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*Investor Relations Inquiries*  
Yasumitsu Kugenuma  
Corporate Finance Department  
Tel: +81-3-3218-2391  
Yasumitsu.Kugenuma@hq.melco.co.jp

*Media Contact*  
Travis Woodward  
Public Relations Department  
Mitsubishi Electric Corporation  
Tel: +81-3-3218-2346  
Travis.Woodward@hq.melco.co.jp  
<http://global.mitsubishielectric.com/news/>

## MITSUBISHI ELECTRIC ANNOUNCES DIVIDEND POLICY AND REVISED SALES AND EARNINGS FORECAST FOR FISCAL 2006 (APRIL 1, 2005-MARCH 31, 2006)

Tokyo, September 20, 2005 – Mitsubishi Electric Corporation (President and CEO: Tamotsu Nomakuchi) announced today its dividend policy and revised its business performance forecast for fiscal 2006.

### 1) Consolidated Results:

Interim Period (April 2005-September 2005)

(in billions of yen)

	Net Sales	Income before income taxes	Net Income
Revised Forecast (A)	1,610.0	50.0	28.0
Previous Forecast (B)	1,600.0	30.0	20.0
Change(A-B)	10.0	20.0	8.0
Fiscal 2005 Interim Actual Results	1,607.9	32.0	19.0

Fiscal Year (April 2005- March 2006)

(in billions of yen)

	Net Sales	Income before income taxes	Net Income
Revised Forecast (A)	3,460.0	140.0	83.0
Previous Forecast (B)	3,450.0	120.0	75.0
Change(A-B)	10.0	20.0	8.0
Fiscal 2005 Actual Results	3,410.6	102.3	71.1

### 2) Non-consolidated Results:

Interim Period (April 2005-September 2005)

(in billions of yen)

	Net Sales	Ordinary Profit	Net Income
Revised Forecast (A)	970.0	18.0	12.0
Previous Forecast (B)	900.0	5.0	5.0
Change(A-B)	70.0	13.0	7.0
Fiscal 2005 Interim Actual Results	928.2	22.2	7.0

Fiscal Year (April 2005- March 2006)

(in billions of yen)

	Net Sales	Ordinary Profit	Net Income
Revised Forecast (A)	2,130.0	55.0	34.0
Previous Forecast (B)	2,100.0	55.0	28.0
Change(A-B)	30.0	0.0	6.0
Fiscal 2005 Actual Results	2,022.0	59.4	26.2

### **3) Consolidated and non-consolidated results: explanation for the forecast revision**

We have revised the earnings forecast for both consolidated and non-consolidated earnings for the first half and entirety of fiscal 2006, because we expect earnings to exceed our initial forecast due to increased sales in the Industrial Automation Systems segment, which is experiencing growth from large capital expenditures both domestically and overseas, in addition to efforts to improve productivity and continued cost reductions, etc.

### **4) Dividend Policy for fiscal 2006**

The company plans to pay an interim dividend of 3 yen per share, with the year-end dividend undecided (Fiscal 2005 interim and year-end dividends were 2 and 4 yen respectively).

### **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) Any change in worldwide economic and social conditions as well as laws, regulations, taxation and other legislation
- (2) Changes in foreign currency exchange rates, especially yen/dollar rates
- (3) Changes in stock markets, especially in Japan
- (4) Changes in balance of demand and supply of products that may affect prices and volume, as well as material procurement conditions
- (5) Changes in the ability to acquire financing, especially in Japan
- (6) Changes in any patent and its licensing, including any dispute involving patent infringement, that may affect operations
- (7) Technological change, the development of products using new technology, manufacturing and time-to-market
- (8) Business restructuring

### **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 recorded consolidated group sales of 3,410 billion yen (US\$ 31.9billion\*) in the fiscal year ended March 31, 2005. For more information visit <http://global.mitsubishielectric.com>

\*At an exchange rate of 107 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2005.

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**APPENDIX****Revisions in Earnings Forecasts for Fiscal 2006**

## 1. Sales Income by Business Segment

Consolidated

Parenthetical figures are compared to FY '05  
units : in 100 millions of yen

	FY 2005		FY 2006 Initial Forecast (a)	FY 2006 Revised Forecast (b)		(b)−(a)
		%			%	
Energy and Electric Systems	7,919	20.8	8,200	8,200 (104)	21.3	0
Industrial Automation Systems	7,818	20.6	7,700	7,800 (100)	20.2	100
Information and Communication Systems	6,140	16.2	6,000	6,000 (98)	15.6	0
Electronic Devices	1,643	4.3	1,700	1,700 (103)	4.4	0
Home Appliances	8,664	22.8	9,000	9,000 (104)	23.4	0
Others	5,816	15.3	5,800	5,800 (100)	15.1	0
Subtotal	38,003	100.0	38,400	38,500 (101)	100.0	100
Eliminations and Other	△3,896	—	△3,900	△3,900 —	—	0
Total	34,106	—	34,500	34,600 (101)	—	100

## 2. Operating Income by Business Segment

Consolidated

Parenthetical figures are compared to FY '05,  
units : in 100 millions of yen,

	FY 2005		FY 2006 Initial Forecast (a)	FY 2006 Revised Forecast (b)		(b)−(a)
Energy and Electric Systems	281		220	240 (85)		20
Industrial Automation Systems	723		660	730 (101)		70
Information and Communication Systems	2		140	180 (76x)		40
Electronic Devices	61		130	140 (228)		10
Home Appliances	256		270	280 (109)		10
Others	105		110	110 (104)		0
Subtotal	1,431		1,530	1,680 (117)		150
Eliminations and Other	△225		△230	△230 —		0
Total	1,206		1,300	1,450 (120)		150