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Mitsubishi Electric Announces Consolidated Financial Results for the First 9 Months and Third Quarter of Fiscal 2017

TOKYO, February 2, 2017 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its financial results for the first 9 months and third quarter ended December 31, 2016, of the current fiscal year ending March 31, 2017 (fiscal 2017).

1. Consolidated First 9 Months Results (April 1, 2016 – December 31, 2016)

Net sales:	2,947.1 billion yen	(5% decrease from the same period last year)
Operating income:	175.5 billion yen	(15% decrease from the same period last year)
Income before income taxes:	196.1 billion yen	(10% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	135.3 billion yen	(11% decrease from the same period last year)

In the first 9 months of fiscal 2017, the business environment was buoyed by the expanding U.S. economy and gradual recoveries in Japan and Europe, as well as modest improvement in China's economic slowdown. In addition, the yen became stronger against foreign currencies compared to the previous year, but weakened after the U.S. presidential election in November.

Under these circumstances, consolidated net sales for the first 9 months of fiscal 2017 decreased by 5% compared to the same period of the previous fiscal year to 2,947.1 billion yen, with decreased sales in the Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems and Electronic Devices segments. Consolidated operating income decreased by 15% compared to the same period of the previous fiscal year to 175.5 billion yen, due to decreased profits in the Energy and Electric Systems, Industrial Automation Systems and Electronic Devices segments.

Consolidated Financial Results by Business Segment (First 9 months, Fiscal 2017)

Energy and Electric Systems

Total sales:	784.7 billion yen	(3% decrease from the same period last year)
Operating income:	13.7 billion yen	(4.6 billion yen decrease from the same period last year)

The social infrastructure systems business saw no change in orders, while sales decreased compared to the same period of the previous fiscal year due to decreases in the public utility systems business in Japan as well as the power systems and the transportation systems business outside Japan. In addition, the stronger yen had the negative influences.

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 decreased by 3% from the same period of the previous fiscal year. Operating income decreased by 4.6 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

Industrial Automation Systems

Total sales: 951.9 billion yen (4% decrease from the same period last year)
Operating income: 102.5 billion yen (24.6 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 primarily due to growth in capital expenditures in the fields of smartphones, electrical cars in China and organic light emitting diodes (OLED) mainly in Korea, while sales decreased from the same period of the previous fiscal year due to decreased capital expenditures in 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 influences caused by the stronger yen, despite growth in car sales mainly in Europe.

As a result, total sales for this segment decreased by 4% from the same period of the previous fiscal year. Operating income decreased by 24.6 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

Information and Communication Systems

Total sales: 285.4 billion yen (22% decrease from the same period last year)
Operating income: 4.4 billion yen (Unchanged from the same period last year)

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, mainly owing to a decrease in the system integrations business.

The electronic systems business saw decreases in both orders and sales compared to the same period of the previous fiscal year due to a shift in the portfolio of large-scale projects in the space systems business.

As a result, total sales for this segment decreased by 22% compared to the same period of the previous fiscal year. Operating income was unchanged from the same period of the previous fiscal year due primarily to a shift in project portfolios.

Electronic Devices

Total sales: 135.8 billion yen (18% decrease from the same period last year)
Operating income: 5.1 billion yen (13.8 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 18% compared to the same period of the previous fiscal year due to a decrease in demand for power modules, along with the negative influences caused by the stronger yen.

As a result, operating income decreased by 13.8 billion yen compared to the same period of the previous fiscal year due primarily to a decrease in sales.

Home Appliances

Total sales: 746.4 billion yen (2% increase from the same period last year)
Operating income: 57.6 billion yen (9.4 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, Chinese and North American markets and in sales of residential and industrial air conditioners in Japan, despite the negative influences caused by the stronger yen.

Operating income increased by 9.4 billion yen compared to the same period of the previous fiscal year largely due to an increase in sales.

Others

Total sales: 514.5 billion yen (1% increase from the same period last year)
Operating income: 15.2 billion yen (1.6 billion yen increase from the same period last year)

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

Operating income increased by 1.6 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

2. Consolidated Third-quarter Results (October 1, 2016 – December 31, 2016)

Net sales:	974.7 billion yen	(5% decrease from the same period last year)
Operating income:	53.8 billion yen	(33% decrease from the same period last year)
Income before income taxes:	72.4 billion yen	(15% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	46.9 billion yen	(22% decrease from the same period last year)

Consolidated net sales for this quarter, from October through December 2016, was 974.7 billion yen, a 5% decrease from the same period of the previous fiscal year, due primarily to decreased sales in the Energy and Electric Systems and Information and Communication Systems segments.

Consolidated operating income was 53.8 billion yen, a 33% decrease from the same period of the previous fiscal year, with decreased profits in the Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems and Home Appliances segments.

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

Energy and Electric Systems

Total sales:	259.2 billion yen	(9% decrease from the same period last year)
Operating income:	4.5 billion yen	(10.0 billion yen decrease from the same period last year)

The social infrastructure systems business saw an increase in orders compared to the same period of the previous fiscal year due mainly to an increase in the transportations systems business in Japan, while sales decreased compared to the same period of the previous fiscal year due primarily to decreases in the power systems business worldwide as well as the public utility 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, 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 decreased by 9% from the same period of the previous fiscal year. Operating income decreased by 10.0 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

Industrial Automation Systems

Total sales:	334.3 billion yen	(2% increase from the same period last year)
Operating income:	40.4 billion yen	(2.8 billion yen decrease from the same period last year)

The factory automation systems business saw increases in both orders and sales from the same period of the previous fiscal year mainly due to a growth in capital expenditures in the fields of smartphones, electrical cars in China and organic light emitting diodes (OLED) mainly in Korea.

The automotive equipment business saw increases in both orders and sales from the same period of the previous fiscal year due primarily to a growth in car sales mainly in Europe.

As a result, total sales for this segment increased by 2% from the same period of the previous fiscal year. Operating income decreased by 2.8 billion yen from the same period of the previous fiscal year due primarily to the negative influences caused by the stronger yen.

Information and Communication Systems

Total sales:	87.1 billion yen	(38% decrease from the same period last year)
Operating income:	0.5 billion yen	(7.6 billion yen decrease from the same period last year)

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 system integrations business.

The electronic systems business saw an increase in orders compared to the same period of the previous fiscal year owing to increased large-scale projects in the space systems business, while sales decreased compared

to the same period of the previous fiscal year due primarily to a shift in project portfolios in the space systems business.

As a result, total sales for this segment decreased by 38% compared to the same period of the previous fiscal year. Operating income decreased by 7.6 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

Electronic Devices

Total sales: 49.3 billion yen (15% increase from the same period last year)
Operating income: 3.3 billion yen (0.7 billion yen increase 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 mainly to recovering demand for power modules, and total sales increased by 15% compared to the same period of the previous fiscal year.

As a result, operating income increased by 0.7 billion yen compared to the same period of the previous fiscal year due primarily to an increase in sales.

Home Appliances

Total sales: 227.0 billion yen (3% increase from the same period last year)
Operating income: 8.9 billion yen (6.0 billion yen decrease from the same period last year)

The home appliances business saw an increase in sales of 3% compared to the same period of the previous fiscal year due mainly to an increase in sales of air conditioners in the European and Chinese markets, as well as residential and industrial air conditioners in Japan.

Operating income decreased by 6.0 billion yen compared to the same period of the previous fiscal year primarily due to the negative influences caused by the stronger yen.

Others

Total sales: 177.8 billion yen (4% increase from the same period last year)
Operating income: 5.9 billion yen (0.4 billion yen decrease from the same period last year)

Sales increased by 4% compared to the same period of the previous fiscal year mainly due to an increase in sales among affiliated companies involved in materials procurement.

Operating income decreased by 0.4 billion yen from the same period of the previous fiscal year due primarily to a shift in project portfolios.

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 82.5 billion yen to 3,977.3 billion yen. The change in the balance of total assets was mainly due to a 19.7 billion yen decrease in cash and cash equivalents and a 167.4 billion yen decrease in trade receivables due to factors including credit collection, on the other hand, work-in-process to be recorded in commensurate with progress in job orders under pertinent contracts increased by 113.8 billion yen.

Total liabilities decreased from the end of the previous fiscal year by 186.5 billion yen to 1,935.9 billion yen due mainly to a 79.6 billion yen decrease in the outstanding balance of trade payables and a 24.6 billion yen decrease in retirement and severance benefits, mainly resulting from an increase in pension assets following a rise in stock prices. The outstanding balances of debts and corporate bonds decreased by 31.9 billion yen from the end of the previous fiscal year to 372.0 billion yen. The ratio of interest bearing debt to total assets declined to 9.4%, which was a 0.6 point decrease compared to the end of the previous fiscal year.

Mitsubishi Electric Corporation shareholders' equity increased by 101.6 billion yen compared to the end of the previous fiscal year to 1,940.4 billion yen. The shareholders' equity ratio was recorded at 48.8%, representing a 3.5 point increase compared to the end of the previous fiscal year. These changes referred above primarily resulted from recording a net income attributable to Mitsubishi Electric Corporation of 135.3 billion yen, and an increase in accumulated other comprehensive income by 25.2 billion yen caused by such factors as the rise in stock prices, despite a decrease in dividend payment of 57.9 billion yen.

Cash flows from operating activities increased by 6.0 billion yen compared to the same period of the previous fiscal year to 171.5 billion yen (cash in). Cash flows from investing activities decreased by 98.4 billion yen compared to the same period of the previous fiscal year to 90.8 billion yen (cash out) due to a decrease in proceeds from the purchases of short-term investments and investment securities and other factors. As a result, free cash flow was 80.6 billion yen (cash in). Cash flows from financing activities were 97.7 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 October 31, 2016, primarily due to improved performance forecast in the Industrial Automation Systems and Electric Devices segments, resulted mainly by the company's revised terms of foreign currency rates in which it sees the yen weaker in and after the fourth quarter of fiscal 2017.

Consolidated Earnings Forecast for Fiscal 2017

Consolidated	Previous forecast (announced October 31)	Current forecast
Net sales:	4,150.0 billion yen	4,200.0 billion yen (4% decrease from fiscal 2016)
Operating income:	250.0 billion yen	255.0 billion yen (15% decrease from fiscal 2016)
Income before income taxes:	265.0 billion yen	275.0 billion yen (14% decrease from fiscal 2016)
Net income attributable to Mitsubishi Electric Corp.:	185.0 billion yen	190.0 billion yen (17% decrease from fiscal 2016)

Exchange rates in and after the fourth quarter of fiscal 2017 have been revised to 110 yen to the US dollar, ten yen weaker than the previous rate, and 115 yen to the euro, five yen weaker.

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 First 9 Months Results

(In billions of yen except where noted)

	FY '16 9 months (A) (Apr. 1, 2015 – Dec. 31, 2015)	FY '17 9 months (B) (Apr. 1, 2016 – Dec. 31, 2016)	B – A	
			B – A	B/A (%)
Net sales	3,091.6	2,947.1	(144.4)	95
Operating income	207.3	175.5	(31.7)	85
Income before income taxes	218.7	196.1	(22.5)	90
Net income attributable to Mitsubishi Electric Corp.	152.8	135.3	(17.4)	89
Basic net income per share attributable to Mitsubishi Electric Corp.	71. ¹⁸ yen	63.⁰⁶ yen	(8. ¹² yen)	89

2. Consolidated Third-quarter Results

(In billions of yen except where noted)

	FY '16 Q3 (A) (Oct. 1, 2015 – Dec. 31, 2015)	FY '17 Q3 (B) (Oct. 1, 2016 – Dec. 31, 2016)	B – A	
			B – A	B/A (%)
Net sales	1,028.3	974.7	(53.5)	95
Operating income	80.3	53.8	(26.4)	67
Income before income taxes	85.6	72.4	(13.2)	85
Net income attributable to Mitsubishi Electric Corp.	59.8	46.9	(12.8)	78
Basic net income per share attributable to Mitsubishi Electric Corp.	27. ⁸⁹ yen	21.⁹⁰ yen	(5. ⁹⁹ yen)	79

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 9 Months, Fiscal 2017)

(In millions of yen)

	FY '16 9 months (Apr. 1, 2015 – Dec. 31, 2015)		FY '17 9 months (Apr. 1, 2016 – Dec. 31, 2016)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	3,091,608	100.0	2,947,113	100.0	(144,495)	95
Cost of sales	2,142,075	69.3	2,042,322	69.3	(99,753)	95
Selling, general and administrative expenses	738,214	23.9	727,270	24.6	(10,944)	99
Loss on impairment of long-lived assets	4,004	0.1	1,944	0.1	(2,060)	49
Operating income	207,315	6.7	175,577	6.0	(31,738)	85
Other income	41,027	1.3	46,646	1.6	5,619	114
Interest and dividends	6,384	0.2	6,330	0.2	(54)	99
Equity in earnings of affiliated companies	20,102	0.6	14,351	0.5	(5,751)	71
Other	14,541	0.5	25,965	0.9	11,424	179
Other expenses	29,599	0.9	26,028	0.9	(3,571)	88
Interest	2,670	0.1	2,154	0.1	(516)	81
Other	26,929	0.8	23,874	0.8	(3,055)	89
Income before income taxes	218,743	7.1	196,195	6.7	(22,548)	90
Income taxes	56,000	1.8	51,695	1.8	(4,305)	92
Net income	162,743	5.3	144,500	4.9	(18,243)	89
Net income attributable to the noncontrolling interests	9,941	0.4	9,161	0.3	(780)	92
Net income attributable to Mitsubishi Electric Corp.	152,802	4.9	135,339	4.6	(17,463)	89

Consolidated Comprehensive Income Statement (First 9 Months, Fiscal 2017)

(In millions of yen)

	FY '16 9 months (A) (Apr. 1, 2015 – Dec. 31, 2015)	FY '17 9 months (B) (Apr. 1, 2016 – Dec. 31, 2016)	B – A
Net income	162,743	144,500	(18,243)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(36,930)	(26,781)	10,149
Pension liability adjustments	(8,267)	23,386	31,653
Unrealized gains (losses) on securities	(3,215)	26,519	29,734
Unrealized gains on derivative instruments	31	182	151
Total	(48,381)	23,306	71,687
Comprehensive income	114,362	167,806	53,444
Comprehensive income attributable to the noncontrolling interests	5,719	7,248	1,529
Comprehensive income attributable to Mitsubishi Electric Corp.	108,643	160,558	51,915

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

(In millions of yen)

	FY '16 Q3 (Oct. 1, 2015 – Dec. 31, 2015)		FY '17 Q3 (Oct. 1, 2016 – Dec. 31, 2016)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	1,028,323	100.0	974,759	100.0	(53,564)	95
Cost of sales	709,305	69.0	683,967	70.2	(25,338)	96
Selling, general and administrative expenses	238,717	23.2	236,962	24.3	(1,755)	99
Operating income	80,301	7.8	53,830	5.5	(26,471)	67
Other income	14,454	1.4	19,498	2.0	5,044	135
Interest and dividends	2,105	0.2	2,068	0.2	(37)	98
Equity in earnings of affiliated companies	6,841	0.7	4,828	0.5	(2,013)	71
Other	5,508	0.5	12,602	1.3	7,094	229
Other expenses	9,070	0.9	859	0.1	(8,211)	9
Interest	840	0.1	592	0.1	(248)	70
Other	8,230	0.8	267	0.0	(7,963)	3
Income before income taxes	85,685	8.3	72,469	7.4	(13,216)	85
Income taxes	22,075	2.1	22,537	2.3	462	102
Net income	63,610	6.2	49,932	5.1	(13,678)	78
Net income attributable to the noncontrolling interests	3,733	0.4	2,935	0.3	(798)	79
Net income attributable to Mitsubishi Electric Corp.	59,877	5.8	46,997	4.8	(12,880)	78

Consolidated Comprehensive Income Statement (Third Quarter, Fiscal 2017)

(In millions of yen)

	FY '16 Q3 (A) (Oct. 1, 2015 – Dec. 31, 2015)	FY '17 Q3 (B) (Oct. 1, 2016 – Dec. 31, 2016)	B – A
Net income	63,610	49,932	(13,678)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(4,472)	66,979	71,451
Pension liability adjustments	17,710	28,162	10,452
Unrealized gains on securities	26,938	46,710	19,772
Unrealized gains on derivative instruments	48	224	176
Total	40,224	142,075	101,851
Comprehensive income	103,834	192,007	88,173
Comprehensive income attributable to the noncontrolling interests	3,483	9,844	6,361
Comprehensive income attributable to Mitsubishi Electric Corp.	100,351	182,163	81,812

Consolidated Balance Sheet

(In millions of yen)

	FY '16 (A) (ended Mar. 31, 2016)	FY '17 9 months (B) (ended Dec. 31, 2016)	B – A
(Assets)			
Current assets	2,551,863	2,476,428	(75,435)
Cash and cash equivalents	574,170	554,452	(19,718)
Trade receivables	1,035,168	868,635	(166,533)
Inventories	644,127	758,006	113,879
Prepaid expenses and other current assets	298,398	295,335	(3,063)
Long-term trade receivables	4,661	3,703	(958)
Investments	537,706	568,770	31,064
Net property, plant and equipment	712,599	720,026	7,427
Other assets	253,112	208,416	(44,696)
Total assets	4,059,941	3,977,343	(82,598)
(Liabilities)			
Current liabilities	1,507,943	1,395,126	(112,817)
Bank loans and current portion of long-term debt	116,532	120,302	3,770
Trade payables	773,714	694,047	(79,667)
Other current liabilities	617,697	580,777	(36,920)
Long-term debt	287,507	251,789	(35,718)
Retirement and severance benefits	229,750	205,086	(24,664)
Other fixed liabilities	97,238	83,905	(13,333)
Total liabilities	2,122,438	1,935,906	(186,532)
(Equity)			
Mitsubishi Electric Corp. shareholders' equity	1,838,773	1,940,407	101,634
Common stock	175,820	175,820	–
Capital surplus	211,999	211,891	(108)
Retained earnings	1,502,027	1,579,403	77,376
Accumulated other comprehensive income (loss)	(50,699)	(25,480)	25,219
Treasury stock at cost	(374)	(1,227)	(853)
Noncontrolling interests	98,730	101,030	2,300
Total equity	1,937,503	2,041,437	103,934
Total liabilities and equity	4,059,941	3,977,343	(82,598)
Balance of Debt	404,039	372,091	(31,948)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	39,847	15,072	(24,775)
Pension liability adjustments	(184,231)	(160,845)	23,386
Unrealized gains on securities	93,742	120,201	26,459
Unrealized gains (losses) on derivative instruments	(57)	92	149

Consolidated Cash Flow Statement

(In millions of yen)

	FY '16 9 months (Apr. 1, 2015 – Dec. 31, 2015) (A)	FY '17 9 months (Apr. 1, 2016 – Dec. 31, 2016) (B)	B – A
I Cash flows from operating activities			
1 Net income	162,743	144,500	(18,243)
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	105,949	101,452	(4,497)
(2) Decrease in trade receivables	189,355	149,645	(39,710)
(3) Decrease (increase) in inventories	(82,509)	(118,535)	(36,026)
(4) Increase (decrease) in trade payables	(118,264)	(60,735)	57,529
(5) Other, net	(91,785)	(44,790)	46,995
Net cash provided by operating activities	165,489	171,537	6,048
II Cash flows from investing activities			
1 Capital expenditure	(126,477)	(114,351)	12,126
2 Proceeds from sale of property, plant and equipment	1,716	6,194	4,478
3 Purchase of short-term investments and investment securities (net of cash acquired)	(57,394)	(3,906)	53,488
4 Proceeds from sale of short-term investments and investment securities (net of cash disposed)	4,925	19,181	14,256
5 Other, net	(12,041)	2,017	14,058
Net cash used in investing activities	(189,271)	(90,865)	98,406
I+II Free cash flow	(23,782)	80,672	104,454
III Cash flows from financing activities			
1 Proceeds from long-term debt	80,105	147	(79,958)
2 Repayment of long-term debt	(71,367)	(33,074)	38,293
3 Increase (decrease) in bank loans, net	(1,458)	(652)	806
4 Dividends paid	(57,963)	(57,963)	0
5 Purchase of treasury stock	(36)	(1,096)	(1,060)
6 Reissuance of treasury stock	0	0	0
7 Other, net	(4,396)	(5,154)	(758)
Net cash provided by (used in) financing activities	(55,115)	(97,792)	(42,677)
IV Effect of exchange rate changes on cash and cash equivalents	(11,609)	(2,598)	9,011
V Net increase (decrease) in cash and cash equivalents	(90,506)	(19,718)	70,788
VI Cash and cash equivalents at beginning of period	568,517	574,170	5,653
VII Cash and cash equivalents at end of period	478,011	554,452	76,441

Consolidated Segment Information (First 9 Months, Fiscal 2017)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '16 9 months (Apr. 1, 2015 – Dec. 31, 2015)		FY '17 9 months (Apr. 1, 2016 – Dec. 31, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	808,616	18,398	784,744	13,758	(23,872)	(4,640)	97
Industrial Automation Systems	988,751	127,179	951,988	102,569	(36,763)	(24,610)	96
Information and Communication Systems	363,895	4,445	285,462	4,451	(78,433)	6	78
Electronic Devices	166,155	18,960	135,850	5,116	(30,305)	(13,844)	82
Home Appliances	731,334	48,182	746,404	57,625	15,070	9,443	102
Others	509,609	13,688	514,571	15,297	4,962	1,609	101
Subtotal	3,568,360	230,852	3,419,019	198,816	(149,341)	(32,036)	96
Eliminations and other	(476,752)	(23,537)	(471,906)	(23,239)	4,846	298	-
Total	3,091,608	207,315	2,947,113	175,577	(144,495)	(31,738)	95

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '16 9 months (Apr. 1, 2015 – Dec. 31, 2015)		FY '17 9 months (Apr. 1, 2016 – Dec. 31, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	2,469,056	118,404	2,325,814	86,041	(143,242)	(32,363)	94
North America	331,719	4,825	302,591	4,809	(29,128)	(16)	91
Asia (excluding Japan)	783,040	69,727	756,770	69,912	(26,270)	185	97
Europe	302,666	12,914	313,419	11,023	10,753	(1,891)	104
Others	37,171	1,187	33,751	1,740	(3,420)	553	91
Subtotal	3,923,652	207,057	3,732,345	173,525	(191,307)	(33,532)	95
Eliminations	(832,044)	258	(785,232)	2,052	46,812	1,794	-
Total	3,091,608	207,315	2,947,113	175,577	(144,495)	(31,738)	95

*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 9 months (Apr. 1, 2015 – Dec. 31, 2015)		FY '17 9 months (Apr. 1, 2016 – Dec. 31, 2016)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	1,681,801	54.4	1,616,573	54.9	(65,228)	96
North America	331,635	10.7	304,670	10.3	(26,965)	92
Asia (excluding Japan)	729,255	23.6	680,074	23.1	(49,181)	93
Europe	282,554	9.1	286,728	9.7	4,174	101
Others	66,363	2.2	59,068	2.0	(7,295)	89
Total overseas sales	1,409,807	45.6	1,330,540	45.1	(79,267)	94
Consolidated total	3,091,608	100.0	2,947,113	100.0	(144,495)	95

Consolidated Segment Information (Third Quarter, Fiscal 2017)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '16 Q3 (Oct. 1, 2015 – Dec. 31, 2015)		FY '17 Q3 (Oct. 1, 2016 – Dec. 31, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	284,838	14,625	259,273	4,576	(25,565)	(10,049)	91
Industrial Automation Systems	327,231	43,260	334,368	40,458	7,137	(2,802)	102
Information and Communication Systems	139,858	8,260	87,196	583	(52,662)	(7,677)	62
Electronic Devices	42,947	2,609	49,313	3,342	6,366	733	115
Home Appliances	220,196	14,988	227,007	8,957	6,811	(6,031)	103
Others	171,125	6,321	177,800	5,902	6,675	(419)	104
Subtotal	1,186,195	90,063	1,134,957	63,818	(51,238)	(26,245)	96
Eliminations and other	(157,872)	(9,762)	(160,198)	(9,988)	(2,326)	(226)	-
Total	1,028,323	80,301	974,759	53,830	(53,564)	(26,471)	95

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '16 Q3 (Oct. 1, 2015 – Dec. 31, 2015)		FY '17 Q3 (Oct. 1, 2016 – Dec. 31, 2016)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	844,016	57,185	785,379	37,679	(58,637)	(19,506)	93
North America	108,381	386	98,735	689	(9,646)	303	91
Asia (excluding Japan)	238,177	21,447	250,617	20,642	12,440	(805)	105
Europe	95,606	3,159	100,356	2,380	4,750	(779)	105
Others	12,265	612	11,732	863	(533)	251	96
Subtotal	1,298,445	82,789	1,246,819	62,253	(51,626)	(20,536)	96
Eliminations	(270,122)	(2,488)	(272,060)	(8,423)	(1,938)	(5,935)	-
Total	1,028,323	80,301	974,759	53,830	(53,564)	(26,471)	95

*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 Q3 (Oct. 1, 2015 – Dec. 31, 2015)		FY '17 Q3 (Oct. 1, 2016 – Dec. 31, 2016)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	576,280	56.0	534,678	54.9	(41,602)	93
North America	108,699	10.6	101,932	10.4	(6,767)	94
Asia (excluding Japan)	234,295	22.8	229,080	23.5	(5,215)	98
Europe	88,458	8.6	90,282	9.3	1,824	102
Others	20,591	2.0	18,787	1.9	(1,804)	91
Total overseas sales	452,043	44.0	440,081	45.1	(11,962)	97
Consolidated total	1,028,323	100.0	974,759	100.0	(53,564)	95

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 2017 Third-quarter 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

1. Financial Results

(Consolidated)

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

	FY '16				FY '17			
	1st Half (Actual)	Q3 (Actual)	9 months (Actual)	Full Year (Actual)	1st Half (Actual)	Q3 (Actual)	9 months (Actual)	Full Year (Forecast)
Net sales	2,063.2 (+5)	1,028.3 (+2)	3,091.6 (+4)	4,394.3 (+2)	1,972.3 (-4)	974.7 (-5)	2,947.1 (-5)	4,200.0 (-4)
Operating income	127.0 (+5)	80.3 (0)	207.3 (+3)	301.1 (-5)	121.7 (-4)	53.8 (-33)	175.5 (-15)	255.0 (-15)
Income before income taxes	133.0 (-9)	85.6 (+15)	218.7 (-1)	318.4 (-1)	123.7 (-7)	72.4 (-15)	196.1 (-10)	275.0 (-14)
Net income attributable to Mitsubishi Electric Corp.	92.9 (-5)	59.8 (+25)	152.8 (+5)	228.4 (-3)	88.3 (-5)	46.9 (-22)	135.3 (-11)	190.0 (-17)

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)	Q3 (Actual)	9 months (Actual)	Full Year (Actual)	1st Half (Actual)	Q3 (Actual)	9 months (Actual)	Full Year (Forecast)
Energy and Electric Systems	523.7 (+4)	284.8 (+3)	808.6 (+4)	1,264.6 (+3)	525.4 (0)	259.2 (-9)	784.7 (-3)	1,190.0 (-6)
Industrial Automation Systems	661.5 (+9)	327.2 (+1)	988.7 (+6)	1,321.9 (+3)	617.6 (-7)	334.3 (+2)	951.9 (-4)	1,290.0 (-2)
Information and Communication Systems	224.0 (-10)	139.8 (+10)	363.8 (-3)	561.1 (0)	198.2 (-12)	87.1 (-38)	285.4 (-22)	460.0 (-18)
Electronic Devices	123.2 (+16)	42.9 (-22)	166.1 (+3)	211.5 (-11)	86.5 (-30)	49.3 (+15)	135.8 (-18)	180.0 (-15)
Home Appliances	511.1 (+7)	220.1 (+4)	731.3 (+6)	982.0 (+4)	519.3 (+2)	227.0 (+3)	746.4 (+2)	1,010.0 (+3)
Others	338.4 (-4)	171.1 (-7)	509.6 (-5)	707.7 (-4)	336.7 (-1)	177.8 (+4)	514.5 (+1)	700.0 (-1)
Subtotal	2,382.1 (+4)	1,186.1 (+1)	3,568.3 (+3)	5,049.0 (+1)	2,284.0 (-4)	1,134.9 (-4)	3,419.0 (-4)	4,830.0 (-4)
Eliminations	-318.8	-157.8	-476.7	-654.6	-311.7	-160.1	-471.9	-630.0
Consolidated total	2,063.2 (+5)	1,028.3 (+2)	3,091.6 (+4)	4,394.3 (+2)	1,972.3 (-4)	974.7 (-5)	2,947.1 (-5)	4,200.0 (-4)

3. Operating Income by Segment

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

	FY '16				FY '17			
	1st Half (Actual)	Q3 (Actual)	9 months (Actual)	Full Year (Actual)	1st Half (Actual)	Q3 (Actual)	9 months (Actual)	Full Year (Forecast)
Energy and Electric Systems	3.7 (-70)	14.6 (-27)	18.3 (-44)	50.3 (-31)	9.1 (+143)	4.5 (-69)	13.7 (-25)	42.0 (-17)
Industrial Automation Systems	83.9 (+27)	43.2 (+3)	127.1 (+18)	159.1 (+9)	62.1 (-26)	40.4 (-6)	102.5 (-19)	135.0 (-15)
Information and Communication Systems	-3.8 (-)	8.2 (+8)	4.4 (-66)	14.9 (-21)	3.8 (-)	0.5 (-93)	4.4 (0)	13.0 (-13)
Electronic Devices	16.3 (+110)	2.6 (-68)	18.9 (+19)	16.8 (-44)	1.7 (-89)	3.3 (+28)	5.1 (-73)	5.0 (-70)
Home Appliances	33.1 (-6)	14.9 (+152)	48.1 (+17)	63.8 (+18)	48.6 (+47)	8.9 (-40)	57.6 (+20)	71.0 (+11)
Others	7.3 (-11)	6.3 (+11)	13.6 (-2)	23.6 (-1)	9.3 (+28)	5.9 (-7)	15.2 (+12)	19.0 (-20)
Subtotal	140.7 (+4)	90.0 (+1)	230.8 (+3)	328.8 (-5)	134.9 (-4)	63.8 (-29)	198.8 (-14)	285.0 (-13)
Eliminations and other	-13.7	-9.7	-23.5	-27.6	-13.2	-9.9	-23.2	-30.0
Consolidated total	127.0 (+5)	80.3 (0)	207.3 (+3)	301.1 (-5)	121.7 (-4)	53.8 (-33)	175.5 (-15)	255.0 (-15)

4. Overseas Net Sales by Segment

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

	FY '16				FY '17			
	1st Half (Actual)	Q3 (Actual)	9 months (Actual)	Full Year (Actual)	1st Half (Actual)	Q3 (Actual)	9 months (Actual)	Full Year (Forecast)
Energy and Electric Systems	221.6 (+11)	113.5 (-5)	335.2 (+5)	458.9 (-1)	197.3 (-11)	97.3 (-14)	294.7 (-12)	
Industrial Automation Systems	390.8 (+14)	180.0 (-3)	570.9 (+8)	755.5 (+3)	357.4 (-9)	196.0 (+9)	553.4 (-3)	
Information and Communication Systems	12.5 (+101)	25.6 (+454)	38.1 (+252)	46.3 (+164)	5.4 (-56)	1.7 (-93)	7.1 (-81)	
Electronic Devices	52.0 (+3)	23.0 (-11)	75.1 (-1)	98.5 (-5)	46.9 (-10)	27.6 (+20)	74.5 (-1)	
Home Appliances	273.3 (+12)	106.1 (-1)	379.5 (+8)	499.6 (+5)	275.8 (+1)	112.4 (+6)	388.3 (+2)	
Others	7.3 (-25)	3.5 (-17)	10.8 (-23)	14.1 (-24)	7.4 (+2)	4.7 (+36)	12.2 (+13)	
Consolidated total	957.7 (+12)	452.0 (+1)	1,409.8 (+8)	1,873.1 (+3)	890.4 (-7)	440.0 (-3)	1,330.5 (-6)	
Ratio of overseas net sales to total sales	46.4%	44.0%	45.6%	42.6%	45.1%	45.1%	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)	Q3 (Actual)	Full Year (Actual)	1st Half (Actual)	Q3 (Actual)	Q4 (Forecast)
Exchange rates for recording net sales	US\$	¥122	¥121	¥121	¥107	¥106	¥110
	Euro	¥135	¥132	¥133	¥120	¥116	¥115
Impact of exchange rate fluctuations on net sales	Consolidated total	About ¥83.0 billion increase	About ¥1.0 billion increase	About ¥60.0 billion increase	About ¥127.0 billion decrease	About ¥41.0 billion decrease	
	US\$	About ¥40.0 billion increase	About ¥8.0 billion increase	About ¥47.0 billion increase	About ¥31.0 billion decrease	About ¥9.0 billion decrease	
	Euro	About ¥4.0 billion decrease	About ¥7.0 billion decrease	About ¥14.0 billion decrease	About ¥25.0 billion decrease	About ¥6.0 billion decrease	