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Mitsubishi Electric Announces Consolidated Financial Results for the First Quarter of Fiscal 2021

TOKYO, July 30, 2020 – [Mitsubishi Electric Corporation](https://www.mitsubishielectric.com) (TOKYO: 6503) announced today its consolidated financial results for the first quarter, ended June 30, 2020, of the current fiscal year ending March 31, 2021 (fiscal 2021).

Consolidated Financial Results

Revenue:	858.1	billion yen	(18% decrease from the same period last year)
Operating profit:	20.2	billion yen	(63% decrease from the same period last year)
Profit before income taxes:	27.1	billion yen	(55% decrease from the same period last year)
Net profit attributable to Mitsubishi Electric Corp. stockholders:	17.8	billion yen	(58% decrease from the same period last year)

The economy in the first quarter, from April through June 2020, of fiscal 2021 generally saw a severe business environment with the serious impact of the novel coronavirus diseases (COVID-19) resulting in a significant slowdown in both corporate sector and household sector in Japan, the U.S. and Europe, while China experienced a gradual recovery mainly owing to an increase in capital expenditures for fixed assets. There were also signs of bottoming out as measures to fully restart economy were taken in various countries and regions recently.

Revenue

Revenue in the first quarter decreased by 192.6 billion yen from the same period of the previous fiscal year to 858.1 billion yen as a result of decreased revenue in all segments. Energy and Electric Systems segment saw a decrease in the building systems business that experienced global stagnation of urban development and construction due to the impact of COVID-19, while the social infrastructure systems business increased with transportations systems and power systems businesses remaining buoyant in Japan. Industrial Automation Systems segment saw a decrease of the automotive equipment business due to a slowdown in demand for new cars globally. Home Appliances segment saw a significant decrease in air conditioners as economic activities were considerably limited outside Japan and capital expenditures were restrained in Japan.

Operating Profit

Operating profit decreased by 34.7 billion yen from the same period of the previous fiscal year to 20.2 billion yen due mainly to decreased operating profit in Industrial Automation Systems, Home Appliances, and Information and Communication Systems segments, while operating profit increased in Energy and Electric Systems and Electronic Devices segments. Operating profit ratio decreased by 2.8% from the same period of

the previous fiscal year to 2.4%.

The cost ratio increased by 0.9% from the same period of the previous fiscal year due primarily to lowered operation caused by decreased revenue of Industrial Automation Systems and Home Appliances segments in addition to the yen appreciating against other currencies. Selling, general and administrative expenses decreased by 27.6 billion yen from the same period of the previous fiscal year due mainly to reduced cost, but selling, general and administrative expenses to revenue ratio increased by 2.0%. Other profit (loss) increased by 0.8 billion yen from the same period of the previous fiscal year, while other profit (loss) to revenue ratio improved by 0.1%.

Profit before income taxes

Profit before income taxes decreased by 32.6 billion yen from the same period of the previous fiscal year to 27.1 billion yen due primarily to a decrease in operating profit despite of an improvement in non-operating expenses owing to decreased loss on foreign exchange. Profit before income taxes to revenue ratio was 3.2%.

Net profit attributable to Mitsubishi Electric Corporation stockholders

Net profit attributable to Mitsubishi Electric Corporation stockholders decreased by 24.8 billion yen from the same period of the previous fiscal year to 17.8 billion yen due mainly to decreased profit before income taxes. Net profit attributable to Mitsubishi Electric Corporation stockholders to revenue ratio was 2.1%.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Revenue:	265.7	billion yen	(4% decrease from the same period last year which recorded 275.8 billion yen)
Operating profit:	18.6	billion yen	(9.4 billion yen increase from the same period last year which recorded 9.1 billion yen)

The market of the social infrastructure systems business saw demand relating to the electricity systems reform and investment in public utilities for preventing and reducing disaster risks remaining buoyant in Japan. In this environment, the business saw an increase in orders from the same period of the previous fiscal year due primarily to increases in the power systems and the public utility systems businesses in Japan. Revenue also increased due mainly to increases in the transportation systems and the power systems businesses in Japan.

The market of the building systems business saw decreased demand in new installations of elevators and escalators due to global stagnation and delay in urban development and construction caused by the impact of COVID-19. In this environment, the business saw decreases in both orders and revenue from the same period of the previous fiscal year due primarily to decreases in Japan and Asia.

As a result, revenue for this segment decreased by 4% from the same period of the previous fiscal year to 265.7 billion yen.

Operating profit increased by 9.4 billion yen from the previous fiscal year to 18.6 billion yen due mainly to a shift in project portfolios and cost improvement.

Industrial Automation Systems

Revenue:	236.2	billion yen	(29% decrease from the same period last year which recorded 332.3 billion yen)
Operating profit (loss):	(3.4)	billion yen	(24.5 billion yen decline from the same period last year which recorded 21.1 billion yen)

The market of the factory automation systems business saw decreases in automotive-related demand worldwide and machinery-related demand in Japan due to the impact of COVID-19, while a part of demand relating to 5G communications networks and semiconductor remained buoyant and there was demand relating to increased mask production outside Japan. In this environment, the business saw decreases in both orders and revenue from the same period of the previous fiscal year.

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

As a result, revenue for this segment decreased by 29% from the same period of the previous fiscal year to 236.2 billion yen due mainly to a slowdown of the automotive equipment business.

Operating profit declined by 24.5 billion yen from the same period of the previous fiscal year to a loss of 3.4 billion yen due primarily to decreased revenue.

Information and Communication Systems

Revenue:	63.2 billion yen	(27% decrease from the same period last year which recorded 86.4 billion yen)
Operating profit (loss):	(0.5 billion yen)	(1.9 billion yen decline from the same period last year which recorded 1.3 billion yen)

The market of the information systems and service business saw delays and cancellations of IT investments, particularly in the manufacturing industry due to the impact of COVID-19, while there was increased demand for IT infrastructure development to promote remote working. In this environment, the business saw decreases in both orders and revenue from the same period of 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 same period of the previous fiscal year due primarily to a decrease in large-scale project for the space systems business.

As a result, revenue for this segment decreased by 27% from the same period of the previous fiscal year to 63.2 billion yen.

Operating profit declined by 1.9 billion yen from the same period of the previous fiscal year to a loss of 0.5 billion yen due mainly to decreased revenue.

Electronic Devices

Revenue:	49.7 billion yen	(2% decrease from the same period last year which recorded 50.9 billion yen)
Operating profit:	3.0 billion yen	(2.4 billion yen increase from the same period last year which recorded 0.5 billion yen)

The market of the electronic devices business saw a slowdown in demand for power modules used in automotive applications, while demand for high frequency and optical devices relating to 5G communications networks and next-generation data centers remained buoyant. In this environment, the business saw a decrease in orders from the same period of the previous fiscal year. Revenue also decreased by 2% from the same period of the previous fiscal year to 49.7 billion yen due primarily to decreases in power and TFT-LCD modules used in automotive applications, despite of an increase in high frequency and optical devices, particularly in optical communication devices.

Operating profit increased by 2.4 billion yen from the same period of the previous fiscal year to 3.0 billion yen due mainly to a shift in product mix.

Home Appliances

Revenue:	237.3 billion yen	(20% decrease from the same period last year which recorded 296.0 billion yen)
Operating profit:	13.5 billion yen	(17.6 billion yen decrease from the same period last year which recorded 31.1 billion yen)

The market of the home appliances business saw decreased demand for air conditioners globally due primarily to the impact of COVID-19 causing lockdowns and considerable limitation of economic activities outside Japan and restrained capital expenditure in Japan. Meanwhile, there was some demand for consumer electronics during stay-at-home period. In this environment, the business saw a decrease in revenue by 20% from the same period of the previous fiscal year to 237.3 billion yen due primarily to a decrease in air conditioners worldwide and the yen appreciating against other currencies.

Operating profit decreased by 17.6 billion yen from the same period of the previous fiscal year to 13.5 billion yen due mainly to decreased revenue and the yen appreciating against other currencies.

Others

Revenue:	125.4 billion yen	(16% decrease from the same period last year which recorded 149.5 billion yen)
Operating profit (loss):	(1.3 billion yen)	(3.5 billion yen decline from the same period last year which recorded 2.1 billion yen)

Revenue decreased by 16% from the same period of the previous fiscal year to 125.4 billion yen due primarily to decreases in procurements and logistics for the Mitsubishi Electric Group at affiliated companies.

Operating profit declined by 3.5 billion yen from the same period of the previous fiscal year to a loss of 1.3 billion yen due mainly to decreased revenue.

Financial Standing

An analysis on the status of assets, liabilities and equity on a consolidated basis

Total assets as of the end of this fiscal quarter increased from the end of the previous fiscal year by 36.6 billion yen to 4,446.3 billion yen. The change in balance of total assets was mainly attributable to increases in cash and cash equivalents by 192.7 billion yen and inventories by 85.5 billion yen, while trade receivables decreased by 233.1 billion yen primarily as a result of credit collection.

Trade receivables decreased due primarily to credit collection for projects from the previous fiscal year and decreased revenue caused by the impact of COVID-19. Cash and cash equivalents increased owing to borrowings made for the purpose of securing liquidity on hand to be prepared for a deterioration in balance caused by COVID-19.

Total liabilities increased from the end of the previous fiscal year by 45.9 billion yen to 1,916.9 billion yen. Balances of bonds, borrowings and lease liabilities increased by 185.0 billion yen, while trade payables decreased by 94.6 billion yen, and other current liabilities also decreased by 38.9 billion yen. Bonds and borrowings increased by 182.9 billion yen from the end of the previous fiscal year to 449.9 billion yen, with the ratio of bonds and borrowings to total assets recording 10.1%, representing a 4.0 point increase compared to the end of the previous fiscal year.

Mitsubishi Electric Corporation stockholders' equity decreased by 10.5 billion yen compared to the end of the previous fiscal year to 2,419.1 billion yen. The stockholders' equity ratio was recorded at 54.4%, representing a 0.7 point decrease compared to the end of the previous fiscal year. These changes referred to above primarily result from a decrease in dividend payment of 55.8 billion yen, despite of increases from recording a net profit attributable to Mitsubishi Electric Corporation stockholders of 17.8 billion yen and accumulated other comprehensive income by 27.5 billion yen mainly reflecting the yen depreciating against other currencies and a rise in stock prices.

An analysis on the status of cash flow on a consolidated basis

Cash flows from operating activities for this quarter was 133.5 billion yen (cash in), while cash flows from investing activities was 55.2 billion yen (cash out). As a result, free cash flow was 78.3 billion yen (cash in). Cash flows from financing activities was 112.3 billion yen (cash in), and cash and cash equivalents at end of period increased from the end of the previous fiscal year by 192.7 billion yen to 730.3 billion yen.

Net cash provided by operating activities increased by 7.0 billion yen from the same period of the previous fiscal year due primarily to progress in credit collection for projects from the previous fiscal year and reduced use of materials and cost to deal with decreased revenue for this quarter, despite of decreased profit.

Net cash used in investing activities increased by 4.2 billion yen from the same period of the previous fiscal year due mainly to an increase in purchase of property, plant and equipment.

Net cash provided in financing activities increased by 194.3 billion yen from the same period of the previous fiscal year due primarily to an increase in short-term borrowings.

Forecast for Fiscal 2021

The consolidated earnings forecast for fiscal 2021, ending March 31, 2021, is unchanged from the previous forecast* as stated below.

The previous forecast reflected the sluggish markets in various countries and regions and following recovery process, and was based on the assumption that COVID-19 would have a significant impact on revenue and operating profit until the second quarter. The assumption remains unchanged in the forecast.

The forecast may be modified depending on the global and local situation of the containment of COVID-19.

Consolidated forecast for fiscal 2021

Revenue	4,100.0	billion yen	(8% decrease from fiscal 2020)
Operating profit	120.0	billion yen	(54% decrease from fiscal 2020)
Profit before income taxes	145.0	billion yen	(49% decrease from fiscal 2020)
Net profit attributable to Mitsubishi Electric Corp. stockholders	100.0	billion yen	(55% decrease from fiscal 2020)

* See Consolidated Financial Results for Fiscal 2020 dated May 11, 2020 and Additional Disclosure Regarding Consolidated Financial Results for Fiscal 2020 dated June 1, 2020.

Note: *The results forecast 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 at the end.*

Consolidated Financial Results Summary

(In billions of yen except where noted)

	FY '20 Q1 (A) (Apr. 1, 2019 – Jun. 30, 2019)	FY '21 Q1 (B) (Apr. 1, 2020 – Jun. 30, 2020)		
			B – A	B/A (%)
Revenue	1,050.7	858.1	(192.6)	82
Operating profit	54.9	20.2	(34.7)	37
Profit before income taxes	59.7	27.1	(32.6)	45
Net profit attributable to Mitsubishi Electric Corp. stockholders	42.7	17.8	(24.8)	42
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders	19. ⁹⁴ yen	8.³⁴ yen	(11. ⁶⁰ yen)	42

Notes:

- 1) Consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).
- 2) The company has 204 consolidated subsidiaries.

Condensed Quarterly Consolidated Financial Statements
Condensed Quarterly Consolidated Statement of Profit or Loss and
Condensed Quarterly Consolidated Statement of Comprehensive Income

(Condensed Quarterly Consolidated Statement of Profit or Loss)

(In millions of yen)

	FY '20 Q1 (Apr. 1, 2019 – Jun. 30, 2019)		FY '21 Q1 (Apr. 1, 2020 – Jun. 30, 2020)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Revenue	1,050,764	100.0	858,151	100.0	(192,613)	82
Cost of sales	749,869	71.4	620,418	72.3	(129,451)	83
Selling, general and administrative expenses	246,896	23.5	219,245	25.5	(27,651)	89
Other profit (loss)	912	0.1	1,712	0.2	800	188
Operating profit	54,911	5.2	20,200	2.4	(34,711)	37
Financial income	4,299	0.4	4,816	0.6	517	112
Financial expenses	2,760	0.2	720	0.1	(2,040)	26
Share of profit of investments accounted for using the equity method	3,295	0.3	2,813	0.3	(482)	85
Profit before income taxes	59,745	5.7	27,109	3.2	(32,636)	45
Income taxes	12,935	1.2	7,377	0.9	(5,558)	57
Net profit	46,810	4.5	19,732	2.3	(27,078)	42
Net profit attributable to:						
Mitsubishi Electric Corp. stockholders	42,777	4.1	17,885	2.1	(24,892)	42
Non-controlling interests	4,033	0.4	1,847	0.2	(2,186)	46

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(In millions of yen)

	FY '20 Q1 (A) (Apr. 1, 2019 – Jun. 30, 2019)	FY '21 Q1 (B) (Apr. 1, 2020 – Jun. 30, 2020)	B – A
Net profit	46,810	19,732	(27,078)
(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	(3,973)	17,322	21,295
Share of other comprehensive income of investments accounted for using the equity method	(65)	(162)	(97)
Subtotal	(4,038)	17,160	21,198
Items that may be reclassified to net profit			
Exchange differences on translating foreign operations	(18,979)	11,659	30,638
Net changes in the fair value of cash flow hedges	(39)	50	89
Share of other comprehensive income of investments accounted for using the equity method	434	(272)	(706)
Subtotal	(18,584)	11,437	30,021
Total other comprehensive income (loss)	(22,622)	28,597	51,219
Comprehensive income	24,188	48,329	24,141
Comprehensive income attributable to:			
Mitsubishi Electric Corp. stockholders	22,219	45,464	23,245
Non-controlling interests	1,969	2,865	896

Condensed Quarterly Consolidated Statement of Financial Position

(In millions of yen)

	FY '20 (A) (ended Mar. 31, 2020)	FY '21 Q1 (B) (ended Jun. 30, 2020)	B – A
(Assets)			
Current assets	2,628,033	2,657,007	28,974
Cash and cash equivalents	537,559	730,352	192,793
Trade receivables	900,430	667,283	(233,147)
Contract assets	343,637	294,677	(48,960)
Inventories	693,890	779,429	85,539
Other current assets	152,517	185,266	32,749
Non-current assets	1,781,738	1,789,380	7,642
Investments accounted for using the equity method	196,237	189,266	(6,971)
Other financial assets	262,367	290,542	28,175
Property, plant and equipment	854,382	859,854	5,472
Other non-current assets	468,752	449,718	(19,034)
Total assets	4,409,771	4,446,387	36,616
(Liabilities)			
Current liabilities	1,402,665	1,473,328	70,663
Bonds, borrowings and lease liabilities	133,369	337,545	204,176
Trade payables	527,307	432,706	(94,601)
Other current liabilities	741,989	703,077	(38,912)
Non-current liabilities	468,247	443,577	(24,670)
Bonds, borrowings and lease liabilities	243,634	224,508	(19,126)
Net defined benefit liabilities	163,240	170,513	7,273
Other non-current liabilities	61,373	48,556	(12,817)
Total liabilities	1,870,912	1,916,905	45,993
(Equity)			
Mitsubishi Electric Corp. stockholders' equity	2,429,743	2,419,155	(10,588)
Common stock	175,820	175,820	—
Capital surplus	202,832	202,266	(566)
Retained earnings	2,071,817	2,033,885	(37,932)
Accumulated other comprehensive income (loss)	(17,802)	9,778	27,580
Treasury stock, at cost	(2,924)	(2,594)	330
Non-controlling interests	109,116	110,327	1,211
Total equity	2,538,859	2,529,482	(9,377)
Total liabilities and equity	4,409,771	4,446,387	36,616
Bonds, borrowings and lease liabilities	377,003	562,053	185,050
Excluding lease liabilities	267,008	449,996	182,988
Accumulated other comprehensive income (loss):			
Exchange differences on translating foreign operations	(39,519)	(29,160)	10,359
Financial assets measured at fair value through other comprehensive income	21,754	38,879	17,125
Net changes in the fair value of cash flow hedges	(37)	59	96

Condensed Quarterly Consolidated Statement of Changes in Equity
FY '20 Q1 (Apr. 1, 2019 – Jun. 30, 2019)

(In millions of yen)

	Mitsubishi Electric Corp. stockholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total		
Balance at beginning of period	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 period	175,820	202,834	1,958,945	63,809	(2,983)	2,398,425	111,202	2,509,627
Comprehensive income								
Net profit			42,777			42,777	4,033	46,810
Other comprehensive income (loss), net of tax				(20,558)		(20,558)	(2,064)	(22,622)
Comprehensive income	—	—	42,777	(20,558)	—	22,219	1,969	24,188
Reclassification to retained earnings			(5)	5		—		—
Dividends			(55,816)			(55,816)	(1,642)	(57,458)
Purchase of treasury stock					(784)	(784)		(784)
Disposal of treasury stock		(844)			844	0		0
Transactions with non-controlling interests and others						—	(818)	(818)
Balance at end of period	175,820	201,990	1,945,901	43,256	(2,923)	2,364,044	110,711	2,474,755

FY '21 Q1 (Apr. 1, 2020 – Jun. 30, 2020)

(In millions of yen)

	Mitsubishi Electric Corp. stockholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total		
Balance at beginning of period	175,820	202,832	2,071,817	(17,802)	(2,924)	2,429,743	109,116	2,538,859
Comprehensive income								
Net profit			17,885			17,885	1,847	19,732
Other comprehensive income (loss), net of tax				27,579		27,579	1,018	28,597
Comprehensive income	—	—	17,885	27,579	—	45,464	2,865	48,329
Reclassification to retained earnings			(1)	1		—		—
Dividends			(55,816)			(55,816)	(1,519)	(57,335)
Purchase of treasury stock					(366)	(366)		(366)
Disposal of treasury stock		(696)			696	0		0
Transactions with non-controlling interests and others		130				130	(135)	(5)
Balance at end of period	175,820	202,266	2,033,885	9,778	(2,594)	2,419,155	110,327	2,529,482

Condensed Quarterly Consolidated Statement of Cash Flows

(In millions of yen)

	FY '20 Q1 (Apr. 1, 2019 – Jun. 30, 2019) (A)	FY '21 Q1 (Apr. 1, 2020 – Jun. 30, 2020) (B)	B – A
I Cash flows from operating activities			
1 Net profit	46,810	19,732	(27,078)
2 Adjustments to cash flows from operating activities			
(1) Depreciation, amortization and other	46,780	49,595	2,815
(2) Decrease in trade receivables	192,732	234,299	41,567
(3) Decrease (increase) in contract assets	(16,693)	48,774	65,467
(4) Decrease (increase) in inventories	(36,211)	(83,465)	(47,254)
(5) Increase (decrease) in trade payables	(54,838)	(95,155)	(40,317)
(6) Others, net	(52,131)	(40,239)	11,892
Cash flows from operating activities	126,449	133,541	7,092
II Cash flows from investing activities			
1 Purchase of property, plant and equipment	(43,096)	(50,655)	(7,559)
2 Proceeds from sale of property, plant and equipment	714	1,976	1,262
3 Purchase of investment securities	(6,401)	(4,130)	2,271
4 Proceeds from sale of investment securities (net of cash disposed)	3,646	1,251	(2,395)
5 Others, net	(5,864)	(3,681)	2,183
Cash flows from investing activities	(51,001)	(55,239)	(4,238)
I + II Free cash flow	75,448	78,302	2,854
III Cash flows from financing activities			
1 Proceeds and repayments of bonds and long-term borrowings	(30,495)	(144)	30,351
2 Increase in short-term borrowings, net	18,798	183,170	164,372
3 Repayments of lease liabilities	(12,753)	(12,737)	16
4 Dividends paid	(55,816)	(55,816)	0
5 Purchase of treasury stock	(784)	(366)	418
6 Disposal of treasury stock	0	0	(0)
7 Others, net	(982)	(1,744)	(762)
Cash flows from financing activities	(82,032)	112,363	194,395
IV Effect of exchange rate changes on cash and cash equivalents	(6,996)	2,128	9,124
V Net increase (decrease) in cash and cash equivalents	(13,580)	192,793	206,373
VI Cash and cash equivalents at beginning of period	514,224	537,559	23,335
VII Cash and cash equivalents at end of period	500,644	730,352	229,708

Consolidated Segment Information

1. Revenue and Operating Profit by Business Segment

(In millions of yen)

Business Segment	FY '20 Q1 (Apr. 1, 2019 – Jun. 30, 2019)		FY '21 Q1 (Apr. 1, 2020 – Jun. 30, 2020)		C – A	D – B	C/A (%)
	Revenue (A)	Operating profit (B)	Revenue (C)	Operating profit (loss) (D)			
Energy and Electric Systems	275,833	9,196	265,755	18,646	(10,078)	9,450	96
Industrial Automation Systems	332,314	21,182	236,231	(3,414)	(96,083)	(24,596)	71
Information and Communication Systems	86,409	1,366	63,285	(563)	(23,124)	(1,929)	73
Electronic Devices	50,954	597	49,711	3,090	(1,243)	2,493	98
Home Appliances	296,004	31,188	237,398	13,552	(58,606)	(17,636)	80
Others	149,523	2,151	125,424	(1,353)	(24,099)	(3,504)	84
Subtotal	1,191,037	65,680	977,804	29,958	(213,233)	(35,722)	82
Eliminations and corporate	(140,273)	(10,769)	(119,653)	(9,758)	20,620	1,011	—
Consolidated total	1,050,764	54,911	858,151	20,200	(192,613)	(34,711)	82

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

2. Revenue by Location of Customers

(In millions of yen)

Location of Customers	FY '20 Q1 (Apr. 1, 2019 – Jun. 30, 2019)		FY '21 Q1 (Apr. 1, 2020 – Jun. 30, 2020)		B – A	B/A (%)
	Revenue (A)	% of total revenue	Revenue (B)	% of total revenue		
Japan	562,457	53.5	479,682	55.9	(82,775)	85
North America	118,000	11.2	74,354	8.7	(43,646)	63
Asia (excluding Japan)	230,812	22.0	206,138	24.0	(24,674)	89
China	108,958	10.4	116,243	13.5	7,285	107
Europe	125,266	11.9	85,587	10.0	(39,679)	68
Others	14,229	1.4	12,390	1.4	(1,839)	87
Total overseas revenue	488,307	46.5	378,469	44.1	(109,838)	78
Consolidated total	1,050,764	100.0	858,151	100.0	(192,613)	82

Notes to the Condensed Consolidated Financial Statements

(Notes regarding the going concern assumption)

Not applicable

(Notes if there is any significant change in Mitsubishi Electric Corp. stockholders' equity)

Not applicable

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/U.S. 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

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About Mitsubishi Electric Corporation

With nearly 100 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. Mitsubishi Electric enriches society with technology in the spirit of its corporate statement, "Changes for the Better," and environmental statement, "Eco Changes." The company recorded a revenue of 4,462.5 billion yen (U.S.\$ 40.9 billion*) in the fiscal year ended March 31, 2020. For more information, please visit www.MitsubishiElectric.com

*U.S. dollar amounts are translated from yen at the rate of ¥109=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2020

Fiscal 2021 First-quarter Consolidated Results

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1. Financial Results

(Consolidated)

(Billions of yen, year-on-year % change)

	FY '20		FY '21	
	Q1 (Actual)	Full Year (Actual)	Q1 (Actual)	Full Year (Forecast)
Revenue	1,050.7 (0)	4,462.5 (-1)	858.1 (-18)	4,100.0 (-8)
Operating profit	54.9 (-11)	259.6 (-11)	20.2 (-63)	120.0 (-54)
Profit before income taxes	59.7 (-13)	281.9 (-11)	27.1 (-55)	145.0 (-49)
Net profit attributable to Mitsubishi Electric Corp. stockholders	42.7 (-10)	221.8 (-2)	17.8 (-58)	100.0 (-55)

2. Revenue and Operating Profit by Segment

(Billions of yen, year-on-year % change)

		FY '20		FY '21	
		Q1 (Actual)	Full Year (Actual)	Q1 (Actual)	Full Year (Forecast)
Energy and Electric Systems	Revenue	275.8 (+3)	1,307.3 (+1)	265.7 (-4)	1,300.0 (-1)
	Operating profit	9.1 (+54)	82.3 (0)	18.6 (+103)	75.0 (-9)
Industrial Automation Systems	Revenue	332.3 (-8)	1,349.4 (-8)	236.2 (-29)	1,160.0 (-14)
	Operating profit (loss)	21.1 (-53)	68.9 (-52)	-3.4 (-)	13.0 (-81)
Information and Communication Systems	Revenue	86.4 (+8)	455.5 (+7)	63.2 (-27)	400.0 (-12)
	Operating profit (loss)	1.3 (-)	26.4 (+116)	-0.5 (-)	18.0 (-32)
Electronic Devices	Revenue	50.9 (-1)	208.7 (+4)	49.7 (-2)	220.0 (+5)
	Operating profit (loss)	0.5 (-60)	8.7 (+503)	3.0 (+418)	-5.0 (-)
Home Appliances	Revenue	296.0 (+6)	1,090.2 (+2)	237.3 (-20)	990.0 (-9)
	Operating profit	31.1 (+56)	78.2 (+32)	13.5 (-57)	33.0 (-58)
Others	Revenue	149.5 (-4)	659.6 (-3)	125.4 (-16)	640.0 (-3)
	Operating profit (loss)	2.1 (+85)	26.0 (+8)	-1.3 (-)	18.0 (-31)
Subtotal	Revenue	1,191.0 (0)	5,071.0 (-1)	977.8 (-18)	4,710.0 (-7)
	Operating profit	65.6 (-8)	290.6 (-10)	29.9 (-54)	152.0 (-48)
Eliminations and corporate	Revenue	-140.2	-608.5	-119.6	-610.0
	Operating profit	-10.7	-31.0	-9.7	-32.0
Consolidated total	Revenue	1,050.7 (0)	4,462.5 (-1)	858.1 (-18)	4,100.0 (-8)
	Operating profit	54.9 (-11)	259.6 (-11)	20.2 (-63)	120.0 (-54)

*The impact of COVID-19 on Q1 of FY '21 is analyzed as a decrease in revenue by about 180 billion yen and a loss of operating profit by about 48 billion yen.

3. Overseas Revenue by Segment

(Billions of yen, year-on-year % change)

	FY '20		FY '21
	Q1	Full Year	Q1
	(Actual)	(Actual)	(Actual)
Energy and Electric Systems	96.6 (+1)	396.7 (-4)	84.5 (-12)
Industrial Automation Systems	194.2 (-10)	754.1 (-10)	134.6 (-31)
Information and Communication Systems	1.8 (-10)	13.2 (-6)	1.3 (-26)
Electronic Devices	26.0 (-10)	108.5 (+1)	29.6 (+14)
Home Appliances	165.6 (+3)	563.3 (-1)	124.9 (-25)
Others	3.8 (-14)	16.0 (-3)	3.3 (-12)
Consolidated total	488.3 (-4)	1,852.1 (-6)	378.4 (-22)
Ratio of overseas revenue to total revenue	46.5%	41.5%	44.1%

4. Orders by Segment

(Consolidated)

(Billions of yen, year-on-year % change)

	FY '20		FY '21
	Q1	Full Year	Q1
	(Actual)	(Actual)	(Actual)
Energy and Electric Systems	291.8 (+6)	1,348.8 (+4)	278.3 (-5)
Industrial Automation Systems	338.1 (-5)	1,358.0 (-5)	241.2 (-29)
Information and Communication Systems	85.2 (+19)	448.8 (+7)	69.7 (-18)
Electronic Devices	55.8 (+11)	221.6 (+11)	44.5 (-20)

*Home Appliances and Others segments have few products made on order, thus not included in the chart above.

5. Foreign Exchange Rates for Recording Revenue and Impact of Exchange Rate Fluctuations on Revenue

		FY '20		FY '21	
		Q1	Full Year	Q1	Full Year *
		(Actual)	(Actual)	(Actual)	(Forecast)
Average exchange rate	US\$	¥110	¥109	¥107	¥105
	Euro	¥123	¥121	¥119	¥115
	CNY	¥16.0	¥15.6	¥15.1	¥15.0
Impact of exchange rate fluctuations on revenue	Consolidated total	About ¥11.0 billion decrease	About ¥62.0 billion decrease	About ¥13.0 billion decrease	
	US\$	Little	About ¥9.0 billion decrease	About ¥2.0 billion decrease	
	Euro	About ¥4.0 billion decrease	About ¥20.0 billion decrease	About ¥3.0 billion decrease	
	CNY	About ¥5.0 billion decrease	About ¥17.0 billion decrease	About ¥5.0 billion decrease	

*The forecast for FY '21 is unchanged from the announcement on May 11, 2020.