

Consolidated Financial Results

For the First 9 Months and Third Quarter of Fiscal 2022

February 2, 2022

MITSUBISHI ELECTRIC CORPORATION

1. The orders remained favorable mainly in the mass production businesses, although the impact of components shortages has been prolonged.

- The orders remained favorable in Factory Automation Systems (digital equipment and decarbonization), Home Appliances (air conditioners in Europe and North America), and Electronic Devices (power modules used in industrial and consumer applications).
- The impact of decline in global vehicle production and components shortages has continued and expanded in Q3 and this affected Automotive Equipment and Home Appliances (air conditioners in Japan).

2. The Forecast revised to Revenue: ¥ 4,490 billion(+7% YoY)/Operating Profit: ¥ 260 billion (+13% YoY).

- The forecast is expected to fall below the previous one mainly in Automotive Equipment due to the expanding impact of material prices soaring and an increase in logistics costs etc. despite the yen's depreciation.
- Promoting the measures against components shortages and an increase in costs, such as design changes, price reflections and stabilization of procurement, and will work on them steadily toward FY' 23.

■ Based on a certain premise, the company has taken into consideration the impact of improper testing, including costs for additional inspections and strengthening the quality control system. Depending on the progress of future discussions with customers and investigations, the Group may incur losses exceeding its premise or relating to the discovery of any other improper quality-related conduct. If any potential impact comes to light, it will be disclosed promptly.

- The economy generally continued to see recovery in the corporate sector in the U.S., Europe and Japan.
- The household sector continued to recover in the U.S. and Europe and recently recovered also in Japan owing to normalization of economic activities after experiencing the downward pressure stemming from the novel coronavirus diseases (COVID-19).
- China continued to see recovery in export and manufacturing, while the paces of recovery in the household sector slowed down.
- Economic activities normalized due to the progress in COVID-19 vaccinations in various countries and regions, and global demand continued to expand as economy recovered owing partially to political measures. There was also the impact of material prices soaring as well as a prolonged components shortage.

<Foreign exchange rate fluctuations>

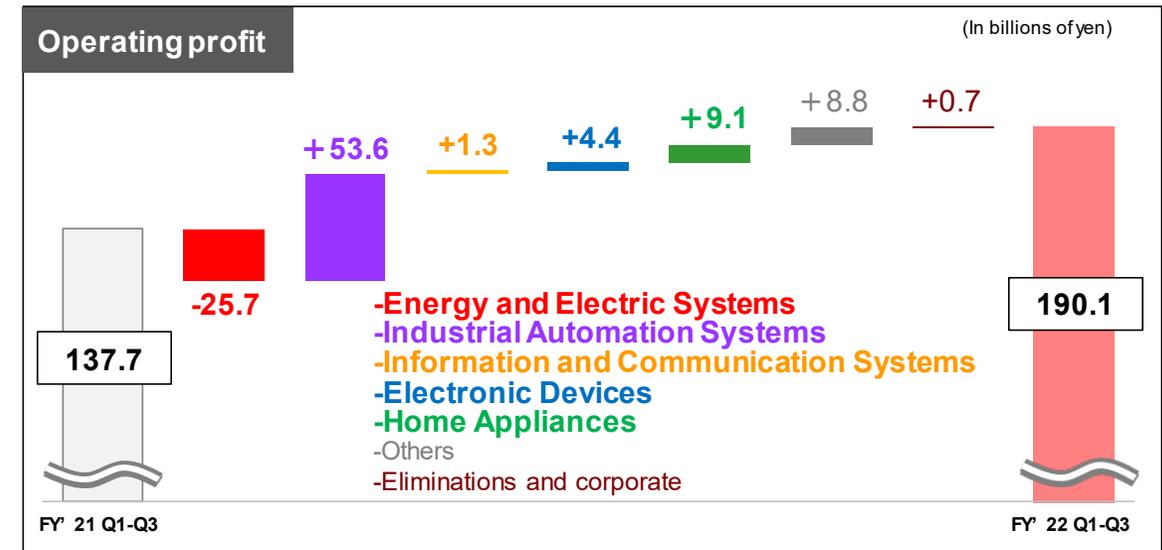
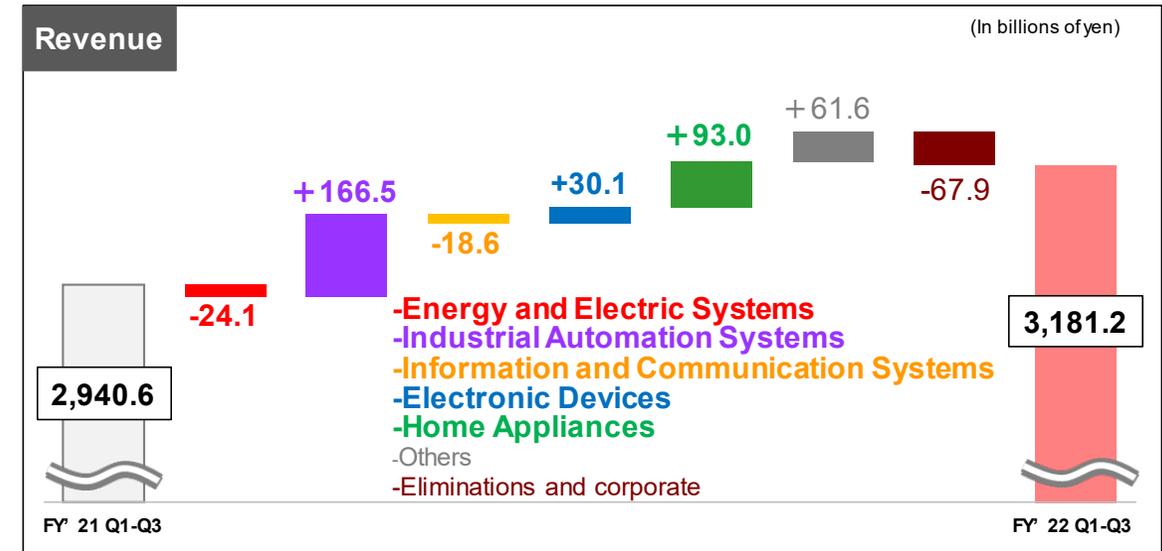
		FY' 21		FY' 22	
		Q3	Q1-Q3	Q3	Q1-Q3
Foreign exchange rate	US\$	¥104	¥106	¥114	¥111
	Euro	¥124	¥123	¥131	¥131
	CNY	¥15.8	¥15.4	¥17.9	¥17.4

Consolidated First 9 Months Results (April 1, 2021 – December 31, 2021)

(In billions of yen)

	FY' 21 Q1-Q3 (A)	FY' 22 Q1-Q3 (B)	B-A	B/A
				(%)
Revenue	2,940.6	3,181.2	+240.6	108
Operating profit	137.7	190.1	+52.4	138
(%)	[4.7%]	[6.0%]	[+1.3pt]	-
Profit before income taxes	158.3	207.2	+48.8	131
Net profit attributable to Mitsubishi Electric Corp. stockholders	107.7	148.4	+40.6	138

	FY' 21 Q1-Q3	FY' 22 Q1-Q3
Impact of exchange rate fluctuations on revenue	about ¥22 billion decrease	about ¥100 billion increase

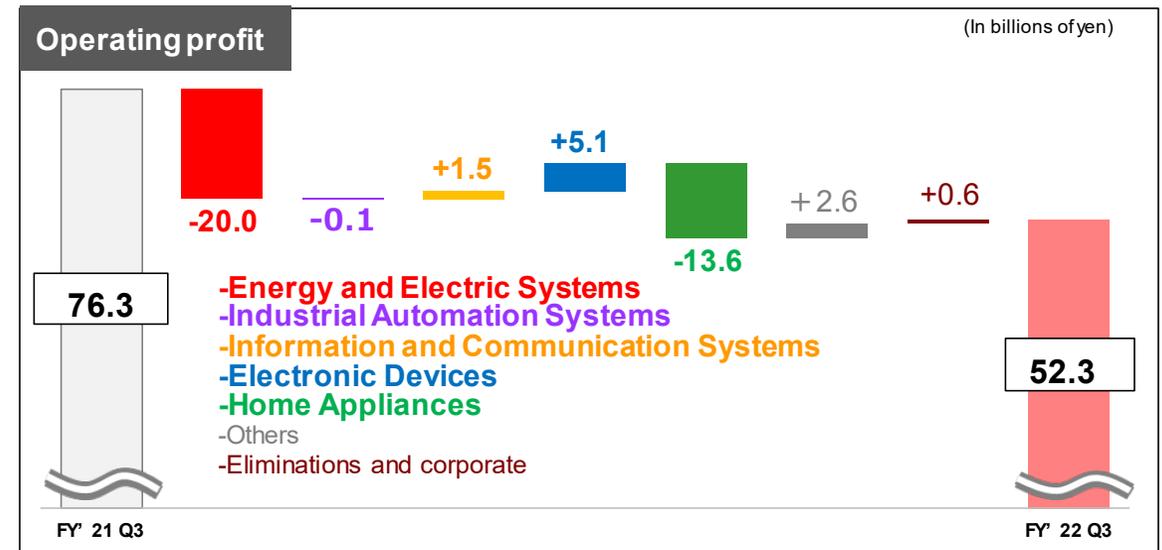
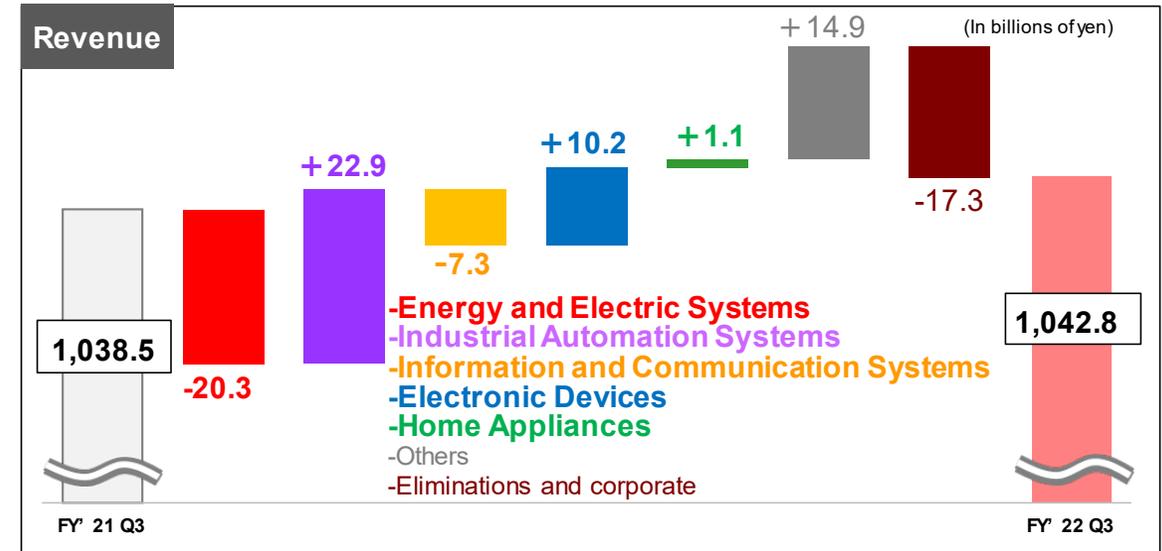


Consolidated Third-Quarter Results (October 1, 2021 – December 31, 2021)

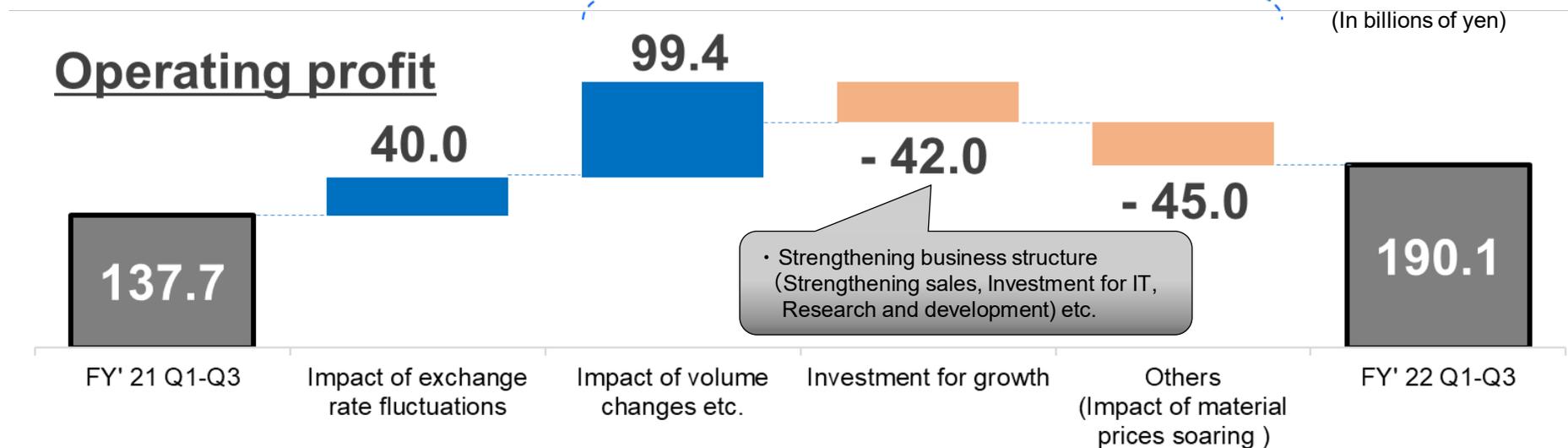
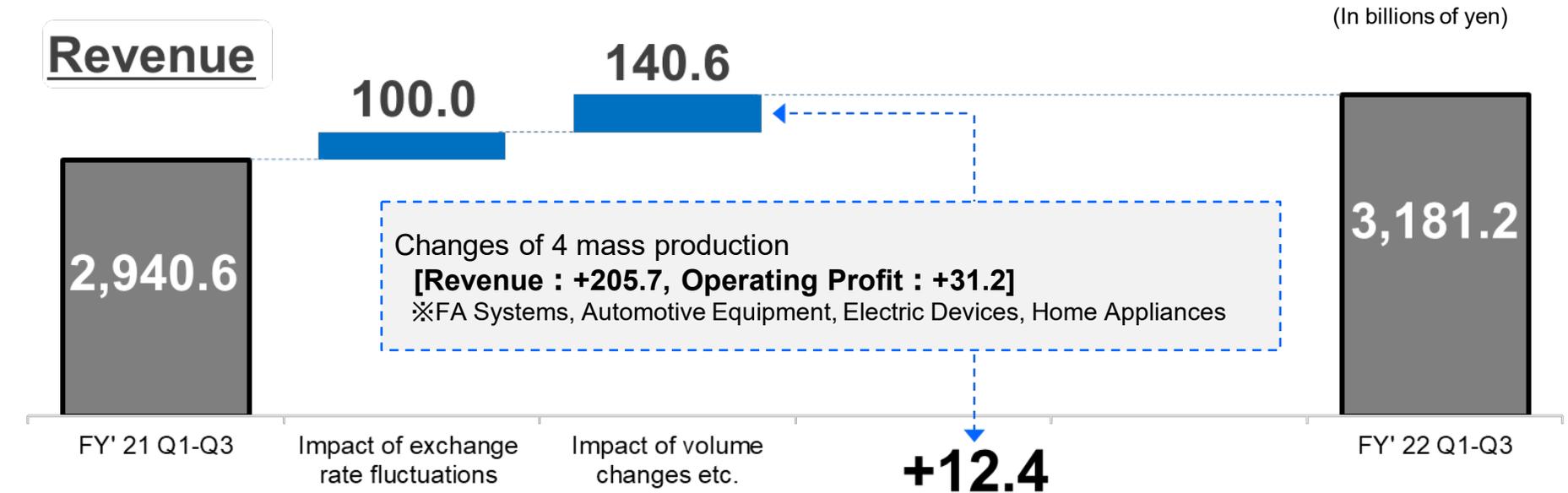
(In billions of yen)

	FY' 21 Q3 (A)	FY' 22 Q3 (B)	B-A	B/A
				(%)
Revenue	1,038.5	1,042.8	+4.2	100
Operating profit (%)	76.3 [7.4%]	52.3 [5.0%]	-23.9 [-2.4pt]	69 -
Profit before income taxes	82.6	58.8	-23.8	71
Net profit attributable to Mitsubishi Electric Corp. stockholders	59.5	43.6	-15.9	73

	FY' 21 Q3	FY' 22 Q3
Impact of exchange rate fluctuations on revenue	about ¥7 billion decrease	about ¥37 billion increase



Revenue, Operating Profit, Analysis (FY' 21 Q1-Q3 to FY' 22 Q1-Q3)



Consolidated Statement of Profit or Loss

(First 9 months, Fiscal 2022)

(In billions of yen)

	FY' 21 Q1-Q3 (A)		FY' 22 Q1-Q3 (B)		B-A
		% of Total		% of Total	
Revenue	2,940.6	100.0%	3,181.2	100.0%	+240.6
Cost of sales	2,123.7	72.2%	2,263.4	71.1%	+139.6
Selling, general and administrative expenses	680.8	23.2%	731.1	23.0%	+50.3
Other profit (loss)	1.6	0.1%	3.5	0.1%	+1.8
Operating profit	137.7	4.7%	190.1	6.0%	+52.4
Financial income/expenses	5.8	0.2%	4.8	0.1%	-0.9
Share of profit of investments accounted for using the equity method	14.8	0.5%	12.2	0.4%	-2.6
Profit before income taxes	158.3	5.4%	207.2	6.5%	+48.8
Income taxes	44.4	1.5%	47.6	1.5%	+3.1
Net profit	113.8	3.9%	159.5	5.0%	+45.7
Net profit attributable to Mitsubishi Electric Corp. Stockholders	107.7	3.7%	148.4	4.7%	+40.6

Consolidated Statement of Profit or Loss

(Third quarter, Fiscal 2022)

(In billions of yen)

	FY' 21 Q3 (A)		FY' 22 Q3 (B)		B-A
		% of Total		% of Total	
Revenue	1,038.5	100.0%	1,042.8	100.0%	+4.2
Cost of sales	738.9	71.1%	749.1	71.8%	+10.1
Selling, general and administrative expenses	224.2	21.6%	242.2	23.2%	+17.9
Other profit (loss)	0.9	0.1%	0.8	0.0%	-0.1
Operating profit	76.3	7.4%	52.3	5.0%	-23.9
Financial income/expenses	2.0	0.2%	2.8	0.2%	+0.8
Share of profit of investments accounted for using the equity method	4.2	0.4%	3.6	0.4%	-0.6
Profit before income taxes	82.6	8.0%	58.8	5.6%	-23.8
Income taxes	20.2	2.0%	13.1	1.2%	-7.0
Net profit	62.4	6.0%	45.6	4.4%	-16.7
Net profit attributable to Mitsubishi Electric Corp. Stockholders	59.5	5.7%	43.6	4.2%	-15.9

Consolidated Statement of Financial Position

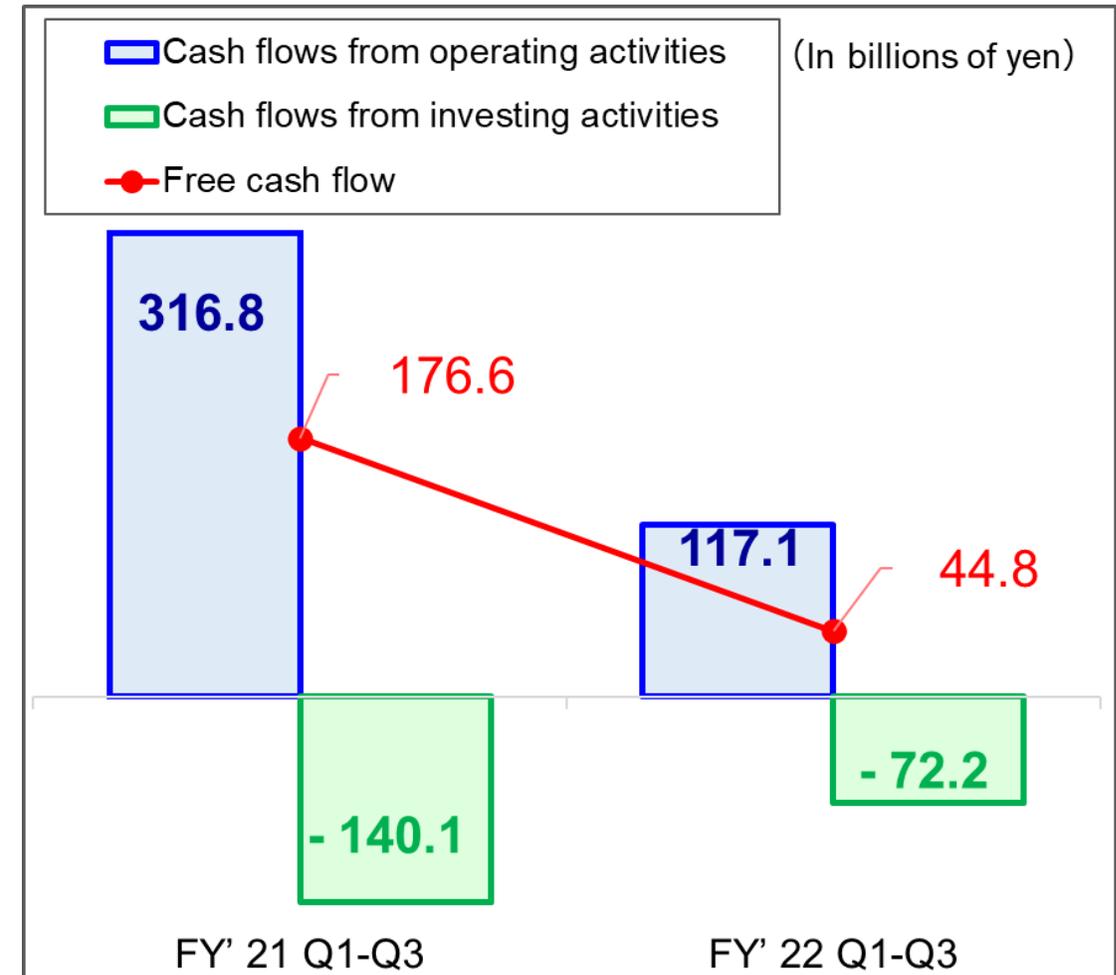
(In billions of yen)

	FY' 21 (A) (ended Mar.31, 2021)	FY' 22 Q3 (B) (ended Dec.31, 2021)	B-A
Total assets	4,797.9	4,735.4	-62.4
Cash and cash equivalents	767.4	632.1	-135.2
Trade receivables and contract assets	1,181.0	1,076.2	-104.7
Inventories	743.7	950.4	+206.6
Property, plant and equipment	857.6	849.3	-8.3
Total liabilities	1,927.3	1,807.6	-119.6
Bonds and borrowings	248.8	230.4	-18.4
[Bonds, borrowings ratio]	[5.2%]	[4.9%]	[-0.3pt]
Total equity	2,870.6	2,927.7	+57.1
Mitsubishi Electric Corp. stockholders' equity	2,754.2	2,811.5	+57.2
[Equity ratio]	[57.4%]	[59.4%]	[+2.0pt]

Consolidated Statement of Cash Flows

(In billions of yen)

	FY' 21 Q1-Q3 (A)	FY' 22 Q1-Q3 (B)	B-A
Cash flows from operating activities	316.8	117.1	-199.6
Cash flows from investing activities	-140.1	-72.2	+67.8
Free cash flow	176.6	44.8	-131.8
※Cash flows from financing activities	-94.1	-191.4	-97.2
Cash and cash equivalents at end of period	625.5	632.1	+6.5



※The status of purchase of treasury stock (Market trades)

Aggregate value of purchase (Q1-Q3): ¥ 31.8 bn

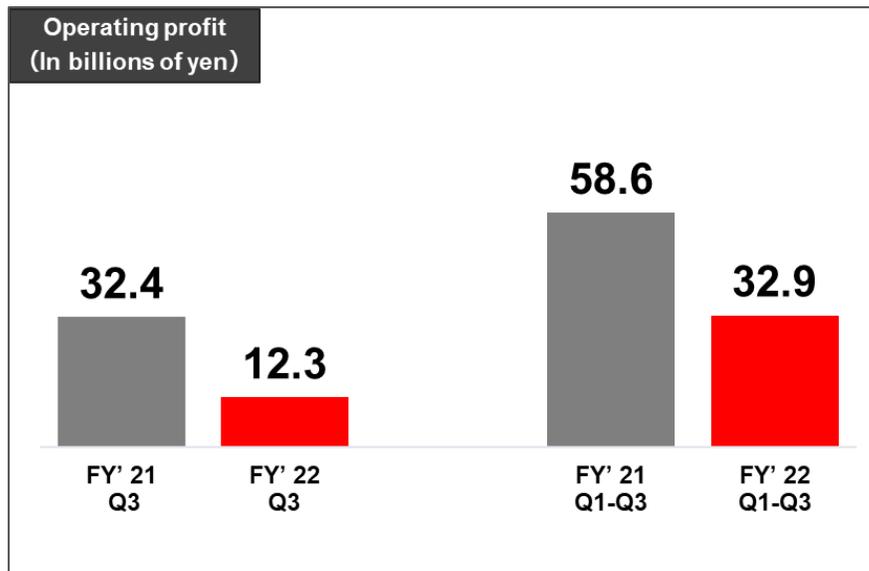
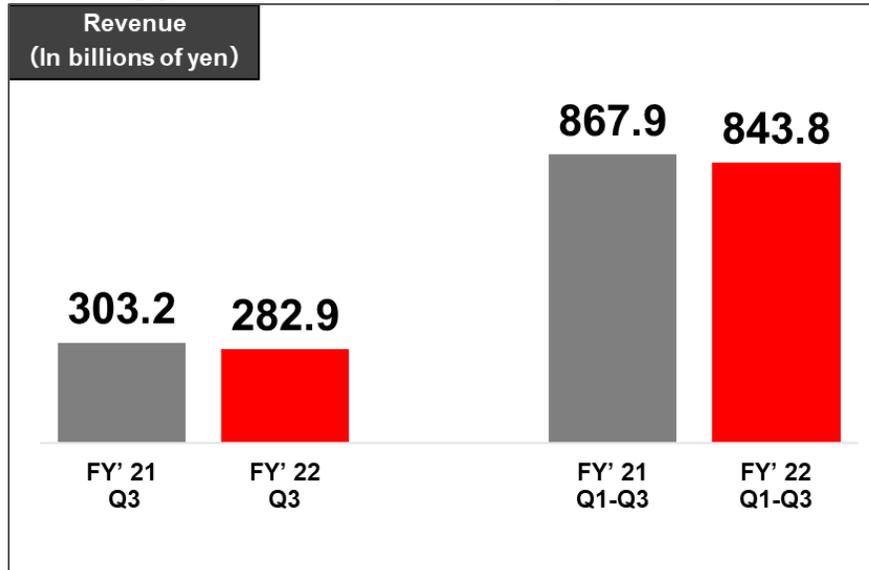
[Reference]

Purchase limit: ¥ 50.0bn

Purchase period: Jun. 4, 2021-Mar. 31, 2022

Consolidated Financial Results by Business Segment

<Energy and Electric Systems>



FY' 22 Q3

Revenue ¥282.9bn (YoY - ¥20.3bn)

<Social Infrastructure Systems> ¥154.4bn (YoY - ¥22.2bn)

- The market saw an increase in demand relating to power systems outside Japan, but the reconsideration of the capital expenditure plans by railway companies in Japan due to the impact of COVID-19.
- The business saw an increase in orders (YoY) due primarily to an increase in the power systems business outside Japan, while revenue decreased (YoY) due mainly to decreases in the power systems and the transportation systems businesses in Japan.

<Building Systems> ¥128.4bn (YoY + ¥1.9bn)

- The market saw recovery from stagnation caused by the impact of COVID-19 primarily in China, while recovery is delayed in some parts of Asia.
- The business saw increases in both orders and revenue (YoY) due primarily to an increase primarily in China.

Operating profit ¥12.3bn (YoY - ¥20.0bn)

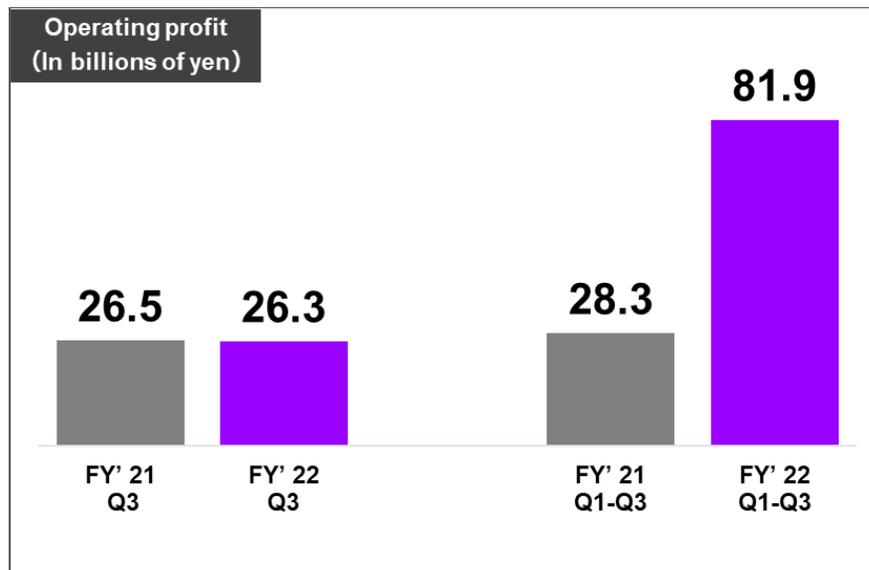
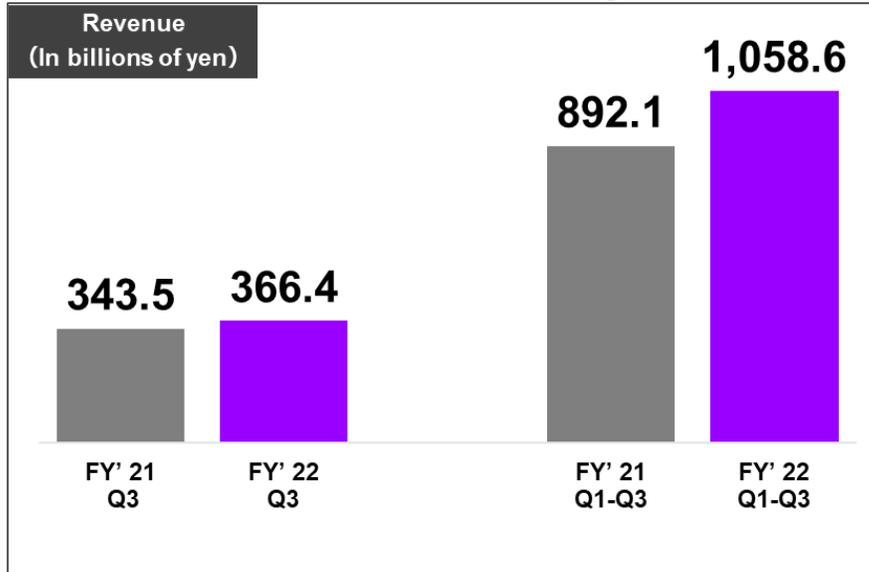
<Social Infrastructure Systems> ¥4.8bn (YoY - ¥16.7bn)

<Building Systems> ¥7.4bn (YoY - ¥3.3bn)

- Decreased (YoY) due mainly to decreased revenue and a shift in project portfolios.

Consolidated Financial Results by Business Segment

<Industrial Automation Systems>



FY' 22 Q3

Revenue ¥ 366.4bn (YoY + ¥ 22.9bn)

<Factory Automation(FA) Systems> ¥ 185.9bn (YoY + ¥ 33.9bn)

- The market saw a global increase in demand for capital expenditures relating to digital equipment such as semiconductor, electronic components and smartphones, as well as to decarbonization such as lithium-ion battery.
- The business saw increases in both orders and revenue (YoY).

<Automotive Equipment> ¥ 180.5bn (YoY - ¥ 11.0bn)

- The market saw a decrease in sales of new cars worldwide due primarily to a semiconductor shortage.
- The business saw decreases in both orders and revenue (YoY) due mainly to a decrease in electrical components.

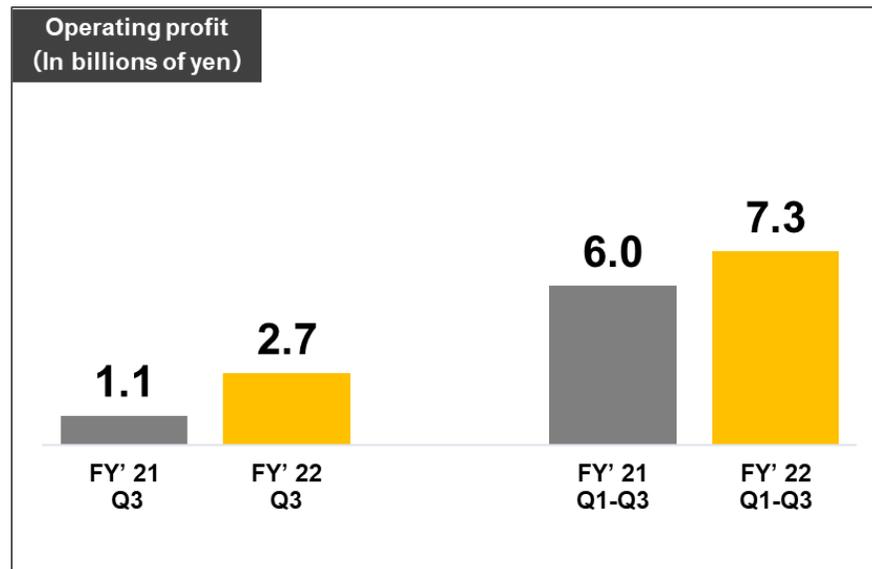
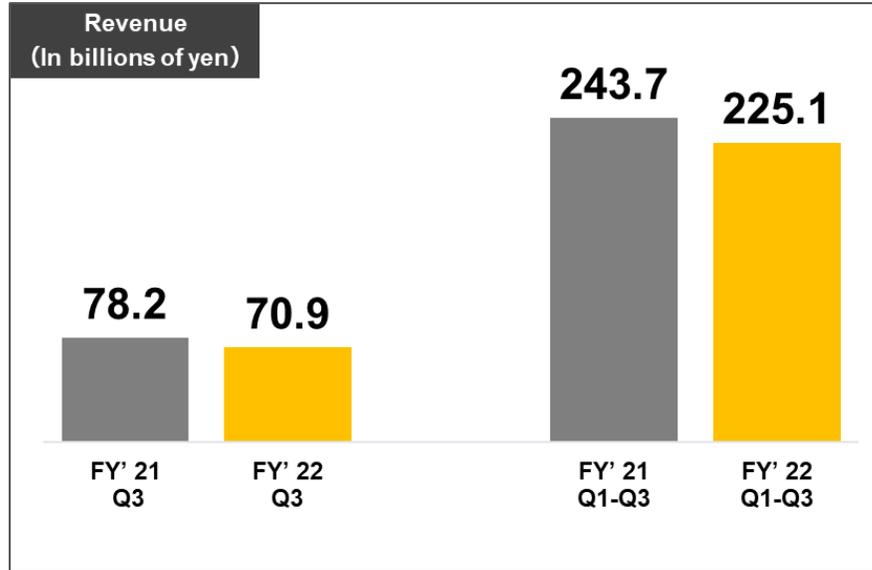
Operating profit ¥ 26.3bn (YoY - ¥ 0.1bn)

<Factory Automation(FA) Systems> ¥ 33.0bn (YoY + ¥ 10.8bn)

<Automotive Equipment> ¥ -6.6bn (YoY - ¥ 10.9bn)

- Factory Automation Systems business increased (YoY) due mainly to increased revenue. Automotive Equipment business decreased (YoY) due primarily to decreased revenue and material prices soaring.

<Information and Communication Systems>



FY' 22 Q3

Revenue ¥70.9bn (YoY - ¥7.3bn)

<Information systems and service>

- The market saw the restart of delayed system development projects, particularly in the manufacturing industry, as well as an increase in the system integrations business.
- The business saw increases in both orders and revenue (YoY).

<Electronic systems>

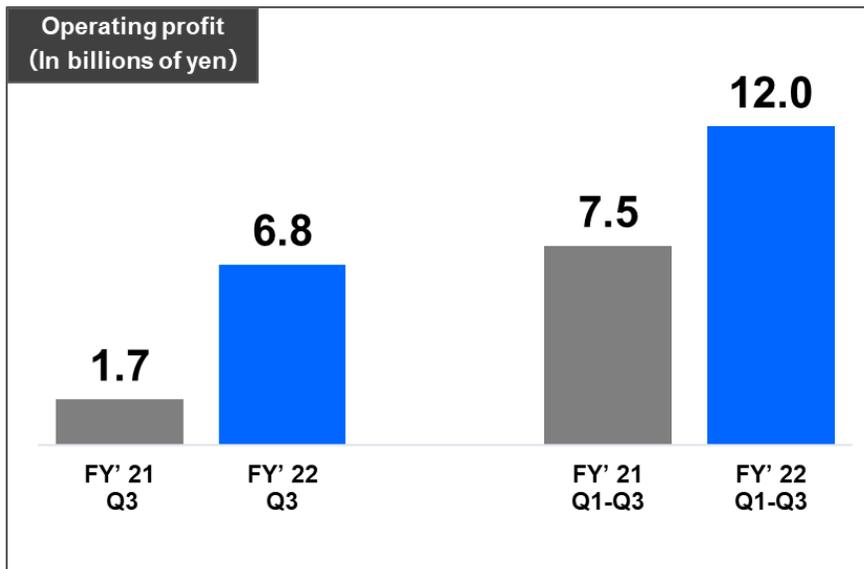
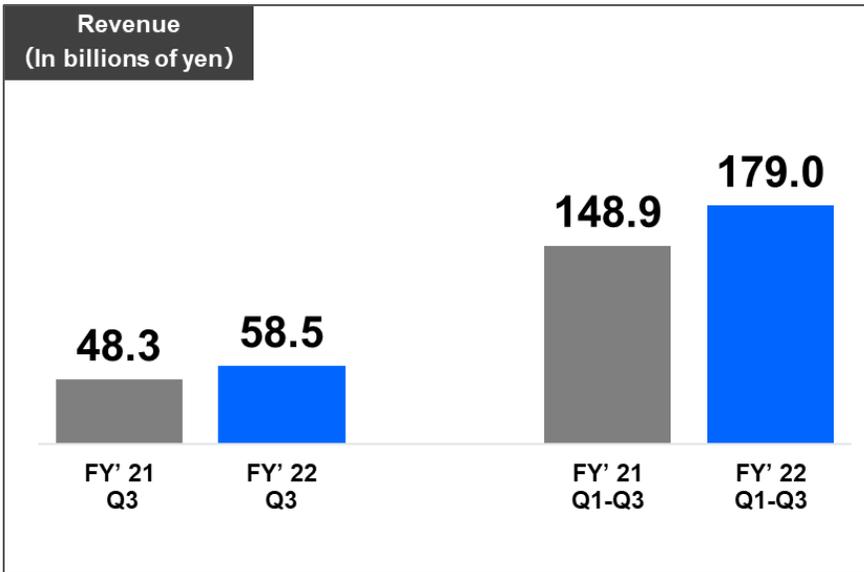
- The business saw decreases in both orders and revenue (YoY) due primarily to a decrease in large-scale projects for the defense systems business.

Operating profit ¥2.7bn (YoY + ¥1.5bn)

- Increased (YoY) due mainly to a shift in project portfolios.

Consolidated Financial Results by Business Segment

<Electronic Devices>



FY' 22 Q3

Revenue ¥ 58.5bn (YoY + ¥ 10.2bn)

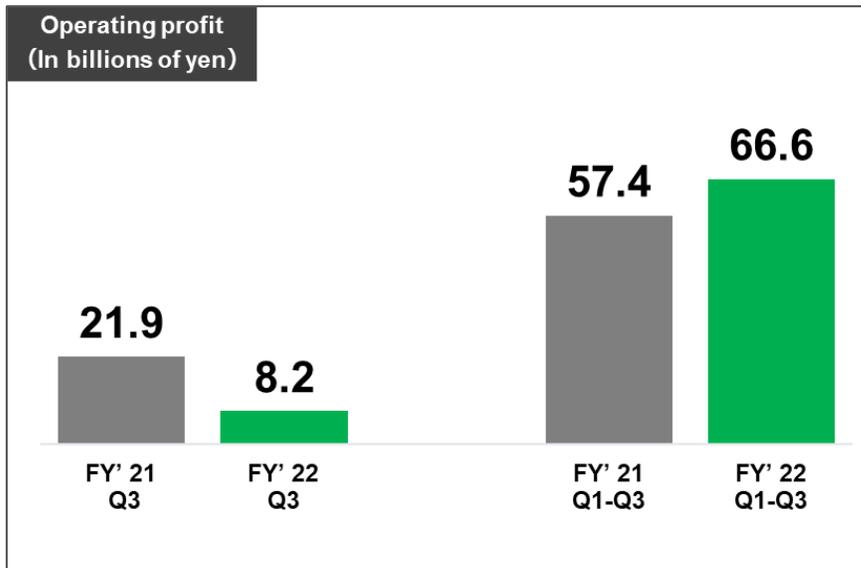
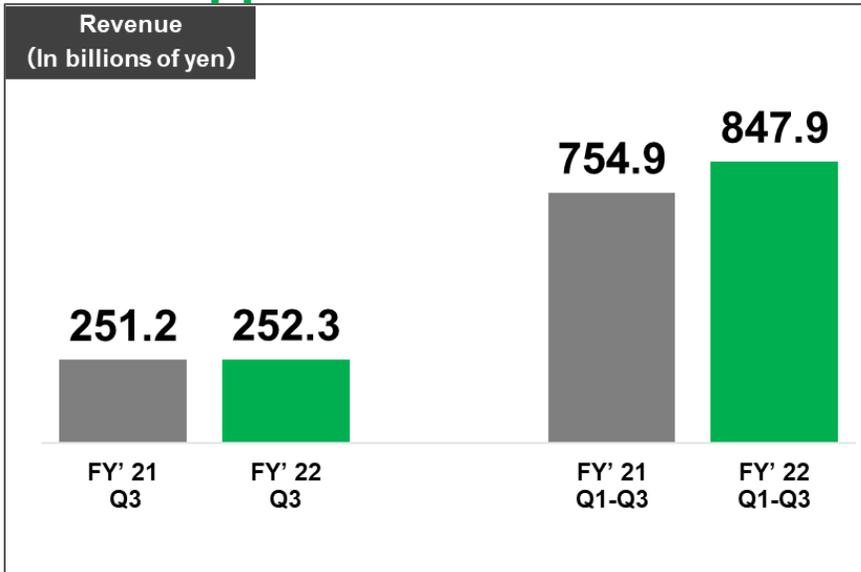
- The market saw recovery in demand for power modules used in consumer and industrial applications.
- The business saw an increase in orders (YoY) and revenue also increased (YoY) due primarily to an increase in power modules used in consumer and industrial applications.

Operating profit ¥ 6.8bn (YoY + ¥ 5.1bn)

- Increased (YoY) due mainly to increased revenue.

Consolidated Financial Results by Business Segment

<Home Appliances>



FY' 22 Q3

Revenue ¥ 252.3bn (YoY+ ¥ 1.1bn)

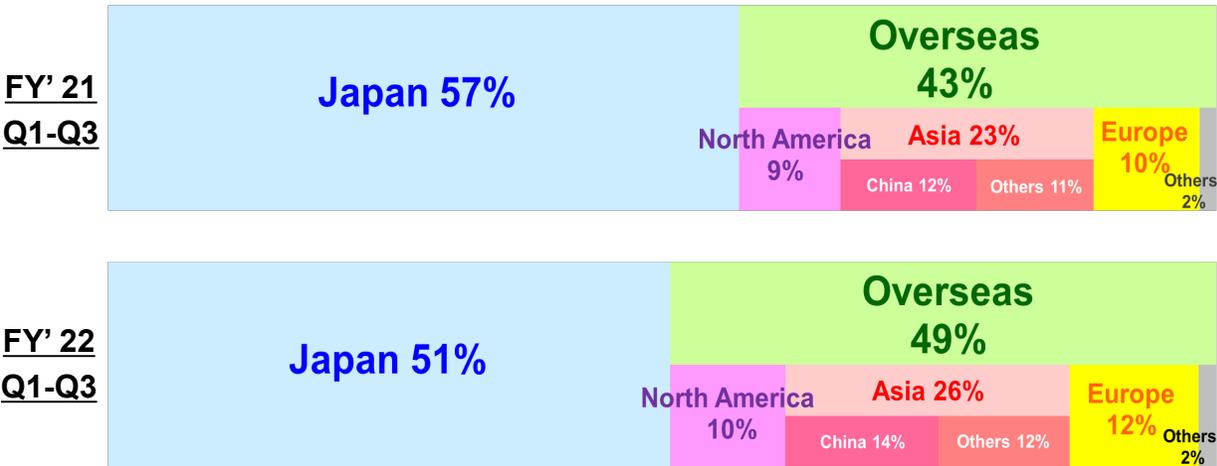
- The market saw an increase in demand for air conditioners outside Japan, primarily in Europe and North America, while a semiconductor shortage had an impact on the market of air conditioners in Japan.
- Revenue of the business remained substantially unchanged (YoY) due mainly to an increase in air conditioners primarily in Europe and North America despite a decrease in air conditioners in Japan.

Operating profit ¥ 8.2bn (YoY-¥ 13.6bn)

- Decreased (YoY) due mainly to material prices soaring.

Revenue by Location of Customers

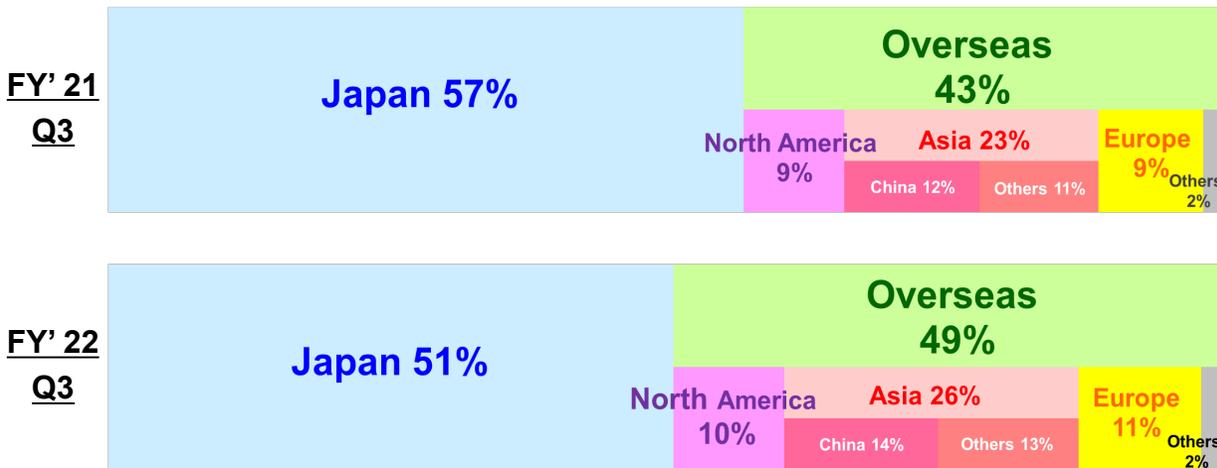
Q1-Q3



(In billions of yen)

	Total	Japan	Overseas	North America	Asia	China	Others	Europe	Others
FY' 21 Q1-Q3 (A)	2,940.6	1,673.2	1,267.3	269.5	670.8	360.7	310.0	282.0	44.9
FY' 22 Q1-Q3 (B)	3,181.2	1,612.9	1,568.2	331.2	815.5	438.1	377.3	370.3	51.1
B/A (%)	108%	96%	124%	123%	122%	121%	122%	131%	114%

Q3



(In billions of yen)

	Total	Japan	Overseas	North America	Asia	China	Others	Europe	Others
FY' 21 Q3 (A)	1,038.5	592.8	445.6	94.1	237.1	125.8	111.2	97.7	16.7
FY' 22 Q3 (B)	1,042.8	529.4	513.4	103.7	275.8	144.2	131.6	115.2	18.5
B/A (%)	100%	89%	115%	110%	116%	115%	118%	118%	111%

FY' 22 Forecast

(In billions of yen)

	FY' 21 (A) (Actual)	FY' 22 (Forecast)		C/A (%)	C-B
		Previous forecast (B)	Current forecast (C)		
Revenue	4,191.4	4,500.0	4,490.0	107%	-10.0
Operating profit (%)	230.1 [5.5%]	280.0 [6.2%]	260.0 [5.8%]	113% -	-20.0 [-0.4pt]
Profit before income taxes	258.7	305.0	285.0	110%	-20.0
Net profit attributable to Mitsubishi Electric Corp. stockholders	193.1	220.0	210.0	109%	-10.0

		Previous forecast		Current forecast	
		FY' 22 Q1-Q2 (Actual)	FY' 22 Q3-Q4	FY' 22 Q1-Q3 (Actual)	FY' 22 Q4
Foreign exchange rate	US\$	¥110	¥110	¥111	¥113
	Euro	¥131	¥125	¥131	¥128
	CNY	¥17.1	¥17.0	¥17.4	¥17.8

【Breakdown(Change from previous forecast)】

【Revenue】-10.0

- Impact of exchange rate fluctuations+30.0
- Order increase/decrease etc.-40.0
(Inc impact of semiconductor/electronic components shortages)

【Operating profit】-20.0

- Impact of exchange rate fluctuations+12.0
- Material prices soaring-13.0
- Order increase/decrease · increase in costs etc.-19.0

Supplementary Information

<Revenue and Operating Profit by Business Segment 9 months (Apr.1-Dec.31)>

(In billions of yen)

	FY' 21 Q1-Q3 (A)			FY' 22 Q1-Q3 (B)			B-A		
	Revenue	Operating profit (Loss)	Operating profit margin	Revenue	Operating profit (Loss)	Operating profit margin	Revenue	Operating profit	Operating profit margin
Energy and Electric Systems	867.9	58.6	[6.8%]	843.8	32.9	[3.9%]	-24.1	-25.7	[-2.9pt]
Social Infrastructure Systems	501.7	40.0	[8.0%]	464.8	14.0	[3.0%]	-36.8	-25.9	[-5.0pt]
Building Systems	366.2	18.6	[5.1%]	378.9	18.9	[5.0%]	+12.6	+0.2	[-0.1pt]
Industrial Automation Systems	892.1	28.3	[3.2%]	1,058.6	81.9	[7.7%]	+166.5	+53.6	[+4.5pt]
Factory Automation(FA) Systems	424.2	47.6	[11.2%]	552.6	96.0	[17.4%]	+128.4	+48.3	[+6.2pt]
Automotive Equipment	467.8	-19.3	[-4.1%]	505.9	-14.0	[-2.8%]	+38.1	+5.2	[+1.3pt]
Information and Communication Systems	243.7	6.0	[2.5%]	225.1	7.3	[3.3%]	-18.6	+1.3	[+0.8pt]
Electronic Devices	148.9	7.5	[5.1%]	179.0	12.0	[6.7%]	+30.1	+4.4	[+1.6pt]
Home Appliances	754.9	57.4	[7.6%]	847.9	66.6	[7.9%]	+93.0	+9.1	[+0.3pt]
Others	424.8	5.8	[1.4%]	486.5	14.6	[3.0%]	+61.6	+8.8	[+1.6pt]
Eliminations and corporate	-391.9	-26.1	—	-459.8	-25.3	—	-67.9	+0.7	—
Consolidated Total	2,940.6	137.7	[4.7%]	3,181.2	190.1	[6.0%]	+240.6	+52.4	[+1.3pt]

Supplementary information

<Revenue and Operating Profit by Business Segment Q3 (Oct.1-Dec.31)>

(In billions of yen)

	FY' 21 Q3 (A)			FY' 22 Q3 (B)			B-A		
	Revenue	Operating profit	Operating profit margin	Revenue	Operating profit (Loss)	Operating profit margin	Revenue	Operating profit	Operating profit margin
Energy and Electric Systems	303.2	32.4	[10.7%]	282.9	12.3	[4.4%]	-20.3	-20.0	[-6.3pt]
Social Infrastructure Systems	176.7	21.6	[12.3%]	154.4	4.8	[3.2%]	-22.2	-16.7	[-9.1pt]
Building Systems	126.5	10.7	[8.5%]	128.4	7.4	[5.8%]	+1.9	-3.3	[-2.7pt]
Industrial Automation Systems	343.5	26.5	[7.7%]	366.4	26.3	[7.2%]	+22.9	-0.1	[-0.5pt]
Factory Automation(FA) Systems	151.9	22.1	[14.6%]	185.9	33.0	[17.7%]	+33.9	+10.8	[+3.1pt]
Automotive Equipment	191.5	4.3	[2.3%]	180.5	-6.6	[-3.7%]	-11.0	-10.9	[-6.0pt]
Information and Communication Systems	78.2	1.1	[1.5%]	70.9	2.7	[3.9%]	-7.3	+1.5	[+2.4pt]
Electronic Devices	48.3	1.7	[3.6%]	58.5	6.8	[11.8%]	+10.2	+5.1	[+8.2pt]
Home Appliances	251.2	21.9	[8.7%]	252.3	8.2	[3.3%]	+1.1	-13.6	[-5.4pt]
Others	152.4	3.8	[2.5%]	167.4	6.4	[3.9%]	+14.9	+2.6	[+1.4pt]
Eliminations and corporate	-138.3	-11.2	—	-155.7	-10.6	—	-17.3	+0.6	—
Consolidated Total	1,038.5	76.3	[7.4%]	1,042.8	52.3	[5.0%]	+4.2	-23.9	[-2.4pt]

Supplementary information

<Revenue and Operating Profit by Business Segment (Forecast)>

(In billions of yen)

	FY' 21 (A) (Actual)			FY' 22 (Forecast)						C-A			C-B		
	Revenue	Operating profit (Loss)	Operating profit margin	Previous forecast (B)			Current forecast (C)			Revenue	Operating profit	Operating profit margin	Revenue	Operating profit	Operating profit margin
				Revenue	Operating profit (Loss)	Operating profit margin	Revenue	Operating profit (Loss)	Operating profit margin						
Energy and Electric Systems	1,270.2	108.9	[8.6%]	1,250.0	80.0	[6.4%]	1,230.0	69.0	[5.6%]	-40.2	-39.9	[-3.0pt]	-20.0	-11.0	[-0.8pt]
Social Infrastructure Systems	768.0	83.5	[10.9%]	720.0	52.0	[7.2%]	715.0	44.0	[6.2%]	-53.0	-39.5	[-4.7pt]	-5.0	-8.0	[-1.0pt]
Building Systems	502.1	25.4	[5.1%]	530.0	28.0	[5.3%]	515.0	25.0	[4.9%]	+12.8	-0.4	[-0.2pt]	-15.0	-3.0	[-0.4pt]
Industrial Automation Systems	1,248.5	40.5	[3.3%]	1,460.0	114.0	[7.8%]	1,460.0	103.0	[7.1%]	+211.4	+62.4	[+3.8pt]	+0.0	-11.0	[-0.7pt]
Factory Automation(FA) Systems	587.9	61.4	[10.5%]	750.0	126.0	[16.8%]	760.0	128.0	[16.8%]	+172.0	+66.5	[+6.3pt]	+10.0	+2.0	[+0.0pt]
Automotive Equipment	660.6	-20.8	[-3.2%]	710.0	-12.0	[-1.7%]	700.0	-25.0	[-3.6%]	+39.3	-4.1	[-0.4pt]	-10.0	-13.0	[-1.9pt]
Information and Communication Systems	380.1	16.4	[4.3%]	380.0	16.0	[4.2%]	380.0	16.0	[4.2%]	-0.1	-0.4	[-0.1pt]	+0.0	+0.0	[+0.0pt]
Electronic Devices	205.2	6.2	[3.1%]	250.0	11.0	[4.4%]	245.0	13.0	[5.3%]	+39.7	+6.7	[+2.2pt]	-5.0	+2.0	[+0.9pt]
Home Appliances	1,038.3	75.7	[7.3%]	1,120.0	75.0	[6.7%]	1,120.0	72.0	[6.4%]	+81.6	-3.7	[-0.9pt]	+0.0	-3.0	[-0.3pt]
Others	603.0	13.6	[2.3%]	620.0	16.0	[2.6%]	650.0	19.0	[2.9%]	+46.9	+5.3	[+0.6pt]	+30.0	+3.0	[+0.3pt]
Eliminations and corporate	-554.2	-31.4	-	-580.0	-32.0	-	-595.0	-32.0	-	-40.7	-0.5	-	-15.0	+0.0	-
Consolidated Total	4,191.4	230.1	[5.5%]	4,500.0	280.0	[6.2%]	4,490.0	260.0	[5.8%]	+298.5	+29.8	[+0.3pt]	-10.0	-20.0	[-0.4pt]

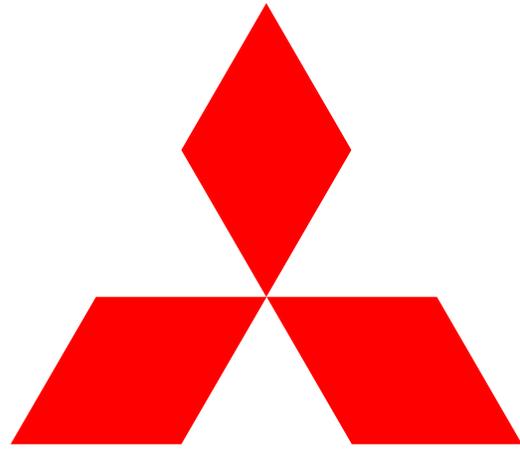
※Previous forecast: October 28, 2021

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/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, tsunami, 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



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