

CHRO Message

Growing together with our people and building a brighter future with the power of human capital



Executive Officer,
CHRO, In charge of Public Relations

Yasunari Abe

CHRO : Chief Human Resource Officer

Our approach to human capital

In the Mitsubishi Electric Group Medium-term Management Plan for fiscal 2026, the Mitsubishi Electric Group states it will contribute to realizing a vibrant and sustainable society, including response to decarbonization, by increasing the provision of integrated solutions through the strengthening of the business management foundation, promoting digital transformation, and other activities. People are the driving force behind this sustainable growth, and we will continue to promote "human capital management," which views "people as the capital that creates future value." To regain the trust of society and to develop as a "Circular Digital Engineering Company" amid increasingly intense global competition, the Mitsubishi Electric Group will implement all kinds of reforms by mobilizing all of our human capital, i.e., our diverse and versatile "individual" powers.

■ HR Department Mission / Ideal "Human Capital," "Organization," and "Climate"
Ideal "Human Capital," "Organization," and "Climate"

HR Department Mission:

Growing together with our people and building a brighter future with the power of human capital

Human capital

Think independently, act proactively, and continuously take on challenges

Organization

Identify the needs of society and our customers, and work collaboratively to create new value

Climate

Respect diversity to enhance individual engagement and promote a sense of unity and collaboration with our organization

Maximizing the value of human capital: The process of creating value

Through our human capital strategy aligning with corporate strategy, we maximize the value of our human capital, and transform into a Circular Digital-Engineering company to contribute to the realization of a vibrant and sustainable society. We will strategically invest in human capital (people) to achieve this.

Investment in human capital (people)

Inputs

Secure diverse and versatile human capital

Develop the human capital required for corporate strategies (Realization of talent portfolio)

Competitive human capital

- Human capital development
- Revamp the salary and compensation system
- Offering growth opportunities
- Improvement of the working environment, etc.

Collaboration with HR-related measures

Promoting HR-related measures

Implementation of measures

Human Capital Strategies (Including organizational culture reform)

Outputs

- Transforming corporate culture and mindset
- Strengthening a diverse and versatile human capital base
- Transforming talent management for global co-creation and business leadership
- Transforming HR departments with digital technology

Maximizing the value of human capital

Value creation

Outcomes

Transforming into a "Circular Digital-Engineering Company"



Contributing to the resolution of diverse social challenges

Human Capital Strategy

We have organized our human resources measures to realize our corporate strategies as our "human capital strategy." Through these efforts, we will especially respect each person's career ownership and value diverse and versatile human capital who can think for themselves, act on their own initiative, and constantly take on challenges. We will also utilize open talent management by developing a global human capital information platform to select and strategically develop management candidates, who will be the people to lead our business management, at an early stage.

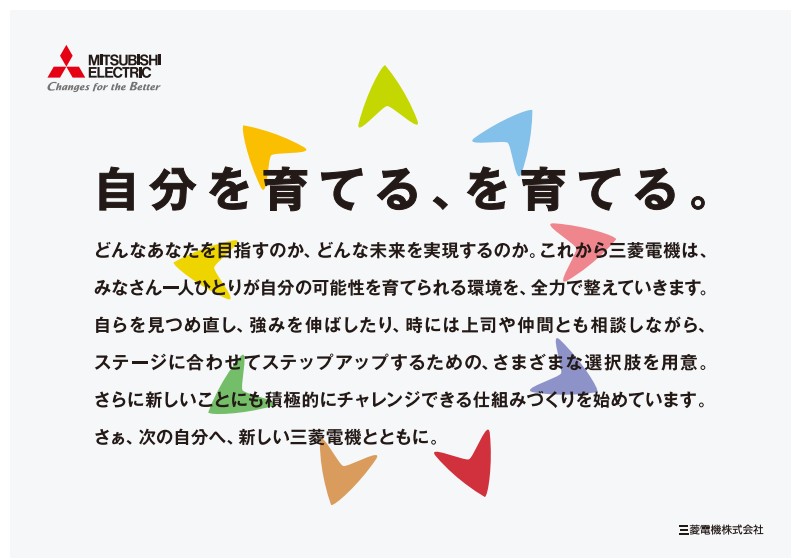
Enhancement of career ownership that respects self-initiative and challenging spirit

Autonomous career development that Mitsubishi Electric aims for

We have established our internal career development concept of becoming a group in which diverse and versatile human capital can fully develop their careers, and to clarify the company policy of enhancing each employee's career ownership.

This concept embodies a message that encourages each and every employee to take ownership of their own career and to act proactively, as well as the company's management's stance of aiding and supporting its employees' careers. Through these initiatives, we will grow together with our people and explore the future.

■ Concept message of career development (in Japanese text)



自分を育てる、を育てる。

どんなあなたを目指すのか、どんな未来を実現するのか。これから三菱電機は、みなさん一人ひとりが自分の可能性を育てられる環境を、全力で整えていきます。自らを見つめ直し、強みを伸ばしたり、時には上司や仲間とも相談しながら、ステージに合わせてステップアップするための、さまざまな選択肢を用意。さらに新しいことにも積極的にチャレンジできる仕組みづくりを始めています。さあ、次の自分へ、新しい三菱電機とともに。

三菱電機株式会社

Measures to increase mobility of human capital such as in-house job offering/ application systems

Currently, Mitsubishi Electric operates two systems that form a complementary framework that supports employees' career plans; "Job-Net (internal recruitment)" and "Career Challenge (internal job hunting)". The results of an engagement survey showed that many employees are dissatisfied about being unable to realize their career plans at Mitsubishi Electric, so we are enhancing measures that focus on them realizing their career plans that they would be unable to achieve through normal human resource assignments.

■ FY2023 (results)

Internal recruitment system	Success ratio*: approximately 17%
Internal job-hunting system	Success ratio*: approximately 24%

*Success ratio: The number of jobs attained divided by the number of recruitment posts or the number of entries

Diversification of senior management and early appointment

Promoting the D&I of management through succession management

We will select and develop diverse management candidates across the Group and worldwide. In particular, we will apply the current "program to promote appointments of women in management" and succession management based on global job-grading to enhance appointments of women and international staff as management candidates.




■ Target for D&I of senior management

Ratio of female/non-Japanese in senior management	Results as of FY2023 end 3%
	Target for FY2031 (non-consolidated) 30%

*Senior management: Executive Officers and Directors

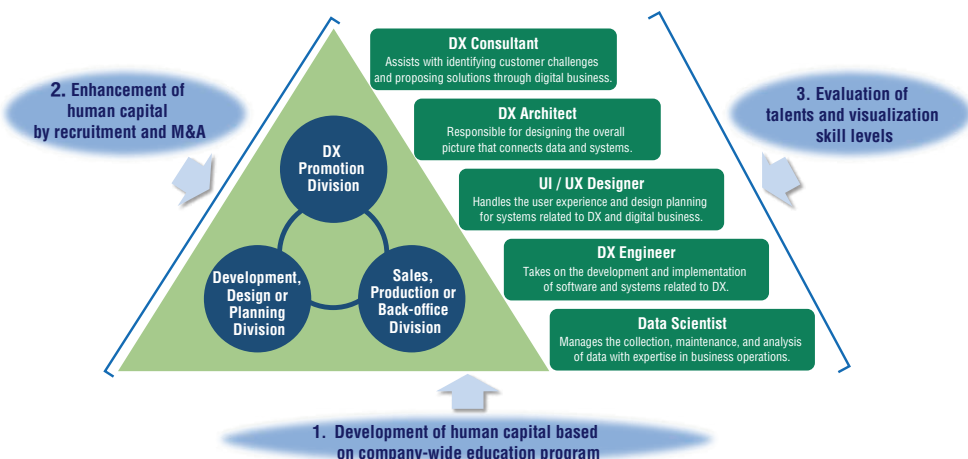
Appointing people to managerial positions early, using the management candidate development system

We will intentionally develop competitive business leaders (executors) to lead the Group's management. Candidates will be selected, developed and assessed openly with a Group-wide perspective without being confined to the divisional and business group frameworks, making sure to rotate the cycle of selection, development, assessment, and nomination.

Key Perspectives of the Management Candidate Development System		
Perspective on Selection	Perspective on Development	Perspective on Evaluation
		
<ul style="list-style-type: none"> Candidate information is openly and widely shared to ensure an open selection process Operate selection processes that include candidates from both domestic and international affiliated companies, etc. 	<ul style="list-style-type: none"> Systematic implementation of assignment and training programs focused on management candidate development, etc. 	<ul style="list-style-type: none"> Systematic Implementation of internal and external training programs that include assessment process, and accumulate objective evaluations and monitoring results, etc.

Securing diverse and versatile human capital

In our pursuit to become a Circular Digital-Engineering company, we will focus on strengthening our diverse and versatile human capital involved in DX (Digital Transformation). Specifically, we will: 1. Promote "development" based on company-wide education program, 2. Embrace "recruitment" including measures such as M&A, and 3. Implement "evaluation" by visualizing skill levels, among other measures. All of these efforts will bolster the Mitsubishi Electric Group's DX strategies.



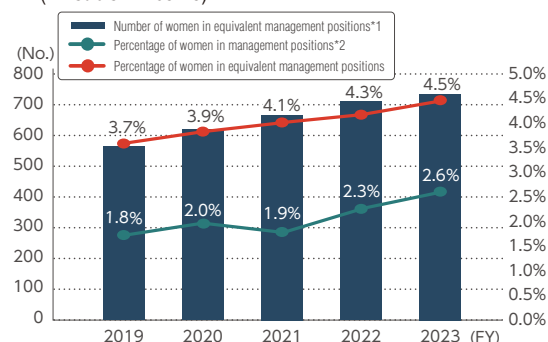
Developing a culture in which all employees are proud and motivated to work for the company

Women's participation

Mitsubishi Electric has been systematically providing young employees with work experience and training opportunities to develop them, and we have established measures such as proactively releasing news about various systems being offered to employees who have to take care of family matters. For young women employees, we organize a "career forum for young women employees" to help them become aware of how to develop a positive career vision with work-life integration in mind and provide the "Superiors and team members: A handbook to support employees in childcare" to help employees taking childcare leave to return to work smoothly and exercise their talents to the full while still providing childcare. We have also organized rules for such employees and their managers to meet regularly before and after returning to work, and with such measures we have put in place an environment to support women's career development. In fiscal 2023, we introduced a new training system to be attended by employees returning to work after childcare and their managers as pairs.

(Male employees returning from childcare leave also eligible)

Trend in the number of woman managers or equivalent (Mitsubishi Electric)



*1 Women in equivalent management positions: Those whose duties and responsibilities are equivalent to those of a section manager.

*2 Percentage of women in management positions: Ratio of women in management positions to all management positions.

*As of March 15 of each fiscal year



Acquisition of Eruboshi

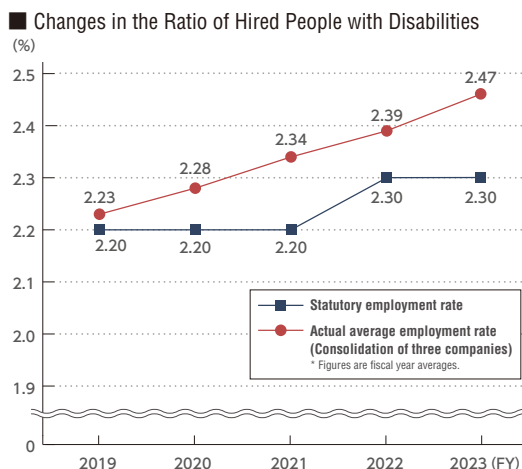
Mitsubishi Electric has received Eruboshi (Grade 2) from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.

Employment of people with disabilities

The Mitsubishi Electric Group has been actively employing people with disabilities in various companies from the perspectives of sustainability and diversity promotion. We promote barrier-free initiatives to create comfortable work environments for people with disabilities. In October 2014, Mitsubishi Electric established Melco Tender Mates Corporation, a special subsidiary* that specializes in businesses mainly suited to people with intellectual disabilities. As of

*Special subsidiary: A company that meets certain requirements under Act to Facilitate the Employment of Persons with Disabilities (Employment Promotion Act for Persons with Disabilities), and is deemed to be one business establishment (employed by the parent company) of the parent company (Mitsubishi Electric Corporation) after receiving permission from the Minister of Health, Labor and Welfare, and also is included in the parent company's employment rate for persons with disabilities as an exception.

March 15, 2023, people with disabilities comprised 2.48% of the total workforce at Mitsubishi Electric and its special subsidiaries combined. The company name of Melco Tender Mates Corporation expresses the principle that employees with or without disabilities are equal partners in the workplace and peers who mutually care for each other. The company mainly engages in the cleaning service, cafe, business card, food service, and health promotion (massage) businesses, and employs 122 people with disabilities as of March 15, 2023. The company plans to gradually expand its operations and further promote the employment of people with disabilities by opening a cookie factory in fiscal 2018, the Nagoya Works in fiscal 2021, the Himeji Works in fiscal 2023, and the Itami Works in fiscal 2024.



LGBTQ

Mitsubishi Electric respects diversity and promotes initiatives that deepens the understanding of sexual diversity (LGBTQ), with the aim of realizing a workplace environment in which all individuals can fully utilize their own abilities and work actively. Since 2021, we have designated June as the Mitsubishi Electric Pride Month and have been conducting initiatives to promote the understanding of sexual diversity (seminars for the management

work with Pride



and human resources divisions to understand LGBTQ issues and e-learning for employees) as well as releasing the President's message. We have established an external consultation contact point for use not only by LGBTQ employees but also by their superiors and colleagues in the workplace. In "Mitsubishi Electric Ally Community*", we invite external lecturers, teach the meaning of the ally activities, and deepen understanding by exchanging views.

In March 2022, we reviewed the Work Regulations to recognize same-sex marriage partners as spouses and to apply the same systems to those couples as those that are applied to legally married people.

*An internal community for anyone wanting to understand and support LGBTQ people.

Individual Fulfillment: Organizational Culture Reform

The Mitsubishi Electric Group takes the multiple work-related issues that it experienced until fiscal 2020 within the Group seriously, and has been working on the Mitsubishi Electric Workplace Reform Program that aims at creating a workplace where employees can openly communicate with one another, thorough and appropriate care of employees with mental health issues, and other goals. Regarding this program, we completed the application of short-term priority measures in fiscal 2022 and implemented long-term measures focusing on "improvement of work engagement," "active communication," and "fostering of organizational culture and mindset" in fiscal 2023. Going forward, we will integrate these efforts with "organizational culture reform," which is one of the three reforms, and we will more vigorously pursue their implementation. To create a workplace environment where employees can thrive and engage more easily, Mitsubishi Electric has set key performance indicators (KPIs) related to a "rewarding work" and "work life balance." We will regularly monitor these indicators, thereby continuing to work to further improve and entrench our organizational culture and workplace environment.

Robust Policies

Measures to reform the negative corporate culture

- Promote positive, interactive communication as part of our culture
- Prioritize productivity by eliminating unproductive work
- Trust each other and share information transparently

Measures to create an even better tomorrow

- Facilitate self-initiative among individuals and units through clarification and delegation
- Collaborate across divisions to maximize Group strength
- Increase opportunities to learn from each other and grow spontaneously

Implement the policies and related measures

- Team members and Executive Officers will hold briefings at nationwide business sites and conduct direct dialogues with employees to deepen their understanding.
- Establish specialized organizations for reform in each business group to strengthen the structure for promotion and execution of the initiatives
- In FY2023, the focus will be communication transformation (Measures such as addressing everyone by the neutral honorific "san")

Changes for the Better start with ME

"Employees feel that they can consult with their superiors," "failures are tolerated," and "problems are solved together"

Changes in effort evaluation indicators

KPI	Result for FY2021	Result for 1H FY2022	Result for 2H FY2022	Result for 1H FY2023	Result for 2H FY2023	FY2026 Goal
Employee Engagement Score (percentage of employees who are proud and motivated to work for the Company) *	63%	61%	54%	54%	54%	70% or higher
Percentage of employees who responded that they had a good work-life balance	66%	66%	65%	65%	66%	70% or higher

* Average percentage of positive responses to the five questions in the annual employee attitude survey: "Pride in working for the Company," "Willingness to contribute," "Desire to change jobs," "Encouraging others to join the Company," and "Sense of achievement through work"