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Mitsubishi Electric Announces Consolidated Financial Results for the First Quarter of Fiscal 2023

TOKYO, July 28, 2022 – [Mitsubishi Electric Corporation](https://www.mitsubishielectric.com) (TOKYO: 6503) announced today its consolidated financial results for the first quarter, ended June 30, 2022, of the current fiscal year ending March 31, 2023 (fiscal 2023).

Consolidated Financial Results

Revenue:	1,067.7	billion yen	(Substantially unchanged year-on-year)
Operating profit:	33.9	billion yen	(59% decrease year-on-year)
Profit before income taxes:	46.8	billion yen	(48% decrease year-on-year)
Net profit attributable to Mitsubishi Electric Corp. stockholders:	33.4	billion yen	(46% decrease year-on-year)

The economy in the first quarter, from April through June 2022, of fiscal 2023 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.

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.

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.

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%.

Net profit attributable to Mitsubishi Electric Corporation 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

Infrastructure

Revenue:	174.2	billion yen	(7% decrease year-on-year; recorded 186.3 billion yen)
Operating profit (loss):	(3.2)	billion yen	(8.9 billion yen decline year-on-year; recorded 5.6 billion yen)

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.

Industry and Mobility

Revenue:	364.4	billion yen	(1% increase year-on-year; recorded 361.0 billion yen)
Operating profit:	22.7	billion yen	(11.9 billion yen decrease year-on-year; recorded 34.6 billion yen)

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.

Life

Revenue:	438.3 billion yen	(1% increase year-on-year; recorded 435.1 billion yen)
Operating profit:	13.7 billion yen	(31.0 billion yen decrease year-on-year; recorded 44.8 billion yen)

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.

Business Platform

Revenue:	93.2 billion yen	(6% increase year-on-year; recorded 88.1 billion yen)
Operating profit:	7.4 billion yen	(3.5 billion yen increase year-on-year; recorded 3.8 billion yen)

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.

Others

Revenue:	179.8 billion yen	(12% increase year-on-year; recorded 160.4 billion yen)
Operating profit:	3.9 billion yen	(0.1 billion yen increase year-on-year; recorded 3.8 billion yen)

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.

Financial Standing

An analysis on the status of assets, liabilities and equity on a consolidated basis

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 current assets by 46.2 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 trade payables of 24.8 billion yen and other current liabilities of 27.9 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.

An analysis on the status of cash flow on a consolidated basis

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.

Forecast for Fiscal 2023

The consolidated earnings forecast for fiscal 2023, ending March 31, 2023, is unchanged from the previous forecast announced on April 28, 2022 as stated below.

Based on a certain premise, Mitsubishi Electric has taken into consideration the impact of improper testing, including costs for additional inspections and strengthening the quality control system. Depending on the progress of future discussions with customers and investigations, the Group may incur losses exceeding this premise or relating to the discovery of any other improper quality control practice. If any potential impact comes to light, it will be disclosed promptly. For more information regarding improper testing, please see "Relevant documents" of "Restoring trust: Our roadmap for reform."

<https://reform.MitsubishiElectric.com/relevant-documents/>

Consolidated forecast for fiscal 2023

Revenue:	4,770.0	billion yen	(7% increase year-on-year)
Operating profit:	270.0	billion yen	(7% increase year-on-year)
Profit before income taxes:	295.0	billion yen	(5% increase year-on-year)
Net profit attributable to Mitsubishi Electric Corp. stockholders:	215.0	billion yen	(6% increase year-on-year)

Exchange rates in and after the second quarter of fiscal 2023 are 120 yen to the U.S. dollar, which is 5 yen weaker than the previous announcement; 130 yen to the euro, which is 5 yen weaker than the company's previous announcement; and 18.0 yen to the Chinese yuan, which is unchanged from the previous announcement.

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

(In billions of yen except where noted)

	FY '22 Q1 (A) (Apr. 1, 2021 – Jun. 30, 2021)	FY '23 Q1 (B) (Apr. 1, 2022 – Jun. 30, 2022)		
			B – A	B/A (%)
Revenue	1,066.4	1,067.7	1.2	100
Operating profit	82.7	33.9	(48.8)	41
Profit before income taxes	89.5	46.8	(42.6)	52
Net profit attributable to Mitsubishi Electric Corp. stockholders	61.8	33.4	(28.3)	54
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders	28. ⁸² yen	15.⁸⁶ yen	(12. ⁹⁶ yen)	55

Notes:

- 1) Consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).
- 2) The company has 209 consolidated subsidiaries.

Condensed Quarterly Consolidated Financial Statements
Condensed Quarterly Consolidated Statement of Profit or Loss and
Condensed Quarterly Consolidated Statement of Comprehensive Income

(Condensed Quarterly Consolidated Statement of Profit or Loss)

(In millions of yen)

	FY '22 Q1 (Apr. 1, 2021 – Jun. 30, 2021)		FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Revenue	1,066,442	100.0	1,067,723	100.0	1,281	100
Cost of sales	748,309	70.2	776,473	72.7	28,164	104
Selling, general and administrative expenses	237,836	22.3	259,358	24.3	21,522	109
Other profit (loss)	2,471	0.3	2,073	0.2	(398)	84
Operating profit	82,768	7.8	33,965	3.2	(48,803)	41
Financial income	3,789	0.3	8,497	0.8	4,708	224
Financial expenses	1,138	0.1	727	0.1	(411)	64
Share of profit of investments accounted for using the equity method	4,094	0.4	5,161	0.5	1,067	126
Profit before income taxes	89,513	8.4	46,896	4.4	(42,617)	52
Income taxes	22,409	2.1	11,233	1.1	(11,176)	50
Net profit	67,104	6.3	35,663	3.3	(31,441)	53
Net profit attributable to:						
Mitsubishi Electric Corp. stockholders	61,835	5.8	33,492	3.1	(28,343)	54
Non-controlling interests	5,269	0.5	2,171	0.2	(3,098)	41

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(In millions of yen)

	FY '22 Q1 (A) (Apr. 1, 2021 – Jun. 30, 2021)	FY '23 Q1 (B) (Apr. 1, 2022 – Jun. 30, 2022)	B – A
Net profit	67,104	35,663	(31,441)
(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	(1,872)	(1,847)	25
Share of other comprehensive income of investments accounted for using the equity method	(62)	62	124
Subtotal	(1,934)	(1,785)	149
Items that may be reclassified to net profit			
Exchange differences on translating foreign operations	(944)	78,229	79,173
Net changes in the fair value of cash flow hedges	(4)	(61)	(57)
Share of other comprehensive income of investments accounted for using the equity method	2,478	3,368	890
Subtotal	1,530	81,536	80,006
Total other comprehensive income (loss)	(404)	79,751	80,155
Comprehensive income	66,700	115,414	48,714
Comprehensive income attributable to:			
Mitsubishi Electric Corp. stockholders	61,456	106,636	45,180
Non-controlling interests	5,244	8,778	3,534

Condensed Quarterly Consolidated Statement of Financial Position

(In millions of yen)

	FY '22 (A) (ended Mar. 31, 2022)	FY '23 Q1 (B) (ended Jun. 30, 2022)	B – A
(Assets)			
Current assets	3,090,296	3,073,870	(16,426)
Cash and cash equivalents	727,179	687,153	(40,026)
Trade receivables	944,405	779,330	(165,075)
Contract assets	287,697	293,448	5,751
Inventories	959,660	1,096,346	136,686
Other current assets	171,355	217,593	46,238
Non-current assets	2,017,677	2,045,594	27,917
Investments accounted for using the equity method	221,467	222,027	560
Other financial assets	321,056	316,797	(4,259)
Property, plant and equipment	855,746	873,040	17,294
Other non-current assets	619,408	633,730	14,322
Total assets	5,107,973	5,119,464	11,491
(Liabilities)			
Current liabilities	1,646,722	1,597,683	(49,039)
Bonds, borrowings and lease liabilities	173,213	176,958	3,745
Trade payables	601,606	576,724	(24,882)
Other current liabilities	871,903	844,001	(27,902)
Non-current liabilities	363,854	368,443	4,589
Bonds, borrowings and lease liabilities	156,248	158,994	2,746
Net defined benefit liabilities	162,353	164,381	2,028
Other non-current liabilities	45,253	45,068	(185)
Total liabilities	2,010,576	1,966,126	(44,450)
(Equity)			
Mitsubishi Electric Corp. stockholders' equity	2,975,941	3,027,280	51,339
Common stock	175,820	175,820	—
Capital surplus	202,695	201,554	(1,141)
Retained earnings	2,464,966	2,444,399	(20,567)
Accumulated other comprehensive income (loss)	184,528	256,791	72,263
Treasury stock, at cost	(52,068)	(51,284)	784
Non-controlling interests	121,456	126,058	4,602
Total equity	3,097,397	3,153,338	55,941
Total liabilities and equity	5,107,973	5,119,464	11,491
Bonds, borrowings and lease liabilities	329,461	335,952	6,491
Excluding lease liabilities	217,171	219,813	2,642
Accumulated other comprehensive income (loss):			
Exchange differences on translating foreign operations	99,293	174,264	74,971
Financial assets measured at fair value through other comprehensive income	85,204	82,551	(2,653)
Net changes in the fair value of cash flow hedges	31	(24)	(55)

Condensed Quarterly Consolidated Statement of Changes in Equity
FY '22 Q1 (Apr. 1, 2021 – Jun. 30, 2021)

(In millions of yen)

	Mitsubishi Electric Corp. stockholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total		
Balance at beginning of period	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			(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 period	175,820	201,723	2,272,464	111,467	(2,068)	2,759,406	118,315	2,877,721

FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022)

(In millions of yen)

	Mitsubishi Electric Corp. stockholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total		
Balance at beginning of period	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			(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 period	175,820	201,554	2,444,399	256,791	(51,284)	3,027,280	126,058	3,153,338

Condensed Quarterly Consolidated Statement of Cash Flows

(In millions of yen)

	FY '22 Q1 (Apr. 1, 2021 – Jun. 30, 2021) (A)	FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022) (B)	B – A
I Cash flows from operating activities			
1 Net profit	67,104	35,663	(31,441)
2 Adjustments to cash flows from operating activities			
(1) Depreciation, amortization and other	46,061	48,745	2,684
(2) Decrease in trade receivables	166,921	194,033	27,112
(3) Decrease (increase) in contract assets	4,356	(4,003)	(8,359)
(4) Decrease (increase) in inventories	(67,759)	(102,993)	(35,234)
(5) Increase (decrease) in trade payables	(20,116)	(34,119)	(14,003)
(6) Others, net	(74,832)	(82,671)	(7,839)
Cash flows from operating activities	121,735	54,655	(67,080)
II Cash flows from investing activities			
1 Purchase of property, plant and equipment	(29,893)	(34,307)	(4,414)
2 Proceeds from sale of property, plant and equipment	540	1,173	633
3 Purchase of investment securities and others (net of cash acquired)	(1,092)	(17,534)	(16,442)
4 Proceeds from sale of investment securities and others (net of cash disposed)	1,905	3,713	1,808
5 Others, net	(3,327)	(7,482)	(4,155)
Cash flows from investing activities	(31,867)	(54,437)	(22,570)
I + II Free cash flow	89,868	218	(89,650)
III Cash flows from financing activities			
1 Proceeds and repayments of bonds and long-term borrowings	(20,198)	44	20,242
2 Increase (decrease) in short-term borrowings, net	(1,608)	2,864	4,472
3 Repayments of lease liabilities	(13,775)	(14,020)	(245)
4 Dividends paid	(55,816)	(54,940)	876
5 Purchase of treasury stock	(526)	(0)	526
6 Disposal of treasury stock	-	-	-
7 Others, net	(1,602)	(2,818)	(1,216)
Cash flows from financing activities	(93,525)	(68,870)	24,655
IV Effect of exchange rate changes on cash and cash equivalents	2,100	28,626	26,526
V Net increase (decrease) in cash and cash equivalents	(1,557)	(40,026)	(38,469)
VI Cash and cash equivalents at beginning of period	767,406	727,179	(40,227)
VII Cash and cash equivalents at end of period	765,849	687,153	(78,696)

Consolidated Segment Information

1. Revenue and Operating Profit by Business Segment

(In millions of yen)

Business Segment	FY '22 Q1 (Apr. 1, 2021 – Jun. 30, 2021)		FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022)		C – A	D – B	C/A (%)
	Revenue (A)	Operating profit (B)	Revenue (C)	Operating profit (loss) (D)			
Infrastructure	186,383	5,682	174,205	(3,282)	(12,178)	(8,964)	93
Industry and Mobility	361,085	34,685	364,467	22,725	3,382	(11,960)	101
Life	435,156	44,828	438,393	13,732	3,237	(31,096)	101
Business Platform	88,177	3,851	93,259	7,428	5,082	3,577	106
Others	160,477	3,859	179,870	3,998	19,393	139	112
Subtotal	1,231,278	92,905	1,250,194	44,601	18,916	(48,304)	102
Eliminations and corporate	(164,836)	(10,137)	(182,471)	(10,636)	(17,635)	(499)	—
Consolidated total	1,066,442	82,768	1,067,723	33,965	1,281	(48,803)	100

Notes:

- 1) Business segments have been changed due to the adoption of the new management structure on April 1, 2022.
Results for FY '22 Q1 were restated in line with the new segmentation.
- 2) Inter-segment revenues are included in the above chart.

2. Revenue by Location of Customers

(In millions of yen)

Location of Customers	FY '22 Q1 (Apr. 1, 2021 – Jun. 30, 2021)		FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022)		B – A	B/A (%)
	Revenue (A)	% of total revenue	Revenue (B)	% of total revenue		
Japan	518,199	48.6	500,541	46.9	(17,658)	97
North America	117,455	11.0	131,529	12.3	14,074	112
China	155,335	14.6	125,740	11.8	(29,595)	81
Other than China	121,675	11.4	147,235	13.7	25,560	121
Asia (excluding Japan)	277,010	26.0	272,975	25.5	(4,035)	99
Europe	137,605	12.9	143,720	13.5	6,115	104
Others	16,173	1.5	18,958	1.8	2,785	117
Total overseas revenue	548,243	51.4	567,182	53.1	18,939	103
Consolidated total	1,066,442	100.0	1,067,723	100.0	1,281	100

Notes to the Condensed Consolidated Financial Statements

(Notes regarding the going concern assumption)

Not applicable

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

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About Mitsubishi Electric Corporation

With more than 100 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. Mitsubishi Electric enriches society with technology in the spirit of its "Changes for the Better." The company recorded a revenue of 4,476.7 billion yen (U.S.\$ 36.7 billion*) in the fiscal year ended March 31, 2022. For more information, please visit www.MitsubishiElectric.com

*U.S. dollar amounts are translated from yen at the rate of ¥122=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2022

Fiscal 2023 First-quarter Consolidated Results

1. Financial Results
2. Revenue and Operating Profit by Segment
3. Overseas Revenue by Segment
4. Orders by Segment
5. Foreign Exchange Rates for Recording Revenue and
Impact of Exchange Rate Fluctuations on Revenue

<Reference>

1. Capital Expenditures
2. Research and Development Expenditures

Notes:

Business segments have been changed due to the adoption of the new management structure on April 1, 2022.
Forecast for FY '23 and results for FY '22 were restated in line with the new segmentation.

FY '22: Apr. 1, 2021 – Mar. 31, 2022
FY '23: Apr. 1, 2022 – Mar. 31, 2023

1. Financial Results

(Consolidated)

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

	FY '22		FY '23	
	Q1	Full Year	Q1	Full Year (Forecast)
Revenue	1,066.4 (+24)	4,476.7 (+7)	1,067.7 (0)	4,770.0 (+7)
Operating profit	82.7 (+310)	252.0 (+9)	33.9 (-59)	270.0 (+7)
Profit before income taxes	89.5 (+230)	279.6 (+8)	46.8 (-48)	295.0 (+5)
Net profit attributable to Mitsubishi Electric Corp. stockholders	61.8 (+246)	203.4 (+5)	33.4 (-46)	215.0 (+6)

2. Revenue and Operating Profit by Business Segment

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

		FY '22		FY '23		
		Q1	Full Year	Q1	Full Year (Forecast)	
Infrastructure	Revenue	186.3	946.1	174.2 (-7)	960.0 (+1)	
	Operating profit (loss)	5.6	41.5	-3.2 (-)	44.0 (+6)	
	Public Utility Systems	Revenue	73.0	383.3	68.8 (-6)	390.0 (+2)
		Operating profit (loss)	1.0	15.3	-2.5 (-)	22.0 (+43)
	Energy Systems	Revenue	71.9	327.5	68.3 (-5)	310.0 (-5)
		Operating profit	5.0	23.1	2.1 (-57)	18.0 (-22)
	Defenses & Space Systems	Revenue	41.4	235.1	37.0 (-11)	260.0 (+11)
		Operating profit (loss)	-0.3	3.0	-2.9 (-)	4.0 (+31)
Industry and Mobility	Revenue	361.0	1,480.8	364.4 (+1)	1,610.0 (+9)	
	Operating profit	34.6	96.4	22.7 (-34)	113.0 (+17)	
	Factory Automation Systems	Revenue	193.5	776.1	190.1 (-2)	830.0 (+7)
		Operating profit	35.2	128.0	30.7 (-13)	135.0 (+5)
	Automotive Equipment	Revenue	167.4	704.6	174.2 (+4)	780.0 (+11)
		Operating profit (loss)	-0.5	-31.5	-8.0 (-)	-22.0 (-)
Life	Revenue	435.1	1,673.0	438.3 (+1)	1,750.0 (+5)	
	Operating profit	44.8	92.6	13.7 (-69)	88.0 (-5)	
	Building Systems	Revenue	118.8	527.8	131.6 (+11)	550.0 (+4)
		Operating profit	5.5	21.8	5.4 (-2)	27.0 (+24)
	Air Conditioning Systems & Home Products	Revenue	316.2	1,145.1	306.7 (-3)	1,200.0 (+5)
		Operating profit	39.2	70.8	8.2 (-79)	61.0 (-14)
Business Platform	Revenue	88.1	382.8	93.2 (+6)	430.0 (+12)	
	Operating profit	3.8	26.4	7.4 (+93)	30.0 (+13)	
	Information Systems & Network Service	Revenue	27.7	141.4	29.4 (+6)	150.0 (+6)
		Operating profit	0.5	9.6	1.0 (+73)	10.0 (+4)
	Semiconductor & Device	Revenue	60.3	241.4	63.8 (+6)	280.0 (+16)
		Operating profit	3.2	16.8	6.4 (+96)	20.0 (+19)
	Others	Revenue	160.4	737.3	179.8 (+12)	750.0 (+2)
	Operating profit	3.8	26.7	3.9 (+4)	27.0 (+1)	
Subtotal	Revenue	1,231.2	5,220.2	1,250.1 (+2)	5,500.0 (+5)	
	Operating profit	92.9	283.9	44.6 (-52)	302.0 (+6)	
Eliminations and corporate	Revenue	-164.8	-743.4	-182.4	-730.0	
	Operating profit	-10.1	-31.8	-10.6	-32.0	
Consolidated total	Revenue	1,066.4 (+24)	4,476.7 (+7)	1,067.7 (0)	4,770.0 (+7)	
	Operating profit	82.7 (+310)	252.0 (+9)	33.9 (-59)	270.0 (+7)	

3. Overseas Revenue by Segment

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

	FY '22		FY '23	
	Q1	Full Year	Q1	
Infrastructure	35.6	152.8	38.9	(+9)
Industry and Mobility	222.5	896.2	226.6	(+2)
Life	252.7	945.6	258.7	(+2)
Business Platform	32.4	130.2	38.7	(+19)
Others	4.8	19.3	4.1	(-15)
Consolidated total	548.2 (+45)	2,144.3 (+22)	567.1 (+3)	
Ratio of overseas revenue to total revenue	51.4%	47.9%	53.1%	

4. Orders by Segment

(Consolidated)

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

	FY '22		FY '23	
	Q1	Full Year	Q1	
Infrastructure	182.6	971.5	213.0	(+17)
Industry and Mobility	397.1	1,681.4	439.2	(+11)
Life (except for Air Conditioning Systems & Home Products)	135.1	514.1	132.8	(-2)
Business Platform	136.1	495.2	119.3	(-12)

* "Others" segment and Air Conditioning Systems & Home Products business within "Life" segment have few products made on order, thus not included in the chart above.

5. Foreign Exchange Rates for Recording Revenue and Impact of Exchange Rate Fluctuations on Revenue

		FY '22		FY '23	
		Q1	Full Year	Q1	Q2 or after (Forecast)
Average exchange rate	US\$	¥110	¥113	¥131	¥120
	Euro	¥132	¥131	¥139	¥130
	CNY	¥17.1	¥17.7	¥19.7	¥18.0
Impact of exchange rate fluctuations on revenue	Consolidated total	About ¥37.0 billion increase	About ¥135.0 billion increase	About ¥57.0 billion increase	
	US\$	About ¥3.0 billion increase	About ¥34.0 billion increase	About ¥25.0 billion increase	
	Euro	About ¥11.0 billion increase	About ¥20.0 billion increase	About ¥5.0 billion increase	
	CNY	About ¥14.0 billion increase	About ¥50.0 billion increase	About ¥12.0 billion increase	

<Reference>

1. Capital Expenditures

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

	FY '22	FY '23 (Forecast)
Infrastructure	28.9	43.0 (+49)
Industry and Mobility	50.3	73.0 (+45)
Life	51.6	72.0 (+40)
Business Platform	37.8	48.0 (+27)
Others	5.5	7.0 (+27)
Common	8.0	20.0 (+150)
Consolidated total	182.1 (+56)	263.0 (+44)

*The figures in the table above do not include real estate leasing, etc.

2. Research and Development Expenditures

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

	FY '22	FY '23 (Forecast)
Infrastructure	31.3	
Industry and Mobility	63.8	
Life	54.5	
Business Platform	10.9	
Others/Common	34.5	
Consolidated	195.1 (+2)	220.0 (+13)
Ratio of revenue	4.4	4.6

* Research and development expenditures in the cost of production are also included.