

MITSUBISHI ELECTRIC CORPORATION
PUBLIC RELATIONS DIVISION
7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8310 Japan

FOR IMMEDIATE RELEASE

No. 3065

Investor Relations Inquiries

Media Inquiries

Investor Relations Group, Corporate Finance Division
Mitsubishi Electric Corporation
Cad.Irg@rk.MitsubishiElectric.co.jp

Public Relations Division
Mitsubishi Electric Corporation
prd.gnews@nk.MitsubishiElectric.co.jp
www.MitsubishiElectric.com/news/

Mitsubishi Electric Announces Consolidated Financial Results for the First Half and Second Quarter of Fiscal 2017

TOKYO, October 31, 2016 – [Mitsubishi Electric Corporation](http://www.MitsubishiElectric.com) (TOKYO: 6503) announced today its financial results for the first half and second quarter, ended September 30, 2016, of the current fiscal year ending March 31, 2017 (fiscal 2017).

1. Consolidated Half-year Results (April 1, 2016 – September 30, 2016)

Net sales:	1,972.3	billion yen	(4% decrease from the same period last year)
Operating income:	121.7	billion yen	(4% decrease from the same period last year)
Income before income taxes:	123.7	billion yen	(7% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	88.3	billion yen	(5% decrease from the same period last year)

The business environment in the first half of fiscal 2017, from April through September 2016, experienced a continuing gradual slowdown in China and weak consumption in Japan, while the U.S. economy showed strong signs of expansion and European economy continued to recover gradually. In addition, the yen became stronger against foreign currencies compared to the same period of the previous year.

Under these circumstances, consolidated net sales in the first half of fiscal 2017 decreased by 4% compared to the same period of the previous fiscal year to 1,972.3 billion yen, owing to factors such as decreased sales in the Industrial Automation Systems, Electronic Devices and Information and Communication Systems segments. Consolidated operating income decreased by 4% compared to the same period of the previous fiscal year to 121.7 billion yen, due to decreased profits in the Industrial Automation Systems and Electronic Devices segments.

Consolidated Financial Results by Business Segment (First Half, Fiscal 2017)

Energy and Electric Systems

Total sales:	525.4	billion yen	(unchanged from the same period last year)
Operating income:	9.1	billion yen	(5.4 billion yen increase from the same period last year)

The social infrastructure systems business saw a decrease in orders compared to the same period of the previous fiscal year due primarily to a decrease in the transportation systems business outside Japan. Sales, meanwhile, increased compared to the same period of the previous fiscal year due mainly to increases in the power systems business and in the transportation systems business in Japan.

The building systems business experienced decreases in both orders and sales compared to the same period of the previous fiscal year, due primarily to negative influences caused by the stronger yen, despite the growth in the renewal business in Japan, as well as the installation business of new elevators and escalators outside Japan.

As a result, total sales for this segment remained substantially unchanged from the same period of the previous fiscal year. Operating income increased by 5.4 billion yen from the same period of the previous fiscal year due primarily to a shift in project portfolios.

Industrial Automation Systems

Total sales:	617.6	billion yen	(7% decrease from the same period last year)
Operating income:	62.1	billion yen	(21.8 billion yen decrease from the same period last year)

The factory automation systems business saw an increase in orders from the same period of the previous fiscal year mainly due to growth in capital expenditures in the fields of smartphones and electrical automotives in China, while sales experienced a decrease from the same period of the previous fiscal year due to decreased capital expenditures of photovoltaic systems in Japan and the negative influences caused by the stronger yen.

The automotive equipment business saw decreases in both orders and sales from the same period of the previous fiscal year due primarily to stagnation in car sales in Japan and the negative influence of the stronger yen, despite growth in car sales mainly in Europe.

As a result, total sales for this segment decreased by 7% from the same period of the previous fiscal year. Operating income decreased by 21.8 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

Information and Communication Systems

Total sales:	198.2	billion yen	(12% decrease from the same period last year)
Operating income:	3.8	billion yen	(7.6 billion yen improvement from the same period last year, turning into profit)

The telecommunications equipment business saw decreases in both orders and sales compared to the same period of the previous fiscal year due primarily to the sellout of an affiliated company in the beginning of the fiscal year and decreased sales of communications infrastructure equipment.

The information systems and service business saw a decrease in sales compared to the same period of the previous fiscal year, owing to a decrease in the IT infrastructure service business.

The electronic systems business saw a decrease in orders compared to the same period of the previous fiscal year due to a shift in the portfolio of large-scale projects in the space business, while sales experienced an increase compared to the same period of the previous fiscal year due primarily to the progress with large-scale projects in the defense systems business.

As a result, total sales for this segment decreased by 12% compared to the same period of the previous fiscal year. Operating income improved by 7.6 billion yen from the same period of the previous fiscal year, turning into profit, due primarily to a shift in project portfolios.

Electronic Devices

Total sales:	86.5	billion yen	(30% decrease from the same period last year)
Operating income:	1.7	billion yen	(14.5 billion yen decrease from the same period last year)

The electronic devices business saw an increase in orders from the same period of the previous fiscal year due to an increase in optical communication devices, while sales decreased by 30% compared to the same period of the previous fiscal year due to a decrease in demand for power modules, along with the negative influences of the 2016 Kumamoto earthquakes and the stronger yen.

As a result, operating income decreased by 14.5 billion yen compared to the same period of the previous fiscal year due primarily to a decrease in sales.

Home Appliances

Total sales:	519.3	billion yen	(2% increase from the same period last year)
Operating income:	48.6	billion yen	(15.4 billion yen increase from the same period last year)

The home appliances business saw an increase in sales of 2% compared to the same period of the previous fiscal year due to increases in sales of air conditioners in the European and North American markets and sales of residential and industrial air conditioners in Japan, despite negative influences caused by the stronger yen.

Operating income increased by 15.4 billion yen compared to the same period of the previous fiscal year largely due to an increase in sales and the improvement in profitability of air conditioners outside Japan.

Others

Total sales:	336.7	billion yen	(1% decrease from the same period last year)
Operating income:	9.3	billion yen	(2.0 billion yen increase from the same period last year)

Sales decreased by 1% compared to the same period of the previous fiscal year mainly due to decreases in sales among affiliated companies involved in materials procurement.

Operating income increased by 2.0 billion yen from the same period of the previous fiscal year due primarily to cost reductions.

2. Consolidated Second-quarter Results (July 1, 2016 – September 30, 2016)

Net sales:	1,045.2	billion yen	(3% decrease from the same period last year)
Operating income:	62.0	billion yen	(14% decrease from the same period last year)
Income before income taxes:	62.7	billion yen	(5% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	45.4	billion yen	(3% decrease from the same period last year)

Consolidated net sales for this quarter, from July through September 2016, was 1,045.2 billion yen, a 3% decrease from the same period of the previous fiscal year, due primarily to decreased sales in the Industrial Automation Systems, Electronic Devices and Information and Communication Systems segments.

Consolidated operating income was 62.0 billion yen, a decrease of 14% from the same period of the previous fiscal year, with decreased profits in the Industrial Automation Systems, Energy and Electric Systems, and Electronic Devices segments.

Consolidated Financial Results by Business Segment (Second Quarter, Fiscal 2017)

Energy and Electric Systems

Total sales:	287.4	billion yen	(Unchanged from the same period last year)
Operating income:	5.2	billion yen	(5.1 billion yen decrease from the same period last year)

The social infrastructure systems business saw increases in both orders and sales compared to the same period of the previous fiscal year mainly due to increases in the power systems business and the transportation systems business in Japan, despite a decrease in sales of the transportation systems business outside Japan.

The building systems business experienced decreases in both orders and sales compared to the same period of the previous fiscal year, owing to negative influences caused by the stronger yen, despite the growth in the renewal business in Japan and the installation business of new elevators and escalators outside Japan.

As a result, total sales for this segment were unchanged from the same period of the previous fiscal year. Operating income decreased by 5.1 billion yen from the same period of the previous fiscal year due primarily to a shift in project portfolios.

Industrial Automation Systems

Total sales:	315.3	billion yen	(5% decrease from the same period last year)
Operating income:	29.6	billion yen	(11.3 billion yen decrease from the same period last year)

The factory automation systems business saw an increase in orders from the same period of the previous fiscal year mainly due to a growth in capital expenditures in the fields of smartphones and electrical automotives in China, while sales experienced a decrease from the same period of the previous fiscal year due to decreased capital expenditures of the power distribution products in Japan and the negative influences caused by the stronger yen.

The automotive equipment business saw decreases in both orders and sales from the same period of the previous fiscal year due primarily to stagnation in car sales in Japan and the negative influence of the stronger yen, despite growth in car sales mainly in Europe.

As a result, total sales for this segment decreased by 5% from the same period of the previous fiscal year. Operating income decreased by 11.3 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

Information and Communication Systems

Total sales:	124.7	billion yen	(3% decrease from the same period last year)
Operating income:	7.0	billion yen	(9.1 billion yen improvement from the same period last year, turning into profit)

The telecommunications equipment business saw decreases in both orders and sales compared to the same period of the previous fiscal year due primarily to the sellout of an affiliated company in the beginning of the fiscal year and decreased sales of communications infrastructure equipment.

The information systems and service business saw a decrease in sales compared to the same period of the previous fiscal year, owing to a decrease in the IT infrastructure service business.

The electronic systems business saw a decrease in orders compared to the same period of the previous fiscal year due to a shift in the portfolio of large-scale projects in the space business, while sales experienced an increase compared to the same period of the previous fiscal year due primarily to the progress with large-scale projects in the defense systems business.

As a result, total sales for this segment decreased by 3% compared to the same period of the previous fiscal year. Operating income improved by 9.1 billion yen from the same period of the previous fiscal year, turning into profit, due primarily to a shift in project portfolios.

Electronic Devices

Total sales:	47.4	billion yen	(17% decrease from the same period last year)
Operating income:	0.8	billion yen	(3.2 billion yen decrease from the same period last year)

The electronic devices business saw an increase in orders from the same period of the previous fiscal year due to an increase in optical communication devices, while sales decreased by 17% compared to the same period of the previous fiscal year due to a decrease in demand for power modules, along with the negative influences of the 2016 Kumamoto earthquakes and the stronger yen.

As a result, operating income decreased by 3.2 billion yen compared to the same period of the previous fiscal year due primarily to a decrease in sales.

Home Appliances

Total sales:	257.4	billion yen	(Unchanged from the same period last year)
Operating income:	16.8	billion yen	(Unchanged from the same period last year)

The home appliances business remained unchanged compared to the same period of the previous fiscal year, with an increase in sales of air conditioners in the European and North American markets, despite of the negative influence of the stronger yen.

Operating income remained unchanged compared to the same period of the previous fiscal year.

Others

Total sales:	180.3 billion yen	(3% increase from the same period last year)
Operating income:	6.7 billion yen	(0.2 billion yen increase from the same period last year)

Sales increased by 3% compared to the same period of the previous fiscal year mainly due to increases among affiliated engineering companies.

Operating income increased by 0.2 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

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 quarter decreased from the end of the previous fiscal year by 243.2 billion yen to 3,816.6 billion yen. The change in the balance of total assets is mainly attributable to increases in the balances of cash and cash equivalents by 10.9 billion yen, and of inventories by 10.9 billion yen as a result of work-in-process as recorded in commensurate with progress in job orders under pertinent contracts, while trade receivables decreased by 190.2 billion yen primarily as a result of credit collection and investments decreased by 48.0 billion yen mainly due to falling stock prices.

Total liabilities decreased from the end of the previous fiscal year by 175.2 billion yen to 1,947.1 billion yen. The outstanding balances of debts and corporate bonds decreased by 33.2 billion yen from the end of the previous fiscal year to 370.7 billion yen, resulting in a decline in the ratio of interest bearing debt to total assets to 9.7%, representing a 0.3 point decrease compared to the end of the previous fiscal year. Retirement and severance benefits increased by 8.4 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 107.5 billion yen and other current liabilities decreased by 39.0 billion yen.

Mitsubishi Electric Corporation shareholders' equity decreased by 61.1 billion yen compared to the end of the previous fiscal year to 1,777.6 billion yen. The shareholders' equity ratio was recorded at 46.6%, representing a 1.3 point increase compared to the end of the previous fiscal year. These changes referred to above primarily resulted from a dividend payment of 38.6 billion yen and a decrease in accumulated other comprehensive income by 109.9 billion yen caused by such factors as the stronger yen and falling stock prices, despite an increase from recording a net income attributable to Mitsubishi Electric Corporation of 88.3 billion yen.

Cash flows from operating activities decreased by 2.2 billion yen compared to the same period of the previous fiscal year to 177.5 billion yen (cash in). Cash flows from investing activities decreased by 36.0 billion yen compared to the same period of the previous fiscal year to 58.9 billion yen (cash out) due to increases in proceeds from the sale of short-term investments and investment securities and other factors. As a result, free cash flow was 118.6 billion yen (cash in). Cash flows from financing activities were 77.7 billion yen (cash out) mainly due to dividend payment.

Forecast for Fiscal 2017 (year ending March 31, 2017)

The consolidated earnings forecast for fiscal 2017, ending March 31, 2017, has been revised from the previous forecast announced on July 28, 2016. Net sales is expected to fall below the previous forecast, mainly as a result of the company's revised terms of foreign currency rates in which it sees the yen stronger in and after the third quarter of fiscal 2017. Operating income and other figures, however, are expected to exceed the previous forecast owing mainly to the improved profitability of air conditioners outside Japan in the Home Appliances segment and the positive results of business improvement measures in the Information and Communication Systems segment.

Consolidated Earnings Forecast for Fiscal 2017

Consolidated	Previous forecast (announced July 28)	Current forecast
Net sales:	4,180.0 billion yen	4,150.0 billion yen (6% decrease from fiscal 2016)
Operating income:	235.0 billion yen	250.0 billion yen (17% decrease from fiscal 2016)
Income before income taxes:	255.0 billion yen	265.0 billion yen (17% decrease from fiscal 2016)
Net income attributable to Mitsubishi Electric Corp.:	175.0 billion yen	185.0 billion yen (19% decrease from fiscal 2016)

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

1. Consolidated Half-year Results

(In billions of yen except where noted)

	FY '16 1 st half (A) (Apr. 1, 2015 – Sept. 30, 2015)	FY '17 1 st half (B) (Apr. 1, 2016 – Sept. 30, 2016)	B – A	
			B – A	B/A (%)
Net sales	2,063.2	1,972.3	(90.9)	96
Operating income	127.0	121.7	(5.2)	96
Income before income taxes	133.0	123.7	(9.3)	93
Net income attributable to Mitsubishi Electric Corp.	92.9	88.3	(4.5)	95
Basic net income per share attributable to Mitsubishi Electric Corp.	43. ²⁹ yen	41.¹⁶ yen	(2. ¹³ yen)	95

2. Consolidated Second-quarter Results

(In billions of yen except where noted)

	FY '16 Q2 (A) (Jul. 1, 2015 – Sept. 30, 2015)	FY '17 Q2 (B) (Jul. 1, 2016 – Sept. 30, 2016)	B – A	
			B – A	B/A (%)
Net sales	1,074.8	1,045.2	(29.5)	97
Operating income	72.3	62.0	(10.3)	86
Income before income taxes	65.8	62.7	(3.1)	95
Net income attributable to Mitsubishi Electric Corp.	46.6	45.4	(1.1)	97
Basic net income per share attributable to Mitsubishi Electric Corp.	21. ⁷¹ yen	21.¹⁷ yen	(0. ⁵⁴ yen)	97

Notes:

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

Consolidated Profit and Loss Statement (First Half, Fiscal 2017)

(In millions of yen)

	FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015)		FY '17 1 st half (Apr. 1, 2016 – Sept. 30, 2016)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	2,063,285	100.0	1,972,354	100.0	(90,931)	96
Cost of sales	1,432,770	69.4	1,358,355	68.9	(74,415)	95
Selling, general and administrative expenses	499,497	24.2	490,308	24.8	(9,189)	98
Loss on impairment of long-lived assets	4,004	0.2	1,944	0.1	(2,060)	49
Operating income	127,014	6.2	121,747	6.2	(5,267)	96
Other income	26,573	1.2	35,843	1.8	9,270	135
Interest and dividends	4,279	0.2	4,262	0.2	(17)	100
Equity in earnings of affiliated companies	13,261	0.6	9,523	0.5	(3,738)	72
Other	9,033	0.4	22,058	1.1	13,025	244
Other expenses	20,529	1.0	33,864	1.7	13,335	165
Interest	1,830	0.1	1,562	0.1	(268)	85
Other	18,699	0.9	32,302	1.6	13,603	173
Income before income taxes	133,058	6.4	123,726	6.3	(9,332)	93
Income taxes	33,925	1.6	29,158	1.5	(4,767)	86
Net income	99,133	4.8	94,568	4.8	(4,565)	95
Net income attributable to the noncontrolling interests	6,208	0.3	6,226	0.3	18	100
Net income attributable to Mitsubishi Electric Corp.	92,925	4.5	88,342	4.5	(4,583)	95

Consolidated Comprehensive Income Statement (First Half, Fiscal 2017)

(In millions of yen)

	FY '16 1 st half (A) (Apr. 1, 2015 – Sept. 30, 2015)	FY '17 1 st half (B) (Apr. 1, 2016 – Sept. 30, 2016)	B – A
Net income	99,133	94,568	(4,565)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(32,458)	(93,760)	(61,302)
Pension liability adjustments	(25,977)	(4,776)	21,201
Unrealized gains (losses) on securities	(30,153)	(20,191)	9,962
Unrealized gains (losses) on derivative instruments	(17)	(42)	(25)
Total	(88,605)	(118,769)	(30,164)
Comprehensive income (loss)	10,528	(24,201)	(34,729)
Comprehensive income (loss) attributable to the noncontrolling interests	2,236	(2,596)	(4,832)
Comprehensive income (loss) attributable to Mitsubishi Electric Corp.	8,292	(21,605)	(29,897)

Consolidated Profit and Loss Statement (Second Quarter, Fiscal 2017)

(In millions of yen)

	FY '16 Q2 (Jul. 1, 2015 – Sept. 30, 2015)		FY '17 Q2 (Jul. 1, 2016 – Sept. 30, 2016)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	1,074,845	100.0	1,045,277	100.0	(29,568)	97
Cost of sales	741,722	69.0	730,852	69.9	(10,870)	99
Selling, general and administrative expenses	256,737	23.9	250,438	24.0	(6,299)	98
Loss on impairment of long-lived assets	4,004	0.4	1,944	0.2	(2,060)	49
Operating income	72,382	6.7	62,043	5.9	(10,339)	86
Other income	13,393	1.3	9,303	0.9	(4,090)	69
Interest and dividends	1,245	0.1	1,401	0.1	156	113
Equity in earnings of affiliated companies	8,212	0.8	5,936	0.6	(2,276)	72
Other	3,936	0.4	1,966	0.2	(1,970)	50
Other expenses	19,894	1.9	8,629	0.8	(11,265)	43
Interest	904	0.1	803	0.1	(101)	89
Other	18,990	1.8	7,826	0.7	(11,164)	41
Income before income taxes	65,881	6.1	62,717	6.0	(3,164)	95
Income taxes	16,427	1.5	14,398	1.4	(2,029)	88
Net income	49,454	4.6	48,319	4.6	(1,135)	98
Net income attributable to the noncontrolling interests	2,846	0.3	2,891	0.3	45	102
Net income attributable to Mitsubishi Electric Corp.	46,608	4.3	45,428	4.3	(1,180)	97

Consolidated Comprehensive Income Statement (Second Quarter, Fiscal 2017)

(In millions of yen)

	FY '16 Q2 (A) (Jul. 1, 2015 – Sept. 30, 2015)	FY '17 Q2 (B) (Jul. 1, 2016 – Sept. 30, 2016)	B – A
Net income	49,454	48,319	(1,135)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(37,989)	(26,216)	11,773
Pension liability adjustments	(36,849)	10,064	46,913
Unrealized gains (losses) on securities	(36,960)	7,776	44,736
Unrealized gains (losses) on derivative instruments	(54)	(8)	46
Total	(111,852)	(8,384)	103,468
Comprehensive income (loss)	(62,398)	39,935	102,333
Comprehensive income (loss) attributable to the noncontrolling interests	(1,668)	865	2,533
Comprehensive income (loss) attributable to Mitsubishi Electric Corp.	(60,730)	39,070	99,800

Consolidated Balance Sheet

(In millions of yen)

	FY '16 (A) (ended Mar. 31, 2016)	FY '17 1 st half (B) (ended Sept. 30, 2016)	B – A
(Assets)			
Current assets	2,551,863	2,377,463	(174,400)
Cash and cash equivalents	574,170	585,160	10,990
Trade receivables	1,035,168	846,089	(189,079)
Inventories	644,127	655,035	10,908
Prepaid expenses and other current assets	298,398	291,179	(7,219)
Long-term trade receivables	4,661	3,486	(1,175)
Investments	537,706	489,634	(48,072)
Net property, plant and equipment	712,599	702,666	(9,933)
Other assets	253,112	243,449	(9,663)
Total assets	4,059,941	3,816,698	(243,243)
(Liabilities)			
Current liabilities	1,507,943	1,343,084	(164,859)
Bank loans and current portion of long-term debt	116,532	98,272	(18,260)
Trade payables	773,714	666,214	(107,500)
Other current liabilities	617,697	578,598	(39,099)
Long-term debt	287,507	272,514	(14,993)
Retirement and severance benefits	229,750	238,216	8,466
Other fixed liabilities	97,238	93,378	(3,860)
Total liabilities	2,122,438	1,947,192	(175,246)
(Equity)			
Mitsubishi Electric Corp. shareholders' equity	1,838,773	1,777,600	(61,173)
Common stock	175,820	175,820	—
Capital surplus	211,999	211,926	(73)
Retained earnings	1,502,027	1,551,727	49,700
Accumulated other comprehensive income (loss)	(50,699)	(160,646)	(109,947)
Treasury stock at cost	(374)	(1,227)	(853)
Noncontrolling interests	98,730	91,906	(6,824)
Total equity	1,937,503	1,869,506	(67,997)
Total liabilities and equity	4,059,941	3,816,698	(243,243)
Balance of Debt	404,039	370,786	(33,253)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	39,847	(45,109)	(84,956)
Pension liability adjustments	(184,231)	(189,007)	(4,776)
Unrealized gains on securities	93,742	73,560	(20,182)
Unrealized gains (losses) on derivative instruments	(57)	(90)	(33)

Consolidated Cash Flow Statement

(In millions of yen)

	FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015) (A)	FY '17 1 st half (Apr. 1, 2016 – Sept. 30, 2016) (B)	B – A
I Cash flows from operating activities			
1 Net income	99,133	94,568	(4,565)
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	69,774	64,755	(5,019)
(2) Decrease in trade receivables	173,200	143,347	(29,853)
(3) Decrease (increase) in inventories	(19,907)	(45,816)	(25,909)
(4) Increase (decrease) in trade payables	(98,053)	(78,220)	19,833
(5) Other, net	(44,274)	(1,045)	43,229
Net cash provided by operating activities	179,873	177,589	(2,284)
II Cash flows from investing activities			
1 Capital expenditure	(86,019)	(82,648)	3,371
2 Proceeds from sale of property, plant and equipment	1,177	4,413	3,236
3 Purchase of short-term investments and investment securities (net of cash acquired)	(4,139)	(2,385)	1,754
4 Proceeds from sale of short-term investments and investment securities (net of cash disposed)	2,240	17,033	14,793
5 Other, net	(8,269)	4,630	12,899
Net cash used in investing activities	(95,010)	(58,957)	36,053
I+II Free cash flow	84,863	118,632	33,769
III Cash flows from financing activities			
1 Proceeds from long-term debt	30,100	47	(30,053)
2 Repayment of long-term debt	(53,818)	(30,939)	22,879
3 Increase (decrease) in bank loans, net	(2,040)	(2,830)	(790)
4 Dividends paid	(38,642)	(38,642)	0
5 Purchase of treasury stock	(27)	(1,095)	(1,068)
6 Reissuance of treasury stock	0	0	0
7 Other, net	(5,018)	(4,307)	711
Net cash provided by (used in) financing activities	(69,445)	(77,766)	(8,321)
IV Effect of exchange rate changes on cash and cash equivalents	(10,490)	(29,876)	(19,386)
V Net increase in cash and cash equivalents	4,928	10,990	6,062
VI Cash and cash equivalents at beginning of period	568,517	574,170	5,653
VII Cash and cash equivalents at end of period	573,445	585,160	11,715

Consolidated Segment Information (First Half, Fiscal 2017)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015)		FY '17 1 st half (Apr. 1, 2016 – Sept. 30, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	523,778	3,773	525,471	9,182	1,693	5,409	100
Industrial Automation Systems	661,520	83,919	617,620	62,111	(43,900)	(21,808)	93
Information and Communication Systems	224,037	(3,815)	198,266	3,868	(25,771)	7,683	88
Electronic Devices	123,208	16,351	86,537	1,774	(36,671)	(14,577)	70
Home Appliances	511,138	33,194	519,397	48,668	8,259	15,474	102
Others	338,484	7,367	336,771	9,395	(1,713)	2,028	99
Subtotal	2,382,165	140,789	2,284,062	134,998	(98,103)	(5,791)	96
Eliminations and other	(318,880)	(13,775)	(311,708)	(13,251)	7,172	524	-
Total	2,063,285	127,014	1,972,354	121,747	(90,931)	(5,267)	96

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015)		FY '17 1 st half (Apr. 1, 2016 – Sept. 30, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	1,625,040	61,219	1,540,435	48,362	(84,605)	(12,857)	95
North America	223,338	4,439	203,856	4,120	(19,482)	(319)	91
Asia (excluding Japan)	544,863	48,280	506,153	49,270	(38,710)	990	93
Europe	207,060	9,755	213,063	8,643	6,003	(1,112)	103
Others	24,906	575	22,019	877	(2,887)	302	88
Subtotal	2,625,207	124,268	2,485,526	111,272	(139,681)	(12,996)	95
Eliminations	(561,922)	2,746	(513,172)	10,475	48,750	7,729	-
Total	2,063,285	127,014	1,972,354	121,747	(90,931)	(5,267)	96

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015)		FY '17 1 st half (Apr. 1, 2016 – Sept. 30, 2016)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	1,105,521	53.6	1,081,895	54.9	(23,626)	98
North America	222,936	10.8	202,738	10.3	(20,198)	91
Asia (excluding Japan)	494,960	24.0	450,994	22.9	(43,966)	91
Europe	194,096	9.4	196,446	9.9	2,350	101
Others	45,772	2.2	40,281	2.0	(5,491)	88
Total overseas sales	957,764	46.4	890,459	45.1	(67,305)	93
Consolidated total	2,063,285	100.0	1,972,354	100.0	(90,931)	96

Consolidated Segment Information (Second Quarter, Fiscal 2017)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '16 Q2 (Jul. 1, 2015 – Sept. 30, 2015)		FY '17 Q2 (Jul. 1, 2016 – Sept. 30, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	287,097	10,439	287,420	5,256	323	(5,183)	100
Industrial Automation Systems	333,170	41,052	315,393	29,690	(17,777)	(11,362)	95
Information and Communication Systems	128,628	(2,060)	124,741	7,047	(3,887)	9,107	97
Electronic Devices	57,091	4,019	47,457	815	(9,634)	(3,204)	83
Home Appliances	257,046	16,950	257,472	16,882	426	(68)	100
Others	175,294	6,464	180,381	6,752	5,087	288	103
Subtotal	1,238,326	76,864	1,212,864	66,442	(25,462)	(10,422)	98
Eliminations and other	(163,481)	(4,482)	(167,587)	(4,399)	(4,106)	83	-
Total	1,074,845	72,382	1,045,277	62,043	(29,568)	(10,339)	97

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '16 Q2 (Jul. 1, 2015 – Sept. 30, 2015)		FY '17 Q2 (Jul. 1, 2016 – Sept. 30, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	866,669	34,404	845,720	30,416	(20,949)	(3,988)	98
North America	111,183	3,363	101,731	507	(9,452)	(2,856)	91
Asia (excluding Japan)	255,312	19,262	244,377	19,876	(10,935)	614	96
Europe	102,762	5,553	102,370	4,492	(392)	(1,061)	100
Others	12,630	368	11,012	434	(1,618)	66	87
Subtotal	1,348,556	62,950	1,305,210	55,725	(43,346)	(7,225)	97
Eliminations	(273,711)	9,432	(259,933)	6,318	13,778	(3,114)	-
Total	1,074,845	72,382	1,045,277	62,043	(29,568)	(10,339)	97

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '16 Q2 (Jul. 1, 2015 – Sept. 30, 2015)		FY '17 Q2 (Jul. 1, 2016 – Sept. 30, 2016)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	606,016	56.4	610,307	58.4	4,291	101
North America	110,120	10.2	101,209	9.7	(8,911)	92
Asia (excluding Japan)	238,356	22.2	220,776	21.1	(17,580)	93
Europe	96,228	9.0	92,950	8.9	(3,278)	97
Others	24,125	2.2	20,035	1.9	(4,090)	83
Total overseas sales	468,829	43.6	434,970	41.6	(33,859)	93
Consolidated total	1,074,845	100.0	1,045,277	100.0	(29,568)	97

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.

###

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:

<http://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 2017 First Half Consolidated Results

1. Financial Results
2. Net Sales by Segment
3. Operating Income by Segment
4. Overseas Net Sales by Segment
5. Foreign Exchange Rates for Recording Net Sales and
Impact of Exchange Rate Fluctuations on Net Sales
6. Capital Expenditures
7. Depreciation of Tangible Fixed Assets and Other
8. Research and Development Expenditures

< Reference >

1. Quarterly Financial Results for Fiscal 2017
2. Quarterly Net Sales by Segment for Fiscal 2017
3. Quarterly Operating Income by Segment for Fiscal 2017

1. Financial Results

(Consolidated)

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

	FY '16		FY '17	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Net sales	2,063.2 (+5)	4,394.3 (+2)	1,972.3 (-4)	4,150.0 (-6)
Operating income	127.0 (+5)	301.1 (-5)	121.7 (-4)	250.0 (-17)
Income before income taxes	133.0 (-9)	318.4 (-1)	123.7 (-7)	265.0 (-17)
Net income attributable to Mitsubishi Electric Corp.	92.9 (-5)	228.4 (-3)	88.3 (-5)	185.0 (-19)

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 '16		FY '17	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Energy and Electric Systems	523.7 (+4)	1,264.6 (+3)	525.4 (0)	1,200.0 (-5)
Industrial Automation Systems	661.5 (+9)	1,321.9 (+3)	617.6 (-7)	1,250.0 (-5)
Information and Communication Systems	224.0 (-10)	561.1 (0)	198.2 (-12)	460.0 (-18)
Electronic Devices	123.2 (+16)	211.5 (-11)	86.5 (-30)	170.0 (-20)
Home Appliances	511.1 (+7)	982.0 (+4)	519.3 (+2)	1,000.0 (+2)
Others	338.4 (-4)	707.7 (-4)	336.7 (-1)	690.0 (-3)
Subtotal	2,382.1 (+4)	5,049.0 (+1)	2,284.0 (-4)	4,770.0 (-6)
Eliminations	-318.8	-654.6	-311.7	-620.0
Consolidated total	2,063.2 (+5)	4,394.3 (+2)	1,972.3 (-4)	4,150.0 (-6)

3. Operating Income by Segment

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

	FY '16		FY '17	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Energy and Electric Systems	3.7 (-70)	50.3 (-31)	9.1 (+143)	49.0 (-3)
Industrial Automation Systems	83.9 (+27)	159.1 (+9)	62.1 (-26)	125.0 (-21)
Information and Communication Systems	-3.8 (-)	14.9 (-21)	3.8 (-)	13.0 (-13)
Electronic Devices	16.3 (+110)	16.8 (-44)	1.7 (-89)	3.0 (-82)
Home Appliances	33.1 (-6)	63.8 (+18)	48.6 (+47)	71.0 (+11)
Others	7.3 (-11)	23.6 (-1)	9.3 (+28)	19.0 (-20)
Subtotal	140.7 (+4)	328.8 (-5)	134.9 (-4)	280.0 (-15)
Eliminations and other	-13.7	-27.6	-13.2	-30.0
Consolidated total	127.0 (+5)	301.1 (-5)	121.7 (-4)	250.0 (-17)

4. Overseas Net Sales by Segment

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

	FY '16		FY '17	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Energy and Electric Systems	221.6 (+11)	458.9 (-1)	197.3 (-11)	
Industrial Automation Systems	390.8 (+14)	755.5 (+3)	357.4 (-9)	
Information and Communication Systems	12.5 (+101)	46.3 (+164)	5.4 (-56)	
Electronic Devices	52.0 (+3)	98.5 (-5)	46.9 (-10)	
Home Appliances	273.3 (+12)	499.6 (+5)	275.8 (+1)	
Others	7.3 (-25)	14.1 (-24)	7.4 (+2)	
Consolidated total	957.7 (+12)	1,873.1 (+3)	890.4 (-7)	
Ratio of overseas net sales to total sales	46.4%	42.6%	45.1%	

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

		FY '16		FY '17	
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	2nd Half (Forecast)
Exchange rates for recording net sales	US\$	¥122	¥121	¥107	¥100
	Euro	¥135	¥133	¥120	¥110
Impact of exchange rate fluctuations on net sales	Consolidated total	About ¥83.0 billion increase	About ¥60.0 billion increase	About ¥127.0 billion decrease	
	US\$	About ¥40.0 billion increase	About ¥47.0 billion increase	About ¥31.0 billion decrease	
	Euro	About ¥4.0 billion decrease	About ¥14.0 billion decrease	About ¥25.0 billion decrease	

6. Capital Expenditures

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

	FY '16		FY '17	
	Full Year (Actual)		Full Year (Forecast)	
Energy and Electric Systems	35.2	(-32)	45.0	(+28)
Industrial Automation Systems	75.0	(+41)	80.0	(+7)
Information and Communication Systems	22.3	(-10)	31.0	(+39)
Electronic Devices	17.1	(+20)	18.0	(+5)
Home Appliances	45.9	(+5)	48.0	(+5)
Others	7.3	(+35)	8.0	(+10)
Common	9.7	(-28)	15.0	(+55)
Consolidated total	212.5	(+3)	245.0	(+15)

7. Depreciation of Tangible Fixed Assets and Other

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

	FY '16		FY '17	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Consolidated	69.7	(+1)	151.0	(-5)
			64.7	(-7)
				160.0
				(+6)

8. Research and Development Expenditures

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

	FY '16		FY '17	
	Full Year (Actual)		Full Year (Forecast)	
Consolidated	202.9	(+4)	213.0	(+5)
Ratio to net sales		4.6%		5.1%

< Reference >

1. Quarterly Financial Results for Fiscal 2017

(Consolidated)

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

	FY '16			FY '17		
	Q1 (Actual)	Q2 (Actual)	1st Half (Actual)	Q1 (Actual)	Q2 (Actual)	1st Half (Actual)
Net sales	988.4 (+9)	1,074.8 (+1)	2,063.2 (+5)	927.0 (-6)	1,045.2 (-3)	1,972.3 (-4)
Operating income	54.6 (-8)	72.3 (+17)	127.0 (+5)	59.7 (+9)	62.0 (-14)	121.7 (-4)
Income before income taxes	67.1 (-1)	65.8 (-16)	133.0 (-9)	61.0 (-9)	62.7 (-5)	123.7 (-7)
Net income attributable to Mitsubishi Electric Corp.	46.3 (+8)	46.6 (-15)	92.9 (-5)	42.9 (-7)	45.4 (-3)	88.3 (-5)

2. Quarterly Net Sales by Segment for Fiscal 2017

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

	FY '16			FY '17		
	Q1 (Actual)	Q2 (Actual)	1st Half (Actual)	Q1 (Actual)	Q2 (Actual)	1st Half (Actual)
Energy and Electric Systems	236.6 (+6)	287.0 (+3)	523.7 (+4)	238.0 (+1)	287.4 (0)	525.4 (0)
Industrial Automation Systems	328.3 (+11)	333.1 (+6)	661.5 (+9)	302.2 (-8)	315.3 (-5)	617.6 (-7)
Information and Communication Systems	95.4 (+3)	128.6 (-18)	224.0 (-10)	73.5 (-23)	124.7 (-3)	198.2 (-12)
Electronic Devices	66.1 (+29)	57.0 (+3)	123.2 (+16)	39.0 (-41)	47.4 (-17)	86.5 (-30)
Home Appliances	254.0 (+8)	257.0 (+6)	511.1 (+7)	261.9 (+3)	257.4 (0)	519.3 (+2)
Others	163.1 (-3)	175.2 (-4)	338.4 (-4)	156.3 (-4)	180.3 (+3)	336.7 (-1)
Subtotal	1,143.8 (+7)	1,238.3 (+1)	2,382.1 (+4)	1,071.1 (-6)	1,212.8 (-2)	2,284.0 (-4)
Eliminations	-155.3	-163.4	-318.8	-144.1	-167.5	-311.7
Consolidated total	988.4 (+9)	1,074.8 (+1)	2,063.2 (+5)	927.0 (-6)	1,045.2 (-3)	1,972.3 (-4)

3. Quarterly Operating Income by Segment for Fiscal 2017

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

	FY '16			FY '17		
	Q1 (Actual)	Q2 (Actual)	1st Half (Actual)	Q1 (Actual)	Q2 (Actual)	1st Half (Actual)
Energy and Electric Systems	-6.6 (-)	10.4 (+123)	3.7 (-70)	3.9 (-)	5.2 (-50)	9.1 (+143)
Industrial Automation Systems	42.8 (+22)	41.0 (+32)	83.9 (+27)	32.4 (-24)	29.6 (-28)	62.1 (-26)
Information and Communication Systems	-1.7 (-)	-2.0 (-)	-3.8 (-)	-3.1 (-)	7.0 (-)	3.8 (-)
Electronic Devices	12.3 (+220)	4.0 (+3)	16.3 (+110)	0.9 (-92)	0.8 (-80)	1.7 (-89)
Home Appliances	16.2 (-24)	16.9 (+21)	33.1 (-6)	31.7 (+96)	16.8 (0)	48.6 (+47)
Others	0.9 (-47)	6.4 (-1)	7.3 (-11)	2.6 (+193)	6.7 (+4)	9.3 (+28)
Subtotal	63.9 (-6)	76.8 (+14)	140.7 (+4)	68.5 (+7)	66.4 (-14)	134.9 (-4)
Eliminations and other	-9.2	-4.4	-13.7	-8.8	-4.3	-13.2
Consolidated total	54.6 (-8)	72.3 (+17)	127.0 (+5)	59.7 (+9)	62.0 (-14)	121.7 (-4)