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Mitsubishi Electric Announces Consolidated and Non-consolidated Financial Results for Fiscal 2012

Tokyo, April 27, 2012 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its consolidated and non-consolidated financial results for fiscal 2012 (April 1, 2011- March 31, 2012).

Consolidated Financial Results

Net sales:	3,639.4	billion yen	(Unchanged from the previous fiscal year)
Operating income:	225.4	billion yen	(4% decrease from the previous fiscal year)
Income before income taxes:	224.0	billion yen	(7% increase from the previous fiscal year)
Net income attributable to Mitsubishi Electric Corp.:	112.0	billion yen	(10% decrease from the previous fiscal year)

Non-consolidated Financial Results

Net sales:	2,344.5	billion yen	(Unchanged from the previous fiscal year)
Operating income:	87.2	billion yen	(10% decrease from the previous fiscal year)
Ordinary profit:	127.5	billion yen	(6% increase from the previous fiscal year)
Net income:	55.8	billion yen	(29% decrease from the previous fiscal year)

With a setback in the European and East Asian economy, tight supply of parts caused by the flood in Thailand and slowdown in Japanese production and exports, the business environment in the fiscal year ending March 31, 2012 worsened in the latter half of the fiscal year due to a stagnation in the recovery trend inside and outside Japan, and the yen remaining strong against US dollars and euro.

Under these circumstances, the Mitsubishi Electric Group has been working even harder than before to promote growth strategies that take root in its advantages, in addition to the ongoing improvements to strengthen its competitiveness and business structure.

Mitsubishi Electric has recorded consolidated tax costs of 32.0 billion yen resulting from a re-evaluation of deferred tax assets and liabilities for the reduction of corporate tax rates effective as of April 2012, which follows the promulgation in December 2011 of the “Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No.114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction Following the Great East Japan Earthquake” (Act No.117 of 2011).

CONSOLIDATED FINANCIAL RESULTS BY BUSINESS SEGMENT

Energy and Electric Systems

Total sales:	1,027.1	billion yen	(Unchanged from the previous fiscal year)
Operating income:	84.9	billion yen	(1.8 billion yen increase from the previous fiscal year)

The social infrastructure systems business saw an increase in orders compared to the previous fiscal year due to growth in Japan as well as orders received for large projects overseas in the energy systems business, while sales decreased compared to the previous fiscal year due to decreases in the Japanese public utility systems and rolling-stock equipment businesses.

The building systems business experienced increases in both orders and sales compared to the previous fiscal year, owing to a growth in demand for elevators and escalators in the Chinese and ASEAN markets, as well as large projects recorded for China and Korea.

As a result, total sales for this segment was unchanged from the previous fiscal year. Operating income increased by 1.8 billion yen from the previous fiscal year mainly due to a shift in sales components.

Industrial Automation Systems

Total sales:	978.3 billion yen	(6% increase from the previous fiscal year)
Operating income:	101.1 billion yen	(1.1 billion yen increase from the previous fiscal year)

The factory automation systems business saw an increase in sales from the previous fiscal year owing to stable demand for smartphone- and tablet PC-related investments mainly in Asia, despite a decrease in orders for flat panel display-related investments in Korea and Taiwan.

The automotive equipment business saw increases in both orders and sales from the previous fiscal year due to expansions in emerging markets including China and India as well as recovery in the North American market, despite impact from the Great East Japan Earthquake and the flood in Thailand.

As a result, total sales for this segment increased by 6% from the previous fiscal year. Operating income increased by 1.1 billion yen from the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales:	516.3 billion yen	(6% increase from the previous fiscal year)
Operating income:	21.3 billion yen	(7.5 billion yen increase from the previous fiscal year)

The telecommunications equipment business saw increases in both orders and sales from the previous fiscal year due to increased demand for communications infrastructure and other equipment, and to large orders received for submarine line terminal equipment for fiber-optic cable networks.

The information systems and services business saw increased sales compared to the previous fiscal year mainly due to growth in the system integration and the network and system operations businesses.

The electronic systems business saw a decrease in orders from the previous fiscal year due primarily to a decrease in the number of large projects in the space systems business, while sales increased from the previous fiscal year due to an increase in the electronics business.

As a result, total sales for this segment increased by 6% from the previous fiscal year. Operating income increased by 7.5 billion yen from the previous fiscal year due primarily to increased sales.

Electronic Devices

Total sales:	200.7 billion yen	(14% increase from the previous fiscal year)
Operating income:	3.5 billion yen	(2.3 billion yen decrease from the previous fiscal year)

The semiconductor business saw a decrease in orders from the previous fiscal year due to a decline in demand mainly for industrial-use power modules as well as high-frequency and optical transmission devices, while sales increased owing to demand growth in power modules for industrial, commercial, automotive and railcar applications.

The LCD module business experienced increases in both orders and sales from the previous fiscal year due to growth in demand for industrial and automotive applications.

As a result, total sales for the segment increased by 14% from the previous fiscal year. Operating income decreased by 2.3 billion yen from the previous fiscal year mainly due to stronger yen.

Home Appliances

Total sales:	849.2 billion yen	(8% decrease from the previous fiscal year)
Operating income:	22.3 billion yen	(19.6 billion yen decrease from the previous fiscal year)

The home appliances business saw a 8% decrease in sales from the previous fiscal year due to impact from the change in the eco-point incentive program in the third fiscal quarter the previous year which caused a last minute surge in demand for LCD televisions in the Japanese market, in addition to decreases in overseas

photovoltaic systems mainly in Europe as well as hot water supply systems and induction heating cooking systems for the Japanese market.

Operating income fell by 19.6 billion yen from the previous fiscal year due primarily to a decrease in sales.

Others

Total sales:	611.6 billion yen	(Unchanged from the previous fiscal year)
Operating income:	20.3 billion yen	(5.8 billion yen increase from the previous fiscal year)

Sales were unchanged from the previous fiscal year, mainly in affiliated companies involved in materials procurement and engineering.

Operating income increased by 5.8 billion yen from the previous fiscal year due primarily to cost improvements.

Fundamental dividend distribution policy

Mitsubishi Electric's fundamental policy is to comprehensively promote improvement in shareholder profits from the viewpoints of appropriate profit distribution commensurate with earnings performance of the respective fiscal year, as well as strengthening our financial standing through the company's internal reserves, with the ultimate goal of enhancing corporate value.

FY 2012 and FY 2013 dividend

Considering the company's business performance and financial conditions in fiscal 2012, the company has decided to pay a year-end retained earnings dividend of 6 yen per share for fiscal 2012. Adding the interim dividend of 6 yen per share, the total annual dividend will be 12 yen per share. Payment is planned to begin on June 4, 2012.

The retained earnings dividend for fiscal 2013 is still undecided.

cf. In fiscal 2011, interim dividend was 5 yen and year-end dividend was 7 yen per share. (Annual dividend of 12 yen per share)

FINANCIAL CONDITION (CONSOLIDATED BASIS)

Assets, Liabilities, and Shareholders' Equity

The company's total assets for the fiscal year increased from the end of the previous fiscal year by 58.9 billion yen to 3,391.6 billion yen. This increase is mainly due to a 158.6 billion yen increase in trade receivables, despite a 79.8 billion yen decrease in cash and cash equivalents.

The balance of outstanding debts and corporate bonds rose by 57.9 billion yen from the balance as of the end of the previous fiscal year to 542.2 billion yen, resulting in an increase of its ratio of interest-bearing debt to total assets to 16.0% (increase of 1.5 points compared to the end of the previous fiscal year). Trade payables increased by 2.4 billion yen, while reserves for retirement and severance benefits decreased by 46.9 billion yen, due primarily to an increase in pension assets resulting from a rise in stock prices and other factors.

Shareholders' equity increased by 82.1 billion yen compared to the end of the previous fiscal year to 1,132.4 billion yen. The ratio of shareholders' equity to total assets was 33.4%, a 1.9-point increase compared to the previous fiscal year. Retained earnings increased by 84.1 billion yen from the end of the previous fiscal year, owing to a 112.0 billion yen net income attributable to Mitsubishi Electric Corporation and a dividend payment of 27.9 billion yen. Accumulated other comprehensive income increased by 0.3 billion yen.

Cash Flow

Cash flows from operating activities for this financial year decreased by 252.4 billion yen compared to the same period of the previous fiscal year to 75.1 billion yen (cash in) due to an increase in trade receivables. Investment cash flow increased by 10.5 billion yen compared to the previous fiscal year to 156.1 billion yen (cash out) due to increases in purchase of tangible fixed assets and other factors. As a result, free cash flow

was 80.9 billion yen (cash out). Cash flows from financing activities were 7.0 billion yen (cash in) mainly due to an increase in loan payables.

Cash Flow related index

	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>
Cash Flow to interest bearing debt ratio ¹	2.3 times	3.4 times	1.8 times	1.6 times	6.8 times
Interest coverage ratio ²	26.3 times	16.1 times	37.8 times	42.4 times	11.7 times

¹Balance of outstanding debts and corporate bonds* divided by cash flow from operating activities

*Balance of outstanding debts and corporate bonds is the average of the year-start and year-end balance of outstanding debts and corporate bonds.

²Cash flow from operating activities divided by interest paid

CURRENT FORECAST FOR FISCAL 2013

The global economy is expected to see continued stagnation in the European market, while a gradual trend of recovery is expected in the U.S. and emerging markets. The company's business environment, however, is expected to remain severe due to the strong yen continuing against U.S. dollars and euros, as well as a slow recovery in the Japanese private sector.

Under these circumstances, the Mitsubishi Electric Group will continue to increase and strengthen profitability in each business. To bolster initiatives in continuously achieving its management targets, the Mitsubishi Electric Group is committed to continuously implementing various Group-wide measures toward uplifting its business performance and financial standing. The Group will also proceed in strongly pushing forward its growth strategies including the expansion of its global business, promotion of environment-related businesses and strengthening of its social infrastructure business.

Current forecast for fiscal 2013: consolidated

Net sales	3,740.0 billion yen	(3% increase from fiscal 2012)
Operating income	200.0 billion yen	(11% decrease from fiscal 2012)
Income before income taxes	180.0 billion yen	(20% decrease from fiscal 2012)
Net income attributable to Mitsubishi Electric Corp.	120.0 billion yen	(7% increase from fiscal 2012)

Following the issue of overcharged expenses in the company's electronics systems business which arose in January or after, Mitsubishi Electric was suspended from further bidding by Japan's Ministry of Defense (MOD), Cabinet Satellite Intelligence Center (CSICE), Japan Aerospace Exploration Agency (JAXA), the National Institute of Information and Communications Technology (NICT) and the Ministry of Internal Affairs and Communications (MIC). Four of the company's affiliates were also suspended from further bidding by the MOD. The impact to the company's business performance in relation to refund payments for excessive charges and other expenses is currently unclear and thus not considered in the current forecast, but may cause material effects on the Group's future financial results.

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 threefold balanced management policy of "Growth," "Profitability & Efficiency" and "Soundness".

Mitsubishi Electric will also work to further enhance its corporate value by integrating vast variety of its competitive electric-electronic businesses with the maximum synergistic effect, and thus make the company capable of responding to the expectations of customers, shareholders and all of its 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 ratio of interest-bearing debt to total assets of 15% or less. Business performance for fiscal 2012 showed an operating income ratio of 6.2%, an ROE of 10.3% and a ratio of interest-bearing debt to total assets of 16.0%.

Corporate Agenda

Based on its threefold balanced management viewpoints of “Growth,” “Profitability & Efficiency” and “Soundness”, the Mitsubishi Electric Group will continuously improve by strengthening quality, cost, productivity, R&D, intellectual property as well as sales and service capabilities. The Mitsubishi Electric Group will also strengthen its two-tiered growth strategy, made up of its VI¹ strategy, for ‘making strong businesses stronger’, and its AD² strategy, for ‘reinforcing solutions businesses centered on strong businesses’. By implementing continuous structural reforms, the Mitsubishi Electric Group strives to create a strong management base, while also continuing to bolster and improve its business performance.

Specifically, the Mitsubishi Electric Group will strengthen its efforts in growing business fields by: promoting environment-related businesses; expanding its businesses in China, India and other emerging markets; strengthening its social infrastructure business; and rolling out solution businesses by integrating technologies and expertise from its security and other businesses. Also, with an objective of strengthening its integrated “craftsmanship,” the Group will strengthen its development and productivity in software and hardware, and continue to streamline its productivity with measures such as Just-In-Time production. From the very first stages of design and development, the Mitsubishi Electric Group will strengthen activities that contribute to quality consciousness. The Group will utilize and optimally deploy human resources to enhance competitiveness, and engage in activities such as streamlining its human resources structure from a mid- and long-term perspective. The Mitsubishi Electric Group intends to improve its financial standing by further pursuing such measures as inventory reduction. In addition, the Group will build an optimal business structure and strengthen it both in global terms and for the entire corporate Group. Finally, the Group will enhance its operational structure to manage businesses through integration and coordination among multiple aspects, including research, development, procurement, production, sales and services.

In addition, the Mitsubishi Electric Group is committed to enhancing Corporate Social Responsibility (CSR) efforts based on the Corporate Mission³ and Seven Guiding Principles⁴. The Group will also promote environmental initiatives to create a low-carbon and recycling-based society. In terms of legal and ethical compliance, the Group has implemented internal control measures and internal training, etc., as a priority task spanning the entire consolidated Mitsubishi Electric Group. Following the issue, however, of overcharged expenses in the company’s electronics systems business which arose in January or after, Mitsubishi Electric was suspended from further bidding by the MOD, CSICE, JAXA, NICT and the MIC. Four of the company’s affiliates were also suspended from further bidding by the MOD. Taking this matter extremely serious, the company will conduct a thorough, full-scale investigation and further strengthen its compliance structure and implement remedial measures in order to recover trust as early as possible.

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

¹VI, the first two letters of ‘Victory’

²AD, the first two letters of ‘Advance’

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

⁴These 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 Financial Results

(In billions of yen except where noted)

	FY '11 (A) (Apr. 1, 2010 – Mar. 31, 2011)	FY '12 (B) (Apr. 1, 2011 – Mar. 31, 2012)	B – A	
			B – A	B/A (%)
Net sales	3,645.3	3,639.4	(5.8)	100
Operating income	233.7	225.4	(8.3)	96
Income before income taxes	210.2	224.0	13.8	107
Net income attributable to Mitsubishi Electric Corp.	124.5	112.0	(12.4)	90
Basic net income per share attributable to Mitsubishi Electric Corp.	58. ⁰⁰ yen	52.²⁰ yen	(5. ⁸⁰ yen)	90

Notes:

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) Company has 161 consolidated subsidiaries.

2. Non-Consolidated Financial Results

(In billions of yen except where noted)

	FY '11 (A) (Apr. 1, 2010 – Mar. 31, 2011)	FY '12 (B) (Apr. 1, 2011 – Mar. 31, 2012)	B – A	
			B – A	B/A (%)
Net sales	2,333.8	2,344.5	10.6	100
Operating income	97.1	87.2	(9.9)	90
Ordinary profit	120.8	127.5	6.6	106
Net income	78.7	55.8	(22.9)	71
Dividend per share				
Annual dividend	12 yen	12 yen	0 yen	100
Interim dividend	5 yen	6 yen		
Year-end dividend	7 yen	6 yen		
Net income per share	36. ⁷⁰ yen	26.⁰¹ yen	(10. ⁶⁹ yen)	71

CONSOLIDATED PROFIT AND LOSS STATEMENT

(In millions of yen)

	FY '11 (A) (Apr. 1, 2010 – Mar. 31, 2011)		FY '12 (B) (Apr. 1, 2011 – Mar. 31, 2012)		B – A	B/A (%)
		% of total		% of total		
Net sales	3,645,331	100.0	3,639,468	100.0	(5,863)	100
Cost of sales	2,622,959	72.0	2,628,964	72.2	6,005	100
Selling, general and administrative expenses	784,606	21.5	781,278	21.5	(3,328)	100
Loss on impairment of long-lived assets	4,005	0.1	3,782	0.1	(223)	94
Operating income	233,761	6.4	225,444	6.2	(8,317)	96
Other income	36,197	1.0	30,528	0.9	(5,669)	84
Interest and Dividends	8,162	0.2	8,332	0.3	170	102
Other	28,035	0.8	22,196	0.6	(5,839)	79
Other expenses	59,721	1.6	31,892	0.9	(27,829)	53
Interest	7,749	0.2	6,818	0.2	(931)	88
Equity in losses of affiliated companies	20,285	0.5	3,366	0.1	(16,919)	17
Other	31,687	0.9	21,708	0.6	(9,979)	69
Income before income taxes	210,237	5.8	224,080	6.2	13,843	107
Income taxes	77,097	2.1	105,815	3.0	28,718	137
Net income	133,140	3.7	118,265	3.2	(14,875)	89
Net income attributable to the noncontrolling interests	8,615	0.3	6,202	0.1	(2,413)	72
Net income attributable to Mitsubishi Electric Corp.	124,525	3.4	112,063	3.1	(12,462)	90

CONSOLIDATED BALANCE SHEET

(In millions of yen)

	FY '11 (A) (ending Mar. 31, 2011)	FY '12 (B) (ending Mar. 31, 2012)	B – A
(Assets)			
Current assets	2,073,064	2,197,384	124,320
Cash and cash equivalents	472,067	392,181	(79,886)
Short-term investments	10,031	2,995	(7,036)
Trade receivables	790,991	950,736	159,745
Inventories	527,504	576,179	48,675
Prepaid expenses and other current assets	272,471	275,293	2,822
Long-term trade receivables	2,090	1,017	(1,073)
Investments	448,953	419,502	(29,451)
Net property, plant and equipment	527,453	556,845	29,392
Other assets	281,119	216,903	(64,216)
Total assets	3,332,679	3,391,651	58,972
(Liabilities and equity)			
Current liabilities	1,470,387	1,433,501	(36,886)
Bank loans and current portion of long-term debt	202,761	200,502	(2,259)
Trade payables	697,789	700,262	2,473
Other current liabilities	569,837	532,737	(37,100)
Long-term debt	281,591	341,789	60,198
Retirement and severance benefits	419,008	372,082	(46,926)
Other fixed liabilities	52,668	53,259	591
Total equity	1,109,025	1,191,020	81,995
Mitsubishi Electric Corp. shareholders' equity	1,050,340	1,132,465	82,125
Common stock	175,820	175,820	-
Capital surplus	208,669	206,343	(2,326)
Retained earnings	881,973	966,126	84,153
Accumulated other comprehensive income (loss)	(215,919)	(215,603)	316
Treasury stock at cost	(203)	(221)	(18)
Noncontrolling interests	58,685	58,555	(130)
Total liabilities and equity	3,332,679	3,391,651	58,972
Balance of Debt	484,352	542,291	57,939
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(59,400)	(67,654)	(8,254)
Pension liability adjustments	(162,390)	(160,156)	2,234
Unrealized gains on securities	5,957	12,242	6,285
Unrealized gains (losses) on derivative instruments	(86)	(35)	51

CONSOLIDATED CASH FLOW STATEMENT

(In millions of yen)

	FY '11 (A) (Apr. 1, 2010 – Mar. 31, 2011)	FY '12 (B) (Apr. 1, 2011 – Mar. 31, 2012)	B – A
I Cash flows from operating activities			
1 Net income	133,140	118,265	(14,875)
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	108,818	130,611	21,793
(2) Decrease in deferred income taxes	22,788	63,628	40,840
(3) Decrease (increase) in trade receivables	(14,594)	(166,091)	(151,497)
(4) Decrease (increase) in inventories	(65,512)	(55,737)	9,775
(5) Decrease (increase) in other assets	2,493	(17,553)	(20,046)
(6) Increase in trade payables	66,177	9,113	(57,064)
(7) Increase (decrease) in other liabilities	14,634	(68,419)	(83,053)
(8) Other, net	59,697	61,363	1,666
Net cash provided by operating activities	327,641	75,180	(252,461)
II Cash flows from investing activities			
1 Capital expenditure	(107,638)	(159,346)	(51,708)
2 Proceeds from sale of property, plant and equipment	4,504	5,085	581
3 Purchase of short-term investments and investment securities	(51,640)	(11,766)	39,874
4 Proceeds from sale of short-term investments and investment securities	18,895	15,961	(2,934)
5 Other, net	(9,751)	(6,108)	3,643
Net cash used in investing activities	(145,630)	(156,174)	(10,544)
I + II Free cash flow	182,011	(80,994)	(263,005)
III Cash flows from financing activities			
1 Proceeds from long-term debt	100	138,283	138,183
2 Repayment of long-term debt	(62,248)	(139,775)	(77,527)
3 Increase (decrease) in bank loans, net	(5,114)	46,630	51,744
4 Dividends paid	(19,315)	(27,910)	(8,595)
5 Purchase of treasury stock	(46)	(20)	26
6 Reissuance of treasury stock	5	2	(3)
7 Other, net	(2,610)	(10,182)	(7,572)
Net cash provided by (used in) financing activities	(89,228)	7,028	96,256
IV Effect of exchange rate changes on cash and cash equivalents	(11,834)	(5,920)	5,914
V Net increase (decrease) in cash and cash equivalents	80,949	(79,886)	(160,835)
VI Cash and cash equivalents at beginning of period	391,118	472,067	80,949
VII Cash and cash equivalents at end of period	472,067	392,181	(79,886)

CONSOLIDATED SEGMENT INFORMATION

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '11 (Apr. 1, 2010 – Mar. 31, 2011)		FY '12 (Apr. 1, 2011 – Mar. 31, 2012)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	1,027,749	83,055	1,027,115	84,920	(634)	1,865	100
Industrial Automation Systems	927,002	100,089	978,380	101,192	51,378	1,103	106
Information and Communication Systems	487,915	13,743	516,354	21,312	28,439	7,569	106
Electronic Devices	175,910	5,901	200,799	3,585	24,889	(2,316)	114
Home Appliances	924,478	42,008	849,274	22,358	(75,204)	(19,650)	92
Others	609,416	14,475	611,619	20,348	2,203	5,873	100
Subtotal	4,152,470	259,271	4,183,541	253,715	31,071	(5,556)	101
Eliminations and other	(507,139)	(25,510)	(544,073)	(28,271)	(36,934)	(2,761)	–
Total	3,645,331	233,761	3,639,468	225,444	(5,863)	(8,317)	100

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '11 (Apr. 1, 2010 – Mar. 31, 2011)		FY '12 (Apr. 1, 2011 – Mar. 31, 2012)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	3,176,605	177,354	3,186,719	179,452	10,114	2,098	100
North America	229,958	1,363	222,543	3,339	(7,415)	1,976	97
Asia (excluding Japan)	583,827	43,734	582,888	34,220	(939)	(9,514)	100
Europe	293,952	7,830	309,997	6,319	16,045	(1,511)	105
Others	38,200	4,329	40,184	3,905	1,984	(424)	105
Subtotal	4,322,542	234,610	4,342,331	227,235	19,789	(7,375)	100
Eliminations	(677,211)	(849)	(702,863)	(1,791)	(25,652)	(942)	–
Total	3,645,331	233,761	3,639,468	225,444	(5,863)	(8,317)	100

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

3. Sales by Location of Customers

(In millions of yen)

Location	FY '11 (Apr. 1, 2010 – Mar. 31, 2011)		FY '12 (Apr. 1, 2011 – Mar. 31, 2012)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	2,416,090	66.3	2,419,275	66.5	3,185	100
North America	251,071	6.9	239,566	6.6	(11,505)	95
Asia (excluding Japan)	603,261	16.6	590,890	16.2	(12,371)	98
Europe	289,440	7.9	304,233	8.4	14,793	105
Others	85,469	2.3	85,504	2.3	35	100
Total overseas sales	1,229,241	33.7	1,220,193	33.5	(9,048)	99
Consolidated total	3,645,331	100.0	3,639,468	100.0	(5,863)	100

Cautionary Statement

The Mitsubishi Electric Group is involved in the development, manufacture and sales in a wide range of fields including Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices and Home Appliances, and these operations stretch out globally, not only inside Japan, but also in North America, Europe, Asia and other regions. 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, 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, as well as an increase in material prices due to a worsening of material and component procurement conditions may adversely affect the Mitsubishi Electric Group's performance.

(5) Fund raising

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 legislation or relevant issues

We may incur losses or expenses owing to changes in environmental legislation or the occurrence of environmental issues. Such changes in legislation or the occurrence of environmental issues may also impact manufacturing and all corporate activities of the Mitsubishi Electric Group.

- (8) Flaws or defects in products or services
We may incur losses or expenses resulting out of flaws or defects in products or services, 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 the Mitsubishi Electric Group's performance.
- (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, tsunamis, 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, pandemic by new strains of influenza and other diseases, or other factors.

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About Mitsubishi Electric

With over 90 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 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. Embracing the spirit of its corporate statement, Changes for the Better, and its environmental statement, Eco Changes, Mitsubishi Electric endeavors to be a global, leading green company, enriching society with technology.

The company recorded consolidated group sales of 3,639.4 billion yen (US\$ 44.4 billion*) in the fiscal year ended March 31, 2012. For more information visit <http://www.MitsubishiElectric.com>

*At an exchange rate of 82 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2012