

Roadmap for REFORM

In response to issues identified in the ongoing investigation into practices at some of our facilities in Japan, Mitsubishi Electric Corporation is implementing reform in three core areas. These reforms are an important step in the revitalization of our company – and central to our overall goal of delivering for our customers and broader society.

Planned Reforms



Governance

Changes to our Board and strengthened dialogue between the board and executive team to improve overall governance.

- Strengthen function and oversight of the Board and its effectiveness to oversee management and strategy.
- Strengthen key functions including Board Secretariat and Governance Committees.
- Enhanced composition; outside Chairperson, 50% of Board to be outside directors.
- External Governance Review Committee informing roadmap for reform.



Culture

Driving a more open culture and collapsing siloes to promote greater cross-organizational collaboration.

- Transformation team comprising diverse group of employees to work with external experts to drive company-wide transformation and enhance culture from within.
- Renewal of personnel and talent systems including greater rotation between divisions, greater diversity in people's background and skills, more outside hires, revised incentives, greater support for mid-management and frontline workers.



Quality

Fundamental reform of internal audit and quality management processes, drawing on external expertise.

- Establish dedicated Corporate Quality Assurance Reengineering Group, led by external senior executive and reporting to CEO.
- Reconstruct the control function, address technology and resource issues, enhance awareness of quality compliance.



Dialogue with Stakeholders



We are committed to actively engage in dialogue throughout this process with our employees, customers, shareholders, investors and all valued stakeholders.

Employees

will be at the center of our efforts to rebuild and we will be prioritizing direct engagement between management and those on the frontline.

We will be providing customers

greater transparency around our commitment to safety assurance and the systems we have in place.

We commit to open and transparent disclosure of information to our **shareholders, and broader society.**