



[Translation]

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Quarterly Report

The First Quarter of 152nd Business Term
From April 1, 2022 to June 30, 2022

Mitsubishi Electric Corporation

7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo

The First Quarter of 152nd Business Term (from April 1, 2022 to June 30, 2022)

Quarterly Report

This is an English translation of the Quarterly Report (“Shihanki Hokokusho”) pursuant to Article 24-4-7, paragraph 1 of the Financial Instruments and Exchange Act of Japan filed via the Electronic Disclosure for Investors’ Network (“EDINET”) system as set forth in Article 27-30-2 of the same Act. The translation includes a table of contents and pagination that are not included in the electronic filing.

Mitsubishi Electric Corporation

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[Cover]

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[Fiscal Year]	The First Quarter of 152nd business term (from April 1, 2022 to June 30, 2022)
[Company Name]	Mitsubishi Denki Kabushiki Kaisha
[Company Name in English]	Mitsubishi Electric Corporation
[Title and Name of Representative]	Kei Uruma, President & CEO
[Address of Head Office]	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo
[Phone Number]	03(3218)2272
[Contact Person]	Takashi Wakabayashi, Senior Manager, Accounting Section, Corporate Accounting Division
[Contact Address]	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo
[Phone Number]	03(3218)2272
[Contact Person]	Takashi Wakabayashi, Senior Manager, Accounting Section, Corporate Accounting Division
[Place Where the Filed Document is Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Cautionary Statement

While the statements herein, including the forecasts regarding the Mitsubishi Electric Group, are based on assumptions considered to be reasonable under the circumstances on the date of announcement, actual results may differ significantly from forecasts.

The main factors materially affecting the expectations expressed herein include but are not limited to the following:

- (1) Changes in worldwide economic and social conditions, as well as regulations, taxation and other legislation
- (2) Changes in foreign currency exchange rates
- (3) Changes in stock markets
- (4) Changes in the fund-raising environment
- (5) Changes in the supply and demand of products, as well as the material procurement environment
- (6) Establishment of important patents, status of significant licenses and disputes related to key patents
- (7) Litigation and other legal proceedings
- (8) Issues related to quality and defects in products or services
- (9) Laws, regulations and issues related to the global environment, especially responses to climate change
- (10) Laws, regulations and issues related to human rights
- (11) Radical technological innovation, as well as the development, manufacturing and time-to-market of products using new technology
- (12) Business restructuring
- (13) Information security incidents
- (14) Large-scale disasters, including earthquakes, tsunamis, typhoons, volcanic eruptions and fires
- (15) Social, economic and political upheaval due to heightened geopolitical risks, war, conflict, terrorism or other factors
- (16) Social, economic and political upheaval due to pandemics or other factors
- (17) Important matters related to Mitsubishi Electric Corporation’s directors and executive officers, major shareholders, affiliated companies and other stakeholders

I. Overview of the Company

1. Key Financial Data

(Millions of yen, unless otherwise stated)

	For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022	Year ended Mar. 31, 2022
Revenue	1,066,442	1,067,723	4,476,758
Profit before income taxes	89,513	46,896	279,693
Net profit attributable to Mitsubishi Electric Corp. stockholders	61,835	33,492	203,482
Comprehensive income attributable to Mitsubishi Electric Corp. stockholders	61,456	106,636	356,926
Mitsubishi Electric Corp. stockholders' equity	2,759,406	3,027,280	2,975,941
Total equity	2,877,721	3,153,338	3,097,397
Total assets	4,696,753	5,119,464	5,107,973
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders (yen)	28.82	15.86	95.41
Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders (yen)	28.82	15.86	95.41
Mitsubishi Electric Corp. stockholders' equity ratio (%)	58.8	59.1	58.3
Cash flows from operating activities	121,735	54,655	282,371
Cash flows from investing activities	(31,867)	(54,437)	(114,867)
Cash flows from financing activities	(93,525)	(68,870)	(241,319)
Cash and cash equivalents at end of period	765,849	687,153	727,179

Notes: 1. The condensed quarterly consolidated financial statements and the consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS").

2. As the Group prepares the condensed quarterly consolidated financial statements, the key financial data of the Company is not provided.

3. Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders is equal to Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders as no dilutive securities existed.

2. Description of Business

The condensed quarterly consolidated financial statements of the Mitsubishi Electric Group are prepared in accordance with IFRS. The Mitsubishi Electric Group, which is composed of the Company, 209 consolidated subsidiaries and 40 equity method companies, engages in 5 business segments (Infrastructure, Industry and Mobility, Life, Business Platform, Others) and our products range from all types.

The classification of reportable segments were changed from 6 categories such as Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices, Home Appliances, and Others to the above-noted 5 categories from the first quarter of this fiscal year. Details are described in "IV. Financial Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes 5. Segment information."

Changes in major subsidiaries and affiliated companies during the three months ended June 30, 2022 are as follows.

(Life) Mitsubishi Electric Building Techno-Service Co., Ltd. has succeeded building systems business of the Company, and changed its company name to Mitsubishi Electric Building Solutions Corporation as of April 1, 2022.

(Others) Mitsubishi Space Software Co., Ltd. has merged with Mitsubishi Electric Control Software Corporation, Mitsubishi Electric Micro-Computer Application Software Co., Ltd., Mitsubishi Electric Mechatronics Software Corporation, Melco Power Systems Co., Ltd., and Nippon Advanced Technology Co., Ltd., and changed its company name to Mitsubishi Electric Software Corporation as of April 1, 2022.

Chiyoda Mitsubishi Electric Co., Ltd., a comprehensive sales company, has merged with Seikosha Co., Ltd., and changed its company name to Mitsubishi Electric Industrial Solutions Corporation as of April 1, 2022.

II. Business Overview

1. Business and Other Risks

For the three months ended June 30, 2022, there were no new business and other risks such as unusual fluctuations in the financial position, operating results, and cash flows.

There were no material changes in the business and other risks stated in the Annual Securities Report for the fiscal year ended March 31, 2022.

Forward-looking statements in this section are based on the judgment of the Company as of the date of submission of the Quarterly Report (August 5, 2022).

There was no change in the impact of improper quality control practices stated in the Annual Securities Report for the fiscal year ended March 31, 2022. Details are described in “IV. Financial Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes 10. Contingent liabilities.” The Company will continue to cooperate with the investigation activities to the fullest extent to uncover all the improper quality control practices, institute measures tailored to each individual workplace while deepening and developing reform in three key areas (quality assurance, organizational culture, and governance) with the aim of regaining trust, including measures to prevent future recurrence.

2. Management Analysis of Financial Position, Operating Results and Cash Flows

The condensed quarterly consolidated financial statements of the Mitsubishi Electric Group are prepared in accordance with IFRS. The Group makes judgments, estimates and assumptions that affect the amounts of assets, liabilities, income and expenses in preparation of the condensed quarterly consolidated financial statements, and actual results may differ from these estimates.

(1) Overview of business performance

The economy in the three months ended June 30, 2022 generally continued to see recovery in the corporate and household sectors in the U.S., while there was downward pressure on the corporate and household sectors due to the impact of lockdown caused by the expansion of COVID-19 in China. In Japan and Europe, the pace of recovery slowed down due primarily to a decrease in production. There was also the impact of the rise in a part of material prices and high logistics costs as well as the prolonged components shortage.

As a result, the business performance for the three months ended June 30, 2022 is as follows.

< Consolidated Performance >		(In billions of yen)	
	For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022	Year-on-year
Revenue	1,066.4	1,067.7	up 1.2
Operating profit	82.7	33.9	down 48.8
Profit before income taxes	89.5	46.8	down 42.6
Net profit attributable to Mitsubishi Electric Corp. stockholders	61.8	33.4	down 28.3

1) Revenue

Revenue increased by 1.2 billion yen year-on-year to 1,067.7 billion yen owing primarily to the weaker yen, despite a decrease due mainly to the impact of Shanghai’s lockdown. The Infrastructure segment saw decreases in revenue in all of its businesses: the public utility systems, the energy systems, and the defense & space systems. The Life segment saw an increase in the building systems business and a decrease in the air conditioning systems & home products business. The Industry and Mobility segment saw an increase in the automotive equipment business and a decrease in the factory automation systems business. The Business Platform segment saw increases in both of its businesses: the information systems & network service and the semiconductor & device.

< Impact of Exchange Rate Fluctuations on Revenue >

	Average exchange rate for the three months ended Jun. 30, 2021	Average exchange rate for the three months ended Jun. 30, 2022	Impact of exchange rate fluctuations on revenue for the three months ended Jun. 30, 2022
Consolidated total	—	—	About ¥57.0 billion increase
US\$	¥110	¥131	About ¥25.0 billion increase
EURO	¥132	¥139	About ¥5.0 billion increase
CNY	¥17.1	¥19.7	About ¥12.0 billion increase

2) Operating profit

Operating profit decreased by 48.8 billion yen year-on-year to 33.9 billion yen due mainly to decreases in the Life segment, the Industry and Mobility segment and the Infrastructure segment, despite an increase in the Business Platform segment. Operating profit ratio decreased by 4.6 points year-on-year to 3.2% due mainly to deteriorated cost ratio.

The cost ratio deteriorated by 2.5 points year-on-year despite the weaker yen, primarily as there was the impact of the rise in material prices and a deterioration in the Life segment, whose production level was lower due to the electronic components shortage. Selling, general and administrative expenses increased by 21.5 billion yen year-on-year, and the selling, general and administrative expenses to revenue ratio deteriorated by 2.0 points year-on-year. Other profit (loss) decreased by 0.3 billion yen year-on-year and the other profit (loss) to revenue ratio deteriorated by 0.1 points year-on-year.

3) Profit before income taxes

Profit before income taxes decreased by 42.6 billion yen year-on-year to 46.8 billion yen due primarily to a decrease in operating profit. The profit before income taxes to revenue ratio was 4.4%.

4) Net profit attributable to Mitsubishi Electric Corp. stockholders

Net profit attributable to Mitsubishi Electric Corporation stockholders decreased by 28.3 billion yen year-on-year to 33.4 billion yen due mainly to a decrease in profit before income taxes. The net profit attributable to Mitsubishi Electric Corporation stockholders to revenue ratio was 3.1%.

Consolidated Financial Results by Business Segment are as shown below.

1) Infrastructure

The market for the public utility systems business saw robust investment in the public utility area outside Japan, while there was a continuing trend of railway companies in Japan revising their capital expenditure due to the impact of COVID-19. In this environment, orders won by the business increased year-on-year due primarily to an increase in the public utility area outside Japan, while revenue decreased year-on-year due mainly to a decrease in the transportation systems business in Japan.

The market for the energy systems business continued to see recovery in capital expenditures of power companies in Japan as well as robust demand for power supply stabilization in the expansion of renewable energy. In this environment, orders won by the business increased year-on-year due primarily to increases in the power generation business outside Japan and the power distribution business in Japan, while revenue decreased year-on-year due mainly to a decrease in the power generation business in Japan.

The defense & space systems business saw an increase in orders year-on-year due primarily to an increase in large-scale projects for the space systems business, while revenue decreased year-on-year due mainly to a decrease in large-scale projects for the defense systems business.

As a result, revenue for this segment decreased by 7% year-on-year to 174.2 billion yen.

Operating profit declined by 8.9 billion yen year-on-year to a loss of 3.2 billion yen due primarily to a decrease in revenue and a shift in project portfolios.

2) Industry and Mobility

The market for the factory automation systems business saw a global increase primarily in demand for capital expenditures related to digital equipment such as semiconductors and electronic components, as well as products in the decarbonization area such as lithium-ion batteries. In this environment, orders won by the business increased year-on-year, while revenue decreased year-on-year due primarily to a decrease in revenue in China owing mainly to Shanghai's lockdown.

The market for the automotive equipment business saw a decrease in sales of new cars except some regions due primarily to

the semiconductor shortage, although there was robust demand for electric vehicle-related equipment in line with the expansion of the electric vehicle market. In this environment, the business saw increases in both orders and revenue year-on-year due primarily to the weaker yen.

As a result, revenue for this segment increased by 1% year-on-year to 364.4 billion yen.

Operating profit decreased by 11.9 billion yen year-on-year to 22.7 billion yen due mainly to the rise in material prices and logistics costs, despite the weaker yen.

3) Life

The market for the building systems business saw the signs of recovery from the sluggish market stemming from COVID-19. In this environment, orders won by the business decreased year-on-year due mainly to a decrease in China, while revenue increased year-on-year due mainly to the weaker yen and an increase in Japan and Asia.

The market for the air conditioning systems & home products business saw the impact of Shanghai's lockdown and the electronic components shortage. In this environment, the revenue for the business decreased year-on-year due mainly to a decrease in residential and industrial air conditioners in Japan, China and North America.

As a result, revenue for this segment increased by 1% year-on-year to 438.3 billion yen.

Operating profit decreased by 31.0 billion yen year-on-year to 13.7 billion yen due primarily to the rise in material prices and logistics costs as well as the lower production level, despite the weaker yen.

4) Business Platform

The market for the information systems & network service business saw robust demand due mainly to the restarts of projects delayed in the COVID-19 pandemic. In this environment, the business saw an increase in both orders and revenue due mainly to increases in the IT infrastructure service and the system integrations businesses.

The market for the semiconductor & devices business saw a decrease in power modules used in automotive applications, although optical communication devices remained robust in line with increasing demand for communication. In this environment, orders won by the business decreased year-on-year due primarily to the end of the TFT-LCD module business, while revenue increased year-on-year due primarily to the weaker yen as well as an increase in high frequency and optical devices, particularly in optical communication devices.

As a result, revenue for this segment increased by 6% year-on-year to 93.2 billion yen.

Operating profit increased by 3.5 billion yen year-on-year to 7.4 billion yen due mainly to an increase in revenue.

5) Others

Revenue increased by 12% year-on-year to 179.8 billion yen due primarily to increases in materials procurement and logistics.

Operating profit increased by 0.1 billion yen year-on-year to 3.9 billion yen due mainly to an increase in revenue.

(2) Analysis of financial position

Total assets as of the end of this fiscal quarter increased by 11.4 billion yen compared to the end of the previous fiscal year to 5,119.4 billion yen. The change in balance of total assets was mainly attributable to increases in inventories by 136.6 billion yen and other financial assets by 30.4 billion yen, despite a decrease in trade receivables by 165.0 billion yen.

Inventories increased due primarily to the weaker yen, recovery in demand for the Industry and Mobility segment and the Life segment, as well as the semiconductors and other electronic components shortage. Trade receivables decreased due mainly to credit collection for projects from the previous fiscal year.

Total liabilities decreased by 44.4 billion yen compared to the end of the previous fiscal year to 1,966.1 billion yen due primarily to decreases in accrued expenses of 47.1 billion yen and trade payables of 24.8 billion yen. Bonds and borrowings increased by 2.6 billion yen compared to the end of the previous fiscal year to 219.8 billion yen, with the ratio of bonds and borrowings to total assets recording 4.3%, unchanged compared to the end of the previous fiscal year.

Mitsubishi Electric Corporation stockholders' equity increased by 51.3 billion yen compared to the end of the previous fiscal year to 3,027.2 billion yen due mainly to net profit attributable to Mitsubishi Electric Corporation stockholders of 33.4 billion yen and an increase in accumulated other comprehensive income of 72.2 billion yen, mainly reflecting the weaker yen, despite a decrease due primarily to a dividend payment of 54.9 billion yen. The stockholders' equity ratio was 59.1%, representing a 0.8 point increase compared to the end of the previous fiscal year.

(3) Status of cash flows

Cash flows from operating activities for this quarter were 54.6 billion yen (cash in), while cash flows from investing activities were 54.4 billion yen (cash out). As a result, free cash flow was 0.2 billion yen (cash in). Cash flows from financing activities were 68.8 billion yen (cash out), and cash and cash equivalents at the end of the period decreased by 40.0 billion yen compared to the end of the previous fiscal year to 687.1 billion yen.

Net cash provided by operating activities decreased by 67.0 billion yen year-on-year due primarily to a decrease in profit and an increase in inventories.

Net cash used in investing activities increased by 22.5 billion yen year-on-year due mainly to an increase in purchase of investment securities primarily for the acquisition of subsidiaries, as well as the purchase of property, plant and equipment.

Net cash used in financing activities decreased by 24.6 billion yen year-on-year due primarily to the impact of the expenditure for repayments of bonds in the same period of the previous fiscal year.

(4) Management Policy, Business Environment and Corporate Agenda

For the three months ended June 30, 2022, there were no material changes in the “Management Policy, Business Environment and Corporate Agenda” stated in the Annual Securities Report for the fiscal year ended March 31, 2022.

(5) Research and Development

For the three months ended June 30, 2022, the total R&D expenses for the entire Group have amounted to 49.2 billion yen (including elements spent on quality improvements, which constitute manufacturing costs).

There were no significant changes in the research and development activities of the Group for the three months ended June 30, 2022.

3. Material Agreements, etc.

In the three months ended June 30, 2022, there were no material agreements entered into, modified, or canceled.

III. Information on the Company

1. Information on the Company's Stock, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Authorized shares (shares)
Common stock	8,000,000,000
Total	8,000,000,000

2) Issued shares

Class	Number of shares issued as of the end of the quarter (shares) (Jun. 30, 2022)	Number of shares issued as of the filing date (shares) (Aug. 5, 2022)	Stock exchange on which the Company is listed	Description
Common stock	2,147,201,551	2,147,201,551	Japan: Tokyo (Prime Market) Overseas: London	The number of shares per one unit of shares is 100 shares.
Total	2,147,201,551	2,147,201,551	—	—

Note: Common stock in the table above has voting rights.

(2) Information on the stock acquisition rights, etc.

1) Details of stock option plans

Not applicable.

2) Details of other stock acquisition rights, etc.

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Changes in the total number of issued shares and the amount of common stock, etc.

Date	Change in the total number of issued shares (thousand shares)	Balance of the total number of issued shares (thousand shares)	Change in common stock (millions of yen)	Balance of common stock (millions of yen)	Change in capital reserve (millions of yen)	Balance of capital reserve (millions of yen)
From April 1, 2022 to Jun. 30, 2022	—	2,147,201	—	175,820	—	181,140

(5) Principal shareholders

Not applicable.

(6) Information on voting rights

All details provided in this section “(6) Information of voting rights” are based on the register of shareholders as of March 31, 2022, since the register of shareholders as of June 30, 2022 cannot be confirmed.

1) Issued shares

(As of March 31, 2022)

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting right	—	—	—
Shares with restricted voting right (treasury stock, etc.)	—	—	—
Shares with restricted voting right (others)	—	—	—
Shares with full voting right (treasury stock, etc.)	Common stock 34,366,800	—	Standard common stock of the Company without any restriction. Number of shares constituting one unit: 100 shares
Shares with full voting right (others)	Common stock 2,112,421,800	21,124,218	Same as above
Shares less than one unit	Common stock 412,951	—	Same as above
Number of shares issued	2,147,201,551	—	—
Total number of voting rights	—	21,124,218	—

Notes: 1. The number of shares in “Shares less than one unit” includes 23 shares as treasury stocks, 136 shares held by the Board Incentive Plan Trust, crossholding stocks registered under own name (Shonai Mitsubishi Electric Sales Corporation 25 shares), and 80 shares registered in the name of Japan Securities Depository Center, Inc.

2. The number of shares and the number of voting rights in “Shares with full voting right (others)” include 6,700 shares (67 voting rights) registered in the name of Japan Securities Depository Center, Inc. and 1,130,300 shares (11,303 voting rights) held through the Board Incentive Plan Trust.

2) Treasury stock, etc.

(As of March 31, 2022)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the name of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Mitsubishi Electric Corporation	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	34,098,500	—	34,098,500	1.59
Ryoyo Electric Corporation	6621, Oda, Yakage-cho, Oda-gun, Okayama	243,200	—	243,200	0.01
Shonai Mitsubishi Electric Sales Corporation	5-22, Takarada 2-chome, Tsuruoka-shi, Yamagata	13,100	—	13,100	0.00
KITA KOUDENSHA Corporation	2-10, Kita 11-jo Nishi 23-chome, Chuo-ku, Sapporo-shi, Hokkaido	12,000	—	12,000	0.00
Total	—	34,366,800	—	34,366,800	1.60

Notes: In addition to 34,098,500 shares owned by the Company in the table above and 23 shares less than one unit owned by the Company, 1,130,436 shares of the Company held through the Board Incentive Plan Trust are presented as the treasury stock in the consolidated financial statements.

2. Directors and Executive Officers

There were no changes in directors and executive officers from the filing date of the Annual Securities Report for the fiscal year ended March 31, 2022 until June 30, 2022.

IV. Financial Information

1. Basis of preparation of the condensed quarterly consolidated financial statements

The Group prepares its condensed quarterly consolidated financial statements in accordance with International Accounting Standards 34 “Interim Financial Reporting” (“IAS34”) since the Group meets all the requirements of a “specified international accounting standard company” in Article 1-2 of the cabinet Ordinance No. 64 of 2007, “Ordinance on Terminology, Forms and Preparation Methods of quarterly Consolidated Financial Statements”, and therefore Article 93 of that Ordinance applies to the Group.

2. Audit certification

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act of Japan, the condensed quarterly consolidated financial statements for the three months ended June 30, 2022, from April 1, 2022 to June 30, 2022 and the first quarter of the current fiscal year from April 1, 2022 to June 30, 2022 are reviewed by KPMG AZSA LLC.

1 【Condensed Quarterly Consolidated Financial Statements】

(1) 【Condensed Quarterly Consolidated Statement of Financial Position】

Yen (millions)

	Notes	As of Mar. 31, 2022	As of Jun. 30, 2022
(Assets)			
Cash and cash equivalents		727,179	687,153
Trade receivables		944,405	779,330
Contract assets		287,697	293,448
Other financial assets	9	62,135	96,876
Inventories		959,660	1,096,346
Other current assets		109,220	120,717
Current assets		3,090,296	3,073,870
Investments accounted for using the equity method		221,467	222,027
Other financial assets	9	321,056	316,797
Property, plant and equipment		855,746	873,040
Goodwill and intangible assets		161,494	182,700
Deferred tax assets		159,915	158,299
Other non-current assets		297,999	292,731
Non-current assets		2,017,677	2,045,594
Total assets		5,107,973	5,119,464

Yen (millions)

	Notes	As of Mar. 31, 2022	As of Jun. 30, 2022
(Liabilities)			
Bonds, borrowings and lease liabilities	9	173,213	176,958
Trade payables		601,606	576,724
Contract liabilities		188,300	202,333
Other financial liabilities	9	167,687	146,749
Accrued expenses		326,703	279,560
Accrued income taxes		33,575	20,969
Provisions		106,112	105,110
Other current liabilities		49,526	89,280
Current liabilities		1,646,722	1,597,683
Bonds, borrowings and lease liabilities	9	156,248	158,994
Net defined benefit liabilities		162,353	164,381
Provisions		4,921	4,750
Deferred tax liabilities		4,774	5,039
Other non-current liabilities		35,558	35,279
Non-current liabilities		363,854	368,443
Total liabilities		2,010,576	1,966,126
(Equity)			
Common stock		175,820	175,820
Capital surplus		202,695	201,554
Retained earnings		2,464,966	2,444,399
Accumulated other comprehensive income (loss)	9	184,528	256,791
Treasury stock, at cost		(52,068)	(51,284)
Mitsubishi Electric Corp. stockholders' equity		2,975,941	3,027,280
Non-controlling interests		121,456	126,058
Total equity		3,097,397	3,153,338
Total liabilities and equity		5,107,973	5,119,464

(2) 【Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income】
【Condensed Quarterly Consolidated Statement of Profit or Loss】

Yen (millions)

	Notes	For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022
Revenue	7	1,066,442	1,067,723
Cost of sales		748,309	776,473
Selling, general and administrative expenses		237,836	259,358
Other profit (loss)		2,471	2,073
Operating profit		82,768	33,965
Financial income		3,789	8,497
Financial expenses		1,138	727
Share of profit of investments accounted for using the equity method		4,094	5,161
Profit before income taxes		89,513	46,896
Income taxes		22,409	11,233
Net profit		67,104	35,663
Net profit attributable to:			
Mitsubishi Electric Corp. stockholders		61,835	33,492
Non-controlling interests		5,269	2,171

Yen

	Notes	For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022
Earnings per share (attributable to Mitsubishi Electric Corp. stockholders)			
Basic	8	28.82	15.86
Diluted	8	28.82	15.86

【Condensed Quarterly Consolidated Statement of Comprehensive Income】

Yen (millions)

	Notes	For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022
Net profit		67,104	35,663
Other comprehensive income (loss), net of tax			
Items that will not be reclassified to net profit			
Changes in fair value of financial assets measured at fair value through other comprehensive income	9	(1,872)	(1,847)
Share of other comprehensive income of investments accounted for using the equity method		(62)	62
Total items that will not be reclassified to net profit		(1,934)	(1,785)
Items that may be reclassified to net profit			
Exchange differences on translating foreign operations		(944)	78,229
Net changes in the fair value of cash flow hedges		(4)	(61)
Share of other comprehensive income of investments accounted for using the equity method		2,478	3,368
Total items that may be reclassified to net profit		1,530	81,536
Total other comprehensive income (loss)		(404)	79,751
Comprehensive income		66,700	115,414
Comprehensive income attributable to:			
Mitsubishi Electric Corp. stockholders		61,456	106,636
Non-controlling interests		5,244	8,778

(3) 【Condensed Quarterly Consolidated Statement of Changes in Equity】

For the three months ended Jun. 30, 2021

Yen (millions)

	Notes	Mitsubishi Electric Corp. stockholders' equity					Total	Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost			
Balance at beginning of year		175,820	202,777	2,266,490	111,801	(2,595)	2,754,293	116,318	2,870,611
Comprehensive income									
Net profit				61,835			61,835	5,269	67,104
Other comprehensive income (loss), net of tax					(379)		(379)	(25)	(404)
Comprehensive income		—	—	61,835	(379)	—	61,456	5,244	66,700
Reclassification to retained earnings				(45)	45		—		—
Dividends	6			(55,816)			(55,816)	(3,250)	(59,066)
Purchase of treasury stock						(526)	(526)		(526)
Disposal of treasury stock			(1,053)			1,053	—		—
Transactions with non-controlling interests and others			(1)				(1)	3	2
Balance at end of year		175,820	201,723	2,272,464	111,467	(2,068)	2,759,406	118,315	2,877,721

For the three months ended Jun. 30, 2022

Yen (millions)

	Notes	Mitsubishi Electric Corp. stockholders' equity					Total	Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost			
Balance at beginning of year		175,820	202,695	2,464,966	184,528	(52,068)	2,975,941	121,456	3,097,397
Comprehensive income									
Net profit				33,492			33,492	2,171	35,663
Other comprehensive income (loss), net of tax					73,144		73,144	6,607	79,751
Comprehensive income		—	—	33,492	73,144	—	106,636	8,778	115,414
Reclassification to retained earnings				881	(881)		—		—
Dividends	6			(54,940)			(54,940)	(2,869)	(57,809)
Purchase of treasury stock						(0)	(0)		(0)
Disposal of treasury stock			(784)			784	0		0
Transactions with non-controlling interests and others			(357)				(357)	(1,307)	(1,664)
Balance at end of year		175,820	201,554	2,444,399	256,791	(51,284)	3,027,280	126,058	3,153,338

(4) 【Condensed Quarterly Consolidated Statement of Cash Flows】

Yen (millions)

	For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022
Cash flows from operating activities		
Net profit	67,104	35,663
Adjustments to cash flows from operating activities		
Depreciation and amortization	46,061	48,745
Loss (gain) on sales and disposal of property, plant and equipment, net	(115)	(819)
Income taxes	22,409	11,233
Share of profit of investments accounted for using the equity method	(4,094)	(5,161)
Financial income and financial expenses	(2,651)	(7,770)
Decrease in trade receivables	166,921	194,033
Decrease (increase) in contract assets	4,356	(4,003)
Decrease (increase) in inventories	(67,759)	(102,993)
Decrease (increase) in other assets	830	(15,815)
Increase (decrease) in trade payables	(20,116)	(34,119)
Increase in net defined benefit liabilities	8,452	6,805
Increase (decrease) in other liabilities	(71,838)	(40,632)
Others, net	(10,211)	(14,438)
Subtotal	139,349	70,729
Interest and dividends received	7,152	7,469
Interest paid	(552)	(674)
Income taxes paid	(24,214)	(22,869)
Cash flows from operating activities	121,735	54,655
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,893)	(34,307)
Proceeds from sale of property, plant and equipment	540	1,173
Purchase of intangible assets	(4,170)	(4,798)
Purchase of investment securities and others, net of cash acquired	(1,092)	(17,534)
Proceeds from sale of investment securities and others, net of cash disposed	1,905	3,713
Others, net	843	(2,684)
Cash flows from investing activities	(31,867)	(54,437)
Cash flows from financing activities		
Proceeds from bonds and long-term borrowings	95	64
Repayments of bonds and long-term borrowings	(20,293)	(20)
Increase (decrease) in short-term borrowings, net	(1,608)	2,864
Repayments of lease liabilities	(13,775)	(14,020)
Dividends paid to Mitsubishi Electric Corp. stockholders	(55,816)	(54,940)
Purchase of treasury stock	(526)	(0)
Disposal of treasury stock	—	0
Dividends paid to non-controlling interests	(1,601)	(1,152)
Transactions with non-controlling interests	(1)	(1,666)
Cash flows from financing activities	(93,525)	(68,870)
Effect of exchange rate changes on cash and cash equivalents	2,100	28,626
Net increase (decrease) in cash and cash equivalents	(1,557)	(40,026)
Cash and cash equivalents at beginning of period	767,406	727,179
Cash and cash equivalents at end of period	765,849	687,153

【Notes to condensed quarterly consolidated financial statements】

1. Reporting entity

Mitsubishi Electric Corporation (“the Company”) is an entity located in Japan. The condensed quarterly consolidated financial statements of the Mitsubishi Electric Group (“the Group”) comprises the Company, its subsidiaries and equity in the Company’s associates and joint ventures.

The Group is a multinational organization which develops, manufactures, sells and distributes a broad range of electrical and electronic equipment in the fields as diverse as home appliances to space electronics. The Company and its subsidiaries’ principal lines of business are: (1) Infrastructure, (2) Industry and Mobility, (3) Life, (4) Business Platform and (5) Others. The Group’s manufacturing operations are conducted principally by the Company with 22 manufacturing sites located in Japan, as well as overseas manufacturing sites located in Thailand, China, the United States, Mexico, Italy and other countries.

2. Basis of preparation

(1) Statement of condensed quarterly consolidated financial statements in accordance with IAS 34

The Group prepares its condensed quarterly consolidated financial statements in accordance with International Accounting Standards 34 “Interim Financial Reporting” (“IAS34”) since the Group meets all the requirements of a “specified international accounting standard company” in Article 1-2 of the cabinet Ordinance No. 64 of 2007, “Ordinance on Terminology, Forms and Preparation Methods of quarterly Consolidated Financial Statements”, and therefore Article 93 of that Ordinance applies to the Group.

(2) Basis of measurement

The condensed quarterly consolidated financial statements of the Group are prepared using a historical cost basis except for certain financial instruments, defined benefit obligations, and plan assets that are measured at fair value and other items.

(3) Functional currency and presentation currency

The condensed quarterly consolidated financial statements of the Group are presented in Japanese yen, which is the Company’s functional currency, rounded down in units of millions of yen.

3. Significant accounting policies

Significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2022.

4. Significant accounting estimates and judgments

Management is required to make judgments, estimates and assumptions that affect the application of accounting policies and amounts of assets, liabilities, income and expenses in preparation of the condensed quarterly consolidated financial statements in accordance with IFRS. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The effects resulting from changes in accounting estimates are recognized in the period when estimates are revised and in the subsequent periods.

Accounting estimates and assumptions that could have a material effect on the amounts in the condensed quarterly consolidated financial statements are the same as in the Company's annual consolidated financial statements for the year ended March 31, 2022.

With regard to COVID-19, while circumstances remain uncertain, the Company has assumed that the pandemic would not have a significant long-term impact, and used accounting estimates such as the “Recoverable amount of property, plant and equipment, goodwill and intangible assets.” The Group believes that the above assumption is the best estimate as of June 30, 2022. However, if COVID-19 has a greater impact on future circumstances than expected, it may significantly affect the amounts in the consolidated financial statements. Regarding above the assumption, there are no significant changes from the conditions in the Company's annual consolidated financial statements for the year ended March 31, 2022.

5. Segment information

(1) Overview of reportable segments

The operating segments presented below are identified based on the segments for which separate financial information is available, and are periodically used for decisions on business resources allocation and evaluation of business operation by the Company's management.

The Group conducts business through 5 categories, Infrastructure, Industry and Mobility, Life, Business Platform, and Others, by aggregating multiple operating segments based on types and characteristics of products, production methods, and similarities in market.

Following the change of management structure effective April 1, 2022, the classification of reportable segments were changed from 6 categories such as Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices, Home Appliances, and Others to the above-noted 5 categories from the first quarter of this fiscal year. Segment information for the three months ended Jun. 30, 2021, has been restated to reflect the reclassification.

Principal operating segments and major products and services included in each category are as follows:

Infrastructure	Public Utility Systems, Energy Systems, Defense & Space Systems	Large display devices, electrical equipment for locomotives and rolling stock, wireless and wired communications systems, network camera and their systems, 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, satellite communications equipment, satellites, radar equipment, antennas, missile systems, fire control systems, broadcasting equipment, and others
Industry and Mobility	Factory Automation Systems, Automotive Equipment	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, ADAS-related products, car electronics and car mechatronics, car multimedia, and others
Life	Building Systems, Air Conditioning Systems & Home Products	Elevators, escalators, building security systems, building management systems, 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 bulbs, indoor lighting, LCD televisions, refrigerators, electric fans, dehumidifiers, air purifiers, vacuum cleaners, jar rice cookers, microwave ovens, and others
Business Platform	Information Systems & Network Service, Semiconductor & Device	Network security systems, information systems equipment, systems integration, power modules, high-frequency devices, optical devices, LCD devices, and others
Others	—	Procurement, logistics, real estate, advertising, finance, and other services

Intersegment transactions are conducted generally at prices that the Company's management recognizes as approximate arm's length prices. The calculation method of operating profit (loss) for reportable segments is consistent with that used in the Condensed Quarterly Consolidated Statement of Profit or Loss. It does not include share of profit of investments accounted for using the equity method, financial income or financial expenses.

(2) Segment information by business categories

Segment information by business categories are as follows. Amounts of operating profit in Eliminations and corporate are unallocatable research and development expenses.

For the three months ended Jun. 30, 2021

	Yen (millions)							
	Infrastructure	Industry and Mobility	Life	Business Platform	Others	Total	Eliminations and corporate	Consolidated total
Revenue and operating profit								
Revenue								
External customers	184,166	357,569	430,292	62,048	32,367	1,066,442	—	1,066,442
Intersegment	2,217	3,516	4,864	26,129	128,110	164,836	(164,836)	—
Total	186,383	361,085	435,156	88,177	160,477	1,231,278	(164,836)	1,066,442
Operating profit	5,682	34,685	44,828	3,851	3,859	92,905	(10,137)	82,768

For the three months ended Jun. 30, 2022

	Yen (millions)							
	Infrastructure	Industry and Mobility	Life	Business Platform	Others	Total	Eliminations and corporate	Consolidated total
Revenue and operating profit								
Revenue								
External customers	172,013	360,405	434,342	69,100	31,863	1,067,723	—	1,067,723
Intersegment	2,192	4,062	4,051	24,159	148,007	182,471	(182,471)	—
Total	174,205	364,467	438,393	93,259	179,870	1,250,194	(182,471)	1,067,723
Operating profit (loss)	(3,282)	22,725	13,732	7,428	3,998	44,601	(10,636)	33,965

6. Dividends

Dividends paid for the three months ended Jun. 30, 2021 and 2022 are as follows:

Resolution date	Total amount of dividends	Dividend per share	Record date	Effective date
	Yen (millions)	Yen		
April 28, 2021 Board of Directors Meeting	55,816	26	March 31, 2021	June 2, 2021
May 25, 2022 Board of Directors Meeting	54,940	26	March 31, 2022	June 2, 2022

7. Revenues

The Group's business consists of 5 reportable segments: Infrastructure, Industry and Mobility, Life, Business Platform and Others. Revenue is presented by these categories since the Company's management periodically uses them for decision of business resources allocation and evaluation of business operations.

The principal businesses and major products and services of each operating segment are shown in Note "5. Segment information." The Group conducts business through 5 categories by aggregating multiple operating segments based on types and characteristics of products, production methods, and similarities in market.

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

Following the change of management structure effective April 1, 2022, the classification of reportable segments were changed from the first quarter of this fiscal year. Segment information for the three months ended Jun. 30, 2021, has been restated to reflect the reclassification.

For the three months ended Jun. 30, 2021

	Yen (millions)						Consolidated total
	Japan	Overseas				total	
		North America	Asia (excluding Japan)	Europe	Others		
Infrastructure	148,564	19,695	9,467	4,095	2,345	35,602	184,166
Industry and Mobility	135,067	39,584	142,341	38,185	2,392	222,502	357,569
Life	177,503	55,656	98,123	87,630	11,380	252,789	430,292
Business Platform	29,594	2,278	22,569	7,554	53	32,454	62,048
Others	27,471	242	4,510	141	3	4,896	32,367
Consolidated	518,199	117,455	277,010	137,605	16,173	548,243	1,066,442

For the three months ended Jun. 30, 2022

	Yen (millions)						Consolidated total
	Japan	Overseas				total	
		North America	Asia (excluding Japan)	Europe	Others		
Infrastructure	133,036	22,235	10,169	3,860	2,713	38,977	172,013
Industry and Mobility	133,797	53,193	131,881	38,714	2,820	226,608	360,405
Life	175,592	52,353	103,177	89,922	13,298	258,750	434,342
Business Platform	30,398	3,548	24,167	10,865	122	38,702	69,100
Others	27,718	200	3,581	359	5	4,145	31,863
Consolidated	500,541	131,529	272,975	143,720	18,958	567,182	1,067,723

Revenue recognition methods for each category are primarily as follows:

1) Infrastructure

Major revenue recognition methods are as follows. Revenue is primarily recorded over time.

Many contracts related to the production of products qualify as specific construction contracts meeting certain criteria, and revenue is recognized according to the progress of the construction if progress can be reasonably measured. Revenue is recognized only to the extent of the cost incurred if progress cannot be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the aggregate amount of estimated cost. The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts. Estimates and underlying assumptions for the aggregate amount of estimated cost are reviewed on an ongoing basis since there is a possibility that the cost incurred may change due to the progress of construction.

2) Life, Business Platform

Major revenue recognition methods of the air conditioning systems & home products business and the semiconductor & device business are as follows. Revenue is primarily recorded at a point in time.

Revenue from mass-produced goods such as home appliances and semiconductors are recognized at the time when the product is accepted by the customer.

Major revenue recognition methods of the building systems business and the information systems & network service business are as follows. Revenue is primarily recorded over time.

Many contracts related to the production of products qualify as specific construction contracts meeting certain criteria, and revenue is recognized according to the progress of the construction if progress can be reasonably measured. Revenue is recognized only to the extent of the cost incurred if progress cannot be reasonably measured. The progress of construction is measured by comparing the cost incurred through the current year to the aggregate amount of estimated cost. The estimated total cost is calculated for each contract based on various information such as the contract details of the relevant construction contract, required specifications, the presence or absence of new technological development elements, and historical incurred cost results for similar contracts. Estimates and underlying assumptions for the aggregate amount of estimated cost are reviewed on an ongoing basis since there is a possibility that the cost incurred may change due to the progress of construction.

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

3) Industry and Mobility, Others

Major revenue recognition methods are as follows. Revenue is primarily recorded at a point in time.

Revenue from mass-produced goods such as industrial products are recognized at the time when the product is accepted by the customer.

Revenue from some products requiring acceptance inspection are recognized at the time when the product is received by the customer and the functionality of the product is substantially demonstrated by the Company and its consolidated subsidiaries.

8. Earnings per share

Basic earnings per share and diluted earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders are as follows:

	Yen (millions)	
	For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022
Net profit attributable to Mitsubishi Electric Corp. stockholders	61,835	33,492

	Shares	
	For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022
Basic average ordinary shares outstanding	2,145,374,959	2,112,115,971

	Yen	
	For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022
Basic earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders	28.82	15.86
Diluted earnings per share for net profit attributable to Mitsubishi Electric Corp. stockholders	28.82	15.86

Note : The number of the Company's shares held through the Board Incentive Plan Trust were included in the shares of treasury stock that were deducted from the average number of ordinary shares outstanding in the calculation of Earnings per share attributable to Mitsubishi Electric Corp. stockholders. (1,399,147 shares for the three months ended Jun. 30, 2021, and 987,009 shares for the three months ended Jun. 30, 2022).

9. Financial instruments

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

- Level 1: quoted prices for identical assets or liabilities in active markets
- Level 2: fair value calculated directly or indirectly using observable prices other than those in level 1
- Level 3: fair value calculated using valuation techniques including unobservable inputs

A determination is made at the end of each consolidated fiscal year as to whether there are financial instruments for which transfers between levels were carried out. There were no financial instruments with significant transfers between levels for the year ended Mar. 31, 2021 and the three months ended Jun. 30, 2022.

For financial instruments classified as level 3, changing the unobservable inputs to reasonably possible alternative assumptions would not change the fair value significantly.

(1) Financial instruments measured at amortized cost

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

Borrowings (including long-term borrowings to be repaid within 1 year)

Fair values of borrowings are calculated using the present value of future cash flows discounted by the expected interest rate for similar new contracts and are classified as level 2 because fair value is calculated using observable market data.

	Yen (millions)			
	As of Mar. 31, 2022		As of Jun. 30, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial instruments measured at amortized cost				
Borrowings				
(including long-term borrowings to be repaid within 1 year)	142,208	139,994	142,020	139,538

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

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

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

Equity instruments and debt instruments

The fair value of marketable equity instruments is calculated based on the market price at the end of the consolidated fiscal year and are classified as level 1 because fair value is calculated using the market value of an identical asset in an active market. The fair value of non-marketable equity instruments and debt instruments is calculated based on comprehensively taking into consideration quantitative information on the net assets and other financial information of the investee and forecasts of its future cash flows, and are classified as Level 3 because fair value is calculated based on valuation techniques using unobservable indicators. The reasonableness of the valuation techniques has been verified by the department in charge using various methods, and they have been approved by an appropriate management.

Derivative assets and liabilities

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

As of Mar. 31, 2022

			Yen (millions)			
			Level 1	Level 2	Level 3	Total
Assets						
Financial assets measured at fair value through profit or loss						
	Debt instruments		—	—	555	555
	Derivative assets		—	4,564	—	4,564
Financial assets measured at fair value through other comprehensive income						
	Equity instruments		200,178	—	70,614	270,792
	Total		<u>200,178</u>	<u>4,564</u>	<u>71,169</u>	<u>275,911</u>
Liabilities						
Financial liabilities measured at fair value through profit or loss						
	Derivative liabilities		—	17,867	—	17,867
	Total		<u>—</u>	<u>17,867</u>	<u>—</u>	<u>17,867</u>

As of Jun. 30, 2022

			Yen (millions)			
			Level 1	Level 2	Level 3	Total
Assets						
Financial assets measured at fair value through profit or loss						
	Debt instruments		—	—	578	578
	Derivative assets		—	7,034	—	7,034
Financial assets measured at fair value through other comprehensive income						
	Equity instruments		188,537	—	77,231	265,768
	Total		<u>188,537</u>	<u>7,034</u>	<u>77,809</u>	<u>273,380</u>
Liabilities						
Financial liabilities measured at fair value through profit or loss						
	Derivative liabilities		—	26,708	—	26,708
	Total		<u>—</u>	<u>26,708</u>	<u>—</u>	<u>26,708</u>

Changes in financial instruments measured at fair value on a recurring basis classified as Level 3 are as follows:

		Yen (millions)	
		For the three months ended Jun. 30, 2021	For the three months ended Jun. 30, 2022
	Balance at beginning of period	68,361	71,169
	Gains (losses)		
	in profit or loss	—	(9)
	in other comprehensive income	463	6,685
	Purchases	406	78
	Sale	(81)	(114)
	Balance at end of period	<u>69,149</u>	<u>77,809</u>

Note : 1 Gains (losses) in profit or loss are related to financial assets measured at fair value through profit or loss as of the end of the reporting period and included in “Financial income” or “Financial expenses” in the Condensed Quarterly

Consolidated Statement of Profit or Loss.

2 Gains (losses) in other comprehensive income are related to financial assets measured at fair value through other comprehensive income as of the end of the reporting period and included in “Changes in fair value of financial assets measured at fair value through other comprehensive income” in the Condensed Quarterly Consolidated Statement of Comprehensive Income.

10. Contingent liabilities

There were no significant events as of June 30, 2022, except for the following.

In June 2021, an internal investigation revealed that the inspections of some of the HVAC (Heating, Ventilation and Air Conditioning systems) and other products for railcars manufactured at Nagasaki Works were conducted in a different way from the inspections described in the purchase specification, had not been actually conducted, and had inappropriate documentation in the inspection reports.

The Company has been reporting the situation to the customers and discussing with the customers on the measures to be taken. In addition, the Company has set up an investigative committee chaired by an external lawyer in July 2021 to investigate the existence of improper quality control practices on a company-wide basis, the facts and causes of the improper practices, and based on the findings of the investigation, to formulate measures to prevent any recurrence.

Although the investigation is still in progress, the Company recognized inspection and replacement costs, etc. in relation to the improper quality control practices identified up to Jun 30, 2022 in this fiscal year.

The financial position and financial results of Mitsubishi Electric Group may be affected depending on the progress of future discussions with customers and investigations. The Company has not incorporated these impacts into the condensed quarterly consolidated financial statements for the three months ended Jun 30, 2022, as it is impossible to reasonably estimate the impacts at present.

11. Subsequent events

There were no significant subsequent events which should be disclosed as of the date of the approval of the condensed quarterly consolidated financial statements for the three months ended June 30, 2022.

12. Approval of the condensed quarterly consolidated financial statements

The condensed quarterly consolidated financial statements were approved by Kei Uruma, President & CEO, on August 5, 2022.

2 【Other】

(1) The Company decided to pay the dividend of ¥26 per share (a total of ¥54,940,678,728) to the shareholders registered or recorded in the shareholder register as of March 31, 2022, by the resolution of the Board of Directors’ meeting held on May 25, 2022.

(2) Other

Not applicable.