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Mitsubishi Electric Announces Consolidated Financial Results for Fiscal 2017

TOKYO, April 28, 2017 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its consolidated financial results for fiscal 2017 (April 1, 2016- March 31, 2017).

Consolidated Financial Results

Net sales:	4,238.6	billion yen	(4% decrease from the previous fiscal year)
Operating income:	270.1	billion yen	(10% decrease from the previous fiscal year)
Income before income taxes:	296.2	billion yen	(7% decrease from the previous fiscal year)
Net income attributable to Mitsubishi Electric Corp.:	210.4	billion yen	(8% decrease from the previous fiscal year)

During the fiscal year ended March 31, 2017, the business environment was buoyed by the expanding U.S. economy and gradual recoveries in Japan and Europe, as well as modest improvement in China's economic slowdown. In addition, the yen became stronger against foreign currencies compared to the previous year, but weakened after the U.S. presidential election in November.

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

As a result, the Mitsubishi Electric Group has recorded a net sales of 4,238.6 billion yen for fiscal 2017, a decrease of 4% compared to the previous fiscal year, with decreased sales in the Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, and Electronic Devices segments.

Consolidated operating income decreased by 10% compared to the previous fiscal year to 270.1 billion yen, due to decreased profits in the Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, and Electronic Devices segments.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales:	1,227.9	billion yen	(3% decrease from the previous fiscal year)
Operating income:	44.3	billion yen	(6.0 billion yen decrease from the previous fiscal year)

The social infrastructure systems business saw an increase in orders compared to the previous fiscal year due to increases in the transportation systems and the public utility systems businesses in Japan, while sales decreased compared to the previous fiscal year due to a decrease in the power systems business inside and outside Japan. In addition, the stronger yen had the negative influences.

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

As a result, total sales for this segment decreased by 3% from the previous fiscal year. Operating income decreased by 6.0 billion yen from the previous fiscal year due primarily to a decrease in sales.

Industrial Automation Systems

Total sales:	1,310.1	billion yen	(1% decrease from the previous fiscal year)
Operating income:	140.0	billion yen	(19.0 billion yen decrease from the previous fiscal year)

The factory automation systems business saw an increase in orders compared to the previous fiscal year due primarily to growth in capital expenditures in the fields of smartphones and electric cars in China and organic light emitting diodes (OLED) mainly in Korea, while sales remained unchanged compared to the previous fiscal year due primarily to negative influences caused by the stronger yen.

The automotive equipment business saw decreases in both orders and sales compared to the previous fiscal year due primarily to stagnation in light motor car sales in Japan and the negative influences caused by the stronger yen, despite a buoyancy in car sales mainly in Europe.

As a result, total sales for this segment decreased by 1% from the previous fiscal year. Operating income decreased by 19.0 billion yen from the previous fiscal year due primarily to negative influences caused by the stronger yen.

Information and Communication Systems

Total sales:	447.7	billion yen	(20% decrease from the previous fiscal year)
Operating income:	12.7	billion yen	(2.2 billion yen decrease from the previous fiscal year)

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

The information systems and service business saw a decrease in sales compared to the previous fiscal year, mainly owing to a decrease in the system integrations business.

The electronic systems business saw no change in orders, while sales decreased compared to the previous fiscal year due to a decrease in large-scale projects in the space systems business.

As a result, total sales for this segment decreased by 20% from the previous fiscal year. Operating income decreased by 2.2 billion yen from the previous fiscal year due primarily to a decrease in sales.

Electronic Devices

Total sales:	186.5	billion yen	(12% decrease from the previous fiscal year)
Operating income:	8.3	billion yen	(8.4 billion yen decrease from the previous fiscal year)

The electronic devices business saw an increase in orders compared to the previous fiscal year due to an increase in demand for optical communication devices, while sales decreased by 12% compared to the previous fiscal year due to a decrease in demand for power modules and TFT-LCD modules, along with the negative influences caused by the stronger yen.

As a result, operating income decreased by 8.4 billion yen from the previous fiscal year due primarily to a decrease in sales.

Home Appliances

Total sales:	1,004.4	billion yen	(2% increase from the previous fiscal year)
Operating income:	69.6	billion yen	(5.8 billion yen increase from the previous fiscal year)

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

Operating income increased by 5.8 billion yen compared to the previous fiscal year largely due to an increase in sales.

Others

Total sales:	713.6	billion yen	(1% increase from the previous fiscal year)
Operating income:	23.2	billion yen	(0.4 billion yen decrease from the previous fiscal year)

Sales increased by 1% compared to the previous fiscal year due to increases mainly at affiliated companies involved in materials procurement.

Operating income decreased by 0.4 billion yen from the previous fiscal year due primarily to negative influences caused by the stronger yen.

Fundamental Dividend Distribution Policy and FY2017 Dividend

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 2017 dividend

Considering the company's business performance and financial conditions in fiscal 2017, the company has decided to pay a year-end retained earnings dividend of 18 yen per share for fiscal 2017. Adding the interim dividend of 9 yen per share, the total annual dividend will be 27 yen per share. Payment is planned to begin on June 2, 2017.

The retained earnings dividend for fiscal 2018 is still undecided.

cf. In fiscal 2016, interim dividend was 9 yen and year-end dividend was 18 yen per share. (Annual dividend of 27 yen per share)

Financial Standing

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

Total assets as of the end of this fiscal year increased from the end of the previous fiscal year by 120.0 billion yen to 4,180.0 billion yen. The change in the balance of total assets was mainly due to an 88.2 billion yen increase in cash and cash equivalents and an 81.2 billion yen increase in investments as a result of a rise in stock prices.

Total liabilities decreased from the end of the previous fiscal year by 83.1 billion yen to 2,039.3 billion yen. The outstanding balances of debts and corporate bonds decreased by 51.9 billion yen from the end of the previous fiscal year to 352.1 billion yen, resulting in a decline in the ratio of interest bearing debt to total assets to 8.4%, representing a 1.6 point decrease compared to the end of the previous fiscal year. Retirement and severance benefits decreased by 34.7 billion yen, mainly resulting from an increase in pension assets following a rise in stock prices, while the outstanding balance of trade payables increased by 6.4 billion yen.

Mitsubishi Electric Corporation shareholders' equity increased by 200.8 billion yen compared to the end of the previous fiscal year to 2,039.6 billion yen. Shareholders' equity ratio was recorded at 48.8%, representing a 3.5 point increase compared to the end of the previous fiscal year. The changes referred to above primarily resulted from an increase from recording a net income attributable to Mitsubishi Electric Corporation of 210.4 billion yen, along with an increase in accumulated other comprehensive income by 48.6 billion yen caused by such factors as a rise in stock prices, despite dividend payment of 57.9 billion yen.

An analysis on the status of cash flow on a consolidated basis

Cash flows from operating activities for this fiscal year decreased by 0.7 billion yen compared to the previous fiscal year to 365.9 billion yen (cash in). Cash flows from investing activities decreased by 106.8 billion yen compared to the previous fiscal year to 148.6 billion yen (cash out) due to decreases in purchases of short-term investments and investment securities and other factors. As a result, free cash flow was 217.3 billion yen (cash in). Cash flows from financing activities were 123.4 billion yen (cash out) mainly due to dividend payment.

Current Forecast for Fiscal 2018

Despite the uncertainty in business performance remaining high due to factors such as the U.K. government's policies on Brexit and operations of the new U.S. administration, the economic slowdown in China is expected to be mild, and global business conditions are facing gradual growth in the economy with buoyant expansion in the U.S. and a continued trend of recovery in Japan and Europe.

Under these circumstances, the Mitsubishi Electric Group aims to achieve its management targets by uplifting its business performance and financial standings through initiatives such as promoting more strongly its global operations centered around its growth-driving businesses, continuously increasing and strengthening profitability in each business and continuously implementing various Group-wide business improvement measures.

The current financial performance forecast for fiscal 2018 follows below.

Current consolidated forecast for fiscal 2018

Net sales	4,300.0	billion yen	(1% increase from fiscal 2017)
Operating income	280.0	billion yen	(4% increase from fiscal 2017)
Income before income taxes	300.0	billion yen	(1% increase from fiscal 2017)
Net income attributable to Mitsubishi Electric Corp.	215.0	billion yen	(2% increase from fiscal 2017)

Exchange rates for the forecast above is 105 yen to the US dollar and 110 yen to the euro.

Policy Regarding Financial Reporting Standards

Mitsubishi Electric will voluntarily adopt International Financial Reporting Standards (IFRS) for its consolidated financial statements from the first quarter of the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019), in place of U.S. generally accepted accounting principles (U.S. GAAP), in order to enhance international comparability of its financial information in the capital markets.

Consolidated Financial Results Summary

(In billions of yen except where noted)

	FY '16 (A) (Apr. 1, 2015 – Mar. 31, 2016)	FY '17 (B) (Apr. 1, 2016 – Mar. 31, 2017)		
			B – A	B/A (%)
Net sales	4,394.3	4,238.6	(155.6)	96
Operating income	301.1	270.1	(31.0)	90
Income before income taxes	318.4	296.2	(22.2)	93
Net income attributable to Mitsubishi Electric Corp.	228.4	210.4	(18.0)	92
Basic net income per share attributable to Mitsubishi Electric Corp.	106. ⁴³ yen	98. ⁰⁷ yen	(8. ³⁶ yen)	92
Dividend per share				
Annual dividend	27 yen	27 yen	—	100
Interim dividend	9 yen	9 yen		
Year-end dividend	18 yen	18 yen		

Notes:

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) The Company has 213 consolidated subsidiaries.

Consolidated Profit and Loss Statement

(In millions of yen)

	FY '16 (Apr. 1, 2015 – Mar. 31, 2016)		FY '17 (Apr. 1, 2016 – Mar. 31, 2017)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	4,394,353	100.0	4,238,666	100.0	(155,687)	96
Cost of sales	3,071,435	69.9	2,950,729	69.6	(120,706)	96
Selling, general and administrative expenses	1,013,264	23.0	1,014,389	23.9	1,125	100
Loss on impairment of long-lived assets	8,482	0.2	3,444	0.1	(5,038)	41
Operating income	301,172	6.9	270,104	6.4	(31,068)	90
Other income	60,576	1.3	60,985	1.4	409	101
Interest and Dividends	8,573	0.2	7,653	0.2	(920)	89
Equity in earnings of affiliated companies	29,433	0.6	21,508	0.5	(7,925)	73
Other	22,570	0.5	31,824	0.7	9,254	141
Other expenses	43,272	1.0	34,840	0.8	(8,432)	81
Interest	3,495	0.1	3,225	0.1	(270)	92
Other	39,777	0.9	31,615	0.7	(8,162)	79
Income before income taxes	318,476	7.2	296,249	7.0	(22,227)	93
Income taxes	77,046	1.7	73,484	1.7	(3,562)	95
Net income	241,430	5.5	222,765	5.3	(18,665)	92
Net income attributable to the noncontrolling interests	12,936	0.3	12,272	0.3	(664)	95
Net income attributable to Mitsubishi Electric Corp.	228,494	5.2	210,493	5.0	(18,001)	92

Consolidated Comprehensive Income Statement

(In millions of yen)

	FY '16 (A) (Apr. 1, 2015 – Mar. 31, 2016)	FY '17 (B) (Apr. 1, 2016 – Mar. 31, 2017)	B – A
Net income	241,430	222,765	(18,665)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(70,881)	(22,968)	47,913
Pension liability adjustments	(86,516)	26,096	112,612
Unrealized gains (losses) on securities	(25,498)	42,684	68,182
Unrealized gains (losses) on derivative instruments	(8)	136	144
Total	(182,903)	45,948	228,851
Comprehensive income	58,527	268,713	210,186
Comprehensive income attributable to the noncontrolling interests	4,796	9,573	4,777
Comprehensive income attributable to Mitsubishi Electric Corp.	53,731	259,140	205,409

Consolidated Balance Sheet

(In millions of yen)

	FY '16 (A) (ended Mar. 31, 2016)	FY '17 (B) (ended Mar. 31, 2017)	B – A
(Assets)			
Current assets	2,551,863	2,623,596	71,733
Cash and cash equivalents	574,170	662,469	88,299
Trade receivables	1,035,168	1,037,201	2,033
Inventories	644,127	643,040	(1,087)
Prepaid expenses and other current assets	298,398	280,886	(17,512)
Long-term trade receivables	4,661	2,815	(1,846)
Investments	537,706	618,935	81,229
Net property, plant and equipment	712,599	732,611	20,012
Other assets	253,112	202,067	(51,045)
Total assets	4,059,941	4,180,024	120,083
(Liabilities)			
Current liabilities	1,507,943	1,525,761	17,818
Bank loans and current portion of long-term debt	116,532	124,368	7,836
Trade payables	773,714	780,202	6,488
Other current liabilities	617,697	621,191	3,494
Long-term debt	287,507	227,756	(59,751)
Retirement and severance benefits	229,750	194,990	(34,760)
Other fixed liabilities	97,238	90,809	(6,429)
Total liabilities	2,122,438	2,039,316	(83,122)
(Equity)			
Mitsubishi Electric Corp. shareholders' equity	1,838,773	2,039,627	200,854
Common stock	175,820	175,820	–
Capital surplus	211,999	212,530	531
Retained earnings	1,502,027	1,654,557	152,530
Accumulated other comprehensive income (loss)	(50,699)	(2,052)	48,647
Treasury stock at cost	(374)	(1,228)	(854)
Noncontrolling interests	98,730	101,081	2,351
Total equity	1,937,503	2,140,708	203,205
Total liabilities and equity	4,059,941	4,180,024	120,083
Balance of Debt	404,039	352,124	(51,915)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	39,847	18,535	(21,312)
Pension liability adjustments	(184,231)	(156,993)	27,238
Unrealized gains on securities	93,742	136,352	42,610
Unrealized gains (losses) on derivative instruments	(57)	54	111

Consolidated Cash Flow Statement

(In millions of yen)

	FY '16 (Apr. 1, 2015 – Mar. 31, 2016) (A)	FY '17 (Apr. 1, 2016 – Mar. 31, 2017) (B)	B – A
I Cash flows from operating activities			
1 Net income	241,430	222,765	(18,665)
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	151,015	144,928	(6,087)
(2) Deferred income taxes	24,355	17,966	(6,389)
(3) Decrease (increase) in trade receivables	1,583	(21,580)	(23,163)
(4) Decrease (increase) in inventories	39,220	(7,576)	(46,796)
(5) Decrease in other assets	7,612	19,239	11,627
(6) Increase (decrease) in trade payables	(21,754)	20,853	42,607
(7) Increase (decrease) in other liabilities	(92,810)	(37,843)	54,967
(8) Other, net	16,026	7,198	(8,828)
Net cash provided by operating activities	366,677	365,950	(727)
II Cash flows from investing activities			
1 Capital expenditure	(182,251)	(167,165)	15,086
2 Proceeds from sale of property, plant and equipment	2,400	9,049	6,649
3 Purchase of short-term investments and investment securities (net of cash acquired)	(63,872)	(6,007)	57,865
4 Proceeds from sale of short-term investments and investment securities (net of cash disposed)	8,511	23,560	15,049
5 Other, net	(20,231)	(8,069)	12,162
Net cash used in investing activities	(255,443)	(148,632)	106,811
I + II Free cash flow	111,234	217,318	106,084
III Cash flows from financing activities			
1 Proceeds from long-term debt	110,108	145	(109,963)
2 Repayment of long-term debt	(93,163)	(58,489)	34,674
3 Increase (decrease) in bank loans, net	(13,912)	350	14,262
4 Dividends paid	(57,963)	(57,963)	0
5 Purchase of treasury stock	(43)	(854)	(811)
6 Reissuance of treasury stock	1	0	(1)
7 Other, net	(27,172)	(6,684)	20,488
Net cash provided by (used in) financing activities	(82,144)	(123,495)	(41,351)
IV Effect of exchange rate changes on cash and cash equivalents	(23,437)	(5,524)	17,913
V Net increase in cash and cash equivalents	5,653	88,299	82,646
VI Cash and cash equivalents at beginning of period	568,517	574,170	5,653
VII Cash and cash equivalents at end of period	574,170	662,469	88,299

Consolidated Segment Information

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '16 (Apr. 1, 2015 – Mar. 31, 2016)		FY '17 (Apr. 1, 2016 – Mar. 31, 2017)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	1,264,604	50,342	1,227,906	44,319	(36,698)	(6,023)	97
Industrial Automation Systems	1,321,937	159,160	1,310,136	140,073	(11,801)	(19,087)	99
Information and Communication Systems	561,119	14,999	447,754	12,700	(113,365)	(2,299)	80
Electronic Devices	211,580	16,870	186,554	8,382	(25,026)	(8,488)	88
Home Appliances	982,064	63,856	1,004,415	69,696	22,351	5,840	102
Others	707,746	23,620	713,603	23,214	5,857	(406)	101
Subtotal	5,049,050	328,847	4,890,368	298,384	(158,682)	(30,463)	97
Eliminations and other	(654,697)	(27,675)	(651,702)	(28,280)	2,995	(605)	–
Total	4,394,353	301,172	4,238,666	270,104	(155,687)	(31,068)	96

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '16 (Apr. 1, 2015 – Mar. 31, 2016)		FY '17 (Apr. 1, 2016 – Mar. 31, 2017)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	3,563,530	173,383	3,402,132	152,027	(161,398)	(21,356)	95
North America	446,935	9,421	421,553	9,002	(25,382)	(419)	94
Asia (excluding Japan)	1,054,563	91,006	1,040,098	93,318	(14,465)	2,312	99
Europe	387,628	14,806	421,073	12,828	33,445	(1,978)	109
Others	50,260	904	46,854	2,458	(3,406)	1,554	93
Subtotal	5,502,916	289,520	5,331,710	269,633	(171,206)	(19,887)	97
Eliminations	(1,108,563)	11,652	(1,093,044)	471	15,519	(11,181)	–
Total	4,394,353	301,172	4,238,666	270,104	(155,687)	(31,068)	96

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '16 (Apr. 1, 2015 – Mar. 31, 2016)		FY '17 (Apr. 1, 2016 – Mar. 31, 2017)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	2,521,194	57.4	2,405,552	56.8	(115,642)	95
North America	447,578	10.2	422,259	10.0	(25,319)	94
Asia (excluding Japan)	963,684	21.9	940,150	22.2	(23,534)	98
Europe	369,978	8.4	384,075	9.0	14,097	104
Others	91,919	2.1	86,630	2.0	(5,289)	94
Total overseas sales	1,873,159	42.6	1,833,114	43.2	(40,045)	98
Consolidated total	4,394,353	100.0	4,238,666	100.0	(155,687)	96

Cautionary Statement

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

(1) Important trends

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

(2) Foreign currency exchange rates

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

(3) Stock markets

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

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

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

(5) Fund raising

An increase in interest rates, the yen interest rate in particular, would increase the Group’s interest expenses.

(6) Significant patent matters

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

- (7) Environmental legislation or relevant issues
The Group may incur losses or expenses owing to changes in environmental legislation or the occurrence of environmental issues. Such changes in legislation or the occurrence of environmental issues may also impact manufacturing and all corporate activities of the Group.
- (8) Flaws or defects in products or services
The Group may incur losses or expenses resulting out of flaws or defects in products or services, and the lowered reputation of the quality of all its products and services may affect the entire Group.
- (9) Litigation and other legal proceedings
The Group's operations may be affected by lawsuits or other legal proceedings against Mitsubishi Electric, its subsidiaries and/or equity-method affiliated companies.
- (10) Disruptive changes
Disruptive changes in technology, development of products using new technology, timing of production and market introduction may adversely affect the Group's performance.
- (11) Business restructuring
The Group may record losses due to restructuring measures.
- (12) Information security
The performance of the Group may be affected by computer virus infections, unauthorized access and other unpredictable incidents that lead to the loss or leakage of personal information held by the Group or confidential information regarding the Group's business such as its technology, sales and other operations.
- (13) Natural disasters
The Group's operations, particularly manufacturing activities, may be affected by the occurrence of earthquakes, typhoons, tsunamis, fires and other large-scale disasters.
- (14) Other significant factors
The Group's operations may be affected by the outbreak of social or political upheaval due to terrorism, war, pandemic by new strains of influenza and other diseases, or other factors.

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About Mitsubishi Electric Corporation

With over 90 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. Embracing the spirit of its corporate statement, Changes for the Better, and its environmental statement, Eco Changes, Mitsubishi Electric endeavors to be a global, leading green company, enriching society with technology. The company recorded consolidated group sales of 4,238.6 billion yen (US\$ 37.8 billion*) in the fiscal year ended March 31, 2017. For more information visit:
www.MitsubishiElectric.com

*At an exchange rate of 112 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2017

Fiscal 2017 Consolidated Results

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<Reference>

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

FY'16: Apr. 1, 2015 – Mar. 31, 2016

FY'17: Apr. 1, 2016 – Mar. 31, 2017

FY'18: Apr. 1, 2017 – Mar. 31, 2018

1. Financial Results

(Consolidated)

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

	FY '16		FY '17		FY '18					
	Full Year (Actual)		1st Half (Actual)	Full Year (Actual)	1st Half (Forecast)	Full Year (Forecast)				
Net sales	4,394.3	(+2)	1,972.3	(-4)	4,238.6	(-4)	2,030.0	(+3)	4,300.0	(+1)
Consolidated to non-consolidated ratio	1.64				1.65					
Operating income	301.1	(-5)	121.7	(-4)	270.1	(-10)	125.0	(+3)	280.0	(+4)
Income before income taxes	318.4	(-1)	123.7	(-7)	296.2	(-7)	135.0	(+9)	300.0	(+1)
Net income attributable to Mitsubishi Electric Corp.	228.4	(-3)	88.3	(-5)	210.4	(-8)	95.0	(+8)	215.0	(+2)
Consolidated to non-consolidated ratio	1.39				1.58					
Financial account balance	5.0		2.7		4.4					

Figures in parentheses in the right column indicate change from the previous corresponding period

2. Net Sales and Operating Income by Segment

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

		FY '16 (Actual)	FY '17 (Actual)	FY '18 (Forecast)			
Energy and Electric Systems	Net Sales	1,264.6	(+3)	1,227.9	(-3)	1,240.0	(+1)
	Operating Income	50.3	(-31)	44.3	(-12)	60.0	(+35)
Industrial Automation Systems	Net Sales	1,321.9	(+3)	1,310.1	(-1)	1,360.0	(+4)
	Operating Income	159.1	(+9)	140.0	(-12)	148.0	(+6)
Information and Communication Systems	Net Sales	561.1	(0)	447.7	(-20)	450.0	(+1)
	Operating Income	14.9	(-21)	12.7	(-15)	14.0	(+10)
Electronic Devices	Net Sales	211.5	(-11)	186.5	(-12)	200.0	(+7)
	Operating Income	16.8	(-44)	8.3	(-50)	11.0	(+31)
Home Appliances	Net Sales	982.0	(+4)	1,004.4	(+2)	1,010.0	(+1)
	Operating Income	63.8	(+18)	69.6	(+9)	56.0	(-20)
Others	Net Sales	707.7	(-4)	713.6	(+1)	710.0	(-1)
	Operating Income	23.6	(-1)	23.2	(-2)	21.0	(-10)
Subtotal	Net Sales	5,049.0	(+1)	4,890.3	(-3)	4,970.0	(+2)
	Operating Income	328.8	(-5)	298.3	(-9)	310.0	(+4)
Eliminations and other	Net Sales	-654.6		-651.7		-670.0	
	Operating Income	-27.6		-28.2		-30.0	
Consolidated total	Net Sales	4,394.3	(+2)	4,238.6	(-4)	4,300.0	(+1)
	Operating Income	301.1	(-5)	270.1	(-10)	280.0	(+4)

3. Overseas Net sales by Segment

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

	FY '16 (Actual)	FY '17 (Actual)		
Energy and Electric Systems	458.9	(-1)	419.6	(-9)
Industrial Automation Systems	755.5	(+3)	766.1	(+1)
Information and Communication Systems	46.3	(+164)	11.2	(-76)
Electronic Devices	98.5	(-5)	102.0	(+4)
Home Appliances	499.6	(+5)	518.2	(+4)
Others	14.1	(-24)	15.7	(+11)
Consolidated total	1,873.1	(+3)	1,833.1	(-2)
Ratio of overseas net sales to total sales	42.6%		43.2%	

4. Overseas Net Sales by Region

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

	FY '16 (Actual)	FY '17 (Actual)		
North America	447.5	(+12)	422.2	(-6)
Asia	963.6	(0)	940.1	(-2)
Europe	369.9	(+3)	384.0	(+4)
Others	91.9	(0)	86.6	(-6)
Consolidated total	1,873.1	(+3)	1,833.1	(-2)

5. Overseas Production Volume

	(%)	
	FY '16 (Actual)	FY '17 (Actual)
Ratio of consolidated net sales	26.8	27.8
Ratio of overseas net sales	50.4	53.1

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

		FY '16 (Actual)	FY '17 (Actual)	FY '18	
				1st Half	(Forecast)
Exchange rates for recording net sales	US\$	¥121	¥109	¥105	¥105
	Euro	¥133	¥119	¥110	¥110
Impact of exchange rate fluctuations on net sales	Consolidated total	About ¥60.0 billion increase	About ¥186.0 billion decrease	/	
	US\$	About ¥47.0 billion increase	About ¥44.0 billion decrease		
	Euro	About ¥14.0 billion decrease	About ¥35.0 billion decrease		

7. Capital Expenditures

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

	FY '16 (Actual)	FY '17 (Actual)	FY '18 (Forecast)
Energy and Electric Systems	35.2 (-32)	41.0 (+16)	/
Industrial Automation Systems	75.0 (+41)	76.6 (+2)	
Information and Communication Systems	22.3 (-10)	29.8 (+34)	
Electronic Devices	17.1 (+20)	19.4 (+13)	
Home Appliances	45.9 (+5)	37.5 (-18)	
Others	7.3 (+35)	6.0 (-18)	
Common	9.7 (-28)	10.8 (+11)	
Consolidated total	212.5 (+3)	221.1 (+4)	

8. Depreciation of Tangible Fixed Assets and Other

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

	FY '16 (Actual)	FY '17 (Actual)	FY '18 (Forecast)
Consolidated	151.0 (-5)	144.9 (-4)	160.0 (+10)

9. Research and Development Expenditures

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

	FY '16 (Actual)	FY '17 (Actual)	FY '18 (Forecast)
Consolidated	202.9 (+4)	201.3 (-1)	212.0 (+5)
Ratio of net sales	4.6	4.7	4.9

* Research and development expenditures in the cost of production are also included.

10. Loans (Interest-Bearing Debt)

(Billions of yen, %)

	FY '16 (Actual)	FY '17 (Actual)
Consolidated	404.0	352.1
Ratio of total assets	10.0	8.4

11. Number of Employees

(Person)

	FY '16 (Actual)	FY '17 (Actual)	FY '18 (Forecast)
Consolidated	135,160	138,700	
Non-consolidated	33,321	33,977	35,244
Subsidiaries	218 companies 101,839	213 companies 104,723	
Domestic subsidiaries	97 companies 54,321	95 companies 54,577	
Overseas subsidiaries	121 companies 47,518	118 companies 50,146	

<Reference>

1. Quarterly Financial Results for Fiscal 2017

(Consolidated)

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

	FY '16 (Actual)				FY '17 (Actual)			
	1st Half	Q3	Q4	Full year	1st Half	Q3	Q4	Full Year
Net sales	2,063.2	1,028.3	1,302.7	4,394.3 (+2)	1,972.3 (-4)	974.7 (-5)	1,291.5 (-1)	4,238.6 (-4)
Operating income	127.0	80.3	93.8	301.1 (-5)	121.7 (-4)	53.8 (-33)	94.5 (+1)	270.1 (-10)
Income before income taxes	133.0	85.6	99.7	318.4 (-1)	123.7 (-7)	72.4 (-15)	100.0 (0)	296.2 (-7)
Net income attributable to Mitsubishi Electric Corp.	92.9	59.8	75.6	228.4 (-3)	88.3 (-5)	46.9 (-22)	75.1 (-1)	210.4 (-8)

Figures in parentheses in the right column indicate change from the previous corresponding period

2. Quarterly Net Sales and Operating Income by Segment for Fiscal 2017

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

		FY '16 (Actual)				FY '17 (Actual)			
		1st Half	Q3	Q4	Full year	1st Half	Q3	Q4	Full Year
Energy and Electric Systems	Net Sales	523.7	284.8	455.9	1,264.6 (+3)	525.4 (0)	259.2 (-9)	443.1 (-3)	1,227.9 (-3)
	Operating Income	3.7	14.6	31.9	50.3 (-31)	9.1 (+143)	4.5 (-69)	30.5 (-4)	44.3 (-12)
Industrial Automation Systems	Net Sales	661.5	327.2	333.1	1,321.9 (+3)	617.6 (-7)	334.3 (+2)	358.1 (+7)	1,310.1 (-1)
	Operating Income	83.9	43.2	31.9	159.1 (+9)	62.1 (-26)	40.4 (-6)	37.5 (+17)	140.0 (-12)
Information and Communication Systems	Net Sales	224.0	139.8	197.2	561.1 (0)	198.2 (-12)	87.1 (-38)	162.2 (-18)	447.7 (-20)
	Operating Income	-3.8	8.2	10.5	14.9 (-21)	3.8 (-)	0.5 (-93)	8.2 (-22)	12.7 (-15)
Electronic Devices	Net Sales	123.2	42.9	45.4	211.5 (-11)	86.5 (-30)	49.3 (+15)	50.7 (+12)	186.5 (-12)
	Operating Income	16.3	2.6	-2.0	16.8 (-44)	1.7 (-89)	3.3 (+28)	3.2 (-)	8.3 (-50)
Home Appliances	Net Sales	511.1	220.1	250.7	982.0 (+4)	519.3 (+2)	227.0 (+3)	258.0 (+3)	1,004.4 (+2)
	Operating Income	33.1	14.9	15.6	63.8 (+18)	48.6 (+47)	8.9 (-40)	12.0 (-23)	69.6 (+9)
Others	Net Sales	338.4	171.1	198.1	707.7 (-4)	336.7 (-1)	177.8 (+4)	199.0 (0)	713.6 (+1)
	Operating Income	7.3	6.3	9.9	23.6 (-1)	9.3 (+28)	5.9 (-7)	7.9 (-20)	23.2 (-2)
Subtotal	Net Sales	2,382.1	1,186.1	1,480.6	5,049.0 (+1)	2,284.0 (-4)	1,134.9 (-4)	1,471.3 (-1)	4,890.3 (-3)
	Operating Income	140.7	90.0	97.9	328.8 (-5)	134.9 (-4)	63.8 (-29)	99.5 (+2)	298.3 (-9)
Eliminations and other	Net Sales	-318.8	-157.8	-177.9	-654.6	-311.7	-160.1	-179.7	-651.7
	Operating Income	-13.7	-9.7	-4.1	-27.6	-13.2	-9.9	-5.0	-28.2
Consolidated total	Net Sales	2,063.2	1,028.3	1,302.7	4,394.3 (+2)	1,972.3 (-4)	974.7 (-5)	1,291.5 (-1)	4,238.6 (-4)
	Operating Income	127.0	80.3	93.8	301.1 (-5)	121.7 (-4)	53.8 (-33)	94.5 (+1)	270.1 (-10)