

FOR IMMEDIATE RELEASE

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Mitsubishi Electric Reports on Improper Testing of HVAC for Railcars and Air Compressor Unit for Railcars

TOKYO, June 30, 2021 – [Mitsubishi Electric Corporation](https://www.mitsubishielectric.com) (TOKYO: 6503) announced today that an internal investigation conducted by the company revealed on June 14 that inspections of certain HVAC (Heating, Ventilation and Air Conditioning systems) for railcars manufactured at its Nagasaki Works (Togitsu-Cho, Nishisonogi-Gun, Nagasaki Prefecture) were different from the inspections¹ represented in specification documents provided by customers, or that it had not actually conduct inspections or had used improper statements in its inspection reports. Through further investigation, the company also discovered on June 28 that for certain air compressor units for railcars it had previously shipped, inspections differing from those² represented in specification documents had been conducted or that inspections had not actually been conducted.

¹ Conforming to JIS standard (announced on July 2, 2021)

² Conforming to JRIS standard (announced on July 2, 2021)

Mitsubishi Electric halted shipments of these products as soon as the issues were discovered and currently is only shipping products for which it has confirmed that the inspections were completed properly. It is currently notifying railway operators and other customers of the situation. The company has confirmed that there are no issues with the safety, functionality or performance of the products already shipped. The company is not aware of any accident or other incident attributable to this matter.

Taking this matter very seriously, Mitsubishi Electric has begun investigating the reasons for these incidents and will issue a report as soon as it has formulated measures to prevent any recurrence. The company will also form a committee that includes external lawyers to investigate if there have been similar cases within the group.

At present, Mitsubishi Electric has not made any revisions to its consolidated earnings forecast for the current fiscal year. The company is working in earnest with its customers to address the issue and implement preventive measures. If any potential impacts come to light, they will be disclosed promptly.

Discrepancies Identified (as of June 30, 2021)

Although items appearing in specification documents differ depending on each customer's contract³, but in general the following discrepancies have been identified:

1. Inspections differed from those represented in specification documents, or inspections not performed
 - 1) Cooling-capacity tests and cooling-power-consumption tests: Pass/fail was determined based on tests performed under different temperature and humidity conditions
 - 2) Heating-capacity tests and power-consumption tests for systems with heating functions (heat pump systems): Tests were performed under different temperature and humidity conditions
 - 3) Water resistance tests: Pass/fail was determined based on different testing method
 - 4) Some overload tests, vibration tests, insulation-resistance tests, withstand-voltage tests, and shape and dimensional inspections were performed using in-house testing procedures differing from those in the specifications
 - 5) Type tests for updated model of air compressor unit for railcars: Characteristics tests of internal compressor (unchanged from preceding model)⁴ were not performed and test results for the preceding model were used.

³ Conforming to JIS E 6602/4031 standard (announced on July 2, 2021)

⁴ Conforming to JRIS-E-5002 standard (announced on July 2, 2021)

2. Inspection reports prepared improperly

Inspection reports submitted to some customers stated values differing from actual values:

- 1) Values were provided in inspection reports without actually performing specified dimensional inspections
- 2) Water-resistance tests differed from specified testing method and their results were entered into reports
- 3) Cooling-capacity tests and cooling-power-consumption tests were performed under conditions differing from the specified environmental conditions, and inspection reports were prepared based on results obtained in type-tests performed earlier under specified conditions that resulted in a "pass."

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About Mitsubishi Electric Corporation

With 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 "Changes for the Better." The company recorded a revenue of 4,191.4 billion yen (U.S.\$ 37.8 billion*) in the fiscal year ended March 31, 2021. For more information, please visit www.MitsubishiElectric.com

*U.S. dollar amounts are translated from yen at the rate of ¥111=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2021