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## **Mitsubishi Electric Announces Consolidated and Non-consolidated Financial Results for Fiscal 2010**

**Tokyo, April 30, 2010** – Mitsubishi Electric Corporation (TOKYO: 6503) announced today its consolidated and non-consolidated financial results for fiscal 2010 (April 1, 2009- March 31, 2010).

### **Consolidated Financial Results**

Net sales:	3,353.2	billion yen	(9% decrease from the previous fiscal year)
Operating income:	94.3	billion yen	(33% decrease from the previous fiscal year)
Income before income taxes:	64.2	billion yen	(46% increase from the previous fiscal year)
Net income attributable to Mitsubishi Electric Corp.:	28.2	billion yen	(132% increase from the previous fiscal year)

### **Non-consolidated Financial Results**

Net sales:	2,052.3	billion yen	(9% decrease from the previous fiscal year)
Operating income (loss):	(11.4)	billion yen	–
Ordinary profit:	61.9	billion yen	(48% increase from the previous fiscal year)
Net income:	14.9	billion yen	–

Although the business environment in fiscal year 2010 saw some recovery from the severe economic stagnation that started in the second half of the previous fiscal year, owing to stimulus programs by various countries and progress in inventory adjustments, the buoyancy was limited, as could be seen in low demand for capital expenditures. With the yen appreciating mainly against the U.S. dollar compared to the previous fiscal year, the business environment continues to be severe.

In order to respond to these changes particularly in the business environment, the Mitsubishi Electric Group has been working to reduce fixed costs and implement further cost reduction activities to maintain and improve its business performance. The company has also continued its efforts to strengthen its business structure through Group-wide management improvement programs, growth strategies and structural reforms.

### **CONSOLIDATED FINANCIAL RESULTS BY BUSINESS SEGMENT**

#### **Energy and Electric Systems**

Total sales:	1,039.6	billion yen	(No change from the previous fiscal year)
Operating income:	74.7	billion yen	(0.1 billion yen increase from the previous fiscal year)

The social infrastructure systems business saw increases in orders and sales from the previous fiscal year due to expansion in the rolling-stock equipment business both inside and outside Japan, as well as power generation and publicworks businesses in the Japanese market.

The building systems business experienced decreases in both orders and sales from the previous fiscal year, due primarily to decreases in global demand for elevators and escalators, as well as postponements and cancellations in large-scale projects.

As a result, total sales for this segment showed no change from the previous fiscal year. Operating income increased by 0.1 billion yen from the previous fiscal year mainly due to cost improvements.

### ***Industrial Automation Systems***

Total sales:	733.1	billion yen	(14% decrease from the previous fiscal year)
Operating income:	26.1	billion yen	(23.7 billion yen decrease from the previous fiscal year)

The factory automation systems business saw decreases in both orders and sales from the previous fiscal year due to decreases, up to the second quarter of the fiscal year, in demand for industrial machinery in the global market and investments in Japan related to surface mounting systems.

The automotive equipment business also saw decreases in both orders and sales from the previous fiscal year due to a drop in global demand until the second quarter of the fiscal year, despite increases in some products, upheld mainly by promotional incentives in various countries and other factors.

As a result, total sales for this segment decreased by 14% from the previous fiscal year. Operating income decreased by 23.7 billion yen from the previous fiscal year due primarily to a decrease in sales.

### ***Information and Communication Systems***

Total sales:	526.1	billion yen	(10% decrease from the previous fiscal year)
Operating income:	18.6	billion yen	(6.1 billion yen decrease from the previous fiscal year)

The telecommunications equipment business saw decreases in both orders and sales from the previous fiscal year due to reduced demand in optical access systems for broadband services.

The information systems and services business saw lower sales compared to the previous fiscal year mainly due to a decrease in the system integration business, reflecting a drop in demand for IT investments.

The electronic systems business saw an increase in orders from the previous fiscal year due to large orders received, such as Himawari-8 and -9 – Japan's next generation Geostationary Meteorological Satellites (GMS), while sales decreased from the previous fiscal year mainly due to a decrease in the electronics business.

As a result, total sales for this segment decreased by 10% from the previous fiscal year. Operating income decreased by 6.1 billion yen from the previous fiscal year due primarily to lower sales.

### ***Electronic Devices***

Total sales:	138.9	billion yen	(17% decrease from the previous fiscal year)
Operating income (loss):	(7.1)	billion yen	(22.6 billion yen improvement from the previous fiscal year)

The semiconductor business saw an increase in orders, despite a drop in sales from the previous fiscal year, mainly due to a rapid expansion in demand for commercial-use power modules.

The LCD module business experienced decreases in both orders and sales from the previous fiscal year due to low demand, up to the second quarter of the fiscal year, mainly in industrial-use products.

As a result, total sales for the segment decreased by 17% from the previous fiscal year. Operating income improved by 22.6 billion yen from the previous fiscal year mainly due to cost reductions.

### ***Home Appliances***

Total sales:	824.6	billion yen	(10% decrease from the previous fiscal year)
Operating income:	4.8	billion yen	(29.8 billion yen decrease from the previous fiscal year)

The home appliances business saw a 10% decrease in sales from the previous fiscal year due primarily to lower sales in air conditioners both inside and outside Japan as well as in overseas photovoltaic systems, despite increases in photovoltaic systems, LCD televisions and other products in Japan, owing mainly to government subsidies such as the “eco-points” incentive.

Operating income fell by 29.8 billion yen from the previous fiscal year due primarily to a decrease in sales.

### ***Others***

Total sales:	552.9	billion yen	(7% decrease from the previous fiscal year)
Operating income:	3.2	billion yen	(9.1 billion yen decrease from the previous fiscal year)

Sales decreased 7% from the previous fiscal year mainly in affiliated companies involved in materials procurement and logistics.

Operating income decreased by 9.1 billion yen from the previous fiscal year due primarily to a decrease in sales.

#### ***Fundamental dividend distribution policy***

Our fundamental policy is to comprehensively promote improvement in shareholder profits from the viewpoints of appropriate profit distribution commensurate with earnings performance of the respective fiscal year, as well as strengthening our financial standing through our internal reserves, with the ultimate goal of enhancing corporate value.

#### ***FY 2010 and FY 2011 dividend***

With the company's business performance and financial standing having improved in the second half of fiscal 2010, we have decided to pay a year-end retained earnings dividend of 4 yen per share for fiscal 2010. With no interim dividends paid in fiscal 2010, the total annual dividend is 4 yen per share. Payment of year-end dividends will start on June 2, 2010.

The retained earnings dividend for fiscal 2011 is still undecided.

*cf. Fiscal 2009 dividend was 6 yen per share (interim dividend of 6 yen per share and no year-end dividend)*

### **FINANCIAL CONDITION (CONSOLIDATED BASIS)**

#### ***Assets, Liabilities, and Shareholders' Equity***

The company's total assets for the fiscal year decreased from the end of the previous fiscal year by 119.0 billion yen to 3,215.0 billion yen. This decrease is mainly due to a 57.3 billion yen reduction in inventories and a 36.8 billion yen decrease in tangible fixed assets, mainly in response to input control.

The balance of outstanding debts and corporate bonds fell by 140.3 billion yen from the balance as of the end of the previous fiscal year to 537.5 billion yen, resulting in a decline of its ratio to total assets to 16.7% (improvement of 3.6 points compared to the end of the previous fiscal year). Trade payables increased by 21.5 billion yen, while reserves for retirement and severance benefits decreased by 136.7 billion yen mainly due to an increase in stock prices, leading to an increase in pension assets, etc.

Shareholders' equity increased by 115.1 billion yen compared to the previous fiscal year to 964.5 billion yen. The ratio of shareholders' equity to total assets was 30.0%, a 4.5-point increase compared to the previous fiscal year. Accumulated other comprehensive income increased by 88.5 billion yen mainly due to a rise in stock prices. Retained earnings also increased, owing to a 28.2 billion yen net income attributable to Mitsubishi Electric Corporation.

#### ***Cash Flow***

Cash flows from operating activities for this financial year increased by 149.1 billion yen compared to the same period of the previous fiscal year to 330.2 billion yen (positive). Investment cash flow decreased by 80.4 billion yen compared to the previous fiscal year to 134.4 billion yen (used) due to decreases in purchases of tangible fixed assets and securities, etc. As a result, free cash flow was 195.7 billion yen (positive). Financial cash flow was 165.2 billion yen (used) mainly due to repayment of loans.

#### ***Cash Flow related index***

	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>
Cash Flow to interest bearing debt ratio <sup>1</sup>	2.4 times	2.4 times	2.3 times	3.4 times	1.8 times
Interest coverage ratio <sup>2</sup>	31.5 times	28.1 times	26.3 times	16.1 times	37.8 times

<sup>1</sup>Balance of outstanding debts and corporate bonds\* divided by cash flow from operating activities

\*Balance of outstanding debts and corporate bonds is the average of the year-start and year-end balance of outstanding debts and corporate bonds.

<sup>2</sup>Cash flow from operating activities divided by interest paid

## **CURRENT FORECAST FOR FISCAL 2011**

The world economy is expected to experience a continuous gradual recovery owing to buoyancy in demand for social infrastructures mainly in emerging markets, despite remaining factors that could depress the economy, such as the effects of reduction or termination of stimulus programs by various countries, as well as continuously low capital expenditures for construction mainly in developed countries. A stronger yen and the risk of material prices soaring again are also areas of concern regarding our management environments.

Under these circumstances, the Mitsubishi Electric Group will continue to increase and strengthen profitability in each business segment. To enforce initiatives in achieving the management targets of the Mitsubishi Electric Group, we are not only committed to continuously implementing various company-wide measures toward improving business performance and financial standing, but will also proceed in strongly promoting our growth strategies, including the promotion of environment-related businesses, strengthening of the social infrastructure business and executing our global strategies.

### ***Current forecast for fiscal 2011: consolidated***

Net sales	3,480.0	billion yen	(4% increase from fiscal 2010)
Operating income	140.0	billion yen	(48% increase from fiscal 2010)
Income before income taxes	110.0	billion yen	(71% increase from fiscal 2010)
Net income attributable to Mitsubishi Electric Corp.	70.0	billion yen	(148% increase from fiscal 2010)

## **MANAGEMENT POLICY**

### ***Fundamental Management Policy***

Based on its corporate statement “Changes for the Better”, the Mitsubishi Electric Group hopes to build a better tomorrow by contributing to the creation of new societies, industries and lifestyles.

Keeping this corporate approach in mind, Mitsubishi Electric will establish a solid business foundation and implement sustainable growth through a threefold balanced management policy of “Growth,” “Profitability & Efficiency” and “Soundness”.

Mitsubishi Electric will also work to further enhance its corporate value by becoming a conglomerate of highly competitive electric-electronic businesses with a synergistic unity, capable of responding to the expectations of customers, shareholders, and all of our stakeholders.

### ***Management Targets***

The Mitsubishi Electric Group has established three management targets that it continuously aims to achieve: an operating income ratio of 5% or more, ROE of 10% or more, and an interest-bearing debt ratio of 15% or less. Business performance for fiscal 2010 showed an operating income ratio of 2.8%, an ROE of 3.1% and an interest-bearing debt ratio of 16.7%.

### ***Corporate Agenda***

Based on its threefold balanced management policy of “Growth,” “Profitability & Efficiency” and “Soundness”, the Mitsubishi Electric Group will continuously improve by strengthening quality, cost, productivity, R&D, intellectual property as well as sales and service capabilities. We will also strengthen our two-tiered growth strategy, made up of our VI<sup>1</sup> strategy, for ‘making strong businesses stronger’, and our AD<sup>2</sup> strategy, for ‘reinforcing solutions businesses centered on strong businesses’. By implementing continuous structural reforms, we strive to create a strong management base, while also continuing to bolster and improve our business performance.

Specifically, as a part of the Mitsubishi Electric Group's growth strategy, we will strengthen our efforts in growing business fields by: promoting environment-related businesses; expanding our businesses in emerging markets such as in China and India; strengthening our social infrastructure business; and rolling out solution businesses by integrating our technologies and expertise from our security and other businesses. Also, with an objective of strengthening our integrated "manufacturing craftsmanship," we will strengthen our development and productivity in software and hardware, and continue to streamline our productivity with measures such as Just-In-Time production. From the very first stages of design and development, we will strengthen activities that contribute to quality consciousness. We will utilize and optimally deploy human resources to enhance competitiveness, and engage in activities such as streamlining our human resources structure from a mid- and long-term perspective. We intend to improve our financial standing by further pursuing such measures as inventory reduction. In addition, we will build an optimal business structure and strengthen it both in global terms and for the entire corporate Group. Finally, we will enhance our operational structure to manage our businesses through integration and coordination among multiple aspects, including research, development, procurement, production, sales and services.

In addition, we are committed to enhancing Corporate Social Responsibility (CSR) efforts based on the Corporate Mission<sup>3</sup> and Seven Guiding Principles<sup>4</sup>. In particular, in terms of legal and ethical compliance, we will intensively implement internal control measures and internal training, etc., as a priority task spanning the entire consolidated Mitsubishi Electric Group. We will also promote environmental initiatives to create a low-carbon and recycling-based society.

Steadily executing the above strategy, the Mitsubishi Electric Group will work to further enhance its corporate value.

<sup>1</sup>VI, the first two letters of 'Victory'

<sup>2</sup>AD, the first two letters of 'Advance'

<sup>3</sup>Corporate Mission: The Mitsubishi Electric Group will continually improve its technologies and services through creativity, and, at the same time, contribute to society.

<sup>4</sup>These principles are:

Trust: Establish relationships with all stakeholders based on strong mutual trust and respect,

Quality: Provide the best products and services with unsurpassed quality,

Technology: Pioneer new markets by promoting research and development,

Citizenship: As a global player, contribute to the development of communities and society as a whole,

Ethics: Honor high ethical standards in all endeavors,

Environment: Respect nature, and strive to protect and improve the global environment,

Growth: Assure fair earnings to build a foundation for future growth.

# CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL RESULTS

## 1. Consolidated Financial Results

(In billions of yen except where noted)

	FY '09 (A) (Apr. 1, 2008 – Mar. 31, 2009)	FY '10 (B) (Apr. 1, 2009 – Mar. 31, 2010)	B – A	
			B – A	B/A (%)
Net sales	3,665.1	<b>3,353.2</b>	(311.8)	91
Operating income	139.7	<b>94.3</b>	(45.4)	67
Income before income taxes	43.9	<b>64.2</b>	20.3	146
Net income attributable to Mitsubishi Electric Corp.	12.1	<b>28.2</b>	16.1	232
Basic net income per share attributable to Mitsubishi Electric Corp.	5. <sup>67</sup> yen	<b>13.<sup>18</sup> yen</b>	7. <sup>51</sup> yen	232

**Notes:**

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) Company has 151 consolidated subsidiaries.
- 3) Starting this year, "Net income" has been renamed as "Net income attributable to Mitsubishi Electric Corp." in accordance with FASB ASC810 "Consolidation." 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.

## 2. Non-Consolidated Financial Results

(In billions of yen except where noted)

	FY '09 (A) (Apr. 1, 2008 – Mar. 31, 2009)	FY '10 (B) (Apr. 1, 2009 – Mar. 31, 2010)	B – A	
			B – A	B/A (%)
Net sales	2,264.9	<b>2,052.3</b>	(212.5)	91
Operating income (loss)	27.8	<b>(11.4)</b>	(39.3)	–
Ordinary profit	41.9	<b>61.9</b>	20.0	148
Net income (loss)	(36.5)	<b>14.9</b>	51.4	–
Dividend per share				
Annual dividend	6 yen	<b>4 yen</b>	(2 yen)	67
Interim dividend	6 yen	<b>0 yen</b>		
Year-end dividend	0 yen	<b>4 yen</b>		
Net income (loss) per share	(17. <sup>03</sup> yen)	<b>6.<sup>96</sup> yen</b>	23. <sup>99</sup> yen	–

## CONSOLIDATED PROFIT AND LOSS STATEMENT

(In millions of yen)

	FY '09 (A) (Apr. 1, 2008 – Mar. 31, 2009)		FY '10 (B) (Apr. 1, 2009 – Mar. 31, 2010)		B – A	B/A (%)
		% of total		% of total		
Net sales	3,665,119	100.0	<b>3,353,298</b>	<b>100.0</b>	(311,821)	91
Cost of sales	2,710,976	74.0	<b>2,505,095</b>	<b>74.7</b>	(205,881)	92
Selling, general and administrative expenses	783,673	21.4	<b>736,959</b>	<b>22.0</b>	(46,714)	94
Loss on impairment of long-lived assets	30,742	0.8	<b>16,942</b>	<b>0.5</b>	(13,800)	55
Operating income	139,728	3.8	<b>94,302</b>	<b>2.8</b>	(45,426)	67
Other income	33,963	0.9	<b>27,198</b>	<b>0.8</b>	(6,765)	80
Interest and Dividends	12,948	0.3	<b>8,921</b>	<b>0.3</b>	(4,027)	69
Other	21,015	0.6	<b>18,277</b>	<b>0.5</b>	(2,738)	87
Other expenses	129,758	3.5	<b>57,241</b>	<b>1.7</b>	(72,517)	44
Interest	11,013	0.3	<b>9,345</b>	<b>0.3</b>	(1,668)	85
Equity in losses of affiliated companies	67,715	1.8	<b>34,801</b>	<b>1.0</b>	(32,914)	51
Other	51,030	1.4	<b>13,095</b>	<b>0.4</b>	(37,935)	26
Income before income taxes	43,933	1.2	<b>64,259</b>	<b>1.9</b>	20,326	146
Income taxes	28,046	0.8	<b>31,390</b>	<b>0.9</b>	3,344	112
Net income	15,887	0.4	<b>32,869</b>	<b>1.0</b>	16,982	207
Net income attributable to the noncontrolling interest	3,720	0.1	<b>4,591</b>	<b>0.2</b>	871	123
Net income attributable to Mitsubishi Electric Corp.	12,167	0.3	<b>28,278</b>	<b>0.8</b>	16,111	232

## CONSOLIDATED BALANCE SHEET

(In millions of yen)

	FY '09 (A) (ending March 31, 2009)	FY '10 (B) (ending March 31, 2010)	B – A
<b>(Assets)</b>			
Current assets	1,939,916	<b>1,927,473</b>	(12,443)
Cash and cash equivalents	358,616	<b>391,118</b>	32,502
Short-term investments	13,276	<b>9,542</b>	(3,734)
Trade receivables	766,983	<b>790,754</b>	23,771
Inventories	531,603	<b>474,204</b>	(57,399)
Prepaid expenses and other current assets	269,438	<b>261,855</b>	(7,583)
Long-term trade receivables	9,502	<b>1,560</b>	(7,942)
Investments	460,369	<b>465,653</b>	5,284
Net property, plant and equipment	554,424	<b>517,534</b>	(36,890)
Other assets	369,912	<b>302,874</b>	(67,038)
<b>Total assets</b>	3,334,123	<b>3,215,094</b>	(119,029)
<b>(Liabilities and equity)</b>			
Current liabilities	1,413,015	<b>1,266,909</b>	(146,106)
Bank loans and current portion of long-term debt	310,887	<b>128,999</b>	(181,888)
Trade payables	612,129	<b>633,670</b>	21,541
Other current liabilities	489,999	<b>504,240</b>	14,241
Long-term debt	366,977	<b>408,501</b>	41,524
Retirement and severance benefits	595,478	<b>458,763</b>	(136,715)
Other fixed liabilities	56,713	<b>59,727</b>	3,014
Total equity	901,940	<b>1,021,194</b>	119,254
Mitsubishi Electric Corp. shareholders' equity	849,476	<b>964,584</b>	115,108
Common stock	175,820	<b>175,820</b>	–
Capital surplus	210,881	<b>210,006</b>	(875)
Retained earnings	748,485	<b>776,763</b>	28,278
Accumulated other comprehensive income (loss)	(285,066)	<b>(196,509)</b>	88,557
Treasury stock at cost	(644)	<b>(1,496)</b>	(852)
Noncontrolling interest	52,464	<b>56,610</b>	4,146
<b>Total liabilities and equity</b>	3,334,123	<b>3,215,094</b>	(119,029)
Balance of Debt	677,864	<b>537,500</b>	(140,364)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(47,499)	<b>(41,524)</b>	5,975
Pension liability adjustments	(233,373)	<b>(171,674)</b>	61,699
Unrealized gains (losses) on securities	(4,099)	<b>16,600</b>	20,699
Unrealized gains (losses) on derivative instruments	(95)	<b>89</b>	184



## CONSOLIDATED CASH FLOW STATEMENT

(In millions of yen)

	FY '09 (A) (Apr. 1, 2008 – Mar. 31, 2009)	FY '10 (B) (Apr. 1, 2009 – Mar. 31, 2010)	B – A
<b>I Cash flows from operating activities</b>			
1 Net income	15,887	<b>32,869</b>	16,982
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	176,722	<b>136,187</b>	(40,535)
(2) Decrease in deferred income taxes	20,137	<b>7,432</b>	(12,705)
(3) Decrease (increase) in trade receivables	108,729	<b>(16,170)</b>	(124,899)
(4) Decrease (increase) in inventories	(37,726)	<b>56,358</b>	94,084
(5) Decrease (increase) in other assets	(8,800)	<b>10,977</b>	19,777
(6) Increase (decrease) in trade payables	(133,954)	<b>45,373</b>	179,327
(7) Increase (decrease) in other liabilities	(82,272)	<b>(5,978)</b>	76,294
(8) Other, net	122,416	<b>63,193</b>	(59,223)
Net cash provided by operating activities	181,139	<b>330,241</b>	149,102
<b>II Cash flows from investing activities</b>			
1 Capital expenditure	(141,434)	<b>(109,069)</b>	32,365
2 Proceeds from sale of property, plant and equipment	4,340	<b>6,347</b>	2,007
3 Purchase of short-term investments and investment securities	(86,749)	<b>(46,107)</b>	40,642
4 Proceeds from sale of short-term investments and investment securities	13,693	<b>20,145</b>	6,452
5 Other, net	(4,789)	<b>(5,807)</b>	(1,018)
Net cash used in investing activities	(214,939)	<b>(134,491)</b>	80,448
<b>I + II Free cash flow</b>	(33,800)	<b>195,750</b>	229,550
<b>III Cash flows from financing activities</b>			
1 Proceeds from long-term debt	102,940	<b>92,711</b>	(10,229)
2 Repayment of long-term debt	(112,021)	<b>(106,584)</b>	5,437
3 Increase (decrease) in bank loans, net	122,024	<b>(146,487)</b>	(268,511)
4 Dividends paid	(27,904)	–	27,904
5 Purchase of treasury stock	(205)	<b>(872)</b>	(667)
6 Reissuance of treasury stock	59	<b>13</b>	(46)
7 Other, net	–	<b>(3,988)</b>	(3,988)
Net cash provided by (used in) financing activities	84,893	<b>(165,207)</b>	(250,100)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	(26,788)	<b>1,959</b>	28,747
<b>V Net increase in cash and cash equivalents</b>	24,305	<b>32,502</b>	8,197
<b>VI Cash and cash equivalents at beginning of period</b>	334,311	<b>358,616</b>	24,305
<b>VII Cash and cash equivalents at end of period</b>	358,616	<b>391,118</b>	32,502

## CONSOLIDATED SEGMENT INFORMATION

### 1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '09 (Apr. 1, 2008 – Mar. 31, 2009)		FY '10 (Apr. 1, 2009 – Mar. 31, 2010)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (loss) (D)			
Energy and Electric Systems	1,043,633	74,539	<b>1,039,669</b>	<b>74,727</b>	(3,964)	188	100
Industrial Automation Systems	851,688	49,934	<b>733,132</b>	<b>26,138</b>	(118,556)	(23,796)	86
Information and Communication Systems	582,146	24,869	<b>526,161</b>	<b>18,672</b>	(55,985)	(6,197)	90
Electronic Devices	166,969	(29,807)	<b>138,985</b>	<b>(7,141)</b>	(27,984)	22,666	83
Home Appliances	915,710	34,706	<b>824,679</b>	<b>4,809</b>	(91,031)	(29,897)	90
Others	596,091	12,341	<b>552,981</b>	<b>3,204</b>	(43,110)	(9,137)	93
Subtotal	4,156,237	166,582	<b>3,815,607</b>	<b>120,409</b>	(340,630)	(46,173)	92
Eliminations and other	(491,118)	(26,854)	<b>(462,309)</b>	<b>(26,107)</b>	28,809	747	–
Total	3,665,119	139,728	<b>3,353,298</b>	<b>94,302</b>	(311,821)	(45,426)	91

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

### 2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '09 (Apr. 1, 2008 – Mar. 31, 2009)		FY '10 (Apr. 1, 2009 – Mar. 31, 2010)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Japan	3,178,807	89,293	<b>2,886,502</b>	<b>49,673</b>	(292,305)	(39,620)	91
North America	240,589	(3,599)	<b>205,713</b>	<b>5,531</b>	(34,876)	9,130	86
Asia (excluding Japan)	461,549	32,072	<b>445,722</b>	<b>27,337</b>	(15,827)	(4,735)	97
Europe	321,501	10,727	<b>282,822</b>	<b>3,091</b>	(38,679)	(7,636)	88
Others	34,107	1,020	<b>33,140</b>	<b>1,949</b>	(967)	929	97
Subtotal	4,236,553	129,513	<b>3,853,899</b>	<b>87,581</b>	(382,654)	(41,932)	91
Eliminations	(571,434)	10,215	<b>(500,601)</b>	<b>6,721</b>	70,833	(3,494)	–
Total	3,665,119	139,728	<b>3,353,298</b>	<b>94,302</b>	(311,821)	(45,426)	91

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

### 3. Sales by Location of Customers

(In millions of yen)

Location	FY '09 (Apr. 1, 2008 – Mar. 31, 2009)		FY '10 (Apr. 1, 2009 – Mar. 31, 2010)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	2,478,509	67.6	<b>2,262,834</b>	<b>67.5</b>	(215,675)	91
North America	271,447	7.4	<b>236,409</b>	<b>7.0</b>	(35,038)	87
Asia (excluding Japan)	487,814	13.3	<b>488,613</b>	<b>14.6</b>	799	100
Europe	344,435	9.4	<b>286,284</b>	<b>8.5</b>	(58,151)	83
Others	82,914	2.3	<b>79,158</b>	<b>2.4</b>	(3,756)	95
Total overseas sales	1,186,610	32.4	<b>1,090,464</b>	<b>32.5</b>	(96,146)	92
Consolidated total	3,665,119	100.0	<b>3,353,298</b>	<b>100.0</b>	(311,821)	91

#### 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 raising

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, pandemic by new strains of influenza and other diseases, or other factors.

### **Notes**

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

- (1) Starting this year, FASB ASC810 "Consolidation" ("Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No.51" under the FASB issued previously 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) Starting this year, FASB ASC280 "Segment Reporting" ("Disclosures about Segments of an Enterprise and Related Information" under the FASB issued previously SFAS No. 131) has been applied. Also considering the disclosure rules for consolidated financial statements, the company has shown its segment information by location.

### **About Mitsubishi Electric**

With over 85 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 3,353.2 billion yen (US\$ 36.1 billion\*) in the fiscal year ended March 31, 2010. For more information visit <http://global.mitsubishielectric.com>

\*At an exchange rate of 93 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2010

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