To Shareholders

Matters for Internet Disclosure upon the Convocation of the 143rd Ordinary General Meeting of Shareholders

For Fiscal 2014 (April 1, 2013–March 31, 2014)

◆Notes to Consolidated Financial Statements

◆Notes to Non-Consolidated Financial Statements

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

MITSUBISHI ELECTRIC CORPORATION

Notes to Consolidated Financial Statements:

1. Significant Accounting Policies

   (1)Basis of Preparation of Consolidated Financial Statements

   The consolidated financial statements of Mitsubishi Electric Corporation (the "Company") are prepared in accordance with accounting principles generally accepted in the United States of America as defined in Article 120-2-1 of the Ordinance of Company's Accounting. However, based on the second sentence of the article, some disclosure items required under accounting principles generally accepted in the United States of America are omitted.

   (2) Valuation of Inventories

   Raw materials and finished product inventories are generally recorded using the average-cost method, and evaluated at the lower of cost or market. In work-in-process, the Company records the ordered products at the acquisition cost and the regular purchased products at the average production costs. Those products are recorded at the lower of cost or market.

   (3) Valuation of Short-Term Investments and Investment Securities

   Available-for-sale securities are recorded at fair value. (Unrealized gains or losses after tax effect adjustments are directly recorded in shareholder' equity. The cost is determined by the moving-average method.)

   (4) Depreciation

   Depreciation of property, plant and equipment is generally calculated by the declining-balance method.

   (5) Provisions

   Allowance for doubtful receivables is prepared for possible losses on uncollectible notes and accounts receivable. The Company records the estimated of uncollectible amounts based on credit loss history for general accounts receivable, and the possibility of collection for each individual account for specific doubtful receivables.

   Retirement and severance benefits are computed based on retirement and severance benefit obligations and the fair value of pension assets at the end of the fiscal year in order to provide for retirement benefits to employees.

   Prior service benefits are amortized using the straight-line method over the average remaining service period of employees.

   A portion of the net loss on actuarial differences exceeding 10% of the larger of projected benefit obligations or the fair value of pension assets is amortized using the straight-line method based on the average remaining service period of employees.

   (6) The tax-exclusion method is used to account for consumption taxes.

2. Allowance for doubtful receivables: ¥16,059 million
3. Accumulated depreciation of property, plant and equipment: ¥1,925,374 million

   The figure for accumulated depreciation of property, plant and equipment includes accumulated impairment losses.
4. Accumulated other comprehensive income (loss) includes foreign currency translation adjustments, pension liability adjustments, unrealized gains (losses) on securities and unrealized gains (losses) on derivative instruments.
5. Assets used as collateral: ¥891 million

6. Contingent liabilities
   (1) Guarantee liabilities: ¥12,925 million
   (2) In January 2007, the Company received a decision rendered by the European Commission imposing fines for an infringement of EU Competition Law in connection with its sales of certain gas-insulated switchgears in Europe. However, there was a significant inconsistency on recognition of the material underlying facts between the European Commission and the Company. Therefore, the Company appealed to the European General Court and challenged the decision. In July 2011, the Company received a judgment from the European General Court upholding the European Commission's decision on the underlying facts while annulling the fine imposed on the Company on the basis that the European Commission applied inconsistent methods of calculation to different companies. In September 2011, since there was still a significant inconsistency on recognition of the material underlying facts between the European Commission and the Company, the Company appealed to the European Court of Justice. In June 2012, the Company received the European Commission's decision presenting an amount of fine as payable by the Company after revision of the pertinent computations. In September 2012, the Company took another legal action with the European General Court seeking a revision of the current computation method presented by the European Commission, which would result in a downward modification of the fine. In December 2013, the Company received a judgment from the European Court of Justice upholding the European Commission's underlying facts. The legal action the Company filed in September 2012 with the European General Court is currently pending.

   Since July 2011, the Company and certain of its subsidiaries have been subject to investigations and inquiries conducted by the United States Department of Justice in relation to United State Antitrust Laws regarding the sale of certain automotive parts in the United States of America. Consequently, in September 2013, the Company entered into a plea agreement with the United States Department of Justice in which the Company agreed to pay US$190,000 thousand (¥18,573 million based on the rate of exchange in effect at the date of the transaction) in fines for the infringement of United States Antitrust Laws. For the year ended March 31, 2014, the Company recorded ¥7,738 million, which is equivalent to the difference between the fines and its reserves as of the end of the previous fiscal year, in Other expenses. The actual payment of the fines was completed as of end of this fiscal year.

   Civil lawsuits relating to United States Antitrust Laws have also been raised in the United States of America. In addition, since July 2011, the Company has been cooperating with Competition Law investigations and inquiries conducted by the European Commission regarding the sales of certain automotive parts in Europe.

   As of March 31, 2014, the Company recorded an estimated amount of ¥22,866 million as a reserve for these various competition-law-related expenses in Other fixed liabilities relating to the gas-insulated switchgears case in Europe and certain automotive parts cases in the United States of America and Europe.

   In addition, the Company and certain of its subsidiaries have moved towards reconciliation with some DRAM purchasers in relation to the possibility of violation of the Competition Law concerning DRAM sales. Considering the progress of the reconciliation, the Company believes that the DRAM case will not have a material effect on Company's consolidated financial position and results of operations.

7. Financial Instruments

(1) Items Concerning the Status of Financial Instruments

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

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

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

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

(2) Items Concerning the Market Value of Financial Instruments

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

(Millions of yen)

	Consolidated balance sheet*1	Fair value*1	Difference
1. Long-term trade receivables	4,813	4,865	52
2. Marketable securities and other investments Available-for-sale securities	226,985	226,985	—
3. Corporate bonds and long-term debt *2	(313,203)	(313,775)	(572)
4. Derivative instruments*3	(951)	(951)	—

*1: Items listed as liabilities are presented in brackets

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

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

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

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

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

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

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

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

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

Unlisted shares (¥14,550 million in the consolidated balance sheet) are not included in figure 2, “Marketable securities and other investments Available-for-sale securities,” for they are not traded in an active market and recognized to be extremely difficult in determining fair value.

8. Mitsubishi Electric Corp. Shareholders’ equity per share: ¥710.03

Basic net income attributable to Mitsubishi Electric Corp. per share: ¥71.49

Notes to Financial Statements:

1. Valuation of Inventories

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

2. Valuation of Short-Term Investment and Investment Securities

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

   (2) Other securities:

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

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

3. Depreciation of property, plant and equipment is calculated by the declining-balance method. However, depreciation on buildings (excluding accompanying facilities) acquired since April 1, 1998 is calculated by the straight-line method.

4. Basis for calculating provisions

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

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

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

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

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

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

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

5. The tax-exclusion method is used to account for consumption taxes.

6. The Company adopts a consolidated taxation system.

7. Accumulated depreciation of property, plant and equipment: ¥1,381,860 million

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

8. Contingent liabilities
   (1) Guarantee liabilities: ¥8,211 million
   Employees (home financing loans): ¥3,616 million; outstanding of transferred accounts receivable with recourse: ¥2,799 million; other: three cases totaling ¥1,796 million
   (2) Other
   In January 2007, the Company received a decision rendered by the European Commission imposing fines for an infringement of EU Competition Law in connection with its sales of certain gas-insulated switchgears in Europe. However, there was a significant inconsistency on recognition of the material underlying facts between the European Commission and the Company. Therefore, the Company appealed to the European General Court and challenged the decision. In July 2011, the Company received a judgment from the European General Court upholding the European Commission's decision on the underlying facts while annulling the fine imposed on the Company on the basis that the European Commission applied inconsistent methods of calculation to different companies. In September 2011, since there was still a significant inconsistency on recognition of the material underlying facts between the European Commission and the Company, the Company appealed to the European Court of Justice. In June 2012, the Company received the European Commission's decision presenting an amount of fine as payable by the Company after revision of the pertinent computations. In September 2012, the Company took another legal action with the European General Court seeking a revision of the current computation method presented by the European Commission, which would result in a downward modification of the fine. In December 2013, the Company received a judgment from the European Court of Justice upholding the European Commission's underlying facts. The legal action the Company filed in September 2012 with the European General Court is currently pending.

   Since July 2011, the Company has been subject to investigations and inquiries conducted by the United States Department of Justice in relation to United State Antitrust Laws regarding the sale of certain automotive parts in the United States of America. Consequently, in September 2013, the Company entered into a plea agreement with the United States Department of Justice in which the Company agreed to pay US$190,000 thousand (¥18,573 million based on the rate of exchange in effect at the date of the transaction) in fines for the infringement of United States Antitrust Laws. For the year ended March 31, 2014, the Company recorded ¥7,738 million, which is equivalent to the difference between the fines and its reserves as of the end of the previous fiscal year, in Other expenses. The actual payment of the fines was completed as of end of this fiscal year.

   Civil lawsuits relating to United States Antitrust Laws have also been raised in the United States of America. In addition, since July 2011, the Company has been cooperating with Competition Law investigations and inquiries conducted by the European Commission regarding the sales of certain automotive parts in Europe.

   As of March 31, 2014, the Company recorded the an estimated amount of ¥22,866 million as a reserve for these various competition-law-related expenses relating to the gas-insulated switchgears case in Europe and certain automotive parts cases in the United States of America and Europe.

   In addition, the Company has moved towards reconciliation with some DRAM purchasers in relation to the possibility of violation of the Competition Law concerning DRAM sales. Considering the progress of the reconciliation, the Company believes that the DRAM case will not have a material effect on its financial position and results of operations.

9. Monetary receivables from affiliates:
   Short-term: ¥417,720 million
   Long-term: ¥42,976 million
   Monetary payables to affiliates:
   Short-term: ¥576,307 million
   Long-term: ¥71,322 million

10. Net sales to affiliates: ¥1,291,156 million
    Purchases from affiliates: ¥1,060,784 million
    Total transactions with affiliates, excluding operating transactions: ¥26,800 million
11. Common shares issued and outstanding at the fiscal year-end (common stock): 2,147,201,551 shares
12. Treasury stock at the fiscal year-end (common stock): 348,999 shares

13. Dividends

(1) Amount of dividends paid

Resolution	Total cash dividends	Dividends per share	Record date	Effective date
April 30, 2013 resolution of the Board of Directors	¥12,881 million	¥6.00	March 31, 2013	June 4, 2013
October 31, 2013 resolution of the Board of Directors	¥12,881 million	¥6.00	September 30, 2013	December 3, 2013

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

Resolution	Total cash dividends	Dividends per share	Record date	Effective date
April 28, 2014 resolution of the Board of Directors (scheduled)	¥23,615 million	¥11.00	March 31, 2014	June 3, 2014

14. Significant components of the deferred tax assets and deferred tax liabilities

(A) Deferred tax assets:

Provision for retirement benefits and others: ¥174,879 million

(B) Deferred tax liabilities:

Gain on contribution of securities contributed to employee retirement benefit trust and others (¥51,335 million)

(C) Net deferred tax assets: ¥123,543 million

15. Transactions with Related Parties

Category	Company name	Direct share of voting rights	Relationship	Details of transactions	Amount (¥ Millions)	Item	Period-end balance (¥ Millions)
Subsidiary	Mitsubishi Electric Europe B.V.	100%	As a subsidiary, sells Mitsubishi Electric products	Sales of Mitsubishi Electric products*	155,989	Accounts receivables	67,642
Subsidiary	Mitsubishi Electric Living Environment Systems Corporation	73%	As a subsidiary, sells Mitsubishi Electric's home electric systems and equipment	Sales of Mitsubishi Electric products*	190,066	Accounts receivables	49,390

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

16. Net assets per share: ¥358.45

Net income per share: ¥46.73

17. Loss on impairment of ¥2,979 million is attributable to the impairment of property, plant and equipment and other.