

Dear Shareholders,

We wish to extend our sincere gratitude for your continued support.

This document has been sent in order to notify you of the 148th Ordinary General Meeting of Shareholders, which will be convened on Thursday, June 27, 2019.

Included in the material is an overview of Mitsubishi Electric's business operations during fiscal 2019 as well as a summary of its future initiatives.

June 2019

Takeshi Sugiyama, Director, President & CEO

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IMPORTANT NOTICE

The present Notice of Convocation and all of the attached materials are English translations of the original Japanese-language notice, which has been prepared in compliance with requirements under applicable Japanese laws, regulations and/or administrative ordinances. Please note that this English translation is published for the purposes of reference and convenience and UNDER NO CIRCUMSTANCES shall this English translation create any binding effect on Mitsubishi Electric Corporation; ONLY the Japanese original shall have effect on the exercise of shareholders' rights, and only to the extent secured under the laws of Japan. Also, Mitsubishi Electric Corporation makes no warranty of any nature as to the accuracy or preciseness of the present English translation of the Notice of Convocation.

(Stock Code: 6503)

June 3, 2019

To Our Shareholders

Mitsubishi Electric Corporation
2-7-3, Marunouchi, Chiyoda-ku, Tokyo
Takeshi Sugiyama
Director, President & CEO

NOTICE OF CONVOCATION OF THE 148TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 148th Ordinary General Meeting of Shareholders of Mitsubishi Electric Corporation.

If you are unable to attend the meeting, you are requested to review the attached reference materials and to exercise your voting rights, indicating your approval or disapproval of each of the proposals put forward for resolution, by no later than 5:30 PM on Wednesday, June 26, 2019, using either of the methods listed below.

Exercise of Voting Rights in Writing

Please complete and send back the enclosed Voting Right Exercise Form indicating your approval or disapproval to each of the proposals put forward for resolution.

Exercise of Voting Rights via the Internet

Please access the website for exercising voting rights designated by the Company (<https://evote.tr.mufg.jp/>) and indicate your approval or disapproval of the agenda.

The pertinent procedures are outlined in "Guidance for the Exercise of Voting Rights" on page 10.

Particulars

- Meeting Date and Time:** Thursday, June 27, 2019 at 10:00 AM (entry begins at 9:00 AM)
- Meeting Venue:** Palace Hotel Tokyo, 2nd Floor "AOI"
1-1-1 Marunouchi, Chiyoda-ku, Tokyo
- Meeting Agenda:**
 - Tabling of Reports**
Tabling of the Business Report, Consolidated and Non-Consolidated Financial Statements, Independent Auditor's Report and the Audit Committee's Report on Consolidated Financial Statements for the 148th fiscal year (from April 1, 2018 to March 31, 2019)
 - Matters for Resolution**
The Election of Twelve (12) Directors

-
- Shareholders attending the meeting on June 27, 2019 are requested to submit the enclosed Voting Rights Exercise Form at the front desk of the meeting venue.
 - The following items of the Business Report and Consolidated and Non-Consolidated Financial Statements are posted on the Company's Website (<https://www.MitsubishiElectric.com/en/investors/meeting/index.html>) and therefore are not included in the Notice of Convocation of the 148th Ordinary General Meeting of Shareholders, in accordance with laws and Article 15 of Mitsubishi Electric's Articles of Incorporation.

- (1) Summary of Systems Necessary to Ensure the Properness of Operations of the Company and the Status of the Management
- (2) Consolidated Statement of Changes in Equity
- (3) Notes to Consolidated Financial Statements
- (4) Statement of Changes in Net Assets
- (5) Notes to Financial Statements

Statements to be audited, including relevant notes to be disclosed on the Company's Website, have been duly audited by the Audit Committee and Independent Auditor.

3. Please kindly take note that amendments to reference materials, the Business Report and the Consolidated and Non-Consolidated Financial Statements will be posted on the Company's Website (<https://www.MitsubishiElectric.com/en/investors/meeting/index.html>).

Reference Materials for the 148th Ordinary General Meeting of Shareholders

Reference Items

Item: The Election of Twelve (12) Directors

The terms of office with all the Company's Directors (12 members) will expire at the end of this Ordinary General Meeting of Shareholders. Therefore, Mitsubishi Electric Corporation is to submit an agenda item concerning the election of 12 Directors, including 5 Outside Directors, in line with a decision made by the Nomination Committee.

Details of the candidates are as follows:

No.	Name	Current major positions and assignments at the Company	Status of attendance at Board of Directors' meetings
1	Masaki Sakuyama (Reappointment)	Chairman, Member of the Board	100% (Seven out of seven meetings)
2	Takeshi Sugiyama (Reappointment)	Director, Representative Executive Officer, President & CEO	100% (Five out of five meetings)
3	Nobuyuki Okuma (Reappointment)	Director, Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies	100% (Seven out of seven meetings)
4	Akihiro Matsuyama (Reappointment)	Director, Chairman of the Audit Committee	100% (Seven out of seven meetings)
5	Masahiko Sagawa (Reappointment)	Director, Member of the Audit Committee	100% (Five out of five meetings)
6	Shinji Harada (Reappointment)	Director, Member of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, General Affairs, Human Resources and Public Relations	100% (Five out of five meetings)
7	Tadashi Kawagoishi (Reappointment)	Director, Member of the Compensation Committee, Executive Officer, Accounting and Finance	100% (Five out of five meetings)
8	Mitoji Yabunaka (Reappointment) (Candidate for Outside Director) (Independent Director)	Director, Member of the Nomination Committee, Member of the Compensation Committee	100% (Seven out of seven meetings)
9	Hiroshi Obayashi (Reappointment) (Candidate for Outside Director) (Independent Director)	Director, Chairman of the Nomination Committee, Member of the Audit Committee	100% (Seven out of seven meetings)
10	Kazunori Watanabe (Reappointment) (Candidate for Outside Director) (Independent Director)	Director, Member of the Audit Committee, Member of the Compensation Committee	100% (Seven out of seven meetings)
11	Hiroko Koide (Reappointment) (Candidate for Outside Director) (Independent Director)	Director, Member of the Nomination Committee, Member of the Compensation Committee	100% (Seven out of seven meetings)
12	Takashi Oyamada (New Candidate) (Candidate for Outside Director) (Candidate for Independent Director)	—	—




Note:

Mitsubishi Electric Corporation held seven Board of Directors meetings during the fiscal year.

The status of attendance for Messrs. Takeshi Sugiyama, Masahiko Sagawa, Shinji Harada and Tadashi Kawagoishi is based on the number of the Board of Directors' meetings held after they assumed office on June 28, 2018.

	Name (Date of Birth)	Career summary, major positions and assignments at the Company and important concurrent positions	The number of shares owned
1	 <p>Masaki Sakuyama (March 17, 1952)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings))</p>	<p>April 1977 Joined Mitsubishi Electric Corporation</p> <p>April 2008 Executive Officer, Energy & Industrial Systems</p> <p>April 2010 Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies</p> <p>June 2010 Director, Member of the Nomination Committee, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies</p> <p>April 2012 Director, Member of the Nomination Committee, Representative Executive Officer, Executive Vice President, Semiconductor & Device</p> <p>June 2012 Representative Executive Officer, Executive Vice President, Semiconductor & Device</p> <p>April 2014 Representative Executive Officer, President & CEO</p> <p>June 2014 Director, Representative Executive Officer, President & CEO</p> <p>April 2018 Chairman, Member of the Board (current position)</p> <p>Reasons for the nomination: Mr. Sakuyama has gained a wide range of experience and insights through his involvement in the Company's business operations as President & CEO. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	72,900
2	 <p>Takeshi Sugiyama (December 29, 1956)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Five out of five meetings))</p>	<p>April 1979 Joined Mitsubishi Electric Corporation</p> <p>April 2014 Executive Officer, Living Environment & Digital Media Equipment</p> <p>April 2016 Senior Vice President, Living Environment & Digital Media Equipment</p> <p>April 2017 Representative Executive Officer, Executive Vice President, Living Environment & Digital Media Equipment</p> <p>April 2018 Representative Executive Officer, President & CEO</p> <p>June 2018 Director, Representative Executive Officer, President & CEO (current position)</p> <p>Reasons for the nomination: As President & CEO, Mr. Sugiyama controls the execution of business closely related to matters to be deliberated at the Board of Directors. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	38,300
3	 <p>Nobuyuki Okuma (July 31, 1958)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings))</p>	<p>April 1982 Joined Mitsubishi Electric Corporation</p> <p>April 2012 Executive Officer, Human Resources</p> <p>June 2012 Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, Human Resources</p> <p>April 2013 Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, General Affairs and Human Resources</p> <p>April 2016 Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Senior Vice President, Audit, General Affairs, Human Resources and Legal Affairs & Compliance</p> <p>June 2016 Director, Member of the Nomination Committee, Chairman of the Compensation Committee, Senior Vice President, Audit, General Affairs, Human Resources and Legal Affairs & Compliance</p> <p>April 2018 Director, Member of the Nomination Committee, Chairman of the Compensation Committee, Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies</p> <p>June 2018 Director, Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies (current position)</p> <p>Reasons for the nomination: As Executive Officer in charge of Corporate Strategic Planning, Mr. Okuma carries out the execution of business closely related to matters to be deliberated at the Board of Directors. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	33,300

	Name (Date of Birth)	Career summary, major positions and assignments at the Company and important concurrent positions	The number of shares owned
4	 <p>Akihiro Matsuyama (June 1, 1957)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings))</p>	<p>April 1981 Joined Mitsubishi Electric Corporation</p> <p>April 2013 Executive Officer, Accounting and Finance</p> <p>June 2013 Director, Member of the Compensation Committee, Executive Officer, Accounting and Finance</p> <p>April 2016 Director, Member of the Compensation Committee, Senior Vice President, Accounting and Finance</p> <p>April 2018 Director, Member of the Compensation Committee</p> <p>June 2018 Director, Chairman of the Audit Committee (current position)</p> <p>Reasons for the nomination: Mr. Matsuyama has gained a wide range of experience and insights through his involvement in the Company's business operations as Executive Officer in charge of Accounting and Finance. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	32,200
5	 <p>Masahiko Sagawa (July 17, 1958)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Five out of five meetings))</p>	<p>April 1982 Joined Mitsubishi Electric Corporation</p> <p>April 2012 Senior Vice President, Renesas Electronics Corporation</p> <p>October 2013 Deputy Senior General Manager, Corporate Auditing Div.</p> <p>April 2015 Senior General Manager, Corporate Auditing Div.</p> <p>April 2018 Corporate Adviser</p> <p>June 2018 Director, Member of the Audit Committee (current position)</p> <p>Reasons for the nomination: Mr. Sagawa has gained a wide range of experience and insights through positions such as an officer in charge of accounting and finance of an affiliated company and management executive of the Company's internal audit division. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	7,900
6	 <p>Shinji Harada (August 29, 1960)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Five out of five meetings))</p>	<p>April 1983 Joined Mitsubishi Electric Corporation</p> <p>March 2012 Senior General Manager, Corporate Administration Div.</p> <p>April 2016 Senior General Manager, Corporate Human Resources Div.</p> <p>April 2018 Executive Officer, General Affairs, Human Resources and Public Relations</p> <p>June 2018 Director, Member of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, General Affairs, Human Resources and Public Relations (current position)</p> <p>Reasons for the nomination: As Executive Officer in charge of General Affairs and Human Resources, Mr. Harada carries out the execution of business closely related to matters to be deliberated at the Board of Directors. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	9,300

	Name (Date of Birth)	Career summary, major positions and assignments at the Company and important concurrent positions	The number of shares owned
7	 <p>Tadashi Kawagoishi (December 7, 1960)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Five out of five meetings))</p>	<p>April 1983 Joined Mitsubishi Electric Corporation</p> <p>April 2013 Senior General Manager, Associated Companies Div.</p> <p>April 2015 Senior General Manager, Corporate Finance Div.</p> <p>April 2018 Executive Officer, Accounting and Finance</p> <p>June 2018 Director, Member of the Compensation Committee, Executive Officer, Accounting and Finance (current position)</p> <p>Reasons for the nomination: As Executive Officer in charge of Accounting and Finance, Mr. Kawagoishi carries out the execution of business closely related to matters to be deliberated at the Board of Directors. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	7,300
8	 <p>Mitoji Yabunaka (January 23, 1948)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings)) (Period of Service: 7 years)</p>	<p>April 1969 Joined the Ministry of Foreign Affairs of Japan</p> <p>January 2008 Vice-Minister, Ministry of Foreign Affairs of Japan (Retired in August 2010)</p> <p>October 2010 Advisor, Nomura Research Institute, Ltd. (Retired in September 2017)</p> <p>June 2012 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)</p> <p>Important concurrent positions: Visiting Professor, Ritsumeikan University Specially Appointed Professor, Osaka University Outside Director, Komatsu Ltd. Outside Director, Takasago Thermal Engineering Co., Ltd. (of which two listed companies where Mr. Yabunaka serves as an officer concurrently)</p> <p>Reasons for the nomination: Mr. Yabunaka's experience and insights as an expert in international affairs cultivated through the course of a career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	9,100
9	 <p>Hiroshi Obayashi (June 17, 1947)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings)) (Period of Service: 6 years)</p>	<p>April 1972 Appointed as Public Prosecutor</p> <p>June 2006 Vice-Minister, Ministry of Justice of Japan</p> <p>July 2008 Superintending Prosecutor, Tokyo High Public Prosecutors Office</p> <p>June 2010 Appointed as the Prosecutor General (Retired in December 2010)</p> <p>March 2011 Attorney-at-law (current position)</p> <p>June 2013 Director, Member of the Nomination Committee and Member of the Audit Committee, Mitsubishi Electric Corporation</p> <p>June 2016 Director, Chairman of the Nomination Committee and Member of the Audit Committee (current position)</p> <p>Important concurrent positions: Attorney-at-law Outside Auditor, Daiwa Securities Co. Ltd. Outside Audit & Supervisory Board Member, NIPPON STEEL CORPORATION Outside Auditor, Japan Tobacco Inc. (of which two listed companies where Mr. Obayashi serves as an officer concurrently)</p> <p>Reasons for the nomination: Mr. Obayashi's experience and insights cultivated through the course of a career as a lawyer (public prosecutor, attorney-at-law) are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	10,000

	Name (Date of Birth)	Career summary, major positions and assignments at the Company and important concurrent positions	The number of shares owned
10	 <p>Kazunori Watanabe (October 9, 1950)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings)) (Period of Service: 4 years)</p>	<p>April 1975 Joined Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>September 1978 Registered as a certified public accountant (current position)</p> <p>March 1980 Registered as a tax accountant (current position)</p> <p>May 2002 Partner, Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>August 2008 Executive Partner, Ernst & Young ShinNihon LLC (Retired in March 2010)</p> <p>March 2010 Chief, Kazunori Watanabe Certified Public Accountant & Tax Accountant Office (current position)</p> <p>June 2015 Director, Member of the Audit Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)</p> <p>Important concurrent positions: Certified Public Accountant Tax Accountant Outside Corporate Auditor, BELLSYSTEM24 Holdings, Inc. (of which one listed company where Mr. Watanabe serves as an officer concurrently)</p> <p>Reasons for the nomination: Mr. Watanabe's experience and insights as a certified public accountant cultivated over the course of his career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	4,100
11	 <p>Hiroko Koide (August 10, 1957)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings)) (Period of Service: 3 years)</p>	<p>May 1993 Joined Nippon Lever K.K. (currently Unilever Japan K.K.)</p> <p>April 2001 Director, Nippon Lever K.K. (Retired in March 2006)</p> <p>April 2006 Joined Masterfoods Ltd. (currently Mars Japan Limited)</p> <p>April 2008 Chief Operating Officer (COO), Mars Japan Limited (Retired in August 2010)</p> <p>November 2010 President and Director, Parfums Christian Dior Japon K.K. (Retired in January 2012)</p> <p>April 2013 Senior Vice President, Global Marketing, Newell Rubbermaid (U.S.) (currently Newell Brands Inc. (U.S.)) (Retired in February 2018)</p> <p>June 2016 Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)</p> <p>April 2018 Director, Vicela Japan Co., Ltd. (Retired in March 2019)</p> <p>Important concurrent positions: None</p> <p>Reasons for the nomination: Ms. Koide's experience and insights as a business specialist cultivated over the course of her career in international corporate management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects her to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	5,100
12	 <p>Takashi Oyamada (November 2, 1955)</p>	<p>April 1979 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2015 Director, Deputy President, Mitsubishi UFJ Financial Group, Inc.</p> <p>April 2016 President, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) (Retired in June 2017) and Director, Mitsubishi UFJ Financial Group, Inc. (Retired in June 2017)</p> <p>June 2017 Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) (current position)</p> <p>Important concurrent positions: Senior Advisor, MUFG Bank, Ltd. (of which zero listed company where Mr. Oyamada serves as an officer concurrently)</p> <p>Reasons for the nomination: Mr. Oyamada's experience and insights as a business specialist cultivated over the course of his career in bank management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	0

Notes:

1. There is no special interest between any of the candidates and the Company.
2. Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada and Ms. Hiroko Koide are five candidates for Outside Directors, as defined under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. Mitsubishi Electric Corporation has named Messrs. Mitoji Yabunaka, Hiroshi Obayashi and Kazunori Watanabe and Ms. Hiroko Koide given that they satisfy the requirement of independency in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange as independent directors. The Company has filed notification with the Exchange of such designations. Furthermore, Mr. Takashi Oyamada also satisfies the requirement of independency in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange, and should this Item be approved by shareholders, the Company intends to name him as an independent director and file notification with the Exchange of such designation.
In addition, Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada and Ms. Hiroko Koide satisfy the requirement of independency guideline for Outside Directors of the Company. Please see page 9 for the Company's Independency Guideline for Outside Directors.
4. Mitsubishi Electric made and entered into agreements with Messrs. Masaki Sakuyama, Akihiro Matsuyama, Masahiko Sagawa, Mitoji Yabunaka, Hiroshi Obayashi and Kazunori Watanabe and Ms. Hiroko Koide to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, the limit of liability is either ¥10 million or the minimum statutory amount, whichever is higher.
In addition, should this Item be approved by shareholders, the Company intends to enter into the same agreement with the candidate for Director, namely, Mr. Takashi Oyamada, who is to assume the office of Outside Director.

(Reference) **Independency Guideline for Outside Directors**

Mitsubishi Electric Corporation nominates persons with experience in company management in the business world, attorneys and academics, among other specialists, who are appropriate to oversee the Company's business operations and not falling under any of the following cases, as candidates for Outside Directors. Each of the following 1), 2), 4) and 5) includes a case in any fiscal year during the past three fiscal years.

- 1) Persons who serve as Executive Directors, Executive Officers, managers or other employees (hereinafter "business executers") at a company whose amount of transactions with the Company accounts for more than 2% of the consolidated revenue of the Company or the counterparty
- 2) Persons who serve as business executers at a company to which the Company has borrowings that exceed 2% of the consolidated total assets
- 3) Persons who are related parties of the Company's independent auditor
- 4) Persons who receive more than ¥10 million of compensation from the Company as specialists or consultants
- 5) Persons who serve as Executive Officers (Directors, etc.) of an organization to which the Company offers contribution that exceeds ¥10 million and 2% of the total revenue of the organization
- 6) Persons who are the Company's major shareholders (holding more than 10% of voting rights) or who serve as their business executers
- 7) Persons who are related parties of a person or company that have material conflict of interest with the Company

Guidance for the Exercise of Voting Rights

Please read the Reference Materials for the 148th Ordinary General Meeting of Shareholders (pages 3-9) before exercising your voting rights.

The three methods listed below are available for exercising your voting rights.

Attending the Ordinary General Meeting of Shareholders	Mail	The Internet
Shareholders attending the meeting are requested to submit the enclosed Voting Rights Exercise Form at the front desk of the meeting venue.	Please complete and send back the enclosed Voting Rights Exercise Form indicating your approval or disapproval of each of the proposals put forward for resolution by the exercise deadline.	Please indicate your approval or disapproval of the agenda by the exercise deadline using the method provided in the following “Instructions for the Exercise of Voting Rights via the Internet”.
Meeting Date and Time	Exercise deadline	Exercise deadline
Thursday, June 27, 2019 at 10:00 AM (entry begins at 9:00 AM)	The form must arrive at the Company by no later than 5:30 PM on Wednesday, June 26, 2019.	No later than 5:30 PM on Wednesday, June 26, 2019

Instructions for the Exercise of Voting Rights via the Internet

1. How to Exercise Voting Rights via the Internet

Method 1: Please scan the QR code on the bottom right of the Voting Right Exercise Form with a smartphone to access the site for exercising voting rights, and then follow the instructions provided on screen to exercise your vote. Only for the first access, this method does not require entry of the Login ID and temporary password mentioned in Method 2.

Method 2: Please access the following site for exercising voting rights, log in using the Login ID and temporary password provided in the Voting Right Exercise Form and then follow the instructions provided on screen to exercise your vote.

The site for exercising voting rights: <https://evote.tr.mufg.jp/>

- (1) Shareholders who use the site for exercising voting rights are requested to change their temporary password once they access the site to exercise their voting rights. Please understand that it is intended to prevent illegal access (i.e. impersonation by a third party) as well as the falsification of voting results.
- (2) The Company will provide shareholders with new Login IDs and temporary passwords with each convocation notice of General Meeting of Shareholders.
- (3) The “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Multiple Exercises of Voting Rights

- (1) Please note that if your voting rights were exercised both in written form and via the Internet, the Internet vote shall take precedence.
- (2) In instances where a shareholder exercises their voting rights more than once via the Internet, the very last vote cast shall take precedence. In instances where a shareholder exercises their voting rights more than once using a personal computer, smartphone or mobile phone, the very last vote cast shall take precedence.

Please direct queries to the Help Desk as shown below:

Mitsubishi UFJ Trust and Banking Corporation
Transfer Agent Department (Help Desk)
Toll-free number (Japan only): 0120-173-027
Office hours: From 9:00 AM to 9:00 PM (JST)

Business Report

(April 1, 2018 to March 31, 2019)

I. Matters Relating to the Mitsubishi Electric Group

1. Business Development and Results

During the fiscal year ended March 31, 2019 (hereinafter fiscal 2019), the economy saw a buoyant expansion in the U.S. and a slight slowdown in the Chinese economy, while there were gradual trends of recovery in Japan and Europe despite a recent slowdown in some indicators such as export and production. In addition, the yen, compared to the previous fiscal year, was substantially unchanged against the U.S. dollar, and remained strong against the euro in and after August.

Under these circumstances, the Mitsubishi Electric Group has been working even harder than before to promote growth strategies rooted in its advantages, while continuously implementing initiatives to strengthen its competitiveness and business structure.

As a result, in fiscal 2019, the Mitsubishi Electric Group recorded revenue of ¥4,519.9 billion, up 2% from the previous fiscal year, operating profit of ¥290.4 billion, down 11%. Profit before income taxes decreased by 11% compared to the previous fiscal year to ¥315.9 billion, and net profit attributable to Mitsubishi Electric Corp. stockholders decreased by 11% to ¥226.6 billion.

Fiscal period / Classification	147th Fiscal 2018	148th Fiscal 2019
Revenue	4,444.4	4,519.9
Operating profit	327.4	290.4
Profit before income taxes	353.2	315.9
Net profit attributable to Mitsubishi Electric Corp. stockholders	255.7	226.6

Note: The Group has adopted International Financial Reporting Standards (IFRS) from the 148th fiscal period (fiscal 2019). Accordingly, IFRS-compliant figures are also presented for the 147th fiscal period (fiscal 2018).

Revenue by Business Segment (Billions of yen)

Business Segment	148th Fiscal 2019	
	Revenue	As a percentage of revenue
Energy and Electric Systems	1,296.7	25.2
Industrial Automation Systems	1,467.6	28.5
Information and Communication Systems	426.2	8.3
Electronic Devices	199.9	3.9
Home Appliances	1,074.0	20.9
Others	676.7	13.2
Subtotal	5,141.3	100.0
Eliminations and other	(621.4)	—
Total	4,519.9	—

Note: The figures shown in this table include internal revenue between segments (transfer). The later section “Information by Business Segment” reflects the figures computed at the same condition.

Revenue by Location (Billions of yen)

Location	147th Fiscal 2018		148th Fiscal 2019	
	Revenue	As a percentage of revenue	Revenue	As a percentage of revenue
Japan	2,438.9	54.9	2,556.6	56.6
North America	419.1	9.4	429.4	9.5
Asia (excluding Japan)	1,089.1	24.5	1,013.8	22.4
Europe	431.3	9.7	453.7	10.0
Others	65.8	1.5	66.1	1.5
Overseas	2,005.4	45.1	1,963.2	43.4
Total	4,444.4	100.0	4,519.9	100.0

Note: Revenue is shown by country and region based on customer location.

Information by Business Segment

Energy and Electric Systems		147th (Fiscal 2018)	148th (Fiscal 2019)	YoY
	Revenue	¥1,253.0 billion	¥1,296.7 billion	Up 3%
	Operating profit	¥65.4 billion	¥82.5 billion	Up ¥17.0 billion

Principal products (as of March 31, 2019):
Turbine generators, hydraulic turbine generators, nuclear power plant equipment, motors, transformers, power electronics equipment, circuit breakers, gas insulated switchgears, switch control devices, surveillance-system control and security systems, transmission and distribution ICT systems, large display devices, electrical equipment for locomotives and rolling stock, elevators, escalators, building security systems, building management systems, and others

The social infrastructure systems business remained substantially unchanged in orders compared to the previous fiscal year, while revenue increased compared to the previous fiscal year due primarily to increases in the transportation systems business inside and outside Japan and the power systems business in Japan.

The building systems business remained substantially unchanged in both orders and revenue compared to the previous fiscal year, experiencing a decrease in the new installation of elevators and escalators in China and buoyant growth in the renewal business in Japan and other factors.

As a result, revenue for this segment increased by 3% from the previous fiscal year to 1,296.7 billion yen.

Operating profit increased by 17.0 billion yen from the previous fiscal year to 82.5 billion yen due primarily to an increase in revenue.

Industrial Automation Systems		147th (Fiscal 2018)	148th (Fiscal 2019)	YoY
	Revenue	¥1,444.9 billion	¥1,467.6 billion	Up 2%
	Operating profit	¥187.3 billion	¥142.5 billion	Down ¥44.7 billion

Principal products (as of March 31, 2019):
Programmable logic controllers, inverters, servomotors, human-machine interface, motors, hoists, magnetic switches, no-fuse circuit breakers, short-circuit breakers, transformers for electricity distribution, time and power meters, uninterruptible power supply, industrial fans, computerized numerical controllers, electrical discharge machines, laser processing machines, industrial robots, clutches, automotive electrical equipment, electric powertrain system, car electronics and car mechatronics, car multimedia, and others

The factory automation systems business saw decreases in both orders and revenue from the previous fiscal year due primarily to a decrease in capital expenditures in the fields of organic light emitting diodes (OLED) and smartphones outside Japan, despite buoyant demand in Japan.

The automotive equipment business saw increases in both orders and revenue from the previous fiscal year due primarily to increases in Japan, Europe and other markets in Asia, as well as increased revenue in electric-vehicle related equipment in response to market growth worldwide.

As a result, revenue for this segment increased by 2% from the previous

fiscal year to 1,467.6 billion yen.

Operating profit decreased by 44.7 billion yen from the previous fiscal year to 142.5 billion yen due primarily to a shift in product mix, increases in material prices and upfront investment for growth drivers.

Information and Communication Systems		147th (Fiscal 2018)	148th (Fiscal 2019)	YoY
	Revenue	¥438.1 billion	¥426.2 billion	Down 3%
Operating profit	¥11.3 billion	¥12.2 billion	Up ¥0.9 billion	

Principal products (as of March 31, 2019):

Wireless and wired communications systems, network camera systems, satellite communications equipment, satellites, radar equipment, antennas, missile systems, fire control systems, broadcasting equipment, data transmission devices, network security systems, information systems equipment, systems integration, and others

The telecommunications systems business saw decreases in both orders and revenue compared to the previous fiscal year due primarily to decreased demand in communications infrastructure equipment.

The information systems and service business remained substantially unchanged in orders, while revenue increased compared to the previous fiscal year owing to an increase in the system integrations business.

The electronic systems business saw a decrease in orders compared to the previous fiscal year mainly due to a decrease in the space systems business, while revenue experienced a decrease compared to the previous fiscal year due primarily to a decrease in the defense systems business.

As a result, revenue for this segment decreased by 3% from the previous fiscal year to 426.2 billion yen.

Operating profit increased by 0.9 billion yen from the previous fiscal year to 12.2 billion yen due primarily to a shift in project portfolios.

Electronic Devices		147th (Fiscal 2018)	148th (Fiscal 2019)	YoY
	Revenue	¥202.2 billion	¥199.9 billion	Down 1%
Operating profit	¥14.1 billion	¥1.4 billion	Down ¥12.7 billion	

Principal products (as of March 31, 2019):

Power modules, high-frequency devices, optical devices, LCD devices, and others

The electronic devices business saw a decrease in orders and revenue fell by 1% from the previous fiscal year to 199.9 billion yen mainly due to decreased demand for optical communication devices.

Operating profit decreased by 12.7 billion yen from the previous fiscal year to 1.4 billion yen due primarily to a decrease in revenue and a shift in product mix.

Home Appliances		147th (Fiscal 2018)	148th (Fiscal 2019)	YoY
	Revenue	¥1,049.3 billion	¥1,074.0 billion	Up 2%
	Operating profit	¥55.4 billion	¥59.4 billion	Up ¥3.9 billion

Principal products (as of March 31, 2019):

Room air conditioners, package air conditioners, chillers, showcases, compressors, refrigeration units, air-to-water heat pump boilers, ventilators, photovoltaic systems, hot water supply systems, IH cooking heaters, LED lamps, fluorescent lamps, indoor lighting, LCD televisions, refrigerators, electric fans, dehumidifiers, air purifiers, cleaners, jar rice cookers, microwave ovens, and others

The home appliances business saw a 2% increase in revenue from the previous fiscal year to 1,074.0 billion yen due to increases in revenue of air conditioners for Japan, Europe and North America.

Operating profit increased by 3.9 billion yen compared to the previous fiscal year to 59.4 billion yen due primarily to an increase in revenue.

Others		147th (Fiscal 2018)	148th (Fiscal 2019)	YoY
	Revenue	¥659.0 billion	¥676.7 billion	Up 3%
	Operating profit	¥24.0 billion	¥24.1 billion	Up ¥0.1 billion

Principal products (as of March 31, 2019):

Procurement, logistics, real estate, advertising, finance, and other services

Revenue increased by 3% compared to the previous fiscal year to 676.7 billion yen mainly due to an increase in revenue at affiliated companies involved in logistics.

Operating profit increased by 0.1 billion yen from the previous fiscal year to 24.1 billion yen due primarily to an increase in revenue.

2. Capital Expenditures

During fiscal 2019, the Mitsubishi Electric Group made decisions to invest a total of ¥269.0 billion, up 32% compared to the previous fiscal year, in order to realize its growth strategies and increase profitability in line with its policy of improving performance by implementing the Balanced Corporate Management Policy while pursuing further growth.

Principal capital expenditures per segment are as follows:

Segment	Amount* (Billions of Yen)	Major Projects Completed within Consolidated Basis Fiscal 2019	Major Ongoing Projects within Consolidated Basis Fiscal 2019
Energy and Electric Systems	35.4	Transmission & Distribution Systems Center High-voltage direct current (HVDC) verification facility	Itami Works Facility for development verification and distribution of electrical equipment for locomotives and rolling stock
Industrial Automation Systems	98.6	Himeji Works Hirohata Plant, New building	Mitsubishi Electric Automotive Czech s.r.o New plant to produce motors and inverters for electric motor vehicles (Czech Republic)
Information and Communication Systems	24.8	Communication Networks Center Streamlining manufacturing systems	Kamakura Works New satellite production facility
Electronic Devices	55.2	Power Device Works Production facilities for SLIMDIP-streamlining manufacturing systems	Power Device Works Power device-streamlining manufacturing systems
Home Appliances	38.3	Shizuoka Works Air conditioners-streamlining manufacturing systems	Shizuoka Works Air conditioners R&D assessment laboratory building
Others	16.7	–	Information Technology R&D Center Facility to test ZEB (net Zero Energy Building)-related technologies

*Figures shown in this table are based on investment decisions.

3. Research and Development

(1) Basic Policy on Research and Development

As the cornerstone of its growth strategy, the Mitsubishi Electric Group will promote short-, medium-, and long-term R&D themes in a balanced manner.

In addition to promoting development toward strengthening current businesses and achieving innovation, the Company is striving to create further value through synergy of technologies and businesses by leveraging the Company's diverse technologies and businesses, while also working to realize sustainable growth through the development of future technologies.

To support these efforts, the Company is developing common basic technologies that are the source of the competitive advantages of the Company's products, on a continuous basis.

Furthermore, the Company will promote enhancement of efficiency of development through proactive utilization of open innovation in collaboration with universities and other external R&D institutions.

During fiscal 2019, the total R&D expenses for the entire Group have amounted to 212.7 billion yen (1% increase compared to the previous fiscal year). Representative achievements are as follows.

(2) Major R&D Achievements in Fiscal 2019

Development of New Dot Forming Technology that Achieves High-precision Three-dimensional Metal Shaping

In recent years, there has been a growing demand for multi-product small-lot production. In order to shorten manufacturing processes and increase design flexibility, application of three-dimensional shaping technologies to metal parts have been spreading in various fields, primarily in the aircraft and automobile manufacturing fields.

The Company has developed a unique dot forming technology that realizes high-precision shaping by combining laser, computer numerical control and computer aided manufacturing CAM^{*1} technologies in 3D printers. The technology produces high-quality three-dimensional parts with few voids at high speed, employing a laser wire DED^{*2} method. With this new technology, the shape accuracy has improved by 60% (in-house comparison) compared to that of conventional consecutive forming technology.

The technology will contribute to greater productivity in a wide range of applications, such as the "near-net" shaping^{*3} of aircraft and automobile parts and build-up repairs.

*1 Computer Aided Manufacturing: A technology that uses input three-dimensional shape data to perform all production preparations, such as the creation of processing programs, on a computer

*2 Directed Energy Deposition: An additive-manufacturing process that uses focused thermal energy to fuse materials as they are deposited, and add layer by layer to solidify

*3 A manufacturing technique to produce the item in near-final form

Development of High-performance Injection-molded-resin Slotted Waveguide Array Antenna

Dual polarization antenna^{*1} with exceptional capabilities are required in order to enable enhanced observation range and accuracy in the radar field as well as greater communication capacity and speed in the communications field. However,

conventional designs had difficulty in achieving both greater performance and reduced weight and costs.

The Company has developed^{*2} a slotted waveguide array antenna made of injection-molded resin that uses a manufacturing approach that combines resin-molding and plating. The antenna achieves industry-leading performance^{*3} thanks to its proprietary structure, as well as being lightweight and low-cost.

The Company is now working to commercialize the antenna for use in a wide range of fields, such as weather radar, air traffic control radar, surface observation radar, and satellite communication antennas.

*1 Antenna with both horizontally and vertically polarized waves

*2 The development received support from the Japan Science and Technology Agency's A-STEP program under a project entitled "Development of a novel resin ridge waveguide antenna with eminent low sidelobe"

*3 As of January 25, 2019, in comparison to conventional patch array antenna (based on the Company's research)

Development of Seamless Speech Recognition Technology

Using its proprietary Maisart^{*1} AI technology, the Company developed "Seamless Speech Recognition," the world's first^{*2} technology capable of highly accurate multilingual speech recognition without being informed which language is being spoken. The technology can understand multiple people speaking either the same or different languages simultaneously.

Going forward, the Company will work to further improve the accuracy and applicability of automatic speech recognition in real environments.

*1 Mitsubishi Electric's AI creates the State-of-the-ART in technology

Mitsubishi Electric's AI technology brand aimed at making every device smarter

*2 As of February 13, 2019 (based on the Company's research)

4. Topics

Successful Launch of Qatar's Es'hail-2 Communications Satellite

In November 2018, the Es'hail-2 communications satellite, built by the Company on consignment for Es'hailSat, Qatari communication satellite operator, was successfully launched. The Es'hail-2 is the first satellite built by a Japanese satellite manufacturer upon orders placed by an Arab company. Equipped with a high output state-of-the-art communication system, the satellite will be used to provide Es'hailSat's commercial television communications as well as commercial data transmissions and transmission services for governmental communication services, all of which cover a wider area with increased capacity and security. Moreover, Es'hail-2 will provide the world's first geostationary amateur radio service.

The Company will continue to contribute to the provision of services by governmental and private enterprises through its space systems business, including satellite systems that leverage the Company's advanced product capabilities and technology strengths.

Environmental Activities Given Top Ranking by CDP for Third Consecutive Year

The Company was selected for the third consecutive year as the top "A List" ranked company in the CDP Climate Change and the CDP Water (January 2019), which are surveys on the climate- and water-management practices of companies, conducted by CDP*, an international non-governmental organization. Furthermore, in February 2019, the Company was selected as a Supplier Engagement Leader, the top ranking named by CDP, for outstanding climate-management practices that the Company deploys with the suppliers.

The Company will continue to contribute to enhanced prosperity by supporting the realization of sustainable societies and safe, secure, and comfortable lifestyles through conserving energy in production and systems, establishing social infrastructure, and minimizing the environmental impacts of the overall supply chain.

* CDP is an international non-governmental organization (NGO) that surveys, evaluates, and discloses environmental activities by companies and municipalities. Its evaluation results are used by over 500 institutional investors.

Increased Elevator Competitiveness in India

In April 2019, the Company launched the "NEXIEZ-LITE MRL" elevator in India, where annual demand for new installation is the second highest* in the world and further growth is expected. This elevator, designed for mid-rise and low-rise residences, office buildings and hotels, is the Company's first machine-room-less model manufactured in India. The elevator was developed to meet market needs such as architectural design flexibility and effective usage of floor space. It is being locally produced for shorter delivery time and cost reduction for greater competitiveness.

The Company and its subsidiary Mitsubishi Elevator India Private Limited will continue providing customers with safe and reliable products and services, and expand business in the Indian market.

* Based on fiscal 2019 figures, as of March 28, 2019 (based on the Company's research)

5. Corporate Agenda

Regarding the world economy, as uncertainties such as influence from the U.S. trade policies and Brexit continues, the global economy is expected to experience a slowdown in growth due to the U.S.-China trade friction making negative impact on exports and investments in various countries and regions, among other factors, despite the expected moderate expansion that is likely to continue.

The Mitsubishi Electric Group, based on its Corporate Mission^{*1} and Seven Guiding Principles^{*2}, has positioned corporate social responsibility (CSR) initiatives as the pillar of its corporate management. The Group will provide solutions that combine products, systems and services in response to social challenges including environmental issues and resource and energy issues, and thereby further promote creation of value such as “simultaneous achievement of sustainability and safety, security and comfort” in the four fields of Life, Industry, Infrastructure, and Mobility.

Additionally, in promoting creation of value, the Group will enhance its business foundation (connections with customers, technologies, personnel, products, corporate culture, etc.), evolve Technology Synergies and Business Synergies through greater collaboration with both inside and outside the Group and transform its business models, based on its threefold balanced management policy of “Growth,” “Profitability & Efficiency” and “Soundness.” The Group has defined consolidated revenue of ¥5 trillion or more and an operating profit ratio of 8% or more as fiscal 2021 targets. As slowdown in economic growth makes the business environment ever more harsh, in fiscal year 2020, the Group will keep an eye on outcomes of past investment as well as on the progress of profitability improvements, and continue with initiatives to achieve these targets and sustain growth into the future. The Group will also continue to strive toward achieving an ROE of 10% or more and a ratio of bonds and borrowings to total assets of 15% or less as management targets that should be achieved continuously.

Toward sustainable growth, the Group will strengthen its business competitiveness centered on growth drivers and continuously create new businesses. To this end, the Group will work to maximize results by taking part in collaborations, mergers and acquisitions and other strategic activities with a view to supplementing missing products and technologies, securing distribution-/service-network in new regions and markets, and acquiring new talent. The Group will build and reinforce an optimal business structure, in both global terms and for the entire corporate Group to enhance competitiveness in the U.S., Europe and China, while also focusing on meeting demands in growing markets such as India, Southeast Asia, and Central and South America. Furthermore, while carrying out capital cost-conscious management, the Group will realize high-quality growth by continuing the following measures: optimizing resource distribution through continuous reevaluation of its business portfolio; strengthening its development and production capability that will contribute to the strengthening of its integrated comprehensive manufacturing capability; emphasizing on quality from the early stages of design and development; increasing its productivity through Just-in-Time production including enhancement of work efficiency in indirect departments; streamlining its human resources structure and allocating them appropriately; further improving its financial standing; and improving its comprehensive business efficiency from a medium and long term perspective, using Mitsubishi Electric’s version of ROIC^{*3}, a comprehensive business efficiency

indicator.

In these efforts, the Mitsubishi Electric Group aims to reduce CO₂ emissions from product usage by 30% compared to fiscal 2001 and 30% from product production across the entire Group compared to fiscal 1991^{*4}. These goals follow the “Environmental Vision 2021” with 2021 as its target year, the 100th anniversary of the Company’s founding and are aimed at contributing to the creation of a low-carbon, recycling-based society. In terms of legal and ethical compliance, in light of quality issues such as providing non-confirming products, the Group as a whole will diligently work to further disseminate compliance awareness by strengthening its organizational compliance frameworks through inculcating compliance policy, enhancing internal control measures and internal training. The Group intends to improve its corporate governance through continuous promotion of measures such as compliance with Japan’s Corporate Governance Code, in order to acquire a higher level of trust from society, customers, and shareholders.

Steadily executing the strategies above, the Mitsubishi Electric Group will work to further enhance its corporate value. Looking ahead, the Group asks for the understanding and support of all its stakeholders.

^{*1} Corporate Mission: The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, we enhance the quality of life in our society.

^{*2} These principles are:

Trust: Establish relationships with society, customers, shareholders, employees, and business partners based on strong mutual trust and respect.

Quality: Provide the best products and services with unsurpassed quality.

Technology: Pioneer new markets by promoting research and development, and fostering technological innovation.

Citizenship: As a global player, contribute to the development of communities and society as a whole.

Ethics and Compliance: In all endeavors, conduct ourselves in compliance with applicable laws and high ethical standards.

Environment: Respect nature, and strive to protect and improve the global environment.

Growth: Assure fair earnings to build a foundation for future growth.

^{*3} ROIC (Mitsubishi Electric version): A comprehensive business efficiency indicator which is calculated by asset items (fixed assets, cash, etc.) per different segments (and not by capital and liability) so that it is easier to track and improve.

^{*4} Base fiscal years of reduction targets:

Mitsubishi Electric Corporation: 1990; Associated companies in Japan: 2000; Associated companies outside Japan: 2005

6. Trends in Operating Results and Financial Condition

(Billions of yen, except per share data)

(1) The Mitsubishi Electric Group (Consolidated)

i. U.S. Accounting Standards

	145th Period Fiscal 2016	146th Period Fiscal 2017	147th Period Fiscal 2018
Net sales	4,394.3	4,238.6	4,431.1
Operating income	301.1	270.1	318.6
Income before income taxes	318.4	296.2	364.5
Net income attributable to Mitsubishi Electric Corp.	228.4	210.4	271.8
Basic net income per share attributable to Mitsubishi Electric Corp.	¥106.43	¥98.07	¥126.70
Total assets	4,059.9	4,172.2	4,264.5

Note: In the 147th Period (fiscal 2018), the Company adopted Accounting Standards Update 2015-17 “Balance Sheet Classification of Deferred Taxes” issued by the Financial Accounting Standards Board. Accordingly, all deferred tax assets and liabilities are classified as noncurrent in the consolidated balance sheet and subsequently, deferred tax assets and liabilities attributable to the same tax-paying component or tax jurisdiction are offset and presented in the noncurrent category. The consolidated balance sheets of the 146th period (fiscal 2017) and earlier have been reclassified to reflect this adoption.

ii. IFRS

	145th Period Fiscal 2016	146th Period Fiscal 2017	147th Period Fiscal 2018	148th Period Fiscal 2019
Revenue	–	–	4,444.4	4,519.9
Operating profit	–	–	327.4	290.4
Profit before income taxes	–	–	353.2	315.9
Net profit attributable to Mitsubishi Electric Corp. stockholders	–	–	255.7	226.6
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders	–	–	¥119.19	¥105.65
Total assets	–	–	4,305.5	4,356.2

(2) Mitsubishi Electric Corporation (Non-Consolidated)

	145th Period Fiscal 2016	146th Period Fiscal 2017	147th Period Fiscal 2018	148th Period Fiscal 2019
Net sales	2,675.7	2,576.2	2,675.8	2,717.7
Ordinary income	185.7	124.8	214.1	184.4
Net income	163.8	133.3	203.0	164.5
Net income per share	¥76.31	¥62.15	¥94.61	¥76.70
Total assets	2,718.0	2,853.5	2,886.5	2,841.1

7. Principal Offices (As of March 31, 2019)

(1) Mitsubishi Electric Corporation

1. Head Office: Tokyo

2. Marketing Bases:

Branch Name	Location (Prefecture)	Branch Name	Location (Prefecture)
Hokkaido Branch Office	Hokkaido	Chubu Branch Office	Aichi
Tohoku Branch Office	Miyagi	Kansai Branch Office	Osaka
Kanetsu Branch Office	Saitama	Chugoku Branch Office	Hiroshima
Kanagawa Branch Office	Kanagawa	Shikoku Branch Office	Kagawa
Hokuriku Branch Office	Ishikawa	Kyushu Branch Office	Fukuoka

3. Research Laboratories

Laboratory Name	Location (Prefecture)	Laboratory Name	Location (Prefecture)
Information Technology R&D Center	Kanagawa	Manufacturing Engineering Center	Hyogo
Industrial Design Center	Kanagawa	Component Production Engineering Center	Hyogo
Living Environment Systems Laboratory	Kanagawa	Advanced Technology R&D Center	Hyogo
Design Systems Engineering Center	Hyogo	Automotive Electronics Development Center	Hyogo

4. Manufacturing Facilities

Business Segment	Facility Name	Location (Prefecture)
Energy and Electric Systems	Inazawa Works	Aichi
	Itami Works	Hyogo
	Transmission & Distribution Systems Center	Hyogo
	Kobe Works	Hyogo
	Energy Systems Center	Hyogo
	Power Distribution Systems Center	Kagawa
	Nagasaki Works	Nagasaki
Industrial Automation Systems	Nagoya Works	Aichi
	Sanda Works	Hyogo
	Himeji Works	Hyogo
	Fukuyama Works	Hiroshima
Information and Communication Systems	Information Systems & Network Service Division	Kanagawa
	Kamakura Works	Kanagawa
	Communication Systems Center	Hyogo
	Communication Networks Center	Hyogo

Business Segment	Facility Name	Location (Prefecture)
Electronic Devices	High Frequency & Optical Device Works	Hyogo
	Power Device Works	Fukuoka
	LCD Division	Kumamoto
Home Appliances	Gunma Works	Gunma
	Shizuoka Works	Shizuoka
	Nakatsugawa Works	Gifu
	Kyoto Works	Kyoto
	Air-Conditioning & Refrigeration Systems Works	Wakayama

(2) Subsidiaries

Please refer to Section 11. Principal Subsidiaries.

8. Employees (As of March 31, 2019)

Business Segment	Number of employees	Year-on-Year increase (decrease)
Energy and Electric Systems	46,732	813
Industrial Automation Systems	33,480	1,081
Information and Communication Systems	15,185	54
Electronic Devices	5,415	(173)
Home Appliances	26,789	789
Others	12,716	711
Common	5,500	202
Total	145,817	3,477

Notes: 1. Employees whose job and functions are not directly attributable to any of the aforementioned business segments are included in the line titled as “common”.

2. Breakdown of employees: 92,040 located in Japan; 53,777 located overseas.

9. Fund Raising

Mitsubishi Electric Corporation repaid the borrowings reaching their maturities within fiscal 2019, while procuring working capital through bank loans.

As a result, the balance of interest-bearing debt as of the end of fiscal 2019 stood at ¥298.4 billion, a decrease of ¥13.5 billion compared with the previous fiscal year.

10. Principal Lenders (As of March 31, 2019)

(Billions of yen)

Name of Lender	Outstanding Borrowings
MUFG Bank, Ltd.	78.3
Mizuho Bank, Ltd.	25.4
The Norinchukin Bank	25.1
Meiji Yasuda Life Insurance Company	23.2

11. Principal Subsidiaries (As of March 31, 2019)

(1) Subsidiaries in Japan

Subsidiary Name	Business Segment	Paid-in capital (millions)	Owner -ship	Principal Business Activities	Location
Mitsubishi Electric Building Techno-Service Co., Ltd.	Energy and Electric Systems	¥5,000	100.0%	Sale, installation and maintenance of the Company's elevators and escalators and other building equipment	Tokyo
Mitsubishi Electric Lighting Corporation	Home Appliances	¥3,790	100.0%	Manufacture and sale of lighting equipment, lamps, and related components	Kanagawa
Mitsubishi Precision Co., Ltd.	Information and Communication Systems	¥3,170	74.7%	Manufacture and sale of simulators and precision electronic equipment	Tokyo
The Kodensha Co., Ltd.	Others	¥1,520	50.4%	Contractor undertaking electrical construction, sale of the Company's products	Tokyo

(2) Overseas Subsidiaries

Region	Subsidiary Name	Business Segment	Paid-in capital (millions)	Owner -ship	Principal Business Activities	Location
North America	Mitsubishi Electric Automotive de Mexico, S.A. de C.V.	Industrial Automation Systems	500.00 Mexican Peso	100.0%	Manufacture and sale of automotive equipment	Mexico
North America	Mitsubishi Electric US, Inc.	—	\$31.623	100.0%	Sale and distribution of Group products	United States
North America	Mitsubishi Electric Automotive America, Inc.	Industrial Automation Systems	\$28.00	100.0%	Manufacture and sale of automotive equipment	United States
Asia	Mitsubishi Electric (Guangzhou) Compressor Co., Ltd.	Home Appliances	\$122.22	100.0%	Manufacture and sale of rotary compressors for air conditioners	China
Asia	Mitsubishi Electric (Hong Kong) Ltd.	—	1,012.317 Hong Kong dollar	100.0%	Sale and distribution of Group products	Hong Kong
Asia	Taiwan Mitsubishi Elevator Co., Ltd	Energy and Electric Systems	2,215.249 Taiwan dollar	54.8 %	Manufacture, sale, installation, and maintenance of elevators	Taiwan
Europe	Mitsubishi Electric Europe B.V.	—	€100.597	100.0%	Sale and distribution of Group products	The Netherlands

Europe	Mitsubishi Electric Air Conditioning Systems Europe Ltd.	Home Appliances	14.90 pound	100.0%	Manufacture and sale of industrial air conditioners	The United Kingdom
Europe	Mitsubishi Electric Hydronics & IT Cooling Systems Sp.A.	Home Appliances	€10.00	100.0%	Design, manufacture, and sale of industrial air conditioning equipment	Italy
Other	Mitsubishi Electric Australia Pty. Ltd.	—	11.00 Australian dollars	100.0%	Sale and distribution of Group products	Australia

Notes: 1. Mitsubishi Electric US, Inc., Mitsubishi Electric (Hong Kong) Ltd., Mitsubishi Electric Europe B.V. and Mitsubishi Electric Australia Pty. Ltd. sell and distribute the products produced by Mitsubishi Electric Corporation and/or the companies belonging to the Group, and marketed by multiple business segments.

2. Mitsubishi Electric Europe B.V. carried out a capital increase, causing changes in paid-in capital.

Number of Consolidated Subsidiaries

Region	Overseas						Total
	Japan	North America	Asia	Europe	Other	Subtotal	
Number	95	13	70	26	2	111	206

II. Matters Related to Mitsubishi Electric Corporation

1. Matters Related to Shares (As of March 31, 2019)

- (1) Authorized shares: 8,000,000,000 shares
 (2) Shares issued and outstanding 2,147,201,551 shares
 (3) Number of shareholders 125,638
 (4) Outstanding share information by shareholder category

Category	Number of Shareholders	Number of Shares Held (Thousand shares)	Percentage of Ownership
Government and municipal public organizations	1	1	0.0%
Financial institutions	206	876,579	40.8%
Traders of financial instruments	95	48,483	2.3%
Other corporations	1,390	124,655	5.8%
Foreign corporations <i>et al.</i>	930	815,081	38.0%
Individual <i>et al.</i>	123,016	282,400	13.1%

(5) Principal shareholders (Top 10)

Shareholder	Holdings of the Company's Shares	
	Number of Shares Held (Thousand Shares)	Percentage of Ownership
The Master Trust Bank of Japan, Ltd. (Trust Account)	162,251	7.6%
SSBTC CLIENT OMNIBUS ACCOUNT	124,997	5.8%
Japan Trustee Services Bank, Ltd. (Trust Account)	106,568	5.0%
Meiji Yasuda Life Insurance Company	81,862	3.8%
Nippon Life Insurance Company	61,639	2.9%
Mitsubishi Electric Group Employees Shareholding Union	42,038	2.0%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	39,241	1.8%
Japan Trustee Services Bank, Ltd. (Trust Account 7)	38,720	1.8%
Japan Trustee Services Bank, Ltd. (Trust Account 4)	35,583	1.7%
JP MORGAN CHASE BANK 385632	32,653	1.5%

Note: Shareholder ratio calculations deduct 425,622 company-owned shares.

2. Directors and Executive Officers

(1) Directors (As of March 31, 2019)

1) Title, positions held and important concurrent posts of Directors

Title	Name	Positions Held	Important Concurrent Positions
Chairman	Masaki Sakuyama		
Director	Takeshi Sugiyama		
Director	Nobuyuki Okuma		
Director	Akihiro Matsuyama	Chairman of the Audit Committee	
Director	Masahiko Sagawa	Member of the Audit Committee	
Director	Shinji Harada	Member of the Nomination Committee, Chairman of the Compensation Committee	
Director	Tadashi Kawagoishi	Member of the Compensation Committee	
Outside Director	Mitoji Yabunaka	Member of the Nomination Committee, Member of the Compensation Committee	Visiting Professor, Ritsumeikan University Specially Appointed Professor, Osaka University Outside Director, Komatsu Ltd. Outside Director, Takasago Thermal Engineering Co., Ltd.
Outside Director	Hiroshi Obayashi	Chairman of the Nomination Committee, Member of the Audit Committee	Attorney-at-Law Outside Auditor, Daiwa Securities Co. Ltd. Outside Audit & Supervisory Board Member, NIPPON STEEL & SUMITOMO METAL CORPORATION Outside Auditor, Japan Tobacco Inc.
Outside Director	Kazunori Watanabe	Member of the Audit Committee, Member of the Compensation Committee	Certified Public Accountant Tax Accountant Outside Corporate Auditor, BELLSYSTEM24 Holdings, Inc.
Outside Director	Katsunori Nagayasu	Member of the Nomination Committee, Member of the Audit Committee	Senior Advisor, MUFG Bank, Ltd. Outside Audit & Supervisory Board Member, NIPPON STEEL & SUMITOMO METAL CORPORATION Outside Director, Isetan Mitsukoshi Holdings Ltd. Outside Audit & Supervisory Board Member, Mitsubishi Motors Corporation Outside Director, Kirin Holdings Company, Ltd.
Outside Director	Hiroko Koide	Member of the Nomination Committee, Member of the Compensation Committee	Director, Vicela Japan Co., Ltd.

Notes: 1. Directors Takeshi Sugiyama, Nobuyuki Okuma, Shinji Harada and Tadashi Kawagoishi all concurrently serve as Executive Officers.

2. Directors Takeshi Sugiyama, Masahiko Sagawa, Shinji Harada and Tadashi Kawagoishi were newly elected and took office at the 147th Ordinary General Meeting of Shareholders held on June 28,

2018.

3. Directors Kenichiro Yamanishi, Hiroki Yoshimatsu, Masayuki Ichige and Yutaka Ohashi retired upon the expiration of their terms of office at the end of the 147th Ordinary General Meeting of Shareholders held on June 28, 2018.
4. Outside Director Hiroko Koide retired from the position of Director, Vicela Japan Co., Ltd. as of March 31, 2019.
5. Mr. Akihiro Matsuyama, the Chairman of the Audit Committee, and Mr. Masahiko Sagawa, a member of the Audit Committee, have many years of extensive experience in the Company's Corporate Accounting and Finance Division. Mr. Kazunori Watanabe, a member of the Audit Committee, is a certified public accountant. They all possess considerable knowledge and experience in the fields of finance and accounting.
6. Mitsubishi Electric Corporation appointed Directors, namely, Messrs. Akihiro Matsuyama and Masahiko Sagawa as the Standing Members of the Audit Committee to attend important meetings such as Executive Officer meetings, collect information including from Internal Auditors, conduct investigations such as interview with the execution divisions and other sections in a continuous and effective manner, while sufficiently cooperating with the divisions in charge of internal control.
7. Mitsubishi Electric Corporation has filed a notification on the nomination of its five Outside Directors, namely, Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Katsunori Nagayasu and Ms. Hiroko Koide, as Independent Directors to the Tokyo Stock Exchange in accordance with its directives and on the grounds that these individuals' nomination is in conformity with the requirement of independency.
Five Outside Directors, namely, Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Katsunori Nagayasu and Ms. Hiroko Koide, satisfy the requirement of independency guidelines of Outside Directors of the Company. Please see page 9 for the Company's Independency Guideline for Outside Directors.
8. Among the important concurrent positions of outside directors, the Company maintains business relationships with Osaka University, Komatsu Ltd., Daiwa Securities Co. Ltd., NIPPON STEEL & SUMITOMO METAL CORPORATION, MUFG Bank, Ltd. and Mitsubishi Motors Corporation. It does not maintain special relationships with any of these that would conflict with the interest of its shareholders.
9. NIPPON STEEL & SUMITOMO METAL CORPORATION has changed its trade name to NIPPON STEEL CORPORATION effective on April 1, 2019.

2) Overview of the limited liability agreements

Mitsubishi Electric Corporation made and entered into agreements with three Directors, namely, Messrs. Masaki Sakuyama, Akihiro Matsuyama and Masahiko Sagawa, and five Outside Directors, namely, Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Katsunori Nagayasu and Ms. Hiroko Koide, to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, the limit of liability is either ¥10 million or the minimum statutory amount, whichever is higher.

3) Principal activities of Outside Directors

Name	Principal Activities
Mitoji Yabunaka	100% (seven out of seven) attendance at Board of Directors' meetings. Primarily provides constructive comments relating to the management of the Company from the standpoint of a specialist in international affairs.
Hiroshi Obayashi	100% (seven out of seven) attendance at Board of Directors' meetings and 100% (seven out of seven) attendance at Audit Committee meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a legal affairs specialist as an attorney-at-law.
Kazunori Watanabe	100% (seven out of seven) attendance at Board of Directors' meetings and 100% (seven out of seven) attendance at Audit Committee meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a certified public accountant with specialist knowledge.
Katsunori Nagayasu	86% (six out of seven) attendance at Board of Directors' meetings and 100% (seven out of seven) attendance at Audit Committee meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a specialist in managing a bank.
Hiroko Koide	100% (seven out of seven) attendance at Board of Directors' meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a specialist in managing an international corporation.

Note: Mitsubishi Electric Corporation held seven Board of Directors meetings during the fiscal year.

(2) Executive Officers (As of March 31, 2019)

Title	Name	Positions Held
Representative Executive Officer President & CEO	Takeshi Sugiyama	
Representative Executive Officer Executive Vice President	Yutaka Ohashi	In charge of Export Control and Information Systems & Network Service
Representative Executive Officer Senior Vice President	Nobuyuki Okuma	In charge of Corporate Strategic Planning and Operations of Associated Companies
Senior Vice President	Isao Iguchi	In charge of Automotive Equipment
Senior Vice President	Takashi Sakamoto	In charge of Purchasing
Senior Vice President	Yasuyuki Ito	In charge of Building Systems
Senior Vice President	Kei Uruma	In charge of Public Utility Systems
Executive Officer	Toru Sanada	In charge of Semiconductor & Device
Executive Officer	Takashi Nishimura	In charge of Communication Systems
Executive Officer	Hisashi Kato	In charge of Government & External Relations, Export Control and Intellectual Property
Executive Officer	Masamitsu Okamura	In charge of Electronic Systems
Executive Officer	Masahiro Fujita	In charge of IT and Research & Development
Executive Officer	Satoshi Matsushita	In charge of Global Strategic Planning & Marketing

Title	Name	Positions Held
Executive Officer	Hiroshi Onishi	In charge of Total Productivity Management & Environmental Programs
Executive Officer	Yoshikazu Miyata	In charge of Factory Automation Systems
Executive Officer	Tadashi Matsumoto	In charge of Living Environment & Digital Media Equipment
Executive Officer	Jun Nagasawa	In charge of Advertising and Domestic Marketing
Executive Officer	Shinji Harada	In charge of General Affairs, Human Resources and Public Relations
Executive Officer	Tadashi Kawagoishi	In charge of Accounting and Finance
Executive Officer	Takakazu Murozono	In charge of Auditing and Legal Affairs & Compliance
Executive Officer	Koichi Orito	In charge of Energy & Industrial Systems

Notes: 1. Representative Executive Officer, President & CEO Takeshi Sugiyama, Senior Vice President Nobuyuki Okuma, Executive Officers Shinji Harada and Tadashi Kawagoishi also serve concurrently as Directors.

2. The category, Important Concurrent Positions, does not apply to all 21 Executive Officers.

3. Of those listed above, Senior Vice Presidents Isao Iguchi and Takashi Sakamoto, and Executive Officer Toru Sanada retired upon the expiration of their terms of office on March 31, 2019.

4. Executive Officers as of April 1, 2019 are as follows:

Title	Name	Positions Held
Representative Executive Officer President & CEO	Takeshi Sugiyama	
Representative Executive Officer Executive Vice President	Yutaka Ohashi	In charge of Export Control and Information Systems & Network Service
Representative Executive Officer Senior Vice President	Nobuyuki Okuma	In charge of Corporate Strategic Planning and Operations of Associated Companies
Senior Vice President	Yasuyuki Ito	In charge of Building Systems
Senior Vice President	Kei Uruma	In charge of Public Utility Systems
Senior Vice President	Hisashi Kato	In charge of Government & External Relations, Export Control and Intellectual Property
Executive Officer	Takashi Nishimura	In charge of Communication Systems
Executive Officer	Masamitsu Okamura	In charge of Semiconductor & Device
Executive Officer	Masahiro Fujita	In charge of IT and Research & Development
Executive Officer	Satoshi Matsushita	In charge of Global Strategic Planning & Marketing
Executive Officer	Hiroshi Onishi	In charge of Automotive Equipment
Executive Officer	Yoshikazu Miyata	In charge of Factory Automation Systems
Executive Officer	Tadashi Matsumoto	In charge of Living Environment & Digital Media Equipment
Executive Officer	Jun Nagasawa	In charge of Advertising and Domestic Marketing
Executive Officer	Shinji Harada	In charge of General Affairs, Human Resources and Public Relations
Executive Officer	Tadashi Kawagoishi	In charge of Accounting and Finance
Executive Officer	Takakazu Murozono	In charge of Auditing and Legal Affairs & Compliance

Title	Name	Positions Held
Executive Officer	Koichi Orito	In charge of Energy & Industrial Systems
Executive Officer	Juichi Shikata	In charge of Purchasing
Executive Officer	Yoshihisa Hara	In charge of Electronic Systems
Executive Officer	Atsuhiko Yabu	In charge of Total Productivity Management & Environmental Programs

(3) Directors' and Executive Officers' Compensation

	Number Receiving Payment	Compensation Amount (Millions of yen)
Directors	6	327
Outside Directors	5	69
Executive Officers	21	2,692

Notes: 1. The number of Directors receiving compensation does not include Outside Directors or Directors who concurrently hold posts as Executive Officers.

2. Regarding Executive Officers who assumed the office in the 147th fiscal year, there was a difference amounting to ¥56 million between the total compensation disclosed for the previous fiscal year and the compensation paid during fiscal 2019. Said difference was not included in the amount disclosed above.

(4) The Policy for Determining Compensation for Directors and Executive Officers

1) Basic Policies

- i. As a Company with a Three-committee System, the Company segregates the supervisory function and the execution function of management. The supervisory function of management is assigned to the Board of Directors and the execution function of management is assigned to the Executive Officers. The compensation scheme for Directors and the compensation scheme for the Executive Officers will be set differently, corresponding to the contents and responsibilities of each of the duty and position.
- ii. Directors give advice to and supervise the Company's management from an objective point of view, and therefore, the basic policy of the compensation scheme for Directors is the payment of fixed-amount compensation and the retirement benefit upon resignation.
- iii. The compensation scheme for the Executive Officers focuses on incentives for the realization of management policies and the improvement of business performance, and performance-based compensation will be paid in addition to the payment of fixed-amount compensation and the retirement benefit upon resignation, based on the following basic policies:
 - a. The compensation scheme should raise awareness of the contribution to the improvement of the mid- and long-term business performance, and to the enhancement of the Group's corporate value.
 - b. The compensation scheme should be closely linked with the company's performance and be highly transparent and objective.
 - c. The compensation scheme should mainly aim at sharing of interest with

shareholders and raising management awareness which places importance on the interest of shareholders.

- iv. In order to introduce from the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will employ external compensation consultants, and deliberate the compensation level, compensation scheme, etc. with the support of such consultants, taking into consideration external data concerning compensation in major Japanese corporations developing their businesses globally, the domestic economic environment, industry trends, management conditions, etc.

2) The System and the Policy for Determining Compensation for Directors and Executive Officers

i. Compensation for Directors:

- a. A fixed amount of compensation shall be set at a level considered reasonable, while taking into account the contents of the Directors' duties and the Company's conditions, etc.
- b. The amount of the retirement benefit will be decided on the basis of the monthly amount of compensation and the number of service years, etc.

ii. Compensation for Executive Officers:

- a. A fixed amount of compensation shall be set at a level considered reasonable, while taking into account the contents of the Executive Officer's duties and the Company's conditions, etc.
- b. The level of performance-based compensation will be decided while taking into account the consolidated business performance and the performance of the business to which the respective Executive Officer is assigned, etc. With the purposes of meshing the interest of shareholders with the Executive Officers and further raising management awareness that places importance on the interest of shareholders, and increasing the incentives for the improvement of business performance from the mid- and long-term perspectives, 50% of performance-based compensation will be paid in the form of shares. The Company sets a rule that, when the Executive Officers acquire the Company shares as a part of compensation, they are required to continue the shareholding until 1 year has passed from resignation.
- c. The amount of the retirement benefit will be decided on the basis of the monthly amount of compensation and the number of service years, etc.

3. Status of the Independent Auditor

(1) Name of the Independent Auditor

KPMG AZSA LLC

(2) Compensation Paid to the Independent Auditor in Fiscal 2019

(Millions of yen)

	Payment
1) Compensation and other payments to the Independent Auditor by Mitsubishi Electric Corporation	283
2) A total of financial returns payable on monetary and other assets by Mitsubishi Electric Corporation and its subsidiaries	559

- Notes: 1. In its auditing agreements with independent auditors, the Company makes no distinction between compensation for audits as defined by the Companies Act or for audits as defined under the Financial Instruments and Exchange Law. The total of compensation for such audits is included in 1) in the above table.
2. Aside from audit work defined in Article 2, Paragraph 1 of the Certified Public Accountant Law, Mitsubishi Electric Corporation has paid the Independent Auditor a fee for advisory services related to assessment of the Company's accounting operations.
3. Ten of the Company's principal subsidiaries have been audited by audit corporations (or accounting firms) other than the Independent Auditor retained by Mitsubishi Electric Corporation. Accounting firms in alliance with the Independent Auditor retained by Mitsubishi Electric Corporation audited nine out of such ten subsidiaries.
4. Audit Committee determined that the compensation for Independent Auditors were legitimate and agreed to the amount, as it was based on the estimated audit hours taking into account the audit policies and plans for fiscal 2019, which were confirmed with the Independent Auditors, and as the compensation unit price was a reasonable amount.

(3) Policy on Dismissal or Non-Reappointment of the Independent Auditor

1) The Independent Auditor may be dismissed in the event that it:

- a. Commits any breach or omission of due fulfillment of the responsibilities of its work;
- b. Acts in a manner that is inappropriate for an independent auditor; or,
- c. Is involved in any sort of incident or activity that is deemed to fall within the scope of (a) and (b) above.

2) In addition to the event as contemplated in 1) above, for such reasons as (but not limited to) amelioration of the audit quality, the Company may opt, as necessary, not to renew the retention or appointment of the Independent Auditor.

4. Summary of Systems Necessary to Ensure the Properness of Operations of the Company and the Status of the Management

(1) For the execution of the duties of the Audit Committee, its independence is secured by assigning employees whose job is exclusively to assist the Audit Committee members. In addition, internal regulations regarding the processing of expenses and debts incurred in the execution of the duties of the Audit Committee members are established and such expenses and debts are properly processed.

A system for reporting to the Audit Committee is developed to report information about the Company and its subsidiaries to the Audit Committee via the divisions in charge of internal control, and an internal whistle-blower system is developed and its details are reported to the Audit Committee members.

Furthermore, the Audit Committee members attend important meetings including Executive Officer meetings and conduct investigations such as interviews with Executive Officer and the executives of the Company's offices and subsidiaries, and undertake deliberations to determine audit policies, methods, implementation status, and results of the audit by regularly receiving reports from the Independent Auditor and Executive Officers in charge of audits.

(2) Internal regulations and systems to ensure the properness of operations within the Mitsubishi Electric Group are established. Executive Officers take responsibility for constructing such systems within the areas over which they are appointed. Important matters are deliberated by convening Executive Officer meetings.

Executive Officers regularly monitor the status of management of the systems. The divisions in charge of internal control monitor the status of design and management of internal control system and regulations. Also an internal whistle-blower system is established and the matters reported thereto are informed to the Audit Committee members.

Furthermore, the status of management of the system is audited by internal auditors, and the audit results are reported regularly to the Audit Committee via Executive Officers in charge of audit.

Details of this section are posted on the Company's Website (<https://www.MitsubishiElectric.com/en/investors/meeting/index.html>).

5. Basic Policy Regarding Control over the Company

At present, Mitsubishi Electric Corporation has not formulated basic policies or anti-takeover measures.

The Company aims to further enhance corporate value in incessant pursuit of growth and *better-than-ever* business results. Through proactive IR activities, the Company endeavors to convey timely information to investors and financial markets, regarding its management policies, strategies and business results.

However, due to the possibility that large volumes of shares may be purchased, the Company believes it is necessary to take appropriate steps in response to any action not in conformity with the objective of enhancing the Company's corporate value, or in contrary to the common interest of shareholders. Looking forward, the Company will maintain a careful watch over social trends and examine avenues of action.

6. Policy on the Determination of Dividends from Surplus

(1) Medium- to long-term policy

Mitsubishi Electric Corporation shall remain focused on enhancing corporate value as its ultimate objective. The Company aims to maintain a balance between distributing profits that reflect earnings conditions for the respective fiscal year and strengthening its financial standings by improving internal reserves. From this perspective, the Company's fundamental policy is to improve overall shareholder returns.

(2) Dividends for the fiscal year ended March 31, 2019

In the fiscal year ended March 31, 2019, Mitsubishi Electric Corporation decided to pay a fiscal year-end dividend of ¥26 per share in line with its performance and financial standing during the fiscal period.

As a result, the annual dividend for the fiscal year ended March 31, 2019, amounted to ¥40 per share, which includes an interim dividend of ¥14 per share paid on December 4, 2018.

Note: Fiscal year-end dividends will be paid on Tuesday, June 4, 2019.

Consolidated Financial Statements

Consolidated Statement of Financial Position

(March 31, 2019)

(Millions of yen)

Assets		Liabilities	
Current assets	2,624,293	Current liabilities	1,416,335
Cash and cash equivalents	514,224	Bonds and borrowings	104,969
Trade receivables	938,264	Trade payables	559,641
Contract assets	295,652	Contract liabilities	138,877
Other financial assets	48,768	Other financial liabilities	159,579
Inventories	729,098	Accrued expenses	268,651
Other current assets	98,287	Accrued income taxes	24,298
Non-current assets	1,731,918	Provisions	106,006
Investments accounted for using the equity method	197,959	Other current liabilities	54,314
Other financial assets	303,834	Non-current liabilities	428,721
Property, plant and equipment	760,540	Bonds and borrowings	193,469
Goodwill and intangible assets	137,615	Retirement benefit liabilities	176,087
Deferred tax assets	233,087	Provisions	6,905
Other non-current assets	98,883	Deferred tax liabilities	10,164
		Other non-current liabilities	42,096
		Total liabilities	1,845,056
		Equity	
		Mitsubishi Electric Corp. stockholders' equity	2,399,946
		Common stock	175,820
		Capital surplus	202,834
		Retained earnings	1,960,466
		Accumulated other comprehensive income (loss)	63,809
		Treasury stock, at cost	(2,983)
		Non-controlling interests	111,209
		Total equity	2,511,155
Total assets	4,356,211	Total liabilities and equity	4,356,211

Consolidated Statement of Profit or Loss

(April 1, 2018 to March 31, 2019)

(Millions of yen)

Revenue	4,519,921
Cost of sales	3,186,869
Selling, general and administrative expenses	1,043,294
Other profit (loss)	719
Operating profit	290,477
Financial income	9,747
Financial expenses	4,382
Share of profit of investments accounted for using the equity method	20,116
Profit before income taxes	315,958
Income taxes	78,304
Net profit	237,654
Net profit attributable to:	
Mitsubishi Electric Corp. stockholders	226,648
Non-controlling interests	11,006

[Reference]

Consolidated Statement of Cash Flows

(April 1, 2018 to March 31, 2019)

(Millions of yen)

Cash flows from operating activities	239,817
Cash flows from investing activities	(210,668)
Free cash flow	29,149
Cash flows from financing activities	(112,067)
Effect of exchange rate changes on cash and cash equivalents	(2,057)
Net increase (decrease) in cash and cash equivalents	(84,975)

Financial Statements

Balance Sheet

(March 31, 2019)

(Millions of yen)

Assets		Liabilities	
Current assets:	1,554,010	Current liabilities:	1,279,806
Cash and cash equivalents	206,661	Electronically recorded obligations – operating	98,459
Notes receivable	1,935	Trade accounts payable	317,913
Trade accounts receivable	833,555	Short-term loans payable	464,161
Finished goods	85,520	Current portion of bonds payable	20,000
Raw materials	47,574	Lease obligation	3,317
Work in process	198,216	Other accounts payable	102,398
Advance payments	25,564	Accrued expenses	88,142
Other	156,322	Income taxes payable	2,475
Allowance for doubtful accounts	(1,339)	Advances received	87,350
Noncurrent assets:	1,287,148	Reserve for product warranties	46,021
Property, plant and equipment	419,274	Reserve for loss on construction contracts	26,723
Buildings, net	202,913	Other	22,841
Structures, net	11,715	Noncurrent liabilities:	319,891
Machinery and equipment, net	82,796	Bonds payable	20,000
Vehicles, net	484	Long-term loans payable	267,300
Tools, furniture and fixtures, net	31,102	Lease obligations	5,063
Land	47,134	Reserve for retirement benefits	17,485
Lease assets, net	4,722	Reserve for loss on investments in foreign subsidiaries and affiliates	4,561
Construction in progress	38,404	Reserve for directors' retirement benefits	1,214
Intangible fixed assets	38,136	Reserve for competition-law-related expenses	2,562
Software	25,572	Asset retirement obligations	386
Other	12,563	Other	1,317
Investments and other assets	829,737	Total liabilities	1,599,697
Investment in securities	203,013	Net assets	
Investment in subsidiaries and affiliates	419,060	Shareholders' equity:	1,176,467
Long-term loans receivable	15,405	Common stock	175,820
Long-term prepaid expenses	4,417	Capital surplus	181,321
Deferred tax assets	58,751	Legal capital surplus	181,140
Other	129,972	Other capital surplus	180
Allowance for doubtful accounts	(884)	Retained earnings	822,308
		Legal retained earnings	43,955
		Other retained earnings	778,353
		Reserve for reduction entry	8,829
		General reserve	300,000
		Retained earnings brought forward	469,523
		Treasury stock	(2,983)
		Valuation and translations adjustments:	64,994
		Unrealized gains (losses) on securities	64,995
		Deferred gains (losses) on hedges	(0)
		Total net assets	1,241,462
Total assets	2,841,159	Total liabilities and net assets	2,841,159

Statement of Income

(April 1, 2018 to March 31, 2019)

(Millions of yen)

Net sales		2,717,760
Cost of sales		2,124,122
Gross profit		593,638
Selling, general and administrative expenses		509,798
Operating income		83,839
Non-operating income		
Interest and dividends	119,748	
Other	12,171	131,919
Non-operating expenses		
Interest	2,906	
Other	28,410	31,317
Ordinary income		184,441
Extraordinary loss		
Loss on impairment	1,470	1,470
Income before income taxes		182,971
Income taxes-current		3,481
Income taxes-deferred		14,956
Net income		164,533

Independent Auditor's Report

April 24, 2019

Takeshi Sugiyama
President and CEO
Mitsubishi Electric Corporation

KPMG AZSA LLC

Hideaki Koyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Naoki Matsumoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yukihiko Ishiguro (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of Mitsubishi Electric Corporation as at March 31, 2019 and for the year from April 1, 2018 to March 31, 2019 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Mitsubishi Electric Corporation and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

April 24, 2019

Takeshi Sugiyama
President and CEO
Mitsubishi Electric Corporation

KPMG AZSA LLC

Hideaki Koyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Naoki Matsumoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yukihiko Ishiguro (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Mitsubishi Electric Corporation as at March 31, 2019 and for the year from April 1, 2018 to March 31, 2019 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Mitsubishi Electric Corporation for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit Committee Report

The Audit Committee has conducted audits of the Directors and Executive Officers of the Company with regard to their performance of duties during the 148th fiscal period (April 1, 2018 to March 31, 2019). A report covering the methodology and findings of the audit follows.

1. Methodology and Scope of Audit

The Company's Audit Committee monitored and examined the content of resolutions of the Board of Directors related to matters set forth in Article 416, Paragraph 1, Item 1, Sections 2 and 5 of the Companies Act, as well as the structure of the Company's internal control system as set forth in the aforementioned resolutions. To this end, the Audit Committee received periodic reports from Directors, Executive Officers and employees regarding the content of the above resolutions, along with the constitution and operating effectiveness of the above-referred internal control system. The Audit Committee, where necessary, sought explanations and voiced opinions on these matters. At the same time, the Audit Committee conducted audits using the following methods.

(a) In accordance with its established policies and procedures and in collaboration with the divisions in charge of internal control, the Audit Committee attended important meetings, received reports on business activities from Directors and Executive Officers, sought explanations where necessary, perused documents pertaining to important decisions, and surveyed properly the condition of operations and assets at the Company's head office and key operational facilities. Where necessary, the Audit Committee sought reports on the operations and assets of subsidiaries.

(b) In addition to monitoring and examining the activities of the independent auditor to ensure that it maintains its independent position and that it conducts its auditing duties properly, the Audit Committee received reports from the Independent Auditor regarding the status of its activities and sought explanations when necessary. Furthermore, the Independent Auditor notified the Committee that it was adhering to "Quality Management Standards Regarding Audits" (Business Accounting Council of the Financial Services Agency, October 28, 2005) as it worked to improve its system "to ensure that its duties are properly executed," as stipulated in Article 131 of the "Company Accounting Regulations." The Committee sought explanations where necessary.

Based upon the above methods, the Audit Committee carefully examined the Business Report and its supplementary schedules, the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements), the non-consolidated financial statements (balance sheets, statements of income, statements of changes in shareholders' equity and notes to non-consolidated financial statements) and their supplementary schedules for the fiscal year ended March 31, 2019.

2. Audit Results

(1) Results of the Audit of the Business Report and Supplementary Schedules

(a) The Business Report and Supplementary Schedules present fairly, in conformity with applicable laws and regulations and the Company's Articles of Incorporation, the conditions of the Company.

(b) In executing their duties, the Directors and Executive Officers have not made any significant transactions or actions deemed to be in contradiction of any laws or the Company's Articles of Incorporation.

(c) The content of the Board of Directors' resolutions related to internal control systems as set forth in Article 416, Paragraph 1, Item 1, Sections 2 and 5, of the Companies Act is adequate. Moreover, we find no issues of concern with regard to contents of the Business Report and the performance of Directors and Executive Officers in their duties related to internal control systems.

(2) Results of the Audit of Consolidated Financial Statements

The procedures and report of the audit by the Independent Auditor, KPMG AZSA LLC, are adequate.

(3) Results of the Audit of Non-Consolidated Financial Statements and Supplementary Schedules

The procedures and report of the audit by the Independent Auditor, KPMG AZSA LLC, are adequate.

April 24, 2019

The Audit Committee
Mitsubishi Electric Corporation

Akihiro Matsuyama, Committee Member (Standing)
Masahiko Sagawa, Committee Member (Standing)
Hiroshi Obayashi, Committee Member
Kazunori Watanabe, Committee Member
Katsunori Nagayasu, Committee Member

Note: Hiroshi Obayashi, Kazunori Watanabe and Katsunori Nagayasu are Outside Directors as prescribed under Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.