

FOR IMMEDIATE RELEASE

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MITSUBISHI ELECTRIC ANNOUNCES DIVIDEND POLICY AND REVISED SALES AND EARNINGS FORECAST FOR FISCAL 2007 (APRIL 1, 2006-MARCH 31, 2007)

Tokyo, March 26, 2007 – Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura) announced today its dividend policy and revised its business performance forecast for fiscal 2007.

1) Forecast for Consolidated Results:

Fiscal Year (April 2006-March 2007)

Figures in the chart below represent revisions from the 3rd quarter earnings release in February 2007.
(in billions of yen)

	Net Sales	Operating Income	Income before income taxes	Net Income
Revised Forecast (A)	3,820.0	230.0	180.0	122.0
Previous Forecast (B)	3,700.0	180.0	165.0	120.0
Change (A-B)	120.0	50.0	15.0	2.0
Percentage of Change	3.2%	27.8%	9.1%	1.7%
Fiscal 2006 Actual Results	3,604.1	157.7	152.3	95.6

Previously forecasted sales increased by 120 billion yen due to continued strength in demand for capital investment in Industrial Automation Systems as well as growth in Home Appliances, Energy and Electric Systems, etc., with operating income expected to increase by 50 billion yen. As for Other expenses, we expect to report approximately 42 billion in yen in expenses relating to various competition law matters involving DRAM in the United States and gas insulated switchgears in Europe. Although no determination has been rendered in any of these matters, the Company has decided to set reserves for any contingent liabilities.

2) Forecast for Non-consolidated Results:

Fiscal Year (April 2006- March 2007)

Figures in the chart below represent revisions from the interim earnings released in October 2006.
(in billions of yen)

	Net sales	Ordinary profit	Net income
Revised Forecast (A)	2,340.0	130.0	40.0
Previous Forecast (B)	2,320.0	100.0	65.0
Change(A-B)	20.0	30.0	(25.0)
Percentage of Change	0.9%	30.0%	(38.5%)
Fiscal 2006 Actual Results	2,217.0	75.1	48.5

Net profit for this fiscal year is expected to fall by 25 billion yen from the previous forecast. Although ordinary profit increased by 30 billion yen over the previous forecast, we expect to report an extraordinary loss from expenses related to competition laws, etc. (same value as consolidated expenses).

4) Dividend Policy for fiscal 2007

The company plans to pay a year-end dividend of 6 yen per share (record date: March 31, 2007), with an annual dividend of 10 yen.

	Interim	Year end dividend	Annual dividend
Fiscal 2007	4 yen	6 yen	10 yen
Fiscal 2006 (actual)	3 yen	5yen	8 yen

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 may adversely affect mainly Mitsubishi Electric's Information and Communication Systems, Electronic Devices, and Home Appliances segments. In addition, an increase in material prices due to a worsening of material and component procurement conditions may adversely affect all of Mitsubishi Electric's operations.

(5) Fund procurement

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) 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.

(8) Disruptive changes

Disruptive changes in technology, development of products using new technology, timing of production, and market introduction may adversely affect performance mainly in Mitsubishi Electric's Information and Communication Systems, Electronic Devices, and Home Appliances

segments.

(9) Business restructuring

The Mitsubishi Electric Group may record losses due to restructuring measures.

(10) 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.

(11) Other significant factors

The Mitsubishi Electric Group's operations may be affected by the outbreak of social or political upheaval due to terrorism, war or other factors.

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 3,604 billion yen (US\$ 30.8billion*) in the fiscal year ended March 31, 2006.

For more information visit <http://global.mitsubishielectric.com>

*At an exchange rate of 117 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2006.

APPENDIX

REVISIONS IN EARNINGS FORECASTS FOR FISCAL 2007

1. Sales by Business Segment (Consolidated)

Parentetical figures are compared to FY '06
(billions of yen, percentage)

	FY 2006		FY 2007 Previous Forecast (a)	FY 2007 Revised Forecast (b)		(b)–(a)
		%			%	
Energy and Electric Systems	868.7	21.5	910.0	940.0 (108)	21.9	30.0
Industrial Automation Systems	860.1	21.3	880.0	950.0 (110)	22.1	70.0
Information and Communication Systems	644.1	15.9	690.0	680.0 (106)	15.8	(10.0)
Electronic Devices	170.3	4.2	180.0	180.0 (106)	4.2	0
Home Appliances	896.4	22.2	870.0	920.0 (103)	21.4	50.0
Others	603.5	14.9	610.0	630.0 (104)	14.6	20.0
Subtotal	4,043.4	100.0	4,140.0	4,300.0 (106)	100.0	160.0
Eliminations	(439.2)	-	(440.0)	(480.0) -	-	(40.0)
Total	3,604.1	-	3,700.0	3,820.0 (106)	-	120.0

2. Operating Income by Business Segment (Consolidated)

Parentetical figures are compared to FY '06
(billions of yen, percentage)

	FY 2006		FY 2007 Previous Forecast (a)	FY 2007 Revised Forecast (b)		(b)–(a)
		%			%	
Energy and Electric Systems	25.2		37.0	49.0 (194)	12.0	
Industrial Automation Systems	95.9		104.0	127.0 (132)	23.0	
Information and Communication Systems	20.6		25.0	23.0 (111)	(2.0)	
Electronic Devices	13.5		14.0	14.0 (103)	0	
Home Appliances	14.9		14.0	32.0 (214)	18.0	
Others	13.3		12.0	12.0 (90)	0	
Subtotal	183.7		206.0	257.0 (140)	51.0	
Eliminations and Other	(26.0)		(26.0)	(27.0) -	(1.0)	
Total	157.7		180.0	230.0 (146)	50.0	