

Financial Section

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Mitsubishi Electric Corporation and Subsidiaries

Yen (millions)

Years ended March 31	U.S. GAAP		IFRS			
	2017	2018	2018	2019	2020	2021
Revenue	¥ 4,238,666	¥ 4,431,198	¥ 4,444,424	¥ 4,519,921	¥ 4,462,509	¥ 4,191,433
Operating profit	270,104	318,637	327,444	290,477	259,661	230,195
Profit before income taxes	296,249	364,578	353,206	315,958	281,986	258,754
Net profit attributable to Mitsubishi Electric Corp. stockholders	210,493	271,880	255,755	226,648	221,834	193,132
Total assets	4,172,270	4,264,559	4,305,580	4,356,211	4,409,771	4,797,921
Cash and cash equivalents	662,469	599,199	599,199	514,224	537,559	767,406
Bonds and borrowings	352,124	311,485	311,950	298,438	267,008	248,897
Mitsubishi Electric Corp. stockholders' equity	2,039,627	2,259,355	2,294,174	2,399,946	2,429,743	2,754,293
Cash flows from operating activities	365,950	240,450	265,768	239,817	395,834	542,119
Cash flows from investing activities	(148,632)	(178,219)	(182,015)	(210,668)	(203,997)	(176,552)
Free cash flows	217,318	62,231	83,753	29,149	191,837	365,567
Cash flows from financing activities	(123,495)	(128,291)	(149,813)	(112,067)	(156,454)	(157,352)
Dividends paid	57,963	68,696	68,696	85,871	85,871	77,283
R&D expenditures	201,330	210,308	210,308	212,794	206,846	190,574
Capital expenditures (Based on the recognized value of property, plant and equipment)	175,542	181,513	181,513	198,442	227,450	180,033
Depreciation	¥ 141,584	¥ 154,559	¥ 153,161	¥ 152,315	¥ 184,842	¥ 186,983
Per Share Amounts:						
Earnings per share attributable to Mitsubishi Electric Corp. stockholders (Yen)						
Basic	¥ 98.07	¥ 126.70	¥ 119.19	¥ 105.65	¥ 103.41	¥ 90.03
Diluted	—	—	119.19	105.65	103.41	90.03
Cash dividends declared (Yen)	27	40	40	40	40	36
Mitsubishi Electric Corp. stockholders' equity (Yen)	¥ 950.37	¥ 1,052.96	¥ 1,069.19	¥ 1,118.83	¥ 1,132.69	¥ 1,283.88
Financial Ratios:						
Operating profit ratio (%)	6.4	7.2	7.4	6.4	5.8	5.5
Return on revenue (%)	5.0	6.1	5.8	5.0	5.0	4.6
Return on equity (ROE) (%)	10.9	12.6	11.7	9.7	9.2	7.5
Return on assets (ROA) (%)	5.1	6.4	6.0	5.2	5.1	4.2
Mitsubishi Electric Corp. stockholders' equity ratio (%)	48.9	53.0	53.3	55.1	55.1	57.4
Bonds and borrowings to total assets (%)	8.4	7.3	7.2	6.9	6.1	5.2
Employees (persons)	138,700	142,340	142,340	145,817	146,518	145,653
Total Shareholder Return (%)	137.7	149.9	149.9	129.7	125.6	158.5
(Comparison Index : Nikkei stock average) (%)	112.8	128.0	128.0	126.5	112.9	174.1

- The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) from the year ended March 31, 2019 and also for the fiscal year ended March 31, 2018 as comparative information.
- The balance of bonds and borrowings and the ratio of bonds and borrowings to total assets include lease liabilities until the fiscal year ended March 31, 2019.
- R&D expenditures include elements spent on quality improvements which constitute manufacturing costs.
- Diluted earnings per share attributable to Mitsubishi Electric Corp. stockholders is equal to Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders under IFRS, as no dilutive securities existed.
- Total shareholder return is calculated based on the stock price as of March 31, 2016.

Overview of Business Performance

The economy in the fiscal year ended March 31, 2021 continued to see recovery in China mainly owing to an increase in capital expenditures for fixed assets, particularly in public investment, as an effect of political measures. Japan, the U.S. and Europe experienced a significant economic slowdown due to the serious impact of the novel coronavirus diseases (COVID-19) in the three months ended June 30, 2021, but saw recovery in the corporate sector in general, while the paces of recovery in the household sector varied depending on the situation of the expansion of COVID-19.

Under these circumstances, the Mitsubishi Electric Group has been working even harder than before to promote growth strategies rooted in its advantages, while continuously implementing initiatives to strengthen its competitiveness and business structure.

As a result, the business performance for the fiscal year ended March 31, 2021 is as follows.

<Consolidated Performance>	Yen(billions)		
	2020	2021	year on year
Revenue	4,462.5	4,191.4	down 271.0
Operating profit	259.6	230.1	down 29.4
Profit before income taxes	281.9	258.7	down 23.2
Net profit attributable to Mitsubishi Electric Corp. stockholders	221.8	193.1	down 28.7

Revenue

Revenue increased for the second half of fiscal 2021 but decreased in the annual results by 271.0 billion yen from the previous fiscal year to 4,191.4 billion yen as revenue decreased in all segments due to the serious impact of COVID-19 primarily in the first half. Industrial Automation Systems segment saw a decrease in the automotive equipment business due to decreased demand for new cars in all regions except for China. The factory automation systems business remained substantially unchanged from the previous fiscal year due to an increase in demand relating to 5G and semiconductor despite stagnation in automotive-related demand worldwide and machinery- and building-related demand in Japan. Home Appliances segment saw a decrease in a part of air conditioners due to limited economic activities outside Japan and restrained capital expenditures worldwide. Meanwhile, there was some demand for residential air conditioners during stay-at-home period.

<Impact of Exchange Rate Fluctuations on Revenue>

	2020	2021	Impact of exchange rate fluctuations on revenue
	Average exchange rate	Average exchange rate	
Consolidated total	—	—	About ¥13.0 billion decrease
US\$	¥109	¥106	About ¥13.0 billion decrease
EURO	¥121	¥124	About ¥8.0 billion increase
CNY	¥15.6	¥15.7	About ¥1.0 billion increase

Operating Profit

Operating profit increased for the second half but decreased in the annual results by 29.4 billion yen from the previous fiscal year to 230.1 billion yen as operating profit decreased in all segments except for Energy and Electric Systems segment. Operating profit ratio decreased by 0.3% from the previous fiscal year to 5.5% due primarily to decreased revenue.

The cost ratio increased by 0.3% from the previous fiscal year due primarily to lowered operation caused by decreased revenue of Industrial Automation Systems segment despite an improvement in Energy and Electric Systems segment due to a shift in project portfolios. Selling, general and administrative expenses decreased by 63.4 billion yen from the previous fiscal year due mainly to reduced cost, while selling, general and administrative expenses to revenue ratio remained substantially unchanged from the previous fiscal year. Other profit (loss) decreased by 4.9 billion yen from the previous fiscal year due primarily to increased loss on impairment of fixed assets, while other profit (loss) to revenue ratio remained substantially unchanged from the previous fiscal year.

Profit Before Income Taxes

Profit before income taxes decreased by 23.2 billion yen from the previous fiscal year to 258.7 billion yen due mainly to a decrease in operating profit despite an improvement in non-operating expenses owing to improved gain/loss on foreign exchange. Profit before income taxes to revenue ratio was 6.2%.

Net Profit Attributable to Mitsubishi Electric Corp. Stockholders

Net profit attributable to Mitsubishi Electric Corporation stockholders decreased by 28.7 billion yen from the previous fiscal year to 193.1 billion yen due primarily to decreased profit before income taxes and the impact of reduced income taxes as a result of the reorganization of its affiliated company outside Japan in the previous fiscal year. Net profit attributable to Mitsubishi Electric Corporation stockholders to revenue ratio was 4.6%.

ROE decreased by 1.7% from the previous fiscal year to 7.5%.

Results by Business Segment

Revenue by Business Segment

Years ended March 31	U.S. GAAP		IFRS				Yen (millions)
	2017	2018	2018	2019	2020	2021	
Energy and Electric Systems	¥ 1,227,906	¥ 1,241,952	¥ 1,253,062	¥ 1,296,745	¥ 1,307,389	¥ 1,270,287	
Industrial Automation Systems	1,310,136	1,444,928	1,444,928	1,467,633	1,349,429	1,248,566	
Information and Communication Systems	447,754	436,068	438,184	426,269	455,596	380,159	
Electronic Devices	186,554	202,294	202,294	199,908	208,750	205,260	
Home Appliances	1,004,415	1,049,369	1,049,369	1,074,044	1,090,248	1,038,310	
Others	713,603	764,346	659,059	676,736	659,636	603,089	
Subtotal	4,890,368	5,138,957	5,046,896	5,141,335	5,071,048	4,745,671	
Eliminations	(651,702)	(707,759)	(602,472)	(621,414)	(608,539)	(554,238)	
Consolidated total	¥ 4,238,666	¥ 4,431,198	¥ 4,444,424	¥ 4,519,921	¥ 4,462,509	¥ 4,191,433	

Operating Profit by Business Segment

Years ended March 31	U.S. GAAP		IFRS				Yen (millions)
	2017	2018	2018	2019	2020	2021	
Energy and Electric Systems	¥ 44,319	¥ 51,710	¥ 65,457	¥ 82,501	¥ 82,309	¥ 108,944	
Industrial Automation Systems	140,073	190,826	187,350	142,563	68,962	40,582	
Information and Communication Systems	12,700	11,987	11,340	12,247	26,457	16,437	
Electronic Devices	8,382	14,554	14,164	1,442	8,701	6,292	
Home Appliances	69,696	56,057	55,496	59,451	78,206	75,760	
Others	23,214	23,900	24,034	24,172	26,050	13,628	
Subtotal	298,384	349,034	357,841	322,376	290,685	261,643	
Eliminations and Corporate	(28,280)	(30,397)	(30,397)	(31,899)	(31,024)	(31,448)	
Consolidated total	¥ 270,104	¥ 318,637	¥ 327,444	¥ 290,477	¥ 259,661	¥ 230,195	

Energy and Electric Systems

The market of the social infrastructure systems business saw a decrease in demand relating to power generation worldwide and the reconsideration of the capital expenditure plans by railway companies in Japan due to the impact of COVID-19, while investment in public utilities for preventing and reducing disaster risks and demand relating to the electricity systems reform remained buoyant in Japan. In this environment, the business saw a decrease in orders from the previous fiscal year due primarily to decreases in the transportation systems and the power systems businesses in Japan, while revenue increased from the previous fiscal year due mainly to progress in orders already received for projects in the power systems business and an increase in the public utility systems business in Japan.

The market of the building systems business saw decreased demand in new installations and renewals of elevators and escalators worldwide due to delay in construction and the reconsideration of the capital expenditure plans that happened in stagnation caused by the impact of COVID-19. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year due primarily to decreases in Asia and Japan.

As a result, revenue for this segment decreased by 3% from the previous fiscal year to 1,270.2 billion yen.

Operating profit increased by 26.6 billion yen from the previous fiscal year to 108.9 billion yen due mainly to a shift in project portfolios and cost improvement.

Industrial Automation Systems

The market of the factory automation systems business saw an increase in demand relating to 5G and semiconductor outside Japan and demand relating to increased mask production in China, while there was continuing stagnation in automotive-related demand worldwide and machinery- and building-related demand in Japan. In this environment, the business saw an increase in orders due primarily to an increase in demand relating to semiconductor and lithium-ion battery, while revenue remained substantially unchanged from the previous fiscal year.

The market of the automotive equipment business saw a decrease in demand for new cars in all regions except for China due to the impact of COVID-19 primarily in the first half. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year due mainly to a decrease in electrical components despite an increase in electric vehicle-related equipment such as motors and inverters.

As a result, revenue for this segment decreased by 7% from the previous fiscal year to 1,248.5 billion yen.

Operating profit decreased by 28.3 billion yen from the previous fiscal year to 40.5 billion yen due mainly to decreased revenue.

Information and Communication Systems

The market of the information systems and service business saw delays and cancellations of system development projects, particularly in the manufacturing industry, due to the impact of COVID-19. In this environment, the business saw decreases in both orders and revenue from the previous fiscal year due mainly to a decrease in the system integrations business.

The electronic systems business saw decreases in both orders and revenue from the previous fiscal year due primarily to a decrease in large-scale projects for the defense systems business.

As a result, revenue for this segment decreased by 17% from the previous fiscal year to 380.1 billion yen.

Operating profit decreased by 10.0 billion yen from the previous fiscal year to 16.4 billion yen due mainly to decreased revenue.

Electronic Devices

The market of the electronic devices business saw a slowdown in demand for power modules used in railcar and industrial applications, while demand for high frequency and optical devices relating to next-generation data centers remained buoyant. In this environment, the business saw an increase in orders from the previous fiscal year due primarily to an increase in power modules used in automotive applications, while revenue decreased by 2% from the previous fiscal year to 205.2 billion yen due mainly to decreases in TFT-LCD modules and power modules used in industrial and railcar applications despite an increase in high frequency and optical devices, particularly in optical communication devices.

Operating profit decreased by 2.4 billion yen from the previous fiscal year to 6.2 billion yen due mainly to decreased revenue.

Home Appliances

The market of the home appliances business saw a decrease in demand for a part of air conditioners globally due primarily to the impact of COVID-19 causing lockdowns and considerable limitation of economic activities outside Japan, particularly in the first half, and restrained capital expenditure worldwide. Meanwhile, there was demand for residential air conditioners due to increased time at home. In this environment, the business saw a decrease in revenue by 5% from the previous fiscal year to 1,038.3 billion yen due primarily to a decrease in a part of air conditioners.

Operating profit decreased by 2.4 billion yen from the previous fiscal year to 75.7 billion yen due mainly to decreased revenue.

Others

Revenue decreased by 9% from the previous fiscal year to 603.0 billion yen due primarily to decreases in services and engineering at affiliated companies.

Operating profit decreased by 12.4 billion yen from the previous fiscal year to 13.6 billion yen due mainly to decreased revenue.

Results by Geographic Segment

Revenue from Customers by Geographic Segment

Years ended March 31	U.S. GAAP		IFRS				Yen (millions)
	2017	2018	2018	2019	2020	2021	
Japan	¥ 2,405,552	¥ 2,423,626	¥ 2,438,942	¥ 2,556,644	¥ 2,610,322	¥ 2,430,839	
North America	422,259	417,423	419,121	429,451	432,096	379,253	
Asia (excluding Japan)	940,150	1,075,683	1,089,176	1,013,883	919,973	926,540	
Europe	384,075	431,316	431,316	453,748	437,214	391,618	
Others	86,630	83,150	65,869	66,195	62,904	63,183	
Consolidated total	¥ 4,238,666	¥ 4,431,198	¥ 4,444,424	¥ 4,519,921	¥ 4,462,509	¥ 4,191,433	

Japan

Revenue decreased by 7% year on year to 2,430.8 billion yen primarily due to decreases in all businesses except the social infrastructure systems business.

North America

Revenue decreased by 12% year on year to 379.2 billion yen primarily due to a decrease in the automotive equipment business.

Asia (excluding Japan)

Revenue increased by 1% year on year to 926.5 billion yen primarily due to an increase in the factory automation systems, despite decreases in the building systems and air conditioner businesses.

In China, revenue increased by 15% year on year to 481.8 billion yen primarily due to increases in the factory automation systems and automotive equipment businesses.

Europe

Revenue decreased by 10% year on year to 391.6 billion yen due to decrease in the automotive equipment businesses.

Others

Revenue in other regions, including Oceania, remained substantially unchanged from the previous fiscal year to 63.1 billion yen.

Analysis of Financial Position

Total assets as of the end of this fiscal year increased from the end of the previous fiscal year by 388.1 billion yen to 4,797.9 billion yen. The change in balance of total assets was mainly attributable to increases in cash and cash equivalents by 229.8 billion yen, other non-current assets by 124.9 billion yen and other financial assets by 86.1 billion yen. Working capital saw a decrease in the sum of trade receivables and contract assets by 63.0 billion yen, while inventories increased by 49.8 billion yen.

Cash and cash equivalents increased due to reduced use of materials and cost which exceeds a decrease in trade receivables reflecting decreased revenue for fiscal 2021. Other non-current assets increased due primarily to an increase in net defined benefit assets mainly reflecting a rise in stock prices. Other financial assets increased due primarily to an increase in investment securities mainly reflecting a rise in stock prices.

Total liabilities increased from the end of the previous fiscal year by 56.3 billion yen to 1,927.3 billion yen due primarily to increases in accrued expenses by 37.3 billion yen and contract liabilities by 26.8 billion yen, while balances of bonds, borrowings and lease liabilities decreased by 11.5 billion yen. Bonds and borrowings decreased by 18.1 billion yen from the end of the previous fiscal year to 248.8 billion yen, with the ratio of bonds and borrowings to total assets recording 5.2%, representing a 0.9 point decrease compared to the end of the previous fiscal year.

Mitsubishi Electric Corporation stockholders' equity increased by 324.5 billion yen compared to the end of the previous fiscal year to 2,754.2 billion yen. The stockholders' equity ratio was recorded at 57.4%, representing a 2.3 point increase compared to the end of the previous fiscal year. These changes mainly result from increases from recording a net profit attributable to Mitsubishi Electric Corporation stockholders of 193.1 billion yen and accumulated other comprehensive income by 129.6 billion yen mainly reflecting a rise in stock prices and the yen depreciating against other currencies, despite a decrease due to dividend payment of 77.2 billion yen.

<Indices related to the Statement of Financial Position>

	As of Mar. 31, 2020	As of Mar. 31, 2021	YoY changes
Trade receivables turnover (times)	3.59	3.55	(0.04)
Inventory turnover (times)	6.43	5.64	(0.79)
Bonds and borrowings to total assets (%)	6.1	5.2	(0.9)
Mitsubishi Electric Corp. stockholders' equity ratio (%)	55.1	57.4	2.3

Note: 1. Trade receivables turnover is calculated based on the sum of trade receivables and contract assets.

2. Bonds and borrowings to total assets is calculated based on the balance of borrowings and bonds, excluding lease liabilities.

Capital Resources and Funding Liquidity

Basic Policies Regarding Financial Strategies

In order to maintain a solid balance sheet, the Mitsubishi Electric Group continuously strives to improve its cash flow by enhancing its business performance, achieve greater asset efficiency through inventory reduction initiatives and promotion of the collection of trade receivables, and improve fund efficiency through more effective use of Group funds.

In addition, the Group will further increase capital efficiency under its capital allocation policy stated in the new Medium-Term Management Plan towards fiscal 2026, by implementing its capital measures, including the enhancement of shareholder returns through profit growth while giving the top priority to investment in growth.

In order to secure funds needed to implement its growth strategies, including those for capital investment, research and development, and M&As, the Group will flexibly raise funds from financial institutions as necessary while using cash on hand generated from cash flows from operating activities with a focus on Key Growth Businesses.

Status of Cash Flows

Cash flows from operating activities for fiscal 2021 was 542.1 billion yen (cash in), while cash flows from investing activities was 176.5 billion yen (cash out). As a result, free cash flow was 365.5 billion yen (cash in). Cash flows from financing activities was 157.3 billion yen (cash out), and cash and cash equivalents at end of period increased from the end of the previous fiscal year by 229.8 billion yen to 767.4 billion yen.

Net cash provided by operating activities increased by 146.2 billion yen from the previous fiscal year due primarily to reduced use of materials and cost throughout fiscal 2021 and increased trade payables to deal with increased orders in the fourth quarter, despite decreased profit.

Net cash used in investing activities decreased by 27.4 billion yen from the previous fiscal year due mainly to a decrease in purchase of property, plant and equipment.

Net cash used in financing activities increased by 0.8 billion yen from the previous fiscal year.

Status of Funding and Liquidity

The main component within the need for working funds is operating expenses such as costs for purchasing necessary materials for production, manufacturing costs and selling, general and administrative expenses. The need for funds for investment is due to components such as capital expenditure and M&As.

Short-term working funds are derived from cash on hand and short-term borrowings from financial institutions. Capital expenditure and long-term working funds are derived from long-term borrowings from financial institutions and issuance of corporate bonds while utilizing cash on hand.

The balance of cash and cash equivalents is 767.4 billion yen and the balance of bonds, borrowings and lease liabilities totaled 365.4 billion yen as of the end of fiscal 2021. Of these, short-term borrowings totaled 72.0 billion yen, bonds and long-term borrowings totaled 176.8 billion yen, and lease liabilities totaled 116.5 billion yen.

Steadily executing the strategies above, the Group will work to further enhance its corporate value.

Research and Development Expenditures

Years ended March 31	U.S. GAAP		IFRS			
	2017	2018	2018	2019	2020	2021
	Yen (billions)					
Energy and Electric Systems	¥ 35.5	¥ 35.4	¥ 35.4	¥ 34.7	¥ 35.1	¥ 34.7
Industrial Automation Systems	66.4	69.5	69.5	70.8	67.4	60.4
Information and Communication Systems	18.2	17.9	17.9	15.3	13.4	8.8
Electronic Devices	10.0	13.4	13.4	14.1	12.5	10.4
Home Appliances	41.1	41.8	41.8	43.8	44.9	42.3
Others	29.7	32.2	32.2	33.9	33.2	33.7
Consolidated total	¥ 201.3	¥ 210.3	¥ 210.3	¥ 212.7	¥ 206.8	¥ 190.5
R&D expenditures / revenue (%)	4.7	4.7	4.7	4.7	4.6	4.5

Capital Expenditures

Years ended March 31	U.S. GAAP		IFRS			
	2017	2018	2018	2019	2020	2021
	Yen (millions)					
Energy and Electric Systems	¥ 39,574	¥ 30,861	¥ 30,861	¥ 27,165	¥ 29,414	¥ 30,021
Industrial Automation Systems	60,233	68,376	68,376	79,257	78,722	54,117
Information and Communication Systems	16,599	17,522	17,522	21,925	29,982	22,376
Electronic Devices	9,485	17,197	17,197	21,072	31,298	22,009
Home Appliances	36,295	32,849	32,849	31,199	38,720	19,488
Others	4,122	4,758	4,758	7,437	6,426	11,863
Commons	9,234	9,950	9,950	10,387	12,888	20,159
Consolidated total	¥ 175,542	¥ 181,513	¥ 181,513	¥ 198,442	¥ 227,450	¥ 180,033

* The data above are based on the recognized value of property, plant and equipment.

Mitsubishi Electric Corporation and Subsidiaries
March 31, 2020 and 2021

	Yen (millions)	
	2020	2021
(Assets)		
Cash and cash equivalents	¥ 537,559	¥ 767,406
Trade receivables	900,430	906,831
Contract assets	343,637	274,231
Other financial assets	56,765	51,657
Inventories	693,890	743,782
Other current assets	95,752	103,065
Current assets	2,628,033	2,846,972
Investments accounted for using the equity method	196,237	205,464
Other financial assets	262,367	353,624
Property, plant and equipment	854,382	857,645
Goodwill and intangible assets	146,323	153,512
Deferred tax assets	249,830	183,134
Other non-current assets	72,599	197,570
Non-current assets	1,781,738	1,950,949
Total assets	¥ 4,409,771	¥ 4,797,921

Mitsubishi Electric Corporation and Subsidiaries
 Years ended March 31, 2020 and 2021

	Yen (millions)	
	2020	2021
(Liabilities)		
Bonds, borrowings and lease liabilities	¥ 133,369	¥ 152,657
Trade payables	527,307	541,774
Contract liabilities	147,781	174,666
Other financial liabilities	160,810	157,750
Accrued expenses	265,059	302,418
Accrued income taxes	21,335	30,959
Provisions	99,215	97,292
Other current liabilities	47,789	47,865
Current liabilities	1,402,665	1,505,381
Bonds, borrowings and lease liabilities	243,634	212,774
Net defined benefit liabilities	163,240	161,388
Provisions	5,210	5,435
Deferred tax liabilities	10,193	5,759
Other non-current liabilities	45,970	36,573
Non-current liabilities	468,247	421,929
Total liabilities	1,870,912	1,927,310
(Equity)		
Common stock	175,820	175,820
Capital surplus	202,832	202,777
Retained earnings	2,071,817	2,266,490
Accumulated other comprehensive income (loss)	(17,802)	111,801
Treasury stock, at cost	(2,924)	(2,595)
Mitsubishi Electric Corp. stockholders' equity	2,429,743	2,754,293
Non-controlling interests	109,116	116,318
Total equity	2,538,859	2,870,611
Total liabilities and equity	¥ 4,409,771	¥ 4,797,921

	Yen (millions)	
	2020	2021
Revenue	¥ 4,462,509	¥ 4,191,433
Cost of sales	3,200,170	3,017,059
Selling, general and administrative expenses	1,017,075	953,602
Other profit (loss)	14,397	9,423
Operating profit	259,661	230,195
Financial income	10,285	12,136
Financial expenses	7,008	2,828
Share of profit of investments accounted for using the equity method	19,048	19,251
Profit before income taxes	281,986	258,754
Income taxes	48,474	57,071
Net profit	233,512	201,683
Net profit attributable to:		
Mitsubishi Electric Corp. stockholders	221,834	193,132
Non-controlling interests	¥ 11,678	¥ 8,551
Earnings per share (attributable to Mitsubishi Electric Corp. stockholders)		
Basic	¥ 103.41	¥ 90.03
Diluted	103.41	90.03

Consolidated Statement of Comprehensive Income

Mitsubishi Electric Corporation and Subsidiaries
Years ended March 31, 2020 and 2021

	Yen (millions)	
	2020	2021
Net profit	¥ 233,512	¥ 201,683
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to net profit		
Changes in fair value of financial assets measured at fair value through other comprehensive income	(31,874)	64,457
Remeasurements of defined benefit plans	(23,574)	84,501
Share of other comprehensive income of investments accounted for using the equity method	(1,528)	2,159
Total items that will not be reclassified to net profit	(56,976)	151,117
Items that may be reclassified to net profit		
Exchange differences on translating foreign operations	(49,360)	61,880
Net changes in the fair value of cash flow hedges	20	92
Share of other comprehensive income of investments accounted for using the equity method	(2,434)	1,182
Total items that may be reclassified to net profit	(51,774)	63,154
Total other comprehensive income (loss)	(108,750)	214,271
Comprehensive income	124,762	415,954
Comprehensive income attributable to:		
Mitsubishi Electric Corp. stockholders	117,132	401,559
Non-controlling interests	¥ 7,630	¥ 14,395

Consolidated Statement of Changes in Equity

Mitsubishi Electric Corporation and Subsidiaries
Years ended March 31, 2020 and 2021

	2020							
	Mitsubishi Electric Corp. stockholders' equity							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total	Non-controlling interests	Total equity
Balance at beginning of year	¥ 175,820	¥ 202,834	¥ 1,960,466	¥ 63,809	¥ (2,983)	¥ 2,399,946	¥ 111,209	¥ 2,511,155
Cumulative effects of changes in accounting policies			(1,521)			(1,521)	(7)	(1,528)
Adjusted balance at beginning of year	175,820	202,834	1,958,945	63,809	(2,983)	2,398,425	111,202	2,509,627
Comprehensive income								
Net profit			221,834			221,834	11,678	233,512
Other comprehensive income (loss), net of tax				(104,702)		(104,702)	(4,048)	(108,750)
Comprehensive income	—	—	221,834	(104,702)	—	117,132	7,630	124,762
Reclassification to retained earnings			(23,091)	23,091		—		—
Dividends			(85,871)			(85,871)	(7,826)	(93,697)
Purchase of treasury stock					(785)	(785)		(785)
Disposal of treasury stock		(844)			844	0		0
Transactions with non-controlling interests and others		842				842	(1,890)	(1,048)
Balance at end of year	¥ 175,820	¥ 202,832	¥ 2,071,817	¥ (17,802)	¥ (2,924)	¥ 2,429,743	¥ 109,116	¥ 2,538,859

	2021							
	Mitsubishi Electric Corp. stockholders' equity							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total	Non-controlling interests	Total equity
Balance at beginning of year	¥ 175,820	¥ 202,832	¥ 2,071,817	¥ (17,802)	¥ (2,924)	¥ 2,429,743	¥ 109,116	¥ 2,538,859
Comprehensive income								
Net profit			193,132			193,132	8,551	201,683
Other comprehensive income (loss), net of tax				208,427		208,427	5,844	214,271
Comprehensive income	—	—	193,132	208,427	—	401,559	14,395	415,954
Reclassification to retained earnings			78,824	(78,824)		—		—
Dividends			(77,283)			(77,283)	(7,107)	(84,390)
Purchase of treasury stock					(367)	(367)		(367)
Disposal of treasury stock		(696)			696	0		0
Transactions with non-controlling interests and others		641				641	(86)	555
Balance at end of year	¥ 175,820	¥ 202,777	¥ 2,266,490	¥ 111,801	¥ (2,595)	¥ 2,754,293	¥ 116,318	¥ 2,870,611

Consolidated Statement of Cash Flows

Mitsubishi Electric Corporation and Subsidiaries
Years ended March 31, 2020 and 2021

	Yen (millions)	
	2020	2021
Cash flows from operating activities		
Net profit	¥ 233,512	¥ 201,683
Adjustments to cash flows from operating activities		
Depreciation and amortization	210,686	213,320
Impairment losses	1,332	7,826
Loss (gain) on sales and disposal of property, plant and equipment, net	(10,834)	(10,749)
Income taxes	48,474	57,071
Share of profit of investments accounted for using the equity method	(19,048)	(19,251)
Financial income and financial expenses	(3,277)	(9,308)
Decrease in trade receivables	23,956	13,005
Decrease (increase) in contract assets	(48,213)	70,164
Decrease (increase) in inventories	18,504	(28,115)
Decrease in other assets	15,220	5,543
Increase (decrease) in trade payables	(28,582)	6,938
Increase (decrease) in net defined benefit liabilities	(16,113)	(7,593)
Increase (decrease) in other liabilities	(11,172)	65,201
Others, net	9,540	(557)
Subtotal	423,985	565,178
Interest and dividends received	23,448	20,252
Interest paid	(2,284)	(2,699)
Income taxes paid	(49,315)	(40,612)
Cash flows from operating activities	395,834	542,119
Cash flows from investing activities		
Purchase of property, plant and equipment	(192,833)	(168,920)
Proceeds from sale of property, plant and equipment	19,571	14,226
Purchase of intangible assets	(24,364)	(19,439)
Purchase of investment securities, net of cash acquired	(20,019)	(15,903)
Proceeds from sale of investment securities, net of cash disposed	13,687	13,445
Others, net	(39)	39
Cash flows from investing activities	(203,997)	(176,552)
Cash flows from financing activities		
Proceeds from bonds and long-term borrowings	35,350	485
Repayments of bonds and long-term borrowings	(41,676)	(37,874)
Increase (decrease) in short-term borrowings, net	(2,093)	20,225
Repayments of lease liabilities	(53,947)	(54,992)
Dividends paid to Mitsubishi Electric Corp. stockholders	(85,871)	(77,283)
Purchase of treasury stock	(785)	(367)
Disposal of treasury stock	0	0
Dividends paid to non-controlling interests	(6,929)	(7,834)
Transactions with non-controlling interests	(503)	288
Cash flows from financing activities	(156,454)	(157,352)
Effect of exchange rate changes on cash and cash equivalents	(12,048)	21,632
Net increase (decrease) in cash and cash equivalents	23,335	229,847
Cash and cash equivalents at beginning of year	514,224	537,559
Cash and cash equivalents at end of year	¥ 537,559	¥ 767,406

Cautionary Statement

While the statements herein including the forecast of the Mitsubishi Electric Group are based on assumptions the Group considers to be reasonable under the circumstances on the date of announcement, actual results may differ significantly from forecasts.

Such factors materially affecting the expectations expressed herein shall include but are not limited to the following:

- (1) Any change in worldwide economic and social conditions, as well as laws, regulations, taxation and other legislation
- (2) Changes in foreign currency exchange rates, especially JPY/US dollar rates
- (3) Changes in stock markets, especially in Japan
- (4) Changes in balance of supply and demand of products that may affect prices and volume, as well as material procurement conditions
- (5) Changes in the ability to fund raising, especially in Japan
- (6) Uncertainties relating to patents, licenses and other intellectual property, including disputes involving patent infringement
- (7) New environmental regulations or the arising of environmental issues
- (8) Defects in products or services
- (9) Litigation and legal proceedings brought and contemplated against the Company or its subsidiaries and affiliates that may adversely affect operations or finances
- (10) Technological change, the development of products using new technology, manufacturing and time-to-market
- (11) Business restructuring
- (12) Incidents related to information security
- (13) Large-scale disasters including earthquakes, typhoons, tsunamis, fires and others
- (14) Social or political upheaval caused by terrorism, war, pandemics, or other factors
- (15) Important matters related to the directors and executive officers, major shareholders and affiliated companies of Mitsubishi Electric Corporation

