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Mitsubishi Electric Announces Consolidated Financial Results for the First Half and Second Quarter of Fiscal 2011

Tokyo, October 29, 2010 – [Mitsubishi Electric Corporation](#) (TYO: 6503) announced today its financial results for the second quarter ending September 30, 2010, of the current fiscal year ending March 31, 2011 (fiscal 2011).

1. Consolidated Half-year Results (April 1, 2010 – September 30, 2010)

Net sales:	1,711.8 billion yen	(12% increase from the same period last year)
Operating income:	112.9 billion yen	(619% increase from the same period last year)
Income before income taxes:	114.4 billion yen	—
Net income attributable to Mitsubishi Electric Corp.:	71.2 billion yen	—

During the first half of fiscal 2011, the global economy saw a continued trend of gradual recovery owing mainly to emerging countries, despite severe conditions due to the yen rapidly appreciating against other currencies and other factors.

Under these circumstances, consolidated net sales for the first half of fiscal 2011 increased by 12% to 1,711.8 billion yen compared to the same period of the previous fiscal year, mainly owing to increased sales in the Industrial Automation Systems, Electronic Devices and Home Appliances segments. Operating income also increased by 619% to 112.9 billion yen compared to the same period of the previous fiscal year, showing increased income in all of the business segments.

Consolidated Financial Results by Business Segment (First Half, Fiscal 2011)

Energy and Electric Systems

Total sales:	440.6 billion yen	(2% decrease from the same period last year)
Operating income:	32.4 billion yen	(10.2 billion yen increase from the same period last year)

The social infrastructure systems business saw decreases in both orders and sales compared to the same period of

the previous fiscal year primarily due to a decrease in large projects for overseas power generation, despite global growth in the rolling-stock equipment business.

The building systems business experienced an increase in orders due to a gradual recovery in demand for elevators and escalators in Japan, although sales decreased compared to the same period of the previous fiscal year.

As a result, total sales for this segment decreased by 2% from the same period of the previous fiscal year. Operating income increased from the same period of the previous fiscal year by 10.2 billion yen due to cost reduction and other factors.

Industrial Automation Systems

Total sales: 446.9 billion yen (39% increase from the same period last year)
Operating income: 51.1 billion yen (54.1 billion yen improvement from the same period last year)

The factory automation systems business saw increases in both orders and sales compared to the same period of the previous fiscal year due to growth in demand for industrial machinery in China, as well as increases in Asian markets including flat panel display-related investments in Korea and Taiwan.

The automotive equipment business also saw increases in both orders and sales compared to the same period of the previous fiscal year due to buoyant automotive sales in the global market including China and India, despite a downturn in certain markets of Western Europe due to termination of promotional incentives.

As a result, total sales for this segment increased by 39% compared to the same period of the previous fiscal year. Operating income improved by 54.1 billion yen, a return to profitability, compared to the same period of the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales: 218.9 billion yen (10% decrease from the same period last year)
Operating income: 7.1 billion yen (2.1 billion yen increase from the same period last year)

The telecommunications equipment business saw an increase in orders compared to the same period of the previous fiscal year owing to increased orders for home broadband equipment, despite a decrease in sales compared to the same period of the previous fiscal year due to decreases in demand for optical broadband access systems and other communications infrastructures.

The information systems and services business saw a decrease in sales from the same period of the previous fiscal year due to a decrease in the system integration business and other factors.

The electronic systems business saw decreases in both orders and sales due to a decrease in the number of large projects compared to the same period of the previous fiscal year.

As a result, total sales for this segment decreased by 10% compared to the same period of the previous fiscal year, while operating income increased by 2.1 billion yen compared to the same period of the previous

fiscal year mainly due to cost reduction.

Electronic Devices

Total sales: 85.9 billion yen (40% increase from the same period last year)
Operating income: 3.0 billion yen (8.3 billion yen improvement from the same period last year)

The semiconductor business saw increases in both orders and sales compared to the same period of the previous fiscal year owing to growth in demand for consumer- and industrial-use power modules as well as optical transmission devices.

The LCD module business saw increases in both orders and sales compared to the same period of the previous fiscal year due to an increase in orders for industrial- and automotive-use products.

As a result, total sales for the segment increased by 40% compared to the same period of the previous fiscal year. Operating income improved by 8.3 billion yen, turning to profitability, compared to the same period of the previous fiscal year mainly due to an increase in sales.

Home Appliances

Total sales: 465.5 billion yen (13% increase from the same period last year)
Operating income: 26.4 billion yen (19.0 billion yen increase from the same period last year)

The home appliances business saw a 13% increase in sales compared to the same period of the previous fiscal year due to increases in air conditioners for the global market upheld by increased demand owing to the heat wave this summer, photovoltaic systems both inside and outside Japan that benefitted from subsidies and other stimulus programs in various countries, as well as LCD televisions and other products in Japan.

Operating income increased by 19.0 billion yen compared to the same period of the previous fiscal year due to an increase in sales and other factors.

Others

Total sales: 294.8 billion yen (16% increase from the same period last year)
Operating income: 5.4 billion yen (2.7 billion yen increase from the same period last year)

Sales increased by 16% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement, logistics and engineering.

Operating income increased by 2.7 billion yen compared to the same period of the previous fiscal year due primarily to an increase in sales.

2. Consolidated Second-quarter Results (July 1, 2010 – September 30, 2010)

Net sales:	932.9 billion yen	(12% increase from the same period last year)
Operating income:	61.3 billion yen	(636% increase from the same period last year)
Income before income taxes:	67.6 billion yen	–
Net income attributable to Mitsubishi Electric Corp.:	45.0 billion yen	–

Consolidated net sales for this quarter increased by 12% compared to the same period of the previous fiscal year to 932.9 billion yen, showing an increase in the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices and Home Appliances segments. Consolidated operating income also increased by 636% compared to the same period of the previous fiscal year to 61.3 billion yen, showing increases in all business segments.

Consolidated Financial Results by Business Segment (Second Quarter, Fiscal 2011)

Energy and Electric Systems

Total sales:	248.3 billion yen	(3% increase from the same period last year)
Operating income:	17.0 billion yen	(7.0 billion yen increase from the same period last year)

The social infrastructure systems business saw increases in both orders and sales compared to the same period of the previous fiscal year due to growth in the rolling-stock equipment business both inside and outside Japan.

The building systems business experienced increases in both orders and sales compared to the same period of the previous fiscal year due to a gradual recovery in demand in Japan and an increase in China for elevators and escalators.

As a result, total sales for this segment increased by 3% from the same period of the previous fiscal year. Operating income increased by 7.0 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

Industrial Automation Systems

Total sales:	232.4 billion yen	(31% increase from the same period last year)
Operating income:	24.1 billion yen	(24.5 billion yen improvement from the same period last year)

The factory automation systems business saw increases in both orders and sales compared to the same period of the previous fiscal year due to growth in demand for industrial machinery in China, as well as increases in Asian markets including flat panel display-related investments in Korea and Taiwan.

The automotive equipment business saw increases in both orders and sales from the same period of the previous fiscal year due to buoyant automotive sales in the global market including China and India.

As a result, total sales for this segment increased by 31% compared to the same period of the previous fiscal year. Operating income improved by 24.5 billion yen, a return to profitability, compared to the same period

of the previous fiscal year due to an increase in sales, and other factors.

Information and Communication Systems

Total sales: 127.7 billion yen (6% decrease from the same period last year)

Operating income: 5.5 billion yen (2.4 billion yen increase from the same period 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 a decrease in demand for communications infrastructures.

The information systems and services business saw a decrease in sales from the same period of the previous fiscal year due to a decrease in the system integration business.

The electronic systems business saw decreases in both orders and sales due to a decrease in the number of large projects compared to the same period of the previous fiscal year.

As a result, total sales for this segment decreased by 6% compared to the same period of the previous fiscal year. Operating income increased by 2.4 billion yen compared to the same period of the previous fiscal year due to cost reduction, and other factors.

Electronic Devices

Total sales: 44.4 billion yen (37% increase from the same period last year)

Operating income: 2.2 billion yen (5.0 billion yen improvement from the same period last year)

The semiconductor business saw increases in both orders and sales compared to the same period of the previous fiscal year owing to growth in demand for consumer- and industrial-use power modules as well as optical transmission devices.

The LCD module business saw increases in both orders and sales compared to the same period of the previous fiscal year due to an increase in orders for industrial- and automotive-use products.

As a result, total sales for the segment increased by 37% compared to the same period of the previous fiscal year. Operating income rose by 5.0 billion yen, turning to profitability, compared to the same period of the previous fiscal year mainly due to an increase in sales.

Home Appliances

Total sales: 250.5 billion yen (14% increase from the same period last year)

Operating income: 12.3 billion yen (12.9 billion yen improvement from the same period last year)

The home appliances business saw a 14% increase in sales compared to the same period of the previous fiscal year due to increases in air conditioners for the global market upheld by increased demand owing to the heat wave this summer, photovoltaic systems both inside and outside Japan that benefitted from subsidies and other stimulus programs in various countries, as well as LCD televisions and other products in Japan.

Operating income rose by 12.9 billion yen, a return to profitability, compared to the same period of the

previous fiscal year due to an increase in sales and other factors.

Others

Total sales: 159.8 billion yen (16% increase from the same period last year)

Operating income: 4.9 billion yen (1.0 billion yen increase from the same period last year)

Sales increased by 16% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement, logistics and engineering.

Operating income increased by 1.0 billion yen compared to the same period of the previous fiscal year, due primarily to increased sales.

Financial Condition (Consolidated Basis)

Assets, Liabilities, and Shareholders' Equity

The company's total assets as of the end of this fiscal quarter rose from the end of the previous fiscal year by 49.8 billion yen to 3,264.9 billion yen. This was due primarily to cash and cash equivalents increasing by 60.1 billion yen, and inventories also increasing by 68.7 billion yen owing largely to progress in work-in-process, despite trade receivables decreasing by 78.4 billion yen mainly as a result of credit collection.

The balance of outstanding debts and corporate bonds fell by 5.1 billion yen from the end of the previous fiscal year to 532.3 billion yen, with a reduction of the ratio of interest bearing debt to total assets to 16.3% (a decrease by 0.4 points compared to the end of the previous fiscal year). Trade payables decreased by 20.5 billion yen, while retirement and severance benefits increased by 23.9 billion yen mainly due to an increase in deficiency of pension funds brought on by a decline in stock price and other factors.

Mitsubishi Electric Corporation shareholders' equity increased by 28.9 billion yen compared to the previous fiscal year to 993.5 billion yen, with an improvement in ratio of shareholders' equity to total assets of 0.4 points compared to the end of the previous fiscal year to 30.4%. Retained earnings increased due to a 71.2 billion yen net income attributable to Mitsubishi Electric Corporation, while accumulated other comprehensive income decreased by 33.6 billion yen mainly due to a decline in stock prices.

Cash Flow

Cash flows from operating activities increased by 55.7 billion yen compared to the same period of the previous fiscal year to 173.8 billion yen (cash in).

Cash flows from investing activities decreased by 1.2 billion yen compared to the same period of the previous fiscal year to 82.1 billion yen (cash out) largely due to a decrease in purchases of tangible fixed assets. Consequently, free cash flow reached revenues of 91.6 billion yen. Cash flows from financing activities were 21.6 billion yen (cash out) due to repayment of loans, and other factors.

Forecast for Fiscal 2011 (year ending March 31, 2011)

Further risk of the yen appreciating against foreign currencies, as well as uncertainty over the economy in the U.S., Europe and Japan are areas of concern regarding the company's current management conditions. Against these circumstances, the Mitsubishi Electric Group will continue to increase and strengthen profitability in each business segment. The company is not only committed to continuously implementing various group-wide measures toward improving business performance and financial standing, but will also proceed in strongly promoting its growth strategies, aiming to achieve sustainable growth.

Even with the unexpectedly large appreciation of yen against foreign currencies, the company's business performance is expected to exceed its previous forecast announced on July 30, 2010, especially in the Industrial Automation Systems segment, owing to buoyant capital expenditure demand mainly in Asia, and the Home Appliances segment, which enjoyed a sales increase mainly in air conditioners due to the heat wave this summer. Therefore, the company has modified the consolidated earnings forecast for fiscal 2011, ending March 31, 2011.

Consolidated earnings forecast for fiscal 2011

	Previous forecast	Revised forecast	
Net sales:	3,530.0 billion yen	3,560.0 billion yen	(6% increase from fiscal 2010)
Operating income:	160.0 billion yen	205.0 billion yen	(117% increase from fiscal 2010)
Income before income taxes:	145.0 billion yen	195.0 billion yen	(203% increase from fiscal 2010)
Net income attributable to Mitsubishi Electric Corp.:	90.0 billion yen	115.0 billion yen	(307% increase from fiscal 2010)

Consolidated Financial Results Summary

1. Consolidated Half-year Results

(In billions of yen except where noted)

	FY '10 1 st half (Apr. 1, 2009 – Sept. 30, 2009) (A)	FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010) (B)	B – A	
				B/A (%)
Net sales	1,529.4	1,711.8	182.3	112
Operating income	15.6	112.9	97.2	719
Income (loss) before income taxes	(12.8)	114.4	127.2	–
Net income (loss) attributable to Mitsubishi Electric Corp.	(25.8)	71.2	97.1	–
Basic net income (loss) per share attributable to Mitsubishi Electric Corp.	(12. ⁰⁶ yen)	33.²⁰ yen	45. ²⁶ yen	–

2. Consolidated Second-quarter Results

(In billions of yen except where noted)

	FY '10 Q2 (Jul. 1, 2009 – Sept. 30, 2009) (A)	FY '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010) (B)	B – A	
				B/A (%)
Net sales	830.0	932.9	102.8	112
Operating income	8.3	61.3	52.9	736
Income (loss) before income taxes	(13.7)	67.6	81.4	–
Net income (loss) attributable to Mitsubishi Electric Corp.	(17.6)	45.0	62.6	–
Basic net income (loss) per share attributable to Mitsubishi Electric Corp.	(8. ²² yen)	20.⁹⁸ yen	29. ²⁰ yen	–

Notes: 1) Consolidated financial charts made in accordance with U.S. GAAP.
2) The Company has 156 consolidated subsidiaries.

**Consolidated Profit and Loss Statement
(First Half, Fiscal 2011)**

(In millions of yen)

	FY '10 1 st half (Apr. 1, 2009 – Sept. 30, 2009)		FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	1,529,484	100.0	1,711,860	100.0	182,376	112
Cost of sales	1,152,926	75.4	1,219,673	71.2	66,747	106
Selling, general and administrative expenses	360,861	23.6	379,285	22.2	18,424	105
Operating income	15,697	1.0	112,902	6.6	97,205	719
Other income	12,656	0.9	22,601	1.3	9,945	179
Interest and dividends	5,790	0.4	5,213	0.3	(577)	90
Other	6,866	0.5	17,388	1.0	10,522	253
Other expenses	41,211	2.7	21,080	1.2	(20,131)	51
Interest	4,850	0.3	4,068	0.2	(782)	84
Equity in losses of affiliated companies	28,072	1.8	2,350	0.1	(25,722)	8
Other	8,289	0.6	14,662	0.9	6,373	177
Income (loss) before income taxes	(12,858)	(0.8)	114,423	6.7	127,281	–
Income taxes	11,392	0.8	39,341	2.3	27,949	345
Net income (loss)	(24,250)	(1.6)	75,082	4.4	99,332	–
Net income attributable to the noncontrolling interests	1,633	0.1	3,807	0.2	2,174	233
Net income (loss) attributable to Mitsubishi Electric Corp.	(25,883)	(1.7)	71,275	4.2	97,158	–

Consolidated Profit and Loss Statement
(Second Quarter, Fiscal 2011)

(In millions of yen)

	FY '10 Q2 (Jul. 1, 2009 – Sept. 30, 2009)		FY '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	830,033	100.0	932,923	100.0	102,890	112
Cost of sales	633,891	76.4	671,396	72.0	37,505	106
Selling, general and administrative expenses	187,812	22.6	200,222	21.4	12,410	107
Operating income	8,330	1.0	61,305	6.6	52,975	736
Other income	5,056	0.6	13,542	1.5	8,486	268
Interest and dividends	1,844	0.2	1,972	0.2	128	107
Equity in earnings of affiliated companies	–	–	3,355	0.4	3,355	–
Other	3,212	0.4	8,215	0.9	5,003	256
Other expenses	27,161	3.3	7,201	0.8	(19,960)	27
Interest	2,381	0.3	2,095	0.2	(286)	88
Equity in losses of affiliated companies	17,837	2.2	–	–	(17,837)	–
Other	6,943	0.8	5,106	0.6	(1,837)	74
Income (loss) before income taxes	(13,775)	(1.7)	67,646	7.3	81,421	–
Income taxes	2,381	0.2	20,306	2.2	17,925	853
Net income (loss)	(16,156)	(1.9)	47,340	5.1	63,496	–
Net income attributable to the noncontrolling interests	1,479	0.2	2,298	0.3	819	155
Net income (loss) attributable to Mitsubishi Electric Corp.	(17,635)	(2.1)	45,042	4.8	62,677	–

Consolidated Balance Sheet

(In millions of yen)

	FY '10 (A) (ending Mar. 31, 2010)	FY '11 1 st half (B) (ending Sept. 30, 2010)	B – A
(Assets)			
Current assets	1,927,473	1,963,648	36,175
Cash and cash equivalents	391,118	451,305	60,187
Short-term investments	9,542	12,304	2,762
Trade receivables	790,754	710,732	(80,022)
Inventories	474,204	542,950	68,746
Prepaid expenses and other current assets	261,855	246,357	(15,498)
Long-term trade receivables	1,560	3,162	1,602
Investments	465,653	471,276	5,623
Net property, plant and equipment	517,534	520,654	3,120
Other assets	302,874	306,217	3,343
Total assets	3,215,094	3,264,957	49,863
(Liabilities and equity)			
Current liabilities	1,266,909	1,283,615	16,706
Bank loans and current portion of long-term debt	128,999	136,035	7,036
Trade payables	633,670	613,120	(20,550)
Other current liabilities	504,240	534,460	30,220
Long-term debt	408,501	396,348	(12,153)
Retirement and severance benefits	458,763	482,698	23,935
Other fixed liabilities	59,727	52,054	(7,673)
Total equity	1,021,194	1,050,242	29,048
Mitsubishi Electric Corp. shareholders' equity	964,584	993,501	28,917
Common stock	175,820	175,820	–
Capital surplus	210,006	208,561	(1,445)
Retained earnings	776,763	839,458	62,695
Accumulated other comprehensive income (loss)	(196,509)	(230,165)	(33,656)
Treasury stock at cost	(1,496)	(173)	1,323
Noncontrolling interests	56,610	56,741	131
Total liabilities and equity	3,215,094	3,264,957	49,863
Balance of Debt	537,500	532,383	(5,117)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(41,524)	(56,832)	(15,308)
Pension liability adjustments	(171,674)	(175,353)	(3,679)
Unrealized gains on securities	16,600	2,210	(14,390)
Unrealized gains (losses) on derivative instruments	89	(190)	(279)

Consolidated Cash Flow Statement

(In millions of yen)

	FY '10 1 st half (Apr. 1, 2009 – Sept. 30, 2009) (A)	FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010) (B)	B – A
I Cash flows from operating activities			
1 Net income (loss)	(24,250)	75,082	99,332
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	56,970	47,403	(9,567)
(2) Decrease in trade receivables	103,848	65,889	(37,959)
(3) Decrease (increase) in inventories	(198)	(81,651)	(81,453)
(4) Increase (decrease) in trade payables	(70,313)	(9,274)	61,039
(5) Other, net	52,067	76,403	24,336
Net cash provided by operating activities	118,124	173,852	55,728
II Cash flows from investing activities			
1 Capital expenditure	(61,049)	(52,169)	8,880
2 Proceeds from sale of property, plant and equipment	1,410	2,191	781
3 Purchase of short-term investments and investment securities	(29,995)	(38,333)	(8,338)
4 Proceeds from sale of short-term investments and investment securities	6,087	8,615	2,528
5 Other, net	118	(2,485)	(2,603)
Net cash used in investing activities	(83,429)	(82,181)	1,248
I+II Free cash flow	34,695	91,671	56,976
III Cash flows from financing activities			
1 Proceeds from long-term debt	60,200	100	(60,100)
2 Repayment of long-term debt	(70,482)	(9,473)	61,009
3 Increase (decrease) in bank loans, net	(62,120)	(2,185)	59,935
4 Dividends paid	–	(8,580)	(8,580)
5 Purchase of treasury stock	(13)	(15)	(2)
6 Reissuance of treasury stock	11	4	(7)
7 Other, net	–	(1,468)	(1,468)
Net cash provided by (used in) financing activities	(72,404)	(21,617)	50,787
IV Effect of exchange rate changes on cash and cash equivalents	265	(9,867)	(10,132)
V Net increase (decrease) in cash and cash equivalents	(37,444)	60,187	97,631
VI Cash and cash equivalents at beginning of period	358,616	391,118	32,502
VII Cash and cash equivalents at end of period	321,172	451,305	130,133

Consolidated Segment Information (First Half, Fiscal 2011)

1. Sales and Operating Income by Business Segment

(In millions of yen)

<i>Business Segment</i>	FY '10 1 st half (Apr. 1, 2009 – Sept. 30, 2009)		FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	447,927	22,208	440,654	32,480	(7,273)	10,272	98
Industrial Automation Systems	320,653	(3,020)	446,974	51,142	126,321	54,162	139
Information and Communication Systems	244,164	5,011	218,972	7,158	(25,192)	2,147	90
Electronic Devices	61,409	(5,291)	85,989	3,028	24,580	8,319	140
Home Appliances	411,173	7,466	465,523	26,496	54,350	19,030	113
Others	255,259	2,725	294,825	5,433	39,566	2,708	116
Subtotal	1,740,585	29,099	1,952,937	125,737	212,352	96,638	112
Eliminations and other	(211,101)	(13,402)	(241,077)	(12,835)	(29,976)	567	–
Total	1,529,484	15,697	1,711,860	112,902	182,376	97,205	112

*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 '10 1 st half (Apr. 1, 2009 – Sept. 30, 2009)		FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Japan	1,298,035	(4,874)	1,478,903	79,422	180,868	84,296	114
North America	98,988	4,333	105,624	1,867	6,636	(2,466)	107
Asia (excluding Japan)	199,708	10,380	278,032	21,255	78,324	10,875	139
Europe	135,311	914	149,355	5,908	14,044	4,994	110
Others	14,460	459	16,877	1,975	2,417	1,516	117
Subtotal	1,746,502	11,212	2,028,791	110,427	282,289	99,215	116
Eliminations	(217,018)	4,485	(316,931)	2,475	(99,913)	(2,010)	–
Total	1,529,484	15,697	1,711,860	112,902	182,376	97,205	112

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

3. Sales by Location of Customers

(In millions of yen)

<i>Location</i>	FY '10 1 st half (Apr. 1, 2009 – Sept. 30, 2009)		FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	1,020,199	66.7	1,115,499	65.2	95,300	109
North America	121,430	7.9	116,616	6.8	(4,814)	96
Asia (excluding Japan)	212,411	13.9	288,235	16.8	75,824	136
Europe	138,468	9.1	148,395	8.7	9,927	107
Others	36,976	2.4	43,115	2.5	6,139	117
Total overseas sales	509,285	33.3	596,361	34.8	87,076	117
Consolidated total	1,529,484	100.0	1,711,860	100.0	182,376	112

Consolidated Segment Information (Second Quarter, Fiscal 2011)

1. Sales and Operating Income by Business Segment

(In millions of yen)

<i>Business Segment</i>	FY '10 Q2 (Jul. 1, 2009 – Sept. 30, 2009)		FY '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	240,993	10,022	248,331	17,065	7,338	7,043	103
Industrial Automation Systems	176,782	(469)	232,414	24,127	55,632	24,596	131
Information and Communication Systems	136,421	3,019	127,750	5,507	(8,671)	2,488	94
Electronic Devices	32,402	(2,728)	44,445	2,291	12,043	5,019	137
Home Appliances	220,452	(627)	250,574	12,341	30,122	12,968	114
Others	137,848	3,968	159,838	4,973	21,990	1,005	116
Subtotal	944,898	13,185	1,063,352	66,304	118,454	53,119	113
Eliminations and other	(114,865)	(4,855)	(130,429)	(4,999)	(15,564)	(144)	–
Total	830,033	8,330	932,923	61,305	102,890	52,975	112

*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 '10 Q2 (Jul. 1, 2009 – Sept. 30, 2009)		FY '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Japan	707,851	(1,011)	816,058	41,983	108,207	42,994	115
North America	52,849	3,927	55,926	1,781	3,077	(2,146)	106
Asia (excluding Japan)	113,011	4,872	144,651	9,935	31,640	5,063	128
Europe	68,441	223	72,455	2,337	4,014	2,114	106
Others	8,031	276	8,508	1,037	477	761	106
Subtotal	950,183	8,287	1,097,598	57,073	147,415	48,786	116
Eliminations	(120,150)	43	(164,675)	4,232	(44,525)	4,189	–
Total	830,033	8,330	932,923	61,305	102,890	52,975	112

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

3. Sales by Location of Customers

(In millions of yen)

Location	FY '10 Q2 (Jul. 1, 2009 – Sept. 30, 2009)		FY '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	556,350	67.0	627,965	67.3	71,615	113
North America	65,538	7.9	62,464	6.7	(3,074)	95
Asia (excluding Japan)	117,826	14.2	148,695	15.9	30,869	126
Europe	70,321	8.5	72,296	7.8	1,975	103
Others	19,998	2.4	21,503	2.3	1,505	108
Total overseas sales	273,683	33.0	304,958	32.7	31,275	111
Consolidated total	830,033	100.0	932,923	100.0	102,890	112

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 legislation or relevant issues
We 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 Mitsubishi Electric Group.

- (8) Flaws or defects in products or services
We may incur losses or expenses resulting out of flaws or defects in products or services, 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, tsunami, 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

- 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.: none
- 4. Important factors related to the conditions for the going concern: not applicable

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://www.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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