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Mitsubishi Electric Announces Consolidated Financial Results for the First Half and Second Quarter of Fiscal 2016

TOKYO, October 29, 2015 – [Mitsubishi Electric Corporation](http://www.mitsubishielectric.com) (TOKYO: 6503) announced today its financial results for the first half and second quarter, ended September 30, 2015, of the current fiscal year ending March 31, 2016 (fiscal 2016).

1. Consolidated Half-year Results (April 1, 2015 – September 30, 2015)

Net sales:	2,063.2	billion yen	(5% increase from the same period last year)
Operating income:	127.0	billion yen	(5% increase from the same period last year)
Income before income taxes:	133.0	billion yen	(9% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	92.9	billion yen	(5% decrease from the same period last year)

The business environment in the first half of fiscal year 2016, from April through September 2015, experienced a stronger trend of economic slowdown in China and other East Asian markets, weakness in consumption in Japan and stronger stagnation in certain emerging markets. Meanwhile, the U.S. economy saw continued buoyancy and the European market showed gradual recovery. In the foreign currency exchange market, the yen was weaker against the U.S. dollar compared to the previous year.

Under these circumstances, consolidated net sales in the first half of fiscal 2016 increased by 5% compared to the same period of the previous fiscal year to 2,063.2 billion yen, due to increased sales in the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices and Home Appliances segments. Consolidated operating income also increased by 5% compared to the same period of the previous fiscal year to 127.0 billion yen, due to increased profits in the Industrial Automation Systems and Electronic Devices segments.

Consolidated Financial Results by Business Segment (First Half, Fiscal 2016)

Energy and Electric Systems

Total sales:	523.7	billion yen	(4% increase from the same period last year)
Operating income:	3.7	billion yen	(8.7 billion yen decrease from the same period last year)

The social infrastructure systems business saw increases both in orders and sales compared to the same period of the previous fiscal year due to increases in the power systems business and the rolling-stock equipment business in Japan, and also due to the weaker yen.

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

As a result, total sales for this segment increased by 4% from the same period of the previous fiscal year. Operating income decreased by 8.7 billion yen from the same period of the previous fiscal year due primarily to a shift in project portfolios and lower profit in the power systems business.

Industrial Automation Systems

Total sales:	661.5	billion yen	(9% increase from the same period last year)
Operating income:	83.9	billion yen	(17.6 billion yen increase from the same period last year)

The factory automation systems business saw a decrease in orders from the same period of the previous fiscal year mainly due to lower demand outside Japan, while sales experienced an increase from the same period of the previous fiscal year due to growth in capital expenditures relating to the automotive industry and facility replacements by manufacturers in Japan, and due additionally to the weaker yen.

The automotive equipment business saw increases in both orders and sales from the same period of the previous fiscal year due primarily to growth in the car sales market in North America and Europe, as well as the positive influence of 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 increased by 17.6 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales:	224.0	billion yen	(10% decrease from the same period last year)
Operating income (loss):	(3.8)	billion yen	(9.1 billion yen decline from the same period last year)

The telecommunications equipment business remained substantially unchanged in both orders and sales compared to the same period of the previous fiscal year.

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

The electronic systems business saw an increase in orders compared to the same period of the previous fiscal year, while sales experienced a decrease compared to the same period of the previous fiscal year due to a shift in the portfolio of large-scale projects in the defense systems business.

As a result, total sales for this segment decreased by 10% compared to the same period of the previous fiscal year. Operating income declined by 9.1 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

Electronic Devices

Total sales:	123.2	billion yen	(16% increase from the same period last year)
Operating income:	16.3	billion yen	(8.5 billion yen increase from the same period last year)

The electronic devices business saw a decrease in orders from the same period of the previous fiscal year due to a decrease in demand mainly for power modules used in railcar, industrial and consumer applications and for industrial-use LCD modules. Sales experienced an increase from the same period of the previous fiscal year due to an increase primarily in automotive-use power modules and optical communication devices, and additionally due to the weaker yen.

As a result, total sales for the segment increased by 16% compared to the same period of the previous fiscal year. Operating income increased by 8.5 billion yen compared to the same period of the previous fiscal year due primarily to an increase in sales.

Home Appliances

Total sales:	511.1	billion yen	(7% increase from the same period last year)
Operating income:	33.1	billion yen	(2.0 billion yen decrease from the same period last year)

The home appliances business saw an increase in sales of 7% compared to the same period of the previous fiscal year due to an increase in sales of air conditioners for homes in Japan and air conditioners for European and Asian markets, as well as the positive influence of the weaker yen.

Operating income decreased by 2.0 billion yen compared to the same period of the previous fiscal year largely due to a decline in prices.

Others

Total sales:	338.4	billion yen	(4% decrease from the same period last year)
Operating income:	7.3	billion yen	(0.9 billion yen decrease from the same period last year)

Sales decreased by 4% compared to the same period of the previous fiscal year due to decreases mainly at affiliated companies involved in materials procurement.

Operating income decreased by 0.9 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

2. Consolidated Second-quarter Results (July 1, 2015 – September 30, 2015)

Net sales:	1,074.8	billion yen	(1% increase from the same period last year)
Operating income:	72.3	billion yen	(17% increase from the same period last year)
Income before income taxes:	65.8	billion yen	(16% decrease from the same period last year)
Net income attributable to Mitsubishi Electric Corp.:	46.6	billion yen	(15% decrease from the same period last year)

Consolidated net sales for this quarter, from July through September 2015, was 1,074.8 billion yen, a 1% increase from the same period of the previous fiscal year, due primarily to increased sales in the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices and Home Appliances segments. Consolidated operating income was 72.3 billion yen, an increase of 17% 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.

Consolidated Financial Results by Business Segment (Second Quarter, Fiscal 2016)

Energy and Electric Systems

Total sales:	287.0	billion yen	(3% increase from the same period last year)
Operating income:	10.4	billion yen	(5.7 billion yen increase from the same period last year)

The social infrastructure systems business saw increases both in orders and sales compared to the same period of the previous fiscal year due to an increase in the power systems business worldwide, and also due to the weaker yen, despite a decrease in sales of the public utility systems in Japan.

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

As a result, total sales for this segment increased by 3% from the same period of the previous fiscal year. Operating income increased by 5.7 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

Industrial Automation Systems

Total sales:	333.1	billion yen	(6% increase from the same period last year)
Operating income:	41.0	billion yen	(9.9 billion yen increase from the same period last year)

The factory automation systems business saw a decrease in orders from the same period of the previous fiscal year mainly due to lower demand outside Japan, while sales experienced an increase from the same period of the previous fiscal year due to growth in capital expenditures relating to the automotive industry and facility replacements by manufacturers in Japan, and due additionally to the weaker yen.

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

As a result, total sales for this segment increased by 6% from the same period of the previous fiscal year. Operating income increased by 9.9 billion yen from the same period of the previous fiscal year due primarily to an increase in sales.

Information and Communication Systems

Total sales:	128.6	billion yen	(18% decrease from the same period last year)
Operating income (loss):	(2.0)	billion yen	(9.1 billion yen decline from the same period last year)

The telecommunications equipment business saw an increase in orders compared to the same period of the previous fiscal year owing primarily to an increase in communications infrastructure products, while sales remained substantially unchanged from the same period of the previous fiscal year.

The information systems and service business saw little change in sales compared to 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, while sales experienced a decrease compared to the same period of the previous fiscal year due to a shift in the portfolio of large-scale projects in the defense systems business.

As a result, total sales for this segment decreased by 18% compared to the same period of the previous fiscal year. Operating income declined by 9.1 billion yen from the same period of the previous fiscal year due primarily to a decrease in sales.

Electronic Devices

Total sales:	57.0	billion yen	(3% increase from the same period last year)
Operating income:	4.0	billion yen	(0.1 billion yen increase from the same period last year)

The electronic devices business saw a decrease in orders from the same period of the previous fiscal year due to a decrease in demand mainly for power modules used in railcar, industrial and consumer applications and for industrial-use LCD modules. Sales experienced an increase from the same period of the previous fiscal year due to an increase primarily in automotive-use power modules and optical communication devices, and additionally due to the weaker yen.

As a result, total sales for this segment increased by 3% compared to the same period of the previous fiscal year. Operating income increased by 0.1 billion yen compared to the same period of the previous fiscal year due primarily to an increase in sales.

Home Appliances

Total sales:	257.0	billion yen	(6% increase from the same period last year)
Operating income:	16.9	billion yen	(2.9 billion yen increase from the same period last year)

The home appliances business saw an increase in sales of 6% compared to the same period of the previous fiscal year due to an increase in sales of air conditioners for homes in Japan and air conditioners for European markets, as well as the positive influence of the weaker yen.

Operating income increased by 2.9 billion yen compared to the same period of the previous fiscal year due to an increase in sales and other factors.

Others

Total sales:	175.2 billion yen	(4% decrease from the same period last year)
Operating income:	6.4 billion yen	(unchanged from the same period last year)

Sales decreased by 4% compared to the same period of the previous fiscal year due to decreases mainly at affiliated companies involved in materials procurement.

Operating income remained substantially unchanged from the same period of the previous fiscal year.

Financial Standing

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

The Company's total assets as of the end of this fiscal quarter decreased from the end of the previous fiscal year by 195.5 billion yen to 3,863.8 billion yen. The change in the balance of total assets mainly resulted from increases in the balances of cash and cash equivalents of 4.9 billion yen, and inventories of 11.8 billion yen as a result of work-in-process recorded in commensurate with progress in job orders under pertinent contracts, while trade receivables showed a decrease of 178.8 billion yen resulting from various factors including credit collection.

Total liabilities decreased from the end of the previous fiscal year by 163.4 billion yen to 1,965.8 billion yen. The outstanding balances of debts and corporate bonds decreased by 24.5 billion yen from the end of the previous fiscal year to 357.4 billion yen. The ratio of interest bearing debt to total assets declined to 9.3%, which was a 0.1 point decrease compared to the end of the previous fiscal year. Retirement and severance benefits increased by 16.8 billion yen, mainly owing to a decrease in pension assets resulting from a decline in stock prices, while trade payables decreased by 117.1 billion yen and other current liabilities decreased by 42.6 billion yen.

Mitsubishi Electric Corporation shareholders' equity decreased by 30.3 billion yen compared to the end of the previous fiscal year to 1,811.8 billion yen. Shareholders' equity ratio, representing a 1.5 point increase compared to the end of the previous fiscal year, was recorded at 46.9%. The changes referred to above primarily resulted from a dividend payment of 38.6 billion yen, together with a decrease in accumulated other comprehensive income by 84.6 billion yen due to such factors as the decline in stock prices, despite a recorded net income attributable to Mitsubishi Electric Corporation of 92.9 billion yen.

Cash flows from operating activities decreased by 45.4 billion yen compared to the same period of the previous fiscal year to 179.8 billion yen (cash in) resulting primarily from a decrease in advance payments. Cash flows from investing activities increased by 6.8 billion yen compared to the same period of the previous fiscal year to 95.0 billion yen (cash out). Consequently, free cash flow totaled 84.8 billion yen (cash in). Cash flows from financing activities were 69.4 billion yen (cash out) mainly due to dividend payments.

Forecast for Fiscal 2016 (year ending March 31, 2016)

The consolidated earnings forecast for fiscal 2016, ending March 31, 2016, has been revised from the previous forecast announced on July 30, 2015. Net sales is expected to exceed the previous forecast owing mainly to increases in the Energy and Electric Systems and the Home Appliances segments largely resulting from the positive influence of the weaker yen. Operating income is, however, expected to fall below the previous forecast due primarily to lower profit in the Energy and Electric Systems segment and decreasing revenues in the Information and Communication Systems and Electronic Devices segments. Net income attributable to Mitsubishi Electric Corp. is expected to remain unchanged from the previous forecast due mainly to decreases in non-operating expense and tax expense.

Consolidated earnings forecast for fiscal 2016

	Previous forecast (announced July 30)	Current forecast
Net sales:	4,370.0 billion yen	4,380.0 billion yen (1% increase from fiscal 2015)
Operating income:	320.0 billion yen	300.0 billion yen (6% decrease from fiscal 2015)
Income before income taxes:	320.0 billion yen	315.0 billion yen (2% decrease from fiscal 2015)
Net income attributable to Mitsubishi Electric Corp.:	220.0 billion yen	220.0 billion yen (6% decrease from fiscal 2015)

Note: *The results forecast above is based on assumptions deemed reasonable by the Company at the present time, and actual results may differ significantly from forecasts. Please refer to the cautionary statement at the end.*

Consolidated Financial Results Summary

1. Consolidated Half-year Results

(In billions of yen except where noted)

	FY '15 1 st half (A) (Apr. 1, 2014 – Sept. 30, 2014)	FY '16 1 st half (B) (Apr. 1, 2015 – Sept. 30, 2015)	B – A	
			B – A	B/A (%)
Net sales	1,972.8	2,063.2	90.4	105
Operating income	121.3	127.0	5.6	105
Income before income taxes	145.9	133.0	(12.8)	91
Net income attributable to Mitsubishi Electric Corp.	97.8	92.9	(4.9)	95
Basic net income per share attributable to Mitsubishi Electric Corp.	45. ⁵⁸ yen	43.²⁹ yen	(2. ²⁹ yen)	95

2. Consolidated Second-quarter Results

(In billions of yen except where noted)

	FY '15 Q2 (A) (Jul. 1, 2014 – Sept. 30, 2014)	FY '16 Q2 (B) (Jul. 1, 2015 – Sept. 30, 2015)	B – A	
			B – A	B/A (%)
Net sales	1,062.1	1,074.8	12.6	101
Operating income	62.0	72.3	10.3	117
Income before income taxes	78.0	65.8	(12.1)	84
Net income attributable to Mitsubishi Electric Corp.	54.8	46.6	(8.2)	85
Basic net income per share attributable to Mitsubishi Electric Corp.	25. ⁵⁴ yen	21.⁷¹ yen	(3. ⁸³ yen)	85

Notes:

- 1) Consolidated financial charts made in accordance with U.S. GAAP.
- 2) The Company has 176 consolidated subsidiaries.

Consolidated Profit and Loss Statement (First Half, Fiscal 2016)

(In millions of yen)

	FY '15 1 st half (Apr. 1, 2014 – Sept. 30, 2014)		FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	1,972,838	100.0	2,063,285	100.0	90,447	105
Cost of sales	1,382,107	70.1	1,432,770	69.4	50,663	104
Selling, general and administrative expenses	468,641	23.7	499,497	24.2	30,856	107
Loss on impairment of long-lived assets	699	0.0	4,004	0.2	3,305	573
Operating income	121,391	6.2	127,014	6.2	5,623	105
Other income	40,256	2.0	26,573	1.2	(13,683)	66
Interest and dividends	4,270	0.2	4,279	0.2	9	100
Equity in earnings of affiliated companies	12,154	0.6	13,261	0.6	1,107	109
Other	23,832	1.2	9,033	0.4	(14,799)	38
Other expenses	15,721	0.8	20,529	1.0	4,808	131
Interest	1,963	0.1	1,830	0.1	(133)	93
Other	13,758	0.7	18,699	0.9	4,941	136
Income before income taxes	145,926	7.4	133,058	6.4	(12,868)	91
Income taxes	43,167	2.2	33,925	1.6	(9,242)	79
Net income	102,759	5.2	99,133	4.8	(3,626)	96
Net income attributable to the noncontrolling interests	4,905	0.2	6,208	0.3	1,303	127
Net income attributable to Mitsubishi Electric Corp.	97,854	5.0	92,925	4.5	(4,929)	95

Consolidated Comprehensive Income Statement (First Half, Fiscal 2016)

(In millions of yen)

	FY '15 1 st half (A) (Apr. 1, 2014 – Sept. 30, 2014)	FY '16 1 st half (B) (Apr. 1, 2015 – Sept. 30, 2015)	B – A
Net income	102,759	99,133	(3,626)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	19,951	(32,458)	(52,409)
Pension liability adjustments	18,174	(25,977)	(44,151)
Unrealized gains (losses) on securities	23,265	(30,153)	(53,418)
Unrealized gains (losses) on derivative instruments	(12)	(17)	(5)
Total	61,378	(88,605)	(149,983)
Comprehensive income	164,137	10,528	(153,609)
Comprehensive income attributable to the noncontrolling interests	7,348	2,236	(5,112)
Comprehensive income attributable to Mitsubishi Electric Corp.	156,789	8,292	(148,497)

Consolidated Profit and Loss Statement (Second Quarter, Fiscal 2016)

(In millions of yen)

	FY '15 Q2 (Jul. 1, 2014 – Sept. 30, 2014)		FY '16 Q2 (Jul. 1, 2015 – Sept. 30, 2015)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Net sales	1,062,190	100.0	1,074,845	100.0	12,655	101
Cost of sales	754,463	71.0	741,722	69.0	(12,741)	98
Selling, general and administrative expenses	244,956	23.1	256,737	23.9	11,781	105
Loss on impairment of long-lived assets	699	0.1	4,004	0.4	3,305	573
Operating income	62,072	5.8	72,382	6.7	10,310	117
Other income	23,328	2.2	13,393	1.3	(9,935)	57
Interest and dividends	1,368	0.1	1,245	0.1	(123)	91
Equity in earnings of affiliated companies	8,559	0.8	8,212	0.8	(347)	96
Other	13,401	1.3	3,936	0.4	(9,465)	29
Other expenses	7,333	0.7	19,894	1.9	12,561	271
Interest	1,010	0.1	904	0.1	(106)	90
Other	6,323	0.6	18,990	1.8	12,667	300
Income before income taxes	78,067	7.3	65,881	6.1	(12,186)	84
Income taxes	20,912	1.9	16,427	1.5	(4,485)	79
Net income	57,155	5.4	49,454	4.6	(7,701)	87
Net income attributable to the noncontrolling interests	2,322	0.2	2,846	0.3	524	123
Net income attributable to Mitsubishi Electric Corp.	54,833	5.2	46,608	4.3	(8,225)	85

Consolidated Comprehensive Income Statement (Second Quarter, Fiscal 2016)

(In millions of yen)

	FY '15 Q2 (A) (Jul. 1, 2014 – Sept. 30, 2014)	FY '16 Q2 (B) (Jul. 1, 2015 – Sept. 30, 2015)	B – A
Net income	57,155	49,454	(7,701)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	32,087	(37,989)	(70,076)
Pension liability adjustments	16,936	(36,849)	(53,785)
Unrealized gains (losses) on securities	17,127	(36,960)	(54,087)
Unrealized gains (losses) on derivative instruments	36	(54)	(90)
Total	66,186	(111,852)	(178,038)
Comprehensive income (loss)	123,341	(62,398)	(185,739)
Comprehensive income (loss) attributable to the noncontrolling interests	5,589	(1,668)	(7,257)
Comprehensive income (loss) attributable to Mitsubishi Electric Corp.	117,752	(60,730)	(178,482)

Consolidated Balance Sheet

(In millions of yen)

	FY '15 (A) (ended Mar. 31, 2015)	FY '16 1 st half (B) (ended Sept. 30, 2015)	B – A
(Assets)			
Current assets	2,633,445	2,471,761	(161,684)
Cash and cash equivalents	568,517	573,445	4,928
Trade receivables	1,048,542	871,041	(177,501)
Inventories	705,420	717,260	11,840
Prepaid expenses and other current assets	310,966	310,015	(951)
Long-term trade receivables	5,633	4,322	(1,311)
Investments	595,828	549,676	(46,152)
Net property, plant and equipment	706,475	703,575	(2,900)
Other assets	118,070	134,562	16,492
Total assets	4,059,451	3,863,896	(195,555)
(Liabilities)			
Current liabilities	1,612,582	1,419,405	(193,177)
Bank loans and current portion of long-term debt	164,402	131,065	(33,337)
Trade payables	807,289	690,128	(117,161)
Other current liabilities	640,891	598,212	(42,679)
Long-term debt	217,592	226,429	8,837
Retirement and severance benefits	182,282	199,164	16,882
Other fixed liabilities	116,828	120,844	4,016
Total liabilities	2,129,284	1,965,842	(163,442)
(Equity)			
Mitsubishi Electric Corp. shareholders' equity	1,842,203	1,811,827	(30,376)
Common stock	175,820	175,820	—
Capital surplus	211,155	211,155	—
Retained earnings	1,331,496	1,385,779	54,283
Accumulated other comprehensive income (loss)	124,064	39,431	(84,633)
Treasury stock at cost	(332)	(358)	(26)
Noncontrolling interests	87,964	86,227	(1,737)
Total equity	1,930,167	1,898,054	(32,113)
Total liabilities and equity	4,059,451	3,863,896	(195,555)
Balance of Debt	381,994	357,494	(24,500)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	102,959	74,575	(28,384)
Pension liability adjustments	(98,108)	(124,085)	(25,977)
Unrealized gains on securities	119,252	89,005	(30,247)
Unrealized gains (losses) on derivative instruments	(39)	(64)	(25)

Consolidated Cash Flow Statement

(In millions of yen)

	FY '15 1 st half (Apr. 1, 2014 – Sept. 30, 2014) (A)	FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015) (B)	B – A
I Cash flows from operating activities			
1 Net income	102,759	99,133	(3,626)
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	68,891	69,774	883
(2) Decrease in trade receivables	112,729	173,200	60,471
(3) Decrease (increase) in inventories	(97,130)	(19,907)	77,223
(4) Increase (decrease) in trade payables	(27,453)	(98,053)	(70,600)
(5) Other, net	65,496	(44,274)	(109,770)
Net cash provided by operating activities	225,292	179,873	(45,419)
II Cash flows from investing activities			
1 Capital expenditure	(89,943)	(86,019)	3,924
2 Proceeds from sale of property, plant and equipment	4,842	1,177	(3,665)
3 Purchase of short-term investments and investment securities (net of cash acquired)	(1,253)	(4,139)	(2,886)
4 Proceeds from sale of short-term investments and investment securities	6,326	2,240	(4,086)
5 Other, net	(8,172)	(8,269)	(97)
Net cash used in investing activities	(88,200)	(95,010)	(6,810)
I+II Free cash flow	137,092	84,863	(52,229)
III Cash flows from financing activities			
1 Proceeds from long-term debt	50,243	30,100	(20,143)
2 Repayment of long-term debt	(51,676)	(53,818)	(2,142)
3 Increase (decrease) in bank loans, net	6,320	(2,040)	(8,360)
4 Dividends paid	(23,615)	(38,642)	(15,027)
5 Purchase of treasury stock	(24)	(27)	(3)
6 Reissuance of treasury stock	0	0	0
7 Other, net	(2,801)	(5,018)	(2,217)
Net cash provided by (used in) financing activities	(21,553)	(69,445)	(47,892)
IV Effect of exchange rate changes on cash and cash equivalents	8,250	(10,490)	(18,740)
V Net increase in cash and cash equivalents	123,789	4,928	(118,861)
VI Cash and cash equivalents at beginning of period	418,049	568,517	150,468
VII Cash and cash equivalents at end of period	541,838	573,445	31,607

Consolidated Segment Information (First Half, Fiscal 2016)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '15 1 st half (Apr. 1, 2014 – Sept. 30, 2014)		FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Energy and Electric Systems	502,194	12,515	523,778	3,773	21,584	(8,742)	104
Industrial Automation Systems	609,301	66,263	661,520	83,919	52,219	17,656	109
Information and Communication Systems	248,512	5,340	224,037	(3,815)	(24,475)	(9,155)	90
Electronic Devices	106,525	7,772	123,208	16,351	16,683	8,579	116
Home Appliances	477,100	35,225	511,138	33,194	34,038	(2,031)	107
Others	351,243	8,273	338,484	7,367	(12,759)	(906)	96
Subtotal	2,294,875	135,388	2,382,165	140,789	87,290	5,401	104
Eliminations and other	(322,037)	(13,997)	(318,880)	(13,775)	3,157	222	—
Total	1,972,838	121,391	2,063,285	127,014	90,447	5,623	105

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '15 1 st half (Apr. 1, 2014 – Sept. 30, 2014)		FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	1,621,249	71,991	1,625,040	61,219	3,791	(10,772)	100
North America	177,027	2,500	223,338	4,439	46,311	1,939	126
Asia (excluding Japan)	486,962	40,101	544,863	48,280	57,901	8,179	112
Europe	193,530	6,788	207,060	9,755	13,530	2,967	107
Others	21,657	244	24,906	575	3,249	331	115
Subtotal	2,500,425	121,624	2,625,207	124,268	124,782	2,644	105
Eliminations	(527,587)	(233)	(561,922)	2,746	(34,335)	2,979	—
Total	1,972,838	121,391	2,063,285	127,014	90,447	5,623	105

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '15 1 st half (Apr. 1, 2014 – Sept. 30, 2014)		FY '16 1 st half (Apr. 1, 2015 – Sept. 30, 2015)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	1,120,549	56.8	1,105,521	53.6	(15,028)	99
North America	182,907	9.3	222,936	10.8	40,029	122
Asia (excluding Japan)	447,737	22.7	494,960	24.0	47,223	111
Europe	181,731	9.2	194,096	9.4	12,365	107
Others	39,914	2.0	45,772	2.2	5,858	115
Total overseas sales	852,289	43.2	957,764	46.4	105,475	112
Consolidated total	1,972,838	100.0	2,063,285	100.0	90,447	105

Consolidated Segment Information (Second Quarter, Fiscal 2016)

1. Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '15 Q2 (Jul. 1, 2014 – Sept. 30, 2014)		FY '16 Q2 (Jul. 1, 2015 – Sept. 30, 2015)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (loss) (D)			
Energy and Electric Systems	278,961	4,685	287,097	10,439	8,136	5,754	103
Industrial Automation Systems	313,974	31,104	333,170	41,052	19,196	9,948	106
Information and Communication Systems	155,972	7,104	128,628	(2,060)	(27,344)	(9,164)	82
Electronic Devices	55,290	3,913	57,091	4,019	1,801	106	103
Home Appliances	242,383	13,975	257,046	16,950	14,663	2,975	106
Others	183,185	6,554	175,294	6,464	(7,891)	(90)	96
Subtotal	1,229,765	67,335	1,238,326	76,864	8,561	9,529	101
Eliminations and other	(167,575)	(5,263)	(163,481)	(4,482)	4,094	781	—
Total	1,062,190	62,072	1,074,845	72,382	12,655	10,310	101

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

2. Sales and Operating Income by Location

(In millions of yen)

Location	FY '15 Q2 (Jul. 1, 2014 – Sept. 30, 2014)		FY '16 Q2 (Jul. 1, 2015 – Sept. 30, 2015)		C – A	D – B	C/A (%)
	Sales (A)	Operating income (B)	Sales (C)	Operating income (D)			
Japan	889,001	32,848	866,669	34,404	(22,332)	1,556	97
North America	86,177	248	111,183	3,363	25,006	3,115	129
Asia (excluding Japan)	242,536	17,677	255,312	19,262	12,776	1,585	105
Europe	94,211	3,206	102,762	5,553	8,551	2,347	109
Others	11,763	6	12,630	368	867	362	107
Subtotal	1,323,688	53,985	1,348,556	62,950	24,868	8,965	102
Eliminations	(261,498)	8,087	(273,711)	9,432	(12,213)	1,345	—
Total	1,062,190	62,072	1,074,845	72,382	12,655	10,310	101

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

3. Sales by Location of Customers

(In millions of yen)

Location of Customers	FY '15 Q2 (Jul. 1, 2014 – Sept. 30, 2014)		FY '16 Q2 (Jul. 1, 2015 – Sept. 30, 2015)		B – A	B/A (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales		
Japan	636,420	59.9	606,016	56.4	(30,404)	95
North America	91,843	8.6	110,120	10.2	18,277	120
Asia (excluding Japan)	224,916	21.2	238,356	22.2	13,440	106
Europe	87,945	8.3	96,228	9.0	8,283	109
Others	21,066	2.0	24,125	2.2	3,059	115
Total overseas sales	425,770	40.1	468,829	43.6	43,059	110
Consolidated total	1,062,190	100.0	1,074,845	100.0	12,655	101

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 Company trusts and considers to be reasonable under the circumstances on 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 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 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 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 our 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 4,323.0 billion yen (US\$ 36.0 billion*) in the fiscal year ended March 31, 2015. For more information visit:

<http://www.MitsubishiElectric.com>

*At an exchange rate of 120 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2015

Fiscal 2016 First Half Consolidated Results

1. Financial Results
2. Net Sales by Segment
3. Operating Income by Segment
4. Overseas Net Sales by Segment
5. Foreign Exchange Rates for Recording Net Sales and
Impact of Exchange Rate Fluctuations on Net Sales
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8. Research and Development Expenditures

< Reference >

1. Quarterly Financial Results for Fiscal 2016
2. Quarterly Net Sales by Segment for Fiscal 2016
3. Quarterly Operating Income by Segment for Fiscal 2016

1. Financial Results

(Consolidated)

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

	FY '15		FY '16	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Net sales	1,972.8 (+9)	4,323.0 (+7)	2,063.2 (+5)	4,380.0 (+1)
Operating income	121.3 (+52)	317.6 (+35)	127.0 (+5)	300.0 (-6)
Income before income taxes	145.9 (+75)	322.9 (+30)	133.0 (-9)	315.0 (-2)
Net income attributable to Mitsubishi Electric Corp.	97.8 (+102)	234.6 (+53)	92.9 (-5)	220.0 (-6)

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

2. Net Sales by Segment

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

	FY '15		FY '16	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Energy and Electric Systems	502.1 (+5)	1,228.9 (+4)	523.7 (+4)	1,250.0 (+2)
Industrial Automation Systems	609.3 (+20)	1,282.7 (+17)	661.5 (+9)	1,300.0 (+1)
Information and Communication Systems	248.5 (+2)	559.5 (-2)	224.0 (-10)	550.0 (-2)
Electronic Devices	106.5 (+18)	238.4 (+22)	123.2 (+16)	210.0 (-12)
Home Appliances	477.1 (+4)	944.8 (0)	511.1 (+7)	990.0 (+5)
Others	351.2 (+14)	740.5 (+10)	338.4 (-4)	730.0 (-1)
Subtotal	2,294.8 (+10)	4,994.9 (+8)	2,382.1 (+4)	5,030.0 (+1)
Eliminations	-322.0	-671.9	-318.8	-650.0
Consolidated total	1,972.8 (+9)	4,323.0 (+7)	2,063.2 (+5)	4,380.0 (+1)

3. Operating Income by Segment

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

	FY '15		FY '16	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Energy and Electric Systems	12.5 (-32)	72.4 (-5)	3.7 (-70)	68.0 (-6)
Industrial Automation Systems	66.2 (+70)	145.9 (+49)	83.9 (+27)	152.0 (+4)
Information and Communication Systems	5.3 (+70)	18.9 (+242)	-3.8 (-)	14.0 (-26)
Electronic Devices	7.7 (+72)	30.1 (+200)	16.3 (+110)	19.0 (-37)
Home Appliances	35.2 (+52)	54.2 (+3)	33.1 (-6)	54.0 (-1)
Others	8.2 (+60)	23.7 (+20)	7.3 (-11)	21.0 (-12)
Subtotal	135.3 (+45)	345.5 (+32)	140.7 (+4)	328.0 (-5)
Eliminations and other	-13.9	-27.9	-13.7	-28.0
Consolidated total	121.3 (+52)	317.6 (+35)	127.0 (+5)	300.0 (-6)

4. Overseas Net Sales by Segment

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

	FY '15		FY '16	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Energy and Electric Systems	199.3 (+12)	461.4 (+19)	221.6 (+11)	
Industrial Automation Systems	342.7 (+26)	734.8 (+25)	390.8 (+14)	
Information and Communication Systems	6.2 (-16)	17.5 (-47)	12.5 (+101)	
Electronic Devices	50.3 (+9)	103.6 (+2)	52.0 (+3)	
Home Appliances	243.8 (+12)	474.4 (+6)	273.3 (+12)	
Others	9.7 (+28)	18.6 (+7)	7.3 (-25)	
Consolidated total	852.2 (+17)	1,810.6 (+15)	957.7 (+12)	
Ratio of overseas net sales to total sales	43.2%	41.9%	46.4%	

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

		FY '15		FY '16	
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	2nd Half (Forecast)
Exchange rates for recording net sales	US\$	¥103	¥110	¥122	¥115
	Euro	¥139	¥139	¥135	¥130
Impact of exchange rate fluctuations on net sales	Consolidated total	About ¥40.0 billion increase in sales	About ¥124.0 billion increase in sales	About ¥83.0 billion increase in sales	
	US\$	About ¥10.0 billion increase	About ¥50.0 billion increase	About ¥40.0 billion increase	
	Euro	About ¥9.0 billion increase	About ¥8.0 billion increase	About ¥4.0 billion decrease	

6. Capital Expenditures

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

	FY '15		FY '16	
	Full Year (Actual)		Full Year (Forecast)	
Energy and Electric Systems	52.1	(+44)	42.0	(-19)
Industrial Automation Systems	53.1	(-7)	79.0	(+49)
Information and Communication Systems	24.8	(+5)	29.0	(+17)
Electronic Devices	14.3	(-65)	18.0	(+26)
Home Appliances	43.7	(-9)	43.0	(-2)
Others	5.4	(-25)	9.0	(+67)
Common	13.4	(+40)	15.0	(+12)
Consolidated total	206.8	(-7)	235.0	(+14)

7. Depreciation of Tangible Fixed Assets and Other

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

	FY '15		FY '16	
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)
Consolidated	68.8	(+12)	69.7	(+1)
		158.9	(+16)	160.0
			(+1)	(+1)

8. Research and Development Expenditures

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

	FY '15		FY '16	
	Full Year (Actual)		Full Year (Forecast)	
Consolidated	195.3	(+9)	202.0	(+3)
Ratio to net sales		4.5%		4.6%

< Reference >

1. Quarterly Financial Results for Fiscal 2016

(Consolidated)

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

	FY '15			FY '16		
	1st Quarter (Actual)	2nd Quarter (Actual)	1st Half (Actual)	1st Quarter (Actual)	2nd Quarter (Actual)	1st Half (Actual)
Net sales	910.6 (+9)	1,062.1 (+9)	1,972.8 (+9)	988.4 (+9)	1,074.8 (+1)	2,063.2 (+5)
Operating income	59.3 (+73)	62.0 (+36)	121.3 (+52)	54.6 (-8)	72.3 (+17)	127.0 (+5)
Income before income taxes	67.8 (+59)	78.0 (+91)	145.9 (+75)	67.1 (-1)	65.8 (-16)	133.0 (-9)
Net income attributable to Mitsubishi Electric Corp.	43.0 (+69)	54.8 (+140)	97.8 (+102)	46.3 (+8)	46.6 (-15)	92.9 (-5)

2. Quarterly Net Sales by Segment for Fiscal 2016

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

	FY '15			FY '16		
	1st Quarter (Actual)	2nd Quarter (Actual)	1st Half (Actual)	1st Quarter (Actual)	2nd Quarter (Actual)	1st Half (Actual)
Energy and Electric Systems	223.2 (+3)	278.9 (+7)	502.1 (+5)	236.6 (+6)	287.0 (+3)	523.7 (+4)
Industrial Automation Systems	295.3 (+23)	313.9 (+18)	609.3 (+20)	328.3 (+11)	333.1 (+6)	661.5 (+9)
Information and Communication Systems	92.5 (-11)	155.9 (+12)	248.5 (+2)	95.4 (+3)	128.6 (-18)	224.0 (-10)
Electronic Devices	51.2 (+21)	55.2 (+15)	106.5 (+18)	66.1 (+29)	57.0 (+3)	123.2 (+16)
Home Appliances	234.7 (+7)	242.3 (0)	477.1 (+4)	254.0 (+8)	257.0 (+6)	511.1 (+7)
Others	168.0 (+19)	183.1 (+10)	351.2 (+14)	163.1 (-3)	175.2 (-4)	338.4 (-4)
Subtotal	1,065.1 (+11)	1,229.7 (+10)	2,294.8 (+10)	1,143.8 (+7)	1,238.3 (+1)	2,382.1 (+4)
Eliminations	-154.4	-167.5	-322.0	-155.3	-163.4	-318.8
Consolidated total	910.6 (+9)	1,062.1 (+9)	1,972.8 (+9)	988.4 (+9)	1,074.8 (+1)	2,063.2 (+5)

3. Quarterly Operating Income by Segment for Fiscal 2016

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

	FY '15			FY '16		
	1st Quarter (Actual)	2nd Quarter (Actual)	1st Half (Actual)	1st Quarter (Actual)	2nd Quarter (Actual)	1st Half (Actual)
Energy and Electric Systems	7.8 (-47)	4.6 (+33)	12.5 (-32)	-6.6 (-)	10.4 (+123)	3.7 (-70)
Industrial Automation Systems	35.1 (+133)	31.1 (+30)	66.2 (+70)	42.8 (+22)	41.0 (+32)	83.9 (+27)
Information and Communication Systems	-1.7 (-)	7.1 (+74)	5.3 (+70)	-1.7 (-)	-2.0 (-)	-3.8 (-)
Electronic Devices	3.8 (+228)	3.9 (+17)	7.7 (+72)	12.3 (220)	4.0 (+3)	16.3 (+110)
Home Appliances	21.2 (+74)	13.9 (+28)	35.2 (+52)	16.2 (-24)	16.9 (+21)	33.1 (-6)
Others	1.7 (+111)	6.5 (+51)	8.2 (+60)	0.9 (-47)	6.4 (-1)	7.3 (-11)
Subtotal	68.0 (+58)	67.3 (+34)	135.3 (+45)	63.9 (-6)	76.8 (+14)	140.7 (+4)
Eliminations and other	-8.7	-5.2	-13.9	-9.2	-4.4	-13.7
Consolidated total	59.3 (+73)	62.0 (+36)	121.3 (+52)	54.6 (-8)	72.3 (+17)	127.0 (+5)