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MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF FISCAL 2008

Tokyo, July 30, 2007 – Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura) announced today its financial results for the first quarter ending June 30, 2007, of the current fiscal year ending March 31, 2008 (fiscal 2008).

Consolidated Financial Results

Net sales:	872.7 billion yen	(6% increase from the same quarter last year)
Operating income:	65.9 billion yen	(63% increase from the same quarter last year)
Income before income taxes:	67.0 billion yen	(65% increase from the same quarter last year)
Net income:	46.5 billion yen	(87% increase from the same quarter last year)

Management conditions during the first quarter of fiscal 2008 saw a continued trend of underlying strength in the global economy. As the yen weakened against other major currencies, the Japanese economy as well experienced a general trend of underlying strength despite a sense of stagnation in demand for capital investment.

Under these circumstances, first quarter consolidated net sales grew 6% compared to the same period of the previous fiscal year to 872.7 billion yen due to increased revenue from the Energy and Electric Systems, Industrial Automation Systems, Electronic Devices, and Home Appliances segments.

Consolidated operating income increased 63% from the same period of the previous fiscal year to 65.9 billion yen due to increased profit from the Energy and Electric Systems, Industrial Automation Systems, and Home Appliances segments.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales:	195.4 billion yen	(17% increase from the same quarter last year)
Operating income:	13.3 billion yen	(11.7 billion yen increase from the same quarter last year)

The social infrastructure systems business saw increases in both orders and sales compared to the same period of the previous fiscal year, mainly due to expansion of our electric equipment for domestic rolling stock business, electric transmission and distribution related business, and power generation business.

The building system business experienced a decrease in orders compared to the same period of the previous fiscal year due to a decrease in large domestic installation orders in elevators and escalators, however sales increased due to large installation orders in China and the Middle East, etc.

As a result, total sales for this segment increased 17% from the same period of the previous fiscal year. Operating income increased by 11.7 billion yen compared to the same period of the previous fiscal year due to increased sales, etc.

Industrial Automation Systems

Total sales:	239.7 billion yen	(4% increase from the same quarter last year)
Operating income:	37.8 billion yen	(4.8 billion yen increase from the same quarter last year)

The factory automation systems business saw decreases in both orders and sales compared to the same period of the previous fiscal year due to a decrease in flat panel display related investments mainly in Korea and Taiwan as well as a sluggish recovery of automobile related investment.

The automotive equipment business saw an increase in both orders and sales compared to the same period of the previous fiscal year supported by buoyant global production of Japanese automobile manufacturers.

As a result, total sales for this segment showed an increase of 4% compared to the same period of the previous fiscal year. Operating income increased by 4.8 billion yen compared to the same period of the previous fiscal year due to increases in sales, etc.

Information and Communication Systems

Total sales: 120.3 billion yen (14% decrease from the same quarter last year)
Operating income: 0.0 billion yen (5.1 billion yen decrease from the same quarter last year)

The telecommunications equipment business saw decreases in both orders and sales compared to the same period of the previous fiscal year, due to decreases in mobile handsets, etc.

The information systems and service business saw a decrease in sales compared to the same period of the previous fiscal year, mainly due to decreases in the computer platform business, etc.

The electronic system business saw increases in both orders and sales compared to the same period of the previous fiscal year due to increases in the space system business.

As a result, total sales for this segment showed a decrease of 14% compared to the same period of the previous fiscal year. Operating income decreased by 5.1 billion yen compared to the same period of the previous fiscal year due to decreases in sales, etc.

Electronic Devices

Total sales: 47.5 billion yen (2% increase from the same quarter last year)
Operating income: 2.4 billion yen (1.1 billion yen decrease from the same quarter last year)

The semiconductor business saw an increase in both orders and sales from the same period of the previous fiscal year due to increases in power modules for consumer use mainly in air conditioners and industrial use as well as power amplifiers for mobile handsets, etc.

The liquid crystal business saw decreases in both orders and sales from the same period of the previous fiscal year. Although sales of medium sized products for industrial use were on par with the same period of the previous fiscal year, there was a decrease in small sized consumer use products for mobile handsets, etc.

As a result, total sales for the segment increased by 2% compared to the same period of the previous fiscal year. Operating income decreased by 1.1 billion yen compared to the same period of the previous fiscal year due to liquid crystal price erosion, etc.

Home Appliances

Total sales: 238.0 billion yen (15% increase from the same quarter last year)
Operating income: 18.5 billion yen (15.5 billion yen increase from the same quarter last year)

The home appliance business saw an increase in sales of 15% compared to the same period of the previous fiscal year due to increased sales of electric hot water supply systems and other appliances for use in all-electric-powered homes for the domestic market as well as air conditioners and solar power generation systems for the overseas market. Operating income increased by 15.5 billion yen from the same period of the previous fiscal year due to increases in sales, etc.

Others

Total sales: 150.0 billion yen (8% increase from the same quarter last year)
Operating income: 2.3 billion yen (0.2 billion yen decrease from the same quarter last year)

Sales increased 8% compared to the same period of the previous fiscal year in affiliated companies mainly in material procurement and logistics. Operating income decreased by 0.2 billion yen from the same period of the previous fiscal year.

Financial Standing

The company's total assets for this fiscal quarter decreased from the end of the previous fiscal year by 23.0 billion yen to 3,429.2 billion yen. Inventory saw an increase of 98.1 billion yen mainly due to work-in-process from progress in received orders for construction. Trade receivables decreased by 108.7 billion yen as a result of collection, etc, while cash and cash equivalents decreased by 13.6 billion yen.

The balance of outstanding debts and corporate bonds fell by 14.6 billion yen from the balance as of the end of the previous fiscal year to 626.3 billion yen, reducing the ratio of interest bearing debt to total assets to 18.3% (an improvement of 0.3% compared to the end of the previous fiscal year). Accounts payable decreased by 50.3 billion yen, and retirement and severance benefits decreased by 16.6 billion yen due to increases in pension assets, etc.

Shareholders' equity increased by 53.2 billion yen compared to the previous fiscal year to 1,112.4 billion yen. This was due to increase from 46.5 billion yen capitalization from total consolidated net income, and accumulated other comprehensive income increased by 19.5 billion yen amidst weakening of the yen, etc, despite decreases from dividend payments of 12.8 billion yen. Shareholders' equity ratio improved 1.7 % compared to the end of the previous fiscal year to 32.4%.

Operating cash flow for this quarter decreased 22.4 billion yen compared to the previous fiscal year to 35.4 billion yen (cash in) due to an increase in net profit for this financial period, despite increases in inventory as well as trade receivables to be collected from the next fiscal period. Investment cash flow decreased by 0.4 billion yen compared to previous fiscal year to 20.5 billion yen (cash out). As a result, free cash flow totaled 14.8 billion yen. Financial cash flow was 32.9 billion yen (cash out) due to dividend payments and repayment of loans.

Forecast for the first half of Fiscal 2008 (ending September 30, 2007)

With the Home Appliances segment's buoyancy in air conditioners overseas, expansions in Energy and Electric Systems, expected increased sales due to the weakness of the yen, we will modify the consolidated and non-consolidated earnings forecast for the first half of Fiscal 2008 from the yearly results announcement on April 27, 2007 as written below. There are no changes from the earnings forecast for the fiscal year.

First Half of Fiscal 2008 Consolidated Earnings Forecast (previous forecast)

Net sales:	1,900 billion yen (1,850 billion yen)	(6% increase from the same period last year)
Operating income:	120 billion yen (85 billion yen)	(28% increase from the same period last year)
Income before income taxes:	115 billion yen (80 billion yen)	(39% increase from the same period last year)
Net income:	80 billion yen (57 billion yen)	(42% increase from the same period last year)

First Half of Fiscal 2008 Non-consolidated Earnings Forecast (previous forecast)

Net sales:	1,140 billion yen (1,110 billion yen)	(5% increase from the same period last year)
Operating income:	65 billion yen (45 billion yen)	(15% increase from the same period last year)
Ordinary Profit:	70 billion yen (45 billion yen)	(10% increase from the same period last year)
Net income:	51 billion yen (34 billion yen)	(65% increase from the same period last year)