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MITSUBISHI ELECTRIC ANNOUNCES CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER OF FISCAL 2005

Tokyo, February 2, 2005 – Mitsubishi Electric Corporation (President and CEO: Tamotsu Nomakuchi) announced today its financial results for the third quarter, ending December 31, 2004, of the current fiscal year ending March 31, 2005 (fiscal 2005).

Consolidated Financial Results

Net sales	743.8 billion yen	(no change from same quarter last year)
Operating income	28.8 billion yen	(6% increase from same quarter last year)
Income before income taxes	26.3 billion yen	(15% increase from same quarter last year)
Net income	17.1 billion yen	(55% increase from same quarter last year)

During the third quarter of fiscal 2005, despite a continuing trend of global economic recovery and a general good transition in the economic environment, there was a visible slowdown in the US and Chinese economies. Japanese economic conditions as well began a slight downward trend with signs of slowdown in production and capital investment.

Under these circumstances, third quarter net sales rose compared to the same period of the previous fiscal year in the Industrial Automations Systems, Electronic Devices, and Home Appliances segments. There was a decrease in sales in the Energy and Electric Systems and Information and Communication Systems segments. Total net sales reached 743.8 billion yen in line with same quarter last year.

Operating income increased 6% from same quarter last year to 28.8 billion yen. Despite a decrease in profits in Energy and Electric Systems and Information and Communication Systems segments, there was an increase in profits in Industrial Automation Systems and Home Appliances segments as well as a return to profitability in Electronic Devices segment.

Consolidated Financial Results by Business Segment

Energy and Electric Systems

Total sales:	151.4	billion yen (2% decrease from same quarter last year)
Operating income:	3.8	billion yen (1.4 billion yen decrease from same quarter last year)

The social infrastructure systems business saw increases in exports to countries like China and other Asian countries that continue to invest heavily in enhancing social infrastructure. Domestic orders and sales both decreased due to curbs in private and public investment from electric power companies, railway companies, etc.

The building system business experienced an increase in both orders and sales from the same period last year due to an increase in large-scale orders in elevators and escalators both domestically and abroad as well as increase in Chinese demand.

As a result, net sales for this segment decreased 2% from the same period last year, and operating income fell 1.4 billion yen due to decreases in sales, etc.

Industrial Automation Systems

Total sales:	192.5	billion yen (8% increase from same quarter last year)
Operating income:	21.2	billion yen (2.2 billion yen increase from same quarter last year)

The factory automation systems business had an overall decrease in orders from the same period last year. There was an increase in orders for programmable logic controllers, servo motor systems, numerical controllers for machine tools and switchboards, however there was a decrease in orders for IT related investments such as liquid crystal and semiconductor manufacturing equipment. Net sales increased from the same period last year due to strong orders in the first half.

The automotive equipment business saw an increase in both orders and sales from the same period last year with increases in car navigation, ETC onboard units, and alternators and starters for both domestic and foreign carmakers.

As a result, total sales for this segment increased by 8% compared to the same period last year, while operating income rose by 2.2 billion yen due to increases in sales, etc.

Information and Communication Systems

Total sales:	114.7	billion yen (20% decrease from same period last year)
Operating income:	0	billion yen (2.7billion yen decrease from same period last year)

Both orders and sales in the telecommunications equipment business decreased from the same period last year mainly due to a decline in orders and sales of mobile handsets for the domestic market.

The information systems and services business saw an increase in net sales from the same period last year with increases in project numbers in the system integration and information system outsourcing businesses.

In the electronic system business, orders and sales decreased from the same period last year due to a period between large governmental projects.

As a result, total sales for this segment showed a decrease of 20% from the same period last year. Operating income decreased by 2.7 billion yen due to decreases in sales, etc.

Electronic Devices

Total sales:	39.7	billion yen (11% increase from same period last year)
Operating income:	0.4	billion yen (1.7 billion yen increase from same period last year)

The semiconductor business saw an increase in both orders and sales from the same period last year due to increases in orders for power modules for use in domestic industrial machinery, air conditioners, washing machines and other white goods as well as laser diodes for recordable DVD players.

In the liquid crystal business, both orders and sales decreased from the same period last year. Despite increased sales for small and medium sized products for use in displays for manufacturing equipment in the industrial sector and for mobile handsets, there was a decrease in sales in large commodity-type models for PC monitors.

As a result, total sales for this segment increased by 11 % from the same period last year, while operating income increased by 1.7 billion yen due to increased sales, etc.

Home Appliances

Total sales:	197.5	billion yen (2% increase from same period last year)
Operating income:	9.2	billion yen (1.8 billion yen increase from same period last year)

The home appliance business saw an increase in sales from the same period last year. Despite a decrease in sales of CRT type color televisions, there was an increase in sales for DVD related goods, LCD televisions and other digital AV products as well as refrigerators and residential home equipment such as hot water heaters, solar power generation systems, and packaged/home air conditioners for both the foreign and domestic market.

As a result, total sales for this segment increased by 2% from the same period last year, while operating income increased by 1.8 billion yen due to increased sales, etc.

Others

Total sales:	139.8	billion yen (18% increase from same period last year)
Operating income:	2.6	billion yen (0.1 billion yen increase from same period last year)

Sales increased from the same period last year mainly in affiliated companies for material procurement, engineering, logistics and system maintenance.

As a result, total sales for this segment increased by 18% from the same period last year, while operating income increased by 0.1 billion yen due to increases in sales, etc.

Forecast for Fiscal 2005 (ending March 31, 2005) Consolidated Financial Results

Net sales	3. ⁴⁰⁰⁰	trillion yen (3% increase year-on-year)
Operating income	120.0	billion yen (29% increase year-on-year)
Income before income taxes	100.0	billion yen (18% increase year-on-year)
Net income	70.0	billion yen (56% increase year-on-year)

The forecast for fiscal 2005 remains unchanged from that stated on October 28, 2004, announced with the Half-Year Results.

<p><i>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 in the last page.</i></p>

CONSOLIDATED FINANCIAL RESULTS

1. FISCAL 2005, 3rd QUARTER CONSOLIDATED FINANCIAL RESULTS

(In billions of yen)

	FY '05 3rd Q (A) (Oct. 1, 2004 – Dec. 31, 2004)	FY '04 3rd Q (B) (Oct. 1, 2003 – Dec. 31, 2003)	A/B (%)
Net sales	743. ⁸	746. ⁸	100
Operating income	28. ⁸	27. ³	106
Income before income taxes	26. ³	22. ⁸	115
Net income	17. ¹	11. ⁰	155
Net income per share (in yen)	8. ⁰⁰	5. ¹⁵	155

2. FISCAL 2005, FIRST 9 MONTH CONSOLIDATED FINANCIAL RESULTS

(In billions of yen)

	FY '05 9 mth (A) (Apr. 1, 2004 – Dec. 31, 2004)	FY '04 9 mth (B) (Apr. 1, 2003 – Dec. 31, 2003)	A/B (%)
Net sales	2,351. ⁷	2,310. ⁹	102
Operating income	72. ⁰	39. ⁴	183
Income before income taxes	58. ³	39. ⁶	147
Net income	36. ²	14. ⁸	244
Net income per share (in yen)	16. ⁸⁹	6. ⁹³	244

Note: 1) Consolidated financial statements are compiled according to U.S. GAAP.
 2) Company has 138 consolidated subsidiaries.
 3) This report is unaudited.

CONSOLIDATED PROFIT AND LOSS STATEMENT
Fiscal 2005, 3rd Quarter

(In millions of yen)

	FY '05 3rd Q (A) (Oct. 1, 2004 – Dec. 31, 2004)	% of total	FY '04 3rd Q (B) (Oct. 1, 2003 – Dec. 31, 2003)	% of total	Comparison to same quarter last year (A - B)	A/B (%)
Net sales	743,827	100.0	746,813	100.0	(2,986)	100
Cost of sales	550,932	74.1	553,297	74.1	(2,365)	100
Selling, general and administrative expenses	164,090	22.0	166,213	22.2	(2,123)	99
Operating income	28,805	3.9	27,303	3.7	1,502	106
Other income	5,189	0.7	6,625	0.9	(1,436)	78
Interest and Dividends	1,655	0.2	1,368	0.2	287	121
Other	3,534	0.5	5,257	0.7	(1,723)	67
Other expenses	7,666	1.1	11,122	1.5	(3,456)	69
Interest	2,354	0.3	3,792	0.5	(1,438)	62
Other	5,312	0.8	7,330	1.0	(2,018)	72
Income before income taxes	26,328	3.5	22,806	3.1	3,522	115
Income taxes	11,613	1.5	12,620	1.7	(1,007)	92
Equity in earnings of affiliated companies	2,452	0.3	876	0.1	1,576	280
Net income	17,167	2.3	11,062	1.5	6,105	155

CONSOLIDATED PROFIT AND LOSS STATEMENT
Fiscal 2005, First 9 Months

(In millions of yen)

	FY '05 9 mth (A) (Apr. 1, 2004 – Dec. 31, 2004)	% of total	FY '04 9 mth (B) (Apr. 1, 2003 – Dec. 31, 2003)	% of total	Comparison to same period last year (A - B)	A/B (%)
Net sales	2,351,785	100.0	2,310,934	100.0	40,851	102
Cost of sales	1,749,932	74.4	1,748,860	75.7	1,072	100
Selling, general and administrative expenses	529,779	22.5	522,674	22.6	7,105	101
Operating income	72,074	3.1	39,400	1.7	32,674	183
Other income	22,345	0.9	36,465	1.6	(14,120)	61
Interest and Dividends	6,253	0.2	5,761	0.3	492	109
Other	16,092	0.7	30,704	1.3	(14,612)	52
Other expenses	36,073	1.5	36,205	1.6	(132)	100
Interest	8,130	0.3	12,088	0.5	(3,958)	67
Other	27,943	1.2	24,117	1.1	3,826	116
Income before income taxes	58,346	2.5	39,660	1.7	18,686	147
Income taxes	31,055	1.4	23,952	1.1	7,103	130
Equity in earnings (losses) of affiliated companies	8,958	0.4	(823)	(0.0)	9,781	-
Net income	36,249	1.5	14,885	0.6	21,364	244

CONSOLIDATED BALANCE SHEET

(In millions of yen)

	FY '05 3 rd Q (A) (ending Dec. 31, 2004)	FY '05 1 st Half (B) (ending Sep. 30, 2004)	A – B	FY '04 (ending Mar. 31, 2004)
(Assets)				
Current assets	1,697,033	1,706,240	(9,207)	1,743,381
Cash and cash equivalents	250,341	334,776	(84,435)	330,596
Short-term investments	22,765	25,358	(2,593)	32,240
Trade receivables	636,646	661,128	(24,482)	748,293
Inventories	564,434	469,051	95,383	401,619
Prepaid expenses and other current assets	222,847	215,927	6,920	230,633
Long-term receivables	8,780	11,619	(2,839)	15,998
Investments	482,786	469,114	13,672	464,943
Net property, plant and equipment	562,074	560,006	2,068	566,383
Other assets	439,243	450,380	(11,137)	434,518
Total assets	3,189,916	3,197,359	(7,443)	3,225,223
(Liabilities and shareholders' equity)				
Current liabilities	1,271,612	1,249,902	21,710	1,315,739
Bank loans and current portion of long-term debt	294,623	270,995	23,628	345,147
Trade payables	565,299	565,976	(677)	619,407
Other current liabilities	411,690	412,931	(1,241)	351,185
Long-term debt	530,757	574,498	(43,741)	559,408
Retirement and severance benefits	690,882	703,727	(12,845)	684,222
Other fixed liabilities	16,033	15,222	811	15,810
Minority interests	51,367	49,458	1,909	48,512
Shareholders' equity	629,265	604,552	24,713	601,532
Common stock	175,820	175,820	-	175,820
Capital surplus	210,687	210,686	1	210,672
Retained earnings	412,622	399,747	12,875	389,250
Accumulated other comprehensive income (loss)	(169,480)	(181,338)	11,858	(173,837)
Treasury stock at cost	(384)	(363)	(21)	(373)
Total liabilities and shareholders' equity	3,189,916	3,197,359	(7,443)	3,225,223
Balance of Debt	825,380	845,493	(20,113)	904,555
Accumulated other comprehensive income (loss):				
Foreign currency translation adjustments	(12,554)	(11,055)	(1,499)	(16,448)
Minimum pension liability adjustments	(192,091)	(200,240)	8,149	(192,844)
Net unrealized gains on securities	35,165	29,957	5,208	35,455

CONSOLIDATED CASH FLOW STATEMENT
Fiscal 2005, 3rd Quarter

(In millions of yen)

	FY '05 3 rd Q (A) (Oct. 1, 2004 - Dec. 31, 2004)	FY '04 3 rd Q (B) (Oct. 1, 2003 - Dec. 31, 2003)	A - B
(1) Cash flows from operating activities			
1 Net income	17,167	11,062	6,105
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	25,953	29,530	(3,577)
(2) Decrease in trade receivables	27,020	16,073	10,947
(3) Decrease (increase) in inventories	(95,818)	(53,572)	(42,246)
(4) Increase (decrease) in trade payables	20	(11,431)	11,451
(5) Other, net	(4,648)	15,694	(20,342)
Net cash provided by operating activities	(30,306)	7,356	(37,662)
(2) Cash flows from investing activities			
1 Capital expenditure	(22,987)	(15,441)	(7,546)
2 Proceeds from sale of property, plant and equipment	540	605	(65)
3 Purchase of short-term investments and investment securities	(9,755)	(17,081)	7,326
4 Proceeds from sale of short-term investments and investment securities	7,900	19,832	(11,932)
5 Other, net	1,041	(464)	1,505
Net cash used in investing activities	(23,261)	(12,549)	(10,712)
(1) + (2) Free cash flow	(53,567)	(5,193)	(48,374)
(3) Cash flows from financing activities			
1 Proceeds from long-term debt	1,691	351	1,340
2 Repayment of long-term debt	(47,278)	(43,269)	(4,009)
3 Increase (decrease) in bank loans, net	19,607	28,033	(8,426)
4 Dividends paid	(4,292)	-	(4,292)
5 Purchase of treasury stock	(25)	(11)	(14)
6 Reissuance of treasury stock	4	-	4
Net cash provided by (used in) financing activities	(30,293)	(14,896)	(15,397)
(4) Effect of exchange rate changes on cash and cash equivalents	(575)	(3,210)	2,635
(5) Net increase (decrease) in cash and cash equivalents	(84,435)	(23,299)	(61,136)
(6) Cash and cash equivalents at beginning of period	334,776	357,483	(22,707)
(7) Cash and cash equivalents at the end of period	250,341	334,184	(83,843)

CONSOLIDATED CASH FLOW STATEMENT

Fiscal 2005, First 9 Months

(In millions of yen)

	FY '05 9 mth (A) (Apr. 1, 2004 - Dec. 31, 2004)	FY '04 9 mth (B) (Apr. 1, 2003 - Dec. 31, 2003)	A - B
(1) Cash flows from operating activities			
1 Net income	36,249	14,885	21,364
2 Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation of tangible fixed assets and other	78,881	79,901	(1,020)
(2) Decrease in trade receivables	124,188	149,231	(25,043)
(3) Decrease (increase) in inventories	(158,699)	(47,313)	(111,386)
(4) Increase (decrease) in trade payables	(55,299)	(58,886)	3,587
(5) Other, net	63,978	11,798	52,180
Net cash provided by operating activities	89,298	149,616	(60,318)
(2) Cash flows from investing activities			
1 Capital expenditure	(81,310)	(58,635)	(22,675)
2 Proceeds from sale of property, plant and equipment	12,845	8,434	4,411
3 Purchase of short-term investments and investment securities	(37,010)	(54,756)	17,746
4 Proceeds from sale of short-term investments and investment securities	35,499	54,413	(18,914)
5 Other, net	2,881	2,616	265
Net cash used in investing activities	(67,095)	(47,928)	(19,167)
(1) + (2) Free cash flow	22,203	101,688	(79,485)
(3) Cash flows from financing activities			
1 Proceeds from long-term debt	46,742	83,732	(36,990)
2 Repayment of long-term debt	(105,686)	(230,248)	124,562
3 Increase (decrease) in bank loans, net	(33,212)	27,248	(60,460)
4 Dividends paid	(12,877)	(6,440)	(6,437)
5 Purchase of treasury stock	(45)	(294)	249
6 Reissuance of treasury stock	48	-	48
Net cash provided by (used in) financing activities	(105,030)	(126,002)	20,972
(4) Effect of exchange rate changes on cash and cash equivalents	2,572	(5,097)	7,669
(5) Net increase (decrease) in cash and cash equivalents	(80,255)	(29,411)	(50,844)
(6) Cash and cash equivalents at beginning of period	330,596	363,595	(32,999)
(7) Cash and cash equivalents at the end of period	250,341	334,184	(83,843)

CONSOLIDATED SEGMENT INFORMATION
Fiscal 2005, 3rd Quarter

Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '05 3rd Q (A) (Oct. 1, 2004 - Dec. 31, 2004)			FY '04 3rd Q (B) (Oct. 1, 2003 - Dec. 31, 2003)			A/B (%)
	Sales (A)	% of total	Operating income	Sales (B)	% of total	Operating income (loss)	
Energy and Electric Systems	151,468	18.1	3,847	154,971	18.8	5,340	98
Industrial Automation Systems	192,565	23.1	21,202	178,440	21.7	18,999	108
Information and Communication Systems	114,753	13.7	96	142,751	17.3	2,876	80
Electronic Devices	39,798	4.8	471	35,985	4.4	(1,273)	111
Home Appliances	197,578	23.6	9,285	193,129	23.4	7,421	102
Others	139,866	16.7	2,612	118,408	14.4	2,458	118
Subtotal	836,028	100.0	37,513	823,684	100.0	35,821	101
Eliminations	(92,201)	-	(8,708)	(76,871)	-	(8,518)	-
Consolidated Total	743,827	-	28,805	746,813	-	27,303	100

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

CONSOLIDATED SEGMENT INFORMATION
Fiscal 2005, First 9 Months

Sales and Operating Income by Business Segment

(In millions of yen)

Business Segment	FY '05 9 mth (A) (Apr. 1, 2004 - Dec. 31, 2004)			FY '04 9 mth (B) (Apr. 1, 2003 - Dec. 31, 2003)			A/B (%)
	Sales (A)	% of total	Operating income (loss)	Sales (B)	% of total	Operating income (loss)	
Energy and Electric Systems	467,474	17.8	(1,050)	479,731	18.8	(373)	97
Industrial Automation Systems	588,287	22.4	64,517	515,255	20.2	45,021	114
Information and Communication Systems	384,074	14.6	(9,670)	474,376	18.6	(552)	81
Electronic Devices	121,353	4.6	4,124	123,323	4.9	(5,872)	98
Home Appliances	653,008	24.8	27,829	596,549	23.4	17,045	109
Others	417,219	15.8	7,082	359,178	14.1	4,714	116
Subtotal	2,631,415	100.0	92,832	2,548,412	100.0	59,983	103
Eliminations	(279,630)	-	(20,758)	(237,478)	-	(20,583)	-
Consolidated Total	2,351,785	-	72,074	2,310,934	-	39,400	102

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

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) Any change in worldwide economic and social conditions as well as laws, regulations, taxation and other legislation
- (2) Changes in foreign currency exchange rates, especially yen/dollar rates
- (3) Changes in stock markets, especially in Japan
- (4) Changes in balance of demand and supply of products that may affect prices and volume, as well as material procurement conditions
- (5) Changes in the ability to acquire financing, especially in Japan
- (6) Changes in any patent and its licensing, including any dispute involving patent infringement, that may affect operations
- (7) Technological change, the development of products using new technology, manufacturing and time-to-market
- (8) Business restructuring

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*) in the year ended March 31, 2004.

For more information visit <http://global.mitsubishielectric.com>

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

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