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MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF FISCAL 2008

Tokyo, July 30, 2007 – Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura) announced today its financial results for the first quarter ending June 30, 2007, of the current fiscal year ending March 31, 2008 (fiscal 2008).

Consolidated Financial Results

Net sales:	872.7 billion yen	(6% increase from the same quarter last year)
Operating income:	65.9 billion yen	(63% increase from the same quarter last year)
Income before income taxes:	67.0 billion yen	(65% increase from the same quarter last year)
Net income:	46.5 billion yen	(87% increase from the same quarter last year)

Management conditions during the first quarter of fiscal 2008 saw a continued trend of underlying strength in the global economy. As the yen weakened against other major currencies, the Japanese economy as well experienced a general trend of underlying strength despite a sense of stagnation in demand for capital investment.

Under these circumstances, first quarter consolidated net sales grew 6% compared to the same period of the previous fiscal year to 872.7 billion yen due to increased revenue from the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices, and Home Appliances segments.

Consolidated operating income increased 63% from the same period of the previous fiscal year to 65.9 billion yen due to increased profit from the Energy and Electric Systems, Industrial Automation Systems, and Home Appliances segments.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales:	195.4 billion yen	(17% increase from the same quarter last year)
Operating income:	13.3 billion yen	(11.7 billion yen increase from the same quarter last year)

The social infrastructure systems business saw increases in both orders and sales compared to the same period of the previous fiscal year, mainly due to expansion of our electric equipment for domestic rolling stock business, electric transmission and distribution related business, and power generation business.

The building system business experienced a decrease in orders compared to the same period of the previous fiscal year due to a decrease in large domestic installation orders in elevators and escalators, however sales increased due to large installation orders in China and the Middle East, etc.

As a result, total sales for this segment increased 17% from the same period of the previous fiscal year. Operating income increased by 11.7 billion yen compared to the same period of the previous fiscal year due to increased sales, etc.

Industrial Automation Systems

Total sales:	239.7 billion yen	(4% increase from the same quarter last year)
Operating income:	37.8 billion yen	(4.8 billion yen increase from the same quarter last year)

The factory automation systems business saw decreases in both orders and sales compared to the same period of the previous fiscal year due to a decrease in flat panel display related investments mainly in Korea and Taiwan as well as a sluggish recovery of automobile related investment.

The automotive equipment business saw an increase in both orders and sales compared to the same period of the previous fiscal year supported by buoyant global production of Japanese automobile manufacturers.

As a result, total sales for this segment showed an increase of 4% compared to the same period of the previous fiscal year. Operating income increased by 4.8 billion yen compared to the same period of the previous fiscal year due to increases in sales, etc.

Information and Communication Systems

Total sales: 120.3 billion yen (14% decrease from the same quarter last year)
Operating income: 0.0 billion yen (5.1 billion yen decrease from the same quarter last year)

The telecommunications equipment business saw decreases in both orders and sales compared to the same period of the previous fiscal year, due to decreases in mobile handsets, etc.

The information systems and service business saw a decrease in sales compared to the same period of the previous fiscal year, mainly due to decreases in the computer platform business, etc.

The electronic system business saw increases in both orders and sales compared to the same period of the previous fiscal year due to increases in the space system business.

As a result, total sales for this segment showed a decrease of 14% compared to the same period of the previous fiscal year. Operating income decreased by 5.1 billion yen compared to the same period of the previous fiscal year due to decreases in sales, etc.

Electronic Devices

Total sales: 47.5 billion yen (2% increase from the same quarter last year)
Operating income: 2.4 billion yen (1.1 billion yen decrease from the same quarter last year)

The semiconductor business saw an increase in both orders and sales from the same period of the previous fiscal year due to increases in power modules for consumer use mainly in air conditioners and industrial use as well as power amplifiers for mobile handsets, etc.

The liquid crystal business saw decreases in both orders and sales from the same period of the previous fiscal year. Although sales of medium sized products for industrial use were on par with the same period of the previous fiscal year, there was a decrease in small sized consumer use products for mobile handsets, etc.

As a result, total sales for the segment increased by 2% compared to the same period of the previous fiscal year. Operating income decreased by 1.1 billion yen compared to the same period of the previous fiscal year due to liquid crystal price erosion, etc.

Home Appliances

Total sales: 238.0 billion yen (15% increase from the same quarter last year)
Operating income: 18.5 billion yen (15.5 billion yen increase from the same quarter last year)

The home appliance business saw an increase in sales of 15% compared to the same period of the previous fiscal year due to increased sales of electric hot water supply systems and other appliances for use in all-electric-powered homes for the domestic market as well as air conditioners and solar power generation systems for the overseas market. Operating income increased by 15.5 billion yen from the same period of the previous fiscal year due to increases in sales, etc.

Others

Total sales: 150.0 billion yen (8% increase from the same quarter last year)
Operating income: 2.3 billion yen (0.2 billion yen decrease from the same quarter last year)

Sales increased 8% compared to the same period of the previous fiscal year in affiliated companies mainly in material procurement and logistics. Operating income decreased by 0.2 billion yen from the same period of the previous fiscal year.

Financial Standing

The company's total assets for this fiscal quarter decreased from the end of the previous fiscal year by 23.0 billion yen to 3,429.2 billion yen. Inventory saw an increase of 98.1 billion yen mainly due to work-in-process from progress in received orders for construction. Trade receivables decreased by 108.7 billion yen as a result of collection, etc, while cash and cash equivalents decreased by 13.6 billion yen.

The balance of outstanding debts and corporate bonds fell by 14.6 billion yen from the balance as of the end of the previous fiscal year to 626.3 billion yen, reducing the ratio of interest bearing debt to total assets to 18.3% (an improvement of 0.3% compared to the end of the previous fiscal year). Accounts payable decreased by 50.3 billion yen, and retirement and severance benefits decreased by 16.6 billion yen due to increases in pension assets, etc.

Shareholders' equity increased by 53.2 billion yen compared to the previous fiscal year to 1,112.4 billion yen. This was due to increase from 46.5 billion yen capitalization from total consolidated net income, and accumulated other comprehensive income increased by 19.5 billion yen amidst weakening of the yen, etc, despite decreases from dividend payments of 12.8 billion yen. Shareholders' equity ratio improved 1.7 % compared to the end of the previous fiscal year to 32.4%.

Operating cash flow for this quarter decreased 22.4 billion yen compared to the previous fiscal year to 35.4 billion yen (cash in) due to an increase in net profit for this financial period, despite increases in inventory as well as trade receivables to be collected from the next fiscal period. Investment cash flow decreased by 0.4 billion yen compared to previous fiscal year to 20.5 billion yen (cash out). As a result, free cash flow totaled 14.8 billion yen. Financial cash flow was 32.9 billion yen (cash out) due to dividend payments and repayment of loans.

Forecast for the first half of Fiscal 2008 (ending September 30, 2007)

With the Home Appliances segment's buoyancy in air conditioners overseas, expansions in Energy and Electric Systems, expected increased sales due to the weakness of the yen, we will modify the consolidated and non-consolidated earnings forecast for the first half of Fiscal 2008 from the yearly results announcement on April 27, 2007 as written below. There are no changes from the earnings forecast for the fiscal year.

First Half of Fiscal 2008 Consolidated Earnings Forecast (previous forecast)

Net sales:	1,900 billion yen (1,850 billion yen)	(6% increase from the same period last year)
Operating income:	120 billion yen (85 billion yen)	(28% increase from the same period last year)
Income before income taxes:	115 billion yen (80 billion yen)	(39% increase from the same period last year)
Net income:	80 billion yen (57 billion yen)	(42% increase from the same period last year)

First Half of Fiscal 2008 Non-consolidated Earnings Forecast (previous forecast)

Net sales:	1,140 billion yen (1,110 billion yen)	(5% increase from the same period last year)
Operating income:	65 billion yen (45 billion yen)	(15% increase from the same period last year)
Ordinary Profit:	70 billion yen (45 billion yen)	(10% increase from the same period last year)
Net income:	51 billion yen (34 billion yen)	(65% increase from the same period last year)

CONSOLIDATED FINANCIAL RESULTS SUMMARY

(In billions of yen except where noted)

	FY '08 Q1 (A) (April 1, 2007 - June 30, 2007)	FY '07 Q1 (B) (April 1, 2006 – June 30, 2006)	A/B (%)
Net sales	872. ⁷	821. ⁵	106
Operating income	65. ⁹	40. ⁵	163
Income before income taxes	67. ⁰	40. ⁶	165
Net income	46. ⁵	24. ⁸	187
Basic net income per share	21.⁶⁸ yen	11. ⁵⁹ yen	187

- Note:**
- 1) Consolidated financial charts made according to U.S. GAAP.
 - 2) Company has 150 consolidated subsidiaries.
 - 3) This report is unaudited.

CONSOLIDATED PROFIT AND LOSS STATEMENT

(In millions of yen)

	FY '08 Q1 (Apr. 1, 2007 – Jun. 30, 2007)		FY '07 Q1 (Apr. 1, 2006 – Jun. 30, 2006)		A – B	
	(A)	% of total	(B)	% of total		A/B (%)
Net sales	872,723	100.0	821,530	100.0	51,193	106
Cost of sales	618,391	70.9	600,018	73.0	18,373	103
Selling, general and administrative expenses	188,360	21.5	180,918	22.1	7,442	104
Operating income	65,972	7.6	40,594	4.9	25,378	163
Other income	10,456	1.2	11,429	1.4	(973)	91
Interest and dividends	4,620	0.5	3,059	0.4	1,561	151
Other	5,836	0.7	8,370	1.0	(2,534)	70
Other expenses	9,329	1.1	11,337	1.3	(2,008)	82
Interest	2,521	0.3	2,488	0.3	33	101
Other	6,808	0.8	8,849	1.0	(2,041)	77
Income before income taxes	67,099	7.7	40,686	5.0	26,413	165
Income taxes	24,680	2.9	20,068	2.5	4,612	123
Equity in earnings of affiliated companies	4,124	0.5	4,265	0.5	(141)	97
Net income	46,543	5.3	24,883	3.0	21,660	187

CONSOLIDATED BALANCE SHEET

(In millions of yen)

	FY '08 Q1(A) (ending June 30, 2007)	FY '07 (B) (ending March 31, 2007)	A – B
(Assets)			
Current assets	2,032,635	2,050,500	(17,865)
Cash and cash equivalents	328,986	342,640	(13,654)
Short-term investments	15,280	16,258	(978)
Trade receivables	782,552	891,271	(108,719)
Inventories	618,350	520,238	98,112
Prepaid expenses and other current assets	287,467	280,093	7,374
Long-term receivables	3,726	3,711	15
Investments	576,768	571,458	5,310
Net property, plant and equipment	606,837	605,285	1,552
Other assets	209,256	221,277	(12,021)
Total assets	3,429,222	3,452,231	(23,009)
(Liabilities and shareholders' equity)			
Current liabilities	1,483,873	1,529,838	(45,965)
Bank loans and current portion of long-term debt	255,357	253,141	2,216
Trade payables	689,203	739,585	(50,382)
Other current liabilities	539,313	537,112	2,201
Long-term debt	371,032	387,941	(16,909)
Retirement and severance benefits	344,103	360,713	(16,610)
Other fixed liabilities	55,192	54,169	1,023
Minority interests	62,584	60,361	2,223
Shareholders' equity	1,112,438	1,059,209	53,229
Common stock	175,820	175,820	–
Capital surplus	210,896	210,910	(14)
Retained earnings	665,667	632,003	33,664
Accumulated other comprehensive income (loss)	60,499	40,932	19,567
Treasury stock at cost	(444)	(456)	12
Total liabilities and shareholders' equity	3,429,222	3,452,231	(23,009)
Balance of Debt	626,389	641,082	(14,693)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	43,623	32,088	11,535
Pension liability adjustments	(53,249)	(59,723)	6,474
Unrealized gains on securities	70,088	68,578	1,510
Unrealized gains (losses) on derivative instruments	37	(11)	48

CONSOLIDATED CASH FLOW STATEMENT

(In millions of yen)

	FY '08 Q1 (A) (Apr. 1, 2007 – Jun. 30, 2007)	FY '07 Q1 (B) (Apr. 1, 2006 – Jun. 30, 2006)	A - B
I Cash flows from operating activities			
1 Net income	46,543	24,883	21,660
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	26,140	34,649	(8,509)
(2) Decrease in trade receivables	116,854	137,636	(20,782)
(3) Decrease (increase) in inventories	(90,471)	(80,867)	(9,604)
(4) Increase (decrease) in trade payables	(53,236)	(52,912)	(324)
(5) Other, net	(10,401)	(5,552)	(4,849)
Net cash provided by operating activities	35,429	57,837	(22,408)
II Cash flows from investing activities			
1 Capital expenditure	(22,325)	(25,373)	3,048
2 Proceeds from sale of property, plant and equipment	1,013	2,634	(1,621)
3 Purchase of short-term investments and investment securities	(6,349)	(8,872)	2,523
4 Proceeds from sale of short-term investments and investment securities	5,387	8,399	(3,012)
5 Other, net	1,729	2,178	(449)
Net cash used in investing activities	(20,545)	(21,034)	489
I + II Free cash flow	14,884	36,803	(21,919)
III Cash flows from financing activities			
1 Proceeds from long-term debt	800	16,000	(15,200)
2 Repayment of long-term debt	(5,515)	(24,977)	19,462
3 Increase (decrease) in bank loans, net	(15,381)	6,903	(22,284)
4 Dividends paid	(12,879)	(10,731)	(2,148)
5 Purchase of treasury stock	(43)	(30)	(13)
6 Reissuance of treasury stock	41	95	(54)
Net cash provided by (used in) financing activities	(32,977)	(12,740)	(20,237)
IV Effect of exchange rate changes on cash and cash equivalents	4,439	(425)	4,864
V Net increase (decrease) in cash and cash equivalents	(13,654)	23,638	(37,292)
VI Cash and cash equivalents at beginning of period	342,640	304,514	38,126
VII Cash and cash equivalents at end of period	328,986	328,152	834

CONSOLIDATED SEGMENT INFORMATION

1. SALES AND OPERATING INCOME BY BUSINESS SEGMENT

(In millions of yen)

<i>Business Segment</i>	FY '08 Q1 (Apr. 1, 2007 – Jun. 30, 2007)			FY '07 Q1 (Apr. 1, 2006 – Jun. 30, 2006)			A/B (%)
	Sales		Operating income	Sales		Operating income	
	(A)	% of total		(B)	% of total		
Energy and Electric Systems	195,473	19.7	13,334	167,412	18.0	1,563	117
Industrial Automation Systems	239,797	24.2	37,882	229,769	24.7	33,005	104
Information and Communication Systems	120,341	12.2	98	139,371	15.0	5,262	86
Electronic Devices	47,592	4.8	2,415	46,830	5.1	3,521	102
Home Appliances	238,041	24.0	18,584	207,576	22.3	3,032	115
Others	150,054	15.1	2,334	138,835	14.9	2,538	108
Subtotal	991,298	100.0	74,647	929,793	100.0	48,921	107
Eliminations and other	(118,575)	-	(8,675)	(108,263)	-	(8,327)	-
Total	872,723	-	65,972	821,530	-	40,594	106

*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 '08 Q1 (Apr. 1, 2007 – Jun. 30, 2007)		FY '07 Q1 (Apr. 1, 2006 – Jun. 30, 2006)		A/B (%)
	Sales (A)	Operating income (loss)	Sales (B)	Operating income (loss)	
Japan	723,894	49,974	699,458	32,893	103
North America	61,825	(249)	63,176	(1,321)	98
Asia (excluding Japan)	139,047	13,432	112,314	7,647	124
Europe	107,437	6,791	74,866	3,476	144
Others	7,515	152	6,708	234	112
Subtotal	1,039,718	70,100	956,522	42,929	109
Eliminations	(166,995)	(4,128)	(134,992)	(2,335)	-
Total	872,723	65,972	821,530	40,594	106

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

3. OVERSEAS SALES

(In millions of yen)

<i>Location</i>	FY '08 Q1 (Apr. 1, 2007 – Jun. 30, 2007)		FY '07 Q1 (Apr. 1, 2006 – Jun. 30, 2006)		A/B (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales	
North America	67,144	7.7	66,224	8.1	101
Asia (excluding Japan)	124,370	14.2	106,658	13.0	117
Europe	116,980	13.4	85,924	10.4	136
Others	18,817	2.2	15,600	1.9	121
Total overseas sales	327,311	37.5	274,406	33.4	119

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 expense.

- (6) Significant patent matters
Important patent filings, licensing, copyrights and patent-related disputes may adversely affect related businesses.
- (7) Environmental matters
We may appropriate funds for losses or increase allowances to respond to regulation trends or outbreaks of issues related to the environment. This may impact manufacturing and all corporate activities of the Mitsubishi Electric Group.
- (8) Quality of products and services
We may appropriate funds for losses from defective services or products, 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 performance mainly in Mitsubishi Electric's Information and Communication Systems, Electronic Devices, and Home Appliances segments.
- (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 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 3,855.7 billion yen (US\$ 32.7billion*) in the fiscal year ended March 31, 2007. For more information visit <http://global.mitsubishielectric.com>

*At an exchange rate of 118 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2007

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