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MITSUBISHI ELECTRIC ANNOUNCES CONCLUSION OF A SHARE EXCHANGE AGREEMENT WITH NIHON KENTETSU CO., LTD.

Tokyo, July 4, 2005 – Mitsubishi Electric Corporation (President and CEO: Tamotsu Nomakuchi, TSE:6503) and Nihon Kentetsu Co., Ltd. (President Shusaku Masuda, TSE: 5972) have concluded a share exchange agreement after a meeting today of executive officers of Mitsubishi Electric as well as the board of directors of Nihon Kentetsu. The decision was preceded by a Memorandum of Understanding (MOU) on May 16, 2005 in which they would explore making Nihon Kentetsu into a 100% subsidiary of Mitsubishi Electric through an exchange of shares in accordance with Japanese Commercial Code.

Purpose of Nihon Kentetsu becoming a 100% subsidiary through share exchange

Mitsubishi Electric group has been persistently pursuing reform of its business structure in order to better respond to changes in business environments from the three perspectives of “growth”, “profitability & efficiency” and “soundness”, in order to establish a solid business foundation.

Nihon Kentetsu operates primarily in the home laundry appliances and commercial refrigerated cabinets businesses. The business environments of those industries have become increasingly severe in recent years. Implementation and progress of tough measures in development, production, and sales areas have become a pressing issue for the company.

Under such circumstances, Mitsubishi Electric intends to make Nihon Kentetsu a 100% subsidiary company through a share exchange in order to achieve as quickly as possible the business integration of Nihon Kentetsu's home laundry appliances and commercial refrigerated cabinets businesses and Mitsubishi Electric Group's home appliances and air conditioning & refrigeration systems domains with a drastic increase in competitiveness through amassing and effectively utilizing resources within these domains. As a result, Mitsubishi Electric will strengthen its home appliances and air conditioning & refrigeration systems businesses and enhancing its presence in these industries while also increasing enterprise value group-wide.

Terms of share exchange

1) Schedule of share exchange

July 4, 2005	Mitsubishi Electric and Nihon Kentetsu decide to conclude a share exchange agreement
July 4, 2005	Conclusion of Share Exchange Agreement
August 23, 2005 (scheduled)	Approval of share exchange agreement at an extraordinary meeting of shareholders of Nihon Kentetsu
September 27, 2005 (scheduled)	Delisting of share certificates of Nihon Kentetsu
September 30, 2005 (scheduled)	Last day to submit share certificates
October 1, 2005 (scheduled)	Date of share exchange

2) Simplified share exchange

As this satisfies the requirements of a simplified share exchange for Mitsubishi Electric, it is not planning to obtain the approval of a meeting of shareholders, in accordance to provisions of Article 358, Paragraph 1 of Japanese Commercial Code.

3) Ratio of share exchange:

Mitsubishi Electric and Nihon Kentetsu concluded a Share Exchange Agreement today in accordance with the ratio of share exchange below which was agreed on in the Memorandum of Understanding (MOU) dated May 16, 2005.

	Mitsubishi Electric Co. (Parent Company)	Nihon Kentetsu Co. (100% Subsidiary)
Ratio of share exchange	1	0.48

Notes: 1) Share allocation ratio: 0.48 Mitsubishi Electric share of common stock will be allotted for every 1 Nihon Kentetsu share outstanding.

However, no allocation will be made with respect to the 4,048,500 shares of Nihon Kentetsu common stock held by Mitsubishi Electric

2) Basis of calculation of share exchange ratio: To calculate the share exchange proportions, Mitsubishi Electric hired Daiwa Securities

SMBC Co, Ltd., and Nihon Kentetsu hired Mitsubishi Securities Co., Ltd. for its calculations. The proportions written above were agreed to after discussions between Mitsubishi Electric and Nihon Kentetsu in consideration of the valuation results made by those financial advisors. The agreed share exchange ratio may be modified upon the parties' discussions when any material change occurs in the parties' asset or management conditions.

3) Results and methods of calculation by third parties: Daiwa Securities SMBC Co., Ltd. comprehensively took into account the results of the valuations by the market stock price method, the discounted cash flow method and the adjusted book net asset value method when calculating the share exchange ratio. Mitsubishi Securities Co. Ltd. took into account the results of the valuations by the market stock price method, the discounted cash flow method, and the current net asset value method when calculating the share exchange ratio.

4) Number of shares allocated for share exchange: Mitsubishi Electric will allocate 7,656,720 shares. No new shares of Mitsubishi Electric will be issued as Mitsubishi Electric will use its treasury stock.

4) Cash Distribution upon share exchange subsidy

There will be no cash distribution in relation to the share exchange.

Outline of companies (as of March 31, 2005)

(1) Business Name	Mitsubishi Electric Corporation (Parent Company)	Nihon Kentetsu Co., Ltd. (100% Subsidiary)
(2) Description of Business	Energy and Electric, Industrial Automation, Information and Communication systems, Electronic Devices, Home Appliances, other research, manufacturing, sales, and services	Home laundry appliances, Commercial refrigerated cabinets, etc.
(3) Date of Incorporation	January 5, 1921	January 4, 1950
(4) Address of Head Office	2-2-3 Marunouchi Chiyoda-ku Tokyo	1-1-1 Yamate Funabashi-shi, Chiba-ken
(5) Company Representative	President and CEO, Mr. Tamotsu Nomakuchi	President, Mr. Shusaku Masuda
(6) Capital Funds	175.82 billion yen	1 billion yen
(7) Number of Distributed Stocks	2,147,201,551	20,000,000
(8) Shareholders' Equity	523.167 billion yen	1.996 billion yen
(9) Total Assets	2.075983 trillion yen	14.854 billion yen
(10) Fiscal Year End	March 31	March 31
(11) Number of Employees	27,319	435

(12) Main Customers	Domestic and overseas manufacturing, non-manufacturing such as civil and government contracts	Mitsubishi Electric Corp. Mitsubishi Electric Life Network Corp. Mitsubishi Electric Living Environment Systems Corp.
(13) Major Shareholders and Their Shareholding Ratios	The Master Trust Bank of Japan, Ltd. (trust accounts) 6.70% Japan Trustee Services Bank, Ltd. (trust accounts) 5.29% Meiji Yasuda Life Insurance Company 3.95% Nippon Life Insurance Company 3.64%	Mitsubishi Electric Corp. 20.24% Mitsubishi Estate Co., Ltd. 14.90% Asahi Glass Co., Ltd. 10.87% The Bank of Tokyo-Mitsubishi, Ltd. 4.81% Mitsubishi Corporation 2.70%
(14) Main Financing Bank	The Bank of Tokyo-Mitsubishi, The Mitsubishi Trust and Banking Corporation, etc.	The Bank of Tokyo-Mitsubishi, The Mitsubishi Trust and Banking Corporation, etc.
(15) Company Relationship	Owner's Equity	Mitsubishi Electric has 20.24% of stock already issued by Nihon Kentetsu
	Personnel	8 temporary and 8 permanent employees to Nihon Kentetsu from Mitsubishi Electric
	Accounting	Home laundry appliances and Commercial refrigerated cabinets, sales, etc.

Results of 3 Most Recent Fiscal Years

(in millions of yen)

Fiscal Year End	Mitsubishi Electric Corporation (Parent Company)			Nihon Kentetsu Co., Ltd. (100% Subsidiary)		
	March 2003	March 2004	March 2005	March 2003	March 2004	March 2005
Sales	2,319,210	1,996,556	2,022,035	27,494	23,143	20,692
Operating Income (loss)	608	32,566	48,938	(707)	233	(731)
Income (loss) before Income Taxes	26,494	41,713	59,472	(617)	182	(799)
Net Income (loss)	(12,167)	26,344	26,224	139	154	(977)
Net Income (loss) per share (in yen)	(5.67)	12.27	12.22	6.99	7.73	(48.87)

Annual dividend per share (in yen)	3.00	4.00	6.00	-	-	-
Shareholders' Equity per share (in yen)	216.91	236.95	243.76	119.03	149.79	99.86

Situation after share exchange

1) Business Name

Mitsubishi Electric: no change from what is written in the “outline of companies” section on page 3
Nihon Kentetsu: will investigate a possible business name change after the share exchange date

2) Other Changes

No changes are planned for the lines of business, address of head office, and company representative written in the “Outline of Companies” on page 3

3) Capital Funds

There is no increase of Mitsubishi Electric’s capital funds from this share exchange.

4) Effects on Earnings

Only a slight impact on Mitsubishi Electric’s consolidated results for this period is forecasted as a result of this share exchange

Regarding the share exchange between Mitsubishi Electric Corporation and Nihon Kentetsu Co., Ltd.

Mitsubishi Electric Corporation and Nihon Kentetsu Co., Ltd. are Japanese companies. Information distributed in connection with the proposed share exchange is subject to Japanese disclosure requirements, which are different from those of the United States. Financial information included herein is prepared in accordance with Japanese accounting standards and may therefore not be comparable to the financial information of U. S. companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the United States securities laws in respect of the share exchange, since the companies are located in Japan, and some or all of its officers and directors are residents of Japan. You may not be able to sue the companies or their officers or directors in a Japanese court for violations of the U.S. securities laws. Finally, it may be difficult to compel the companies and their affiliates to subject themselves to a U.S. court’s judgment.

About Mitsubishi Electric

With over 80 years of experience in providing reliable, high-quality products to both corporate clients and general consumers all over the world, Mitsubishi Electric Corporation (TSE:6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. The company recorded consolidated group sales of 3,410 billion yen (US\$ 31.9billion*) in the fiscal year ended March 31, 2005. For more information visit <http://global.mitsubishielectric.com>

*At an exchange rate of 107 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2005.

About Nihon Kentetsu

With its main business in handling total support commercial refrigerated cabinets and home laundry appliances as an affiliated company of Mitsubishi Electric, Nihon Kentetsu (TSE: 5972) is also engaged in environment businesses such as water treatment and purification equipment as well as heat exchangers. The company recorded consolidated group sales of 21,357 million yen (US\$199.6 million*) in the fiscal year ended March 31, 2005.

*At an exchange rate of 107 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2005.