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## **MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER OF FISCAL 2008**

**Tokyo, February 4, 2008** – Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura) announced today its financial results for the third quarter, ending December 31, 2007, of the current fiscal year ending March 31, 2008 (fiscal 2008).

### **Fiscal 2008, 3rd Quarter Consolidated Financial Results**

Net sales:	911.9 billion yen	(5% increase from same quarter last year)
Operating income:	63.8 billion yen	(Unchanged from same quarter last year)
Income before income taxes:	57.9 billion yen	(11% decrease from same quarter last year)
Net income:	42.3 billion yen	(Unchanged from same quarter last year)

The business environment during the third quarter of fiscal 2008 saw general strengthening undertones in the global economy with continued strength mainly in China and other strong economies, despite a globally increasing financial uncertainty due to subprime loan related issues, in addition to a stronger sense of stagnation in the U.S.A. The Japanese economy as well saw general steady development based mainly on overseas demand, despite deferred construction of buildings caused by revision of building standards law.

Under these circumstances, third quarter net sales rose 5% compared to the same period of the previous fiscal year to 911.9 billion yen due to increased revenue in the Energy and Electric Systems, Industrial Automation Systems and Home Appliances segments. Despite decreased profit in the Information and Communication Systems segment compared to the same quarter last year, operating income was 63.8 billion yen, on par with the same quarter last year due to increased profit in the Industrial Automation Systems and Home Appliances segments.

While income before income taxes decreased by 11% compared to the same quarter last year to 57.9 billion yen due to losses involving sale of subsidiaries' stocks and etc, net income was 42.3 billion yen, on par with the same quarter last year, due to both decreases in income taxes and improvement of investment profit in equity method companies.

### **Consolidated Financial Results by Business Segment**

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

Total sales:	216.2 billion yen	(6% increase from same quarter last year)
Operating income:	13.6 billion yen	(1.2 billion yen decrease from same quarter last year)

The social infrastructure systems business saw increases in sales from the same quarter last year due to expansions in the electric equipment for rolling stock business, despite a decrease in orders from the same quarter last year due to decreases in large overseas orders in the power generation business.

Building system business experienced increases in both orders and sales from the same quarter last year due to increases of elevators and escalators in large domestic metropolitan projects as well as increases in initiatives in the Middle East and India.

As a result, total sales for this segment increased by 6% from the same quarter last year, and operating income decreased by 1.2 billion yen from the same quarter last year due to fluctuant natures among sales orders, etc.

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

Total sales: 255.8 billion yen (8% increase from same quarter last year)  
Operating income: 39.8 billion yen (2.3 billion yen increase from same quarter last year)

Factory automation systems business experienced increases in both orders and sales from the same quarter last year, upheld by buoyant demands for domestic factory automation machinery and active capital investments in China and other overseas markets.

The automotive equipment business saw increases in both orders and sales from the same quarter last year due to strong development in global production of Japanese multinational automotive manufacturers.

As a result, total sales for this segment increased by 8% compared to the same quarter last year. Operating income rose by 2.3 billion yen compared to the same quarter last year due to increase in sales, etc.

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

Total sales: 129.6 billion yen (7% decrease from same quarter last year)  
Operating income (loss): (1.1 billion yen) (6.0 billion yen worse from same quarter last year)

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

The information system service business saw an increase in sales from the same period of the previous fiscal year due to expansions in the system integration business and the IT infrastructure service business, etc.

The electronic systems business saw decreases in both sales and orders from the same period last year due to a decrease in satellite-related business, etc.

As a result, total sales for this segment showed a decrease of 7% from the same period last year. Operating income was 6.0 billion yen worse from the same period last year due to decreases in sales of mobile handsets, etc.

### ***Electronic Devices***

Total sales: 47.7 billion yen (4% increase from same quarter last year)  
Operating income: 2.8 billion yen (0.1 billion yen increase from same quarter last year)

The semiconductor business saw increases in both orders and sales from the same quarter last year due to increases in orders for power modules for industrial machinery and consumer use mainly for air conditioners and red laser diodes for recordable DVD players, etc.

The liquid crystal business saw an increase in orders from the same quarter last year due to increases in industrial and consumer use products, despite a decrease in sales from the same quarter last year due to decreases in products for use in amusement facilities.

As a result, total sales for this segment increased by 4% from the same quarter of the previous fiscal year. Operating income increased by 0.1 billion yen from the same quarter of the previous fiscal year due to increased sales, etc.

### ***Home Appliances***

Total sales: 229.2 billion yen (9% increase from same quarter last year)  
Operating income: 15.1 billion yen (4.9 billion yen increase from same quarter last year)

The home appliance business saw a 9% increase in sales from the same quarter last year due to increases in air conditioners and solar power generation systems for the overseas market, etc.

Operating income increased by 4.9 billion yen from the same quarter last year due to increased sales, etc.

### ***Others***

Total sales: 160.5 billion yen (5% increase from same quarter last year)  
Operating income: 3.3 billion yen (Unchanged from same quarter last year)

Sales increased by 5% from the same quarter last year mainly in our affiliated companies involved in such activities as material procurement and engineering, etc. Operating income was unchanged from the same quarter last year.

## **Fiscal 2008, First 9 Months Consolidated Financial Results**

Net sales:	2,801.6 billion yen	(5% increase from same quarter last year)
Operating income:	193.0 billion yen	(23% increase from same quarter last year)
Income before income taxes:	187.5 billion yen	(27% increase from same quarter last year)
Net income:	133.9 billion yen	(36% increase from same quarter last year)

Consolidated net sales for the first 9 months of fiscal 2008 rose 5% compared to the same period of the previous fiscal year to 2,801.6 billion yen due to increased revenue in the Energy and Electric Systems, Industrial Automation Systems and Home Appliances segments, etc. Operating income increased 23% from the same period last year to 193.0 billion yen due to increased profit in the Energy and Electric Systems and Home Appliances segments, etc.

Income before income taxes increased 27% compared to the same period last year to 187.5 billion yen and net income increased 36% compared to the same period last year to 133.9 billion yen.

## **Financial Standing**

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

The company's total assets increased from the end of the previous fiscal year by 66.9 billion yen to 3,519.1 billion yen. While accounts receivables decreased by 114.8 billion yen due to accelerated collection of our credits, inventory increased by 179.5 billion yen due to increase in unrealized sales, etc.

The balance of outstanding debts increased by 1.5 billion yen from the end of the previous fiscal year to 642.6 billion yen, with a reduction of its ratio to total assets down to 18.3% (an improvement by 0.3 point compared to the end of the previous fiscal year). Trade payables also decreased by 30.3 billion yen, while retirement and severance benefits increased by 33.2 billion yen due to an increase in deficiency of pension funds, etc. brought on by a decline in stock price, etc.

Shareholders' equity increased by 56.9 billion yen compared to the previous fiscal year to 1,116.1 billion yen, with an improvement in ratio of shareholders' equity to total assets of 1.0 point compared to the previous fiscal year to 31.7%. Retained earnings increased by 108.1 billion yen due to a 133.9 billion yen net income and a dividend payment of 25.7 billion yen. Accumulated other comprehensive income decreased by 51.1 billion yen due to a decline in stock prices, etc.

### ***Cash Flow***

Free cash flow increased by 10.8 billion yen compared to the same quarter of the previous fiscal year to 66.1 billion yen (outflow) owing to the decrease in cash flows from operating activities. Cash flows from financing activities were 42.0 billion yen (inflow) resulting from debt procurement and dividend payment.

Cash flows from operating activities for the first 9 months of fiscal 2008 decreased by 30.3 billion yen compared to the same period of the previous fiscal year to 98.9 billion yen (inflow) due to an increase in inventories, despite an increase in net income. Cash flows from investing activities for the first 9 months of fiscal 2008 decreased by 25.0 billion yen compared to the same period of the previous fiscal year to 86.9 billion yen (outflow) due to decreases in loan receivables, etc. Consequently, free cash flow reached revenues of 11.9 billion yen. Cash flows from financing activities were 23.6 billion yen (outflow) due to dividend payment, etc.

## **Forecast for Fiscal 2008 (ending March 31, 2008)**

Net sales:	3,970 billion yen	(3% increase year-on-year)
Operating income:	233 billion yen	(Unchanged year-on-year)
Income before income taxes:	210 billion yen	(14% increase year-on-year)
Net income:	148 billion yen	(20% increase year-on-year)

A sense of financial uncertainty is getting obvious globally from the outset of the year. Under such circumstances, the forecast for fiscal 2008 might be assessed along with the ongoing planning for the following fiscal year, and therefore remains currently unchanged from that stated on October 29, 2007, 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. Please refer to the cautionary statement on the last page.*

## Consolidated Financial Results Summary

### 1. Fiscal 2008, 3rd Quarter Consolidated Financial Results

(In billions of yen except where noted)

	<b>FY '08 3rd Q (A)</b> (Oct. 1, 2007 – Dec. 31, 2007)	FY '07 3rd Q (B) (Oct. 1, 2006 – Dec. 31, 2006)	A/B (%)
Net sales	<b>911.<sup>9</sup></b>	871. <sup>5</sup>	105
Operating income	<b>63.<sup>8</sup></b>	63. <sup>5</sup>	100
Income before income taxes	<b>57.<sup>9</sup></b>	64. <sup>9</sup>	89
Net income	<b>42.<sup>3</sup></b>	42. <sup>1</sup>	100
Basic net income per share	<b>19.<sup>72</sup> yen</b>	19. <sup>64</sup> yen	100

### 2. Fiscal 2008, First 9 Months Consolidated Financial Results

(In billions of yen except where noted)

	<b>FY '08 9 months (A)</b> (Apr. 1, 2007 – Dec. 31, 2007)	FY '07 9 months (B) (Apr. 1, 2006 – Dec. 31, 2006)	A/B (%)
Net sales	<b>2,801.<sup>6</sup></b>	2,663. <sup>5</sup>	105
Operating income	<b>193.<sup>0</sup></b>	157. <sup>1</sup>	123
Income before income taxes	<b>187.<sup>5</sup></b>	147. <sup>4</sup>	127
Net income	<b>133.<sup>9</sup></b>	98. <sup>6</sup>	136
Basic net income per share	<b>62.<sup>39</sup> yen</b>	45. <sup>96</sup> yen	136

- Note:**
- 1) Consolidated financial charts made according to U.S. GAAP.
  - 2) Company has 149 consolidated subsidiaries.
  - 3) This report is unaudited.

## CONSOLIDATED PROFIT AND LOSS STATEMENT

### 1. Fiscal 2008, 3rd Quarter

(In millions of yen)

	FY '08 3rd Q (Oct. 1, 2007 – Dec. 31, 2007)		FY '07 3rd Q (Oct. 1, 2006 – Dec. 31, 2006)		A - B	A/B (%)
	(A)	% of total	(B)	% of total		
Net sales	911,913	100.0	871,533	100.0	40,380	105
Cost of sales	654,182	71.7	624,617	71.7	29,565	105
Selling, general and administrative expenses	193,897	21.3	183,340	21.0	10,557	106
Operating income	63,834	7.0	63,576	7.3	258	100
Other income	6,690	0.7	7,667	0.9	(977)	87
Interest and dividends	4,191	0.4	2,883	0.3	1,308	145
Other	2,499	0.3	4,784	0.6	(2,285)	52
Other expenses	12,621	1.4	6,313	0.7	6,308	200
Interest	2,961	0.3	2,180	0.2	781	136
Other	9,660	1.1	4,133	0.5	5,527	234
Income before income taxes	57,903	6.3	64,930	7.5	(7,027)	89
Income taxes	19,548	2.1	26,058	3.0	(6,510)	75
Equity in earnings of affiliated companies	3,984	0.4	3,291	0.3	693	121
Net income	42,339	4.6	42,163	4.8	176	100

### 2. Fiscal 2008, First 9 Months

(In millions of yen)

	FY '08 9 months (Apr. 1, 2007 – Dec. 31, 2007)		FY '07 9 months (Apr. 1, 2006 – Dec. 31, 2006)		A - B	A/B (%)
	(A)	% of total	(B)	% of total		
Net sales	2,801,658	100.0	2,663,515	100.0	138,143	105
Cost of sales	2,014,787	71.9	1,936,459	72.7	78,328	104
Selling, general and administrative expenses	593,845	21.2	569,874	21.4	23,971	104
Operating income	193,026	6.9	157,182	5.9	35,844	123
Other income	20,678	0.7	24,228	0.9	(3,550)	85
Interest and dividends	11,904	0.4	9,208	0.3	2,696	129
Other	8,774	0.3	15,020	0.6	(6,246)	58
Other expenses	26,117	0.9	34,006	1.3	(7,889)	77
Interest	7,383	0.2	7,256	0.3	127	102
Other	18,734	0.7	26,750	1.0	(8,016)	70
Income before income taxes	187,587	6.7	147,404	5.5	40,183	127
Income taxes	64,988	2.3	59,708	2.2	5,280	109
Equity in earnings of affiliated companies	11,326	0.4	10,959	0.4	367	103
Net income	133,925	4.8	98,655	3.7	35,270	136

## CONSOLIDATED BALANCE SHEET

(In millions of yen)

	FY '08 3rd Q (A) (ending Dec. 31, 2007)	FY '07 3rd Q (B) (ending Dec. 31, 2006)	A – B	FY '07 (C) (ending Mar. 31, 2007)	A – C
<b>(Assets)</b>					
Current assets	<b>2,089,579</b>	1,942,432	147,147	2,050,500	39,079
Cash and cash equivalents	<b>331,469</b>	269,310	62,159	342,640	(11,171)
Short-term investments	<b>5,704</b>	5,601	103	16,258	(10,554)
Trade receivables	<b>777,450</b>	732,759	44,691	891,271	(113,821)
Inventories	<b>699,773</b>	651,992	47,781	520,238	179,535
Prepaid expenses and other current assets	<b>275,183</b>	282,770	(7,587)	280,093	(4,910)
Long-term trade receivables	<b>2,657</b>	3,753	(1,096)	3,711	(1,054)
Investments	<b>575,682</b>	570,639	5,043	571,458	4,224
Net property, plant and equipment	<b>609,458</b>	602,700	6,758	605,285	4,173
Other assets	<b>241,764</b>	245,709	(3,945)	221,277	20,487
<b>Total assets</b>	<b>3,519,140</b>	3,365,233	153,907	3,452,231	66,909
<b>(Liabilities and shareholders' equity)</b>					
Current liabilities	<b>1,524,555</b>	1,429,838	94,717	1,529,838	(5,283)
Bank loans and current portion of long-term debt	<b>272,259</b>	240,972	31,287	253,141	19,118
Trade payables	<b>709,229</b>	675,373	33,856	739,585	(30,356)
Other current liabilities	<b>543,067</b>	513,493	29,574	537,112	5,955
Long-term debt	<b>370,352</b>	425,894	(55,542)	387,941	(17,589)
Retirement and severance benefits	<b>393,959</b>	425,930	(31,971)	360,713	33,246
Other fixed liabilities	<b>52,371</b>	12,856	39,515	54,169	(1,798)
Minority interests	<b>61,724</b>	59,758	1,966	60,361	1,363
Shareholders' equity	<b>1,116,179</b>	1,010,957	105,222	1,059,209	56,970
Common stock	<b>175,820</b>	175,820	–	175,820	–
Capital surplus	<b>210,888</b>	210,924	(36)	210,910	(22)
Retained earnings	<b>740,170</b>	607,578	132,592	632,003	108,167
Accumulated other comprehensive income (loss)	<b>(10,193)</b>	17,116	(27,309)	40,932	(51,125)
Treasury stock at cost	<b>(506)</b>	(481)	(25)	(456)	(50)
<b>Total liabilities and shareholders' equity</b>	<b>3,519,140</b>	3,365,233	153,907	3,452,231	66,909
Balance of Debts	<b>642,611</b>	666,866	(24,255)	641,082	1,529
Accumulated other comprehensive income (loss):					
Foreign currency translation adjustments	<b>33,884</b>	23,810	10,074	32,088	1,796
Pension liability adjustments	<b>(90,356)</b>	–	(90,356)	(59,723)	(30,633)
Minimum pension liability adjustments	–	(72,562)	72,562	–	–
Unrealized gains (losses) on securities	<b>46,348</b>	65,852	(19,504)	68,578	(22,230)
Unrealized gains (losses) on derivative instruments	<b>(69)</b>	16	(85)	(11)	(58)

## CONSOLIDATED CASH FLOW STATEMENT

### 1. Fiscal 2008, 3rd Quarter

(In millions of yen)

	FY '08 3rd Q (A) (Oct. 1, 2007 -Dec. 31, 2007)	FY '07 3rd Q (B) (Oct. 1, 2006 -Dec. 31, 2006)	A – B
<b>I Cash flows from operating activities</b>			
1 Net income	42,339	42,163	176
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	33,979	32,965	1,014
(2) Decrease in trade receivables	6,785	13,986	(7,201)
(3) Decrease (increase) in inventories	(106,042)	(101,732)	(4,310)
(4) Increase in trade payables	21,952	19,796	2,156
(5) Other, net	(27,373)	(26,588)	(785)
Net cash provided by (used in) operating activities	(28,360)	(19,410)	(8,950)
<b>II Cash flows from investing activities</b>			
1 Capital expenditure	(31,326)	(25,061)	(6,265)
2 Proceeds from sale of property, plant and equipment	619	1,012	(393)
3 Purchase of short-term investments and investment securities	(12,700)	(3,568)	(9,132)
4 Proceeds from sale of short-term investments and investment securities	7,872	7,648	224
5 Other, net	(2,278)	(15,976)	13,698
Net cash used in investing activities	(37,813)	(35,945)	(1,868)
<b>I+ II Free cash flow</b>	(66,173)	(55,355)	(10,818)
<b>III Cash flows from financing activities</b>			
1 Proceeds from long-term debt	60,358	15,100	45,258
2 Repayment of long-term debt	(56,365)	(105,534)	49,169
3 Increase in bank loans, net	50,985	71,253	(20,268)
4 Dividends paid	(12,879)	(8,586)	(4,293)
5 Purchase of treasury stock	(38)	(45)	7
6 Reissuance of treasury stock	6	15	(9)
Net cash provided by (used in) financing activities	42,067	(27,797)	69,864
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	(1,432)	5,407	(6,839)
<b>V Net increase (decrease) in cash and cash equivalents</b>	(25,538)	(77,745)	52,207
<b>VI Cash and cash equivalents at beginning of period</b>	357,007	347,055	9,952
<b>VII Cash and cash equivalents at the end of period</b>	331,469	269,310	62,159

## 2. Fiscal 2008, First 9 Months

(In millions of yen)

	<b>FY '08</b> <b>9 months (A)</b> <b>(Apr. 1, 2007 -</b> <b>Dec. 31, 2007)</b>	FY '07 9 months (B) (Apr. 1, 2006 - Dec. 31, 2006)	A - B
<b>I Cash flows from operating activities</b>			
1 Net income	<b>133,925</b>	98,655	35,270
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	<b>93,138</b>	100,878	(7,740)
(2) Decrease in trade receivables	<b>117,757</b>	119,962	(2,205)
(3) Decrease (increase) in inventories	<b>(176,452)</b>	(150,648)	(25,804)
(4) Increase (decrease) in trade payables	<b>(31,159)</b>	(43,024)	11,865
(5) Other, net	<b>(38,266)</b>	3,505	(41,771)
Net cash provided by operating activities	<b>98,943</b>	129,328	(30,385)
<b>II Cash flows from investing activities</b>			
1 Capital expenditure	<b>(94,495)</b>	(95,296)	801
2 Proceeds from sale of property, plant and equipment	<b>2,378</b>	4,037	(1,659)
3 Purchase of short-term investments and investment securities	<b>(28,992)</b>	(18,754)	(10,238)
4 Proceeds from sale of short-term investments and investment securities	<b>21,599</b>	23,050	(1,451)
5 Other, net	<b>12,562</b>	(25,058)	37,620
Net cash used in investing activities	<b>(86,948)</b>	(112,021)	25,073
<b>I+ II Free cash flow</b>	<b>11,995</b>	17,307	(5,312)
<b>III Cash flows from financing activities</b>			
1 Proceeds from long-term debt	<b>61,688</b>	32,200	29,488
2 Repayment of long-term debt	<b>(66,068)</b>	(145,539)	79,471
3 Increase in bank loans, net	<b>6,522</b>	71,584	(65,062)
4 Dividends paid	<b>(25,758)</b>	(19,317)	(6,441)
5 Purchase of treasury stock	<b>(133)</b>	(95)	(38)
6 Reissuance of treasury stock	<b>61</b>	114	(53)
7 Other, net	-	2,107	(2,107)
Net cash provided by (used in) financing activities	<b>(23,688)</b>	(58,946)	35,258
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	<b>522</b>	6,435	(5,913)
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>(11,171)</b>	(35,204)	24,033
<b>VI Cash and cash equivalents at beginning of period</b>	<b>342,640</b>	304,514	38,126
<b>VII Cash and cash equivalents at the end of period</b>	<b>331,469</b>	269,310	62,159



## CONSOLIDATED SEGMENT INFORMATION

### 1. Fiscal 2008, 3rd Quarter

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

(In millions of yen)

<i>Business Segment</i>	FY '08 3rd Q (Oct. 1, 2007 - Dec. 31, 2007)			FY '07 3rd Q (Oct. 1, 2006 - Dec. 31, 2006)			A/B (%)
	Sales		Operating income (loss)	Sales		Operating income	
	(A)	% of total		(B)	% of total		
Energy and Electric Systems	216,255	20.8	13,611	203,265	20.6	14,817	106
Industrial Automation Systems	255,897	24.6	39,803	236,632	23.9	37,423	108
Information and Communication Systems	129,651	12.5	(1,126)	139,370	14.1	4,912	93
Electronic Devices	47,782	4.6	2,874	46,134	4.7	2,764	104
Home Appliances	229,202	22.1	15,138	210,941	21.3	10,145	109
Others	160,554	15.4	3,371	152,412	15.4	3,283	105
Subtotal	1,039,341	100.0	73,671	988,754	100.0	73,344	105
Eliminations and Other	(127,428)	-	(9,837)	(117,221)	-	(9,768)	-
Consolidated Total	911,913	-	63,834	871,533	-	63,576	105

\*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 3rd Q (Oct. 1, 2007 - Dec. 31, 2007)		FY '07 3rd Q (Oct. 1, 2006 - Dec. 31, 2006)		A/B (%)
	Sales (A)	Operating income	Sales (B)	Operating income	
Japan	776,724	45,801	750,613	51,740	103
North America	73,288	2,851	70,772	2,355	104
Asia (excluding Japan)	133,612	12,239	114,456	8,357	117
Europe	88,323	3,098	71,096	3,379	124
Others	8,746	632	9,455	559	93
Subtotal	1,080,693	64,621	1,016,392	66,390	106
Eliminations	(168,780)	(787)	(144,859)	(2,814)	-
Consolidated Total	911,913	63,834	871,533	63,576	105

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

#### 3) Overseas Sales

(In millions of yen)

<i>Location</i>	FY '08 3rd Q (Oct. 1, 2007 - Dec. 31, 2007)		FY '07 3rd Q (Oct. 1, 2006 - Dec. 31, 2006)		A/B (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales	
North America	78,338	8.6	74,271	8.5	105
Asia (excluding Japan)	121,174	13.3	110,784	12.7	109
Europe	101,126	11.1	83,708	9.6	121
Others	20,898	2.3	19,689	2.3	106
Total overseas sales	321,536	35.3	288,452	33.1	111

## 2. Fiscal 2008, First 9 Months

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

(In millions of yen)

Business Segment	FY '08 9 months (Apr. 1, 2007 - Dec. 31, 2007)			FY '07 9 months (Apr. 1, 2006 - Dec. 31, 2006)			A/B (%)
	Sales		Operating income (loss)	Sales		Operating income	
	(A)	% of total		(B)	% of total		
Energy and Electric Systems	656,550	20.6	37,062	594,570	19.7	21,530	110
Industrial Automation Systems	747,644	23.5	106,649	702,926	23.3	102,582	106
Information and Communication Systems	411,743	13.0	(575)	444,307	14.8	10,204	93
Electronic Devices	142,976	4.5	8,949	137,771	4.6	9,970	104
Home Appliances	745,637	23.4	53,548	675,920	22.5	25,582	110
Others	477,693	15.0	10,407	453,229	15.1	9,761	105
Subtotal	3,182,243	100.0	216,040	3,008,723	100.0	179,629	106
Eliminations and Other	(380,585)	-	(23,014)	(345,208)	-	(22,447)	-
Consolidated Total	2,801,658	-	193,026	2,663,515	-	157,182	105

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

### 2) Sales and Operating Income by Location

(In millions of yen)

Location	FY '08 9 months (Apr. 1, 2007 - Dec. 31, 2007)		FY '07 9 months (Apr. 1, 2006 - Dec. 31, 2006)		A/B (%)
	Sales (A)	Operating income	Sales (B)	Operating income	
Japan	2,371,456	139,716	2,289,798	126,109	104
North America	206,957	6,782	205,015	4,325	101
Asia (excluding Japan)	419,672	36,404	346,343	22,967	121
Europe	286,771	13,922	215,029	9,094	133
Others	23,962	1,055	23,096	1,035	104
Subtotal	3,308,818	197,879	3,079,281	163,530	107
Eliminations	(507,160)	(4,853)	(415,766)	(6,348)	-
Consolidated Total	2,801,658	193,026	2,663,515	157,182	105

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

### 3) Overseas Sales

(In millions of yen)

Location	FY '08 9 months (Apr. 1, 2007 - Dec. 31, 2007)		FY '07 9 months (Apr. 1, 2006 - Dec. 31, 2006)		A/B (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales	
North America	221,000	7.9	219,317	8.2	101
Asia (excluding Japan)	396,428	14.0	341,593	12.8	116
Europe	318,117	11.4	249,023	9.4	128
Others	63,188	2.3	62,354	2.3	101
Total overseas sales	998,733	35.6	872,287	32.7	114

### **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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