



In the fiscal year ended March 31, 2006, the Mitsubishi Electric Group pressed ahead with its balanced management initiatives focused on "Growth," "Profitability and Efficiency," and "Soundness." At the same time, we implemented a series of initiatives comprising: (1) structural reforms to respond to changes in the business environment; (2) strengthening the management structure through various across-the-board actions; (3) growth strategies to make our strong businesses stronger, reinforce our solutions businesses centered on those strong businesses, and advance global expansion, and; (4) improvement of financial standing through structural reforms and enhanced asset efficiency measures.

As a result of these efforts, the Mitsubishi Electric Group recorded increases in consolidated revenues for the second consecutive year and in income for the fourth consecutive year. Net sales increased 6% year on year to ¥3,604.2 billion, operating income climbed 31% to ¥157.7 billion, and net income jumped 34% to ¥95.7 billion.

The Mitsubishi Electric Group will make further advances with the comprehensive initiatives it has previously implemented, aiming to continue on a path of steady growth without being swayed by changes in the business climate. We will be proactive in refining our competence in "monozukuri" (craftsmanship), the most crucial aspect of our manufacturing operations, in order to further improve our performance results and enhance corporate value.

July 2006

A handwritten signature in black ink, reading "S Shimomura". The signature is written in a cursive style.

President & CEO
Setsuhiro Shimomura

Changes for the Better