

Consolidated Segment Information (First Half, Fiscal 2018)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '17 1 st half (Apr. 1, 2016 – Sept. 30, 2016)		FY '18 1 st half (Apr. 1, 2017 – Sept. 30, 2017)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	525,471	9,182	527,886	10,109	2,415	927	100
Industrial Automation Systems	617,620	62,111	703,716	94,879	86,096	32,768	114
Information and Communication Systems	198,266	3,868	185,039	2,802	(13,227)	(1,066)	93
Electronic Devices	86,537	1,774	99,532	6,970	12,995	5,196	115
Home Appliances	519,397	48,668	539,250	38,460	19,853	(10,208)	104
Others	336,771	9,395	362,393	9,816	25,622	421	108
Subtotal	2,284,062	134,998	2,417,816	163,036	133,754	28,038	106
Eliminations and other	(311,708)	(13,251)	(341,474)	(13,740)	(29,766)	(489)	-
Total	1,972,354	121,747	2,076,342	149,296	103,988	27,549	105

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '17 1 st half (Apr. 1, 2016 – Sept. 30, 2016)		FY '18 1 st half (Apr. 1, 2017 – Sept. 30, 2017)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	1,540,435	48,362	1,601,928	80,068	61,493	31,706	104
North America	203,856	4,120	209,347	7,812	5,491	3,692	103
Asia (excluding Japan)	506,153	49,270	590,978	50,139	84,825	869	117
Europe	213,063	8,643	237,193	8,934	24,130	291	111
Others	22,019	877	22,852	911	833	34	104
Subtotal	2,485,526	111,272	2,662,298	147,864	176,772	36,592	107
Eliminations	(513,172)	10,475	(585,956)	1,432	(72,784)	(9,043)	-
Total	1,972,354	121,747	2,076,342	149,296	103,988	27,549	105

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '17 1 st half (Apr. 1, 2016 – Sept. 30, 2016)		FY '18 1 st half (Apr. 1, 2017 – Sept. 30, 2017)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	1,081,895	54.9	1,076,438	51.8	(5,457)	99
North America	202,738	10.3	208,752	10.1	6,014	103
Asia (excluding Japan)	450,994	22.9	540,188	26.0	89,194	120
Europe	196,446	9.9	214,323	10.3	17,877	109
Others	40,281	2.0	36,641	1.8	(3,640)	91
Total overseas sales	890,459	45.1	999,904	48.2	109,445	112
Consolidated total	1,972,354	100.0	2,076,342	100.0	103,988	105

Consolidated Segment Information (Second Quarter, Fiscal 2018)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '17 Q2 (Jul. 1, 2016 – Sept. 30, 2016)		FY '18 Q2 (Jul. 1, 2017 – Sept. 30, 2017)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	287,420	5,256	277,800	3,311	(9,620)	(1,945)	97
Industrial Automation Systems	315,393	29,690	352,899	45,047	37,506	15,357	112
Information and Communication Systems	124,741	7,047	104,872	5,029	(19,869)	(2,018)	84
Electronic Devices	47,457	815	51,410	3,926	3,953	3,111	108
Home Appliances	257,472	16,882	269,358	14,334	11,886	(2,548)	105
Others	180,381	6,752	191,767	7,704	11,386	952	106
Subtotal	1,212,864	66,442	1,248,106	79,351	35,242	12,909	103
Eliminations and other	(167,587)	(4,399)	(177,363)	(4,301)	(9,776)	98	-
Total	1,045,277	62,043	1,070,743	75,050	25,466	13,007	102

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '17 Q2 (Jul. 1, 2016 – Sept. 30, 2016)		FY '18 Q2 (Jul. 1, 2017 – Sept. 30, 2017)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	845,720	30,416	845,328	43,118	(392)	12,702	100
North America	101,731	507	103,272	3,539	1,541	3,032	102
Asia (excluding Japan)	244,377	19,876	292,310	22,804	47,933	2,928	120
Europe	102,370	4,492	112,797	3,698	10,427	(794)	110
Others	11,012	434	12,691	501	1,679	67	115
Subtotal	1,305,210	55,725	1,366,398	73,660	61,188	17,935	105
Eliminations	(259,933)	6,318	(295,655)	1,390	(35,722)	(4,928)	-
Total	1,045,277	62,043	1,070,743	75,050	25,466	13,007	102

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '17 Q2 (Jul. 1, 2016 – Sept. 30, 2016)		FY '18 Q2 (Jul. 1, 2017 – Sept. 30, 2017)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	610,307	58.4	576,721	53.9	(33,586)	94
North America	101,209	9.7	103,210	9.6	2,001	102
Asia (excluding Japan)	220,776	21.1	269,451	25.2	48,675	122
Europe	92,950	8.9	102,259	9.5	9,309	110
Others	20,035	1.9	19,102	1.8	(933)	95
Total overseas sales	434,970	41.6	494,022	46.1	59,052	114
Consolidated total	1,045,277	100.0	1,070,743	100.0	25,466	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 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.