

MITSUBISHI ELECTRIC CORPORATION
PUBLIC RELATIONS DIVISION
7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8310 Japan

FOR IMMEDIATE RELEASE

No. 3190

Investor Relations Inquiries

Media Inquiries

Investor Relations Group, Corporate Finance Division
Mitsubishi Electric Corporation
Cad.Irg@rk.MitsubishiElectric.co.jp

Public Relations Division
Mitsubishi Electric Corporation
prd.gnews@nk.MitsubishiElectric.co.jp
www.MitsubishiElectric.com/news/

Mitsubishi Electric Announces Consolidated Financial Results for Fiscal 2018

TOKYO, April 27, 2018 – [Mitsubishi Electric Corporation](#) (TOKYO: 6503) announced today its consolidated financial results for fiscal 2018 (April 1, 2017- March 31, 2018).

Consolidated Financial Results

Net sales:	4,431.1	billion yen	(5% increase from the previous fiscal year)
Operating income:	318.6	billion yen	(18% increase from the previous fiscal year)
Income before income taxes:	364.5	billion yen	(23% increase from the previous fiscal year)
Net income attributable to Mitsubishi Electric Corp.:	271.8	billion yen	(29% increase from the previous fiscal year)

During the fiscal year ended March 31, 2018, the global economy saw a stable status in China, a buoyant expansion in the U.S. and gradual trends of recovery in Japan and Europe. In addition, the yen, compared to the previous fiscal year, weakened against the U.S. dollar and the euro in and after May, but became stronger against the U.S. dollar after the latter half of 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 4,431.1 billion yen for fiscal 2018, an increase of 5% compared to the previous fiscal year, with increased sales in the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices and Home Appliances segments.

Consolidated operating income increased by 18% compared to the previous fiscal year to 318.6 billion yen, due to increased profits in the Energy and Electric Systems, Industrial Automation Systems and Electronic Devices segments.

Income before income taxes increased by 23% compared to the previous fiscal year to 364.5 billion yen, due to gain recorded from sales of investment securities in Renesas Electronics Corporation and other factors, in addition to an increase in operating income.

Net income attributable to Mitsubishi Electric Corporation increased by 29% compared to the previous fiscal year to 271.8 billion yen.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales:	1,241.9	billion yen	(1% increase from the previous fiscal year)
Operating income:	51.7	billion yen	(7.3 billion yen increase from the previous fiscal year)

The social infrastructure systems business saw decreases in both orders and sales compared to the previous fiscal year due primarily to decreases in the transportation systems business outside Japan and the power systems business in Japan.

The building systems business remained substantially unchanged in orders, while sales increased compared to the previous fiscal year due primarily to growth in the renewal business in Japan and the new installation of elevators and escalators outside Japan.

As a result, total sales for this segment increased by 1% from the previous fiscal year. Operating income increased by 7.3 billion yen from the previous fiscal year due primarily to a shift in project portfolios.

Industrial Automation Systems

Total sales:	1,444.9	billion yen	(10% increase from the previous fiscal year)
Operating income:	190.8	billion yen	(50.7 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 due primarily to growth in capital expenditures in the fields of organic light emitting diodes (OLED) mainly in Korea, smartphones and electric cars in China as well as buoyancy in exports by machinery manufacturers in Japan.

The automotive equipment business saw increases in both orders and sales from the previous fiscal year, due primarily to increases in sales volume of Japanese car manufacturers in China, as well as the weaker yen, despite decreased car sales in North America.

As a result, total sales for this segment increased by 10% from the previous fiscal year. Operating income increased by 50.7 billion yen from the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales:	436.0	billion yen	(3% decrease from the previous fiscal year)
Operating income:	11.9	billion yen	(0.7 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 decreased demand in communications infrastructure equipment.

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

The electronic systems business saw an increase in orders compared to the previous fiscal year mainly due to increases in the defense systems and space systems businesses, while sales experienced a decrease compared to the previous fiscal year due primarily to a shift in large-scale projects in the defense systems business.

As a result, total sales for this segment decreased by 3% from the previous fiscal year. Operating income decreased by 0.7 billion yen from the previous fiscal year due primarily to a decrease in sales.

Electronic Devices

Total sales:	202.2	billion yen	(8% increase from the previous fiscal year)
Operating income:	14.5	billion yen	(6.1 billion yen increase from the previous fiscal year)

The electronic devices business saw an increase in orders from the previous fiscal year due to increases in demand for power modules used in consumer and industrial applications, despite a decrease in demand for optical communication devices, and total sales increased by 8% compared to the previous fiscal year.

Operating income increased by 6.1 billion yen from the previous fiscal year due primarily to an increase in sales.

Home Appliances

Total sales:	1,049.3	billion yen	(4% increase from the previous fiscal year)
Operating income:	56.0	billion yen	(13.6 billion yen decrease from the previous fiscal year)

The home appliances business saw a 4% increase in sales compared to the previous fiscal year due to increases in sales of air conditioners in the European, Chinese and U.S. markets, in addition to positive influences caused by the weaker yen.

Operating income decreased by 13.6 billion yen compared to the previous fiscal year due primarily to increases in material prices and sales expenses.

Others

Total sales:	764.3	billion yen	(7% increase from the previous fiscal year)
Operating income:	23.9	billion yen	(0.6 billion yen increase from the previous fiscal year)

Sales increased by 7% compared to the previous fiscal year mainly due to an increase in sales at affiliated companies involved in materials procurement.

Operating income increased by 0.6 billion yen from the previous fiscal year due primarily to an increase in sales.

Fundamental Dividend Distribution Policy and FY2018 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 2018 dividend

Considering the company's business performance and financial conditions in fiscal 2018, the company has decided to pay a year-end retained earnings dividend of 26 yen per share for fiscal 2018. Adding the interim dividend of 14 yen per share, the total annual dividend will be 40 yen per share. Payment is planned to begin on June 4, 2018.

The retained earnings dividend for fiscal 2019 is still undecided.

cf. In fiscal 2017, 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 92.2 billion yen to 4,264.5 billion yen. The change in the balance of total assets was mainly due to increases in the balance of inventories by 98.7 billion yen as a result of work-in-process as recorded in commensurate with progress in job orders under pertinent contracts and in trade receivables by 49.5 billion yen, while cash and cash equivalents decreased by 63.2 billion yen.

Total liabilities decreased from the end of the previous fiscal year by 131.1 billion yen to 1,900.4 billion yen. The outstanding balances of debts and corporate bonds decreased by 40.6 billion yen from the end of the previous fiscal year to 311.4 billion yen, resulting in a decline in the ratio of interest bearing debt to total assets to 7.3%, representing a 1.1 point decrease compared to the end of the previous fiscal year. The outstanding balance of trade payables decreased by 60.7 billion yen, and retirement and severance benefits decreased by 23.9 billion yen, mainly resulting from an increase in pension assets following a rise in stock prices.

Mitsubishi Electric Corporation shareholders' equity increased by 219.7 billion yen compared to the end of the previous fiscal year to 2,259.3 billion yen. Shareholders' equity ratio was recorded at 53.0%, representing a 4.1 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 271.8 billion yen, along with an increase in accumulated other comprehensive income by 16.5 billion yen caused by such factors as the weaker yen and a rise in stock prices, despite dividend payment of 68.6 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 125.5 billion yen compared to the previous fiscal year to 240.4 billion yen (cash in) mainly due to an increase in inventories. Cash flows from investing activities increased by 29.5 billion yen compared to the previous fiscal year to 178.2 billion yen (cash out) due to increases in proceeds from the purchases of tangible fixed assets and other factors. As a result, free cash flow was 62.2 billion yen (cash in). Cash flows from financing activities were 128.2 billion yen (cash out) mainly due to dividend payment.

Current Forecast for Fiscal 2019

Despite the uncertainty in the global economy due to factors such as U.S. trade policies and influences from Brexit, 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 2019 follows below.

Current consolidated forecast for fiscal 2019

Net sales	4,500.0	billion yen	(1% increase from fiscal 2018)
Operating income	315.0	billion yen	(4% decrease from fiscal 2018)
Income before income taxes	345.0	billion yen	(2% decrease from fiscal 2018)
Net income attributable to Mitsubishi Electric Corp. stockholders	245.0	billion yen	(5% decrease from fiscal 2018)

The forecast above has been prepared in accordance with the International Financial Reporting Standards (IFRS), with year-on-year changes from fiscal 2018 also described in unaudited IFRS basis. Exchange rates for this forecast is 100 yen to the US dollar and 125 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 '17 (A) (Apr. 1, 2016 – Mar. 31, 2017)	FY '18 (B) (Apr. 1, 2017 – Mar. 31, 2018)		
			B – A	B/A (%)
Net sales	4,238.6	4,431.1	192.5	105
Operating income	270.1	318.6	48.5	118
Income before income taxes	296.2	364.5	68.3	123
Net income attributable to Mitsubishi Electric Corp.	210.4	271.8	61.3	129
Basic net income per share attributable to Mitsubishi Electric Corp.	98. ⁰⁷ yen	126. ⁷⁰ yen	28. ⁶³ yen	129
Dividend per share				
Annual dividend	27 yen	40 yen	13 yen	148
Interim dividend	9 yen	14 yen	—	
Year-end dividend	18 yen	26 yen	—	

Notes:

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) The Company has 205 consolidated subsidiaries.

Consolidated Profit and Loss Statement

(In millions of yen)

	FY '17 (Apr. 1, 2016 – Mar. 31, 2017)		FY '18 (Apr. 1, 2017 – Mar. 31, 2018)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	4,238,666	100.0	4,431,198	100.0	192,532	105
Cost of sales	2,950,729	69.6	3,030,902	68.4	80,173	103
Selling, general and administrative expenses	1,014,389	23.9	1,061,778	24.0	47,389	105
Loss on impairment of long-lived assets	3,444	0.1	19,881	0.4	16,437	577
Operating income	270,104	6.4	318,637	7.2	48,533	118
Other income	60,985	1.4	60,414	1.4	(571)	99
Interest and Dividends	7,653	0.2	8,611	0.2	958	113
Equity in earnings of affiliated companies	21,508	0.5	22,261	0.5	753	104
Other	31,824	0.7	29,542	0.7	(2,282)	93
Other expenses	34,840	0.8	14,473	0.4	(20,367)	42
Interest	3,225	0.1	2,727	0.1	(498)	85
Other	31,615	0.7	11,746	0.3	(19,869)	37
Income before income taxes	296,249	7.0	364,578	8.2	68,329	123
Income taxes	73,484	1.7	82,239	1.8	8,755	112
Net income	222,765	5.3	282,339	6.4	59,574	127
Net income attributable to the noncontrolling interests	12,272	0.3	10,459	0.3	(1,813)	85
Net income attributable to Mitsubishi Electric Corp.	210,493	5.0	271,880	6.1	61,387	129

Consolidated Comprehensive Income Statement

(In millions of yen)

	FY '17 (A) (Apr. 1, 2016 – Mar. 31, 2017)	FY '18 (B) (Apr. 1, 2017 – Mar. 31, 2018)	B – A
Net income	222,765	282,339	59,574
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(22,968)	17,023	39,991
Pension liability adjustments	26,096	15,857	(10,239)
Unrealized gains (losses) on securities	42,684	(14,875)	(57,559)
Unrealized gains (losses) on derivative instruments	136	(88)	(224)
Total	45,948	17,917	(28,031)
Comprehensive income	268,713	300,256	31,543
Comprehensive income attributable to the noncontrolling interests	9,573	11,852	2,279
Comprehensive income attributable to Mitsubishi Electric Corp.	259,140	288,404	29,264

Consolidated Balance Sheet

(In millions of yen)

	FY '17 (A) (ended Mar. 31, 2017)	FY '18 (B) (ended Mar. 31, 2018)	B – A
(Assets)			
Current assets	2,500,685	2,606,493	105,808
Cash and cash equivalents	662,469	599,199	(63,270)
Trade receivables	1,037,201	1,087,593	50,392
Inventories	643,040	741,782	98,742
Prepaid expenses and other current assets	157,975	177,919	19,944
Long-term trade receivables	2,815	1,965	(850)
Investments	618,935	614,295	(4,640)
Net property, plant and equipment	732,611	740,448	7,837
Other assets	317,224	301,358	(15,866)
Total assets	4,172,270	4,264,559	92,289
(Liabilities)			
Current liabilities	1,525,761	1,471,367	(54,394)
Bank loans and current portion of long-term debt	124,368	122,430	(1,938)
Trade payables	780,202	719,404	(60,798)
Other current liabilities	621,191	629,533	8,342
Long-term debt	227,756	189,055	(38,701)
Retirement and severance benefits	194,990	171,017	(23,973)
Other fixed liabilities	83,055	68,975	(14,080)
Total liabilities	2,031,562	1,900,414	(131,148)
(Equity)			
Mitsubishi Electric Corp. shareholders' equity	2,039,627	2,259,355	219,728
Common stock	175,820	175,820	–
Capital surplus	212,530	213,250	720
Retained earnings	1,654,557	1,857,741	203,184
Accumulated other comprehensive income (loss)	(2,052)	14,472	16,524
Treasury stock at cost	(1,228)	(1,928)	(700)
Noncontrolling interests	101,081	104,790	3,709
Total equity	2,140,708	2,364,145	223,437
Total liabilities and equity	4,172,270	4,264,559	92,289
Balance of Debt	352,124	311,485	(40,639)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	18,535	34,149	15,614
Pension liability adjustments	(156,993)	(141,075)	15,918
Unrealized gains on securities	136,352	121,413	(14,939)
Unrealized gains (losses) on derivative instruments	54	(15)	(69)

Consolidated Cash Flow Statement

(In millions of yen)

	FY '17 (Apr. 1, 2016 – Mar. 31, 2017) (A)	FY '18 (Apr. 1, 2017 – Mar. 31, 2018) (B)	B – A
I Cash flows from operating activities			
1 Net income	222,765	282,339	59,574
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	144,928	173,889	28,961
(2) Deferred income taxes	17,966	20,026	2,060
(3) Decrease (increase) in trade receivables	(21,580)	(45,827)	(24,247)
(4) Decrease (increase) in inventories	(7,576)	(95,357)	(87,781)
(5) Decrease (increase) in other assets	19,239	(21,644)	(40,883)
(6) Increase (decrease) in trade payables	20,853	(48,428)	(69,281)
(7) Increase (decrease) in other liabilities	(37,843)	(19,358)	18,485
(8) Other, net	7,198	(5,190)	(12,388)
Net cash provided by operating activities	365,950	240,450	(125,500)
II Cash flows from investing activities			
1 Capital expenditure	(167,165)	(186,792)	(19,627)
2 Proceeds from sale of property, plant and equipment	9,049	3,005	(6,044)
3 Purchase of short-term investments and investment securities (net of cash acquired)	(6,007)	(8,518)	(2,511)
4 Proceeds from sale of short-term investments and investment securities (net of cash disposed)	23,560	35,194	11,634
5 Other, net	(8,069)	(21,108)	(13,039)
Net cash used in investing activities	(148,632)	(178,219)	(29,587)
I + II Free cash flow	217,318	62,231	(155,087)
III Cash flows from financing activities			
1 Proceeds from long-term debt	145	20,180	20,035
2 Repayment of long-term debt	(58,489)	(64,186)	(5,697)
3 Increase (decrease) in bank loans, net	350	(5,974)	(6,324)
4 Dividends paid	(57,963)	(68,696)	(10,733)
5 Purchase of treasury stock	(854)	(700)	154
6 Reissuance of treasury stock	0	0	(0)
7 Other, net	(6,684)	(8,915)	(2,231)
Net cash provided by (used in) financing activities	(123,495)	(128,291)	(4,796)
IV Effect of exchange rate changes on cash and cash equivalents	(5,524)	2,790	8,314
V Net increase (decrease) in cash and cash equivalents	88,299	(63,270)	(151,569)
VI Cash and cash equivalents at beginning of period	574,170	662,469	88,299
VII Cash and cash equivalents at end of period	662,469	599,199	(63,270)

Consolidated Segment Information

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '17 (Apr. 1, 2016 – Mar. 31, 2017)		FY '18 (Apr. 1, 2017 – Mar. 31, 2018)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Energy and Electric Systems	1,227,906	44,319	1,241,952	51,710	14,046	7,391	101
Industrial Automation Systems	1,310,136	140,073	1,444,928	190,826	134,792	50,753	110
Information and Communication Systems	447,754	12,700	436,068	11,987	(11,686)	(713)	97
Electronic Devices	186,554	8,382	202,294	14,554	15,740	6,172	108
Home Appliances	1,004,415	69,696	1,049,369	56,057	44,954	(13,639)	104
Others	713,603	23,214	764,346	23,900	50,743	686	107
Subtotal	4,890,368	298,384	5,138,957	349,034	248,589	50,650	105
Eliminations and other	(651,702)	(28,280)	(707,759)	(30,397)	(56,057)	(2,117)	–
Total	4,238,666	270,104	4,431,198	318,637	192,532	48,533	105

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '17 (Apr. 1, 2016 – Mar. 31, 2017)		FY '18 (Apr. 1, 2017 – Mar. 31, 2018)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Japan	3,402,132	152,027	3,506,240	214,873	104,108	62,846	103
North America	421,553	9,002	417,951	(3,941)	(3,602)	(12,943)	99
Asia (excluding Japan)	1,040,098	93,318	1,180,748	88,150	140,650	(5,168)	114
Europe	421,073	12,828	476,582	11,933	55,509	(895)	113
Others	46,854	2,458	51,094	2,852	4,240	394	109
Subtotal	5,331,710	269,633	5,632,615	313,867	300,905	44,234	106
Eliminations	(1,093,044)	471	(1,201,417)	4,770	(108,373)	4,299	–
Total	4,238,666	270,104	4,431,198	318,637	192,532	48,533	105

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '17 (Apr. 1, 2016 – Mar. 31, 2017)		FY '18 (Apr. 1, 2017 – Mar. 31, 2018)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	2,405,552	56.8	2,423,626	54.7	18,074	101
North America	422,259	10.0	417,423	9.4	(4,836)	99
Asia (excluding Japan)	940,150	22.2	1,075,683	24.3	135,533	114
Europe	384,075	9.0	431,316	9.7	47,241	112
Others	86,630	2.0	83,150	1.9	(3,480)	96
Total overseas sales	1,833,114	43.2	2,007,572	45.3	174,458	110
Consolidated total	4,238,666	100.0	4,431,198	100.0	192,532	105

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 a decline in value of the Group’s marketable securities and 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.

###

About Mitsubishi Electric Corporation

With nearly 100 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 4,431.1 billion yen (US\$ 41.8 billion*) in the fiscal year ended March 31, 2018. For more information visit:

www.MitsubishiElectric.com

*At an exchange rate of 106 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2018

Fiscal 2018 Consolidated Results

1. Financial Results
2. Net Sales and Operating Income by Segment
3. Overseas Net Sales by Segment
4. Overseas Net Sales by Region
5. Overseas Production Volume
6. Foreign Exchange Rates for Recording Net Sales and
Impact of Exchange Rate Fluctuations on Net Sales
7. Capital Expenditures
8. Depreciation of Tangible Fixed Assets and Other
9. Research and Development Expenditures
10. Loans (Interest-Bearing Debt)
11. Number of Employees

<Reference>

1. Quarterly Financial Results for Fiscal 2018
2. Quarterly Net Sales and Operating Income by Segment for Fiscal 2018

FY '17: Apr. 1, 2016 – Mar. 31, 2017

FY '18: Apr. 1, 2017 – Mar. 31, 2018

FY '19: Apr. 1, 2018 – Mar. 31, 2019

The consolidated financial statements of Mitsubishi Electric Corp. are made in accordance with U.S. GAAP. Since Mitsubishi Electric Corp. has decided to voluntarily adopt International Financial Reporting Standards (IFRS) from the first quarter of FY '19, the forecast for FY '19 is prepared in accordance with IFRS, with year-on-year changes from FY '18 also described in unaudited IFRS basis.

1. Financial Results

(Consolidated)

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

	FY '17 Full Year (Actual)	FY '18 Full Year (Actual)	FY '19 Full Year (Forecast) 【IFRS】
Net sales	4,238.6 (-4)	4,431.1 (+5)	4,500.0 (+1)
Consolidated to non-consolidated ratio	1.65	1.66	
Operating income	270.1 (-10)	318.6 (+18)	315.0 (-4)
Income before income taxes	296.2 (-7)	364.5 (+23)	345.0 (-2)
Net income attributable to Mitsubishi Electric Corp.	210.4 (-8)	271.8 (+29)	245.0 (-5)
Consolidated to non-consolidated ratio	1.58	1.34	
Financial account balance	4.4	5.8	

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

* "Net income attributable to Mitsubishi Electric Corp." is described as "Net income attributable to Mitsubishi Electric Corp. stockholders" under IFRS.

2. Net Sales and Operating Income by Segment

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

		FY '17 (Actual)	FY '18 (Actual)	FY '19 (Forecast) 【IFRS】
Energy and Electric Systems	Net Sales	1,227.9 (-3)	1,241.9 (+1)	1,290.0 (+3)
	Operating Income	44.3 (-12)	51.7 (+17)	68.0 (+4)
Industrial Automation Systems	Net Sales	1,310.1 (-1)	1,444.9 (+10)	1,450.0 (0)
	Operating Income	140.0 (-12)	190.8 (+36)	184.0 (-2)
Information and Communication Systems	Net Sales	447.7 (-20)	436.0 (-3)	430.0 (-2)
	Operating Income	12.7 (-15)	11.9 (-6)	10.0 (-12)
Electronic Devices	Net Sales	186.5 (-12)	202.2 (+8)	220.0 (+9)
	Operating Income	8.3 (-50)	14.5 (+74)	13.0 (-8)
Home Appliances	Net Sales	1,004.4 (+2)	1,049.3 (+4)	1,060.0 (+1)
	Operating Income	69.6 (+9)	56.0 (-20)	48.0 (-14)
Others	Net Sales	713.6 (+1)	764.3 (+7)	670.0 (0)
	Operating Income	23.2 (-2)	23.9 (+3)	24.0 (0)
Subtotal	Net Sales	4,890.3 (-3)	5,138.9 (+5)	5,120.0 (+1)
	Operating Income	298.3 (-9)	349.0 (+17)	347.0 (-3)
Eliminations and other	Net Sales	-651.7	-707.7	-620.0
	Operating Income	-28.2	-30.3	-32.0
Consolidated total	Net Sales	4,238.6 (-4)	4,431.1 (+5)	4,500.0 (+1)
	Operating Income	270.1 (-10)	318.6 (+18)	315.0 (-4)

3. Overseas Net sales by Segment

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

	FY '17 (Actual)	FY '18 (Actual)
Energy and Electric Systems	419.6 (-9)	424.2 (+1)
Industrial Automation Systems	766.1 (+1)	865.8 (+13)
Information and Communication Systems	11.2 (-76)	13.1 (+17)
Electronic Devices	102.0 (+4)	115.8 (+14)
Home Appliances	518.2 (+4)	568.7 (+10)
Others	15.7 (+11)	19.7 (+25)
Consolidated total	1,833.1 (-2)	2,007.5 (+10)
Ratio of overseas net sales to total sales	43.2%	45.3%

4. Overseas Net Sales by Region

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

	FY '17 (Actual)		FY '18 (Actual)	
North America	422.2	(-6)	417.4	(-1)
Asia	940.1	(-2)	1,075.6	(+14)
Europe	384.0	(+4)	431.3	(+12)
Others	86.6	(-6)	83.1	(-4)
Consolidated total	1,833.1	(-2)	2,007.5	(+10)

5. Overseas Production Volume

(%)

	FY '17 (Actual)	FY '18 (Actual)
Ratio of consolidated net sales	27.8	29.8
Ratio of overseas net sales	53.1	54.8

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

		FY '17 (Actual)	FY '18 (Actual)	FY '19 (Forecast)
Average exchange rates	US\$	¥109	¥111	¥100
	Euro	¥119	¥130	¥125
Impact of exchange rate fluctuations on net sales	Consolidated total	About ¥186.0 billion decrease	About ¥75.0 billion increase	
	US\$	About ¥44.0 billion decrease	About ¥9.0 billion increase	
	Euro	About ¥35.0 billion decrease	About ¥26.0 billion increase	

The average exchange rates represent the exchange rates applied for calculating profits and losses of foreign subsidiaries and affiliated companies in the consolidated statements.

7. Capital Expenditures

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

	FY '17 (Actual)		FY '18 (Actual)		FY '19 (Forecast)
Energy and Electric Systems	41.0	(+16)	29.5	(-28)	
Industrial Automation Systems	76.6	(+2)	79.2	(+3)	
Information and Communication Systems	29.8	(+34)	22.7	(-24)	
Electronic Devices	19.4	(+13)	17.7	(-9)	
Home Appliances	37.5	(-18)	34.2	(-9)	
Others	6.0	(-18)	8.9	(+48)	
Common	10.8	(+11)	12.0	(+11)	
Consolidated total	221.1	(+4)	204.2	(-8)	250.0 (+22)

8. Depreciation of Tangible Fixed Assets and Other

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

	FY '17 (Actual)	FY '18 (Actual)	FY '19 (Forecast)
Consolidated	144.9	(-4)	170.0 (+8)

9. Research and Development Expenditures

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

	FY '17 (Actual)	FY '18 (Actual)	FY '19 (Forecast)
Consolidated	201.3	(-1)	225.0 (+7)
Ratio of net sales	4.7	4.7	5.0

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

10. Loans (Interest-Bearing Debt)

(Billions of yen, %)

	FY '17 (Actual)	FY '18 (Actual)
Consolidated	352.1	311.4
Ratio of total assets	8.4	7.3

11. Number of Employees

(Person)

	FY '17 (Actual)	FY '18 (Actual)	FY '19 (Forecast)
Consolidated	138,700	142,340	
Non-consolidated	33,977	34,561	35,834
Subsidiaries	213 companies 104,723	205 companies 107,779	
Domestic subsidiaries	95 companies 54,577	94 companies 55,312	
Overseas subsidiaries	118 companies 50,146	111 companies 52,467	

<Reference>

1. Quarterly Financial Results for Fiscal 2018

(Consolidated)

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

	FY '17 (Actual)				FY '18 (Actual)			
	1st Half	Q3	Q4	Full year	1st Half	Q3	Q4	Full Year
Net sales	1,972.3	974.7	1,291.5	4,238.6 (-4)	2,076.3 (+5)	1,038.6 (+7)	1,316.1 (+2)	4,431.1 (+5)
Operating income	121.7	53.8	94.5	270.1 (-10)	149.2 (+23)	83.1 (+54)	86.2 (-9)	318.6 (+18)
Income before income taxes	123.7	72.4	100.0	296.2 (-7)	185.2 (+50)	91.9 (+27)	87.3 (-13)	364.5 (+23)
Net income attributable to Mitsubishi Electric Corp.	88.3	46.9	75.1	210.4 (-8)	131.1 (+48)	61.9 (+32)	78.7 (+5)	271.8 (+29)

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 2018

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

		FY '17 (Actual)				FY '18 (Actual)			
		1st Half	Q3	Q4	Full year	1st Half	Q3	Q4	Full Year
Energy and Electric Systems	Net Sales	525.4	259.2	443.1	1,227.9 (-3)	527.8 (0)	277.4 (+7)	436.6 (-1)	1,241.9 (+1)
	Operating Income	9.1	4.5	30.5	44.3 (-12)	10.1 (+10)	16.5 (+261)	25.0 (-18)	51.7 (+17)
Industrial Automation Systems	Net Sales	617.6	334.3	358.1	1,310.1 (-1)	703.7 (+14)	366.8 (+10)	374.4 (+5)	1,444.9 (+10)
	Operating Income	62.1	40.4	37.5	140.0 (-12)	94.8 (+53)	52.7 (+30)	43.2 (+15)	190.8 (+36)
Information and Communication Systems	Net Sales	198.2	87.1	162.2	447.7 (-20)	185.0 (-7)	89.7 (+3)	161.2 (-1)	436.0 (-3)
	Operating Income	3.8	0.5	8.2	12.7 (-15)	2.8 (-28)	3.4 (+491)	5.7 (-30)	11.9 (-6)
Electronic Devices	Net Sales	86.5	49.3	50.7	186.5 (-12)	99.5 (+15)	50.3 (+2)	52.4 (+3)	202.2 (+8)
	Operating Income	1.7	3.3	3.2	8.3 (-50)	6.9 (+293)	5.0 (+51)	2.5 (-22)	14.5 (+74)
Home Appliances	Net Sales	519.3	227.0	258.0	1,004.4 (+2)	539.2 (+4)	239.9 (+6)	270.2 (+5)	1,049.3 (+4)
	Operating Income	48.6	8.9	12.0	69.6 (+9)	38.4 (-21)	10.6 (+19)	6.9 (-43)	56.0 (-20)
Others	Net Sales	336.7	177.8	199.0	713.6 (+1)	362.3 (+8)	194.2 (+9)	207.6 (+4)	764.3 (+7)
	Operating Income	9.3	5.9	7.9	23.2 (-2)	9.8 (+4)	5.1 (-12)	8.9 (+12)	23.9 (+3)
Subtotal	Net Sales	2,284.0	1,134.9	1,471.3	4,890.3 (-3)	2,417.8 (+6)	1,218.5 (+7)	1,502.6 (+2)	5,138.9 (+5)
	Operating Income	134.9	63.8	99.5	298.3 (-9)	163.0 (+21)	93.5 (+47)	92.4 (-7)	349.0 (+17)
Eliminations and other	Net Sales	-311.7	-160.1	-179.7	-651.7	-341.4	-179.8	-186.4	-707.7
	Operating Income	-13.2	-9.9	-5.0	-28.2	-13.7	-10.4	-6.1	-30.3
Consolidated total	Net Sales	1,972.3	974.7	1,291.5	4,238.6 (-4)	2,076.3 (+5)	1,038.6 (+7)	1,316.1 (+2)	4,431.1 (+5)
	Operating Income	121.7	53.8	94.5	270.1 (-10)	149.2 (+23)	83.1 (+54)	86.2 (-9)	318.6 (+18)