

MITSUBISHI ELECTRIC CORPORATION
PUBLIC RELATIONS DIVISION
7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8310 Japan

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Investor Relations Inquiries

Media Inquiries

Investor Relations Group, Corporate Finance Division
Mitsubishi Electric Corporation
Cad.Irg@rk.MitsubishiElectric.co.jp

Public Relations Division
Mitsubishi Electric Corporation
prd.gnews@nk.MitsubishiElectric.co.jp
www.MitsubishiElectric.com/news/

Mitsubishi Electric Announces Consolidated Financial Results for the First Quarter of Fiscal 2018

TOKYO, July 31, 2017 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its consolidated financial results for the first quarter, ended June 30, 2017, of the current fiscal year ending March 31, 2018 (fiscal 2018).

Consolidated Financial Results

Net sales:	1,005.5	billion yen	(8% increase from the same quarter last year)
Operating income:	74.2	billion yen	(24% increase from the same quarter last year)
Income before income taxes:	99.2	billion yen	(63% increase from the same quarter last year)
Net income attributable to Mitsubishi Electric Corp.:	67.7	billion yen	(58% increase from the same quarter last year)

The global economy in the first quarter (from April through June 2017) of fiscal 2018 saw a continuing recovery trend in China, a buoyant expansion in the U.S. and gradual trends of recovery in Japan and Europe. In addition, the yen weakened against the U.S. dollar and the euro in and after May compared to the same period of the previous fiscal year.

Under these circumstances, consolidated net sales in the first quarter increased by 8% compared to the same period of the previous fiscal year to 1,005.5 billion yen with increased sales in all segments. Consolidated operating income increased by 24% compared to the same period of the previous fiscal year to 74.2 billion yen, due primarily to increased profits in the Energy and Electric Systems, Industrial Automation Systems and Electronic Devices segments.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales:	250.0	billion yen	(5% increase from the same quarter last year)
Operating income:	6.7	billion yen	(2.8 billion yen increase from the same quarter last year)

The social infrastructure systems business saw increases in both orders and sales from the same period of the previous fiscal year due primarily to increases in the transportation systems business and the power systems business in Japan.

The building systems business remained substantially unchanged in orders, while sales increased compared to the same period of the previous fiscal year due primarily to growth in the renewal business in Japan and the new installation of elevators and escalators outside Japan.

As a result, total sales for this segment increased by 5% from the same period of the previous fiscal year. Operating income increased by 2.8 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

Industrial Automation Systems

Total sales:	350.8	billion yen	(16% increase from the same quarter last year)
Operating income:	49.8	billion yen	(17.4 billion yen increase from the same quarter last year)

The factory automation systems business saw increases in both orders and sales from the same period of the previous fiscal year due primarily to growth in capital expenditures in the fields of organic light emitting diodes (OLED) mainly in Korea, smartphones and electric cars in China as well as buoyancy in exports by machinery manufacturers in Japan.

The automotive equipment business saw increases in both orders and sales from the same period of the previous fiscal year due primarily to buoyancy in the car sales markets in Europe as well as Japanese car manufacturers experiencing increases in sales volume in China.

As a result, total sales for this segment increased by 16% from the same period of the previous fiscal year. Operating income increased by 17.4 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales:	80.1	billion yen	(9% increase from the same quarter last year)
Operating income (loss):	(2.2)	billion yen	(0.9 billion yen improvement from the same quarter last year)

The telecommunications systems business saw decreases in both orders and sales compared to the same period of the previous fiscal year due primarily to decreased demand in communications infrastructure equipment.

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 a decrease in orders compared to the same period of the previous fiscal year due to a decrease in large-scale projects in the space systems business, while sales experienced an increase compared to the same period of the previous fiscal year due primarily to progress with large-scale projects in the defense systems business.

As a result, total sales for this segment increased by 9% compared to the same period of the previous fiscal year. Operating income improved by 0.9 billion yen from the same period of the previous fiscal year due primarily to an increase in sales and improvements in profitability.

Electronic Devices

Total sales:	48.1	billion yen	(23% increase from the same quarter last year)
Operating income:	3.0	billion yen	(2.0 billion yen increase from the same quarter last year)

The electronic devices business saw an increase in orders, while sales rose by 23% from the same period of the previous fiscal year due to an increase in demand mainly for power modules used in industrial and consumer applications as well as the resolution of negative influences caused by the 2016 Kumamoto earthquakes in the previous fiscal year.

Operating income increased by 2.0 billion yen compared to the same period of the previous fiscal year due primarily to an increase in sales.

Home Appliances

Total sales:	269.8	billion yen	(3% increase from the same quarter last year)
Operating income:	24.1	billion yen	(7.6 billion yen decrease from the same quarter last year)

The home appliances business saw an increase in sales of 3% from the same period of the previous fiscal year due to an increase in sales of air conditioners for Europe, China and Japan.

Operating income decreased by 7.6 billion yen compared to the same period of the previous fiscal year due primarily to increases in material prices and sales expenses.

Others

Total sales:	170.6	billion yen	(9% increase from the same quarter last year)
Operating income:	2.1	billion yen	(0.5 billion yen decrease from the same quarter last year)

Sales increased by 9% compared to the same period of the previous fiscal year due primarily to an increase in sales at affiliated companies involved in materials procurement.

Operating income decreased by 0.5 billion yen compared to the same period of the previous fiscal year due primarily to a shift in project portfolio.

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 decreased from the end of the previous fiscal year by 54.8 billion yen to 4,117.3 billion yen. The change in balance of total assets is mainly attributable to increases in the balances of cash and cash equivalents by 50.4 billion yen, and of inventories by 80.3 billion yen as a result of work-in-process as recorded in commensurate with progress in job orders under pertinent contracts, while trade receivables decreased by 168.2 billion yen primarily as a result of credit collection.

Total liabilities decreased from the end of the previous fiscal year by 79.6 billion yen to 1,951.9 billion yen. The outstanding balances of debts and corporate bonds decreased by 0.2 billion yen from the end of the previous fiscal year to 351.8 billion yen, resulting in a rise in the ratio of interest bearing debt to total assets to 8.5%, representing a 0.1 point increase compared to the end of the previous fiscal year. Trade payables decreased by 56.6 billion yen, and retirement and severance benefits decreased by 7.2 billion yen due primarily to an increase in pension assets resulting from a rise in stock prices and other factors.

Mitsubishi Electric Corporation shareholders' equity increased by 23.6 billion yen compared to the end of the previous fiscal year to 2,063.2 billion yen. The shareholders' equity ratio was recorded at 50.1%, representing a 1.2 point increase compared to the end of the previous fiscal year. These changes referred to above primarily result from recording a net income attributable to Mitsubishi Electric Corporation of 67.7 billion yen, despite decreases in dividend payment of 38.6 billion yen as well as in accumulated other comprehensive income by 4.7 billion yen caused by such factors as a decrease in unrealized losses from sale of securities.

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

Cash flows from operating activities for this quarter increased by 4.3 billion yen compared to the same period of the previous fiscal year to 113.5 billion yen (cash in). Cash flows from investing activities decreased by 0.4 billion yen compared to the same period of the previous fiscal year to 22.2 billion yen (cash out). As a result, free cash flow was 91.3 billion yen (cash in). Cash flows from financing activities were 43.8 billion yen (cash out) mainly due to dividend payments.

Forecast for Fiscal 2018

As a result of the company's revised terms of foreign currency rates in which it sees the yen weaker mainly against the euro in and after the second quarter of fiscal 2018, as well as growth expected in the Industrial Automation Systems segment in which it sees an increase in demand for capital expenditures mainly in Asia, the company's consolidated earnings forecast for the first half of fiscal 2018, ending September 30, 2017, and for fiscal 2018, ending March 31, 2018, have been revised from the announcement on April 28, 2017 as stated below.

Other income increased by 10.0 billion yen due primarily to a higher than expected gain in sales of investment securities in Renesas Electronics Corporation.

First Half of Fiscal 2018 Consolidated Earnings Forecast

Consolidated	Previous forecast (announced Apr. 28)	Current forecast	
Net sales:	2,030.0 billion yen	2,080.0 billion yen	(5% increase from the same period last year)
Operating income:	125.0 billion yen	140.0 billion yen	(15% increase from the same period last year)
Income before income taxes:	135.0 billion yen	160.0 billion yen	(29% increase from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	95.0 billion yen	110.0 billion yen	(25% increase from the same period last year)

Fiscal 2018 Consolidated Earnings Forecast

Consolidated	Previous forecast (announced Apr. 28)	Current forecast	
Net sales:	4,300.0 billion yen	4,370.0 billion yen	(3% increase from the previous fiscal year)
Operating income:	280.0 billion yen	300.0 billion yen	(11% increase from the previous fiscal year)
Income before income taxes:	300.0 billion yen	330.0 billion yen	(11% increase from the previous fiscal year)
Net income attributable to Mitsubishi Electric Corp.:	215.0 billion yen	235.0 billion yen	(12% increase from the previous fiscal year)

Exchange rates in and after the second quarter of fiscal 2018 is unchanged from the previous announcement at 105 yen to the U.S. dollar, while exchange rates to the euro have been revised to 120 yen, ten yen weaker than the previous rate.

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 '17 Q1 (A) (Apr. 1, 2016 – Jun. 30, 2016)	FY '18 Q1 (B) (Apr. 1, 2017 – Jun. 30, 2017)	B – A	
			B – A	B/A (%)
Net sales	927.0	1,005.5	78.5	108
Operating income	59.7	74.2	14.5	124
Income before income taxes	61.0	99.2	38.2	163
Net income attributable to Mitsubishi Electric Corp.	42.9	67.7	24.8	158
Basic net income per share attributable to Mitsubishi Electric Corp.	19. ⁹⁹ yen	31. ⁵⁷ yen	11. ⁵⁸ yen	158

Notes:

- 1) Consolidated financial charts are made in accordance with U.S. GAAP.
- 2) The Company has 213 consolidated subsidiaries.

Consolidated Profit and Loss Statement

(In millions of yen)

	FY '17 Q1 (Apr. 1, 2016 – Jun. 30, 2016)		FY '18 Q1 (Apr. 1, 2017 – Jun. 30, 2017)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	927,077	100.0	1,005,599	100.0	78,522	108
Cost of sales	627,503	67.7	681,232	67.7	53,729	109
Selling, general and administrative expenses	239,870	25.9	250,121	24.9	10,251	104
Operating income	59,704	6.4	74,246	7.4	14,542	124
Other income	26,540	2.9	28,493	2.8	1,953	107
Interest and Dividends	2,861	0.3	3,587	0.4	726	125
Equity in earnings of affiliated companies	3,587	0.4	2,405	0.2	(1,182)	67
Other	20,092	2.2	22,501	2.2	2,409	112
Other expenses	25,235	2.7	3,491	0.3	(21,744)	14
Interest	759	0.1	677	0.0	(82)	89
Other	24,476	2.6	2,814	0.3	(21,662)	11
Income before income taxes	61,009	6.6	99,248	9.9	38,239	163
Income taxes	14,760	1.6	29,241	2.9	14,481	198
Net income	46,249	5.0	70,007	7.0	23,758	151
Net income attributable to the noncontrolling interests	3,335	0.4	2,263	0.3	(1,072)	68
Net income attributable to Mitsubishi Electric Corp.	42,914	4.6	67,744	6.7	24,830	158

Consolidated Comprehensive Income Statement

(In millions of yen)

	FY '17 Q1 (A) (Apr. 1, 2016 – Jun. 30, 2016)	FY '18 Q1 (B) (Apr. 1, 2017 – Jun. 30, 2017)	B – A
Net income	46,249	70,007	23,758
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(67,544)	4,720	72,264
Pension liability adjustments	(14,840)	12,477	27,317
Unrealized gains (losses) on securities	(27,967)	(21,638)	6,329
Unrealized gains (losses) on derivative instruments	(34)	(63)	(29)
Total	(110,385)	(4,504)	105,881
Comprehensive income (loss)	(64,136)	65,503	129,639
Comprehensive income (loss) attributable to the noncontrolling interests	(3,461)	2,512	5,973
Comprehensive income (loss) attributable to Mitsubishi Electric Corp.	(60,675)	62,991	123,666

Consolidated Balance Sheet

(In millions of yen)

	FY '17 (A) (ended Mar. 31, 2017)	FY '18 Q1 (B) (ended Jun. 30, 2017)	B – A
(Assets)			
Current assets	2,500,685	2,494,270	(6,415)
Cash and cash equivalents	662,469	712,900	50,431
Trade receivables	1,037,201	869,117	(168,084)
Inventories	643,040	723,340	80,300
Prepaid expenses and other current assets	157,975	188,913	30,938
Long-term trade receivables	2,815	2,644	(171)
Investments	618,935	578,353	(40,582)
Net property, plant and equipment	732,611	745,257	12,646
Other assets	317,224	296,849	(20,375)
Total assets	4,172,270	4,117,373	(54,897)
(Liabilities)			
Current liabilities	1,525,761	1,472,476	(53,285)
Bank loans and current portion of long-term debt	124,368	134,310	9,942
Trade payables	780,202	723,525	(56,677)
Other current liabilities	621,191	614,641	(6,550)
Long-term debt	227,756	217,516	(10,240)
Retirement and severance benefits	194,990	187,719	(7,271)
Other fixed liabilities	83,055	74,212	(8,843)
Total liabilities	2,031,562	1,951,923	(79,639)
(Equity)			
Mitsubishi Electric Corp. shareholders' equity	2,039,627	2,063,279	23,652
Common stock	175,820	175,820	–
Capital surplus	212,530	212,530	–
Retained earnings	1,654,557	1,683,659	29,102
Accumulated other comprehensive income (loss)	(2,052)	(6,805)	(4,753)
Treasury stock at cost	(1,228)	(1,925)	(697)
Noncontrolling interests	101,081	102,171	1,090
Total equity	2,140,708	2,165,450	24,742
Total liabilities and equity	4,172,270	4,117,373	(54,897)
Balance of Debt	352,124	351,826	(298)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	18,535	23,023	4,488
Pension liability adjustments	(156,993)	(144,517)	12,476
Unrealized gains on securities	136,352	114,685	(21,667)
Unrealized gains (losses) on derivative instruments	54	4	(50)

Consolidated Cash Flow Statement

(In millions of yen)

	FY '17 Q1 (Apr. 1, 2016 – Jun. 30, 2016) (A)	FY '18 Q1 (Apr. 1, 2017 – Jun. 30, 2017) (B)	B – A
I Cash flows from operating activities			
1 Net income	46,249	70,007	23,758
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	29,083	32,198	3,115
(2) Decrease in trade receivables	202,504	173,915	(28,589)
(3) Decrease (increase) in inventories	(64,909)	(74,649)	(9,740)
(4) Increase (decrease) in trade payables	(66,841)	(54,944)	11,897
(5) Other, net	(36,868)	(32,938)	3,930
Net cash provided by operating activities	109,218	113,589	4,371
II Cash flows from investing activities			
1 Capital expenditure	(34,291)	(42,711)	(8,420)
2 Proceeds from sale of property, plant and equipment	1,413	393	(1,020)
3 Purchase of short-term investments and investment securities (net of cash acquired)	(1,010)	(3,201)	(2,191)
4 Proceeds from sale of short-term investments and investment securities (net of cash disposed)	15,315	25,716	10,401
5 Other, net	(4,110)	(2,469)	1,641
Net cash used in investing activities	(22,683)	(22,272)	411
I + II Free cash flow	86,535	91,317	4,782
III Cash flows from financing activities			
1 Proceeds from long-term debt	45	82	37
2 Repayment of long-term debt	(3,049)	(2,336)	713
3 Increase (decrease) in bank loans, net	2,570	(212)	(2,782)
4 Dividends paid	(38,642)	(38,642)	(0)
5 Purchase of treasury stock	(1,097)	(697)	400
6 Other, net	(954)	(2,085)	(1,131)
Net cash provided by (used in) financing activities	(41,127)	(43,890)	(2,763)
IV Effect of exchange rate changes on cash and cash equivalents	(24,440)	3,004	27,444
V Net increase in cash and cash equivalents	20,968	50,431	29,463
VI Cash and cash equivalents at beginning of period	574,170	662,469	88,299
VII Cash and cash equivalents at end of period	595,138	712,900	117,762

Consolidated Segment Information

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '17 Q1 (Apr. 1, 2016 – Jun. 30, 2016)		FY '18 Q1 (Apr. 1, 2017 – Jun. 30, 2017)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (loss) (D)			
Energy and Electric Systems	238,051	3,926	250,086	6,798	12,035	2,872	105
Industrial Automation Systems	302,227	32,421	350,817	49,832	48,590	17,411	116
Information and Communication Systems	73,525	(3,179)	80,167	(2,227)	6,642	952	109
Electronic Devices	39,080	959	48,122	3,044	9,042	2,085	123
Home Appliances	261,925	31,786	269,892	24,126	7,967	(7,660)	103
Others	156,390	2,643	170,626	2,112	14,236	(531)	109
Subtotal	1,071,198	68,556	1,169,710	83,685	98,512	15,129	109
Eliminations and other	(144,121)	(8,852)	(164,111)	(9,439)	(19,990)	(587)	–
Total	927,077	59,704	1,005,599	74,246	78,522	14,542	108

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '17 Q1 (Apr. 1, 2016 – Jun. 30, 2016)		FY '18 Q1 (Apr. 1, 2017 – Jun. 30, 2017)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	694,715	17,946	756,600	36,950	61,885	19,004	109
North America	102,125	3,613	106,075	4,273	3,950	660	104
Asia (excluding Japan)	261,776	29,394	298,668	27,335	36,892	(2,059)	114
Europe	110,693	4,151	124,396	5,236	13,703	1,085	112
Others	11,007	443	10,161	410	(846)	(33)	92
Subtotal	1,180,316	55,547	1,295,900	74,204	115,584	18,657	110
Eliminations	(253,239)	4,157	(290,301)	42	(37,062)	(4,115)	–
Total	927,077	59,704	1,005,599	74,246	78,522	14,542	108

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '17 Q1 (Apr. 1, 2016 – Jun. 30, 2016)		FY '18 Q1 (Apr. 1, 2017 – Jun. 30, 2017)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	471,588	50.9	499,717	49.7	28,129	106
North America	101,529	10.9	105,542	10.5	4,013	104
Asia (excluding Japan)	230,218	24.8	270,737	26.9	40,519	118
Europe	103,496	11.2	112,064	11.2	8,568	108
Others	20,246	2.2	17,539	1.7	(2,707)	87
Total overseas sales	455,489	49.1	505,882	50.3	50,393	111
Consolidated total	927,077	100.0	1,005,599	100.0	78,522	108

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 Group trusts and considers to be reasonable under the circumstances on the date of announcement, actual financial standings and 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 the Group 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 in the accounting policy

On April 1, 2017, the Company adopted Accounting Standards Update 2015-17 "Balance Sheet Classification of Deferred Taxes" issued by the Financial Accounting Standards Board. To reflect this adoption, all deferred tax assets and liabilities have been classified as noncurrent in the consolidated balance sheets and subsequently, deferred tax assets and liabilities in the same tax-paying component or tax jurisdiction were offset. The consolidated balance sheet as of March 31, 2017 has been reclassified to reflect this adoption and accordingly, deferred tax assets previously included in 'Prepaid expenses and other current assets' and deferred tax liabilities previously included in 'Other liabilities' have been reclassified as 'Other assets'.

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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 4,238.6 billion yen (US\$ 37.8 billion*) in the fiscal year ended March 31, 2017. For more information visit: www.MitsubishiElectric.com

*At an exchange rate of 112 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2017

Fiscal 2018 First-quarter Consolidated Results

1. Financial Results
2. Net Sales and Operating Income by Segment
3. Overseas Net Sales by Segment
4. 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 '17						FY '18					
	Q1		1st Half		Full Year		Q1		1st Half	Full Year		
	(Actual)		(Actual)		(Actual)		(Actual)		(Forecast)	(Forecast)		
Net sales	927.0	(-6)	1,972.3	(-4)	4,238.6	(-4)	1,005.5	(+8)	2,080.0	(+5)	4,370.0	(+3)
Operating income	59.7	(+9)	121.7	(-4)	270.1	(-10)	74.2	(+24)	140.0	(+15)	300.0	(+11)
Income before income taxes	61.0	(-9)	123.7	(-7)	296.2	(-7)	99.2	(+63)	160.0	(+29)	330.0	(+11)
Net income attributable to Mitsubishi Electric Corp.	42.9	(-7)	88.3	(-5)	210.4	(-8)	67.7	(+58)	110.0	(+25)	235.0	(+12)

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

2. Net Sales and Operating Income by Segment

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

		FY '17						FY '18					
		Q1		1st Half		Full Year		Q1		1st Half	Full Year		
		(Actual)		(Actual)		(Actual)		(Actual)		(Forecast)	(Forecast)		
Energy and Electric Systems	Net Sales	238.0	(+1)	525.4	(0)	1,227.9	(-3)	250.0	(+5)	530.0	(+1)	1,250.0	(+2)
	Operating Income	3.9	(-)	9.1	(143)	44.3	(-12)	6.7	(+73)	14.0	(+52)	61.0	(+38)
Industrial Automation Systems	Net Sales	302.2	(-8)	617.6	(-7)	1,310.1	(-1)	350.8	(+16)	710.0	(+15)	1,410.0	(+8)
	Operating Income	32.4	(-24)	62.1	(-26)	140.0	(-12)	49.8	(+54)	87.0	(+40)	163.0	(+16)
Information and Communication Systems	Net Sales	73.5	(-23)	198.2	(-12)	447.7	(-20)	80.1	(+9)	190.0	(-4)	450.0	(+1)
	Operating Income (Loss)	-3.1	(-)	3.8	(-)	12.7	(-15)	-2.2	(-)	2.0	(-48)	14.0	(+10)
Electronic Devices	Net Sales	39.0	(-41)	86.5	(-30)	186.5	(-12)	48.1	(+23)	100.0	(+16)	200.0	(+7)
	Operating Income	0.9	(-92)	1.7	(-89)	8.3	(-50)	3.0	(+217)	6.0	(+238)	12.0	(+43)
Home Appliances	Net Sales	261.9	(+3)	519.3	(2)	1,004.4	(+2)	269.8	(+3)	540.0	(+4)	1,030.0	(+3)
	Operating Income	31.7	(+96)	48.6	(47)	69.6	(+9)	24.1	(-24)	36.0	(-26)	58.0	(-17)
Others	Net Sales	156.3	(-4)	336.7	(-1)	713.6	(+1)	170.6	(+9)	350.0	(+4)	720.0	(+1)
	Operating Income	2.6	(+193)	9.3	(28)	23.2	(-2)	2.1	(-20)	9.0	(-4)	22.0	(-5)
Subtotal	Net Sales	1,071.1	(-6)	2,284.0	(-4)	4,890.3	(-3)	1,169.7	(+9)	2,420.0	(+6)	5,060.0	(+3)
	Operating Income	68.5	(+7)	134.9	(-4)	298.3	(-9)	83.6	(+22)	154.0	(+14)	330.0	(+11)
Eliminations and other	Net Sales	-144.1		-311.7		-651.7		-164.1		-340.0		-690.0	
	Operating Income	-8.8		-13.2		-28.2		-9.4		-14.0		-30.0	
Consolidated total	Net Sales	927.0	(-6)	1,972.3	(-4)	4,238.6	(-4)	1,005.5	(+8)	2,080.0	(+5)	4,370.0	(+3)
	Operating Income	59.7	(+9)	121.7	(-4)	270.1	(-10)	74.2	(+24)	140.0	(+15)	300.0	(+11)

3. Overseas Net Sales by Segment

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

	FY '17				FY '18			
	Q1		1st Half		Full Year			
	(Actual)		(Actual)		(Actual)			
Energy and Electric Systems	98.3	(-8)	197.3	(-11)	419.6	(-9)	96.3	(-2)
Industrial Automation Systems	178.2	(-11)	357.4	(-9)	766.1	(+1)	221.0	(+24)
Information and Communication Systems	2.7	(-32)	5.4	(-56)	11.2	(-76)	1.6	(-39)
Electronic Devices	22.1	(-18)	46.9	(-10)	102.0	(+4)	27.6	(+25)
Home Appliances	150.5	(+3)	275.8	(+1)	518.2	(+4)	154.7	(+3)
Others	3.4	(-6)	7.4	(+2)	15.7	(+11)	4.3	(+25)
Consolidated total	455.4	(-7)	890.4	(-7)	1,833.1	(-2)	505.8	(+11)
Ratio of overseas net sales to total sales	49.1%		45.1%		43.2%		50.3%	

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

		FY '17				FY '18	
		Q1		1st Half		Full Year	
		(Actual)		(Actual)		(Actual)	
Average exchange rate	US\$	¥108		¥105		¥109	
	Euro	¥121		¥118		¥119	
Impact of exchange rate fluctuations on net sales	Consolidated total	About ¥59.0 billion decrease		About ¥127.0 billion decrease		About ¥186.0 billion decrease	
	US\$	About ¥13.0 billion decrease		About ¥31.0 billion decrease		About ¥44.0 billion decrease	
	Euro	About ¥10.0 billion decrease		About ¥25.0 billion decrease		About ¥35.0 billion decrease	

The average exchange rate represents the exchange rate applied for calculating profits and losses of foreign subsidiaries and affiliated companies in the consolidated statements.