

Dear Shareholders,

We wish to extend our sincere gratitude for your continued support.

This document has been sent in order to notify you of the 149th Ordinary General Meeting of Shareholders, which will be convened on Friday, June 26, 2020.

Included in the material is an overview of Mitsubishi Electric's business operations during fiscal 2020 as well as a summary of its future initiatives.

June 2020

Takeshi Sugiyama, Director, President & CEO

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## IMPORTANT NOTICE

The present Notice of Convocation and all of the attached materials are English translations of the original Japanese-language notice, which has been prepared in compliance with requirements under applicable Japanese laws, regulations and/or administrative ordinances. Please note that this English translation is published for the purposes of reference and convenience and UNDER NO CIRCUMSTANCES shall this English translation create any binding effect on Mitsubishi Electric Corporation; ONLY the Japanese original shall have effect on the exercise of shareholders' rights, and only to the extent secured under the laws of Japan. Also, Mitsubishi Electric Corporation makes no warranty of any nature as to the accuracy or preciseness of the present English translation of the Notice of Convocation.

(Stock Code: 6503)

June 1, 2020

To Our Shareholders

Mitsubishi Electric Corporation  
2-7-3, Marunouchi, Chiyoda-ku, Tokyo  
Takeshi Sugiyama  
Director, President & CEO

## NOTICE OF CONVOCATION OF THE 149TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

The 149th Ordinary General Meeting of Shareholders of Mitsubishi Electric Corporation will be convened as described below.

**In order to prevent the spread of the novel coronavirus disease (COVID-19) and also for your safety and security, we strongly request our shareholders to exercise voting rights in writing or via the Internet in advance, and to refrain from attendance at the General Meeting of Shareholders on the designated date, regardless of your health conditions.**

You are requested to consider the attached reference materials and exercise your voting rights, indicating your approval or disapproval of each of the proposals put forward for resolution, by no later than 5:30 PM on Thursday, June 25, 2020. The pertinent procedures for exercising your voting rights are outlined on pages 10-11.

While we will implement appropriate measures to prevent infections at the meeting venue, we expect the number of available seats to be fewer than usual. Please be advised that some attendees may not be allowed to enter the venue due to the lack of seating. Please see the Company's Website (<https://www.MitsubishiElectric.co.jp/ir/meeting/>) (Japanese only) for other details regarding our infection prevention measures.

Please note that the location, time, etc., of the Ordinary General Meeting of Shareholders is subject to change depending on the state of the spread of infections. Information regarding changes will be posted on the Company's Website (<https://www.MitsubishiElectric.com/en/investors/meeting/>). Please check the Website prior to visiting the meeting venue.

### Particulars

- Meeting Date and Time:** Friday, June 26, 2020 at 10:00 AM (entry begins at 9:00 AM)
- Meeting Venue:** Palace Hotel Tokyo, 2<sup>nd</sup> Floor "AOI"  
1-1-1 Marunouchi, Chiyoda-ku, Tokyo
- Meeting Agenda:**  
**Tabling of Reports**  
Tabling of the Business Report, Consolidated and Non-Consolidated Financial Statements, Independent Auditor's Report and the Audit Committee's Report on Consolidated Financial Statements for the 149th fiscal year (from April 1, 2019 to March 31, 2020)  
**Matters for Resolution**  
The Election of Twelve (12) Directors

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- Shareholders attending the meeting on June 26, 2020 are requested to submit the enclosed Voting Rights Exercise Form at the front desk of the meeting venue.
  - The following items of the Business Report and Consolidated and Non-Consolidated Financial Statements are posted on the Company's Website (<https://www.MitsubishiElectric.com/en/investors/meeting/>) and therefore are not included in the Notice of Convocation of the 149th Ordinary General Meeting of Shareholders, in accordance with laws and Article 15 of Mitsubishi Electric's Articles of Incorporation.  
(1) Summary of Systems Necessary to Ensure the Properness of Operations of the Company and the

Status of the Management

- (2) Consolidated Statement of Changes in Equity
- (3) Notes to Consolidated Financial Statements
- (4) Statement of Changes in Net Assets
- (5) Notes to Financial Statements

Statements to be audited, including relevant notes to be disclosed on the Company's Website, have been duly audited by the Audit Committee and Independent Auditor.

- 3. Please kindly take note that amendments to reference materials, the Business Report and the Consolidated and Non-Consolidated Financial Statements will be posted on the Company's Website (<https://www.MitsubishiElectric.com/en/investors/meeting/>).

## Reference Materials for the 149th Ordinary General Meeting of Shareholders

### Reference Items

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

The terms of office with all the Company's Directors (12 members) will expire at the end of this Ordinary General Meeting of Shareholders. Therefore, Mitsubishi Electric Corporation is to submit an agenda item concerning the election of 12 Directors, including 5 Outside Directors, in line with a decision made by the Nomination Committee.

Details of the candidates are as follows:

No.	Name	Current major positions and assignments at the Company	Status of attendance at Board of Directors' meetings
1	Masaki Sakuyama (Reappointment)	Chairman, Member of the Board	100% (Seven out of seven meetings)
2	Takeshi Sugiyama (Reappointment)	Director, Representative Executive Officer, President & CEO	100% (Seven out of seven meetings)
3	Masahiko Sagawa (Reappointment)	Director, Member of the Audit Committee	100% (Seven out of seven meetings)
4	Shinji Harada (Reappointment)	Director, Member of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, General Affairs, Human Resources and Public Relations	100% (Seven out of seven meetings)
5	Tadashi Kawagoishi (Reappointment)	Director, Member of the Compensation Committee, Executive Officer, Accounting and Finance	100% (Seven out of seven meetings)
6	Takashi Sakamoto (New Candidate)	Senior Advisor	–
7	Kei Uruma (New Candidate)	Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies	–
8	Mitoji Yabunaka (Reappointment) (Candidate for Outside Director) (Independent Director)	Director, Member of the Nomination Committee, Member of the Compensation Committee	100% (Seven out of seven meetings)
9	Hiroshi Obayashi (Reappointment) (Candidate for Outside Director) (Independent Director)	Director, Chairman of the Nomination Committee, Member of the Audit Committee	100% (Seven out of seven meetings)
10	Kazunori Watanabe (Reappointment) (Candidate for Outside Director) (Independent Director)	Director, Member of the Audit Committee, Member of the Compensation Committee	100% (Seven out of seven meetings)
11	Hiroko Koide (Reappointment) (Candidate for Outside Director) (Independent Director)	Director, Member of the Nomination Committee, Member of the Compensation Committee	100% (Seven out of seven meetings)
12	Takashi Oyamada (Reappointment) (Candidate for Outside Director) (Independent Director)	Director, Member of the Nomination Committee, Member of the Audit Committee	100% (Five out of five meetings)

Note:

Mitsubishi Electric Corporation held seven Board of Directors meetings during the fiscal year.

The status of attendance for Mr. Takashi Oyamada, Outside Director, is based on the number of the Board of Directors' meetings held after he assumed office on June 27, 2019.

	Name (Date of Birth)	Career summary, major positions and assignments at the Company and important concurrent positions	The number of shares owned
1	 <p>Masaki Sakuyama (March 17, 1952)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings))</p>	<p>April 1977    Joined Mitsubishi Electric Corporation</p> <p>April 2008    Executive Officer, Energy &amp; Industrial Systems</p> <p>April 2010    Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies</p> <p>June 2010    Director, Member of the Nomination Committee, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies</p> <p>April 2012    Director, Member of the Nomination Committee, Representative Executive Officer, Executive Vice President, Semiconductor &amp; Device</p> <p>June 2012    Representative Executive Officer, Executive Vice President, Semiconductor &amp; Device</p> <p>April 2014    Representative Executive Officer, President &amp; CEO</p> <p>June 2014    Director, Representative Executive Officer, President &amp; CEO</p> <p>April 2018    Chairman, Member of the Board (current position)</p> <p><b>Reasons for the nomination:</b> Mr. Sakuyama has gained a wide range of experience and insights through his involvement in the Company's business operations as President &amp; CEO. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	101,200
2	 <p>Takeshi Sugiyama (December 29, 1956)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings))</p>	<p>April 1979    Joined Mitsubishi Electric Corporation</p> <p>April 2014    Executive Officer, Living Environment &amp; Digital Media Equipment</p> <p>April 2016    Senior Vice President, Living Environment &amp; Digital Media Equipment</p> <p>April 2017    Representative Executive Officer, Executive Vice President, Living Environment &amp; Digital Media Equipment</p> <p>April 2018    Representative Executive Officer, President &amp; CEO</p> <p>June 2018    Director, Representative Executive Officer, President &amp; CEO (current position)</p> <p><b>Reasons for the nomination:</b> As President &amp; CEO, Mr. Sugiyama controls the execution of business closely related to matters to be deliberated at the Board of Directors. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	60,400
3	 <p>Masahiko Sagawa (July 17, 1958)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings))</p>	<p>April 1982    Joined Mitsubishi Electric Corporation</p> <p>April 2012    Senior Vice President, Renesas Electronics Corporation</p> <p>October 2013    Deputy Senior General Manager, Corporate Auditing Div.</p> <p>April 2015    Senior General Manager, Corporate Auditing Div.</p> <p>April 2018    Corporate Adviser</p> <p>June 2018    Director, Member of the Audit Committee (current position)</p> <p><b>Reasons for the nomination:</b> Mr. Sagawa has gained a wide range of experience and insights through positions such as an officer in charge of accounting and finance of an affiliated company and management executive of the Company's internal audit division. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	11,200

	Name (Date of Birth)	Career summary, major positions and assignments at the Company and important concurrent positions	The number of shares owned
4	 <p>Shinji Harada (August 29, 1960)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings))</p>	<p>April 1983    Joined Mitsubishi Electric Corporation  March 2012    Senior General Manager, Corporate Administration Div.  April 2016    Senior General Manager, Corporate Human Resources Div.  April 2018    Executive Officer, General Affairs, Human Resources and Public Relations  June 2018    Director, Member of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, General Affairs, Human Resources and Public Relations (current position)</p> <p><b>Reasons for the nomination:</b>  As Executive Officer in charge of General Affairs and Human Resources, Mr. Harada carries out the execution of business closely related to matters to be deliberated at the Board of Directors. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	13,500
5	 <p>Tadashi Kawagoishi (December 7, 1960)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings))</p>	<p>April 1983    Joined Mitsubishi Electric Corporation  April 2015    Senior General Manager, Corporate Finance Div.  April 2018    Executive Officer, Accounting and Finance  June 2018    Director, Member of the Compensation Committee, Executive Officer, Accounting and Finance (current position)</p> <p><b>Reasons for the nomination:</b>  As Executive Officer in charge of Accounting and Finance, Mr. Kawagoishi carries out the execution of business closely related to matters to be deliberated at the Board of Directors. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	13,000
6	 <p>Takashi Sakamoto (March 9, 1958)</p>	<p>April 1981    Joined Mitsubishi Electric Corporation  October 2011    Deputy Senior General Manager, Purchasing Div.  April 2012    Senior General Manager, Electronic Systems Group, Planning &amp; Administration Dept.  April 2013    Executive Officer, Purchasing  April 2017    Senior Vice President, Purchasing  April 2019    Senior Advisor (current position)</p> <p><b>Reasons for the nomination:</b>  Mr. Sakamoto has gained a wide range of experience and insights through his involvement in the Company's business operations as Executive Officer in charge of Purchasing. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	42,500

	Name (Date of Birth)	Career summary, major positions and assignments at the Company and important concurrent positions	The number of shares owned
7	 Kei Uruma (July 27, 1959)	<p>April 1982    Joined Mitsubishi Electric Corporation            April 2015    Executive Officer, Factory Automation Systems            April 2017    Executive Officer, Public Utility Systems            April 2018    Senior Vice President, Public Utility Systems            April 2020    Representative Executive Officer, Senior Vice President, Corporate Strategic Planning and Operations of Associated Companies (current position)</p> <p><b>Reasons for the nomination:</b>            As Executive Officer in charge of Corporate Strategic Planning, Mr. Uruma carries out the execution of business closely related to matters to be deliberated at the Board of Directors. Mitsubishi Electric has thus judged that he is qualified as a Director to oversee the Company's business operations.</p>	37,200
8	 Mitoji Yabunaka (January 23, 1948)  (Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings)) (Period of Service: 8 years)	<p>April 1969    Joined the Ministry of Foreign Affairs of Japan            January 2008    Vice-Minister, Ministry of Foreign Affairs of Japan (Retired in August 2010)            October 2010    Advisor, Nomura Research Institute, Ltd. (Retired in September 2017)            June 2012    Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)</p> <p><b>Important concurrent positions:</b>            Visiting Professor, Ritsumeikan University            Specially Appointed Professor, Osaka University            Outside Director, Komatsu Ltd.            Outside Director, Takasago Thermal Engineering Co., Ltd.            (of which two listed companies where Mr. Yabunaka serves as an officer concurrently)</p> <p><b>Reasons for the nomination:</b>            Mr. Yabunaka's experience and insights as an expert in international affairs cultivated through the course of his career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	10,800
9	 Hiroshi Obayashi (June 17, 1947)  (Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings)) (Period of Service: 7 years)	<p>April 1972    Appointed as Public Prosecutor            June 2006    Vice-Minister, Ministry of Justice of Japan            July 2008    Superintending Prosecutor, Tokyo High Public Prosecutors Office            June 2010    Appointed as the Prosecutor General (Retired in December 2010)            March 2011    Attorney-at-law (current position)            June 2013    Director, Member of the Nomination Committee and Member of the Audit Committee, Mitsubishi Electric Corporation            June 2016    Director, Chairman of the Nomination Committee and Member of the Audit Committee (current position)</p> <p><b>Important concurrent positions:</b>            Attorney-at-law            Outside Auditor, Daiwa Securities Co. Ltd.            Outside Audit &amp; Supervisory Board Member, NIPPON STEEL CORPORATION            Outside Auditor, Japan Tobacco Inc.            (of which two listed companies where Mr. Obayashi serves as an officer concurrently)</p> <p><b>Reasons for the nomination:</b>            Mr. Obayashi's experience and insights cultivated through the course of his career as a lawyer (public prosecutor, attorney-at-law) are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	11,700

	Name (Date of Birth)	Career summary, major positions and assignments at the Company and important concurrent positions	The number of shares owned
10	 <p>Kazunori Watanabe (October 9, 1950)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings)) (Period of Service: 5 years)</p>	<p>April 1975    Joined Showa Audit Corporation (currently Ernst &amp; Young ShinNihon LLC)</p> <p>September 1978    Registered as a certified public accountant (current position)</p> <p>March 1980    Registered as a tax accountant (current position)</p> <p>May 2002    Partner, Shin Nihon &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>August 2008    Executive Partner, Ernst &amp; Young ShinNihon LLC (Retired in March 2010)</p> <p>March 2010    Chief, Kazunori Watanabe Certified Public Accountant &amp; Tax Accountant Office (current position)</p> <p>June 2015    Director, Member of the Audit Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)</p> <p><b>Important concurrent positions:</b>  Certified Public Accountant  Tax Accountant  Outside Corporate Auditor, BELLSYSTEM24 Holdings, Inc.  (of which one listed company where Mr. Watanabe serves as an officer concurrently)</p> <p><b>Reasons for the nomination:</b>  Mr. Watanabe's experience and insights as a certified public accountant cultivated over the course of his career are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	5,300
11	 <p>Hiroko Koide (August 10, 1957)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Seven out of seven meetings)) (Period of Service: 4 years)</p>	<p>May 1993    Joined Nippon Lever K.K. (currently Unilever Japan K.K.)</p> <p>April 2001    Director, Nippon Lever K.K. (Retired in March 2006)</p> <p>April 2006    Joined Masterfoods Ltd. (currently Mars Japan Limited)</p> <p>April 2008    Chief Operating Officer (COO), Mars Japan Limited (Retired in August 2010)</p> <p>November 2010    President and Director, Parfums Christian Dior Japon K.K. (Retired in January 2012)</p> <p>April 2013    Senior Vice President, Global Marketing, Newell Rubbermaid (U.S.) (currently Newell Brands Inc. (U.S.)) (Retired in February 2018)</p> <p>June 2016    Director, Member of the Nomination Committee and Member of the Compensation Committee, Mitsubishi Electric Corporation (current position)</p> <p>April 2018    Director, Vicela Japan Co., Ltd. (Retired in March 2019)</p> <p><b>Important concurrent positions:</b>  Outside Director, Honda Motor Co., Ltd.  Outside Director, J-OIL MILLS, Inc.  (of which two listed companies where Ms. Koike serves as an officer concurrently)</p> <p><b>Reasons for the nomination:</b>  Ms. Koide's experience and insights as a business specialist cultivated over the course of her career in international corporate management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects her to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	8,500
12	 <p>Takashi Oyamada (November 2, 1955)</p> <p>(Status of attendance at Board of Directors' meetings: 100% (Five out of five meetings)) (Period of Service: 1 year)</p>	<p>April 1979    Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2015    Director, Deputy President, Mitsubishi UFJ Financial Group, Inc.</p> <p>April 2016    President, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) (Retired in June 2017) and Director, Mitsubishi UFJ Financial Group, Inc. (Retired in June 2017)</p> <p>June 2017    Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) (current position)</p> <p>June 2019    Director, Member of the Nomination Committee and Member of the Audit Committee, Mitsubishi Electric Corporation (current position)</p> <p><b>Important concurrent positions:</b>  Senior Advisor, MUFG Bank, Ltd.  Outside Director, Isetan Mitsukoshi Holdings Ltd.  (of which one listed company where Mr. Oyamada serves as an officer concurrently)</p> <p><b>Reasons for the nomination:</b>  Mr. Oyamada's experience and insights as a business specialist cultivated over the course of his career in bank management are highly beneficial to Mitsubishi Electric. Mitsubishi Electric thus expects him to bring an objective viewpoint to the overseeing of the Company's business operations.</p>	1,300

Notes:

1. There is no special interest between any of the candidates and the Company.
2. Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada and Ms. Hiroko Koide are five candidates for Outside Directors, as defined under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. Mitsubishi Electric Corporation has named Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada and Ms. Hiroko Koide given that they satisfy the requirement of independency in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange as independent directors. The Company has filed notification with the Exchange of such designations.  
In addition, Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada and Ms. Hiroko Koide satisfy the requirement of independency guideline for Outside Directors of the Company. Please see page 9 for the Company's Independency Guideline for Outside Directors.
4. Should this Item be approved by shareholders, the composition and chairperson of each committee will be as follows.  
Nomination Committee: Messrs. Mitoji Yabunaka (Chairman), Shinji Harada, Hiroshi Obayashi and Takashi Oyamada and Ms. Hiroko Koide  
Audit Committee: Messrs. Hiroshi Obayashi (Chairman), Masahiko Sagawa, Takashi Sakamoto, Kazunori Watanabe and Takashi Oyamada  
Compensation Committee: Messrs. Kazunori Watanabe (Chairman), Shinji Harada, Tadashi Kawagoishi and Mitoji Yabunaka and Ms. Hiroko Koide
5. Mitsubishi Electric made and entered into agreements with Messrs. Masaki Sakuyama, Masahiko Sagawa, Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada and Ms. Hiroko Koide to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, the limit of liability is either ¥10 million or the minimum statutory amount, whichever is higher.  
In addition, should this Item be approved by shareholders, the Company intends to enter into the same agreement with Mr. Takashi Sakamoto, on the condition that he assumes the office of Non-Executive Director.

(Reference) **Independency Guideline for Outside Directors**

Mitsubishi Electric Corporation nominates persons with experience in company management in the business world, attorneys and academics, among other specialists, who are appropriate to oversee the Company's business operations and not falling under any of the following cases, as candidates for Outside Directors. Each of the following 1), 2), 4) and 5) includes a case in any fiscal year during the past three fiscal years.

- 1) Persons who serve as Executive Directors, Executive Officers, managers or other employees (hereinafter "business executers") at a company whose amount of transactions with the Company accounts for more than 2% of the consolidated revenue of the Company or the counterparty
- 2) Persons who serve as business executers at a company to which the Company has borrowings that exceed 2% of the consolidated total assets
- 3) Persons who are related parties of the Company's independent auditor
- 4) Persons who receive more than ¥10 million of compensation from the Company as specialists or consultants
- 5) Persons who serve as Executive Officers (Directors, etc.) of an organization to which the Company offers contribution that exceeds ¥10 million and 2% of the total revenue of the organization
- 6) Persons who are the Company's major shareholders (holding more than 10% of voting rights) or who serve as their business executers
- 7) Persons who are related parties of a person or company that have material conflict of interest with the Company

## Guidance for the Exercise of Voting Rights

Please read the Reference Materials for the 149th Ordinary General Meeting of Shareholders (pages 3-9) before exercising your voting rights.

The three methods listed below are available for exercising your voting rights.

<b>Attending the Ordinary General Meeting of Shareholders</b>	<b>Mail</b>	<b>The Internet</b>
<p>Shareholders attending the meeting are requested to submit the enclosed Voting Rights Exercise Form at the front desk of the meeting venue.</p> <p>*Please be advised that people other than shareholders with voting rights, such as proxies of shareholders and people accompanying shareholders, will not be permitted to enter the meeting venue (except for people accompanying shareholders with disabilities).</p>	<p>Please complete and send back the enclosed Voting Rights Exercise Form indicating your approval or disapproval of each of the proposals put forward for resolution by the exercise deadline.</p>	<p>Please indicate your approval or disapproval of the agenda by the exercise deadline using the method provided in the following “Instructions for the Exercise of Voting Rights via the Internet.”</p>
<p><b>Meeting Date and Time</b></p> <p>Friday, June 26, 2020 at 10:00 AM (entry begins at 9:00 AM)</p>	<p><b>Exercise deadline</b></p> <p>The form must arrive at the Company by no later than 5:30 PM on Thursday, June 25, 2020.</p>	<p><b>Exercise deadline</b></p> <p>No later than 5:30 PM on Thursday, June 25, 2020</p>

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

#### Method 1: Scanning the QR code

This method allows users to log in to the site for exercising voting rights without entering the Login ID and temporary password provided in the Voting Right Exercise Form.

1. Please scan the QR code provided on the bottom right of the Voting Right Exercise Form.  
\*The “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. After accessing the site for exercising voting rights, please follow the instructions provided on the screen to exercise your vote.

#### **The Login QR code is for one-time use.**

If you wish to re-exercise your voting rights, please review the following “Entering the Login ID and temporary password.”

#### Method 2: Entering the Login ID and temporary password

The site for exercising voting rights: <https://evote.tr.mufg.jp/>

1. Please access the site for exercising voting rights above from a personal computer, smartphone or mobile phone.
2. Please enter the Login ID and temporary password provided in the Voting Right Exercise Form. Click “Login” button.
3. Please register a new password.
4. Hereafter, please follow the instructions provided on the screen to exercise your vote.

- Shareholders shall bear the fees (Internet connection fees, communications fees, etc.) arising from accessing the site for exercising voting rights.
- Shareholders who use the site for exercising voting rights are requested to change their temporary password once they access the site to exercise their voting rights. Please understand that it is intended to prevent illegal access (i.e. impersonation by a third party) as well as the falsification of voting results.
- The Company will provide shareholders with new Login IDs and temporary passwords with each convocation notice of General Meeting of Shareholders.

#### **Multiple Exercises of Voting Rights**

- ▶ Please note that if your voting rights were exercised both in written form and via the Internet, the Internet vote shall take precedence.
- ▶ In instances where a shareholder exercises their voting rights more than once via the Internet, the very last vote cast shall take precedence. In instances where a shareholder exercises their voting rights more than once using a personal computer, smartphone or mobile phone, the very last vote cast shall take precedence.

Please direct queries to the Help Desk as shown below:

Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Department (Help Desk) Toll-free number (Japan only): 0120-173-027 Office hours: From 9:00 AM to 9:00 PM (JST)
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## **Business Report**

(April 1, 2019 to March 31, 2020)

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

#### **1. Business Development and Results**

The economy in fiscal 2020 generally saw a gradual and slow recovery in Japan, the U.S. and Europe until the end of 2019 but the corporate sector slowed down. The growth of China also slowed down with the corporate sector experiencing a slowdown in exports and capital expenditures for fixed assets. The expansion of the novel coronavirus disease (COVID-19) and its impact put great downward pressure on the global economy from the beginning of 2020.

Under these circumstances, the Mitsubishi Electric Group has been working even harder than before to promote growth strategies rooted in its advantages, while continuously implementing initiatives to strengthen its competitiveness and business structure. As a result, the business performance for fiscal 2020 is as follows.

#### **Revenue**

Revenue for fiscal 2020 decreased by 57.4 billion yen from the previous fiscal year to 4,462.5 billion yen due primarily to a decrease in revenue of Industrial Automation Systems segment, despite that revenue increased in Information and Communication Systems, Home Appliances, Energy and Electric Systems, and Electronic Devices segments. In Industrial Automation Systems segment, revenue for the factory automation system business decreased due mainly to stagnant demand for capital expenditures worldwide and revenue for the automotive equipment business decreased due to a slowdown in demand for new cars worldwide.

Other factors that caused the decrease in revenue include the yen appreciating against foreign currencies and the impact of COVID-19 in the fourth quarter.

#### **Operating Profit**

Operating profit decreased by 30.8 billion yen from the previous fiscal year to 259.6 billion yen due primarily to a decrease in operating profit of Industrial Automation System segment, despite that operating profit increased in Home Appliances, Information and Communication Systems, and Electronic Devices segments. Operating profit ratio decreased by 0.6% from the previous fiscal year to 5.8% due mainly to increased cost ratio.

The cost ratio increased by 1.2% due primarily to lowered operation, a shift in product mix and upfront investment for growth drivers of Industrial Automation Systems segment in addition to the yen appreciating against other currencies.

Selling, general and administrative expenses decreased by 26.2 billion yen from the previous fiscal year and selling, general and administrative expenses to revenue ratio improved by 0.3%.

Other profit (loss) increased by 13.6 billion yen from the previous fiscal year

due mainly to sale of land and other profit (loss) to revenue ratio improved by 0.3%.

### **Profit before income taxes**

Profit before income taxes decreased by 33.9 billion yen from the previous year to 281.9 billion yen due primarily to a decrease in operating profit, an increase in financial expenses caused by loss on foreign exchange, and a decrease in share of profit of investments accounted for using the equity method. Profit before income taxes to revenue ratio was 6.3%.

### **Net profit attributable to Mitsubishi Electric Corporation stockholders**

Net profit attributable to Mitsubishi Electric Corporation stockholders decreased by 4.8 billion yen from the previous year to 221.8 billion yen due primarily to decreased profit before income taxes despite reduced income taxes as a result of the reorganization of its affiliated company outside Japan. Net profit attributable to Mitsubishi Electric Corporation stockholders to revenue ratio was 5.0%.

ROE decreased by 0.5% from the previous fiscal year to 9.2%.

### Consolidated Performance (Billions of yen)

Fiscal period Classification	148th Fiscal 2019	149th Fiscal 2020
Revenue	4,519.9	4,462.5
Operating profit	290.4	259.6
Profit before income taxes	315.9	281.9
Net profit attributable to Mitsubishi Electric Corp. stockholders	226.6	221.8

Revenue by Business Segment (Billions of yen)

Business Segment	149th Fiscal 2020	
	Revenue	As a percentage of revenue
Energy and Electric Systems	1,307.3	25.8
Industrial Automation Systems	1,349.4	26.6
Information and Communication Systems	455.5	9.0
Electronic Devices	208.7	4.1
Home Appliances	1,090.2	21.5
Others	659.6	13.0
Subtotal	5,071.0	100.0
Eliminations or Company-wide	(608.5)	—
Total	4,462.5	—

Note: The figures shown in this table include internal revenue between segments (transfer). The later section “Information by Business Segment” reflects the figures computed at the same condition.

Revenue by Location (Billions of yen)

Location	148th Fiscal 2019		149th Fiscal 2020	
	Revenue	As a percentage of revenue	Revenue	As a percentage of revenue
Japan	2,556.6	56.6	2,610.3	58.5
North America	429.4	9.5	432.0	9.7
Asia (excluding Japan)	1,013.8	22.4	919.9	20.6
Europe	453.7	10.0	437.2	9.8
Others	66.1	1.5	62.9	1.4
Overseas	1,963.2	43.4	1,852.1	41.5
Total	4,519.9	100.0	4,462.5	100.0

Note: Revenue is shown by country and region based on customer location.

## Information by Business Segment

		148th (Fiscal 2019)	149th (Fiscal 2020)	YoY
Energy and Electric Systems	Revenue	¥1,296.7 billion	¥1,307.3 billion	Up 1%
	Operating profit	¥82.5 billion	¥82.3 billion	Down ¥0.1 billion
Principal products (as of March 31, 2020): Turbine generators, hydraulic turbine generators, nuclear power plant equipment, motors, transformers, power electronics equipment, circuit breakers, gas insulated switchgears, switch control devices, surveillance-system control and security systems, transmission and distribution ICT systems, large display devices, electrical equipment for locomotives and rolling stock, elevators, escalators, building security systems, building management systems, and others				

The market of the social infrastructure systems business saw buoyant investment in the public utility for preventing and reducing disaster risks in Japan, also buoyant investment in train system business worldwide, and continued demand in the power systems in Japan due to the electricity system reform. In this environment, the business saw an increase in orders from the previous fiscal year due primarily to an increase in the power systems business worldwide and the public utility and transportation systems businesses in Japan. Revenue for this business remained substantially unchanged from the previous fiscal year due mainly to a decrease in thermal power generation business worldwide despite an increase in orders.

The market of the building systems business saw decreased demand for high-end, large-scale office projects in China, continued market stagnation in the Middle East, and an increase in renewals of elevators and escalators in Japan. In this environment, the business saw a decrease in orders from the previous fiscal year due primarily to market stagnation in China and the Middle East. Revenue for this business remained substantially unchanged from the previous fiscal year due mainly to an increase in new installations of elevators and escalators in Japan, mainly in the Tokyo metropolitan area despite a decrease in orders.

As a result, revenue for this segment increased by 1% from the previous fiscal year to 1,307.3 billion yen. Operating profit decreased by 0.1 billion yen from the previous fiscal year to 82.3 billion yen, due primarily to the yen appreciating against other currencies and a shift in project portfolios.

Industrial Automation Systems		148th (Fiscal 2019)	149th (Fiscal 2020)	YoY
	Revenue	¥1,467.6 billion	¥1,349.4 billion	Down 8%
	Operating profit	¥142.5 billion	¥68.9 billion	Down ¥73.6 billion

Principal products (as of March 31, 2020):

Programmable logic controllers, inverters, servomotors, human-machine interface, motors, hoists, magnetic switches, no-fuse circuit breakers, short-circuit breakers, transformers for electricity distribution, time and power meters, uninterruptible power supply, industrial fans, computerized numerical controllers, electrical discharge machines, laser processing machines, industrial robots, clutches, automotive electrical equipment, electric powertrain system, car electronics and car mechatronics, car multimedia, and others

The market of the factory automation systems business saw continued stagnation in demand for automotive-related investments worldwide, semiconductor and machinery-related investments in Japan, and investments related to organic light emitting diodes (OLED) and smartphones outside Japan. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year due primarily to the yen appreciating against other currencies and a decrease in sales of factory automation devices, processing machines and numerical controllers.

The market of the automotive equipment business saw a slowdown in demand for new cars worldwide and the impact of COVID-19 becoming actual in the fourth quarter, while the market of electric-vehicle related equipment expanded worldwide. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year, due mainly to a decrease in sales of electrical components and the yen appreciating against other currencies, while sales of electric-vehicle related equipment such as motors and inverters increased.

As a result, revenue for this segment decreased by 8% from the previous fiscal year to 1,349.4 billion yen. Operating profit decreased by 73.6 billion yen from the previous fiscal year to 68.9 billion yen due primarily to a decrease in revenue, a shift in product mix and upfront investment for growth drivers.

Information and Communication Systems		148th (Fiscal 2019)	149th (Fiscal 2020)	YoY
	Revenue	¥426.2 billion	¥455.5 billion	Up 7%
	Operating profit	¥12.2 billion	¥26.4 billion	Up ¥14.2 billion

Principal products (as of March 31, 2020):

Wireless and wired communications systems, network camera systems, satellite communications equipment, satellites, radar equipment, antennas, missile systems, fire control systems, broadcasting equipment, data transmission devices, network security systems, information systems equipment, systems integration, and others

The market of the telecommunications systems business saw buoyant investment by telecommunications carriers to deal with increased traffic caused mainly by the expanding 5G communications networks. In this environment, the business saw increases in both orders and revenue from the previous fiscal year due primarily to increased demand for communications infrastructure equipment.

The market of the information systems and service business saw increased demand relating to the cloud utilization, the enhancement of cyber-security and the improvement of work efficiency. In this environment, the business saw increases in both orders and revenue from the previous fiscal year due mainly to an increase in the system integrations business.

The electronic systems business saw an increase in orders from the previous fiscal year due primarily to an increase in large-scale projects for the space systems business. The revenue also increased from the previous fiscal year due mainly to an increase in large-scale projects for the defense systems business.

As a result, revenue for this segment increased by 7% from the previous fiscal year to 455.5 billion yen. Operating profit increased by 14.2 billion yen from the previous fiscal year to 26.4 billion yen due primarily to an increase in revenue and a shift in project portfolios.

Electronic Devices		148th (Fiscal 2019)	149th (Fiscal 2020)	YoY
	Revenue	¥199.9 billion	¥208.7 billion	Up 4%
Operating profit	¥1.4 billion	¥8.7 billion	Up ¥7.2 billion	
Principal products (as of March 31, 2020): Power modules, high-frequency devices, optical devices, LCD devices, and others				

The market of the electronic devices saw emerging demand relating to 5G communications networks and next-generation data centers, and accelerated development and market launches of electric vehicles. In this environment, the business saw an increase in orders and revenue also increased by 4% from the previous fiscal year to 208.7 billion yen due primarily to increased demand for high frequency and optical devices, particularly for optical communication devices, and power modules used in automotive applications.

Operating profit increased by 7.2 billion yen from the previous fiscal year to 8.7 billion yen due mainly to an increase in revenue and a shift in product mix.

Home Appliances		148th (Fiscal 2019)	149th (Fiscal 2020)	YoY
	Revenue	¥1,074.0 billion	¥1,090.2 billion	Up 2%
Operating profit	¥59.4 billion	¥78.2 billion	Up ¥18.7 billion	
Principal products (as of March 31, 2020): Room air conditioners, package air conditioners, chillers, showcases, compressors, refrigeration units, air-to-water heat pump boilers, ventilators, hot water supply systems, IH cooking heaters, LED lamps, indoor lighting, LCD televisions, refrigerators, electric fans, dehumidifiers, air purifiers, cleaners, jar rice cookers, microwave ovens, and others				

The market of the home appliances saw a heightened awareness of environmental issues causing increased demand of ductless air conditioners in North America and heat-pump hot water and heating systems in Europe. The demand for industrial air

conditioners for schools also increased in Japan. In this environment, the business saw an increase in revenue by 2% from the previous fiscal year to 1,090.2 billion yen due primarily to an increase in sales of air conditioners for Japan, North America and Europe.

Operating profit increased by 18.7 billion yen from the previous fiscal year to 78.2 billion yen due mainly to an increase in revenue and cost improvement.

		148th (Fiscal 2019)	149th (Fiscal 2020)	YoY
Others	Revenue	¥676.7 billion	¥659.6 billion	Down 3%
	Operating profit	¥24.1 billion	¥26.0 billion	Up ¥1.8 billion
Principal products (as of March 31, 2020):				
Procurement, logistics, real estate, advertising, finance, and other services				

Revenue decreased by 3% from the previous fiscal year to 659.6 billion yen due primarily to decreases in procurements and logistics for the Mitsubishi Electric Group at affiliated companies.

Operating profit increased by 1.8 billion yen from the previous fiscal year to 26.0 billion yen due mainly to cost improvements.

## 2. Capital Expenditures

During fiscal 2020, the Mitsubishi Electric Group made decisions to invest a total of ¥234.2 billion, down 13% compared to the previous fiscal year, in order to reinforce its business foundation and provide integrated solutions that combine strengths from both inside and outside the Group, based on its Corporate Strategy.

Principal capital expenditures per segment are as follows:

Segment	Amount* (Billions of Yen)	Major Projects Completed within Consolidated Basis Fiscal 2020	Major Ongoing Projects within Consolidated Basis Fiscal 2020
Energy and Electric Systems	26.4	–	–
Industrial Automation Systems	96.8	Himeji Works Streamlining manufacturing systems for motors and inverters used in electric vehicles	Himeji Works Facility for increased production of motors and inverters used in electric vehicles
Information and Communication Systems	19.5	Kamakura Works New satellite production facility	–
Electronic Devices	32.2	Power Device Works Streamlining manufacturing systems for general purpose power devices used in vehicles	Power Device Works Facility for increased production of power devices
Home Appliances	34.4	Shizuoka Works Air conditioners R&D assessment laboratory building	–
Others	24.9	Mitsubishi Electric Logistics Corporation New logistics site for the Kansai region	Information Technology R&D Center Facility to test ZEB (net Zero Energy Building)-related technologies

\*Figures shown in this table are based on investment decisions.

### 3. Research and Development

#### (1) Basic Policy on Research and Development

As the cornerstone of its growth strategy, the Mitsubishi Electric Group will promote short-, medium-, and long-term R&D themes in a balanced manner.

In addition to promoting research and development toward strengthening current businesses and achieving innovation, and continuous development of common basic technologies, the Company is striving to evolve technology and business synergies to provide integrated solutions that will solve increasingly diverse social issues, while also working to realize sustainable growth through the development of future technologies.

Furthermore, the Company will promote enhancement of efficiency of development and creation of new value, through proactive utilization of open innovation in collaboration with universities and other external R&D institutions.

During fiscal 2020, the total R&D expenses for the entire Group have amounted to 206.8 billion yen (3% decrease compared to the previous fiscal year). Representative achievements are as follows.

#### (2) Major R&D Achievements in Fiscal 2020

##### **Development of New Technology Controls In-Building Mobilities and Facilities, Supported with Building Dynamic Maps**

In recent years, with the aim of improving added value of buildings, studies have been underway to reduce the workloads of building-management personnel through the use of in-building mobile robots for cleaning, security, deliveries, and guidance, as well as to realize safe and secure movement within buildings by users of personal mobility devices, including next-generation electric wheelchairs.

The Company has developed a technology for controlling in-building mobile robots as well as personal mobility devices, using building dynamic maps<sup>\*1</sup> to achieve cooperative interaction between the robots, etc. and building facilities, such as elevators and access control systems. In addition, the Company has built systems that work with animated lighting guidance systems<sup>\*2</sup>.

This supports the safe, efficient movement of people and In-Building Mobilities in buildings, thereby reducing the workloads of building-management personnel and realizing smart buildings<sup>\*3</sup> in which people and robots coexist safely.

<sup>\*1</sup> A new three-dimensional map for buildings that shows the status of building facilities (e.g. elevators and access control systems), location of mobility devices and passable route

<sup>\*2</sup> The animated lighting guidance system “Terasu Guide” (released April 2020) that allows facility users to intuitively understand guidance and warning with lighting animations projected on the floor

<sup>\*3</sup> Buildings in which advanced IoT is deployed to energy-saving and labor-saving work environments through the building

##### **Development of Extra-thin Antenna Technology for Inflight Connectivity**

Satellite communication antennas for passenger aircraft are limited to large passenger aircrafts due to limits on installation space. Antennas were required to be thinner and smaller in order to support satellite communication services on small and medium passenger aircraft.

The Company, in collaboration with NICT<sup>\*1</sup>, has developed technology for an extra-thin Ka-band<sup>\*2</sup> active electronically steered array antenna (AESAs) featuring the world’s thinnest<sup>\*3</sup> profile, less than three centimeters. It supports high-speed inflight

connectivity services at data rates beyond 100 Mbps, while still making satellite communications antenna thinner and more compact.

The new Ka-band AESA is thin and small enough to be installed in any aircraft, regardless of its size, and it can operate even at high latitudes, which will allow passengers to enjoy on-demand streaming and other high-speed internet services on flights worldwide.

\*1 National Institute of Information and Communications Technology (NICT)

\*2 27 to 40 GHz frequency wave

\*3 According to internal research as of February 6, 2020.

This case includes some results of the research and development project “research and development on narrow band frequency technology using active electronically scanned array (AESA) antenna that can be installed on small aircraft,” commissioned by Japan’s Ministry of Internal Affairs and Communications.

### **Development of Compact AI Knowledge Representation and Reasoning Solution for Human-Machine Interfaces**

Devices with complex features, such as home appliances and car navigation systems, require humans to understand how they operate and devise controls. However, in recent years, AI that supports operation of such devices by using big data on the cloud has become widespread. On the other hand, there is a growing need to complete information processing on stand-alone devices without communication with external devices, in order to enhance response speed.

The Company has developed the Compact AI Knowledge Representation and Reasoning Solution for HMI (human-machine interfaces) based on its proprietary AI technology “Maisart\*,” which enables devices to understand vague user commands through the reasoning of missing information, according to the situation.

It achieves this by means of a “knowledge graph” which integrates user information, device specification and functionality and external information, and will allow responsive and easy-to-use human-machine interfaces to be embedded in stand-alone consumer products such as home appliances and car navigation systems.

\* Mitsubishi Electric’s AI creates the State-of-the-ART in technology

Mitsubishi Electric’s AI technology brand aimed at making every device smarter

## 4. Topics

### **Awarded the Top-Rank Gold Rating in 2019 CSR by EcoVadis**

In October 2019, the Company was awarded the top-rank Gold Rating in CSR 2019 by EcoVadis, the global CSR assessment agency. The Company scored especially highly in the categories of environment and sustainable procurement, and was placed among the top 5 percent of all companies assessed by EcoVadis.

The Mitsubishi Electric Group will continue to position its Corporate Mission and Seven Guiding Principles as the fundamental principles of its CSR activities. Together with its supply chain, the Group will promote initiatives to tackle its CSR materiality of “Realize a sustainable society,” “Provide safety, security, and comfort,” “Respect human rights and promote the active participation of diverse human resources,” and “Strengthen corporate governance and compliance on a continuous basis,” with the aim of enhancing the quality of life in our society as stated in our Corporate Mission.

\* EcoVadis is an international rating organization that assesses corporate sustainability. Assessment results from EcoVadis are used by more than 55,000 companies.

### **Completion of Kamakura Works New Satellite Production Facility**

In February 2020, the Company completed construction of a new facility for the production of satellites at Kamakura Works. This facility will handle from satellite assembly to testing. The Company’s annual capacity will increase to 18 satellites, up from 10 at present, which will enable the Company to satisfy the growing demand for governmental satellites in Japan and commercial communication satellites worldwide. Furthermore, the facility has incorporated the e-F@ctory solutions\* to increase production efficiency. Through this, the Group aims to elevate product quality, reduce costs, and shorten production time for enhanced competitiveness, thereby expanding the scale of its space system business.

\* A business concept to improve all business processes involving supply chain management and development design, while reducing total costs.

### **Supplying Elevators for Government-owned Medical Facility in India**

In February 2020, the Company’s subsidiary Mitsubishi Elevator India Private Limited has secured a major order from the “All India Institute of Medical Sciences, Bilaspur, Himachal Pradesh,” an Indian government-owned medical facility that houses a hospital and a national medical institute. The order consists of a total of 64 elevators, including 48 of a model that is exclusive to the Indian market. The quality of the Company’s products and services was highly regarded in the government-owned medical institute where high reliability is required, which was a factor in securing this order.

Going forward, the Company will continue to provide safety, peace of mind, and comfortable products and services, and expand business in the Indian market.

## 5. Corporate Agenda

The world economy is expected to suffer a significantly adverse impact of COVID-19 as its impact becomes more serious. Economic growth rate of fiscal 2021 is expected to be remarkably lower than the previous fiscal year without full economic recovery despite the economic measures taken in various countries and regions. The business environment is expected to be even more severe if COVID-19 has a long-term impact.

The Mitsubishi Electric Group, based on its Corporate Mission<sup>\*1</sup> and Seven Guiding Principles<sup>\*2</sup>, has positioned corporate social responsibility (CSR) initiatives as the pillar of its corporate management. The Group will provide solutions that combine products, systems and services in response to social challenges including environmental issues and resource and energy issues, and thereby further promote creation of value such as “simultaneous achievement of a sustainable society and safety, security and comfort” in the four fields of Life, Industry, Infrastructure, and Mobility. Through all of its corporate activities, the Group will also contribute to achieving the 17 sustainable development goals (SDGs), which are shared worldwide.

Additionally, in promoting creation of value, the Group is working to enhance its business foundation (connections with customers, technologies, personnel, products, corporate culture, etc.), evolve Technology Synergies and Business Synergies through greater collaboration with both inside and outside the Group and transform its business models, based on its threefold balanced management policy of “Growth,” “Profitability & Efficiency” and “Soundness.” The Group expects to fall short of its fiscal 2021 targets, partly due to external factors such as a slump in growth of demand and foreign exchange fluctuations, but also partly due to the Group’s insufficient response to changes in the market environment. With regard to COVID-19, the Group will fulfill its social responsibility by continuing business operations, and act swiftly to minimize the impact on performance, while placing the highest priority on the safety and health of its employees. In terms of management targets that should be achieved continuously, the Group expects to maintain a ratio of bonds and borrowings to total assets of 15% or less, but expects failure to achieve an ROE of 10% or more at this stage. The Group will strive to recover this target quickly.

In fiscal 2021, the Group will improve performance and drive profitability in order to realize high-quality growth. The Group aims to further strengthen its business foundation by accelerating business model transformations by actively utilizing open innovations, reinforcing its solution businesses for increasingly diverse social challenges, and reviewing its business portfolios for higher profitability and more effective use of business resources. The Group will build and reinforce an optimal business structure, in both global terms and for the entire corporate Group to enhance competitiveness in Japan, the U.S., Europe and China, while also focusing on meeting demands in growing markets such as India and Southeast Asia. To this end, the Group will take part in collaborations, mergers and acquisitions and other strategic activities with a view to supplementing missing products and technologies, securing distribution-/service-network in new regions and markets, and acquiring new talent. Furthermore, while carrying out capital cost-conscious management, the Group will continue the following measures: optimizing resource distribution including R&D investments and capital expenditures through continuous reevaluation of its business portfolio; strengthening its development and production capability that will contribute to the strengthening of its integrated comprehensive manufacturing capability; emphasizing on quality from the early stages of design and development;

increasing its productivity through Just-in-Time production including enhancement of work efficiency in indirect departments; streamlining its human resources structure and allocating them appropriately; further improving its financial standing; and improving its comprehensive business efficiency from a medium and long term perspective, using Mitsubishi Electric's version of ROIC<sup>\*3</sup>, a comprehensive business efficiency indicator.

In these efforts, the Mitsubishi Electric Group aims to reduce CO<sub>2</sub> emissions from product usage by 30% compared to fiscal 2001 and 30% from product production across the entire Group compared to fiscal 1991<sup>\*4</sup>. These goals follow the "Environmental Vision 2021" with 2021 as its target year, the 100th anniversary of the Company's founding and are aimed at contributing to the creation of a low-carbon, recycling-based society. Targeting the year 2030, the Group will strive to meet the following greenhouse-gas reduction targets certified under the SBTi<sup>\*5</sup>: an 18% reduction (compared to fiscal 2017) under scopes 1 & 2, and a 15% reduction (compared to fiscal 2019) under scope 3. Additionally, the Group will strive to disclose the risks and opportunities brought by climate change, based on the recommendations of the TCFD<sup>\*6</sup>. The Group will work in accordance with the Environmental Sustainability Vision 2050, created as a new long-term environmental management vision for the year 2021 and onward. In terms of legal and ethical compliance, various issues have recently become clear at the Group. The Group will put serious effort into preventing the recurrence of labor issues concerning the physical and mental health of employees, improper quality-related conduct leading to delivery of products not conforming to contracts with customers, and the possibility of personal and confidential corporate information leakage due to unauthorized access. With regard to labor issues, the Group will work to build workplaces that enable open communication, and provide thorough and appropriate care for individuals with psychological health issues, through measures centered on the Mitsubishi Electric Workplace Culture Reform Program. With regard to improper quality-related conduct, the Group will further raise awareness of quality, while also strengthening swift initial response measures. With regard to unauthorized access, the Group will strengthen and thoroughly implement prevention of intrusion, diffusion, and leakage, as well as global response and document management, led by the Information Security Supervisory Office under the direct control of the President. Additionally, the Group as a whole will diligently work to further disseminate compliance awareness by strengthening its organizational compliance frameworks through inculcating compliance policy, enhancing internal control measures and internal training. The Group also intends to improve its corporate governance through continuous promotion of measures such as compliance with Japan's Corporate Governance Code, while striving for appropriate and timely disclosure of information, in order to acquire a higher level of trust from society, customers, shareholders, and employees.

Steadily executing the strategies above, the Mitsubishi Electric Group will work to further enhance its corporate value. Looking ahead, the Group asks for the understanding and support of all its stakeholders.

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<sup>\*1</sup> Corporate Mission: The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, we enhance the quality of life in our society.

\*2 These principles are:

Trust: Establish relationships with society, customers, shareholders, employees, and business partners based on strong mutual trust and respect.

Quality: Provide the best products and services with unsurpassed quality.

Technology: Pioneer new markets by promoting research and development, and fostering technological innovation.

Citizenship: As a global player, contribute to the development of communities and society as a whole.

Ethics and Compliance: In all endeavors, conduct ourselves in compliance with applicable laws and high ethical standards.

Environment: Respect nature, and strive to protect and improve the global environment.

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

\*3 ROIC (Mitsubishi Electric version): A comprehensive business efficiency indicator which is calculated by asset items (fixed assets, cash, etc.) per different segments (and not by capital and liability) so that it is easier to track and improve.

\*4 Base fiscal years of reduction targets:

Mitsubishi Electric Corporation: 1990; Associated companies in Japan: 2000; Associated companies outside Japan: 2005

\*5 Science-Based Targets initiative: an international initiative by the United Nations Global Compact (UNGC), World Wildlife Fund for Nature (WWF), CDP, and World Resources Institute (WRI) that calls for setting targets for the reduction of carbon dioxide emissions based on scientific evidence.

Scope 1: Direct emissions resulting from fuel use within the company; Scope 2: Indirect emissions associated with the use of externally purchased electricity and heat, Scope 3: Indirect emissions from the entire value chain other than Scope 1 and 2 emissions

\*6 TCFD (Task Force on Climate-related Financial Disclosures): A task force for the disclosure of climate-related financial information led by the private sector. The TCFD was established at the request of the G20 Finance Ministers and Central Bank Governors.

## 6. Trends in Operating Results and Financial Condition

(Billions of yen, except per share data)

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

#### i. U.S. Accounting Standards

	146th Period Fiscal 2017	147th Period Fiscal 2018
Net sales	4,238.6	4,431.1
Operating income	270.1	318.6
Income before income taxes	296.2	364.5
Net income attributable to Mitsubishi Electric Corp.	210.4	271.8
Basic net income per share attributable to Mitsubishi Electric Corp.	¥98.07	¥126.70
Total assets	4,172.2	4,264.5

Note: In the 147th Period (fiscal 2018), the Company adopted Accounting Standards Update 2015-17 “Balance Sheet Classification of Deferred Taxes” issued by the Financial Accounting Standards Board. Accordingly, all deferred tax assets and liabilities are classified as noncurrent in the consolidated balance sheet and subsequently, deferred tax assets and liabilities attributable to the same tax-paying component or tax jurisdiction are offset and presented in the noncurrent category. The consolidated balance sheets of the 146th period (fiscal 2017) have been reclassified to reflect this adoption.

#### ii. IFRS

	146th Period Fiscal 2017	147th Period Fiscal 2018	148th Period Fiscal 2019	149th Period Fiscal 2020
Revenue	–	4,444.4	4,519.9	4,462.5
Operating profit	–	327.4	290.4	259.6
Profit before income taxes	–	353.2	315.9	281.9
Net profit attributable to Mitsubishi Electric Corp. stockholders	–	255.7	226.6	221.8
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders	–	¥119.19	¥105.65	¥103.41
Total assets	–	4,305.5	4,356.2	4,409.7

### (2) Mitsubishi Electric Corporation (Non-Consolidated)

	146th Period Fiscal 2017	147th Period Fiscal 2018	148th Period Fiscal 2019	149th Period Fiscal 2020
Net sales	2,576.2	2,675.8	2,717.7	2,639.2
Ordinary income	124.8	214.1	184.4	143.2
Net income	133.3	203.0	164.5	157.8
Net income per share	¥62.15	¥94.61	¥76.70	¥73.59
Total assets	2,853.5	2,886.5	2,841.1	2,866.8

## 7. Principal Offices (As of March 31, 2020)

### (1) Mitsubishi Electric Corporation

1. Head Office: Tokyo

2. Marketing Bases:

Branch Name	Location (Prefecture)	Branch Name	Location (Prefecture)
Hokkaido Branch Office	Hokkaido	Chubu Branch Office	Aichi
Tohoku Branch Office	Miyagi	Kansai Branch Office	Osaka
Kanetsu Branch Office	Saitama	Chugoku Branch Office	Hiroshima
Kanagawa Branch Office	Kanagawa	Shikoku Branch Office	Kagawa
Hokuriku Branch Office	Ishikawa	Kyushu Branch Office	Fukuoka

3. Research Laboratories

Laboratory Name	Location (Prefecture)	Laboratory Name	Location (Prefecture)
Information Technology R&D Center	Kanagawa	Manufacturing Engineering Center	Hyogo
Industrial Design Center	Kanagawa	Component Production Engineering Center	Hyogo
Living Environment Systems Laboratory	Kanagawa	Advanced Technology R&D Center	Hyogo
Design Systems Engineering Center	Hyogo	Automotive Electronics Development Center	Hyogo

4. Manufacturing Facilities

Business Segment	Facility Name	Location (Prefecture)
Energy and Electric Systems	Inazawa Works	Aichi
	Itami Works	Hyogo
	Transmission & Distribution Systems Center	Hyogo
	Kobe Works	Hyogo
	Energy Systems Center	Hyogo
	Power Distribution Systems Center	Kagawa
	Nagasaki Works	Nagasaki
Industrial Automation Systems	Nagoya Works	Aichi
	Sanda Works	Hyogo
	Himeji Works	Hyogo
	Fukuyama Works	Hiroshima
Information and Communication Systems	Information Systems & Network Service Division	Kanagawa
	Kamakura Works	Kanagawa
	Communication Systems Center	Hyogo
	Communication Networks Center	Hyogo

Business Segment	Facility Name	Location (Prefecture)
Electronic Devices	High Frequency & Optical Device Works	Hyogo
	Power Device Works	Fukuoka
	LCD Division	Kumamoto
Home Appliances	Gunma Works	Gunma
	Shizuoka Works	Shizuoka
	Nakatsugawa Works	Gifu
	Kyoto Works	Kyoto
	Air-Conditioning & Refrigeration Systems Works	Wakayama

(2) Subsidiaries

Please refer to Section 11. Principal Subsidiaries.

## 8. Employees (As of March 31, 2020)

Business Segment	Number of employees	Year-on-Year increase (decrease)
Energy and Electric Systems	46,852	120
Industrial Automation Systems	33,544	64
Information and Communication Systems	15,042	(143)
Electronic Devices	5,431	16
Home Appliances	27,462	673
Others	12,643	(73)
Common	5,544	44
Total	146,518	701

Notes: 1. Employees whose job and functions are not directly attributable to any of the aforementioned business segments are included in the line titled as “common”.

2. Breakdown of employees: 92,251 located in Japan; 54,267 located overseas.

## 9. Fund Raising

Mitsubishi Electric Corporation repaid the borrowings reaching their maturities within fiscal 2020, while procuring working capital through loans from financial institutions.

As a result, the balance of bonds and borrowings as of the end of fiscal 2020 stood at ¥ 267.0billion, a decrease of ¥8.9 billion compared with the previous fiscal year.

## 10. Principal Lenders (As of March 31, 2020)

The Mitsubishi Electric Group has introduced a Group financing system, and is striving to improve the efficiency of funding operations through aggregation and financing of funds between Group companies.

The main financial institutions providing loans to the Group during the fiscal year were as follows.

(Billions of yen)

Name of Lender	Outstanding Borrowings
MUFG Bank, Ltd.	79.5
Mizuho Bank, Ltd.	31.4
The Norinchukin Bank	26.1
Meiji Yasuda Life Insurance Company	14.2

The borrowings on the Company's non-consolidated balance sheet include loans from financial institutions and loans from associated companies received through the Group financing system.

## 11. Principal Subsidiaries (As of March 31, 2020)

### (1) Subsidiaries in Japan

Subsidiary Name	Business Segment	Paid-in capital (millions)	Owner -ship	Principal Business Activities	Location
Mitsubishi Electric Building Techno-Service Co., Ltd.	Energy and Electric Systems	¥5,000	100.0%	Sale, installation and maintenance of the Company's elevators and escalators and other building equipment	Tokyo
Mitsubishi Electric Lighting Corporation	Home Appliances	¥3,790	100.0%	Manufacture and sale of lighting equipment, lamps, and related components	Kanagawa
Mitsubishi Precision Co., Ltd.	Information and Communication Systems	¥3,170	74.7%	Manufacture and sale of simulators and precision electronic equipment	Tokyo
The Kodensha Co., Ltd.	Others	¥1,520	50.3%	Contractor undertaking electrical construction, sale of the Company's products	Tokyo

## (2) Overseas Subsidiaries

Region	Subsidiary Name	Business Segment	Paid-in capital (millions)	Owner -ship	Principal Business Activities	Location
North America	Mitsubishi Electric Automotive de Mexico, S.A. de C.V.	Industrial Automation Systems	500.00 Mexican Peso	100.0%	Manufacture and sale of automotive equipment	Mexico
North America	Mitsubishi Electric US, Inc.	—	\$31.623	100.0%	Sale and distribution of Group products	United States
North America	Mitsubishi Electric Automotive America, Inc.	Industrial Automation Systems	\$28.00	100.0%	Manufacture and sale of automotive equipment	United States
Asia	Mitsubishi Electric (Guangzhou) Compressor Co., Ltd.	Home Appliances	\$122.22	100.0%	Manufacture and sale of rotary compressors for air conditioners	China
Asia	Mitsubishi Electric (Hong Kong) Ltd.	—	1,012.317 Hong Kong dollar	100.0%	Sale and distribution of Group products	Hong Kong
Asia	Taiwan Mitsubishi Elevator Co., Ltd	Energy and Electric Systems	2,215.249 Taiwan dollar	54.8 %	Manufacture, sale, installation, and maintenance of elevators	Taiwan
Europe	Mitsubishi Electric Europe B.V.	—	€100.597	100.0%	Sale and distribution of Group products	The Netherlands
Europe	Mitsubishi Electric Air Conditioning Systems Europe Ltd.	Home Appliances	14.90 pound	100.0%	Manufacture and sale of industrial air conditioners	The United Kingdom
Europe	Mitsubishi Electric Hydronics & IT Cooling Systems Sp.A.	Home Appliances	€10.00	100.0%	Design, manufacture, and sale of industrial air conditioning equipment	Italy
Other	Mitsubishi Electric Australia Pty. Ltd.	—	11.00 Australian dollar	100.0%	Sale and distribution of Group products	Australia

Note: Mitsubishi Electric US, Inc., Mitsubishi Electric (Hong Kong) Ltd., Mitsubishi Electric Europe B.V. and Mitsubishi Electric Australia Pty. Ltd. sell and distribute the products produced by Mitsubishi Electric Corporation and/or the companies belonging to the Group, and marketed by multiple business segments.

## Number of Consolidated Subsidiaries

Region	Overseas					Subtotal	Total
	Japan	North America	Asia	Europe	Other		
Number	95	14	68	24	2	108	203

## II. Matters Related to Mitsubishi Electric Corporation

### 1. Matters Related to Shares (As of March 31, 2020)

- (1) Authorized shares: 8,000,000,000 shares  
 (2) Shares issued and outstanding 2,147,201,551 shares  
 (3) Number of shareholders 113,953  
 (4) Outstanding share information by shareholder category

Category	Number of Shareholders	Number of Shares Held (Thousand shares)	Percentage of Ownership
Government and municipal public organizations	0	0	0.0%
Financial institutions	196	894,946	41.7%
Traders of financial instruments	88	52,425	2.4%
Other corporations	1,296	120,000	5.6%
Foreign corporations <i>et al.</i>	940	809,027	37.7%
Individual <i>et al.</i>	111,433	270,802	12.6%

### (5) Principal shareholders (Top 10)

Shareholder	Holdings of the Company's Shares	
	Number of Shares Held (Thousand Shares)	Percentage of Ownership
The Master Trust Bank of Japan, Ltd. (Trust Account)	181,049	8.4%
SSBTC CLIENT OMNIBUS ACCOUNT	120,935	5.6%
Japan Trustee Services Bank, Ltd. (Trust Account)	106,511	5.0%
Meiji Yasuda Life Insurance Company	81,862	3.8%
Nippon Life Insurance Company	61,639	2.9%
Japan Trustee Services Bank, Ltd. (Trust Account 7)	46,530	2.2%
Mitsubishi Electric Group Employees Shareholding Union	42,932	2.0%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	40,731	1.9%
JP MORGAN CHASE BANK 385151	39,170	1.8%
Japan Trustee Services Bank, Ltd. (Trust Account 4)	36,641	1.7%

Note: Shareholder ratio calculations deduct 426,598 company-owned shares.

## 2. Directors and Executive Officers

### (1) Directors (As of March 31, 2020)

#### 1) Title, positions held and important concurrent posts of Directors

Title	Name	Positions Held	Important Concurrent Positions
Chairman	Masaki Sakuyama		
Director	Takeshi Sugiyama		
Director	Nobuyuki Okuma		
Director	Akihiro Matsuyama	Chairman of the Audit Committee	
Director	Masahiko Sagawa	Member of the Audit Committee	
Director	Shinji Harada	Member of the Nomination Committee, Chairman of the Compensation Committee	
Director	Tadashi Kawagoishi	Member of the Compensation Committee	
Outside Director	Mitoji Yabunaka	Member of the Nomination Committee, Member of the Compensation Committee	Visiting Professor, Ritsumeikan University Specially Appointed Professor, Osaka University Outside Director, Komatsu Ltd. Outside Director, Takasago Thermal Engineering Co., Ltd.
Outside Director	Hiroshi Obayashi	Chairman of the Nomination Committee, Member of the Audit Committee	Attorney-at-Law Outside Auditor, Daiwa Securities Co. Ltd. Outside Audit & Supervisory Board Member, NIPPON STEEL CORPORATION Outside Auditor, Japan Tobacco Inc.
Outside Director	Kazunori Watanabe	Member of the Audit Committee, Member of the Compensation Committee	Certified Public Accountant Tax Accountant Outside Corporate Auditor, BELLSYSTEM24 Holdings, Inc.
Outside Director	Hiroko Koide	Member of the Nomination Committee, Member of the Compensation Committee	Outside Director, Honda Motor Co., Ltd. Outside Director, J-OIL MILLS, Inc.
Outside Director	Takashi Oyamada	Member of the Nomination Committee, Member of the Audit Committee	Senior Advisor, MUFG Bank, Ltd. Outside Director, Isetan Mitsukoshi Holdings Ltd.

- Notes: 1. Directors Takeshi Sugiyama, Nobuyuki Okuma, Shinji Harada and Tadashi Kawagoishi all concurrently serve as Executive Officers.
2. Director Takashi Oyamada was newly elected and took office at the 148th Ordinary General Meeting of Shareholders held on June 27, 2019.
3. Director Katsunori Nagayasu retired upon the expiration of his term of office at the end of the 148th Ordinary General Meeting of Shareholders held on June 27, 2019.
4. Mr. Akihiro Matsuyama, the Chairman of the Audit Committee, and Mr. Masahiko Sagawa, a member of the Audit Committee, have many years of extensive experience in the Company's Corporate Accounting and Finance Division. Mr. Kazunori Watanabe, a member of the Audit Committee, is a

certified public accountant. They all possess considerable knowledge and experience in the fields of finance and accounting.

5. Mitsubishi Electric Corporation appointed Directors, namely, Messrs. Akihiro Matsuyama and Masahiko Sagawa as the Standing Members of the Audit Committee to attend important meetings such as Executive Officer meetings, collect information including from Internal Auditors, conduct investigations such as interview with the execution divisions and other sections in a continuous and effective manner, while sufficiently cooperating with the divisions in charge of internal control.
6. Mitsubishi Electric Corporation has filed a notification on the nomination of its five Outside Directors, namely, Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada and Ms. Hiroko Koide, as Independent Directors to the Tokyo Stock Exchange in accordance with its directives and on the grounds that these individuals' nomination is in conformity with the requirement of independency.

Five Outside Directors, namely, Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada and Ms. Hiroko Koide, satisfy the requirement of independency guidelines of Outside Directors of the Company. Please see page 9 for the Company's Independency Guideline for Outside Directors.

7. Among the important concurrent positions of outside directors, the Company maintains business relationships with Osaka University, Komatsu Ltd., Takasago Thermal Engineering Co., Ltd., Daiwa Securities Co. Ltd., NIPPON STEEL CORPORATION, Honda Motor Co., Ltd. and MUFG Bank, Ltd. It does not maintain special relationships with any of these that would conflict with the interest of its shareholders.

## 2) Overview of the limited liability agreements

Mitsubishi Electric Corporation made and entered into agreements with three Directors, namely, Messrs. Masaki Sakuyama, Akihiro Matsuyama and Masahiko Sagawa, and five Outside Directors, namely, Messrs. Mitoji Yabunaka, Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada and Ms. Hiroko Koide, to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, the limit of liability is either ¥10 million or the minimum statutory amount, whichever is higher.

### 3) Principal activities of Outside Directors

Name	Principal Activities
Mitoji Yabunaka	100% (seven out of seven) attendance at Board of Directors' meetings. Primarily provides constructive comments relating to the management of the Company from the standpoint of a specialist in international affairs.
Hiroshi Obayashi	100% (seven out of seven) attendance at Board of Directors' meetings and 100% (thirteen out of thirteen) attendance at Audit Committee meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a legal affairs specialist as an attorney-at-law.
Kazunori Watanabe	100% (seven out of seven) attendance at Board of Directors' meetings and 100% (thirteen out of thirteen) attendance at Audit Committee meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a certified public accountant with specialist knowledge.
Hiroko Koide	100% (seven out of seven) attendance at Board of Directors' meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a specialist in managing an international corporation.
Takashi Oyamada	100% (five out of five) attendance at Board of Directors' meetings and 100% (eleven out of eleven) attendance at Audit Committee meetings. Primarily provides constructive comments related to the management of the Company from the standpoint of a specialist in bank management.

Note: Mitsubishi Electric Corporation held seven Board of Directors meetings during the fiscal year. Outside Director Takashi Oyamada's attendance is calculated based on the Board of Directors meetings and Audit Committee meetings held since his appointment on June 27, 2019.

### (2) Executive Officers (As of March 31, 2020)

Title	Name	Positions Held
Representative Executive Officer President & CEO	Takeshi Sugiyama	
Representative Executive Officer Executive Vice President	Yutaka Ohashi	In charge of Export Control and Information Systems & Network Service
Representative Executive Officer Senior Vice President	Nobuyuki Okuma	In charge of Corporate Strategic Planning and Operations of Associated Companies
Senior Vice President	Yasuyuki Ito	In charge of Building Systems
Senior Vice President	Kei Uruma	In charge of Public Utility Systems
Senior Vice President	Hisashi Kato	In charge of Government & External Relations, Export Control and Intellectual Property
Executive Officer	Takashi Nishimura	In charge of Communication Systems
Executive Officer	Masamitsu Okamura	In charge of Semiconductor & Device
Executive Officer	Masahiro Fujita	In charge of IT and Research & Development
Executive Officer	Satoshi Matsushita	In charge of Global Strategic Planning & Marketing
Executive Officer	Hiroshi Onishi	In charge of Automotive Equipment
Executive Officer	Yoshikazu Miyata	In charge of Factory Automation Systems

Title	Name	Positions Held
Executive Officer	Tadashi Matsumoto	In charge of Living Environment & Digital Media Equipment
Executive Officer	Jun Nagasawa	In charge of Advertising and Domestic Marketing
Executive Officer	Shinji Harada	In charge of General Affairs, Human Resources and Public Relations
Executive Officer	Tadashi Kawagoishi	In charge of Accounting and Finance
Executive Officer	Takakazu Murozono	In charge of Auditing and Legal Affairs & Compliance
Executive Officer	Koichi Orito	In charge of Energy & Industrial Systems
Executive Officer	Juichi Shikata	In charge of Purchasing
Executive Officer	Yoshihisa Hara	In charge of Electronic Systems
Executive Officer	Atsuhiko Yabu	In charge of Total Productivity Management & Environmental Programs

- Notes: 1. Representative Executive Officer, President & CEO Takeshi Sugiyama, Representative Executive Officer, Senior Vice President Nobuyuki Okuma, Executive Officers Shinji Harada and Tadashi Kawagoishi also serve concurrently as Directors.
2. The category, Important Concurrent Positions, does not apply to all 21 Executive Officers.
3. Of those listed above, Representative Executive Officer, Executive Vice President Yutaka Ohashi, Representative Executive Officer, Senior Vice President Nobuyuki Okuma, Senior Vice President Hisashi Kato, and Executive Officers Takashi Nishimura and Masamitsu Okamura retired upon the expiration of their terms of office on March 31, 2020.
4. Executive Officers as of April 1, 2020 are as follows:

Title	Name	Positions Held
Representative Executive Officer President & CEO	Takeshi Sugiyama	
Representative Executive Officer Senior Vice President	Yasuyuki Ito	In charge of Export Control and Building Systems
Representative Executive Officer Senior Vice President	Kei Uruma	In charge of Corporate Strategic Planning and Operations of Associated Companies
Senior Vice President	Satoshi Matsushita	In charge of Business Innovation
Senior Vice President	Hiroshi Onishi	In charge of Automotive Equipment
Senior Vice President	Yoshikazu Miyata	In charge of Factory Automation Systems
Senior Vice President	Tadashi Matsumoto	In charge of Living Environment & Digital Media Equipment
Executive Officer	Masahiro Fujita	In charge of IT and Research & Development
Executive Officer	Jun Nagasawa	In charge of Advertising and Domestic Marketing
Executive Officer	Shinji Harada	In charge of General Affairs, Human Resources and Public Relations
Executive Officer	Tadashi Kawagoishi	In charge of Accounting and Finance
Executive Officer	Takakazu Murozono	In charge of Auditing and Legal Affairs & Compliance
Executive Officer	Koichi Orito	In charge of Information Systems & Network Service
Executive Officer	Juichi Shikata	In charge of Purchasing
Executive Officer	Yoshihisa Hara	In charge of Electronic Systems

Title	Name	Positions Held
Executive Officer	Atsuhiko Yabu	In charge of Information Security and Total Productivity Management & Environmental Programs
Executive Officer	Satoshi Kusakabe	In charge of Government & External Relations, Export Control and Intellectual Property
Executive Officer	Yoji Saito	In charge of Global Strategic Planning & Marketing
Executive Officer	Hideki Fukushima	In charge of Public Utility Systems
Executive Officer	Noriyuki Takazawa	In charge of Energy & Industrial Systems
Executive Officer	Yuzuru Saito	In charge of Semiconductor & Device

### (3) Directors' and Executive Officers' Compensation

	Number Receiving Payment	Compensation Amount (Millions of yen)
Directors	3	195
Outside Directors	6	73
Executive Officers	21	1,858

Notes: 1. The number of Directors receiving compensation does not include Outside Directors or Directors who concurrently hold posts as Executive Officers.

2. Regarding Executive Officers who assumed the office in the 148th fiscal year, there was a difference amounting to ¥24 million between the total compensation disclosed for the previous fiscal year and the compensation paid during fiscal 2020. Said difference was not included in the amount disclosed above.

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

#### 1) Basic Policies

- i. As a Company with a Three-committee System, the Company segregates the supervisory function and the execution function of management. The supervisory function of management is assigned to the Board of Directors and the execution function of management is assigned to the Executive Officers. The compensation scheme for Directors and the compensation scheme for the Executive Officers will be set differently, corresponding to the contents and responsibilities of each of the duty and position.
- ii. Directors give advice to and supervise the Company's management from an objective point of view, and therefore, the basic policy of the compensation scheme for Directors is the payment of fixed-amount compensation and the retirement benefit upon resignation.
- iii. The compensation scheme for the Executive Officers focuses on incentives for the realization of management policies and the improvement of business performance, and performance-based compensation will be paid in addition to the payment of fixed-amount compensation and the retirement benefit upon resignation, based on the following basic policies:
  - a. The compensation scheme should raise awareness of the contribution to the improvement of the mid- and long-term business performance, and to the enhancement of the Group's corporate value.

- b. The compensation scheme should be closely linked with the company's performance and be highly transparent and objective.
- c. The compensation scheme should mainly aim at sharing of interest with shareholders and raising management awareness which places importance on the interest of shareholders.
- iv. In order to introduce from the outside objective points of view and specialized knowledge about the executive compensation scheme, the Company will employ external compensation consultants, and deliberate the compensation level, compensation scheme, etc. with the support of such consultants, taking into consideration external data concerning compensation in major Japanese corporations developing their businesses globally, the domestic economic environment, industry trends, management conditions, etc.

## 2) The System and the Policy for Determining Compensation for Directors and Executive Officers

### i. Compensation for Directors:

- a. A fixed amount of compensation shall be set at a level considered reasonable, while taking into account the contents of the Directors' duties and the Company's conditions, etc.
- b. The amount of the retirement benefit will be decided on the basis of the monthly amount of compensation and the number of service years, etc.

### ii. Compensation for Executive Officers:

- a. A fixed amount of compensation shall be set at a level considered reasonable, while taking into account the contents of the Executive Officer's duties and the Company's conditions, etc.
- b. Performance-based compensation shall be paid as indicated below.
  - The Group strives to achieve sustainable growth and further improvement of corporate value through its threefold balanced management policy of "Growth," "Profitability & Efficiency" and "Soundness." The Group has defined consolidated revenue of ¥5 trillion or more and an operating profit ratio of 8% or more as fiscal 2021 targets. The payment reference amount for performance-based compensation is based on the consolidated business performance such as net profit attributable to Mitsubishi Electric Corp. stockholders, in line with this policy and these targets.
  - Compensation for Executive Officers are set within a range of  $\pm 20\%$  the payment reference amount, reflecting business performance in their respective business segments.
  - With the purposes of meshing the interest of shareholders with the

Executive Officers and further raising management awareness that places importance on the interest of shareholders, and increasing the incentives for the improvement of business performance from the mid- and long-term perspectives, 50% of performance-based compensation will be paid in the form of shares. Share-based compensation consists of Company stocks issued after a three-year deferment period. The Company sets a rule that the Executive Officers are required to continue to hold the Company stocks issued until 1 year has passed from resignation, in principle.

- c. The amount of the retirement benefit will be decided on the basis of the monthly amount of compensation and the number of service years, etc.

iii. Decision-making process:

The Company decides on compensation decision policies for Directors and Executive Officers, and the compensation given to individuals based on these policies, through the Compensation Committee, a majority of which is comprised of outside directors. The details of the activities of the Compensation Committee are reported to the Board of Directors on a case-by-case basis.

### 3. Status of the Independent Auditor

(1) Name of the Independent Auditor

KPMG AZSA LLC

(2) Compensation Paid to the Independent Auditor in Fiscal 2020

(Millions of yen)

	Payment
1) Compensation and other payments to the Independent Auditor by Mitsubishi Electric Corporation	264
2) A total of financial returns payable on monetary and other assets by Mitsubishi Electric Corporation and its subsidiaries	485

- Notes: 1. In its auditing agreements with independent auditors, the Company makes no distinction between compensation for audits as defined by the Companies Act or for audits as defined under the Financial Instruments and Exchange Law. The total of compensation for such audits is included in 1) in the above table.
2. Aside from audit work defined in Article 2, Paragraph 1 of the Certified Public Accountant Law, Mitsubishi Electric Corporation has paid the Independent Auditor a fee for advisory services related to assessment of the Company's accounting operations.
3. Ten of the Company's principal subsidiaries have been audited by audit corporations (or accounting firms) other than the Independent Auditor retained by Mitsubishi Electric Corporation. Accounting firms in alliance with the Independent Auditor retained by Mitsubishi Electric Corporation audited nine out of such ten subsidiaries.
4. Audit Committee determined that the compensation for Independent Auditors were legitimate and agreed to the amount, as it was based on the estimated audit hours taking into account the audit policies and plans for fiscal 2020, which were confirmed with the Independent Auditors, and as the compensation unit price was a reasonable amount.

(3) Policy on Dismissal or Non-Reappointment of the Independent Auditor

1) The Independent Auditor may be dismissed in the event that it:

- a. Commits any breach or omission of due fulfillment of the responsibilities of its work;
- b. Acts in a manner that is inappropriate for an independent auditor; or,
- c. Is involved in any sort of incident or activity that is deemed to fall within the scope of (a) and (b) above.

2) In addition to the event as contemplated in 1) above, for such reasons as (but not limited to) amelioration of the audit quality, the Company may opt, as necessary, not to renew the retention or appointment of the Independent Auditor.

#### **4. Summary of 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 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.

(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 in charge of audit.

Details of this section are posted on the Company's Website (<https://www.MitsubishiElectric.com/en/investors/meeting/>).

[Details Disclosed on the Company's Website]

- (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"> <li>■ Assign employees whose job is exclusively to assist the Audit Committee.</li> <li>■ The Senior 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.</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>■ 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 in charge of audits.</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 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.</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 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, and conduct investigations such as interviews with Executive Officers and 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 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 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 regulations the Articles of Incorporations. Internal auditors shall monitor the status of management.</p>	<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 Incorporations are established. Their duties are executed in accordance with these internal regulations.</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>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"> <li>■ Establish internal regulations related to the record keeping and information management regarding Executive Officers' performance and execution of duties.</li> <li>■ Executive officers shall take responsibility for constructing risk management systems related to possible losses within the areas over which they are appointed.</li> <li>■ Executive officers shall take responsibility for ensuring management efficiency within the areas over which they are appointed.</li> <li>■ 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"> <li>1. Establish internal regulations and action guidelines regarding ethics and compliance.</li> <li>2. Implement an internal whistle-blower system.</li> </ol> </li> <li>■ Important matters shall be deliberated at Executive Officer meetings.</li> <li>■ Internal auditors shall monitor the status of management.</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>■ 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.</li> <li>■ Internal regulations and action guidelines regarding ethics and compliance are established, based on which the performance and execution of duties is carried out.</li> <li>■ Various types of compliance-related trainings are implemented for employees on a regular basis.</li> </ul>	<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>

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> <ul style="list-style-type: none"> <li>■ Executive officers shall manage the subsidiaries within the areas over which they are appointed.</li> <li>■ Establish action guidelines shared throughout the Group regarding ethics and compliance.</li> <li>■ Create a specialized organization for integrated management of the Group companies.</li> <li>■ 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>■ Conduct regular audits of subsidiaries by internal auditors.</li> </ul>	<ul style="list-style-type: none"> <li>■ Executive Officers take responsibility for managing the subsidiaries within the areas over which they are appointed.</li> <li>■ Action guidelines shared throughout the Group regarding ethics and compliance are established and thoroughly informed in the Group.</li> <li>■ A specialized organization for the management of associated companies is created for the integrated management of the Group companies.</li> <li>■ 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.</li> </ul>	

## 5. Basic Policy Regarding Control over the Company

At present, Mitsubishi Electric Corporation has not formulated basic policies or anti-takeover measures.

The Company aims to further enhance corporate value in incessant pursuit of growth and *better-than-ever* business results. Through proactive IR activities, the Company endeavors to convey timely information to investors and financial markets, regarding its management policies, strategies and business results.

However, due to the possibility that large volumes of shares may be purchased, the Company believes it is necessary to take appropriate steps in response to any action not in conformity with the objective of enhancing the Company's corporate value, or in contrary to the common interest of shareholders. Looking forward, the Company will maintain a careful watch over social trends and examine avenues of action.

## 6. Policy on the Determination of Dividends from Surplus

### (1) Medium- to long-term policy

Mitsubishi Electric Corporation shall remain focused on enhancing corporate value as its ultimate objective. The Company aims to maintain a balance between distributing profits that reflect earnings conditions for the respective fiscal year and strengthening its financial standings by improving internal reserves. From this perspective, the Company's fundamental policy is to improve overall shareholder returns.

### (2) Dividends for the fiscal year ended March 31, 2020

In the fiscal year ended March 31, 2020, Mitsubishi Electric Corporation decided to pay a fiscal year-end dividend of ¥26 per share in line with its performance and financial standing during the fiscal period.

As a result, the annual dividend for the fiscal year ended March 31, 2020, amounted to ¥40 per share, which includes an interim dividend of ¥14 per share paid on December 3, 2019.

Note: Fiscal year-end dividends will be paid on Tuesday, June 2, 2020.

# Consolidated Financial Statements

## Consolidated Statement of Financial Position

(March 31, 2020)

(Millions of yen)

Assets		Liabilities	
Current assets	2,628,033	Current liabilities	1,402,665
Cash and cash equivalents	537,559	Bonds, borrowings and lease liabilities	133,369
Trade receivables	900,430	Trade payables	527,307
Contract assets	343,637	Contract liabilities	147,781
Other financial assets	56,765	Other financial liabilities	160,810
Inventories	693,890	Accrued expenses	265,059
Other current assets	95,752	Accrued income taxes	21,335
Non-current assets	1,781,738	Provisions	99,215
Investments accounted for using the equity method	196,237	Other current liabilities	47,789
Other financial assets	262,367	Non-current liabilities	468,247
Property, plant and equipment	854,382	Bonds, borrowings and lease liabilities	243,634
Goodwill and intangible assets	146,323	Net defined benefit liabilities	163,240
Deferred tax assets	249,830	Provisions	5,210
Other non-current assets	72,599	Deferred tax liabilities	10,193
		Other non-current liabilities	45,970
		Total liabilities	1,870,912
		Equity	
		Mitsubishi Electric Corp. stockholders' equity	2,429,743
		Common stock	175,820
		Capital surplus	202,832
		Retained earnings	2,071,817
		Accumulated other comprehensive income (loss)	(17,802)
		Treasury stock, at cost	(2,924)
		Non-controlling interests	109,116
		Total equity	2,538,859
Total assets	4,409,771	Total liabilities and equity	4,409,771

## Consolidated Statement of Profit or Loss

(April 1, 2019 to March 31, 2020)

(Millions of yen)

Revenue	4,462,509
Cost of sales	3,200,170
Selling, general and administrative expenses	1,017,075
Other profit (loss)	14,397
Operating profit	259,661
Financial income	10,285
Financial expenses	7,008
Share of profit of investments accounted for using the equity method	19,048
Profit before income taxes	281,986
Income taxes	48,474
Net profit	233,512
Net profit attributable to:	
Mitsubishi Electric Corp. stockholders	221,834
Non-controlling interests	11,678

[Reference]

Consolidated Statement of Cash Flows

(April 1, 2019 to March 31, 2020)

(Millions of yen)

Cash flows from operating activities	395,834
Cash flows from investing activities	(203,997)
Free cash flow	191,837
Cash flows from financing activities	(156,454)
Effect of exchange rate changes on cash and cash equivalents	(12,048)
Net increase (decrease) in cash and cash equivalents	23,335

# Financial Statements

## Balance Sheet

(March 31, 2020)

(Millions of yen)

Assets		Liabilities	
Current assets:	1,576,822	Current liabilities:	1,325,693
Cash and cash equivalents	243,959	Electronically recorded obligations – operating	97,358
Notes receivable	2,681	Trade accounts payable	300,883
Trade accounts receivable	811,648	Short-term loans payable	546,854
Finished goods	74,822	Lease obligation	2,962
Raw materials	44,976	Other accounts payable	101,971
Work in process	213,796	Accrued expenses	87,484
Advance payments	20,578	Income taxes payable	1,643
Other	165,656	Advances received	92,439
Allowance for doubtful accounts	(1,298)	Reserve for product warranties	41,915
Noncurrent assets:	1,289,990	Reserve for loss on construction contracts	26,400
Property, plant and equipment	454,621	Other	25,778
Buildings, net	216,900	Noncurrent liabilities:	258,858
Structures, net	12,226	Bonds payable	20,000
Machinery and equipment, net	100,081	Long-term loans payable	212,250
Vehicles, net	445	Lease obligations	4,935
Tools, furniture and fixtures, net	29,475	Reserve for retirement benefits	15,668
Land	47,043	Reserve for loss on investments in foreign subsidiaries and affiliates	971
Lease assets, net	3,973	Reserve for directors' retirement benefits	1,322
Construction in progress	44,475	Reserve for competition-law-related expenses	2,083
Intangible fixed assets	39,876	Asset retirement obligations	386
Software	25,107	Other	1,240
Other	14,769	Total liabilities	1,584,551
Investments and other assets	795,492	Net assets	
Investment in securities	160,860	Shareholders' equity:	1,248,509
Investment in subsidiaries and affiliates	423,111	Common stock	175,820
Long-term loans receivable	12,419	Capital surplus	181,321
Long-term prepaid expenses	3,763	Legal capital surplus	181,140
Deferred tax assets	66,709	Other capital surplus	180
Other	129,512	Retained earnings	894,291
Allowance for doubtful accounts	(885)	Legal retained earnings	43,955
		Other retained earnings	850,336
		Reserve for reduction entry	9,583
		General reserve	300,000
		Retained earnings brought forward	540,753
		Treasury stock	(2,924)
		Valuation and translations adjustments:	33,751
		Unrealized gains (losses) on securities	33,732
		Deferred gains (losses) on hedges	18
		Total net assets	1,282,260
Total assets	2,866,812	Total liabilities and net assets	2,866,812

## Statement of Income

(April 1, 2019 to March 31, 2020)

(Millions of yen)

Net sales		2,639,209
Cost of sales		2,111,540
Gross profit		527,668
Selling, general and administrative expenses		486,822
Operating income		40,846
Non-operating income		
Interest and dividends	119,707	
Other	9,516	129,224
Non-operating expenses		
Interest	2,401	
Other	24,452	26,853
Ordinary income		143,216
Extraordinary income		
Gain on sales of property, plant and equipment	12,149	12,149
Extraordinary loss		
Loss on impairment	669	669
Income before income taxes		154,696
Income taxes-current		(3,958)
Income taxes-deferred		801
Net income		157,854

## Independent Auditor's Report

May 7, 2020

Takeshi Sugiyama  
President and CEO  
Mitsubishi Electric Corporation

KPMG AZSA LLC  
Tokyo Office, Japan

Hideaki Koyama (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Naoki Matsumoto (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yukihiko Ishiguro (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of Mitsubishi Electric Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and the Audit committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of

disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

## Independent Auditor's Report

May 7, 2020

Takeshi Sugiyama  
President and CEO  
Mitsubishi Electric Corporation

KPMG AZSA LLC  
Tokyo Office, Japan

Hideaki Koyama (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Naoki Matsumoto (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yukihiko Ishiguro (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Mitsubishi Electric Corporation (“the Company”) as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and the Audit committee for the Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and Others**

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## Audit Committee Report

The Audit Committee has conducted audits of the Directors and Executive Officers of the Company with regard to their performance of duties during the 149th fiscal period (April 1, 2019 to March 31, 2020). A report covering the methodology and findings of the audit follows.

### 1. Methodology and Scope of Audit

The Company's Audit Committee monitored and examined the content of resolutions of the Board of Directors related to matters set forth in Article 416, Paragraph 1, Item 1, Sections 2 and 5 of the Companies Act, as well as the structure of the Company's internal control system as set forth in the aforementioned resolutions. To this end, the Audit Committee received periodic reports from Directors, Executive Officers and employees regarding the content of the above resolutions, along with the constitution and operating effectiveness of the above-referred internal control system. The Audit Committee, where necessary, sought explanations and voiced opinions on these matters. At the same time, the Audit Committee conducted audits using the following methods.

(a) In accordance with its established policies and procedures, the Audit Committee attended important meetings, received reports on business activities from Directors and Executive Officers, sought explanations where necessary, and perused documents pertaining to important decisions, and also surveyed properly the condition of operations and assets at the Company's head office and key operational facilities, in collaboration with the divisions in charge of internal control. Where necessary, the Audit Committee sought reports on the operations and assets of subsidiaries.

(b) In addition to monitoring and examining the activities of the independent auditor to ensure that it maintains its independent position and that it conducts its auditing duties properly, the Audit Committee received reports from the Independent Auditor regarding the status of its activities and sought explanations when necessary. Furthermore, the Independent Auditor notified the Committee that it was adhering to "Quality Management Standards Regarding Audits" (Business Accounting Council of the Financial Services Agency, October 28, 2005) as it worked to improve its system "to ensure that its duties are properly executed," as stipulated in Article 131 of the "Company Accounting Regulations." The Committee sought explanations where necessary.

Based upon the above methods, the Audit Committee carefully examined the Business Report and its supplementary schedules, the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements), the non-consolidated financial statements (balance sheets, statements of income, statements of changes in shareholders' equity and notes to non-consolidated financial statements) and their supplementary schedules for the fiscal year ended March 31, 2020.

### 2. Audit Results

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

(a) The Business Report and Supplementary Schedules present fairly, in conformity with applicable laws and regulations and the Company's Articles of Incorporation, the conditions of the Company.

(b) In executing their duties, the Directors and Executive Officers have not made any significant transactions or actions deemed to be in contradiction of any laws or the Company's Articles of Incorporation.

(c) The content of the Board of Directors' resolutions related to internal control systems as set forth in Article 416, Paragraph 1, Item 1, Sections 2 and 5, of the Companies Act is adequate. Moreover, we find no issues of concern with regard to contents of the Business Report and the performance of Directors and Executive Officers in their duties related to internal control systems.

As mentioned in the Business Report, labor issues, improper quality-related conduct, the possibility of information leakage due to unauthorized access, and other issues have become clear at the Group. The Audit Committee has confirmed that the Company is formulating and implementing measures to prevent recurrence based on the analysis of the cause of each issue, and will closely monitor the response to each issue and the progress thereof going forward.

(2) Results of the Audit of Consolidated Financial Statements

The procedures and report of the audit by the Independent Auditor, KPMG AZSA LLC, are adequate.

(3) Results of the Audit of Non-Consolidated Financial Statements and Supplementary Schedules

The procedures and report of the audit by the Independent Auditor, KPMG AZSA LLC, are adequate.

May 8, 2020

The Audit Committee  
Mitsubishi Electric Corporation

Akihiro Matsuyama, Committee Member (Standing)  
Masahiko Sagawa, Committee Member (Standing)  
Hiroshi Obayashi, Committee Member  
Kazunori Watanabe, Committee Member  
Takashi Oyamada, Committee Member

Note: Hiroshi Obayashi, Kazunori Watanabe and Takashi Oyamada are Outside Directors as prescribed under Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.