced on the "FAQ" page.

(Japanese only)



FAQ Videos website



FAQ website

● Example from the "FAQ Videos" page

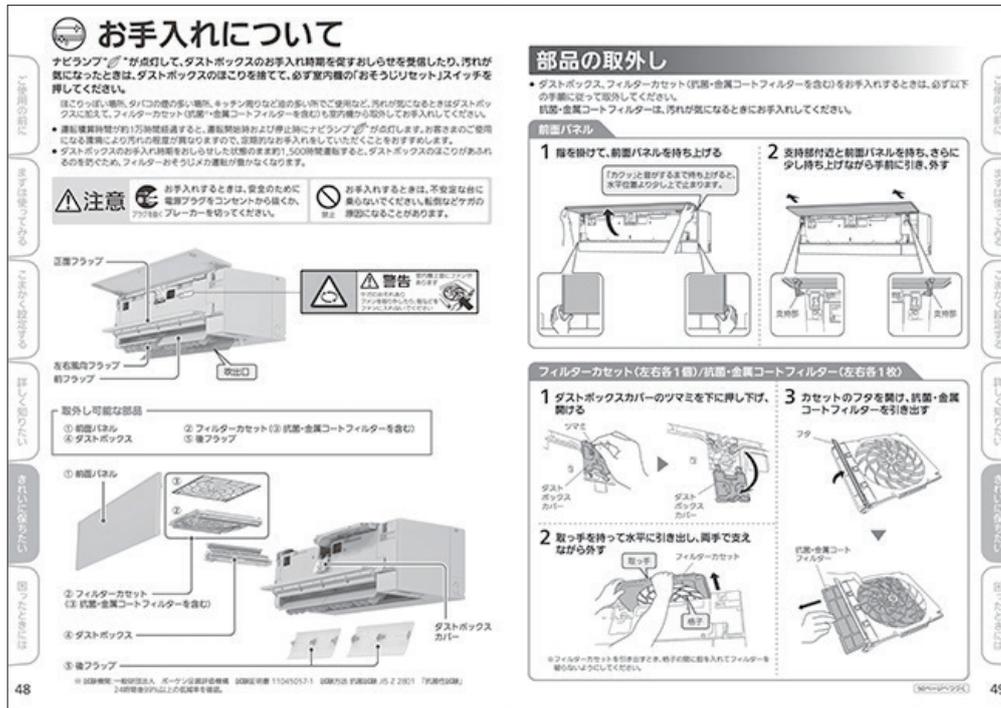
How to remove the parts of an air conditioner indoor unit (FY2016–, FZ Series)

The FZ Series of air conditioners is equipped with two propeller fans to provide comfort suited to everyone in the room.

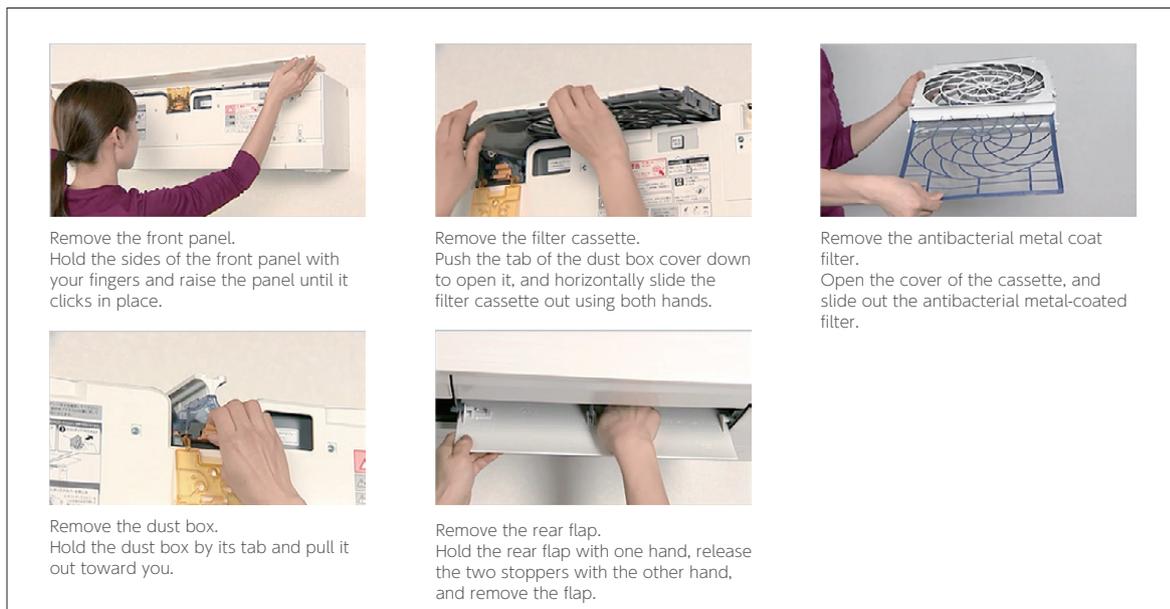
Because the indoor unit has two propeller fans, the method of removing parts for maintenance is different

from conventional models.

With reference to the "Maintenance" section in the instruction manual, this video explains how to remove parts from the indoor unit.



Instruction Manual (Maintenance Section)



FAQ Videos (How to remove the parts of an air conditioner indoor unit (FY2016–, FZ Series))

Instructions on maintenance are provided in "Maintenance of Indoor Unit Parts," and instructions on reattaching the

parts are provided in "Attaching the Indoor Unit Parts."

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.

CS Activities by the Home Appliances Group (in Japan)

The Living Environment & Digital Media Equipment Group handles matters related to home appliances and carries out customer satisfaction (CS) improvement activities in Japan. It makes sure that customers across the country

are satisfied with the Mitsubishi Electric product they purchase, and strives to increase the number of such satisfied customers.

- **The Beginning of CS Activities Related to Home Appliances**

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

Our domestic manufacturing facilities track customer satisfaction through customer questionnaires on their purchase of major products and also through employee monitor surveys. Customer satisfaction of the Mitsubishi Electric Group's sales and services is also assessed through an evaluation of customer satisfaction by distributors. For example, distributors are asked to respond to CS surveys on the sales policies of manufacturers and retail companies, and on manufacturer support at electronics retail stores. The survey results are shared among the Group and reflected in marketing and development strategies.

- **Understanding Customer Satisfaction**

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

- **Assurance:**

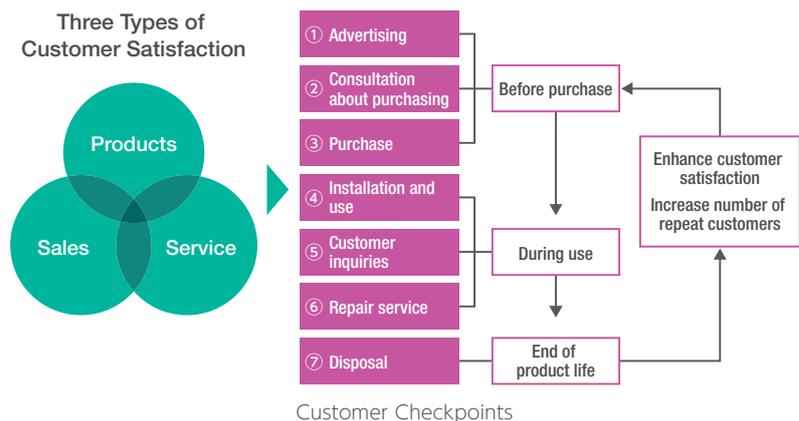
The customer is assured that the product is not flawed or defective

- **Contentment:**

The product satisfies the customer's needs and requirements

- **Emotion:**

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



Responsibility to Customers

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

●April 1999:

Calls for on-site repairs are accepted 24 hours a day, 365 days a year, and repair services are dispatched 365 days a year

●October 1999:

Online requests for shopping advice and consultations/ requests concerning products are accepted

●March 2003:

Online product registration service is made available to purchasers of Mitsubishi Electric products in Japan via the company's Official Web Site



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.

Responsibility to Customers

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, during the period from June to July, when customers' use of air conditioners reaches its peak, 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



Airflow control that can adjust sensory temperature delivers optimum comfort to each user.

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.

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 Mitsubishi Electric's corporate philosophy of making society even more vibrant and affluent. Under the slogan "Quality in Motion," the Building Systems Group continues its evolution toward making

● 24-hour, 365-day Safety Hotline

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 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

Mitsubishi Electric the top-quality brand on a global scale by achieving the highest quality for comfort, efficiency, safety, and environment in its overall business activities (sales, development, manufacturing, installation, and maintenance).

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

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.



On-site maintenance



Information center

Responsibility to Customers

● 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 products, the showroom communicates the safety and security of Mitsubishi Electric's products.

The elevator and escalator zone on the first floor introduces the history, safety systems, and latest technologies of elevators and escalators, and lets visitors 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 the latest entrance/exit control system.

* Installed in Shanghai Tower (based on internal research of elevators in operation as of March 2016)



SOLAÉ elevator testing tower



SOLAÉ showroom

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.

Fair Operating Practices

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.

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.

The Mitsubishi Electric Group Conduct Guidelines

The Mitsubishi Electric Group Conduct Guidelines (hereinafter "Conduct Guidelines") introduces the content of the Mitsubishi Electric Group Corporate Ethics and Compliance Statement and offers practical guidelines for conduct. The Conduct Guidelines are consistently revised in order to reflect the formulation, revision, and abolition of laws and changes in society. The version presented

here is the most recent revision, published in April 2013. In addition to the Japanese language, the Code of Conduct is published in English, 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.

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

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

Ensuring that Employees are Familiar with Our Compliance Policy

The top management of the Mitsubishi Electric Group, including the President, takes every opportunity to directly address employees on the subject of compliance in a diverse range of situations, ensuring that an awareness of the importance of compliance and our stance on it takes root throughout our organization. To raise awareness even further, we also display posters of the Mitsubishi Electric Group Corporate Ethics and Compliance Statement in our workplaces and distribute

cards printed with the Statement to each of our employees. 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

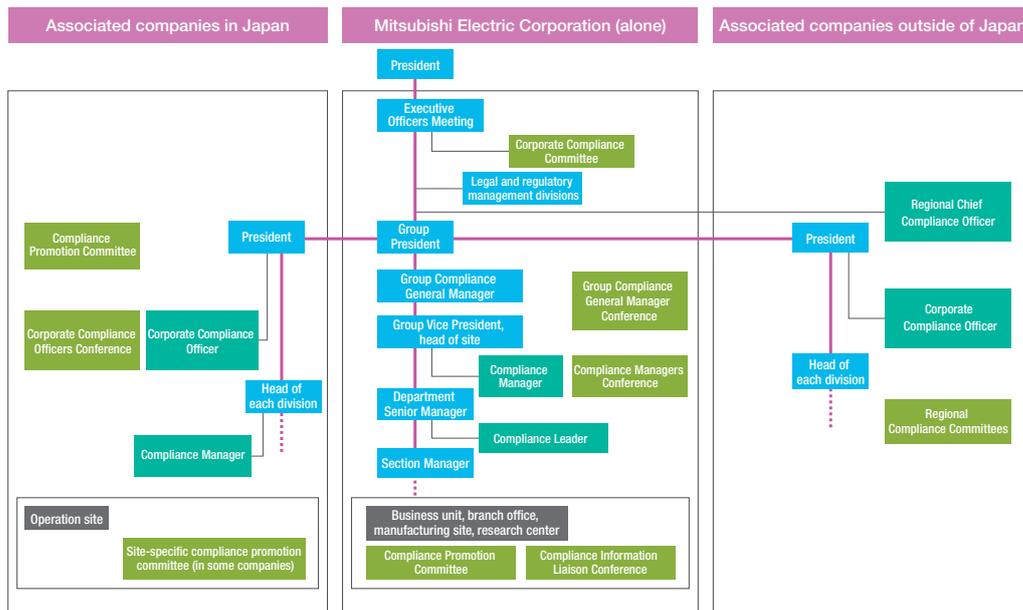


"Mitsubishi Electric Group Conduct Guidelines" Booklet

System to Ensure Thorough Implementation of Compliance at the Global Level

Based on the recognition that the promotion of compliance is inseparably linked with business promotion, the Mitsubishi Electric Group's compliance system is made up of (1) independent compliance systems established in each of our companies and business divisions, and (2) systems which provide support for each specific organization. We renamed the Legal Division to the "Corporate Legal & Compliance Division" as of October 2012, in order to promote group-wide compliance. Moreover, in each

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



Mitsubishi Electric Group compliance promotion structures

Global Compliance Meeting with managers from the United States, Europe, Asia, China, Taiwan, and South Korea.



Asia Regional Compliance Committee

• Independent compliance systems established in each company and business division

The independent compliance systems established in each of our companies and business divisions are systems which function to advance compliance by clarifying the roles of management and every individual affiliated with that company or division, and ensuring that each individual is aware that they are responsible for the promotion of compliance based on the recognition that "the promotion of compliance is inseparably linked with business promotion". In concrete terms, based on a company policy, the management of each company and division guides and supervises staff members and establishes a compliance promotion system in that company or

division. To this end, the management implements measures, including the establishment of a Compliance Promotion Committee, to formulate concrete initiatives for the advancement of compliance in that company or division. In addition, each staff member promotes compliance within the scope of his or her particular work duties. Furthermore, each business group in Mitsubishi Electric has its own Group Compliance Department which is responsible for promoting compliance within their respective business groups, based on company-wide compliance initiatives.

● Systems which provide support for each specific organization

The Corporate Compliance Committee and Compliance Managers are examples of systems which provide support.

The Corporate Compliance Committee formulates comprehensive guidelines for compliance and standards of employee conduct for the Mitsubishi Electric Group as a whole. The Corporate Compliance Committee was established in 1991, the year in which the Japan Business Federation (Nippon Keidanren) formulated its Corporate Conduct Charter. The Corporate Compliance Committee is chaired by an executive officer responsible for legal affairs and holds regular meetings twice annually and extraordinary meetings as required.

A system is in place for details of discussions held by the Corporate Compliance Committee to be disseminated to each company or division of Mitsubishi Electric by Compliance Managers—who are responsible for assisting the management of each company or division—through

channels including the Compliance Information Liaison Conference.

Compliance Managers are appointed for specific companies, divisions, or levels, and their particular roles and the details of their activities are explicated in in-house regulations.

Overseas, in addition to the systems of assistance discussed above, we have also established systems to provide assistance spanning entire regions. Regional Compliance Officers ("RCOs") responsible for assisting affiliates in their specific region are assigned in the United States, South and Central America, Europe, Asia, China (including Hong Kong), Taiwan, and Korea, and work to improve the level of compliance by means of Regional Compliance Committees ("RCCs") and others. We are also working to establish similar systems in other regions, depending on the specific circumstances of the region in question.

Initiatives against Major Compliance Risk

● 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 begun in fiscal 2014 for executives, sales and others departments, and has been attended by 3,556 employees to date. Training has been provided on anti-trust laws overseas as well, through classroom training and e-learning programs. Such programs that have been commonly provided in each region alone have been attended by 9,315 employees in fiscal 2016.

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 against bribery risks involving Japanese and overseas public officials, such as calling attention to the issue using manuals and internal newsletters, providing employee training through e-learning and classroom programs, requiring self-inspections using a check sheet, and conducting internal audits.

In the United States and Europe, we operate a compliance program (risk evaluation, establishment of internal regulations, education, audit, etc.) that conforms to the FCPA (Foreign Corrupt Practices Act) and the U.K. Bribery

Act, respectively, and in China, Asia, and Central and South America, we make dedicated efforts to establish guidelines and enhance education and audits against corruption risks.

We will hereafter further develop our initiatives in each region to expand our business on the global level, while taking effective and efficient measures against the risks of becoming involved in corrupt practices by identifying countries and transactions that harbor a particularly high risk of corruption.

● 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 making 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.

Fair Operating Practices

● Export control

To maintain international peace and security, Mitsubishi Electric Corporation 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 the Group's policies, we distribute the Security Export Control Standard Regulations of the Mitsubishi Electric Group (in Japanese, English, Chinese, and Thai) to all associated

● Disassociation with anti-social groups

The Mitsubishi Electric Group adheres to the following three provisions that are clearly set forth 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.

companies, and provide guidance for the establishment of regulations, for the development of a framework, and for employee training in each company. In fiscal 2016, we held an educational workshop in China, Europe, Taiwan, and Thailand intended for ECAs (Export Control Administrators) in associated companies. In Japan, we provided e-learning courses that were taken by 33,722 Mitsubishi Electric Corporation employees and 28,322 employees of associated companies. For overseas associated companies, we have English, Chinese, and Thai e-learning materials for the implementation of training programs in each company.

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

Compliance Education by Diverse Means

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

In addition to educational activities conducted independently by each of the Group's affiliated companies and business divisions, we also carry out Group-wide educational initiatives. For example, Mitsubishi Electric Group employees in all of the countries in which we operate take part in an educational program concerning

the major relevant laws and the Group's concept of compliance, either through e-learning programs, group lessons, or distance learning. In fiscal 2016, as many as 114,415 employees in Japan (employees of Mitsubishi Electric and affiliated companies in Japan) participated in such programs. Overseas as well, some 6,698 employees overseas have participated in compliance-related e-learning programs that have been uniformly implemented in the Southeast Asia and Oceania regions, for example. Compliance Managers also distribute materials concerning improper conduct to supervisors at Mitsubishi Electric and our affiliates in Japan in order to help us prevent such conduct from occurring. We also conduct workshops at our various bases (branch offices and production sites) for personnel responsible for compliance at affiliates located in those regions. These workshops seek to foster a thorough awareness of compliance and a deeper understanding of key legislation at our affiliates, in addition to promoting closer cooperation with Mitsubishi Electric.

In fiscal 2016, the Corporate Legal & Compliance Division of Mitsubishi Electric Corporation conducted approximately 342 compliance-related workshops throughout the Group, in which a total of 16,340 people participated.



Compliance-related workshop

VOICE (Feedback from a Training Participant)

Yuji Kida

Food Service Department Itami Branch Mitsubishi Electric Life Service Corporation



I participated in a compliance lecture for Mitsubishi Electric's affiliated companies. I came away from the lecture with a renewed sense of the importance of compliance. As part of my work, sometimes I create contracts with business partners. Armed with what I learned about contracts during this lecture, I will try my best to work with business partners and execute contracts correctly. I will continue to engage in my work with a stronger sense of compliance so that I never cause a legal incident, even outside of contracts.

VOICE (Promotion Leader)

Buranashin.Yutinan

Mitsubishi Electric Asia Co., Ltd



I'm responsible for planning and administering compliance activities within the Asia region among our regional headquarter companies. Commanding my proficiency in Thai, Japanese, and English, I formulate guidelines and support employee training, as well as respond to individual consultations for group companies in many different countries and lines of business. I believe one of my most important roles is to make Mitsubishi Electric's universal policies and norms known to all Group companies using esteemed ethics accepted around the world, based closely on the local legal systems and business lines of each company.

Compliance Audits

Based on the awareness that "ethics and compliance are fundamental preconditions for the Group's continued existence," each Mitsubishi Electric Group company and department appoints a compliance promotion manager, and carries out a compliance inspection of their company or department a multiple number of times a year by various means, utilizing check sheets and other tools that are specified for each area of corporate ethics and relevant laws and regulations. The results of these inspections are reported to the manager of each company or department, and if a problem has been found in an

inspection, corrective action is taken voluntarily, such as by strengthening employee education and enforcement. Mitsubishi Electric's audit department carries out an audit of all Group companies regularly by visiting each company and department and checking whether there are any problems mainly in terms of compliance, and whether compliance awareness and initiatives are sufficient, from a subjective, professional perspective. If it is deemed that a correction is needed, an instruction is issued to formulate an improvement plan and to report the results of the improvement.

Establishment of Internal and External Ethics and Legal Compliance Hotlines

Mitsubishi Electric has put in place "ethics and legal compliance hotlines" (internal reporting system), with the objective of promptly assessing fraudulent, illegal, and anti-ethical conduct and allowing a self-cleansing mechanism to function against such types of conduct. This consultation service is available both inside and outside the company (law firms), and operates under clear internal regulations that provide for responses to anonymous callers, elimination of disadvantageous treatment of callers, and the confidentiality of all callers. The facts of each call are verified by a group composed of members from a survey department, depending on the content of the call. In cases where there is a possibility that the matter in question does not conform to relevant laws or internal regulations, efforts are made to promote and disseminate proper understanding through a review of rules and explanation meetings. If an illegal act or conduct that violates internal regulations is confirmed, the party concerned is subject to some form of discipline, or a

remedial action is demanded of the relevant department. Details of these "ethics and legal compliance hotlines" are provided in the booklet that is distributed to all employees and contains the Mitsubishi Electric Group Conduct Guidelines. Posters are also displayed in each department and office, as well as on the Group's website, to thoroughly disseminate the service to all employees. Each Mitsubishi Electric Group company accepts consultations. Mitsubishi Electric also accepts calls from business partners and affiliated companies, with regard to transactions that have to do with Mitsubishi Electric.



Informative poster for internal use

Protection of Intellectual Property Rights

Basic Policy

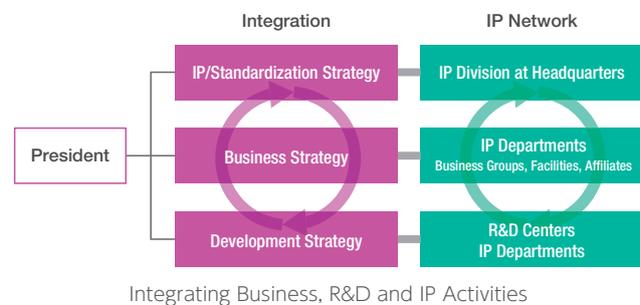
The proper protection of intellectual property (IP) rights promotes technological progress and sound competition, and also contributes to realizing affluent lifestyles and the development of society.

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.



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 3rd in Japan in terms of the number of patent registrations (in 2015) announced by the Japan Patent Office (JPO), and fifth in the world in terms of Patent Cooperation Treaty (PCT) applications by businesses (in 2015) 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.

Fair Operating Practices

(Top 5) PCT applicants: businesses, 2015
(WIPO, PCT Yearly Review)

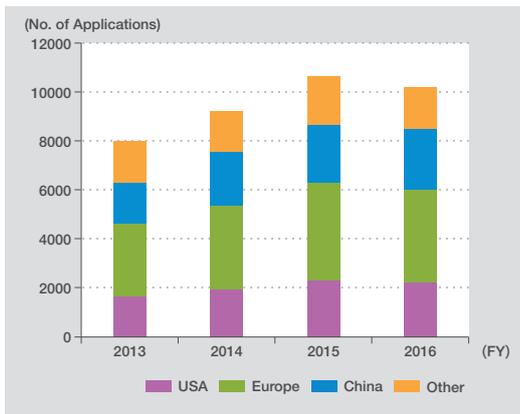
Rank	Applicant	Country	No. of patents
1	Huawei Technologies	China	3,898
2	Qualcomm	USA	2,442
3	ZTE	China	2,155
4	SAMSUNG	South Korea	1,683
5	Mitsubishi Electric	Japan	1,593

(WIPO)

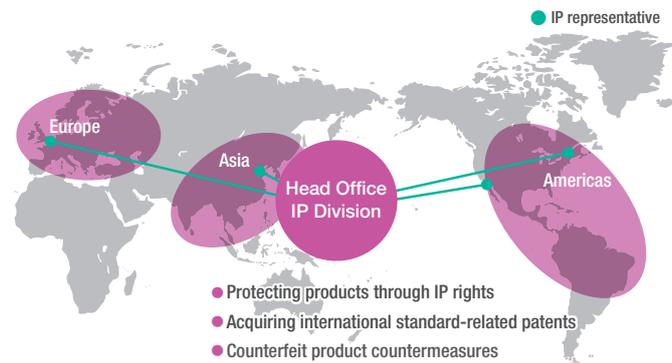
No. of patent registrations in 2015 (Japan)

Rank	Applicant	No. of patents
1	Toyota Motor	4,614
2	Canon	3,717
3	Mitsubishi Electric	3,364
4	Toshiba	2,514
5	Panasonic	2,445

(JPO)



Annual Trends in Overseas Patent Applications by the Mitsubishi Electric Group



Further Strengthening Global IP Capabilities

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.

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 items such as MPEG and Blu-ray Disc™* 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

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—strengthen Japan's competitiveness in the international market 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, the establishment and promotion of IP policies that are consistent with Japan's national interest are sought. Mitsubishi Electric thus engages in active exchanges of views and information with the World

Intellectual Property Organization (WIPO), and cooperates in establishing IP policies from a broad, global perspective.



Exchange of views held with Francis Gurry, Director General of the World Intellectual Property Organization (WIPO)

Mitsubishi Electric's Executive Corporate Advisor Dr. Tamotsu Nomakuchi receives the Industrial Standardization Award and the Intellectual Property Achievement Award

Dr. Tamotsu Nomakuchi, who serves as Mitsubishi Electric's Executive Corporate Advisor, received the Prime Minister Award of the 2015 Industrial Standardization Awards*1 and the METI Minister Award (Award for Contributors Concerning the Intellectual Property Rights System) of the 2015 Intellectual Property Achievement Awards*2. Dr. Nomakuchi promoted industrial standardization as a crucial component of Japan's Intellectual Property Promotion Plan. He also helped establish Japan's intellectual property system, such as by contributing to the acceleration of the patent examination process and establishment of the Intellectual Property High Court, under a national strategy for strengthening Japan as a hub of intellectual property. Through such Group-wide activities, Mitsubishi Electric will continue to contribute to strengthening Japan's technological power and establishing the intellectual property system.

*1 Industrial Standardization Award: An award provided by the Ministry of Economy, Trade and Industry to contribute to the growth of Japan's industries by promoting the development of world-class, international standard personnel and the dissemination of industrial standards in Japan. The Prime Minister Award is presented to individuals who are recognized for taking the initiative in carrying out international standardization activities and making an extremely significant achievement.

*2 Intellectual Property Achievement Award: An award presented by the Patent Office to individuals or companies that have contributed to establishing the IP rights system. It consists of two awards. One is the Award for Contributors Concerning the Intellectual Property Rights System, which is presented to individuals who have contributed to establishing, disseminating, or promoting awareness of the system. The other is the Award for Good-standing Companies Utilizing the Intellectual Property Rights System, which is presented to companies that utilize the Intellectual Property Rights System effectively and contribute to its smooth operation and development. Each award further consists of the Award of the Minister of Economy, Trade and Industry, and the Award of the Commissioner of the Japan Patent Office.

Corporate Social Responsibility through the Supply Chain

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

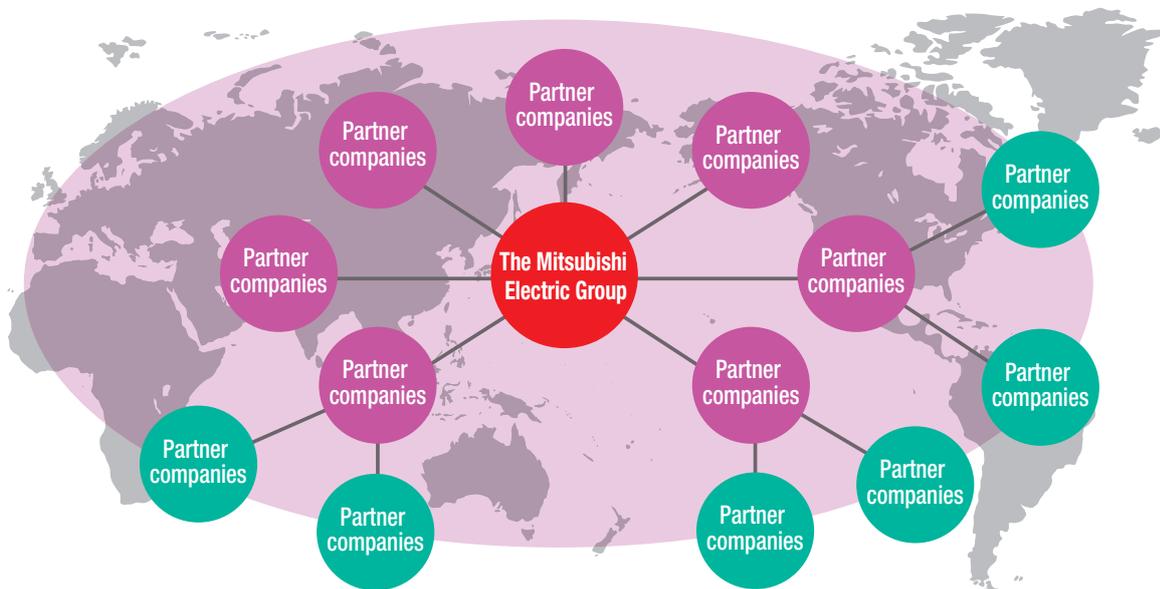
on selection and evaluation criteria established by the Group, risks are also mitigated along the supply chain. As a basic policy, the Group preferentially procures materials from suppliers who rank high in a comprehensive evaluation.

The Supply Chain of the Mitsubishi Electric Group

Accompanying the further advancement of globalization, the Mitsubishi Electric Group's supply chain is also expanding to the various countries where the Group operates. However, in newly emerging countries in particular, we are aware that there are issues from various

perspectives, such as labor laws and environmental problems. Accordingly, we are taking action based on the realization that reducing risks in these regions is especially important.

Expansion of CSR initiatives through the supply chain



The Supply Chain of the Mitsubishi Electric Group

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 distribution activities in line with our "CSR Procurement Policy," which was established in fiscal 2008.

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

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

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.

Risk Mitigation based on Fair Selection and Evaluation of Business Partners

● Evaluation of initiatives to address environmental issues and CSR

The Mitsubishi Electric Group evaluates business partners prior to commencing new transactions and at regular intervals in the case of ongoing transactions, in terms of quality, price, delivery time, and customer service, as well as their initiatives to address environmental regulations and CSR initiatives.

In 2006, in response to a heightening interest in environmental issues, the Mitsubishi Electric Group introduced the Green Accreditation System to evaluate suppliers in terms of the status of their initiatives to address environmental issues. Based on the Green Procurement Standards Guide and using an original survey form, the Green Accreditation System conducts a survey of each supplier's acquisition status of environmental management system certification, status of compliance with laws and regulations related to the environment, and management status of chemical substances contained in components or materials they deliver to our company, and certifies suppliers who meet our standards. By properly evaluating the status of our business partners'

environmental initiatives under this system and providing advice for any corrections that should be made by partners who do not meet the certification standard, we ultimately minimize environmental risks.

In 2009, the status of CSR initiatives was included among the survey items. In reference to our suppliers' replies regarding issues such as human rights, labor practices, legal compliance, and product safety, we provide feedback about the results of our evaluation. We also hold individual meetings with suppliers who have scored low in any one of the survey items, to request a further strengthening of initiatives as required to reduce risks related to CSR.

▶ The Mitsubishi Electric Group's Green Procurement Standards Guide and survey form (for the Green Accreditation and CSR procurement survey) are available from the <Format Download (Green Procurement/CSR Procurement)> page on our website.

<http://www.mitsubishielectric.com/company/about/procurement/green/downloads/index.html>

● Evaluation status of suppliers' initiatives to address CSR/environmental issues

Number of suppliers evaluated between 2006 and 2015

Initiatives to address environmental issues	Approx. 8,000 companies
CSR initiatives	Approx. 6,000 companies

Total number of suppliers evaluated in fiscal 2016

Total	Approx. 1,300 companies
-------	-------------------------



Providing safety guidance during an onsite inspection of a supplier's company

Number of suppliers given guidance in fiscal 2016 and the content of the guidance

Item	No. of companies given guidance	Content of guidance
Environment	10	Improvement of environmental management system, further initiatives for chemical substance restriction
Human rights	7	Improvement of the management of working hours
Health and safety	10	Improvement of safety measures against risks of accidents on the job

Fair Operating Practices

● Survey of restrictions on conflict minerals

As a member of the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), Mitsubishi Electric actively addresses restrictions on conflict minerals in conformity with other industrial organizations. We have so far surveyed some 1,500 suppliers (from January 2012 to March 2016) using the survey form (EICC-GeSI* conflict mineral report template) that is commonly used in the automobile and the electric and electronic industries.

While keeping a close watch on trends, we will continue to pursue proper compliance with the restrictions, such as by amassing more information on compliant smelters, and we plan to request our suppliers' further cooperation in the survey.

* EICC: Electronic Industry Citizenship Coalition
GeSI: Global e-Sustainability Initiative

Cost co-creation activities in partnership with business partners

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 allows both our partners and our company to increase sales and enhance technological capabilities.

The cost co-creation activities that we have 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. In fiscal 2016, we began to offer VE lectures in countries (Indonesia, Mexico, etc.) other than those where VE lectures have conventionally been held (the UK, the US, China, Thailand, etc.).

Based on the awareness that it is essential to also build partnerships with outstanding suppliers overseas, in fiscal 2016 we established a system for awarding suppliers who have made particular achievements in terms of price, quality, and delivery time, as part of our initiatives for creating good relationships with our suppliers.

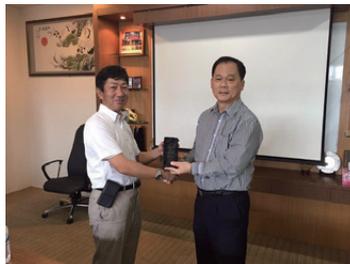
* VE (value engineering): a method in which the minimum cost of a product that is required to achieve the product's essential functions is pursued from the initial parts design stage.



VE lecture in the Southeast Asia region (Thailand)



VE lecture in the Southeast Asia region (Indonesia)



Presenting an award to a supplier in the Southeast Asia region (Malaysia)



Meeting with a supplier in the China region

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. Suppliers are asked to concur with the policies and strengthen CSR initiatives at their companies as well.

Fiscal 2016 seminars

	No. of sites	No. of participating companies
CSR seminar	10	Approx. 750
BCP seminar	13	Approx. 300

In fiscal 2016, we held CSR seminars, which included references to restrictions on conflict materials, and seminars dedicated to quality and safety. Furthermore, a BCP seminar was held to encourage suppliers to prepare against large-scale disasters and support their initiatives for strengthening disaster countermeasures. We will maintain close communication with our suppliers and continue to organize seminars that promote further CSR initiatives.

The Mitsubishi Electric Group believes it is important to provide an understanding of the Group's policies to overseas suppliers as well, and plans to also hold CSR seminars and other relevant seminars overseas in the future.



Seminars for suppliers held at each office

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, the 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. In fiscal 2016, compliance education related to procurement was also held for local employees in charge of procurement operations overseas.

Since fiscal 2015, we have held a Review Meeting for CSR Promotion in the Supply Chain, to share information on activities implemented by each office and further strengthen CSR initiatives along our supply chain. In fiscal 2016 as well, we held the Review Meeting regularly, and strengthened CSR initiatives by sharing activity plans, guidance case examples, and other such information among all offices.



Compliance education related to procurement in the Thailand region



Review Meeting for CSR Promotion in the Supply Chain

Human Rights

Respecting Human Rights

Basic Policy

The Mitsubishi Electric Group formulated the "Corporate Ethics and Compliance Statement" in 2001, which includes a section on our stance on respect for human rights. In this section, Mitsubishi Electric pledges "to act consistently with respect for human rights, and to never discriminate against individuals based on nationality, race,

religion, gender, or any other such attributes." In April 2010, we also revised our codes of conduct relating to respect for human rights in the "Corporate Ethics and Compliance Code of Conduct" of the Mitsubishi Electric Group. We consistently strive to conduct ourselves in a manner that conforms to these codes of conduct.

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 that violates laws concerning human rights. At the same time, we will regularly check our own language and behavior to prevent any misunderstanding or doubt regarding our stand on human rights.

●Respect for individuality

In all countries and regions where we do business, we will respect the individuality of each employee and will not 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 sound labor conditions and environments.

●Principle concerning personal information protection

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

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 and power 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.

Human Rights Awareness Activities

Mitsubishi Electric provides a human rights awareness training program to all new employees and newly appointed managers, with a view to developing an organizational culture where a diversity of people work actively with mutual respect for each other.

Intended for new employees who have just become full-fledged members of society, the program promotes understanding of the basic principles of human rights and Mitsubishi Electric's human rights initiatives, and includes

lectures on specific issues regarding human rights, such as harassment, discrimination against disabled people, and the Dowa social integration issue.

Human rights awareness is strongly instilled 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 (Feedback from a Training Participant)

Hiroshi Yoshida

Vendor Manager Materials Department Power Device Works



I took part in the management training program on companies and human rights. This training taught me once again that harassment in the workplace is a major human rights issue and that there are situations where I may become the wrong-doer. When we hear "human rights," we tend to think of global issues involving race, ethnicity, and gender, but I learned that in dealing with human rights issues it is important to know and understand people and how to work with them—instead of squaring off against them. It is also important to always check to make sure that you accept each other's differences and view human rights issues without bias.

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 1,210 new graduates in October 2016 and April 2017. 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 2016)

1. New graduates

(Unit: no. of people)

		October 2014 and April 2015 (result)	October 2015 and April 2016 (projection)	October 2016 and April 2017 (plan)
	Engineering positions	640	680	680
	Sales & administrative positions	210	250	230
	Technical positions	300	300	300
Mitsubishi Electric		1,150	1,230	1,210
	Affiliated companies in Japan	April 2015 (result)	April 2016 (projection)	April 2017 (plan)
		1,400	1,500	1,500
Total		2,550	2,730	2,710

2. Mid-career Hires

(Unit: no. of people)

		Fiscal 2015 (result)	Fiscal 2016 (projection)	Fiscal 2017 (plan)
Mitsubishi Electric		400	500	500
Affiliated companies in Japan		1,100	1,200	1,100
Total		1,500	1,700	1,600

Basic Personnel Data

Employment situation of the Mitsubishi Electric Group

Employment situation of the Mitsubishi Electric Group

(1) Consolidated data (as of March 31, 2016)

Segment	No. of employees (persons)
Energy & Electric Systems	43,864
Industrial Automation Systems	28,448
Information & Communication Systems	15,751
Electronic Devices	5,222
Home Appliances	25,204
Other	11,712
Common	4,959
Total	135,160

(2) Data for Mitsubishi Electric Corporation alone (as of March 31, 2016)

No. of employees	Average age	Average number of years worked	Average annual income
33,321 employees (incl. 3,103 women) [7,559 employees]	40.2 years of age	16.6 years	7,982,076 yen

Segment	No. of employees (persons)
Energy & Electric Systems	8,393
Industrial Automation Systems	8,877
Information & Communication Systems	4,907
Electronic Devices	2,184
Home Appliances	4,980
Other	0
Common	3,980
Total	33,321

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 Corporation 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 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.

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

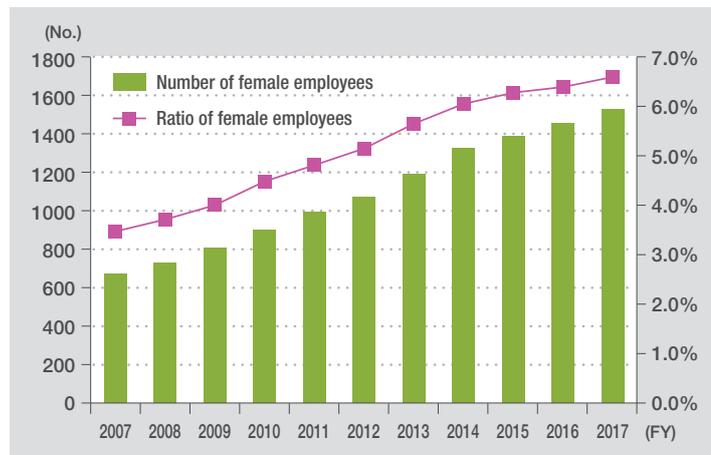
in April 2006, with a mandate to promote recruitment, training, assignment, and institutional initiatives from a diversified perspective.

* Career management & Personal life well-balanced Plan

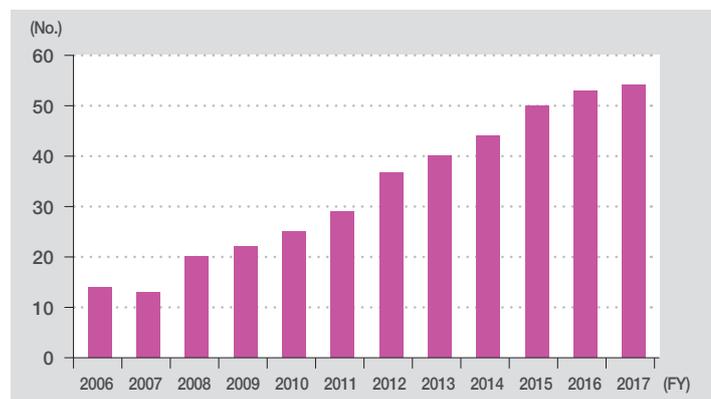
Basic data (Mitsubishi Electric alone)



Personnel structure (as of March 31, 2016)



Trend in the number of female employees (main career track)



Trend in the number of female managers (at or above managerial level)

● **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, and approx. 210 employees in FY2016).

In addition to this forum that is held at the Head Office, exchange events are also held in some offices.



Career forum for young female employees

Strengthening Management Capacities

Various efforts are made to raise management's awareness of women's participation and strengthen management capacities. For example, a mandatory 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. Furthermore, 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

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.

In addition to organizing the START LIVE large-scale seminar event where female students in science can directly interact with Mitsubishi Electric employees, exchange forums are held between female students who major in science and female engineers at Mitsubishi Electric. In addition, pamphlets that introduce Mitsubishi Electric's female engineers are distributed, to actively disseminate a concrete image of women working at Mitsubishi Electric. Supervisors periodically before and after returning to their positions.



Pamphlet for female science students



START LIVE event



Exchange forum between female science major students and a female engineer at Mitsubishi Electric

Developing Global Human Resources

● **To Become a Global Company that Employs Global Human Resources**

As a global company, Mitsubishi Electric has 218 consolidated affiliates that employ some 48,000 overseas employees, which corresponds to 35% 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 work in positions that are suitable for them, 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 employees from overseas 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 20 to 30 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.



Joint training by overseas executive candidates and Japanese personnel



President Sakuyama and participants of the overseas executive candidate training program

VOICE (Group Employee)

Laura Restrepo
Mitsubishi Electric de Colombia Ltda.

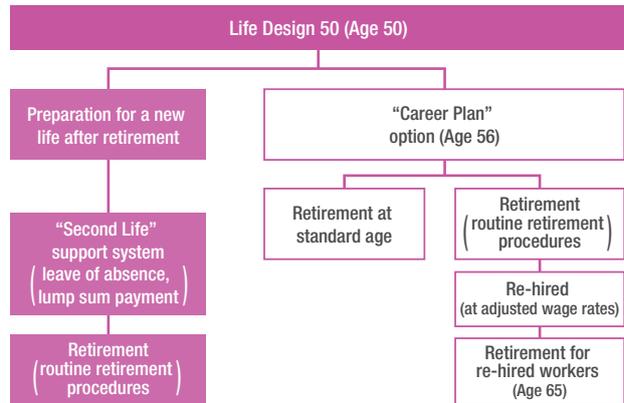


In Japan, my work involves training executive management of our overseas business sites and ensuring the employees of overseas business sites understand and practice our corporate mission. It is important for each and every employee to understand and practice our corporate mission in order for the Mitsubishi Electric Group to contribute to society. Therefore, I always find my job to be rewarding. In order for the Mitsubishi Electric Group to achieve further business growth, we need to heighten collaboration that transcends national borders. For this reason, I am making efforts so that employees have the chance to interact more with one another globally.

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

The Mitsubishi Electric Group works to actively employ people with disabilities from the perspective of promoting CSR and diversity. As of March 15, 2016, people with disabilities comprised 2.06% of our workforce, surpassing the statutory employment rate of 2.0%, and various barrier-free measures are also being taken to create a comfortable and accessible workplace environment for people with disabilities.

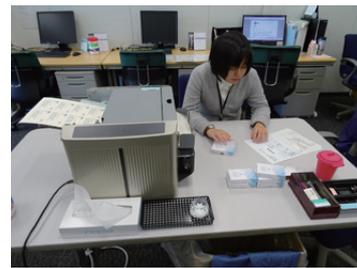
In October 2014, the Mitsubishi Electric Group established Melco Tender Mates Co., Ltd., a special subsidiary* that specializes in businesses mainly suited to people with intellectual disabilities. The company name expresses the

equal partnership and mutual caring between people with and without disabilities. The company began by engaging in the cleaning service, cafe, business card, and food service businesses, and employs 24 disabled persons as of March 15, 2016. It plans to gradually expand its businesses and increase its employment of people 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 as part of that of the parent company.



Employee at work in our cafe business



Employee at work in our business card production business

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. 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, stronger competitiveness, and better performance.

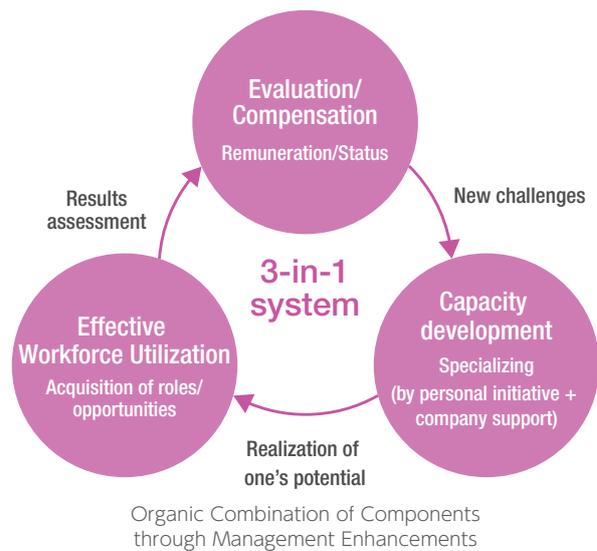
Employee satisfaction underlies Mitsubishi Electric's personnel policies. At the same time, there are policies such as those described below that are implemented in response to the trends of the times, social circumstances, and changes in the management environment and personnel frameworks.

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 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.



Transfer Opportunities at the Request of Employees

In order to optimize our human resources 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. To encourage two-way communication between employees and their managers we have implemented and continue to maintain a regular interview-based system of communication. In the regularly-scheduled interviews, employees and managers discuss such topics as the employee's development and training based on evaluation

of performance, and the placement and utilization of human resources, thereby helping promote improved communication in the workplace. 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 used in a Company product or out-licensed to another company, the relevant employees also receive utilization bonuses from the Company. Furthermore, to maintain fairness and transparency of the system, we also disclose the basis of bonus calculation, including the utilization status of inventions in company products.

In addition to the above, we established the Invention

Consultation Committee and a program for rewarding outstanding inventions and industrial designs, to encourage inventions by employees. The Invention Consultation Committee makes it possible for employees to petition the committee to review the amount of their bonus when they cannot consent to it. The program for rewarding outstanding inventions and industrial designs honors 30 to 40 inventions and industrial designs each year, 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

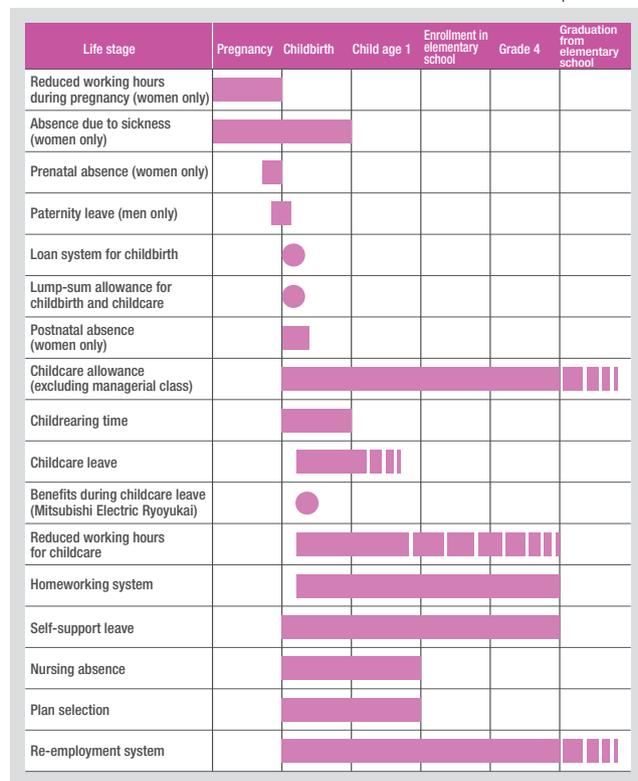
Mitsubishi Electric is making every effort to fully establish a work-life balance support system that more than satisfies the legal requirements, and to develop workplace conditions that allow employees to comfortably do their jobs and raise children or care for elderly family members. Our childcare 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 as long as two years. It also allows employees to work shorter days for up to three years to help them take care of their families. In addition, when the employee is the spouse of an expectant mother, the spouse may take up to five days of special paid leave. There is also a program to provide the spouse with special paid leave to use in certain circumstances such as 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, in fiscal 2017, 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, and expanded the scope of childcare to include children until they have finished primary 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.

As of April 2016



Work-life balance support measures related to childcare

Labor Practices

● 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.

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.



Diamond Kids Shonan (external view)



Diamond Kids Itami (internal view)

Name	Diamond Kids Shonan	Diamond Kids Itami
Location	5-1-1 Ofuna, Kamakura City, Kanagawa Prefecture Within the Information Technology R&D Center	6-9-22 Tsukaguchi-honmachi, Amagasaki City, Hyogo Prefecture Within the Mitsubishi Electric Health Insurance Association Itami General Gymnasium BRIO
Facility area	Floor space: approx. 100m ²	
Enrollment capacity	Approx. 10 children	
Children's ages	Ages 0 (children over 57 days old) up to enrollment in primary school	
Eligibility	Mitsubishi Electric employees (not restricted to women)	
Operating hours	8:00 – 18:00 (extended hours up to 21:00)	

● Other Programs

Flexitime

Flexitime 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.

Rate of utilization of each support program (by Mitsubishi Electric employees) (Unit: No. of employees)

	FY2014			FY2015			FY2016		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Childcare leave	5	214	219	10	204	214	11	215	226
Acquisition rate of leave of absence (%)	—	100%	—	—	—	100%	—	99%	—
Reduced working hours for childcare	3	312	315	6	318	324	6	341	347
Reduced working hours during pregnancy	—	9	9	—	11	11	—	8	8
Family care leave	4	8	12	7	5	12	5	4	9
Reduced working hours for family care	2	3	5	1	2	3	4	5	9
Prenatal and postnatal absence	—	103	103	—	112	112	—	138	138
Paternity leave	—	—	529	566	—	566	643	—	643
Nursing absence	16	6	22	17	11	28	13	5	18

VOICE (Impressions of a training program participant)

Emi Takeda

Air Conditioning and Refrigeration Engineering Department Living Environment Systems Laboratory



I entered the company in 2004, and took a year's worth of childcare leave (including prenatal and postnatal absence) during my eighth year. Since returning to work, I have been utilizing the program that allows reduced working hours for childcare. My working hours are limited, but I am in charge of a rewarding job, and have even passed an in-house promotion exam. Now that I have a child, I have loosened up in a good sense, and enjoy my work more than ever before. It is precisely because my time is limited that I stopped trying to do everything myself, and now am able to seek help from people around me. I think Mitsubishi Electric naturally fosters a culture of supporting women's active participation.

● **Creating a Working Environment where Work-Life Balance Can Be Achieved by Everyone through a "Reform of Working Styles"**

Mitsubishi Electric promotes a "reform of working styles" 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." We are creating a working environment that encourages each and every employee to be strongly aware of operational efficiency and productivity and to produce the best possible results in a limited amount of time. We are also developing IT tools and other infrastructure environments, with the aim of offering new, efficient working styles, such as by promoting working at home and on business trips, and participation in Web conferences at one's desk.



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 a business leader training program that develops core personnel and leaders in each field. 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 bonuses to employees that have acquired certain external certifications. The program is intended to foster a corporate culture in which each and every employee independently and actively takes on the challenge of developing their skills to reach 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.



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.



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

Ensuring Occupational Safety & Health

Basic Policy

The Mitsubishi Electric Group adheres to the basic policy of placing priority on protecting the safety and health of its employees above all else, based on the recognition that health and safety management is essential to business management. Also based on a spirit of respect for all human beings, we are committed to fulfilling our corporate responsibility by establishing an atmosphere that prioritizes occupational safety and health in all social

and corporate environments.

This basic policy underlies our Company-wide Five-year Plan (current plan covering the five years from FY2013 to FY2017), which defines priority measures in safety and health management, respectively, and by which we implement specific activities toward the achievement of annual targets.

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 Safety and 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.

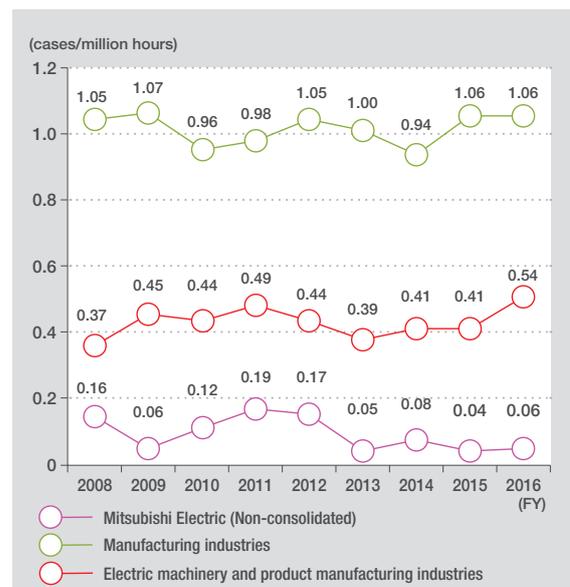
In the event of an industrial accident, safety measures are immediately taken by the department where the accident occurred. At the same time, efforts are made to prevent similar accidents by delegating a third party to conduct safety inspections, and laterally disseminating case examples of disasters 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

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."

- **"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. Five new facilities have been added in 2015, including 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

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 with the labor union and health insurance union. Launched as part of the Mitsubishi Electric Group's health management activities, 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 healthy 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 improving stress management skills—and evaluating the degree of achievement of these goals every year.

After implementing Stage I of the plan over ten years, a new five-year plan was launched in 2012 as Stage II, with a focus on promoting competition according to performance drivers, strengthening 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 they received the Minister's

Award for Excellence in the corporation category. 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.

- **Symposium on health at Mitsubishi Electric Taiwan Co., Ltd.**

A municipal lecturer was invited to hold a health symposium on obesity. Recognized for this initiative, which focuses on employee health management and health considerations, the company received the "healthy workplace certificate and health promoter mark" from the Health Promotion Administration of Taiwan's Ministry of Health and Welfare.



Symposium on health at Mitsubishi Electric Taiwan Co., Ltd.

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 stress check system that was legislated in Japan in 2015, 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

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.

Philanthropic Activities

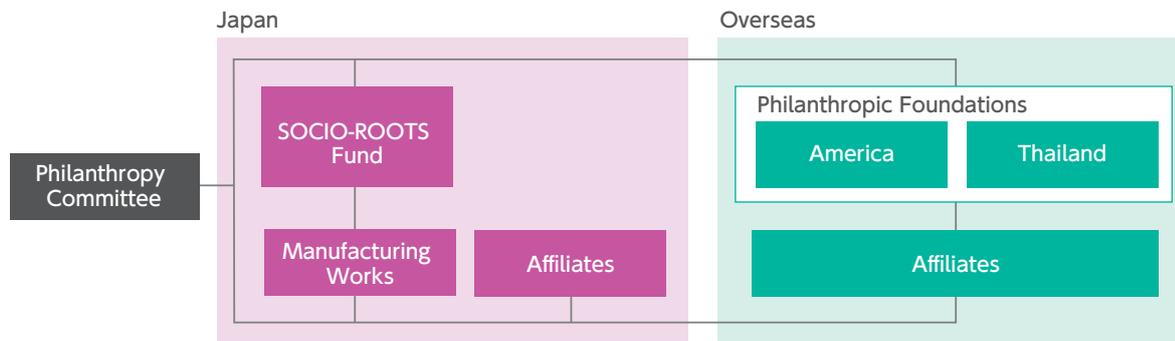
Our Philosophy on Philanthropic Activities

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, the Philanthropy Committee was organized to commence Company-wide philanthropic activities, including the Mitsubishi Electric SOCIO-ROOTS Fund, based on social contribution activities that had previously been individually implemented by each office. In 1991, foundations were founded in the United States and Thailand to contribute to philanthropy in the social

welfare and science and technology sectors in the two countries.

Since organizing the Philanthropy Committee, Mitsubishi Electric has actively promoted community-based activities, and has carried out diverse philanthropic activities through its offices in Japan, as well as through affiliated companies in Japan and overseas.

Engaging in Philanthropic Activities in Four Key Areas

Community-based activities

Social Welfare

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 1,800 social welfare facilities.

Global Environmental Conservation

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.

Activities that develop next-generation human resources

Science and Technology

To support the ambitions and inquisitive minds of youth who will play an important role in the development of technologies for the next generation, we teach children about the key technologies behind Mitsubishi Electric's products in an easy-to-understand manner through on-demand lessons, workshops, and science lessons.

Culture and Arts, Sports

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.

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 2016, the Fund has provided more than 11 billion yen to some 1,800 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. The Community Chests of 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 great support that consists of consideration shown to people in need by each employee.

Donations

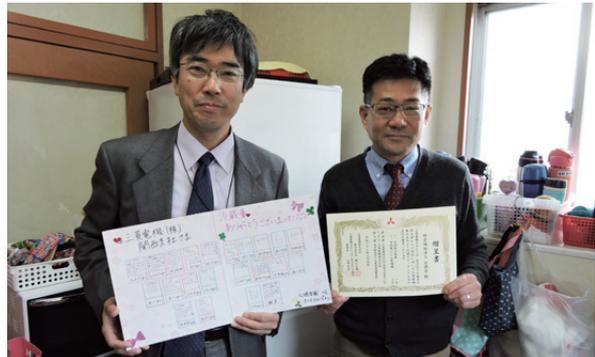
Each Mitsubishi Electric business site makes inventive efforts to facilitate donation by its employees, carrying out fund-raising activities suitable to the site. Some examples of these activities include charity bazaars, charity auctions, and donations through vending machines.

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 —Activities prompted by our employees—



A presentation ceremony held in April 2016
In response to requests from our employees, we are making ongoing efforts to support children affected by the earthquake. As of March 31, 2016, we have donated a sum of 118.5 million yen since the program began in FY2012.

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.



Creating a pedestrian walkway on a slope



Eelgrass restoration activities



Furusato Forest Supporters of the Kanetsukidosan Furusato Forest



Restoring the natural woodlands of Mt. Fuji



Mitsubishi Electric Outdoor Classroom

Science and Technology

• Science lessons and workshops

As befitting an electronics manufacturer, Mitsubishi Electric contributes to fostering an inquiring mind and a desire for learning among young people who will take on the challenge of supporting the new technologies of tomorrow. In 2010, science workshops were launched to teach children about the "key technologies" behind and unique mechanisms of Mitsubishi Electric products. The workshops are implemented on the initiative of Mitsubishi Electric employees, who act as teachers in communicating how fun science can be, and allow children to learn in an enjoyable manner by participating in experiments and quizzes.



Making a light kaleidoscope



Viewing a light spectrum using a DVD spectrograph



Magnet experiment for learning about the basics of electronic power steering

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 clinic

American football

The company's American football players put their physical strength to use as volunteers to help restore areas affected by the Great East Japan Earthquake. Cheerleaders also put on performances and play a part in putting smiles on the faces of local residents.



Supporting agriculture in Minamisanriku Town

Philanthropic Activities

Tennis

Professional players and employees who belong to our tennis team sponsor tennis workshops throughout Japan. Filled with a variety of fun events, including a chance to receive serves from a professional player, the workshops are highly enjoyed by all participants.



Event involving blind tennis players

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 clinic

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

—Overview—

Established in 1991, the Mitsubishi Electric America Foundation works to empower youth with disabilities to lead productive lives. The foundation is closely linked to our business sites in the United States and actively carries out initiatives together with employee volunteers. The foundation has won several awards for its achievements, including the Helen Keller Achievement Award from the American Foundation for the Blind.

—Providing Grants—

The foundation helps to fund innovative projects across the United States that seek to enhance the leadership and employment skills of young people with disabilities so that they can participate more actively in society.

Congressional Internship Program

We have supported the Congressional Internship Program run by the American Association of People with Disabilities since 2002. Every year this program dispatches students with disabilities to serve as congressional interns, where they gain practical employment experience while working on policy-related matters. This program is also beneficial from the standpoint of raising awareness among the public about the fact that people with disabilities can work and contribute to society as long as they are given an opportunity.



Fiscal 2008
A former intern from the internship program

—Working with employees of our business sites in the United States—

Under the spirit of Changes for the Better, the Foundation plans various events together with employee volunteers from Mitsubishi Electric subsidiaries in the United States.



Hosting students with disabilities for gaining occupational experience

● Mitsubishi Electric Thai Foundation

—Overview—

Established in 1991, Mitsubishi Electric Thai Foundation carries out activities in the fields of social welfare and science and technology promotion. It provides scholarships to university students, operates a school lunch assistance program for elementary schools and several volunteer activities.

—Introduction—

Scholarship program

The foundation began its scholarship program in 1993 and today it provides scholarship funding to students attending four engineering universities. Recipients are students who excel in academics but are not able to receive sufficient financial resources from their family to devote themselves to their studies. The scholarship is helping to nurture young engineers who will eventually develop science and technology in Thailand.



Scholarship presentation ceremony

Philanthropic Activities

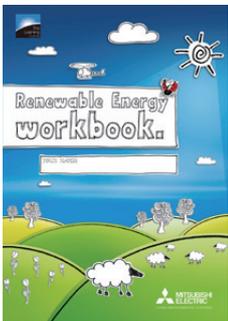
• School Lunch Assistance Program

Since 1999, the foundation has provided annual donations to 30 elementary schools recommended by the Ministry of Education of Thailand. These donations allow elementary schools to purchase vegetable seeds, seedlings, and fertilizer for the children to grow vegetables and raise livestock. The produce is then used to make school lunches for the children. Children also learn about the importance and fun of growing things through their experiences.



Children enjoying the harvest

Overseas Activities



Educational program on renewable energy (UK)



Support for the Special Olympics (Italy, Germany)



Sponsorship of Paly Music Festival (Spain)



Afforestation activities in Shanghai (China)



Educational support for underprivileged children (Colombia)



Joint afforestation activities involving three local sites (Indonesia)

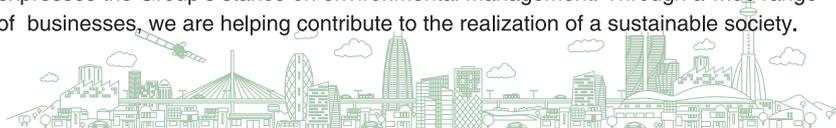
MITSUBISHI ELECTRIC CORPORATION

<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.



Please address inquiries for further information to:
Mitsubishi Electric Corporation, CSR Secretariat
Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan
Phone: 81-3-3218-2075