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Investor Relations Inquiries:
Corporate Finance Division
Mitsubishi Electric Corporation
Tel: +81-3-3218-2391
Cad.Irg@rk.MitsubishiElectric.co.jp

Media Contact:
Public Relations Division
Mitsubishi Electric Corporation
Tel: +81-3-3218-3380
prd.gnews@nk.MitsubishiElectric.co.jp
<http://global.mitsubishielectric.com/news/>

MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL HALF-YEAR RESULTS FOR THE PERIOD OF APRIL 1, 2007- SEPTEMBER 30, 2007

Tokyo, October 29, 2007 – Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura) announced today its half-year financial results for the period of April 1, 2007- September 30, 2007 (fiscal 2008).

Consolidated Financial Results

Net sales:	1,889.7 billion yen	(5% increase from the same period last year)
Operating income:	129.1 billion yen	(38% increase from the same period last year)
Income before income taxes:	129.6 billion yen	(57% increase from the same period last year)
Net income:	91.5 billion yen	(62% increase from the same period last year)

Non-consolidated Financial Results

Net sales:	1,135.2 billion yen	(5% increase from the same period last year)
Operating income:	72.8 billion yen	(29% increase from the same period last year)
Ordinary profit:	84.1 billion yen	(33% increase from the same period last year)
Net income:	57.9 billion yen	(88% increase from the same period last year)

Management conditions during the first half of fiscal 2008 saw general steady development of the global economy mainly in China and Europe despite a stronger sense of stagnation in the U.S.A. While the yen saw continued weakness against other major currencies, the Japanese economy as well saw general steady development based mainly on overseas demand, despite a weakness in personal consumption.

Under these circumstances, consolidated net sales for this interim period grew 5% to 1,889.7 billion yen compared to the same period of the previous fiscal year, with increased sales in the Energy and Electric Systems, the Industrial Automation Systems, the Electronic Devices and the Home Appliances segments. Consolidated operating income increased 38% to 129.1 billion yen compared to the same period of the previous fiscal year due to increased profit in the Energy and Electric Systems, the Industrial Automation Systems and the Home Appliances segments.

CONSOLIDATED FINANCIAL RESULTS BY BUSINESS SEGMENT

Energy and Electric Systems

Total sales:	440.2 billion yen	(13% increase from the same period last year)
Operating income:	23.4 billion yen	(16.7 billion yen increase from the same period last year)

The social infrastructure systems business saw increases in both orders and sales compared to the same period of the previous fiscal year due to increases in overseas electric transmission and distribution related business as well as domestic power generation business in addition to expansion both domestically and abroad in electric equipment for rolling stock.

The building systems business experienced increases in both orders and sales compared to the same period of the previous fiscal year due to increases in domestic elevators and escalators for the retail industry and railroad companies as well as increases in initiatives in China and the Middle East.

As a result, total sales for this segment increased 13% from the same period of the previous fiscal year. Operating income increased by 16.7 billion yen from the same period of the previous fiscal year due to increased sales.

Industrial Automation Systems

Total sales:	491.7 billion yen	(5% increase from the same period last year)
Operating income:	66.8 billion yen	(1.6 billion yen increase from the same period last year)

The factory automation systems business saw little change in sales compared to the same period of the previous fiscal year, upheld by buoyant domestic demand for industrial machinery and active investments in China despite decreases in orders for domestic and overseas flat panel display related investments, etc.

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

As a result, total sales for this segment increased by 5% compared to the same period of the previous fiscal year. Operating income increased by 1.6 billion yen compared to the same period of the previous fiscal year due to increases in sales, etc.

Information and Communication Systems

Total sales:	282.0 billion yen	(7% decrease from the same period last year)
Operating income:	0.5 billion yen	(4.7 billion yen decrease from the same period 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 a decrease in mobile handsets.

The information systems and services business saw an increase in sales from the same period of the previous fiscal year due to expansion of our system integration business.

The electronic systems business saw an increase in both orders and sales compared to the same period of the previous fiscal year due to expansion of our satellite related business.

As a result, total sales for this segment decreased 7% compared to the same period of the previous fiscal year. Operating income decreased by 4.7 billion yen compared to the same period of the previous fiscal year due to decreased in sales, etc.

Electronic Devices

Total sales: 95.1 billion yen (4% increase from the same period last year)

Operating income: 6.0 billion yen (1.1 billion yen decrease from the same period last year)

The semiconductors business saw an increase in both orders and sales compared to 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 a decrease in both orders and sales compared to the same period of the previous fiscal year due to a decrease in small-sized products for consumer use, including mobile handsets, etc., despite an increase in medium-sized products for industrial machines.

As a result, total sales for the segment increased 4% 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 decreased sales in the liquid crystal business, etc.

Home Appliances

Total sales: 516.4 billion yen (11% increase from the same period last year)

Operating income: 38.4 billion yen (22.9 billion yen increase from the same period last year)

The home appliances business saw an increase in sales of 11% 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 22.9 billion yen compared to the same period of the previous fiscal year due to increased sales, etc.

Others

Total sales: 317.1 billion yen (5% increase from the same period last year)
Operating income: 7.0 billion yen (0.5 billion yen increase from the same period last year)

Sales increased 5% compared to the same period of the previous fiscal year mainly in our materials procurement and engineering affiliated companies, etc.

Operating income increased by 0.5 billion yen compared to the same period of 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 viewpoint of appropriate profit distribution commensurate with earning performance of its respective fiscal year as well as the aspect of strengthening our financial standing through our internal reserves, with the ultimate goal of improving corporate value.

Dividend for the first half of fiscal 2008

With our financial standing and business performance continuing to improve, we will pay an interim retained earnings dividend of 6 yen per share for fiscal 2008. Payment of interim dividends will start on December 4, 2007. The year-end retained earnings dividend for fiscal 2008 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 declined from the end of the previous fiscal year by 27.3 billion yen to 3,424.9 billion yen. While cash and cash equivalents increased by 14.3 billion yen, and inventory increased by 73.0 billion yen due to progress in work-in-processes, etc., accounts receivables decreased by 107.3 billion yen due to accelerated collection of our credits.

The balance of outstanding debts fell by 56.3 billion yen from the end of the previous fiscal year to 584.7 billion yen, with a reduction of its ratio to total assets down to 17.1% (an improvement by 1.5 point compared to the end of the previous fiscal year). Trade payables also decreased by 51.4 billion yen.

Shareholders' equity increased by 58.2 billion yen compared to the previous fiscal year to 1,117.4 billion, with an improvement in ratio of shareholders' equity to total assets of 1.9 points compared to the previous fiscal year

to 32.6 percent. While accumulated other comprehensive income decreased by 20.3 billion yen due to a decline in stock prices, etc, retained earnings increased owing to a 91.5 billion yen net income despite a dividend payment of 12.8 billion yen.

Cash Flow

Cash flows from operating activities decreased by 21.4 billion yen compared to the same period of the previous fiscal year to 127.3 billion yen (inflow).

Cash flows from investing activities decreased by 26.9 billion yen compared to the same period of the previous fiscal year to 49.1 billion yen (outflow) due to decreases in loan receivables, etc. Consequently, free cash flow reached revenues of 78.1 billion yen.

Cash flows from financing activities were 65.7 billion yen (outflow) due to dividend payment and debt repayment.

FORECAST FOR FISCAL 2008 (ending March 31, 2008)

The global economy is expected to slow down slightly due to a persistent sense of stagnation in the U.S. economy, etc., and the domestic economy is also expected to show a gradual slow down. Management environments will not necessarily be optimistic either with concerns of increasing and high-persistent petroleum and material prices, as well as risks from stronger yen and sub prime loan issues spreading throughout the actual economy, etc.

Under these circumstances, 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. The growth strategies will be steadfastly adhered to in the interest of maintaining sustainable growth.

With the Home Appliances segment's buoyancy in air conditioners overseas and expansions in the Industrial Automation Systems and the Energy and Electric Systems segments, our business performance is expected to exceed our previous forecast. Therefore, we will modify the consolidated and non-consolidated earnings forecast for fiscal 2008 from the announcement on April 27, 2007.

Consolidated earnings forecast for fiscal 2008 (previous forecast)

Net sales:	3,970.0 billion yen	(3,940.0 billion yen)	(3% increase from the same period last year)
Operating income:	233.0 billion yen	(200.0 billion yen)	(No changes from the same period last year)
Income before income taxes:	210.0 billion yen	(185.0 billion yen)	(14% increase from the same period last year)
Net income:	148.0 billion yen	(125.0 billion yen)	(20% increase from the same period last year)

Non-consolidated earnings forecast for fiscal 2008 (previous forecast)

Net sales:	2,430.0 billion yen	(2,430.0 billion yen)	(3% increase from the same period last year)
Operating income:	120.0 billion yen	(110.0 billion yen)	(6% decrease from the same period last year)
Ordinary profit:	127.0 billion yen	(105.0 billion yen)	(3% decrease from the same period last year)
Net income:	86.0 billion yen	(75.0 billion yen)	(106% increase from the same period last year)

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.

	<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 promote cost reduction activities that respond to material price hikes and exert quality consciousness. We will utilize human resources to enhance competitiveness, and engage in activities such as streamlining our human resources structure from a mid- and long-term perspective. We will improve our financial standing by further pursuing such measures as inventory reduction. Also, we will further promote ‘Global Integration’ to build an optimal business structure both in global terms and for the entire corporate Group. In business development in overseas markets, we will pay intensive attention on managing associated risks. 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 enrich our internal educational efforts and intensively implement internal control measures, as a priority task over the entire consolidated group of Mitsubishi Electric Corporation. We will also promote environmental initiatives to prevent global warming, create a recycling-based society and 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.