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Mitsubishi Electric Announces Consolidated Financial Results for the First 9 Months and Third Quarter of Fiscal 2014

TOKYO, February 3, 2014 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its financial results for the first 9 months and third quarter ending December 31, 2013, of the current fiscal year ending March 31, 2014 (fiscal 2014).

1. Consolidated First 9 Months Results (April 1, 2013 – December 31, 2013)

Net sales:	2,727.2 billion yen	(9% increase from the same period last year)
Operating income:	143.1 billion yen	(26% increase from the same period last year)
Income before income taxes:	155.7 billion yen	(6.05 times increase from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	94.8 billion yen	(93% increase from the same period last year)

In the first 9 months of fiscal 2014, the business environment continued to recover owing to steady economic trends both in Japan and abroad, as well as the weaker yen advanced since the beginning of the third quarter, despite the economic downturn in some emerging markets.

Under these circumstances, consolidated net sales for the first 9 months of fiscal 2014 increased by 9% compared to the same period of the previous fiscal year to 2,727.2 billion yen with increased sales in the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices and Home Appliances segments. Consolidated operating income increased by 26% compared to the same period of the previous fiscal year to 143.1 billion yen, due to increased profits in the Industrial Automation Systems, Electronic Devices and Home Appliances segments.

75.7 billion yen for refund of overcharged expenses to certain parties in the electronic systems business was recorded as a non-operating expense in the same period of the previous fiscal year.

Consolidated Financial Results by Business Segment (First 9 months, Fiscal 2014)

Energy and Electric Systems

Total sales:	735.9 billion yen	(9% increase from the same period last year)
Operating income:	43.3 billion yen	(5.6 billion yen decrease from the same period last year)

The social infrastructure systems business saw increases in both orders and sales compared to the same period of the previous fiscal year due primarily to an increase in orders for the public utility systems in Japan and the

overseas rolling-stock equipment business.

The building systems business saw increases in both orders and sales compared to the same period of the previous fiscal year, owing to growth in the new installation and renewal of elevators and escalators in Japan and the new installation overseas mainly in China, as well as the weaker yen.

As a result, total sales for this segment increased by 9% from the same period of the previous fiscal year. Operating income decreased by 5.6 billion yen from the same period of the previous fiscal year due primarily to a shift in project portfolio and other factors.

Industrial Automation Systems

Total sales: 778.3 billion yen (14% increase from the same period last year)
Operating income: 71.3 billion yen (20.9 billion yen increase 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 due to an increase in capital expenditures relating to smartphone and semiconductor, as well as the weaker yen.

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

As a result, total sales for this segment increased by 14% compared to the same period of the previous fiscal year. Operating income increased by 20.9 billion yen compared to the same period of the previous fiscal year due to increases in sales and other factors.

Information and Communication Systems

Total sales: 355.1 billion yen (1% decrease from the same period last year)
Operating income: 3.3 billion yen (7.4 billion yen decrease 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 demand for communications infrastructure products.

The information systems and service business experienced no change in sales from the same period of the previous fiscal year.

The electronic systems business saw an increase in orders compared to the same period of the previous fiscal year due to an increase in orders for large-scale projects in the electronics businesses. Sales, meanwhile, saw a decrease compared to the same period of the previous fiscal year due to a shift in large scale projects in the electronic and space systems business.

As a result, total sales for this segment decreased by 1% compared to the same period of the previous fiscal year. Operating income decreased by 7.4 billion yen compared to the same period of the previous fiscal year mainly due to a shift in project portfolio and other factors.

Electronic Devices

Total sales: 135.0 billion yen (13% increase from the same period last year)
Operating income: 7.7 billion yen (11.0 billion yen improvement from the same period last year, turning into profit)

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

The LCD module business saw increases in both orders and sales compared to the same period of the previous fiscal year due to an increase in demand for automotive-use products.

As a result, total sales for this segment increased by 13% compared to the same period of the previous fiscal year. Operating income improved by 11.0 billion yen compared to the same period of the previous fiscal year and turned into profit due primarily to an increase in sales.

Home Appliances

Total sales:	667.0 billion yen	(8% increase from the same period last year)
Operating income:	30.4 billion yen	(12.2 billion yen increase from the same period last year)

The home appliances business saw an increase in sales by 8% compared to the same period of the previous fiscal year due primarily to an increase in air conditioners in Asian, European and North American markets; in air conditioners and photovoltaic systems in Japan, as well as the weaker yen.

Operating income increased by 12.2 billion yen compared to the same period of the previous fiscal year due to an increase in sales and other factors.

Others

Total sales:	472.9 billion yen	(11% increase from the same period last year)
Operating income:	10.0 billion yen	(0.3 billion yen decrease from the same period last year)

Sales increased by 11% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement.

Operating income decreased by 0.3 billion yen compared to the same period of the previous fiscal year due primarily to the recognition of loss on impairment of long-lived assets.

2. Consolidated Third-quarter Results (October 1, 2013 – December 31, 2013)

Net sales:	915.3 billion yen	(13% increase from the same period last year)
Operating income:	63.4 billion yen	(2.69 times increase from the same period last year)
Income before income taxes:	72.3 billion yen	–
Net income attributable to Mitsubishi Electric Corp.:	46.5 billion yen	(8.43 times increase from the same period last year)

Consolidated net sales for this quarter increased by 13% compared to the same period of the previous fiscal year to 915.3 billion yen, due primarily to increased sales in the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices and Home Appliances segments. Consolidated operating income is 63.4 billion yen, 2.69 times increase from the same period of the previous fiscal year, with increased profits in the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices and Home Appliances segments.

75.7 billion yen for refund of overcharged expenses to certain parties in the electronic systems business was recorded as a non-operating expense in the same period of the previous fiscal year.

Consolidated Financial Results by Business Segment (Third Quarter, Fiscal 2014)

Energy and Electric Systems

Total sales:	258.7 billion yen	(19% increase from the same period last year)
Operating income:	24.9 billion yen	(10.2 billion yen increase from the same period last year)

The social infrastructure systems business saw increases in both orders and sales from the same period of the previous fiscal year due to increases in the public utility systems business and power generation business in Japan, as well as the overseas rolling-stock business.

The building systems business experienced increases in both orders and sales compared to the same period of the previous fiscal year, owing to growth in the new installation and renewal of elevators and escalators in Japan and the new installation overseas mainly in China, as well as the weaker yen.

As a result, total sales for this segment increased by 19% from the same period of the previous fiscal year. Operating income increased by 10.2 billion yen from the same period of the previous fiscal year due primarily to an increase in sales and other factors.

Industrial Automation Systems

Total sales: 271.9 billion yen (20% increase from the same period last year)
Operating income: 32.4 billion yen (15.9 billion yen increase 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 due to increases in capital expenditures relating to smartphone and semiconductor, and in facility replacement by manufactures in Japan, as well as the weaker yen.

The automotive equipment business saw increases in both orders and sales from the same period of the previous fiscal year primarily due to growth in the North American car sales market and increased sales in China by Japanese automotive manufactures, as well as the weaker yen.

As a result, total sales for this segment increased by 20% compared to the same period of the previous fiscal year. Operating income increased by 15.9 billion yen compared to the same period of the previous fiscal year due to an increase in sales and other factors.

Information and Communication Systems

Total sales: 112.6 billion yen (3% decrease from the same period last year)
Operating income: 0.1 billion yen (0.8 billion yen decrease 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 demand for communications infrastructure products.

The information systems and service business experienced an increase in sales from the same period of the previous fiscal year.

The electronic systems business saw an increase in orders compared to the same period of the previous fiscal year due to an increase in orders for large-scale projects in the electronic businesses. Sales, meanwhile, decreased compared to the same period of the previous fiscal year due to a shift in large-scale projects in the electronic and the space businesses.

As a result, total sales for this segment saw a decrease by 3% compared to the same period of the previous fiscal year. Operating income decreased by 0.8 billion yen from the same period of the previous fiscal year mainly due to a decrease in sales.

Electronic Devices

Total sales: 44.4 billion yen (11% increase from the same period last year)
Operating income: 3.2 billion yen (4.9 billion yen improvement from the same period last year, turning into profit)

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

The LCD module business saw an increase in orders compared to the same period of the previous fiscal year due to an increase in demand for automotive-use products. Sales, meanwhile, decreased compared to the same period of the previous fiscal year.

As a result, total sales for the segment increased by 11% compared to the same period of the previous fiscal year. Operating income improved by 4.9 billion yen compared to the same period of the previous fiscal year and turned into profit due primarily to an increase in sales.

Home Appliances

Total sales: 207.0 billion yen (8% increase from the same period last year)
Operating income: 7.2 billion yen (5.9 billion yen increase from the same period last year)

The home appliances business saw an increase in sales by 8% compared to the same period of the previous fiscal year due primarily to an increase in air conditioners in Asian, European, North American and Japanese markets, as well as the weaker yen.

Operating income increased by 5.9 billion yen compared to the same period of the previous fiscal year due to an increase in sales and other factors.

Others

Total sales: 165.4 billion yen (18% increase from the same period last year)
Operating income: 4.8 billion yen (1.8 billion yen increase from the same period last year)

Sales increased by 18% compared to the same period of the previous fiscal year mainly at affiliated companies involved in materials procurement.

Operating income increased by 1.8 billion yen compared to the same period of the previous fiscal year due to an increase in sales and other factors.

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 quarter increased from the end of the previous fiscal year by 3.7 billion yen to 3,414.1 billion yen. The change in the balance of total assets is mainly attributable to increases in the balances of cash and cash equivalents by 39.2 billion yen, and of work-in-process to be recorded in commensurate with progress in job orders under pertinent contracts by 131.6 billion yen, while trade receivables showed a decrease by 182.6 billion yen resulting from various factors including credit collection.

Total liabilities decreased from the same period of the previous fiscal year by 201.2 billion yen to 1,842.1 billion yen. The outstanding balances of debts and corporate bonds decreased by 114.3 billion yen, from the same period of the previous fiscal year, to 426.2 billion yen resulting in a decline in the ratio of interest bearing debt to total assets to 12.5% representing a 3.4 points decrease compared to the end of the previous fiscal year. The outstanding balance of trade payable decreased by 10.1 billion yen, and retirement and severance benefits increased by 83.7 billion yen, mainly owing to an increase in pension assets resulting from a rise in stock prices.

Mitsubishi Electric Corporation shareholders' equity increased by 198.4 billion yen compared to the end of the previous fiscal year to 1,498.4 billion yen. Shareholders' equity ratio, representing a 5.8 point increase compared to the end of the previous fiscal year, resulted in 43.9%. The above referred changes are primarily resulting from recording a net income attributable to Mitsubishi Electric Corporation of 94.8 billion yen, together with an increase in accumulated other comprehensive income by 129.8 billion yen backed 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 increased by 306.6 billion yen compared to the same period of the previous fiscal year to 264.6 billion yen (cash in). Cash flows from investing activities decreased by 31.9 billion yen compared to the same period of the previous fiscal year to 91.9 billion yen (cash out) resulting from an increase in sales of investment securities. Consequently, free cash flow totaled 172.6 billion yen (cash in). Cash flows from financing activities were 151.1 billion yen (cash out) principally due to the repayment of bank loans.

Forecast for Fiscal 2014 (year ending March 31, 2014)

The current consolidated earnings forecast for fiscal 2014, ending March 31, 2014, is revised from the previous forecast announcement on October 31, 2013. We expect the improvement on non-operating profit and loss, due to an increase in equity in earnings of affiliated companies, foreign exchange gains and other factors.

Consolidated earnings forecast for fiscal 2014

	Previous forecast (announced October 31)	Current forecast	
Net sales:	3,950.0 billion yen	3,950.0 billion yen	(11% increase from fiscal 2013)
Operating income:	220.0 billion yen	220.0 billion yen	(45% increase from fiscal 2013)
Income before income taxes:	200.0 billion yen	220.0 billion yen	(3.38 times increase from fiscal 2013)
Net income attributable to Mitsubishi Electric Corp.:	120.0 billion yen	140.0 billion yen	(2.01 times increase from fiscal 2013)

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 on the last page.*

Consolidated Financial Results Summary

1. Consolidated First 9 Months Results

(In billions of yen except where noted)

	FY '13 9 months (A) (Apr. 1, 2012 – Dec. 31, 2012)	FY '14 9 months (B) (Apr. 1, 2013 – Dec. 31, 2013)	B – A	
			B – A	B/A (%)
Net sales	2,506.8	2,727.2	220.4	109
Operating income	113.2	143.1	29.9	126
Income before income taxes	25.7	155.7	130.0	605
Net income attributable to Mitsubishi Electric Corp.	49.1	94.8	45.7	193
Basic net income per share attributable to Mitsubishi Electric Corp.	22. ⁸⁹ yen	44.²⁰ yen	21. ³¹ yen	193

2. Consolidated Third-quarter Results

(In billions of yen except where noted)

	FY '13 Q3 (A) (Oct. 1, 2012 – Dec. 31, 2012)	FY '14 Q3 (B) (Oct. 1, 2013 – Dec. 31, 2013)	B – A	
			B – A	B/A (%)
Net sales	810.8	915.3	104.5	113
Operating income	23.6	63.4	39.8	269
Income (loss) before income taxes	(47.0)	72.3	119.3	-
Net income attributable to Mitsubishi Electric Corp.	5.5	46.5	41.0	843
Basic net income per share attributable to Mitsubishi Electric Corp.	2. ⁵⁷ yen	21.⁶⁸ yen	19. ¹¹ yen	843

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

Consolidated Profit and Loss Statement (First 9 Months, Fiscal 2014)

(In millions of yen)

	FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012)		FY '14 9 months (Apr. 1, 2013 – Dec. 31, 2013)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	2,506,874	100.0	2,727,280	100.0	220,406	109
Cost of sales	1,808,524	72.1	1,942,405	71.2	133,881	107
Selling, general and administrative expenses	584,223	23.4	638,902	23.5	54,679	109
Loss on impairment of long-lived assets	897	0.0	2,818	0.1	1,921	314
Operating income	113,230	4.5	143,155	5.2	29,925	126
Other income	24,149	1.0	40,658	1.5	16,509	168
Interest and dividends	6,424	0.3	6,446	0.2	22	100
Equity in earnings of affiliated companies	–	–	14,845	0.6	14,845	–
Other	17,725	0.7	19,367	0.7	1,642	109
Other expenses	111,638	4.5	28,061	1.0	(83,577)	25
Interest	5,050	0.2	3,463	0.1	(1,587)	69
Equity in losses of affiliated companies	20,437	0.8	–	–	(20,437)	–
Other	86,151	3.5	24,598	0.9	(61,553)	29
Income before income taxes	25,741	1.0	155,752	5.7	130,011	605
Income taxes	(26,793)	(1.1)	55,145	2.0	81,938	–
Net income	52,534	2.1	100,607	3.7	48,073	192
Net income attributable to the noncontrolling interests	3,396	0.1	5,717	0.2	2,321	168
Net income attributable to Mitsubishi Electric Corp.	49,138	2.0	94,890	3.5	45,752	193

Consolidated Comprehensive Income Statement (First 9 Months, Fiscal 2014)

(In millions of yen)

	FY '13 9 months (A) (Apr. 1, 2012 – Dec. 31, 2012)	FY '14 9 months (B) (Apr. 1, 2013– Dec. 31, 2013)	B – A
Net income	52,534	100,607	48,073
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	18,335	46,541	28,206
Pension liability adjustments	13,126	36,378	23,252
Unrealized gains on securities	1,551	51,752	50,201
Unrealized gains (losses) on derivative instruments	95	(83)	(178)
Total	33,107	134,588	101,481
Comprehensive income	85,641	235,195	149,554
Comprehensive income attributable to the noncontrolling interests	5,356	10,413	5,057
Comprehensive income attributable to Mitsubishi Electric Corp.	80,285	224,782	144,497

Consolidated Profit and Loss Statement (Third Quarter, Fiscal 2014)

(In millions of yen)

	FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012)		FY '14 Q3 (Oct. 1, 2013 – Dec. 31, 2013)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	810,856	100.0	915,381	100.0	104,525	113
Cost of sales	594,887	73.4	636,986	69.6	42,099	107
Selling, general and administrative expenses	192,353	23.7	214,970	23.5	22,617	112
Operating income	23,616	2.9	63,425	6.9	39,809	269
Other income	10,823	1.3	15,042	1.7	4,219	139
Interest and dividends	1,750	0.2	1,618	0.2	(132)	92
Equity in earnings of affiliated companies	–	–	6,960	0.8	6,960	–
Other	9,073	1.1	6,464	0.7	(2,609)	71
Other expenses	81,491	10.0	6,135	0.7	(75,356)	8
Interest	1,663	0.2	1,035	0.1	(628)	62
Equity in losses of affiliated companies	1,060	0.1	–	–	(1,060)	–
Other	78,768	9.7	5,100	0.6	(73,668)	6
Income (loss) before income taxes	(47,052)	(5.8)	72,332	7.9	119,384	–
Income taxes	(53,297)	(6.6)	24,121	2.6	77,418	–
Net income	6,245	0.8	48,211	5.3	41,966	772
Net income attributable to the noncontrolling interests	726	0.1	1,665	0.2	939	229
Net income attributable to Mitsubishi Electric Corp.	5,519	0.7	46,546	5.1	41,027	843

Consolidated Comprehensive Income Statement (Third Quarter, Fiscal 2014)

(In millions of yen)

	FY '13 Q3 (A) (Oct. 1, 2012 – Dec. 31, 2012)	FY '14 Q3 (B) (Oct. 1, 2013 – Dec. 31, 2013)	B – A
Net income	6,245	48,211	41,966
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	32,476	19,348	(13,128)
Pension liability adjustments	24,907	20,643	(4,264)
Unrealized gains on securities	12,812	17,485	4,673
Unrealized gains (losses) on derivative instruments	98	(9)	(107)
Total	70,293	57,467	(12,826)
Comprehensive income	76,538	105,678	29,140
Comprehensive income attributable to the noncontrolling interests	3,797	3,489	(308)
Comprehensive income attributable to Mitsubishi Electric Corp.	72,741	102,189	29,448

Consolidated Balance Sheet

(In millions of yen)

	FY '13 (A) (ending Mar. 31, 2013)	FY '14 9 months (B) (ending Dec. 31, 2013)	B – A
(Assets)			
Current assets	2,144,260	2,135,472	(8,788)
Cash and cash equivalents	298,881	338,088	39,207
Short-term investments	812	52	(760)
Trade receivables	974,505	790,562	(183,943)
Inventories	590,735	722,372	131,637
Prepaid expenses and other current assets	279,327	284,398	5,071
Long-term trade receivables	2,521	3,849	1,328
Investments	423,556	489,009	65,453
Net property, plant and equipment	603,000	615,361	12,361
Other assets	237,073	170,446	(66,627)
Total assets	3,410,410	3,414,137	3,727
(Liabilities)			
Current liabilities	1,425,759	1,368,732	(57,027)
Bank loans and current portion of long-term debt	234,918	169,438	(65,480)
Trade payables	652,718	642,557	(10,161)
Other current liabilities	538,123	556,737	18,614
Long-term debt	305,654	256,782	(48,872)
Retirement and severance benefits	254,977	171,266	(83,711)
Other fixed liabilities	57,029	45,367	(11,662)
Total liabilities	2,043,419	1,842,147	(201,272)
(Equity)			
Mitsubishi Electric Corp. shareholders' equity	1,300,070	1,498,496	198,426
Common stock	175,820	175,820	—
Capital surplus	205,945	205,394	(551)
Retained earnings	1,012,027	1,081,155	69,128
Accumulated other comprehensive income (loss)	(93,487)	36,405	129,892
Treasury stock at cost	(235)	(278)	(43)
Noncontrolling interests	66,921	73,494	6,573
Total equity	1,366,991	1,571,990	204,999
Total liabilities and equity	3,410,410	3,414,137	3,727
Balance of Debt	540,572	426,220	(114,352)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(8,023)	33,893	41,916
Pension liability adjustments	(112,523)	(76,145)	36,378
Unrealized gains on securities	27,045	78,710	51,665
Unrealized gains (losses) on derivative instruments	14	(53)	(67)

Consolidated Cash Flow Statement

(In millions of yen)

	FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012) (A)	FY '14 9 months (Apr. 1, 2013 – Dec. 31, 2013) (B)	B – A
I Cash flows from operating activities			
1 Net income	52,534	100,607	48,073
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	86,238	94,200	7,962
(2) Decrease in trade receivables	52,202	207,626	155,424
(3) Decrease (increase) in inventories	(101,913)	(101,668)	245
(4) Increase (decrease) in trade payables	(115,751)	(5,111)	110,640
(5) Other, net	(15,319)	(31,006)	(15,687)
Net cash provided by (used in) operating activities	(42,009)	264,648	306,657
II Cash flows from investing activities			
1 Capital expenditure	(103,155)	(103,004)	151
2 Proceeds from sale of property, plant and equipment	2,978	2,681	(297)
3 Purchase of short-term investments and investment securities	(11,649)	(16,967)	(5,318)
4 Proceeds from sale of short-term investments and investment securities	10,587	28,636	18,049
5 Other, net	(22,661)	(3,330)	19,331
Net cash used in investing activities	(123,900)	(91,984)	31,916
I+II Free cash flow	(165,909)	172,664	338,573
III Cash flows from financing activities			
1 Proceeds from long-term debt	57,003	–	(57,003)
2 Repayment of long-term debt	(86,696)	(102,183)	(15,487)
3 Increase (decrease) in bank loans, net	261,199	(19,862)	(281,061)
4 Dividends paid	(23,616)	(25,762)	(2,146)
5 Purchase of treasury stock	(9)	(44)	(35)
6 Reissuance of treasury stock	1	1	(0)
7 Other, net	(1,888)	(3,308)	(1,420)
Net cash provided by (used in) financing activities	205,994	(151,158)	(357,152)
IV Effect of exchange rate changes on cash and cash equivalents	3,900	17,701	13,801
V Net increase in cash and cash equivalents	43,985	39,207	(4,778)
VI Cash and cash equivalents at beginning of period	392,181	298,881	(93,300)
VII Cash and cash equivalents at end of period	436,166	338,088	(98,078)

Consolidated Segment Information (First 9 Months, Fiscal 2014)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012)		FY '14 9 months (Apr. 1, 2013 – Dec. 31, 2013)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	676,871	48,957	735,952	43,317	59,081	(5,640)	109
Industrial Automation Systems	683,094	50,401	778,342	71,338	95,248	20,937	114
Information and Communication Systems	357,981	10,779	355,177	3,303	(2,804)	(7,476)	99
Electronic Devices	119,876	(3,284)	135,029	7,773	15,153	11,057	113
Home Appliances	615,452	18,149	667,049	30,423	51,597	12,274	108
Others	426,311	10,402	472,956	10,034	46,645	(368)	111
Subtotal	2,879,585	135,404	3,144,505	166,188	264,920	30,784	109
Eliminations and other	(372,711)	(22,174)	(417,225)	(23,033)	(44,514)	(859)	—
Total	2,506,874	113,230	2,727,280	143,155	220,406	29,925	109

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012)		FY '14 9 months (Apr. 1, 2013 – Dec. 31, 2013)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Japan	2,147,434	83,332	2,265,708	112,572	118,274	29,240	106
North America	177,238	(558)	232,470	523	55,232	1,081	131
Asia (excluding Japan)	448,976	24,180	586,525	34,951	137,549	10,771	131
Europe	212,077	3,982	259,825	3,160	47,748	(822)	123
Others	27,805	1,536	35,472	1,509	7,667	(27)	128
Subtotal	3,013,530	112,472	3,380,000	152,715	366,470	40,243	112
Eliminations	(506,656)	758	(652,720)	(9,560)	(146,064)	(10,318)	—
Total	2,506,874	113,230	2,727,280	143,155	220,406	29,925	109

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

3. Sales by Location of Customers

(In millions of yen)

Location	FY '13 9 months (Apr. 1, 2012 – Dec. 31, 2012)		FY '14 9 months (Apr. 1, 2013 – Dec. 31, 2013)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	1,617,586	64.5	1,643,157	60.2	25,571	102
North America	187,027	7.5	238,396	8.7	51,369	127
Asia (excluding Japan)	437,935	17.5	530,733	19.5	92,798	121
Europe	204,395	8.1	249,317	9.2	44,922	122
Others	59,931	2.4	65,677	2.4	5,746	110
Total overseas sales	889,288	35.5	1,084,123	39.8	194,835	122
Consolidated total	2,506,874	100.0	2,727,280	100.0	220,406	109

Consolidated Segment Information (Third Quarter, Fiscal 2014)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012)		FY '14 Q3 (Oct. 1, 2013 – Dec. 31, 2013)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	217,357	14,664	258,740	24,948	41,383	10,284	119
Industrial Automation Systems	226,180	16,490	271,957	32,415	45,777	15,925	120
Information and Communication Systems	116,317	1,063	112,614	165	(3,703)	(898)	97
Electronic Devices	39,969	(1,677)	44,493	3,247	4,524	4,924	111
Home Appliances	192,097	1,309	207,011	7,234	14,914	5,925	108
Others	140,652	3,022	165,454	4,871	24,802	1,849	118
Subtotal	932,572	34,871	1,060,269	72,880	127,697	38,009	114
Eliminations and other	(121,716)	(11,255)	(144,888)	(9,455)	(23,172)	1,800	–
Total	810,856	23,616	915,381	63,425	104,525	39,809	113

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012)		FY '14 Q3 (Oct. 1, 2013 – Dec. 31, 2013)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (loss) (B)	Sales (C)	Operating income (loss) (D)			
Japan	685,405	20,107	771,417	57,675	86,012	37,568	113
North America	59,602	(1,906)	75,591	(456)	15,989	1,450	127
Asia (excluding Japan)	150,082	6,664	199,199	11,422	49,117	4,758	133
Europe	69,573	176	85,680	340	16,107	164	123
Others	10,431	605	11,931	601	1,500	(4)	114
Subtotal	975,093	25,646	1,143,818	69,582	168,725	43,936	117
Eliminations	(164,237)	(2,030)	(228,437)	(6,157)	(64,200)	(4,127)	–
Total	810,856	23,616	915,381	63,425	104,525	39,809	113

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

3. Sales by Location of Customers

(In millions of yen)

Location	FY '13 Q3 (Oct. 1, 2012 – Dec. 31, 2012)		FY '14 Q3 (Oct. 1, 2013 – Dec. 31, 2013)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	519,842	64.1	559,656	61.1	39,814	108
North America	60,927	7.5	77,864	8.5	16,937	128
Asia (excluding Japan)	141,847	17.5	173,102	18.9	31,255	122
Europe	65,813	8.1	81,349	8.9	15,536	124
Others	22,427	2.8	23,410	2.6	983	104
Total overseas sales	291,014	35.9	355,725	38.9	64,711	122
Consolidated total	810,856	100.0	915,381	100.0	104,525	113

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
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.

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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 3,567.1 billion yen (US\$ 37.9 billion*) in the fiscal year ended March 31, 2013. For more information visit <http://www.MitsubishiElectric.com>

*At an exchange rate of 94 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2013