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Mitsubishi Electric Announces Consolidated Financial Results for the First 9 Months and Third Quarter of Fiscal 2013

TOKYO, February 4, 2013 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its financial results for the first 9 months and third quarter ending December 31, 2012, of the current fiscal year ending March 31, 2013 (fiscal 2013).

1. Consolidated First 9 Months Results (April 1, 2012 – December 31, 2012)

| | | |
|---|---------------------|---|
| Net sales: | 2,506.8 billion yen | (2% decrease from the same period last year) |
| Operating income: | 113.2 billion yen | (30% decrease from the same period last year) |
| Income before income taxes: | 25.7 billion yen | (84% decrease from the same period last year) |
| Net income attributable to Mitsubishi Electric Corp.: | 49.1 billion yen | (40% decrease from the same period last year) |

In the first 9 months of fiscal 2013, the business environment continued to be severe, despite the yen becoming weaker toward the end of 2012, with the global economy not showing a clear trend of recovery except for the U.S. and certain steady markets.

Under these circumstances, consolidated net sales for the first 9 months of fiscal 2013 decreased by 2% compared to the same period of the previous fiscal year to 2,506.8 billion yen with decreased sales in the Industrial Automation Systems, Electronic Devices and Home Appliances segments. Consolidated operating income for the first 9 months of fiscal 2013 decreased by 30% compared to the same period of the previous fiscal year to 113.2 billion yen, mainly due to lower profits in the Industrial Automation Systems, Electronic Devices and Home Appliances segments. Income before income taxes decreased by 84% compared to the same period of the previous fiscal year to 25.7 billion yen largely as a result of recording 75.7 billion yen as a non-operating expense for refund of overcharged expenses to certain parties in the electronic systems business. Net income attributable to Mitsubishi Electric Corporation for the first 9 months of fiscal 2013 decreased by 40% compared to the same period of the previous fiscal year to 49.1 billion yen due to a decrease in tax expenses.

Consolidated Financial Results by Business Segment (First 9 months, Fiscal 2013)

Energy and Electric Systems

Total sales: 676.8 billion yen (3% increase from the same period last year)
Operating income: 48.9 billion yen (Unchanged from the same period last year)

The social infrastructure systems business saw a decrease in orders from the same period of the previous fiscal year due primarily to lower demand compared to the same period of the previous fiscal year in which the business experienced recovery demand from the Great East Japan Earthquake, while sales were unchanged from the same period of the previous fiscal year due to an increase in the power generation business worldwide.

The building systems business experienced a decrease in orders compared to the same period of the previous fiscal year in which the business recorded large-scale projects outside Japan, while sales increased compared to the same period of the previous fiscal year owing to growth in demand for renewal of elevators and escalators in Japan as well as for new installations in China.

As a result, total sales for this segment increased by 3% from the same period of the previous fiscal year. Operating income was unchanged from the same period of the previous fiscal year due to a shift in project portfolio and other factors.

Industrial Automation Systems

Total sales: 683.0 billion yen (6% decrease from the same period last year)
Operating income: 50.4 billion yen (33.2 billion yen decrease from the same period last year)

The factory automation systems business saw decreases in both orders and sales from the same period of the previous fiscal year mainly due to lower capital expenditures for semiconductor and flat panel display related investments in China, South Korea and Taiwan.

The automotive equipment business saw increases in both orders and sales compared to the same period of the previous fiscal year with uplifting support from subsidies for eco-cars in the Japanese market as well as recovery in the North American market, despite stagnation in automobile sales in Europe.

As a result, total sales for this segment decreased by 6% compared to the same period of the previous fiscal year. Operating income decreased by 33.2 billion yen compared to the same period of the previous fiscal year due to decreases in sales and other factors.

Information and Communication Systems

Total sales: 357.9 billion yen (10% increase from the same period last year)
Operating income: 10.7 billion yen (1.9 billion yen increase from the same period last year)

The telecommunications equipment business saw increases in both orders and sales compared to the same period of the previous fiscal year owing primarily to an increase in demand for communications infrastructures.

The information systems and services business saw no changes in sales from the same period of the previous fiscal year mainly due to declines in the IT infrastructure service business and the network and system operations business, and growth in the system integration business.

The electronic systems business saw no changes in orders from the same period of the previous fiscal year, while sales increased from the same period of the previous fiscal year.

As a result, total sales for this segment increased by 10% compared to the same period of the previous fiscal year. Operating income increased by 1.9 billion yen compared to the same period of the previous fiscal year mainly due to an increase in sales.

Electronic Devices

Total sales: 119.8 billion yen (22% decrease from the same period last year)
Operating income (loss): (3.2 billion yen) (10.3 billion yen decline from the same period last year)

The semiconductor business saw decreases in both orders and sales from the same period of the previous fiscal year due to a decline in demand mainly for power modules used in industrial, consumer and railcar applications.

The LCD module business saw an increase in orders due to increases in industrial-use products and other factors, but sales decreased compared to the same period of the previous fiscal year.

As a result, total sales for the segment decreased by 22% compared to the same period of the previous fiscal year. Operating income fell by 10.3 billion yen compared to the same period of the previous fiscal year mainly due to a decrease in sales.

Home Appliances

Total sales: 615.4 billion yen (5% decrease from the same period last year)
Operating income: 18.1 billion yen (6.3 billion yen decrease from the same period last year)

The home appliances business saw a 5% decrease in sales compared to the same period of the previous fiscal year due primarily to a large decline in demand for LCD televisions and blu-ray disc recorders for the Japanese market, as well as a decrease in air conditioners for Europe due to the strong yen against euros in the first half of the fiscal year.

Operating income decreased by 6.3 billion yen compared to the same period of the previous fiscal year due to a decrease in sales and other factors.

Others

Total sales: 426.3 billion yen (5% decrease from the same period last year)
Operating income: 10.4 billion yen (1.1 billion yen decrease from the same period last year)

Sales decreased by 5% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement and logistics.

Operating income decreased by 1.1 billion yen compared to the same period of the previous fiscal year due primarily to a decrease in sales.

2. Consolidated Third-quarter Results (October 1, 2012 – December 31, 2012)

Net sales: 810.8 billion yen (1% decrease from the same period last year)
Operating income: 23.6 billion yen (51% decrease from the same period last year)
Income (loss) before income taxes: (47.0 billion yen) —
Net income attributable to Mitsubishi Electric Corp.: 5.5 billion yen (56% decrease from the same period last year)

Consolidated net sales for this quarter decreased by 1% compared to the same period of the previous fiscal year to 810.8 billion yen, with sales decreases in the Energy and Electric Systems, Industrial Automation Systems and Electronic Devices segments. Consolidated operating income decreased by 51% compared to the same period of the previous fiscal year to 23.6 billion yen, due to a decline in income in the Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems and Electronic Devices segments. Income before income taxes recorded a loss of 47.0 billion yen largely as a result of recording 75.7 billion yen as a non-operating expense for refund of overcharged expenses to certain parties in the electronic systems business. Net income attributable to Mitsubishi Electric Corporation for this quarter decreased by 56% compared to the same period of the previous fiscal year to 5.5 billion yen due to a

decrease in tax expenses.

Consolidated Financial Results by Business Segment (Third Quarter, Fiscal 2013)

Energy and Electric Systems

Total sales: 217.3 billion yen (1% decrease from the same period last year)
Operating income: 14.6 billion yen (5.6 billion yen decrease from the same period last year)

The social infrastructure systems business saw decreases in both orders and sales from the same period of the previous fiscal year due primarily to lower demand compared to the same quarter of the previous fiscal year in which the business experienced recovery demand from the Great East Japan Earthquake, despite orders for large-scale projects in Japan in the public utility systems and the rolling-stock equipment businesses.

The building systems business experienced a decrease in orders compared to the same period of the previous fiscal year in which the business recorded large-scale projects outside Japan, while sales increased compared to the same quarter of the previous fiscal year owing to growth in demand for renewal of elevators and escalators in Japan as well as for new installations in China.

As a result, total sales for this segment decreased by 1% from the same period of the previous fiscal year. Operating income decreased by 5.6 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

Industrial Automation Systems

Total sales: 226.1 billion yen (4% decrease from the same period last year)
Operating income: 16.4 billion yen (10.6 billion yen decrease from the same period last year)

The factory automation systems business saw decreases in both orders and sales compared to the same period of the previous fiscal year due primarily to lower capital expenditures for semiconductor and flat panel display related investments in China, South Korea and Taiwan.

The automotive equipment business saw a decrease in orders compared to the same period of the previous fiscal year due to continued stagnation in automobile sales in Europe and lower sales in China by Japanese automotive manufacturers, while sales were unchanged compared to the same period of the previous fiscal year.

As a result, total sales for this segment decreased by 4% compared to the same period of the previous fiscal year. Operating income decreased by 10.6 billion yen compared to the same period of the previous fiscal year due to a decrease in sales and other factors.

Information and Communication Systems

Total sales: 116.3 billion yen (6% increase from the same period last year)
Operating income: 1.0 billion yen (3.5 billion yen decrease from the same period last year)

The telecommunications equipment business saw increases in both orders and sales compared to the same period of the previous fiscal year due to growth in demand for communications infrastructures.

The information systems and services business saw an increase in sales from the same period of the previous fiscal year mainly due to growth in the system integration business despite declines in the IT infrastructure service business and the network and system operations business.

The electronic systems business saw a decrease in orders from the same period of the previous fiscal year due to a decrease in large orders in the space systems business, while sales were unchanged from the same period of the previous fiscal year.

As a result, total sales for this segment increased by 6% compared to the same period of the previous fiscal year. Operating income decreased by 3.5 billion yen compared to the same period of the previous fiscal year due to a shift in project portfolio and other factors.

Electronic Devices

Total sales: 39.9 billion yen (18% decrease from the same period last year)
Operating income (loss): (1.6 billion yen) (2.7 billion yen decline from the same period last year)

The semiconductor business saw an increase in orders from the same period of the previous fiscal year due to a gradual recovery in demand for power modules used in industrial, consumer and railcar applications, while sales decreased compared to the same period of the previous fiscal year.

The LCD module business saw increases in both orders and sales compared to the same period of the previous fiscal year due to increases in industrial-use products and other factors.

As a result, total sales for the segment decreased by 18% compared to the same period of the previous fiscal year. Operating income fell by 2.7 billion yen compared to the same period of the previous fiscal year mainly due to a decrease in sales.

Home Appliances

Total sales: 192.0 billion yen (1% increase from the same period last year)
Operating income: 1.3 billion yen (0.5 billion yen increase from the same period last year)

The home appliances business saw an increase in sales by 1% compared to the same period of the previous fiscal year mainly due to growth in demand for photovoltaic systems in Japan owing to the renewable energy feed-in tariff scheme despite a decline in demand for LCD televisions and blu-ray disc recorders for the Japanese market.

Operating income increased by 0.5 billion yen compared to the same period of the previous fiscal year due to an increase in sales and other factors.

Others

Total sales: 140.6 billion yen (4% decrease from the same period last year)
Operating income: 3.0 billion yen (0.6 billion yen decrease from the same period last year)

Sales decreased by 4% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement and logistics.

Operating income decreased by 0.6 billion yen compared to the same period of the previous fiscal year due primarily to a decrease in sales.

Financial Condition (Consolidated Basis)

Assets, Liabilities, and Shareholders' Equity

The company's total assets rose from the end of the previous fiscal year by 166.7 billion yen to 3,558.4 billion yen. This was due primarily to cash and cash equivalents increasing by 43.9 billion yen, while inventories also rose by 110.9 billion yen owing largely to increased work-in-process as recorded in commensurate with progress in job orders under pertinent contracts.

The balance of outstanding debts and corporate bonds rose by 239.4 billion yen from the end of the previous fiscal year to 781.7 billion yen, with a rise in its ratio of interest bearing debt to total assets to 22.0% (an increase by 6.0 points compared to the end of the previous fiscal year). Trade payables decreased by 115.0 billion yen, and retirement and severance benefits decreased by 39.8 billion yen due primarily to a decrease in deficiency of pension assets resulting from a rise in stock prices and other factors.

Mitsubishi Electric Corporation shareholders' equity increased by 56.3 billion yen compared to the previous fiscal year to 1,188.7 billion yen, with the ratio of shareholders' equity to total assets unchanged compared to the end of the previous fiscal year at 33.4%. Retained earnings increased by 25.5 billion yen due to 49.1 billion yen recorded as net income attributable to Mitsubishi Electric Corporation and 23.6 billion yen as dividend payment, while accumulated other comprehensive income increased by 31.1 billion yen mainly due to weaker yen and a rise in stock prices.

Cash Flow

Cash flows from operating activities decreased by 75.1 billion yen compared to the same period of the previous fiscal year to 42.0 billion yen (cash out). Cash flows from investing activities increased by 20.2 billion yen compared to the same period of the previous fiscal year to 123.9 billion yen (cash out), largely due to an increase in loan receivables. Consequently, free cash flow totaled to payments of 165.9 billion yen. Cash flows from financing activities were 205.9 billion yen (cash in) due to an increase in bank loans and other factors.

Forecast for Fiscal 2013 (year ending March 31, 2013)

The current consolidated earnings forecast for fiscal 2013, ending March 31, 2013, is unchanged from the announcement on December 21, 2012 as stated below.

Consolidated earnings forecast for fiscal 2013

| | Current forecast |
|---|--|
| Net sales: | 3,520.0 billion yen (3% decrease from fiscal 2012) |
| Operating income: | 150.0 billion yen (33% decrease from fiscal 2012) |
| Income before income taxes: | 40.0 billion yen (82% decrease from fiscal 2012) |
| Net income attributable to Mitsubishi Electric Corp.: | 50.0 billion yen (55% decrease from fiscal 2012) |

Note: The results forecast above is based on assumptions deemed reasonable by the company at the present time, and actual results may differ significantly from forecasts. Please refer to the cautionary statement on the last page.

Consolidated Financial Results Summary

1. Consolidated First 9 Months Results

(In billions of yen except where noted)

| | FY '12 9 months (Apr. 1, 2011 – Dec. 31, 2011) (A) | FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012) (B) | B – A | B/A |
|--|---|---|-------------------------|-----|
| | | | | (%) |
| Net sales | 2,560.3 | 2,506.8 | (53.4) | 98 |
| Operating income | 161.7 | 113.2 | (48.5) | 70 |
| Income before income taxes | 164.5 | 25.7 | (138.7) | 16 |
| Net income attributable to Mitsubishi Electric Corp. | 82.0 | 49.1 | (32.9) | 60 |
| Basic net income per share attributable to Mitsubishi Electric Corp. | 38. ²² yen | 22.⁸⁹ yen | (15. ³³ yen) | 60 |

2. Consolidated Third-quarter Results

(In billions of yen except where noted)

| | FY '12 Q3 (Oct. 1, 2011 – Dec. 31, 2011) (A) | FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012) (B) | B – A | B/A |
|--|---|---|------------------------|-----|
| | | | | (%) |
| Net sales | 816.7 | 810.8 | (5.8) | 99 |
| Operating income | 48.1 | 23.6 | (24.5) | 49 |
| Income (loss) before income taxes | 58.6 | (47.0) | (105.6) | – |
| Net income attributable to Mitsubishi Electric Corp. | 12.4 | 5.5 | (6.9) | 44 |
| Basic net income per share attributable to Mitsubishi Electric Corp. | 5. ⁸¹ yen | 2.⁵⁷ yen | (3. ²⁴ yen) | 44 |

Notes: 1) Consolidated financial charts made in accordance with U.S. GAAP.
2) The company has 162 consolidated subsidiaries.

Consolidated Profit and Loss Statement (First 9 Months, Fiscal 2013)

(In millions of yen)

| | FY '12 9 months (Apr. 1, 2011 – Dec. 31, 2011) | | FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012) | | B – A | B/A (%) |
|---|--|---------------|--|---------------|-----------|---------|
| | (A) | % of total | (B) | % of total | | |
| Net sales | 2,560,330 | 100.0 | 2,506,874 | 100.0 | (53,456) | 98 |
| Cost of sales | 1,830,644 | 71.5 | 1,808,524 | 72.1 | (22,120) | 99 |
| Selling, general and administrative expenses | 567,890 | 22.2 | 584,223 | 23.4 | 16,333 | 103 |
| Loss on impairment of long-lived assets | – | – | 897 | 0.0 | 897 | – |
| Operating income | 161,796 | 6.3 | 113,230 | 4.5 | (48,566) | 70 |
| Other income | 25,548 | 1.0 | 24,149 | 1.0 | (1,399) | 95 |
| Interest and dividends | 7,186 | 0.3 | 6,424 | 0.3 | (762) | 89 |
| Equity in earnings of affiliated companies | 1,008 | 0.0 | – | – | (1,008) | – |
| Other | 17,354 | 0.7 | 17,725 | 0.7 | 371 | 102 |
| Other expenses | 22,819 | 0.9 | 111,638 | 4.5 | 88,819 | 489 |
| Interest | 5,219 | 0.2 | 5,050 | 0.2 | (169) | 97 |
| Equity in losses of affiliated companies | – | – | 20,437 | 0.8 | 20,437 | – |
| Other | 17,600 | 0.7 | 86,151 | 3.5 | 68,551 | 489 |
| Income before income taxes | 164,525 | 6.4 | 25,741 | 1.0 | (138,784) | 16 |
| Income taxes | 78,000 | 3.0 | (26,793) | (1.1) | (104,793) | – |
| Net income | 86,525 | 3.4 | 52,534 | 2.1 | (33,991) | 61 |
| Net income attributable to the noncontrolling interests | 4,461 | 0.2 | 3,396 | 0.1 | (1,065) | 76 |
| Net income attributable to Mitsubishi Electric Corp. | 82,064 | 3.2 | 49,138 | 2.0 | (32,926) | 60 |

Consolidated Comprehensive Income Statement (First 9 Months, Fiscal 2013)

(In millions of yen)

| | FY '12 9 months (Apr. 1, 2011 – Dec. 31, 2011) | FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012) | B – A |
|---|---|---|----------|
| Net income | 86,525 | 52,534 | (33,991) |
| Other comprehensive income (loss), net of tax | | | |
| Foreign currency translation adjustments | (33,050) | 18,335 | 51,385 |
| Pension liability adjustments | (20,466) | 13,126 | 33,592 |
| Unrealized gains (losses) on securities | (7,638) | 1,551 | 9,189 |
| Unrealized gains (losses) on derivative instruments | (24) | 95 | 119 |
| Total | (61,178) | 33,107 | 94,285 |
| Comprehensive income | 25,347 | 85,641 | 60,294 |
| Comprehensive income attributable to the noncontrolling interests | 1,087 | 5,356 | 4,269 |
| Comprehensive income attributable to Mitsubishi Electric Corp. | 24,260 | 80,285 | 56,025 |

Consolidated Profit and Loss Statement (Third Quarter, Fiscal 2013)

(In millions of yen)

| | FY '12 Q3 (Oct. 1, 2011 – Dec. 31, 2011) | | FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012) | | B – A | B/A (%) |
|---|--|---------------|--|---------------|-----------|---------|
| | (A) | % of total | (B) | % of total | | |
| Net sales | 816,732 | 100.0 | 810,856 | 100.0 | (5,876) | 99 |
| Cost of sales | 580,187 | 71.0 | 594,887 | 73.4 | 14,700 | 103 |
| Selling, general and administrative expenses | 188,363 | 23.1 | 192,353 | 23.7 | 3,990 | 102 |
| Operating income | 48,182 | 5.9 | 23,616 | 2.9 | (24,566) | 49 |
| Other income | 13,096 | 1.6 | 10,823 | 1.3 | (2,273) | 83 |
| Interest and dividends | 2,114 | 0.3 | 1,750 | 0.2 | (364) | 83 |
| Equity in earnings of affiliated companies | 3,599 | 0.4 | – | – | (3,599) | – |
| Other | 7,383 | 0.9 | 9,073 | 1.1 | 1,690 | 123 |
| Other expenses | 2,643 | 0.3 | 81,491 | 10.0 | 78,848 | 31 fold |
| Interest | 1,616 | 0.2 | 1,663 | 0.2 | 47 | 103 |
| Equity in losses of affiliated companies | – | – | 1,060 | 0.1 | 1,060 | – |
| Other | 1,027 | 0.1 | 78,768 | 9.7 | 77,741 | 77 fold |
| Income (loss) before income taxes | 58,635 | 7.2 | (47,052) | (5.8) | (105,687) | – |
| Income taxes | 45,622 | 5.6 | (53,297) | (6.6) | (98,919) | – |
| Net income | 13,013 | 1.6 | 6,245 | 0.8 | (6,768) | 48 |
| Net income attributable to the noncontrolling interests | 530 | 0.1 | 726 | 0.1 | 196 | 137 |
| Net income attributable to Mitsubishi Electric Corp. | 12,483 | 1.5 | 5,519 | 0.7 | (6,964) | 44 |

Consolidated Comprehensive Income Statement (Third Quarter, Fiscal 2013)

(In millions of yen)

| | FY '12 Q3 (Oct. 1, 2011 – Dec. 31, 2011) | FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012) | B – A |
|--|--|--|---------|
| Net income | 13,013 | 6,245 | (6,768) |
| Other comprehensive income (loss), net of tax | | | |
| Foreign currency translation adjustments | (7,095) | 32,476 | 39,571 |
| Pension liability adjustments | 1,492 | 24,907 | 23,415 |
| Unrealized gains (losses) on securities | (3,995) | 12,812 | 16,807 |
| Unrealized gains on derivative instruments | 9 | 98 | 89 |
| Total | (9,589) | 70,293 | 79,882 |
| Comprehensive income | 3,424 | 76,538 | 73,114 |
| Comprehensive income (loss) attributable to the noncontrolling interests | (328) | 3,797 | 4,125 |
| Comprehensive income attributable to Mitsubishi Electric Corp. | 3,752 | 72,741 | 68,989 |

Consolidated Balance Sheet

(In millions of yen)

| | FY '12 (A) (ending Mar. 31, 2012) | FY '13 9 months (B) (ending Dec. 31, 2012) | B – A |
|---|---|---|-----------|
| (Assets) | | | |
| Current assets | 2,197,384 | 2,288,254 | 90,870 |
| Cash and cash equivalents | 392,181 | 436,166 | 43,985 |
| Short-term investments | 2,995 | 2,333 | (662) |
| Trade receivables | 950,736 | 904,450 | (46,286) |
| Inventories | 576,179 | 687,092 | 110,913 |
| Prepaid expenses and other current assets | 275,293 | 258,213 | (17,080) |
| Long-term trade receivables | 1,017 | 1,254 | 237 |
| Investments | 419,502 | 402,249 | (17,253) |
| Net property, plant and equipment | 556,845 | 582,378 | 25,533 |
| Other assets | 216,903 | 284,265 | 67,362 |
| Total assets | 3,391,651 | 3,558,400 | 166,749 |
| (Liabilities and equity) | | | |
| Current liabilities | 1,433,501 | 1,622,346 | 188,845 |
| Bank loans and current portion of long-term debt | 200,502 | 476,533 | 276,031 |
| Trade payables | 700,262 | 585,255 | (115,007) |
| Other current liabilities | 532,737 | 560,558 | 27,821 |
| Long-term debt | 341,789 | 305,222 | (36,567) |
| Retirement and severance benefits | 372,082 | 332,205 | (39,877) |
| Other fixed liabilities | 53,259 | 47,812 | (5,447) |
| Total equity | 1,191,020 | 1,250,815 | 59,795 |
| Mitsubishi Electric Corp. shareholders' equity | 1,132,465 | 1,188,790 | 56,325 |
| Common stock | 175,820 | 175,820 | – |
| Capital surplus | 206,343 | 206,006 | (337) |
| Retained earnings | 966,126 | 991,648 | 25,522 |
| Accumulated other comprehensive income (loss) | (215,603) | (184,456) | 31,147 |
| Treasury stock at cost | (221) | (228) | (7) |
| Noncontrolling interests | 58,555 | 62,025 | 3,470 |
| Total liabilities and equity | 3,391,651 | 3,558,400 | 166,749 |
| Balance of Debt | 542,291 | 781,755 | 239,464 |
| Accumulated other comprehensive income (loss): | | | |
| Foreign currency translation adjustments | (67,654) | (51,271) | 16,383 |
| Pension liability adjustments | (160,156) | (147,030) | 13,126 |
| Unrealized gains on securities | 12,242 | 13,796 | 1,554 |
| Unrealized gains (losses) on derivative instruments | (35) | 49 | 84 |

Consolidated Cash Flow Statement

(In millions of yen)

| | FY '12 9 months (Apr. 1, 2011 – Dec. 31, 2011) (A) | FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012) (B) | B – A |
|--|---|---|----------|
| I Cash flows from operating activities | | | |
| 1 Net income | 86,525 | 52,534 | (33,991) |
| 2 Adjustments to reconcile net income to net cash provided by operating activities | | | |
| (1) Depreciation of tangible fixed assets and other | 84,423 | 86,238 | 1,815 |
| (2) Decrease in trade receivables | 47,389 | 52,202 | 4,813 |
| (3) Decrease (increase) in inventories | (158,979) | (101,913) | 57,066 |
| (4) Increase (decrease) in trade payables | (55,000) | (115,751) | (60,751) |
| (5) Other, net | 28,777 | (15,319) | (44,096) |
| Net cash provided by (used in) operating activities | 33,135 | (42,009) | (75,144) |
| II Cash flows from investing activities | | | |
| 1 Capital expenditure | (107,264) | (103,155) | 4,109 |
| 2 Proceeds from sale of property, plant and equipment | 3,161 | 2,978 | (183) |
| 3 Purchase of short-term investments and investment securities | (10,212) | (11,649) | (1,437) |
| 4 Proceeds from sale of short-term investments and investment securities | 13,295 | 10,587 | (2,708) |
| 5 Other, net | (2,614) | (22,661) | (20,047) |
| Net cash used in investing activities | (103,634) | (123,900) | (20,266) |
| I+II Free cash flow | (70,499) | (165,909) | (95,410) |
| III Cash flows from financing activities | | | |
| 1 Proceeds from long-term debt | 285 | 57,003 | 56,718 |
| 2 Repayment of long-term debt | (76,645) | (86,696) | (10,051) |
| 3 Increase in bank loans, net | 33,859 | 261,199 | 227,340 |
| 4 Dividends paid | (27,910) | (23,616) | 4,294 |
| 5 Purchase of treasury stock | (16) | (9) | 7 |
| 6 Reissuance of treasury stock | 2 | 1 | (1) |
| 7 Other, net | (9,260) | (1,888) | 7,372 |
| Net cash provided by (used in) financing activities | (79,685) | 205,994 | 285,679 |
| IV Effect of exchange rate changes on cash and cash equivalents | (15,563) | 3,900 | 19,463 |
| V Net increase (decrease) in cash and cash equivalents | (165,747) | 43,985 | 209,732 |
| VI Cash and cash equivalents at beginning of period | 472,067 | 392,181 | (79,886) |
| VII Cash and cash equivalents at end of period | 306,320 | 436,166 | 129,846 |

Consolidated Segment Information (First 9 Months, Fiscal 2013)

1. Sales and Operating Income by Business Segment

(In millions of yen)

| <i>Business Segment</i> | FY '12 9 months (Apr. 1, 2011 – Dec. 31, 2011) | | FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012) | | C – A | D – B | C/A (%) |
|--|--|-------------------------|--|-----------------------------------|----------|----------|------------|
| | Sales (A) | Operating income (B) | Sales (C) | Operating income (loss) (D) | | | |
| Energy and Electric Systems | 658,271 | 48,873 | 676,871 | 48,957 | 18,600 | 84 | 103 |
| Industrial Automation Systems | 724,347 | 83,659 | 683,094 | 50,401 | (41,253) | (33,258) | 94 |
| Information and Communication Systems | 326,346 | 8,850 | 357,981 | 10,779 | 31,635 | 1,929 | 110 |
| Electronic Devices | 153,011 | 7,069 | 119,876 | (3,284) | (33,135) | (10,353) | 78 |
| Home Appliances | 651,195 | 24,465 | 615,452 | 18,149 | (35,743) | (6,316) | 95 |
| Others | 447,813 | 11,594 | 426,311 | 10,402 | (21,502) | (1,192) | 95 |
| Subtotal | 2,960,983 | 184,510 | 2,879,585 | 135,404 | (81,398) | (49,106) | 97 |
| Eliminations and other | (400,653) | (22,714) | (372,711) | (22,174) | 27,942 | 540 | – |
| Total | 2,560,330 | 161,796 | 2,506,874 | 113,230 | (53,456) | (48,566) | 98 |

*Note: Inter-segment sales are included in the above chart.

2. Sales and Operating Income by Location

(In millions of yen)

| <i>Location</i> | FY '12 9 months (Apr. 1, 2011 – Dec. 31, 2011) | | FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012) | | C – A | D – B | C/A (%) |
|------------------------|--|-------------------------|--|-----------------------------------|----------|----------|------------|
| | Sales (A) | Operating income (B) | Sales (C) | Operating income (loss) (D) | | | |
| Japan | 2,223,197 | 125,655 | 2,147,434 | 83,332 | (75,763) | (42,323) | 97 |
| North America | 158,824 | 2,901 | 177,238 | (558) | 18,414 | (3,459) | 112 |
| Asia (excluding Japan) | 437,689 | 27,353 | 448,976 | 24,180 | 11,287 | (3,173) | 103 |
| Europe | 234,259 | 5,971 | 212,077 | 3,982 | (22,182) | (1,989) | 91 |
| Others | 29,702 | 3,266 | 27,805 | 1,536 | (1,897) | (1,730) | 94 |
| Subtotal | 3,083,671 | 165,146 | 3,013,530 | 112,472 | (70,141) | (52,674) | 98 |
| Eliminations | (523,341) | (3,350) | (506,656) | 758 | 16,685 | 4,108 | – |
| Total | 2,560,330 | 161,796 | 2,506,874 | 113,230 | (53,456) | (48,566) | 98 |

*Note: Inter-segment sales are included in the above chart.

3. Sales by Location of Customers

(In millions of yen)

| <i>Location</i> | FY '12 9 months (Apr. 1, 2011 – Dec. 31, 2011) | | FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012) | | B – A | B/A (%) |
|---------------------------|--|----------------------------|--|----------------------------|----------|------------|
| | Sales (A) | % of total net sales | Sales (B) | % of total net sales | | |
| Japan | 1,650,051 | 64.4 | 1,617,586 | 64.5 | (32,465) | 98 |
| North America | 169,491 | 6.6 | 187,027 | 7.5 | 17,536 | 110 |
| Asia (excluding Japan) | 451,231 | 17.6 | 437,935 | 17.5 | (13,296) | 97 |
| Europe | 229,088 | 9.0 | 204,395 | 8.1 | (24,693) | 89 |
| Others | 60,469 | 2.4 | 59,931 | 2.4 | (538) | 99 |
| Total overseas sales | 910,279 | 35.6 | 889,288 | 35.5 | (20,991) | 98 |
| Consolidated total | 2,560,330 | 100.0 | 2,506,874 | 100.0 | (53,456) | 98 |

Consolidated Segment Information (Third Quarter, Fiscal 2013)

1. Sales and Operating Income by Business Segment

(In millions of yen)

| <i>Business Segment</i> | FY '12 Q3 (Oct. 1, 2011 – Dec. 31, 2011) | | FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012) | | C – A | D – B | C/A (%) |
|---------------------------------------|--|-------------------------|--|-----------------------------------|----------------|-----------------|------------|
| | Sales (A) | Operating income (B) | Sales (C) | Operating income (loss) (D) | | | |
| Energy and Electric Systems | 219,524 | 20,361 | 217,357 | 14,664 | (2,167) | (5,697) | 99 |
| Industrial Automation Systems | 236,708 | 27,110 | 226,180 | 16,490 | (10,528) | (10,620) | 96 |
| Information and Communication Systems | 109,667 | 4,586 | 116,317 | 1,063 | 6,650 | (3,523) | 106 |
| Electronic Devices | 48,702 | 1,041 | 39,969 | (1,677) | (8,733) | (2,718) | 82 |
| Home Appliances | 190,875 | 771 | 192,097 | 1,309 | 1,222 | 538 | 101 |
| Others | 146,379 | 3,715 | 140,652 | 3,022 | (5,727) | (693) | 96 |
| Subtotal | 951,855 | 57,584 | 932,572 | 34,871 | (19,283) | (22,713) | 98 |
| Eliminations and other | (135,123) | (9,402) | (121,716) | (11,255) | 13,407 | (1,853) | – |
| Total | 816,732 | 48,182 | 810,856 | 23,616 | (5,876) | (24,566) | 99 |

*Note: Inter-segment sales are included in the above chart.

2. Sales and Operating Income by Location

(In millions of yen)

| <i>Location</i> | FY '12 Q3 (Oct. 1, 2011 – Dec. 31, 2011) | | FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012) | | C – A | D – B | C/A (%) |
|------------------------|--|-------------------------|--|-----------------------------------|----------------|-----------------|------------|
| | Sales (A) | Operating income (B) | Sales (C) | Operating income (loss) (D) | | | |
| Japan | 725,215 | 40,671 | 685,405 | 20,107 | (39,810) | (20,564) | 95 |
| North America | 53,074 | 1,052 | 59,602 | (1,906) | 6,528 | (2,958) | 112 |
| Asia (excluding Japan) | 122,749 | 4,888 | 150,082 | 6,664 | 27,333 | 1,776 | 122 |
| Europe | 68,778 | 809 | 69,573 | 176 | 795 | (633) | 101 |
| Others | 11,025 | 1,217 | 10,431 | 605 | (594) | (612) | 95 |
| Subtotal | 980,841 | 48,637 | 975,093 | 25,646 | (5,748) | (22,991) | 99 |
| Eliminations | (164,109) | (455) | (164,237) | (2,030) | (128) | (1,575) | – |
| Total | 816,732 | 48,182 | 810,856 | 23,616 | (5,876) | (24,566) | 99 |

*Note: Inter-segment sales are included in the above chart.

3. Sales by Location of Customers

(In millions of yen)

| Location | FY '12 Q3 (Oct. 1, 2011 – Dec. 31, 2011) | | FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012) | | B – A | B/A (%) |
|---------------------------|--|----------------------------|--|----------------------------|----------|------------|
| | Sales (A) | % of total net sales | Sales (B) | % of total net sales | | |
| Japan | 547,076 | 67.0 | 519,842 | 64.1 | (27,234) | 95 |
| North America | 55,738 | 6.8 | 60,927 | 7.5 | 5,189 | 109 |
| Asia (excluding Japan) | 124,913 | 15.3 | 141,847 | 17.5 | 16,934 | 114 |
| Europe | 68,319 | 8.4 | 65,813 | 8.1 | (2,506) | 96 |
| Others | 20,686 | 2.5 | 22,427 | 2.8 | 1,741 | 108 |
| Total overseas sales | 269,656 | 33.0 | 291,014 | 35.9 | 21,358 | 108 |
| Consolidated total | 816,732 | 100.0 | 810,856 | 100.0 | (5,876) | 99 |

Cautionary Statement

The expectation of operating results herein and any associated statement to be made orally with respect to the company's current plans, estimates, strategies and beliefs and any other statements that are not historical facts are forward-looking statements. Words such as "expects", "anticipates", "plans", "believes", "scheduled", "estimated", "targeted" along with any variations of these words and similar expressions are intended to identify forward-looking statements which include but are not limited to projections of revenues, earnings, performance and production. While the statements herein are based on certain assumptions and premises that the company trusts and considers to be reasonable under the circumstances to the date of announcement, you are requested to kindly take note that actual operating results are subject to change due to any of the factors as contemplated hereunder and/or any additional factor unforeseeable as of the date of this announcement. Such factors materially affecting the expectations expressed herein shall include but are not limited to the following:

(1) Important trends

The Mitsubishi Electric Group's operations may be affected by trends in the global economy, social conditions, laws, tax codes, and regulations.

(2) Foreign currency exchange rates

Fluctuations in foreign currency markets may affect Mitsubishi Electric's sales of exported products and purchases of imported materials that are denominated in U.S. dollars or Euros, as well as its Asian production bases' sales of exported products and purchases of imported materials that are denominated in foreign currencies.

(3) Stock markets

A fall in stock market prices may cause Mitsubishi Electric to record devaluation losses on marketable securities, or cause an increase in retirement benefit obligations in accordance with a decline in the fair value of pension assets.

(4) Supply/demand balance for products and procurement conditions for materials and components

A decline in prices and shipments due to changes in the supply/demand balance, as well as an increase in material prices due to a worsening of material and component procurement conditions may adversely affect the Mitsubishi Electric Group's performance.

(5) Fund raising

An increase in interest rates, the yen interest rate in particular, would increase Mitsubishi Electric's interest expenses.

(6) Significant patent matters

Important patent filings, licensing, copyrights and patent-related disputes may adversely affect related businesses.

- (7) Environmental legislation or relevant issues
We may incur losses or expenses owing to changes in environmental legislation or the occurrence of environmental issues. Such changes in legislation or the occurrence of environmental issues may also impact manufacturing and all corporate activities of the Mitsubishi Electric Group.
- (8) Flaws or defects in products or services
We may incur losses or expenses resulting out of flaws or defects in products or services, and the lowered reputation of the quality of all our products and services may affect the entire Mitsubishi Electric group.
- (9) Litigation and other legal proceedings
The Mitsubishi Electric Group's operations may be affected by lawsuits or other legal proceedings against Mitsubishi Electric, its subsidiaries and/or equity-method affiliated companies.
- (10) Disruptive changes
Disruptive changes in technology, development of products using new technology, timing of production, and market introduction may adversely affect the Mitsubishi Electric Group's performance.
- (11) Business restructuring
The Mitsubishi Electric Group may record losses due to restructuring measures.
- (12) Natural disasters
The Mitsubishi Electric Group's operations, particularly manufacturing activities, may be affected by the occurrence of earthquakes, typhoons, tsunamis, fires and other large-scale disasters.
- (13) Other significant factors
The Mitsubishi Electric Group's operations may be affected by the outbreak of social or political upheaval due to terrorism, war, pandemic by new strains of influenza and other diseases, or other factors.

Notes

1. Change in accounting policy

From this fiscal year, the company has adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2011-05 "Presentation of Comprehensive Income." Comprehensive income has been presented in the consolidated comprehensive income statement.

Accordingly, the company has adopted ASU 2011-05 retrospectively for the same period of the previous fiscal year. Although ASU 2011-05 requires to present separate line items for reclassification adjustments of items out of accumulated other comprehensive income into net income, the company has not presented separately due to deferral in the application schedule as stated in ASU 2011-12 "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05."

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About Mitsubishi Electric

With over 90 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. Embracing the spirit of its corporate statement, Changes for the Better, and its environmental statement, Eco Changes, Mitsubishi Electric endeavors to be a global, leading green company, enriching society with technology. The company recorded consolidated group sales of 3,639.4 billion yen (US\$ 44.4 billion*) in the fiscal year ended March 31, 2012. For more information visit <http://www.MitsubishiElectric.com>

*At an exchange rate of 82 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2012