

FOR IMMEDIATE RELEASE

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MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL RESULTS FOR FISCAL 2008

Tokyo, April 30, 2008 – Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura) announced today its consolidated and non-consolidated financial results for fiscal 2008 (April 1, 2007-March 31, 2008).

Consolidated Financial Results

Net sales:	4,049.8	billion yen	(5% increase from the previous fiscal year)
Operating income:	267.2	billion yen	(15% increase from the previous fiscal year)
Income before income taxes:	226.6	billion yen	(23% increase from the previous fiscal year)
Net income:	157.9	billion yen	(28% increase from the previous fiscal year)

Non-consolidated Financial Results

Net sales:	2,490.6	billion yen	(5% increase from the previous fiscal year)
Operating income:	144.6	billion yen	(14% increase from the previous fiscal year)
Ordinary profit:	134.3	billion yen	(2% increase from the previous fiscal year)
Net income:	77.3	billion yen	(86% increase from the previous fiscal year)

The business environment in fiscal year 2008 saw a continued general underlying strength in the global economy such as in China and Europe, despite, in the latter half of the fiscal year, a stronger sense of stagnation in the United States, while the subprime loan issue lead to globally increased financial uncertainty. The Japanese economy also saw a general underlying strength mainly due to foreign demand, despite a slowed capital investment for construction arising from the revised building standards law.

Meanwhile, the Mitsubishi Electric Group is involved in structural reforms to increase and strengthen profitability under its ‘make strong businesses stronger’ strategy, as seen in the termination of the mobile handset business and the strategic shift of its resources to other businesses the company plans to strengthen. Mitsubishi Electric also continues to strengthen production and sales systems both in domestic and overseas markets by establishing and reinforcing operating facilities, etc.

In addition, Mitsubishi Electric is involved in company-wide improvement activities like reducing inventory and increasing productivity through Just In Time activities, etc., as well as continuing our cost reducing C-Sigma program. We are also strengthening our competitive edge through human resource investments and by optimizing our human resource structure, etc.

CONSOLIDATED FINANCIAL RESULTS BY BUSINESS SEGMENT

Energy and Electric Systems

Total sales:	1,057.9	billion yen	(11% increase from the previous fiscal year)
Operating income:	68.5	billion yen	(19.2 billion yen increase from the previous fiscal year)

The social infrastructure systems business saw increases in both orders and sales from the previous fiscal year due to expansions in both domestic and abroad electric equipment for rolling stock, as well as increases in our domestic power generation business and overseas transmission/distribution related business. Despite a decrease in construction for new buildings due to revised building standards law in Japan, the building systems business experienced an increase in both orders and sales from the previous fiscal year, due to increases in domestic elevators and escalators for the retail industry and railroad companies as well as increased orders in China, the Middle East and India. As a result, total sales for this segment increased 11% from the previous fiscal year, and operating income increased 19.2 billion yen from the previous fiscal year due to increased sales, etc.

Industrial Automation Systems

Total sales:	1,017.5	billion yen	(6% increase from the previous fiscal year)
Operating income:	129.2	billion yen	(3.0 billion yen increase from the previous fiscal year)

Factory automation systems business saw an increase in both orders and sales from the previous fiscal year due to increased capital investments related to flat panel display in Taiwan and South Korea in the latter half of the fiscal year, in addition to domestic demand for industrial machinery and expanding overseas capital investments such as in China.

The automotive equipment business saw an increase in both orders and sales from the previous fiscal year upheld by strong development in global production of Japanese multinational automotive manufacturers. As a result, total sales for this segment increased by 6% compared to the previous fiscal year. Operating income rose by 3.0 billion yen from the previous fiscal year due to increase in sales, etc.

Information and Communication Systems

Total sales:	644.3	billion yen	(6% decrease from the previous fiscal year)
Operating income:	2.3	billion yen	(18.4 billion yen decrease from the previous fiscal year)

The telecommunications equipment business saw a decrease in both orders and sales from the previous fiscal year due to a decrease in mobile handsets.

The information system service business saw an increase in sales from the previous fiscal year due to expansion in the system integration business, etc.

The electronic systems business saw a decrease in orders from the previous fiscal year, while sales increased from the previous fiscal year due to increases in our electronics business, etc.

As a result, total sales for this segment decreased by 6% compared to the previous fiscal year. Operating income decreased by 18.4 billion yen from the previous fiscal year due to decreased sales in mobile handsets.

Electronic Devices

Total sales:	192.0	billion yen	(3% increase from the previous fiscal year)
Operating income:	9.8	billion yen	(2.3 billion yen decrease from the previous fiscal year)

The semiconductor business saw an increase in both orders and sales from the previous fiscal year due to increases in power modules for consumer use mainly for air conditioners and industrial use as well as red laser diodes for recordable DVD players, etc.

The liquid crystal business saw a decrease in both orders and sales from the previous fiscal year due to a decrease in products for consumer use.

As a result, total sales for this segment increased by 3% from the previous fiscal year. Operating income decreased by 2.3 billion yen from the previous fiscal year due to a fall in liquid crystal prices, etc.

Home Appliances

Total sales:	1,000.2	billion yen	(8% increase from the previous fiscal year)
Operating income:	67.4	billion yen	(30.8 billion yen increase from the previous fiscal year)

The home appliance business saw a 8% increase in sales from the previous fiscal year due to increases in air conditioners and solar power generation systems for the foreign market in addition to electric water heaters, etc. for the domestic market.

Operating income increased by 30.8 billion yen from the previous fiscal year due to increased sales, etc.

Others

Total sales:	660.8 billion yen	(5% increase from the previous fiscal year)
Operating income:	16.9 billion yen	(1.7 billion yen increase from the previous fiscal year)

Sales increased 5% from the previous fiscal year mainly in our affiliated companies involved in material procurement and logistics, etc. Operating income increased by 1.7 billion yen from the previous fiscal year due to increased sales, etc.

Fundamental dividend distribution policy

Our fundamental policy is to comprehensively promote improvement in shareholder profits from the viewpoints of appropriate profit distribution commensurate with earning performance of its respective fiscal year as well as strengthening our financial standing through our internal reserves, with the ultimate goal of improving corporate value.

FY 2008 and FY 2009 dividend

With our financial standing and business performance continuing to improve, we will pay a year-end retained earnings dividend of 7 yen per share for fiscal 2008. Adding the interim dividend of 6 yen per share, the total annual dividend is 13 yen per share. Payment of year-end dividends will start on June 3, 2008. The retained earnings dividend for fiscal 2009 is still undecided.

cf. Fiscal 2007 dividend was 10 yen per share (interim dividend of 4 yen per share and a year-end dividend of 6 yen per share)

FINANCIAL CONDITION (CONSOLIDATED BASIS)

Assets, Liabilities, and Shareholders' Equity

The company's total assets for the fiscal year increased from the end of the previous fiscal year by 32.8 billion yen to 3,485.0 billion yen. This increase is mainly attributable to a 17.6 billion yen increase in trade receivables in response to increased orders and sales.

The balance of outstanding debts and corporate bonds fell by 90.2 billion yen from the balance as of the end of the previous fiscal year to 550.7 billion yen, resulting in a reduction of its ratio against total assets down to 15.8% (an improvement of 2.8 points compared to the end of the previous fiscal year). Trade payables increased by 18.0 billion yen, while reserves for retirement and severance benefits increased by 115.5 billion yen due to falling stock prices, etc. leading to increased amount of shortage in pension reserves, etc.

Shareholders' equity decreased by 27.7 billion yen compared to the same period of the previous fiscal year to 1,031.4 billion yen. The ratio of shareholders' equity to total assets was 29.6%, a 1.1-point decrease compared to the previous fiscal year. While retained earnings increased by 132.2 billion yen owing to a 157.9 billion yen net income despite a dividend payment of 25.7 billion yen, accumulated other comprehensive income decreased by 159.9 billion yen due to a decline in stock prices, etc.

Cash Flow

Cash flows from operating activities for this financial year decreased by 15.7 billion yen compared to the same period of the previous fiscal year to 258.8 billion yen (positive). Investment cash flow decreased by 23.2 billion yen compared to the previous fiscal year to 132.3 billion yen (used) due to decreases in loan receivables, etc. As a result, free cash flow was 126.5 billion yen (positive).

Financial cash flow was 119.7 billion yen (used) due to dividend payment and debt repayment.

Cash Flow related index

	<i>FY '04</i>	<i>FY '05</i>	<i>FY '06</i>	<i>FY '07</i>	<i>FY '08</i>
Cash Flow to interest bearing debt ratio ¹	4.3 times	4.4 times	2.4 times	2.4 times	2.3 times
Interest coverage ratio ²	17.0 times	17.6 times	31.5 times	28.1 times	26.3 times

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

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

²cash flow from operating activities divided by interest paid

CURRENT FORECAST FOR FISCAL 2009

The world economy is expected to show a general sense of stagnation mainly in the first half of the fiscal year due to a slowdown in the United States and Europe, etc. The Japanese economy is also expected to experience a slowdown with decreases in foreign demands as well as increases in material and crude oil prices. Also arising from stronger yen and prolonged effects from the subprime loan issue, etc., increased risk of an economic slowdown does not make us optimistic about our management environments.

In the meantime, the Mitsubishi Electric Group will continue to increase and strengthen profitability in each business segment. In addition, we are committed to implementing various company-wide measures toward improving business performance and financial standing. We will also realize sustainable growth by steadfast growth strategies.

Current forecast for fiscal 2009: consolidated

Net sales	4,050.0	billion yen	(no change from fiscal 2008)
Operating income	268.0	billion yen	(no change from fiscal 2008)
Income before income taxes	240.0	billion yen	(6% increase from fiscal 2008)
Net income	158.0	billion yen	(no change from fiscal 2008)

Current forecast for fiscal 2009: non-consolidated

Net sales	2,440.0	billion yen	(2% decrease from fiscal 2008)
Operating income	110.0	billion yen	(24% decrease from fiscal 2008)
Ordinary profit	110.0	billion yen	(18% decrease from fiscal 2008)
Net income	80.0	billion yen	(3% increase from fiscal 2008)

MANAGEMENT POLICY

Fundamental Management Policy

Based on its corporate statement "Changes for the Better", the Mitsubishi Electric Group hopes to build a better tomorrow by contributing to the creation of new societies, industries and lifestyles.

Keeping this corporate approach in mind, Mitsubishi Electric will establish a solid business foundation and implement sustainable growth through a three point balanced management of "Growth," "Profitability & Efficiency" and "Soundness".

Mitsubishi Electric will also work to further enhance its corporate value by becoming a conglomerate of highly competitive electric-electronic businesses with a synergistic unity, capable of responding to the expectations of customers, shareholders, and all of our stakeholders.

Management Targets

The Mitsubishi Electric Group has established three management targets that it continuously aims to achieve: an operating income ratio of 5% or more, ROE of 10% or more, and a interest-bearing debt ratio of 15% or less. Business performance for fiscal 2008 achieved the first two of our management targets with an operating profit ratio of 6.6% and an ROE of 15.1%, while the interest-bearing debt ratio, a target revised last year from 20%, improved to 15.8%. The Group will continue efforts to accomplish the management targets for the operating income ratio and the ROE, while aiming at early achievement of the target concerning the interest-bearing debt ratio.

	<i>Management Target</i>
Ratio of operating income to net sales	5% or more
ROE	10% or more
Ratio of interest-bearing debt to total assets	15% or less

Corporate Agenda

Based on its three point balanced management of “Growth,” “Profitability & Efficiency” and “Soundness”, the Mitsubishi Electric Group will continuously improve by strengthening quality, cost competitiveness, and intellectual property as well as productivity, R&D, and sales capabilities. We will also strengthen our two-tiered growth strategy VI¹ strategy, ‘making strong businesses stronger’, and AD² strategy, ‘reinforcing solutions businesses centered on strong businesses’. While also restructuring business segments in response to changing business environments, we strive to create a management base that will continue to strengthen and improve our business performance.

Specifically, with an objective of strengthening our integrated “Craftsmanship”, we will strengthen our development and productivity in software and hardware, and continue to streamline our productivity with measures like Just In Time production. From the very first stages of design and development, we will strengthen cost reduction activities that respond to material price hikes and exert quality consciousness. We will utilize and best arrange human resources to enhance competitiveness, and engage in activities such as streamlining our human resources structure from a mid- and long-term perspective. We intend to improve our financial standing by further pursuing such measures as inventory reduction. In addition, we will build an optimal business structure and strengthen it both in global terms and for the entire corporate Group. Also, by promoting strategies for environment-related businesses and by further expanding business in emerging markets, etc., we will actively pursue businesses in growing markets. Finally, we will enhance our operational structure to manage various businesses, through integration and coordination among various aspects, including research, development, procurement, production, sales and services, etc.

In addition, we will be committed to enhance Corporate Social Responsibility (CSR) efforts based on the Corporate Mission³ and Seven Guiding Principles⁴. Especially, in terms of legal and ethical compliances, we will intensively implement internal control measures and internal education, etc., as a priority task over the entire consolidated group of Mitsubishi Electric Corporation. We will also promote environmental initiatives to prevent global warming and create a recycling-based society, etc.

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

¹VI, the first two letters of ‘Victory’

²AD, the first two letters of ‘Advance’

³Corporate Mission: The Mitsubishi Electric Group will continually improve its technologies and services through creativity, and, at the same time, contribute to society.

⁴These principles are:

- Trust: Establish relationships with all stakeholders based on strong mutual trust and respect,
- Quality: Provide the best products and services with unsurpassed quality,
- Technology: Pioneer new markets by promoting research and development,
- Citizenship: As a global player, contribute to the development of communities and society as a whole,
- Ethics: Honor high ethical standards in all endeavors,
- Environment: Respect nature, and strive to protect and improve the global environment,
- Growth: Assure fair earnings to build a foundation for future growth.

CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL RESULTS

1. CONSOLIDATED FINANCIAL RESULTS

(in billions of yen except where noted)

	FY '08 (A) (Apr. 1, 2007 – Mar. 31, 2008)	FY '07 (B)	A/B (%)
Net sales	4,049.8	3,855.7	105
Operating income	267.2	233.0	115
Income before income taxes	226.6	184.7	123
Net income	157.9	123.0	128
Basic net income per share	73. ⁶⁰ yen	57. ³⁴ yen	128

Note: 1) Consolidated financial charts made according to U.S. GAAP.
2) Company has 147 consolidated subsidiaries.

2. NON-CONSOLIDATED FINANCIAL RESULTS

(in billions of yen except where noted)

	FY '08 (A) (Apr. 1, 2007 – Mar. 31, 2008)	FY '07 (B)	A/B (%)
Net sales	2,490.6	2,363.6	105
Operating income	144.6	127.3	114
Ordinary profit	134.3	131.4	102
Net income	77.3	41.6	186
Dividend per share			
Annual dividend	13 yen	10 yen	130
Interim dividend	6 yen	4 yen	
Year-end dividend	7 yen	6 yen	
Net income per share	36. ⁰³ yen	19. ⁴² yen	186

CONSOLIDATED PROFIT AND LOSS STATEMENT

(in millions of yen)

	FY '08 (A) (Apr. 1, 2007 – Mar. 31, 2008)		FY '07(B) (Apr. 1, 2006 – Mar. 31, 2007)		(A – B)	A/B (%)
		% of total		% of total		
Net sales	4,049,818	100.0	3,855,745	100.0	194,073	105
Cost of sales	2,957,185	73.0	2,831,309	73.5	125,876	104
Selling, general and Administrative expenses	825,428	20.4	791,434	20.5	33,994	104
Operating income	267,205	6.6	233,002	6.0	34,203	115
Other income	30,135	0.7	40,745	1.1	(10,610)	74
Interest and Dividends	14,539	0.3	12,281	0.3	2,258	118
Other	15,596	0.4	28,464	0.8	(12,868)	55
Other expenses	70,728	1.7	88,971	2.3	(18,243)	79
Interest	9,623	0.2	9,375	0.2	248	103
Other	61,105	1.5	79,596	2.1	(18,491)	77
Income before income taxes	226,612	5.6	184,776	4.8	41,836	123
Income taxes	79,310	2.0	80,203	2.1	(893)	99
Equity in earnings of affiliated companies	10,675	0.3	18,507	0.5	(7,832)	58
Net income	157,977	3.9	123,080	3.2	34,897	128

CONSOLIDATED BALANCE SHEET

(in millions of yen)

	FY '08 (A) (ending March 31, 2008)	FY '07 (B) (ending March 31, 2007)	A – B
(Assets)			
Current assets	2,060,628	2,050,500	10,128
Cash and cash equivalents	334,311	342,640	(8,329)
Short-term investments	9,506	16,258	(6,752)
Trade receivables	912,171	891,271	20,900
Inventories	524,162	520,238	3,924
Prepaid expenses and other current assets	280,478	280,093	385
Long-term receivables	480	3,711	(3,231)
Investments	538,923	571,458	(32,535)
Net property, plant and equipment	602,023	605,285	(3,262)
Other assets	283,026	221,277	61,749
Total assets	3,485,080	3,452,231	32,849
(Liabilities and shareholders' equity)			
Current liabilities	1,505,901	1,529,838	(23,937)
Bank loans and current portion of long-term debt	195,057	253,141	(58,084)
Trade payables	757,606	739,585	18,021
Other current liabilities	553,238	537,112	16,126
Long-term debt	355,740	387,941	(32,201)
Retirement and severance benefits	476,224	360,713	115,511
Other fixed liabilities	55,995	54,169	1,826
Minority interests	59,782	60,361	(579)
Shareholders' equity	1,031,438	1,059,209	(27,771)
Common Stock	175,820	175,820	-
Capital surplus	210,890	210,910	(20)
Retained earnings	764,222	632,003	132,219
Accumulated other comprehensive income (loss)	(118,987)	40,932	(159,919)
Treasury stock at cost	(507)	(456)	(51)
Total liabilities and shareholders' equity	3,485,080	3,452,231	32,849
Balance of Debt	550,797	641,082	(90,285)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	4,889	32,088	(27,199)
Pension liability adjustments	(148,246)	(59,723)	(88,523)
Unrealized gains on securities	24,511	68,578	(44,067)
Unrealized gains (losses) on derivative instruments	(141)	(11)	(130)

CONSOLIDATED CASH FLOW STATEMENT

(in millions of yen)

	FY '08 (A) (Apr. 1, 2007 – Mar. 31, 2008)	FY '07 (B) (Apr. 1, 2006 – Mar. 31, 2007)	A - B
I Cash flows from operating activities			
1 Net income	157,977	123,080	34,897
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	139,326	141,514	(2,188)
(2) Decrease in deferred income taxes	5,442	9,553	(4,111)
(3) Decrease (increase) in trade receivables	(29,936)	(35,474)	5,538
(4) Decrease (increase) in inventories	(16,531)	(15,954)	(577)
(5) Decrease (increase) in prepaid expenses and other assets	(4,579)	964	(5,543)
(6) Increase in trade payables	26,890	19,252	7,638
(7) Increase (decrease) in other liabilities	(20,894)	44,382	(65,276)
(8) Other, net	1,174	(12,687)	13,861
Net cash provided by operating activities	258,869	274,630	(15,761)
II Cash flows from investing activities			
1 Capital expenditure	(144,623)	(140,557)	(4,066)
2 Proceeds from sale of property, plant and equipment	3,293	4,782	(1,489)
3 Purchase of short-term investments and investment securities	(42,174)	(24,115)	(18,059)
4 Proceeds from sale of short-term investments and investment securities	32,191	28,163	4,028
5 Other, net	18,963	(23,872)	42,835
Net cash used in investing activities	(132,350)	(155,599)	23,249
I + II Free cash flow	126,519	119,031	7,488
III Cash flows from financing activities			
1 Proceeds from long-term debt	63,620	32,200	31,420
2 Repayment of long-term debt	(107,017)	(154,250)	47,233
3 Increase (decrease) in bank loans, net	(50,530)	50,496	(101,026)
4 Dividends paid	(25,758)	(19,317)	(6,441)
5 Purchase of treasury stock	(139)	(132)	(7)
6 Reissuance of treasury stock	68	162	(94)
7 Other, net	-	2,107	(2,107)
Net cash provided by (used in) financing activities	(119,756)	(88,734)	(31,022)
IV Effect of exchange rate changes on cash and cash equivalents	(15,092)	7,829	(22,921)
V Net increase (decrease) in cash and cash equivalents	(8,329)	38,126	(46,455)
VI Cash and cash equivalents at beginning of period	342,640	304,514	38,126
VII Cash and cash equivalents at end of period	334,311	342,640	(8,329)

CONSOLIDATED SEGMENT INFORMATION

1. SALES AND OPERATING INCOME BY BUSINESS SEGMENT

(in millions of yen)

Business Segment	FY '08 (Apr. 1, 2007 – Mar. 31, 2008)			FY '07 (Apr. 1, 2006 – Mar. 31, 2007)			A/B (%)
	Sales (A)		Operating income	Sales (B)		Operating income	
		% of total			% of total		
Energy and Electric Systems	1,057,935	23.1	68,575	951,065	21.9	49,310	111
Industrial Automation Systems	1,017,503	22.2	129,257	956,930	22.1	126,227	106
Information and Communication Systems	644,388	14.1	2,352	688,004	15.9	20,803	94
Electronic Devices	192,087	4.2	9,817	185,911	4.3	12,141	103
Home Appliances	1,000,258	21.9	67,467	921,948	21.3	36,644	108
Others	660,822	14.5	16,938	630,510	14.5	15,169	105
Subtotal	4,572,993	100.0	294,406	4,334,368	100.0	260,294	106
Eliminations and other	(523,175)	-	(27,201)	(478,623)	-	(27,292)	-
Total	4,049,818	-	267,205	3,855,745	-	233,002	105

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

2. SALES AND OPERATING INCOME BY LOCATION

(in millions of yen)

Location	FY '08 (Apr. 1, 2007 – Mar. 31, 2008)		FY '07 (Apr. 1, 2006 – Mar. 31, 2007)		A/B (%)
	Sales (A)	Operating income	Sales (B)	Operating income	
Japan	3,468,792	195,889	3,346,100	191,274	104
North America	275,579	7,574	277,555	6,345	99
Asia (excluding Japan)	561,759	49,088	482,363	31,057	116
Europe	386,113	16,044	299,401	11,041	129
Others	31,905	1,321	30,819	1,007	104
Subtotal	4,724,148	269,916	4,436,238	240,724	106
Eliminations	(674,330)	(2,711)	(580,493)	(7,722)	-
Total	4,049,818	267,205	3,855,745	233,002	105

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

3. OVERSEAS SALES

(in millions of yen)

Location	FY '08 (Apr. 1, 2007 – Mar. 31, 2008)		FY '07 (Apr. 1, 2006 – Mar. 31, 2007)		A/B (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales	
North America	295,603	7.3	297,360	7.7	99
Asia (excluding Japan)	544,437	13.4	470,886	12.2	116
Europe	427,826	10.6	340,121	8.8	126
Others	91,716	2.3	91,951	2.4	100
Total overseas sales	1,359,582	33.6	1,200,318	31.1	113

Cautionary Statement

The expectation of operating results herein and any associated statement to be made orally with respect to the Company's current plans, estimates, strategies and beliefs and any other statements that are not historical facts are forward-looking statements. Words such as "expects", "anticipates", "plans", "believes", "scheduled", "estimated", "targeted" along with any variations of these words and similar expressions are intended to identify forward-looking statements which include but are not limited to projections of revenues, earnings, performance and production. While the statements herein are based on certain assumptions and premises that the Company trusts and considers to be reasonable under the circumstances to the date of announcement, you are requested to kindly take note that actual operating results are subject to change due to any of the factors as contemplated hereunder and/or any additional factor unforeseeable as of the date of this announcement. Such factors materially affecting the expectations expressed herein shall include but are not limited to the following:

(1) Important trends

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

(2) Foreign currency exchange rates

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

(3) Stock markets

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

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

A decline in prices and shipments due to changes in the supply/demand balance may adversely affect mainly Mitsubishi Electric's Information and Communication Systems, Electronic Devices, and Home Appliances segments. In addition, an increase in material prices due to a worsening of material and component procurement conditions may adversely affect all of Mitsubishi Electric's operations.

(5) Fund procurement

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

- (6) Significant patent matters
Important patent filings, licensing, copyrights and patent-related disputes may adversely affect related businesses.
- (7) Environmental matters
We may appropriate funds for losses or increase allowances to respond to regulation trends or outbreaks of issues related to the environment. This may impact manufacturing and all corporate activities of the Mitsubishi Electric Group.
- (8) Quality of products and services
We may appropriate funds for losses from defective services or products, and the lowered reputation of the quality of all our products and services may affect the entire Mitsubishi Electric group.
- (9) Litigation and other legal proceedings
The Mitsubishi Electric Group's operations may be affected by lawsuits or other legal proceedings against Mitsubishi Electric, its subsidiaries and/or equity-method affiliated companies.
- (10) Disruptive changes
Disruptive changes in technology, development of products using new technology, timing of production, and market introduction may adversely affect performance mainly in Mitsubishi Electric's Information and Communication Systems, Electronic Devices, and Home Appliances segments.
- (11) Business restructuring
The Mitsubishi Electric Group may record losses due to restructuring measures.
- (12) Natural disasters
The Mitsubishi Electric Group's operations, particularly manufacturing activities, may be affected by the occurrence of earthquakes, typhoons, tsunamis, fires and other large-scale disasters.
- (13) Other significant factors
The Mitsubishi Electric Group's operations may be affected by the outbreak of social or political upheaval due to terrorism, war or other factors.

About Mitsubishi Electric

With over 80 years of experience in providing reliable, high-quality products to both corporate clients and general consumers all over the world, Mitsubishi Electric Corporation (TSE: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. The company recorded consolidated group sales of 4,049.8 billion yen (US\$ 40.5 billion*) in the fiscal year ended March 31, 2008. For more information visit <http://global.mitsubishielectric.com>

*At an exchange rate of 100 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2008

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