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New Initiatives to Prevent Recurrence of Work-related Issues

*Introduction of New Measures: Adoption of “Five Joint Statements of Labor and Management”
and Introduction of 360-degree Evaluations*

TOKYO, December 21, 2020 – Following a recent series of work-related issues, Mitsubishi Electric Corporation has completed the implementation of a company-wide “Mitsubishi Electric Workplace Reform Program” (announced on January 10, 2020.) to help prevent the recurrence of such issues.

All measures in the program have been implemented, and a third-party evaluation has been conducted by outside experts to assess the effects of each measure. After consultation with the Assessment Committee¹ based on the results of the third-party evaluation, the Company has decided to introduce short-term priority measures and long-term measures, including the adoption of “Five Joint Statements of Labor and Management” and the introduction of 360-degree evaluations, as well as evaluation indicators to assess the effectiveness of these measures.

The Company’s approach will additionally be adopted by its affiliated companies. Some measures will be tailored to individual companies’ circumstances, but in principle the Company will enforce common measures across the Mitsubishi Electric Group. The Group considers prevention of the recurrence of work-related issues as its top management priority, and will continue to make every effort to create a work environment where all employees can maintain their mental and physical health and work actively.

¹ Composed of Company representatives, labor union representatives and outside experts

Mitsubishi Electric Workplace Reform Program

Mitsubishi Electric Corporation has completed implementation of all measures of the Workplace Reform Program and is expanding the program company-wide. (Appendix: Table 1) To help ensure that work-related issues do not recur, the company instructed external experts to conduct a third-party evaluation to assess the effects of each measure. The evaluation analyzed aspects such as the operation of preventive measures and the degree of their penetration in the workplace. The results indicated that the measures are effective to a certain degree, but partially not enough in the preventing, detecting or addressing of work-related issues. With regard to effectiveness, the results also indicated the need for improvement in the organizational climate and

in the area of governance, such as increased manager workload. (Appendix: Table 2)

Although we strictly observe labor-related laws and regulations, there is room to consider strengthening of the preventative measures by clearly addressing matters such as harassment in the service provisions of the Work Regulations.

Future Efforts to Further Improve Workplace Environments

Based on the results of the third-party evaluation of our measures to prevent recurrence and on discussions by the Assessment Committee, Mitsubishi Electric Corporation will further improve workplace environments from both a short- and long-term perspective in accordance with the roadmap shown below. To achieve this, in addition to the recurrence prevention measures taken to date, we have summarized short-term priority measures to address issues that need to be resolved during FY 2022, as well as long-term measures to create a work environment where all employees can work actively and engage more easily. (Appendix: Table 3)

The following is a summary of the key new measures.

- Adoption of “Five Joint Statements of Labor and Management”

To further clarify the Company’s stance on the prevention of harassment, we adopted the “Five Joint Statements of Labor and Management” in November 2020, declaring that labor and management will make every effort to eradicate long working hours and harassment. All Directors, Executive Officers and employees must sign and submit a declaration pledging to refrain from harassment. The Five Joint Statements are as follows:

- 1) Labor and management will adopt a basic stance aimed at eradicating harassment and overwork*
- 2) All employees will submit a signed declaration of their commitment to refrain from harassment*
- 3) Periodic surveys will be implemented on the state of any harassment and appropriate measures will be taken upon any occurrence*
- 4) Efforts will be made to improve the organizational climate through labor-management discussions*
- 5) A “Harassment and Overwork Prevention Month” will be observed every year in May*

- Assignment of managers and educators on the basis of multi-faceted evaluations

The Company will encourage managers to be aware of and correct their behavior themselves. We will also introduce a 360-degree evaluation system from FY 2022 for use in evaluating any new or ongoing assignment of managerial candidates, and we will adopt a multi-faceted evaluation system for the assignment of educators.

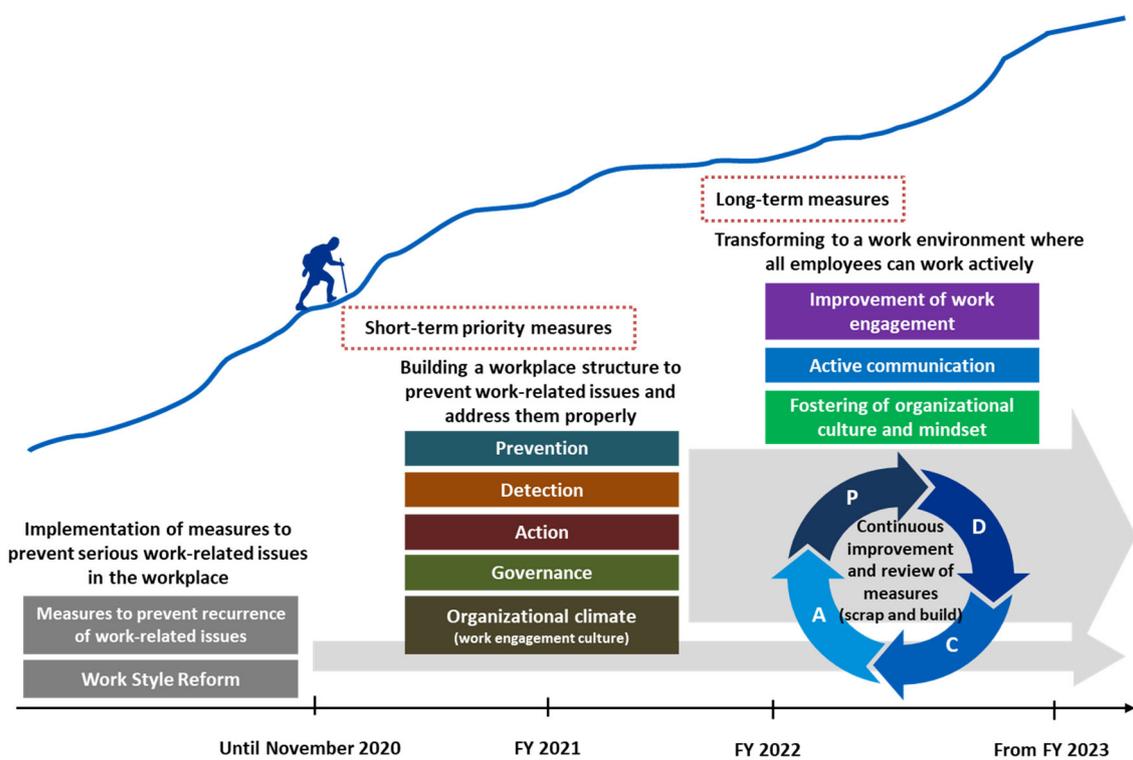
- Timely and appropriate information disclosure to employees

To achieve more timely and appropriate information disclosure to employees, from FY 2022 information released to them will include details of any incidents of power harassment and reporting on company-wide trends regarding the number of power harassment consultations and number of employees with mental health issues.

To assess the effectiveness of these measures over the medium to long term, we have set Key Performance Indicators (KPIs) for “Job Satisfaction” and “Work-Life Balance” as shown in Table 4 in the Appendix. We will monitor and reflect these in our activities, as well as disclose these indicators to our stakeholders through our Sustainability Report and other media.

Roadmap for Future Measures

The entire Group will make every effort to create a work environment where all employees can work actively by ensuring that each measure is implemented and disseminated to all workplaces based on the roadmap below, and by continuously improving and reviewing the measures by means of a PDCA cycle.



(Appendix)

Table 1. Progress of the Mitsubishi Electric Workplace Reform Program

Item	Initiatives	Progress
(1) Enhance education on harassment such as power harassment, and strengthen evaluation when assigning leaders including managers	1) Enhance education on harassment and make it obligatory for all employees to attend the seminar.	100% participation rate (including affiliated companies)
	2) Shed light on harassment when training managers and staff in charge of education when assigning new employees and thoroughly implement more appropriate development and guidance.	Implemented in workplaces to which new employees were assigned in FY 2021
	3) Sufficiently evaluate candidates to see if they have basic ideas of labor management (such as understanding which actions constitute harassment actions) before assigning a manager or leader.	Implemented (January 2020)
	4) Remind all employees that perpetrators of power harassment will be subject to severe measures.	Revised Work Regulations (March 2020)
(2) Engage in quantitative workplace analysis through attitude surveys and ongoing improvement based on analysis results	1) Conduct attitude surveys on the workplace targeting all employees and an organization diagnosis in light of the survey every year.	Survey completed in June 2020. Improvement measures based on survey results in progress.
	2) Endeavor to solve the challenges recognized during the survey, taking opinions of outside experts into consideration, and continue to improve the workplace through the PDCA cycle.	
(3) Enhance measures to identify and address the workload and mental condition of individuals at an early stage	1) Conduct a questionnaire survey to check the workload, workplace human relationships, stress status, and other problems of individuals every month to identify and address changes in feeling at an early stage. (This survey currently targets new employees but will target all employees in the future.)	Ongoing for all employees since July 2020
	2) Increase periodic interviews with the human resources division after assigning new employees to the workplace.	The number of follow-up interviews has been increased since FY 2020
(4) Engage in thorough and appropriate care of employees with mental health issues	<p>Work-related issues tend to occur after an employee with mental health issues comes back to work. Therefore, we will inspect the operation of the existing Mitsubishi Electric Return to Work Support Guidelines² and thoroughly re-implement the guidelines to especially focus on the care of those with mental health issues.</p> 1) During leave of absence <ul style="list-style-type: none"> - The supervisor and the human resources division will carefully explain how the employee in question will be treated during a leave of absence to the relevant employee so that he or she can concentrate on medical treatment. - For example, the supervisor and the human resources division periodically interview the relevant employee to track the situation to the extent that the treatment is not hindered. 2) When the employee comes back to work after leave of absence <ul style="list-style-type: none"> - Follow considerations at return to work (such as limitations on work) based on the opinions of the company medical advisor. - For example, all employees across the workplace may also share how to accept the employee who comes back. 	In operation since July 2020.

Item	Initiatives	Progress
(5) Enhance consultation channels (establishment of multiple channels), etc.	1) Start a new counseling service by an outside counselor in cases where an employee wants to consult an outside specialist face to face.	Introduced (February 2020)
	2) Start a mentor system for troubled employees to consult someone at the workplace with whom they do not have a supervisor-subordinate relationship in order to create an environment where they can easily talk about their problems.	Introduced (April 2020)
	3) Assign multiple training supporters to receive consultations from new employees, so that each employee can select someone whom he or she is comfortable with consulting.	Implemented (January 2020)
	4) Further enhance training courses that contribute to the improvement of the employees' stress management capability such as resilience education ³ .	Provided to new employees in FY 2021

2 Created with reference to "Guidance for Supporting Workers Who Return to Work after Taking a Leave due to Mental Health Issues," published by the Ministry of Health, Labour and Welfare.

3 Training program to enhance people's capabilities to successfully address stress and adverse circumstances and recover

Table 2. Issues to be addressed in light of third-party evaluation by outside experts

Prevention	- Deterrent effects and controls aimed at addressing power harassment are insufficient due to reasons including unclear criteria for assigning managers and the lack of any system allowing subordinates to evaluate their managers after their assignment.
Detection	- Types of data such as employee attitude surveys and stress checks are not fully utilized for work-related issue detection or risk analysis.
Action	- Employees returning from mental health leave might not be properly supported in their workplace as support is left in part to their managers. - The process for addressing issues is not clear, and appears to be considered only after issues occur. - Employees mistrust the Company due to a lack of transparency in information disclosure inside the company and the enactment of measures without employees understanding the state of work-related issues.
Governance	- While policies have been implemented and disseminated to a certain extent, issues exist in terms of their effectiveness, such as increased workload on managers and uneven dissemination of policies.
Organizational climate	- The workload of managers and other employees must be balanced. - Management processes that address the individuality and characteristics of each employee have not been fully implemented.

Table 3. Short-term priority measures and long-term measures

Category	Item	Measure
Short-term priority measures	Prevention	<ul style="list-style-type: none"> - Further clarification of the Company’s stance on harassment prevention (Adoption of Five Joint Statements of Labor and Management [November 2020], submission by all Directors, Executive Officers, and employees of a declaration to refrain from harassment [December 2020], and revision of Work Regulations that clearly indicate service provisions [December 2020]) - Assignment of managers and educators on the basis of multi-faceted evaluations (Introduction of 360-degree evaluations for managers) [April 2021]
	Detection	<ul style="list-style-type: none"> - Enhanced analysis of employee attitude surveys and stress checks [December 2020] - Improvement of the utilization of the results in the workplace (Formulation and enhancement of guidelines for utilization) [April 2021]
	Action	<ul style="list-style-type: none"> - Enhanced support for the return to work by employees with mental health issues (Creating guidelines to welcome employees back to work) [March 2021] - Establishment of a process and system for dealing with work-related issues when they occur (Development of guidelines for measures to address work-related issues and information disclosure to employees, such as information on cases of power harassment) [December 2020]
	Governance	<ul style="list-style-type: none"> - Management that matches the values, abilities, and aptitudes of subordinates (Enhanced training in leadership, coaching, and other skills) [April 2021] - Further participation of leaders in communication and labor management in the workplace [April 2021]
	Organizational climate	<ul style="list-style-type: none"> - Thorough implementation of shared organizational values (e.g., Corporate Principles) and policies (Creation and deployment of tools for sharing values) [February 2021]
Long-term measures	Improvement of work engagement	<ul style="list-style-type: none"> - Creation of opportunities to find meaning in work at Mitsubishi Electric Corporation - Career development support based on individual values and aspirations
	Active communication	<ul style="list-style-type: none"> - Elimination of communication gaps caused by different job classes or other reasons (Efforts to improve communication skills and facilitate casual communication)
	Fostering of organizational culture and mindset	<ul style="list-style-type: none"> - Promotion of concrete actions in accordance with shared organizational values

Table 4. Evaluation indicators

KPI	Current (FY 2021)	Target for FY 2023	Goal
“Employee Engagement Score (Percentage of employees who are proud and motivated to work for the Company)” ⁴	63%	70%	Always 80%
“Percentage of employees who responded that they had a good work-life balance”	66%	70%	Always 80%

⁴ 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”

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About Mitsubishi Electric Corporation

With nearly 100 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. Mitsubishi Electric enriches society with technology in the spirit of its corporate statement, “Changes for the Better,” and environmental statement, “Eco Changes.” The company recorded a revenue of 4,462.5 billion yen (U.S.\$ 40.9 billion*) in the fiscal year ended March 31, 2020. For more information, please visit www.MitsubishiElectric.com

*U.S. dollar amounts are translated from yen at the rate of ¥109=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2020