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Mitsubishi Electric Announces Consolidated Financial Results for the First Quarter of Fiscal 2024

TOKYO, July 31, 2023 – [Mitsubishi Electric Corporation](https://www.mitsubishielectric.com) (TOKYO: 6503) announced today its consolidated financial results for the first quarter, ended June 30, 2023, of the current fiscal year ending March 31, 2024 (fiscal 2024).

Consolidated Financial Results

Revenue:	1,220.3 billion yen	(14% increase year-on-year)
Operating profit:	61.0 billion yen	(80% increase year-on-year)
Profit before income taxes:	76.8 billion yen	(64% increase year-on-year)
Net profit attributable to Mitsubishi Electric Corp. stockholders:	57.8 billion yen	(73% increase year-on-year)

The economy in the first quarter, from April through June 2023, of fiscal 2024 continued to see recovery primarily in the household sector in Japan. In the U.S., the economy continued to see recovery in the corporate and household sectors despite monetary tightening and other factors. In China, recovery remained moderate due to slower production and export. In Europe, there were slowdowns in the corporate and household sectors due to monetary tightening and other factors.

Revenue

Revenue increased by 152.5 billion yen year-on-year to 1,220.3 billion yen owing primarily to the weaker yen. The Life segment saw an increase in the building systems business in Asia and Europe, and the air conditioning systems & home products business also increased due to robust demand for air conditioners. The Industry & Mobility segment saw an increase in the factory automation systems business due mainly to eliminating order backlog in addition to the weaker yen and price hike. The automotive equipment business also increased due to robust demand for electric vehicle-related equipment. The Infrastructure segment saw the energy systems business remaining substantially unchanged year-on-year, while the public utility systems business saw increases in the transportation systems and public utility businesses outside Japan, and the defense & space systems business saw an increase due to large-scale projects in the space systems and defense systems businesses. The Semiconductor & Device segment increased due to robust demand for power modules. The Business Platform segment saw increases in the IT infrastructure service and system integration businesses.

Operating profit

Operating profit increased by 27.0 billion yen year-on-year to 61.0 billion yen due mainly to increases in the Life, Business Platform and Semiconductor & Device segments despite decreases in the Infrastructure and Industry & Mobility segments. Operating profit ratio improved by 1.8 points year-on-year to 5.0% due mainly to an improvement in cost ratio.

The cost ratio improved by 1.6 points year-on-year due to the weaker yen and price hike.

Selling, general and administrative expenses increased by 31.1 billion yen year-on-year, and the selling, general and administrative expenses to revenue ratio improved by 0.5 points year-on-year. Other profit

(loss) decreased by 3.5 billion yen year-on-year, and other profit (loss) to revenue ratio deteriorated by 0.3 points year-on-year.

Profit before income taxes

Profit before income taxes increased by 29.9 billion yen year-on-year to 76.8 billion yen due primarily to an increase in operating profit. The profit before income taxes to revenue ratio was 6.3%.

Net profit attributable to Mitsubishi Electric Corporation stockholders

Net profit attributable to Mitsubishi Electric Corporation stockholders increased by 24.3 billion yen year-on-year to 57.8 billion yen due mainly to an increase in profit before income taxes. The net profit attributable to Mitsubishi Electric Corporation stockholders to revenue ratio was 4.7%.

Consolidated Financial Results by Business Segment

Infrastructure

Revenue:	188.5 billion yen	(8% increase year-on-year; recorded 174.2 billion yen)
Operating profit (loss):	(4.9 billion yen)	(1.6 billion yen decline year-on-year; recorded a loss of 3.2 billion yen)

The market for the public utility systems business saw recovery in the global demand for the transportation systems area and robust investment in the public utility area worldwide. In this environment, orders won by the business increased year-on-year due primarily to increases in the transportation systems and public utility businesses worldwide. Revenue also increased year-on-year due to the weaker yen and increases in the transportation systems and public utility businesses outside Japan.

The market for the energy systems business continued to see capital expenditures of power companies in Japan and robust demand for power supply stabilization worldwide in the expansion of renewable energy. In this environment, orders won by the business increased year-on-year due primarily to an increase in the power distribution business worldwide, while revenue remained substantially unchanged year-on-year.

The defense & space systems business saw an increase in orders year-on-year due primarily to an increase in large-scale projects for the defense systems business. Revenue also increased year-on-year due mainly to an increase in large-scale projects for the space systems and defense systems businesses.

As a result, revenue for this segment increased by 8% year-on-year to 188.5 billion yen.

Operating profit declined by 1.6 billion yen year-on-year to a loss of 4.9 billion yen due primarily to a shift in project portfolios and increased costs.

Industry & Mobility

Revenue:	410.5 billion yen	(13% increase year-on-year; recorded 364.4 billion yen)
Operating profit:	21.6 billion yen	(1.0 billion yen decrease year-on-year; recorded 22.7 billion yen)

The market for the factory automation systems business saw continued demand primarily in the decarbonization area such as lithium-ion batteries, while global demand decreased mainly for digital equipment such as semiconductors. In this environment, orders won by the business decreased year-on-year, while revenue increased year-on-year due mainly to eliminating order backlog in addition to the weaker yen and price hike .

The market for the automotive equipment business saw a year-on-year increase in sales of new cars due to an improvement in the supply of some semiconductor parts, and robust demand for electric vehicle-related equipment in line with the expansion of the electric vehicle market. In this environment, the business saw increases in both orders and revenue year-on-year due primarily to the weaker yen and increases in electric vehicle-related equipment such as motors and inverters as well as electrical components.

As a result, revenue for this segment increased by 13% year-on-year to 410.5 billion yen.

Operating profit decreased by 1.0 billion yen year-on-year to 21.6 billion yen due to a shift in product mix and increased costs, despite an increase in revenue and the weaker yen.

Life

Revenue:	520.4 billion yen	(19% increase year-on-year; recorded 438.3 billion yen)
Operating profit:	43.9 billion yen	(30.2 billion yen increase year-on-year; recorded 13.7 billion yen)

The market for the building systems business continued to see recovery from the slowdown stemming from COVID-19. In this environment, the business saw increases in both orders and revenue year-on-year due primarily to the weaker yen and increases in Asia and Europe.

The market for the air conditioning systems & home products business saw robust global demand for air conditioners due to decarbonization trends worldwide. In this environment, the business saw an increase in revenue year-on-year due mainly to an increase in air conditioners in Europe, Asia, North America and Japan in addition to the weaker yen and price hike.

As a result, revenue for this segment increased by 19% year-on-year to 520.4 billion yen.

Operating profit increased by 30.2 billion yen year-on-year to 43.9 billion yen due primarily to increases in revenue and the weaker yen, as well as price hike and an improvement of logistics costs.

Business Platform

Revenue:	28.5 billion yen	(6% increase year-on-year; recorded 26.9 billion yen)
Operating profit:	1.1 billion yen	(0.6 billion yen increase year-on-year; recorded 0.4 billion yen)

The market for the information systems & network service business saw robust demand due to updates to legacy systems and digital transformation-related efforts. In this environment, the business saw an increase in orders due mainly to increases in the IT infrastructure service and system integrations businesses. Revenue also increased by 6% year-on-year to 28.5 billion yen.

Operating profit increased by 0.6 billion yen year-on-year to 1.1 billion yen due mainly to an increase in revenue and reduced costs.

Semiconductor & Devices

Revenue:	68.2 billion yen	(7% increase year-on-year; recorded 63.8 billion yen)
Operating profit:	6.6 billion yen	(0.2 billion yen increase year-on-year; recorded 6.4 billion yen)

The market for the semiconductor & device business saw continued robust demand for power modules used in industrial applications. In this environment, the business saw a decrease in orders year-on-year due mainly to the trend of customers securing power modules for the future settling down, while revenue for this segment increased by 7% year-on-year to 68.2 billion yen due mainly to the weaker yen and an increase in power modules used in consumer and industrial applications.

Operating profit increased by 0.2 billion yen year-on-year to 6.6 billion yen due mainly to the weaker yen.

Others

Revenue:	198.6 billion yen	(9% increase year-on-year; recorded 182.7 billion yen)
Operating profit:	4.2 billion yen	(0.3 billion yen decrease year-on-year; recorded 4.5 billion yen)

Revenue increased by 9% year-on-year to 198.6 billion yen due primarily to increases in materials procurement and software.

Operating profit decreased by 0.3 billion yen year-on-year to 4.2 billion yen due mainly to a shift in project portfolios.

Financial Standing

An analysis on the status of assets, liabilities and equity on a consolidated basis

Total assets as of the end of this fiscal quarter increased by 85.6 billion yen compared to the end of the previous fiscal year to 5,668.1 billion yen. The change in balance of total assets was mainly attributable to an increase in inventories by 124.0 billion yen.

Inventories increased due primarily to the weaker yen and a change in demand for the Industry & Mobility and Life segments.

Total liabilities decreased by 27.8 billion yen compared to the end of the previous fiscal year to 2,191.4 billion yen due primarily to a decrease in trade payables by 32.3 billion yen. Bonds and borrowings increased by 4.3 billion yen compared to the end of the previous fiscal year to 256.6 billion yen, with the ratio of bonds and borrowings to total assets recording 4.5%, unchanged compared to the end of the previous fiscal year.

Mitsubishi Electric Corporation stockholders' equity increased by 108.2 billion yen compared to the end of the previous fiscal year to 3,347.2 billion yen due mainly to net profit attributable to Mitsubishi Electric Corporation stockholders of 57.8 billion yen and an increase in accumulated other comprehensive income of 111.7 billion yen, mainly reflecting the weaker yen and rise in stock prices, despite a decrease due primarily to a dividend payment of 54.9 billion yen. The stockholders' equity ratio was 59.1%, representing a 1.1 point increase compared to the end of the previous fiscal year.

An analysis on the status of cash flow on a consolidated basis

Cash flows from operating activities for the first quarter of fiscal 2024 were 91.2 billion yen (cash in), while cash flows from investing activities were 40.8 billion yen (cash out). As a result, free cash flow was 50.3 billion yen (cash in). Cash flows from financing activities were 76.8 billion yen (cash out), and cash and cash equivalents at the end of the period decreased by 3.2 billion yen compared to the end of the previous fiscal year to 642.6 billion yen.

Net cash provided by operating activities increased by 36.5 billion yen year-on-year due primarily to an increase in profit and a decrease in payment for inventories.

Net cash used in investing activities decreased by 13.5 billion yen year-on-year due mainly to decreases in the purchase of investment securities and others.

Net cash used in financing activities increased by 7.9 billion yen year-on-year due primarily to an increase in purchase of treasury stock.

Forecast for Fiscal 2024

The consolidated earnings forecast for fiscal 2024, ending March 31, 2024, is unchanged from the previous announcement on April 28, 2023 as stated below.

Current consolidated forecast for fiscal 2024

Revenue:	5,200.0	billion yen	(4% increase year-on-year)
Operating profit:	330.0	billion yen	(26% increase year-on-year)
Profit before income taxes:	355.0	billion yen	(22% increase year-on-year)
Net profit attributable to Mitsubishi Electric Corp. stockholders:	260.0	billion yen	(22% increase year-on-year)

Exchange rates for this forecast from second quarter onwards are 130 yen to the U.S. dollar (5 yen weaker than the previous forecast), 140 yen to the euro (5 yen weaker than the previous forecast) and 19.0 yen to the Chinese yuan (0.5 yen weaker than the previous forecast).

Note: The results forecast above is based on assumptions deemed reasonable by Mitsubishi Electric at the present time, and actual results may differ significantly from forecasts. Please refer to the cautionary statement at the end.

Consolidated Financial Results Summary

(In billions of yen except where noted)

	FY '23 Q1 (A) (Apr. 1, 2022 – Jun. 30, 2022)	FY '24 Q1 (B) (Apr. 1, 2023 – Jun. 30, 2023)		
			B – A	B/A (%)
Revenue	1,067.7	1,220.3	152.5	114
Operating profit	33.9	61.0	27.0	180
Profit before income taxes	46.8	76.8	29.9	164
Net profit attributable to Mitsubishi Electric Corp. stockholders	33.4	57.8	24.3	173
Basic earnings per share attributable to Mitsubishi Electric Corp. stockholders	15. ⁸⁶ yen	27.⁴¹ yen	11. ⁵⁵ yen	173

Notes:

- 1) Consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).
- 2) The company has 213 consolidated subsidiaries.

Condensed Quarterly Consolidated Financial Statements
Condensed Quarterly Consolidated Statement of Profit or Loss and
Condensed Quarterly Consolidated Statement of Comprehensive Income

(Condensed Quarterly Consolidated Statement of Profit or Loss)

(In millions of yen)

	FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022)		FY '24 Q1 (Apr. 1, 2023 – Jun. 30, 2023)		B – A	B/A (%)
	(A)	% of total	(B)	% of total		
Revenue	1,067,723	100.0	1,220,300	100.0	152,577	114
Cost of sales	776,473	72.7	867,274	71.1	90,801	112
Selling, general and administrative expenses	259,358	24.3	290,499	23.8	31,141	112
Other profit (loss)	2,073	0.2	(1,522)	(0.1)	(3,595)	—
Operating profit	33,965	3.2	61,005	5.0	27,040	180
Financial income	8,497	0.8	9,842	0.8	1,345	116
Financial expenses	727	0.1	1,243	0.1	516	171
Share of profit of investments accounted for using the equity method	5,161	0.5	7,280	0.6	2,119	141
Profit before income taxes	46,896	4.4	76,884	6.3	29,988	164
Income taxes	11,233	1.1	15,316	1.3	4,083	136
Net profit	35,663	3.3	61,568	5.0	25,905	173
Net profit attributable to:						
Mitsubishi Electric Corp. stockholders	33,492	3.1	57,834	4.7	24,342	173
Non-controlling interests	2,171	0.2	3,734	0.3	1,563	172

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(In millions of yen)

	FY '23 Q1 (A) (Apr. 1, 2022 – Jun. 30, 2023)	FY '24 Q1 (B) (Apr. 1, 2023 – Jun. 30, 2023)	B – A
Net profit	35,663	61,568	25,905
(Other comprehensive income (loss), net of tax)			
Items that will not be reclassified to net profit			
Changes in fair value of financial assets measured at fair value through other comprehensive income	(1,847)	42,828	44,675
Share of other comprehensive income of investments accounted for using the equity method	62	1,309	1,247
Subtotal	(1,785)	44,137	45,922
Items that may be reclassified to net profit			
Exchange differences on translating foreign operations	78,229	73,227	(5,002)
Net changes in the fair value of cash flow hedges	(61)	(14)	47
Share of other comprehensive income of investments accounted for using the equity method	3,368	2,052	(1,316)
Subtotal	81,536	75,265	(6,271)
Total other comprehensive income (loss)	79,751	119,402	39,651
Comprehensive income	115,414	180,970	65,556
Comprehensive income attributable to:			
Mitsubishi Electric Corp. stockholders	106,636	172,099	65,463
Non-controlling interests	8,778	8,871	93

Condensed Quarterly Consolidated Statement of Financial Position

(In millions of yen)

	FY '23 (A) (ended Mar. 31, 2023)	FY '24 Q1 (B) (ended Jun. 30, 2023)	B – A
(Assets)			
Current assets	3,388,187	3,408,786	20,599
Cash and cash equivalents	645,870	642,607	(3,263)
Trade receivables	1,051,641	884,202	(167,439)
Contract assets	295,291	313,452	18,161
Inventories	1,209,254	1,333,336	124,082
Other current assets	186,131	235,189	49,058
Non-current assets	2,194,332	2,259,404	65,072
Investments accounted for using the equity method	236,785	233,321	(3,464)
Other financial assets	358,598	414,390	55,792
Property, plant and equipment	896,313	914,645	18,332
Other non-current assets	702,636	697,048	(5,588)
Total assets	5,582,519	5,668,190	85,671
(Liabilities)			
Current liabilities	1,802,826	1,764,222	(38,604)
Bonds, borrowings and lease liabilities	186,304	192,491	6,187
Trade payables	644,456	612,137	(32,319)
Other current liabilities	972,066	959,594	(12,472)
Non-current liabilities	416,469	427,189	10,720
Bonds, borrowings and lease liabilities	214,454	215,698	1,244
Net defined benefit liabilities	153,821	155,902	2,081
Other non-current liabilities	48,194	55,589	7,395
Total liabilities	2,219,295	2,191,411	(27,884)
(Equity)			
Mitsubishi Electric Corp. stockholders' equity	3,239,027	3,347,296	108,269
Common stock	175,820	175,820	—
Capital surplus	202,888	202,662	(226)
Retained earnings	2,636,136	2,641,536	5,400
Accumulated other comprehensive income (loss)	276,898	388,657	111,759
Treasury stock, at cost	(52,715)	(61,379)	(8,664)
Non-controlling interests	124,197	129,483	5,286
Total equity	3,363,224	3,476,779	113,555
Total liabilities and equity	5,582,519	5,668,190	85,671

Bonds, borrowings and lease liabilities	400,758	408,189	7,431
Excluding lease liabilities	252,265	256,624	4,359

Accumulated other comprehensive income (loss):

Exchange differences on translating foreign operations	163,249	233,397	70,148
Financial assets measured at fair value through other comprehensive income	113,579	155,191	41,612
Net changes in the fair value of cash flow hedges	70	69	(1)

Condensed Quarterly Consolidated Statement of Changes in Equity
FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022)

(In millions of yen)

	Mitsubishi Electric Corp. stockholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total		
Balance at beginning of period	175,820	202,695	2,464,966	184,528	(52,068)	2,975,941	121,456	3,097,397
Comprehensive income								
Net profit			33,492			33,492	2,171	35,663
Other comprehensive income (loss), net of tax				73,144		73,144	6,607	79,751
Comprehensive income	—	—	33,492	73,144	—	106,636	8,778	115,414
Reclassification to retained earnings			881	(881)		—		—
Dividends			(54,940)			(54,940)	(2,869)	(57,809)
Purchase of treasury stock					(0)	(0)		(0)
Disposal of treasury stock		(784)			784	0		0
Transactions with non-controlling interests and others		(357)				(357)	(1,307)	(1,664)
Balance at end of period	175,820	201,554	2,444,399	256,791	(51,284)	3,027,280	126,058	3,153,338

FY '24 Q1 (Apr. 1, 2023 – Jun. 30, 2023)

(In millions of yen)

	Mitsubishi Electric Corp. stockholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total		
Balance at beginning of period	175,820	202,888	2,636,136	276,898	(52,715)	3,239,027	124,197	3,363,224
Comprehensive income								
Net profit			57,834			57,834	3,734	61,568
Other comprehensive income (loss), net of tax				114,265		114,265	5,137	119,402
Comprehensive income	—	—	57,834	114,265	—	172,099	8,871	180,970
Reclassification to retained earnings			2,506	(2,506)		—		—
Dividends			(54,940)			(54,940)	(3,586)	(58,526)
Purchase of treasury stock					(9,030)	(9,030)		(9,030)
Disposal of treasury stock		(366)			366	—		—
Transactions with non-controlling interests and others		140				140	1	141
Balance at end of period	175,820	202,662	2,641,536	388,657	(61,379)	3,347,296	129,483	3,476,779

Condensed Quarterly Consolidated Statement of Cash Flows

(In millions of yen)

	FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022) (A)	FY '24 Q1 (Apr. 1, 2023 – Jun. 30, 2023) (B)	B – A
I Cash flows from operating activities			
1 Net profit	35,663	61,568	25,905
2 Adjustments to cash flows from operating activities			
(1) Depreciation, amortization and other	48,745	46,909	(1,836)
(2) Decrease in trade receivables	194,033	195,039	1,006
(3) Decrease (increase) in contract assets	(4,003)	(16,187)	(12,184)
(4) Decrease (increase) in inventories	(102,993)	(79,625)	23,368
(5) Increase (decrease) in trade payables	(34,119)	(39,799)	(5,680)
(6) Others, net	(82,671)	(76,683)	5,988
Cash flows from operating activities	54,655	91,222	36,567
II Cash flows from investing activities			
1 Purchase of property, plant and equipment	(34,307)	(39,699)	(5,392)
2 Proceeds from sale of property, plant and equipment	1,173	395	(778)
3 Purchase of investment securities and others (net of cash acquired)	(17,534)	(4,001)	13,533
4 Proceeds from sale of investment securities and others	3,713	9,744	6,031
5 Others, net	(7,482)	(7,327)	155
Cash flows from investing activities	(54,437)	(40,888)	13,549
I + II Free cash flow	218	50,334	50,116
III Cash flows from financing activities			
1 Proceeds and repayments of bonds and long-term borrowings	44	162	118
2 Increase in short-term borrowings, net	2,864	2,858	(6)
3 Repayments of lease liabilities	(14,020)	(14,035)	(15)
4 Dividends paid	(54,940)	(54,940)	0
5 Purchase of treasury stock	(0)	(9,030)	(9,030)
6 Disposal of treasury stock	0	—	(0)
7 Others, net	(2,818)	(1,847)	971
Cash flows from financing activities	(68,870)	(76,832)	(7,962)
IV Effect of exchange rate changes on cash and cash equivalents	28,626	23,235	(5,391)
V Net increase (decrease) in cash and cash equivalents	(40,026)	(3,263)	36,763
VI Cash and cash equivalents at beginning of period	727,179	645,870	(81,309)
VII Cash and cash equivalents at end of period	687,153	642,607	(44,546)

Consolidated Segment Information

1. Revenue and Operating Profit by Business Segment

(In millions of yen)

Business Segment	FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022)		FY '24 Q1 (Apr. 1, 2023 – Jun. 30, 2023)		C – A	D – B	C/A (%)
	Revenue (A)	Operating profit (loss) (B)	Revenue (C)	Operating profit (loss) (D)			
Infrastructure	174,205	(3,282)	188,565	(4,917)	14,360	(1,635)	108
Industry & Mobility	364,467	22,725	410,533	21,686	46,066	(1,039)	113
Life	438,393	13,732	520,499	43,951	82,106	30,219	119
Business Platform	26,932	470	28,572	1,141	1,640	671	106
Semiconductor & Device	63,807	6,421	68,230	6,664	4,423	243	107
Others	182,715	4,535	198,625	4,225	15,910	(310)	109
Subtotal	1,250,519	44,601	1,415,024	72,750	164,505	28,149	113
Eliminations and corporate	(182,796)	(10,636)	(194,724)	(11,745)	(11,928)	(1,109)	—
Consolidated total	1,067,723	33,965	1,220,300	61,005	152,577	27,040	114

Notes:

1) Business segments have been changed due to the adoption of the new management structure on April 1, 2023.

Some businesses have been reclassified in Others due to the organizational restructure.

Results for FY '23 Q1 were restated in line with the new segmentation.

2) Inter-segment revenues are included in the above chart.

2. Revenue by Location of Customers

(In millions of yen)

Location of Customers	FY '23 Q1 (Apr. 1, 2022 – Jun. 30, 2022)		FY '24 Q1 (Apr. 1, 2023 – Jun. 30, 2023)		B – A	B/A (%)
	Revenue (A)	% of total revenue	Revenue (B)	% of total revenue		
Japan	500,541	46.9	535,456	43.9	34,915	107
North America	131,529	12.3	169,534	13.9	38,005	129
China	125,740	11.8	136,905	11.2	11,165	109
Other than China	147,235	13.7	161,641	13.2	14,406	110
Asia (excluding Japan)	272,975	25.5	298,546	24.4	25,571	109
Europe	143,720	13.5	197,097	16.2	53,377	137
Others	18,958	1.8	19,667	1.6	709	104
Total overseas revenue	567,182	53.1	684,844	56.1	117,662	121
Consolidated total	1,067,723	100.0	1,220,300	100.0	152,577	114

Notes to the Condensed Consolidated Financial Statements

(Notes regarding the going concern assumption)

Not applicable

Cautionary Statement

While the statements herein, including the forecasts regarding the Mitsubishi Electric Group, are based on assumptions considered to be reasonable under the circumstances on the date of announcement, actual results may differ significantly from forecasts.

The main factors materially affecting the expectations expressed herein include but are not limited to the following:

- (1) Changes in worldwide economic and social conditions, as well as regulations, taxation and other legislation
- (2) Changes in foreign currency exchange rates
- (3) Changes in stock markets
- (4) Changes in the fund-raising environment
- (5) Changes in the supply and demand of products, as well as the material procurement environment
- (6) Establishment of important patents, status of significant licenses and disputes related to key patents
- (7) Litigation and other legal proceedings
- (8) Issues related to quality and defects in products or services
- (9) Laws, regulations and issues related to the global environment, especially responses to climate change
- (10) Laws, regulations and issues related to human rights
- (11) Radical technological innovation, as well as the development, manufacturing and time-to-market of products using new technology
- (12) Business restructuring
- (13) Information security incidents
- (14) Large-scale disasters, including earthquakes, tsunamis, typhoons, volcanic eruptions and fires
- (15) Social, economic and political upheaval due to heightened geopolitical risks, war, conflict, terrorism or other factors
- (16) Social, economic and political upheaval due to pandemics or other factors
- (17) Important matters related to Mitsubishi Electric Corporation's directors and executive officers, major shareholders, affiliated companies and other stakeholders

<p>Note: <i>This document has been translated from Japanese original for reference purpose only. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.</i></p>
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About Mitsubishi Electric Corporation

With more than 100 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 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. Mitsubishi Electric enriches society with technology in the spirit of its "Changes for the Better." The company recorded a revenue of 5,003.6 billion yen (U.S.\$ 37.3 billion*) in the fiscal year ended March 31, 2023. For more information, please visit www.MitsubishiElectric.com

*U.S. dollar amounts are translated from yen at the rate of ¥134=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2023

Fiscal 2024 First-quarter Consolidated Results

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2. Revenue and Operating Profit by Segment
3. Overseas Revenue by Segment
4. Orders by Segment
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Impact of Exchange Rate Fluctuations on Revenue

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2. Research and Development Expenditures

Notes:

Business segments have been changed due to the adoption of the new management structure on April 1, 2023.

Some businesses have been reclassified in Others due to the organizational restructure.

Forecast for FY '24 and results for FY '23 were restated in line with the new segmentation.

FY '23: Apr. 1, 2022 – Mar. 31, 2023
FY '24: Apr. 1, 2023 – Mar. 31, 2024

1. Financial Results

(Consolidated)

(Billions of yen, year-on-year % change)

	FY '23		FY '24	
	Q1	Full Year	Q1	Full Year (Forecast)
Revenue	1,067.7 (0)	5,003.6 (+12)	1,220.3 (+14)	5,200.0 (+4)
Operating profit	33.9 (-59)	262.3 (+4)	61.0 (+80)	330.0 (+26)
Profit before income taxes	46.8 (-48)	292.1 (+4)	76.8 (+64)	355.0 (+22)
Net profit attributable to Mitsubishi Electric Corp. stockholders	33.4 (-46)	213.9 (+5)	57.8 (+73)	260.0 (+22)

2. Revenue and Operating Profit by Business Segment

(Billions of yen, year-on-year % change)

		FY '23		FY '24	
		Q1	Full Year	Q1	Full Year (Forecast)
Infrastructure	Revenue	174.2	973.1	188.5 (+8)	1,010.0 (+4)
	Operating profit (loss)	-3.2	27.5	-4.9 (-)	21.0 (-24)
Public Utility Systems	Revenue	68.8	395.7	78.2 (+14)	420.0 (+6)
	Operating profit (loss)	-2.5	13.0	-2.1 (-)	11.0 (-16)
Energy Systems	Revenue	68.3	331.0	69.3 (+1)	320.0 (-3)
	Operating profit	2.1	22.0	0.9 (-56)	8.0 (-64)
Defense & Space Systems	Revenue	37.0	246.3	40.9 (+11)	270.0 (+10)
	Operating profit (loss)	-2.9	-7.5	-3.7 (-)	2.0 (-)
Industry & Mobility	Revenue	364.4	1,660.2	410.5 (+13)	1,730.0 (+4)
	Operating profit	22.7	95.9	21.6 (-5)	139.0 (+45)
Factory Automation Systems	Revenue	190.1	843.8	197.4 (+4)	880.0 (+4)
	Operating profit	30.7	142.2	28.7 (-7)	138.0 (-3)
Automotive Equipment	Revenue	174.2	816.4	213.0 (+22)	850.0 (+4)
	Operating profit (loss)	-8.0	-46.2	-7.0 (-)	1.0 (-)
Life	Revenue	438.3	1,947.1	520.4 (+19)	2,120.0 (+9)
	Operating profit	13.7	101.2	43.9 (+220)	158.0 (+56)
Building Systems	Revenue	131.6	586.0	140.7 (+7)	610.0 (+4)
	Operating profit	5.4	29.8	7.0 (+28)	43.0 (+44)
Air Conditioning Systems & Home Products	Revenue	306.7	1,361.1	379.7 (+24)	1,510.0 (+11)
	Operating profit	8.2	71.4	36.9 (+347)	115.0 (+61)
Business Platform	Revenue	26.9	134.7	28.5 (+6)	140.0 (+4)
	Operating profit	0.4	8.7	1.1 (+143)	7.0 (-20)
Semiconductor & Device	Revenue	63.8	281.5	68.2 (+7)	270.0 (-4)
	Operating profit	6.4	29.2	6.6 (+4)	14.0 (-52)
Others	Revenue	182.7	850.5	198.6 (+9)	820.0 (-4)
	Operating profit	4.5	33.4	4.2 (-7)	24.0 (-28)
Subtotal	Revenue	1,250.5	5,847.3	1,415.0 (+13)	6,090.0 (+4)
	Operating profit	44.6	296.2	72.7 (+63)	363.0 (+23)
Eliminations and corporate	Revenue	-182.7	-843.6	-194.7	-890.0
	Operating profit	-10.6	-33.8	-11.7	-33.0
Consolidated total	Revenue	1,067.7 (0)	5,003.6 (+12)	1,220.3 (+14)	5,200.0 (+4)
	Operating profit	33.9 (-59)	262.3 (+4)	61.0 (+80)	330.0 (+26)

3. Overseas Revenue by Segment

(Billions of yen, year-on-year % change)

	FY '23		FY '24
	Q1	Full Year	Q1
Infrastructure	38.9	194.0	49.2 (+26)
Industry & Mobility	226.6	1,011.9	250.8 (+11)
Life	258.7	1,147.9	335.9 (+30)
Business Platform	0.0	0.4	- (-)
Semiconductor & Device	38.6	164.1	44.8 (+16)
Others	4.1	18.1	3.9 (-4)
Consolidated total	567.1 (+3)	2,536.6 (+18)	684.8 (+21)
Ratio of overseas revenue to total revenue	53.1%	50.7%	56.1%

4. Orders by Segment

(Consolidated)

(Billions of yen, year-on-year % change)

	FY '23		FY '24
	Q1	Full Year	Q1
Infrastructure	213.0	1,175.3	335.4 (+58)
Industry & Mobility	439.2	1,687.5	364.8 (-17)
Life (except for Air Conditioning Systems & Home Products)	132.8	564.3	168.7 (+27)
Business Platform	29.0	145.1	31.8 (+10)
Semiconductor & Device	87.3	275.1	78.3 (-10)

*Air Conditioning Systems & Home Products business within "Life" segment and "Others" segment have few products made on order, thus not included in the chart above.

5. Foreign Exchange Rates for Recording Revenue and Impact of Exchange Rate Fluctuations on Revenue

		FY '23		FY '24	
		Q1	Full Year	Q1	Q2 or after (Forecast)
Average exchange rate	US\$	¥131	¥136	¥140	¥130
	Euro	¥139	¥142	¥152	¥140
	CNY	¥19.7	¥19.7	¥19.7	¥19.0
Impact of exchange rate fluctuations on revenue	Consolidated total	About ¥57.0 billion increase	About ¥270.0 billion increase	About ¥32.0 billion increase	
	US\$	About ¥25.0 billion increase	About ¥119.0 billion increase	About ¥11.0 billion increase	
	Euro	About ¥5.0 billion increase	About ¥36.0 billion increase	About ¥14.0 billion increase	
	CNY	About ¥12.0 billion increase	About ¥48.0 billion increase	Little	

<Reference>

1. Capital Expenditures

(Billions of yen, year-on-year % change)

	FY '23	FY '24 (Forecast)
Infrastructure	36.0	49.0 (+36)
Industry & Mobility	64.5	112.0 (+74)
Life	99.5	88.0 (-12)
Business Platform	6.0	5.0 (-17)
Semiconductor & Device	142.6	37.0 (-74)
Others	5.5	8.0 (+45)
Common	11.2	16.0 (+43)
Consolidated total	365.3 (+101)	315.0 (-14)

*The figures in the table above do not include real estate leasing, etc.They are based on investment decisions.

2. Research and Development Expenditur

(Billions of yen, year-on-year % change)

	FY '23	FY '24 (Forecast)
Infrastructure	32.9	/
Industry & Mobility	70.5	
Life	59.1	
Business Platform	1.5	
Semiconductor & Device	10.8	
Others/Common	37.4	
Consolidated total	212.3 (+9)	235.0 (+11)
Ratio of revenue	4.2	4.5

* Research and development expenditures in the cost of production are also included.