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

Tokyo, February 4, 2008 – Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura) announced today its financial results for the third quarter, ending December 31, 2007, of the current fiscal year ending March 31, 2008 (fiscal 2008).

Fiscal 2008, 3rd Quarter Consolidated Financial Results

Net sales:	911.9 billion yen	(5% increase from same quarter last year)
Operating income:	63.8 billion yen	(Unchanged from same quarter last year)
Income before income taxes:	57.9 billion yen	(11% decrease from same quarter last year)
Net income:	42.3 billion yen	(Unchanged from same quarter last year)

The business environment during the third quarter of fiscal 2008 saw general strengthening undertones in the global economy with continued strength mainly in China and other strong economies, despite a globally increasing financial uncertainty due to subprime loan related issues, in addition to a stronger sense of stagnation in the U.S.A. The Japanese economy as well saw general steady development based mainly on overseas demand, despite deferred construction of buildings caused by revision of building standards law.

Under these circumstances, third quarter net sales rose 5% compared to the same period of the previous fiscal year to 911.9 billion yen due to increased revenue in the Energy and Electric Systems, Industrial Automation Systems and Home Appliances segments. Despite decreased profit in the Information and Communication Systems segment compared to the same quarter last year, operating income was 63.8 billion yen, on par with the same quarter last year due to increased profit in the Industrial Automation Systems and Home Appliances segments.

While income before income taxes decreased by 11% compared to the same quarter last year to 57.9 billion yen due to losses involving sale of subsidiaries' stocks and etc, net income was 42.3 billion yen, on par with the same quarter last year, due to both decreases in income taxes and improvement of investment profit in equity method companies.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales:	216.2 billion yen	(6% increase from same quarter last year)
Operating income:	13.6 billion yen	(1.2 billion yen decrease from same quarter last year)

The social infrastructure systems business saw increases in sales from the same quarter last year due to expansions in the electric equipment for rolling stock business, despite a decrease in orders from the same quarter last year due to decreases in large overseas orders in the power generation business.

Building system business experienced increases in both orders and sales from the same quarter last year due to increases of elevators and escalators in large domestic metropolitan projects as well as increases in initiatives in the Middle East and India.

As a result, total sales for this segment increased by 6% from the same quarter last year, and operating income decreased by 1.2 billion yen from the same quarter last year due to fluctuant natures among sales orders, etc.

Industrial Automation Systems

Total sales: 255.8 billion yen (8% increase from same quarter last year)
Operating income: 39.8 billion yen (2.3 billion yen increase from same quarter last year)

Factory automation systems business experienced increases in both orders and sales from the same quarter last year, upheld by buoyant demands for domestic factory automation machinery and active capital investments in China and other overseas markets.

The automotive equipment business saw increases in both orders and sales from the same quarter last year due to strong development in global production of Japanese multinational automotive manufacturers.

As a result, total sales for this segment increased by 8% compared to the same quarter last year. Operating income rose by 2.3 billion yen compared to the same quarter last year due to increase in sales, etc.

Information and Communication Systems

Total sales: 129.6 billion yen (7% decrease from same quarter last year)
Operating income (loss): (1.1 billion yen) (6.0 billion yen worse from same quarter last year)

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

The information system service business saw an increase in sales from the same period of the previous fiscal year due to expansions in the system integration business and the IT infrastructure service business, etc.

The electronic systems business saw decreases in both sales and orders from the same period last year due to a decrease in satellite-related business, etc.

As a result, total sales for this segment showed a decrease of 7% from the same period last year. Operating income was 6.0 billion yen worse from the same period last year due to decreases in sales of mobile handsets, etc.

Electronic Devices

Total sales: 47.7 billion yen (4% increase from same quarter last year)
Operating income: 2.8 billion yen (0.1 billion yen increase from same quarter last year)

The semiconductor business saw increases in both orders and sales from the same quarter last year due to increases in orders for power modules for industrial machinery and consumer use mainly for air conditioners and red laser diodes for recordable DVD players, etc.

The liquid crystal business saw an increase in orders from the same quarter last year due to increases in industrial and consumer use products, despite a decrease in sales from the same quarter last year due to decreases in products for use in amusement facilities.

As a result, total sales for this segment increased by 4% from the same quarter of the previous fiscal year. Operating income increased by 0.1 billion yen from the same quarter of the previous fiscal year due to increased sales, etc.

Home Appliances

Total sales: 229.2 billion yen (9% increase from same quarter last year)
Operating income: 15.1 billion yen (4.9 billion yen increase from same quarter last year)

The home appliance business saw a 9% increase in sales from the same quarter last year due to increases in air conditioners and solar power generation systems for the overseas market, etc.

Operating income increased by 4.9 billion yen from the same quarter last year due to increased sales, etc.

Others

Total sales: 160.5 billion yen (5% increase from same quarter last year)
Operating income: 3.3 billion yen (Unchanged from same quarter last year)

Sales increased by 5% from the same quarter last year mainly in our affiliated companies involved in such activities as material procurement and engineering, etc. Operating income was unchanged from the same quarter last year.

Fiscal 2008, First 9 Months Consolidated Financial Results

Net sales:	2,801.6 billion yen	(5% increase from same quarter last year)
Operating income:	193.0 billion yen	(23% increase from same quarter last year)
Income before income taxes:	187.5 billion yen	(27% increase from same quarter last year)
Net income:	133.9 billion yen	(36% increase from same quarter last year)

Consolidated net sales for the first 9 months of fiscal 2008 rose 5% compared to the same period of the previous fiscal year to 2,801.6 billion yen due to increased revenue in the Energy and Electric Systems, Industrial Automation Systems and Home Appliances segments, etc. Operating income increased 23% from the same period last year to 193.0 billion yen due to increased profit in the Energy and Electric Systems and Home Appliances segments, etc.

Income before income taxes increased 27% compared to the same period last year to 187.5 billion yen and net income increased 36% compared to the same period last year to 133.9 billion yen.

Financial Standing

Assets, Liabilities, and Shareholders' Equity

The company's total assets increased from the end of the previous fiscal year by 66.9 billion yen to 3,519.1 billion yen. While accounts receivables decreased by 114.8 billion yen due to accelerated collection of our credits, inventory increased by 179.5 billion yen due to increase in unrealized sales, etc.

The balance of outstanding debts increased by 1.5 billion yen from the end of the previous fiscal year to 642.6 billion yen, with a reduction of its ratio to total assets down to 18.3% (an improvement by 0.3 point compared to the end of the previous fiscal year). Trade payables also decreased by 30.3 billion yen, while retirement and severance benefits increased by 33.2 billion yen due to an increase in deficiency of pension funds, etc. brought on by a decline in stock price, etc.

Shareholders' equity increased by 56.9 billion yen compared to the previous fiscal year to 1,116.1 billion yen, with an improvement in ratio of shareholders' equity to total assets of 1.0 point compared to the previous fiscal year to 31.7%. Retained earnings increased by 108.1 billion yen due to a 133.9 billion yen net income and a dividend payment of 25.7 billion yen. Accumulated other comprehensive income decreased by 51.1 billion yen due to a decline in stock prices, etc.

Cash Flow

Free cash flow increased by 10.8 billion yen compared to the same quarter of the previous fiscal year to 66.1 billion yen (outflow) owing to the decrease in cash flows from operating activities. Cash flows from financing activities were 42.0 billion yen (inflow) resulting from debt procurement and dividend payment.

Cash flows from operating activities for the first 9 months of fiscal 2008 decreased by 30.3 billion yen compared to the same period of the previous fiscal year to 98.9 billion yen (inflow) due to an increase in inventories, despite an increase in net income. Cash flows from investing activities for the first 9 months of fiscal 2008 decreased by 25.0 billion yen compared to the same period of the previous fiscal year to 86.9 billion yen (outflow) due to decreases in loan receivables, etc. Consequently, free cash flow reached revenues of 11.9 billion yen. Cash flows from financing activities were 23.6 billion yen (outflow) due to dividend payment, etc.

Forecast for Fiscal 2008 (ending March 31, 2008)

Net sales:	3,970 billion yen	(3% increase year-on-year)
Operating income:	233 billion yen	(Unchanged year-on-year)
Income before income taxes:	210 billion yen	(14% increase year-on-year)
Net income:	148 billion yen	(20% increase year-on-year)

A sense of financial uncertainty is getting obvious globally from the outset of the year. Under such circumstances, the forecast for fiscal 2008 might be assessed along with the ongoing planning for the following fiscal year, and therefore remains currently unchanged from that stated on October 29, 2007, announced with the Half-Year Results.

Note: *The forecast of results 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 on the last page.*