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**FOR IMMEDIATE RELEASE**

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## **Mitsubishi Electric Announces Consolidated Financial Results for the First 9 Months and Third Quarter of Fiscal 2016**

**TOKYO, February 2, 2016** – [Mitsubishi Electric Corporation](http://www.mitsubishielectric.com) (TOKYO: 6503) announced today its financial results for the first 9 months and third quarter ended December 31, 2015, of the current fiscal year ending March 31, 2016 (fiscal 2016).

### **1. Consolidated First 9 Months Results (April 1, 2015 – December 31, 2015)**

Net sales:	3,091.6 billion yen	(4% increase from the same period last year)
Operating income:	207.3 billion yen	(3% increase from the same period last year)
Income before income taxes:	218.7 billion yen	(1% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	152.8 billion yen	(5% increase from the same period last year)

In the first 9 months of fiscal 2016, the business environment experienced buoyancy in the U.S. economy, which showed expansion, and a gradual trend of economic recovery continuing in Europe, despite a gradual slowdown continuing in China and other east Asian markets, weakness in personal consumption in Japan and stagnation in certain emerging markets. In addition, the yen weakened against the U.S. dollar compared to the previous year.

Under these circumstances, consolidated net sales for the first 9 months of fiscal 2016 increased by 4% compared to the same period of the previous fiscal year to 3,091.6 billion yen, with increased sales in the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices and Home Appliances segments. Consolidated operating income increased by 3% compared to the same period of the previous fiscal year to 207.3 billion yen, due to increased profits in the Industrial Automation Systems, Electronic Devices and Home Appliances segments.

### **Consolidated Financial Results by Business Segment (First 9 months, Fiscal 2016)**

#### ***Energy and Electric Systems***

Total sales:	808.6 billion yen	(4% increase from the same period last year)
Operating income:	18.3 billion yen	(14.1 billion yen decrease from the same period last year)

The social infrastructure systems business saw increases both in orders and sales compared to the same period of the previous fiscal year due to increases in the power systems business and the transportation systems business in Japan, and also due to the weaker yen, despite decreases in the public utility systems business in Japan and the transportation systems business outside Japan.

The building systems business experienced increases both in orders and sales compared to the same period of the previous fiscal year, owing to growth in the new installation of elevators and escalators outside Japan and the renewal business in Japan, as well as the weaker yen.

As a result, total sales for this segment increased by 4% from the same period of the previous fiscal year. Operating income decreased by 14.1 billion yen from the same period of the previous fiscal year due primarily to a shift in project portfolios and lower profit in the social infrastructure systems business.

### ***Industrial Automation Systems***

Total sales: 988.7 billion yen (6% increase from the same period last year)  
Operating income: 127.1 billion yen (18.9 billion yen increase from the same period last year)

The factory automation systems business saw a decrease in orders from the same period of the previous fiscal year mainly due to stagnant capital expenditures in China and other emerging markets, while sales experienced an increase from the same period of the previous fiscal year due to growth in capital expenditures relating to the automotive industry and facility replacements by manufacturers in Japan, and due additionally to the weaker yen.

The automotive equipment business saw increases in both orders and sales from the same period of the previous fiscal year due primarily to growth in the car sales market in North America and Europe, as well as the positive influence of the weaker yen.

As a result, total sales for this segment increased by 6% from the same period of the previous fiscal year. Operating income increased by 18.9 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

### ***Information and Communication Systems***

Total sales: 363.8 billion yen (3% decrease from the same period last year)  
Operating income: 4.4 billion yen (8.5 billion yen decrease from the same period last year)

The telecommunications equipment business saw decreases in both orders and sales from the same period of the previous fiscal year due primarily to a decrease in demand for communications infrastructure products.

The information systems and service business saw an increase in sales compared to the same period of the previous fiscal year, mainly owing to an increase in the system integrations business.

The electronic systems business saw an increase in orders compared to the same period of the previous fiscal year, while sales experienced a decrease compared to the same period of the previous fiscal year due to a shift in the portfolio of large-scale projects in the defense systems business.

As a result, total sales for this segment decreased by 3% compared to the same period of the previous fiscal year. Operating income decreased by 8.5 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

### ***Electronic Devices***

Total sales: 166.1 billion yen (3% increase from the same period last year)  
Operating income: 18.9 billion yen (2.9 billion yen increase from the same period last year)

The electronic devices business saw a decrease in orders from the same period of the previous fiscal year due to a decrease in demand mainly for power modules used in railcar, industrial and consumer applications. Sales experienced an increase from the same period of the previous fiscal year due to an increase primarily in automotive-use power modules and optical communication devices, and additionally due to the weaker yen.

As a result, total sales for this segment increased by 3% compared to the same period of the previous fiscal year. Operating income increased by 2.9 billion yen compared to the same period of the previous fiscal year due primarily to an increase in sales.

### ***Home Appliances***

Total sales: 731.3 billion yen (6% increase from the same period last year)  
Operating income: 48.1 billion yen (7.0 billion yen increase from the same period last year)

The home appliances business saw an increase in sales of 6% compared to the same period of the previous fiscal year due to an increase in sales of residential and industrial air conditioners and refrigerators in Japan, as well as air conditioners for Europe, Asia and North America. The weaker yen also brought about a positive influence.

Operating income increased by 7.0 billion yen compared to the same period of the previous fiscal year largely due to an increase in sales.

### ***Others***

Total sales: 509.6 billion yen (5% decrease from the same period last year)  
Operating income: 13.6 billion yen (0.2 billion yen decrease from the same period last year)

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

Operating income decreased by 0.2 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

## **2. Consolidated Third-quarter Results (October 1, 2015 – December 31, 2015)**

Net sales:	1,028.3 billion yen	(2% increase from the same period last year)
Operating income:	80.3 billion yen	(Unchanged from the same period last year)
Income before income taxes:	85.6 billion yen	(15% increase from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	59.8 billion yen	(25% increase from the same period last year)

Consolidated net sales for this quarter increased by 2% compared to the same period of the previous fiscal year to 1,028.3 billion yen due to increased sales in the Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems and Home Appliances segments. Consolidated operating income was 80.3 billion yen, remaining substantially unchanged from the same period of the previous fiscal year with increased profits in the Industrial Automation Systems, Information and Communication Systems and Home Appliances segments, despite decreased profits in the Energy and Electric Systems and Electronic Devices segments.

## **Consolidated Financial Results by Business Segment (Third Quarter, Fiscal 2016)**

### ***Energy and Electric Systems***

Total sales:	284.8 billion yen	(3% increase from the same period last year)
Operating income:	14.6 billion yen	(5.4 billion yen decrease from the same period last year)

The social infrastructure systems business saw increases both in orders and sales compared to the same period of the previous fiscal year due to an increase in the power systems business in Japan, despite a decrease in orders and sales of the transportations systems business outside Japan.

The building systems business experienced an increase in orders compared to the same period of the previous fiscal year due primarily to an increase in the new installation of elevators outside Japan, while sales remained substantially unchanged compared to the same period of the previous fiscal year.

As a result, total sales for this segment increased by 3% from the same period of the previous fiscal year. Operating income decreased by 5.4 billion yen from the same period of the previous fiscal year due primarily to a shift in project portfolios.

### ***Industrial Automation Systems***

Total sales:	327.2 billion yen	(1% increase from the same period last year)
Operating income:	43.2 billion yen	(1.3 billion yen increase 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 stagnant capital expenditures in China and other emerging markets, despite buoyant demand in capital expenditures relating to the automotive industry.

The automotive equipment business saw increases in both orders and sales from the same period of the previous fiscal year due primarily to growth in the car sales market in North America and Europe.

As a result, total sales for this segment increased by 1% from the same period of the previous fiscal year. Operating income increased by 1.3 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

### ***Information and Communication Systems***

Total sales:	139.8 billion yen	(10% increase from the same period last year)
Operating income:	8.2 billion yen	(0.6 billion yen increase from the same period last year)

The telecommunications equipment business saw decreases in both orders and sales from the same period of the previous fiscal year due primarily to a decrease in demand for communications infrastructure products.

The information systems and service business saw an increase in sales compared to the same period of the previous fiscal year, mainly owing to an increase in the system integrations business.

The electronic systems business saw increases in both orders and sales compared to the same period of the previous fiscal year owing to a new order received for a large-scale project in the defense systems business, as well as sales recorded for a large-scale project in the space systems business.

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 0.6 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

### ***Electronic Devices***

Total sales: 42.9 billion yen (22% decrease from the same period last year)  
Operating income: 2.6 billion yen (5.6 billion yen decrease from the same period last year)

The electronic devices business saw decreases in both orders and sales from the same period of the previous fiscal year due to a decrease in demand mainly for power modules used in automotive, railcar, industrial and consumer applications, despite increases in orders and sales primarily for optical communication devices.

As a result, total sales for this segment decreased by 22% compared to the same period of the previous fiscal year. Operating income decreased by 5.6 billion yen compared to the same period of the previous fiscal year due primarily to a decrease in sales.

### ***Home Appliances***

Total sales: 220.1 billion yen (4% increase from the same period last year)  
Operating income: 14.9 billion yen (9.0 billion yen increase from the same period last year)

The home appliances business saw an increase in sales of 4% compared to the same period of the previous fiscal year due to an increase in sales of residential and industrial air conditioners and refrigerators in Japan, as well as air conditioners for Europe and North America.

Operating income increased by 9.0 billion yen compared to the same period of the previous fiscal year largely due to an increase in sales.

### ***Others***

Total sales: 171.1 billion yen (7% decrease from the same period last year)  
Operating income: 6.3 billion yen (0.6 billion yen increase from the same period last year)

Sales decreased by 7% compared to the same period of the previous fiscal year due to decreases mainly at affiliated companies involved in materials procurement.

Operating income increased by 0.6 billion yen from the same period of the previous fiscal year.

## **Financial Standing**

### **An analysis on the status of assets, liabilities, equity and cash flow on a consolidated basis**

The Company's total assets as of the end of this fiscal quarter decreased from the end of the previous fiscal year by 111.0 billion yen to 3,948.3 billion yen. The change in the balance of total assets is mainly due to a decrease in the balances of cash and cash equivalents of 90.5 billion yen and a decrease in trade receivables of 186.6 billion yen resulting from various factors including credit collection, while work-in-process to be recorded in commensurate with progress in job orders under pertinent contracts increased by 77.1 billion yen.

Total liabilities decreased from the end of the previous fiscal year by 191.6 billion yen to 1,937.6 billion yen due to decreases mainly in the outstanding balance of trade payables of 133.4 billion yen and in other current liabilities of 90.0 billion yen. The outstanding balances of debts and corporate bonds increased by 22.7 billion yen from the end of the previous fiscal year to 404.7 billion yen. The ratio of interest bearing debt to total assets rose to 10.3%, which was a 0.9 point increase compared to the end of the previous fiscal year.

Mitsubishi Electric Corporation shareholders' equity increased by 50.6 billion yen compared to the end of the previous fiscal year to 1,892.8 billion yen. Shareholders' equity ratio, representing a 2.5 point increase compared to the end of the previous fiscal year, was recorded as 47.9%. The changes referred to above are primarily resulting from a recorded net income attributable to Mitsubishi Electric Corporation of 152.8 billion yen, despite a dividend payment of 57.9 billion yen and a decrease in accumulated other comprehensive income of 44.1 billion yen backed by such factors as currencies of the emerging markets weakening against the yen compared to the end of the previous fiscal year.

Cash flows from operating activities decreased by 25.0 billion yen compared to the same period of the previous fiscal year to 165.4 billion yen (cash in), resulting primarily from a decrease in advance payments. Cash flows from investing activities increased by 46.6 billion yen compared to the same period of the previous fiscal year to 189.2 billion yen (cash out) resulting primarily from an increase in purchases of short-term investments and investment securities. Consequently, free cash flow totaled 23.7 billion yen (cash out). Cash flows from financing activities were 55.1 billion yen (cash out) mainly due to dividend payments.

### **Forecast for Fiscal 2016 (year ending March 31, 2016)**

The consolidated earnings forecast for fiscal 2016, ending March 31, 2016, has not been changed from the previous forecast announced on October 29, 2015.

#### **Consolidated earnings forecast for fiscal 2016**

	Current forecast
Net sales:	4,380.0 billion yen (1% increase from fiscal 2015)
Operating income:	300.0 billion yen (6% decrease from fiscal 2015)
Income before income taxes:	315.0 billion yen (2% decrease from fiscal 2015)
Net income attributable to Mitsubishi Electric Corp.:	220.0 billion yen (6% decrease from fiscal 2015)

*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 at the end.*

## Consolidated Financial Results Summary

### 1. Consolidated First 9 Months Results

(In billions of yen except where noted)

	FY '15 9 months (A) (Apr. 1, 2014 – Dec. 31, 2014)	FY '16 9 months (B) (Apr. 1, 2015 – Dec. 31, 2015)	B – A	
			B – A	B/A (%)
Net sales	2,983.2	<b>3,091.6</b>	108.3	104
Operating income	201.3	<b>207.3</b>	5.9	103
Income before income taxes	220.6	<b>218.7</b>	(1.9)	99
Net income attributable to Mitsubishi Electric Corp.	145.6	<b>152.8</b>	7.1	105
Basic net income per share attributable to Mitsubishi Electric Corp.	67. <sup>82</sup> yen	<b>71.<sup>18</sup> yen</b>	3. <sup>36</sup> yen	105

### 2. Consolidated Third-quarter Results

(In billions of yen except where noted)

	FY '15 Q3 (A) (Oct. 1, 2014 – Dec. 31, 2014)	FY '16 Q3 (B) (Oct. 1, 2015 – Dec. 31, 2015)	B – A	
			B – A	B/A (%)
Net sales	1,010.4	<b>1,028.3</b>	17.9	102
Operating income	79.9	<b>80.3</b>	0.3	100
Income before income taxes	74.7	<b>85.6</b>	10.9	115
Net income attributable to Mitsubishi Electric Corp.	47.7	<b>59.8</b>	12.1	125
Basic net income per share attributable to Mitsubishi Electric Corp.	22. <sup>24</sup> yen	<b>27.<sup>89</sup> yen</b>	5. <sup>65</sup> yen	125

**Notes:**

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) The Company has 218 consolidated subsidiaries.

### Consolidated Profit and Loss Statement (First 9 Months, Fiscal 2016)

(In millions of yen)

	FY '15 9 months (Apr. 1, 2014 – Dec. 31, 2014)		FY '16 9 months (Apr. 1, 2015 – Dec. 31, 2015)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	2,983,261	100.0	<b>3,091,608</b>	<b>100.0</b>	108,347	104
Cost of sales	2,080,560	69.7	<b>2,142,075</b>	<b>69.3</b>	61,515	103
Selling, general and administrative expenses	699,831	23.5	<b>738,214</b>	<b>23.9</b>	38,383	105
Loss on impairment of long-lived assets	1,532	0.1	<b>4,004</b>	<b>0.1</b>	2,472	261
Operating income	201,338	6.7	<b>207,315</b>	<b>6.7</b>	5,977	103
Other income	59,769	2.0	<b>41,027</b>	<b>1.3</b>	(18,742)	69
Interest and dividends	6,103	0.2	<b>6,384</b>	<b>0.2</b>	281	105
Equity in earnings of affiliated companies	19,998	0.7	<b>20,102</b>	<b>0.6</b>	104	101
Other	33,668	1.1	<b>14,541</b>	<b>0.5</b>	(19,127)	43
Other expenses	40,454	1.3	<b>29,599</b>	<b>0.9</b>	(10,855)	73
Interest	2,855	0.1	<b>2,670</b>	<b>0.1</b>	(185)	94
Other	37,599	1.2	<b>26,929</b>	<b>0.8</b>	(10,670)	72
Income before income taxes	220,653	7.4	<b>218,743</b>	<b>7.1</b>	(1,910)	99
Income taxes	66,299	2.2	<b>56,000</b>	<b>1.8</b>	(10,299)	84
Net income	154,354	5.2	<b>162,743</b>	<b>5.3</b>	8,389	105
Net income attributable to the noncontrolling interests	8,750	0.3	<b>9,941</b>	<b>0.4</b>	1,191	114
Net income attributable to Mitsubishi Electric Corp.	145,604	4.9	<b>152,802</b>	<b>4.9</b>	7,198	105

### Consolidated Comprehensive Income Statement (First 9 Months, Fiscal 2016)

(In millions of yen)

	FY '15 9 months (A) (Apr. 1, 2014 – Dec. 31, 2014)	FY '16 9 months (B) (Apr. 1, 2015 – Dec. 31, 2015)	B – A
Net income	154,354	<b>162,743</b>	8,389
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	71,544	<b>(36,930)</b>	(108,474)
Pension liability adjustments	35,670	<b>(8,267)</b>	(43,937)
Unrealized gains (losses) on securities	22,876	<b>(3,215)</b>	(26,091)
Unrealized gains on derivative instruments	3	<b>31</b>	28
Total	130,093	<b>(48,381)</b>	(178,474)
Comprehensive income	284,447	<b>114,362</b>	(170,085)
Comprehensive income attributable to the noncontrolling interests	16,043	<b>5,719</b>	(10,324)
Comprehensive income attributable to Mitsubishi Electric Corp.	268,404	<b>108,643</b>	(159,761)

### Consolidated Profit and Loss Statement (Third Quarter, Fiscal 2016)

(In millions of yen)

	FY '15 Q3 (Oct. 1, 2014 – Dec. 31, 2014)		FY '16 Q3 (Oct. 1, 2015 – Dec. 31, 2015)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	1,010,423	100.0	<b>1,028,323</b>	<b>100.0</b>	17,900	102
Cost of sales	698,453	69.1	<b>709,305</b>	<b>69.0</b>	10,852	102
Selling, general and administrative expenses	231,190	22.9	<b>238,717</b>	<b>23.2</b>	7,527	103
Loss on impairment of long-lived assets	833	0.1	–	–	(833)	–
Operating income	79,947	7.9	<b>80,301</b>	<b>7.8</b>	354	100
Other income	19,513	1.9	<b>14,454</b>	<b>1.4</b>	(5,059)	74
Interest and dividends	1,833	0.2	<b>2,105</b>	<b>0.2</b>	272	115
Equity in earnings of affiliated companies	7,844	0.8	<b>6,841</b>	<b>0.7</b>	(1,003)	87
Other	9,836	0.9	<b>5,508</b>	<b>0.5</b>	(4,328)	56
Other expenses	24,733	2.4	<b>9,070</b>	<b>0.9</b>	(15,663)	37
Interest	892	0.1	<b>840</b>	<b>0.1</b>	(52)	94
Other	23,841	2.3	<b>8,230</b>	<b>0.8</b>	(15,611)	35
Income before income taxes	74,727	7.4	<b>85,685</b>	<b>8.3</b>	10,958	115
Income taxes	23,132	2.3	<b>22,075</b>	<b>2.1</b>	(1,057)	95
Net income	51,595	5.1	<b>63,610</b>	<b>6.2</b>	12,015	123
Net income attributable to the noncontrolling interests	3,845	0.4	<b>3,733</b>	<b>0.4</b>	(112)	97
Net income attributable to Mitsubishi Electric Corp.	47,750	4.7	<b>59,877</b>	<b>5.8</b>	12,127	125

### Consolidated Comprehensive Income Statement (Third Quarter, Fiscal 2016)

(In millions of yen)

	FY '15 Q3 (A) (Oct. 1, 2014 – Dec. 31, 2014)	FY '16 Q3 (B) (Oct. 1, 2015 – Dec. 31, 2015)	B – A
Net income	51,595	<b>63,610</b>	12,015
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	51,593	<b>(4,472)</b>	(56,065)
Pension liability adjustments	17,496	<b>17,710</b>	214
Unrealized gains (losses) on securities	(389)	<b>26,938</b>	27,327
Unrealized gains on derivative instruments	15	<b>48</b>	33
Total	68,715	<b>40,224</b>	(28,491)
Comprehensive income	120,310	<b>103,834</b>	(16,476)
Comprehensive income attributable to the noncontrolling interests	8,695	<b>3,483</b>	(5,212)
Comprehensive income attributable to Mitsubishi Electric Corp.	111,615	<b>100,351</b>	(11,264)



## Consolidated Balance Sheet

(In millions of yen)

	FY '15 (A) (ended Mar. 31, 2015)	FY '16 9 months (B) (ended Dec. 31, 2015)	B – A
<b>(Assets)</b>			
Current assets	2,633,445	<b>2,432,410</b>	(201,035)
Cash and cash equivalents	568,517	<b>478,011</b>	(90,506)
Trade receivables	1,048,542	<b>863,514</b>	(185,028)
Inventories	705,420	<b>782,528</b>	77,108
Prepaid expenses and other current assets	310,966	<b>308,357</b>	(2,609)
Long-term trade receivables	5,633	<b>4,038</b>	(1,595)
Investments	595,828	<b>599,206</b>	3,378
Net property, plant and equipment	706,475	<b>703,744</b>	(2,731)
Other assets	118,070	<b>208,968</b>	90,898
<b>Total assets</b>	<b>4,059,451</b>	<b>3,948,366</b>	<b>(111,085)</b>
<b>(Liabilities)</b>			
Current liabilities	1,612,582	<b>1,349,938</b>	(262,644)
Bank loans and current portion of long-term debt	164,402	<b>125,298</b>	(39,104)
Trade payables	807,289	<b>673,838</b>	(133,451)
Other current liabilities	640,891	<b>550,802</b>	(90,089)
Long-term debt	217,592	<b>279,439</b>	61,847
Retirement and severance benefits	182,282	<b>180,929</b>	(1,353)
Other fixed liabilities	116,828	<b>127,348</b>	10,520
Total liabilities	2,129,284	<b>1,937,654</b>	(191,630)
<b>(Equity)</b>			
Mitsubishi Electric Corp. shareholders' equity	1,842,203	<b>1,892,847</b>	50,644
Common stock	175,820	<b>175,820</b>	–
Capital surplus	211,155	<b>211,155</b>	–
Retained earnings	1,331,496	<b>1,426,335</b>	94,839
Accumulated other comprehensive income (loss)	124,064	<b>79,905</b>	(44,159)
Treasury stock at cost	(332)	<b>(368)</b>	(36)
Noncontrolling interests	87,964	<b>117,865</b>	29,901
Total equity	1,930,167	<b>2,010,712</b>	80,545
<b>Total liabilities and equity</b>	<b>4,059,451</b>	<b>3,948,366</b>	<b>(111,085)</b>
Balance of Debt	381,994	<b>404,737</b>	22,743
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	102,959	<b>70,394</b>	(32,565)
Pension liability adjustments	(98,108)	<b>(106,375)</b>	(8,267)
Unrealized gains on securities	119,252	<b>115,911</b>	(3,341)
Unrealized gains (losses) on derivative instruments	(39)	<b>(25)</b>	14

## Consolidated Cash Flow Statement

(In millions of yen)

	FY '15 9 months (Apr. 1, 2014 – Dec. 31, 2014) (A)	FY '16 9 months (Apr. 1, 2015 – Dec. 31, 2015) (B)	B – A
<b>I Cash flows from operating activities</b>			
1 Net income	154,354	<b>162,743</b>	8,389
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	110,153	<b>105,949</b>	(4,204)
(2) Decrease in trade receivables	100,280	<b>189,355</b>	89,075
(3) Decrease (increase) in inventories	(176,662)	<b>(82,509)</b>	94,153
(4) Increase (decrease) in trade payables	(13,793)	<b>(118,264)</b>	(104,471)
(5) Other, net	16,165	<b>(91,785)</b>	(107,950)
Net cash provided by operating activities	190,497	<b>165,489</b>	(25,008)
<b>II Cash flows from investing activities</b>			
1 Capital expenditure	(150,507)	<b>(126,477)</b>	24,030
2 Proceeds from sale of property, plant and equipment	5,728	<b>1,716</b>	(4,012)
3 Purchase of short-term investments and investment securities (net of cash acquired)	(1,985)	<b>(57,394)</b>	(55,409)
4 Proceeds from sale of short-term investments and investment securities	7,828	<b>4,925</b>	(2,903)
5 Other, net	(3,719)	<b>(12,041)</b>	(8,322)
Net cash used in investing activities	(142,655)	<b>(189,271)</b>	(46,616)
<b>I+II Free cash flow</b>	47,842	<b>(23,782)</b>	(71,624)
<b>III Cash flows from financing activities</b>			
1 Proceeds from long-term debt	50,001	<b>80,105</b>	30,104
2 Repayment of long-term debt	(54,763)	<b>(71,367)</b>	(16,604)
3 Increase (decrease) in bank loans, net	12,656	<b>(1,458)</b>	(14,114)
4 Dividends paid	(42,936)	<b>(57,963)</b>	(15,027)
5 Purchase of treasury stock	(37)	<b>(36)</b>	1
6 Reissuance of treasury stock	0	<b>0</b>	0
7 Other, net	(2,971)	<b>(4,396)</b>	(1,425)
Net cash provided by (used in) financing activities	(38,050)	<b>(55,115)</b>	(17,065)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	24,794	<b>(11,609)</b>	(36,403)
<b>V Net increase (decrease) in cash and cash equivalents</b>	34,586	<b>(90,506)</b>	(125,092)
<b>VI Cash and cash equivalents at beginning of period</b>	418,049	<b>568,517</b>	150,468
<b>VII Cash and cash equivalents at end of period</b>	452,635	<b>478,011</b>	25,376

## Consolidated Segment Information (First 9 Months, Fiscal 2016)

### 1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '15 9 months (Apr. 1, 2014 – Dec. 31, 2014)		FY '16 9 months (Apr. 1, 2015 – Dec. 31, 2015)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	779,708	32,577	<b>808,616</b>	<b>18,398</b>	28,908	(14,179)	104
Industrial Automation Systems	932,592	108,202	<b>988,751</b>	<b>127,179</b>	56,159	18,977	106
Information and Communication Systems	375,481	12,994	<b>363,895</b>	<b>4,445</b>	(11,586)	(8,549)	97
Electronic Devices	161,602	15,990	<b>166,155</b>	<b>18,960</b>	4,553	2,970	103
Home Appliances	689,627	41,181	<b>731,334</b>	<b>48,182</b>	41,707	7,001	106
Others	534,907	13,985	<b>509,609</b>	<b>13,688</b>	(25,298)	(297)	95
Subtotal	3,473,917	224,929	<b>3,568,360</b>	<b>230,852</b>	94,443	5,923	103
Eliminations and other	(490,656)	(23,591)	<b>(476,752)</b>	<b>(23,537)</b>	13,904	54	–
<b>Total</b>	<b>2,983,261</b>	<b>201,338</b>	<b>3,091,608</b>	<b>207,315</b>	<b>108,347</b>	<b>5,977</b>	<b>104</b>

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

### 2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '15 9 months (Apr. 1, 2014 – Dec. 31, 2014)		FY '16 9 months (Apr. 1, 2015 – Dec. 31, 2015)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	2,460,765	142,828	<b>2,469,056</b>	<b>118,404</b>	8,291	(24,424)	100
North America	278,930	2,800	<b>331,719</b>	<b>4,825</b>	52,789	2,025	119
Asia (excluding Japan)	742,455	58,412	<b>783,040</b>	<b>69,727</b>	40,585	11,315	105
Europe	289,455	9,176	<b>302,666</b>	<b>12,914</b>	13,211	3,738	105
Others	36,241	658	<b>37,171</b>	<b>1,187</b>	930	529	103
Subtotal	3,807,846	213,874	<b>3,923,652</b>	<b>207,057</b>	115,806	(6,817)	103
Eliminations	(824,585)	(12,536)	<b>(832,044)</b>	<b>258</b>	(7,459)	12,794	–
<b>Total</b>	<b>2,983,261</b>	<b>201,338</b>	<b>3,091,608</b>	<b>207,315</b>	<b>108,347</b>	<b>5,977</b>	<b>104</b>

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

### 3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '15 9 months (Apr. 1, 2014 – Dec. 31, 2014)		FY '16 9 months (Apr. 1, 2015 – Dec. 31, 2015)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	1,683,389	56.4	<b>1,681,801</b>	<b>54.4</b>	(1,588)	100
North America	284,886	9.5	<b>331,635</b>	<b>10.7</b>	46,749	116
Asia (excluding Japan)	681,646	22.9	<b>729,255</b>	<b>23.6</b>	47,609	107
Europe	268,811	9.0	<b>282,554</b>	<b>9.1</b>	13,743	105
Others	64,529	2.2	<b>66,363</b>	<b>2.2</b>	1,834	103
Total overseas sales	1,299,872	43.6	<b>1,409,807</b>	<b>45.6</b>	109,935	108
Consolidated total	2,983,261	100.0	<b>3,091,608</b>	<b>100.0</b>	108,347	104

## Consolidated Segment Information (Third Quarter, Fiscal 2016)

### 1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '15 Q3 (Oct. 1, 2014 – Dec. 31, 2014)		FY '16 Q3 (Oct. 1, 2015 – Dec. 31, 2015)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	277,514	20,062	<b>284,838</b>	<b>14,625</b>	7,324	(5,437)	103
Industrial Automation Systems	323,291	41,939	<b>327,231</b>	<b>43,260</b>	3,940	1,321	101
Information and Communication Systems	126,969	7,654	<b>139,858</b>	<b>8,260</b>	12,889	606	110
Electronic Devices	55,077	8,218	<b>42,947</b>	<b>2,609</b>	(12,130)	(5,609)	78
Home Appliances	212,527	5,956	<b>220,196</b>	<b>14,988</b>	7,669	9,032	104
Others	183,664	5,712	<b>171,125</b>	<b>6,321</b>	(12,539)	609	93
Subtotal	1,179,042	89,541	<b>1,186,195</b>	<b>90,063</b>	7,153	522	101
Eliminations and other	(168,619)	(9,594)	<b>(157,872)</b>	<b>(9,762)</b>	10,747	(168)	–
<b>Total</b>	<b>1,010,423</b>	<b>79,947</b>	<b>1,028,323</b>	<b>80,301</b>	<b>17,900</b>	<b>354</b>	<b>102</b>

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

### 2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '15 Q3 (Oct. 1, 2014 – Dec. 31, 2014)		FY '16 Q3 (Oct. 1, 2015 – Dec. 31, 2015)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	839,516	70,837	<b>844,016</b>	<b>57,185</b>	4,500	(13,652)	101
North America	101,903	300	<b>108,381</b>	<b>386</b>	6,478	86	106
Asia (excluding Japan)	255,493	18,311	<b>238,177</b>	<b>21,447</b>	(17,316)	3,136	93
Europe	95,925	2,388	<b>95,606</b>	<b>3,159</b>	(319)	771	100
Others	14,584	414	<b>12,265</b>	<b>612</b>	(2,319)	198	84
Subtotal	1,307,421	92,250	<b>1,298,445</b>	<b>82,789</b>	(8,976)	(9,461)	99
Eliminations	(296,998)	(12,303)	<b>(270,122)</b>	<b>(2,488)</b>	26,876	9,815	–
<b>Total</b>	<b>1,010,423</b>	<b>79,947</b>	<b>1,028,323</b>	<b>80,301</b>	<b>17,900</b>	<b>354</b>	<b>102</b>

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

### 3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '15 Q3 (Oct. 1, 2014 – Dec. 31, 2014)		FY '16 Q3 (Oct. 1, 2015 – Dec. 31, 2015)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	562,840	55.7	<b>576,280</b>	<b>56.0</b>	13,440	102
North America	101,979	10.1	<b>108,699</b>	<b>10.6</b>	6,720	107
Asia (excluding Japan)	233,909	23.2	<b>234,295</b>	<b>22.8</b>	386	100
Europe	87,080	8.6	<b>88,458</b>	<b>8.6</b>	1,378	102
Others	24,615	2.4	<b>20,591</b>	<b>2.0</b>	(4,024)	84
Total overseas sales	447,583	44.3	<b>452,043</b>	<b>44.0</b>	4,460	101
Consolidated total	1,010,423	100.0	<b>1,028,323</b>	<b>100.0</b>	17,900	102

#### Cautionary Statement

The Mitsubishi Electric Group (hereafter “the Group”) is involved in development, manufacture and sales in a wide range of fields including Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices and Home Appliances, and these operations extend globally, not only inside Japan, but also in North America, Europe, Asia and other regions. While the statements herein are based on certain assumptions and premises that the Company trusts and considers to be reasonable under the circumstances on the date of announcement, 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 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 the Group’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 Group’s performance.

(5) Fund raising

An increase in interest rates, the yen interest rate in particular, would increase the Group’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  
The Group 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 Group.
- (8) Flaws or defects in products or services  
The Group may incur losses or expenses resulting out of flaws or defects in products or services, and the lowered reputation of the quality of all its products and services may affect the entire Group.
- (9) Litigation and other legal proceedings  
The 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 Group's performance.
- (11) Business restructuring  
The Group may record losses due to restructuring measures.
- (12) Information security  
The performance of the Group may be affected by computer virus infections, unauthorized access and other unpredictable incidents that lead to the loss or leakage of personal information held by the Group or confidential information regarding the Group's business such as its technology, sales and other operations.
- (13) Natural disasters  
The Group's operations, particularly manufacturing activities, may be affected by the occurrence of earthquakes, typhoons, tsunamis, fires and other large-scale disasters.
- (14) Other significant factors  
The 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 of status in significant consolidated subsidiaries in this quarterly period  
Addition of an Italian commercial air conditioning systems manufacturer, DeLclima S.p.A., as a result of acquisition.

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#### **About Mitsubishi Electric Corporation**

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 4,323.0 billion yen (US\$ 36.0 billion\*) in the fiscal year ended March 31, 2015. For more information visit:

<http://www.MitsubishiElectric.com>

\*At an exchange rate of 120 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2015

## **Fiscal 2016 Third Quarter Consolidated Results**

1. Financial Results
2. Net Sales by Segment
3. Operating Income by Segment
4. Overseas Net Sales by Segment
5. Foreign Exchange Rates for Recording Net Sales and  
Impact of Exchange Rate Fluctuations on Net Sales



**1. Financial Results**

(Consolidated)

(Billions of yen, year-on-year % change)

	FY '15				FY '16			
	1st Half	Q3	9 months	Full Year	1st Half	Q3	9 months	Full Year
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Forecast)
Net sales	1,972.8 (+9)	1,010.4 (+10)	2,983.2 (+9)	4,323.0 (+7)	2,063.2 (+5)	1,028.3 (+2)	3,091.6 (+4)	4,380.0 (+1)
Operating income	121.3 (+52)	79.9 (+26)	201.3 (+41)	317.6 (+35)	127.0 (+5)	80.3 (0)	207.3 (+3)	300.0 (-6)
Income before income taxes	145.9 (+75)	74.7 (+3)	220.6 (+42)	322.9 (+30)	133.0 (-9)	85.6 (+15)	218.7 (-1)	315.0 (-2)
Net income attributable to Mitsubishi Electric Corp.	97.8 (+102)	47.7 (+3)	145.6 (+53)	234.6 (+53)	92.9 (-5)	59.8 (+25)	152.8 (+5)	220.0 (-6)

Figures in parentheses in the right column indicate change from the previous corresponding period

**2. Net Sales by Segment**

(Billions of yen, year-on-year % change)

	FY '15				FY '16			
	1st Half	Q3	9 months	Full Year	1st Half	Q3	9 months	Full Year
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Forecast)
Energy and Electric Systems	502.1 (+5)	277.5 (+7)	779.7 (+6)	1,228.9 (+4)	523.7 (+4)	284.8 (+3)	808.6 (+4)	1,250.0 (+2)
Industrial Automation Systems	609.3 (+20)	323.2 (+19)	932.5 (+20)	1,282.7 (+17)	661.5 (+9)	327.2 (+1)	988.7 (+6)	1,320.0 (+3)
Information and Communication Systems	248.5 (+2)	126.9 (+13)	375.4 (+6)	559.5 (+2)	224.0 (-10)	139.8 (+10)	363.8 (-3)	550.0 (-2)
Electronic Devices	106.5 (+18)	55.0 (+24)	161.6 (+20)	238.4 (+22)	123.2 (+16)	42.9 (-22)	166.1 (+3)	210.0 (-12)
Home Appliances	477.1 (+4)	212.5 (+3)	689.6 (+3)	944.8 (0)	511.1 (+7)	220.1 (+4)	731.3 (+6)	990.0 (+5)
Others	351.2 (+14)	183.6 (+11)	534.9 (+13)	740.5 (+10)	338.4 (-4)	171.1 (-7)	509.6 (-5)	710.0 (-4)
Subtotal	2,294.8 (+10)	1,179.0 (+11)	3,473.9 (+10)	4,994.9 (+8)	2,382.1 (+4)	1,186.1 (+1)	3,568.3 (+3)	5,030.0 (+1)
Eliminations	-322.0	-168.6	-490.6	-671.9	-318.8	-157.8	-476.7	-650.0
Consolidated total	1,972.8 (+9)	1,010.4 (+10)	2,983.2 (+9)	4,323.0 (+7)	2,063.2 (+5)	1,028.3 (+2)	3,091.6 (+4)	4,380.0 (+1)

**3. Operating Income by Segment**

(Billions of yen, year-on-year % change)

	FY '15				FY '16			
	1st Half	Q3	9 months	Full Year	1st Half	Q3	9 months	Full Year
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Forecast)
Energy and Electric Systems	12.5 (-32)	20.0 (-20)	32.5 (-25)	72.4 (-5)	3.7 (-70)	14.6 (-27)	18.3 (-44)	63.0 (-13)
Industrial Automation Systems	66.2 (+70)	41.9 (+29)	108.2 (+52)	145.9 (+49)	83.9 (+27)	43.2 (+3)	127.1 (+18)	156.0 (+7)
Information and Communication Systems	5.3 (+70)	7.6 (46times)	12.9 (+293)	18.9 (+242)	-3.8 (-)	8.2 (+8)	4.4 (-66)	10.0 (-47)
Electronic Devices	7.7 (+72)	8.2 (+153)	15.9 (+106)	30.1 (+200)	16.3 (+110)	2.6 (-68)	18.9 (+19)	19.0 (-37)
Home Appliances	35.2 (+52)	5.9 (-18)	41.1 (+35)	54.2 (+3)	33.1 (-6)	14.9 (+152)	48.1 (+17)	59.0 (+9)
Others	8.2 (+60)	5.7 (+17)	13.9 (+39)	23.7 (+20)	7.3 (-11)	6.3 (+11)	13.6 (-2)	21.0 (-12)
Subtotal	135.3 (+45)	89.5 (+23)	224.9 (+35)	345.5 (+32)	140.7 (+4)	90.0 (+1)	230.8 (+3)	328.0 (-5)
Eliminations and other	-13.9	-9.5	-23.5	-27.9	-13.7	-9.7	-23.5	-28.0
Consolidated total	121.3 (+52)	79.9 (+26)	201.3 (+41)	317.6 (+35)	127.0 (+5)	80.3 (0)	207.3 (+3)	300.0 (-6)

**4. Overseas Net Sales by Segment**

(Billions of yen, year-on-year % change)

	FY '15				FY '16			
	1st Half	Q3	9 months	Full Year	1st Half	Q3	9 months	Full Year
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Forecast)
Energy and Electric Systems	199.3 (+12)	119.2 (+28)	318.6 (+18)	461.4 (+19)	221.6 (+11)	113.5 (-5)	335.2 (+5)	
Industrial Automation Systems	342.7 (+26)	186.4 (+39)	529.2 (+30)	734.8 (+25)	390.8 (+14)	180.0 (-3)	570.9 (+8)	
Information and Communication Systems	6.2 (-16)	4.6 (+46)	10.8 (+2)	17.5 (-47)	12.5 (+101)	25.6 (+454)	38.1 (+252)	
Electronic Devices	50.3 (+9)	25.8 (+11)	76.1 (+9)	103.6 (+2)	52.0 (+3)	23.0 (-11)	75.1 (-1)	
Home Appliances	243.8 (+12)	107.1 (+10)	351.0 (+11)	474.4 (+6)	273.3 (+12)	106.1 (-1)	379.5 (+8)	
Others	9.7 (+28)	4.2 (+4)	13.9 (+20)	18.6 (+7)	7.3 (-25)	3.5 (-17)	10.8 (-23)	
Consolidated total	852.2 (+17)	447.5 (+26)	1,299.8 (+20)	1,810.6 (+15)	957.7 (+12)	452.0 (+1)	1,409.8 (+8)	
Ratio of overseas net sales to total sales	43.2%	44.3%	43.6%	41.9%	46.4%	44.0%	45.6%	

**5. Foreign Exchange Rates for Recording Net Sales and Impact of Exchange Rate Fluctuations on Net Sales**

		FY '15			FY '16		
		1st Half (Actual)	Q3 (Actual)	Full Year (Actual)	1st Half (Actual)	Q3 (Actual)	Q4 (Forecast)
Exchange rates for recording net sales	US\$	¥103	¥113	¥110	¥122	¥121	¥115
	Euro	¥139	¥142	¥139	¥135	¥132	¥130
Impact of exchange rate fluctuations on net sales	Consolidated total	About ¥40.0 billion increase in sales	About ¥39.0 billion increase in sales	About ¥124.0 billion increase in sales	About ¥83.0 billion increase in sales	About ¥1.0 billion increase in sales	
	US\$	About ¥10.0 billion increase	About ¥17.0 billion increase	About ¥50.0 billion increase	About ¥40.0 billion increase	About ¥8.0 billion increase	
	Euro	About ¥9.0 billion increase	About ¥2.0 billion increase	About ¥8.0 billion increase	About ¥4.0 billion decrease	About ¥7.0 billion decrease	