

FOR IMMEDIATE RELEASE

No. 2632

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Mitsubishi Electric Announces Consolidated Financial Results for the First Half and Second Quarter of Fiscal 2012

Tokyo, October 31, 2011 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its financial results for the first half and second quarter, ending September 30, 2011, of the current fiscal year ending March 31, 2012 (fiscal 2012).

1. Consolidated Half-year Results (April 1, 2011 – September 30, 2011)

Net sales:	1,743.5 billion yen	(2% increase from the same period last year)
Operating income:	113.6 billion yen	(1% increase from the same period last year)
Income before income taxes:	105.8 billion yen	(7% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	69.5 billion yen	(2% decrease from the same period last year)

During the first half of fiscal 2012, the economy saw an upturn in Japan following a temporary decline caused by the Great East Japan Earthquake, while a trend of gradual recovery was seen outside Japan despite a slowdown in certain developed markets. Meanwhile, Japanese yen not only appreciated against U.S. dollars, but also against euros from August due to the financial instability in Europe.

Under these circumstances, consolidated net sales for the first half of fiscal 2012 was 1,743.5 billion yen, a 2% increase compared to the same period of the previous fiscal year, mainly owing to increased revenues in the Industrial Automation Systems and Electronic Devices segments. Operating income marked 113.6 billion yen, increasing by 1% compared to the same period of the previous fiscal year, showing higher profits mainly in the Industrial Automation Systems and Electronic Devices segments.

Consolidated Financial Results by Business Segment (First Half, Fiscal 2012)

Energy and Electric Systems

Total sales:	438.7 billion yen	(Unchanged from the same period last year)
Operating income:	28.5 billion yen	(3.9 billion yen decrease from the same period last year)

The social infrastructure systems business saw an increase in orders compared to the same period of the previous fiscal year due primarily to growth in the Japanese power generation business as well as large projects for overseas markets, while experiencing decreased sales from the same period of the previous fiscal year due to a decline in the rolling stock equipment business in Japan.

The building systems business experienced increases in both orders and sales compared to the same

period of the previous fiscal year owing to increased demand for elevators and escalators in China and the ASEAN markets, as well as sales recorded for large-scale projects in China, South Korea and the Middle East.

As a result, total sales for this segment remained unchanged from the same period of the previous fiscal year. Operating income decreased from the same period of the previous fiscal year by 3.9 billion yen due to a shift in sales components and other factors.

Industrial Automation Systems

Total sales: 487.6 billion yen (9% increase from the same period last year)
Operating income: 56.5 billion yen (5.4 billion yen increase from the same period last year)

The factory automation systems business saw increases in both orders and sales from the same period of the previous fiscal year owing to growth in demand for smartphone and tablet PC-related investments mainly in the Asian markets, as well as large orders for flat panel display-related investments in South Korea and Taiwan.

The automotive equipment business saw little change in both orders and sales from the same period of the previous fiscal year with Japanese automotive manufacturers experiencing decreases in production volume due to impacts from the Great East Japan Earthquake, while experiencing expansions in emerging markets including China and India, as well as a recovery in the North American market.

As a result, total sales for this segment increased by 9% compared to the same period of the previous fiscal year. Operating income increased by 5.4 billion yen, compared to the same period of the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales: 216.6 billion yen (1% decrease from the same period last year)
Operating income: 4.2 billion yen (2.8 billion yen decrease 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 a large order for optical submarine cable network systems, while sales decreased from the same period of the previous fiscal year due to a decline in demand for communications infrastructures.

The information systems and service business experienced an increase in sales from the same period of the previous fiscal year mainly due to growth in the network and system operations business.

The electronic systems business saw a decrease in orders compared to the same period of the previous fiscal year due to a decrease in the number of large projects for the space systems business, while sales experienced little change from the same period of the previous fiscal year.

As a result, total sales for this segment decreased by 1% compared to the same period of the previous fiscal year, and operating income also decreased by 2.8 billion yen from the same period of the previous fiscal year mainly due to a decrease in sales.

Electronic Devices

Total sales: 104.3 billion yen (21% increase from the same period last year)
Operating income: 6.0 billion yen (3.0 billion yen increase from the same period last year)

The semiconductor business saw a decrease in orders from the same period of the previous fiscal year due to a decline in demand mainly for high frequency devices and optical transmission devices, while experiencing growth in sales compared to the same period of the previous fiscal year due to an increased demand for power modules used in industrial, consumer, automotive and railcar applications.

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

As a result, total sales for the segment increased by 21% compared to the same period of the previous fiscal year. Operating income increased by 3.0 billion yen compared to the same period of the previous fiscal year mainly due to an increase in sales.

Home Appliances

Total sales:	460.3 billion yen	(1% decrease from the same period last year)
Operating income:	23.6 billion yen	(2.8 billion yen decrease from the same period last year)

The home appliances business saw a decrease in sales by 1% compared to the same period of the previous fiscal year due primarily to declines in demand for overseas photovoltaic systems mainly in Europe as well as electric hot water supply systems and induction heating cooking systems in Japan, while experiencing growth in air conditioners for markets outside Japan and in photovoltaic systems for the Japanese market.

Operating income decreased by 2.8 billion yen compared to the same period of the previous fiscal year due to a decrease in sales and other factors.

Others

Total sales:	301.4 billion yen	(2% increase from the same period last year)
Operating income:	7.8 billion yen	(2.4 billion yen increase from the same period last year)

Sales increased by 2% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement, engineering and logistics.

Operating income increased by 2.4 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, 2011 – September 30, 2011)

Net sales:	929.9 billion yen	(Unchanged from the same period last year)
Operating income:	61.3 billion yen	(Unchanged from the same period last year)
Income before income taxes:	56.6 billion yen	(16% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	42.4 billion yen	(6% decrease from the same period last year)

Consolidated net sales for this quarter marked 929.9 billion yen, unchanged from the same period of the previous fiscal year with increases in the Industrial Automation Systems, Information and Communication Systems and Electronic Devices segments, and decreases in the Energy and Electric Systems and Home Appliances segments. Consolidated operating income was 61.3 billion yen, also unchanged from the same period of the previous fiscal year, with increased profits in the Industrial Automation Systems and Electronic Devices segments, and a decrease in profits in the Energy and Electric Systems, Information and Communication Systems and Home Appliances segments.

Consolidated Financial Results by Business Segment (Second Quarter, Fiscal 2012)

Energy and Electric Systems

Total sales:	244.5 billion yen	(2% decrease from the same period last year)
Operating income:	14.0 billion yen	(3.0 billion yen decrease from the same period last year)

The social infrastructure systems business saw an increase in orders compared to the same quarter of the previous fiscal year due primarily to growth in the Japanese power generation business as well as large projects for overseas markets, while sales decreased from the same quarter of the previous fiscal year primarily due to a decline in the rolling stock equipment business in Japan.

The building systems business experienced increases in both orders and sales compared to the same quarter of the previous fiscal year owing to increased demand for elevators and escalators in China and the ASEAN markets, as well as sales recorded for large-scale projects in China, South Korea and the Middle East.

As a result, total sales for this segment decreased by 2% from the same quarter of the previous fiscal year. Operating income decreased by 3.0 billion yen from the same quarter of the previous fiscal year due primarily to a decrease in sales.

Industrial Automation Systems

Total sales: 253.7 billion yen (9% increase from the same period last year)
Operating income: 28.6 billion yen (4.4 billion yen increase from the same period last year)

The factory automation systems business saw a decrease in orders compared to the same quarter of the previous fiscal year due primarily to a falloff after a rise in the previous quarter when customers rushed to place advance orders due to uncertainty over supplies in the wake of the Great East Japan Earthquake. Sales for this business increased, however, compared to the same quarter of the previous fiscal year owing to growth in demand for smartphone and tablet PC-related investments mainly in the Asian markets.

The automotive equipment business saw increases in both orders and sales from the same quarter of the previous fiscal year with Japanese automotive manufacturers experiencing recovery in production from the Great East Japan Earthquake, as well as expansions in emerging markets including China and India, and a recovery in the North American market.

As a result, total sales for this segment increased by 9% compared to the same quarter of the previous fiscal year. Operating income increased by 4.4 billion yen 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: 130.4 billion yen (2% increase from the same period last year)
Operating income: 4.6 billion yen (0.8 billion yen decrease from the same period last year)

The telecommunications equipment business saw increases in both orders and sales compared to the same period of the previous fiscal year due to growth in demand for communications infrastructures.

The information systems and services business saw an increase in sales from the same period of the previous fiscal year mainly due to growth in the system integration business.

The electronic systems business saw an increase in orders from the same quarter of the previous fiscal year owing to a growth in the electronics business, while sales experienced little change from the same quarter of the previous fiscal year.

As a result, total sales for this segment increased by 2% compared to the same period of the previous fiscal year. Operating income decreased by 0.8 billion yen compared to the same period of the previous fiscal year due to a shift in sales components and other factors.

Electronic Devices

Total sales: 54.2 billion yen (22% increase from the same period last year)
Operating income: 3.5 billion yen (1.2 billion yen increase from the same period last year)

The semiconductor business saw a decrease in orders compared to the same period of the previous fiscal year resulting from a decline in demand mainly for high frequency devices and optical transmission devices, while sales increased from the same quarter of the previous fiscal year owing to growth in demand for power modules used in industrial, consumer, automotive and railcar applications.

The LCD module business saw a decrease in orders compared to the same period of the previous fiscal year due to a shrink in demand for industrial and automotive-use products, while sales experienced little change from the same quarter of the previous fiscal year.

As a result, total sales for the segment increased by 22% compared to the same period of the previous fiscal year. Operating income rose by 1.2 billion yen from the same period of the previous fiscal year mainly due to an increase in sales.

Home Appliances

Total sales: 227.9 billion yen (9% decrease from the same period last year)
Operating income: 8.9 billion yen (3.3 billion yen decrease from the same period last year)

The home appliances business saw a 9% decrease in sales compared to the same period of the previous fiscal year due to decreases in overseas photovoltaic systems mainly in Europe, as well as air conditioners, electric hot water supply systems and induction heating cooking systems for the Japanese market.

Operating income declined by 3.3 billion yen compared to the same period of the previous fiscal year due to a decrease in sales and other factors.

Others

Total sales: 162.8 billion yen (2% increase from the same period last year)
Operating income: 6.7 billion yen (1.7 billion yen increase from the same period last year)

Sales increased by 2% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement, engineering and logistics.

Operating income increased by 1.7 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 declined from the end of the previous fiscal year by 35.7 billion yen to 3,296.9 billion yen. This was due primarily to cash and cash equivalents decreasing by 7.5 billion yen, and trade receivables decreasing by 87.1 billion yen mainly as a result of credit collection, despite inventories increasing by 79.8 billion yen owing largely to progress in work-in-process.

The balance of outstanding debts and corporate bonds fell by 12.3 billion yen from the end of the previous fiscal year to 472.0 billion yen, with a reduction of the ratio of interest bearing debt to total assets to 14.3% (a decrease by 0.2 points compared to the end of the previous fiscal year). Trade payables decreased by 44.4 billion yen, while retirement and severance benefits increased by 31.8 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 3.0 billion yen compared to the end of the previous fiscal year to 1,053.4 billion yen, with an improvement in ratio of shareholders' equity to total assets of 0.5 points compared to the end of the previous fiscal year to 32.0%. Retained earnings increased due to a 69.5 billion yen net income attributable to Mitsubishi Electric Corporation, while accumulated other comprehensive income decreased by 49.0 billion yen mainly due to stronger yen and decline in stock prices.

Cash Flow

Cash flows from operating activities decreased by 63.2 billion yen compared to the same period of the previous fiscal year to 110.6 billion yen (cash in). Cash flows from investing activities decreased by 19.6 billion yen compared to the same period of the previous fiscal year to 62.5 billion yen (cash out) largely due to a decrease in investment on securities. Consequently, free cash flow reached revenues of 48.0 billion yen. Cash flows from financing activities were 43.2 billion yen (cash out) due to repayment of loans, payment of dividends and other factors.

Forecast for Fiscal 2012 (year ending March 31, 2012)

With the yen remaining strong against foreign currencies and concerns arising towards a slowdown in global economy, the company's net sales for fiscal 2012 ending March 31, 2012 is expected to fall below its previous forecast announced on July 29, 2011. By further strengthening the company's various business improvement measures, profit figures are expected to be achieved as previously forecasted.

Consolidated earnings forecast for fiscal 2012

	Previous forecast	Revised forecast	
Net sales:	3,790.0 billion yen	3,730.0 billion yen	(2% increase from fiscal 2011)
Operating income:	240.0 billion yen	240.0 billion yen	(3% increase from fiscal 2011)
Income before income taxes:	210.0 billion yen	210.0 billion yen	(Unchanged from fiscal 2011)
Net income attributable to Mitsubishi Electric Corp.:	135.0 billion yen	135.0 billion yen	(8% increase from fiscal 2011)

Consolidated Financial Results Summary

1. Consolidated Half-year Results

(In billions of yen except where noted)

	FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010) (A)	FY '12 1 st half (Apr. 1, 2011 – Sept. 30, 2011) (B)	B – A	
			B – A	B/A (%)
Net sales	1,711.8	1,743.5	31.7	102
Operating income	112.9	113.6	0.7	101
Income before income taxes	114.4	105.8	(8.5)	93
Net income attributable to Mitsubishi Electric Corp.	71.2	69.5	(1.6)	98
Basic net income per share attributable to Mitsubishi Electric Corp.	33. ²⁰ yen	32.⁴¹ yen	(0. ⁷⁹ yen)	98

2. Consolidated Second-quarter Results

(In billions of yen except where noted)

	FY '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010) (A)	FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011) (B)	B – A	
			B – A	B/A (%)
Net sales	932.9	929.9	(2.9)	100
Operating income	61.3	61.3	0	100
Income before income taxes	67.6	56.6	(11.0)	84
Net income attributable to Mitsubishi Electric Corp.	45.0	42.4	(2.6)	94
Basic net income per share attributable to Mitsubishi Electric Corp.	20. ⁹⁸ yen	19.⁷⁵ yen	(1. ²³ yen)	94

Notes: 1) Consolidated financial charts made in accordance with U.S. GAAP.
2) The Company has 160 consolidated subsidiaries.

Consolidated Profit and Loss Statement
(First Half, Fiscal 2012)

(In millions of yen)

	FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010)		FY '12 1 st half (Apr. 1, 2011 – Sept. 30, 2011)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	1,711,860	100.0	1,743,598	100.0	31,738	102
Cost of sales	1,219,673	71.2	1,250,457	71.7	30,784	103
Selling, general and administrative expenses	379,285	22.2	379,527	21.8	242	100
Operating income	112,902	6.6	113,614	6.5	712	101
Other income	22,601	1.3	16,968	1.0	(5,633)	75
Interest and dividends	5,213	0.3	5,072	0.3	(141)	97
Other	17,388	1.0	11,896	0.7	(5,492)	68
Other expenses	21,080	1.2	24,692	1.4	3,612	117
Interest	4,068	0.2	3,603	0.2	(465)	89
Equity in losses of affiliated companies	2,350	0.1	2,591	0.1	241	110
Other	14,662	0.9	18,498	1.1	3,836	126
Income before income taxes	114,423	6.7	105,890	6.1	(8,533)	93
Income taxes	39,341	2.3	32,378	1.9	(6,963)	82
Net income	75,082	4.4	73,512	4.2	(1,570)	98
Net income attributable to the noncontrolling interests	3,807	0.2	3,931	0.2	124	103
Net income attributable to Mitsubishi Electric Corp.	71,275	4.2	69,581	4.0	(1,694)	98

Consolidated Profit and Loss Statement
(Second Quarter, Fiscal 2012)

(In millions of yen)

	FY '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010)		FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	932,923	100.0	929,963	100.0	(2,960)	100
Cost of sales	671,396	72.0	674,824	72.6	3,428	101
Selling, general and administrative expenses	200,222	21.4	193,759	20.8	(6,463)	97
Operating income	61,305	6.6	61,380	6.6	75	100
Other income	13,542	1.5	9,241	1.0	(4,301)	68
Interest and dividends	1,972	0.2	1,702	0.2	(270)	86
Equity in earnings of affiliated companies	3,355	0.4	1,888	0.2	(1,467)	56
Other	8,215	0.9	5,651	0.6	(2,564)	69
Other expenses	7,201	0.8	13,977	1.5	6,776	194
Interest	2,095	0.2	1,811	0.2	(284)	86
Other	5,106	0.6	12,166	1.3	7,060	238
Income before income taxes	67,646	7.3	56,644	6.1	(11,002)	84
Income taxes	20,306	2.2	12,413	1.3	(7,893)	61
Net income	47,340	5.1	44,231	4.8	(3,109)	93
Net income attributable to the noncontrolling interests	2,298	0.3	1,826	0.2	(472)	79
Net income attributable to Mitsubishi Electric Corp.	45,042	4.8	42,405	4.6	(2,637)	94

Consolidated Balance Sheet

(In millions of yen)

	FY '11 (A) (ending Mar. 31, 2011)	FY '12 1 st half (B) (ending Sept. 30, 2011)	B – A
(Assets)			
Current assets	2,073,064	2,053,253	(19,811)
Cash and cash equivalents	472,067	464,503	(7,564)
Short-term investments	10,031	4,577	(5,454)
Trade receivables	790,991	704,980	(86,011)
Inventories	527,504	607,343	79,839
Prepaid expenses and other current assets	272,471	271,850	(621)
Long-term trade receivables	2,090	945	(1,145)
Investments	448,953	407,900	(41,053)
Net property, plant and equipment	527,453	543,022	15,569
Other assets	281,119	291,801	10,682
Total assets	3,332,679	3,296,921	(35,758)
(Liabilities and equity)			
Current liabilities	1,470,387	1,418,655	(51,732)
Bank loans and current portion of long-term debt	202,761	201,414	(1,347)
Trade payables	697,789	653,314	(44,475)
Other current liabilities	569,837	563,927	(5,910)
Long-term debt	281,591	270,594	(10,997)
Retirement and severance benefits	419,008	450,826	31,818
Other fixed liabilities	52,668	49,749	(2,919)
Total equity	1,109,025	1,107,097	(1,928)
Mitsubishi Electric Corp. shareholders' equity	1,050,340	1,053,409	3,069
Common stock	175,820	175,820	–
Capital surplus	208,669	206,270	(2,399)
Retained earnings	881,973	936,526	54,553
Accumulated other comprehensive income (loss)	(215,919)	(264,992)	(49,073)
Treasury stock at cost	(203)	(215)	(12)
Noncontrolling interests	58,685	53,688	(4,997)
Total liabilities and equity	3,332,679	3,296,921	(35,758)
Balance of Debt	484,352	472,008	(12,344)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(59,400)	(82,860)	(23,460)
Pension liability adjustments	(162,390)	(184,348)	(21,958)
Unrealized gains on securities	5,957	2,335	(3,622)
Unrealized gains (losses) on derivative instruments	(86)	(119)	(33)

Consolidated Cash Flow Statement

(In millions of yen)

	FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010) (A)	FY '12 1 st half (Apr. 1, 2011 – Sept. 30, 2011) (B)	B – A
I Cash flows from operating activities			
1 Net income	75,082	73,512	(1,570)
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	47,403	52,891	5,488
(2) Decrease in trade receivables	65,889	75,292	9,403
(3) Decrease (increase) in inventories	(81,651)	(96,693)	(15,042)
(4) Increase (decrease) in trade payables	(9,274)	(42,758)	(33,484)
(5) Other, net	76,403	48,390	(28,013)
Net cash provided by operating activities	173,852	110,634	(63,218)
II Cash flows from investing activities			
1 Capital expenditure	(52,169)	(66,568)	(14,399)
2 Proceeds from sale of property, plant and equipment	2,191	2,395	204
3 Purchase of short-term investments and investment securities	(38,333)	(7,965)	30,368
4 Proceeds from sale of short-term investments and investment securities	8,615	9,623	1,008
5 Other, net	(2,485)	(34)	2,451
Net cash used in investing activities	(82,181)	(62,549)	19,632
I+II Free cash flow	91,671	48,085	(43,586)
III Cash flows from financing activities			
1 Proceeds from long-term debt	100	50	(50)
2 Repayment of long-term debt	(9,473)	(17,843)	(8,370)
3 Increase (decrease) in bank loans, net	(2,185)	(1,201)	984
4 Dividends paid	(8,580)	(15,028)	(6,448)
5 Purchase of treasury stock	(15)	(14)	1
6 Reissuance of treasury stock	4	2	(2)
7 Other, net	(1,468)	(9,211)	(7,743)
Net cash provided by (used in) financing activities	(21,617)	(43,245)	(21,628)
IV Effect of exchange rate changes on cash and cash equivalents	(9,867)	(12,404)	(2,537)
V Net increase (decrease) in cash and cash equivalents	60,187	(7,564)	(67,751)
VI Cash and cash equivalents at beginning of period	391,118	472,067	80,949
VII Cash and cash equivalents at end of period	451,305	464,503	13,198

Consolidated Segment Information (First Half, Fiscal 2012)

1. Sales and Operating Income by Business Segment

(In millions of yen)

<i>Business Segment</i>	FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010)		FY '12 1 st half (Apr. 1, 2011 – Sept. 30, 2011)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	440,654	32,480	438,747	28,512	(1,907)	(3,968)	100
Industrial Automation Systems	446,974	51,142	487,639	56,549	40,665	5,407	109
Information and Communication Systems	218,972	7,158	216,679	4,264	(2,293)	(2,894)	99
Electronic Devices	85,989	3,028	104,309	6,028	18,320	3,000	121
Home Appliances	465,523	26,496	460,320	23,694	(5,203)	(2,802)	99
Others	294,825	5,433	301,434	7,879	6,609	2,446	102
Subtotal	1,952,937	125,737	2,009,128	126,926	56,191	1,189	103
Eliminations and other	(241,077)	(12,835)	(265,530)	(13,312)	(24,453)	(477)	–
Total	1,711,860	112,902	1,743,598	113,614	31,738	712	102

*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 '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010)		FY '12 1 st half (Apr. 1, 2011 – Sept. 30, 2011)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	1,478,903	79,422	1,497,982	84,984	19,079	5,562	101
North America	105,624	1,867	105,750	1,849	126	(18)	100
Asia (excluding Japan)	278,032	21,255	314,940	22,465	36,908	1,210	113
Europe	149,355	5,908	165,481	5,162	16,126	(746)	111
Others	16,877	1,975	18,677	2,049	1,800	74	111
Subtotal	2,028,791	110,427	2,102,830	116,509	74,039	6,082	104
Eliminations	(316,931)	2,475	(359,232)	(2,895)	(42,301)	(5,370)	–
Total	1,711,860	112,902	1,743,598	113,614	31,738	712	102

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

3. Sales by Location of Customers

(In millions of yen)

Location	FY '11 1 st half (Apr. 1, 2010 – Sept. 30, 2010)		FY '12 1 st half (Apr. 1, 2011 – Sept. 30, 2011)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	1,115,499	65.2	1,102,975	63.3	(12,524)	99
North America	116,616	6.8	113,753	6.5	(2,863)	98
Asia (excluding Japan)	288,235	16.8	326,318	18.7	38,083	113
Europe	148,395	8.7	160,769	9.2	12,374	108
Others	43,115	2.5	39,783	2.3	(3,332)	92
Total overseas sales	596,361	34.8	640,623	36.7	44,262	107
Consolidated total	1,711,860	100.0	1,743,598	100.0	31,738	102

Consolidated Segment Information (Second Quarter, Fiscal 2012)

1. Sales and Operating Income by Business Segment

(In millions of yen)

<i>Business Segment</i>	FY '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010)		FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	248,331	17,065	244,542	14,009	(3,789)	(3,056)	98
Industrial Automation Systems	232,414	24,127	253,720	28,616	21,306	4,489	109
Information and Communication Systems	127,750	5,507	130,471	4,638	2,721	(869)	102
Electronic Devices	44,445	2,291	54,275	3,534	9,830	1,243	122
Home Appliances	250,574	12,341	227,936	8,971	(22,638)	(3,370)	91
Others	159,838	4,973	162,835	6,730	2,997	1,757	102
Subtotal	1,063,352	66,304	1,073,779	66,498	10,427	194	101
Eliminations and other	(130,429)	(4,999)	(143,816)	(5,118)	(13,387)	(119)	–
Total	932,923	61,305	929,963	61,380	(2,960)	75	100

*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 '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010)		FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	816,058	41,983	817,310	47,072	1,252	5,089	100
North America	55,926	1,781	49,717	653	(6,209)	(1,128)	89
Asia (excluding Japan)	144,651	9,935	158,907	10,203	14,256	268	110
Europe	72,455	2,337	80,661	1,932	8,206	(405)	111
Others	8,508	1,037	9,782	1,078	1,274	41	115
Subtotal	1,097,598	57,073	1,116,377	60,938	18,779	3,865	102
Eliminations	(164,675)	4,232	(186,414)	442	(21,739)	(3,790)	–
Total	932,923	61,305	929,963	61,380	(2,960)	75	100

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

3. Sales by Location of Customers

(In millions of yen)

Location	FY '11 Q2 (Jul. 1, 2010 – Sept. 30, 2010)		FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	627,965	67.3	604,127	65.0	(23,838)	96
North America	62,464	6.7	54,782	5.9	(7,682)	88
Asia (excluding Japan)	148,695	15.9	171,262	18.4	22,567	115
Europe	72,296	7.8	77,634	8.3	5,338	107
Others	21,503	2.3	22,158	2.4	655	103
Total overseas sales	304,958	32.7	325,836	35.0	20,878	107
Consolidated total	932,923	100.0	929,963	100.0	(2,960)	100

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, 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

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

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About Mitsubishi Electric Corporation

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