

To Shareholders

Matters for Internet Disclosure
upon the Convocation of
the 145th Ordinary General Meeting of Shareholders

For Fiscal 2016 (April 1, 2015–March 31, 2016)

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The abovementioned items are disclosed to shareholders on Mitsubishi Electric's Website (<http://www.MitsubishiElectric.com/company/ir/meeting/index.html>) in accordance with laws and regulations as well as Article 15 of Mitsubishi Electric's Articles of Incorporation.

MITSUBISHI ELECTRIC CORPORATION

■ Business Report

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

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

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

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

Item	Matters resolved	Status of management
<p>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</p>	<ul style="list-style-type: none"> ■ 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 employees exclusively assisting the Audit Committee. ■ Establish a system for reporting information about the Company and its subsidiaries to the Audit Committee via the divisions in charge of internal control. ■ Establish internal regulations and systems to protect people who reported information about the Company and its subsidiaries to the Audit Committee. ■ Establish internal regulations regarding the processing of expenses and debts incurred in the execution of the duties of the Audit Committee members. ■ Establish the following structures and systems in relation to other audits by the Audit Committee: <ol style="list-style-type: none"> 1. Conduct investigation of the Company and its subsidiaries. 2. Undertake deliberations to determine audit policies, methods, implementation status and results of the audit by regularly convening debriefing sessions between the Independent Auditor and Executive Officers in charge of audits. 	<ul style="list-style-type: none"> ■ Employees whose job is exclusively to assist the Audit Committee are assigned and are assisting the Audit Committee. ■ The General Manager of the Corporate Human Resources Division consults with Audit Committee members regarding the evaluation of performance by and relocation of employees exclusively assisting the Audit Committee. ■ Reporting systems are established based on the type of information, and information about the Company and its subsidiaries is reported to the Audit Committee via the divisions in charge of internal control. ■ Results of internal audit are reported to the Audit Committee on a regular basis from the internal auditors via the Executive Officers in charge of audits. ■ An internal whistle-blower system is developed and its details are reported to the Audit Committee members. ■ Internal regulations and systems to protect people who reported information about the Company and its subsidiaries to the Audit Committee are established and are thoroughly informed in the Group. ■ Internal regulations regarding the processing of expenses and debts incurred in the execution of the duties of the Audit Committee members are established, and such expenses and debts are properly processed. ■ The Audit Committee members attend important meetings including Executive Officer meetings, and conduct investigations such as interviews with Executive Officers and the executives of the Company's offices and subsidiaries. ■ The Audit Committee undertakes deliberations to determine audit policies, methods, implementation status and results of the audit by regularly receiving reports from the Independent Auditor and Executive Officers in charge of audits and exchanging opinions.

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

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

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

Item	Matters resolved	Status of management	
<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. Internal auditors shall monitor the status of management.</p>	<ul style="list-style-type: none"> ■ Internal regulations ensuring that the Executive Officers' performance and execution of duties is in accordance with laws and the Articles of Incorporations are established. Their duties are executed in accordance with these internal regulations. ■ Compliance training is implemented for all Executive Officers on a regular basis. Points of concern for Executive Officers in light of legal reform and social trends are provided. 	<p>Executive Officers take responsibility for constructing systems to ensure the properness of operations of the Mitsubishi Electric Group within the areas over which they are appointed and regularly monitor the status of management of the systems.</p> <p>The divisions in charge of internal control monitor the status of design and management of internal control system and regulations. Also an internal whistle-blower system is developed and its details are reported to the Audit Committee members.</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, and of the corporate group formed by the company and its subsidiaries</p>	<p>The following systems shall be established in order to ensure the properness of operations of the Company.</p> <ul style="list-style-type: none"> ■ Establish internal regulations related to the record keeping and information management regarding Executive Officers' performance and execution of duties. ■ Executive officers shall take responsibility for constructing risk management systems related to possible losses within the areas over which they are appointed. ■ Executive officers shall take responsibility for ensuring management efficiency within the areas over which they are appointed. ■ Establish the following systems ensuring that employees' performance and execution of duties is in accordance with laws and the Articles of Incorporation. <ol style="list-style-type: none"> 1. Establish internal regulations and action guidelines regarding ethics and compliance. 2. Implement an internal whistle-blower system. ■ Important matters shall be deliberated at Executive Officer meetings. ■ Internal auditors shall monitor the status of management. <p>The following systems shall be established in order to ensure the properness of operations within the Mitsubishi Electric Group.</p>	<ul style="list-style-type: none"> ■ Internal regulations related to the record keeping and information management regarding Executive Officers' performance and execution of duties are established. Record keeping and information management are carried out in an appropriate manner. ■ Executive Officers take responsibility for constructing risk management systems related to possible losses within the areas over which they are appointed. Important matters are deliberated by convening Executive Officer meetings. ■ Executive officers take responsibility for ensuring management efficiency within the areas over which they are appointed. Important matters are deliberated by convening Executive Officer meetings. ■ Internal regulations and action guidelines regarding ethics and compliance are established, based on which the performance and execution of duties is carried out. ■ Various types of compliance-related trainings are implemented for employees on a regular basis. 	<p>The status of management of the systems is audited by internal auditors, and the audit results are reported regularly to the Audit Committee via Executive Officers in charge of audit.</p>
	<p>The following systems shall be established in order to ensure the properness of operations within the Mitsubishi Electric Group.</p>	<ul style="list-style-type: none"> ■ Executive Officers take responsibility for managing the subsidiaries within the areas over which they are 	

Item	Matters resolved	Status of management	
	<ul style="list-style-type: none"> ■ Executive officers shall manage the subsidiaries within the areas over which they are appointed. ■ Establish action guidelines shared throughout the Mitsubishi Electric Group regarding ethics and compliance. ■ Create a specialized organization for integrated management of Mitsubishi Electric Group companies. ■ Build systems for reporting matters relating to the performance and execution of duties of the Mitsubishi Electric Group companies, managing risks of possible losses, and ensuring the efficiency of performance and execution of duties, and establish management standards. Important matters shall be deliberated and reported at Executive Officer meetings. ■ Conduct regular audits of subsidiaries by internal auditors. 	<p>appointed.</p> <ul style="list-style-type: none"> ■ Action guidelines shared throughout the Mitsubishi Electric Group regarding ethics and compliance are established and thoroughly informed in the Group. ■ A specialized organization for the management of associated companies is created for the integrated management of Mitsubishi Electric Group companies. ■ In order to ensure the properness of operations within the Mitsubishi Electric Group, management standards for the Mitsubishi Electric Group companies are established. Important matters of the Mitsubishi Electric Group companies are deliberated and reported by convening Executive Officer meetings. 	

CONSOLIDATED STATEMENT OF EQUITY

(April 1, 2015 to March 31, 2016)

(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, 2015	175,820	211,155	1,331,496	124,064	(332)	1,842,203	87,964	1,930,167
Comprehensive income (loss)								
Net income attributable to Mitsubishi Electric Corp.	—	—	228,494	—	—	228,494	—	228,494
Net income attributable to noncontrolling interests	—	—	—	—	—	—	12,936	12,936
Other comprehensive income (loss), net of tax								
Foreign currency translation adjustments	—	—	—	(63,112)	—	(63,112)	(7,769)	(70,881)
Pension liability adjustments	—	—	—	(86,123)	—	(86,123)	(393)	(86,516)
Unrealized gains (losses) on securities	—	—	—	(25,510)	—	(25,510)	12	(25,498)
Unrealized gains (losses) on derivative instruments	—	—	—	(18)	—	(18)	10	(8)
Total comprehensive income	—	—	228,494	(174,763)	—	53,731	4,796	58,527
Acquisition of consolidated subsidiaries	—	—	—	—	—	—	33,439	33,439
Equity transactions with noncontrolling interests and other	—	844	—	—	—	844	(27,469)	(26,625)
Dividends paid to Mitsubishi Electric Corp. shareholders' equity	—	—	(57,963)	—	—	(57,963)	—	(57,963)
Purchase of treasury stock	—	—	—	—	(43)	(43)	—	(43)
Reissuance of treasury stock	—	0	—	—	1	1	—	1
Balance at March 31, 2016	175,820	211,999	1,502,027	(50,699)	(374)	1,838,773	98,730	1,937,503

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 U.S. generally accepted accounting principles, pursuant to the provision of Article 120-3-1 of the Ordinance of Company's Accounting. However, based on the second sentence of Article 120, Paragraph 1 of the Ordinance of Company's Accounting, which is applied mutatis mutandis pursuant to Article 120-3-3 of the same Ordinance, some disclosure items required under U.S. generally accepted accounting principles 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, net of the related tax effect are directly recorded in shareholder' equity. The cost is determined on the moving-average method.)

(4) Depreciation

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

(5) Reserves

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 collectability for each individual account for specific doubtful receivables.

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

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

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

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

2. Allowance for doubtful receivables: ¥16,317 million

3. Accumulated depreciation of property, plant and equipment: ¥2,069,838 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. Contingent liabilities

(1) Guarantee liabilities: ¥10,927 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 in the understanding of 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 in the understanding of 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 a revised decision from the European Commission imposing a fine of €74,817 thousand (¥7,472 million) on the Company and another fine of €4,650 thousand (¥464 million) to be borne jointly by TOSHIBA CORPORATION and 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 fines. In December 2013, the Company received a judgment from the European Court of Justice upholding the European Commission's underlying facts. In January 2016, the Company received a judgment from the European General Court upholding the fine computation method applied in the European Commission's revised decision.

Since July 2011, the Company has been cooperating with investigations and inquiries conducted by the European Commission under EU Competition Law regarding the sales of certain automotive parts in

Europe. In January 2016, the Company received a decision rendered by the European Commission imposing a fine of €110,929 thousand (¥14,617 million) for the infringement of the said law. In addition, civil lawsuits were filed against the Company in the United States related to violations of the Antitrust Laws regarding the sales of certain automotive parts. The Company has already agreed to settle with some of the purchasers of the automotive parts and has made settlement payments.

As of March 31, 2016, the Company recorded an estimated amount of ¥11,491 million as a reserve for possible losses of competition-law-related expenses in “Other liabilities” relating to certain automotive parts cases mainly in the United States of America.

6. 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 used to working 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 foreign currency exchange rates and interest rates. The use of derivative instruments is undertaken within the range of actual demand.

Marketable securities and other investments are primarily composed of shares and the Company takes steps to gain an understanding of the market value of listed shares at the end of each quarter.

(2) Items Concerning the Fair Value of Financial Instruments

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

(Millions of yen)			
	Consolidated balance sheet*1 (Carrying amount)	Fair value*1	Difference
1. Long-term trade receivables	4,661	4,627	(34)
2. Marketable securities and other investments Available-for-sale securities	235,170	235,170	—
3. Corporate bonds and long-term debt *2	(342,166)	(340,232)	1,934
4. Derivative instruments*3	4,292	4,292	—

*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 Fair Value of Financial Instruments and Items Concerning Marketable Securities and Derivative Instruments

The carrying amount of Cash and cash equivalents, trade receivables, trade payables and bank loans approximates fair value because of the short term nature of these instruments.

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

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

(c) Corporate bonds and long-term debt are calculated based on estimated present value using year-end interest rates and future cash flows on a per-loan basis, or based on market prices.

(d) Derivative instruments, consisting principally of forward exchange contracts, are estimated by obtaining market prices from counterparties and third parties.

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

Unlisted shares (¥15,738 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 are recognized to be extremely difficult in determining fair value.

7. The “Act to Partially Revise the Local Tax Act” (Act No. 13 of 2016) and the “Act to Partially Revise the Income Tax Act” (Act No. 15 of 2016) were enacted in March 2016 in Japan, resulting in a reduction of the corporation tax rate effective for fiscal years beginning on or after April 1, 2016. As a result, the Company and its domestic subsidiaries adjusted the statutory tax rates to be applied in the calculation of deferred tax assets and liabilities arising from temporary differences expected to be recovered or settled on or after April 1, 2016. Before the adjustment, the statutory tax rate applied was approximately 32.0% for temporary differences expected to be recovered or settled on or after April 1, 2016. After the adjustment, the statutory tax rates applied are approximately 31.0% for temporary differences expected to be recovered or settled between April 1, 2016 and

March 31, 2018 and approximately 30.5% for temporary differences expected to be recovered or settled on or after April 1, 2018.

For the year ended March 31, 2016, ¥7,586 million of income tax expense is included in “Income taxes” in the Consolidated Statement of Income, as a result of the aforementioned adjustment of deferred tax assets and liabilities balances.

8. Mitsubishi Electric Corp. Shareholders’ equity per share: ¥856.52

Basic net income attributable to Mitsubishi Electric Corp. per share: ¥106.43

9. Business Combinations

On December 23, 2015, the Company acquired approximately 74.97% of the share capital of MELCO Hydronics & IT Cooling S.p.A. (hereinafter “MEHIT,” previously “DeLclima S.p.A.”), an Italian company that designs, manufactures and sells commercial heating, ventilation and air conditioning equipment, for €508 million (¥67,141 million) from De’Longhi Industrial S.A. for the purpose of expanding its air conditioning business in the European market. Consequently, MEHIT became a consolidated subsidiary of the Company. In addition, the Company conducted a tender offer in order to acquire the remaining shares representing approximately 25.03% of the share capital of MEHIT, and MEHIT became a wholly owned subsidiary of the Company.

The fair values of the assets acquired and liabilities assumed as of the acquisition date were ¥41,823 million in intangible fixed assets, ¥58,034 million in goodwill, ¥42,070 million in other assets, and ¥41,347 million in liabilities.

STATEMENT OF CHANGES IN NET ASSETS

(April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity										Valuation and translation adjustments	
	Common stock	Capital surplus		Legal retained earnings	Retained earnings				Treasury Stock	Total shareholders' equity	Unrealized gains (losses) on securities	Deferred gains or losses on hedges
		Legal capital surplus	Other capital surplus		Other retained earnings							
					Reserve for special depreciation	Reserve for reduction entity	General reserve	Retained earnings brought forward				
Balance at March 31, 2015	175,820	181,140	180	43,955	1,277	8,435	120,000	254,366	(332)	784,843	103,001	56
Changes of items during the period												
Reversal of reserve for special depreciation					(523)			523		–		
Provision of reserve for reduction entry						260		(260)		–		
Provision of general reserve							60,000	(60,000)		–		
Dividends from surplus								(57,963)		(57,963)		
Net income								163,829		163,829		
Purchase of treasury stock									(42)	(42)		
Reissuance of treasury stock			0						0	1		
Net change of items other than shareholders' equity										–	(23,452)	(74)
Total changes of items during the period	–	–	0	–	(523)	260	60,000	46,128	(41)	105,824	(23,452)	(74)
Balance at March 31, 2016	175,820	181,140	180	43,955	754	8,696	180,000	300,494	(374)	890,668	79,549	(18)

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 ordered products at the acquisition cost of the regular purchased products at the average production cost. 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 and losses, net of the related tax effect are directly recorded in shareholder' equity. The cost is determined on 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 reserves

(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 collectability for each individual account for specific doubtful receivables.

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

(3) Reserve 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 plan assets at the end of the fiscal year.

(5) Reserve 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) Reserve 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 records the 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: ¥1,461,360 million

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

8. Contingent liabilities

(1) Guarantee liabilities: ¥4,580 million

Outstanding of transferred accounts receivable with recourse: ¥2,338 million; employees (home financing loans): ¥2,151 million; other: one case totaling ¥90 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 in the understanding of 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 in the understanding of 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 a revised decision from the European Commission imposing a fine of €74,817 thousand (¥7,472 million) on the Company and another fine of €4,650 thousand (¥464 million) to be borne jointly by TOSHIBA CORPORATION and 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 fines. In December 2013, the Company received a judgment from the European Court of Justice upholding the European Commission's underlying facts. In January 2016, the Company received a judgment from the European General Court upholding the fine computation method applied in the European Commission's revised decision.

Since July 2011, the Company has been cooperating with investigations and inquiries conducted by the European Commission under EU Competition Law regarding the sales of certain automotive parts in Europe. In January 2016, the Company received a decision rendered by the European Commission imposing a fine of €110,929 thousand (¥14,617 million) for the infringement of the said law. In addition, civil lawsuits were filed against the Company in the United States related to violations of the Antitrust Laws regarding the sales of certain automotive parts. The Company has already agreed to settle with some of the purchasers of the automotive parts and has made settlement payments.

As of March 31, 2016, the Company recorded an estimated amount of ¥11,491 million as a reserve for possible losses of competition-law-related expenses relating to certain automotive parts cases mainly in the United States of America.

9. Receivables from affiliates:
 - Short-term: ¥469,996 million
 - Long-term: ¥31,477 million
- Payables to affiliates:
 - Short-term: ¥544,533 million
 - Long-term: ¥107,505 million
10. Net sales to affiliates: ¥1,407,592 million
 - Purchases from affiliates: ¥1,138,064 million
 - Total transactions with affiliates, excluding operating transactions: ¥23,079 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): 415,396 shares

13. Dividends

(1) Amount of dividends paid

Resolution	Total cash dividends	Dividends per share	Record date	Effective date
April 28, 2015 resolution of the Board of Directors	¥38,642 million	¥18.00	March 31, 2015	June 2, 2015
October 29, 2015 resolution of the Board of Directors	¥19,321 million	¥9.00	September 30, 2015	December 2, 2015

(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, 2016 resolution of the Board of Directors	¥38,642 million	¥18.00	March 31, 2016	June 2, 2016

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

(1) Deferred tax assets:

Provision for retirement benefits and others: ¥134,213 million

(2) Deferred tax liabilities:

Gain on contribution of securities contributed to employee retirement benefit trust and others: (¥49,799 million)

(3) Net deferred tax assets: ¥84,413 million

The “Act to Partially Revise the Local Tax Act” (Act No. 13 of 2016) and the “Act to Partially Revise the Income Tax Act” (Act No. 15 of 2016) were enacted in March 2016, resulting in a reduction of the corporation tax rate effective for fiscal years beginning on or after April 1, 2016. As a result, the Company adjusted the statutory tax rates to be applied in the calculation of deferred tax assets and liabilities arising from temporary differences expected to be recovered or settled on or after April 1, 2016. Before the adjustment, the statutory tax rate applied was 32.0% for temporary differences expected to be recovered or settled on or after April 1, 2016. After the adjustment, the statutory tax rates applied are 31.0% for temporary differences expected to be recovered or settled between April 1, 2016 and March 31, 2018 and 30.5% for temporary differences expected to be recovered or settled on or after April 1, 2018.

For the year ended March 31, 2016, ¥5,171 million of income tax expense is included in “Income taxes - deferred” in the Statement of Income, as a result of the aforementioned adjustment of deferred tax assets and liabilities balances.

15. Transactions with Related Parties

Category	Company name	% of voting rights	Relationship	Details of transactions	Amount (¥ Millions)	Item	Period-end balance (¥ Millions)
Subsidiary	Mitsubishi Electric Europe B.V.	Direct 100%	As a subsidiary, sells Mitsubishi Electric products	Sales of Mitsubishi Electric products*	173,924	Accounts receivables	71,821
Subsidiary	Mitsubishi Electric Living Environment Systems Corporation	Direct 73% Indirect 27%	As a subsidiary, sells Mitsubishi Electric's home electric systems and equipment	Sales of Mitsubishi Electric products*	188,022	Accounts receivables	47,191
Subsidiary	Mitsubishi Electric Automotive America, Inc.	Indirect 100%	As a subsidiary, purchases components from Mitsubishi Electric to manufacture and sell automotive equipment	Manufacture and sales of Mitsubishi Electric products*	152,882	Accounts receivables	46,066

Note: Terms of transactions with subsidiaries, including wholesale prices are determined through the negotiation considering the market condition.

16. Net assets per share: ¥451.93

Net income per share: ¥76.31

17. Loss on impairment of ¥3,544 million is attributable to the impairment of property, plant and equipment and others.