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Mitsubishi Electric Announces Consolidated and Non-consolidated Financial Results for Fiscal 2014

Tokyo, April 28, 2014 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its consolidated and non-consolidated financial results for fiscal 2014 (April 1, 2013- March 31, 2014).

Consolidated Financial Results

Net sales:	4,054.3	billion yen	(14% increase from the previous fiscal year)
Operating income:	235.1	billion yen	(55% increase from the previous fiscal year)
Income before income taxes:	248.9	billion yen	(3.82 times increase from the previous fiscal year)
Net income attributable to Mitsubishi Electric Corp.:	153.4	billion yen	(2.21 times increase from the previous fiscal year)

Non-consolidated Financial Results

Net sales:	2,480.5	billion yen	(11% increase from the previous fiscal year)
Operating income:	99.0	billion yen	(4.28 times increase from the previous fiscal year)
Ordinary profit:	127.4	billion yen	(2.11 times increase from the previous fiscal year)
Net income:	100.3	billion yen	(5.40 times increase from the previous fiscal year)

The fiscal year ended March 31, 2014 the business environment generally showed gradual expansion in economies outside Japan, in addition to recovery in Japan where corporate sentiments improved owing to weaker yen and other factors.

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

As a result, Mitsubishi Electric has recorded consolidated net sales of 4,054.3 billion yen for fiscal year 2014, increased by 14% compared to the previous fiscal year with increased revenues in all business segments. Consolidated operating income for fiscal year 2014 increased by 55% compared to the previous fiscal year to 235.1 billion yen, mainly due to increased profits in the Industrial Automation Systems, Information and Communication Systems, Electronic Devices and Home Appliances segments.

CONSOLIDATED FINANCIAL RESULTS BY BUSINESS SEGMENT

Energy and Electric Systems

Total sales:	1,180.0	billion yen	(12% increase from the previous fiscal year)
Operating income:	76.3	billion yen	(8.8 billion yen decrease from the previous fiscal year)

The social infrastructure systems business saw increases in both orders and sales compared to the previous fiscal year due primarily to increases in the public utility systems business in Japan and the power generation and rolling-stock businesses outside Japan, in addition to the weaker yen.

The building systems business experienced increases in both orders and sales compared to the previous fiscal year, owing to growth in elevators and escalators for new installations and renewals in Japan as well as for new installations overseas mainly in China, in addition to the weaker yen.

As a result, total sales for this segment increased by 12% from the previous fiscal year. Operating income decreased by 8.8 billion yen from the previous fiscal year due primarily to a shift in project portfolio and other factors.

Industrial Automation Systems

Total sales:	1,098.7	billion yen	(18% increase from the previous fiscal year)
Operating income:	98.0	billion yen	(37.4 billion yen increase from the previous fiscal year)

The factory automation systems business saw increases in both orders and sales from the previous fiscal year mainly due to an increase in capital expenditures relating to smartphone and semiconductor as well as facility replacements by manufacturers in Japan, in addition to the weaker yen.

The automotive equipment business saw increases in both orders and sales from the previous fiscal year due primarily to strength in the North American and Japanese car sales markets and increased sales in China by Japanese automotive manufacturers, as well as the weaker yen.

As a result, total sales for this segment increased by 18% from the previous fiscal year. Operating income increased by 37.4 billion yen from the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales:	548.2 billion yen	(5% increase from the previous fiscal year)
Operating income:	5.5 billion yen	(3.9 billion yen increase from the previous fiscal year)

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

The information systems and services business saw an increase in sales compared to the previous fiscal year mainly due to growth in the system integration business.

The electronic systems business saw a decrease in orders from the previous fiscal year due primarily to decreases in large-scale projects in the electronics and space systems businesses, while sales increased from the previous fiscal year due to progress in orders already received for projects in the space systems business.

As a result, total sales for this segment increased by 5% from the previous fiscal year. Operating income increased by 3.9 billion yen from the previous fiscal year due to an increase in sales and other factors.

Electronic Devices

Total sales:	194.6 billion yen	(19% increase from the previous fiscal year)
Operating income:	10.0 billion yen	(15.6 billion yen improvement from the previous fiscal year, turning into profit)

The semiconductor business saw increases in both orders and sales from the previous fiscal year due to a growth in demand mainly for power modules used in consumer, industrial, automotive and railcar applications, as well as the weaker yen.

The LCD module business saw increases both in orders and sales due to growth in demand for automotive-use products.

As a result, total sales for this segment increased by 19% from the previous fiscal year. Operating income improved by 15.6 billion yen from the previous fiscal year, turning into profit, mainly due to an increase in sales.

Home Appliances

Total sales:	944.3 billion yen	(15% increase from the previous fiscal year)
Operating income:	52.8 billion yen	(33.5 billion yen increase from the previous fiscal year)

The home appliances business saw a 15% increase in sales from the previous fiscal year due primarily to expansion in sales for air conditioners in Asian, European and North American markets, as well as increases in air conditioners and photovoltaic systems in Japan, which experienced a last-minute surge prior to the

consumption tax raise, in addition to the weaker yen.

Operating income rose by 33.5 billion yen from the previous fiscal year due primarily to an increase in sales.

Others

Total sales:	676.0	billion yen	(15% increase from the previous fiscal year)
Operating income:	19.8	billion yen	(1.0 billion yen increase from the previous fiscal year)

Sales increased by 15% from the previous fiscal year, mainly at affiliated companies involved in materials procurement.

Operating income increased by 1.0 billion yen from the previous fiscal year due primarily to an increase in sales.

Fundamental dividend distribution policy

Mitsubishi Electric's fundamental policy is to comprehensively promote improvement in shareholder profit from the viewpoints of appropriate profit distribution commensurate with earnings performance of the respective fiscal year, as well as strengthening our financial standing through the company's internal reserves, with the ultimate goal of enhancing corporate value.

FY 2014 and FY 2015 dividend

Considering the Company's business performance and financial conditions in fiscal 2014, the Company has decided to pay a year-end retained earnings dividend of 11 yen per share for fiscal 2014. Adding the interim dividend of 6 yen per share, the total annual dividend will be 17 yen per share. Payment is planned to begin on June 3, 2014.

The retained earnings dividend for fiscal 2015 is still undecided.

cf. In fiscal 2013, interim dividend was 5 yen and year-end dividend was 6 yen per share. (Annual dividend of 11 yen per share)

Financial standing

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

The Company's total assets as of the end of this fiscal year increased from the end of the previous fiscal year by 202.5 billion yen to 3,612.9 billion yen. The change in the balance of total assets is mainly attributable to increases in the balances of cash and cash equivalents by 119.1 billion yen, tangible fixed assets by 46.3 billion yen, inventories by 11.6 billion yen and trade receivables by 11.2 billion yen.

Total liabilities decreased from the end of the previous fiscal year by 30.8 billion yen to 2,012.6 billion yen.

The outstanding balances of debts and corporate bonds decreased by 167.0 billion yen from the end of the previous fiscal year to 373.4 billion yen, resulting in a decline in the ratio of interest bearing debt to total assets to 10.3% representing a 5.6 point decrease compared to the end of the previous fiscal year. The outstanding balance of trade payables increased by 106.1 billion yen, and retirement and severance benefits decreased by 42.3 billion yen, mainly owing to an increase in pension assets resulting from a rise in stock prices.

Mitsubishi Electric Corporation shareholders' equity increased by 224.2 billion yen compared to the end of the previous fiscal year to 1,524.3 billion yen. Shareholders' equity ratio, representing a 4.1 point increase compared to the end of previous fiscal year, resulted in 42.2%. The above referred changes are primarily resulting from recording a net income attributable to Mitsubishi Electric Corporation of 153.4 billion yen, along with an increase in accumulated other comprehensive income by 95.4 billion yen backed up by such factors as rising stock prices and the weaker yen, while 25.7 billion yen dividend payment took place.

Cash flows from operating activities for this financial year increased by 357.7 billion yen compared to the previous fiscal year to 440.4 billion yen (cash in). Cash flows from investing activities decreased by 23.4 billion yen compared to the previous fiscal year to 130.2 billion yen (cash out) due to increases in proceeds from sales of investment securities and other factors. As a result, free cash flow was 310.2 billion yen (cash in). Cash flows from financing activities were 209.0 billion yen (cash out) mainly due to an increase in repayment of bank loans.

Cash Flow related index

	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>
Cash Flow to interest bearing debt ratio ¹	1.8 times	1.6 times	6.8 times	6.5 times	1.0 times
Interest coverage ratio ²	37.8 times	42.4 times	11.7 times	12.9 times	91.9 times

¹Balance of outstanding debts and corporate bonds* divided by cash flow from operating activities

*Balance of outstanding debts and corporate bonds is the average of the year-start and year-end balance of outstanding debts and corporate bonds.

²Cash flow from operating activities divided by interest paid

CURRENT FORECAST FOR FISCAL 2015

Despite concerns on a consumption downturn in Japanese market due to the consumption tax raise and on uncertainty in emerging markets, Mitsubishi Electric expects the trend of gradual economic recovery to continue both inside and outside Japan.

Under these circumstances, the Mitsubishi Electric Group aims to uplift the business performance and

financial standing to achieve its management targets by promoting more strongly its global operations in its environment and energy related business and its social infrastructure systems business, by continuously increasing and strengthening profitability in each business and by continuously implementing various Group-wide measures.

Current forecast for fiscal 2015: consolidated

Net sales	4,180.0	billion yen	(3% increase from fiscal 2014)
Operating income	250.0	billion yen	(6% increase from fiscal 2014)
Income before income taxes	260.0	billion yen	(4% increase from fiscal 2014)
Net income attributable to Mitsubishi Electric Corp.	175.0	billion yen	(14% increase from fiscal 2014)

MANAGEMENT POLICY

Fundamental Management Policy

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

The Group will also continue to work to acquire trust from and ensure satisfaction to society, customers, shareholders and employees.

Management Targets

The Mitsubishi Electric Group has established three management targets that it continuously aims to achieve: an operating income ratio of 5% or more, ROE of 10% or more and a ratio of interest-bearing debt to total assets of 15% or less. Business performance for fiscal 2014 showed an operating income ratio of 5.8%, an ROE of 10.9% and a ratio of interest-bearing debt to total assets of 10.3%. The Mitsubishi Electric Group will aim to continuously achieve these targets further on.

Corporate Agenda

Among the Mitsubishi Electric Group’s threefold balanced management policy of “Growth,” “Profitability & Efficiency” and “Soundness,” the Group will lay weight on its ongoing potential for growth. While making resilient businesses even stronger, the Group will challenge for a higher level of growth by continuously creating strong businesses and strengthening its solutions business that take root in its vibrant businesses through the promotion of cross-organization and cross-business collaborations.

To expand its global business, the Mitsubishi Electric Group will focus on emerging markets such as Southeast Asia and Latin America in addition to China and India. As a global, leading green company, the

Group also will further promote its environment and energy related business and its social infrastructure systems related business.

Also, the Group will continuously metabolize its businesses. With an objective of strengthening its integrated “craftsmanship,” the Group will strengthen its development and productivity, and continue to streamline its productivity with measures such as Just-In-Time production. From the very first stages of design and development, the Mitsubishi Electric Group will strengthen activities that contribute to quality consciousness. The Group will utilize and optimally deploy human resources to enhance competitiveness, and engage in activities such as streamlining its human resources structure from a mid- and long-term perspective. The Group intends to improve its financial standing. In addition, the Group will build an optimal business structure and strengthen it both in global terms and for the entire corporate Group.

The Mitsubishi Electric Group is committed to enhancing Corporate Social Responsibility (CSR) activities based on the Corporate Mission¹ and Seven Guiding Principles². In terms of legal and ethical compliance, which the Group has set as a priority task spanning the entire consolidated Mitsubishi Electric Group, the Group will further strengthen its compliance structure through intensive compliance policy, internal control measures and internal training in order to acquire a higher level of trust from society, customers and shareholders. In addition, the Group will also promote environmental initiatives to create a low-carbon and recycling-based society.

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

¹Corporate Mission: The Mitsubishi Electric Group will continually improve its technologies and services through creativity, and, at the same time, contribute to society.

²These principles are:

Trust: Establish relationships with all stakeholders based on strong mutual trust and respect,

Quality: Provide the best products and services with unsurpassed quality,

Technology: Pioneer new markets by promoting research and development,

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

Ethics: Honor high ethical standards in all endeavors,

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

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

Consolidated and Non-Consolidated Financial Results Summary

1. Consolidated Financial Results

(In billions of yen except where noted)

	FY '13 (A) (Apr. 1, 2012 – Mar. 31, 2013)	FY '14 (B) (Apr. 1, 2013 – Mar. 31, 2014)	B – A	
			B – A	B/A (%)
Net sales	3,567.1	4,054.3	487.1	114
Operating income	152.0	235.1	83.0	155
Income before income taxes	65.1	248.9	183.8	382
Net income attributable to Mitsubishi Electric Corp.	69.5	153.4	83.9	221
Basic net income per share attributable to Mitsubishi Electric Corp.	32. ³⁸ yen	71.⁴⁹ yen	39. ¹¹ yen	221

Notes:

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) The Company has 167 consolidated subsidiaries.

2. Non-Consolidated Financial Results

(In billions of yen except where noted)

	FY '13 (A) (Apr. 1, 2012 – Mar. 31, 2013)	FY '14 (B) (Apr. 1, 2013 – Mar. 31, 2014)	B – A	
			B – A	B/A (%)
Net sales	2,236.0	2,480.5	244.4	111
Operating income	23.1	99.0	75.9	428
Ordinary profit	60.5	127.4	66.9	211
Net income	18.5	100.3	81.7	540
Dividend per share				
Annual dividend	11 yen	17 yen	6 yen	155
Interim dividend	5 yen	6 yen		
Year-end dividend	6 yen	11 yen		
Net income per share	8. ⁶⁶ yen	46.⁷³ yen	38. ⁰⁷ yen	540

Consolidated Profit and Loss Statement

(In millions of yen)

	FY '13 (Apr. 1, 2012 – Mar. 31, 2013)		FY '14 (Apr. 1, 2013 – Mar. 31, 2014)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	3,567,184	100.0	4,054,359	100.0	487,175	114
Cost of sales	2,604,360	73.0	2,914,589	71.9	310,229	112
Selling, general and administrative expenses	806,412	22.6	900,807	22.2	94,395	112
Loss on impairment of long-lived assets	4,317	0.1	3,791	0.1	(526)	88
Operating income	152,095	4.3	235,172	5.8	83,077	155
Other income	33,103	0.9	55,506	1.3	22,403	168
Interest and Dividends	7,742	0.2	7,799	0.2	57	101
Equity in earnings of affiliated companies	–	–	23,153	0.5	23,153	–
Other	25,361	0.7	24,554	0.6	(807)	97
Other expenses	120,057	3.4	41,688	1.0	(78,369)	35
Interest	6,507	0.2	4,539	0.1	(1,968)	70
Equity in losses of affiliated companies	14,619	0.4	–	–	(14,619)	–
Other	98,931	2.8	37,149	0.9	(61,782)	38
Income before income taxes	65,141	1.8	248,990	6.1	183,849	382
Income taxes	(9,509)	(0.3)	86,198	2.1	95,707	–
Net income	74,650	2.1	162,792	4.0	88,142	218
Net income attributable to the noncontrolling interests	5,133	0.2	9,319	0.2	4,186	182
Net income attributable to Mitsubishi Electric Corp.	69,517	1.9	153,473	3.8	83,956	221

Consolidated Comprehensive Income Statement

(In millions of yen)

	FY '13 (A) (Apr. 1, 2012 – Mar. 31, 2013)	FY '14 (B) (Apr. 1, 2013 – Mar. 31, 2014)	B – A
Net income	74,650	162,792	88,142
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	66,592	51,769	(14,823)
Pension liability adjustments	47,633	(6,756)	(54,389)
Unrealized gains on securities	14,845	55,556	40,711
Unrealized gains (losses) on derivative instruments	43	(80)	(123)
Total	129,113	100,489	(28,624)
Comprehensive income	203,763	263,281	59,518
Comprehensive income attributable to the noncontrolling interests	12,130	14,364	2,234
Comprehensive income attributable to Mitsubishi Electric Corp.	191,633	248,917	57,284

Consolidated Balance Sheet

(In millions of yen)

	FY '13 (A) (ending Mar. 31, 2013)	FY '14 (B) (ending Mar. 31, 2014)	B – A
(Assets)			
Current assets	2,129,395	2,290,007	160,612
Cash and cash equivalents	298,881	418,049	119,168
Short-term investments	812	51	(761)
Trade receivables	974,505	983,468	8,963
Inventories	590,735	602,341	11,606
Prepaid expenses and other current assets	264,462	286,098	21,636
Long-term trade receivables	2,521	4,813	2,292
Investments	423,556	497,510	73,954
Net property, plant and equipment	603,000	649,385	46,385
Other assets	251,938	171,251	(80,687)
Total assets	3,410,410	3,612,966	202,556
(Liabilities)			
Current liabilities	1,386,067	1,494,243	108,176
Bank loans and current portion of long-term debt	234,918	162,052	(72,866)
Trade payables	652,718	758,913	106,195
Other current liabilities	498,431	573,278	74,847
Long-term debt	305,654	211,426	(94,228)
Retirement and severance benefits	254,977	212,638	(42,339)
Other fixed liabilities	96,721	94,308	(2,413)
Total liabilities	2,043,419	2,012,615	(30,804)
(Equity)			
Mitsubishi Electric Corp. shareholders' equity	1,300,070	1,524,322	224,252
Common stock	175,820	175,820	–
Capital surplus	205,945	207,089	1,144
Retained earnings	1,012,027	1,139,738	127,711
Accumulated other comprehensive income (loss)	(93,487)	1,957	95,444
Treasury stock at cost	(235)	(282)	(47)
Noncontrolling interests	66,921	76,029	9,108
Total equity	1,366,991	1,600,351	233,360
Total liabilities and equity	3,410,410	3,612,966	202,556
Balance of Debt	540,572	373,478	(167,094)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(8,023)	38,652	46,675
Pension liability adjustments	(112,523)	(119,279)	(6,756)
Unrealized gains on securities	27,045	82,636	55,591
Unrealized gains (losses) on derivative instruments	14	(52)	(66)

Consolidated Cash Flow Statement

(In millions of yen)

	FY '13 (Apr. 1, 2012 – Mar. 31, 2013) (A)	FY '14 (Apr. 1, 2013 – Mar. 31, 2014) (B)	B – A
I Cash flows from operating activities			
1 Net income	74,650	162,792	88,142
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	131,956	136,583	4,627
(2) Deferred income taxes	(32,999)	51,957	84,956
(3) Decrease (increase) in trade receivables	(49)	14,812	14,861
(4) Decrease in inventories	16,706	18,141	1,435
(5) Decrease (increase) in other assets	(21,241)	(12,580)	8,661
(6) Increase (decrease) in trade payables	(62,549)	83,179	145,728
(7) Increase (decrease) in other liabilities	(46,851)	8,979	55,830
(8) Other, net	23,129	(23,376)	(46,505)
Net cash provided by operating activities	82,752	440,487	357,735
II Cash flows from investing activities			
1 Capital expenditure	(150,425)	(151,840)	(1,415)
2 Proceeds from sale of property, plant and equipment	4,792	4,930	138
3 Purchase of short-term investments and investment securities	(13,036)	(21,312)	(8,276)
4 Proceeds from sale of short-term investments and investment securities	29,088	44,134	15,046
5 Other, net	(24,120)	(6,133)	17,987
Net cash used in investing activities	(153,701)	(130,221)	23,480
I + II Free cash flow	(70,949)	310,266	381,215
III Cash flows from financing activities			
1 Proceeds from long-term debt	57,003	193	(56,810)
2 Repayment of long-term debt	(90,786)	(105,445)	(14,659)
3 Increase (decrease) in bank loans, net	19,237	(73,266)	(92,503)
4 Dividends paid	(23,616)	(25,762)	(2,146)
5 Purchase of treasury stock	(16)	(48)	(32)
6 Reissuance of treasury stock	2	1	(1)
7 Other, net	(2,977)	(4,694)	(1,717)
Net cash provided by (used in) financing activities	(41,153)	(209,021)	(167,868)
IV Effect of exchange rate changes on cash and cash equivalents	18,802	17,923	(879)
V Net increase (decrease) in cash and cash equivalents	(93,300)	119,168	212,468
VI Cash and cash equivalents at beginning of period	392,181	298,881	(93,300)
VII Cash and cash equivalents at end of period	298,881	418,049	119,168

Consolidated Segment Information

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '13 (Apr. 1, 2012 – Mar. 31, 2013)		FY '14 (Apr. 1, 2013 – Mar. 31, 2014)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	1,058,177	85,140	1,180,093	76,324	121,916	(8,816)	112
Industrial Automation Systems	927,857	60,592	1,098,796	98,079	170,939	37,487	118
Information and Communication Systems	522,422	1,591	548,282	5,529	25,860	3,938	105
Electronic Devices	164,065	(5,580)	194,658	10,050	30,593	15,630	119
Home Appliances	821,298	19,300	944,351	52,878	123,053	33,578	115
Others	590,366	18,790	676,034	19,801	85,668	1,011	115
Subtotal	4,084,185	179,833	4,642,214	262,661	558,029	82,828	114
Eliminations and other	(517,001)	(27,738)	(587,855)	(27,489)	(70,854)	249	–
Total	3,567,184	152,095	4,054,359	235,172	487,175	83,077	114

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '13 (Apr. 1, 2012 – Mar. 31, 2013)		FY '14 (Apr. 1, 2013 – Mar. 31, 2014)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Japan	3,064,014	116,923	3,362,854	177,315	298,840	60,392	110
North America	248,105	(1,744)	325,224	1,679	77,119	3,423	131
Asia (excluding Japan)	624,724	36,172	887,022	59,023	262,298	22,851	142
Europe	289,933	4,527	352,950	4,768	63,017	241	122
Others	40,255	2,209	47,824	1,735	7,569	(474)	119
Subtotal	4,267,031	158,087	4,975,874	244,520	708,843	86,433	117
Eliminations	(699,847)	(5,992)	(921,515)	(9,348)	(221,668)	(3,356)	–
Total	3,567,184	152,095	4,054,359	235,172	487,175	83,077	114

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

3. Sales by Location of Customers

(In millions of yen)

Location	FY '13 (Apr. 1, 2012 – Mar. 31, 2013)		FY '14 (Apr. 1, 2013 – Mar. 31, 2014)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	2,335,713	65.5	2,480,369	61.2	144,656	106
North America	262,706	7.4	330,861	8.2	68,155	126
Asia (excluding Japan)	604,335	16.9	811,081	20.0	206,746	134
Europe	280,126	7.8	340,611	8.4	60,485	122
Others	84,304	2.4	91,437	2.2	7,133	108
Total overseas sales	1,231,471	34.5	1,573,990	38.8	342,519	128
Consolidated total	3,567,184	100.0	4,054,359	100.0	487,175	114

Cautionary Statement

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

(1) Important trends

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

(2) Foreign currency exchange rates

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

(3) Stock markets

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

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

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

(5) Fund raising

An increase in interest rates, the yen interest rate in particular, would increase Mitsubishi Electric's interest expenses.

(6) Significant patent matters

Important patent filings, licensing, copyrights and patent-related disputes may adversely affect related businesses.

- (7) Environmental legislation or relevant issues
Mitsubishi Electric 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
Mitsubishi Electric 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) Information security
The performance of the Mitsubishi Electric 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 Mitsubishi Electric 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 Mitsubishi Electric Group's operations may be affected by the outbreak of social or political upheaval due to terrorism, war, pandemic by new strains of influenza and other diseases, or other factors.

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About Mitsubishi Electric Corporation

With over 90 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. Embracing the spirit of its corporate statement, Changes for the Better, and its environmental statement, Eco Changes, Mitsubishi Electric endeavors to be a global, leading green company, enriching society with technology. The company recorded consolidated group sales of 4,054.3 billion yen (US\$ 39.3 billion*) in the fiscal year ended March 31, 2014. For more information visit <http://www.MitsubishiElectric.com>

*At an exchange rate of 103 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2014