To Shareholders

Matters for Internet Disclosure upon the Convocation of the 142nd Ordinary General Meeting of Shareholders

For Fiscal 2013 (April 1, 2012–March 31, 2013)

◆Notes to Consolidated Financial Statements

◆Notes to Non-Consolidated Financial Statements

The abovementioned items are disclosed to shareholders on Mitsubishi Electric's Website (http://www.mitsubishielectric.co.jp/ir/library/) in accordance with laws and regulations as well as Article 15 of Mitsubishi Electric's Articles of Incorporation.

MITSUBISHI ELECTRIC CORPORATION

Notes to Consolidated Financial Statements:

1. Significant Accounting Policies
   (1) Principles and Procedures for Compiling Consolidated Financial Statements
   The consolidated financial statements of Mitsubishi Electric Corporation (the "Company") are prepared in accordance with accounting principles generally accepted in the United States of America as defined in Article 120-2-1 of the Ordinance of Company's Accounting. However, based on the second sentence of the article, some disclosure items required under accounting principles generally accepted in the United States of America are omitted.
   (2) Valuation of Inventories
   In work-in-process, the Company records the ordered products at the acquisition cost and the regular purchased products at the average production costs. Those products are recorded at the lower of cost or market. Raw materials and finished product inventories are generally recorded using the average-cost method, and evaluated at the lower of cost or market.
   (3) Valuation of Short-Term Investments and Investment Securities
   Available-for-sale securities are recorded at fair value. (Unrealized gains or losses after tax effect adjustments are directly recorded in shareholder' equity. The cost is determined by the moving-average method.)
   (4) Depreciation
   Depreciation of property, plant and equipment is generally calculated by the declining-balance method.
   (5) Provisions
   Allowance for doubtful is prepared for possible losses on uncollectible notes and accounts receivable, the Company records the estimated of uncollectible amounts based on credit loss history for general accounts receivable, and the possibility of collection for each individual account for specific doubtful receivables.
   Retirement and severance benefits are computed based on retirement and severance benefit obligations and the fair value of pension assets at the end of the fiscal year in order to provide for retirement benefits to employees.
   Prior service benefits are amortized using the straight-line method over the average remaining service period of employees.
   A portion of the net loss on actuarial differences exceeding 10% of the larger of projected benefit obligations or the fair value of pension assets is amortized using the straight-line method based on the average remaining service period of employees.
   (6) The tax-exclusion method is used to account for consumption taxes.
2. Allowance for doubtful receivables: ¥14,499 million
3. Accumulated depreciation of property, plant and equipment: ¥1,850,355 million
   The figure for accumulated depreciation of property, plant and equipment includes accumulated impairment losses.
4. Accumulated other comprehensive income (loss) includes foreign currency translation adjustments, pension liability adjustments, unrealized gains (losses) on securities and unrealized gains (losses) on derivative instruments.
5. Assets used as collateral: ¥1,184million

6. Contingent liabilities

(1) Guarantee liabilities: ¥14,297 million

(2) The Company and certain of its subsidiaries move toward reconciliation with some DRAM purchasers in relation to the possibility of violation of competition law concerning DRAM sales.

In January 2007, the Company received a decision rendered by the European Commission imposing fines for an infringement of EU Competition Law in connection with its sales of certain gas-insulated switchgears in Europe. However, there was a significant inconsistency on recognition of the material underlying facts between the European Commission and the Company. Therefore, the Company appealed to the European General Court and challenged the decision. In July 2011, the Company received a judgment from the European General Court upholding the European Commission's decision on the underlying facts while annulling the fine imposed on the Company on the basis that the European Commission applied inconsistent methods of calculation to different companies. In September 2011, since there was still a significant inconsistency on recognition of the material underlying facts between the European Commission and the Company, the Company appealed to the European Court of Justice and the case is now pending before the court of second instance. In June 2012, the Company received the European Commission's decision presenting an amount of fine as payable by the Company after revision of the pertinent computations. In September 2012, the Company took another legal action with the European General Court seeking a revision, which would result in a downward modification of the fine, of the current computation method presented by the European Commission.

Since July 2011, the Company was subject to investigation conducted by Japan Fair Trade Commission for a suspected infringement of the Antimonopoly Act in connection with the sales of certain automotive parts in Japan. In November 2012, the Fair Trade Commission rendered a cease and desist order and surcharge payment order as a result of its investigation. In this fiscal year, the Company recorded an amount of ¥1,410 million as a various competition-law-related expenses in Other expenses. The actual payment of the fine as referred to above was completed by the end of this fiscal year and the Company already fulfilled its reporting obligations to the competent authority on its remediation measures implemented in conformity with the cease and desist order. In addition, since July 2011, the Company and certain of its subsidiaries have been cooperating with Competition Law investigations and inquiries conducted by the United States Department of Justice and the European Commission regarding the sales of certain automotive parts in the United States of America and European countries.

As of March 31, 2013, the Company recorded reasonably estimated amount of ¥26,952 million as a reserve for various competition-law-related expenses in Other fixed liabilities relating to the DRAM case in the United States of America and in Europe, the gas-insulated switchgears case in Europe and certain automotive parts case in the United States of America. The Company is unable to estimate the impact on the Company's consolidated financial position and results of operations as to be arising out of the other legal proceedings.

7. Item related to material losses

For the electronic systems business, it was revealed in January 2012 that the Company had been billing improperly overcharged project costs by transferring man-hours among different contracts which the Company entered into with the Japanese Ministry of Defense (MOD), Cabinet Satellite Intelligence Center, Japan Aerospace Exploration Agency, and National Institute of Information and Communications Technology. Also, similar incidents were identified concerning contracts between four of the Company's affiliates and MOD. Consequently, since January 2012, the Company and the aforementioned affiliates were suspended by those entities from nomination or participation in further bidding. As a result of investigation conducted by the entities, in this fiscal year, the Company recorded a total of ¥75,717 million as a refund payment for overcharged expenses in Other expenses that covers the refund of overcharged expenses, related penalties and interest arising from the series of incidents referred to herein. The reimbursement was already completed to each entity by the end of this fiscal year and, as of the date of the respective payments, the suspension from nomination or participation in further bidding with each entity was already lifted.

8. Financial Instruments

(1) Items Concerning the Status of Financial Instruments

The Mitsubishi Electric Group undertakes fund management primarily concerning short-term deposits and maintains a supply of funds through such means as borrowing from financial institutions and issuing corporate bonds. In addition, supplied funds are applied to managed funds (mainly in the short term) and funds used for capital expenditures (long term).

The Company minimizes risks associated with client credit risk-related notes and accounts receivables, in accordance with its credit management regulations.

The Company makes use of derivative instruments to avoid market risks stemming from fluctuations in overseas currency market and interest rates. The use of derivative instruments is undertaken within the range of actual demand.

The Company takes steps to gain an understanding of the market value of listed shares during each quarter, with shares primarily composed of marketable securities and other investments.

(2) Items Concerning the Market Value of Financial Instruments

The consolidated balance sheets, the fair value and the difference at the end of the consolidated fiscal year are as follows:

(Millions of yen)

	Consolidated balance sheets*1	Fair value*1	Difference
1. Long-term trade receivables	2,521	2,555	34
2. Marketable securities and other investments Available-for-sale securities	161,905	161,905	–
3. Corporate bonds and long-term debt *2	(408,735)	(409,966)	(1,231)
4. Derivative instruments*3	923	923	–

*1: Items listed as liabilities are presented in brackets

*2: Includes sums that will become due within one year

*3: Net receivables/payables from derivatives instruments is presented as a net figure

Note 1: Items Concerning Methods for Calculating the Market Value of Financial Instruments and Items Concerning Marketable Securities and Derivative Instruments

Cash and cash equivalents, trade receivables, trade payables and short-term debts are settled in short term, therefore, the amount recorded on consolidated balance sheets for each of these items is in close proximity to their fair value.

(a) Long-term trade receivables are based on estimated present value calculated using fiscal year-end borrowing rates derived from future cash flows.

(b) Marketable securities and other investments are calculated based on market prices.

(c) Corporate bonds and long-term debt are calculated from estimated present value calculated using year-end borrowing rates derived from future cash flows on a per-loan basis as well as calculated based on market prices.

(d) Derivative instruments, composed principally of forward exchange contracts, are based on market prices obtained from counterparties and third parties.

Note 2: Financial Instruments which are extremely difficult in determining fair value

Unlisted shares (¥15,033 million in the consolidated balance sheet) are not included in figure 2, for they are not traded in an active market and recognized to be extremely difficult in determining fair value.

9. Mitsubishi Electric Corp. Shareholders' equity per share: ¥605.56

Basic net income attributable to Mitsubishi Electric Corp. per share: ¥32.38

Notes to Non-Consolidated Financial Statements:

1. Valuation of Inventories

In work-in-process, Mitsubishi Electric Corporation (the "Company") records the contract products at specific-identification method, and other products at the average-cost method. Raw materials and finished goods are generally recorded using the average-cost method. The inventories on the balance sheet are measured by reflecting write-downs resulting from decreased profitability.

2. Valuation of Short-Term Investment and Investment Securities

(1) Investment in subsidiaries and affiliates: Cost method using the moving-average method

(2) Other securities:

Marketable securities: Fair value at the fiscal year-end. (Unrealized gains or losses after tax effect adjustments are directly recorded in shareholder' equity. The cost is determined by the moving-average method.)

Non-marketable Unquoted securities: Cost method using the moving-average method

3. Depreciation of property, plant and equipment is calculated by the declining-balance method. However, depreciation on buildings (excluding accompanying facilities) acquired since April 1, 1998 is calculated by the straight-line method. There has been a change in the Company's accounting policy in conformity with the revised corporate income tax laws, from this fiscal year, the depreciation for the property, plant and equipment acquired since April 1, 2012 is calculated by the methods under requirement of its revised tax law. The effects of change in accounting policy are immaterial.

4. Basis for calculating provisions

(1) Allowance for doubtful accounts: To prepare for possible losses on uncollectible notes and accounts receivable, the Company records the estimated of uncollectible amounts based on credit loss history for general accounts receivable, and the possibility of collection for each individual account for specific doubtful receivables.

(2) Provision for product warranties: To prepare for expenses related to the servicing of products, the Company records an estimated amount based upon historical experience.

(3) Provision for losses on construction concluded: To prepare for possible losses on the estimated amount of uncompleted construction contracts during the fiscal year, the Company records reserves for aforementioned estimated amount.

(4) Retirement and severance benefits: To prepare for employees' retirement benefits to employee, the Company records an amount calculated based upon the estimated retirement and severance benefit obligations and the fair value of pension assets at the end of the fiscal year.

(5) Provision for loss on investments in foreign subsidiaries and affiliates: To prepare for losses related to overseas investments, the Company records the amount of estimated losses based upon the financial conditions of the entities in which it has investments.

(6) Provision for directors' retirement benefits: To prepare for the payment of retirement benefits to directors and executive officers, the Company records the estimated amount at fiscal year-end calculated based upon internal regulations.

(7) Reserve for competition-law-related expense: The Company has recorded a reserve to cover estimated contingent losses related to Competition Laws.

5. The tax-exclusion method is used to account for consumption taxes.
6. The Company adopts a consolidated taxation system.
7. Accumulated depreciation of property, plant and equipment: ¥1,340,189 million

The figure for accumulated depreciation of property, plant and equipment includes accumulated impairment losses.

8. Contingent liabilities

(1) Guarantee liabilities: ¥44,424 million

Outstanding of transferred accounts receivable with recourse*1: ¥37,899 million; employees (home financing loans): ¥4,678 million; other: four cases totaling ¥1,846 million

*1. Outstanding of transferred accounts receivable with recourse refers to the receivable for Mitsubishi Electric Europe B.V. and other overseas subsidiaries.

(2) Other

The Company moves toward reconciliation with some DRAM purchasers in relation to the possibility of violation of competition law concerning DRAM sales.

In January 2007, the Company received a decision rendered by the European Commission imposing fines for an infringement of EU Competition Law in connection with its sales of certain gas-insulated switchgears in Europe. However, there was a significant inconsistency on recognition of the material underlying facts between the European Commission and the Company. Therefore, the Company appealed to the European General Court and challenged the decision. In July 2011, the Company received a judgment from the European General Court upholding the European Commission's decision on the underlying facts while annulling the fine imposed on the Company on the basis that the European Commission applied inconsistent methods of calculation to different companies. In September 2011, since there was still a significant inconsistency on recognition of the material underlying facts between the European Commission and the Company, the Company appealed to the European Court of Justice and the case is now pending before the court of second instance.

In June 2012, the Company received the European Commission's decision presenting an amount of fine as payable by the Company after revision of the pertinent computations. In September 2012, the Company took another legal action with the European General Court seeking a revision, which would result in a downward modification of the fine, of the current computation method presented by the European Commission.
Since July 2011, the Company was subject to investigation conducted by Japan Fair Trade Commission for a suspected infringement of the Antimonopoly Act in connection with the sales of certain automotive parts in Japan. In November 2012, the Fair Trade Commission rendered a cease and desist order and surcharge payment order as a result of its investigation. In this fiscal year, the Company recorded an amount of ¥1,410 million as a various competition-law-related expenses in Miscellaneous loss. The actual payment of the fine as referred to above was completed by the end of this fiscal year and the Company already fulfilled its reporting obligations to the competent authority on its remediation measures implemented in conformity with the cease and desist order. In addition, since July 2011, the Company has been cooperating with Competition Law investigations and inquiries conducted by the United States Department of Justice and the European Commission regarding the sales of certain automotive parts in the United States of America and European countries.
As of March 31, 2013, the Company recorded reasonably estimated amount of ¥26,952 million as a reserve for various competition-law-related expenses in Reserve for competition-law-related expenses relating to the DRAM case in the United States of America and in Europe, the gas-insulated switchgears case in Europe and certain automotive parts case in the United States of America. The Company is unable to estimate the impact on the Company's financial position and results of operations as to be arising out of the other legal proceedings.

9. Monetary receivables from affiliates:
Short-term: ¥342,887 million
Long-term: ¥58,697 million
Monetary payables to affiliates:
Short-term: ¥459,649 million
Long-term: ¥89,255 million

10. Net sales to affiliates: ¥1,107,808 million
Purchases from affiliates: ¥950,961 million
Total transactions with affiliates, excluding operating transactions: ¥24,792 million
11. Common shares issued and outstanding at the fiscal year-end (common stock): 2,147,201,551 shares
12. Treasury stock at the fiscal year-end (common stock): 306,490 shares

13. Dividends
(1) Amount of dividends paid

Resolution	Total cash dividends	Dividends per share	Record date	Effective date
April 27, 2012 resolution of the Board of Directors	¥12,881 million	¥6.00	March 31, 2012	June 4, 2012
October 31, 2012 resolution of the Board of Directors	¥10,734 million	¥5.00	September 30, 2012	December 4, 2012

(2) Dividends for which the record date belonging to the current period will be effective in the next period

Resolution	Total cash dividends	Dividends per share	Record date	Effective date
April 30, 2013 resolution of the Board of Directors (scheduled)	¥12,881 million	¥6.00	March 31, 2013	June 4, 2013

14. Significant components of the deferred tax assets and deferred tax liabilities
(A) Deferred tax assets:
Provision for retirement benefits and others: ¥226,959 million
(B) Deferred tax liabilities:
Gain on contribution of securities contributed to employee retirement benefit trust and others(¥46,334 million)
Net deferred tax assets: ¥180,624 million

15. Transactions with Related Parties

Category	Company name	Direct share of voting rights	Relationship	Details of transactions	Amount (¥ Millions)	Item	Period-end balance (¥ Millions)
Subsidiary	Mitsubishi Electric Europe B.V.	100%	As a subsidiary, sells Mitsubishi Electric products	Sales of Mitsubishi Electric products*	142,519	Accounts receivables	36,708
Subsidiary	Mitsubishi Electric Living Environment Systems Corporation	73%	As a subsidiary, sells Mitsubishi Electric's home electric systems and equipment	Sales of Mitsubishi Electric products*	169,851	Accounts receivables	40,615

Note: Mitsubishi Electric determines wholesale prices and other conditions of product transactions with subsidiaries after due consideration of market conditions, a practice common to other distributors and sales companies.

16. Net assets per share: ¥302.23
    Net income per share: ¥8.66
17. Loss on investment in affiliates of ¥34,485 million refers to devaluation of investments in domestic affiliates.
18. Loss on impairment of ¥1,835 million is attributable to the impairment of property, plant and equipment and other.
19. Items related to material losses
    For the electronic systems business, it was revealed in January 2012 that the Company had been billing improperly overcharged project costs by transferring man-hours among different contracts which the Company entered into with the Japanese Ministry of Defense, Cabinet Satellite Intelligence Center, Japan Aerospace Exploration Agency, and National Institute of Information and Communications Technology. Consequently, since January 2012, the Company was suspended by those entities from nomination or participation in further bidding. As a result of investigation conducted by the entities, in this fiscal year, the Company recorded a total of ¥64,948 million as a refund payment for overcharged expenses in Extraordinary losses that covers the refund of overcharged expenses, related penalties and interest arising from the series of incidents referred to herein. The reimbursement was already completed to each entity by the end of this fiscal year and, as of the date of respective payments, the suspension from nomination or participation in further bidding with each entity was already lifted.