

Dear Shareholder,

This document has been sent in order to notify you of the 142nd Ordinary General Meeting of Shareholders, which will be convened on Thursday June 27, 2013. Included in the material is an overview of Mitsubishi Electric's business operations during fiscal 2012 as well as a summary of its future initiatives.

June 2013  
Kenichiro Yamanishi  
President & CEO, Member of the Board

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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 5, 2013

To Our Shareholders

Mitsubishi Electric Corporation  
2-7-3, Marunouchi, Chiyoda-ku, Tokyo  
Kenichiro Yamanishi  
President & CEO, Member of the Board

## NOTICE OF CONVOCATION OF THE 142ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 142nd 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, 2013, using either of the methods listed below.**

### *Exercise of Voting Rights in Writing*

Please complete and send by return mail 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 have access to the website as identified on page 7 titled as "Instructions for the Exercise of Voting Rights via the Internet", in which you may indicate your approval or disapproval of the agenda. The pertinent procedures are outlined on the above-referred page.

## Particulars

- Meeting Date and Time:** Thursday, June 27, 2013 at 10:00 AM
- Meeting Venue:** Palace Hotel Tokyo, 2<sup>nd</sup> Floor "AOP" 1-1-1 Marunouchi, Chiyoda-ku, Tokyo
- Meeting Agenda:**  
**Tabling of Reports**  
Tabling of the Business Report, Consolidated and Non-Consolidated Financial Statements, Independent Public Accountant's Report and the Corporate Audit Committee's Report on Consolidated Financial Statements for the 142nd fiscal period (from April 1, 2012 to March 31, 2013)  
**Matters for Resolution**  
(1) The Election of Twelve (12) Directors

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- Shareholders attending the meeting on June 28, 2012 are requested to submit the enclosed Voting Rights Exercise Form at the front desk of the meeting venue.
  - The following items are posted on the Company's Website (<http://www.MitsubishiElectric.co.jp/ir/library/>) and therefore are not included in the Notice of Convocation of the 142nd Ordinary General Meeting of Shareholders, in accordance with laws and regulations as well as Article 15 of Mitsubishi Electric's Articles of Incorporation.
    - Notes to Consolidated Financial Statements
    - Notes to Non-Consolidated Financial StatementsThe Consolidated and Non-Consolidated Financial Statements, including relevant notes to be

- disclosed on the Company's Website, have been duly audited by the 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 (<http://www.mitsubishielectric.co.jp/ir/library/>).

## Reference Materials for the 142nd Ordinary General Meeting of Shareholders

### Reference Items

#### Item: The Election of Twelve (12) Directors

The terms of office with all the Company's directors (twelve 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, in line with a decision made by the Nomination Committee.

Details of the candidates are as follows:

	Name (Date of Birth)	Career Summary	The number of shares owned
1	Setsuhiro Shimomura (April 28, 1945)	April 1969    Joined Mitsubishi Electric Corporation June 2001    Director, Automotive Equipment April 2003    Managing Director, Automotive Equipment May 2003    Managing Director, Building Systems and Automotive Equipment June 2003    Senior Vice President, Building Systems and Automotive Equipment April 2004    Representative Executive Officer, Executive Vice President, Building Systems April 2006    Representative Executive Officer, President & CEO June 2006    Director, Representative Executive Officer, President & CEO April, 2010    Chairman, Board of Directors (current position)	80,000
2	Kenichiro Yamanishi (February 25, 1951)	April 1975    Joined Mitsubishi Electric Corporation April 2006    Executive Officer, Total Productivity Management & Environmental Programs April 2008    Senior Executive Officer, Semiconductors & Device April 2010    Representative Executive Officer, President & CEO June 2010    Director, Representative Executive Officer, President & CEO (current position)	68,000
3	Hiroki Yoshimatsu (December 4, 1953)	April 1976    Joined Mitsubishi Electric Corporation April 2005    General Manager, Corporate Finance Division April 2009    Executive Officer, Accounting and Finance June 2009    Director, Member of the Compensation Committee, Executive Officer, Accounting and Finance April 2013    Director, Member of the Compensation Committee (current position)	25,000
4	Noritomo Hashimoto (July 30, 1954)	April 1977    Joined Mitsubishi Electric Corporation April 2008    General Manager, Corporate Human Resources Division April 2009    Executive Officer, General Affairs, Human Resources and Public Relations June 2009    Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, General Affairs, Human Resources and Public Relations April 2012    Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Senior Vice President, Corporate Strategic Planning and Associated Companies June 2012    Director, Member of the Nomination Committee, Senior Vice President, Corporate Strategic Planning and Operations of the Associated Companies (current position)	26,000
5	Ryosuke Fujimoto (April 18, 1949)	April 1973    Joined Mitsubishi Electric Corporation April 2005    General Manager, Corporate Auditing Division June 2007    President, Tokan Co., Ltd. June 2010    Director, Member of the Audit Committee (current position)	22,000
6	Nobuyuki Okuma (July 31, 1958)	April 1982    Joined Mitsubishi Electric Corporation October 2007    General Manager, General Affairs Nagoya Works April 2010    General Manager, Planning & Administration Department, Factory Automation Systems Group. April 2012    Executive Officer, Human Resources June 2012    Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, Human Resources April 2013    Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, General Affairs and Human Resources (current position)	12,000

	Name (Date of Birth)	Career Summary	The number of shares owned
7	Akihiro Matsuyama (June 1, 1957)	<p>April 1981    Joined Mitsubishi Electric Corporation</p> <p>April 2004    Deputy General Manager, Corporate Accounting Division</p> <p>April 2008    Deputy General Manager, Corporate Strategic Planning Division, SPC Electronics Corporation</p> <p>April 2010    General Manager, Associated Companies Operation Division</p> <p>April 2013    Executive Officer, Accounting and Finance (current position)</p>	11,000
8	Mikio Sasaki (October 8, 1937) (Period of Service: 7 years)	<p>April 1960    Joined Mitsubishi Corporation</p> <p>April 1998    Member of the Board, President &amp; CEO, Mitsubishi Corporation</p> <p>April 2004    Chairman of the Board, Mitsubishi Corporation</p> <p>June 2006    Director and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)</p> <p>June 2010    Member of the Board, Senior Corporate Advisor, Mitsubishi Corporation</p> <p>June 2011    Senior Corporate Advisor, Mitsubishi Corporation (current position)</p> <p><b>Important concurrent positions:</b> Senior Corporate Advisor, Mitsubishi Corporation Outside Director, Mitsubishi Motors Corporation Outside Director, Mitsubishi Research Institute, Inc. Outside Director, Tokio Marine Holdings, Inc.</p> <p><b>Reasons for the nomination:</b> Cultivated over the course of a career in of trading company management, Mr. Sasaki's experience and insights as a business specialist are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to therefore bring an objective viewpoint to the oversight of the Company's business operations.</p> <p><b>Any act contrary to pertinent laws, Mitsubishi Electric regulations and articles of incorporation thereof as well as those of other companies at which the concurrent post of executive officer is held by outside director candidates:</b> During Mr. Sasaki's time of service as Outside Director, Mitsubishi Motors Corporation engaged in the use of certain facilities without making filings required under environmental laws, regulations and ordinances. Mr. Sasaki was unaware of this omission. However, Mr. Sasaki had constantly called the attention of the company's directors to relevant issues in the interest of ensuring legal compliance. After the incident, Mr. Sasaki instructed the directors to conduct rigorous investigation and to prevent the recurrence of similar violations.</p>	24,000
9	Shigemitsu Miki (April 4, 1935) (Period of Service: 6 years)	<p>April 1958    Joined The Mitsubishi Bank, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>June 2000    President, The Bank of Tokyo-Mitsubishi, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>April 2001    President &amp; CEO, Mitsubishi Tokyo Financial Group, Inc. (now Mitsubishi UFJ Financial Group, Inc.)</p> <p>June 2004    Chairman of the Board, The Bank of Tokyo-Mitsubishi, Ltd. and Director, Mitsubishi Tokyo Financial Group, Inc.</p> <p>October 2005    Director, Mitsubishi UFJ Financial Group, Inc.</p> <p>January 2006    Chairman of the Board, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2007    Director, Member of the Nomination Committee and the Audit Committee, Mitsubishi Electric Corporation (current position)</p> <p>April 2008    Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>April 2010    Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current position)</p> <p><b>Important concurrent positions:</b> Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Outside Auditor, Mitsubishi Motors Corporation Outside Director, Mitsubishi Logistics Corporation Outside Director, Kirin Holdings Company, Ltd.</p> <p><b>Reasons for the nomination:</b> Cultivated over the course of a career in the banking business, Mr. Miki's experience and insights as a management specialist are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to therefore bring an objective viewpoint to the overseeing of the Company's business operations.</p> <p><b>Any act contrary to pertinent laws, Mitsubishi Electric regulations and articles of incorporation thereof as well as those of other companies at which the concurrent post of executive officer is held by outside director candidates:</b> During Mr. Miki's time of service as Outside Auditor, Mitsubishi Motors Corporation engaged in the use of certain facilities without necessary filings in line with environmental laws, regulations and ordinances. Mr. Miki was unaware of this omission. However, Mr. Miki had constantly called the attention of the company's directors to relevant issues from the interests of ensuring legal compliance. After the incident, Mr. Miki instructed the directors to conduct rigorous investigation and to prevent the recurrence of similar violations.</p>	22,000

	Name (Date of Birth)	Career Summary	The number of shares owned
10	Fujiatsu Makino (September 17, 1941) (Period of Service: 1 year)	<p>October 1967    Joined Isobe Certified Public Accountant Office  March 1971    Registered as a certified public accountant (current position)  March 1973    Registered as a tax accountant (current position), Managing Partner, Makino CPA &amp; Tax Accountant Office (current position)  May 1998    Executive Partner, Showa Ota &amp; Co. (current Ernst &amp; Young ShinNihon LLC)  April 2000    Executive Partner, Century Ota Showa &amp; Co. (current Ernst &amp; Young ShinNihon LLC)  July 2001    Executive Partner, Shin Nihon &amp; Co. (current Ernst &amp; Young ShinNihon LLC)  June 2007    Retired Ernst &amp; Young ShinNihon (current Ernst &amp; Young ShinNihon LLC)  June 2011    Director, Member of the Audit and Compensation committees, Mitsubishi Electric Corporation (current position)</p> <p>Important concurrent positions:  Certified Public Accountant  Registered Tax Accountant</p> <p><b>Reasons for the nomination:</b>  Mr. Makino'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>	8,000
11	Mitoji Yabunaka (January 23, 1948) (Period of Service: 1 year)	<p>April 1969    Joined the Ministry of Foreign Affairs of Japan  April 2008    Vice-Minister, Ministry of Foreign Affairs of Japan  January 2010    Retired from Ministry of Foreign Affairs of Japan  October 2010    Advisor, Nomura Research Institute, Ltd. (current position)  June 2012    Director, Member of the Nomination and the Compensation Committees, Mitsubishi Electric Corporation (current position)</p> <p>Important concurrent positions:  Advisor, Nomura Research Institute, Ltd.  Professor, Ritsumeikan University  Outside Director, Kawasaki Kisen Kaisha, Ltd.</p> <p><b>Reasons for the nomination:</b>  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>	0
12	Hiroshi Obayashi (June 17, 1947) (New candidate)	<p>April 1972    Appointed as Public Prosecutor  April 2006    Vice-Minister, Ministry of Justice of Japan  July 2008    Superintending Prosecutor, Tokyo High Public Prosecutors Office  June 2010    Appointed as the Prosecutor General  December 2010    Retired from office of the Prosecutor General  March 2012    Attorney-at-law (current position)</p> <p>Important concurrent positions:  Attorney-at-law  Outside Auditor, Daiwa Securities CO.LTD.  Outside Director, ASATSU-DK Inc.</p> <p><b>Reasons for the nomination:</b>  Mr. Obayashi's experience and insights cultivated through the course of a career as a layer (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>	0

Notes:

1. There is no special interest between any of the candidates and the Company.
2. Messrs. Mikio Sasaki, Shigemitsu Miki, Fujiatsu Makino, Mitoji Yabunaka and Hiroshi Obayashi are 5 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. Mikio Sasaki, Shigemitsu Miki, Fujiatsu Makino and Mitoji Yabunaka given that they satisfy the requirements in accordance with the Securities Listing Regulations of the stock exchange as independent directors. The Company has filed notification with the Tokyo Stock Exchange of such designations. Also, Mr. Hiroshi Obayashi satisfies the requirements under the pertinent regulations as independent director. Provided that the present agenda item is to be approved, the Company intends to designate Mr. Hiroshi Obayashi as an independent director.  
In addition, despite maintaining business relationships with Mitsubishi Corporation, Mitsubishi Motors Corporation, Mitsubishi Research Institute, Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi Logistics Corporation and Daiwa Securities, Mitsubishi Electric Corporation does not have any special relationships with any of these companies that would be a conflict of interest with regular shareholders.

4. Mitsubishi Electric made and entered into contracts with Messrs. Mikio Sasaki, Shigemitsu Miki, Fujiatsu Makino and Mitoji Yabunaka to limit their liability as stipulated in Article 423-1 of the Companies Act. Based on this contract, the limit of liability is either ¥10 million or the minimum statutory amount, whichever is higher. Also, subject to the approval of shareholders on this agenda item, Mitsubishi Electric plans to make and enter into a contract containing the same terms and conditions with Mr. Hiroshi Obayashi.

## Instructions for the Exercise of Voting Rights via the Internet

Please read the following instructions on how to exercise your voting rights via the Internet.

### 1. How to Exercise Voting Rights via the Internet

- To vote using the Internet, please access the site <http://www.evotep.jp/> either through a personal computer, smartphone or mobile phone. At this site, you may indicate your approval or disapproval of the agenda. Log in using the Login ID and temporary password provided on the Voting Right Exercise Form and then follow the instructions provided on screen so that you can exercise vote.
- In order to prevent illegal access (*i.e.* impersonation) as well as the falsification of voting results, shareholders will be asked to change their temporary password once they access the site to exercise their voting rights.
- The Company will provide shareholders with new Login IDs and temporary passwords at every convocation of General Meeting of Shareholders.
- Voting rights may be exercised via the Internet until 5:30 PM Wednesday, June 26, 2013 (the site is closed from 2:00 AM–5:00 AM every day).

### 2. About Voting Right Exercise Website

- Some elements of the Internet setting at a shareholder, including firewall and other security software installed, anti-virus software and the use of proxy servers, may preclude shareholders from casting a vote on the site.
- For the exercise of voting rights via mobile phone, please use either i-mode, EZweb or Yahoo! Keitai\* services. For security purposes, the site is not accessible from handsets incapable of SSL communication and mobile data transmission.
  - \* “i-mode” is a trademark of NTT DOCOMO, Inc., “EZweb” is a trademark of KDDI Corporation and “Yahoo!” is a trademark and registered brand of Yahoo! Inc. of the United States.

### 3. Multiple Exercises of Voting Rights

- In instances where a shareholder exercises their voting rights both in written form and via the Internet, the Internet vote shall take precedence.
- 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 exercising their voting rights using both a personal computer and a 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
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## Business Report

(April 1, 2012 to March 31, 2013)

### I. Matters Relating to the Mitsubishi Electric Group

#### 1. Business Development and Results

The business environment in the fiscal year ended March 31, 2013 (hereinafter, fiscal 2013) continued to be severe with the stagnating recovery trends in Europe, slowdown in the Chinese economy, and slower recovery in Japanese economic performance than expected. The general environment prevails even against certain favorable factors such as the yen becoming weaker since the later half of the 3<sup>rd</sup> quarter the fiscal 2013, and generally stable economic strength underlying to the U.S. and emerging countries.

Under these circumstances, the Mitsubishi Electric Group placed greater emphasis than ever before on promoting growth strategies rooted in its own advantages as well as on Group efforts undertaken to date to boost its competitiveness and on strengthening its business structure.

As a result, in fiscal 2013, the Mitsubishi Electric Group recorded net sales of ¥3,567.1 billion, down 2% from the previous fiscal year, operating income of ¥152.0 billion, down 33%. Income before income taxes decreased by 71% compared to the previous fiscal year to ¥65.1 billion, and net income attributable to Mitsubishi Electric Corporation decreased by 38% to ¥69.5 billion, mainly as a result of a ¥75.7 billion entry as non-operating expense mainly as a result of the refund of the overcharged expenses to certain parties with the electronics systems business.

#### Consolidated Performance (Billions of yen)

Classification	Fiscal period	141st	142nd
		Fiscal 2012	Fiscal 2013
Net sales		3,639.4	3,567.1
Operating income		225.4	152.0
Income before income taxes		224.0	65.1
Net income attributable to Mitsubishi Electric Corp.		112.0	69.5

#### Business Segment Net Sales (Billions of yen)

Business Segment	141st		142 <sup>nd</sup>	
	Fiscal 2012		Fiscal 2013	
	Net sales	As a percentage of net sales	Net sales	As a percentage of net sales
Energy and Electric Systems	1,027.1	24.6	1,058.1	25.9
Industrial Automation Systems	978.3	23.4	927.8	22.7

Information and Communication Systems	516.3	12.3	522.4	12.8
Electronic Devices	200.7	4.8	164.0	4.0
Home Appliances	849.2	20.3	821.2	20.1
Others	611.6	14.6	590.3	14.5
Subtotal	4183.5	100.0	4,084.1	100.0
Eliminations and other	(544.0)	—	(517.0)	—
Total	3,639.4	—	3,567.1	—

Note: The figures shown in this table, Business Segment Net Sales, include internal sales amounts between segments (transfer). The later section “Information by Business Segment” reflect the figures computed at the same condition.

### Net Sales by Location (Billions of yen)

Location	141st Fiscal 2012		142 <sup>nd</sup> Fiscal 2013	
	Net sales	As a percentage of net sales	Net sales	As a percentage of net sales
Japan	2,419.2	66.5	2,335.7	65.5
North America	239.5	6.6	262.7	7.4
Asia (excluding Japan)	590.8	16.2	604.3	16.9
Europe	304.2	8.4	280.1	7.8
Others	85.5	2.3	84.3	2.4
Overseas	1,220.1	33.5	1,231.4	34.5
Total	3,639.4	100.0	3,567.1	100.0

Note: Net sales are shown by country and region based on customer location.

## Information by Business Segment

### *Energy and Electric Systems*

Net sales	¥1,058.1 billion (up 3% YoY)	Operating income	¥85.1 billion (up ¥0.2 billion YoY)
Principal products (as of March 31, 2013): Turbine generators, hydraulic turbine generators, nuclear power plant equipment, motors, transformers, power electronics equipment, circuit breakers, gas insulated switches, switch control devices, surveillance-system control and security systems, large display devices, electrical equipment for locomotives and rolling stock, elevators, escalators, building security systems, building management systems, particle beam treatment systems, and others			

The social infrastructure systems business saw a decrease in orders year-on-year due primarily to lower demand compared to the previous fiscal year in which the business experienced recovery demand from the Great East Japan Earthquake, while sales was virtually unchanged year-on-year owing to an increase in the power generation business worldwide.

The building systems business experienced increases in both orders and sales compared to the previous fiscal year, owing to growth in demand for modernization of elevators and escalators in Japan, as well as for new installation in China.

As a result, total sales in the Energy and Electric Systems segment increased by 3% from the previous fiscal year. Operating income increased by ¥0.2 billion, year on year mainly owing to increased sales.

### ***Industrial Automation Systems***

Net sales	¥927.8 billion (down 5% YoY)	Operating income	¥60.5 billion (down ¥40.6 billion YoY)
Principal products (as of March 31, 2013): 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, car electronics and car mechatronics, car multimedia, and others			

The factory automation systems business saw decreases in both orders and sales from the previous fiscal year owing to lower capital expenditures for semiconductors and flat-panel display related investments in China, South Korea and Taiwan.

The automotive equipment business saw decreases in orders as a result of stagnation in automobile sales in Europe and decreases in sales volume that Japanese automobile manufacturers experienced in Chinese market, while sales remained unchanged from the previous fiscal year with uplifting support from subsidies for eco-cars in the Japanese market as well as recovery in the North American market.

As a result, total sales for this segment decreased by 5% from the previous fiscal year. Operating income decreased by ¥40.6 billion, year on year due primarily to lower sales.

### ***Information and Communication Systems***

Net sales	¥522.4 billion (up 1% YoY)	Operating income	¥1.5 billion (down ¥19.7 billion YoY)
Principal products (as of March 31, 2013): Wireless and wired communications systems, surveillance cameras, 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 equipment business saw increases in both orders and sales from the previous fiscal year because of increase in communications infrastructure business.

The information systems and services business saw no changes in sales from the previous fiscal year. This business experienced a growth in the system integration business in contrast to a decrease in the IT infrastructure service business.

The electronic systems business saw an increase in orders year-on-year primarily owing to a large-scale project in the space systems business, while sales decreased from the previous fiscal year owing to a decrease in the electronics

business.

As a consequence, total sales for this segment increased by 1% from the previous fiscal year. Operating income decreased by ¥19.7 billion from the previous fiscal year due primarily to such factors as increases in costs and a decrease in sales for the electronics systems business.

### ***Electronic Devices***

Net sales	¥164.0 billion (down 18% YoY)	Operating income(loss)	(¥5.5 billion) (decline ¥9.1 billion YoY)
Principal products (as of March 31, 2013): Power modules, high-frequency devices, optical devices, LCD devices, microcomputers, system LSIs, and others			

The semiconductor business saw decreases in both orders and sales from the previous fiscal year due to such factors as a decrease in demand for power modules used for industrial-, consumer- and railcar-applications. On the other hands, the LCD module business experienced increases in both orders and sales year on year thanks to increases in industrial-use products.

As a result, total sales for the segment decreased by 18% compared with the previous fiscal year, while operating income declined by ¥9.1 billion, year-on-year mainly due to the decreased sales.

### ***Home Appliances***

Net sales	¥821.2 billion (down 3% YoY)	Operating income	¥19.3 billion (down ¥3.0 billion YoY)
Principal products (as of March 31, 2012): LCD televisions, projection TVs, display monitors, projectors, Blu-ray disc recorders, room air conditioners, package air conditioners, air-to-water heat pump boilers, refrigerators, electric fans, ventilators, photovoltaic systems, hot water supply systems, LED lamps, fluorescent lamps, indoor lighting, compressors, chillers, dehumidifiers, air purifiers, showcases, cleaners, jar rice cookers, microwave ovens, IH cooking heaters, and others			

Despite an increase in air conditioning products in Asian countries, the home appliances business saw a 3% decrease in sales from the previous fiscal year due primarily to a large decline in demand for LCD televisions and Blu-ray disc recorders for the Japanese market.

Operating income fell by ¥3.0 billion from the previous fiscal year due primarily to a decrease in sales.

### ***Others***

Net sales	¥590.3 billion (down 3% YoY)	Operating income	¥18.7 billion (down ¥1.5 billion YoY)
Principal products (as of March 31, 2012): Procurement, logistics, real estate, advertising, finance, and other services.			

Sales decreased by 3% from the previous fiscal year, mainly at affiliated companies involved in materials procurement and logistics.

Operating income decreased by ¥1.5 billion from the previous fiscal year,

largely because of a decrease in sales.

## 2. Capital Expenditures

During the consolidated fiscal year under review, the Mitsubishi Electric Group invested a total of ¥160.1 billion, or 89%, compared with the previous fiscal year, in line with its Balanced Corporate Management policy and growth strategies aimed at increasing profitability. The investment was undertaken in conformity with a policy of accelerating performance improvements by implementing Balanced Corporate Management and by pursuing further business growth.

Principal capital expenditures per segment are as follows:

Segment	Amount (Billions of Yen)	Major Projects Completed within Consolidated Basis Fiscal 2013	Major Ongoing Projects within Consolidated Basis Fiscal 2013
Energy and Electric Systems	38.6	Kobe Works Ground control systems for rail transport - factory	Mitsubishi Electric Power Products, Inc. (*) U.S.-based transformer - factory
Industrial Automation Systems	50.1	Mitsubishi Electric Automation Manufacturing (Changshu) Co., Ltd. (*) Motor drive controllers - factory	Himeji Works Hirohata plant expansion
Information and Communication Systems	20.7	Kamakura Works Satellite production facilities - expansion	Kamakura Works Satellite production facilities – streamlining manufacturing systems
Electronic Devices	6.3	Power Device Works Railcar-application devices – strengthening production capacity	Power Device Works Power device production facilities – streamlining manufacturing systems
Home Appliances	29.4	Siam Compressor Industry Co., Ltd. (*) Compressor – streamlining manufacturing systems	Nakatsugawa Works Photovoltaic systems – streamlining manufacturing systems
Other	15.0	Advanced Technology R&D Center Development facilities for motors free of the rare earth elements	Advanced Technology R&D Center Development facilities for SiC power module

**Note:** Items marked with an asterisk (\*) in the above chart are foreign subsidiaries belonging to the Mitsubishi Electric Group.

## 3. Research and Development

The Mitsubishi Electric Group, in conformity with its growth strategies, accelerated R&D efforts in the environment/energy and social infrastructure fields, in which increased business opportunities are expected on a global scale. In addition, the Group focused on developing new technologies and new products that will fortify its position in the future, helping to make strong businesses stronger. Representative achievements for the consolidated fiscal year under review are as follows.

## **The PV\*<sup>1</sup>/EV\*<sup>2</sup>-linked Controlled Power Conditioner**

Mitsubishi Electric has developed a technology of dealing with changes in electric current that may be caused by such factors as the variation of electricity generated by PV depending on the intensity of solar radiation, steep changes in electric consumption of home appliances. Another associated technological innovation has been a seamless control over charge and discharge to/from the EV. These technologies are capable of ensuring stable power supply to houses even at the time of such blackouts that may be caused by natural disaster, being configured with the HEMS\*<sup>3</sup> controller, which performs control and surveillance over home appliances.

Also under the normal condition, the technologies realize most suitable way of the energy management, being able to utilize certain surplus electricity which is charged to the EV batteries during such times out of the peak demand, *e.g.* in the night time, for an effective in-house utility.

\*<sup>1</sup> Photovoltaic

\*<sup>2</sup> Electric Vehicle

\*<sup>3</sup> Home Energy Management System

## **The F-CUT, Ultra-high-speed Laser Cutting Technology**

Mitsubishi Electric has enabled carving any shape by controlling the alternative command between “on” and “off” in discharging beam at a precision of 1/1million second, in connection with the laser processing machines used for metallic material cutting.

And Mitsubishi Electric Research Laboratories, Inc., one of the Group’s US subsidiaries, has developed a technology of determining the shortest processing path, which can find out the shortest processing path so that relevant machine hour should be also fastest, regardless of the physical complexity of shape to be processed.

These innovations, in comparison with the conventional processing method\*<sup>1</sup>, have shortened standard machine hours for processing by 45%\*<sup>2</sup>. These technologies contribute to streamline the productivity in the manufacturing sector utilizing the laser processing machines for cutting metallic materials.

\*<sup>1</sup>. The “conventional” shall mean the fiber laser processing method without F-CUT

\*<sup>2</sup>. This ratio assumes an instance of cutting stainless material of 1 millimeter board thickness.

## **Radar Satellite for High-resolution Land Observation**

Mitsubishi Electric has developed a radio observation technology, which enables a satellite moving on orbit to spotlight a particular geographic location or terrestrial objects, regardless of weather and time (whether in the daylight or after the nightfall ). This technology ensures full recognition and identification of

individual constructions on the ground surface, such as building and road.

This technology is to be incorporated into the Advanced Land Observation Satellite-2 (“ALOS-2”) \*. It is expected that this technology will extensively contribute to such functions as faster fact-findings in the area affected by any large-scale natural disaster that may occur both inside and outside Japan and higher degree of efficiency in keeping sentinel over the national territory.

\* A new Advanced Land Observation Satellite to succeed the precursor one named “DAICHI”, the operation of which has ended in May 2011. ALOS-2 is under the development by a national independent administrative institution Japan Aerospace Exploration Agency (“JAXA”).

### **An Efficient, High-performance Technology for Air Conditioners –a Design Harmonized with Energy-saving Technology**

Mitsubishi Electric has realized more simple and slim design of indoor unit, with a fine appearance befitting ambience in rooms. This design has been achieved by reduction of joint surfaces and indentation, and elimination of concavity/convexity resulting in making surface in the front panel as plane as possible, while the lateral composition has been made slimmer in the V-shape.

And as a result of utilizing an innovative design technology combining the computational fluid dynamics and the robust quality engineering, Mitsubishi Electric has developed smaller but more efficient fan/air duct and has harmonized both slimmer cosmetic and lower electric consumption.

The indoor units incorporating these technological advances were commercialized from September 2012 in European market. And these products were rated as the highest grade of A+++ in the European Energy Saving Label in conformity with the EU Directive coming into force from January 2013.

The Group is to commercialize similar products in other markets subsequently.

## **4. Topics**

### **Further Expansion of Global Manufacturing and Marketing Bases**

After the previous consolidated fiscal year, Mitsubishi Electric Group established new subsidiaries undertaking sales and marketing operations in such countries as Brazil, Turkey and Indonesia, and commenced local operations of elevators and escalators in India through a newly established joint venture. In addition, the commencement of local sales and manufacturing operations through a new subsidiary in Mexico is scheduled to be in October 2014. Mitsubishi Electric Group is contemplating the expansion of its manufacturing and sales prowess in the global dimension for ensuring further growth, including forward-looking identification of such regions in which dynamic economic growths are expected.

## **Mitsubishi Electric Corporation Admitted as an Eligible Company for the Green Asia International Strategic Comprehensive Special Zone**

The Mitsubishi Electric Corporation was recognized and qualified by the Fukuoka Prefecture as a company eligible\* for the Green Asia International Strategic Comprehensive Special Zone. As an eligible participant to the projects in the zone, in the Power Device Works which assumes the functions of research, development and manufacturing of power semiconductors (located in the Fukuoka Pref.), taking advantage of the initiatives that the Special Zone makes available to the participants, the Company started construction of the new R&D facilities. The Company will accelerate its R&D efforts for the developments of new power electronics technologies and products, including the SiC (Silicon Carbide) power devices, which will be responsive to the creation of urban environmental infrastructures realizing low electric consumption.

\* A participant qualified as an eligible company for the projects launched in the Special Zone can enjoy special tax benefits in making such investments as in construction of facilities and acquisition of equipment, provided that such capital expenditures satisfy certain prerequisite conditions.

## **Accumulated Production of Turbine Generators Reached 2,000 Units**

In October 2012, the Company's accumulated production of turbine generators reached 2,000 units. The history of the Company's turbine generators dates back to the year 1908, in which the initial unit was fabricated in the production site of Mitsubishi Shipbuilding Co. (Nagasaki Pref., now Mitsubishi Heavy Industries, Ltd.), and Mitsubishi Electric's premises in Nagasaki and subsequently in Kobe have been undertaking their production functions. In March 2012, for meeting the globally growing demand for electricity, an expansion of production facilities in Kobe was completed. Mitsubishi Electric is hopeful to be capable of further contributing toward a world-wide stable power supply utilizing the expertise acquired for generations in combination with the state-of-the-art technologies.

## **5. Corporate Agenda**

Regarding the outlook for the global economy, there is a concern about setbacks in growth that may be suffered by Chinese and Indian markets. The economic stagnation in Europe is another matter of concern that may continue for further extended period. However, in addition to generally stable economic strength in the United States, a gradual trend of growth is anticipated to take place in emerging countries. The weakened yen and increasing public investment since the latter half of the 3<sup>rd</sup> quarter-fiscal 2013, may allow us to expect uplift in the recovery trend in the Japanese market.



Under these circumstances, the Mitsubishi Electric Group—in line with the Balanced Corporate Management initiatives, which stem from the three key viewpoints of “Growth,” “Profitability & Efficiency,” and “Soundness”—is responding to this business environment by actively promoting a two-tiered growth strategy. Through the VI Strategy,\*<sup>1</sup> which aims at reinforcing individual business segments to “make strong businesses stronger,” and the AD Strategy,\*<sup>2</sup> which aims at reinforcing the solutions business centered on strong businesses, the Mitsubishi Electric Group is taking further steps to accelerate the implementation of measures to create an even stronger business structure in such areas as quality, cost, manufacturing technologies, development capabilities, intellectual property rights, and sales and services. Through the sustained implementation of structural reforms, the Mitsubishi Electric Group is working to ensure a stronger business structure.

Specifically, the Mitsubishi Electric Group is taking steps to strengthen its initiatives in growing market segments. To that end, the Company is engaging in growth strategies that include: promoting environment-related business strategies; expanding business activities in China, India and other newly emerging countries; bolstering the social infrastructure systems business; and developing the solutions business, such as security solutions and other business areas by combining its wide array of technologies with expertise gained.

Moreover, aiming to enhance craftsmanship, the Group will strengthen its development and production capabilities for both software and hardware, build in quality from the very first stages of design and development, raise productivity with “Just In Time” and other measures, and continuously deploy and reallocate human resources to the most appropriate workplaces to ensure an appropriate and optimal personnel structure from both the medium- and long-term perspectives. Taking into consideration the need to maintain a consistently sound financial standing, the Mitsubishi Electric Group will improve inventory turnover and implement associated measures. On a consolidated basis, the Group is committed to building and strengthening an optimal business structure that encompasses overseas operations and the entire corporate group. Through the integration of its business segments and functions—from development through design, procurement, and production to sales and services—the Mitsubishi Electric Group is further enhancing its business promotion structure.

In its corporate social responsibility (CSR) activities, the Mitsubishi Electric Group is steered by its Corporate Mission\*<sup>3</sup> and Seven Guiding Principles.\*<sup>4</sup> In particular, the Group’s commitment to legal compliance serves as the basis of its corporate management. Accordingly, the Group undertook initiatives focusing on strengthening its internal control system while maintaining rigorous education and training. Despite these efforts, from July 2011 onward, Mitsubishi Electric Corporation was subject to investigation by the Fair Trade Commission of Japan

for presumed violation of the antitrust laws concerning automotive parts sold in Japan. In November 2012, the Fair Trade Commission issued a cease and desist order along with an order imposing fine. \*<sup>5</sup> From January 2012 onward, with respect to the issue of overcharged expenses related to certain contracts Mitsubishi Electric Corporation's electronic systems business entered into with the Japanese Ministry of Defense (MOD) \*<sup>6</sup>, Cabinet Satellite Intelligence Center (CSICE) \*<sup>7</sup>, Japan Aerospace Exploration Agency (JAXA) \*<sup>7</sup>, National Institute of Information and Communications Technology (NICT) \*<sup>7</sup> and Ministry of Internal Affairs and Communications\*<sup>8</sup>, Mitsubishi Electric Corporation was precluded by these entities from nomination, or participation in further bidding. Four of the Company's subsidiaries were also involved in this issue because of certain contracts entered into with the MOD, resulting in the suspension of those subsidiaries from participation in further bids. Taking this matter very seriously, the Group will conduct a through, full-scale investigation to determine details and causes while further strengthening its compliance system in order to prevent similar incidents from recurring. The Mitsubishi Electric Group deeply regrets the concern it has created among stakeholders as a result of this incident and will make every possible effort to regain their trust as quickly as possible. In terms of the environment, Mitsubishi Electric Group will continue to work to build a low-carbon and recycling-oriented society.

By steadily implementing the aforementioned measures and policies, the Mitsubishi Electric Group will do everything within its power to further enhance corporate value. Looking ahead, the Group asks for the understanding and support of all its stakeholders.

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\*1. VI, the first two letters of "Victory"

\*2. AD, the first two letters of "Advance"

\*3. Corporate Mission: The Mitsubishi Electric Group is to continually improve its technologies and services by applying creativity to all aspects of our business. By doing so, we enhance quality of life in our society.

\*4. The Seven Guiding Principles are:

1. **Trust:** Establish relationships with all stakeholders based on strong mutual trust and respect.
2. **Quality:** Provide the best products and services with unsurpassed quality.
3. **Technology:** Pioneer new markets by promoting research and development, and fostering technological innovation.
4. **Citizenship:** As a global player, contribute to the development of communities and society as a whole.
5. **Ethics and Compliance:** Conduct always in compliance with applicable laws and high ethical standards in all endeavors.
6. **Environment:** Respect nature, and strive to protect and improve the global

environment.

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

- \*5. In February 2013, Mitsubishi Electric Corporation made payment of an amount of ¥1,410 million to the National Treasury as per the order by the Commission. And Mitsubishi Electric Corporation already fulfilled its reporting obligations to the competent authority on its remediation measures implemented in conformity with the cease and desist order.
- \*6. In February 2013, Mitsubishi Electric Corporation paid a total of ¥49,512 million to the National Treasury as the reimbursement of overcharged expenses in connection with the MOD contracts. Its suspension from nomination or participation in further bidding was lifted. In February 2013, the three consolidated subsidiaries involved, namely Mitsubishi Precision Co., Ltd., Mitsubishi Electric TOKKI Systems Corporation and Mitsubishi Space Software Co., Ltd., paid a total of ¥10,768 million to the National Treasury as the reimbursement of overcharged expenses in connection with the MOD contracts. Their suspension from nomination or participation in further bidding was lifted.
- In February 2013, an equity-method subsidiary, TAIYO MUSEN Co., Ltd. paid a total of ¥2,969 million to the National Treasury as the reimbursement of overcharged expenses in connection with the MOD contracts. Its suspension from nomination or participation in further bidding was lifted.
- \*7. With regard to the contracts with CSICE, JAXA and MICT, Mitsubishi Electric Corporation paid in January 2013 a total of ¥15,437 million to the National Treasury as the reimbursement of overcharged expenses. Its suspension from nomination or participation in further bidding was lifted.
- \*8. In July 2012, Mitsubishi Electric Corporation paid a total of ¥26 million to the National Treasury as the reimbursement of overcharged expenses in connection with the MIC contracts. Its suspension from nomination or participation in further bidding was lifted in June 2012.

## 6. Trends in Operating Results and Financial Condition

(Billions of yen, except net income per share data)

### (1) The Mitsubishi Electric Group (Consolidated)

	139 <sup>th</sup> Period Fiscal 2010	140 <sup>th</sup> Period Fiscal 2011	141 <sup>st</sup> Period Fiscal 2012	142 <sup>nd</sup> Period Fiscal 2013
Net sales	3,353.2	3,645.3	3,639.4	3,567.1
Operating income	94.3	233.7	225.4	152.0
Income before income taxes	64.2	210.2	224.0	65.1
Net income	28.2	124.5	112.0	69.5

Net income per share	¥13.18	¥58.00	¥52.20	¥32.38
Total assets	3,215.0	3,332.6	3,391.6	3,410.4

Note: The data contained in the above chart is drawn from the Mitsubishi Electric Group's consolidated financial statements prepared in accordance with U.S. accounting standards.

(2) Mitsubishi Electric Corporation (Non-Consolidated)

	139 <sup>th</sup> Period Fiscal 2010	140 <sup>th</sup> Period Fiscal 2011	141 <sup>st</sup> Period Fiscal 2012	142 <sup>nd</sup> Period Fiscal 2013
Net sales	2,052.3	2,333.8	2,344.5	2,236.0
Ordinary profit	61.9	120.8	127.5	60.5
Net income	14.9	78.7	55.8	18.5
Net income per share	¥6.96	¥36.7	¥26.01	¥8.66
Total assets	2,113.3	2,255.5	2,295.3	2,255.6

**7. Principal Offices** (As of March 31, 2013)

(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	Advanced Technology R&D Center	Hyogo
Living Environment Systems Laboratory	Kanagawa	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	Kamakura Works	Kanagawa
	Communication Systems Center	Hyogo
	Communication Networks Center	Hyogo
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, 2013)

Business Segment	Number of employees	Year-on-Year increase
Energy and Electric Systems	37,958	1,381
Industrial Automation Systems	25,289	1,618
Information and Communication Systems	15,627	25
Electronic Devices	5,050	31
Home Appliances	21,605	165
Other	11,126	339
Common	4,303	85
Total	120,958	3,644

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: 83,273 located in Japan; 37,685 located overseas

## 9. Fund Raising

During consolidated fiscal year under review, Mitsubishi Electric Corporation procured sufficient working capital by issuing commercial paper, while it repaid the borrowings and redeemed the corporate bonds reaching their maturities within the fiscal 2013.

As a result, the balance of interest-bearing debt as of the end of the consolidated fiscal year under review stood at ¥540.5 billion, a decrease by ¥1.7 billion compared with the previous fiscal year.

## 10. Principal Lenders (As of March 31, 2013)

(Billions of yen)

Name of Lender	Outstanding Borrowings
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	94.1
Mitsubishi UFJ Trust and Banking Corporation	54.9
Mizuho Corporate Bank, Ltd.	33.3
The Norinchukin Bank	33.3

## 11. Principal Subsidiaries (As of March 31, 2013)

### (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, maintenance and repair of the Company's elevators	Tokyo

					and escalators and other building equipment	
Mitsubishi Electric Lighting Corporation	Home Appliances	¥3,790	100.0%		Manufacture and sales of lighting equipment, LED lamps, fluorescent lamps	Kanagawa
Mitsubishi Precision Co., Ltd.	Information and Communication Systems	¥3,170	66.8%		Manufacture and sale of simulators and precision electronic equipment	Tokyo
Mitsubishi Electric Life Service Corporation	Other	¥3,000	100.0%		Real estate trade, rental and intermediary services, operation and management of Company-owned facilities for fringe benefits	Tokyo
Mitsubishi Electric Life Network Corporation	Home Appliances	¥2,800	100.0%		Sale of electric home appliance products	Tokyo
The Kodensha Co., Ltd.	Other	¥1,520	50.5%		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 US, Inc.	—	\$31.623	100.0%	Sale & 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
North America	Mitsubishi Electric Power Products, Inc.	Energy and Electric Systems	\$25.85	100.0%	Manufacture, sale and engineering of various types of transformers, electric equipment for rolling stock and other products	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	Shanghai Mitsubishi Electric & Shangling Air-Conditioner and Electric Appliance Co., Ltd.	Home Appliances	\$58.00	52.4%	Manufacture and sale of air conditioners	China
Asia	Mitsubishi Elevator Asia Co., Ltd.	Energy and Electric Systems	1,151.5 Thai baht	100.0%	Manufacture and sale of elevators and escalators	Thailand
Europe	Mitsubishi Electric Europe B.V.	—	€100.59	100.0%	Sale and distribution of Group products	The Netherlands
Europe	Mitsubishi Electric Automotive Czech s.r.o.	Industrial Automation Systems	350.00 Czech Koruna	100.0%	Manufacture and sale of automotive equipment	Czech Republic
Europe	Vinotech Holdings S.A.R.L.	Electronic Devices	€0.036	100.0%	Development, manufacture and sale of industrial power devices	Luxemburg
Other	Mitsubishi Electric Australia Pty Ltd.	—	11.00 Australian	100.0%	Sale and distribution of Group products	Australia

			dollars			
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Note: Mitsubishi Electric & Electronics USA, Inc., 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.

## Number of Consolidated Subsidiaries

Region	Japan	Overseas				Subtotal	Total
		North America	Asia	Europe	Other		
Number	97	11	43	8	3	65	162

## II. Matters Related to Mitsubishi Electric Corporation

### 1. Matters Related to Shares (As of March 31, 2013)

- (1) Authorized shares: 8,000,000,000 shares  
(2) Shares issued and outstanding 2,147,201,551 shares  
(3) Number of shareholders 120,472  
(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	152	918,857	42.8%
Traders of financial instruments	92	23,286	1.1%
Other corporations	1,496	136,570	6.4%
Foreign corporations <i>et al.</i>	611	694,637	32.3%
Individual <i>et al.</i>	118,120	373,847	17.4%

Note: The number of shares has been rounded down to the nearest whole thousand shares.

### (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)	160,862	7.5%
State Street Bank and Trust Company	117,118	5.5%
Japan Trustee Services Bank, Ltd. (Trust Account)	102,394	4.8%
Meiji Yasuda Life Insurance Company	81,862	3.8%
Nippon Life Insurance Company	72,439	3.4%
Mitsubishi Electric Group Employees Shareholding Union	52,391	2.4%
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	48,014	2.2%



The Bank of Tokyo-Mitsubishi UFJ, Ltd.	36,822	1.7%
Japan Trustee Services Bank, Ltd. (Trust Account 4)	33,178	1.5%
The Chase Manhattan Bank, N.A. London SL Omnibus Account	32,387	1.5%

Note: Shareholder ratio calculations deduct 306,490 company-owned shares

## 2. Members of the Board of Directors

### (1) Directors (As of March 31, 2013)

Title	Name	Positions Held	Principal Concurrent Posts
Chairman	Setsuhiro Shimomura		
Director	Kenichiro Yamanishi		
Director	Masanori Saito	Chairman of the Audit Committee	
Director	Hiroki Yoshimatsu	Member of the Compensation Committee	
Director	Noritomo Hashimoto	Member of the Nomination Committee, Member of the Compensation Committee	
Director	Ryosuke Fujimoto	Member of the Audit Committee	
Director	Nobuyuki Okuma	Chairman of the Nomination Committee, Chairman of the Audit Committee	
Outside Director	Hiroyoshi Murayama	Member of the Nomination Committee, Member of the Audit Committee	Attorney-at-Law
Outside Director	Mikio Sasaki	Member of the Compensation Committee	Senior Corporate Advisor, Mitsubishi Corporation Outside Director, Mitsubishi Motors Corporation Outside Director, Mitsubishi Research Institute, Inc. Outside Director, Tokio Marine Holdings, Inc.
Outside Director	Shigemitsu Miki	Member of the Nomination Committee, Member of the Audit Committee	Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Outside Auditor, Mitsubishi Motors Corporation Outside Director, Mitsubishi Logistics Corporation Outside Director, Kirin Holdings Company, Ltd.

Outside Director	Fujiatsu Makino	Member of the Audit Committee, Member of the Compensation Committee	Certified Public Accountant Tax accountant
Outside Director	Mitoji Yabunaka	Member of the Nomination Committee, Member of the Compensation Committee	Advisor, Nomura Research Institute, Ltd. Professor, Ritsumeikan University Outside Director, Kawasaki Kisen Kaisha, Ltd.

- Notes: 1. Directors Kenichiro Yamanishi, Hiroki Yoshimatsu, Noritomo Hashimoto and Nobuyuki Okuma all concurrently serve as executive officers.
2. Director Hiroki Yoshimatsu stepped down from executive officer upon expiration of his terms of office as of March 31, 2013.
3. Directors Nobuyuki Okuma and Mitoji Yabunaka were newly elected to the Board of Directors at the Company's 141<sup>th</sup> General Meeting of Shareholders, which convened on June 28, 2012
4. Directors Masaki Sakuyama and Shunji Yanai left the Board of Directors on June 28, 2012, the date of the Company's 141<sup>st</sup> General Meeting of Shareholders and of the expiration of his terms of office.
5. Messrs. Ryosuke Fujimoto and Fujiatsu Makino, both members of the Audit Committee, are individuals of considerable knowledge and experience in the fields of finance and accounting. Mr. Fujimoto has many years of extensive experience in the Company's Corporate Accounting and Finance Division and Mr. Makino is a certified public accountant.
5. Mitsubishi Electric Corporation has filed a notification on the nomination of outside directors Hiroyoshi Murayama, Mikio Sasaki, Shigemitsu Miki, Fujiatsu Makino and Mitoji Yabunaka 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.
6. Although the Company maintains business relationships with Mitsubishi Corporation, Mitsubishi Motors Corporation, Mitsubishi Research Institute, Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Mitsubishi Logistics Corporation, it does not maintain special relationships with any of these companies that would conflict the interest of its shareholders.

## (2) Outside Directors (As of March 31, 2013)

### 1. Principal activities

Name	Principal Activities
Hiroyoshi Murayama	100% attendance at Board of Directors' meetings and 100% attendance at Audit Committee meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of an attorney-at-law.
Mikio Sasaki	100% attendance at Board of Directors' meetings. Primarily provides constructive comments relating to the management of the Company from the standpoint of a specialist in managing a general trading company.
Shigemitsu Miki	88% attendance at Board of Directors' meetings and 88% attendance at Audit Committee meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a banking specialist.
Fujiatsu Makino	100% attendance at Board of Directors' meetings and 100% attendance at Audit Committee meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of his specialist knowledge as a certified public accountant.
Mitoji Yabunaka	100% attendance at Board of Directors' meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a specialist in international affairs.

Note: Mitsubishi Electric Corporation held eight Board of Directors meetings during the fiscal year under review.

## 2. Overview of the limited liability agreements

Mitsubishi Electric Corporation has executed limited liability agreements with all outside directors in accordance with article 423.1 of the Companies Act. Based on these agreements, the amount of limited liability has been set at ¥10 million or the minimum amount of liability stipulated under the law, whichever is higher.

### (3) Executive Officers (As of March 31, 2013)

Title	Name	Positions Held
Representative Executive Officer President & CEO	Kenichiro Yamanishi	
Representative Executive Officer Executive Vice President	Mitsuo Muneyuki	In charge of Export Control and Building Systems
Representative Executive Officer Executive Vice President	Masaki Sakuyama	In charge of Semiconductor & Device
Senior Vice President	Takashi Sasakawa	In charge of Electronic Systems
Senior Vice President	Susumu Shikata	In charge of Public Utility Systems
Senior Vice President	Noritomo Hashimoto	In charge of Corporate Strategic Planning, and Associated Companies Operations
Executive Officer	Hiroki Yoshimatsu	In charge of Accounting and Finance
Executive Officer	Shoichi Sakata	In charge of Purchasing
Executive Officer	Kazuhiko Tsutsumi	In charge of IT and Research & Development
Executive Officer	Yoshiaki Nakatani	In charge of Energy & Industrial Systems
Executive Officer	Tsuyoshi Nakamura	In charge of Legal & Compliances, Export Control, Licensing, and Intellectual Property
Executive Officer	Masaharu Moriyasu	In charge of Total Productivity Management & Environmental Programs
Executive Officer	Hiroyuki Umemura	In charge of Living Environment & Digital Media Equipment
Executive Officer	Yasuyuki Nakanishi	In charge of Communication Systems
Executive Officer	Takayuki Sueki	In charge of Global Strategic Planning & Marketing
Executive Officer	Masayuki Ichige	In charge of Auditing, Government & External Relations, General Affairs, and Public Relations
Executive Officer	Isao Iguchi	In charge of Advertising, and Corporate Marketing
Executive Officer	Hideyuki Okubo	In charge of Factory Automation Systems
Executive Officer	Yutaka Ohashi	In charge of Automotive Equipment
Executive Officer	Toru Yoshinaga	In charge of Information Systems & Network Services

Executive Officer	Nobuyuki Okuma	In charge of Human Resources
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Notes: 1. Representative Executive Officer, President & CEO Kenichiro Yamanishi, Senior Vice President Noritomo Hashimoto, and Executive Officers Hiroki Yoshimatsu and Nobuyuki Okuma also serve concurrently as directors.

2. The category, Principal Concurrent Posts, does not apply to all 21 Executive Officers.

3. The responsibilities assumed by Executive Officers Tsuyoshi Nakamura, Masayuki Ichige and Kazuhiko Tsutsumi were reassigned as from October 1 2013 as shown above.

4. Senior Vice President Susumu Shikata, Executive Officers Hiroki Yoshimatsu and Shoichi Sakata retired upon the expiration of their terms of office on March 31 2013.

5. Executive Officers as of April 1, 2013 were as follows:

Title	Name	Positions Held
Representative Executive Officer President & CEO	Kenichiro Yamanishi	
Representative Executive Officer Executive Vice President	Mitsuo Muneyuki	In charge of Export Control, Building Systems
Representative Executive Officer Executive Vice President	Masaki Sakuyama	In charge of Semiconductor & Device
Senior Vice President	Takashi Sasakawa	In charge of Electronic Systems Business
Senior Vice President	Noritomo Hashimoto	In charge of Corporate Strategic Planning, and Associated Companies Operations
Executive Officer	Kazuhiko Tsutsumi	In charge of IT and Research & Development
Executive Officer	Yoshiaki Nakatani	In charge of Energy & Industrial Systems
Executive Officer	Tsuyoshi Nakamura	In charge of Legal & Compliances, Export Control, Licensing, and Intellectual Property
Executive Officer	Masaharu Moriyasu	In charge of Total Productivity Management & Environmental Programs
Executive Officer	Hiroyuki Umemura	In charge of Living Environment & Digital Media Equipment
Executive Officer	Yasuyuki Nakanishi	In charge of Communication Systems
Executive Officer	Takayuki Sueki	In charge of Global Strategic Planning & Marketing
Executive Officer	Masayuki Ichige	In charge of Audit, Government & External Relations, General Affairs, and Public Relations
Executive Officer	Isao Iguchi	In charge of Advertising, Corporate Marketing
Executive Officer	Hideyuki Okubo	In charge of Factory Automation Systems
Executive Officer	Yutaka Ohashi	In charge of Automotive Equipment
Executive Officer	Toru Yoshinaga	In charge of Information Systems & Network Service

Executive Officer	Nobuyuki Okuma	In charge of General Affairs, and Human Resources
Executive Officer	Akihiro Matsuyama	In charge of Accounting and Finance
Executive Officer	Takashi Sakamoto	In charge of Purchasing
Executive Officer	Takahiro Kikuchi	In charge of Public Utility Systems

#### (4) Directors' and Executive Officers' Compensation (Millions of yen)

	Number Receiving Payment	Compensation Amount
Directors	3	191
Outside Directors	6	65
Executive Officers	21	1,328

Notes: 1. The number of directors receiving compensation does not include outside directors or directors who concurrently hold posts as executive officers.

2. Regarding two executive officers who assumed the office in the 141st fiscal period, there was a difference amounting to ¥3 million in comparison with the total compensation disclosed for the previous fiscal period and the compensation paid during the period under review. Said difference was not included in the amount disclosed in the above graphs.

#### (5) The Policy for Determining Compensation for Directors and Executive Officers

##### 1. Compensation for directors:

Compensation paid to directors will be a fixed sum and set at deserving level determined after due consideration on the director's duties and various other factors relating to the status of the Company operation. A bonus will be paid upon retirement, to be computed on the basis of such factors as the director's monthly remuneration and years of service.

##### 2. Compensation for executive officers

Consistent with an incentive system that focuses on raising the level of the Company's performance, the compensation paid to executive officers combines a fixed sum with variable portion based on performance level. The fixed sum portion shall be set at deserving level after due consideration on the executive officer's duties and various factors relating to the status of the Company operation. Both the Company's consolidated performance and the individual performance of each executive officer in their area of responsibility are considered in computing performance-based compensation. Retirement bonuses are also paid, based on monthly compensation and years of service. In addition, to provide further incentives for improving the Company's performance and to raise morale, stock options may be granted.

### 3. Status of the Independent Auditor

#### (1) Name of the Independent Auditor

## KPMG AZSA LLC

### (2) Compensation Paid to the Independent Auditor in the Fiscal Year under Review

(Millions of yen)

	Payment
(1) Compensation and other payments to the Independent Auditor by Mitsubishi Electric Corporation	269
(2) A total of financial returns payable on monetary and other assets by Mitsubishi Electric Corporation and its subsidiaries	447

- Notes: 1. In its auditing agreements with independent auditors, the Company makes no distinction between compensation for audits as defined by the Companies Act nor for audits as defined under the Financial Instruments and Exchange Law, and there is no objective ground for making such a distinction. The total of compensation for such audits is included in (1) in the above table.
2. Aside from audit work defined in Article 2.1 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. Eleven 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 eleven subsidiaries.

### (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 additions to the event as contemplated in the item 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 Such Matters as Systems Necessary to Ensure the Properness of Operations of the Company

Item	Details
The matters prescribed by the applicable Ordinance of the Ministry of Justice as those necessary for the execution of the duties of the Audit Committee	Assign employees whose job is exclusively to assist the Audit Committee
	The General Manager of the Corporate Human Resources Division will consult with Audit Committee members regarding the evaluation of performance by and relocation of personnel exclusively reporting to the Audit Committee.

Item	Details
	<p>Establish a structure and system to ensure that executive officers and employees report to the Audit Committee</p>
	<p>Establish the following structures and systems in relation to other audits by the Audit Committee  Implement surveys of the Company and its subsidiaries  Undertake deliberations to determine audit policies, methods implementation status and results by regularly convening debriefing sessions between the Independent Auditor and executive officers in charge of audits</p>
<p>The development of systems necessary to ensure that the execution of duties by executive officers complies with laws and regulations and the Articles of Incorporation</p>	<p>Establish internal regulations ensuring that the executive officers' performance and execution of duties is in accordance with laws and the Articles of Incorporations</p>
<p>Other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of the company</p>	<p>Establish internal regulations related to the record keeping and information management regarding executive officers' performance of their duties</p>
	<p>Executive officers shall take responsibility for constructing risk management systems related to possible losses within the areas over which they are appointed. Important matters shall be deliberated at executive officer meetings.</p>
	<p>Executive officers shall take responsibility for ensuring management efficiency within the areas over which they are appointed. Internal auditors shall monitor the status of operations.</p>

Item	Details
	<p>Establish the following systems to ensure that employees execute their work in accordance with laws and the Articles of Incorporation. Internal auditors shall monitor the status of such systems.</p> <ol style="list-style-type: none"> <li>1. Set internal regulations and action guidelines regarding ethics and compliance</li> <li>2. Implement an internal whistle-blowing system</li> </ol>
	<p>Executive officers shall manage the subsidiaries within the areas over which they are appointed. In addition, the following structures shall be set up in order to ensure the appropriateness of activities within the Mitsubishi Electric Group.</p> <ol style="list-style-type: none"> <li>1. Establish action guidelines shared throughout the Mitsubishi Electric Group with regard to corporate ethics and compliance</li> <li>2. Create a specialized organization for integrated management of Mitsubishi Electric Group companies</li> <li>3. Conduct regular audits of subsidiaries by internal auditors</li> </ol>

**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, Mitsubishi Electric Corporation endeavors to convey timely information to investors and financial markets, regarding the Company’s management policies, strategies and business results.

However, due to the possibility that large volumes of shares may be purchased, Mitsubishi Electric Corporation 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 respective fiscal year and strengthening its financial standings by improving internal reserves. From this perspective, Mitsubishi Electric's fundamental policy is to improve overall shareholder returns.

(2) Dividends for the fiscal year ended March 31, 2013

In the fiscal year ended March 31, 2013, Mitsubishi Electric Corporation decided to pay a fiscal year-end dividend of ¥6 per share in line with its performance and financial standing during the fiscal period under review.

As a result, the annual dividend for the fiscal year ended March 31, 2013, amounted to ¥11 per share, which includes an interim dividend of ¥5 per share paid on December 4, 2012.

Note: Fiscal year-end dividends will be paid on Tuesday, June 4, 2013

## CONSOLIDATED BALANCE SHEET

( March 31, 2013 )

(Millions of yen)

Assets		Liabilities	
Current assets:	2,144,260	Current liabilities:	1,425,759
Cash and cash equivalents	298,881	Bank loans and current portion of long-term debt	234,918
Short-term investments	812	Trade payables	652,718
Trade receivables	974,505	Other current liabilities	538,123
Inventories	590,735	Long-term debt	305,654
Other current assets	279,327	Retirement and severance benefits	254,977
Long-term trade receivables	2,521	Other fixed liabilities	57,029
Investments	423,556	Total liabilities	2,043,419
Net property, plant and equipment	603,000	Equity	
Other assets	237,073	Mitsubishi Electric Corp. shareholders' equity	1,300,070
		Common stock	175,820
		Capital surplus	205,945
		Retained earnings	1,012,027
		Accumulated other comprehensive income (loss)	(93,487)
		Treasury stock, at cost	(235)
		Noncontrolling interests	66,921
		Total equity	1,366,991
Total assets	3,410,410	Total liabilities and equity	3,410,410

## CONSOLIDATED STATEMENT OF INCOME

(April 1, 2012 to March 31, 2013)

(Millions of yen)

Net sales	3,567,184
Cost of sales	2,604,360
Selling, general and administrative expenses	806,412
Loss on impairment of long-lived assets	4,317
Operating income	152,095
Other incomes:	
Interest and dividends	7,742
Other	25,361
	33,103
Other expenses:	
Interest	6,507
Equity in losses of affiliated companies	14,619
Other	98,931
	120,057
Income before income taxes	65,141
Income taxes—current	23,490
Income taxes—deferred	(32,999)
Net income	74,650
Net income attributable to noncontrolling interests	5,133
Net income attributable to Mitsubishi Electric Corp.	69,517

## CONSOLIDATED STATEMENT OF EQUITY

(April 1, 2012 to March 31, 2013)

(Millions of yen)

Items	Mitsubishi Electric Corp. Shareholders' Equity					Total	Noncontrolling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock			
Balance at March 31, 2012	175,820	206,343	966,126	(215,603)	(221)	1,132,465	58,555	1,191,020
Comprehensive income (loss)								
Net income attributable to Mitsubishi Electric Corp.	—	—	69,517	—	—	69,517	—	69,517
Net income attributable to noncontrolling interests	—	—	—	—	—	—	5,133	5,133
Other comprehensive income(loss), net of tax								
Foreign currency translation adjustments	—	—	—	59,631	—	59,631	6,961	66,592
Pension liability adjustments	—	—	—	47,633	—	47,633	—	47,633
Unrealized gains (losses) on securities	—	—	—	14,803	—	14,803	42	14,845
Unrealized gains (losses) on derivative instruments	—	—	—	49	—	49	(6)	43
Net comprehensive income	—	—	69,517	122,116	—	191,633	12,130	203,763
Equity transactions with noncontrolling interests and other	—	(398)	—	—	—	(398)	(3,764)	(4,162)
Dividends paid to Mitsubishi Electric Corp. shareholders' equity	—	—	(23,616)	—	—	(23,616)	—	(23,616)
Purchase of treasury stock	—	—	—	—	(16)	(16)	—	(16)
Reissuance of treasury stock	—	—	—	—	2	2	—	2
Balance at March 31, 2013	175,820	205,945	1,012,027	(93,487)	(235)	1,300,070	66,921	1,366,991

【Reference】

CONSOLIDATED STATEMENT OF CASH FLOWS

(April 1, 2012 to March 31, 2013)

(Millions of yen)

I Cash Flows from Operating Activities		
1 Net income		74,650
2 Adjustments to reconcile net income to net cash provided by operating activities		
(1) Depreciation	131,956	
(2) Deferred income taxes	(32,999)	
(3) Decrease (Increase) in trade receivables	(49)	
(4) Decrease in inventories	16,706	
(5) Decrease (Increase) in other assets	(21,241)	
(6) Increase (Decrease) in trade payables	(62,549)	
(7) Increase (Decrease) in other liabilities	(46,851)	
(8) Other, net	23,129	8,102
Net cash provided by operating activities		82,752
II Cash Flows from Investing Activities		
1 Capital expenditure		(150,425)
2 Proceeds from sale of property, plant and equipment		4,792
3 Purchase of short-term investments and investment securities		(13,036)
4 Proceeds from sale of short-term investments and investment securities		29,088
5 Other, net		(24,120)
Net cash used in investing activities		(153,701)
III Cash Flows from Financing Activities		
1 Proceeds from long-term debt		57,003
2 Repayment of long-term debt		(90,786)
3 Increase in short-term debt, net		19,237
4 Dividends paid		(23,616)
5 Purchase of treasury stock		(16)
6 Reissuance of treasury stock		2
7 Other, net		(2,977)
Net cash provided by (used in) financing activities		(41,153)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents		18,802
V Net Increase (Decrease) in Cash and Cash Equivalents		(93,300)
VI Cash and Cash Equivalents at the Beginning of the Year		392,181
VII Cash and Cash Equivalents at the End of the Year		298,881

# NON-CONSOLIDATED BALANCE SHEET

(March 31, 2013)

(Millions of yen)

ASSETS		LIABILITIES	
Current assets:	1,266,369	Current liabilities:	1,105,105
Cash and deposits	116,215	Accounts payable-trade	384,774
Notes receivable-trade	909	Short-term loans payable	292,108
Accounts receivable-trade	653,444	Commercial papers	30,000
Finished goods	54,343	Current portion of bonds	30,000
Raw materials	31,110	Lease obligation	4,620
Work in process	138,303	Accounts payable-other	121,780
Advance payments-other	55,326	Accrued expenses	80,595
Deferred tax assets	61,618	Income taxes payable	244
Other	155,250	Advances received	90,579
Allowance for doubtful accounts	(153)	Provision for product warranties	35,697
		Provision for loss on construction	22,789
Noncurrent assets:	989,232	concluded	
Property, plant and equipment	314,888	Other	11,912
Buildings, net	132,953	Noncurrent liabilities:	501,650
Structures, net	8,448	Bonds payable	30,000
Machinery and equipment, net	74,894	Long-term loans payable	335,950
Vehicles, net	371	Lease obligations	8,218
Tools, furniture and fixtures, net	22,755	Provision for retirement benefits	86,444
Land	39,845	Provision for loss on investments in	6,211
Lease assets, net	10,717	foreign subsidiaries and affiliates	
Construction in progress	24,903	Provision for directors' retirement	1,268
Intangible assets	14,812	benefits	
Software	14,646	Reserve for competition-law-related	26,952
Other	166	expenses	
Investments and other assets	659,531	Asset retirement obligations	430
Investment securities	122,838	Other	6,175
Stocks of subsidiaries and affiliates	305,377	<b>Total Liabilities</b>	<b>1,606,756</b>
Long-term loans receivable	44,463	<b>Net Assets</b>	
Long-term prepaid expenses	3,832	Shareholders' equity	627,818
Deferred tax assets	119,005	Capital stock	175,820
Other	76,016	Capital surplus	181,319
Allowance for doubtful accounts	(12,003)	Legal capital surplus	181,140
		Other capital surplus	179
		Retained earnings	270,913
		Legal retained earnings	43,955
		Other retained earnings	226,958
		Reserve for special depreciation	2,243
		Reserve for reduction entry	6,106
		General reserve	80,000
		Retained earnings brought forward	138,609
		Treasury stock	(235)
		Valuation and translations adjustments	21,027
		Valuation difference on available-for-sale securities	20,954
		Deferred gains or losses on hedges	72
		<b>Total Net Assets</b>	<b>648,845</b>
<b>Total assets</b>	<b>2,255,602</b>	<b>Total Liabilities and Net Assets</b>	<b>2,255,602</b>

# NON-CONSOLIDATED STATEMENT OF INCOME

(April 1, 2012 to March 31, 2013)

(Millions of yen)

Net sales		2,236,063
Cost of sales		1,795,659
Gross profit		440,403
Selling, general and administrative expenses		417,289
Operating income		23,114
Non-operating income		
Interest and dividends income	54,283	
Miscellaneous income	20,891	75,174
Non-operating expenses		
Interest expenses	6,926	
Miscellaneous loss	30,805	37,731
Ordinary income		60,558
Extraordinary income		
Gain on sales of noncurrent assets	1,996	1,996
Extraordinary loss		
Refund Payments for Overcharged Expenses	64,948	
Loss on investments in subsidiaries and affiliates	34,485	
Impairment loss	1,835	101,270
Income(loss) before income taxes		(38,715)
Income taxes-current		(8,543)
Income taxes-deferred		(48,758)
Net income		18,585

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(April 1, 2012 to March 31, 2013)

(Millions of yen)

Shareholders' Equity	
Capital stock	
Balance at the beginning of current period	175,820
Balance at the end of current period	<u>175,820</u>
Capital surplus	
Legal capital surplus	
Balance at the beginning of current period	181,140
Balance at the end of current period	<u>181,140</u>
Other capital surplus	
Balance at the beginning of current period	179
Changes of items during the period	
Disposal of treasury stock	<u>(0)</u>
Total changes of items during the period	<u>(0)</u>
Balance at the end of current period	<u>179</u>
Retained earnings	
Legal retained earnings	
Balance at the beginning of current period	43,955
Balance at the end of current period	<u>43,955</u>
Other retained earnings	
Reserve for special depreciation	
Balance at the beginning of current period	2,763
Changes of items during the period	
Reversal of reserve for special depreciation	<u>(519)</u>
Total changes of items during the period	<u>(519)</u>
Balance at the end of current period	<u>2,243</u>
Reserve for reduction entry	
Balance at the beginning of current period	6,106
Balance at the end of current period	<u>6,106</u>
General reserve	
Balance at the beginning of current period	80,000
Balance at the end of current period	<u>80,000</u>
Retained earnings brought forward	
Balances at the beginning of current period	143,119
Changes of items during the period	
Reversal of reserve for special depreciation	519
Dividends from surplus	<u>(23,616)</u>
Net income	18,585
Total changes of items during the period	<u>(4,510)</u>
Balance at the end of current period	<u>138,609</u>
Treasury Stock	
Balance at the beginning of current period	(221)
Changes of items during the period	
Purchase of treasury stock	<u>(16)</u>
Disposal of treasury stock	2
Total changes of items during the period	<u>(14)</u>
Balance at the end of current period	<u>(235)</u>
Total shareholders' equity	
Balance at the beginning of current period	632,864
Changes of items during the period	
Dividends from surplus	<u>(23,616)</u>
Net income	18,585
Purchase of treasury stock	<u>(16)</u>
Disposal of treasury stock	1
Total changes of items during the period	<u>(5,045)</u>
Balance at the end of current period	<u>627,818</u>
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	
Balance at the beginning of current period	10,701
Changes of items during the period	
Net change of items other than shareholders' equity	<u>10,252</u>
Total changes of items during the period	<u>10,252</u>
Balance at the end of current period	<u>20,954</u>
Deferred gains or losses on hedges	
Balance at the beginning of current period	30
Changes of items during the period	
Net change of items other than shareholders' equity	<u>42</u>
Total changes of items during the period	<u>42</u>
Balance at the end of current period	<u>72</u>



# Independent Public Accountant's Report

April 25, 2013

Mitsubishi Electric Corporation  
Kenichiro Yamanishi, President and CEO

KPMG AZSA LLC

Designated and Engagement Partner  
Hiroto Kaneko  
Designated and Engagement Partner  
Toshihiro Otsuka  
Designated and Engagement Partner  
Kiichi Nagamine

In accordance with the provisions set forth in Article 444, Paragraph 4 of the Companies Act, we have examined the consolidated financial statements, including the consolidated balance sheet as of March 31, 2013, and the consolidated statement of income, consolidated statement of shareholders' equity and notes to consolidated financial statements, of Mitsubishi Electric Corporation for the year ended March 31, 2013.

## Management Responsibility Regarding Consolidated Financial Statements

Management is responsible for preparing and appropriately presenting consolidated financial statements in accordance with provisions set forth in the latter section of Article 120, Paragraph 2.1 of the "Company Accounting Regulations," which allows for the omission of certain disclosed items and notes required under generally accepted accounting principles (Please refer to Note 1. (1) "Principles and Procedures for Compiling Consolidated Financial Statements" in the Notes to Consolidated Financial Statements) in accordance with the accounting principles generally accepted in the United States of America. Included in these responsibilities is the maintenance and operation of the internal control system necessary to enable management to make judgments necessary for the preparation of consolidated financial statements that contain no material misstatements resulting from irregularities or errors.

## Responsibilities of the Independent Auditors

Our responsibility is to independently express an opinion on these financial statements based on our audit. Our examination was made in accordance with generally accepted auditing standards and included such auditing procedures as are normally required in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

We carry out procedures to ensure availability of evidences substantiating monetary amounts and ensuring proper disclosure in consolidated financial statements. Based on our determination, audit procedures are selected and applied based on risk assessments concerning material misstatements that would be caused by irregularities and errors contained within consolidated financial statements. Although the intended purpose of such audits is not to express opinions concerning the effectiveness of the internal control system, we examine the internal control system concerning the preparation and fair disclosure of consolidated financial statements when conducting risk assessments in order to devise appropriate audit procedures responsive to particular circumstances. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules. We believe that we have obtained sufficient and appropriate evidences, which allow our audit provides a reasonable basis for our opinion.

## Corporate Auditor Opinions

As a result of our audit, it is our opinion that the consolidated financial statements present fairly the

financial position and operating results of Mitsubishi Electric Corporation and its consolidated subsidiaries in accordance with provisions set forth in the latter section of Article 120, Paragraph 2.1 of the “Company Accounting Regulations,” which allows for the omission of certain disclosed items and notes required under generally accepted accounting principles (Please refer to Note 1. (1) “Principles and Procedures for Compiling Consolidated Financial Statements” in the Notes to Consolidated Financial Statements) in accordance with the accounting principles generally accepted in the United States of America.

#### Vested Interests or Relationships

There are no vested interests or relationships of a special nature between the Company and KPMG AZSA LLC or the engagement partners stipulated for disclosure under the Certified Public Accountants Law.

## Corporate Auditors' Report on Consolidated Financial Statements

The Corporate Audit Committee has audited the consolidated balance sheets, the consolidated statements of income, the consolidated statements of shareholders' equity and the notes to consolidated financial statements (hereinafter "financial statements") for the 142nd fiscal period (April 1, 2012 to March 31, 2013). A report covering the methodology and findings of the audit follows.

### 1. Audit Methodology of the Auditors:

The Company's Corporate Audit Committee received reports from Executive Officers and others in accordance with policies and duties established by the Corporate Audit Committee concerning the consolidated financial statements and other documentation. Where necessary, the Committee sought clarification on these matters. In addition to monitoring and examining the activities of the independent auditor to ensure that it maintains its independent stance and that it conducts its auditing duties properly, the Corporate Audit Committee received reports from the independent auditor regarding the status of its activities and sought clarification where 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) 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 clarification where necessary.

Based upon the above methods, the Corporate Audit Committee carefully examined the consolidated financial statements for the fiscal year ended March 31, 2013.

### 2. Audit Results:

The procedures and report of the audit by the independent auditor, KPMG AZSA LLC, are considered adequate.

April 26, 2013

The Corporate Audit Committee  
Mitsubishi Electric Corporation

Masanori Saito, Committee Member (full time)  
Ryosuke Fujimoto, Committee Member (full time)  
Hiroyoshi Murayama, Committee Member  
Shigemitsu Miki, Committee Member  
Fujiatsu Makino, Committee Member

Note: Hiroyoshi Murayama, Shigemitsu Miki and Fujiatsu Makino are Outside Directors as prescribed under Article 2.15 and Article 400.3 of the Corporation Law.

## Independent Public Accountant's Report

April 25, 2013

Mitsubishi Electric Corporation  
Kenichiro Yamanishi, President and CEO

KPMG AZSA LLC

Designated and Engagement  
Partner Hiroto Kaneko

Designated and Engagement  
Partner Toshihiro Otsuka

Designated and Engagement  
Partner Kiichi Nagamine

In accordance with the provisions set forth in Article 436, Paragraph 2.1 of the Companies Act, we have examined the financial statements, including the balance sheets as of March 31, 2013, and the statements of income, statements of changes to shareholders' equity, notes to non-consolidated financial statements and the supplementary schedules (with respect to accounting matters only) of Mitsubishi Electric Corporation for the year ended March 31, 2013 (the 142nd fiscal year). These financial statements and supplementary schedules are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements and supplementary schedules, based on our audit.

### Management Responsibility Regarding Financial Statements

Management is responsible for preparing and appropriately presenting financial statements and the supplementary schedules in accordance with generally accepted corporate accounting standards as are normally required in Japan. Included in these responsibilities is the maintenance and operation of the internal control system necessary to enable management to make judgments necessary for the preparation of financial statements and supplementary schedules that contain no material misstatements resulting from irregularities or errors.

### Responsibilities of the Independent Auditors

Our responsibility is to independently express an opinion on these financial statements and the supplementary schedules based on our audit. Our examination was made in accordance with generally accepted auditing standards and included such auditing procedures as are normally required in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free of material misstatement.

We carry out procedures to ensure availability of evidences substantiating monetary amounts in financial statements and the supplementary schedules. Based on our determination, audit procedures are selected and applied based on risk assessments concerning material misstatements caused by irregularities and errors contained within financial statements and the supplementary schedules. Although the intended purpose of such audits is not to express opinions concerning the effectiveness of the internal control system, we examine the internal control system concerning the preparation and fair disclosure of financial statements and the supplementary schedules when conducting risk assessments in order to devise appropriate audit procedures responsive to particular circumstances. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules. We believe we have obtained sufficient and appropriate evidences, which allow our audit provides a reasonable basis for our opinion.

#### Corporate Auditor Opinions

As a result of our audit, it is our opinion that the non-consolidated financial statements and supplementary schedules present fairly, in a manner that conforms to generally accepted corporate accounting standards in Japan, the financial position and the results of the operations of Mitsubishi Electric Corporation.

#### Vested Interests or Relationships

There are no vested interests or relationships of a special nature between the Company and KPMG AZSA LLC or the engagement partners stipulated for disclosure under the Certified Public Accountants Law.

## 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 142nd fiscal period (April 1, 2012 to March 31, 2013). A report covering the findings of the audit follows.

### Audit Methodology and Scope

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 1.1, sections 2 and 5, of the Companies Act, as well as the structure and operational status 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, and where necessary, sought explanations and voiced opinions on these matters. Moreover, 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 status of business and assets at the Company's head office and key operational facilities. Where necessary, the Corporate Audit Committee sought reports on the operations and assets of subsidiaries.

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 clarification where necessary. Based upon the above methods, the Audit Committee carefully scrutinized the Business Report, the financial statements (balance sheets, statements of income, statements of changes in shareholders' equity and notes to non-consolidated financial statements) and the supplementary schedules for the fiscal year ended March 31, 2011.

### Audit Results

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

(a) The Business Report presents fairly, in conformity with applicable laws and regulations and the Company's Articles of Incorporation, the status 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 1.1, sections 2 and 5, of the Companies Act is adequate. Moreover, we find no issues of concern with regard to the performance of Directors and Executive Officers in their duties related to internal control systems.

As mentioned in the Business Report, Mitsubishi Electric Corporation, concerning transgression against the antitrust laws involving certain automotive parts sold in Japan, received a cease and desist order along with an order to pay fine from the Fair Trade Commission of Japan. The Company and four of its Group subsidiaries, on the ground of the incident of overcharge related to certain contracts the electronic systems business division entered into with governmental entities, including the Japanese Ministry of Defense (MOD). As a result, the Company and the subsidiaries involved made refund payment for such overcharged expenses. Taking this matter very seriously, the Company is keenly aware that it is a company-wide moral obligation to reinforce its legal compliance structure and is now working toward such an objective. The Audit Committee will closely monitor the progress of such efforts of the Company.

(2) 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 26, 2013

The Corporate Audit Committee  
Mitsubishi Electric Corporation

Masanori Saito, Committee Member (full time)  
Ryosuke Fujimoto, Committee Member (full time)  
Hiroyoshi Murayama, Committee Member  
Shigemitsu Miki, Committee Member  
Fujiatsu Makino, Committee Member

Note: Hiroyoshi Murayama, Shigemitsu Miki and Fujiatsu Makino are Outside Directors as prescribed under Article 2.15 and Article 400.3 of the Companies Act.