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## **Mitsubishi Electric Announces Consolidated Financial Results for the First Half and Second Quarter of Fiscal 2013**

**Tokyo, October 31, 2012** – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its financial results for the first half and second quarter, ending September 30, 2012, of the current fiscal year ending March 31, 2013 (fiscal 2013).

### **1. Consolidated Half-year Results (April 1, 2012 – September 30, 2012)**

Net sales:	1,696.0 billion yen	(3% decrease from the same period last year)
Operating income:	89.6 billion yen	(21% decrease from the same period last year)
Income before income taxes:	72.7 billion yen	(31% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	43.6 billion yen	(37% decrease from the same period last year)

During the first half of fiscal 2013, the economy saw a downturn in Japan which experienced a downward trend in production and export, and continuous slowdown in Europe and Asia, while the U.S. economy remained buoyant. Meanwhile, Japanese yen remained strong against U.S. dollars and euros.

Under these circumstances, consolidated net sales for the first half of fiscal 2013 was 1,696.0 billion yen, a 3% decrease compared to the same period of the previous fiscal year, mainly owing to decreased revenues in the Industrial Automation Systems, Electronic Devices and Home Appliances segments. Operating income marked 89.6 billion yen, decreasing by 21% compared to the same period of the previous fiscal year, due to lower profits mainly in the Industrial Automation Systems, Electronic Devices and Home Appliances segments.

### **Consolidated Financial Results by Business Segment (First Half, Fiscal 2013)**

#### ***Energy and Electric Systems***

Total sales:	459.5 billion yen	(5% increase from the same period last year)
Operating income:	34.2 billion yen	(5.7 billion yen increase from the same period last year)

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

The building systems business experienced a decrease in orders compared to the same period of the previous fiscal year mainly due to a decrease in large-scale projects outside Japan, while sales increased compared to the same period of the previous fiscal year owing to growth in demand for renewal of elevators and escalators

in Japan as well as for new installations in China.

As a result, total sales for this segment increased by 5% from the same period of the previous fiscal year. Operating income increased from the same period of the previous fiscal year by 5.7 billion yen due to an increase in sales and other factors.

### ***Industrial Automation Systems***

Total sales: 456.9 billion yen (6% decrease from the same period last year)  
Operating income: 33.9 billion yen (22.6 billion yen decrease from the same period last year)

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

The automotive equipment business saw increases in both orders and sales from the same period of the previous fiscal year with uplifting support from subsidies for eco-cars in the Japanese market as well as recovery in the North American market, despite stagnation in automobile sales in Europe.

As a result, total sales for this segment decreased by 6% compared to the same period of the previous fiscal year. Operating income decreased by 22.6 billion yen compared to the same period of the previous fiscal year due primarily to a decrease in sales.

### ***Information and Communication Systems***

Total sales: 241.6 billion yen (12% increase from the same period last year)  
Operating income: 9.7 billion yen (5.4 billion yen increase from the same period last year)

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

The information systems and service business experienced no changes in sales from the same period of the previous fiscal year with decreases in the network and systems operation business and other factors, as well as an increase in the system integration business.

The electronic systems business saw increases in both orders and sales compared to the same period of the previous fiscal year due to increases in the electronics and space systems businesses.

As a result, total sales for this segment increased by 12% compared to 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 mainly due to an increase in sales.

### ***Electronic Devices***

Total sales: 79.9 billion yen (23% decrease from the same period last year)  
Operating income (loss): (1.6 billion yen) (7.6 billion yen decline from the same period last year)

The semiconductor business saw decreases in both orders and sales from the same period of the previous fiscal year due to a decline in demand mainly for power modules used in industrial, consumer and railcar applications.

The LCD module business saw an increase in orders, but sales decreased compared to the same period of the previous fiscal year due to decreases in industrial-use products and other factors.

As a result, total sales for the segment decreased by 23% compared to the same period of the previous fiscal year. Operating income fell by 7.6 billion yen compared to the same period of the previous fiscal year mainly due to a decrease in sales.

### ***Home Appliances***

Total sales: 423.3 billion yen (8% decrease from the same period last year)  
Operating income: 16.8 billion yen (6.8 billion yen decrease from the same period last year)

The home appliances business saw a decrease in sales by 8% compared to the same period of the previous fiscal year due primarily to a large decline in demand for LCD televisions and blu-ray disc recorders for the Japanese market, as well as a decrease in air conditioners for Europe due to the strong yen against euros.

Operating income decreased by 6.8 billion yen compared to the same period of the previous fiscal year due to a decrease in sales and other factors.

#### **Others**

Total sales: 285.6 billion yen (5% decrease from the same period last year)  
Operating income: 7.3 billion yen (0.4 billion yen decrease from the same period last year)

Sales decreased by 5% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement and logistics.

Operating income decreased by 0.4 billion yen compared to the same period of the previous fiscal year due primarily to a decrease in sales.

## **2. Consolidated Second-quarter Results (July 1, 2012 – September 30, 2012)**

Net sales: 913.2 billion yen (2% decrease from the same period last year)  
Operating income: 43.0 billion yen (30% decrease from the same period last year)  
Income before income taxes: 24.7 billion yen (56% decrease from the same period last year)  
Net income attributable to Mitsubishi Electric Corp.: 13.1 billion yen (69% decrease from the same period last year)

Consolidated net sales for this quarter marked 913.2 billion yen, a 2% decrease from the same period of the previous fiscal year due primarily to decreased revenue in the Industrial Automation Systems, Electronic Devices and Home Appliances segments. Consolidated operating income was 43.0 billion yen, decreasing by 30% from the same period of the previous fiscal year, with decreased profits mainly in the Industrial Automation Systems, Electronic Devices and Home Appliances segments.

## **Consolidated Financial Results by Business Segment (Second Quarter, Fiscal 2013)**

### ***Energy and Electric Systems***

Total sales: 254.4 billion yen (4% increase from the same period last year)  
Operating income: 15.9 billion yen (1.9 billion yen increase from the same period last year)

The social infrastructure systems business saw a decrease in orders from the same quarter of the previous fiscal year due primarily to a decrease in the rolling stock business outside Japan as well as lower demand compared to the same period of the previous fiscal year when the business experienced recovery demand from the Great East Japan Earthquake. Sales in this business meanwhile increased from the same quarter of the previous fiscal year primarily due to an increase in the power generation business worldwide.

The building systems business experienced no changes in orders compared to the same quarter of the previous fiscal year, while sales increased compared to the same quarter of the previous fiscal year owing to increased demand for renewal of elevators and escalators in Japan as well as for new installations in China.

As a result, total sales for this segment increased by 4% from the same quarter of the previous fiscal year. Operating income increased by 1.9 billion yen from the same quarter of the previous fiscal year due primarily to an increase in sales.

### ***Industrial Automation Systems***

Total sales: 232.8 billion yen (8% decrease from the same period last year)  
Operating income: 12.7 billion yen (15.8 billion yen decrease from the same period last year)

The factory automation systems business saw an increase in orders compared to the same quarter of the previous fiscal year mainly in Japan, while sales for this business decreased compared to the same quarter of the previous fiscal year due primarily to lower capital expenditures for semiconductor and flat panel display related investments in China, South Korea and Taiwan.

The automotive equipment business saw no changes in both orders and sales from the same period of the previous fiscal year with uplifting support from subsidies for eco-cars in the Japanese market as well as recovery in the North American market, despite stagnation in automobile sales in Europe.

As a result, total sales for this segment decreased by 8% compared to the same quarter of the previous fiscal year. Operating income decreased by 15.8 billion yen compared to the same period of the previous fiscal year due to a decrease in sales and other factors.

### ***Information and Communication Systems***

Total sales: 147.1 billion yen (13% increase from the same period last year)  
Operating income: 8.9 billion yen (4.3 billion yen increase from the same period last year)

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

The information systems and service business experienced no changes in sales from the same period of the previous fiscal year with decreases in the network and systems operation business and other factors, as well as an increase in the system integration business.

The electronic systems business saw increases in both orders and sales compared to the same period of the previous fiscal year due to increases in the electronics and space systems businesses.

As a result, total sales for this segment increased by 13% compared to the same period of the previous fiscal year. Operating income increased by 4.3 billion yen compared to the same period of the previous fiscal year due to an increase in sales and other factors.

### ***Electronic Devices***

Total sales: 40.8 billion yen (25% decrease from the same period last year)  
Operating income (loss): (1.6 billion yen) (5.2 billion yen decline from the same period last year)

The semiconductor business saw decreases in both orders and sales from the same period of the previous fiscal year due to a decline in demand mainly for power modules used in industrial, consumer and railcar applications.

The LCD module business saw an increase in orders, but sales decreased compared to the same period of the previous fiscal year due to decreases in industrial-use products and other factors.

As a result, total sales for the segment decreased by 25% compared to the same period of the previous fiscal year. Operating income fell by 5.2 billion yen from the same period of the previous fiscal year mainly due to a decrease in sales.

### ***Home Appliances***

Total sales: 217.4 billion yen (5% decrease from the same period last year)  
Operating income: 3.8 billion yen (5.1 billion yen decrease from the same period last year)

The home appliances business saw a decrease in sales by 5% compared to the same period of the previous fiscal year due primarily to a large decline in demand for LCD televisions and blu-ray disc recorders for the Japanese market, as well as a decrease in air conditioners for Europe due to the strong yen against euros.

Operating income declined by 5.1 billion yen compared to the same period of the previous fiscal year due to a decrease in sales and other factors.

### ***Others***

Total sales: 154.1 billion yen (5% decrease from the same period last year)  
Operating income: 6.6 billion yen (Unchanged from the same period last year)

Sales decreased by 5% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement and logistics.

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

### **Financial Condition (Consolidated Basis)**

#### ***Assets, Liabilities, and Shareholders' Equity***

The company's total assets as of the end of this fiscal quarter declined from the end of the previous fiscal year by 37.0 billion yen to 3,354.5 billion yen. This was due primarily to a decrease in trade receivables by 82.8 billion yen resulting from various factors including credit collection, while inventories rose by 42.0 billion yen mainly due to increased work-in-process as recorded in commensurate with progress in job orders under pertinent contracts.

The balance of outstanding debts and corporate bonds rose by 95.9 billion yen from the end of the previous fiscal year to 638.2 billion yen, with a rise in the ratio of interest bearing debt to total assets to 19.0% (an increase by 3.0 points compared to the end of the previous fiscal year). Trade payables decreased by 95.2 billion yen, while retirement and severance benefits increased by 4.4 billion yen.

Mitsubishi Electric Corporation shareholders' equity decreased by 5.4 billion yen compared to the end of the previous fiscal year to 1,126.9 billion yen, with a rise in ratio of shareholders' equity to total assets of 0.2 points compared to the end of the previous fiscal year to 33.6%. Retained earnings increased by 30.7 billion yen due to 43.6 billion yen recorded as net income attributable to Mitsubishi Electric Corporation and dividend payment of 12.8 billion yen, while accumulated other comprehensive income decreased by 36.0 billion yen mainly due to stronger yen and decline in stock prices.

#### ***Cash Flow***

Cash flows from operating activities decreased by 59.9 billion yen compared to the same period of the previous fiscal year to 50.7 billion yen (cash in). Cash flows from investing activities increased by 17.6 billion yen compared to the same period of the previous fiscal year to 80.1 billion yen (cash out) resulting from an increase in purchases of tangible fixed assets and other factors. Consequently, free cash flow totaled 29.4 billion yen (cash out). Cash flows from financing activities were 75.6 billion yen (cash in) due to an increase in bank loans and other factors.

### **Forecast for Fiscal 2013 (year ending March 31, 2013)**

With the yen remaining strong against euros as well as concerns over the slowdown of the global economy, the consolidated net sales for fiscal 2013, ending March 31, 2013, is expected to fall below the forecast announced on July 31, 2012 mainly in the Industrial Automation Systems and Home Appliances segments. Regarding the consolidated income figures, the company will maintain the previous forecasts, and further strengthen its business improvement measures.

#### ***Consolidated earnings forecast for fiscal 2013***

	Previous forecast (announced July 31)	Current forecast	
Net sales:	3,740.0 billion yen	3,640.0 billion yen	(Unchanged from fiscal 2012)
Operating income:	200.0 billion yen	200.0 billion yen	(11% decrease from fiscal 2012)
Income before income taxes:	180.0 billion yen	180.0 billion yen	(20% decrease from fiscal 2012)
Net income attributable to Mitsubishi Electric Corp.:	120.0 billion yen	120.0 billion yen	(7% increase from fiscal 2012)

Following the issue of overcharged expenses in the company's electronics systems business which arose in January 2012 or after, Mitsubishi Electric was suspended from further bidding by Japan's Ministry of Defense (MOD), Cabinet Satellite Intelligence Center (CSICE), Japan Aerospace Exploration Agency (JAXA), the National Institute of Information and Communications Technology (NICT) and the Ministry of Internal Affairs and Communications (MIC). Four of the company's affiliates were also suspended from further bidding by the MOD.

Although the company reimbursed 26 million yen to the national treasury on July 4, 2012 in relation to overcharged expenses on contracts with the MIC, the impact to the company's business performance in relation to refund payments for excessive charges and other expenses to the other organizations is currently unclear and thus not considered in the current forecast, but may cause material effects on the Group's future financial results.

**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 '12 1 <sup>st</sup> half (Apr. 1, 2011 – Sept. 30, 2011) (A)	FY '13 1 <sup>st</sup> half (Apr. 1, 2012 – Sept. 30, 2012) (B)	B – A	
				B/A (%)
Net sales	1,743.5	<b>1,696.0</b>	(47.5)	97
Operating income	113.6	<b>89.6</b>	(24.0)	79
Income before income taxes	105.8	<b>72.7</b>	(33.0)	69
Net income attributable to Mitsubishi Electric Corp.	69.5	<b>43.6</b>	(25.9)	63
Basic net income per share attributable to Mitsubishi Electric Corp.	32. <sup>41</sup> yen	<b>20.<sup>32</sup> yen</b>	(12. <sup>09</sup> yen)	63

### 2. Consolidated Second-quarter Results

(In billions of yen except where noted)

	FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011) (A)	FY '13 Q2 (Jul. 1, 2012 – Sept. 30, 2012) (B)	B – A	
				B/A (%)
Net sales	929.9	<b>913.2</b>	(16.6)	98
Operating income	61.3	<b>43.0</b>	(18.3)	70
Income before income taxes	56.6	<b>24.7</b>	(31.9)	44
Net income attributable to Mitsubishi Electric Corp.	42.4	<b>13.1</b>	(29.2)	31
Basic net income per share attributable to Mitsubishi Electric Corp.	19. <sup>75</sup> yen	<b>6.<sup>13</sup> yen</b>	(13. <sup>62</sup> yen)	31

**Notes:** 1) Consolidated financial charts made in accordance with U.S. GAAP.  
2) The Company has 164 consolidated subsidiaries.

### Consolidated Profit and Loss Statement (First Half, Fiscal 2013)

(In millions of yen)

	FY '12 1 <sup>st</sup> half (Apr. 1, 2011 – Sept. 30, 2011)		FY '13 1 <sup>st</sup> half (Apr. 1, 2012 – Sept. 30, 2012)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	1,743,598	100.0	<b>1,696,018</b>	<b>100.0</b>	(47,580)	97
Cost of sales	1,250,457	71.7	<b>1,213,637</b>	<b>71.6</b>	(36,820)	97
Selling, general and administrative expenses	379,527	21.8	<b>391,870</b>	<b>23.1</b>	12,343	103
Loss on impairment of long-lived assets	–	–	<b>897</b>	<b>0.0</b>	897	–
Operating income	113,614	6.5	<b>89,614</b>	<b>5.3</b>	(24,000)	79
Other income	16,968	1.0	<b>18,100</b>	<b>1.1</b>	1,132	107
Interest and dividends	5,072	0.3	<b>4,674</b>	<b>0.3</b>	(398)	92
Other	11,896	0.7	<b>13,426</b>	<b>0.8</b>	1,530	113
Other expenses	24,692	1.4	<b>34,921</b>	<b>2.1</b>	10,229	141
Interest	3,603	0.2	<b>3,387</b>	<b>0.2</b>	(216)	94
Equity in losses of affiliated companies	2,591	0.1	<b>19,377</b>	<b>1.2</b>	16,786	748
Other	18,498	1.1	<b>12,157</b>	<b>0.7</b>	(6,341)	66
Income before income taxes	105,890	6.1	<b>72,793</b>	<b>4.3</b>	(33,097)	69
Income taxes	32,378	1.9	<b>26,504</b>	<b>1.6</b>	(5,874)	82
Net income	73,512	4.2	<b>46,289</b>	<b>2.7</b>	(27,223)	63
Net income attributable to the noncontrolling interests	3,931	0.2	<b>2,670</b>	<b>0.1</b>	(1,261)	68
Net income attributable to Mitsubishi Electric Corp.	69,581	4.0	<b>43,619</b>	<b>2.6</b>	(25,962)	63

### Consolidated Comprehensive Income Statement (First Half, Fiscal 2013)

(In millions of yen)

	FY '12 1 <sup>st</sup> half (A) (Apr. 1, 2011 – Sept. 30, 2011)	FY '13 1 <sup>st</sup> half (B) (Apr. 1, 2012 – Sept. 30, 2012)	B – A
Net income	73,512	<b>46,289</b>	(27,223)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(25,955)	<b>(14,141)</b>	11,814
Pension liability adjustments	(21,958)	<b>(11,781)</b>	10,177
Unrealized gains (losses) on securities	(3,643)	<b>(11,261)</b>	(7,618)
Unrealized gains (losses) on derivative instruments	(33)	<b>(3)</b>	30
Total	(51,589)	<b>(37,186)</b>	14,403
Comprehensive income	21,923	<b>9,103</b>	(12,820)
Comprehensive income attributable to the noncontrolling interests	1,415	<b>1,559</b>	144
Comprehensive income attributable to Mitsubishi Electric Corp.	20,508	<b>7,544</b>	(12,964)



### Consolidated Profit and Loss Statement (Second Quarter, Fiscal 2013)

(In millions of yen)

	FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011)		FY '13 Q2 (Jul. 1, 2012 – Sept. 30, 2012)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	929,963	100.0	<b>913,273</b>	<b>100.0</b>	(16,690)	98
Cost of sales	674,824	72.6	<b>668,125</b>	<b>73.2</b>	(6,699)	99
Selling, general and administrative expenses	193,759	20.8	<b>201,201</b>	<b>22.0</b>	7,442	104
Loss on impairment of long-lived assets	–	–	<b>897</b>	<b>0.1</b>	897	–
Operating income	61,380	6.6	<b>43,050</b>	<b>4.7</b>	(18,330)	70
Other income	9,241	1.0	<b>7,452</b>	<b>0.8</b>	(1,789)	81
Interest and dividends	1,702	0.2	<b>1,570</b>	<b>0.2</b>	(132)	92
Equity in earnings of affiliated companies	1,888	0.2	–	–	(1,888)	–
Other	5,651	0.6	<b>5,882</b>	<b>0.6</b>	231	104
Other expenses	13,977	1.5	<b>25,802</b>	<b>2.8</b>	11,825	185
Interest	1,811	0.2	<b>1,691</b>	<b>0.2</b>	(120)	93
Equity in losses of affiliated companies	–	–	<b>17,744</b>	<b>1.9</b>	17,744	–
Other	12,166	1.3	<b>6,367</b>	<b>0.7</b>	(5,799)	52
Income before income taxes	56,644	6.1	<b>24,700</b>	<b>2.7</b>	(31,944)	44
Income taxes	12,413	1.3	<b>9,926</b>	<b>1.1</b>	(2,487)	80
Net income	44,231	4.8	<b>14,774</b>	<b>1.6</b>	(29,457)	33
Net income attributable to the noncontrolling interests	1,826	0.2	<b>1,604</b>	<b>0.2</b>	(222)	88
Net income attributable to Mitsubishi Electric Corp.	42,405	4.6	<b>13,170</b>	<b>1.4</b>	(29,235)	31

### Consolidated Comprehensive Income Statement (Second Quarter, Fiscal 2013)

(In millions of yen)

	FY '12 Q2 (A) (Jul. 1, 2011 – Sept. 30, 2011)	FY '13 Q2 (B) (Jul. 1, 2012 – Sept. 30, 2012)	B – A
Net income	44,231	<b>14,774</b>	(29,457)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(21,969)	<b>(4,993)</b>	16,976
Pension liability adjustments	(17,419)	<b>3,054</b>	20,473
Unrealized gains (losses) on securities	(3,635)	<b>(2,350)</b>	1,285
Unrealized gains (losses) on derivative instruments	(40)	<b>(20)</b>	20
Total	(43,063)	<b>(4,309)</b>	38,754
Comprehensive income	1,168	<b>10,465</b>	9,297
Comprehensive income (loss) attributable to the noncontrolling interests	(515)	<b>991</b>	1,506
Comprehensive income attributable to Mitsubishi Electric Corp.	1,683	<b>9,474</b>	7,791

## Consolidated Balance Sheet

(In millions of yen)

	FY '12 (A) (ending Mar. 31, 2012)	FY '13 1 <sup>st</sup> half (B) (ending Sept. 30, 2012)	B – A
<b>(Assets)</b>			
Current assets	2,197,384	<b>2,184,062</b>	(13,322)
Cash and cash equivalents	392,181	<b>432,404</b>	40,223
Short-term investments	2,995	<b>1,770</b>	(1,225)
Trade receivables	950,736	<b>867,851</b>	(82,885)
Inventories	576,179	<b>618,264</b>	42,085
Prepaid expenses and other current assets	275,293	<b>263,773</b>	(11,520)
Long-term trade receivables	1,017	<b>1,061</b>	44
Investments	419,502	<b>362,674</b>	(56,828)
Net property, plant and equipment	556,845	<b>577,120</b>	20,275
Other assets	216,903	<b>229,658</b>	12,755
<b>Total assets</b>	<b>3,391,651</b>	<b>3,354,575</b>	<b>(37,076)</b>
<b>(Liabilities and equity)</b>			
Current liabilities	1,433,501	<b>1,399,161</b>	(34,340)
Bank loans and current portion of long-term debt	200,502	<b>291,900</b>	91,398
Trade payables	700,262	<b>605,025</b>	(95,237)
Other current liabilities	532,737	<b>502,236</b>	(30,501)
Long-term debt	341,789	<b>346,310</b>	4,521
Retirement and severance benefits	372,082	<b>376,488</b>	4,406
Other fixed liabilities	53,259	<b>47,193</b>	(6,066)
Total equity	1,191,020	<b>1,185,423</b>	(5,597)
Mitsubishi Electric Corp. shareholders' equity	1,132,465	<b>1,126,975</b>	(5,490)
Common stock	175,820	<b>175,820</b>	–
Capital surplus	206,343	<b>206,196</b>	(147)
Retained earnings	966,126	<b>996,864</b>	30,738
Accumulated other comprehensive income (loss)	(215,603)	<b>(251,678)</b>	(36,075)
Treasury stock at cost	(221)	<b>(227)</b>	(6)
Noncontrolling interests	58,555	<b>58,448</b>	(107)
<b>Total liabilities and equity</b>	<b>3,391,651</b>	<b>3,354,575</b>	<b>(37,076)</b>
Balance of Debt	542,291	<b>638,210</b>	95,919
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(67,654)	<b>(80,731)</b>	(13,077)
Pension liability adjustments	(160,156)	<b>(171,937)</b>	(11,781)
Unrealized gains on securities	12,242	<b>1,028</b>	(11,214)
Unrealized gains (losses) on derivative instruments	(35)	<b>(38)</b>	(3)

## Consolidated Cash Flow Statement

(In millions of yen)

	FY '12 1 <sup>st</sup> half (Apr. 1, 2011 – Sept. 30, 2011) (A)	FY '13 1 <sup>st</sup> half (Apr. 1, 2012 – Sept. 30, 2012) (B)	B – A
<b>I Cash flows from operating activities</b>			
1 Net income	73,512	46,289	(27,223)
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	52,891	54,716	1,825
(2) Decrease in trade receivables	75,292	75,846	554
(3) Decrease (increase) in inventories	(96,693)	(52,392)	44,301
(4) Increase (decrease) in trade payables	(42,758)	(92,590)	(49,832)
(5) Other, net	48,390	18,863	(29,527)
Net cash provided by operating activities	110,634	50,732	(59,902)
<b>II Cash flows from investing activities</b>			
1 Capital expenditure	(66,568)	(73,370)	(6,802)
2 Proceeds from sale of property, plant and equipment	2,395	2,630	235
3 Purchase of short-term investments and investment securities	(7,965)	(9,860)	(1,895)
4 Proceeds from sale of short-term investments and investment securities	9,623	5,649	(3,974)
5 Other, net	(34)	(5,238)	(5,204)
Net cash used in investing activities	(62,549)	(80,189)	(17,640)
<b>I+II Free cash flow</b>	48,085	(29,457)	(77,542)
<b>III Cash flows from financing activities</b>			
1 Proceeds from long-term debt	50	42,003	41,953
2 Repayment of long-term debt	(17,843)	(17,793)	50
3 Increase (decrease) in bank loans, net	(1,201)	66,151	67,352
4 Dividends paid	(15,028)	(12,881)	2,147
5 Purchase of treasury stock	(14)	(8)	6
6 Reissuance of treasury stock	2	1	(1)
7 Other, net	(9,211)	(1,844)	7,367
Net cash provided by (used in) financing activities	(43,245)	75,629	118,874
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	(12,404)	(5,949)	6,455
<b>V Net increase (decrease) in cash and cash equivalents</b>	(7,564)	40,223	47,787
<b>VI Cash and cash equivalents at beginning of period</b>	472,067	392,181	(79,886)
<b>VII Cash and cash equivalents at end of period</b>	464,503	432,404	(32,099)

## Consolidated Segment Information (First Half, Fiscal 2013)

### 1. Sales and Operating Income by Business Segment

(In millions of yen)

<i>Business Segment</i>	FY '12 1 <sup>st</sup> half (Apr. 1, 2011 – Sept. 30, 2011)		FY '13 1 <sup>st</sup> half (Apr. 1, 2012 – Sept. 30, 2012)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Energy and Electric Systems	438,747	28,512	<b>459,514</b>	<b>34,293</b>	20,767	5,781	105
Industrial Automation Systems	487,639	56,549	<b>456,914</b>	<b>33,911</b>	(30,725)	(22,638)	94
Information and Communication Systems	216,679	4,264	<b>241,664</b>	<b>9,716</b>	24,985	5,452	112
Electronic Devices	104,309	6,028	<b>79,907</b>	<b>(1,607)</b>	(24,402)	(7,635)	77
Home Appliances	460,320	23,694	<b>423,355</b>	<b>16,840</b>	(36,965)	(6,854)	92
Others	301,434	7,879	<b>285,659</b>	<b>7,380</b>	(15,775)	(499)	95
Subtotal	2,009,128	126,926	<b>1,947,013</b>	<b>100,533</b>	(62,115)	(26,393)	97
Eliminations and other	(265,530)	(13,312)	<b>(250,995)</b>	<b>(10,919)</b>	14,535	2,393	–
Total	1,743,598	113,614	<b>1,696,018</b>	<b>89,614</b>	(47,580)	(24,000)	97

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

### 2. Sales and Operating Income by Location

(In millions of yen)

<i>Location</i>	FY '12 1 <sup>st</sup> half (Apr. 1, 2011 – Sept. 30, 2011)		FY '13 1 <sup>st</sup> half (Apr. 1, 2012 – Sept. 30, 2012)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	1,497,982	84,984	<b>1,462,029</b>	<b>63,225</b>	(35,953)	(21,759)	98
North America	105,750	1,849	<b>117,636</b>	<b>1,348</b>	11,886	(501)	111
Asia (excluding Japan)	314,940	22,465	<b>298,894</b>	<b>17,516</b>	(16,046)	(4,949)	95
Europe	165,481	5,162	<b>142,504</b>	<b>3,806</b>	(22,977)	(1,356)	86
Others	18,677	2,049	<b>17,374</b>	<b>931</b>	(1,303)	(1,118)	93
Subtotal	2,102,830	116,509	<b>2,038,437</b>	<b>86,826</b>	(64,393)	(29,683)	97
Eliminations	(359,232)	(2,895)	<b>(342,419)</b>	<b>2,788</b>	16,813	5,683	–
Total	1,743,598	113,614	<b>1,696,018</b>	<b>89,614</b>	(47,580)	(24,000)	97

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

### 3. Sales by Location of Customers

(In millions of yen)

<i>Location</i>	FY '12 1 <sup>st</sup> half (Apr. 1, 2011 – Sept. 30, 2011)		FY '13 1 <sup>st</sup> half (Apr. 1, 2012 – Sept. 30, 2012)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	1,102,975	63.3	<b>1,097,744</b>	<b>64.7</b>	(5,231)	100
North America	113,753	6.5	<b>126,100</b>	<b>7.4</b>	12,347	111
Asia (excluding Japan)	326,318	18.7	<b>296,088</b>	<b>17.5</b>	(30,230)	91
Europe	160,769	9.2	<b>138,582</b>	<b>8.2</b>	(22,187)	86
Others	39,783	2.3	<b>37,504</b>	<b>2.2</b>	(2,279)	94
Total overseas sales	640,623	36.7	<b>598,274</b>	<b>35.3</b>	(42,349)	93
Consolidated total	1,743,598	100.0	<b>1,696,018</b>	<b>100.0</b>	(47,580)	97

## Consolidated Segment Information (Second Quarter, Fiscal 2013)

### 1. Sales and Operating Income by Business Segment

(In millions of yen)

<i>Business Segment</i>	FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011)		FY '13 Q2 (Jul. 1, 2012 – Sept. 30, 2012)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Energy and Electric Systems	244,542	14,009	<b>254,424</b>	<b>15,935</b>	9,882	1,926	104
Industrial Automation Systems	253,720	28,616	<b>232,878</b>	<b>12,737</b>	(20,842)	(15,879)	92
Information and Communication Systems	130,471	4,638	<b>147,179</b>	<b>8,969</b>	16,708	4,331	113
Electronic Devices	54,275	3,534	<b>40,869</b>	<b>(1,679)</b>	(13,406)	(5,213)	75
Home Appliances	227,936	8,971	<b>217,458</b>	<b>3,866</b>	(10,478)	(5,105)	95
Others	162,835	6,730	<b>154,115</b>	<b>6,690</b>	(8,720)	(40)	95
Subtotal	1,073,779	66,498	<b>1,046,923</b>	<b>46,518</b>	(26,856)	(19,980)	97
Eliminations and other	(143,816)	(5,118)	<b>(133,650)</b>	<b>(3,468)</b>	10,166	1,650	–
Total	929,963	61,380	<b>913,273</b>	<b>43,050</b>	(16,690)	(18,330)	98

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

### 2. Sales and Operating Income by Location

(In millions of yen)

<i>Location</i>	FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011)		FY '13 Q2 (Jul. 1, 2012 – Sept. 30, 2012)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Japan	817,310	47,072	<b>799,801</b>	<b>29,275</b>	(17,509)	(17,797)	98
North America	49,717	653	<b>54,933</b>	<b>(76)</b>	5,216	(729)	110
Asia (excluding Japan)	158,907	10,203	<b>152,296</b>	<b>7,413</b>	(6,611)	(2,790)	96
Europe	80,661	1,932	<b>69,573</b>	<b>1,739</b>	(11,088)	(193)	86
Others	9,782	1,078	<b>8,947</b>	<b>391</b>	(835)	(687)	91
Subtotal	1,116,377	60,938	<b>1,085,550</b>	<b>38,742</b>	(30,827)	(22,196)	97
Eliminations	(186,414)	442	<b>(172,277)</b>	<b>4,308</b>	14,137	3,866	–
Total	929,963	61,380	<b>913,273</b>	<b>43,050</b>	(16,690)	(18,330)	98

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

### 3. Sales by Location of Customers

(In millions of yen)

Location	FY '12 Q2 (Jul. 1, 2011 – Sept. 30, 2011)		FY '13 Q2 (Jul. 1, 2012 – Sept. 30, 2012)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	604,127	65.0	<b>610,065</b>	<b>66.8</b>	5,938	101
North America	54,782	5.9	<b>60,097</b>	<b>6.6</b>	5,315	110
Asia (excluding Japan)	171,262	18.4	<b>155,660</b>	<b>17.0</b>	(15,602)	91
Europe	77,634	8.3	<b>67,572</b>	<b>7.4</b>	(10,062)	87
Others	22,158	2.4	<b>19,879</b>	<b>2.2</b>	(2,279)	90
Total overseas sales	325,836	35.0	<b>303,208</b>	<b>33.2</b>	(22,628)	93
Consolidated total	929,963	100.0	<b>913,273</b>	<b>100.0</b>	(16,690)	98

#### Cautionary Statement

The expectation of operating results herein and any associated statement to be made orally with respect to the company's current plans, estimates, strategies and beliefs and any other statements that are not historical facts are forward-looking statements. Words such as "expects", "anticipates", "plans", "believes", "scheduled", "estimated", "targeted" along with any variations of these words and similar expressions are intended to identify forward-looking statements which include but are not limited to projections of revenues, earnings, performance and production.

The Mitsubishi Electric Group is involved in the development, manufacture and sales in a wide range of fields including Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices and Home Appliances, and these operations stretch out globally, not only inside Japan, but also in North America, Europe, Asia and other regions. While the statements herein are based on certain assumptions and premises that the company trusts and considers to be reasonable under the circumstances to the date of announcement, you are requested to kindly take note that actual operating results are subject to change due to any of the factors as contemplated hereunder and/or any additional factor unforeseeable as of the date of this announcement. Such factors materially affecting the expectations expressed herein shall include but are not limited to the following:

(1) Important trends

The Mitsubishi Electric Group's operations may be affected by trends in the global economy, social conditions, laws, tax codes, and regulations.

(2) Foreign currency exchange rates

Fluctuations in foreign currency markets may affect Mitsubishi Electric's sales of exported products and purchases of imported materials that are denominated in U.S. dollars or Euros, as well as its Asian production bases' sales of exported products and purchases of imported materials that are denominated in foreign currencies.

(3) Stock markets

A fall in stock market prices may cause Mitsubishi Electric to record devaluation losses on marketable securities, or cause an increase in retirement benefit obligations in accordance with a decline in the fair value of pension assets.

(4) Supply/demand balance for products and procurement conditions for materials and components

A decline in prices and shipments due to changes in the supply/demand balance, as well as an increase in material prices due to a worsening of material and component procurement conditions may adversely affect the Mitsubishi Electric Group's performance.

- (5) Fund raising  
An increase in interest rates, the yen interest rate in particular, would increase Mitsubishi Electric's interest expenses.
- (6) Significant patent matters  
Important patent filings, licensing, copyrights and patent-related disputes may adversely affect related businesses.
- (7) Environmental legislation or relevant issues  
We may incur losses or expenses owing to changes in environmental legislation or the occurrence of environmental issues. Such changes in legislation or the occurrence of environmental issues may also impact manufacturing and all corporate activities of the Mitsubishi Electric Group.
- (8) Flaws or defects in products or services  
We may incur losses or expenses resulting out of flaws or defects in products or services, and the lowered reputation of the quality of all our products and services may affect the entire Mitsubishi Electric group.
- (9) Litigation and other legal proceedings  
The Mitsubishi Electric Group's operations may be affected by lawsuits or other legal proceedings against Mitsubishi Electric, its subsidiaries and/or equity-method affiliated companies.
- (10) Disruptive changes  
Disruptive changes in technology, development of products using new technology, timing of production, and market introduction may adversely affect the Mitsubishi Electric Group's performance.
- (11) Business restructuring  
The Mitsubishi Electric Group may record losses due to restructuring measures.
- (12) Natural disasters  
The Mitsubishi Electric Group's operations, particularly manufacturing activities, may be affected by the occurrence of earthquakes, typhoons, tsunamis, fires and other large-scale disasters.
- (13) Other significant factors  
The Mitsubishi Electric Group's operations may be affected by the outbreak of social or political upheaval due to terrorism, war, pandemic by new strains of influenza and other diseases, or other factors.

## **Notes**

### **1. Change in accounting policy**

From this fiscal year, the company has adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2011-05 "Presentation of Comprehensive Income." Comprehensive income has been presented in the consolidated comprehensive income statement.

Accordingly, the company has adopted ASU 2011-05 retrospectively for the same period of the previous fiscal year. Although ASU 2011-05 requires to present separate line items for reclassification adjustments of items out of accumulated other comprehensive income into net income, the company has not presented separately due to deferral in the application schedule as stated in ASU 2011-12 "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05."

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## **About Mitsubishi Electric**

With over 90 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. Embracing the spirit of its corporate statement, Changes for the Better, and its environmental statement, Eco Changes, Mitsubishi Electric endeavors to be a global, leading green company, enriching society with technology. The company recorded consolidated group sales of 3,639.4 billion yen (US\$ 44.4 billion\*) in the fiscal year ended March 31, 2012. For more information visit <http://www.MitsubishiElectric.com>

\*At an exchange rate of 82 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2012