

***Changes for the Better***



## Social Responsibility



### ▶ To Customers



An introduction to our responsibility and conduct toward customers, measures that ensure consistent quality and effective handling of major product-related issues.

▶ More

### ▶ To Business Partners



Cooperating with suppliers to ensure product safety and improve service quality.

▶ More

### ▶ To Shareholders & Investors



Mitsubishi Electric's balanced corporate management initiative helps improve financial performance through a commitment to increase corporate value.

▶ More

### ▶ To Employees



Ensuring a diverse workforce, a fulfilling workplace, and occupational health and safety.

▶ More

### ▶ As a Corporate Citizen



Contributing to the development of the community through active participation in volunteer activities and local events.

▶ More

### ▶ Communicating with Society



Communicating with the public through a variety of channels.

▶ More

## Social Responsibility

### To Customers



#### ▶ Ensuring Consistent Quality

The spirit of contributing to society through consistent quality is ensured through the Four Basic Quality Assurance Principles.

▶ More

#### ▶ Providing Easy-to-Use Products

Through universal design, we will manufacture easy-to-use and practical products.

▶ More

#### ▶ Increasing Customer Satisfaction

Learning from surveys to customers who have purchased our products, we enhance customer satisfaction measures as well as after-purchase support and information services.

▶ More

#### ▶ Responding to Product-Related Issues

When major issues occur, we employ a system for quickly and accurately considering and deciding on steps and measures to take.

▶ More

**To Customers**

**Ensuring Consistent Quality**

**Quality Management Principles and System**

The Mitsubishi Electric Group made "Service through Quality" its corporate motto in 1952. This spirit has been faithfully passed on and is reflected today in our four basic quality assurance principles.

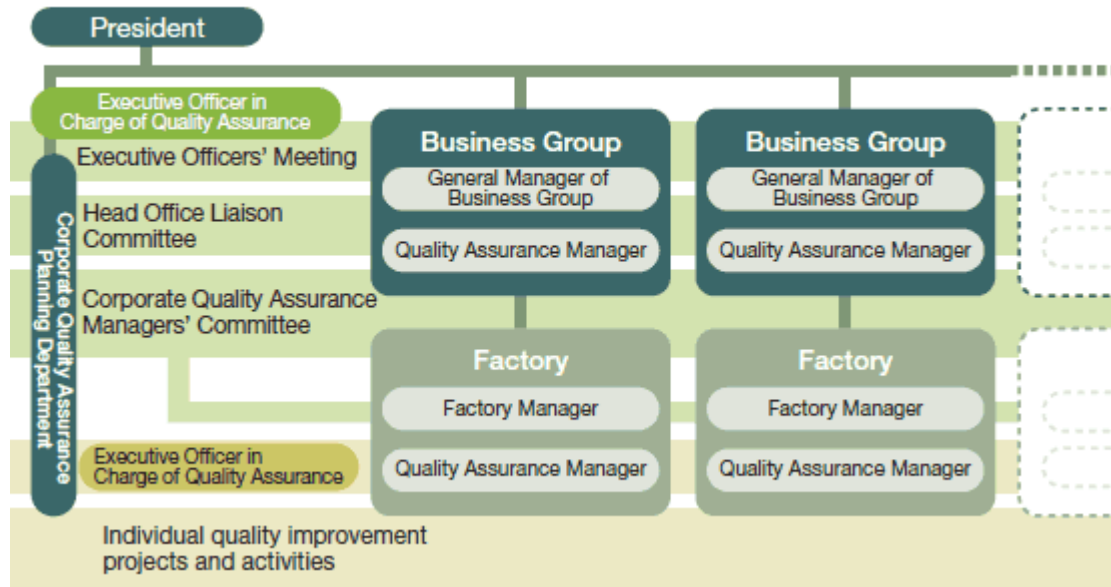
Based upon these principles, we have established a system for quality assurance and improvement activities throughout the entire Group and formulated quality assurance guidelines. We comply with quality assurance legislation and standards and are working to further develop quality improvement activities.

Worldwide manufacturing bases take responsibility for the quality assurance of each product and are implementing concrete improvement measures.

**Four Basic Quality Assurance Principles**

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

**Promotion of Quality Assurance and Improvement Activities**



## Quality Improvement Activities

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The Mitsubishi Electric Group incorporates Quality considerations into products from the design and development stage, promotes activities to improve quality in all processes, from design and development to manufacturing, shipping and beyond, 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 defects, as well as examples of improvements that have been made. The system 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 developed an e-learning tool called "Learning from Problems" and utilize it for educational purposes.

At the manufacturing stage, we work to make quality readily apparent to help prevent problems before they occur and promptly respond to them when they do. Problems are fed back to development and design divisions, where efforts are then made to further improve quality.

## Ensuring Product Safety

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Based on the corporate statement and the seven guiding principles, Mitsubishi Electric promotes initiatives to ensure product safety under the following principles:

### Product Safety-Related Principles

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

## To Customers

### Providing Easy-to-Use Products

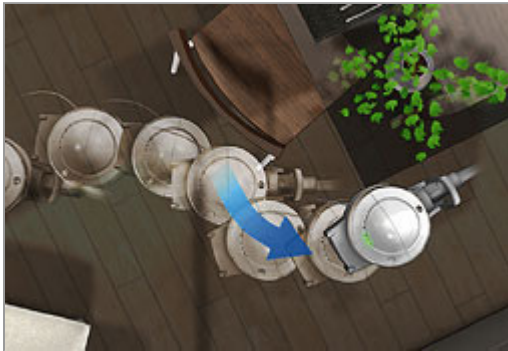
#### Universal Design that Provides Ease of Use

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Universal design refers to designing products so that they can be used by as many people as possible. Mitsubishi Electric works to make products that are truly easy to use and easy to live with, by assessing products in terms of whether they facilitate worry-free living, are simple and easy to understand, use displays and expressions that are easy to identify, and incorporate ergonomic considerations.

In fiscal 2007, 12 products earned the universal design accreditation. They included a vacuum cleaner that can spin with five wheels so that there is less effort required to manipulate it, as well as a refrigerator/freezer with more available storage space in the fridge owing to vertically adjustable shelves.

We will consistently work on developing and improving universal design not only for the way products are used, but also for easier installation and maintenance.



**Center-Circle Cleaner "LAQURLI"**

With five wheels, not only is it a vacuum cleaner that enables smooth locomotion up and down, right and left or diagonally, but is also easy to switch direction in a 360-degree radius.



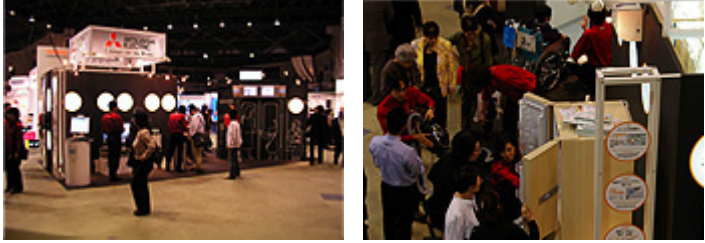
**Refrigerator/freezer "Ku-kan Jouzu Ugokundana"**

The height of shelves can be adjusted with food on them and even with one hand so that the storage space is optimized according to the user's liking.

► [For more information about Mitsubishi Electric's universal design activities, click here.](#)

**Topics**

We participated in the "2nd International Convention of Universal Design 2006 in Kyoto". We reported and attained understanding of our measures to many people in Japan and overseas.



**Enhancement of the Proprietary System for Universal Design Evaluation**

UD-Checker is a tool that can be used by both designers and developers to check for universal design qualities. Target levels can be set for each development model, and the relative achievement of universal design can be quantitatively displayed using four evaluation metrics. This makes it easier to identify key development issues and develop specific designs, which in turn helps the efficiency of product development.

In fiscal 2007, we made a database of the evaluation results and enhanced the function of tools. This makes it easier to compare data between past and present, as well as analyze for improvements. In addition, we have improved the accuracy of the evaluation by making diversified classifications based on types of people.



UD-Checker Screen

### **Making User Manuals Easy to Understand**

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The Mitsubishi Electric Group promotes measures to create user manuals that are easy to read and understand, enabling customers to use products safely and comfortably. Our guidebook for producing user manuals forms the basis of these measures, which is distributed to our domestic subsidiaries responsible for home appliances. In July 2006, the standard for indicating the Green-mark was added to the guidebook.

#### **Example of Improvement of User Manuals in 2006: Oven range (combination microwave and conventional oven)**

To use the product safely, improvement was made so that instructions for using and cleaning can be read at-a-glance. To increase the likelihood that the information is digested, it is included not only inside the manual, but on the back cover, as well.



## To Customers

### Increasing Customer Satisfaction

#### Becoming Number One in Customer Satisfaction

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A precondition for providing the kind of value that will excite customers is to continuously determine their current level of satisfaction. For this reason, each of our manufacturing plants administers questionnaires for people purchasing its flagship products and conducts surveys using product testers. We also see how the Mitsubishi Electric Group's sales and services are evaluated through sales outlet satisfaction surveys on sales policies of manufacturers and its sales subsidiaries, as well as customer satisfaction surveys on manufacturer support at large home appliance retailers. In the latter survey of fiscal 2007 (in Japan), we were ranked second overall\*1 and first in the air conditioner category for the fifth consecutive year\*2. These results will be communicated throughout the Group and incorporated back into sales and development strategies.

A new consumer satisfaction survey manual was completed in April 2006, related to three aspects: products, sales and service. The new manual integrated the booklets "Consumer Satisfaction" and "How to Execute and Analyze Surveys," to create a practice-oriented document.

From this year, we will work to further improve our overall customer satisfaction ratings by defining the Customer Satisfaction Index (CSI) in each area -- product, sales and service.

\*1 From the results of a 2006 customer satisfaction survey of consumer electronics retailers regarding manufacturer services, administered by RIC Co., Ltd.

\*2 From a survey of manufacturer services related to air conditioner repair in the busy summer period, administered by RIC Co., Ltd.

### Enforcing After-Purchase Support

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The Living Environment & Digital Media Equipment Group, which handles home appliance products, has established the Customer Response Center and the Service Center for individual consumers to respond to questions about how to use our products and requests for product repairs. Inquiries that come in via our website are routed to the responsible division and processed quickly. In fiscal 2007 we changed the inquiry system so that each of our manufacturing works respond directly to the customer's inquiries in order to facilitate faster, more accurate response.

In addition, the Technical Support Center takes questions 365 days a year from our retailers.

Due to expanding product features, inquiries taken by these help desks are increasing every year. At our centers where we take questions by phone in particular, we are working to add staff members and conduct education and training in order to improve the response rate and overall level of customer satisfaction.

Questions asked at these centers are stored on our servers and fed back to the quality assurance divisions at each of our manufacturing works.

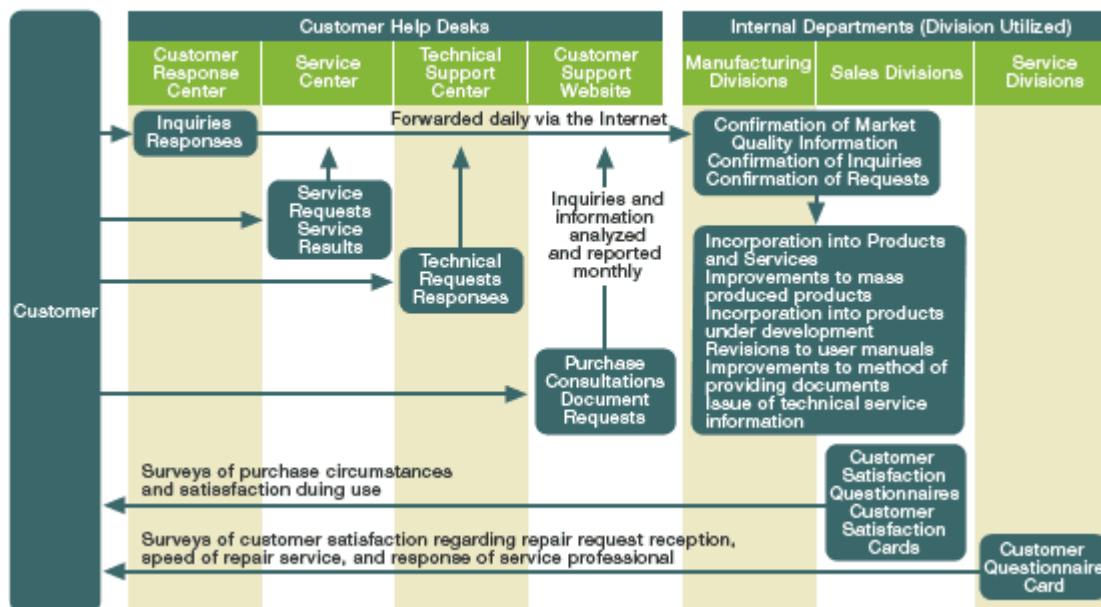
### Enhancing Information Delivery

In addition to product-related help and repair, we also provide a wide range of information, to individual customers and sales outlets, including helpful lifestyle-related information and information on how to use products safely.

For individual customers, for example, our website includes an informative site for homemakers called "Shufure." The site provides information on interesting products and reports from new product testers to some 180,000 registered members (as of March 2007), and has been quite well received. In addition, we provide lifestyle-related product information and a variety of services to around 140,000 registered participants (as of March 2007) in our product registration service\*, which is available to purchasers of Mitsubishi Electric products. Also on our website we provide product-related information including technical and assembly manuals for sales outlets.

In addition, to ensure the safety of installation work and product usage, we issue guidelines for the creation of user as well as installation manuals. These are distributed and thoroughly applied to the company as well as subsidiaries in Japan that handle home appliances.

### Incorporating Customer Opinions into Products and Services



## To Customers

### Responding to Product-Related Issues

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

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

## Social Responsibility

### To Business Partners



## Corporate Social Responsibility through Supply Chain

### Our Purchasing Philosophy

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Mitsubishi Electric purchases a wide variety of materials and components from both overseas and domestic 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 manufacturers from all over the world, regardless of size, to contact us about submitting a quotation. The decision to embark on a new business relationship is made after careful consideration of three major factors: product price, product quality and delivery performance. To ensure continued high quality and efficiency, we periodically review our relationships with our partners.

#### 2) Mutual prosperity

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

#### 3) Ecological Soundness

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

## Building a Good Relationship with Suppliers

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Based on our supplier selection standards, the Mitsubishi Electric Group regularly evaluates its suppliers in terms of quality, price, delivery, customer service, environmental issues and other attributes. In 2003 we added correspondence to our levels of compliance to the law as one of the standards.

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

A "key supplier" is defined as a supplier that provides key parts related to product performance or that has high-level technology or other critical attributes. Our partnerships with these suppliers are more involved than with regular suppliers, as they engage in joint development of parts and materials, adopt cutting-edge products, and promote value analysis\*. We also work with key suppliers to develop activities aimed at the joint creation of costs.

Implementing value analysis in particular not only carries with it the benefit of helping lower our costs, it also helps increase the sales of suppliers and boost their technological proficiencies. Joint creation activities are indispensable to developing win-win relationships. In fiscal 2007 we cut costs 20% through measures promoted alongside key suppliers including reduction of size and weight of materials, improvement of costs arising from quality management measures and others.

As in Japan, the Mitsubishi Electric Group will enhance purchasing relations in China and Asia by supporting overseas suppliers' cost reduction, level of stability and other factors.

\* Value analysis is a method for minimizing the costs required to obtain the essential functions of products and parts.

## Building a Good Relationship with Sales Outlets

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To build a win-win relationship with the regional retail sales outlets that sell Mitsubishi Electric products, we work with Group sales companies to support the business operations of the retail outlets. Besides organizing presentation meetings for introducing new products, we regularly offer sales skill-improvement workshops, conducted by Request System Corp.



Sales skill-improvement workshop

In fiscal 2007 we enacted the sales support system for sales outlets in the expanding market of all-electric-powered homes. Mitsubishi Electric Living Environment Systems Corp. has made an "e-home overall coordinator system," which is a company qualification system for sales and marketing in retail sales outlets, thus educating salespeople with sales skills and engineering knowledge in order to make overall suggestions including products for all-electric-powered homes. For sales outlets, we opened a business-support website for all-electric-powered Homes in fiscal 2007. With essential software such as utility cost simulation and full cost estimation features, this website is useful in the sales of products for all-electric-powered homes.

## Ensuring Product Quality and Safety

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

Corresponding to each customer request, we have applied optimum quality standards geared to each product. When purchasing materials and components, we ask our suppliers to achieve the required levels of quality. Product quality and safety are ensured through cooperation with our suppliers. For example, the engineering and purchasing departments collaborate to check and improve the quality of supplied products.



## Increasing Shareholder Value

### Promoting "Balanced Corporate Management" and Increasing Corporate Value

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Through promoting balanced corporate management that gives consideration to the three perspectives of growth, profitability and efficiency, and soundness, the Mitsubishi Electric Group is working to establish a robust managerial basis, achieve sustainable growth, and further improve its financial performance out of a commitment to increase its corporate value.

### Promoting Proactive Investor Relations

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

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

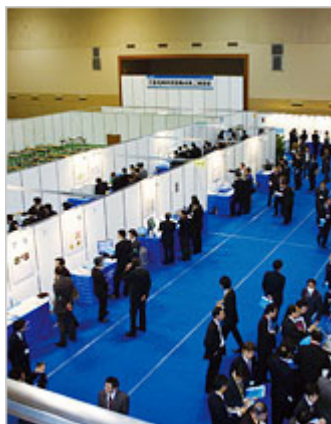
We have also enhanced various tools for investor relations and in fiscal 2007 were a recipient of the "Outstanding Performance Award 2007 of Internet Investor Relations in 2006," issued by the Daiwa Investor Relations Co, Ltd.

► [For further information, please access our Investor Relations website.](#)





Presentations on corporate strategy



Briefings on R&D achievements



## Social Responsibility

### To Employees



#### ▶ Workforce Diversity and Equal Opportunity

As a global corporation, Mitsubishi Electric seeks to hire a diverse workforce with respect for human rights in mind and without regard for gender, age, nationality or race.

▶ More

#### ▶ Creating a Fulfilling Workplace

Mitsubishi Electric aims to develop a corporate culture in which employees recognize organizational targets as well as their own roles, work to increase their own value, and take on the responsibilities associated with challenging goals.

▶ More

#### ▶ Maintaining a Favorable Working Environment

Mitsubishi Electric endeavors to develop workplace conditions that allow employees to both excel in their careers and meet the duties of raising families.

▶ More

#### ▶ Respecting Human Rights

The Mitsubishi Electric Group understands that its business operations are interrelated with a wide range of peoples and societies throughout the world, and implements and enforces a code of conduct that fosters respect for human rights.

▶ More

#### ▶ Supporting Career Development

Mitsubishi Electric provides a human resources development system that supports the careers of employees, a self-development support program and transfer opportunities for willing employees.

▶ More

#### ▶ Ensuring Occupational Safety & Health

Mitsubishi Electric promotes the management of occupational health and safety, measures to prevent lifestyle-related diseases, the support of mental health care and initiatives to achieve and maintain workplace environment standards.

▶ More

## To Employees

### Workforce Diversity and Equal Opportunity

#### Basic Employment Policy

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Hiring a diverse array of people with respect for human rights and without regard for gender, age, nationality or race is essential to the ongoing business development of a multinational corporation.

Based on this thinking, Mitsubishi Electric not only complies with the Labor Standards Law and the Equal Employment Opportunity Law, it provides equal treatment to all employees regardless of nationality, creed or social status, uses the same pay scale for men and women, and determines working conditions with equal standing given to employers and workers. These employment policies also apply to Group companies.

#### Aggressive Hiring and Transmission of Technology, Knowledge and Know-how

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To address the mass retirement problem of baby boomers, we are aggressively hiring both recent graduates and mid-career professionals, increasing every year from 890 new employees in fiscal 2007, 1,160 in fiscal 2008 and 1,370 (planned) in fiscal 2009.

In order to pass on the skills possessed by highly experienced employees to younger technicians at production sites accompanying the company's generational shift, we have developed a training program that allows the skills of accomplished employees to be acquired in one-on-one settings. To increase skills of employees, we have made a website on the company intranet that lets younger technicians pose questions to accomplished employees.

#### Topics

##### **Educational Organization for Part-time Employees at the Fukuyama Works**

In April 2006, the Fukuyama Works created a "Job-Partner's School" (J-PAS), an educational organization for part-time employees.

In order to improve safety and quality, it is important to learn the proper way to complete assigned tasks. In addition, we have developed a manual that enables sophisticated skills to be viewed in video form over the company intranet.



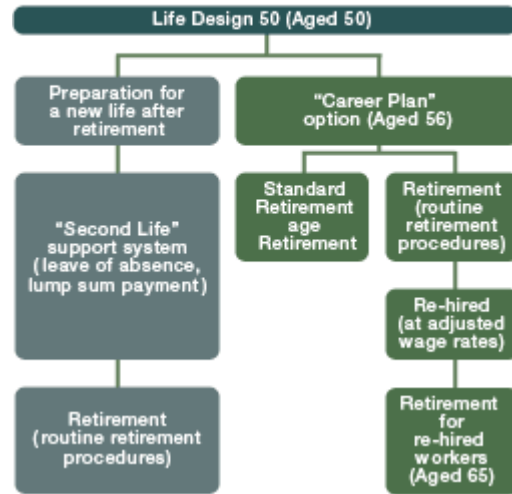
**To Provide Diverse Employment Formats for Older Employees**

Mitsubishi Electric instituted a multi-track personnel system in fiscal 2002, which makes diverse employment formats possible by allowing employees aged 50 and over to choose from among a variety of options. The options include financial assistance for an employee's "second life" following retirement, a "second life" support program that provides two years of paid vacation, and extending employment up to the age of 65 through a re-employment program.

We also offer an annual "lifestyle design" training session at each of our business sites to employees turning 50 and their spouses. The sessions encourage employees to take an interest in planning the rest of their lives and designing a rewarding lifestyle by providing information on pensions and retirement benefits, social insurance, taxes, hobbies, health and other topics, and facilitating group discussions. In fiscal 2007 over 600 employees participated in the session.

**Multi-Track Personnel System from the Core Career Track (for unionized workers)**

Employees in their fifties can choose one from various types of work style.



### Creating Barrier-Free Workplaces and Employing People with Disabilities

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

Continuing the achievements of the previous fiscal year, we employed people with disabilities at a ratio of 2.01% in fiscal 2007, which substantially exceeded the legally required ratio of 1.8%. Mitsubishi Electric received the "Good Business Site for Employment of People of Disabilities Award of Fiscal 2007" from the Health Minister of Japan.



Barrier-free elevator (Head office building in Tokyo, Japan)



To Employees

**Creating a Fulfilling Workplace**

**Compensation System Based on Individual Job Descriptions and Performance**

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Mitsubishi Electric revised its compensation system in March 2004 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 the new compensation system, performance is emphasized more than it was in the past, with appropriate compensation given to employees who contribute substantially to management and participate actively in it, and bonuses awarded for outstanding service. In order to increase understanding of employees about the operation of the new system, we fully disclose its evaluation methods and standards, conduct surveys on the functioning of the system to gauge employee opinion on it, and otherwise work to increase understanding and acceptance by employees.

Some 80% of the employees participated in the survey conducted on the functioning of the new compensation system in fiscal 2007. The results are reflected for enhancement of its operation. We are committed to making the system function effectively by organically combining and harmonizing the three components of the system, evaluation/compensation, skills development and effective workforce utilization, in order to provide opportunities for employees to develop their own skills and advance their careers.

**Organic Combination of Components through Management Enhancements**



**Dialogue with Employees on Compensation**

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We have established consultation desks at each business site as a means of facilitating dialogue with employees on remuneration, compensation, benefits and other related issues. There is also an avenue for contacting the head office about these issues by email or phone. Personal interviews are also held every year to provide an opportunity for individual employees to discuss compensation and other issues with their immediate superiors.

## Motivating Researchers with Bonuses for Employee Inventions

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In line with provisions in the Patent Law, Mitsubishi Electric has established rules for the payment of bonuses for employee inventions. In return for transferring patent rights on an invention developed by an employee in the course of his duties, we pay filing and registration compensation to the employee when the patent is filed for and registered, and if the invention is utilized in a company product or licensed to another company, we pay utilization compensation to the employee.

Amendments to the Japanese Patent Law in April 2005 added requirements related to formulation of these rules; namely, deliberation with employees on formulation, disclosure of the rules to employees, and listening to employee opinions on the matter. In accordance with these amendments, we revised our rules for the payment of bonuses for employee inventions in July 2005. We then held presentations on the changes at all manufacturing works and research centers, distributed CD-ROMs of the presentation to all employees who were not present, posted the presentation on the company intranet, and listened to the opinions of employees on the matter. After deliberations with the labor union, we created a final revised version of the rules that incorporated the thoughts and opinions of employees, gave presentations on this final version at all our operating sites and gained the consent of employees.

Under these revised rules for bonuses on employee inventions, we eliminated the upper limit and raised the bonus ratio for inventions licensed to other companies in order to further motivate our engineers. We also improved fairness and transparency for inventions used only in company products by disclosing the formula used to calculate bonuses for them. Moreover, we established the Invention Consultation Committee to make it possible for employees to petition the committee to review the amount of their bonus when they are not happy with it. We explained the reasons for these changes and our related policies to the departments in charge of intellectual property issues at each of our Group companies as well, and the companies have developed systems in line with Mitsubishi Electric policies.

Apart from our system of bonuses for employee inventions, we also have a program for rewarding outstanding inventions. Under this program, 30 to 40 inventions are honored each year.

**To Employees**

**Maintaining a Favorable Working Environment**

**Development and Penetration of Childcare and Family-Care Programs**

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Mitsubishi Electric is working to develop workplace conditions that allow employees to both do their jobs and raise children by enhancing childcare programs and ensuring their utilization penetrates the company. Our childcare leave program can be extended to the month of March following the child's first birthday, or until the end of September at the longest, and our program for allowing employees to work shorter days to help them raise their children can be extended up until the child finishes third grade in elementary school. Our family-care leave program allows employees to take a leave of absence of up to one year, and our program for allowing employees to work shorter days to help them take care of their family can be attained up to three years. In addition, when the employee is the spouse of an expectant mother, the spouse may take up to five days of special paid leave. There is also a program to provide the spouse with special paid leave to use in certain circumstances such as participation in a child's school event.



Next Generation Certification Seal

In accordance with the Law for Measures to Support the Development of the Next Generation, we formulated an action plan in fiscal 2006 that calls for developing a system for actively providing and disseminating programs and information related to childcare leave and returning to work following that leave. In April 2007 we were approved by the Japanese government as a corporation that supports the development of the next generation, due to achievements under government standards.

Under the second action plan starting April 2007, we began initiatives to further enhance support for the development of the next generation such as information services and self-development tools for employees both working and raising children.

These initiatives involve establishing and enhancing a website that posts related information in order to make the existence of the programs well known among employees. We will also enhance the content of discussions between employees returning from childcare leave and their superiors in order to facilitate this process. Along with enhancing our programs, we will work to foster a workplace culture in which employees can take on both childcare and their jobs, and in which women employees are able to enhance their personal lives while advancing their careers.



## To Employees

### Respecting Human Rights

#### Education and Enlightening of Human Rights

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The Mitsubishi Electric Group recognizes that its business operations are interrelated with a wide range of peoples and societies, and our code of conduct maintains respect for human rights.

Through measures such as education of our employees on human rights issues and promotion of the employment of people with disabilities, we work earnestly to foster respect for human rights while putting programs into practice. At the same time, we have a determination to apply measures appropriate to the proper handling of contemporary issues such as sexual harassment, power harassment, security of the private information of individuals, genetic therapy, and others emerging from recent changes in society as well as the advancement of technology.

## To Employees

### Supporting Career Development

#### Human Resources Development System Supports the Career of Employees

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

For new graduate employees, we conduct a company orientation as well as training sessions to elicit consciousness as a worker and educate them on basic knowledge, management principles, compliance, and other matters.

#### Self-Development Support Program

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Mitsubishi Electric instituted a self-development support program in fiscal 2005 to provide support for employees who take the initiative to develop their skills.

The program provides support in the form of money and time for participants in educational programs inside and outside the company and also pays bonuses to employees that have acquired certain external certifications. The program is intended to foster a corporate culture in which each and every employee independently and actively takes on the challenge of developing their skills to reach lofty goals as a professional.

#### Transfer Opportunities for Willing Employees

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Mitsubishi Electric instituted an intranet-based internal recruitment system in fiscal 2002 in order to optimize our human resources and provide transfer opportunities to willing employees. In fiscal 2005, we put in place a "free agent" program that publicizes the willingness of employees to be transferred.

Specifically, we launched Job-Net on our company intranet in fiscal 2002 to allow employees to consider career advancement possibilities on their own. The site posts information on recruitment and skill development training at Mitsubishi Electric and Group companies as well as companies outside the Group.

To Employees

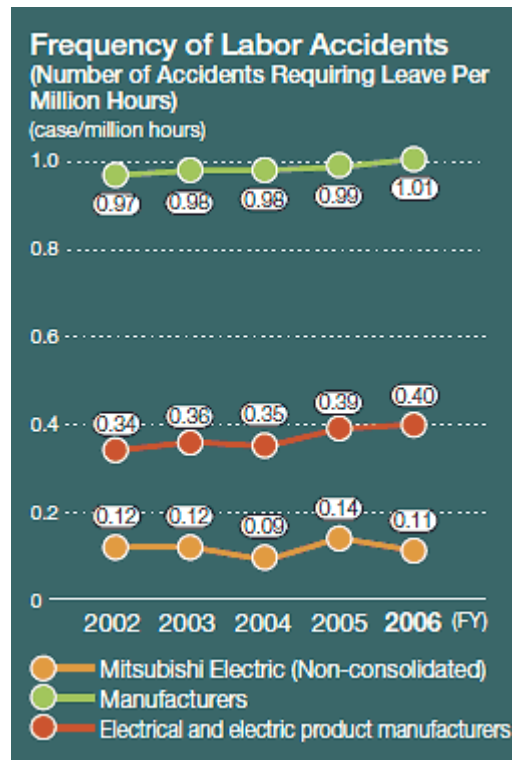
Ensuring Occupational Safety & Health

Occupational Health and Safety Management System Strives for Zero Risk

From zero accidents to zero risk -- Mitsubishi Electric is dedicated to developing a new culture of safety. Based on our proprietary system for managing occupational health and safety, we are enhancing our management system and promoting a variety of initiatives that include risk assessments.

In fiscal 2007 we promoted development of our system\*1 for managing occupational health and safety to further decrease the number of occupational accidents compared to the previous two years.

Under the revised law of occupational health and safety, we have further enhanced\*2 our structure for managing occupational health and safety. We have also worked actively in the examination of danger or harm, thorough implementation of necessary measures, enforcing management of chemical substances and other measures to create a safe work environment.



- \*1 (1) Examination of danger or harm and thus setting an occupational health and safety target from its result.
- (2) Formulating an occupational health and safety plan and implementing various measures based on the plan.
- (3) Revisions of the management system according to results of occupational health and safety inspections.

- \*2 (1) Supplementary management work for the chief manager of occupational health and safety.
- (2) Supplementary issues for the occupational health and safety committee to discuss.
- (3) Supplementation of informing the employees about the proceedings outline of the occupational health and safety committee.
- (4) Adding interviews as supplementary work for the company doctors.

## Preventing Lifestyle-related Diseases

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Since fiscal 2003 we have carried out activities under the Mitsubishi Electric Group Health Plan 21 (MHP21) for our approximately 100,000 Group employees. These activities are inspired by the slogan "Change Your Lifestyle Habits, Extend Your Healthy Years!" and involve setting company-wide improvement goals in five categories: maintaining proper body weight, creating an active lifestyle, stopping smoking, maintaining proper dental care and improving stress management skills. The degree of achievement of these goals is evaluated every three months. Individual achievements are also evaluated every three months. In addition, activities are lent vitality by yearly health surveys, campaigns throughout the year, leadership training for MHP21 promotion aimed at passing on success stories and health competitions between business divisions.

## Promoting Mental Health Care

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Mental health is a top priority for health management at Mitsubishi Electric. The head office and each of our business sites have a counseling program in place, which works to help employees with their everyday worries related to work and family and other emotional issues. Each business site also holds lectures on mental health, autogenic training (how to prevent stress from building up), and other related topics.

We began carrying out a company plan for maintaining mental health from April 2007. Based on the creation of a mental health care promotion system at each business site, the plan involves practicing of four measures: self-care, care by the production line, care by nursing staff and other staff on the business site and care using resources outside the business site. In fiscal 2008 we intend to further enhance our employee assistance programs. Enhancement measures include counseling face-to-face or by e-mail in addition to counseling over the phone, as well as revision of annual surveys to attain more detailed results on employees' stress levels. We will also carry out care initiatives with a priority on overseas workers by assigning designated counselors.

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

## Workplace Environment Standards that Exceed Legal Requirements

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We recognize that people spend a large part of their lives at their place of employment, so we make people-friendly enhancements to the workplace environment and promote the creation of pleasant spaces that give consideration to people with disabilities and older workers.

We have established our own workplace environment standards for air, lighting, noise and facilities that exceed legal requirements. We are also working to attain information on whether the standards are achieved as we seek to achieve and maintain the standards. The standards include a section on regular workplaces that is targeted at business offices and a section on special workplace environments targeted at sites that handle hazardous substances and the like.

## Social Responsibility

### As a Corporate Citizen



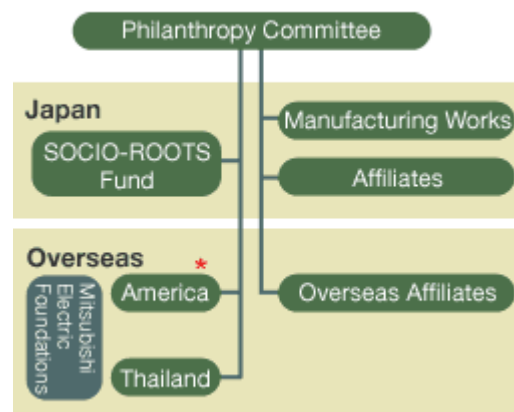
### Continuing Global Philanthropic Activities

#### Five Areas of Philanthropy

Mitsubishi Electric undertakes philanthropic activities concentrated in the five areas of social welfare, local contributions, environment preservation, advances in scientific technologies, and support of sports and culture.

For more information, click [here](#)

#### Philanthropy Promotion



\* <http://www.meaf.org/>

#### Community Activities throughout the Group

Business sites throughout the Mitsubishi Electric Group are involved in ongoing, locally rooted activities to benefit local communities, such as cleanup activities around site premises and participation in local festivals.



### SOCIO-ROOTS Fund

Established in 1992, the SOCIO-ROOTS Fund is a matching-gift program in which the Company matches any donation made by an employee, thus doubling the goodwill of the gift. The fund receives donations from over 1,000 employees every year. As of March 2007, over 1,000 donations totaling approximately ¥470 million had been made to social welfare facilities and other causes. In the fiscal year under review, Mitsubishi Electric provided relief funds, washers and driers to support victims of the earthquake on Japan's Noto Peninsula.



Mitsubishi Electric employees and the company donated a compact car to the Fukuin-ryo children's advocacy facility in Setagaya-ku, Tokyo.

### Foundations

Founded in 1991, the Mitsubishi Electric America Foundation (MEAF) serves children and youth with disabilities in the United States. In 2000 Mitsubishi Electric was recognized for its support of the internship program of the American Foundation for the Blind, becoming the first Japanese company to win the prestigious Helen Keller Achievement Award.

The Mitsubishi Electric Thai Foundation, also established in 1991, grants scholarship payments to university students and conducts school lunch support programs at elementary schools.



Since 1992 the Mitsubishi Electric Thai Foundation has provided scholarships to support engineering students facing economic hurdles at Thailand's Chulalongkorn University, Kasetsart University and Thammasat University. With the cooperation of the Thai Ministry of Education, the foundation has conducted school lunch support programs for needy elementary school students who otherwise would go without school lunches. The foundation is implementing a number of philanthropic activities.

## Social Responsibility

### Communicating with Society



#### To Collaborate and Harmonize with the Community

#### To Build Better Relationships with the Public

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In our "Corporate Ethics and Compliance Code of Conduct" document, the Mitsubishi Electric Group has identified "collaboration and harmonization with the community" as a policy. As a good citizen and good neighbor, we will contribute to the development of the community through active participation in volunteer activities and local events.

#### Examples of Communication

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Every year Mitsubishi Electric opens the BRIO gymnasium in Itami, Japan for the Tsukaguchi-honmachi Senior Citizens Meeting of Amagasaki city to use. On September 9, 2006 a meeting was held with the participation of some 350 people of 19 resident associations. They interacted with each other over lunch and through karaoke and other activities.