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Mitsubishi Electric Announces Consolidated and Non-consolidated Financial Results for Fiscal 2011

Tokyo, May 16, 2011 – [Mitsubishi Electric Corporation](http://www.mitsubishielectric.com) (TOKYO: 6503) announced today its consolidated and non-consolidated financial results for fiscal 2011 (April 1, 2010- March 31, 2011).

Consolidated Financial Results

Net sales:	3,645.3	billion yen	(9% increase from the previous fiscal year)
Operating income:	233.7	billion yen	(148% increase from the previous fiscal year)
Income before income taxes:	210.2	billion yen	(227% increase from the previous fiscal year)
Net income attributable to Mitsubishi Electric Corp.:	124.5	billion yen	(340% increase from the previous fiscal year)

Non-consolidated Financial Results

Net sales:	2,333.8	billion yen	(14% increase from the previous fiscal year)
Operating income:	97.1	billion yen	—
Ordinary profit:	120.8	billion yen	(95% increase from the previous fiscal year)
Net income:	78.7	billion yen	(427% increase from the previous fiscal year)

Although the business environment in the fiscal year ending March 31, 2011 saw some severity with the yen rapidly appreciating against foreign currencies and material prices soaring, the global economy comprehensively showed continuous improvement due to recovery mainly in emerging countries. The business conditions, however, were affected from the Great East Japan Earthquake which hit in March 2011, resulting in suspension of production and cutback, due to rolling blackouts and other factors, of capacity utilization ratio at some factories.

Under these circumstances, the Mitsubishi Electric Group has been working even harder than before to promote growth strategies that take root in its advantages, in addition to the ongoing improvements to strengthen its competitiveness and business structure.

CONSOLIDATED FINANCIAL RESULTS BY BUSINESS SEGMENT

Energy and Electric Systems

Total sales:	1,027.7	billion yen	(1% decrease from the previous fiscal year)
Operating income:	83.0	billion yen	(8.3 billion yen increase from the previous fiscal year)

The social infrastructure systems business saw decreases in orders and sales from the previous fiscal year due to decreases mainly in large projects for the energy systems business, despite growth in the rolling-stock equipment business both inside and outside Japan.

The building systems business experienced increases in both orders and sales from the previous fiscal year, with demand for elevators and escalators experiencing a gradual recovery in Japan as well as growth in the Chinese and ASEAN markets.

As a result, total sales for this segment decreased by 1% from the previous fiscal year. Operating income increased by 8.3 billion yen from the previous fiscal year mainly due to cost improvements.

Industrial Automation Systems

Total sales:	927.0	billion yen	(26% increase from the previous fiscal year)
Operating income:	100.0	billion yen	(73.9 billion yen increase from the previous fiscal year)

The factory automation systems business saw increases in both orders and sales from the previous fiscal year due to growth in demand throughout Asian markets, such as industrial machinery in China and flat panel display- and semiconductor-related investments in Korea and Taiwan.

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

As a result, total sales for this segment increased by 26% from the previous fiscal year. Operating income increased by 73.9 billion yen from the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales:	487.9	billion yen	(7% decrease from the previous fiscal year)
Operating income:	13.7	billion yen	(4.9 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 lower demand for optical broadband access systems and other communications infrastructures, despite an increase in home broadband equipment.

The information systems and services business saw lower sales compared to the previous fiscal year mainly due to a decline in the system integration business.

The electronic systems business saw a decrease in sales from the previous fiscal year due primarily to a decrease in the number of large projects in the electronics business, while orders remained unchanged from the previous fiscal year.

As a result, total sales for this segment decreased by 7% from the previous fiscal year. Operating income decreased by 4.9 billion yen from the previous fiscal year due primarily to lower sales.

Electronic Devices

Total sales:	175.9	billion yen	(27% increase from the previous fiscal year)
Operating income:	5.9	billion yen	(13.0 billion yen improvement from the previous fiscal year)

The semiconductor business saw increases in both orders and sales from the previous fiscal year due to expansion in demand for power modules for industrial, commercial, railway and automotive purposes, as well as optical transmission devices.

The LCD module business experienced increases in both orders and sales from the previous fiscal year due to growth in industrial- and automotive-use products.

As a result, total sales for the segment increased by 27% from the previous fiscal year. Operating income improved by 13.0 billion yen from the previous fiscal year mainly due to an increase in sales.

Home Appliances

Total sales:	924.4	billion yen	(12% increase from the previous fiscal year)
Operating income:	42.0	billion yen	(37.1 billion yen increase from the previous fiscal year)

The home appliances business saw a 12% increase in sales from the previous fiscal year due to increases in room air conditioners, LCD televisions and refrigerators for the Japanese market upheld by increased demand owing to a last-minute surge before the change in the eco-point incentive program in the third fiscal quarter. The heat wave last summer also led to an increase in air conditioners inside and outside Japan, while photovoltaic systems experienced growth globally, benefitting from subsidies and other stimulus programs in various countries.

Operating income rose by 37.1 billion yen from the previous fiscal year due primarily to an increase in sales.

Others

Total sales: 609.4 billion yen (10% increase from the previous fiscal year)
 Operating income: 14.4 billion yen (11.2 billion yen increase from the previous fiscal year)

Sales increased 10% from the previous fiscal year mainly in affiliated companies involved in materials procurement, logistics and engineering.

Operating income increased by 11.2 billion yen from the previous fiscal year due primarily to an increase in sales.

Fundamental dividend distribution policy

Mitsubishi Electric's 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 the company's internal reserves, with the ultimate goal of enhancing corporate value.

FY 2011 and FY 2012 dividend

With the company's business performance and financial conditions having improved in fiscal 2011, the company intends to pay a year-end retained earnings dividend of 7 yen per share for fiscal 2011. Adding the interim dividend of 5 yen per share, the total annual dividend will be 12 yen per share.

The retained earnings dividend for fiscal 2012 is still undecided.

cf. In fiscal 2010, there was no interim dividend and year-end dividend was 4 yen per share. (Annual dividend of 4 yen per share)

FINANCIAL CONDITION (CONSOLIDATED BASIS)

Assets, Liabilities, and Shareholders' Equity

The company's total assets for the fiscal year increased from the end of the previous fiscal year by 117.5 billion yen to 3,332.6 billion yen. This increase is mainly due to a 80.9 billion yen increase in cash and cash equivalents, as well as a 53.3 billion yen increase in inventories.

The balance of outstanding debts and corporate bonds fell by 53.1 billion yen from the balance as of the end of the previous fiscal year to 484.3 billion yen, resulting in a decline of its ratio to total assets to 14.5% (decline of 2.2 points compared to the end of the previous fiscal year). Trade payables increased by 64.1 billion yen, while reserves for retirement and severance benefits decreased by 39.7 billion yen.

Shareholders' equity increased by 85.7 billion yen compared to the previous fiscal year to 1,050.3 billion yen. The ratio of shareholders' equity to total assets was 31.5%, a 1.5-point increase compared to the previous fiscal year. Retained earnings increased, owing to a 124.5 billion yen net income attributable to Mitsubishi Electric Corporation. Accumulated other comprehensive income decreased by 19.4 billion yen mainly due to the yen appreciating against foreign currencies and a decline in stock prices.

Cash Flow

Cash flows from operating activities for this financial year decreased by 2.6 billion yen compared to the same period of the previous fiscal year to 327.6 billion yen (cash in). Investment cash flow increased by 11.1 billion yen compared to the previous fiscal year to 145.6 billion yen (cash out) due to increases in investments on securities, etc. As a result, free cash flow was 182.0 billion yen (cash in). Cash flows from financing activities were 89.2 billion yen (cash out) mainly due to repayment of loans.

Cash Flow related index

	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>
Cash Flow to interest bearing debt ratio ¹	2.4 times	2.3 times	3.4 times	1.8 times	1.6 times
Interest coverage ratio ²	28.1 times	26.3 times	16.1 times	37.8 times	42.4 times

¹Balance 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.

²Cash flow from operating activities divided by interest paid

CURRENT FORECAST FOR FISCAL 2012

The impacts from the Great East Japan Earthquake have made the company's business environment unclear. Not only will there be direct impact to production and logistics, but it will spread to consumer spending, and also affect economies through the supply chain, while demand from reconstruction efforts can be expected.

Under these circumstances, the Mitsubishi Electric Group is striving to recover its production and to normalize its capacity utilization ratio as soon as possible. The Group will continue to increase and strengthen profitability in each business. To bolster initiatives in achieving its management targets, the Mitsubishi Electric Group is committed to continuously implementing various Group-wide measures toward uplifting its business performance and financial standing. The Group will also proceed in strongly pushing forward its growth strategies including the expansion of its global business, promotion of environment-related businesses and strengthening of its social infrastructure business.

Current forecast for fiscal 2012: consolidated

Net sales	3,770.0	billion yen	(3% increase from fiscal 2011)
Operating income	230.0	billion yen	(2% decrease from fiscal 2011)
Income before income taxes	200.0	billion yen	(5% decrease from fiscal 2011)
Net income attributable to Mitsubishi Electric Corp.	125.0	billion yen	(no change from fiscal 2011)

Impacts from the Great East Japan Earthquake have made it difficult for Mitsubishi Electric to foresee its consolidated earnings for the first half of fiscal 2012 (April 1, 2011- September 30, 2011), whose forecast remains undecided. The company intends to make an announcement promptly after the forecast is formulated.

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 integrating vast variety of its competitive electric-electronic businesses with the maximum synergistic effect, and thus make the company capable of responding to the expectations of customers, shareholders and all of its 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 2011 showed an operating income ratio of 6.4%, an ROE of 12.4% and an interest-bearing debt ratio of 14.5%.

Corporate Agenda

The Mitsubishi Electric Group endeavors to contribute to recovery efforts from the Great East Japan Earthquake through reconstruction of social infrastructure and the Group's other operations.

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. The Mitsubishi Electric Group will also strengthen its two-tiered growth strategy, made up of its VI¹ strategy, for ‘making strong businesses stronger’, and its AD² strategy, for ‘reinforcing solutions businesses centered on strong businesses’. By implementing continuous structural reforms, the Mitsubishi Electric Group strives to create a strong management base, while also continuing to bolster and improve its business performance.

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

In addition, the Mitsubishi Electric Group is committed to enhancing Corporate Social Responsibility (CSR) efforts based on the Corporate Mission³ and Seven Guiding Principles⁴. In particular, in terms of legal and ethical compliance, the Group will intensively implement internal control measures and internal training, etc., as a priority task spanning the entire consolidated Mitsubishi Electric Group. The Group 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.

¹VI, the first two letters of ‘Victory’

²AD, the first two letters of ‘Advance’

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

⁴These 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 '10 (A) (Apr. 1, 2009 – Mar. 31, 2010)	FY '11 (B) (Apr. 1, 2010 – Mar. 31, 2011)	B – A	
			B – A	B/A (%)
Net sales	3,353.2	3,645.3	292.0	109
Operating income	94.3	233.7	139.4	248
Income before income taxes	64.2	210.2	145.9	327
Net income attributable to Mitsubishi Electric Corp.	28.2	124.5	96.2	440
Basic net income per share attributable to Mitsubishi Electric Corp.	13. ¹⁸ yen	58.⁰⁰ yen	44. ⁸² yen	440

Notes:

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) Company has 157 consolidated subsidiaries.

2. Non-Consolidated Financial Results

(In billions of yen except where noted)

	FY '10 (A) (Apr. 1, 2009 – Mar. 31, 2010)	FY '11 (B) (Apr. 1, 2010 – Mar. 31, 2011)	B – A	
			B – A	B/A (%)
Net sales	2,052.3	2,333.8	281.4	114
Operating income (loss)	(11.4)	97.1	108.6	–
Ordinary profit	61.9	120.8	58.8	195
Net income	14.9	78.7	63.8	527
Dividend per share				
Annual dividend	4 yen	12 yen	8 yen	300
Interim dividend	0 yen	5 yen		
Year-end dividend	4 yen	7 yen		
Net income per share	6. ⁹⁶ yen	36.⁷⁰ yen	29. ⁷⁴ yen	527

CONSOLIDATED PROFIT AND LOSS STATEMENT

(In millions of yen)

	FY '10 (A) (Apr. 1, 2009 – Mar. 31, 2010)		FY '11 (B) (Apr. 1, 2010 – Mar. 31, 2011)		B – A	B/A (%)
		% of total		% of total		
Net sales	3,353,298	100.0	3,645,331	100.0	292,033	109
Cost of sales	2,505,095	74.7	2,622,959	72.0	117,864	105
Selling, general and administrative expenses	736,959	22.0	784,606	21.5	47,647	106
Loss on impairment of long-lived assets	16,942	0.5	4,005	0.1	(12,937)	24
Operating income	94,302	2.8	233,761	6.4	139,459	248
Other income	27,198	0.8	36,197	1.0	8,999	133
Interest and Dividends	8,921	0.3	8,162	0.2	(759)	91
Other	18,277	0.5	28,035	0.8	9,758	153
Other expenses	57,241	1.7	59,721	1.6	2,480	104
Interest	9,345	0.3	7,749	0.2	(1,596)	83
Equity in losses of affiliated companies	34,801	1.0	20,285	0.5	(14,516)	58
Other	13,095	0.4	31,687	0.9	18,592	242
Income before income taxes	64,259	1.9	210,237	5.8	145,978	327
Income taxes	31,390	0.9	77,097	2.1	45,707	246
Net income	32,869	1.0	133,140	3.7	100,271	405
Net income attributable to the noncontrolling interests	4,591	0.2	8,615	0.3	4,024	188
Net income attributable to Mitsubishi Electric Corp.	28,278	0.8	124,525	3.4	96,247	440

CONSOLIDATED BALANCE SHEET

(In millions of yen)

	FY '10 (A) (ending Mar. 31, 2010)	FY '11 (B) (ending Mar. 31, 2011)	B – A
(Assets)			
Current assets	1,927,473	2,073,064	145,591
Cash and cash equivalents	391,118	472,067	80,949
Short-term investments	9,542	10,031	489
Trade receivables	790,754	790,991	237
Inventories	474,204	527,504	53,300
Prepaid expenses and other current assets	261,855	272,471	10,616
Long-term trade receivables	1,560	2,090	530
Investments	465,653	448,953	(16,700)
Net property, plant and equipment	517,534	527,453	9,919
Other assets	302,874	281,119	(21,755)
Total assets	3,215,094	3,332,679	117,585
(Liabilities and equity)			
Current liabilities	1,266,909	1,470,387	203,478
Bank loans and current portion of long-term debt	128,999	202,761	73,762
Trade payables	633,670	697,789	64,119
Other current liabilities	504,240	569,837	65,597
Long-term debt	408,501	281,591	(126,910)
Retirement and severance benefits	458,763	419,008	(39,755)
Other fixed liabilities	59,727	52,668	(7,059)
Total equity	1,021,194	1,109,025	87,831
Mitsubishi Electric Corp. shareholders' equity	964,584	1,050,340	85,756
Common stock	175,820	175,820	–
Capital surplus	210,006	208,669	(1,337)
Retained earnings	776,763	881,973	105,210
Accumulated other comprehensive income (loss)	(196,509)	(215,919)	(19,410)
Treasury stock at cost	(1,496)	(203)	1,293
Noncontrolling interests	56,610	58,685	2,075
Total liabilities and equity	3,215,094	3,332,679	117,585
Balance of Debt	537,500	484,352	(53,148)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(41,524)	(59,400)	(17,876)
Pension liability adjustments	(171,674)	(162,390)	9,284
Unrealized gains on securities	16,600	5,957	(10,643)
Unrealized gains (losses) on derivative instruments	89	(86)	(175)

CONSOLIDATED CASH FLOW STATEMENT

(In millions of yen)

	FY '10 (A) (Apr. 1, 2009 – Mar. 31, 2010)	FY '11 (B) (Apr. 1, 2010 – Mar. 31, 2011)	B – A
I Cash flows from operating activities			
1 Net income	32,869	133,140	100,271
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	136,187	108,818	(27,369)
(2) Decrease in deferred income taxes	7,432	22,788	15,356
(3) Decrease (increase) in trade receivables	(16,170)	(14,594)	1,576
(4) Decrease (increase) in inventories	56,358	(65,512)	(121,870)
(5) Decrease in other assets	10,977	2,493	(8,484)
(6) Increase in trade payables	45,373	66,177	20,804
(7) Increase (decrease) in other liabilities	(5,978)	14,634	20,612
(8) Other, net	63,193	59,697	(3,496)
Net cash provided by operating activities	330,241	327,641	(2,600)
II Cash flows from investing activities			
1 Capital expenditure	(109,069)	(107,638)	1,431
2 Proceeds from sale of property, plant and equipment	6,347	4,504	(1,843)
3 Purchase of short-term investments and investment securities	(46,107)	(51,640)	(5,533)
4 Proceeds from sale of short-term investments and investment securities	20,145	18,895	(1,250)
5 Other, net	(5,807)	(9,751)	(3,944)
Net cash used in investing activities	(134,491)	(145,630)	(11,139)
I + II Free cash flow	195,750	182,011	(13,739)
III Cash flows from financing activities			
1 Proceeds from long-term debt	92,711	100	(92,611)
2 Repayment of long-term debt	(106,584)	(62,248)	44,336
3 Increase (decrease) in bank loans, net	(146,487)	(5,114)	141,373
4 Dividends paid	–	(19,315)	(19,315)
5 Purchase of treasury stock	(872)	(46)	826
6 Reissuance of treasury stock	13	5	(8)
7 Other, net	(3,988)	(2,610)	1,378
Net cash provided by (used in) financing activities	(165,207)	(89,228)	75,979
IV Effect of exchange rate changes on cash and cash equivalents	1,959	(11,834)	(13,793)
V Net increase in cash and cash equivalents	32,502	80,949	48,447
VI Cash and cash equivalents at beginning of period	358,616	391,118	32,502
VII Cash and cash equivalents at end of period	391,118	472,067	80,949

CONSOLIDATED SEGMENT INFORMATION

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '10 (Apr. 1, 2009 – Mar. 31, 2010)		FY '11 (Apr. 1, 2010 – Mar. 31, 2011)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	1,039,669	74,727	1,027,749	83,055	(11,920)	8,328	99
Industrial Automation Systems	733,132	26,138	927,002	100,089	193,870	73,951	126
Information and Communication Systems	526,161	18,672	487,915	13,743	(38,246)	(4,929)	93
Electronic Devices	138,985	(7,141)	175,910	5,901	36,925	13,042	127
Home Appliances	824,679	4,809	924,478	42,008	99,799	37,199	112
Others	552,981	3,204	609,416	14,475	56,435	11,271	110
Subtotal	3,815,607	120,409	4,152,470	259,271	336,863	138,862	109
Eliminations and other	(462,309)	(26,107)	(507,139)	(25,510)	(44,830)	597	–
Total	3,353,298	94,302	3,645,331	233,761	292,033	139,459	109

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '10 (Apr. 1, 2009 – Mar. 31, 2010)		FY '11 (Apr. 1, 2010 – Mar. 31, 2011)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	2,886,502	49,673	3,176,605	177,354	290,103	127,681	110
North America	205,713	5,531	229,958	1,363	24,245	(4,168)	112
Asia (excluding Japan)	445,722	27,337	583,827	43,734	138,105	16,397	131
Europe	282,822	3,091	293,952	7,830	11,130	4,739	104
Others	33,140	1,949	38,200	4,329	5,060	2,380	115
Subtotal	3,853,899	87,581	4,322,542	234,610	468,643	147,029	112
Eliminations	(500,601)	6,721	(677,211)	(849)	(176,610)	(7,570)	–
Total	3,353,298	94,302	3,645,331	233,761	292,033	139,459	109

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

3. Sales by Location of Customers

(In millions of yen)

Location	FY '10 (Apr. 1, 2009 – Mar. 31, 2010)		FY '11 (Apr. 1, 2010 – Mar. 31, 2011)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	2,262,834	67.5	2,416,090	66.3	153,256	107
North America	236,409	7.0	251,071	6.9	14,662	106
Asia (excluding Japan)	488,613	14.6	603,261	16.6	114,648	123
Europe	286,284	8.5	289,440	7.9	3,156	101
Others	79,158	2.4	85,469	2.3	6,311	108
Total overseas sales	1,090,464	32.5	1,229,241	33.7	138,777	113
Consolidated total	3,353,298	100.0	3,645,331	100.0	292,033	109

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.

The Mitsubishi Electric Group is involved in the development, manufacture and sales in a wide range of fields including Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices and Home Appliances, and these operations stretch out globally, not only inside Japan, but also in North America, Europe, Asia and other regions. While the statements herein are based on certain assumptions and premises that the 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.

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About Mitsubishi Electric

With 90 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 3,645.3 billion yen (US\$ 43.9 billion*) in the fiscal year ended March 31, 2011. For more information visit <http://www.MitsubishiElectric.com>

*At an exchange rate of 83 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2011