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**MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED FINANCIAL
RESULTS FOR THE THIRD QUARTER OF FISCAL 2004**

TOKYO, February 2, 2004 - Mitsubishi Electric Corporation today announced its financial results for the third quarter, ended December 31, 2003, of the current fiscal year ending March 31, 2004 (fiscal 2004).

Consolidated Financial Results

Net sales	¥746.8 billion	(5% decrease from same quarter last year)
Operating income	¥27.3 billion	(346% increase from same quarter last year)
Income before income taxes	¥22.8 billion	(564% increase from same quarter last year)
Net income	¥11.0 billion	(859% increase from same quarter last year)

During this period signs of a revival in the world economy were increasingly evident,

led by the strong recovery in the United States, and a generally solid performance throughout Asia. Despite the export-driven growth in the Japanese economy, the harsh business environment continued to prevail, characterized by the continuing weakness of domestic demand, deflation and adverse currency fluctuations.

Compared to the same period of the previous fiscal year, sales rose in the Industrial Automation Systems, the Information and Communication Systems, and the Home Appliance segments. The Energy and Electric Systems and the Electronic Devices segments experienced decreases in sales as a result of restructuring measures. Net sales reached 746.8 billion yen, a decrease of 5% compared to the same period last year.

Despite a slight decrease in the Home Appliance segment, operating income climbed 346% to 27.3 billion yen, boosted by increases in the Energy and Electric Systems and the Industrial Automation Systems segments, the return to profitability of the Information and Communication Systems segment, and the significant loss-reducing measures taken in the Electronic Devices segment.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales: 154.9 billion yen (6% decrease from 3rd Q, FY 2003)

Operating income: 5.3 billion yen (0.4 billion yen increase from 3rd Q, FY 2003)

The social infrastructure systems business showed a decrease in orders and sales as a result of the spinning off of an electrical equipment business for manufacturing plants. The tight constraints placed on capital investment by electric power companies, and public spending, further contributed to the decrease.

Due to several large-scale orders the building systems business posted a total order

level similar to that of the same period last year. However, sales decreased as a result of a slump in domestic demand for elevators and escalators.

Though net sales for this segment decreased by 6%, operating income rose by 0.4 billion yen as a result of cost improvement measures and other factors.

Industrial Automation Systems

Total sales: 178.4 billion yen (10% increase from 3rd Q, FY 2003)

Operating income: 18.9 billion yen, (1.0 billion yen increase from 3rd Q, FY 2003)

In the factory automation systems business, the greater demand for semiconductor manufacturing equipment, and from the automobile and liquid crystal panel manufacturing sectors, led to an increase in orders and sales of programmable controllers, servo motor systems and numerical controllers, both in domestic and Asian markets, in particular China, Taiwan and South Korea.

The automotive equipment business also posted an increase, as sales of car navigation systems, ETC onboard units, and alternators and starters for overseas automobile manufacturers all rose.

Total sales for this segment increased by 10% compared to the same period last year, while operating income rose by 1.0 billion yen due to the sales increases and other factors.

Information and Communication Systems

Total sales: 142.7 billion yen (18% increase from 3rd Q, FY 2003)

Operating income: 2.8 billion yen (6.6 billion yen increase from 3rd Q, FY 2003)

Orders in the telecommunications equipment business decreased as a result of a fall in exports of wireless base stations to China. However, net sales rose due to increased

domestic mobile handset sales.

The decrease in the number of large-scale projects relating to systems integration caused a decrease in sales for the information systems and services business.

In the space business, orders and sales increased due to a rise in the number of large-scale governmental projects. Though sales fell, orders increased in the defense electronics business as a result of the greater number of major projects being undertaken.

Total sales for this segment showed an increase of 18% compared to the same period last year, while operating income improved by 6.6 billion yen as a result of the sales increases and other factors.

Electronic Devices

Total sales: 35.9 billion yen (69% decrease from 3rd Q, FY 2003)

Operating loss: 1.2 billion yen (13.9 billion improvement from 3rd Q, FY 2003)

The semiconductor business posted increases in laser diodes for recordable DVD players, power modules for semiconductor manufacturing equipment, and industrial machinery bound for Asia, especially China. However, the impact from spinning off the system LSI and system memory businesses caused total orders and sales to significantly decrease, compared to the same period last year.

In the liquid crystal business, sales of small and medium sized products to the industrial and mobile handset sectors increased, while those of general use large-scale products decreased. Orders and sales were comparable to the same period last year.

Total sales for this segment showed a decrease of 69% from the previous year, while operating loss narrowed by 13.9 billion yen due to the enhanced performance of the semiconductor business and other factors.

Home Appliances

Total sales: 193.1 billion yen (10% increase from 3rd Q, FY 2003)

Operating income: 7.4 billion yen (0.8 billion decrease from 3rd Q, FY 2003)

In the domestic market, sales of refrigerators, laundry machines, ventilators, hot water heaters, and most other residential home equipment all increased. Sales of packaged and home air conditioners in Europe, and solar power generation systems in both the domestic and foreign markets also increased. These offset the fall in domestic sales of home air conditioners and CRT type color televisions, and led to an overall sales increase compared to the same period last year.

Total sales for this segment increased by 10% from the corresponding period of the previous fiscal year, while operating income decreased by 0.8 billion yen due to lower sales prices and other factors.

Other

Total sales: 118.4 billion yen (15% decrease from 3rd Q, FY 2003)

Operating income: 2.4 billion yen (1.1 billion yen increase from 3rd Q, FY 2003)

Overall sales decreased mainly due to the change of our credit subsidiary into an equity method company.

As a result, total sales for this segment decreased by 15% from the same period last year, while operating income increased by 1.1 billion yen due to cost improvement measures and other factors.

Forecast for Fiscal 2004 (ending March 31, 2004) Consolidated Financial Results

Net sales	¥3. ³⁰⁰⁰ trillion	(9% decrease, year-on-year)
Operating income	¥80.0 billion	(27% increase, year-on-year)
Income before income taxes	¥20.0 billion	(708% increase, year-on-year)
Net income	¥12.0 billion	

The forecast for Fiscal 2004 remains unchanged from that stated on October 30, 2003, announced with the Half-Year Results.

Note: *The forecast of results above is based on assumptions deemed reasonable by the Company at the present time, and actual results may differ significantly from forecasts.*

CONSOLIDATED FINANCIAL RESULTS

1. FISCAL 2004, 3rd QUARTER CONSOLIDATED FINANCIAL RESULTS

(In billions of yen)

	FY '04 3rd Q (A) (Oct. 1, 2003 – Dec. 31, 2003)	FY '03 3rd Q (B) (Oct. 1, 2002 – Dec. 31, 2002)	A/B (%)
Net sales	746. ⁸	788. ⁷	95
Operating income	27. ³	6. ¹	446
Income before income taxes	22. ⁸	3. ⁴	664
Net income	11. ⁰	1. ¹	959
Net income per share (in yen)	5. ¹⁵	0. ⁵⁴	954

2. FISCAL 2004, FIRST 9 MONTH CONSOLIDATED FINANCIAL RESULTS

(In billions of yen)

	FY '04 9 mth (A) (Apr. 1, 2003 – Dec. 31, 2003)	FY '03 9 mth (B) (Apr. 1, 2002 – Dec. 31, 2002)	A/B (%)
Net sales	2,310. ⁹	2,427. ⁶	95
Operating income	39. ⁴	29. ³	134
Income before income taxes	39. ⁶	15. ²	261
Net income	14. ⁸	7. ⁹	188
Net income per share (in yen)	6. ⁹³	3. ⁶⁹	188

Note:

- 1) Consolidated financial statements are compiled according to U.S. GAAP.
- 2) Company has 135 consolidated subsidiaries.
- 3) This report is unaudited.

CONSOLIDATED PROFIT AND LOSS STATEMENT
Fiscal 2004, 3rd Quarter

(In millions of yen)

	FY '04 3rd Q (A) (Oct. 1, 2003 – Dec. 31, 2003)	% of total	FY '03 3rd Q (B) (Oct. 1, 2002 – Dec. 31, 2002)	% of total	Comparison to same quarter last year (A - B)	A/B (%)
Net sales	746,813	100.0	788,724	100.0	(41,911)	95
Cost of sales	553,297	74.1	589,442	74.7	(36,145)	94
Selling, general and administrative expenses	166,213	22.2	193,166	24.5	(26,953)	86
Operating income	27,303	3.7	6,116	0.8	21,187	446
Other income	6,625	0.9	9,935	1.2	(3,310)	67
Interest and Dividends	1,368	0.2	2,050	0.2	(682)	67
Other	5,257	0.7	7,885	1.0	(2,628)	67
Other expenses	11,122	1.5	12,617	1.6	(1,495)	88
Interest	3,792	0.5	5,297	0.7	(1,505)	72
Other	7,330	1.0	7,320	0.9	10	100
Income before income taxes	22,806	3.1	3,434	0.4	19,372	664
Income taxes	12,620	1.7	1,446	0.2	11,174	873
Equity in earnings of affiliated companies	876	0.1	(834)	(0.1)	1,710	-
Net income	11,062	1.5	1,154	0.1	9,908	959

CONSOLIDATED PROFIT AND LOSS STATEMENT
Fiscal 2004, First 9 Months

(In millions of yen)

	FY '04 9 mth (A) (Apr. 1, 2003 – Dec. 31, 2003)	% of total	FY '03 9 mth (B) (Apr. 1, 2002 – Dec. 31, 2002)	% of total	Comparison to same period last year (A - B)	A/B (%)
Net sales	2,310,934	100.0	2,427,691	100.0	(116,757)	95
Cost of sales	1,748,860	75.7	1,811,227	74.6	(62,367)	97
Selling, general and administrative expenses	522,674	22.6	587,147	24.2	(64,473)	89
Operating income	39,400	1.7	29,317	1.2	10,083	134
Other income	36,465	1.6	42,450	1.7	(5,985)	86
Interest and Dividends	5,761	0.3	9,201	0.4	(3,440)	63
Other	30,704	1.3	33,249	1.3	(2,545)	92
Other expenses	36,205	1.6	56,567	2.3	(20,362)	64
Interest	12,088	0.5	15,572	0.6	(3,484)	78
Other	24,117	1.1	40,995	1.7	(16,878)	59
Income before income taxes	39,660	1.7	15,200	0.6	24,460	261
Income taxes	23,952	1.1	8,127	0.3	15,825	295
Equity in earnings of affiliated companies	(823)	(0.0)	858	0.0	(1,681)	-
Net income	14,885	0.6	7,931	0.3	6,954	188

CONSOLIDATED BALANCE SHEET

(In millions of yen)

	FY '04 3 rd Q (A) (ending Dec. 31, 2003)	FY '04 2 nd Q (B) (ending Sep. 30, 2003)	A – B	FY '03 (ending Mar. 31, 2003)
(Assets)				
Current assets	1,695,689	1,706,364	(10,675)	1,937,537
Cash and cash equivalents	334,184	357,483	(23,299)	363,595
Short-term investments	29,222	28,233	989	22,523
Trade receivables	602,324	637,077	(34,753)	821,943
Inventories	501,009	457,005	44,004	510,750
Prepaid expenses and other current assets	228,950	226,566	2,384	218,726
Long-term receivables	13,339	14,486	(1,147)	19,795
Investments	449,857	436,525	13,332	359,961
Net property, plant and equipment	576,679	594,314	(17,635)	727,770
Other assets	543,665	552,480	(8,815)	628,574
Total assets	3,279,229	3,304,169	(24,940)	3,673,637
(Liabilities and shareholders' equity)				
Current liabilities	1,318,465	1,314,365	4,100	1,589,322
Bank loans and current portion of long-term debt	414,903	395,062	19,841	555,863
Trade payables	543,795	556,790	(12,995)	650,696
Other current liabilities	359,767	362,513	(2,746)	382,763
Long-term debt	558,246	600,967	(42,721)	628,361
Retirement and severance benefits	892,947	898,795	(5,848)	995,765
Other fixed liabilities	13,128	13,391	(263)	11,596
Minority interests	45,737	47,195	(1,458)	54,006
Shareholders' equity	450,706	429,456	21,250	394,587
Common stock	175,820	175,820	-	175,820
Capital surplus	210,671	210,671	-	210,671
Retained earnings	359,296	348,234	11,062	350,851
Accumulated other comprehensive income (loss)	(294,719)	(304,918)	10,199	(342,687)
Treasury stock at cost	(362)	(351)	(11)	(68)
Total liabilities and shareholders' equity	3,279,229	3,304,169	(24,940)	3,673,637
Balance of Debt	973,149	996,029	(22,880)	1,184,224
Accumulated other comprehensive income (loss):				
Foreign currency translation adjustments	(13,483)	(7,591)	(5,892)	(686)
Minimum pension liability adjustments	(304,879)	(317,089)	12,210	(346,546)
Net unrealized gains on securities	23,643	19,762	3,881	4,545

CONSOLIDATED CASH FLOW
Fiscal 2004, 3rd Quarter

(In millions of yen)

	FY '04 3rd Q (A) (Oct. 1, 2003 - Dec. 31, 2003)	FY '03 3rd Q (B) (Oct. 1, 2002 - Dec. 31, 2002)	A - B
I Cash flows from operating activities			
1 Net income	11,062	1,154	9,908
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation	29,530	51,709	(22,179)
(2) Decrease in trade receivables	16,073	38,609	(22,536)
(3) Decrease (increase) in inventories	(53,572)	(94,408)	40,836
(4) Increase (decrease) in trade payables	(11,431)	9,390	(20,821)
(5) Other, net	15,694	(32,580)	48,274
Net cash provided by operating activities	7,356	(26,126)	33,482
II Cash flows from investing activities			
1 Capital expenditure	(15,441)	(21,346)	5,905
2 Proceeds from sale of property, plant and equipment	605	4,767	(4,162)
3 Purchase of short-term investments and investment securities	(17,081)	(11,574)	(5,507)
4 Proceeds from sale of short-term investments and investment securities	19,832	10,645	9,187
5 Other, net	(464)	1,652	(2,116)
Net cash used in investing activities	(12,459)	(15,856)	3,307
I + II Free cash flow	(5,193)	(41,982)	36,789
III Cash flows from financing activities			
1 Proceeds from long-term debt	351	122,588	(122,237)
2 Repayment of long-term debt	(43,269)	(62,080)	18,811
3 Increase (decrease) in bank loans, net	28,033	(15,501)	43,534
4 Dividends paid	-	-	-
5 Purchase of treasury stock	(11)	-	(11)
Net cash provided by (used in) financing activities	(14,896)	45,007	(59,903)
IV Effect of exchange rate changes on cash and cash equivalents	(3,210)	422	(3,632)
V Net increase (decrease) in cash and cash equivalents	(23,299)	3,447	(26,746)
VI Cash and cash equivalents at beginning of period	357,483	362,639	(5,156)
VII Cash and cash equivalents at the end of period	334,184	366,086	(31,902)

CONSOLIDATED CASH FLOW
Fiscal 2004, First 9 Months

(In millions of yen)

	FY '04 9 mth (A) (Apr. 1, 2003 - Dec. 31, 2003)	FY '03 9 mth (B) (Apr. 1, 2002 - Dec. 31, 2002)	A - B
I Cash flows from operating activities			
1 Net income	14,885	7,931	6,954
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation	79,901	153,755	(73,854)
(2) Decrease in trade receivables	149,231	157,751	(8,520)
(3) Decrease (increase) in inventories	(47,313)	(99,009)	51,696
(4) Increase (decrease) in trade payables	(58,886)	(97,963)	39,077
(5) Other, net	11,798	(23,857)	35,655
Net cash provided by operating activities	149,616	98,608	51,008
II Cash flows from investing activities			
1 Capital expenditure	(58,635)	(83,584)	24,949
2 Proceeds from sale of property, plant and equipment	8,434	7,387	1,047
3 Purchase of short-term investments and investment securities	(54,756)	(19,802)	(34,954)
4 Proceeds from sale of short-term investments and investment securities	54,413	39,456	14,957
5 Other, net	2,616	628	1,988
Net cash used in investing activities	(47,928)	(55,915)	7,987
I + II Free cash flow	101,688	42,693	58,995
III Cash flows from financing activities			
1 Proceeds from long-term debt	83,732	251,083	(167,351)
2 Repayment of long-term debt	(230,248)	(222,526)	(7,722)
3 Increase (decrease) in bank loans, net	27,248	(154,324)	181,572
4 Dividends paid	(6,440)	-	(6,440)
5 Purchase of Treasury stock	(294)	-	(294)
Net cash provided by (used in) financing activities	(126,002)	(125,767)	(235)
IV Effect of exchange rate changes on cash and cash equivalents	(5,097)	(5,730)	633
V Net increase (decrease) in cash and cash equivalents	(29,411)	(88,804)	59,393
VI Cash and cash equivalents at beginning of period	363,595	454,890	(91,295)
VII Cash and cash equivalents at the end of period	334,184	366,086	(31,902)

CONSOLIDATED SEGMENT INFORMATION
Fiscal 2004, 3rd Quarter

Sales and Operating Income by Business Segment

(in millions of yen)

Business Segment	FY '04 3rd Q (A) (Oct. 1, 2003 - Dec. 31, 2003)			FY '03 3rd Q (B) (Oct. 1, 2002 - Dec. 31, 2002)			A/B (%)
	Sales (A)	% of total	Operating income (loss)	Sales (B)	% of total	Operating income (loss)	
Energy and Electric Systems	154,971	18.8	5,340	164,851	18.7	4,870	94
Industrial Automation Systems	178,440	21.7	18,999	162,066	18.4	17,971	110
Information and Communication Systems	142,751	17.3	2,876	121,429	13.8	(3,803)	118
Electronic Devices	35,985	4.4	(1,273)	114,852	13.1	(15,202)	31
Home Appliances	193,129	23.4	7,421	176,327	20.1	8,269	110
Others	118,408	14.4	2,458	139,714	15.9	1,311	85
Sub Total	823,684	100.0	35,821	879,239	100.0	13,416	94
Eliminations and other	(76,871)	-	(8,518)	(90,515)	-	(7,300)	-
Total	746,813	-	27,303	788,724	-	6,116	95

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

CONSOLIDATED SEGMENT INFORMATION

Fiscal 2004, First 9 Months

Sales and Operating Income by Business Segment

(in millions of yen)

Business Segment	FY '04 9 mth (A) (Apr. 1, 2003 - Dec. 31, 2003)			FY '03 9 mth (B) (Apr. 1, 2002 - Dec. 31, 2002)			A/B (%)
	Sales (A)	% of total	Operating income (loss)	Sales (B)	% of total	Operating income (loss)	
Energy and Electric Systems	479,731	18.8	(373)	497,449	18.5	13,861	96
Industrial Automation Systems	515,255	20.2	45,021	469,806	17.4	45,950	110
Information and Communication Systems	474,376	18.6	(552)	440,119	16.3	(10,333)	108
Electronic Devices	123,323	4.9	(5,872)	340,173	12.6	(40,352)	36
Home Appliances	596,549	23.4	17,045	545,562	20.2	31,288	109
Others	359,178	14.1	4,714	405,714	15.0	7,362	89
Sub Total	2,548,412	100.0	59,983	2,698,823	100.0	47,776	94
Eliminations and other	(237,478)	-	(20,583)	(271,132)	-	(18,459)	-
Total	2,310,934	-	39,400	2,427,691	-	29,317	95

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

Cautionary Statement

The expectation of operating results herein and any associated statement to be made with respect to 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 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) Any change in operating circumstances in any of the markets, in which the Company conducts its business operation *inter alia* Japan, the USA and Europe: such change shall include but not limited to changes in economic situation, political regime, legal system and legislation, relevant laws and regulations, administrative

policies and practices by any competent authorities, taxation in any of such markets. (2) Foreign exchange fluctuations, in particular, the rate of Japanese yen against US Dollar. (3) Relative disproportion between demand and supply of any products that may affect price and volume, which could be highly intrusive in such fields like information, telecommunication, electronic devices and home appliances, without limitation thereto. (4) Shortage of any devices, components and/or parts necessary for manufacturing operation and difficulties in material procurement arising out of such shortage, which could even lead to substantial disconformity with the operating results as expected herein. Also this factor could be highly intrusive in such fields as information, telecommunication, electronic devices and home appliances, without limitation thereto. (5) Any change in technical and technological trends that may be relevant to businesses of the Company, including but not limited to IT-based or IT-related fields. (6) Any patent and its licensing that may be granted from time to time and may affect businesses of the Company. (7) Any development of products incorporating new technological innovation and the time of their introduction in the marketplace. (8) Any business alliances of any nature whatsoever, including but not limited to joint ventures, business transfers, mergers, acquisitions, capital contributions, technical licensing or co-development. (9) Any change in fund raising or procurement, *inter alia* in the Japanese financial market. (10) Any fluctuation in stock quotations at any relevant markets including securities exchanges and over-the-counter stock markets, *inter alia* in Japan.

About Mitsubishi Electric

With over 80 years of experience in providing reliable, high-quality products to both corporate clients and general consumers all over the world, Mitsubishi Electric Corporation (TSE: 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 has operations in 35 countries and recorded consolidated group sales of 3,639 billion yen (US\$30.3 billion^{*}) in the year ended March 31, 2003. For more information visit <http://global.mitsubishielectric.com>

^{*}At an exchange rate of 120 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2003.

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