

## **Full transcript**

### **Commitment to Reform**

Today I'd like to share my commitment as CEO to pursue serious reform within Mitsubishi Electric in three core areas to address the issues that have been identified thus far in the investigation into practices at some of our plants.

First, the overall governance of the company.

Second, our corporate culture and organizational structure.

Third, quality assurance.

The reforms we are implementing are just a first step in this important journey for Mitsubishi Electric and there is a long way to go.

I want this to be a moment that brings our entire company together in pursuit of a shared endeavor.

We are committing to tackling these issues head-on and will actively engage in dialogue throughout this process with our customers, shareholders, investors and all valued stakeholders to ensure that we meet their expectations.

### **Governance Reform**

We learned from the Investigative Committee's report that we must take governance reform even more seriously.

With that in mind, we will be proposing that the Board looks closely at the effectiveness of its role and amongst other proposals, that outside directors make up the majority of the Board.

In addition to this, I believe strengthening dialogue between the Board and executive team will be crucial in our efforts to further improve governance and compliance across the business.

As CEO I will make sure this channel of dialogue is open and active.

### **Culture Reform**

In order to truly restore trust from the many people who touch our business in some way, we need to create a more open corporate culture in addition to the governance reform I mentioned earlier.

We will therefore launch a transformation team, inviting a diverse group of employees from across our organization to work with external experts to generate proposals for company-wide transformation and to build a new organizational culture from within.

### **Quality Reform**

A fundamental aim of these reforms is to prevent the sort of issues that have occurred in the past from happening in the future.

We will therefore be establishing a dedicated Corporate Quality Assurance Reengineering Group, headed up by a senior executive whom we will appoint anew from outside the company, whose aim will be to provide a cross-business function that will transcend siloed business units and promote fundamental reform of our internal audit and quality management processes, drawing on external perspectives and experience.

We will of course continue to provide necessary support to the Investigative Committee as they continue a thorough investigation across the whole company.

In parallel, we will be addressing any further issues that emerge at our facilities specific to each location, as well as those at a company level as they are identified.

We will consider what level of control and support meets the actual needs and requirements of each site and create concrete systems to address these.

And we will make the bold and necessary investments to facilitate this change.

### **Dialogue with Stakeholders**

Finally, I want to talk about the way that we engage with our valued stakeholders.

The aim of the reforms I have laid out is to transform Mitsubishi Electric into a company where all our employees can come together creatively for the benefit of our customers and broader society.

This reform will not happen overnight.

And dialogue with all our important stakeholders will be critical to our success in generating the fundamental change we want to see.

We will be engaging with our customers, to gain their understanding and trust through greater transparency around our commitment to quality assurance and the systems we have in place.

Our employees will be at the center of our efforts to rebuild, and both myself and my management team will be prioritizing direct engagement with those on the frontline to work together to make this happen.

We will update our shareholders and investors on our progress and commit to open and transparent disclosure of information.

This communication will of course extend to the media and society as a whole, including by press conferences.



I hope that the steps I've outlined demonstrate my commitment to inclusive and transformative change at Mitsubishi Electric through our three core areas of reform.

They reflect deep consideration of the issues that were discovered and I look forward to continuing dialogue with all valued stakeholders as we continue to improve and make progress toward our reform goals.