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Mitsubishi Electric Announces Consolidated and Non-consolidated Financial Results for Fiscal 2013

Tokyo, April 30, 2013 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its consolidated and non-consolidated financial results for fiscal 2013 (April 1, 2012- March 31, 2013).

Consolidated Financial Results

Net sales:	3,567.1	billion yen	(2% decrease from the previous fiscal year)
Operating income:	152.0	billion yen	(33% decrease from the previous fiscal year)
Income before income taxes:	65.1	billion yen	(71% decrease from the previous fiscal year)
Net income attributable to Mitsubishi Electric Corp.:	69.5	billion yen	(38% decrease from the previous fiscal year)

Non-consolidated Financial Results

Net sales:	2,236.0	billion yen	(5% decrease from the previous fiscal year)
Operating income:	23.1	billion yen	(74% decrease from the previous fiscal year)
Ordinary profit:	60.5	billion yen	(53% decrease from the previous fiscal year)
Net income:	18.5	billion yen	(67% decrease from the previous fiscal year)

The fiscal year ended March 31, 2013 the business environment continued to be severe with the stagnation in the recovery trend in Europe, slowdown in Chinese economy and slower economic recovery in Japan than expected, despite the yen becoming weaker since the latter half of the third quarter of fiscal 2013 as well as a generally stable economic strength underlying to the U.S. and in emerging countries.

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 continuously implementing the initiatives to strengthen its competitiveness and business structure.

As a result, Mitsubishi Electric has recorded consolidated net sales of 3,567.1 billion yen for fiscal year 2013,

decreased by 2% compared to the previous fiscal year due to such factors as decreased sales in the Industrial Automation Systems, Electronic Devices and Home Appliances segments. Consolidated operating income for fiscal year 2013 decreased by 33% compared to the previous fiscal year to 152.0 billion yen, mainly due to lower profits in the Industrial Automation Systems, Information and Communication Systems and Electronic Devices segments. Income before income taxes decreased by 71% compared to the previous fiscal year to 65.1 billion yen largely as a result of recording 75.7 billion yen as a non-operating expense for refund of overcharged expenses to certain parties in the electronic systems business. Net income attributable to Mitsubishi Electric Corporation for fiscal year 2013 decreased by 38% compared to the previous fiscal year to 69.5 billion yen due to decrease in tax expenses.

CONSOLIDATED FINANCIAL RESULTS BY BUSINESS SEGMENT

Energy and Electric Systems

Total sales:	1,058.1	billion yen	(3% increase from the previous fiscal year)
Operating income:	85.1	billion yen	(0.2 billion yen increase from the previous fiscal year)

The social infrastructure systems business saw a decrease in orders compared to the previous fiscal year due primarily to lower demand compared to the previous fiscal year in which the business experienced recovery demand from the Great East Japan Earthquake, while sales was unchanged compared to the previous fiscal year due to an increase in the power generation business worldwide.

The building systems business experienced increases in both orders and sales compared to the previous fiscal year, owing to growth in demand for renewal of elevators and escalators in Japan as well as for new installation in China.

As a result, total sales for this segment increased by 3% from the previous fiscal year. Operating income increased by 0.2 billion yen from the previous fiscal year due primarily to an increase in sales.

Industrial Automation Systems

Total sales:	927.8	billion yen	(5% decrease from the previous fiscal year)
Operating income:	60.5	billion yen	(40.6 billion yen decrease from the previous fiscal year)

The factory automation systems business saw decreases in both orders and sales from the previous fiscal year mainly due to lower capital expenditures for semiconductor and flat panel display related investments in China, South Korea and Taiwan.

The automotive equipment business saw a decrease in orders due to stagnation in automobile sales in Europe as well as Japanese automobile manufactures experiencing decreases in sales volume in Chinese market, while sales was unchanged from the previous fiscal year with uplifting support from subsidies for eco-cars in the Japanese market as well as recovery in the North American market.

As a result, total sales for this segment decreased by 5% from the previous fiscal year. Operating

income decreased by 40.6 billion yen from the previous fiscal year due primarily to a decrease in sales.

Information and Communication Systems

Total sales:	522.4 billion yen	(1% increase from the previous fiscal year)
Operating income:	1.5 billion yen	(19.7 billion yen decrease from the previous fiscal year)

The telecommunications equipment business saw increases in both orders and sales from the previous fiscal year owing primarily to an increase in communications infrastructures business.

The information systems and services business saw no changes in sales compared to the previous fiscal year mainly due to growth in the system integration business despite of declines in the IT infrastructure service business.

The electronic systems business saw an increase in orders from the previous fiscal year due primarily to a large order received for the space systems business, while sales decreased from the previous fiscal year due to a decrease in the electronics business.

As a result, total sales for this segment increased by 1% from the previous fiscal year. Operating income decreased by 19.7 billion yen from the previous fiscal year due to an increase in cost, and a decrease in sales for electronic systems business.

Electronic Devices

Total sales:	164.0 billion yen	(18% decrease from the previous fiscal year)
Operating income(loss):	(5.5 billion yen)	(9.1 billion yen decline from the previous fiscal year)

The semiconductor business saw decreases in both orders and sales from the previous fiscal year due to a decline in demand mainly for power modules used industrial, consumer and railcar applications. On the other hand, the LCD module business saw increases both in orders and sales due to increases in industrial-use products.

As a result, total sales for this segment decreased by 18% from the previous fiscal year. Operating income declined by 9.1 billion yen from the previous fiscal year mainly due to a decrease in sales.

Home Appliances

Total sales:	821.2 billion yen	(3% decrease from the previous fiscal year)
Operating income:	19.3 billion yen	(3.0 billion yen decrease from the previous fiscal year)

Despite an increase in air conditioning products in Asian countries, the home appliances business saw a 3% decrease in sales from the previous fiscal year due primarily to a large decline in demand for LCD televisions and Blu-ray disc recorders for the Japanese market.

Operating income fell by 3.0 billion yen from the previous fiscal year due primarily to a decrease in sales.

Others

Total sales:	590.3	billion yen	(3% decrease from the previous fiscal year)
Operating income:	18.7	billion yen	(1.5 billion yen decrease from the previous fiscal year)

Sales decreased by 3% from the previous fiscal year, mainly at affiliated companies involved in materials procurement and logistics.

Operating income decreased by 1.5 billion yen from the previous fiscal year due primarily to a decrease in sales.

Fundamental dividend distribution policy

Mitsubishi Electric's fundamental policy is to comprehensively promote improvement in shareholder profit 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 2013 and FY 2014 dividend

Considering the company's business performance and financial conditions in fiscal 2013, the company has decided to pay a year-end retained earnings dividend of 6 yen per share for fiscal 2013. Adding the interim dividend of 5 yen per share, the total annual dividend will be 11 yen per share. Payment is planned to begin on June 4, 2013.

The retained earnings dividend for fiscal 2014 is still undecided.

cf. In fiscal 2012, interim dividend was 6 yen and year-end dividend was 6 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 18.7 billion yen to 3,410.4 billion yen. This increase is mainly due to a 25.2 billion yen increase in trade receivables, a 14.5 billion yen increase in an inventory and a 46.1 billion yen increase in tangible fixed assets acquired as a result of capital expenditure despite a 93.3 billion yen decrease in cash and cash equivalents.

The balance of outstanding debts and corporate bonds fell by 1.7 billion yen from the balance as of the end of the previous fiscal year to 540.5 billion yen, resulting in a decrease of its ratio of interest-bearing debt to total assets to 15.9% (decrease of 0.1 points compared to the end of the previous fiscal year). Trade payables decreased by 47.5 billion yen, and reserves for retirement and severance benefits decreased by 117.1 billion yen, due primarily to an increase in pension assets resulting from a rise in stock prices and other factors.

Mitsubishi Electric Corporation shareholders' equity increased by 167.6 billion yen compared to the end of the previous fiscal year to 1,300.0 billion yen. The ratio of shareholders' equity to total assets was 38.1%, a 4.7-point increase compared to the previous fiscal year. Retained earnings increased by 45.9 billion yen from the end of the previous fiscal year, owing to a 69.5 billion yen recorded as net income attributable to Mitsubishi Electric Corporation and a 23.6 billion yen as dividend payment. Accumulated other comprehensive income increased by 122.1 billion yen due to the weakened yen, a rise in stock prices and other factors.

Cash Flow

Cash flows from operating activities for this financial year increased by 7.5 billion yen compared to the previous fiscal year to 82.7 billion yen (cash in). Cash flows from investing activities decreased by 2.4 billion yen compared to the previous fiscal year to 153.7 billion yen (cash out) due to increases in proceeds from sales of securities and other factors. As a result, free cash flow was 70.9 billion yen (cash out). Cash flows from financing activities were 41.1 billion yen (cash out) mainly due to an increase in repayment of debt.

Cash Flow related index

	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>
Cash Flow to interest bearing debt ratio ¹	3.4 times	1.8 times	1.6 times	6.8 times	6.5 times
Interest coverage ratio ²	16.1 times	37.8 times	42.4 times	11.7 times	12.9 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 2014

There is a concern about the global economic trend such as the slowdown affecting growth in Chinese and Indian markets as well as the prolonged stagnation of recovery in the European market, while we expect a generally stable economic strength in the U.S. and gradual trend of growth in the emerging markets. The Japanese market is also expected to see a recovery based on the weakened yen and increasing public investment since the latter half of the third quarter of fiscal 2013.

Under these circumstances, the Mitsubishi Electric Group will 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. To bolster initiatives in continuously achieving its management targets, Mitsubishi Electric Group will continue to increase and strengthen profitability in each business and is committed to continuously implement various Group-wide measures toward uplifting its business performance and financial standing.

Current forecast for fiscal 2014: consolidated

Net sales	3,810.0	billion yen	(7% increase from fiscal 2013)
Operating income	205.0	billion yen	(35% increase from fiscal 2013)
Income before income taxes	185.0	billion yen	(2.84 times increase from fiscal 2013)
Net income attributable to Mitsubishi Electric Corp.	110.0	billion yen	(58% increase from fiscal 2013)

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 2013 showed an operating income ratio of 4.3%, an ROE of 5.7% and a ratio of interest-bearing debt to total assets of 15.9%.

Corporate Agenda

Mitsubishi Electric Group—in line with the Balanced Corporate Management initiatives, which stem from the three key viewpoints of “Growth,” “Profitability & Efficiency” and “Soundness”—is responding to this business environment by actively promoting a two-tiered growth strategy. Through the VI Strategy,¹ which aims at reinforcing individual business segments to “make strong businesses stronger,” and the AD Strategy,² which aims at reinforcing the solutions business centered on strong businesses, the Mitsubishi Electric Group is taking further steps to accelerate the implementation of measures to create an even stronger business structure in such areas as quality, cost, manufacturing technologies, development capabilities, intellectual property rights, and sales and services. Through the sustained implementation of structural reforms, the Mitsubishi Electric Group is working to ensure a stronger business structure.

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. 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 infringement of Japan’s Antimonopoly Act, regarding certain automotive parts, Mitsubishi Electric was

investigated by Japan Fair Trade Commission from July 2011 and received a cease and desist order and a surcharge payment order in November 2012⁵. The issue of overcharged expenses in the company's electronics systems business which arose in January 2012 or after, Mitsubishi Electric was suspended from further bidding by Japan's Ministry of Defense (MOD)⁶, the Cabinet Satellite Intelligence Center (CSICE)⁷, the Japan Aerospace Exploration Agency (JAXA)⁷, the National Institute of Information and Communications Technology (NICT)⁷ and the Ministry of Internal Affairs and Communications (MIC)⁸. Four of the company's affiliates were also suspended from further bidding by MOD⁶. 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. The Group will also promote environmental initiatives to create a low-carbon and recycling-based society.

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.

⁵Mitsubishi Electric reimbursed a total of 1,410 million yen to the national treasury on February 2013 regarding overcharged expenses, following the surcharge payment orders. The action report based on cease and desist order has already been issued.

⁶Mitsubishi Electric reimbursed a total of 49,512 million yen to the national treasury on February 2013 regarding overcharged expenses, and its bidding suspension from MOD was lifted.

Three subsidiaries of Mitsubishi Electric, namely, Mitsubishi Precision Co., Ltd., Mitsubishi Electric TOKKI Systems Corporation and Mitsubishi Space Software Co., Ltd., also reimbursed a total of 10,768 million yen to the national treasury on February 2013 regarding overcharged expenses and whose bidding suspension from MOD were lifted.

TAIYO MUSEN CO., LTD., an equity-method affiliate, also reimbursed a total of 2,969 million yen to the national treasury on February 2013 regarding overcharged expenses and its bidding suspension from MOD was lifted.

⁷As refunds for overcharged expenses in the space systems business of its Electronic Systems Group to CSICE, JAXA and NICT, Mitsubishi Electric Corporation reimbursed a total of 15,437 million yen to the national treasury on January 2013

regarding overcharged expenses and its suspension from bidding on work for the three entities was lifted.

⁸About MIC, Mitsubishi Electric reimbursed 26 million yen to the national treasury on July 2012 regarding overcharged expenses and its bidding suspension was lifted on June 2012.

Consolidated and Non-Consolidated Financial Results

1. Consolidated Financial Results

(In billions of yen except where noted)

	FY '12 (A) (Apr. 1, 2011 – Mar. 31, 2012)	FY '13 (B) (Apr. 1, 2012 – Mar. 31, 2013)	B – A	
				B/A (%)
Net sales	3,639.4	3,567.1	(72.2)	98
Operating income	225.4	152.0	(73.3)	67
Income before income taxes	224.0	65.1	(158.9)	29
Net income attributable to Mitsubishi Electric Corp.	112.0	69.5	(42.5)	62
Basic net income per share attributable to Mitsubishi Electric Corp.	52. ²⁰ yen	32.³⁸ yen	(19. ⁸² yen)	62

Notes:

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) Company has 162 consolidated subsidiaries.

2. Non-Consolidated Financial Results

(In billions of yen except where noted)

	FY '12 (A) (Apr. 1, 2011 – Mar. 31, 2012)	FY '13 (B) (Apr. 1, 2012 – Mar. 31, 2013)	B – A	
				B/A (%)
Net sales	2,344.5	2,236.0	(108.4)	95
Operating income	87.2	23.1	(64.1)	26
Ordinary profit	127.5	60.5	(66.9)	47
Net income	55.8	18.5	(37.2)	33
Dividend per share				
Annual dividend	12 yen	11 yen	(1 yen)	92
Interim dividend	6 yen	5 yen		
Year-end dividend	6 yen	6 yen		
Net income per share	26. ⁰¹ yen	8.⁶⁶ yen	(17. ³⁵ yen)	33

Consolidated Profit and Loss Statement

(In millions of yen)

	FY '12 (A) (Apr. 1, 2011 – Mar. 31, 2012)		FY '13 (B) (Apr. 1, 2012 – Mar. 31, 2013)		B – A	B/A (%)
		% of total		% of total		
Net sales	3,639,468	100.0	3,567,184	100.0	(72,284)	98
Cost of sales	2,628,964	72.2	2,604,360	73.0	(24,604)	99
Selling, general and administrative expenses	781,278	21.5	806,412	22.6	25,134	103
Loss on impairment of long-lived assets	3,782	0.1	4,317	0.1	535	114
Operating income	225,444	6.2	152,095	4.3	(73,349)	67
Other income	30,528	0.9	33,103	0.9	2,575	108
Interest and Dividends	8,332	0.3	7,742	0.2	(590)	93
Other	22,196	0.6	25,361	0.7	3,165	114
Other expenses	31,892	0.9	120,057	3.4	88,165	376
Interest	6,818	0.2	6,507	0.2	(311)	95
Equity in losses of affiliated companies	3,366	0.1	14,619	0.4	11,253	434
Other	21,708	0.6	98,931	2.8	77,223	456
Income before income taxes	224,080	6.2	65,141	1.8	(158,939)	29
Income taxes	105,815	3.0	(9,509)	(0.3)	(115,324)	-
Net income	118,265	3.2	74,650	2.1	(43,615)	63
Net income attributable to the noncontrolling interests	6,202	0.1	5,133	0.2	(1,069)	83
Net income attributable to Mitsubishi Electric Corp.	112,063	3.1	69,517	1.9	(42,546)	62

Consolidated Comprehensive Income Statement

(In millions of yen)

	FY '12 (A) (Apr. 1, 2011 – Mar. 31, 2012)	FY '13 (B) (Apr. 1, 2012 – Mar. 31, 2013)	B – A
Net income	118,265	74,650	(43,615)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(8,843)	66,592	75,435
Pension liability adjustments	2,234	47,633	45,399
Unrealized gains on securities	6,298	14,845	8,547
Unrealized gains on derivative instruments	54	43	(11)
Total	(257)	129,113	129,370
Comprehensive income	118,008	203,763	85,755
Comprehensive income attributable to the noncontrolling interests	5,629	12,130	6,501
Comprehensive income attributable to Mitsubishi Electric Corp.	112,379	191,633	79,254

Consolidated Balance Sheet

(In millions of yen)

	FY '12 (A) (ending Mar. 31, 2012)	FY '13 (B) (ending Mar. 31, 2013)	B – A
(Assets)			
Current assets	2,197,384	2,144,260	(53,124)
Cash and cash equivalents	392,181	298,881	(93,300)
Short-term investments	2,995	812	(2,183)
Trade receivables	950,736	974,505	23,769
Inventories	576,179	590,735	14,556
Prepaid expenses and other current assets	275,293	279,327	4,034
Long-term trade receivables	1,017	2,521	1,504
Investments	419,502	423,556	4,054
Net property, plant and equipment	556,845	603,000	46,155
Other assets	216,903	237,073	20,170
Total assets	3,391,651	3,410,410	18,759
(Liabilities and equity)			
Current liabilities	1,433,501	1,425,759	(7,742)
Bank loans and current portion of long-term debt	200,502	234,918	34,416
Trade payables	700,262	652,718	(47,544)
Other current liabilities	532,737	538,123	5,386
Long-term debt	341,789	305,654	(36,135)
Retirement and severance benefits	372,082	254,977	(117,105)
Other fixed liabilities	53,259	57,029	3,770
Total equity	1,191,020	1,366,991	175,971
Mitsubishi Electric Corp. shareholders' equity	1,132,465	1,300,070	167,605
Common stock	175,820	175,820	–
Capital surplus	206,343	205,945	(398)
Retained earnings	966,126	1,012,027	45,901
Accumulated other comprehensive income (loss)	(215,603)	(93,487)	122,116
Treasury stock at cost	(221)	(235)	(14)
Noncontrolling interests	58,555	66,921	8,366
Total liabilities and equity	3,391,651	3,410,410	18,759
Balance of Debt	542,291	540,572	(1,719)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(67,654)	(8,023)	59,631
Pension liability adjustments	(160,156)	(112,523)	47,633
Unrealized gains on securities	12,242	27,045	14,803
Unrealized gains (losses) on derivative instruments	(35)	14	49

Consolidated Cash Flow Statement

(In millions of yen)

	FY '12 (A) (Apr. 1, 2011 – Mar. 31, 2012)	FY '13 (B) (Apr. 1, 2012 – Mar. 31, 2013)	B – A
I Cash flows from operating activities			
1 Net income	118,265	74,650	(43,615)
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	130,611	131,956	1,345
(2) Deferred income taxes	63,628	(32,999)	(96,627)
(3) Decrease (increase) in trade receivables	(166,091)	(49)	166,042
(4) Decrease (increase) in inventories	(55,737)	16,706	72,443
(5) Decrease (increase) in other assets	(17,553)	(21,241)	(3,688)
(6) Increase (decrease) in trade payables	9,113	(62,549)	(71,662)
(7) Increase (decrease) in other liabilities	(68,419)	(46,851)	21,568
(8) Other, net	61,363	23,129	(38,234)
Net cash provided by operating activities	75,180	82,752	7,572
II Cash flows from investing activities			
1 Capital expenditure	(159,346)	(150,425)	8,921
2 Proceeds from sale of property, plant and equipment	5,085	4,792	(293)
3 Purchase of short-term investments and investment securities	(11,766)	(13,036)	(1,270)
4 Proceeds from sale of short-term investments and investment securities	15,961	29,088	13,127
5 Other, net	(6,108)	(24,120)	(18,012)
Net cash used in investing activities	(156,174)	(153,701)	2,473
I + II Free cash flow	(80,994)	(70,949)	10,045
III Cash flows from financing activities			
1 Proceeds from long-term debt	138,283	57,003	(81,280)
2 Repayment of long-term debt	(139,775)	(90,786)	48,989
3 Increase in bank loans, net	46,630	19,237	(27,393)
4 Dividends paid	(27,910)	(23,616)	4,294
5 Purchase of treasury stock	(20)	(16)	4
6 Reissuance of treasury stock	2	2	-
7 Other, net	(10,182)	(2,977)	7,205
Net cash provided by (used in) financing activities	7,028	(41,153)	(48,181)
IV Effect of exchange rate changes on cash and cash equivalents	(5,920)	18,802	24,722
V Net increase (decrease) in cash and cash equivalents	(79,886)	(93,300)	(13,414)
VI Cash and cash equivalents at beginning of period	472,067	392,181	(79,886)
VII Cash and cash equivalents at end of period	392,181	298,881	(93,300)

Consolidated Segment Information

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '12 (Apr. 1, 2011 – Mar. 31, 2012)		FY '13 (Apr. 1, 2012 – Mar. 31, 2013)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Energy and Electric Systems	1,027,115	84,920	1,058,177	85,140	31,062	220	103
Industrial Automation Systems	978,380	101,192	927,857	60,592	(50,523)	(40,600)	95
Information and Communication Systems	516,354	21,312	522,422	1,591	6,068	(19,721)	101
Electronic Devices	200,799	3,585	164,065	(5,580)	(36,734)	(9,165)	82
Home Appliances	849,274	22,358	821,298	19,300	(27,976)	(3,058)	97
Others	611,619	20,348	590,366	18,790	(21,253)	(1,558)	97
Subtotal	4,183,541	253,715	4,084,185	179,833	(99,356)	(73,882)	98
Eliminations and other	(544,073)	(28,271)	(517,001)	(27,738)	27,072	533	–
Total	3,639,468	225,444	3,567,184	152,095	(72,284)	(73,349)	98

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '12 (Apr. 1, 2011 – Mar. 31, 2012)		FY '13 (Apr. 1, 2012 – Mar. 31, 2013)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Japan	3,186,719	179,452	3,064,014	116,923	(122,705)	(62,529)	96
North America	222,543	3,339	248,105	(1,744)	25,562	(5,083)	111
Asia (excluding Japan)	582,888	34,220	624,724	36,172	41,836	1,952	107
Europe	309,997	6,319	289,933	4,527	(20,064)	(1,792)	94
Others	40,184	3,905	40,255	2,209	71	(1,696)	100
Subtotal	4,342,331	227,235	4,267,031	158,087	(75,300)	(69,148)	98
Eliminations	(702,863)	(1,791)	(699,847)	(5,992)	3,016	(4,201)	–
Total	3,639,468	225,444	3,567,184	152,095	(72,284)	(73,349)	98

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

3. Sales by Location of Customers

(In millions of yen)

Location	FY '12 (Apr. 1, 2011 – Mar. 31, 2012)		FY '13 (Apr. 1, 2012 – Mar. 31, 2013)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	2,419,275	66.5	2,335,713	65.5	(83,562)	97
North America	239,566	6.6	262,706	7.4	23,140	110
Asia (excluding Japan)	590,890	16.2	604,335	16.9	13,445	102
Europe	304,233	8.4	280,126	7.8	(24,107)	92
Others	85,504	2.3	84,304	2.4	(1,200)	99
Total overseas sales	1,220,193	33.5	1,231,471	34.5	11,278	101
Consolidated total	3,639,468	100.0	3,567,184	100.0	(72,284)	98

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 Corporation

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 3,567.1 billion yen (US\$ 37.9 billion*) in the fiscal year ended March 31, 2013. For more information visit <http://www.MitsubishiElectric.com>

*At an exchange rate of 94 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2013