

Start date of measures for electronic provision: May 29, 2025

To Shareholders

Other Matters Subject to Measures for Electronic Provision for the  
154th Ordinary General Meeting of Shareholders  
(Matters omitted from written documents delivered)

For Fiscal 2025 (April 1, 2024–March 31, 2025)

■ Business Report	
Summary of Systems Necessary to Ensure the Properness of Operations of the Company and the Status of the Management .....	1
■ Consolidated Financial Statements	
Consolidated Statement of Changes in Equity .....	5
Notes to Consolidated Financial Statements .....	6
■ Financial Statements	
Statement of Changes in Net Assets .....	13
Notes to Financial Statements .....	15

The abovementioned items are omitted from the written documents (written documents stating matters subject to measures for electronic provision) delivered to shareholders who have requested the delivery of such written documents, in accordance with the provisions of laws and regulations and Article 15 of Mitsubishi Electric's Articles of Incorporation.

**MITSUBISHI ELECTRIC CORPORATION**

**Summary of Systems Necessary to Ensure the Properness of Operations of the Company and the Status of the 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, hold discussions with Executive Officer, etc., and conduct investigations such as interviews with 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 and Executive Officers (Associate) in charge of audits.

Item	Matters resolved	Status of management
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	<ul style="list-style-type: none"> <li>■ Assign employees whose job is exclusively to assist the Audit Committee.</li> <li>■ The Senior General Manager in charge of human resources will consult with Audit Committee members regarding the evaluation of performance by and relocation of employees exclusively assisting the Audit Committee.</li> <li>■ Establish a system for reporting information about the Company and its subsidiaries to the Audit Committee via the divisions in charge of internal control.</li> <li>■ Provide opportunities to attend important meetings, including Executive Officer meetings, to Standing Members of the Audit Committee.</li> <li>■ Establish internal regulations and systems to protect people who reported information about the Company and its subsidiaries to the Audit Committee.</li> <li>■ Establish internal regulations regarding the processing of expenses and debts incurred in the execution of the duties of the Audit Committee members.</li> <li>■ Establish the following structures and systems in relation to other audits by the Audit Committee:               <ol style="list-style-type: none"> <li>1. Conduct investigation of the Company and its subsidiaries.</li> <li>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 and Executive Officers (Associate) in charge of audits.</li> <li>3. Hold discussions between the Audit Committee members and Executive Officers, etc. (the execution divisions) for ensuring audit effectiveness of the Audit Committee.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>■ Employees whose job is exclusively to assist the Audit Committee are assigned and are assisting the Audit Committee.</li> <li>■ The Senior General Manager in charge of human resources consults with Audit Committee members regarding the evaluation of performance by and relocation of employees exclusively assisting the Audit Committee.</li> <li>■ 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.</li> <li>■ Results of internal audit are reported to the Audit Committee on a regular basis from the internal auditors via the Executive Officers and Executive Officers (Associate) in charge of audits.</li> <li>■ An internal whistle-blower system is developed and its details are reported to the Audit Committee members.</li> <li>■ 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.</li> <li>■ 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.</li> <li>■ The Audit Committee members attend important meetings including Executive Officer meetings, hold discussions with Executive Officers, etc., and conduct investigations such as interviews with the executives of the Company's offices and subsidiaries.</li> <li>■ 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 and Executive Officers (Associate) in charge of audits and exchanging opinions.</li> </ul>

- (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 established and the matters reported thereto are informed 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 and Executive Officers (Associate) in charge of audit.

Item	Matters resolved	Status of management
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	<ul style="list-style-type: none"> <li>■ Establish internal regulations ensuring that the Executive Officers' performance and execution of duties is in accordance with laws and regulations and the Articles of Incorporation. Internal auditors shall monitor the status of management.</li> <li>■ Establish internal regulations related to compliance and develop a system necessary for promoting compliance.</li> </ul>	<ul style="list-style-type: none"> <li>■ Internal regulations ensuring that the Executive Officers' performance and execution of duties is in accordance with laws and regulations and the Articles of Incorporation are established. Their duties are executed in accordance with these internal regulations.</li> <li>■ Various compliance activities are conducted in accordance with the established internal regulations related to compliance.</li> <li>■ 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.</li> </ul> <p>Executive Officers take responsibility for constructing systems to ensure the properness of operations of the 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>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 and Executive Officers (Associate) in charge of audit.</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	<ul style="list-style-type: none"> <li>■ Establish internal regulations related to the record keeping and information management regarding Executive Officers' performance and execution of duties. Internal auditors shall monitor the status of management.</li> <li>■ 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. Internal auditors shall monitor the status of management.</li> <li>In addition, establish internal regulations related to the emergency response division and other functions, preparing for emergency situations which may seriously affect management of the entire company.</li> <li>■ Executive officers shall take responsibility for ensuring management efficiency within the areas over which they are appointed. In addition, an environment where each Executive Officer can share and discuss issues across the entire company shall be established. Important matters shall be deliberated at Executive</li> </ul>	<ul style="list-style-type: none"> <li>■ 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.</li> <li>■ 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.</li> <li>■ Preparing for emergency situations which may seriously affect management of the entire company, internal regulations related to the emergency response division and other functions are established, discussed, and handled.</li> <li>■ 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. In addition, issues across the entire company are shared and discussed among</li> </ul>

Item	Matters resolved	Status of management	
	<p>Officer meetings. Internal auditors shall monitor the status of management.</p> <p>■ Establish the following systems ensuring that employees' performance and execution of duties is in accordance with laws and the Articles of Incorporation. Internal auditors shall monitor the status of management.</p> <ol style="list-style-type: none"> <li>1. Establish internal regulations and action guidelines regarding ethics and compliance.</li> <li>2. Implement an internal whistle-blower system.</li> </ol>	<p>Executive Officers.</p> <p>■ Internal regulations and action guidelines regarding ethics and compliance are established, based on which the performance and execution of duties is carried out.</p> <p>■ Various types of compliance-related trainings are implemented for employees on a regular basis.</p>	

Item	Matters resolved	Status of management	
	<p>■The following systems shall be established in order to ensure the properness of operations within the Group.</p> <ol style="list-style-type: none"> <li>1. Executive officers shall manage the subsidiaries within the areas over which they are appointed.</li> <li>2. Establish action guidelines shared throughout the Group.</li> <li>3. Create a specialized organization for integrated management of the Group companies.</li> <li>4. Build systems for reporting matters relating to the performance and execution of duties of the 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.</li> <li>5. Conduct audits of subsidiaries by internal auditors.</li> </ol>	<p>■Executive Officers take responsibility for managing the subsidiaries within the areas over which they are appointed.</p> <p>■Action guidelines shared throughout the Group are established and thoroughly informed in the Group.</p> <p>■A specialized organization for the management of associated companies is created for the integrated management of the Group companies.</p> <p>■In order to ensure the properness of operations within the Group, management standards for the Group companies are established. Important matters of the Group companies are deliberated and reported by convening Executive Officer meetings.</p>	

■ Consolidated Financial Statements

Consolidated Statement of Changes in Equity

(April 1, 2024 to March 31, 2025)

(Millions of yen)

Items	Mitsubishi Electric Corp. stockholders' equity					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost			
Balance at beginning of period	175,820	195,157	3,102,755	363,632	(98,040)	3,739,324	127,094	3,866,418
Net profit			324,084			324,084	22,832	346,916
Other comprehensive income (loss), net of tax				29,129		29,129	1,067	30,196
Comprehensive income	—	—	324,084	29,129	—	353,213	23,899	377,112
Reclassification to retained earnings			38,302	(38,302)		—		—
Dividends			(104,316)			(104,316)	(17,326)	(121,642)
Purchase of treasury stock					(31,294)	(31,294)		(31,294)
Disposal of treasury stock		(541)			877	336		336
Cancellation of treasury stock		(56,634)			56,634	—		—
Transfer to capital surplus from retained earnings		56,344	(56,344)			—		—
Transactions with non-controlling interests and others		(7,585)				(7,585)	(6,979)	(14,564)
Balance at end of period	175,820	186,741	3,304,481	354,459	(71,823)	3,949,678	126,688	4,076,366

## **Notes to Consolidated Financial Statements:**

### **1. Basis of Preparation of Consolidated Financial Statements**

The consolidated financial statements of Mitsubishi Electric Corporation (the “Company”) are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”), pursuant to the Article 120, Paragraph 1 of the Ordinance of Company’s Accounting. However, based on the second sentence of the same paragraph, some disclosure items required under IFRS Accounting Standards are omitted.

### **2. Scope of Consolidation and Application of the Equity Method**

Number of consolidated subsidiaries: 224

Number of equity method affiliates: 40

MD LOGIS CORPORATION (formerly Mitsubishi Electric Logistics Corporation) has been converted from a consolidated subsidiary to an equity method affiliate of the Company. Overview of the loss of control and its impact are stated in “12. Other Notes, (2) Loss of control of a subsidiary.”

### **3. Significant Accounting Policies**

#### **(1) Valuation of Financial Instruments**

##### **(a) Non-derivative Financial Assets**

##### **(i) Financial assets measured at amortized cost**

When financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, such financial assets are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at fair value, and subsequently measured at the initial recognition amount plus or minus accumulated amortization using the effective interest method, adjusting allowance for credit losses.

##### **(ii) Financial assets measured at fair value**

Equity instruments which are held primarily to maintain and strengthen business relationships are designated as financial assets measured at fair value through other comprehensive income, and all other financial instruments are classified as financial assets measured at fair value through profit or loss.

- Financial assets measured at fair value through other comprehensive income are initially measured at fair value. Changes in fair value after initial recognition are recognized in other comprehensive income.

- Financial assets measured at fair value through profit or loss are initially measured at fair value. Changes in fair value after initial recognition are recognized in profit or loss.

##### **(b) Non-derivative Financial Liabilities**

##### **(i) Financial liabilities measured at fair value through profit or loss**

Liabilities related to contingent considerations are classified into financial liabilities measured at fair value through profit or loss. Financial liabilities measured at fair value through profit or loss are initially recognized at fair value. Changes in fair value after initial recognition are recognized in profit or loss.

##### **(ii) Financial liabilities measured at amortized cost**

Financial liabilities other than financial liabilities measured at fair value through profit or loss are classified into financial liabilities measured at amortized cost. Financial liabilities measured at amortized cost are initially recognized at fair value, and subsequently measured at the initial recognition amount plus or minus accumulated amortization using the effective interest method.

##### **(c) Derivatives**

Derivatives are initially measured at fair value at the time that contracts are entered into. They are subsequently remeasured at fair value and resulting gains or losses are recognized in profit or loss. However, the effective part of cash flow hedges is recognized in other comprehensive income.

#### **(2) Valuation of Inventories**

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In determining the cost, work-in-process for build-to-ordered products are recorded under the specific identification method and make-to-stock products are recorded under the average cost method. Raw material and finished goods inventories are generally recorded using the average-cost method.

#### **(3) Valuation and Depreciation of Property, Plant and Equipment**

##### **(a) Property, Plant and Equipment**

The cost model is used to measure property, plant and equipment which are presented at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation of property, plant and equipment is generally calculated by the diminishing balance method over the estimated useful life of the assets, except for certain assets which are depreciated by the straight-line method.

(b) Right-of-use Assets

Right-of-use assets are recognized for all leases other than leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

Right-of-use assets are initially measured at cost, which mainly comprises the amount of the initial measurement of lease liabilities. Lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date that are discounted mainly using the lessee's incremental borrowing rate. After the initial recognition, right-of-use assets are measured applying a cost model, and presented at cost less any accumulated depreciation and any accumulated impairment losses.

Right-of-use assets are depreciated over the shorter of the useful life or the lease term in the same way as the depreciation of property, plant and equipment owned by the Group.

(4) Impairment of Non-financial Assets

The Company and its consolidated subsidiaries determine whether there is an indication of impairment for non-financial assets, excluding inventories and deferred tax assets. If there is an indication of impairment, these non-financial assets are tested for impairment by estimating the recoverable amount of the asset or cash generating unit. Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually at the same time every year, irrespective of whether there was any indication of impairment. An impairment loss is recognized in profit or loss if the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.

(5) Provisions

Provisions are recognized when the Company and its consolidated subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are recognized at the amounts of estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the liabilities.

(6) Accounting Treatment of Post-employment Benefits

The present value of the defined benefit obligations and the related current service cost and past service cost are determined using the projected unit credit method.

Discount rates are determined by reference to the market yields of high quality corporate bonds, at the end of the consolidated fiscal year.

Net defined benefit liability or asset is determined at the present value of the defined benefit obligation less the fair value of the plan assets.

The amount of change arising from the remeasurement of defined benefit plans is fully recognized in other comprehensive income in the periods in which it arises and immediately reclassified to retained earnings. Past service costs are recognized in profit or loss for the period in which they arise.

(7) Revenues

The Company and its consolidated subsidiaries recognize revenue in an amount that reflects the consideration to which they expect to be entitled by transferring a good or service to a customer using the five-step approach below, except for income from interest and dividends as defined in IFRS 9.

Step1: Identify the contract(s) with a customer.

Step2: Identify the performance obligations in the contract.

Step3: Determine the transaction price.

Step4: Allocate the transaction price to the separate performance obligations in the contract.

Step5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For mass-produced goods such as home appliances, semiconductors and industrial products, revenue is recognized when the customer accepts the product. For products requiring acceptance inspection of delivered goods, revenue is only recognized when the customer accepts the product, the Company and its consolidated subsidiaries verify that the product achieves predefined performance and there remain only verification of items that are not significant for the customer's final operation check. Consideration for transactions is received primarily within one year after the performance obligation has been satisfied.

Revenue from maintenance agreements is recognized over the contract term as the maintenance is provided.

Revenue from specific construction contracts meeting certain criteria is recognized according to the progress of the construction if progress can be reasonably measured. Revenue is recognized only to the extent of the cost incurred if progress cannot be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the estimated total cost. Estimates and underlying assumptions for the aggregate amount of estimated cost are reviewed on an ongoing basis since there is a possibility that the cost incurred may change due to the progress of construction.

Revenue is recognized in an amount that reflects the consideration to which the Company and its consolidated subsidiaries expect to be entitled by transferring the good or service. For contracts which consist of any combination of products, equipment, installation and maintenance, each element is treated as a separate performance obligation and revenue is allocated to each element in proportion to its stand-alone selling price when the good or service provided has a stand-alone value as a separate product.

For contracts which include subsequent changes in consideration such as rebates and discounts, the transaction price is determined by taking into account the variable consideration in a way that the actual value does not significantly diverge from the estimate.

For contracts in which the Company and its consolidated subsidiaries do not have discretion in establishing the transaction price, do not have inventory risk, or another party is primarily responsible for fulfilling the contract, revenue is recognized on a net basis.

#### 4. Notes to Accounting Estimates

The Group used accounting estimates for the following items to recognize their amounts in the consolidated financial statements for this fiscal year. These accounting estimates may significantly affect the consolidated financial statements for the next fiscal year.

##### (1) Estimated Total Cost of Contracts in which Performance Obligations are satisfied Over Time

The Group recognizes revenue for specific construction contracts meeting certain criteria in the Infrastructure segment, Life segment and Business Platform segment according to the progress of the construction. Revenue\* in the Infrastructure segment, Life segment and Business Platform segment in this fiscal year are ¥1,224,948 million, ¥2,185,168 million and ¥146,850 million respectively. A part of these revenues are recognized according to the progress of the construction. The progress of construction is measured by comparing the cost incurred through this fiscal year to the estimated total cost. The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts.

The estimated total cost may be fluctuated due to changes in the environment. Deviations between estimates and actual results may significantly affect the amount of revenue in the consolidated financial statements for the next fiscal year.

Note: Revenue of each segment includes internal revenue between segments (transfer).

##### (2) Recognition and Measurement of Provisions

The Group records the expected amount of future losses on construction contracts in the Infrastructure segment, Life segment and Business Platform segment as a provision for loss on construction, if it is probable that the estimated total cost of such construction will exceed the contract order amount and if the expected loss amount can be reasonably estimated. The balance of provision for loss on construction as of March 31, 2025 is ¥42,477 million. The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts.

The Group generally offers warranties on their products against certain manufacturing and other defects for specific periods of time and/or used conditions of the product. The Group records a provision for product warranties if it is probable that the future cost will be incurred as of the end of the fiscal year and if the expected cost can be reasonably estimated. The Group estimates future warranty costs based primarily on the historical experience of actual warranty claims as well as current information on repair costs. The balance of provision for product warranties as of March 31, 2025 is ¥73,926 million.

The estimated total cost in provision for losses on construction contracts and estimated future warranty cost in provision for product warranties may be fluctuated due to changes in the environment. Deviations between estimates and actual results may significantly affect the amount of provision for losses on construction contracts and provision for product warranties in the consolidated financial statements for the next fiscal year.

##### (3) Recoverable Amount of Property, Plant and Equipment, Goodwill and Intangible assets

For the impairment test of property, plant and equipment, goodwill, and intangible assets, the recoverable amount of an asset or cash generating unit is calculated as the higher of its value in use and its fair value less costs of disposal. Estimated future cash flows used in the calculation of value in use are discounted to their present value using a pre-tax discount rate reflecting the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss if the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses of ¥10,117 million are recognized for this fiscal year. As a result, the balance of property, plant and equipment is ¥958,458 million, and the balance of goodwill and intangible assets is ¥221,406 million as of March 31, 2025.

The estimated future cash flows and estimated fair value less costs of disposal may be fluctuated due to changes in the environment. Deviations between estimates and actual results may significantly affect the amount of impairment losses on property, plant and equipment, goodwill and intangible assets in the consolidated financial statements for the next fiscal year.

The Group believes that the estimates based on these assumptions are reasonable. However, if any changes occur in the economic environment and accordingly revisions are required for such estimates, the recognition of impairment losses may become necessary for the next fiscal year.

##### (4) Recoverability of Deferred Tax Assets

A deferred tax asset is recognized for deductible temporary differences, unused tax losses carryforwards and tax credit carryforwards to the extent that it is probable that they can be utilized against future taxable profit. In assessing the realizability of deferred tax assets, the Group estimates future taxable income, and considers whether it is probable that some portion or all of the deferred tax assets will be realized. The Group considers

the scheduled reversal of deferred tax liabilities, projected future taxable profit, and tax planning strategies in making this assessment. The balance of deferred tax assets as of March 31, 2025 is ¥113,146 million.

The estimated future taxable profit may be fluctuated due to changes in the environment. Deviations between estimates and actual results may significantly affect the amount of deferred tax assets in the consolidated financial statements for the next fiscal year.

(5) Measurement of Defined Benefit Obligation

Defined benefit obligation is calculated based on actuarial assumptions, such as the discount rate, the retirement rate, the lump-sum payment selection rate, and the mortality rate. The period of discount is determined based on the period to the date on which future annual benefits are expected to be paid. Discount rates are determined by reference to market yields consistent with the period of discount on high quality corporate bonds at the end of this fiscal year. The balance of net defined benefit assets and the balance of net defined benefit liabilities as of March 31, 2025 are ¥669,575 million and ¥143,676 million, respectively.

The actuarial assumptions may be fluctuated due to changes in the environment. Deviations between assumptions and actual results or changes in assumptions may significantly affect the amount of defined benefit obligation in the consolidated financial statements for the next fiscal year.

(6) Fair Value of Financial Instruments

The fair value of non-marketable equity instruments and investments in capital are calculated based on comprehensively taking into consideration quantitative information on the net assets and other financial information of the investee and forecasts of its future cash flows. The balance of non-marketable equity instruments and investments in capital as of March 31, 2025 is ¥157,633 million.

The estimated fair value may be fluctuated due to changes in the environment. Changes in assumptions such as investee's performance and future cash flows estimation may affect the amount of other comprehensive income for the next fiscal year.

5. Notes to Consolidated Statement of Financial Position

(1) Allowance for credit losses directly deducted from assets: ¥17,149 million

(2) Accumulated depreciation of property, plant and equipment: ¥2,804,216 million

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

(3) Accumulated Other Comprehensive Income (Loss)

Changes in fair value of financial assets measured at fair value through other comprehensive income: ¥62,933 million

Exchange differences on translating foreign operations: ¥291,456 million

Net changes in the fair value of cash flow hedges: ¥70 million

(4) Guarantee liabilities: ¥1,698 million

6. Notes to Consolidated Statement of Changes in Equity

(1) Class and Total Number of Shares Issued and Outstanding and Treasury Stock as of March 31, 2025

Shares issued and outstanding (common stock): 2,113,201,551 shares

Treasury stock (common stock): 37,817,223 shares

Note: Treasury stock includes 1,915,095 shares of the Company's stock held by the Board Incentive Plan Trust.

(2) Items Concerning Dividends

Dividends paid: ¥104,316 million

7. Notes to Financial Instruments

(1) Items Concerning the Status of Financial Instruments

The Company and its consolidated subsidiaries undertake fund management primarily through short-term investments that have a maturity of three months or less from the date of acquisition and are readily convertible to cash and which are subject to an insignificant risk of changes in value. Such funds are recognized in cash and cash equivalents. Financing is conducted through borrowings from financial institutions and by issuing bonds.

Risks associated with customer credit risk-related trade receivables and contract assets are managed by first conducting screening through external agencies, then establishing customer credit limits and regularly monitoring customers' financial condition.

Other financial assets are mainly equity instruments, which are managed by regularly monitoring their fair value. The Company and certain consolidated subsidiaries also make use of derivative instruments to avoid market risks from changes in foreign currencies and interest rates, and do not hold or issue financial instruments for trading purposes.

(2) Items Concerning the Fair Value of Financial Instruments

The Group classifies fair value measurements from level 1 to level 3 according to the observability of the inputs used in measurement:

Level 1: Quoted prices for identical assets or liabilities in active markets

Level 2: Fair value calculated directly or indirectly using observable prices other than those in level 1

Level 3: Fair value calculated using valuation techniques including unobservable inputs

A determination is made at the end of each fiscal year as to whether there are financial instruments for which transfers between levels were carried out. In this fiscal year, some of the shares held as financial assets measured at fair value through other comprehensive income were transferred from Level 3 to Level 1 as such shares

became listed on the stock exchange.

For financial instruments classified as level 3, no significant increase or decrease in the fair value is expected if unobservable inputs are changed to reasonably possible alternative assumptions.

(a) Financial instruments measured at amortized cost

Methods of measurement of fair value, carrying amount and fair value of financial instruments measured at amortized cost are as follows:

(Bonds and borrowings (including long-term bonds and borrowings to be repaid within 1 year))

Fair values of bonds are calculated using Reference Statistical Prices [Yields] for OTC Bond Transactions provided by Japan Securities Dealers Association and are classified as level 2 because fair value is calculated using observable market data. Fair values of borrowings are calculated using the present value of future cash flows discounted by the expected interest rate for similar new contracts and are classified as level 2 because fair value is calculated using observable market data.

(Millions of yen)

	Carrying amount	Fair value
Bonds and borrowings (including long-term bonds and borrowings to be repaid within 1 year)	166,966	161,312

Note: The fair value of financial assets and financial liabilities measured at amortized cost other than the above approximated the carrying amounts.

(b) Financial instruments measured at fair value on a recurring basis

The method of measurement of fair value and fair value of financial instruments measured at fair value on a recurring basis are as follows:

(Equity instruments and debt instruments)

The fair value of marketable equity instruments is calculated based on the market price at the end of the fiscal year and are classified as level 1 because fair value is calculated using the market value of an identical asset in an active market. The fair value of non-marketable equity instruments, investments in capital and debt instruments is calculated based on comprehensively taking into consideration quantitative information on the net assets and other financial information of the investee and forecasts of its future cash flows, and are classified as level 3 because fair value is calculated based on valuation techniques using unobservable indicators.

(Derivative assets and liabilities)

Fair values of derivatives are calculated based on market interest rates and market rates of foreign exchange banks as financial assets or financial liabilities measured at fair value through profit or loss and are classified as level 2 because fair value is calculated using observable market data.

(Contingent considerations )

The fair value of liabilities related to contingent considerations is calculated using the present value taking into account the probability of possible payment to contract counterparties and classified as level 3 because fair value is calculated based on valuation techniques using unobservable indicators.

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Equity instruments	101,343	—	154,729	256,072
Debt instruments	—	—	2,904	2,904
Derivative assets	—	2,149	—	2,149
Total assets	101,343	2,149	157,633	261,125
Derivative liabilities	—	2,214	—	2,214
Contingent considerations	—	—	1,456	1,456
Total liabilities	—	2,214	1,456	3,670

8. Notes to Per Share Information

Equity attributable to Mitsubishi Electric Corp. stockholders per share: ¥1,903.11

Basic earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders: ¥155.70

Diluted earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders: ¥155.70

9. Notes to Income Taxes

In Japan, the “Act for Partial Amendment of the Income Tax Act and Other Acts” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the corporation tax rate to be imposed from the fiscal years beginning on and after April 1, 2026 has increased. Accordingly, as of the end of this fiscal year, the Company and its subsidiaries in Japan revised the statutory tax rate applied to the calculation of deferred tax assets and deferred tax liabilities associated with temporary differences expected to be recovered on and after April 1, 2026. The statutory tax rate

before the revision was 30.5%, while the statutory tax rate after the revision is 31.5%. The decrease in income taxes resulting from the change of the statutory tax rate described above is ¥1,723 million.

10. Notes to Significant Subsequent Events

The Company's Board of Directors resolved on April 28, 2025 to repurchase shares of the Company's stock pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act, as well as Article 31 of the Company's Articles of Incorporation.

(1) Reason for the repurchase of company shares

Based on the financial policies of Mitsubishi Electric, the Company will repurchase its own stock to enhance shareholder returns and strengthen capital efficiency.

(2) Details of the repurchase

- (a) Type of shares: Common stock
- (b) Number of shares: 60,000,000 shares (maximum unit)
- (c) Aggregate value: ¥100,000 million (maximum limit)
- (d) Period: April 30, 2025-October 31, 2025
- (e) Method: Market trades on Tokyo Stock Exchange

## 11. Notes to Revenue

The Group's business consists of 6 reportable segments: Infrastructure, Industry & Mobility, Life, Business Platform, Semiconductor & Device and Others. Revenue is presented by these categories since the Company's management periodically uses them for decision of business resources allocation and evaluation of business operations.

Revenue is disaggregated by region according to the customer's location. The relationship between these disaggregated revenue and segment revenue are as follows.

	(Millions of yen)						
	Japan	Overseas					Consolidated total
		North America	Asia	Europe	Other	Subtotal	
Infrastructure	931,914	215,170	37,607	16,316	10,527	279,620	1,211,534
Industry & Mobility	635,604	275,105	486,894	211,597	17,059	990,655	1,626,259
Life	830,772	296,035	526,626	428,090	81,227	1,331,978	2,162,750
Business Platform	84,495	2	—	—	—	2	84,497
Semiconductor & Device	74,974	12,265	109,821	62,336	466	184,888	259,862
Others	165,794	507	10,310	191	7	11,015	176,809
Consolidated total	2,723,553	799,084	1,171,258	718,530	109,286	2,798,158	5,521,711

## 12. Other Notes

### (1) Other profit (loss)

Other profit (loss) in this fiscal year includes gain on sale of subsidiary of ¥23,826 million from the partial share transfer of Mitsubishi Electric Logistics Corporation (currently MD LOGIS CORPORATION), and impairment losses of ¥10,117 million on property, plant and equipment, etc.

### (2) Loss of control of a subsidiary

#### (a) Overview of the transaction

On October 1, 2024, the Company transferred 66.6 percent of the common shares of Mitsubishi Electric Logistics Corporation (currently MD LOGIS CORPORATION), which was its consolidated subsidiary, to SEINO HOLDINGS CO., LTD. Upon this transfer, MD LOGIS CORPORATION has become an equity method affiliate of the Company.

#### (b) Assets and liabilities at the time of loss of control

	(Millions of yen)
	Amount
Cash and cash equivalents	21,487
Other current assets	16,461
Non-current assets	37,987
Total assets	75,935
Current liabilities	37,295
Non-current liabilities	7,100
Total liabilities	44,395

#### (c) Profit (loss) associated with the loss of control of a subsidiary

With regards to gain on sale of subsidiary in other profit (loss), gain on sale of subsidiary of ¥23,826 million includes remeasurement gain of ¥5,818 million based on the fair value of the MD LOGIS CORPORATION shares the Company will continue to hold after the transfer.

#### (d) Proceeds from sale of subsidiary

	(Millions of yen)
	Amount
Consideration received by cash	39,560
Dividends received from MD LOGIS CORPORATION upon the share transfer	22,893
Cash and cash equivalents held at the time of loss of control	(21,487)
Proceeds from sale of subsidiary, net of cash disposed	40,966

■ Financial Statements

Statement of Changes in Net Assets

(April 1, 2024 to March 31, 2025)

(Millions of yen)

(Millions of yen)

	Shareholders' equity										
	Common stock	Capital surplus			Retained earnings					Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for reduction entry	General reserve	Retained earnings brought forward			
Balance at beginning of period	175,820	181,140	181	181,321	43,955	9,819	300,000	999,601	1,353,376	(98,040)	1,612,477
Changes of items during the period											
Provision of reserve for reduction entry				—		3		(3)	—		—
Reversal of reserve for reduction entry				—		(2,512)		2,512	—		—
Dividends from surplus				—				(104,316)	(104,316)		(104,316)
Net income				—				288,988	288,988		288,988
Purchase of treasury stock				—					—	(31,294)	(31,294)
Disposal of treasury stock			108	108					—	877	985
Cancellation of treasury stock			(56,634)	(56,634)					—	56,634	—
Transfer to capital surplus from retained earnings			56,344	56,344				(56,344)	(56,344)		—
Net change of items other than shareholders' equity				—					—		—
Total changes of items during the period	—	—	(181)	(181)	—	(2,508)	—	130,836	128,327	26,217	154,363
Balance at end of period	175,820	181,140	—	181,140	43,955	7,311	300,000	1,130,437	1,481,703	(71,823)	1,766,841

	Valuation and translation adjustments			Total net assets
	Unrealized gains (losses) on securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	51,349	(120)	51,228	1,663,705
Changes of items during the period				
Provision of reserve for reduction entry			—	—
Reversal of reserve for reduction entry			—	—
Dividends from surplus			—	(104,316)
Net income			—	288,988
Purchase of treasury stock			—	(31,294)
Disposal of treasury stock			—	985
Cancellation of treasury stock			—	—
Transfer to capital surplus from retained earnings			—	—
Net change of items other than shareholders' equity	(32,403)	129	(32,273)	(32,273)
Total changes of items during the period	(32,403)	129	(32,273)	122,090
Balance at end of period	18,945	8	18,954	1,785,795

## **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 and 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 shareholders' equity. The cost is determined on the moving-average method.)

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

3. Depreciation of property, plant and equipment is calculated by the declining-balance method. However, depreciation of buildings (excluding attached facilities) acquired since April 1, 1998, and on facilities attached to buildings and structures acquired since April 1, 2016 are 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 uncollectible amounts based on credit loss history for general accounts receivable, and the collectability 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 contracts: To prepare for possible losses on the estimated amount of uncompleted construction contracts during the fiscal year, the Company records provisions for aforementioned estimated amount.

(4) Retirement and severance benefits: To prepare for employees' retirement benefits, 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.

Past service costs are amortized as incurred using the straight-line method over the average remaining years of service of the employees.

Actuarial gains and losses are amortized in the year following the year in which the gains or losses are recognized using the straight-line method over the average remaining years of service of the employee.

(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) Provision for competition-law-related expense: The Company records the estimated contingent losses related to Competition Laws.

### **5. Basis for Calculating Revenue and Expenses**

The Company recognizes revenue in an amount that reflects the consideration to which they expect to be entitled by transferring a good or service to a customer using the five-step approach below, except for income from interest and dividends.

Step1: Identify the contract(s) with a customer.

Step2: Identify the performance obligations in the contract.

Step3: Determine the transaction price.

Step4: Allocate the transaction price to the separate performance obligations in the contract.

Step5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For mass-produced goods such as home appliances, semiconductors and industrial products, revenue is recognized when the customer accepts the product. For products requiring acceptance inspection of delivered goods, revenue is only recognized when the customer accepts the product, the Company verifies that the product achieves predefined performance and there remains only verification of items that are not significant for the customer's final operation check. Consideration for transactions is received primarily within one year after the performance obligation has been satisfied.

Revenue from maintenance agreements is recognized over the contract term as the maintenance is provided.

Revenue is recognized in an amount that reflects the consideration to which the Company expects to be entitled by transferring the good or service. For contracts which consist of any combination of products, equipment, installation and maintenance, each element is treated as a separate performance obligation and revenue is allocated to each element in proportion to its stand-alone selling price when the good or service provided has a stand-alone value as a separate product.

6. The Company has adopted the group tax sharing system.

“Short-term loans receivable,” which was included in “Other” in the current assets in the previous fiscal year, is presented separately in this fiscal year due to increased materiality.

Items and balances including major accounting estimates and assumptions that could have a significant effect on the amounts in the financial statements of the Company are as follows.

(1) Estimated total cost of contracts in which performance obligations are satisfied over time

(2) Provisions

Reserve for product warranties	¥39,550 million
--------------------------------	-----------------

(4) Deferred tax assets

(6) Investment in securities and investment in subsidiaries and affiliates

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

Employees (housing loan): ¥43 million

Short-term: ¥710,399 million

Long-term: ¥7,544 million

Short-term: ¥778,053 million

Long-term: ¥52,216 million

Purchases from subsidiaries and affiliates: ¥1,070,233 million

Total transactions with subsidiaries and affiliates, excluding operating transactions: ¥24,557 million

Note: The Company cancelled its treasury stock of 34,000,000 shares pursuant to the provisions of Article 178 of the Companies Act during this fiscal year.

Note: The number of treasury stock includes 1,915,095 shares held through the Board Incentive Plan (BIP) Trust.

## 15. Dividends

### (1) Amount of dividends paid

Resolution	Total cash dividends	Dividends per share	Record date	Effective date
May 9, 2024 resolution of the Board of Directors	¥62,702 million	¥30.00	March 31, 2024	June 4, 2024
October 31, 2024 resolution of the Board of Directors	¥41,613 million	¥20.00	September 30, 2024	December 3, 2024

### (2) Dividends with a record date in the current period and the effective date in the next period

Resolution	Total cash dividends	Dividends per share	Record date	Effective date
May 13, 2025 resolution of the Board of Directors	¥62,318 million	¥30.00	March 31, 2025	June 3, 2025

## 16. Significant Components of the Deferred Tax Assets and Deferred Tax Liabilities

### (1) Deferred tax assets:

Depreciation, amortization, and others: ¥101,074 million

### (2) Deferred tax liabilities:

Gain on contribution of securities to employee retirement benefit trust and others: ¥(28,481) million

### (3) Net deferred tax assets: ¥72,592 million

The “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the corporation tax rate to be imposed from the fiscal years beginning on and after April 1, 2026 has increased. Accordingly, as of the end of the current fiscal year, the Company revised the statutory tax rate applied to the calculation of deferred tax assets and deferred tax liabilities associated with temporary differences expected to be eliminated on and after April 1, 2026. The statutory tax rate before revision was 30.5%, while the statutory tax rate after revision is 31.5%. The increase in deferred tax assets resulting from the change of the statutory tax rate described above is ¥1,126 million.

## 17. 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*	145,175	Trade accounts receivables	70,665
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*	218,700	Trade accounts receivables	56,058

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

18. Net assets per share: ¥860.47  
Net income per share: ¥138.84
19. Gain on sale of shares of subsidiaries and affiliates of ¥36,662 million is gain on sale of shares in Mitsubishi Electric Logistics Corporation (currently MD LOGIS CORPORATION).
20. The impairment losses of ¥2,328 million is due to impairment of property, plant and equipment, etc.
21. Significant Business Divestiture  
The Company decided to split its automotive-equipment business through an absorption-type company split as part of restructuring its automotive-equipment business aimed at streamlining decision-making processes and further accelerating business operations on October 31, 2023, and it established Melco Automotive Equipment Business Split Preparation Corporation (currently Mitsubishi Electric Mobility Corporation) as a succeeding company on November 1, 2023, executed the Company Split Agreement on November 15, 2023, and conducted the company split on April 1, 2024.  
Melco Automotive Equipment Business Split Preparation Corporation (currently Mitsubishi Electric Mobility Corporation) succeeded the assets and liabilities of the Company's automotive-equipment business according to the Company Split Agreement, and the amounts are as follows.  
Amount of assets: ¥239,793 million  
Amount of liabilities: ¥192,356 million  
Amount of valuation and translations adjustments: ¥17,447 million  
The amount of liabilities includes ¥183,962 million, which was recognized as liabilities to the Company at the time of the transaction.  
The transaction is treated as a transaction under common control based on "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).
22. Significant Subsequent Events  
The Company's Board of Directors resolved on April 28, 2025 to repurchase shares of the Company's stock pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act, as well as Article 31 of the Company's Articles of Incorporation.
  - (1) Reason for the repurchase of company shares  
Based on the financial policies of Mitsubishi Electric, the Company will repurchase its own stock to enhance shareholder returns and strengthen capital efficiency.
  - (2) Details of the repurchase
    - (a) Type of shares: Common stock
    - (b) Number of shares: 60,000,000 shares (maximum unit)
    - (c) Aggregate value: ¥100,000 million (maximum limit)
    - (d) Period: April 30, 2025-October 31, 2025
    - (e) Method: Market trades on Tokyo Stock Exchange