

FOR IMMEDIATE RELEASE

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MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF FISCAL 2010

Tokyo, July 30, 2009 – Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura) announced today its financial results for the first quarter ending June 30, 2009, of the current fiscal year ending March 31, 2010 (fiscal 2010).

Consolidated Financial Results

Net sales:	699.4 billion yen	(20% decrease from the same quarter last year)
Operating income:	7.3 billion yen	(89% decrease from the same quarter last year)
Income before income taxes:	0.9 billion yen	(99% decrease from the same quarter last year)
Net income (loss) attributable to Mitsubishi Electric Corp.:	(8.2 billion yen)	–

Management conditions during the first quarter of fiscal 2010 have experienced ongoing severity due to stagnation in capital expenditures and consumer spending, etc., despite a slightly slower pace in the decline of the global economy stemming from various countries' stimulus packages and progress in inventory reductions, etc.

Under these circumstances, first quarter consolidated net sales dropped by 20% compared to the same period of the previous fiscal year to 699.4 billion yen, due to decreased revenue from the Industrial Automation Systems, Electronic Devices and Home Appliances segments, and other factors.

Consolidated operating income decreased by 89% from the same period of the previous fiscal year to 7.3 billion yen due to – among other factors - lower profits from the Industrial Automation Systems, Electronic Devices and Home Appliances segments.

Net income attributable to Mitsubishi Electric Corp. was minus 8.2 billion yen due to reported equity in losses of affiliated companies, etc.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales:	206.9 billion yen	(6% increase from the same quarter last year)
Operating income:	12.1 billion yen	(0.7 billion yen decrease from the same quarter last year)

The social infrastructure systems business saw increases in both sales and orders compared to the same period of the previous fiscal year owing to increases in the overseas transportation business and the power generation business in Japan and overseas.

The building systems business experienced decreases in both orders and sales compared to the same period of the previous fiscal year, due to decreases in global demand for elevators and escalators, as well as postponements and cancellations of large projects, etc.

As a result, total sales for this segment increased by 6% from the same period of the previous fiscal year. Operating income slightly decreased compared to the same period of the previous fiscal year by 0.7 billion yen due to a shift in sales components, etc.

Industrial Automation Systems

Total sales: 143.8 billion yen (43% decrease from the same quarter last year)
Operating income (loss): (2.5 billion yen) (39.0 billion yen decline from the same quarter last year)

The factory automation systems business saw decreases in both orders and sales from the same period of the previous fiscal year due to stagnation in demand for industrial machinery in the global market, for flat panel display-related investments in Korea and Taiwan, and for domestic surface mounting systems-related investments. The automotive equipment business saw decreases in both orders and sales from the previous fiscal year due to stagnation in global demand except for certain regions.

As a result, total sales for this segment decreased by 43% from the same period of the previous fiscal year. Operating income fell by 39.0 billion yen from the previous fiscal year due to a decrease in sales, etc.

Information and Communication Systems

Total sales: 107.7 billion yen (3% increase from the same quarter last year)
Operating income : 1.9 billion yen (0.6 billion yen increase from the same quarter last year)

The telecommunications equipment business saw decreases in both orders and sales compared to the same period of the previous fiscal year, due to the decrease in mobile handsets, whose sales had been reported until the same period of the previous fiscal year.

The information systems and service business saw a decrease in sales compared to the same period of the previous fiscal year due to a decrease in the system integration business, etc, reflecting the decrease in demand for IT related investments.

The electronic system business saw increases in both orders and sales compared to the same period of the previous fiscal year due to an increase in the electronics business.

As a result, total sales for this segment showed an increase of 3% compared to the same period of the previous fiscal year. Operating income showed an increase compared to the same period of the previous fiscal year of 0.6 billion yen, owing to increased sales in the electronics business, etc.

Electronic Devices

Total sales: 29.0 billion yen (41% decrease from the same quarter last year)
Operating income (loss): (2.5 billion yen) (4.1 billion yen decline from the same quarter last year)

The semiconductor business saw decreases in both orders and sales from the same period of the previous fiscal year due to lower sales of power modules for industrial use, laser diodes for DVD recorders and power amplifiers for domestic mobile handsets, etc.

The liquid crystal business saw decreases in both orders and sales from the same period of the previous fiscal year due to a decrease in products for industrial use.

As a result, total sales for the segment decreased by 41% compared to the same period of the previous fiscal year. Operating income became worse by 4.1 billion yen compared to the same period of the previous fiscal year due to a decrease in sales, etc.

Home Appliances

Total sales: 190.7 billion yen (25% decrease from the same quarter last year)
Operating income: 8.0 billion yen (13.4 billion yen decrease from the same quarter last year)

The home appliance business saw a decrease in sales of 25% compared to the same period of the previous fiscal year due to sales decreases in domestic and overseas air conditioners and photovoltaic systems for the overseas market, despite sales increases in some home appliances, due to the uplifting effects of the “eco-points” incentives, etc.

Operating income showed a decrease from the same period of the previous fiscal year of 13.4 billion yen due to a decrease in sales, etc.

Others

Total sales: 117.4 billion yen (17% decrease from the same quarter last year)
Operating income (loss): (1.2 billion yen) (2.3 billion yen decline from the same quarter last year)

Sales decreased by 17% compared to the same period of the previous fiscal year mainly in affiliated companies involved in material procurement and logistics, etc. Operating income showed a decrease from the same period of the previous fiscal year by 2.3 billion yen due to decreases in sales, etc.

Financial Standing

The company's total assets for the fiscal quarter decreased from the end of the previous fiscal year by 191.6 billion yen to 3,142.5 billion yen. This was mainly due to cash and cash equivalents showing a decrease of 54.2 billion yen and trade receivables decreasing by 143.8 billion yen as a result of collection, etc.

The balance of outstanding debt and corporate bonds fell by 75.3 billion yen from the balance as of the end of the previous fiscal year to 602.4 billion yen, while the ratio of interest bearing debt to total assets was 19.2% (a 1.1-point decrease compared to the end of the previous fiscal year). Trade payables decreased by 91.4 billion yen, and retirement and severance benefits decreased by 56.2 billion yen due to increases in pension assets resulting from higher stock prices, etc.

Total equity increased by 44.7 billion yen compared to the previous fiscal year to 946.7 billion yen. Shareholders' equity ratio showed a 2.9-point decrease compared to the end of the previous fiscal year to 28.4%. Retained earnings decreased due to a total consolidated net loss attributable to Mitsubishi Electric Corporation of 8.2 billion yen, while accumulated other comprehensive income increased by 51.7 billion yen amidst higher stock prices, etc.

Operating cash flow for this quarter decreased by 47.9 billion yen compared to the previous fiscal year to 48.8 billion yen (cash in). Investment cash flow decreased by 32.1 billion yen compared to the previous fiscal year to 28.3 billion yen (cash out), resulting from a decrease in short-term investments, etc. As a result, free cash flow totaled 20.5 billion yen (cash in). Financial cash flow was 79.7 billion yen (cash out) due to repayment of loans, etc.

Forecast for Fiscal 2010

The consolidated earnings forecast for the first half of fiscal 2010, ending September 30, 2009, and for fiscal 2010, ending March 31, 2010, are unchanged from the yearly results announcement on April 30, 2009 as stated below.

First Half of Fiscal 2010 Consolidated Earnings Forecast

Net sales:	1,600.0 billion yen	(16% decrease from the same period last year)
Operating income:	0.0 billion yen	—
Income before income taxes:	(35.0 billion yen)	—
Net income (loss) attributable to Mitsubishi Electric Corp.:	(35.0 billion yen)	—

Fiscal 2010 Consolidated Earnings Forecast

Net sales:	3,430.0 billion yen	(6% decrease from fiscal 2009)
Operating income:	60.0 billion yen	(57% decrease from fiscal 2009)
Income before income taxes:	5.0 billion yen	(89% decrease from fiscal 2009)
Net income (loss) attributable to Mitsubishi Electric Corp.:	(20.0 billion yen)	—

CONSOLIDATED FINANCIAL RESULTS SUMMARY

(In billions of yen except where noted)

	FY '09 Q1 (A) (Apr. 1, 2008 – Jun. 30, 2008)	FY '10 Q1 (B) (Apr. 1, 2009 – Jun. 30, 2009)	B – A	B/A
				(%)
Net sales	879.0	699.4	(179.5)	80
Operating income	66.5	7.3	(59.1)	11
Income before income taxes	83.8	0.9	(82.9)	1
Net income (loss) attributable to Mitsubishi Electric Corp.	55.2	(8.2)	(63.5)	–
Basic net income (loss) per share attributable to Mitsubishi Electric Corp.	25.75 yen	(3.84 yen)	(29.59 yen)	–

- Note:**
- 1) Consolidated financial charts made in accordance with U.S. GAAP.
 - 2) The Company has 152 consolidated subsidiaries.
 - 3) From this quarter of fiscal 2010, “Net income” has been renamed as “Net income attributable to Mitsubishi Electric Corp.” in accordance with the FASB issued SFAS No.160. Also, income before income taxes includes equity in earnings (losses) of affiliated companies, while excluding net income attributable to the noncontrolling interest. Consequently, figures for FY2009 have been reclassified.
 - 4) Starting from the financial results for the fiscal year ended March 2009, loss on impairment of long-lived assets is reflected in "operating income". Consequently, figures for FY2009 have been reclassified.

CONSOLIDATED PROFIT AND LOSS STATEMENT

(In millions of yen)

	FY '09 Q1 (Apr. 1, 2008 – Jun. 30, 2008)		FY '10 Q1 (Apr. 1, 2009 – Jun. 30, 2009)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	879,037	100.0	699,451	100.0	(179,586)	80
Cost of sales	621,743	70.7	519,035	74.2	(102,708)	83
Selling, general and administrative expenses	189,864	21.6	173,049	24.7	(16,815)	91
Loss on impairment of long-lived assets	928	0.1	-	-	(928)	-
Operating income	66,502	7.6	7,367	1.1	(59,135)	11
Other income	25,667	2.9	8,611	1.2	(17,056)	34
Interest and dividends	4,921	0.5	3,946	0.5	(975)	80
Equity in earnings of affiliated companies	3,189	0.4	-	-	(3,189)	-
Other	17,557	2.0	4,665	0.7	(12,892)	27
Other expenses	8,352	1.0	15,061	2.2	6,709	180
Interest	2,307	0.3	2,469	0.4	162	107
Equity in losses of affiliated companies	-	-	10,235	1.5	10,235	-
Other	6,045	0.7	2,357	0.3	(3,688)	39
Income before income taxes	83,817	9.5	917	0.1	(82,900)	1
Income taxes	26,864	3.0	9,011	1.3	(17,853)	34
Net income (loss)	56,953	6.5	(8,094)	(1.2)	(65,047)	-
Net income attributable to the noncontrolling interest	1,676	0.2	154	0.0	(1,522)	9
Net income (loss) attributable to Mitsubishi Electric Corp.	55,277	6.3	(8,248)	(1.2)	(63,525)	-

CONSOLIDATED BALANCE SHEET

(In millions of yen)

	FY '09 (A) (ending Mar. 31, 2009)	FY '10 Q1 (B) (ending Jun. 30, 2009)	B – A
(Assets)			
Current assets	1,939,916	1,789,806	(150,110)
Cash and cash equivalents	358,616	304,318	(54,298)
Short-term investments	13,276	13,163	(113)
Trade receivables	766,983	628,451	(138,532)
Inventories	531,603	587,773	56,170
Prepaid expenses and other current assets	269,438	256,101	(13,337)
Long-term trade receivables	9,502	4,158	(5,344)
Investments	460,369	464,189	3,820
Net property, plant and equipment	554,424	550,751	(3,673)
Other assets	369,912	333,611	(36,301)
Total assets	3,334,123	3,142,515	(191,608)
(Liabilities and equity)			
Current liabilities	1,413,015	1,181,902	(231,113)
Bank loans and current portion of long-term debt	310,887	185,731	(125,156)
Trade payables	612,129	520,706	(91,423)
Other current liabilities	489,999	475,465	(14,534)
Long-term debt	366,977	416,749	49,772
Retirement and severance benefits	595,478	539,196	(56,282)
Other fixed liabilities	56,713	57,954	1,241
Total equity	901,940	946,714	44,774
Mitsubishi Electric Corp. shareholders' equity	849,476	892,964	43,488
Common stock	175,820	175,820	-
Capital surplus	210,881	210,888	7
Retained earnings	748,485	740,237	(8,248)
Accumulated other comprehensive income (loss)	(285,066)	(233,349)	51,717
Treasury stock at cost	(644)	(632)	12
Noncontrolling interest	52,464	53,750	1,286
Total liabilities and equity	3,334,123	3,142,515	(191,608)
Balance of Debt	677,864	602,480	(75,384)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(47,499)	(36,034)	11,465
Pension liability adjustments	(233,373)	(208,619)	24,754
Unrealized gains (losses) on securities	(4,099)	11,396	15,495
Unrealized gains (losses) on derivative instruments	(95)	(92)	3

CONSOLIDATED CASH FLOW STATEMENT

(In millions of yen)

	FY '09 Q1 (A) (Apr. 1, 2008 – Jun. 30, 2008)	FY '10 Q1 (B) (Apr. 1, 2009 – Jun. 30, 2009)	B – A
I Cash flows from operating activities			
1 Net income (loss)	56,953	(8,094)	(65,047)
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	31,343	28,845	(2,498)
(2) Decrease in trade receivables	180,524	149,165	(31,359)
(3) Decrease (increase) in inventories	(114,597)	(50,631)	63,966
(4) Increase (decrease) in trade payables	(55,048)	(86,356)	(31,308)
(5) Other, net	(2,391)	15,937	18,328
Net cash provided by operating activities	96,784	48,866	(47,918)
II Cash flows from investing activities			
1 Capital expenditure	(38,662)	(28,477)	10,185
2 Proceeds from sale of property, plant and equipment	545	481	(64)
3 Purchase of short-term investments and investment securities	(20,688)	(3,371)	17,317
4 Proceeds from sale of short-term investments and investment securities	1,598	2,547	949
5 Other, net	(3,255)	468	3,723
Net cash used in investing activities	(60,462)	(28,352)	32,110
I + II Free cash flow	36,322	20,514	(15,808)
III Cash flows from financing activities			
1 Proceeds from long-term debt	601	50,100	49,499
2 Repayment of long-term debt	(21,496)	(36,092)	(14,596)
3 Increase (decrease) in bank loans, net	(4,316)	(93,789)	(89,473)
4 Dividends paid	(15,025)	-	15,025
5 Purchase of treasury stock	(112)	(5)	107
6 Reissuance of treasury stock	14	10	(4)
Net cash provided by (used in) financing activities	(40,334)	(79,776)	(39,442)
IV Effect of exchange rate changes on cash and cash equivalents	(1,442)	4,964	6,406
V Net increase (decrease) in cash and cash equivalents	(5,454)	(54,298)	(48,844)
VI Cash and cash equivalents at beginning of period	334,311	358,616	24,305
VII Cash and cash equivalents at end of period	328,857	304,318	(24,539)

CONSOLIDATED SEGMENT INFORMATION

1. SALES AND OPERATING INCOME BY BUSINESS SEGMENT

(In millions of yen)

<i>Business Segment</i>	FY '09 Q1 (Apr. 1, 2008 – Jun. 30, 2008)		FY '10 Q1 (Apr. 1, 2009 – Jun. 30, 2009)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Energy and Electric Systems	195,210	12,904	206,934	12,186	11,724	(718)	106
Industrial Automation Systems	253,282	36,523	143,871	(2,551)	(109,411)	(39,074)	57
Information and Communication Systems	104,825	1,362	107,743	1,992	2,918	630	103
Electronic Devices	49,580	1,600	29,007	(2,563)	(20,573)	(4,163)	59
Home Appliances	253,865	21,549	190,721	8,093	(63,144)	(13,456)	75
Others	140,897	1,152	117,411	(1,243)	(23,486)	(2,395)	83
Subtotal	997,659	75,090	795,687	15,914	(201,972)	(59,176)	80
Eliminations and other	(118,622)	(8,588)	(96,236)	(8,547)	22,386	41	-
Total	879,037	66,502	699,451	7,367	(179,586)	(59,135)	80

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

2. SALES AND OPERATING INCOME BY LOCATION

(In millions of yen)

<i>Location</i>	FY '09 Q1 (Apr. 1, 2008 – Jun. 30, 2008)		FY '10 Q1 (Apr. 1, 2009 – Jun. 30, 2009)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Japan	728,864	47,821	590,184	(3,863)	(138,680)	(51,684)	81
North America	67,312	1,669	46,139	406	(21,173)	(1,263)	69
Asia (excluding Japan)	135,270	14,229	86,697	5,508	(48,573)	(8,721)	64
Europe	105,569	3,634	66,870	691	(38,699)	(2,943)	63
Others	9,059	292	6,429	183	(2,630)	(109)	71
Subtotal	1,046,074	67,645	796,319	2,925	(249,755)	(64,720)	76
Eliminations	(167,037)	(1,143)	(96,868)	4,442	70,169	5,585	-
Total	879,037	66,502	699,451	7,367	(179,586)	(59,135)	80

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

Considering the disclosure rules for consolidated financial statements, the company has shown its segment information by location.

3. SALES BY LOCATION OF CUSTOMERS

(In millions of yen)

Location	FY '09 Q1 (Apr. 1, 2008 – Jun. 30, 2008)		FY '10 Q1 (Apr. 1, 2009 – Jun. 30, 2009)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	544,961	62.0	463,849	66.3	(81,112)	85
North America	73,225	8.3	55,892	8.0	(17,333)	76
Asia (excluding Japan)	124,657	14.2	94,585	13.5	(30,072)	76
Europe	112,367	12.8	68,147	9.8	(44,220)	61
Others	23,827	2.7	16,978	2.4	(6,849)	71
Total overseas sales	334,076	38.0	235,602	33.7	(98,474)	71
Consolidated total	879,037	100.0	699,451	100.0	(179,586)	80

Cautionary Statement

The expectation of operating results herein and any associated statement to be made orally with respect to the Company's current plans, estimates, strategies and beliefs and any other statements that are not historical facts are forward-looking statements. Words such as "expects", "anticipates", "plans", "believes", "scheduled", "estimated", "targeted" along with any variations of these words and similar expressions are intended to identify forward-looking statements which include but are not limited to projections of revenues, earnings, performance and production. While the statements herein are based on certain assumptions and premises that the Company trusts and considers to be reasonable under the circumstances to the date of announcement, you are requested to kindly take note that 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 Mitsubishi Electric 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 Mitsubishi Electric'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 Mitsubishi Electric Group's performance.
- (5) Fund procurement
An increase in interest rates, the yen interest rate in particular, would increase Mitsubishi Electric's interest expenses.
- (6) Significant patent matters
Important patent filings, licensing, copyrights and patent-related disputes may adversely affect related businesses.
- (7) Environmental matters
We may appropriate funds for losses or increase allowances to respond to regulation trends or outbreaks of issues related to the environment. This may impact manufacturing and all corporate activities of the Mitsubishi Electric Group.
- (8) Quality of products and services
We may appropriate funds for losses from defective services or products, and the lowered reputation of the quality of all

our products and services may affect the entire Mitsubishi Electric group.

(9) Litigation and other legal proceedings

The Mitsubishi Electric 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 Mitsubishi Electric Group's performance.

(11) Business restructuring

The Mitsubishi Electric Group may record losses due to restructuring measures.

(12) Natural disasters

The Mitsubishi Electric Group's operations, particularly manufacturing activities, may be affected by the occurrence of earthquakes, typhoons, tsunamis, fires and other large-scale disasters.

(13) Other significant factors

The Mitsubishi Electric Group's operations may be affected by the outbreak of social or political upheaval due to terrorism, war or other factors.

Notes

1. Change of status in material affiliates in this quarterly period: none

2. Abbreviated accounting procedures and procedures inherent to compiling quarterly consolidated financial statements: not applicable

3. Changes in principles and procedures of accounting methods for compiling quarterly consolidated financial statements, or in presentation methods, etc.:

(1) From this fiscal quarter, the "Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No.51" under the FASB issued SFAS No. 160 has been applied. In the consolidated balance sheet, minority interests, conventionally shown between the Liabilities and the Equity section, is included as noncontrolling interest in the Total equity section. In the consolidated profit and loss statement, "Net income" is renamed as "Net income attributable to Mitsubishi Electric Corp."

Accordingly, in the profit and loss statement, income before income taxes includes equity in earnings (losses) of affiliated companies, while excluding net income attributable to the noncontrolling interest. Consequently, figures for FY2009 have been reclassified.

(2) From this fiscal quarter, the "Disclosures about Segments of an Enterprise and Related Information" under the FASB issued SFAS No. 131 has been applied. Also considering the disclosure rules for consolidated financial statements, the company has shown its segment information by location.

From the previous fiscal year, loss on impairment of long-lived assets is reflected in "operating income," to better evaluate the financial results by each segment. Consequently, figures have been reclassified for the years before.

About Mitsubishi Electric

With over 80 years of experience in providing reliable, high-quality products to both corporate clients and general consumers all over the world, 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. The company recorded consolidated group sales of 3,665.1 billion yen (US\$ 37.4 billion*) in the fiscal year ended March 31, 2009. For more information visit <http://global.mitsubishielectric.com>

*At an exchange rate of 98 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2009

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