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**MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED AND  
NON-CONSOLIDATED FINANCIAL RESULTS FOR FISCAL 2004**

**TOKYO, April 28, 2004** – Mitsubishi Electric Corporation (President and CEO: Tamotsu Nomakuchi) today announced its consolidated and non-consolidated financial results for fiscal 2004 (April 1, 2003 – March 31, 2004).

**Consolidated financial results**

Net sales	3. <sup>3096</sup> trillion yen	(9% decrease from fiscal 2003)
Operating income	92.7 billion yen	(47% increase from fiscal 2003)
Income before income taxes	4.7 billion yen	(34 times larger, year on year)
Net income	44.8 billion yen	

**Non-consolidated financial results**

Net sales	1. <sup>9965</sup> trillion yen	(14% decrease from fiscal 2003)
Ordinary profit	41.7 billion yen	(57% increase from fiscal 2003)
Net income	26.3 billion yen	

With regard to the business environment in 2003, the rise in consumer spending as a result of the tax cuts in the United States led to a revival in the corporate sector from mid-year onwards, centered on North America and East Asia. As the year drew to a close, a simultaneous worldwide economic recovery appeared to be well underway.

As for the Japanese economy, despite ongoing deflation, the high value of the yen and concerns about stagnating consumer demand, in the latter half of the year the business environment showed a marked improvement as manufacturing activity and private capital expenditure were boosted by the revival of overseas demand.

Meanwhile, the Mitsubishi Electric Group has been promoting structural reforms aimed at improving and strengthening profitability in each business segment. A considerable portion of the semiconductor business was spun-off to form a joint venture with Hitachi, Ltd., focusing mainly on system LSIs. The newly formed company, Renesas Technology Corporation opened for business on April 1, 2003. In addition, on October 1, 2003, a new joint venture with Toshiba Corporation, Toshiba Mitsubishi-Electric Industrial Systems Corporation (TMEIC), was established from the spinning off of an electrical equipment business for manufacturing plants.

Throughout the last year Mitsubishi Electric has been moving ahead with companywide measures aimed at improving business operations and overall financial standing. These include the “inventory reduction project”, measurements to improve financial position such as the expansion of group financing, the EA21 Program for reducing assets and fixed costs, as well as the E-Sigma 21 Program which aims to reduce operational costs by, for example, utilizing the dynamism of overseas suppliers and promoting Value Analysis (VA) activities with major suppliers.

Furthermore, Mitsubishi Electric is pushing forward with two growth strategies, the “VI Strategy” and the “AD Strategy”, in order to increase added value and realize strong and sustainable growth.

## **Consolidated financial results by business segment**

### ***Energy & Electric Systems***

Total sales:	797.4 billion yen	(7% decrease from fiscal 2003)
Operating income:	25.9 billion yen	(33.4 billion yen decrease from fiscal 2003)

The social infrastructure systems business posted a decrease in orders and sales compared to last year, due to the tight constraints placed on public spending and capital investment by electric power companies, and also to the spinning off of power transmission and distribution businesses and of an electrical equipment business for manufacturing plants.

In the building systems business, business improved in Korea though the number of large-scale construction projects in the Tokyo Metropolitan area decreased. As a result, orders and sales did not differ greatly from the previous year.

### ***Industrial Automation Systems***

Total sales: 709.6 billion yen (11% increase from fiscal 2003)

Operating income: 66.4 billion yen (8.4 billion yen increase from fiscal 2003)

In the factory automation systems business, the greater demand for semiconductor manufacturing equipment, and from the automobile and liquid crystal panel manufacturing sectors, led to an increase in orders and sales of programmable controllers, servo motor systems and numerical controllers, both in domestic and Asian markets, in particular China, Taiwan and South Korea.

In the automotive equipment business, sales of car navigation systems, ETC (electronic toll collection) onboard units, and alternators and starters for both domestic and overseas automobile manufacturers all rose. As a result, both orders and sales increased.

### ***Information and Communication Systems***

Total sales: 681.7 billion yen (1% decrease from fiscal 2003)

Operating income: 0.5 billion yen (27.7 billion yen improvement from fiscal 2003)

Orders and sales in the telecommunications equipment business rose due to increased domestic and overseas mobile handset sales, while sales in the information systems and service business rose due to an expansion of the information systems outsourcing business and the systems integration business.

Sales in the electronic systems business rose although orders decreased as a result of a temporary downturn in the number of government projects being undertaken.

### ***Electronic Devices***

Total sales: 170.4 billion yen (63% decrease from fiscal 2003)

Operating income (loss): (4.6 billion) yen (48.4 billion yen improvement from fiscal 2003)

The semiconductor business posted sales increases in laser diodes for recordable DVD players, power modules for semiconductor manufacturing equipment, and industrial machinery bound for Asia, especially China. However, the impact from spinning off the system LSI and system memory businesses caused orders and sales for the year to decrease. In the liquid crystal business, orders and sales increased thanks to greater sales of small and medium sized

products to the industrial and mobile handset sectors such as display equipment, and large screen panels for the overseas market.

### ***Home Appliances***

Total sales: 782.2 billion yen (1% decrease from fiscal 2003)

Operating income: 19.3 billion yen (16.8 billion yen decrease from fiscal 2003)

In the home appliances segment, although sales of home air conditioners and CRT type color televisions fell, sales remained consistent with the previous year as a result of increases in sales of ventilators, solar power generation systems, electric water heaters, refrigerators and DVD-related products in the domestic market, and home and package air conditioners for the overseas market. Operating income decreased, partially due to price reductions.

### ***Other***

Total sales: 508.4 billion yen (10% decrease from fiscal 2003)

Operating income: 8.2 billion yen (2.8 billion yen decrease from fiscal 2003)

Overall sales decreased from the previous year mainly due to the change of our credit subsidiary into an equity method company.

### **Dividend Policy**

Due to the improvement in business operations and financial standing, along with the return to profitability, the company decided to pay a dividend of 4 yen per share. As a reference, the dividend payment for fiscal 2003 was 3 yen per share.

## FINANCIAL CONDITION

### Assets, liabilities and capital

The financial condition of assets, liabilities and capital at the end of fiscal 2004 showed a marked improvement compared to the end of fiscal 2003. The promotion of companywide measures of improvement in business operations, and the repayment of the subrogated portion of the employee pension fund to the government were contributing factors.

At the end of fiscal 2004 total assets had decreased by 448.4 billion yen to 3.<sup>2252</sup> trillion yen. Investments increased by 104.9 yen billion due to the appropriation of shares in the newly spun-off semiconductor business, among others. Inventories were down by 109.1 billion yen due mainly to activities related to asset reduction and spin-offs. Trade receivables decreased by 77.4 billion yen, and net tangible fixed assets fell by 161.3 billion yen. Other assets fell by 194.0 billion yen because of a decrease in deferred tax assets. This decrease corresponds to a decrease in retirement and severance benefit, which was reserved against the shortfall of the pension fund, as a consequence of such factors as repayment of the subrogated portion of the employee pension fund to the government and the general recovery in share prices.

The balance of debts and bonds was reduced by 279.6 billion yen to 904.5 billion yen, thus reducing the overall debt ratio by 4.2 points to 28.0%. Trade payables were also down by 31.2 billion yen, and other current liabilities fell by 31.5 billion yen. Retirement and severance benefits were also down by 311.5 billion yen due to the repayment of the subrogated portion of the employee pension fund to the government.

Capital increased by 206.9 billion yen to 601.5 billion yen due to the posting of a net income of 44.8 billion yen and the deduction for the adjustment of the minimum pension liability, and due to the increase in unrealized gains on securities, in line with the wider increase in share prices. The group's shareholder equity ratio increased by 8 points to 18.7%.

### Cash flow

The cash flow from operating activities in fiscal 2004 was 243.5 billion yen, consistent with that of the previous year, as a result of the posting of a net income and the improved asset turnover. Meanwhile, cash flow from investing activities amounted to 70.0 billion yen, a 23.5 billion yen decrease from fiscal 2003, due to a reduction of investments in equipment for semiconductor related business in line with the spinning off and establishment of Renesas Technology Corporation. Total free cash flow in fiscal 2004 amounted to 173.4 billion yen.

The cash flow from financing activities amounted to 199.1 billion yen as a result of the repayment of debts and redemption of bonds to improve our financial position.

	<i>FY '00</i>	<i>FY '01</i>	<i>FY '02</i>	<i>FY '03</i>	<i>FY '04</i>
Debt repayment period <sup>1</sup>	4.0 years	3.6 years	13.0 years	5.7 years	4.3 years
Interest coverage ratio <sup>2</sup>	9.4 times	11.0 times	4.0 times	10.0 times	17.0 times

<sup>1</sup> Debt repayment period: interest-bearing debts\* divided by cash flow from operating activities

<sup>2</sup> Interest coverage ratio: cash flow from operating activities divided by interest paid

\* interest-bearing debts are calculated as an average of the year-end balances of two consecutive fiscal years (the present one and the previous one)

### **Current forecast for fiscal 2005**

Though an economic revival, both at home and abroad, looks set to continue for the first half of the year, a slowdown in the American economy looks likely as the effect of the tax cut on consumer spending gradually begins to recede. Added to the intensification of competition in the global economy and anxiety about exchange rate fluctuations, an optimistic forecast for business conditions in fiscal 2005 would be premature.

In the meantime, the Mitsubishi Electric Group will continue to improve and strengthen profitability in each business segment, and will strive to upgrade its performance and overall financial standing. The growth strategies will be steadfastly adhered to in the interest of maintaining sustainable growth and the continued expansion of added value.

### **Current forecast for fiscal 2005: consolidated**

Net sales	3. <sup>4000</sup> trillion yen	(3% increase from fiscal 2004)
Operating income	110.0 billion yen	(19% increase from fiscal 2004)
Income before income taxes	95.0 billion yen	(12% increase from fiscal 2004)
Net income	60.0 billion yen	(34% increase from fiscal 2004)

### **Current forecast for fiscal 2005: non-consolidated**

Net sales	2. <sup>0500</sup> trillion yen	(3% increase from fiscal 2004)
Ordinary profit	45.0 billion yen	(8% increase from fiscal 2004)
Net income	28.0 billion yen	(6% increase from fiscal 2004)

## **MANAGEMENT POLICY**

### **Management Policy**

The Mitsubishi Electric Group aims to contribute to the development of new societies, industries and lifestyles, all leading to a “better tomorrow”, based on the spirit of our corporate statement “Changes for the Better.”

With this outlook in mind, Mitsubishi Electric will implement management improvement measures from the three perspectives of “Growth,” “Profitability & Efficiency” and “Soundness”, in order to swiftly establish a solid business foundation. Based on this strategy, Mitsubishi Electric will strive to further enhance its corporate value and surpass the expectations of all our customers, shareholders and other stakeholders. Via a process of self-reform, the company intends to evolve into a new complex of strong electric and electronics businesses by activating the power of synergy.

### **Policy for Profit Distribution**

With the ultimate target of enhancing corporate value, Mitsubishi Electric’s basic policy is to comprehensively improve shareholder profitability both in terms of profit distribution in line with the earnings for the relevant fiscal year, and reinforcement of our financial standing by increasing internal reserves.

### **Policy on Reducing Minimum Stock Purchase Requirement**

Mitsubishi Electric recognizes that increasing corporate value and the acquisition of long-term and stable investors are important managerial issues. Mitsubishi Electric has been considering the effects and expenses related to reducing the minimum stock purchase requirement and will continue to carefully study this issue.

### **Criteria for Management Targets**

Measures to improve our business foundation and financial standing have resulted in the Mitsubishi Electric Group posting a ratio of interest-bearing debt to total assets of 28% in fiscal 2004, which was less than our management target of 30%. The Group will strive to achieve and maintain a ratio of interest-bearing debt to total assets of 25% or less hereafter and to achieve further improvements to our financial standing business results. Current management targets are outlined below:

	<i>Management Target</i>
Ratio of operating profit to sales	<b>5% or more</b>
ROE	<b>10% or more</b>
Ratio of interest-bearing debt to total assets	<b>30% or less ==&gt; 25% or less</b>

## **Corporate Agenda**

The Mitsubishi Electric Group pursues a policy of “balanced management” from the three perspectives of “Growth,” “Profitability & Efficiency” and “Soundness.” Based on this, the Group is executing a reformation of its business structure in accordance with changes to the business environment while continually pursuing improvements to reinforce the essential competitiveness of manufacturing, including quality, cost, technological development and sales ability. Through this corporate agenda we will devote ourselves to achieving our management targets.

Specifically, we will continue to pursue measures for suppressing fixed expenses, reducing production costs and further improving our financial standing. Further, we will strive to increase added value, and implement our two growth strategies – the “VI Strategy” (reinforcing of individual business strategies) and the “AD strategy” (reinforcing of solutions across multiple business areas), which are based on our perspective of “making strong business stronger.” Furthermore, the Group is implementing the “global integration” strategy to build the optimal business structure from a global perspective. In particular, the Group is reinforcing its business implementation structure in the Chinese market, with its high growth potential. This is being pursued in the functions of area marketing, finance and risk management.

In addition, we are pursuing environmental management based on our “Fourth Environmental Plan (fiscal years 2003-2005)” a voluntarily implemented strategy for the whole Group.

## **Basic Policy for Corporate Governance and the Current Status**

Mitsubishi Electric has transformed itself into a company with committee system and reformed its management structure. Through this governance structure reform we will strive to achieve sustainable growth as well as enable more flexible operations, further enhance management transparency and reinforce the supervisory functions of management.

This transfer to the new structure has separated the supervisory function from the executive function, with the board of directors handling the supervision function and the

executive officers handling the execution of operations. In addition, the diverse rights and authority that was exclusively the realm of the board of directors have been transferred to the executive officers.

The present board is comprised of twelve directors (five of whom are outside directors) offering advice and supervision to management from an objective standpoint.

The board of directors has three internal bodies: the Auditing, Nomination and Compensation Committees, which each have five members (of whom three are outside directors). The Auditing Committee has its own dedicated, independent staff and supports the auditors.

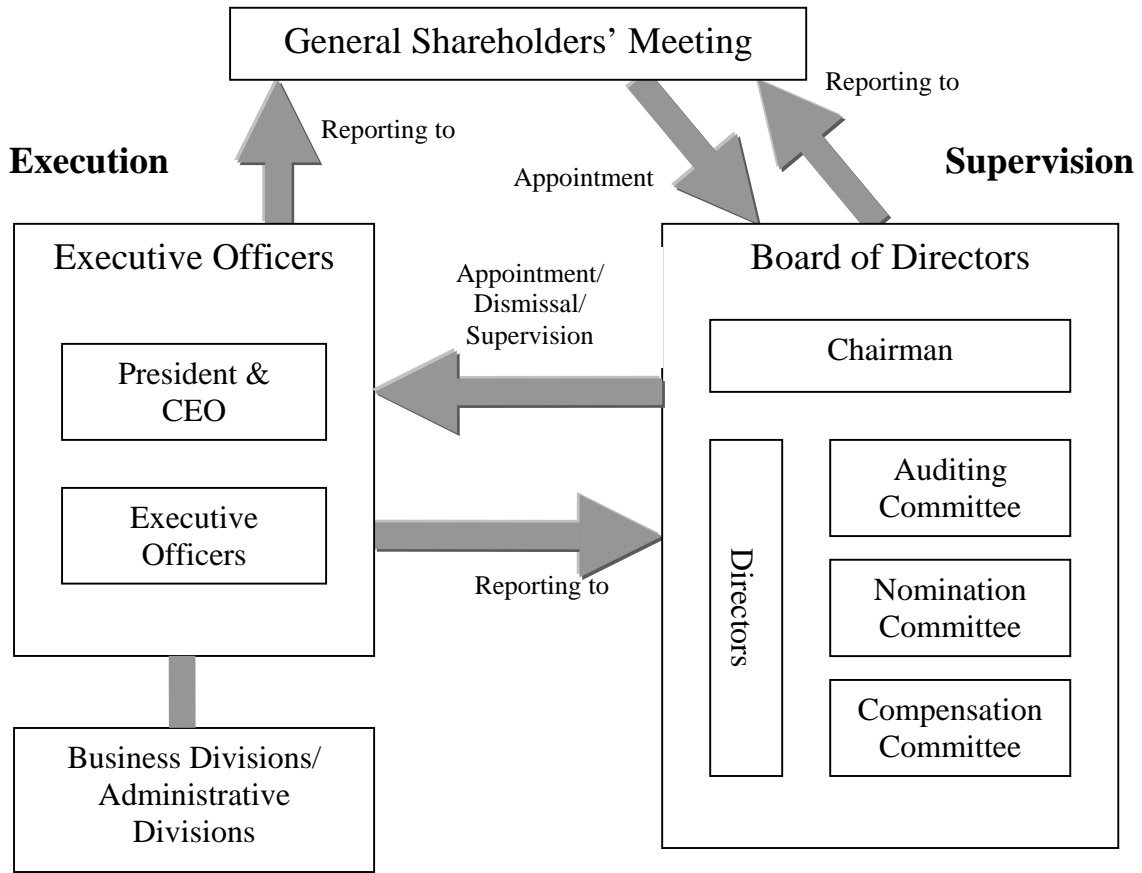
A key feature of our management structure is the separation of the Chairman and CEO, with the Chairman as the head of the supervisory functions as a member of the board of directors and the President & CEO as the head of the executive officers. Neither the Chairman nor President is a member of the Nomination or Compensation Committees. This clear separation of supervising and execution powers makes our corporate governance more effective.

To maintain compliance and secure management efficiency, each executive officer possesses responsibility for their individual scope of duties, while operating conditions are audited by the internal auditor (Audit Department). The internal auditors (Audit Department) and outside auditors report on audit results to the Audit Committee and responsible executive officer.

The risk management structure is constructed in a manner in which each executive officer possesses responsibility for his assigned duties. In addition, important material items regarding management implementation are discussed and decided by all the executive officers in the executive officers meetings. The objective of these meetings is to seek the participation of all executive officers in managerial decision-making, sharing of information and management synergy as well as attain multi-dimensional risk management for the Mitsubishi Electric Group.

Further, no special interest relationship exists between the outside directors and our company.

The following diagram outlines the corporate governance structure of Mitsubishi Electric:



\*50% or more of members composing each of the Auditing, Nomination & Compensation committees shall be outside directors.

# CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL RESULTS

## 1. CONSOLIDATED FINANCIAL RESULTS

(in billions of yen)

	<b>FY '04 (A)</b>	<b>FY '03 (B)</b>	<b>A/B (%)</b>
Net sales	<b>3,309.6</b>	3,639.0	91
Operating income	<b>92.7</b>	63.1	147
Income before income taxes	<b>84.7</b>	2.4	34 times
Net income (loss)	<b>44.8</b>	(11.8)	-
Net income (loss) per share (in yen)	<b>20.<sup>74</sup></b>	(5. <sup>51</sup> )	-

FY '04: Apr. 1, 2003 – Mar. 31, 2004

FY '03: Apr. 1, 2002 – Mar. 31, 2003

## 2. NON-CONSOLIDATED FINANCIAL RESULTS

(in billions of yen)

	<b>FY '04 (A)</b>	<b>FY '03 (B)</b>	<b>A/B (%)</b>
Net sales	<b>1,996.5</b>	2,319.2	86
Ordinary profit	<b>41.7</b>	26.4	157
Net income (loss)	<b>26.3</b>	(12.1)	-
Dividend per share			
Annual dividend	<b>4</b>	3	133
Interim dividend	-	-	-
Term-end biannual dividend	<b>4</b>	3	133
Net income (loss) per share (in yen)	<b>12.<sup>27</sup></b>	(5. <sup>67</sup> )	-

FY '04: Apr. 1, 2003 – Mar. 31, 2004

FY '03: Apr. 1, 2002 – Mar. 31, 2003

## CONSOLIDATED PROFIT AND LOSS STATEMENT

(in millions of yen)

	<b>FY '04 (A)</b>	<b>% of total</b>	FY '03 (B)	% of total	Comparison to previous year (A - B)	A/B (%)
Net sales	<b>3,309,651</b>	<b>100.0</b>	3,639,071	100.0	(329,420)	91
Cost of sales	<b>2,508,519</b>	<b>75.8</b>	2,782,180	76.5	(273,661)	90
Selling, general and administrative expenses	<b>708,415</b>	<b>21.4</b>	793,751	21.8	(85,336)	89
Operating income	<b>92,717</b>	<b>2.8</b>	63,140	1.7	29,577	147
Other income	<b>62,181</b>	<b>1.9</b>	57,236	1.6	4,945	109
Interest and Dividends	<b>8,868</b>	<b>0.3</b>	11,486	0.3	(2,618)	77
Other	<b>53,313</b>	<b>1.6</b>	45,750	1.3	7,563	117
Other expenses	<b>70,114</b>	<b>2.1</b>	117,901	3.2	(47,787)	59
Interest	<b>14,823</b>	<b>0.4</b>	20,407	0.5	(5,584)	73
Other	<b>55,291</b>	<b>1.7</b>	97,494	2.7	(42,203)	57
Income before income taxes	<b>84,784</b>	<b>2.6</b>	2,475	0.1	82,309	34 times
Income taxes	<b>45,598</b>	<b>1.4</b>	16,332	0.5	29,266	279
Equity in earnings of affiliated companies	<b>5,653</b>	<b>0.2</b>	2,032	0.1	3,621	278
Net income (loss)	<b>44,839</b>	<b>1.4</b>	(11,825)	(0.3)	56,664	-

FY '04: Apr. 1, 2003 – Mar. 31, 2004

FY '03: Apr. 1, 2002 – Mar. 31, 2003

## CONSOLIDATED BALANCE SHEET

(in millions of yen)

	FY '04 (A)	FY '03 (B)	A – B
<b>(Assets)</b>			
Current assets	<b>1,743,381</b>	1,937,537	(194,156)
Cash and cash equivalents	<b>330,596</b>	363,595	(32,999)
Short-term investments	<b>32,240</b>	22,523	9,717
Trade receivables	<b>748,293</b>	821,943	(73,650)
Inventories	<b>401,619</b>	510,750	(109,131)
Prepaid expenses and other current assets	<b>230,633</b>	218,726	11,907
Long-term receivables	<b>15,998</b>	19,795	(3,797)
Investments	<b>464,943</b>	359,961	104,982
Net property, plant and equipment	<b>566,383</b>	727,770	(161,387)
Other assets	<b>434,518</b>	628,574	(194,056)
<b>Total assets</b>	<b>3,225,223</b>	3,673,637	(448,414)
<b>(Liabilities and shareholders' equity)</b>			
Current liabilities	<b>1,315,739</b>	1,589,322	(273,583)
Bank loans and current portion of long-term debt	<b>345,147</b>	555,863	(210,716)
Trade payables	<b>619,407</b>	650,696	(31,289)
Other current liabilities	<b>351,185</b>	382,763	(31,578)
Long-term debt	<b>559,408</b>	628,361	(68,953)
Retirement and severance benefits	<b>684,222</b>	995,765	(311,543)
Other fixed liabilities	<b>15,810</b>	11,596	4,214
Minority interests	<b>48,512</b>	54,006	(5,494)
Shareholders' equity	<b>601,532</b>	394,587	206,945
Common Stock	<b>175,820</b>	175,820	-
Capital surplus	<b>210,672</b>	210,671	1
Retained earnings	<b>389,250</b>	350,851	38,399
Accumulated other comprehensive income (loss)	<b>(173,837)</b>	(342,687)	168,850
Treasury stock at cost	<b>(373)</b>	(68)	(305)
<b>Total liabilities and shareholders' equity</b>	<b>3,225,223</b>	3,673,637	(448,414)
Balance of Debt	<b>904,555</b>	1,184,224	(279,669)
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	<b>(16,448)</b>	(686)	(15,762)
Minimum pension liability adjustments	<b>(192,844)</b>	(346,546)	153,702
Net unrealized gains on securities	<b>35,455</b>	4,545	30,910

FY '04: Apr. 1, 2003 – Mar. 31, 2004  
FY '03: Apr. 1, 2002 – Mar. 31, 2003

## CONSOLIDATED CASH FLOW

(in millions of yen)

	FY '04 (A)	FY '03 (B)	A – B
<b>I Cash flows from operating activities</b>			
1 Net income (loss)	44,839	(11,825)	56,664
2 Adjustments to reconcile net income (loss) to net cash provided by operating activities			
(1) Depreciation	118,386	208,884	(90,498)
(2) Deferred income taxes (increase)	20,119	(27,669)	47,788
(3) Decrease (increase) in trade receivables	(1,316)	(36,183)	34,867
(4) Decrease in inventories	50,686	96,715	(46,029)
(5) Decrease (increase) in prepaid expenses and other assets	(21,308)	(1,702)	(19,606)
(6) Increase in trade payables	17,758	53,813	(36,055)
(7) Increase (decrease) in other liabilities	18,874	(38,877)	57,751
(8) Other, net	(4,527)	(4,691)	164
Net cash provided by operating activities	243,511	238,465	5,046
<b>II Cash flows from investing activities</b>			
1 Capital expenditure	(96,253)	(133,223)	36,970
2 Proceeds from sale of property, plant and equipment	17,722	17,449	273
3 Purchase of short-term investments and investment securities	(71,233)	(37,068)	(34,165)
4 Proceeds from sale of short-term investments and investment securities	75,252	56,463	18,789
5 Other, net	4,425	2,694	1,731
Net cash used in investing activities	(70,087)	(93,685)	23,598
<b>I + II Free cash flow</b>	173,424	144,780	28,644
<b>III Cash flows from financing activities</b>			
1 Proceeds from long-term debt	97,183	304,814	(207,631)
2 Repayment of long-term debt	(274,355)	(415,445)	141,090
3 Increase (decrease) in bank loans, net	(15,280)	(118,853)	103,573
4 Dividends paid	(6,440)	-	(6,440)
5 Purchase of treasury stock	(310)	(491)	181
6 Retirement of treasury stock	6	-	6
Net cash provided by (used in) financing activities	(199,196)	(229,975)	30,779
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	(7,227)	(6,100)	(1,127)
<b>V Net increase (decrease) in cash and cash equivalents</b>	(32,999)	(91,295)	58,296
<b>VI Cash and cash equivalents at beginning of period</b>	363,595	454,890	(91,295)
<b>VII Cash and cash equivalents at end of period</b>	330,596	363,595	(32,999)

FY '04: Apr. 1, 2003 – Mar. 31, 2004

FY '03: Apr. 1, 2002 – Mar. 31, 2003

## CONSOLIDATED SEGMENT INFORMATION

### 1. Sales and Operating Income by Business Segment

(in millions of yen)

Business Segment	FY '04 (A)			FY '03 (B)			A/B (%)
	Sales (A)	% of total	Operating income (loss)	Sales (B)	% of total	Operating Income (loss)	
Energy and Electric Systems	797,448	21.9	25,912	861,120	21.5	59,406	93
Industrial Automation Systems	709,695	19.4	66,413	639,422	16.0	57,969	111
Information & Communication Systems	681,757	18.7	511	686,432	17.2	(27,273)	99
Electronic Devices	170,442	4.7	(4,678)	460,469	11.5	(53,078)	37
Home Appliances	782,256	21.4	19,317	789,149	19.7	36,195	99
Others	508,475	13.9	8,266	566,199	14.1	11,080	90
Subtotal	3,650,073	100.0	115,741	4,002,791	100.0	84,299	91
Eliminations and other	(340,422)	-	(23,024)	(363,720)	-	(21,159)	-
Total	3,309,651	-	92,717	3,639,071	-	63,140	91

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

FY '04: Apr. 1, 2003 – Mar. 31, 2004

FY '03: Apr. 1, 2002 – Mar. 31, 2003

### 2. Sales and Operating Income by Location

(in millions of yen)

Location	FY '04 (A)		FY '03 (B)		A/B (%)
	Sales (A)	Operating income	Sales (B)	Operating income (loss)	
Japan	2,842,354	55,880	3,168,639	42,559	90
North America	216,639	2,918	301,034	3,628	72
Asia (excluding Japan)	390,921	26,087	384,891	23,189	102
Europe	205,507	2,710	206,946	(9,921)	99
Others	21,498	1,211	15,268	471	141
Subtotal	3,676,919	88,806	4,076,778	59,926	90
Eliminations	(367,268)	3,911	(437,707)	3,214	-
Total	3,309,651	92,717	3,639,071	63,140	91

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

FY '04: Apr. 1, 2003 – Mar. 31, 2004

FY '03: Apr. 1, 2002 – Mar. 31, 2003

### 3. Overseas Sales

(in millions of yen)

Location	FY '04 (A)		FY '03 (B)		A/B (%)
	Sales (A)	% of total net sales	Sales (B)	% of total net sales	
North America	305,712	9.3	361,774	9.9	85
Asia (excluding Japan)	358,133	10.8	406,316	11.2	88
Europe	220,935	6.7	200,049	5.5	110
Others	60,150	1.8	84,476	2.3	71
Total overseas sales	944,930	28.6	1,052,615	28.9	90

FY '04: Apr. 1, 2003 – Mar. 31, 2004

FY '03: Apr. 1, 2002 – Mar. 31, 2003

### 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 3,309 billion yen (US\$31.2 billion<sup>\*</sup>) in the year ended March 31, 2004. For more information visit <http://global.mitsubishielectric.com>

<sup>\*</sup>At an exchange rate of 106 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2004.

### Cautionary Statement

The expectation of operating results herein and any associated statement to be made with respect to 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 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) Any change in operating circumstances in any of the markets, in which the Company conducts its business operation *inter alia* Japan, the USA and Europe: such change shall include but not limited to changes in economic situation, political regime, legal system and legislation, relevant laws and regulations, administrative policies and practices by any competent authorities, taxation in any of such markets. (2) Foreign exchange fluctuations, in particular, the rate of Japanese yen against US Dollar. (3) Relative disproportion between demand and supply of any products that may affect price and volume, which could be highly intrusive in such fields like information, telecommunication, electronic devices and home appliances, without limitation thereto. (4) Shortage of any devices, components and/or parts necessary for manufacturing operation and difficulties in material procurement arising out of such shortage, which

could even lead to substantial disconformity with the operating results as expected herein. Also this factor could be highly intrusive in such fields as information, telecommunication, electronic devices and home appliances, without limitation thereto. (5) Any change in technical and technological trends that may be relevant to businesses of the Company, including but not limited to IT-based or IT-related fields. (6) Any patent and its licensing that may be granted from time to time and may affect businesses of the Company. (7) Any development of products incorporating new technological innovation and the time of their introduction in the marketplace. (8) Any business alliances of any nature whatsoever, including but not limited to joint ventures, business transfers, mergers, acquisitions, capital contributions, technical licensing or co-development. (9) Any change in fund raising or procurement, *inter alia* in the Japanese financial market. (10) Any fluctuation in stock quotations at any relevant markets including securities exchanges and over-the counter stock markets, *inter alia* in Japan.

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