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*Investor Relations Inquiries:*  
Corporate Finance Division  
Mitsubishi Electric Corporation  
Tel: +81-3-3218-2391  
Cad.Irg@rk.MitsubishiElectric.co.jp

*Media Contact:*  
Public Relations Division  
Mitsubishi Electric Corporation  
Tel: +81-3-3218-3380  
prd.gnews@nk.MitsubishiElectric.co.jp  
<http://global.mitsubishielectric.com/news/>

## **MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL HALF-YEAR RESULTS FOR THE PERIOD OF APRIL 1, 2007- SEPTEMBER 30, 2007**

**Tokyo, October 29, 2007** – Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura) announced today its half-year financial results for the period of April 1, 2007- September 30, 2007 (fiscal 2008).

### **Consolidated Financial Results**

Net sales:	1,889.7 billion yen	(5% increase from the same period last year)
Operating income:	129.1 billion yen	(38% increase from the same period last year)
Income before income taxes:	129.6 billion yen	(57% increase from the same period last year)
Net income:	91.5 billion yen	(62% increase from the same period last year)

### **Non-consolidated Financial Results**

Net sales:	1,135.2 billion yen	(5% increase from the same period last year)
Operating income:	72.8 billion yen	(29% increase from the same period last year)
Ordinary profit:	84.1 billion yen	(33% increase from the same period last year)
Net income:	57.9 billion yen	(88% increase from the same period last year)

Management conditions during the first half of fiscal 2008 saw general steady development of the global economy mainly in China and Europe despite a stronger sense of stagnation in the U.S.A. While the yen saw continued weakness against other major currencies, the Japanese economy as well saw general steady development based mainly on overseas demand, despite a weakness in personal consumption.

Under these circumstances, consolidated net sales for this interim period grew 5% to 1,889.7 billion yen compared to the same period of the previous fiscal year, with increased sales in the Energy and Electric Systems, the Industrial Automation Systems, the Electronic Devices and the Home Appliances segments. Consolidated operating income increased 38% to 129.1 billion yen compared to the same period of the previous fiscal year due to increased profit in the Energy and Electric Systems, the Industrial Automation Systems and the Home Appliances segments.

## **CONSOLIDATED FINANCIAL RESULTS BY BUSINESS SEGMENT**

### ***Energy and Electric Systems***

Total sales:	440.2 billion yen	(13% increase from the same period last year)
Operating income:	23.4 billion yen	(16.7 billion yen increase from the same period last year)

The social infrastructure systems business saw increases in both orders and sales compared to the same period of the previous fiscal year due to increases in overseas electric transmission and distribution related business as well as domestic power generation business in addition to expansion both domestically and abroad in electric equipment for rolling stock.

The building systems business experienced increases in both orders and sales compared to the same period of the previous fiscal year due to increases in domestic elevators and escalators for the retail industry and railroad companies as well as increases in initiatives in China and the Middle East.

As a result, total sales for this segment increased 13% from the same period of the previous fiscal year. Operating income increased by 16.7 billion yen from the same period of the previous fiscal year due to increased sales.

### ***Industrial Automation Systems***

Total sales:	491.7 billion yen	(5% increase from the same period last year)
Operating income:	66.8 billion yen	(1.6 billion yen increase from the same period last year)

The factory automation systems business saw little change in sales compared to the same period of the previous fiscal year, upheld by buoyant domestic demand for industrial machinery and active investments in China despite decreases in orders for domestic and overseas flat panel display related investments, etc.

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

As a result, total sales for this segment increased by 5% compared to the same period of the previous fiscal year. Operating income increased by 1.6 billion yen compared to the same period of the previous fiscal year due to increases in sales, etc.

### ***Information and Communication Systems***

Total sales:	282.0 billion yen	(7% decrease from the same period last year)
Operating income:	0.5 billion yen	(4.7 billion yen decrease from the same period 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 a decrease in mobile handsets.

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

The electronic systems business saw an increase in both orders and sales compared to the same period of the previous fiscal year due to expansion of our satellite related business.

As a result, total sales for this segment decreased 7% compared to the same period of the previous fiscal year. Operating income decreased by 4.7 billion yen compared to the same period of the previous fiscal year due to decreased in sales, etc.

### ***Electronic Devices***

Total sales: 95.1 billion yen (4% increase from the same period last year)

Operating income: 6.0 billion yen (1.1 billion yen decrease from the same period last year)

The semiconductors business saw an increase in both orders and sales compared to 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 a decrease in both orders and sales compared to the same period of the previous fiscal year due to a decrease in small-sized products for consumer use, including mobile handsets, etc., despite an increase in medium-sized products for industrial machines.

As a result, total sales for the segment increased 4% 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 decreased sales in the liquid crystal business, etc.

### ***Home Appliances***

Total sales: 516.4 billion yen (11% increase from the same period last year)

Operating income: 38.4 billion yen (22.9 billion yen increase from the same period last year)

The home appliances business saw an increase in sales of 11% 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 22.9 billion yen compared to the same period of the previous fiscal year due to increased sales, etc.

### ***Others***

Total sales: 317.1 billion yen (5% increase from the same period last year)  
Operating income: 7.0 billion yen (0.5 billion yen increase from the same period last year)

Sales increased 5% compared to the same period of the previous fiscal year mainly in our materials procurement and engineering affiliated companies, etc.

Operating income increased by 0.5 billion yen compared to the same period of the previous fiscal year due to increased sales, etc.

### ***Fundamental dividend distribution policy***

Our fundamental policy is to comprehensively promote improvement in shareholder profits from the viewpoint of appropriate profit distribution commensurate with earning performance of its respective fiscal year as well as the aspect of strengthening our financial standing through our internal reserves, with the ultimate goal of improving corporate value.

### ***Dividend for the first half of fiscal 2008***

With our financial standing and business performance continuing to improve, we will pay an interim retained earnings dividend of 6 yen per share for fiscal 2008. Payment of interim dividends will start on December 4, 2007. The year-end retained earnings dividend for fiscal 2008 is still undecided.

*cf. Fiscal 2007 dividend was 10 yen per share (interim dividend of 4 yen per share and a year-end dividend of 6 yen per share)*

## **FINANCIAL CONDITION (CONSOLIDATED BASIS)**

### ***Assets, Liabilities, and Shareholders' Equity***

The company's total assets declined from the end of the previous fiscal year by 27.3 billion yen to 3,424.9 billion yen. While cash and cash equivalents increased by 14.3 billion yen, and inventory increased by 73.0 billion yen due to progress in work-in-processes, etc., accounts receivables decreased by 107.3 billion yen due to accelerated collection of our credits.

The balance of outstanding debts fell by 56.3 billion yen from the end of the previous fiscal year to 584.7 billion yen, with a reduction of its ratio to total assets down to 17.1% (an improvement by 1.5 point compared to the end of the previous fiscal year). Trade payables also decreased by 51.4 billion yen.

Shareholders' equity increased by 58.2 billion yen compared to the previous fiscal year to 1,117.4 billion, with an improvement in ratio of shareholders' equity to total assets of 1.9 points compared to the previous fiscal year

to 32.6 percent. While accumulated other comprehensive income decreased by 20.3 billion yen due to a decline in stock prices, etc, retained earnings increased owing to a 91.5 billion yen net income despite a dividend payment of 12.8 billion yen.

#### ***Cash Flow***

Cash flows from operating activities decreased by 21.4 billion yen compared to the same period of the previous fiscal year to 127.3 billion yen (inflow).

Cash flows from investing activities decreased by 26.9 billion yen compared to the same period of the previous fiscal year to 49.1 billion yen (outflow) due to decreases in loan receivables, etc. Consequently, free cash flow reached revenues of 78.1 billion yen.

Cash flows from financing activities were 65.7 billion yen (outflow) due to dividend payment and debt repayment.

#### **FORECAST FOR FISCAL 2008 (ending March 31, 2008)**

The global economy is expected to slow down slightly due to a persistent sense of stagnation in the U.S. economy, etc., and the domestic economy is also expected to show a gradual slow down. Management environments will not necessarily be optimistic either with concerns of increasing and high-persistent petroleum and material prices, as well as risks from stronger yen and sub prime loan issues spreading throughout the actual economy, etc.

Under these circumstances, the Mitsubishi Electric Group will continue to increase and strengthen profitability in each business segment. In addition, we are committed to implementing various company wide measures toward improving business performance and financial standing. The growth strategies will be steadfastly adhered to in the interest of maintaining sustainable growth.

With the Home Appliances segment's buoyancy in air conditioners overseas and expansions in the Industrial Automation Systems and the Energy and Electric Systems segments, our business performance is expected to exceed our previous forecast. Therefore, we will modify the consolidated and non-consolidated earnings forecast for fiscal 2008 from the announcement on April 27, 2007.

#### ***Consolidated earnings forecast for fiscal 2008 (previous forecast)***

Net sales:	3,970.0 billion yen	(3,940.0 billion yen)	(3% increase from the same period last year)
Operating income:	233.0 billion yen	(200.0 billion yen)	(No changes from the same period last year)
Income before income taxes:	210.0 billion yen	(185.0 billion yen)	(14% increase from the same period last year)
Net income:	148.0 billion yen	(125.0 billion yen)	(20% increase from the same period last year)

***Non-consolidated earnings forecast for fiscal 2008 (previous forecast)***

Net sales:	2,430.0 billion yen	(2,430.0 billion yen)	(3% increase from the same period last year)
Operating income:	120.0 billion yen	(110.0 billion yen)	(6% decrease from the same period last year)
Ordinary profit:	127.0 billion yen	(105.0 billion yen)	(3% decrease from the same period last year)
Net income:	86.0 billion yen	(75.0 billion yen)	(106% increase from the same period last year)

**MANAGEMENT POLICY**

***Fundamental Management Policy***

Based on its corporate statement “Changes for the Better”, the Mitsubishi Electric Group hopes to build a better tomorrow by contributing to the creation of new societies, industries and lifestyles.

Keeping this corporate approach in mind, Mitsubishi Electric will establish a solid business foundation and implement sustainable growth through a three point balanced management of “Growth,” “Profitability & Efficiency” and “Soundness”.

Mitsubishi Electric will also work to further enhance its corporate value by becoming a conglomerate of highly competitive electric-electronic businesses with a synergistic unity, capable of responding to the expectations of customers, shareholders, and all of our stakeholders.

***Management Targets***

The Mitsubishi Electric Group has established three management targets that it continuously aims to achieve: an operating income ratio of 5% or more, ROE of 10% or more, and a interest-bearing debt ratio of 15% or less.

	<i>Management Target</i>
Ratio of operating income to net sales	<b>5% or more</b>
ROE	<b>10% or more</b>
Ratio of interest-bearing debt to total assets	<b>15% or less</b>

***Corporate Agenda***

Based on its three point balanced management of “Growth,” “Profitability & Efficiency” and “Soundness”, the Mitsubishi Electric Group will continuously improve by strengthening quality, cost competitiveness, and intellectual property as well as productivity, R&D, and sales capabilities. We will also strengthen our two-tiered growth strategy VI<sup>1</sup> strategy, ‘making strong businesses stronger’, and AD<sup>2</sup> strategy, ‘reinforcing solutions businesses centered on strong businesses’. While also restructuring business segments in response to changing business environments, we strive to create a management base that will continue to strengthen and improve our business performance.

Specifically, with an objective of strengthening our integrated “Craftsmanship”, we will strengthen our development and productivity in software and hardware, and continue to streamline our productivity with measures like Just In Time production. From the very first stages of design and development, we will promote cost reduction activities that respond to material price hikes and exert quality consciousness. We will utilize human resources to enhance competitiveness, and engage in activities such as streamlining our human resources structure from a mid- and long-term perspective. We will improve our financial standing by further pursuing such measures as inventory reduction. Also, we will further promote ‘Global Integration’ to build an optimal business structure both in global terms and for the entire corporate Group. In business development in overseas markets, we will pay intensive attention on managing associated risks. Finally, we will enhance our operational structure to manage various businesses, through integration and coordination among various aspects, including research, development, procurement, production, sales and services etc.

In addition, we will be committed to enhance Corporate Social Responsibility (CSR) efforts based on the Corporate Mission<sup>3</sup> and Seven Guiding Principles<sup>4</sup>. Especially, in terms of legal and ethical compliances, we will enrich our internal educational efforts and intensively implement internal control measures, as a priority task over the entire consolidated group of Mitsubishi Electric Corporation. We will also promote environmental initiatives to prevent global warming, create a recycling-based society and etc.

Steadily executing the above strategy, the Mitsubishi Electric Group will work to further enhance its corporate value.

<sup>1</sup>VI, the first two letters of ‘Victory’

<sup>2</sup>AD, the first two letters of ‘Advance’

<sup>3</sup>Corporate Mission: The Mitsubishi Electric Group will continually improve its technologies and services through creativity, and at the same time contribute to society.

<sup>4</sup>These principles are:

Trust. Establish relationships with all stakeholders based on strong mutual trust and respect,

Quality. Provide the best products and services with unsurpassed quality,

Technology. Pioneer new markets by promoting research and development,

Citizenship. As a global player, contribute to the development of communities and society as a whole,

Ethics. Honor high ethical standards in all endeavors,

Environment. Respect nature, and strive to protect and improve the global environment,

Growth. Assure fair earnings to build a foundation for future growth.

## CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL RESULTS

### 1. CONSOLIDATED HALF-YEAR RESULTS

(In billions of yen except where noted)

	<b>FY '08 1<sup>st</sup> half (A)</b>	FY '07 1 <sup>st</sup> half (B)	A/B (%)	FY '07
Net sales	1,889.7	1,791.9	105	3,855.7
Operating income	129.1	93.6	138	233.0
Income before income taxes	129.6	82.4	157	184.7
Net income	91.5	56.4	162	123.0
Basic net income per share	42. <sup>67</sup> yen	26. <sup>32</sup> yen	162	57. <sup>34</sup>

**Note:** 1) Consolidated financial charts made according to U.S. GAAP.  
2) Company has 148 consolidated subsidiaries.

FY '08 1<sup>st</sup> half: Apr. 1, 2007 – Sept. 30, 2007  
FY '07 1<sup>st</sup> half: Apr. 1, 2006 – Sept. 30, 2006  
FY '07: Apr. 1, 2006 – Mar. 31, 2007

### 2. NON-CONSOLIDATED HALF-YEAR RESULTS

(In billions of yen except where noted)

	<b>FY '08 1<sup>st</sup> half (A)</b>	FY '07 1 <sup>st</sup> half (B)	A/B (%)	FY '07
Net sales	1,135.2	1,082.0	105	2,363.6
Operating income	72.8	56.4	129	127.3
Ordinary profit	84.1	63.5	133	131.4
Net income	57.9	30.8	188	41.6
Dividend per share	6 yen (Interim dividend)	4 yen (Interim dividend)	150	Annual dividend 10 yen [Term-end biannual dividend 6 yen]
Net income per share	27. <sup>00</sup> yen	14. <sup>37</sup> yen	188	19. <sup>42</sup> yen

FY '08 1<sup>st</sup> half: Apr. 1, 2007 – Sept. 30, 2007  
FY '07 1<sup>st</sup> half: Apr. 1, 2006 – Sept. 30, 2006  
FY '07: Apr. 1, 2006 – Mar. 31, 2007



## CONSOLIDATED PROFIT AND LOSS STATEMENT

(In millions of yen)

	FY '08 1 <sup>st</sup> half		FY '07 1 <sup>st</sup> half		A - B	A/B (%)	FY '07	
	(A)	% of total	(B)	% of total				% of total
Net sales	<b>1,889,745</b>	<b>100.0</b>	1,791,982	100.0	97,763	105	3,855,745	100.0
Cost of sales	<b>1,360,605</b>	<b>72.0</b>	1,311,842	73.2	48,763	104	2,831,309	73.5
Selling, general and administrative expenses	<b>399,948</b>	<b>21.2</b>	386,534	21.6	13,414	103	791,434	20.5
Operating income	<b>129,192</b>	<b>6.8</b>	93,606	5.2	35,586	138	233,002	6.0
Other income	<b>13,988</b>	<b>0.8</b>	16,561	0.9	(2,573)	84	40,745	1.1
Interest and dividends	<b>7,713</b>	<b>0.4</b>	6,325	0.4	1,388	122	12,281	0.3
Other	<b>6,275</b>	<b>0.4</b>	10,236	0.5	(3,961)	61	28,464	0.8
Other expenses	<b>13,496</b>	<b>0.7</b>	27,693	1.5	(14,197)	49	88,971	2.3
Interest	<b>4,422</b>	<b>0.2</b>	5,076	0.3	(654)	87	9,375	0.2
Other	<b>9,074</b>	<b>0.5</b>	22,617	1.2	(13,543)	40	79,596	2.1
Income before income taxes	<b>129,684</b>	<b>6.9</b>	82,474	4.6	47,210	157	184,776	4.8
Income taxes	<b>45,440</b>	<b>2.5</b>	33,650	1.8	11,790	135	80,203	2.1
Equity in earnings of affiliated companies	<b>7,342</b>	<b>0.4</b>	7,668	0.4	(326)	96	18,507	0.5
Net income	<b>91,586</b>	<b>4.8</b>	56,492	3.2	35,094	162	123,080	3.2

FY '08 1<sup>st</sup> half: Apr. 1, 2007 – Sept. 30, 2007  
 FY '07 1<sup>st</sup> half: Apr. 1, 2006 – Sept. 30, 2006  
 FY '07: Apr. 1, 2006 – Mar. 31, 2007

## CONSOLIDATED BALANCE SHEETS

(In millions of yen)

	<b>FY ' 08 1<sup>st</sup> half (A) (ending Sept. 30, 2007)</b>	<b>FY ' 07 (B) (ending March 31, 2007)</b>	<b>A – B</b>
<b>(Assets)</b>			
Current assets	<b>1,999,238</b>	2,050,500	(51,262)
Cash and cash equivalents	<b>357,007</b>	342,640	14,367
Short-term investments	<b>5,500</b>	16,258	(10,758)
Trade receivables	<b>784,507</b>	891,271	(106,764)
Inventories	<b>593,292</b>	520,238	73,054
Prepaid expenses and other current assets	<b>258,932</b>	280,093	(21,161)
Long-term trade receivables	<b>3,120</b>	3,711	(591)
Investments	<b>585,126</b>	571,458	13,668
Net property, plant and equipment	<b>609,475</b>	605,285	4,190
Other assets	<b>227,955</b>	221,277	6,678
<b>Total assets</b>	<b>3,424,914</b>	3,452,231	(27,317)
<b>(Liabilities and shareholders' equity)</b>			
Current liabilities	<b>1,477,313</b>	1,529,838	(52,525)
Bank loans and current portion of long-term debt	<b>235,021</b>	253,141	(18,120)
Trade payables	<b>688,133</b>	739,585	(51,452)
Other current liabilities	<b>554,159</b>	537,112	17,047
Long-term debt	<b>349,754</b>	387,941	(38,187)
Retirement and severance benefits	<b>362,632</b>	360,713	1,919
Other fixed liabilities	<b>54,141</b>	54,169	(28)
Minority interests	<b>63,588</b>	60,361	3,227
Shareholders' equity	<b>1,117,486</b>	1,059,209	58,277
Common stock	<b>175,820</b>	175,820	-
Capital surplus	<b>210,891</b>	210,910	(19)
Retained earnings	<b>710,710</b>	632,003	78,707
Accumulated other comprehensive income (loss)	<b>20,542</b>	40,932	(20,390)
Treasury stock at cost	<b>(477)</b>	(456)	(21)
<b>Total liabilities and shareholders' equity</b>	<b>3,424,914</b>	3,452,231	(27,317)
Balance of Debts	<b>584,775</b>	641,082	(56,307)

Accumulated other comprehensive income (loss):

Foreign currency translation adjustments	<b>34,579</b>	32,088	2,491
Pension liability adjustments	<b>(69,192)</b>	(59,723)	(9,469)
Unrealized gains on securities	<b>55,184</b>	68,578	(13,394)
Unrealized gains (losses) on derivative instruments	<b>(29)</b>	(11)	(18)

## CONSOLIDATED CASH FLOW STATEMENT

(In millions of yen)

	FY '08 1 <sup>st</sup> half (A)	FY '07 1 <sup>st</sup> half (B)	A – B	FY '07
<b>I Cash flows from operating activities</b>				
1 Net income	91,586	56,492	35,094	123,080
2 Adjustments to reconcile net income to net cash provided by operating activities				
(1) Depreciation of tangible fixed assets and other	59,159	67,913	(8,754)	141,514
(2) Decrease in deferred income taxes	1,957	4,502	(2,545)	9,553
(3) Decrease (increase) in trade receivables	110,972	105,976	4,996	(35,474)
(4) Decrease (increase) in inventories	(70,410)	(48,916)	(21,494)	(15,954)
(5) Decrease in prepaid expenses and other assets	7,266	11,708	(4,442)	964
(6) Increase (decrease) in trade payables	(53,111)	(62,820)	9,709	19,252
(7) Increase (decrease) in other liabilities	(2,917)	15,210	(18,127)	44,382
(8) Other, net	(17,199)	(1,327)	(15,872)	(12,687)
Net cash provided by operating activities	127,303	148,738	(21,435)	274,630
<b>II Cash flows from investing activities</b>				
1 Capital expenditure	(63,169)	(70,235)	7,066	(140,557)
2 Proceeds from sale of property, plant and equipment	1,759	3,025	(1,266)	4,782
3 Purchase of short-term investments and investment securities	(16,292)	(15,186)	(1,106)	(24,115)
4 Proceeds from sale of short-term investments and investment securities	13,727	15,402	(1,675)	28,163
5 Other, net	14,840	(9,082)	23,922	(23,872)
Net cash used in investing activities	(49,135)	(76,076)	26,941	(155,599)
<b>I + II Free cash flow</b>	78,168	72,662	5,506	119,031
<b>III Cash flows from financing activities</b>				
1 Proceeds from long-term debt	1,330	17,100	(15,770)	32,200
2 Repayment of long-term debt	(9,703)	(40,005)	30,302	(154,250)
3 Increase (decrease) in bank loans, net	(44,463)	331	(44,794)	50,496
4 Dividends paid	(12,879)	(10,731)	(2,148)	(19,317)
5 Purchase of treasury stock	(95)	(50)	(45)	(132)
6 Reissuance of treasury stock	55	99	(44)	162
7 Other, net	-	2,107	(2,107)	2,107
Net cash provided by (used in) financing activities	(65,755)	(31,149)	(34,606)	(88,734)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	1,954	1,028	926	7,829
<b>V Net increase in cash and cash equivalents</b>	14,367	42,541	(28,174)	38,126
<b>VI Cash and cash equivalents at beginning of period</b>	342,640	304,514	38,126	304,514
<b>VII Cash and cash equivalents at end of period</b>	357,007	347,055	9,952	342,640

FY '08 1<sup>st</sup> half: Apr. 1, 2007 – Sept. 30, 2007  
 FY '07 1<sup>st</sup> half: Apr. 1, 2006 – Sept. 30, 2006  
 FY '07: Apr. 1, 2006 – Mar. 31, 2007

## CONSOLIDATED SEGMENT INFORMATION

### 1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '08 1st half			FY '07 1st half			A/B (%)	FY '07		
	Sales (A)	% of total	Operating income	Sales (B)	% of total	Operating income		Sales	% of total	Operating income
Energy and Electric Systems	440,295	20.5	23,451	391,305	19.4	6,713	113	951,065	21.9	49,310
Industrial Automation Systems	491,747	23.0	66,846	466,294	23.1	65,159	105	956,930	22.1	126,227
Information and Communication Systems	282,092	13.2	551	304,937	15.1	5,292	93	688,004	15.9	20,803
Electronic Devices	95,194	4.4	6,075	91,637	4.5	7,206	104	185,911	4.3	12,141
Home Appliances	516,435	24.1	38,410	464,979	23.0	15,437	111	921,948	21.3	36,644
Others	317,139	14.8	7,036	300,817	14.9	6,478	105	630,510	14.5	15,169
Subtotal	2,142,902	100.0	142,369	2,019,969	100.0	106,285	106	4,334,368	100.0	260,294
Eliminations and Other	(253,157)	-	(13,177)	(227,987)	-	(12,679)	-	(478,623)	-	(27,292)
Consolidated Total	1,889,745	-	129,192	1,791,982	-	93,606	105	3,855,745	-	233,002

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

FY '08 1<sup>st</sup> half: Apr. 1, 2007 – Sept. 30, 2007  
FY '07 1<sup>st</sup> half: Apr. 1, 2006 – Sept. 30, 2006  
FY '07: Apr. 1, 2006 – Mar. 31, 2007

## 2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '08 1 <sup>st</sup> half		FY '07 1 <sup>st</sup> half		A/B (%)	FY '07	
	Sales (A)	Operating income	Sales (B)	Operating income		Sales	Operating income
Japan	1,594,732	93,915	1,539,185	74,369	104	3,346,100	191,274
North America	133,669	3,931	134,243	1,970	100	277,555	6,345
Asia (excluding Japan)	286,060	24,165	231,887	14,610	123	482,363	31,057
Europe	198,448	10,824	143,933	5,715	138	299,401	11,041
Others	15,216	423	13,641	476	112	30,819	1,007
Subtotal	2,228,125	133,258	2,062,889	97,140	108	4,436,238	240,724
Eliminations	(338,380)	(4,066)	(270,907)	(3,534)	-	(580,493)	(7,722)
Consolidated Total	1,889,745	129,192	1,791,982	93,606	105	3,855,745	233,002

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

FY '08 1<sup>st</sup> half: Apr. 1, 2007 – Sept. 30, 2007

FY '07 1<sup>st</sup> half: Apr. 1, 2006 – Sept. 30, 2006

FY '07: Apr. 1, 2006 – Mar. 31, 2007

## 3. Overseas Sales

(In millions of yen)

Location	FY '08 1 <sup>st</sup> half		FY '07 1 <sup>st</sup> half		A/B (%)	FY '07	
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		Sales	% of total net sales
North America	142,662	7.5	145,046	8.1	98	297,360	7.7
Asia (excluding Japan)	275,254	14.6	230,809	12.9	119	470,886	12.2
Europe	216,991	11.5	165,315	9.2	131	340,121	8.8
Others	42,290	2.2	42,665	2.4	99	91,951	2.4
Total overseas sales	677,197	35.8	583,835	32.6	116	1,200,318	31.1

FY '08 1<sup>st</sup> half: Apr. 1, 2007 – Sept. 30, 2007

FY '07 1<sup>st</sup> half: Apr. 1, 2006 – Sept. 30, 2006

FY '07: Apr. 1, 2006 – Mar. 31, 2007

### **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) 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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