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Mitsubishi Electric Announces Consolidated and Non-consolidated Financial Results for Fiscal 2016

TOKYO, April 28, 2016 – [Mitsubishi Electric Corporation](http://www.mitsubishielectric.com) (TOKYO: 6503) announced today its consolidated and non-consolidated financial results for fiscal 2016 (April 1, 2015- March 31, 2016).

Consolidated Financial Results

Net sales:	4,394.3	billion yen	(2% increase from the previous fiscal year)
Operating income:	301.1	billion yen	(5% decrease from the previous fiscal year)
Income before income taxes:	318.4	billion yen	(1% decrease from the previous fiscal year)
Net income attributable to Mitsubishi Electric Corp.:	228.4	billion yen	(3% decrease from the previous fiscal year)

Non-consolidated Financial Results

Net sales:	2,675.7	billion yen	(Unchanged from the previous fiscal year)
Operating income:	112.0	billion yen	(26% decrease from the previous fiscal year)
Ordinary profit:	185.7	billion yen	(8% increase from the previous fiscal year)
Net income:	163.8	billion yen	(21% increase from the previous fiscal year)

During the fiscal year ended March 31, 2016, the business environment experienced buoyancy in the U.S. economy, which showed expansion, and a gradual trend of economic recovery continuing in Europe, despite a gradual slowdown continuing in China and other east Asian markets, weakness in personal consumption in Japan and stagnation in certain emerging markets. In addition, the yen weakened against the U.S. dollar compared to the previous year, while becoming stronger in the fourth quarter.

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

As a result, Mitsubishi Electric has recorded a consolidated net sales of 4,394.3 billion yen for fiscal 2016, an increase of 2% compared to the previous fiscal year, with increased sales in the Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, and Home Appliances segments.

Consolidated operating income decreased by 5% compared to the previous fiscal year to 301.1 billion yen, due to decreased profits in the Energy and Electric Systems, Information and Communication Systems, and Electronic Devices segments.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales:	1,264.6	billion yen	(3% increase from the previous fiscal year)
Operating income:	50.3	billion yen	(22.1 billion yen decrease from the previous fiscal year)

The social infrastructure systems business saw increases in both orders and sales compared to the previous fiscal year due to increases in the power systems business and the transportation systems business in Japan, despite decreases in the public utility systems business in Japan and the transportation systems business outside Japan.

The building systems business experienced an increase in orders, while sales remained unchanged compared to the previous fiscal year, owing to growth in the new installation of elevators and escalators outside Japan.

As a result, total sales for this segment increased by 3% from the previous fiscal year. Operating income decreased by 22.1 billion yen from the previous fiscal year due primarily to a shift in project portfolios and lower profit in the social infrastructure systems business.

Industrial Automation Systems

Total sales:	1,321.9	billion yen	(3% increase from the previous fiscal year)
Operating income:	159.1	billion yen	(13.1 billion yen increase from the previous fiscal year)

The factory automation systems business saw a decrease in orders from the previous fiscal year mainly due to stagnant capital expenditures in China and other emerging markets, while sales remained unchanged from the previous fiscal year due to growth in capital expenditures relating to the automotive industry and facility replacements by manufacturers in Japan, and due additionally to the weaker yen.

The automotive equipment business saw increases in both orders and sales from the previous fiscal year due primarily to growth in the car sales market in North America and Europe, as well as the positive influence of the weaker yen.

As a result, total sales for this segment increased by 3% from the previous fiscal year. Operating income increased by 13.1 billion yen from the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales:	561.1	billion yen	(Unchanged from the previous fiscal year)
Operating income:	14.9	billion yen	(3.9 billion yen decrease from the previous fiscal year)

The telecommunications equipment business remained unchanged in both orders and sales compared to the previous fiscal year.

The information systems and service business saw an increase in sales compared to the previous fiscal year, mainly owing to an increase in the system integrations business.

The electronic systems business saw an increase in orders compared to the previous fiscal year, due to an increase in orders for large-scale projects in the space business, while sales remained unchanged compared to the previous fiscal year due to a shift in the portfolios of large-scale projects in the defense systems business.

As a result, total sales for this segment remained unchanged compared to the previous fiscal year. Operating income decreased by 3.9 billion yen from the previous fiscal year due primarily to a shift in project portfolios.

Electronic Devices

Total sales:	211.5	billion yen	(11% decrease from the previous fiscal year)
Operating income:	16.8	billion yen	(13.2 billion yen decrease from the previous fiscal year)

The electronic devices business saw decreases in both orders and sales from the previous fiscal year due to a decrease in demand mainly for power modules used in automotive, railcar, consumer and industrial applications, despite an increase in optical communication devices.

As a result, total sales for this segment decreased by 11% compared to the previous fiscal year. Operating income decreased by 13.2 billion yen compared to the previous fiscal year due primarily to a decrease in sales.

Home Appliances

Total sales:	982.0	billion yen	(4% increase from the previous fiscal year)
Operating income:	63.8	billion yen	(9.5 billion yen increase from the previous fiscal year)

The home appliances business saw an increase in sales of 4% compared to the previous fiscal year due to an increase in sales of residential and industrial air conditioners in Japan, as well as air conditioners for Europe, Asia and North America. The weaker yen also brought about a positive influence.

Operating income increased by 9.5 billion yen compared to the previous fiscal year largely due to an increase in sales.

Others

Total sales:	707.7	billion yen	(4% decrease from the previous fiscal year)
Operating income:	23.6	billion yen	(0.1 billion yen decrease from the previous fiscal year)

Sales decreased by 4% compared to the previous fiscal year due to decreases mainly at affiliated companies involved in materials procurement.

Operating income decreased by 0.1 billion yen from the previous fiscal year due primarily to a decrease in sales.

Fundamental Dividend Distribution Policy and FY2016 and FY2017 Dividend

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 2016 and FY 2017 dividend

Considering the Company's business performance and financial conditions in fiscal 2016, the Company has decided to pay a year-end retained earnings dividend of 18 yen per share for fiscal 2016. Adding the interim dividend of 9 yen per share, the total annual dividend will be 27 yen per share. Payment is planned to begin on June 2, 2016.

The retained earnings dividend for fiscal 2017 is still undecided.

cf. In fiscal 2015, interim dividend was 9 yen and year-end dividend was 18 yen per share. (Annual dividend of 27 yen per share)

Financial Standing

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

The Company's total assets as of the end of this fiscal year increased from the end of the previous fiscal year by 0.4 billion yen to 4,059.9 billion yen.

Total liabilities decreased from the end of the previous fiscal year by 6.8 billion yen to 2,122.4 billion yen. The outstanding balances of debts and corporate bonds increased by 22.0 billion yen from the end of the previous fiscal year to 404.0 billion yen, resulting in a rise in the ratio of interest bearing debt to total assets to 10.0%, representing a 0.6 point increase compared to the end of the previous fiscal year. Retirement and severance benefits increased by 47.4 billion yen, mainly resulting from a decrease in pension assets following a fall in stock prices, while the outstanding balance of trade payables decreased by 33.5 billion yen and other current liabilities decreased by 23.1 billion yen.

Mitsubishi Electric Corporation shareholders' equity decreased by 3.4 billion yen compared to the end of the previous fiscal year to 1,838.7 billion yen. Shareholders' equity ratio was recorded at 45.3%, representing a 0.1 point decrease compared to the end of the previous fiscal year. The changes referred to above primarily resulted from dividend payment of 57.9 billion yen along with a decrease in accumulated other comprehensive income by 174.7 billion yen caused by such factors as falling stock prices and the stronger yen, despite an increase from recording a net income attributable to Mitsubishi Electric Corporation of 228.4 billion yen.

Cash flows from operating activities for this fiscal year decreased by 11.6 billion yen compared to the previous fiscal year to 366.6 billion yen (cash in). Cash flows from investing activities increased by 57.2 billion yen compared to the previous fiscal year to 255.4 billion yen (cash out) due to increases in purchases of short-term investments and investment securities and other factors. As a result, free cash flow was 111.2 billion yen (cash in). Cash flows from financing activities were 82.1 billion yen (cash out) mainly due to dividend payment.

Cash Flow related index

	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>
Cash Flow to interest bearing debt ratio ¹	6.8 times	6.5 times	1.0 times	1.0 times	1.1 times
Interest coverage ratio ²	11.7 times	12.9 times	91.9 times	99.1 times	120.7 times

¹ Balance 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.

² Cash flow from operating activities divided by interest paid

Current Forecast for Fiscal 2017

Despite global business conditions facing concerns of a gradual economic slowdown in China, continued economic stagnation in some emerging markets as well as stagnation in consumption in the Japanese market, a continued gradual trend of economic expansion is expected mainly in the U.S. and Europe. However, it will not necessarily be possible to adopt an optimistic outlook regarding business performance due to concerns primarily of the yen continuing to strengthen.

Under these circumstances, the Mitsubishi Electric Group aims to achieve its management targets by uplifting its business performance and financial standings through initiatives such as promoting more strongly its global operations in its environment and energy related business and its social infrastructure systems related business, continuously increasing and strengthening profitability in each business and continuously implementing various Group-wide business improvement measures.

The current financial performance forecast for fiscal 2017 follows below. The impact of the 2016 Kumamoto earthquakes on the Mitsubishi Electric Group and its financial performance is reflected in this statement based upon certain assumption at the time of publication.

Current forecast for fiscal 2017: consolidated

Net sales	4,280.0	billion yen	(3% decrease from fiscal 2016)
Operating income	260.0	billion yen	(14% decrease from fiscal 2016)
Income before income taxes	280.0	billion yen	(12% decrease from fiscal 2016)
Net income attributable to Mitsubishi Electric Corp.	200.0	billion yen	(12% decrease from fiscal 2016)

Management Policy

Fundamental Management Policy

Based on its corporate statement “Changes for the Better,” the Mitsubishi Electric Group will continue its challenge toward innovation to build a better tomorrow and pursue sustainable growth through a threefold balanced management policy of “Growth,” “Profitability & Efficiency” and “Soundness.”

The Group will also continue to work to earn the trust of and ensure the satisfaction of all stakeholders including society, customers, shareholders and employees.

Management Targets

The Mitsubishi Electric Group has established management targets that it continuously aims to achieve: an ROE of 10% or more and a ratio of interest-bearing debt to total assets of 15% or less. Aiming to achieve a higher level of growth, the Group has also set growth targets to reach consolidated net sales of 5 trillion yen or more and an operating income ratio of 8% or more by fiscal 2021 at the latest. For business performance in fiscal 2016, the Group recorded a consolidated net sales of 4,394.3 billion yen, an operating income ratio of 6.9%, an ROE of 12.4% and a ratio of interest-bearing debt to total assets of 10.0%.

Corporate Agenda

In order to pursue sustainable growth based on the Mitsubishi Electric Group's threefold balanced management policy of "Growth," "Profitability & Efficiency" and "Soundness," the Group will make resilient businesses even stronger, create strong businesses and strengthen its solutions business that takes root in its vibrant businesses, aiming to achieve a higher level of growth with targets of consolidated net sales of 5 trillion yen or more and an operating income ratio of 8% or more by fiscal 2021 at the latest.

To further expand its global business, the Mitsubishi Electric Group will make efforts to create new value by building and reinforcing an optimal business structure and through cooperation between business segments, in both global terms and for the entire corporate Group. Moreover, as a global, leading green company, the Group will further expand and promote its environment and energy related business and its social infrastructure systems related business, while reinforcing competitiveness in the U.S., Europe and China and also focusing on meeting demands in growing markets such as India, Southeast Asia and Central and South America.

Additionally, as part of its initiative to strengthen its business foundation that is to realize high-quality growth, the Group will make efforts—centered on growth-driving businesses—to supplement products and technologies and secure sales and services networks in new regions and markets, and take part in mergers and acquisitions, collaborations and other strategic activities with the goal of acquiring new customer bases, while reinforcing investments in development and infrastructure. Furthermore, the Group will achieve steady growth by reinforcing resource inputs and optimizing resource distribution through continuous metabolism of its business. With an objective of strengthening its integrated "craftsmanship," the Group will strengthen its development and productivity, 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 an emphasis on quality. The Group will utilize and optimally deploy human resources to enhance competitiveness, and engage in activities such as streamlining its human resources structure. The Group also intends to improve its financial standing and improve its comprehensive business efficiency from a medium and long term perspective, using Mitsubishi Electric's version of ROIC¹, a comprehensive business efficiency indicator.

The Mitsubishi Electric Group is committed to enhancing Corporate Social Responsibility (CSR) activities based on the Corporate Mission² and Seven Guiding Principles³. In terms of legal and ethical compliance, which the Group has set as a priority task spanning the entire consolidated Mitsubishi Electric Group, the Group as a whole will further strengthen its compliance structure through intensive compliance policy, internal control measures and internal training. The Group intends to improve its corporate governance structure through continuous promotion of measures such as compliance with Japan's Corporate Governance Code. The Group will also promote environmental initiatives to create a low-carbon and recycling-based society in order to acquire a higher level of trust from society, customers and shareholders.

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

¹ ROIC (Mitsubishi Electric version): A comprehensive business efficiency indicator which is calculated by asset items (fixed assets, cash, etc.) per different segments (and not by capital and liability) so that it is easier to track and improve.

² Corporate Mission: The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, we enhance the quality of life in our society.

³ These principles are:

Trust: Establish relationships with society, customers, shareholders, employees, and business partners 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, and fostering technological innovation.

Citizenship: As a global player, contribute to the development of communities and society as a whole.

Ethics and Compliance: In all endeavors, conduct ourselves in compliance with applicable laws and high ethical standards.

Environment: Respect nature, and strive to protect and improve the global environment.

Growth: Assure fair earnings to build a foundation for future growth.

Policy Regarding Financial Reporting Standards

The Mitsubishi Electric Group had continuously provided its consolidated financial statements in accordance with U.S. GAAP even before Japan introduced the consolidated financial reporting system in the country. Regarding appropriate application of the International Financial Reporting Standards, the Group intends to decide upon consideration of the situation worldwide.

Consolidated and Non-Consolidated Financial Results Summary

1. Consolidated Financial Results

(In billions of yen except where noted)

	FY '15 (A) (Apr. 1, 2014 – Mar. 31, 2015)	FY '16 (B) (Apr. 1, 2015 – Mar. 31, 2016)	B – A	
			B – A	B/A (%)
Net sales	4,323.0	4,394.3	71.3	102
Operating income	317.6	301.1	(16.4)	95
Income before income taxes	322.9	318.4	(4.4)	99
Net income attributable to Mitsubishi Electric Corp.	234.6	228.4	(6.2)	97
Basic net income per share attributable to Mitsubishi Electric Corp.	109. ³² yen	106. ⁴³ yen	(2. ⁸⁹ yen)	97

Notes:

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) The Company has 218 consolidated subsidiaries.

2. Non-Consolidated Financial Results

(In billions of yen except where noted)

	FY '15 (A) (Apr. 1, 2014 – Mar. 31, 2015)	FY '16 (B) (Apr. 1, 2015 – Mar. 31, 2016)	B – A	
			B – A	B/A (%)
Net sales	2,675.6	2,675.7	0.1	100
Operating income	150.6	112.0	(38.5)	74
Ordinary profit	171.4	185.7	14.3	108
Net income	135.2	163.8	28.5	121
Dividend per share				
Annual dividend	27 yen	27 yen	—	100
Interim dividend	9 yen	9 yen		
Year-end dividend	18 yen	18 yen		
Net income per share	63. ⁰⁰ yen	76.³¹ yen	13. ³¹ yen	121

Consolidated Profit and Loss Statement

(In millions of yen)

	FY '15 (Apr. 1, 2014 – Mar. 31, 2015)		FY '16 (Apr. 1, 2015 – Mar. 31, 2016)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	4,323,041	100.0	4,394,353	100.0	71,312	102
Cost of sales	3,032,161	70.1	3,071,435	69.9	39,274	101
Selling, general and administrative expenses	970,191	22.5	1,013,264	23.0	43,073	104
Loss on impairment of long-lived assets	3,085	0.1	8,482	0.2	5,397	275
Operating income	317,604	7.3	301,172	6.9	(16,432)	95
Other income	78,394	1.9	60,576	1.3	(17,818)	77
Interest and Dividends	7,365	0.2	8,573	0.2	1,208	116
Equity in earnings of affiliated companies	27,725	0.7	29,433	0.6	1,708	106
Other	43,304	1.0	22,570	0.5	(20,734)	52
Other expenses	73,030	1.7	43,272	1.0	(29,758)	59
Interest	4,023	0.1	3,495	0.1	(528)	87
Other	69,007	1.6	39,777	0.9	(29,230)	58
Income before income taxes	322,968	7.5	318,476	7.2	(4,492)	99
Income taxes	74,913	1.8	77,046	1.7	2,133	103
Net income	248,055	5.7	241,430	5.5	(6,625)	97
Net income attributable to the noncontrolling interests	13,361	0.3	12,936	0.3	(425)	97
Net income attributable to Mitsubishi Electric Corp.	234,694	5.4	228,494	5.2	(6,200)	97

Consolidated Comprehensive Income Statement

(In millions of yen)

	FY '15 (A) (Apr. 1, 2014 – Mar. 31, 2015)	FY '16 (B) (Apr. 1, 2015 – Mar. 31, 2016)	B – A
Net income	248,055	241,430	(6,625)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	72,583	(70,881)	(143,464)
Pension liability adjustments	21,171	(86,516)	(107,687)
Unrealized gains (losses) on securities	36,710	(25,498)	(62,208)
Unrealized gains (losses) on derivative instruments	7	(8)	(15)
Total	130,471	(182,903)	(313,374)
Comprehensive income	378,526	58,527	(319,999)
Comprehensive income attributable to the noncontrolling interests	21,725	4,796	(16,929)
Comprehensive income attributable to Mitsubishi Electric Corp.	356,801	53,731	(303,070)

Consolidated Balance Sheet

(In millions of yen)

	FY '15 (A) (ended Mar. 31, 2015)	FY '16 (B) (ended Mar. 31, 2016)	B – A
(Assets)			
Current assets	2,633,445	2,551,863	(81,582)
Cash and cash equivalents	568,517	574,170	5,653
Trade receivables	1,048,542	1,035,168	(13,374)
Inventories	705,420	644,127	(61,293)
Prepaid expenses and other current assets	310,966	298,398	(12,568)
Long-term trade receivables	5,633	4,661	(972)
Investments	595,828	537,706	(58,122)
Net property, plant and equipment	706,475	712,599	6,124
Other assets	118,070	253,112	135,042
Total assets	4,059,451	4,059,941	490
(Liabilities)			
Current liabilities	1,612,582	1,507,943	(104,639)
Bank loans and current portion of long-term debt	164,402	116,532	(47,870)
Trade payables	807,289	773,714	(33,575)
Other current liabilities	640,891	617,697	(23,194)
Long-term debt	217,592	287,507	69,915
Retirement and severance benefits	182,282	229,750	47,468
Other fixed liabilities	116,828	97,238	(19,590)
Total liabilities	2,129,284	2,122,438	(6,846)
(Equity)			
Mitsubishi Electric Corp. shareholders' equity	1,842,203	1,838,773	(3,430)
Common stock	175,820	175,820	–
Capital surplus	211,155	211,999	844
Retained earnings	1,331,496	1,502,027	170,531
Accumulated other comprehensive income (loss)	124,064	(50,699)	(174,763)
Treasury stock at cost	(332)	(374)	(42)
Noncontrolling interests	87,964	98,730	10,766
Total equity	1,930,167	1,937,503	7,336
Total liabilities and equity	4,059,451	4,059,941	490
Balance of Debt	381,994	404,039	22,045
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	102,959	39,847	(63,112)
Pension liability adjustments	(98,108)	(184,231)	(86,123)
Unrealized gains on securities	119,252	93,742	(25,510)
Unrealized gains (losses) on derivative instruments	(39)	(57)	(18)

Consolidated Cash Flow Statement

(In millions of yen)

	FY '15 (Apr. 1, 2014 – Mar. 31, 2015) (A)	FY '16 (Apr. 1, 2015 – Mar. 31, 2016) (B)	B – A
I	Cash flows from operating activities		
1	248,055	241,430	(6,625)
2	Adjustments to reconcile net income to net cash provided by operating activities		
(1)	158,956	151,015	(7,941)
(2)	14,730	24,355	9,625
(3)	(42,044)	1,583	43,627
(4)	(75,829)	39,220	115,049
(5)	(6,966)	7,612	14,578
(6)	47,948	(21,754)	(69,702)
(7)	41,823	(92,810)	(134,633)
(8)	(8,360)	16,026	24,386
	378,313	366,677	(11,636)
II	Cash flows from investing activities		
1	(199,758)	(182,251)	17,507
2	6,768	2,400	(4,368)
3	(5,608)	(63,872)	(58,264)
4	10,722	8,511	(2,211)
5	(10,287)	(20,231)	(9,944)
	(198,163)	(255,443)	(57,280)
I + II	180,150	111,234	(68,916)
III	Cash flows from financing activities		
1	90,598	110,108	19,510
2	(103,497)	(93,163)	10,334
3	11,392	(13,912)	(25,304)
4	(42,936)	(57,963)	(15,027)
5	(50)	(43)	7
6	0	1	1
7	(5,130)	(27,172)	(22,042)
	(49,623)	(82,144)	(32,521)
IV	19,941	(23,437)	(43,378)
V	Effect of exchange rate changes on cash and cash equivalents		
V	150,468	5,653	(144,815)
VI	Net increase in cash and cash equivalents		
VI	418,049	568,517	150,468
VII	Cash and cash equivalents at beginning of period		
VII	568,517	574,170	5,653
VII	Cash and cash equivalents at end of period		

Consolidated Segment Information

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '15 (Apr. 1, 2014 – Mar. 31, 2015)		FY '16 (Apr. 1, 2015 – Mar. 31, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	1,228,958	72,448	1,264,604	50,342	35,646	(22,106)	103
Industrial Automation Systems	1,282,749	145,982	1,321,937	159,160	39,188	13,178	103
Information and Communication Systems	559,521	18,934	561,119	14,999	1,598	(3,935)	100
Electronic Devices	238,402	30,163	211,580	16,870	(26,822)	(13,293)	89
Home Appliances	944,830	54,296	982,064	63,856	37,234	9,560	104
Others	740,517	23,742	707,746	23,620	(32,771)	(122)	96
Subtotal	4,994,977	345,565	5,049,050	328,847	54,073	(16,718)	101
Eliminations and other	(671,936)	(27,961)	(654,697)	(27,675)	17,239	286	–
Total	4,323,041	317,604	4,394,353	301,172	71,312	(16,432)	102

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '15 (Apr. 1, 2014 – Mar. 31, 2015)		FY '16 (Apr. 1, 2015 – Mar. 31, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	3,578,960	226,199	3,563,530	173,383	(15,430)	(52,816)	100
North America	388,021	5,178	446,935	9,421	58,914	4,243	115
Asia (excluding Japan)	1,047,758	82,419	1,054,563	91,006	6,805	8,587	101
Europe	383,965	11,803	387,628	14,806	3,663	3,003	101
Others	49,495	402	50,260	904	765	502	102
Subtotal	5,448,199	326,001	5,502,916	289,520	54,717	(36,481)	101
Eliminations	(1,125,158)	(8,397)	(1,108,563)	11,652	16,595	20,049	–
Total	4,323,041	317,604	4,394,353	301,172	71,312	(16,432)	102

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '15 (Apr. 1, 2014 – Mar. 31, 2015)		FY '16 (Apr. 1, 2015 – Mar. 31, 2016)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	2,512,357	58.1	2,521,194	57.4	8,837	100
North America	398,501	9.2	447,578	10.2	49,077	112
Asia (excluding Japan)	959,540	22.2	963,684	21.9	4,144	100
Europe	360,668	8.4	369,978	8.4	9,310	103
Others	91,975	2.1	91,919	2.1	(56)	100
Total overseas sales	1,810,684	41.9	1,873,159	42.6	62,475	103
Consolidated total	4,323,041	100.0	4,394,353	100.0	71,312	102

Cautionary Statement

The Mitsubishi Electric Group (hereafter “the Group”) is involved in 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 extend 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 on 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 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 the Group’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 Group’s performance.

(5) Fund raising

An increase in interest rates, the yen interest rate in particular, would increase the Group’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
The Group 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 Group.
- (8) Flaws or defects in products or services
The Group may incur losses or expenses resulting out of flaws or defects in products or services, and the lowered reputation of the quality of all its products and services may affect the entire Group.
- (9) Litigation and other legal proceedings
The 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 Group's performance.
- (11) Business restructuring
The Group may record losses due to restructuring measures.
- (12) Information security
The performance of the Group may be affected by computer virus infections, unauthorized access and other unpredictable incidents that lead to the loss or leakage of personal information held by the Group or confidential information regarding the Group's business such as its technology, sales and other operations.
- (13) Natural disasters
The Group's operations, particularly manufacturing activities, may be affected by the occurrence of earthquakes, typhoons, tsunamis, fires and other large-scale disasters.
- (14) Other significant factors
The 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 4,394.3 billion yen (US\$ 38.8 billion*) in the fiscal year ended March 31, 2016. For more information visit: www.MitsubishiElectric.com

*At an exchange rate of 113 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2016

Fiscal 2016 Consolidated Results

1. Financial Results
2. Net Sales by Segment
3. Operating Income by Segment
4. Overseas Net Sales by Segment
5. Overseas Net Sales by Region
6. Overseas Production Volume
7. Foreign Exchange Rates for Recording Net Sales and
Impact of Exchange Rate Fluctuations on Net Sales
8. Capital Expenditures
9. Depreciation of Tangible Fixed Assets and Other
10. Research and Development Expenditures
11. Loans (Interest-Bearing Debt)
12. Number of Employees

<Reference>

1. Quarterly Financial Results for Fiscal 2016
2. Quarterly Net Sales by Segment for Fiscal 2016
3. Quarterly Operating Income by Segment for Fiscal 2016

1. Financial Results

(Consolidated)

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

	FY '15		FY '16		FY '17		
	Full Year (Actual)		1st Half (Actual)	Full Year (Actual)	1st Half (Forecast)	Full Year (Forecast)	
Net sales	4,323.0	(+7)	2,063.2	(+5) 4,394.3	(+2) 1,990.0	(-4) 4,280.0	(-3)
Consolidated to non-consolidated ratio	1.62		1.64				
Operating income	317.6	(+35)	127.0	(+5) 301.1	(-5) 95.0	(-25) 260.0	(-14)
Income before income taxes	322.9	(+30)	1,330.0	(-9) 318.4	(-1) 115.0	(-14) 280.0	(-12)
Net income attributable to Mitsubishi Electric Corp.	234.6	(+53)	92.9	(-5) 228.4	(-3) 85.0	(-9) 200.0	(-12)
Consolidated to non-consolidated ratio	1.74		1.39				
Financial account balance	3.3		2.4		5.0		

Figures in parentheses in the right column indicate change from the previous corresponding period

2. Net Sales by Segment

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

	FY '15 (Actual)		FY '16 (Actual)		FY '17 (Forecast)	
Energy and Electric Systems	1,228.9	(+4)	1,264.6	(+3)	1,250.0	(-1)
Industrial Automation Systems	1,282.7	(+17)	1,321.9	(+3)	1,300.0	(-2)
Information and Communication Systems	559.5	(+2)	561.1	(0)	460.0	(-18)
Electronic Devices	238.4	(+22)	211.5	(-11)	180.0	(-15)
Home Appliances	944.8	(0)	982.0	(+4)	1,030.0	(+5)
Others	740.5	(+10)	707.7	(-4)	690.0	(-3)
Subtotal	4,994.9	(+8)	5,049.0	(+1)	4,910.0	(-3)
Eliminations	-671.9		-654.6		-630.0	
Consolidated total	4,323.0	(+7)	4,394.3	(+2)	4,280.0	(-3)

3. Operating Income by Segment

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

	FY '15 (Actual)		FY '16 (Actual)		FY '17 (Forecast)	
Energy and Electric Systems	72.4	(-5)	50.3	(-31)	55.0	(+9)
Industrial Automation Systems	145.9	(+49)	159.1	(+9)	146.0	(-8)
Information and Communication Systems	18.9	(+242)	14.9	(-21)	8.0	(-47)
Electronic Devices	30.1	(+200)	16.8	(-44)	5.0	(-70)
Home Appliances	54.2	(+3)	63.8	(+18)	58.0	(-9)
Others	23.7	(+20)	23.6	(-1)	18.0	(-24)
Subtotal	345.5	(+32)	328.8	(-5)	290.0	(-12)
Eliminations and other	-27.9		-27.6		-30.0	
Consolidated total	317.6	(+35)	301.1	(-5)	260.0	(-14)

4. Overseas Net sales by Segment

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

	FY '15 (Actual)		FY '16 (Actual)	
Energy and Electric Systems	461.4	(+19)	458.9	(-1)
Industrial Automation Systems	734.8	(+25)	755.5	(+3)
Information and Communication Systems	17.5	(-47)	46.3	(+164)
Electronic Devices	103.6	(+2)	98.5	(-5)
Home Appliances	474.4	(+6)	499.6	(+5)
Others	18.6	(+7)	14.1	(-24)
Consolidated total	1,810.6	(+15)	1,873.1	(+3)
Ratio of overseas net sales to total sales	41.9%		42.6%	

5. Overseas Net Sales by Region

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

	FY '15 (Actual)		FY '16 (Actual)	
North America	398.5	(+20)	447.5	(+12)
Asia	959.5	(+18)	963.6	(0)
Europe	360.6	(+6)	369.9	(+3)
Others	91.9	(+1)	91.9	(0)
Consolidated total	1,810.6	(+15)	1,873.1	(+3)

6. Overseas Production Volume

	(%)	
	FY '15 (Actual)	FY '16 (Actual)
Ratio of consolidated net sales	26.3	26.8
Ratio of overseas net sales	49.9	50.4

7. Foreign Exchange Rates for Recording Net Sales and Impact of Exchange Rate Fluctuations on Net Sales

		FY '15 (Actual)	FY '16 (Actual)	FY '17 (Forecast)	
				1st Half	(Forecast)
Exchange rates for recording net sales	US\$	¥110	¥121	¥105	¥105
	Euro	¥139	¥133	¥120	¥120
Impact of exchange rate fluctuations on net sales	Consolidated total	About ¥124.0 billion increase	About ¥60.0 billion increase	/	
	US\$	About ¥50.0 billion increase	About ¥47.0 billion increase		
	Euro	About ¥8.0 billion increase	About ¥14.0 billion decrease		

8. Capital Expenditures

	(Billions of yen, year-on-year % change)			
	FY '15 (Actual)	FY '16 (Actual)	FY '17 (Forecast)	
Energy and Electric Systems	52.1 (+44)	35.2 (-32)	/	
Industrial Automation Systems	53.1 (-7)	75.0 (+41)		
Information and Communication Systems	24.8 (+5)	22.3 (-10)		
Electronic Devices	14.3 (-65)	17.1 (+20)		
Home Appliances	43.7 (-9)	45.9 (+5)		
Others	5.4 (-25)	7.3 (+35)		
Common	13.4 (+40)	9.7 (-28)		
Consolidated total	206.8 (-7)	212.5 (+3)		

9. Depreciation of Tangible Fixed Assets and Other

	(Billions of yen, year-on-year % change)			
	FY '15 (Actual)	FY '16 (Actual)	FY '17 (Forecast)	
Consolidated	158.9 (+16)	151.0 (-5)	170.0 (+13)	

10. Research and Development Expenditures

	(Billions of yen, year-on-year % change)			
	FY '15 (Actual)	FY '16 (Actual)	FY '17 (Forecast)	
Consolidated	195.3 (+9)	202.9 (+4)	213.0 (+5)	
Ratio of net sales	4.5	4.6	5.0	

* Research and development expenditures in the cost of production are also included.

11. Loans (Interest-Bearing Debt)

	(Billions of yen, %)	
	FY '15 (Actual)	FY '16 (Actual)
Consolidated	381.9	404.0
Ratio of total assets	9.4	10.0

12. Number of Employees

	(Person)		
	FY '15 (Actual)	FY '16 (Actual)	FY '17 (Forecast)
Consolidated	129,249	135,160	/
Non-consolidated	32,534	33,321	
Subsidiaries	172 companies	218 companies	
	96,715	101,839	
	Domestic subsidiaries	97 companies	
	54,316	54,321	
Overseas subsidiaries	75 companies	121 companies	
42,399	47,518		

<Reference>

1. Quarterly Financial Results for Fiscal 2016

(Consolidated)

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

	FY'15 (Actual)				FY'16 (Actual)								
	1st Half	Q3	Q4	Full year	1st Half	Q3	Q4	Full Year	1st Half	Q3	Q4	Full Year	
Net sales	1,972.8	1,010.4	1,339.7	4,323.0	(+7)	2,063.2	(+5)	1,028.3	(+2)	1,302.7	(-3)	4,394.3	(+2)
Operating income	121.3	79.9	116.2	317.6	(+35)	127.0	(+5)	80.3	(0)	93.8	(-19)	301.1	(-5)
Income before income taxes	145.9	74.7	102.3	322.9	(+30)	133.0	(-9)	85.6	(+15)	99.7	(-3)	318.4	(-1)
Net income attributable to Mitsubishi Electric Corp.	97.8	47.7	89.0	234.6	(+53)	92.9	(-5)	59.8	(+25)	75.6	(-15)	228.4	(-3)

Figures in parentheses in the right column indicate change from the previous corresponding period

2. Quarterly Net Sales by Segment for Fiscal 2016

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

	FY'15 (Actual)				FY'16 (Actual)								
	1st Half	Q3	Q4	Full year	1st Half	Q3	Q4	Full Year	1st Half	Q3	Q4	Full Year	
Energy and Electric Systems	502.1	277.5	449.2	1,228.9	(+4)	523.7	(+4)	284.8	(+3)	455.9	(+1)	1,264.6	(+3)
Industrial Automation Systems	609.3	323.2	350.1	1,282.7	(+17)	661.5	(+9)	327.2	(+1)	333.1	(-5)	1,321.9	(+3)
Information and Communication Systems	248.5	126.9	184.0	559.5	(+2)	224.0	(-10)	139.8	(+10)	197.2	(+7)	561.1	(0)
Electronic Devices	106.5	55.0	76.8	238.4	(+22)	123.2	(+16)	42.9	(-22)	45.4	(-41)	211.5	(-11)
Home Appliances	477.1	212.5	255.2	944.8	(0)	511.1	(+7)	220.1	(+4)	250.7	(-2)	982.0	(+4)
Others	351.2	183.6	205.6	740.5	(+10)	338.4	(-4)	171.1	(-7)	198.1	(-4)	707.7	(-4)
Subtotal	2,294.8	1,179.0	1,521.0	4,994.9	(+8)	2,382.1	(+4)	1,186.1	(+1)	1,480.6	(-3)	5,049.0	(+1)
Eliminations	-322.0	-168.6	-181.2	-671.9		-318.8		-157.8		-177.9		-654.6	
Consolidated total	1,972.8	1,010.4	1,339.7	4,323.0	(+7)	2,063.2	(+5)	1,028.3	(+2)	1,302.7	(-3)	4,394.3	(+2)

3. Quarterly Operating Income by Segment for Fiscal 2016

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

	FY'15 (Actual)				FY'16 (Actual)								
	1st Half	Q3	Q4	Full year	1st Half	Q3	Q4	Full Year	1st Half	Q3	Q4	Full Year	
Energy and Electric Systems	12.5	20.0	39.8	72.4	(-5)	3.7	(-70)	14.6	(-27)	31.9	(-20)	50.3	(-31)
Industrial Automation Systems	66.2	41.9	37.7	145.9	(+49)	83.9	(+27)	43.2	(+3)	31.9	(-15)	159.1	(+9)
Information and Communication Systems	5.3	7.6	5.9	18.9	(+242)	-3.8	(-)	8.2	(+8)	10.5	(+78)	14.9	(-21)
Electronic Devices	7.7	8.2	14.1	30.1	(+200)	16.3	(+110)	2.6	(-68)	-2.0	(-)	16.8	(-44)
Home Appliances	35.2	5.9	13.1	54.2	(+3)	33.1	(-6)	14.9	(+152)	15.6	(+20)	63.8	(+18)
Others	8.2	5.7	9.7	23.7	(+20)	7.3	(-11)	6.3	(+11)	9.9	(+2)	23.6	(-1)
Subtotal	135.3	89.5	120.6	345.5	(+32)	140.7	(+4)	90.0	(+1)	97.9	(-19)	328.8	(-5)
Eliminations and other	-13.9	-9.5	-4.3	-27.9		-13.7		-9.7		-4.1		-27.6	
Consolidated total	121.3	79.9	116.2	317.6	(+35)	127.0	(+5)	80.3	(0)	93.8	(-19)	301.1	(-5)