NOTICE OF 2018 ORDINARY GENERAL MEETING OF SHAREHOLDERS

Mitsubishi Corporation

(Note)
This is an unofficial translation of the Japanese language original version, and is provided for your convenience only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version is the sole official version.
If minor amendments are required to matters contained in the Business Report, the financial statements, the Matters for Resolution or other documents, Mitsubishi Corporation will post revisions on its website (https://www.mitsubishicorp.com).

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(Note)
"Mitsubishi Corporation Group" in the Business Report represents Mitsubishi Corporation's "group of enterprises" pursuant to Article 120, Paragraph 2 of the Ordinance for Enforcement of the Companies Act.

(Translation)

May 29, 2018

Notice of 2018 Ordinary General Meeting of Shareholders

Dear Shareholders,

This is to notify you that an ordinary general meeting of the shareholders of Mitsubishi Corporation for the fiscal year ended March 31, 2018 will be held as described below. Your attendance at the meeting is cordially requested.

1. Date and Time: Friday, June 22, 2018 at 10:00 a.m.
2. Place: The Prince Park Tower Tokyo, Convention Hall (B2 floor), 8-1, Shibakoen 4-chome, Minato-ku, Tokyo
3. Agenda for the Meeting:

[Matters for Reporting]

1. *Report on the consolidated statement of financial position and the non-consolidated balance sheet as of March 31, 2018, the consolidated statement of profit or loss, the non-consolidated statement of operations, and the consolidated and the non-consolidated statement of changes in equity for the fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018) and business report for the same fiscal year.*
2. *The audit reports of the independent auditors and the Audit & Supervisory Board concerning the consolidated financial statements.*

[Matters for Resolution]

1. *To Approve the Proposed Appropriation of Surplus*
2. *To Elect 13 Directors*
3. *To Elect 1 Audit & Supervisory Board Member*
4. *To Grant Bonuses to Directors*

If you attend the meeting, please bring the enclosed voting form to the reception desk. You are also requested to bring with you this booklet as relevant documents for the proceedings.

If you are unable to attend the meeting, you may exercise your voting right by mail or via the Internet. If exercising your right by mail, please complete the required procedures and ensure we receive the form no later than 5:30 p.m. on Thursday, June 21, 2018 (Japan Time). Procedures for exercising your voting right via the Internet must also be completed by 5:30 p.m. on Thursday June 21, 2018 (Japan Time). Please refer to the "Information on Exercising Voting Right" on the last two pages of this Notice.

When exercising your voting right by proxy, the proxy can only be entrusted to one shareholder holding a voting right of Mitsubishi Corporation in accordance with the relevant provision in the Articles of Incorporation of Mitsubishi Corporation. The proxy must submit the enclosed voting form and a document testifying the proxy authority (power of attorney) to the reception desk at the meeting.

Takehiko Kakiuchi
Representative Director, President and Chief Executive Officer
Mitsubishi Corporation

(Translation)

Reference Documents

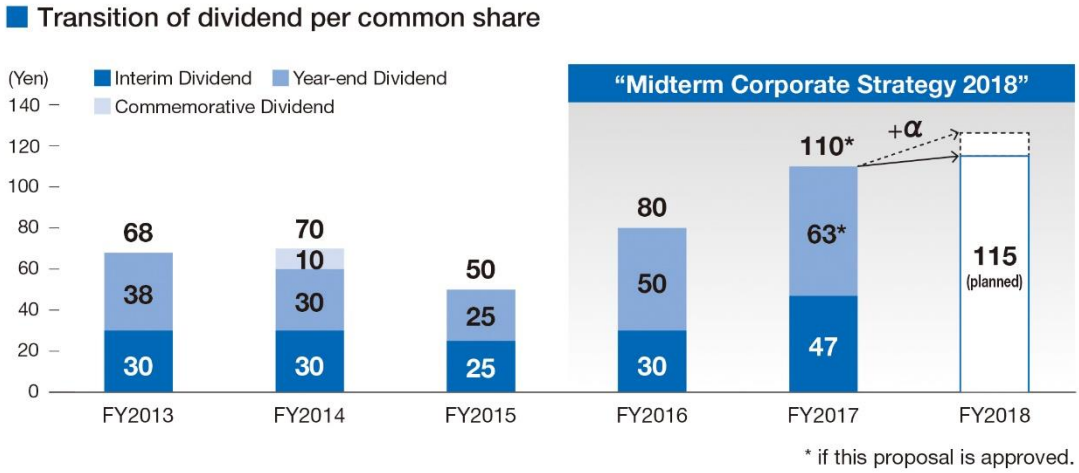
Details of Each Proposal

1. To Approve the Proposed Appropriation of Surplus

The proposed appropriation of surplus for the fiscal year ended March 31, 2018 is as follows.
Under "Midterm Corporate Strategy 2018", which covers the period from the fiscal year ended March 31, 2017 to the fiscal year ending March 31, 2019, Mitsubishi Corporation is focusing on dividends as its basic approach to returning value to shareholders and will increase dividends flexibly in line with sustainable earnings growth based on a progressive dividend scheme. In consideration of consolidated business results and other factors, the Board of Directors proposes to increase the year-end dividend by ¥13, from ¥50 to ¥63 per common share. As a result, total dividends for the fiscal year ended March 31, 2018, including the interim dividend of ¥47 per common share, will be increased by ¥30 from the previous fiscal year to become ¥110 per common share.

1. Year-end dividends
   (1) Dividends to be paid
   Cash
   (2) Allotment of dividend assets for shareholders and total amount
   ¥63 per common share of Mitsubishi Corporation
   Total amount: ¥99,916,047,189
   (3) Effective date of payment of surplus available for dividends
   June 25, 2018

2. Other retained earnings
   (1) Increase in retained earnings and amount
   General reserve: ¥162,000,000,000
   (2) Decrease in retained earnings and amount
   Unappropriated retained earnings: ¥162,000,000,000



(Translation)

2. *To Elect 13 Directors*

The term of all 12 Directors will expire at the close of this Ordinary General Meeting of Shareholders.
Accordingly, the Board proposes the following 13 candidates for election as Directors, as detailed on the following pages. Of the 13 candidates, 5 are candidates for Outside Director. All such candidates meet the requirements of independent director, as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation.

(See pages 13 to 24 for detailed information on the Selection Criteria for Outside Directors and information on Outside Director candidates.)

The composition of the Board of Directors and the policy and process for appointing nominated Directors are deliberated at the Governance, Nomination and Compensation Committee, and then decided by the Board of Directors as follows:

Composition of the Board of Directors and the Policy for Appointing Nominated Directors

To ensure decision-making and management oversight are appropriate for Mitsubishi Corporation which is involved in diverse businesses and industries in a wide range of fields, several Directors are appointed from both within and outside Mitsubishi Corporation with the depth of experience and high levels of knowledge and expertise needed for fulfilling their duties.
More specifically, in addition to Chairman of the Board and President & CEO, Mitsubishi Corporation's in-house Directors are appointed from executive persons responsible for companywide management, Corporate Staff operations, and other areas. Outside Directors are appointed from those who possess a practical perspective of highly experienced officers and those who possess an objective and professional perspective with a deep insight on global developments and socio-economic trends.
In principle, the Board of Directors is an appropriate size for conducting deliberations, with one third or more being made up of Outside Directors.

Process for Appointing Nominated Directors

Based on the above policy, President & CEO proposes a list of nominated Directors, which is then deliberated at the Governance, Nomination and Compensation Committee and resolved by the Board of Directors before being presented at the Ordinary General Meeting of Shareholders.

Number	Name	Age		Present position and responsibilities at Mitsubishi Corporation	Years served as Director	Member of Governance, Nomination and Compensation Committee
1	Ken Kobayashi	69	Renomination	Chairman of the Board	8 years	○
2	* Takehiko Kakiuchi	62	Renomination	Member of the Board, President & CEO	2 years	○
3	* Kanji Nishiura	60	New Election	Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania	-	-
4	* Kazuyuki Masu	59	Renomination	Member of the Board, Executive Vice President, Corporate Functional Officer, CFO, IT	2 years	-
5	Iwao Toide	59	Renomination	Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability, AI / IoT	1 year	-

(Translation)

Number	Name	Age		Present position and responsibilities at Mitsubishi Corporation	Years served as Director	Member of Governance, Nomination and Compensation Committee
6	Akira Murakoshi	59	Renomination	Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources	1 year	-
7	* Masakazu Sakakida	59	Renomination	Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer, Officer, Emergency Crisis Management Headquarters (Japan & Overseas / New Infectious Diseases, Compliance)	1 year	-
8	* Mitsumasa Icho	58	New Election	Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch	-	-
9	Akihiko Nishiyama	65	Renomination, Outside Director, Independent Director	Member of the Board	3 years	○
10	Hideaki Omiya	71	Renomination, Outside Director, Independent Director	Member of the Board	2 years	-
11	Toshiko Oka	54	Renomination, Outside Director, Independent Director	Member of the Board	2 years	○
12	Akitaka Saiki	65	Renomination, Outside Director, Independent Director	Member of the Board	1 year	○
13	Tsuneyoshi Tatsuoka	60	New Election, Outside Director, Independent Director	Corporate Advisor	-	○

(Notes)

1. Each candidate denoted by an asterisk is supposed to be appointed as Representative Director at Board of Director Meeting which will be held after this Ordinary General Meeting of Shareholders if this resolution is approved.
2. Mitsubishi Corporation has concluded agreements with Messrs. Ken Kobayashi, Akihiko Nishiyama and Hideaki Omiya, Ms. Toshiko Oka and Mr. Akitaka Saiki limiting their liability according to Article 423, Paragraph 1 of the Companies Act. According to the agreements, the maximum liability of each is the minimum amount stipulated under Article 425, Paragraph 1 of the Companies Act. If this proposal is approved, Mitsubishi Corporation will extend agreements limiting their liability with the above-mentioned 5 individuals and conclude a new agreement with Mr. Tsuneyoshi Tatsuoka to the same effect.

(Translation)

1. Ken Kobayashi <Date of Birth Feb. 14, 1949 69 years old>



Renomination
Number of shares owned:
115,727
Years served as Director:
8 years (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Jul. 1971	Joined Mitsubishi Corporation
Apr. 2003	Senior Vice President, General Manager, Singapore Branch
Jun. 2004	Senior Vice President, Division COO, Plant Project Div.
Apr. 2006	Senior Vice President, Division COO, Ship, Aerospace & Transportation Systems Div.
Apr. 2007	Executive Vice President, Group CEO, Industrial Finance, Logistics & Development Group
Jun. 2007	Member of the Board, Executive Vice President, Group CEO, Industrial Finance, Logistics & Development Group
Jun. 2008	Executive Vice President, Group CEO, Industrial Finance, Logistics & Development Group
Apr. 2010	Senior Executive Vice President, Executive Assistant to President
Jun. 2010	Member of the Board, President & CEO
Apr. 2016	Chairman of the Board (present position)

Important Concurrent Positions

Outside Director, Nissin Foods Holdings Co., Ltd.
Outside Director, Mitsubishi Motors Corporation
Outside Director, Mitsubishi Heavy Industries, Ltd.

Reasons for Nomination as Director

Mr. Kobayashi has contributed to increase the corporate value of Mitsubishi Corporation (or the Company) by serving as President & CEO for approximately 6 years from June 2010, prior to which he held several important positions that included General Manager, Singapore Branch and Group CEO, Industrial Finance, Logistics & Development Group. He has served in the plant business, machinery-related businesses such as ship, transportation systems, and aerospace businesses, and the industrial finance, logistics and development businesses. He has held the position of Chairman of the Board since April 2016 with responsibility for management oversight functions from a non-executive standpoint. He has abundant business experience at Mitsubishi Corporation and insight on management of the Company in general and on global business management as well as supervisory and operational experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

2. Takehiko Kakiuchi <Date of Birth Jul. 31, 1955 62 years old>



Renomination
Number of shares owned:
85,912
Years served as Director:
2 years (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1979	Joined Mitsubishi Corporation
Apr. 2010	Senior Vice President, Division COO, Foods (Commodity) Div.
Apr. 2011	Senior Vice President, General Manager, Living Essential Group CEO Office, Division COO, Foods (Commodity) Div.
Apr. 2013	Executive Vice President, Group CEO, Living Essentials Group
Apr. 2016	President & CEO
Jun. 2016	Member of the Board, President & CEO (present position)

Reasons for nomination as Director

Mr. Kakiuchi has served in living essentials-related businesses such as the foods (commodity) business, and when he was stationed in Australia, he has contributed to increase the corporate value of a business investee. Thereafter, he has held important positions including Group CEO, Living Essentials Group. He has served as President & CEO since April 2016. Currently, Mr. Kakiuchi is advancing “Midterm Corporate Strategy 2018”, with a view to simultaneously generating three kinds of value, namely economic value, societal value and environmental value, through business activities. He has abundant business experience at Mitsubishi Corporation and insight on management of the Company in general and on global business management as well as supervisory and operational experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

3. Kanji Nishiura <Date of Birth Feb. 11, 1958 60 years old>



New Election
Number of shares owned:
50,902

Job History, Positions and Responsibilities

Apr. 1980	Joined Mitsubishi Corporation
Apr. 2010	Senior Vice President, General Manager, Metals Group CEO Office
Apr. 2011	Senior Vice President, Division COO, Non-Ferrous Metals Div.
Apr. 2013	Senior Vice President, Division COO, Mineral Resources Investment Div. A
Apr. 2014	Senior Vice President, Division COO, Mineral Resources Investment Div.
Apr. 2015	Executive Vice President, Group COO, Metals Group
Apr. 2016	Executive Vice President, Group CEO, Metals Group
Apr. 2018	Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania (present position)

Important Concurrent Position

Outside Director, OKAMURA CORPORATION

Reasons for nomination as Director

Mr. Nishiura has served in metals-related businesses such as the steel products and mineral resources businesses. He has been Group CEO, Metals Group since April 2016, contributing to the stable supply of high-quality, competitive mineral resources and steel products to the global market. At present, Mr. Nishiura is promoting global business expansion initiatives in his role as Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, and as Regional CEO, Asia & Oceania. He has abundant business experience at Mitsubishi Corporation and insight on management of the Company in general and on global business management as well as supervisory and operational experience. Accordingly, he has been nominated for the position of Director.

(Translation)

4. Kazuyuki Masu <Date of Birth Feb. 19, 1959 59 years old>



Renomination
Number of shares owned:
27,762
Years served as Director:
2 years (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1982	Joined Mitsubishi Corporation
Apr. 2013	Senior Vice President, General Manager, Corporate Accounting Dept.
Apr. 2016	Executive Vice President, Chief Financial Officer
Jun. 2016	Member of the Board, Executive Vice President, Chief Financial Officer
Apr. 2017	Member of the Board, Executive Vice President, Corporate Functional Officer, CFO, IT (present position)

Reasons for nomination as Director

Mr. Masu has been Chief Financial Officer (CFO) since April 2016, prior to which he held important positions such as General Manager, Corporate Accounting Dept., serving in finance and accounting-related operations. In addition, he has also been responsible for the IT field since April 2017. At present, in his role as Corporate Functional Officer, CFO, IT, Mr. Masu has been contributing to increase the corporate value of Mitsubishi Corporation in finance and accounting, and the IT field, by working to build a robust financial structure that will serve as the foundation of growth investments. He has abundant business experience at Mitsubishi Corporation and insight on management of the Company in general and on supervisory and operational experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

5. Iwao Toide <Date of Birth Oct. 18, 1958 59 years old>



Renomination
Number of shares owned:
55,400
Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1981	Joined Mitsubishi Corporation
Apr. 2011	Senior Vice President, Division COO, Ferrous Raw Materials Div.
Apr. 2012	Senior Vice President, Division COO, Steel Business Div.
Apr. 2013	Senior Vice President, General Manager, Metals Group CEO Office
Mar. 2014	Resigned Senior Vice President
Apr. 2014	President & CEO, Director, Metal One Corporation (resigned in Mar. 2017)
Apr. 2017	Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability, Mitsubishi Corporation
Jun. 2017	Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability
Apr. 2018	Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability, AI / IoT (present position)

Reasons for nomination as Director

Mr. Toide has served in metals-related businesses such as ferrous raw materials, beginning with coking coal, and corporate operations related to management planning and business investment. In addition, he has contributed to increase the corporate value of a business investee engaged in steel product distribution and processing-related operations as President of this investee since April 2014. At present, Mr. Toide serves as Corporate Functional Officer, Business Investment Management, Corporate Sustainability, AI/IoT. In this role, Mr. Toide is working to promote business investments, sustainability and AI/IoT initiatives, each of which are crucial priorities for evolving Mitsubishi Corporation's business model toward "managing" businesses. He has abundant business experience at Mitsubishi Corporation and insight on management of the Company in general and on business management and supervisory experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

6. Akira Murakoshi <Date of Birth Jun. 27, 1958 59 years old>



Renomination
Number of shares owned:
27,022
Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1982	Joined Mitsubishi Corporation
Apr. 2012	Senior Vice President, Division COO, General Merchandise Div.
Apr. 2014	Senior Vice President, President, Mitsubishi Company (Thailand), Ltd., President, Thai-MC Company, Limited
Apr. 2017	Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources
Jun. 2017	Member of the Board, Corporate Functional Officer, Corporate Communications, Human Resources (present position)

Reasons for nomination as Director

Mr. Murakoshi has served in living essentials-related businesses such as the materials business. He has held the position of President, Mitsubishi Company (Thailand), Ltd. since April 2014. In this role, he has contributed to maximize the competitiveness of the Mitsubishi Corporation Group in Thailand. Currently, Mr. Murakoshi serves as Corporate Functional Officer, Corporate Communications, Human Resources. In this role, he is pushing ahead with measures focused on corporate branding and the development of management professionals. He has abundant business experience at Mitsubishi Corporation and insight on management of the Company in general and on supervisory and operational experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

7. Masakazu Sakakida <Date of Birth Nov. 11, 1958 59 years old>



Renomination
Number of shares owned:
22,081
Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1981	Joined Mitsubishi Corporation
Apr. 2013	Senior Vice President, Chairman & Managing Director, Mitsubishi Corporation India Private Ltd., Deputy Regional CEO, Asia & Oceania (South Asia)
Apr. 2017	Executive Vice President, Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer
Jun. 2017	Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer
Jul. 2017	Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer, Officer, Emergency Crisis Management Headquarters (Japan & Overseas / New Infectious Diseases, Compliance) (present position)

Reasons for nomination as Director

Mr. Sakakida has served in the machinery-related business and has held the position of Chairman & Managing Director of Mitsubishi Corporation India Private Ltd. since April 2013. In this role, he has contributed to capture internal demand and increase investment in India, which continues to grow. In his present role as Corporate Functional Officer, Corporate Administration, Legal, Mr. Sakakida is taking steps to strengthen the corporate governance of Mitsubishi Corporation. He also serves as Chief Compliance Officer. In this role, he is striving to build a stronger and more autonomous compliance structure within the Mitsubishi Corporation Group. As Officer, Emergency Crisis Management Headquarters (Japan & Overseas / New Infectious Diseases, Compliance), Mr. Sakakida is strengthening the crisis management structure on a consolidated basis. He has abundant business experience at Mitsubishi Corporation and insight on management of the Company in general and on supervisory and operational experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

8. Mitsumasa Icho <Date of Birth Jan. 19, 1960 58 years old>



New Election
Number of shares owned:
15,280

Job History, Positions and Responsibilities

Apr. 1982	Joined Mitsubishi Corporation
Apr. 2014	Senior Vice President, General Manager, Risk Management Dept.
Apr. 2017	Senior Vice President, General Manager, Business Investment Management Dept.
Jan. 2018	Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch (present position)

Important Concurrent Position

Non-Executive Director, Olam International Limited

Reasons for nomination as Director

Mr. Icho has contributed to increase corporate value by serving in finance and accounting-related operations and being sent on assignment to business investees in Japan and abroad. Thereafter, he has held important positions, such as General Manager, Business Investment Management Dept. Currently, Mr. Icho serves as Corporate Functional Officer, Regional Strategy for Japan and General Manager, Kansai Branch. In these roles, he is working to promote business on a consolidated basis at various Mitsubishi Corporation sites in Japan. He has abundant business experience at Mitsubishi Corporation and insight on management of the Company in general and on business management and supervisory experience. Accordingly, he has been nominated for the position of Director.

(Translation)

[Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members]

To make the function of Outside Directors and Outside Audit & Supervisory Board Members stronger and more transparent, Mitsubishi Corporation has set forth Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members as follows, after deliberation by the Governance, Nomination and Compensation Committee, which is composed with a majority of Outside Directors, Outside Audit & Supervisory Board Members and Outside Members.

[Selection Criteria for Outside Directors]

1. Outside Directors are elected from among those individuals who have an eye for practicality founded on a wealth of experience as corporate executive officers, as well as an objective and specialist viewpoint based on extensive insight regarding global conditions and social and economic trends. Through their diverse perspectives, Outside Directors help ensure levels of decision-making and management oversight appropriate to the Board of Directors.

2. To enable Outside Directors to fulfill their appointed task, attention is given to maintain their independency*; individuals incapable of preserving this independency in effect will not be selected to serve as Outside Directors.

3. Mitsubishi Corporation's operations span a broad range of business domains; hence there may be cases of conflict of interest stemming from business relationships with firms home to a corporate executive officer appointed as Outside Directors. Mitsubishi Corporation appropriately copes with this potential issue through the procedural exclusion of the director in question from matters related to the conflict of interest, and by preserving a variety of viewpoints through the selection of numerous Outside Directors.

[Selection Criteria for Outside Audit & Supervisory Board Members]

1. Outside Audit & Supervisory Board Members are selected from among individuals who possess wealth of knowledge and experience across various fields that is helpful in performing audits. Neutral and objective auditing, in turn, will ensure sound management.

2. To enable Outside Audit & Supervisory Board Members to fulfill their appointed task, attention is given to maintain their independency*; individuals incapable of preserving this independency will not be selected to serve as Outside Audit & Supervisory Board Members.

(Notes)

Independency for the purpose of Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members

To make a judgment of independence, Mitsubishi Corporation checks if the person concerned meets the conditions for independent directors and independent auditors as specified by stock exchanges in Japan such as the Tokyo Stock Exchange, Inc., and whether the person concerned is currently any of the following items (1) to (7) and whether they have been at any time in the past 3 fiscal years.

(1) A major shareholder of Mitsubishi Corporation (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such shareholder (*1).

(2) A member of business personnel of a creditor of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation (*2).

(3) A member of business personnel of a supplier or a customer of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation (*3).

(4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from Mitsubishi Corporation, other than directors' or audit & supervisory board members ' remuneration, where the amount exceeds ¥10 million per fiscal year.

(5) A representative or partner of Mitsubishi Corporation's independent auditor.

(6) A person belonging to an organization that has received donations exceeding a certain amount (*4) from Mitsubishi Corporation.

(Translation)

(7) A person who has been appointed as an Outside Director or Outside Audit & Supervisory Board Member of Mitsubishi Corporation for more than 8 years.

*1 A member of business personnel refers to a managing director, corporate officer, executive officer, or other employee of a company.

*2 Creditors exceeding the threshold set by Mitsubishi Corporation refer to creditors to whom Mitsubishi Corporation owes an amount exceeding 2% of Mitsubishi Corporation's consolidated total assets.

*3 Suppliers or customers exceeding the threshold set by Mitsubishi Corporation refer to suppliers or customers whose transactions with Mitsubishi Corporation exceed 2% of Mitsubishi Corporation's consolidated revenues.

*4 Donations exceeding a certain amount refer to donations of more than ¥20 million per fiscal year.

If a person is still judged to be effectively independent despite one or more of the above items (1) to (7) applying, Mitsubishi Corporation will explain and disclose the reason at the time of their appointment as an Outside Director or Outside Audit & Supervisory Board Members.

(Translation)

9. Akihiko Nishiyama <Date of Birth Jan. 4, 1953 65 years old>



Renomination Outside Director Independent Director
Number of shares owned:
5,730
Years served as Director:
3 years (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2018)
Regular: 11 held, 11 attended / Extraordinary: 3 held, 3 attended

Job History, Positions and Responsibilities

Apr. 1975	Joined Tokyo Gas Co., Ltd. (resigned in Mar. 2015)
Apr. 2001	Visiting professor, Policy Studies, Graduate School of Social Sciences, Hosei University (resigned in Mar. 2003)
Apr. 2004	Professor, Dept. of International Liberal Arts, Tokyo Jogakkan College
Apr. 2011	Councilor, Tokyo Jogakkan College; Professor, Dept. of International Liberal Arts, Tokyo Jogakkan College (resigned in Mar. 2013)
Apr. 2013	Adjunct Professor, Hitotsubashi University (resigned in Mar. 2018)
Jun. 2015	Member of the Board, Mitsubishi Corporation (present position)
Apr. 2018	Professor, Ritsumeikan University (present position)

(Note)
Mr. Nishiyama served as Head of Nishiyama Research Institute, Tokyo Gas Co., Ltd. from April 2004 until March 2015. However, his primary position during this period was professor of the universities mentioned above, and he had no involvement with business execution of Tokyo Gas Co., Ltd.

Important Concurrent Position

Professor, Ritsumeikan University

Message from the candidate for appointment as Outside Director

I believe that my mission as an Outside Director is to do my utmost to increase corporate value over the medium and long terms from the perspectives of shareholders and other investors. In the previous fiscal year, I was involved in the process of evaluating the effectiveness of the Board of Directors, and I carried out the overall design of the survey. The survey reflected the opinions of each Director and Audit & Supervisory Board Member, and confirmed the Board of Directors' intention to concentrate even more effort on growth strategies and the governance of Mitsubishi Corporation Group companies. In addition, I held 22 interactive sessions with members of business groups and the Corporate Staff Section. Aside from that, I also visited 14 Mitsubishi Corporation offices and Mitsubishi Corporation Group companies in Japan and abroad. I have put what I have learned on the frontlines to good use in making reports and suggestions to management. I believe that Mitsubishi Corporation has the potential to continue advancing to an even higher stage of growth. Accordingly, I will continue to make every effort to help the Mitsubishi Corporation Group achieve medium- and long-term growth.

(Translation)

Reasons for nomination as Outside Director

Mr. Nishiyama has been offering advice to Mitsubishi Corporation's management and properly oversees execution of business from an objective and professional perspective based on his research activities relating to corporate management and human resource development at universities, and many years of experience in the business. Accordingly, he has been nominated to continue in the position of Outside Director.

Supplementary Information with respect to Independence and Important Concurrent Position

1. Independence of Outside Director
Mr. Nishiyama meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. There is no supplementary information in terms of independence.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position
Mitsubishi Corporation has no business relationship with The Ritsumeikan Trust.

(Translation)

10. Hideaki Omiya <Date of Birth Jul. 25, 1946 71 years old>



Renomination Outside Director Independent Director
Number of shares owned:
8,968
Years served as Director:
2 years (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2018)
Regular: 11 held, 11 attended / Extraordinary: 3 held, 1 attended
Mr. Omiya was asked to refrain from attending one of the Board of Directors Meeting because of conflict of interest in connection with tender offer for shares in Mitsubishi Motors Corporation.

Job History, Positions and Responsibilities

Jun. 1969	Joined Mitsubishi Heavy Industries, Ltd. ("MHI")
Jun. 2002	Member of the Board, MHI
Jun. 2005	Member of the Board, Executive Vice President, MHI
Apr. 2007	Member of the Board, Senior Executive Vice President, MHI
Apr. 2008	Member of the Board, President and CEO, MHI
Apr. 2013	Chairman of the Board, MHI (present position)
Jun. 2016	Member of the Board, Mitsubishi Corporation (present position)

Important Concurrent Positions

Chairman of the Board, MHI
Outside Director, Seiko Epson Corporation

Message from the candidate for appointment as Outside Director

Mitsubishi Corporation's global business expansion initiatives have vertically extended the value chains of each business while spurring collaboration across businesses. These initiatives have enlarged Mitsubishi Corporation's operations from individual businesses to value chains and business platforms, thereby evolving into a globally unprecedented business model. In addition, Mitsubishi Corporation has rapidly developed its corporate governance system according to the rapid pace of business expansion. However, geopolitical risks and dramatic technological advances have made it essential for Mitsubishi Corporation to continually optimize its system. Drawing on my management experience in the manufacturing sector, I would like to contribute to Mitsubishi Corporation's next stage of growth.

Reasons for nomination as Outside Director

Mr. Omiya has been offering advice to Mitsubishi Corporation's management and properly oversees execution of business from a practical perspective based on his extensive insight developed through management of MHI, a manufacturer that conducts business around the world, as Chairman of the Board and former President and CEO. Accordingly, he has been nominated to continue in the position of Outside Director.

(Translation)

Supplementary Information with respect to Independence and Important Concurrent Positions

1. Independence of Outside Director

Mr. Omiya meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Supplementary information in terms of independence is as follows:

- Mr. Omiya was Member of the Board, President and CEO of MHI, from April 2008 to March 2013 and has been Chairman of the Board of MHI since April 2013. MHI, where Mr. Omiya was an executive in the past, and Mitsubishi Corporation have a relationship of cross-directorship whereby each has an outside director assigned from the other. In addition, the two companies have business transactions, though these transactions do not exceed 2% of Mitsubishi Corporation's consolidated revenues.
- Since June 2015, Mr. Omiya has been chairman (part-time position) of The Mitsubishi Foundation which provides financial support for activities related to academic research and social welfare. Mitsubishi Corporation contributed more than ¥20 million per year to the foundation, but these contributions are consistent with the foundation's activities under its mission as a public interest incorporated foundation. In addition, Mr. Omiya receives no compensation from the foundation, therefore he does not benefit personally. Accordingly, his independence is assured.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position

Mitsubishi Corporation and MHI have business transactions, but there is no special relationship (specified related party, etc). Also, Mitsubishi Corporation has no business relationship with Seiko Epson Corporation.

(Translation)

11. Toshiko Oka <Date of Birth Mar. 7, 1964 54 years old>



Renomination Outside Director Independent Director
Number of shares owned:
693
Years served as Director:
2 years (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2018)
Regular: 11 held, 11 attended / Extraordinary: 3 held, 3 attended

Job History, Positions and Responsibilities

Apr. 1986	Joined Tohmatsu Touche Ross Consulting Limited (currently ABeam Consulting Ltd.)
Jul. 2000	Joined Asahi Arthur Anderson Limited
Sep. 2002	Principal, Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.) (resigned in Aug. 2012)
Apr. 2005	President and Representative Director, ABeam Consulting Ltd. After change of company name, Chief Executive Officer, PricewaterhouseCoopers Deals Advisory LLC (resigned in Mar. 2016)
Apr. 2016	Partner, PwC Advisory LLC (resigned in Jun. 2016)
Jun. 2016	CEO, Oka & Company Ltd. (present position)
Jun. 2016	Member of the Board, Mitsubishi Corporation (present position)

Important Concurrent Positions

CEO, Oka & Company Ltd.
Outside Audit & Supervisory Board Member, Astellas Pharma Inc. (scheduled to resign in Jun. 2018)
Outside Corporate Auditor, Happinet Corporation
Outside Director, Hitachi Metals, Ltd.

Message from the candidate for appointment as Outside Director

Based on my experience as an M&A and management consultant for more than 30 years, I would like to help Mitsubishi Corporation to achieve sustainable increases in corporate value by looking closely at its business expansion initiatives from medium- and long-term perspectives. The Board of Directors of Mitsubishi Corporation already has a high level of sophistication. For example, substantive discussions are held in a setting where all members feel comfortable actively expressing their views. In order to scale new heights, I would like to help Mitsubishi Corporation to establish an even more effective governance system.

Reasons for nomination as Outside Director

Ms. Oka has been offering advice to Mitsubishi Corporation's management and properly oversees execution of business from a practical and diversified perspective based on her many years of experience in the consulting industry and experience as outside director of various companies. Accordingly, she has been nominated to continue in the position of Outside Director.

(Translation)

Supplementary Information with respect to Independence and Important Concurrent Positions

1. Independence of Outside Director

Ms. Oka meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Supplementary information in terms of independence is as follows:

- Ms. Oka served as Principal, Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.) until August 2012. Although Mitsubishi Corporation has business transactions with that company, it has been about 6 years since her resignation. Therefore, there is no relationship between her and those transactions.
- Ms. Oka served as Partner, PwC Advisory LLC from April 2016 to June 2016. Although Mitsubishi Corporation currently has business transactions with that company, it has been about 2 years since her resignation. Therefore, there is no relationship between her and those transactions. In addition, Mitsubishi Corporation has had no business transactions for the past three fiscal years with PricewaterhouseCoopers Deals Advisory LLC, where Ms. Oka had served prior to the merger between PricewaterhouseCoopers Deals Advisory LLC and PwC Advisory LLC in April 2016.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position Mitsubishi Corporation has business transactions with Hitachi Metals, Ltd. and Astellas Pharma Inc., but there is no special relationship (specified related party, etc). Also, Mitsubishi Corporation has no business relationship with Oka & Company Ltd and Happinet Corporation.

(Translation)

12. Akitaka Saiki <Date of Birth Oct. 10, 1952 65 years old>



Renomination Outside Director Independent Director
Number of shares owned:
0
Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2018)
Regular: 8 held, 8 attended / Extraordinary: 2 held, 2 attended
Attendance at Board of Directors Meetings of Mr. Saiki indicates after his appointment for Outside Director on June 23, 2017.

Job History, Positions and Responsibilities

Apr. 1976	Joined the Ministry of Foreign Affairs of Japan Held the position of: Director-General, Asian and Oceanian Affairs Bureau, Ambassador to the Republic of India, concurrently to the Kingdom of Bhutan, Deputy Minister for Foreign Affairs, and Vice Minister for Foreign Affairs
Jun. 2016	Retired from Ministry of Foreign Affairs of Japan
Sep. 2016	Corporate Adviser, Mitsubishi Corporation (resigned in Jun. 2017)
Jun. 2017	Member of the Board (present position)

Message from the candidate for appointment as Outside Director

We have held active discussions in meetings of the Board of Directors and the Governance, Nomination and Compensation Committee in order to further enhance Mitsubishi Corporation's governance structure. I believe that we have achieved our intended goals particularly with respect to stepping up the Board of Directors' activities by enhancing the operation of the Board of Directors. Recently, international affairs have become increasingly fluid. In this environment, it is essential to undertake risk management from an even broader perspective. Looking ahead, I would like to gain an even deeper understanding of the actual activities of each business group by conducting observation tours of sites in Japan and overseas even more frequently. In addition, I would like to work to facilitate even closer communication within the Company.

Reasons for nomination as Outside Director

Mr. Saiki has been offering advice to Mitsubishi Corporation's management and properly oversee the execution of business from an objective and professional perspective based on his international sensibility and extensive insight regarding global conditions developed through foreign diplomacy, having held key posts at the Ministry of Foreign Affairs of Japan. Accordingly, he has been nominated to continue in the position of Outside Director.

(Translation)

Supplementary Information with respect to Independence and Important Concurrent Position

1. Independence of Outside Director

Mr. Saiki meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Supplementary information in terms of independence is as follows:

- Mr. Saiki received compensation as Corporate Advisor of Mitsubishi Corporation from September 2016 to June 2017, having been appointed as a member of an advisory body to the Board of Directors (Governance, Nomination and Compensation Committee); however, this compensation was paid as consideration for the advice he offered regarding the management of Mitsubishi Corporation based on his experience and insight, and does not affect his independence.
- Mr. Saiki serves as the President of the Middle East Institute of Japan, Juridical Foundation (part-time position), which conducts studies and research concerning the Middle East region. Mitsubishi Corporation pays membership fees and other dues of approximately ¥4.70 million per annum to the Middle East Institute of Japan. However, these payments are consistent with Mitsubishi Corporation's support for the principles of the Middle East Institute of Japan. In addition, Mr. Saiki receives no compensation from the Middle East Institute of Japan; therefore, he does not benefit personally.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position

Not applicable

(Translation)

13. Tsuneyoshi Tatsuoka <Date of Birth Jan. 29, 1958 60 years old>



New Election | Outside Director | Independent Director
Number of shares owned:
3,000

Job History

Apr. 1980 Joined the Ministry of International Trade and Industry (present Ministry of Economy, Trade and Industry (METI))
Held the position of:
Counsellor, Cabinet Secretariat (Office of Assistant Chief Cabinet Secretary), Deputy Vice-Minister of Economy, Trade and Industry, and Vice Minister of METI

Jul. 2015 Retired from METI

Jan. 2018 Corporate Adviser, Mitsubishi Corporation (scheduled to resign in Jun. 2018)

Important Concurrent Positions

Outside Director (Audit and Supervisory Committee member), NITORI Holdings Co., Ltd.
Outside Director, Asahi Kasei Corp.

Message from the candidate for appointment as Outside Director

Establishing a governance system is a priority that must be pursued through a continuous process of trial and error, while responding immediately to changes in the business environment. Under current social conditions, Mitsubishi Corporation has delivered solid operating results by advancing initiatives such as pursuing new business models and rebuilding its portfolio. As an Outside Director, I would like to make the most of my experience in the energy, industrial, and trade policy fields, as well as in organizational management, to maintain a good balance of both offensive and defensive measures, in tandem with supporting Mitsubishi Corporation to increase its corporate value over the long term.

Reasons for nomination as Outside Director

Mitsubishi Corporation expects that Mr. Tatsuoka will offer advice to Mitsubishi Corporation’s management and properly oversee the execution of business from an objective and professional perspective based on his extensive insight regarding domestic and global trends, having held key posts primarily at METI and other. Accordingly, he has been nominated for the position of Outside Director.

(Translation)

Supplementary Information with respect to Independence and Important Concurrent Positions

1. Independence of Outside Director

Mr. Tatsuoka meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Supplementary information in terms of independence is as follows:

- Mr. Tatsuoka has been offering advice to the Company and receiving compensation as Corporate Advisor since January 2018, having been appointed to a member of an advisory body to the Board of Directors (Governance, Nomination and Compensation Committee); however, this compensation is paid as consideration for the advice he offers regarding the management of Mitsubishi Corporation based on his experience and insight, and does not affect his independence. Mitsubishi Corporation plans to terminate its advisory agreement with Mr. Tatsuoka, conditional upon his election as a Director.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position

Mitsubishi Corporation has business transactions with Asahi Kasei Corp., but there is no special relationship (specified related party, etc). Also, Mitsubishi Corporation has no business relationship with NITORI Holdings Co., Ltd.

(Translation)

3. *To Elect 1 Audit & Supervisory Board Member*

The term of Audit & Supervisory Board Member Hideyuki Nabeshima will expire at the close of this Ordinary General Meeting of Shareholders.

Accordingly, the Board proposes the following 1 candidate for election as Audit & Supervisory Board Member, as detailed below. The Audit & Supervisory Board has already given consent to this proposal.

The composition of the Audit & Supervisory Board and the policy and process for appointing nominated Audit & Supervisory Board Members are deliberated by the Governance, Nomination and Compensation Committee, an advisory body to the Board of Directors, and then, decided by the Board of Directors as follows:

Composition of the Audit & Supervisory Board and the Policy for Appointing Nominated Audit & Supervisory Board Members

To ensure Mitsubishi Corporation's sound business development and improve its social credibility through audits, several Audit & Supervisory Board Members are appointed from within and outside Mitsubishi Corporation with the depth of experience and high level of expertise needed for conducting audits.

More specifically, in-house Audit & Supervisory Board Members are appointed from those with knowledge and experience in corporate management, finance, accounting, risk management, or other areas. Outside Audit & Supervisory Board Members are appointed from those with rich knowledge and experience across various fields.

In principle, the total number of Audit & Supervisory Board Members is 5, with more than half their number being made up of Outside Audit & Supervisory Board Members.

Process for Appointing Nominated Audit & Supervisory Board Members

Based on the above policy, the President & CEO consults with the Senior Audit & Supervisory Board Member and creates a proposal for appointment of nominated Audit & Supervisory Board Members, which is then deliberated by the Governance, Nomination and Compensation Committee and approved by the Audit & Supervisory Board before being resolved by the Board of Directors and presented at the Ordinary General Meeting of Shareholders.

(Translation)

Shuma Uchino < Date of Birth Jun. 29, 1954, 63 years old>



New Election
Number of shares owned:
50,000

Job History

Apr. 1978	Joined Mitsubishi Corporation
Apr. 2009	Senior Vice President, Senior Executive Officer, Mitsubishi Motors Corporation
Jul. 2010	Senior Vice President, General Manager, Corporate Accounting Dept.
Nov. 2010	Senior Vice President, General Manager, Corporate Accounting Dept., Senior Assistant to Corporate Functional Officer
Apr. 2013	Executive Vice President, Chief Financial Officer
Jun. 2013	Member of the Board, Executive Vice President, Chief Financial Officer
Apr. 2016	Member of the Board (resigned in Jun. 2016)
Jun. 2016	Corporate Advisor (scheduled to resign in Jun. 2018)

Important Concurrent Position

Outside Director, Takasago Thermal Engineering Co., Ltd. (scheduled to resign in Jun. 2018)

Reasons for nomination as Audit & Supervisory Board Member

Mr. Uchino has served in finance and accounting operations. From April 2013 to March 2016, Mr. Uchino was Chief Financial Officer of Mitsubishi Corporation. In this role, he helped to increase Mitsubishi Corporation's corporate value in the areas of corporate management, finance and accounting. Prior to this role, Mr. Uchino held important posts such as General Manager, Corporate Accounting Department. He has abundant business experience at Mitsubishi Corporation and insight on finance, accounting and related areas. Accordingly, he has been nominated for the position of Audit & Supervisory Board Member.

(Note)
Mitsubishi Corporation has concluded agreements with Messrs. Hiroshi Kizaki, Tadashi Kunihiro, and Ikuo Nishikawa and Ms. Yasuko Takayama limiting their liability according to Article 423, Paragraph 1 of the Companies Act. According to the agreements, the maximum liability of each is the minimum amount stipulated under Article 425, Paragraph 1 of the Companies Act. If this plan is approved, Mitsubishi Corporation will plan to conclude a new agreement with Mr. Shuma Uchino to the same effect.

(Translation)

(Reference) Structure of the Audit & Supervisory Board Members※1

Name	Age		Present position at Mitsubishi Corporation	Years served as Audit & Supervisory Board Member	Member of Governance, Nomination and Compensation Committee
Shuma Uchino	63		Senior Audit & Supervisory Board Member (full-time) ※2	—	○
Hiroshi Kizaki	59		Audit & Supervisory Board Member (full-time)	3	—
Tadashi Kunihiro	62	Outside Audit & Supervisory Board Member, Independent Auditor	Audit & Supervisory Board Member	6	○
	Message from the Outside Audit & Supervisory Board Member In order for *sogo shosha* to survive through this period of major upheaval and achieve sustainable growth, they must be able to make bold management decisions in a speedy manner and to conduct solid risk management. Corporate governance is the foundation that supports those offensive and defensive capabilities. It is essential for Audit & Supervisory Board Members to act with an eye on both of those capabilities. While making the most of my career experience as a lawyer, I would like to represent the voice of Mitsubishi Corporation's stakeholders by visiting the frontlines frequently and proactively expressing my views.				
Ikuo Nishikawa	66	Outside Audit & Supervisory Board Member, Independent Auditor	Audit & Supervisory Board Member	2	—
	Message from the Outside Audit & Supervisory Board Member Mitsubishi Corporation has set out to pursue economic value, societal value and environmental value. In my view, these goals, set in a period of fierce global competition, impose a tremendous responsibility on the management team. In this sense, I believe that it is highly significant that Mitsubishi Corporation's leaders have committed in good faith to managing the Company based on a strict adherence to compliance under an appropriate governance system. As an Audit & Supervisory Board Member, I would like to take full advantage of my experience in developing accounting standards and related areas to monitor whether Mitsubishi Corporation is appropriately carrying out activities such as providing disclosure of information.				
Yasuko Takayama	60	Outside Audit & Supervisory Board Member, Independent Auditor	Audit & Supervisory Board Member	2	—
	Message from the Outside Audit & Supervisory Board Member Sustainable management requires companies to govern their own actions in light of societal values based on high ambitions, along with making continuous contributions to society through their business activities. By putting those principles into practice, Mitsubishi Corporation has built a relationship of strong trust with society. Companies are being required to help solve issues faced by the international community, as highlighted by the SDGs. With this in mind, I would like to remain closely attuned to risks from a wide range of stakeholder perspectives as I do my utmost to further enhance governance.				

※1 If this proposal is approved.

※2 Mr. Uchino is supposed to be appointed as Senior Audit & Supervisory Board Member at Audit & Supervisory Board which will be held after this Ordinary General Meeting of Shareholders.

(Translation)

4. *To Grant Bonuses to Directors*

In consideration of consolidated business results for the fiscal year ended March 31, 2018 and other factors, the Board proposes to pay a total of ¥270 million as Directors' bonuses to 6 Directors as of the fiscal year-end (excluding Chairman of the Board and Outside Directors).

The remuneration of Directors excluding Chairman of the Board and Outside Directors, consists of Directors' Base Remuneration, Individual Performance Bonus, Bonus, Stock-option-based Remuneration and Reserved Retirement Remuneration. Bonuses are subject to approval of the Ordinary General Meeting of Shareholders every year, given their strong linkage to Mitsubishi Corporation's business results.

(See pages 36 to 38 for Policy for Setting Directors' and Audit & Supervisory Board Members' Remuneration.)

(Translation)

<Reference>

Approaches to Corporate Governance

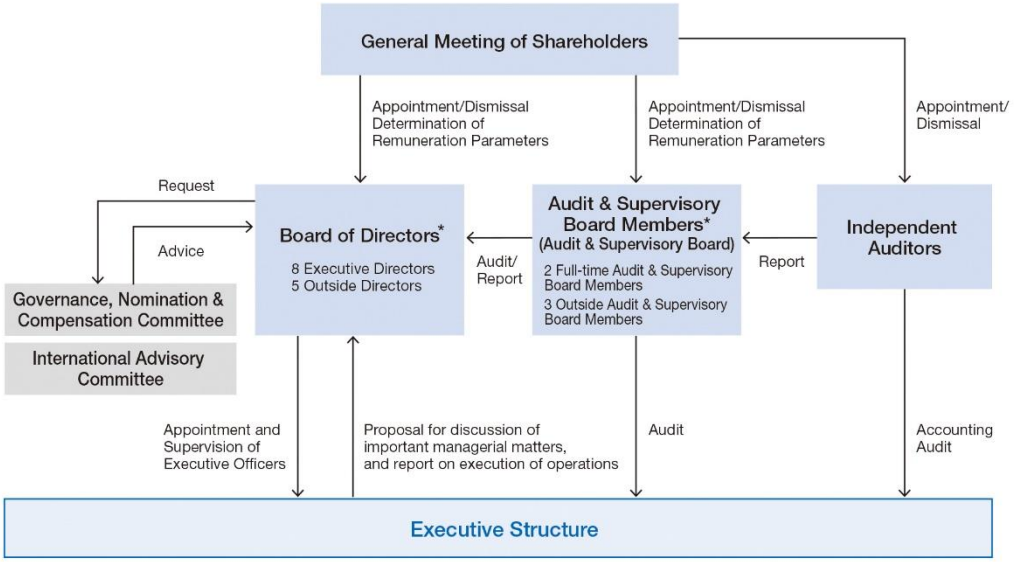
-Mitsubishi Corporation's Corporate Governance System Supporting Sustainable Growth

[Basic Policy]

Mitsubishi Corporation's corporate philosophy is enshrined in the Three Corporate Principles. Through corporate activities rooted in the principles of fairness and integrity, Mitsubishi Corporation strives to continuously raise corporate value. Mitsubishi Corporation believes that by helping to enrich society, both materially and spiritually, it will also meet the expectations of shareholders, customers and all other stakeholders.

In order to achieve these goals, Mitsubishi Corporation recognizes strengthening corporate governance on an ongoing basis as its important subject concerning management as it is foundation for ensuring sound, transparent and efficient management. Mitsubishi Corporation, based on the Audit & Supervisory Board Member System, is thus working to put in place a corporate governance system that is even more effective. This includes strengthening management supervision through such measures as appointing Outside Directors and Outside Audit & Supervisory Board Members who satisfy the conditions for Independent Directors or Independent Audit & Supervisory Board Members, and establishing advisory bodies to the Board of Directors where the majority of members are Outside Directors and Outside Audit & Supervisory Board Members and other experts from outside Mitsubishi Corporation. At the same time, Mitsubishi Corporation uses the executive officer system etc. for prompt and efficient decision-making and business execution.

■Corporate Governance Framework



*This diagram indicates the number of Directors and Audit & Supervisory Board Members after the Ordinary General Meeting of Shareholders if resolutions No.2 and No.3 are approved.

(Translation)

[Board of Directors]

The Board of Directors is responsible for making decision concerning important management issues and overseeing business execution. In-house Directors utilize their rich experience of working within Mitsubishi Corporation and Outside Directors utilize their practical, objective and professional perspectives to ensure appropriate decision-making and management oversight.

Matters Deliberated by the Board of Directors

Matters requiring a resolution by the Board of Directors in accordance with laws and regulations and the Articles of Incorporation and important matters concerning management are resolved by the Board of Directors. In particular, for acquisitions and disposals of shares, equity stakes, and fixed assets, and investments and loans involving loans and guarantees, the Board of Directors sets out monetary threshold standards for each of various type of risks, such as credit risk, market risk and business investment risk (amounts do not exceed 1% of total assets and are set individually depending on the nature of the risk). Investments and loans that exceed this monetary threshold are deliberated and resolved by the Board of Directors.

Furthermore, business execution other than these matters for resolution by the Board of Directors is entrusted to Executive Officers in accordance with the allocation of duties decided by the Board of Directors for prompt and efficient business execution. Business is executed through President, as the Chief Executive Officer, and the Executive Committee (held twice monthly), as a management decision-making body to take responsibility for business execution. Further, the Board of Directors strives to construct an internal control system for increasing corporate value by conducting appropriate, valid and efficient business execution in conformity with laws, regulations and the Articles of Incorporation. Each year, the Board checks on the implementation of the internal control system and makes ongoing improvements and enhancements.

[Audit & Supervisory Board]

The Audit & Supervisory Board audits Directors' decision-making process and their performance of duties according to the Companies Act and other laws and regulations, Mitsubishi Corporation's Articles of Incorporation and internal rules and regulations. In-house Audit & Supervisory Board Members conduct audits from a perspective of their rich experience of working within Mitsubishi Corporation, and Outside Audit & Supervisory Board Members from a neutral and objective perspective, to ensure that management is sound.

(Translation)

[Honorary Chairman／Senior Corporate Advisor]

Mitsubishi Corporation appoints, as necessary, retired executives (presidents and chairmen of the board) to the positions of Honorary Chairman and Senior Corporate Advisor. Currently, one Honorary Chairman and two Senior Corporate Advisors are appointed. Neither the Honorary Chairman nor the Senior Corporate Advisors serve as directors. They do not participate in internal management meetings and are not involved in the Company's decision-making process. They mainly engage in activities that carry high social significance for the Company's external affairs, as requested. With effect from July 2020, the Honorary Chairman will execute his duties on a part-time basis, with no remuneration. No new Senior Corporate Advisors will be appointed, with immediate effect.

Name	Position	Area of Assignment	Work Conditions (full/part-time, remunerated, etc.)	Retirement Date (Position)	Term Ends
Minoru Makihara	Senior Corporate Advisor	External affairs	Part-time, remunerated	March 2004 (Chairman of the Board)	March 2019
Mikio Sasaki	Senior Corporate Advisor	External affairs	Part-time, remunerated	June 2010 (Chairman of the Board)	June 2020
Yorihiko Kojima	Honorary Chairman	External affairs	Full-time, remunerated	March 2016 (Chairman of the Board)	June 2022

Number of retired executives currently serving in advisory positions	3

(Translation)

[Evaluation of the Effectiveness of the Board of Directors]

Mitsubishi Corporation undertakes an evaluation of the Board of Directors every year in order to continually enhance the effectiveness of corporate governance. The evaluation of the fiscal year ended March 31, 2017 was undertaken by a third party. For the evaluation of the fiscal year ended March 31, 2018, Mitsubishi Corporation adopted a self-evaluation process as the basis of the evaluation in line with the evaluation theme of "Further enhancing the functions of the Board of Directors." Director Akihiko Nishiyama and Audit & Supervisory Board Member Yasuko Takayama, who serve as Independent Outside Director and Independent Outside Audit & Supervisory Board Member, respectively, took the lead in formulating questions and analyzing and evaluating the results.

The outline and the results of the evaluation are as follows.

Process	1. The process and themes of the evaluation of the Board of Directors for the fiscal year ended March 31, 2018 were deliberated in the Governance, Nomination and Compensation Committee. 2. Questionnaires and interviews involving all Directors and Audit & Supervisory Board Members were conducted. 3. The results of the interviews were compiled and deliberated together with future policies in the Governance, Nomination and Compensation Committee. 4. Based on the result of discussions in the Governance, Nomination and Compensation Committee, the Board of Directors analyzed and evaluated the findings and shared future policies.
Questions	The questions concerned the evaluation of measures undertaken in the fiscal year ended March 31, 2018; the composition, structure, operation, oversight and audit functions of the Board of Directors; the status of individual involvement; and further enhancement of the functions of the Board of Directors, among other matters.
Evaluation Results and Future Priorities	・Mitsubishi Corporation's hybrid model of corporate governance based on the Audit & Supervisory Board Member System has been functioning effectively as a governance system. Adequate information has been provided to Outside Directors and Outside Audit & Supervisory Board Members. There has also been sufficient communication among Outside Directors and Outside Audit & Supervisory Board Members, as well as communication with personnel involved in business execution. ・The Board of Directors was evaluated to be appropriate in terms of composition, operation, deliberation and other aspects. The Board of Directors has adequate systems for the exercise of decision-making and oversight functions and these functions are being realized appropriately. Moreover, the Audit & Supervisory Board Members have been fulfilling their roles in meetings of the Board of Directors based on self-evaluations by the Audit & Supervisory Board Members. ・The evaluation highly commended measures implemented in the fiscal year ended March 31, 2018 (observation tours of business investees, etc.) as a result of the findings of the Board of Directors evaluation undertaken in the fiscal year ended March 31, 2017. Meanwhile, the evaluation identified the need to continue upgrading and expanding deliberation on strategies and other important matters. ・The evaluation proposed a number measures to be undertaken going forward. From the standpoint of further enhancing the functions of the Board of Directors, a matter was continually discussed during the fiscal year ended March 31, 2018, these measures included upgrading and enhancing companywide and Group strategies and the monitoring of major business investees, revising agenda items, and enhancing and expanding feedback and follow-up activities to enhance discussions. Other measures included enhancing communication in forums other than the Board of Directors meetings, and considering ways to involve the Outside Directors and Outside Audit & Supervisory Board Members in the successor planning and selection process.

Based on the analysis and evaluations of the Governance, Nomination and Compensation Committee and the Board of Directors with respect to the issues highlighted by the evaluation results and the opinions and recommendations from Directors and Audit & Supervisory Board Members, Mitsubishi Corporation will implement measures to further enhance the effectiveness of the Board of Directors.

(Translation)

[Board of Directors' Advisory Bodies]

Governance, Nomination and Compensation Committee

Since its establishment in 2001, the Governance, Nomination and Compensation Committee has met around twice a year. While a majority of the members of the Committee are Outside Directors and Outside Audit & Supervisory Board Members and Outside Members, the Committee conducts continuous reviews of corporate governance-related issues at Mitsubishi Corporation and also discusses the basic policy and individual personnel matters regarding nomination of Directors and Audit & Supervisory Board Members. In addition, the committee deliberates the remuneration system for Executive and non-Executive Officers, including the policy for setting remuneration and appropriateness of remuneration levels, and monitors operation of this system.

■**Main Discussion Themes**

- Composition of the Board of Directors and Audit & Supervisory Board, policy on appointment of and proposals for appointment of Directors and Audit & Supervisory Board Members
- Requirements of President and CEO and basic policy on the appointment, proposals for appointment of President and CEO
- Review of the remuneration system including the policy for setting remuneration and appropriateness of remuneration levels
- Evaluation of the effectiveness of the Board of Directors

Furthermore, the President's Performance Evaluation Committee, which is chaired by the Chairman, who serves as the Chairman of the Governance, Nomination and Compensation Committee and comprises Outside Members, was established as a subcommittee to the Governance, Nomination and Compensation Committee to deliberate the evaluation of the President's performance.

■**Composition of Committee** (*Committee Chairman) (as of April 1, 2018)

Outside members (6):
Hidehiro Konno, Outside Director
Akihiko Nishiyama, Outside Director
Toshiko Oka, Outside Director
Akitaka Saiki, Outside Director
Tadashi Kunihiro, Outside Audit & Supervisory Board Member
Tsuneyoshi Tatsuoka, Corporate Advisor

In-house members (3):
Ken Kobayashi,* Chairman of the Board
Takehiko Kakiuchi, Member of the Board, President & CEO
Hideyuki Nabeshima, Senior Audit & Supervisory Board Member

(Translation)

International Advisory Committee

The International Advisory Committee has met annually since its establishment in 2001. Members of the Committee report on and offer advice from their respective viewpoints covering matters such as expert analysis, key considerations and other insights into the global situation and geopolitical conditions surrounding Mitsubishi Corporation. The Committee conducts lively exchanges of opinions involving Mitsubishi Corporation's executives, and these discussions are put to good use by Mitsubishi Corporation's management.

■**Main discussion themes** (Fiscal year ended March 31, 2018)

・Trump administration
・Future course of the Belt and Road Initiative and the Xi government
・Energy Revolution
・Cybersecurity

■**Composition of Committee** (*Committee Chairman) (as of the annual meeting in the fiscal year ended March 2018)

Overseas members (6):
Ambassador Richard Armitage, Former United States Deputy Secretary of State (U.S.A.)
Professor Joseph S Nye, Harvard University Distinguished Service Professor (U.S.A.)
Mr. Ratan N. Tata, Chairman, Tata Trusts (India)
Mr. George Yeo, Chairman of Kerry Logistics Network (Singapore)
Mr. Niall FitzGerald, KBE, Former CEO & Chairman, Unilever (Ireland)
Mr. Jaime Augusto Zobel de Ayala ii, Chairman and CEO, Ayala Corporation (the Philippines)

Japanese members (5):
Ken Kobayashi,* Chairman of the Board
Takehiko Kakiuchi, Member of the Board, President & CEO
Eiichi Tanabe, Member of the Board, Senior Executive Vice President
Hidehiro Konno, Outside Director
Akitaka Saiki, Outside Director

(Translation)

[Provision of Information to Directors and Audit & Supervisory Board Members and Support System]

To ensure that the Directors and Audit & Supervisory Board Members are able to perform their management supervision and audit functions adequately, the Board of Directors' Office and the Audit & Supervisory Board Members' Office have been established, and have been providing necessary information and support appropriately and in a timely manner for them to perform their duties.

For Outside Directors and Outside Audit & Supervisory Board Members, the Board of Directors' Office and the Audit & Supervisory Board Members' Office provide Board of Directors' meeting materials and explanations as well as hold joint presentations about management strategies, important matters, and other topics before the Board of Directors' meetings to ensure that they can participate in the discussion fully. The offices also provide an orientation to newly appointed Outside Directors and Outside Audit & Supervisory Board Members, as well as ongoing opportunities to increase their understanding of the businesses and strategies of Mitsubishi Corporation, including annual observation tours of business investees and opportunities for dialogue with the management. Furthermore, to enhance the effectiveness of the management supervision function, Mitsubishi Corporation holds meetings of the Governance, Nomination and Compensation Committee, the President's Performance Evaluation Committee, and other bodies comprising a majority of Outside Directors and Outside Audit & Supervisory Board Members in their memberships. Also, Mitsubishi Corporation endeavors to enhance close cooperation among Independent Outside Directors and Outside Audit & Supervisory Board Members through such measures as holding meetings of Independent Outside Directors and Outside Audit & Supervisory Board Members approximately four times a year to provide opportunities for free discussion about a wide range of themes relating to the business management and the corporate governance of Mitsubishi Corporation.

■Meetings of Independent Outside Directors and Outside Audit & Supervisory Board Members

Mitsubishi Corporation endeavors to enhance close cooperation among Independent Outside Directors and Outside Audit & Supervisory Board Members by providing opportunities for free discussion about a wide range of themes relating to the business management and the corporate governance of Mitsubishi Corporation. In the fiscal year ended March 31, 2018, Mitsubishi Corporation held meetings for the exchange of opinions on themes such as sustainability, social contribution and dialogue with shareholders.

■Observation Tours of Business Investees

For further understanding of Mitsubishi Corporation and the Mitsubishi Corporation Group's wide range of business lines, every year Outside Directors and Outside Audit & Supervisory Board Members participate in observation tours of the sites of Mitsubishi Corporation Group companies and other sites, and hold dialogues with the management of Group companies and others.

In the fiscal year ended March 31, 2018, Mitsubishi Corporation hosted site visits in Australia which included *MDP's coking coal assets. Besides touring BMA-owned Peak Downs coal mine and Hay Point coal terminal, participants actively engaged in discussions with the top management of our Australian group companies.

* MDP stands for Mitsubishi Development Pty Ltd. In 2001, BMA was established as a 50-50 joint venture between MDP and mineral resources major BHP. BMA is one of the world's largest seaborne coking coal suppliers. It owns 7 operating coal mines with additional undeveloped reserves, in addition to a coal terminal in Queensland, Australia.

■On-site Audits of Subsidiaries, Affiliates and Other Sites

As part of audits conducted by the Audit & Supervisory Board Members, Mitsubishi Corporation organizes visits of subsidiaries, affiliates and other sites by the Audit & Supervisory Board Members, allowing them to exchange opinions with regional chiefs, managers of subsidiaries and affiliates, and local employees.

(Translation)

[Policy for Setting Directors' and Audit & Supervisory Board Members' Remuneration]

In line with the Basic Policy on Corporate Governance (see page 29), Mitsubishi Corporation has established a remuneration system for Directors and Audit & Supervisory Board Members and related systems to ensure a sustainable increase in corporate value, and to ensure that their respective roles are fulfilled properly according to business execution and management supervision functions. Mitsubishi Corporation strives to operate the system with a high degree of transparency. Within this system, the policy for setting remuneration, appropriateness of remuneration levels, and operation of remuneration system for Directors responsible for business execution are discussed and monitored by the Governance, Nomination and Compensation Committee.

The details and methods for setting remuneration for Directors and Audit & Supervisory Board Members are as follows.

<table>
<tr><th>Directors / Audit & Supervisory Board Members</th><th>Type of Director or Audit & Supervisory Board Member (Number as of March 31, 2018)</th><th>Approach to Remuneration</th><th>Method for Setting Remuneration</th></tr>
<tr><td rowspan="2">Directors</td><td>Directors responsible for business execution (who also serve as Executive Officers) (6)</td><td rowspan="2">●The remuneration of Directors who also serve as Executive Officers and are responsible for business execution are set with the aim of providing further incentive and motivation to achieve business results and creation of sustainable business value through the steady execution of the Midterm Corporate Strategy, along with aligning the Directors' interests with those of the shareholders over the medium and long terms.
●The remuneration of Directors responsible for business execution consists of fixed and variable remuneration, as shown on the next page.
Mitsubishi Corporation has adopted variable remuneration including not only cash remuneration linked to consolidated business results and individual performance but also stock remuneration (stock-option-based remuneration) to provide further incentive to improve corporate value over the medium and long terms.</td><td rowspan="2">●Regarding remuneration for the Chairman of the Board, Outside Directors, and Directors responsible for business execution (excluding bonuses), the 2010 Ordinary General Meeting of Shareholders approved a payment limit of 1.6 billion yen per annum. Remuneration is paid within this remuneration limit subject to resolution of the Board of Directors.
●Meanwhile, Bonuses for directors responsible for business execution are subject to approval by the Ordinary General Meeting of Shareholders, given their strong linkage to Mitsubishi Corporation's business results.</td></tr>
<tr><td>Chairman of the Board (1)
Outside Directors (5)</td></tr>
<tr><td>Audit & Supervisory Board Members</td><td>Audit & Supervisory Board Members （In-house） (2)
Outside Audit & Supervisory Board Members (3)</td><td>●The Chairman of the Board and the Outside Directors, who do not also serve as Executive Officers, must primarily fulfill a supervisory function for management in an appropriate manner, while the Audit & Supervisory Board Members must perform audits appropriately. Accordingly, there is a need to ensure their independence. For this reason, they are paid only fixed monthly remuneration, which does not have a component linked with business results.</td><td>●The monthly remuneration of Audit & Supervisory Board Members was set at an upper limit of 15 million yen per month in total by resolution of the 2007 Ordinary General Meeting of Shareholders. Audit & Supervisory Board Members' Base Remuneration is paid within this remuneration limit subject to discussions by the Audit & Supervisory Board Members.</td></tr>
</table>

(Translation)

■Composition of the Remuneration of Directors Responsible for Business Execution

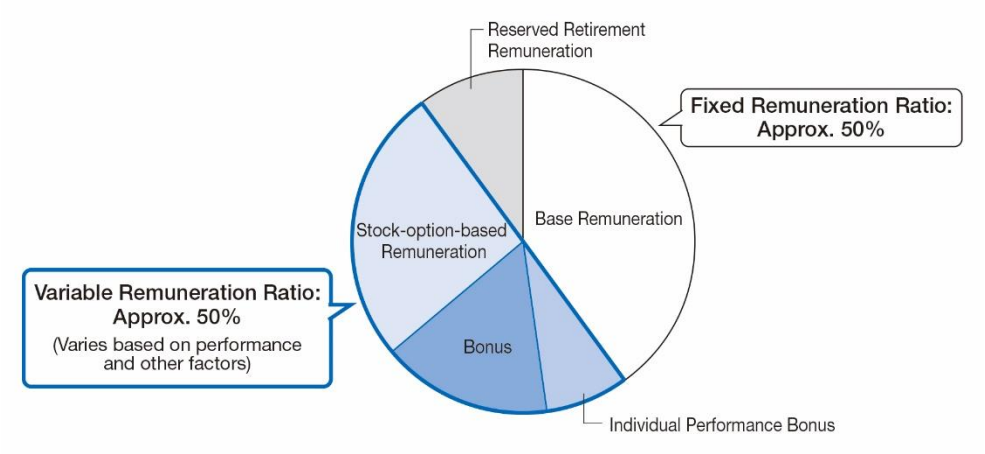
Remuneration type	Remuneration composition	Fixed/ Variable (Note 1)	Form of payment	Included within Remuneration limit (Note 2)
Base Remuneration	An amount determined according to position, paid monthly	Fixed	Cash	○
Individual Performance Bonus	For Directors responsible for business execution, Individual Performance Bonuses are determined and paid on an individual basis after the President's yearly performance assessment of each Director for the previous fiscal year. The assessment on the President's performance is deliberated by the President's Performance Evaluation Committee, a subcommittee to the Governance, Nomination and Compensation Committee. The subcommittee comprises the Chairman, who also serves as the Chairman of the Governance, Nomination and Compensation Committee, and members made up of Outside Directors and Outside Audit & Supervisory Board Members.	Variable (Single year)	Cash	○
Bonus	●Bonuses are determined and paid on an individual basis after deciding whether or not Bonuses will be paid and what the total amount will be based on the previous year's consolidated earnings and other factors. ●During the period of "Midterm Corporate Strategy 2018" (fiscal year ended March 31, 2017 to fiscal year ending March 31, 2019), the amounts of bonuses to be paid will be determined based on the achievement of a level of earnings that leads to improved corporate value (consolidated capital cost) and initial business targets, and an upper limit is set for the total amount to be paid. If consolidated net income (attributable to owners of Mitsubishi Corporation) exceeds the consolidated capital cost, the amount to be paid will be increased in line with business performance. Meanwhile, if consolidated net income is less than the consolidated capital cost or the initial business targets, no bonuses will be paid.	Variable (Single year)	Cash	− (Paid upon resolution of the Ordinary General Meeting of Shareholders)
Stock-option-based Remuneration	Stock options as remuneration are grants from the perspective of aligning Directors' interests with those of shareholders and creating value over the medium and long terms. Stock options cannot be exercised for two years from the date they are granted. As a basic policy, in-house Directors cannot sell shares, including shares acquired by exercising stock options, during their terms of office until their shareholdings reach a certain level.	Variable (Medium to long term)	Shares (Stock acquisition rights)	○
Reserved Retirement Remuneration	Reserved Retirement Remuneration is set aside in a certain amount every year as consideration for the performance of duties, and the accumulated amount is calculated and paid in full upon retirement of a director by resolution of the Board of Directors.	Fixed	Cash	○

(Note 1) "Fixed" indicates a fixed payment amount and "Variable" indicates a payment amount that varies based on performance and other factors. "Single year" indicates amounts that correspond to previous fiscal year performance or individual performance assessment. "Medium to long term" is used for stock options as remuneration to indicate their role as a medium to long-term incentive.

(Note 2) "○" indicates remuneration paid by a resolution of the Board of Directors within the 1.6 billion yen per annum limit approved by the 2010 Ordinary General Meeting of Shareholders.

(Translation)

■**Conceptual Image of the Payment Mix of Remuneration for Directors Responsible for Business Execution**



(Translation)

Fiscal 2017 Business Report (From April 1, 2017 to March 31, 2018)

Review of Operations

●Summary of Operating Results for the Mitsubishi Corporation Group

[Business Lines]

Mitsubishi Corporation's subsidiaries and affiliates are diverse organizations engaged in a wide variety of activities on a global scale. We manufacture and market a wide range of products, including energy, metals, machinery, chemicals and living essentials through our domestic and overseas network. We also are involved in diverse businesses by actively investing in areas such as natural resources development and infrastructure, and we are engaged in finance/logistics businesses. Furthermore, we are also engaged in diversified businesses such as creating new business models in the fields of new energy and the environment, and new technology-related businesses. Our collective capabilities to adopt a holistic view across numerous industries enhance the above activities and enable us to provide various services to customers.

[Consolidated Results]

1. Summary of the Year Ended March 2018 Results

Revenues were 7,567.4 billion yen, an increase of 1,141.6 billion yen, or 18% year over year, mainly due to increase attributed by Lawson, Inc. becoming a subsidiary and higher resource-related market prices.

Gross profit was 1,886.6 billion yen, an increase of 558.0 billion yen, or 42% year over year, mainly due to increase attributed by Lawson, Inc. becoming a subsidiary and higher resource-related market prices.

Selling, general and administrative expenses rose 454.7 billion yen, or 49% year over year, to 1,387.3 billion yen, mainly due to increase attributed by Lawson, Inc. becoming a subsidiary.

Gains on investments decreased 78.9 billion yen, or 95% year over year, to 4.4 billion yen, mainly due to the rebound of one-off gains accompanied by business mergers and sales of associated companies in previous year.

Gains on disposal and sale of property, plant and equipment increased 26.5 billion yen, or 184% year over year, to 40.9 billion yen, mainly due to sales of resource-related assets and swap profit on held real estate.

Impairment losses on property, plant and equipment and others amounted to 80.2 billion yen, a decreased loss of 23.0 billion yen, or 22% year over year, mainly due to the rebound of impairments related to resource-related assets and the shipping business in the previous year.

Finance income increased 46.8 billion yen, or 35% year over year, to 179.2 billion yen, due to increased dividend income from resource-related investments.

Share of profit of investments accounted for using the equity method increased 93.9 billion yen, or 80% year over year, to 211.4 billion yen, mainly due to higher resource-related market prices.

As a result, profit before tax increased 211.3 billion yen, or 35% year over year, to 812.7 billion yen.

Income taxes rose 80.9 billion yen, or 67% year over year, to 202.3 billion yen. Despite the reversal of deferred tax liabilities due to US tax reform, increased profit before tax expenses through an exit from resource-related assets led to a rise in the total.

Accordingly, profit for the year grew 119.9 billion yen, or 27% year over year, to 560.2 billion yen.

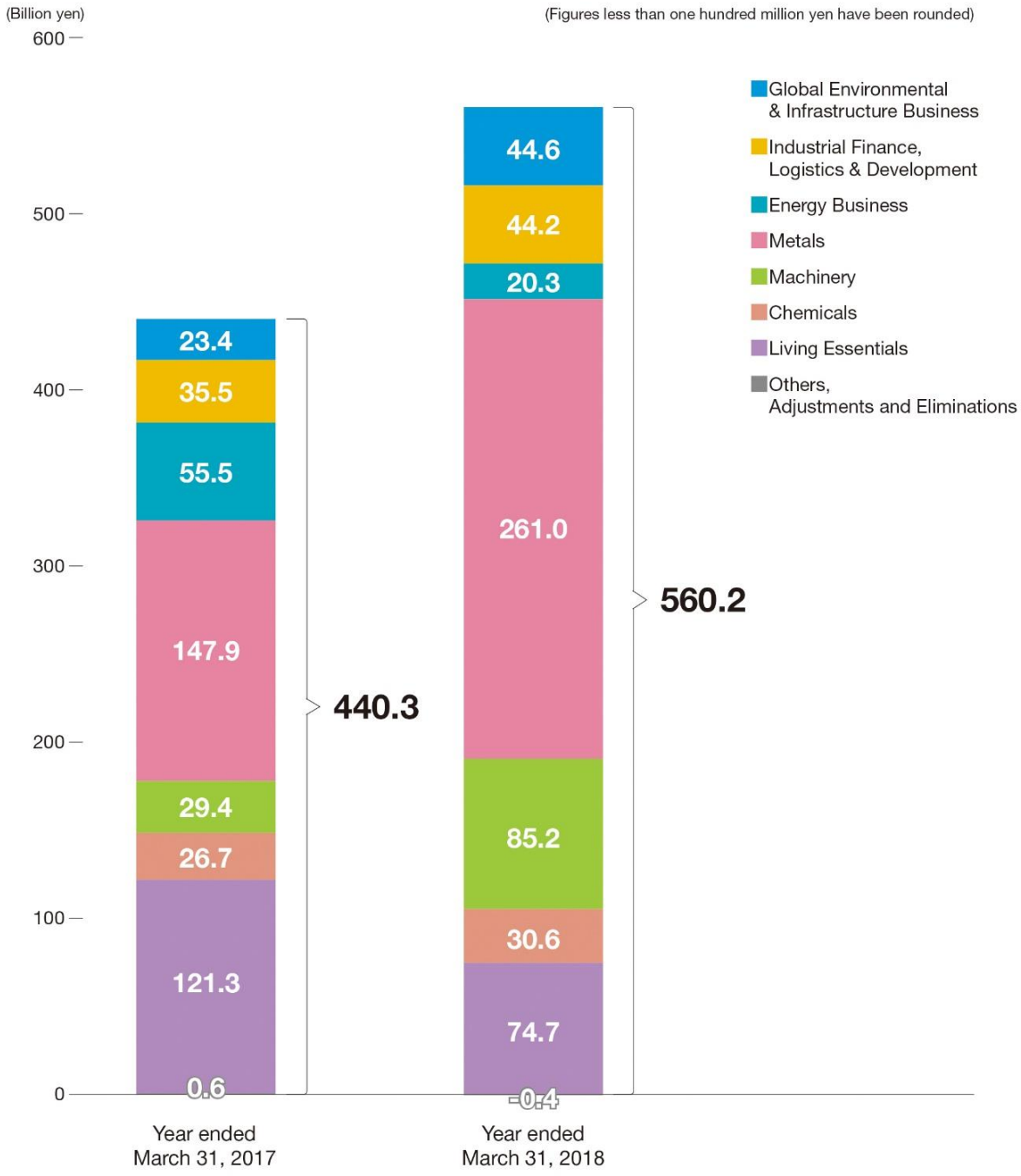
(Notes)

1. This Business Report for the fiscal year ended March 31, 2018 is prepared based on International Financial Reporting Standards (IFRS).
2. “Profit” in this Business Report represents net income attributable to owners of Mitsubishi Corporation, excluding non-controlling interests.

(Translation)

2. Segment Information

■Consolidated Net Income by Segment

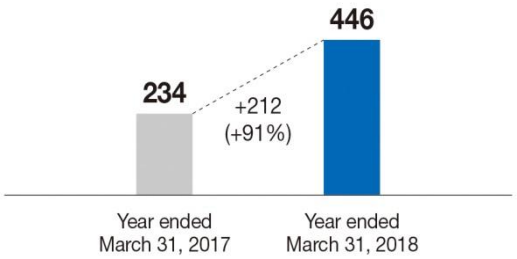


(Translation)

Global Environmental & Infrastructure Business Group

The Global Environmental & Infrastructure Business Group conducts infrastructure projects, related trading operations and other activities in power generation, water, transportation and other infrastructure fields that serve as a foundation for industry. With these activities at the core, the Group also undertakes environment-related businesses, such as the manufacture and utilization of battery systems and hydrogen energy.

■**Consolidated Net Income**（Billion yen）



[Main Factors]
<Positive>
・Improved equity income from Chiyoda Corporation.
・Recording of the reversal of deferred tax liabilities due to US tax reform.

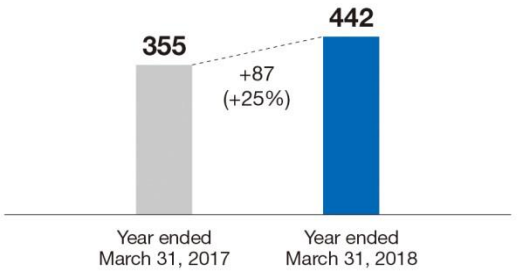
[TOPIC] Participation in an Offshore Wind Farm Project in the UK

In March 2018, Mitsubishi Corporation invested in Moray Offshore Windfarm (East) Limited (MOWEL) through UK-based Diamond Generating Europe Limited (a wholly owned subsidiary of Mitsubishi Corporation), a management company for the power generation business in the EMEA region. MOWEL is responsible for the development, construction and operation of the Moray East offshore wind farm. The wind farm project will be one of the UK's largest offshore wind farms with a maximum capacity of approximately 950 MW, generating enough energy to supply nearly 1,000,000 households from its scheduled commissioning in 2022. Going forward, Mitsubishi Corporation will continue to develop the offshore wind farm business, thereby contributing to the realization of a low-carbon society.

Industrial Finance, Logistics & Development Group

The Industrial Finance, Logistics & Development Group is globally developing its corporate investment business, leasing business, real estate and urban development business, and logistics business. In each of these fields, the Group is well positioned to drive business expansion by leveraging its finance capabilities.

■**Consolidated Net Income**（Billion yen）



[Main Factors]
<Positive>
・Recording of the swap profit on held real estate.
・Increase in fund evaluation profit.

[TOPIC] Establishment of a Joint Venture for Data Center Solutions in Japan

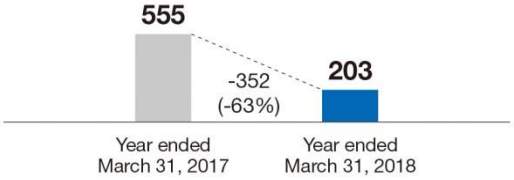
In October 2017, Mitsubishi Corporation and Digital Realty Trust, Inc., a major U.S. data center operator, reached an agreement to launch a joint venture and work together to deliver data center solutions in Japan. The joint venture will start out with two properties (jointly worth approximately 40 billion yen) as seed assets in the portfolio, with plans to expand assets under management to around 200 billion yen by 2022. Demand for large-capacity data centers has been growing in line with the spread of AI/IoT and cloud usage. In this environment, the joint venture aims to be the leader of the data center solutions industry in Japan.

(Translation)

Energy Business Group

The Energy Business Group conducts a number of activities including natural gas and oil production and development business, liquefied natural gas (LNG) business, business investment and trading of petroleum, carbon materials, and liquefied petroleum gas (LPG), and planning and development of new energy business.

■**Consolidated Net Income**（Billion yen）



[Main Factors]
<Positive>
・Increase in earnings and dividends received in the LNG-related business.
<Negative>
・Recording of losses on resource-related assets due to replacements.
・Recording of increased decommissioning costs.
・Recording of one-off losses on additional tax expenses through an exit from assets.

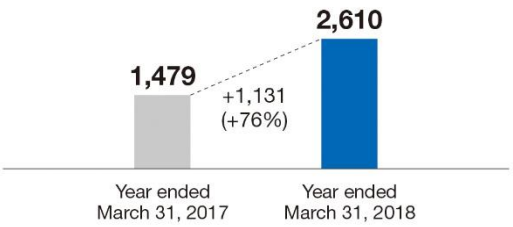
[TOPIC] Commencement of LNG Production at Australia's Wheatstone LNG Project

Wheatstone LNG Project, in which Mitsubishi Corporation participates, commenced LNG production using natural gas produced from the Wheatstone and Iago gas fields located in the offshore area of Western Australia in October 2017. Together with a second liquefaction train currently undergoing construction work, the project is scheduled to have a combined capacity to produce 8.9 million tonnes per annum (MTPA) of LNG. Approximately 7 MTPA of this LNG will be supplied to Japanese buyers such as JERA Co., Inc. As demand for LNG increases globally, Mitsubishi Corporation continues to make a contribution to the stable supply of LNG into Japanese market.

Metals Group

The Metals Group is engaged in the trading, business development and investment of mineral resources and steel products. These include steel products such as sheets and plates, ferrous raw materials such as coking coal and iron ore, and non-ferrous metals such as copper and aluminum.

■**Consolidated Net Income**（Billion yen）



[Main Factors]
<Positive>
・Decrease of impairment losses on resource-related assets compared with the previous fiscal year.
・Increase in earnings due to successful mitigation of production and shipments losses caused by Cyclone Debbie couple with higher realized prices and dividends from the Australian coal and other mineral resource business.

[TOPIC] Improve the Portfolio by Asset Reshuffling

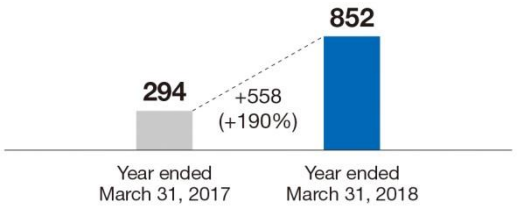
Against the backdrop of fast-changing business environment, the Metals Group has been striving to preserve and enhance the competitive positions of its world class mining assets by relentlessly lowering costs across operations and, at the same time, by actively reshuffling its portfolio. In June 2017, we agreed to sell our stake in the Hunter Valley Operations and Warkworth coal mines in Australia. The sale of Warkworth Coal Mine was successfully completed in March 2018. Going forward, we will continue improving the resilience of our portfolio by mainly focusing on coking coal and copper assets which enjoy leading competitive positions and have long-term growth potential based on our projected supply-demand scenario.

(Translation)

Machinery Group

The Machinery Group is involved in sales, maintenance, finance, rental and ownership and operation in a wide range of fields which include machine tools, agricultural machinery, construction equipment, mining equipment, elevators and escalators, ships, aerospace-related equipment and motor vehicles.

■**Consolidated Net Income**（Billion yen）



[Main Factors]
<Positive>
・Rebound from impairment losses in the shipping business in the previous fiscal year.
・Increase in one-off gains in the shipping business.
・Increase in earnings in the Asia automotive business.

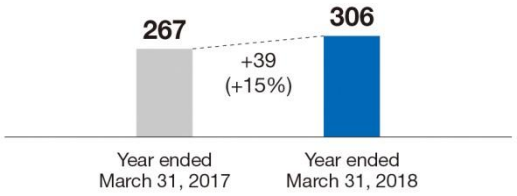
[TOPIC] Commencement of Sales of the New MPV Xpander in Indonesia

In September 2017, Mitsubishi Corporation commenced sales of the new multi-purpose vehicle (MPV) Xpander in Indonesia through PT Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI, 40%-owned subsidiary of Mitsubishi Corporation). MMKSI is a exclusive distributor for Mitsubishi Motors Corporation products in Indonesia. Against the backdrop of heightened demand for automobiles in Indonesia, orders for Xpander vehicles reached 66,000 units as of March 31, 2018, far greater than initially planned. Exports to the Philippines and certain other countries have also commenced. Mitsubishi Corporation will continue to expand business and contribute to the economic development in Indonesia, where the automobile market is expected to see continued growth.

Chemicals Group

The Chemicals Group conducts business activities such as manufacturing, sales, and development in a broad range of fields. These fields extend from raw materials used in industrial products such as ethylene, methanol, and salt produced from crude oil, natural gas, minerals, plants, marine resources and so forth to plastics, electronic materials, food ingredients, fertilizer and fine chemicals.

■**Consolidated Net Income**（Billion yen）



[Main Factors]
<Positive>
・Increase in trading profit and earnings due to stronger markets.
<Negative>
・Recording of deferred tax liabilities in the basic chemicals business.

[TOPIC] Acquisition of a U.S. Seasonings Manufacturer

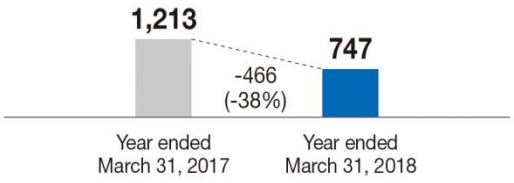
In January 2018, Mitsubishi Corporation acquired Carolina Ingredients, LLC, a U.S. maker of seasoning blends, through Mitsubishi International Food Ingredients, Inc., a U.S. food materials and formulation distributor (a wholly owned subsidiary of Mitsubishi Corporation). In response to heightened concern about health and food safety among U.S. consumers, Carolina Ingredients has been focused on the development of “clean label products” professing organic ingredients and other benefits. Going forward, Mitsubishi Corporation seeks to develop a high value-added food science business that reflects health and food safety demands of consumers through such means as capturing synergies with Mitsubishi Corporation Life Sciences Limited (a wholly owned subsidiary of Mitsubishi Corporation) and others.

(Translation)

Living Essentials Group

The Living Essentials Group conducts businesses that support and further enrich the daily lives of consumers around the world by providing lifestyle essentials related to food, clothing and shelter. It supplies products and services, develops businesses and invests in various products fields covering an expansive range of areas from upstream procurement of raw materials to downstream retail parts of the value chain.

■**Consolidated Net Income**（Billion yen）



[Main Factors]
<Positive>
・Increase in earnings from the salmon farming business.
<Negative>
・Decrease in the recording of one-off gains from the acquisition of Lawson, Inc. as a subsidiary and meat business restructuring compared with the previous fiscal year.
・Recording of one-off losses in the food materials business.

[TOPIC] Upgrade and Expand Production and Procurement Frameworks for Sustainable Food Ingredients

The Living Essentials Group is working to upgrade and expand production and procurement frameworks for sustainable food ingredients, in order to create business value for society. MC Agri Alliance Ltd. is a joint venture established with agri-business firm Olam International Limited (Olam). MC Agri Alliance is focused on the sale of coffee, cocoa and other food materials produced under Olam's own sustainability program, in addition to products that have certified by Rainforest Alliance and other third party organization. which demonstrates that farms meet standards for sustainable plantations.

Other detailed information is available at the Mitsubishi Corporation website, as follows:

Description of businesses and main business investees in each segment: Our Business section of website
https://www.mitsubishicorp.com/jp/en/bg/

Main items of balance sheet, profit-and-loss, and cash flow items in each segment: Financial Statements section of website (Supplementary Information to Fiscal Year Ended March 2018)
https://www.mitsubishicorp.com/jp/en/ir/library/earnings/fs2017.html

(Translation)

[Consolidated Financial Position]

1. Changes in Assets, Liabilities and Equity

Total assets as of March 31, 2018 was 16,037.0 billion yen, an increase of 283.4 billion yen from March 31, 2017. The increase was mainly due to a rise in trade and other receivables caused by the fact that the end of the period fell on a holiday and that transaction prices and an transaction volume got higher.

Total liabilities was 9,771.8 billion yen, a decrease of 192.7 billion yen from March 31, 2017. This decline was attributable to the repayment of bonds and borrowings, although trade and other payables expanded as a result of the fact that the end of the period fell on a holiday and that transaction prices and an transaction volume got higher.

Net interest-bearing liabilities, which is gross interest-bearing liabilities minus cash, cash equivalents and time deposits, decreased 277.3 billion yen from March 31, 2017 to 3,714.2 billion yen.

Equity attributable to owners of the Parent was 5,332.4 billion yen, an increase of 415.2 billion yen from March 31, 2017. This increase was mainly due to the accumulation of profit for the period.

2. Cash Flows

Cash and cash equivalents as of March 31, 2018 was 1,005.5 billion yen, down 140.0 billion from March 31, 2017.

Operating activities

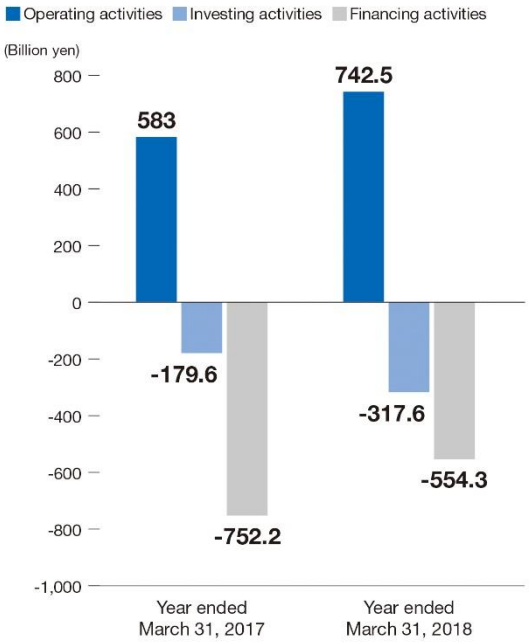
Net cash provided by operating activities was 742.5 billion yen, mainly due to cash flows from operating transactions and dividend income, despite payment of income taxes.

Investing activities

Net cash used in investing activities was 317.6 billion yen. The main use of cash was for investments in affiliated companies, including the acquisition of shares in Mitsubishi Motors Corporation, and for capital expenditures, despite cash provided by the sale of property, plant and equipment and listed stocks.

Financing activities

Net cash used in financing activities was 554.3 billion yen, mainly due to the repayment of borrowings, redemption of bonds, and the payment of dividends at the Parent.



[Capital Expenditures]

Mitsubishi Corporation sold certain aircraft owned by MCAP Europe Limited (a wholly owned subsidiary of Mitsubishi Corporation, located in Ireland), which provides aircraft leasing.

[Issuance of Corporate Bonds]

The Mitsubishi Corporation Group flexibly issues bonds as its primary means of procuring funds.

During the fiscal year ended March 31, 2018, Mitsubishi Corporation issued US dollar-denominated straight bonds, totaling 0.5 billion dollars (approximately 56.8 billion yen).

Furthermore, Mitsubishi Corporation Finance PLC, a wholly owned subsidiary of Mitsubishi Corporation based in the U.K., issued bonds totaling approximately 2.7 billion yen as part of the Euro Medium Term Note Programme. Meanwhile, MC Finance & Consulting Asia Pte. Ltd., a wholly owned subsidiary of Mitsubishi Corporation based in Singapore, issued bonds totaling 50 million euros (approximately 6.7 billion yen) as part of the Multicurrency Medium Term Note Programme.

[Important Business Combinations]

●Sale of Interest in Hunter Valley Operations coal mine by Mitsubishi Development Pty Ltd

Mitsubishi Development Pty Ltd (a wholly owned subsidiary of Mitsubishi Corporation, located in Australia) had agreed to sell its interest in the Hunter Valley Operations coal mine, which it had held as a joint operation. Following the transfer of the important risks, economic value and other aspects of the interest, the transaction has been recorded as a sale for accounting purposes. Legal ownership of the interest will be retained until the consideration for the interest has been received.

(Translation)

●Acquisition of Shares in Mitsubishi Motors Corporation

MAI Corporation (a wholly owned subsidiary of Mitsubishi Corporation) acquired shares of common stock in Mitsubishi Motors Corporation (MMC) through a tender offer, thereby obtaining a voting ratio of 10.76% in MMC. MMC is engaged in the development, production and sale of automobiles and automobile components, and the financing business. As a result, Mitsubishi Corporation's combined voting ratio in MMC, together with its existing voting ratio 9.24%, reached 20%, making MMC an equity-method affiliate of Mitsubishi Corporation.

(Translation)

●Operating Results and Financial Position

Mitsubishi Corporation Group Consolidated Operating Results and Financial Position

(Million yen)

	Item＼Fiscal Year Ended	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
Consolidated	Revenues	7,669,489	6,925,582	6,425,761	7,567,394
	Profit (loss) attributable to owners of Mitsubishi Corporation	400,574	(149,395)	440,293	560,173
	Equity attributable to owners of Mitsubishi Corporation	5,570,477	4,592,516	4,917,247	5,332,427
	Total Assets	16,774,366	14,916,256	15,753,557	16,036,989
	Basic Profit (loss) attributable to owners of Mitsubishi Corporation per share (yen)	¥246.39	(¥93.68)	¥277.79	¥353.27
	R O E	7.5%	(2.9%)	9.3%	10.9%

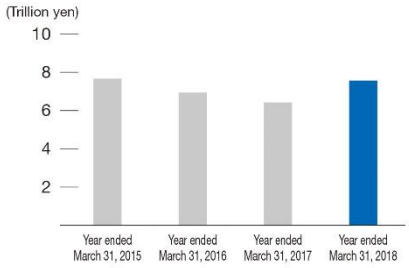
(Figures less than one million yen are rounded to the nearest million)

(Notes)

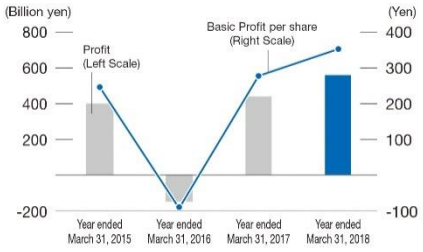
Figures in the above table are derived from financial information included in the consolidated financial statements based on IFRS in accordance with Article 120, Paragraph 1 of the Ordinance on Company Accounting of Japan.

Mitsubishi Corporation Group (Consolidated)

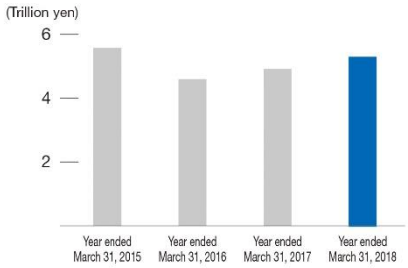
《Revenues》



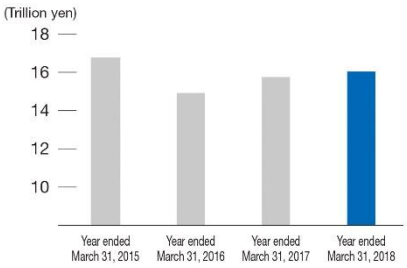
《Profit (loss) attributable to owners of Mitsubishi Corporation and Basic Profit (loss) attributable to owners of Mitsubishi Corporation per share》



《Equity attributable to owners of the Parent》



《Total Assets》



(Translation)

Mitsubishi Corporation Non-Consolidated Operating Results and Financial Position

(Million yen)

	Item＼Fiscal Year Ended	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
Non-consolidated	Net Sales	7,013,434	5,929,566	5,216,706	5,233,193
	Profit (loss)	289,744	(156,328)	127,805	364,143
	Total Equity	2,690,523	2,336,230	2,410,021	2,686,635
	Total Assets	8,249,804	7,548,952	7,433,705	7,407,853
	Basic Profit (loss) per share (yen)	¥178.21	(¥98.02)	¥80.63	¥229.64
	Dividend per share (yen)	¥70	¥50	¥80	¥110 (Including interim ¥47)

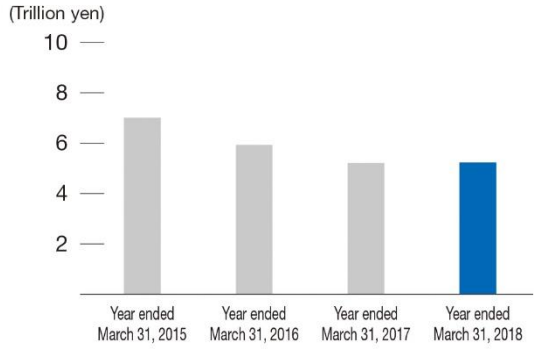
(Figures less than one million yen are rounded down)

(Note)

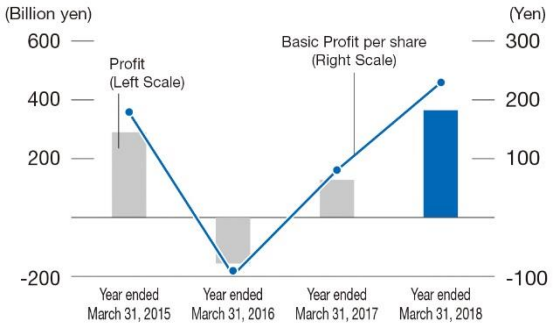
The year-end dividend applicable to the fiscal year ended March 31, 2018 is proposed at 63 yen per share and approval will be sought at the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2018 (see page 2).

Mitsubishi Corporation (Non-consolidated)

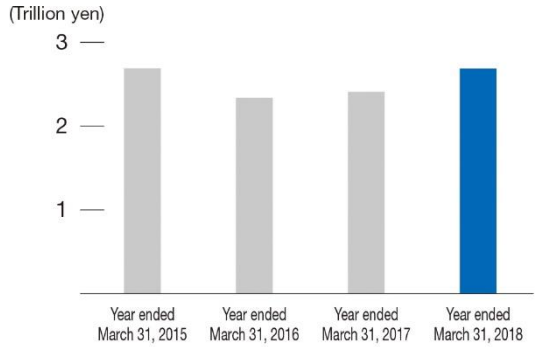
《Net Sales》



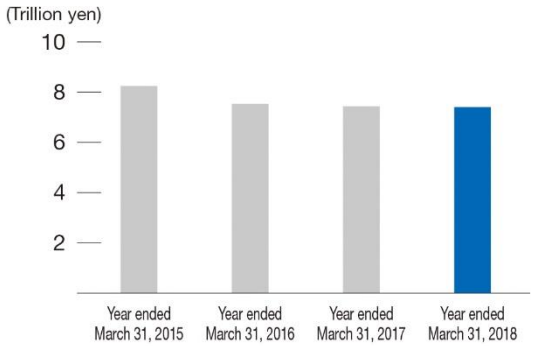
《Profit (loss) and Basic Profit (loss) per share》



《Total Equity》



《Total Assets》



(Translation)

●Key Themes for the Mitsubishi Corporation Group

[Progress on "Midterm Corporate Strategy 2018"]

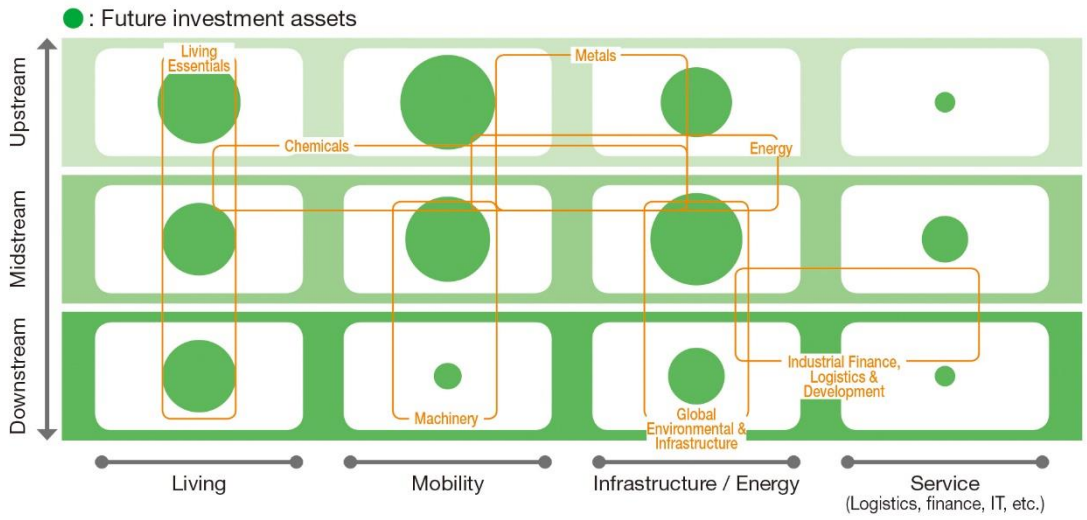
Mitsubishi Corporation has achieved all of the financial targets for the fiscal year ended March 31, 2019 laid out in "Midterm Corporate Strategy 2018" through the fiscal year ended March 31, 2018. Moreover, Mitsubishi Corporation has made steady progress with framework objectives during the period of "Midterm Corporate Strategy 2018." In these ways, Mitsubishi Corporation has been accelerating initiatives toward further growth.

	"Midterm Corporate Strategy 2018" Targets	Results
Financial Targets	FY 2018 net income: **¥300 billion**	FY 2017: **¥560.2 billion** (Business-related sector: ¥366.8 billion; Market-related sector: ¥193.8 billion) FY 2018: ¥600 billion (planned) (Business-related sector: ¥396.0 billion; Market-related sector: ¥197.0 billion)
	Circa FY 2020: Double-digit ROE	FY 2017: **10.9%** FY 2018: 10.8% (planned)
	Progressive dividend scheme / Flexible dividend increases	FY 2016: **¥80**; FY 2017: **¥110** FY 2018: ¥115 (planned)

	Framework Objectives	Results
Management Framework	A Achievement of an optimal business portfolio balance and visualization of the shift toward "managing" businesses	A-1. On-track to achieve optimal balance (end of FY 2018) A-2. Revising management authority from consolidated perspective; deepening consolidated management
	B Company-wide capital allocation toward growth	B-1. Development of business portfolio growth strategies B-2. Growth mechanisms and specific cases
	C Acceleration of portfolio re-profiling	C-1. Divestment of shale gas, thermal coal, nickel, etc. assets C-2. Increased Business-related sector earning level

[Business Portfolio Strategy]

Mitsubishi Corporation will optimize portfolio with due consideration of industry-wide developments and our unique strengths and adaptability.

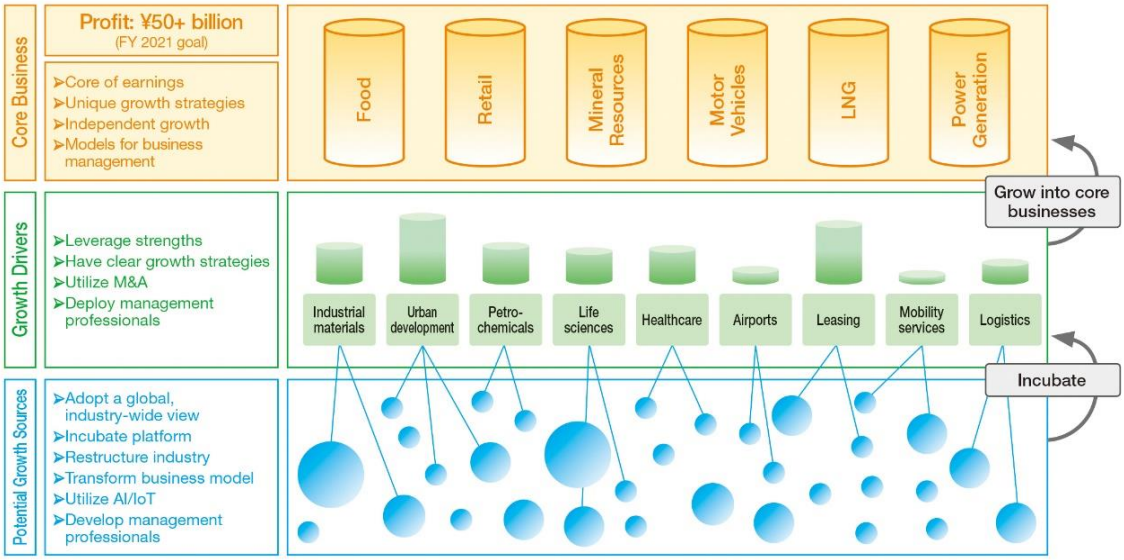


(Translation)

[Growth Mechanism]

Identifying "Potential Growth Sources" by leveraging its collective capabilities to adopt a holistic view across numerous industries, incubating them into "Growth Drivers" and growing them into "Core Businesses" that have already become autonomous as core of earnings, Mitsubishi Corporation will manage business growth according to the stage of each business.

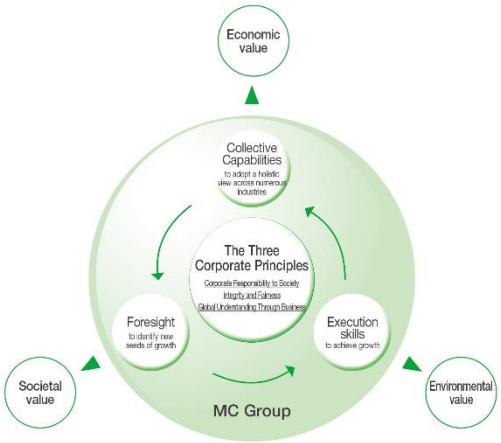
Mitsubishi Corporation will flexibly change amounts of management resources allocated and authority delegated according to business stage, evolving our management framework into one that prioritizes growth.



[Mitsubishi Corporation Corporate Vision]

~The Mitsubishi Corporation Group Will Deliver Sustainable Growth by Fulfilling Societal Needs~

The Mitsubishi Corporation Group will simultaneously generate sustainable economic value, societal value and environmental value by staying on top of changes in the business environment and fulfilling societal needs. This goal will be accomplished by harnessing the Mitsubishi Corporation Group's three strengths, specifically our collective capabilities to adopt a holistic view across numerous industries, the foresight to identify new seeds of growth, and the execution skills to achieve growth.



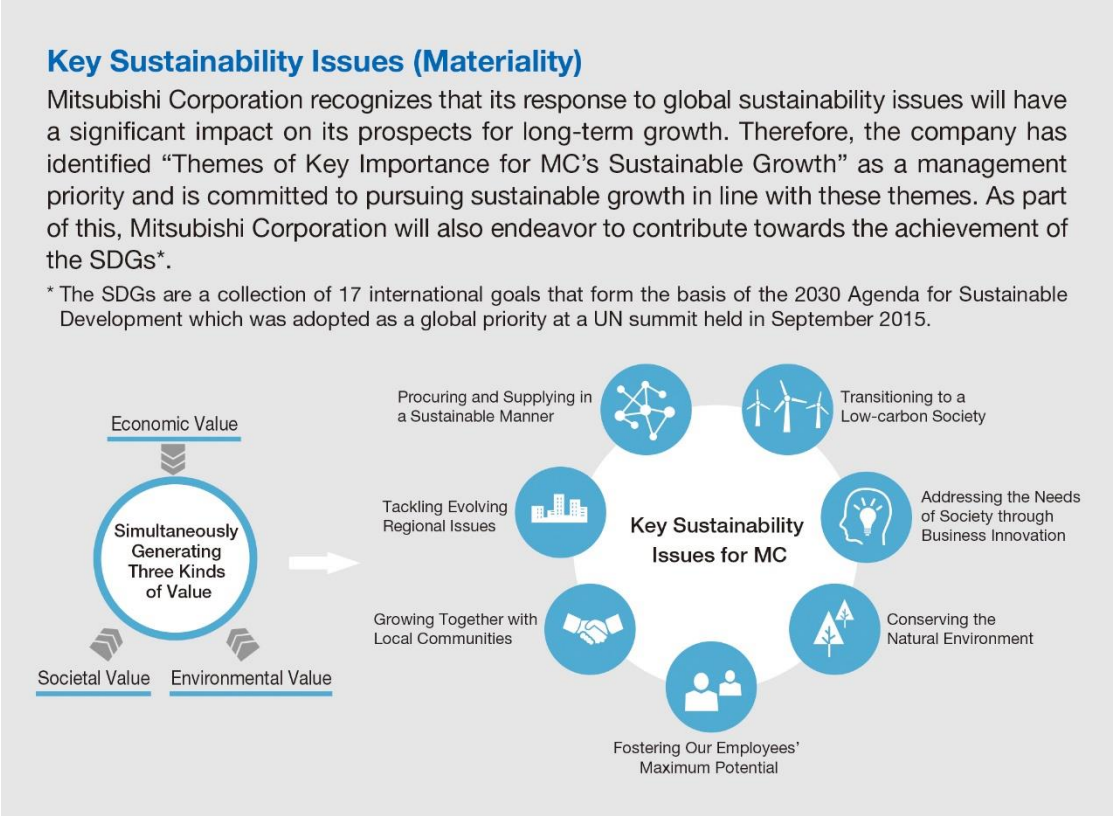
(Translation)

●Efforts toward Achieving Sustainable Growth

Mitsubishi Corporation regards its corporate philosophy, the Three Corporate Principles, as the cornerstone of all of its activities. With this in mind, Mitsubishi Corporation has laid out the purpose and ideals of its activities in the Corporate Standards of Conduct, along with upholding the importance of consideration for the global environment and respect for human rights in the Environmental Charter and Social Charter. These concepts are guiding Mitsubishi Corporation forward as it pushes ahead with its business activities.

In "Midterm Corporate Strategy 2018," Mitsubishi Corporation reiterates its belief that the creation of added value through simultaneously generating economic value, societal value and environmental value is essential for the company to achieve sustainable growth.

Specifically, Mitsubishi Corporation will strive to create businesses that generate value for societies by addressing key sustainability issues through its business activities and contributions to society, thereby ensuring sustainable growth for the company.



[Promotion Framework]

CSR & Environmental Affairs Committee and Investment Committee

The CSR & Environmental Affairs Committee which is chaired by Corporate Functional Officer, Corporate Sustainability, and is attended by the Senior Executive Vice President and Executive Vice Presidents, discusses Mitsubishi Corporation's basic sustainability policies and related matters. Moreover, the Investment Committee reviews and makes decisions on individual loan and investment proposals from a comprehensive perspective not only economic aspects but also environmental and social aspects.

CSR & Environmental Affairs Advisory Committee

Mitsubishi Corporation established the CSR & Environmental Affairs Advisory Committee, comprised of external experts of international organizations, nongovernmental organizations and other, and reflects the proposals and advice from the committee members in the company's sustainability initiatives and communication with stakeholders.

[Overview of Key Sustainability Issues]

Transitioning to a Low-carbon Society

Climate change is an issue that has the potential to impact every aspect of our business activities. We are working to anticipate and address these impacts, while at the same time actively pursuing businesses that facilitate the transition to a low-carbon society and reduce greenhouse gas (GHG) emissions.

(Translation)

Procuring and Supplying in a Sustainable Manner

One of Mitsubishi Corporation's most important roles is to ensure stable, long-term procurement and supply of resources, raw materials and other inputs that support people's lifestyles in line with the needs of Japan and every other country and region in which we do business. Going forward, we will continue to implement a sustainable approach to procurement and supply operations while taking into account environmental and social factors not only in our own business but also throughout our supply chains.

Tackling Evolving Regional Issues

As a company with business operations across the globe, it is important for Mitsubishi Corporation to ascertain the issues faced by various countries and regions in an appropriate and timely manner, as well as to contribute to resolving those issues. The company will continue to take appropriate steps to address geopolitical risk while at the same time contribute to the development of the countries and regions in which we do business by proactively providing solutions to relevant issues.

Addressing the Needs of Society through Business Innovation

Mitsubishi Corporation has consistently provided added value in line with the needs of the times by evolving our business models. The company will continue to work to address the needs of society by creating innovative business solutions while keeping a pulse on major industrial shifts brought about by technological advances.

Conserving the Natural Environment

Recognizing the Earth as our largest stakeholder, Mitsubishi Corporation works to ensure the continuity of its business by preserving biodiversity, reducing the environmental impact of its operations and conserving the natural environment.

Growing Together with Local Communities

It is important to engage and grow together with a variety of stakeholders in each region where Mitsubishi Corporation undertakes business activities. With a strong focus on dialogue with local communities, the company will continue working to grow together with local communities by addressing the voice from local communities with the utmost integrity.

Fostering Our Employees' Maximum Potential

Mitsubishi Corporation's employees are a diverse group not only in terms of gender and nationality, but also with respect to their lifestyles and values. The company will work to build positive and productive workplaces by developing work environments where employees are able to demonstrate their abilities to the fullest extent and where the optimal personnel are assigned to the right positions, at the right time.

(Translation)

General Information about the Mitsubishi Corporation Group (As of March 31, 2018)

●Office Network of the Mitsubishi Corporation Group

Mitsubishi Corporation	Head Office	Mitsubishi Shoji Building: 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan (Registered headquarters) Marunouchi Park Building: 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
	Domestic Office Network	25 offices, including Hokkaido (Sapporo), Tohoku (Sendai), Chubu (Nagoya), Kansai (Osaka), Chugoku (Hiroshima), Kyushu (Fukuoka) branches, etc.
	Overseas Office Network	108 offices, including Mitsubishi Corporation Headquarters for the Middle East & Central Asia, Kuala Lumpur Branch, Singapore Branch, Manila Branch, etc.

Regional Subsidiaries	43 main regional subsidiaries including: Mitsubishi Corporation (Americas), Mitsubishi International Corporation, Mitsubishi de Mexico S.A. de C.V., Mitsubishi Corporation do Brasil S.A., Mitsubishi Corporation International (Europe) Plc., Mitsubishi International GmbH, Mitsubishi Corporation India Private Ltd., Mitsubishi Company (Thailand), Ltd., Thai-MC Company Limited, PT. Mitsubishi Corporation Indonesia, Mitsubishi Corporation (Korea) Ltd., Mitsubishi Australia Limited, Mitsubishi Corporation China Co., Ltd., Mitsubishi Corporation (Shanghai) Ltd., Mitsubishi Corporation (Hong Kong) Ltd., Mitsubishi Corporation (Taiwan) Ltd., etc. (84 locations if it includes the branches and offices of those subsidiaries)

(Note)

In addition to the above, the Mitsubishi Corporation Group companies have offices, factories and other bases in Japan and overseas. A summary of major Group companies is shown on page 54 under "Status of Major Subsidiaries and Affiliated Companies."

●Number of Employees of the Mitsubishi Corporation Group

(Number of employees)

	Global Environmental & Infrastructure Business	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Others	Total (YoY change)
The Mitsubishi Corporation Group	1,716	1,482	1,774	11,474	10,180	6,869	40,512	3,469	77,476 (+312)
Mitsubishi Corporation	489	332	528	270	507	596	787	1,511	5,020 (-197)

(Note)

The number of employees does not include individuals seconded to other companies and includes individuals seconded from other companies.

(Translation)

●Status of Major Subsidiaries and Affiliated Companies

■Major consolidated subsidiaries and equity-method affiliates

Name of Company	Capital stock (Amounts rounded to the nearest million yen or thousand foreign currency)	Voting rights percentage	Main business
Mitsubishi Corporation (Americas)	US$1,427,832	100	Operational support and management for North American companies subject to consolidation
Mitsubishi Corporation International (Europe) Plc.	£ 120,658	100	Trading
Mitsubishi Corporation (Shanghai) Ltd.	US$91,000	100	Trading
Mitsubishi Corporation Finance PLC	US$90,000	100	Financial investment company
Japan Australia LNG (MIMI) Pty. Ltd.	US$2,604,286	50	Development and sales of LNG
Mitsubishi Development Pty Ltd	AUS$450,586	100	Investment, production and sales of coals and other metals resources
Metal One Corporation	¥100,000	60	Steel products operations
Tri. Petch Isuzu Sales Co., Ltd.	THB 3,000,000	88.73	Import/Distribution of automobiles
MITSUBISHI MOTORS CORPORATION	¥284,382	20	Manufacture and sales of motor vehicles and their parts
Mitsubishi Shokuhin Co., Ltd	¥10,630	61.99	Wholesale of food products
Lawson, Inc.	¥58,507	50.12	Operation of a convenience store chain

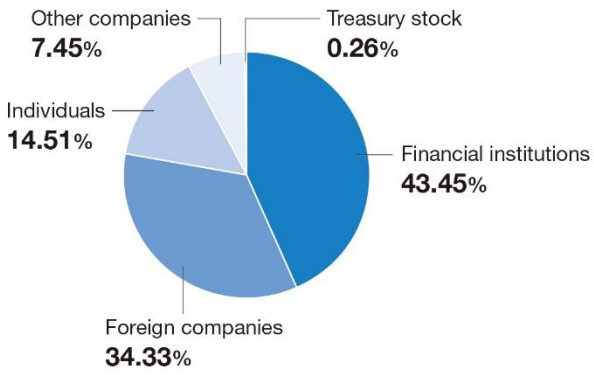
(Note)

As of March 31, 2018, 1,293 companies are subject to consolidation (848 consolidated subsidiaries and 445 equity-method affiliates).

●Stock Information

	As of March 31, 2018	YoY change
1. Number of shares authorized for issuance	2,500,000,000 shares	-
2. Shares of common stock issued	1,590,076,851 shares	-
3. Number of shareholders	236,503	-6,167

4. Shareholder Composition



(Translation)

●Stock Acquisition Rights

1. Stock Acquisition Rights at Fiscal Year-end

Stock Acquisition Rights as Stock Options for a Stock-option-based Remuneration

Directors', Audit & Supervisory Board Members', Senior Vice Presidents' and Senior Vice Presidents' ("Riji") Holdings

Fiscal Year issued	No. of stock options	Class and number of shares to be issued upon exercise of stock options	Issue price of stock options	Price per share due upon exercise of stock options (Exercise Price)	Stock option term
FY 2005	54	5,400 shares of the Company's common stock	Issued in gratis	¥1	From August 11, 2005 through June 24, 2035
FY 2006	28	2,800 shares of the Company's common stock	Issued in gratis	¥1	From August 11, 2006 through June 27, 2036
FY 2010	90	9,000 shares of the Company's common stock	Issued in gratis	¥1	From August 3, 2010 through August 2, 2040
FY 2011	232	23,200 shares of the Company's common stock	Issued in gratis	¥1	From August 2, 2011 through August 1, 2041
For FY 2011 (Issued June 4, 2012)	94	9,400 shares of the Company's common stock	Issued in gratis	¥1	From June 5, 2012 through August 1, 2041
FY 2012	860	86,000 shares of the Company's common stock	Issued in gratis	¥1	From August 7, 2012 through August 6, 2042
FY 2013	963	96,300 shares of the Company's common stock	Issued in gratis	¥1	From August 13, 2013 through August 12, 2043
For FY 2013 (Issued June 2, 2014)	99	9,900 shares of the Company's common stock	Issued in gratis	¥1	From June 3, 2014 through August 12, 2043
FY 2014	1,584	158,400 shares of the Company's common stock	Issued in gratis	¥1	From June 3, 2014 through June 2, 2044
For FY 2014 (Issued June 1, 2015)	96	9,600 shares of the Company's common stock	Issued in gratis	¥1	From June 2, 2015 through June 2, 2044
FY 2015	2,053	205,300 shares of the Company's common stock	Issued in gratis	¥1	From June 2, 2015 through June 1, 2045
For FY 2015 (Issued June 6, 2016)	627	62,700 shares of the Company's common stock	Issued in gratis	¥1	From June 7, 2016 through June 1, 2045
FY 2016	4,625	462,500 shares of the Company's common stock	Issued in gratis	¥1	From June 7, 2016 through June 6, 2046
For FY 2016 (Issued June 5, 2017)	820	82,000 shares of the Company's common stock	Issued in gratis	¥1	From June 6, 2017 through June 6, 2046
FY 2017	5,377	537,700 shares of the Company's common stock	Issued in gratis	¥1	From June 6, 2017 through June 5, 2047

(Translation)

Breakdown

Fiscal Year issued	Directors (Excluding Outside Directors)		Audit & Supervisory Board Member		Senior Vice Presidents		Senior Vice Presidents (“*Riji*”)	
	No. of stock options	No. of holders	No. of stock options	No. of holders	No. of stock options	No. of holders	No. of stock options	No. of holders
FY 2005	54	1	—	—	—	—	—	—
FY 2006	28	1	—	—	—	—	—	—
FY 2010	—	—	—	—	90	1	—	—
FY 2011	44	1	94	1	94	1	—	—
For FY 2011 (Issued June 4, 2012)	—	—	—	—	94	1	—	—
FY 2012	201	1	283	1	376	4	—	—
FY 2013	208	2	205	1	530	6	20	1
For FY 2013 (Issued June 2, 2014)	—	—	—	—	99	1	—	—
FY 2014	141	1	20	1	1,303	13	120	6
For FY 2014 (Issued June 1, 2015)	—	—	—	—	96	1	—	—
FY 2015	359	2	8	1	1,280	17	406	14
For FY 2015 (Issued June 6, 2016)	—	—	—	—	627	3	—	—
FY 2016	748	3	—	—	2,811	26	1,066	26
For FY 2016 (Issued June 5, 2017)	619	2	—	—	—	—	201	3
FY 2017	1,070	6	—	—	3,015	31	1,292	34

(Notes)

1. The number of stock acquisition rights granted to Directors who also have duties as Senior Vice Presidents are shown in the column titled “Directors.”
2. Stock acquisition rights held by the Audit & Supervisory Board Member were granted while the individual was a Director, Senior Vice President or Senior Vice President (“Riji”). No stock acquisition rights have been granted during the individual’s tenure as an Audit & Supervisory Board Member.
3. The total number of shares for the purposes of stock acquisition rights at March 31, 2018 was 3,600,800 including stock acquisition rights held by retirees.

(Translation)

2. Stock Acquisition Rights Granted During the Fiscal Year Ended March 31, 2018

Stock Acquisition Rights as Stock-option-based Remuneration in the Fiscal Year Ended March 31, 2018

Date of the resolution on issuance of stock options	May 19, 2017	May 19, 2017
Number of stock options	2,385	5,506
Number of allottees and rights granted	Senior Vice Presidents* 5 people 1,984 units Senior Vice Presidents ("Riji")* 5 people 401 units	Directors 4 people 812 units Senior Vice Presidents 34 people 3,402 units Senior Vice Presidents ("Riji") 34 people 1,292 units
Class and number of shares to be issued upon exercise of stock options	238,500 shares of the Company's common stock	550,600 shares of the Company's common stock
Issue price of stock options	Issued in gratis	
Price per share due upon exercise of stock options (Exercise Price)	¥1	
Stock option term	From June 6, 2017 through June 6, 2046	From June 6, 2017 through June 5, 2047
Other conditions for exercise of stock options	a. A stock option holder may exercise his/her stock options from June 7, 2018 or the day after losing his/her position as either Director, Senior Vice President or Senior Vice President ("Riji") of Mitsubishi Corporation, whichever is earlier, within the Stock Option Term above.	a. A stock option holder may exercise his/her stock options from June 6, 2019 or the day after losing his/her position as either Director, Senior Vice President or Senior Vice President ("Riji") of Mitsubishi Corporation, whichever is earlier, within the Stock Option Term above.
	b. A stock option holder may not exercise his/her stock options after 10 years from the day after losing his/her position as either Director, Senior Vice President or Senior Vice President ("Riji") of Mitsubishi Corporation.	
	c. In the event that a stock option holder forfeits his/her stock options, such stock options cannot be exercised.	

(Notes)

*includes people who retired in the fiscal year ended March 31, 2017.

(Translation)

●Principal Shareholders

Name of shareholder	No. of shares (Thousands)	Investment ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	131,442	8.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	84,465	5.32
Tokio Marine & Nichido Fire Insurance Co., Ltd.	74,534	4.69
Meiji Yasuda Life Insurance Company	64,846	4.08
Ichigo Trust Pte. Ltd.	36,468	2.29
The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)	32,276	2.03
STATE STREET BANK WEST CLIENT – TREATY 505234	27,545	1.73
Japan Trustee Services Bank, Ltd. (Trust Account 5)	26,412	1.66
Japan Trustee Services Bank, Ltd. (Trust Account 9)	22,288	1.40
Japan Trustee Services Bank, Ltd. (Trust Account 1)	19,610	1.23

(Figures less than 1,000 shares are rounded down)

(Note)
The investment ratio is computed by excluding 4,107,848 shares of treasury stock held by Mitsubishi Corporation and rounded to two decimal points

●Major Lenders

The Mitsubishi Corporation Group has a group finance policy in which domestic and overseas finance subsidiaries, overseas subsidiaries and other entities raise their own funds for distribution to affiliates. The Mitsubishi Corporation Group's borrowing from financial institutions is conducted mainly by Mitsubishi Corporation. The following is a list of major lenders as of March 31, 2018.

Name of lender	Loans payable (Million yen)
Japan Bank for International Cooperation	285,879
Meiji Yasuda Life Insurance Company	252,000
Nippon Life Insurance Company	180,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.*	158,740
Mitsubishi UFJ Trust and Banking Corporation	142,120
Development Bank of Japan Inc.	140,000
Sumitomo Mitsui Trust Bank, Limited	130,992
Sumitomo Life Insurance Company	100,000

(Figures less than one million yen are rounded to the nearest million)

(Note)
In addition to the above, Mitsubishi Corporation has borrowings of 110,000 million yen from a syndicated loan, facility arranged by The Bank of Tokyo-Mitsubishi UFJ, Ltd.* and Mizuho Bank, Ltd.

* The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its name to MUFG Bank, Ltd. on April 1, 2018.

(Translation)

●Internal Control System (System for Ensuring Proper Business)

(Article 362, Paragraph 4, Item 6 of the Companies Act)

On May 9, 2017, the Board of Directors of Mitsubishi Corporation resolved the basic policy of establishing the following internal control systems (pursuant to items enumerated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act) for Mitsubishi Corporation, as a whole Mitsubishi Corporation group including its subsidiaries, to improve the corporate value through proper and efficient business operations in conformity with laws and its Articles of Incorporation. Mitsubishi Corporation checks the operating status of these systems and endeavors to continuously improve and strengthen them.

<Basic Policy for the Construction of an Internal Control System>

1. System for the Storage and Management of Information Related to Directors' Execution of Duties

After establishing internal rules and regulations in relation to such matters as persons responsible for management of information in the course of execution of duties and methods and informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations and prepare, process, and store information appropriately.

2. Regulations and Other Systems Concerning Management of Loss Risk

Mitsubishi Corporation shall establish internal rules and regulations for such matters as risk classes, persons responsible for management and methods for each class, and systems. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. In addition, in accordance with the business lines or size of subsidiaries, Mitsubishi Corporation shall encourage the development of necessary risk management systems, thereby appropriately controlling on a corporate group basis risk accompanying the execution of duties.

3. System for Ensuring that Directors Perform Duties Efficiently

(1) The President and Chief Executive Officer shall establish management policies and goals on a corporate group basis, prepare management plans aimed achieving them, and then endeavor to execute duties efficiently by implementing these plans.

(2) Mitsubishi Corporation shall establish internal rules and regulations for such matters as standards and main points relating to reorganization, the division of duties, personnel allocation, and authority. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. Further, in accordance with the business lines or size of subsidiaries, Mitsubishi Corporation shall ensure efficiency by encouraging the establishment of similar internal rules and regulations and other measures.

4. System to Ensure that the Execution of Duties by Directors and Employees Is in Conformity with the Laws and Regulations and Articles of Incorporation

(1) Mitsubishi Corporation shall establish internal rules and regulations for such matters as codes of conduct for officers and employees; Companywide lateral management systems; and measures for prevention, correction, and improvement; and internal whistleblower systems. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. Further, Mitsubishi Corporation shall realize compliance capabilities on a corporate group basis by encouraging subsidiaries to establish similar systems.

(2) Mitsubishi Corporation shall establish internal rules and regulations for such matters as the establishment of persons responsible for each accounting organization and procedures for the preparation of financial statements in conformity with laws and accounting standards. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations and ensure proper and timely disclosure of financial information on a corporate group basis.

(3) Mitsubishi Corporation shall establish internal rules and regulations for such matters as the systems and main points of internal auditing. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations and objectively inspect, evaluate, and improve the execution of duties by respective organizations and subsidiaries.

5. System to Ensure the Suitability of Business Conducted by the Stock Company and the Corporate Group Comprising the Parent Company and Subsidiaries

To ensure appropriate duties in the corporate group, Mitsubishi Corporation shall establish basic policies on a corporate group basis while for each subsidiary and affiliate establishing internal rules and regulations for such matters as persons responsible, important management-related items, management methods, and the exercise of shareholder rights. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. Further, these persons responsible shall receive reports required by the Parent Company concerning the

status of the execution of duties by directors and others at subsidiaries and shall understand the qualitative and quantitative status and issues of subsidiaries.

6. If Employees Are Required to Assist in the Duties of Audit & Supervisory Board Members, Items Concerning the Said Employees

Mitsubishi Corporation shall establish an independent, dedicated organization to assist Audit & Supervisory Board Members in the execution of their duties.

7. Items Concerning the Independence from Directors of Employees who Assist in the Duties of Audit & Supervisory Board Members

For personnel matters concerning employees assisting in the duties of Audit & Supervisory Board Members, such as evaluations and transfers, Mitsubishi Corporation shall seek the opinions of Audit & Supervisory Board Members and shall respect these opinions.

8. Items Concerning the Ensuring of the Effectiveness of Directions Issued to Employees Assisting in the Duties of Audit & Supervisory Board Members

Employees assisting in the duties of Audit & Supervisory Board Members shall not concurrently perform duties for other divisions and departments and shall exclusively comply with the instructions of Audit & Supervisory Board Members, thereby ensuring the effectiveness of Audit & Supervisory Board Members' directions.

9. System to Enable Directors, Employees, and Others to Report to Audit & Supervisory Board Members and Other Systems for Reporting to Audit & Supervisory Board Members

(1) Audit & Supervisory Board Members shall attend meetings of the Board of Directors and other important management meetings and shall state opinions.
(2) Mitsubishi Corporation shall establish internal rules and regulations for such matters as persons responsible, standards, and methods in relation to reporting to Audit & Supervisory Board Members if there is a risk of substantial detriment occurring.
(3) Mitsubishi Corporation shall encourage the construction of systems, including a system for enabling the persons responsible or officers and employees of respective subsidiaries to report if Audit & Supervisory Board Members request reports relating to subsidiaries and a system to enable the reporting of important matters, including subsidiaries' significant compliance matters, to Audit & Supervisory Board Members.

10. System to Ensure That Persons Who Have Submitted a Report to Audit & Supervisory Board Member Are Not Treated Disadvantageously as a Result of Submitting the Said Report

Mitsubishi Corporation shall prohibit the disadvantageous treatment of officers and employees as a result of having reported to Audit & Supervisory Board Members, and shall also ensure that subsidiaries are thoroughly informed about this policy.

11. Items Concerning Procedures for the Advance Payment or Reimbursement of Expenses Arising from the Execution of Audit & Supervisory Board Member' Duties and Policy Concerning the Processing of Other Expenses or Liabilities Arising from the Execution of the Said Duties

When Audit & Supervisory Board Member submit invoices for such items as reimbursement of expenses incurred in the execution of their duties, excluding cases in which it is recognized that the said expenses were not required for the execution of Audit & Supervisory Board Member' duties, Mitsubishi Corporation shall undertake prompt processing.

12. Other Systems to Ensure That Audit & Supervisory Board Members' Audits Are Executed Effectively

Audit & Supervisory Board Members shall endeavor to communicate with internal related departments and independent auditors, collect information, and conduct investigations, and related departments shall cooperate with these efforts.

(Translation)

<Operating Status of Internal Control System>

Every year, the Mitsubishi Corporation Group conducts monitoring of development and operating status of its internal control system and, in light of these results, implements improvements or helps subsidiaries implement improvements. Further, details of the operating status of the internal control system are reported to the Board of Directors.
The main details of the operating status of the internal control system are as follows.

Management and Storage of Information

(Corresponding Basic Policy: "1. System for the Storage and Management of Information Related to Directors' Execution of Duties")

For information related to business activities, the person responsible for managing business activities classifies information individually in accordance with its degree of importance. They also instruct users on the handling of this information. The aim is to ensure information security while promoting efficient administrative processing and the sharing of information. The responsible person retains, for a predetermined period, documents that must be stored by law and information that Mitsubishi Corporation specifies as important in terms of internal management. For all other information, the responsible person determines the necessity and period for storage of information, and stores such information accordingly.

Regarding countermeasures for cyber-attacks with such aims as the exploitation or destruction of corporate information, Mitsubishi Corporation takes systemic countermeasures, continuously educates employees, and checks and establishes incident-response systems that include major subsidiaries. Also, Mitsubishi Corporation collaborates with outside specialist bodies to access the latest information and implement appropriate, effective countermeasures.

Risk Management

(Corresponding Basic Policy: "2. Regulations and Other Systems Concerning Management of Loss Risk")

Mitsubishi Corporation has designated categories of business activity risk, corresponding to the details and scale of the Mitsubishi Corporation Group's businesses—such as credit, market, business investment, country, compliance, legal, information management, environmental, and natural disaster-related risks—and has specified departments responsible for each category. Furthermore, Mitsubishi Corporation also has in place policies, systems and procedures for managing risk on a consolidated basis, including by responding to new risks by immediately designating a responsible department to manage such risks, and executes operations based on these policies, systems, and procedures. With respect to individual projects, personnel responsible for the applicable department makes decisions within the scope of their prescribed authority after analyzing and assessing the risk-return profile of each project in accordance with company-wide policies and procedures. Projects are executed and managed on an individual basis in accordance with this approach. Further, in response to the progress of projects or changes in the external environment, Mitsubishi Corporation conducts periodic verification of risk-return profiles.

In addition to managing risk on an individual project basis, Mitsubishi Corporation assesses risk on a consolidated basis with respect to risks that are capable of being monitored quantitatively and manages these risks properly, making reassessments as necessary.

Efficient Business Execution

(Corresponding Basic Policy: "3. System for Ensuring that Directors Perform Duties Efficiently")

The President and CEO delineates basic management policies for the Mitsubishi Corporation Group and sets specific management goals. At the same time, the President and CEO formulates management plans and oversees progress in achieving targets efficiently. The organization is realigned and resources are deployed as necessary so as to achieve management targets in the most efficient manner possible. Furthermore, the organizational chain of command is clearly laid out and authority is delegated to managers and staff of internal organizational bodies to the extent necessary to accomplish targets. These people are required to submit reports regularly. In parallel, to ensure that the Directors are able to perform their management supervision functions adequately and efficiently, the Board of Directors Office has been established, and has been providing necessary information and support appropriately and in a timely manner for them to perform their duties.

In addition, the President and CEO works in a cycle where he conducts regular follow-up checks regarding the execution of management plans and repeatedly makes revisions to plans after giving consideration to such factors as the level of achievement and the external environment.

In the fiscal year ended March 31, 2018, Mitsubishi Corporation established "Growth Beyond Midterm Corporate Strategy 2018" to summarize the status of implementation of systems based on its management directions set forth in "Midterm Corporate Strategy 2018," its awareness of geopolitical risks, and its future vision for the Mitsubishi Corporation Group. Mitsubishi Corporation implemented measures to realize its growth scenarios in each business.

(Translation)

Compliance

(Corresponding Basic Policy: "4. System to Ensure that the Execution of Duties by Directors and Employees Is in Conformity with the Laws and Regulations and Articles of Incorporation" (1))

Compliance, which is defined as acting in compliance with laws and regulations and in conformity with social norms, is regarded as a matter of the highest priority in conducting business activities. Mitsubishi Corporation has formulated a Code of Conduct for all officers and employees, which specifies basic matters in relation to compliance. Efforts are made to ensure that all officers and employees are familiar with the Code of Conduct and that Mitsubishi Corporation's corporate philosophy is understood and practiced throughout the entire Mitsubishi Corporation Group.

To accomplish this, Mitsubishi Corporation has built a Group-wide compliance promotion framework that includes the appointment of the Chief Compliance Officer, who has overall control; the appointment of compliance officers in each organization and subsidiary; and information sharing at regularly convened meetings of the Compliance Committee. Also, Mitsubishi Corporation takes preventive and corrective measures, such as offering any needed training on a consolidated basis regarding the various laws and regulations. Regarding Codes of conduct for officers and employees, for all officers and employees every year Mitsubishi Corporation conducts training seminars and requires the submission of compliance pledges. In addition, to heighten the compliance awareness of officers and employees, the Mitsubishi Corporation Group regularly holds compliance discussions, which enable officers and employees to discuss compliance freely in small groups.

Regarding the status of compliance, in addition to a framework for receiving reports from all officers and employees in internal organizations and subsidiaries throughout the Mitsubishi Corporation Group, Mitsubishi Corporation has established a global internal whistleblower system covering any breach (or potential breach) of anti-trust laws and anti-bribery laws, in addition to internal whistleblower systems for each region. Through these structures and systems, Mitsubishi Corporation identifies and resolves problems and shares information. Regular reports are also made to the Board of Directors and to the Audit & Supervisory Board Members on the status of compliance. Moreover, Mitsubishi Corporation rigorously protects people making reports from internal organizations and subsidiaries to ensure that they do not suffer any disadvantage.

In the fiscal year ended March 31, 2018, Mitsubishi Corporation implemented measures to further enhance the quality of the internal whistleblower systems and promote greater use thereof. Measures included providing training for employees in charge of the systems (held seminars led by external instructors for employees in charge of the systems within Mitsubishi Corporation and at subsidiaries in Japan), making the systems better known to users (permitting consultations on any unclear points and providing information on how to use the internal whistleblowing systems, the in-house leniency system and related matters), and disclosing the number of reports made.

Financial Reporting

(Corresponding Basic Policy: "4. System to Ensure that the Execution of Duties by Directors and Employees Is in Conformity with the Laws and Regulations and Articles of Incorporation" (2))

To ensure proper and timely disclosure in financial statements, Mitsubishi Corporation has appointed personnel responsible for financial reporting and for preparing financial statements in conformity with legal requirements and accounting standards. These financial statements are released in line with the information disclosure policy that was examined and confirmed by the Disclosure Committee.

For the internal control system governing financial reporting, Mitsubishi Corporation conducts internal control activities and monitoring in accordance with the internal control system based on the Financial Instruments and Exchange Act. Mitsubishi Corporation develops activities to ensure the effectiveness of internal controls on a consolidated basis.

Auditing and Monitoring

(Corresponding Basic Policy: "4. System to Ensure that the Execution of Duties by Directors and Employees Is in Conformity with the Laws and Regulations and Articles of Incorporation" (3))

To more objectively review and evaluate business activities, Mitsubishi Corporation conducts regular audits of each organization and subsidiary through an internal audit organization.

In the fiscal year ended March 31, 2018, Mitsubishi Corporation amended its internal regulations concerning internal audits in an effort to address Group management and ensure conformity with international standards for internal audits, among other priorities.

Ensuring Proper Business in Group Management

(Corresponding Basic Policy: "5. System to Ensure the Suitability of Business Conducted by the Stock Company and the Corporate Group Comprising the Parent Company and Subsidiaries")

Mitsubishi Corporation has established internal rules and regulations concerning the management of subsidiaries, and

specifies a department that is responsible for the oversight of each subsidiary and affiliate. The person responsible in the specified department requires the directors of the subsidiaries to report the business execution and quantitatively monitor business performance, management efficiency and other operational aspects of each company every year. Efforts are also made to monitor qualitative issues such as compliance and risk management. In addition, checks are conducted in relation to the development and operating status of the internal control system and with regard to whether or not improvement is required.
Mitsubishi Corporation strives to ensure proper business conduct by subsidiaries that conform to laws, the Articles of Corporation and internal regulations, by sending Directors to sit on their boards, executing joint venture agreements, exercising its voting rights and in other ways. Through various initiatives designed to sustain growth at each company through efficient business execution, Mitsubishi Corporation aims to raise corporate value on a consolidated basis.
In the fiscal year ended March 31, 2018, in order to encourage business groups and Mitsubishi Corporation Group companies to undertake autonomous and independent management, Mitsubishi Corporation amended the internal chain of authority, along with developing a framework for promoting the flexible delegation of authority.

Audit & Supervisory Board Members
(Corresponding Basic Policy: From "6. If Employees Are Required to Assist in the Duties of Audit & Supervisory Board Members, Items Concerning the Said Employees" to "12. Other Systems to Ensure That Audit & Supervisory Board Members' Audits Are Executed Effectively")
The Audit & Supervisory Board Members attend and express opinions at meetings of the Board of Directors and other important management meetings. In addition, the Audit & Supervisory Board Members gather information and conduct surveys, keeping channels of communication open with independent auditors, Directors, Executive Officers and employees of Mitsubishi Corporation, directors and Audit & Supervisory Board Members of subsidiaries, and others, who cooperate with these efforts whenever necessary. Moreover, Mitsubishi Corporation shall bear the necessary expenses to ensure the auditing effectiveness.
If there is a risk of a certain level of financial loss or a major problem, personnel responsible in the department concerned are required to immediately report to Audit & Supervisory Board Members in accordance with predetermined standards and procedures, and subsidiaries are also required to report if necessary, going through the responsible department concerned or other channels. The aforementioned system is actually operating. Further, officers and employees shall not be treated disadvantageously as a result of reporting to Audit & Supervisory Board Members, and subsidiaries are informed rigorously of this policy.
To raise the effectiveness of audits conducted by Audit & Supervisory Board Members, an internal organization directly reporting to the Audit & Supervisory Board and personnel working only for Audit & Supervisory Board Members are appointed to assist Audit & Supervisory Board Members in carrying out their duties so that it can quickly respond in assisting Audit & Supervisory Board Members. Mindful of the need for independence, the opinions of Audit & Supervisory Board Members are respected and other factors taken into consideration when evaluating and assigning personnel to assist them. Moreover, the Audit & Supervisory Board regularly creates opportunities to hold discussions with respected individuals brought in from outside Mitsubishi Corporation. The knowledge gained and external perspectives are put to good use in audit activities.

(Translation)

●Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities at Mitsubishi Corporation and Important Concurrent Positions as of March 31, 2018
Chairman of the Board	Ken Kobayashi	Outside Director, Nissin Foods Holdings Co., Ltd., Outside Director, Mitsubishi Motors Corporation, Outside Director, Mitsubishi Heavy Industries, Ltd.
*President and CEO	Takehiko Kakiuchi	
*Director, Senior Executive Vice President	Eiichi Tanabe	Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania
*Director, Executive Vice President	Kazuyuki Masu	Corporate Functional Officer, CFO, IT
Director, Executive Vice President	Iwao Toide	Corporate Functional Officer, Business Investment Management, Corporate Sustainability
Director, Executive Vice President	Akira Murakoshi	Corporate Functional Officer, Corporate Communications, Human Resources
*Director, Executive Vice President	Masakazu Sakakida	Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer, Officer, Emergency Crisis Management Headquarters (Japan & Overseas/New Infectious Diseases, Compliance)
**Director	Hidehiro Konno	
**Director	Akihiko Nishiyama	Adjunct Professor, Hitotsubashi University
**Director	Hideaki Omiya	Chairman of the Board, Mitsubishi Heavy Industries, Ltd., Outside Director, Seiko Epson Corporation
**Director	Toshiko Oka	CEO, Oka & Company Ltd., Outside Audit & Supervisory Board Member, Astellas Pharma Inc., Outside Corporate Auditor, Happinet Corporation, Outside Director, Hitachi Metals, Ltd.
**Director	Akitaka Saiki	
Senior Audit & Supervisory Board Member (full time)	Hideyuki Nabeshima	
Audit & Supervisory Board Member (full time)	Hiroshi Kizaki	
***Audit & Supervisory Board Member	Tadashi Kunihiro	Attorney at T. Kunihiro & CO., Attorneys-at-Law, Outside Audit & Supervisory Board Member, OMRON Corporation, Outside Director, LINE Corporation
***Audit & Supervisory Board Member	Ikuo Nishikawa	Outside Director, Eisai Co., Ltd., Outside Director, Daiwa Securities Group Inc., External Director (Audit and Supervisory Committee Member), Megmilk Snow Brand Co., Ltd.
***Audit & Supervisory Board Member	Yasuko Takayama	Outside Director, The Chiba Bank, Ltd.; Outside Director, Nippon Soda Co., Ltd.; Outside Audit & Supervisory Board Member, Yokogawa Electric Corporation

(Notes)

1. * indicates a Representative Director.
2. ** indicates the fulfillment of the conditions for Outside Directors as provided for in Article 2, Item 15 of the Companies Act.

(Translation)

3. *** indicates the fulfillment of the conditions for Outside Audit & Supervisory Board Members as provided for in Article 2, Item 16 of the Companies Act.
4. ** and *** also indicate fulfillment of the conditions for independent Directors or independent Audit & Supervisory Board Members as specified by the Tokyo Stock Exchange and other stock exchanges in Japan as well as Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members specified by Mitsubishi Corporation.
5. For Directors who also serve as Executive Officers, Position as Executive Officer is also indicated.
   Responsibilities of Directors Eiichi Tanabe, Kazuyuki Masu, Iwao Toide, Akira Murakoshi and Masakazu Sakakida indicate their responsibilities as Executive Officer.
6. Audit & Supervisory Board Member Hideyuki Nabeshima has extensive experience in Mitsubishi Corporation's Corporate Planning Dept. and has a considerable degree of knowledge concerning finance and accounting.
7. Audit & Supervisory Board Member Hiroshi Kizaki has extensive experience in Mitsubishi Corporation's finance and accounting departments and has a considerable degree of knowledge concerning finance and accounting.
8. Audit & Supervisory Board Member Ikuo Nishikawa has extensive experience as a certified public accountant and has a considerable degree of knowledge concerning finance and accounting.
9. Directors who retired during the fiscal year ended March 31, 2018 are as follows:
   Directors Kazuyuki Mori and Ryozo Kato (retired on June 23, 2017)
10. Director who resigned during the fiscal year ended March 31, 2018 is as follows:
    Yasuhito Hirota, Director, Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch (resigned on January 19, 2018)
11. Director Akihiko Nishiyama retired as Adjunct Professor of Hitotsubashi University on March 31, 2018.
12. Audit & Supervisory Board Member Tadashi Kunihiro was appointed as Outside Audit & Supervisory Board Member of OMRON Corporation on June 22, 2017.
13. Audit & Supervisory Board Member Yasuko Takayama was appointed as Outside Audit & Supervisory Board Member of Yokogawa Electric Corporation on June 27, 2017.
14. Astellas Pharma Inc., Eisai Co., Ltd., The Chiba Bank, Ltd., Nissin Foods Holdings Co., Ltd., Nippon Soda Co., Ltd., Hitachi Metals, Ltd., Mitsubishi Motors Corporation, Mitsubishi Heavy Industries, Ltd. and Megmilk Snow Brand Co., Ltd. are suppliers or customers of Mitsubishi Corporation. However, there are no special relationships (specified related party, etc.) between Mitsubishi Corporation and each of these companies.
15. There are no business relationships between Mitsubishi Corporation and entities at which the above Directors and Audit & Supervisory Board Members serve concurrently other than those mentioned in 14. above.
16. Mitsubishi Corporation has executed agreements with Ken Kobayashi, Hidehiro Konno, Akihiko Nishiyama, Hideaki Omiya, Toshiko Oka, Akitaka Saiki, Hideyuki Nabeshima, Hiroshi Kizaki, Tadashi Kunihiro, Ikuo Nishikawa and Yasuko Takayama limiting their liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, liability for damages is limited to the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.

(Translation)

●Matters Concerning Outside Directors and Audit & Supervisory Board Members

■Status of Main Activities of Outside Directors and Audit & Supervisory Board Members

(1) Outside Directors

Name	Participation in Board of Directors' Meetings	Attendance at Board of Directors' Meetings
Hidehiro Konno	Mr. Konno made remarks from an objective and professional perspective as an Outside Director, based on his extensive insight into domestic and global economic trends, having held key posts at the Ministry of Economy, Trade and Industry and Nippon Export and Investment Insurance.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 3 of 3 meetings
Akihiko Nishiyama	Mr. Nishiyama made remarks from an objective and professional perspective as an Outside Director, based on his research activities relating to corporate management and human resources development at universities and many years of experience in business.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 3 of 3 meetings
Hideaki Omiya	Mr. Omiya made remarks from a practical perspective as an Outside Director, based on his extensive insight developed through management of Mitsubishi Heavy Industries, Ltd., a manufacturer that conducts business around the world, as Chairman and former President and CEO.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 1 of 3 meetings
Toshiko Oka	Ms. Oka made remarks from a practical and diversified perspective as an Outside Director, based on many years of experience in the consulting industry, and experience as outside director of various companies.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 3 of 3 meetings
Akitaka Saiki	Mr. Saiki made remarks from an objective and professional perspective as an Outside Director, based on his international way of thinking and extensive insight regarding global conditions developed through foreign diplomacy, having held key posts at the Ministry of Foreign Affairs of Japan.	Board of Directors' meetings (Regular): 8 of 8 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings

(Note)

Mr. Omiya was asked to refrain from attending one Board of Directors' meeting because of a conflict of interest in connection with the tender offer for shares in Mitsubishi Motors Corporation. Attendance at Board of Directors' meetings of Mr. Saiki indicates after his appointment for Outside Director on June 23, 2017.

(Translation)

(2) Outside Audit & Supervisory Board Members

Name	Participation in Board of Directors' and Board of Corporate Auditors' Meetings	Attendance at Board of Directors' and Audit & Supervisory Board' Meetings
Tadashi Kunihiro	Mr. Kunihiro made remarks from a neutral and objective perspective as an Outside Audit & Supervisory Board Member, based on his extensive insight regarding corporate-related laws (such as the Companies Act and the Financial Instruments and Exchange Act of Japan) developed through his many years of experience as an attorney.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 3 of 3 meetings Audit & Supervisory Board' meetings: 13 of 13 meetings
Ikuo Nishikawa	Mr. Nishikawa made remarks from a neutral and objective perspective as an Outside Audit & Supervisory Board Member, based on his extensive insight regarding accounting developed through many years of experience as a certified public accountant.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 3 of 3 meetings Audit & Supervisory Board' meetings: 13 of 13 meetings
Yasuko Takayama	Ms. Takayama made remarks from a neutral and objective perspective as an Outside Audit & Supervisory Board Member, based on her experience as Audit & Supervisory Board Member at Shiseido Company, Limited, and as outside director at various companies.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 3 of 3 meetings Audit & Supervisory Board' meetings: 13 of 13 meetings

(Translation)

●Directors' and Audit & Supervisory Board Members' Remuneration

Total Amounts and Number of Eligible People

(Million yen)

Title	Total Remuneration	Base Remuneration and Individual Performance Bonus		Bonus		Stock-option-based Remuneration		Reserved Retirement Remuneration	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
Directors (In-house)	1,198	9	667	6	270	7	188	7	73
Directors (Outside)	120	6	120	—	—	—	—	—	—

Title	Total Remuneration	Base remuneration and Individual Performance Bonus		Bonus		Stock-option-based Remuneration		Reserved Retirement Remuneration	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
Audit & Supervisory Board Members (In-house)	136	2	136	—	—	—	—	—	—
Audit & Supervisory Board Members (Outside)	39	3	39	—	—	—	—	—	—

(Figures less than one million yen are rounded down)

(Notes)

1. The above figures include 2 Directors who retired and 1 Director who resigned during the fiscal year ended March 31, 2018.
   Furthermore, there were 12 Directors (including 5 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members) as of March 31, 2018.
2. The above amounts of Director's Bonuses represents the amounts to be submitted for approval to the Ordinary General Meeting of Shareholders to be held on June 22, 2018 (For details on the proposal, please see page 28.).
3. The Stock-option-based Remuneration above shows the amount recognized as an expense in the fiscal year ended March 31, 2018 related to stock options granted to 7 in-house Directors (Chairman of the Board and Outside Directors are ineligible for payment).
4. In addition to the above, Mitsubishi Corporation paid executive pensions to retired Directors and Audit & Supervisory Board Members. The amounts paid in the fiscal year ended March 31, 2018 were as follows:
   The retirement bonus system, including executive pensions for Directors and Audit & Supervisory Board Members, was abolished at the close of the 2007 Ordinary General Meeting of Shareholders.
   Mitsubishi Corporation paid 146 million yen to 85 Directors (Outside Directors were ineligible for payment).
   Mitsubishi Corporation paid 6 million yen to 7 Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment).

(Translation)

●Executive Officers (as of April 1, 2018)

Title	Name	Position, etc.
President and CEO	Takehiko Kakiuchi*	
Executive Vice President	Kazushi Okawa	Group CEO, Machinery Group
Executive Vice President	Hiroshi Sakuma	Group CEO, Global Environmental & Infrastructure Business Group
Executive Vice President	Kanji Nishiura	Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania
Executive Vice President	Hidemoto Mizuhara	Regional CEO, North America, President, Mitsubishi Corporation (Americas)
Executive Vice President	Kazuyuki Masu*	Corporate Functional Officer, CFO, IT
Executive Vice President	Takeshi Hagiwara	Group CEO, Chemicals Group
Executive Vice President	Shinya Yoshida	Group CEO, Industrial Finance, Logistics & Development Group
Executive Vice President	Yutaka Kyoya	Group CEO, Living Essentials Group
Executive Vice President	Iwao Toide*	Corporate Functional Officer, Business Investment Management, Corporate Sustainability, AI/IoT
Executive Vice President	Akira Murakoshi*	Corporate Functional Officer, Corporate Communications, Human Resources
Executive Vice President	Masakazu Sakakida*	Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer, Officer, Emergency Crisis Management Headquarters (Japan & Overseas/New Infectious Diseases, Compliance)
Executive Vice President	Mitsumasa Icho	Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch
Executive Vice President	Norikazu Tanaka	Group CEO, Metals Group
Executive Vice President	Hidenori Takaoka	Group CEO, Energy Business Group
Senior Vice President	Koichi Wada	General Manager, Nagoya Branch
Senior Vice President	Katsuhiro Ito	President, Mitsubishi Corporation (Hong Kong) Ltd.
Senior Vice President	Takajiro Ishikawa	Seconded to Mitsubishi Heavy Industries, Ltd. (Seconded to Mitsubishi Heavy Industries America, Inc. (Senior Executive Vice President))
Senior Vice President	Yasuteru Hirai	Regional CEO, East Asia, President, Mitsubishi Corporation China Co., Ltd.
Senior Vice President	Fuminori Hasegawa	Division COO, Energy Resources Div. A
Senior Vice President	Tetsuji Nakagawa	Division COO, Infrastructure Business Div.
Senior Vice President	Noriyuki Tsubonuma	Managing Director & CEO, Mitsubishi Australia Limited, Deputy Regional CEO, Asia & Oceania(Oceania)
Senior Vice President	Yasushi Okahisa	General Manager, Corporate Staff Section Management Dept.
Senior Vice President	Tsunehiko Yanagihara	EVP, Mitsubishi Corporation (Americas) [work location: Silicon Valley]
Senior Vice President	Masatsugu Kurahashi	Chief Regional Officer, Indonesia, President, PT. Mitsubishi Corporation Indonesia
Senior Vice President	Nodoka Yamasaki	Division COO, Living Essential Distribution Div.
Senior Vice President	Kotaro Tsukamoto	Division COO, Mineral Resources Investment Div.
Senior Vice President	Katsuya Nakanishi	Division COO, New Energy & Power Generation Div.
Senior Vice President	Jun Nishizawa	Division COO, Energy Resources Div. B
Senior Vice President	Tatsuo Nakamura	Division COO, Automotive Business Div.
Senior Vice President	Osamu Takeuchi	Division COO, Petrochemicals Div.
Senior Vice President	Kazunori Nishio	Division COO, Retail Div.
Senior Vice President	Koji Kishimoto	Division COO, Life Sciences Div.
Senior Vice President	Eisuke Shiozaki	Chairman & Managing Director, Mitsubishi Corporation India Private Ltd., Deputy Regional CEO, Asia & Oceania(South Asia)
Senior Vice President	Yoshinori Katayama	General Manager, Global Strategy & Coordination Dept.
Senior Vice President	Yoshifumi Hachiya	General Manager, Business Investment Management Dept.
Senior Vice President	Hisashi Ishimaki	Division COO, Ship & Aerospace Div.
Senior Vice President	Takuya Kuga	Division COO, Real Estate Business Div.
Senior Vice President	Yasumasa Kashiwagi	Division COO, Fresh Food Products Div.
Senior Vice President	Hiroki Haba	General Manager, Houston Branch, Mitsubishi Corporation (Americas), General Manager, Houston Branch, Mitsubishi International Corporation

(Translation)

Senior Vice President	Norio Saigusa	President, Mitsubishi Company (Thailand), Ltd., President, Thai-MC Company, Limited, General Manager, Vientiane Liaison Office
Senior Vice President	Yutaka Kashiwagi	Division COO, Environmental Business Div.
Senior Vice President	Keiichi Shiobara	Chairman & CEO, Mitsubishi Corporation RtM International Pte. Ltd., Division COO, Mineral Resources Trading Div.
Senior Vice President	Takeshi Arakawa	Division COO, Living Essential Consumer Products Div.
Senior Vice President	Shigeru Wakabayashi	Division COO, Isuzu Business Div.
Senior Vice President	Koichi Seri	Managing Director & CEO, Mitsubishi Development Pty Ltd
Senior Vice President	Yasuhiro Kawakami	Chair of the Board, Cermaq Group AS
Senior Vice President	Kenji Ota	General Manager, Energy Business Group CEO Office
Senior Vice President	Aiichiro Matsunaga	Regional CEO, Latin America and the Caribbean, President, Mitsubishi Corporation do Brasil, S.A., General Manager, Asuncion Liaison Office

(Note)

* indicates Executive Officers who serve concurrently as Directors.

(Translation)

●Matters Concerning Independent Auditors

1. Name of Mitsubishi Corporation's Independent Auditors
Deloitte Touche Tohmatsu LLC

2. Independent Auditors' Fees for the Fiscal Year Ended March 31, 2018

	Amount paid (Million yen)
Amount of fees for services in accordance with Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (Act No. 103 of 1948) (Note 1)	797
Amount of fees for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (Note 2)	24
Total amount of fees paid by Mitsubishi Corporation to the independent auditors for the fiscal year ended March 31, 2018	821
Total amount of fees to be paid by Mitsubishi Corporation and consolidated subsidiaries (Note 3)	2,469

(Figures less than one million yen are rounded to the nearest million)

(Note 1) Fees for services prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (Act No. 103 of 1948) are fees, etc., for audit certification services relating to English language financial statements prepared based on accounting standards generally accepted in the International Financial Reporting Standards and audit certification based on the Companies Act and the Financial Instruments and Exchange Act.

(Note 2) Fees for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan are fees for Mitsubishi Corporation training, overseas tax return work, etc.

(Note 3) Some subsidiaries are audited by certified public accountants or independent auditors (including persons with qualifications equivalent to these qualifications in overseas countries) other than Mitsubishi Corporation's independent auditors.

3. Reason for Agreement of the Audit & Supervisory Board with the Remuneration of Independent Auditors, etc.
As a result of confirming such items as details of the audit plans, status of the execution of duties, and the basis for calculation of the remuneration estimates of the independent auditors, these were deemed to be reasonable in light of the perspectives of ensuring the quality of the auditing of the independent auditors and ensuring independence. Therefore, an agreement in accordance with Article 399, Paragraph 1 of the Companies Act was concluded with respect to the amount of such items as remuneration of independent auditors.

4. Policy for the Dismissal or Non-reappointment of Independent Auditors
Mitsubishi Corporation has a policy to dismiss independent auditors based on the unanimous agreement of all Audit & Supervisory Board Members if any of the items set forth in Article 340, Paragraph 1 of the Companies Act is applicable to the independent auditors. In this instance, at the Ordinary General Meeting of Shareholders first convened after the dismissal, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report on the dismissal of the independent auditors and the reason for this action.
Furthermore, if the Audit & Supervisory Board decides it is appropriate to dismiss or not to reappoint the independent auditors after comprehensively taking into consideration and evaluating the independent auditors' execution of duties and other circumstances, the Audit & Supervisory Board will submit a proposal to the Ordinary General Meeting of Shareholders to dismiss or not to reappoint the independent auditors concerned and to appoint new independent auditors concerned and to appoint new independent auditors..

(Translation)

Consolidated Statement of Financial Position (Prepared based on IFRS)

(Millions of Yen)

ASSETS			LIABILITIES AND EQUITY		
Item	As of March 31, 2017 (Reference only)	As of March 31, 2018	Item	As of March 31, 2017 (Reference only)	As of March 31, 2018
Current assets			Current liabilities		
Cash and cash equivalents	¥1,145,514	¥1,005,461	Bonds and borrowings	¥1,248,231	¥1,269,535
Time deposits	246,922	234,758	Trade and other payables	2,542,191	2,765,215
Short-term investments	22,867	9,319	Other financial liabilities	106,456	81,574
Trade and other receivables	3,125,504	3,523,341	Advances from customers	222,373	167,143
Other financial assets	115,734	99,804	Income taxes payable	106,612	101,671
Inventories	1,110,138	1,204,402	Provisions	50,689	48,631
Biological assets	67,241	68,431	Liabilities directly associated with assets classified as held for sale	6,094	22,958
Advance payments to suppliers	229,819	164,909	Other current liabilities	395,196	460,211
Assets classified as held for sale	39,330	91,431	Total current liabilities	4,677,842	4,916,938
Other current assets	364,196	376,905			
Total current assets	6,467,265	6,778,761	Non-current liabilities		
			Bonds and borrowings	4,135,680	3,684,860
Non-current assets			Trade and other payables	204,657	222,474
Investments accounted for using the equity method	2,651,317	3,050,371	Other financial liabilities	18,936	23,349
Other investments	2,291,465	2,203,242	Retirement benefit obligations	79,261	80,532
Trade and other receivables	500,853	526,986	Provisions	239,259	228,483
Other financial assets	109,443	93,849	Deferred tax liabilities	576,941	598,244
Property, plant and equipment	2,484,714	2,106,195	Other non-current liabilities	31,970	16,898
Investment property	47,959	72,192	Total non-current liabilities	5,286,704	4,854,840
Intangible assets and goodwill	1,010,310	1,003,335	Total liabilities	9,964,546	9,771,778
Deferred tax assets	37,883	35,847	Equity		
Other non-current assets	152,348	166,211	Common stock	204,447	204,447
Total non-current assets	9,286,292	9,258,228	Additional paid-in capital	220,761	229,423
			Treasury stock	(12,154)	(10,970)
			Other components of equity		
			Other investments designated as FVTOCI	451,086	509,887
			Cash flow hedges	(17,953)	(10,920)
			Exchange differences on translating foreign operations	445,816	426,644
			Total other components of equity	878,949	925,611
			Retained earnings	3,625,244	3,983,916
			Equity attributable to owners of the Parent	4,917,247	5,332,427
			Non-controlling interests	871,764	932,784
			Total equity (net assets)	5,789,011	6,265,211
Total assets	¥15,753,557	¥16,036,989	Total liabilities and equity	¥15,753,557	¥16,036,989

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Consolidated Statement of Profit or Loss (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2017 (Reference only)	Fiscal year ended March 31, 2018
Revenues	¥6,425,761	¥7,567,394
Cost of revenues	(5,097,123)	(5,680,754)
Gross profit	1,328,638	1,886,640
Selling, general, and administrative expenses	(932,607)	(1,387,266)
Gains and losses on investments	83,288	4,365
Gains and losses on sale and disposal of property, plant, and equipment	14,419	40,929
Impairment losses on property, plant and equipment and others	(103,181)	(80,173)
Other income (expenses) – net	10,581	9,894
Finance income	132,389	179,160
Finance costs	(49,537)	(52,259)
Share of profit (loss) of investments accounted for using the equity method	117,450	211,432
Profit (loss) before income taxes	601,440	812,722
Income taxes	(121,366)	(202,306)
Profit (loss) for the year	¥480,074	¥610,416
Profit (loss) for the year attributable to:		
Owners of the Parent	440,293	560,173
Non-controlling interests	39,781	50,243
	¥480,074	¥610,416

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Consolidated Statement of Changes in Equity (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2017 (Reference only)	Fiscal year ended March 31, 2018
Common stock		
Balance, beginning of year	¥204,447	¥204,447
Balance, end of year	204,447	204,447
Additional paid-in capital		
Balance, beginning of year	262,738	220,761
Compensation costs related to stock options	1,621	1,368
Sales of treasury stock upon exercise of stock options	(1,420)	(712)
Equity transactions with non-controlling interests and others	(42,178)	8,006
Balance, end of year	220,761	229,423
Treasury Stock		
Balance, beginning of year	(14,509)	(12,154)
Sales of treasury stock upon exercise of stock options	2,364	1,208
Purchases and sales – net	(9)	(24)
Balance, end of year	(12,154)	(10,970)
Other components of equity		
Balance, beginning of year	913,939	878,949
Other comprehensive income attributable to owners of the Parent	12,172	(537)
Transfer to retained earnings	(47,162)	47,199
Balance, end of year	878,949	925,611
Retained earnings		
Balance, beginning of year	3,225,901	3,625,244
Profit (loss) for the year attributable to the owners of the Parent	440,293	560,173
Cash dividends paid to owners of the Parent	(87,170)	(153,806)
Sales of treasury stock upon exercise of stock options	(942)	(496)
Transfer from other components of equity	47,162	(47,199)
Balance, end of year	3,625,244	3,983,916
Equity attributable to owners of the Parent	4,917,247	5,332,427
Non-controlling interests		
Balance, beginning of year	425,006	871,764
Cash dividends paid to non-controlling interests	(19,722)	(39,834)
Equity transactions with non-controlling interests and others	421,622	56,144
Profit for the year attributable to non-controlling interests	39,781	50,243
Other comprehensive income (loss) attributable to non-controlling interests	5,077	(5,533)
Balance, end of year	871,764	932,784
Total equity	¥5,789,011	¥6,265,211
Comprehensive income (loss) attributable to:		
Owners of the Parent	¥452,465	¥559,636
Non-controlling interests	44,858	44,710
Total comprehensive income (loss)	¥497,323	¥604,346

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Notes to Consolidated Financial Statements

Basis of Preparing Consolidated Financial Statements

Notes Concerning Significant Accounting Policies (for the fiscal year ended March 31, 2018)

1. Basis of Preparing Consolidated Financial Statements

(1) Standards of preparing consolidated financial statements

These consolidated financial statements of Mitsubishi Corporation (the "Parent") and its consolidated subsidiaries (collectively, the "Company") have been prepared under International Financial Reporting Standards ("IFRS") in accordance with the first paragraph of Article 120 of the Ordinance on Company Accounting of Japan. Pursuant to the second sentence of the paragraph, certain disclosures and notes required by IFRS have been omitted.

(2) New major standards and interpretations applied

The new major standards and interpretations applied from the fiscal year ended March 31, 2018 are as follows:

Standard and interpretation guideline	Outline
IAS 7 Statement of Cash Flows (Amended)	Additional disclosure requirements for reconciliation of liabilities arising from financing activities

The adoption of the new major standards and interpretations above had no significant impact on the consolidated financial statements for the fiscal year ended March 31, 2018.

(3) Significant accounting judgments, estimates, and assumptions

In preparing IFRS-based financial statements, management is required to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods that are affected.

Significant changes in accounting judgments, estimates and assumptions in the consolidated financial statements for the fiscal year ended March 31, 2018 are as follows:

(Impairment losses on property, plant and equipment)

In the fiscal year ended March 31, 2018, the Company recorded impairment losses of 80,173 million yen due to changes in the business environment as "Impairment losses on property, plant and equipment and others" in the Consolidated Statement of Profit or Loss. In the course of recognizing and measuring impairment losses, the Company measured the recoverable amount using value in use or fair value less costs of disposal. For the discount rate, the Company used a rate that reasonably reflects the rate of return that is considered to be the market-average rate that incorporates the risks specific to the cash-generating units. Impairment loss includes impairment loss of 32,021 million yen on property, plant and equipment (assets related to exploration, development and production operations in the U.S. Gulf of Mexico) held by MCX Exploration (USA), LLC, a subsidiary in the Energy Business segment. Sale of the assets was completed in the fiscal year ended March 31, 2018.

(Provisions)

A consolidated subsidiary in the Energy Business segment which conducts decommissioning work in the North Sea oil field project has revised its estimate of future decommissioning expenses and related tax refunds following a revision of the decommissioning plan. The impact of this revision was reflected in the Consolidated Statement of Profit or Loss as an expense of 11,621 million yen, which is included in other income (expense) – net, and in the Consolidated Statement of Financial Position as an asset retirement obligation of 25,624 million yen (increase) recorded as provisions (under current liabilities and non-current liabilities) and a tax refund asset of 14,003 million yen (increase) under other non-current assets.

Furthermore, following the revision, the Company did not recognize 15,590 million yen in deferred tax assets attributable to losses incurred in past fiscal years.

A decrease of 31,335 million yen in the amount of asset retirement obligations in the fiscal year ended March 31, 2018 was due to a change in the timing of asset restoration plans by a subsidiary which conducts a resource business in the

(Translation)

Metals segment following changes in the business environment. Meanwhile, the amount of asset retirement obligations increased by 22,095 million yen in the fiscal year ended March 31, 2018 due to change in the estimated cost of asset restoration plans based on changes in current environmental regulation.

(Fair value of financial instruments)

Please refer to "Notes Concerning Financial Instruments."

2. Scope of Consolidation and Application of the Equity Method

(Number of Companies)

	As of March 31, 2017	As of March 31, 2018	Increase
Number of consolidated subsidiaries	834	848	14
Number of investments accounted for using the equity method	440	445	5
Total	1,274	1,293	19

Entities in which the Company holds more than half of the voting rights but does not have control:

MI Berau B.V. ("MI Berau")

The Company holds 56% of the voting rights in MI Berau, a company located in the Netherlands that participates in the Tangguh LNG Project in Indonesia and INPEX CORPORATION ("INPEX") holds the remaining 44% of the voting rights. Under the joint venture agreement with INPEX, significant decisions regarding MI Berau's operations require unanimous consent by the Company and INPEX. The rights given to INPEX in the joint venture agreement are considered substantive participating rights, and MI Berau is not controlled solely by the Company. Accordingly, the Company accounts for its investment in MI Berau as a joint venture using the equity method.

Sulawesi LNG Development Ltd. ("Sulawesi LNG Development")

The Company holds 75% of the voting rights in Sulawesi LNG Development, a UK corporation. Sulawesi LNG Development is a holding company, which invested in the Donggi Senoro LNG Project in Indonesia that was established with Korea Gas Corporation ("KOGAS"), which holds the remaining 25% ownership interest. Under the shareholders' agreement with KOGAS, significant decisions regarding Sulawesi LNG Development's operations require unanimous consent by the Company and KOGAS. The rights given to KOGAS in the shareholders' agreement are considered substantive participating rights, and Sulawesi LNG Development is not controlled solely by the Company. Accordingly, the Company accounts for its investment in Sulawesi LNG Development as a joint venture using the equity method.

3. Primary Changes in the Scope of Consolidation and the Application of the Equity Method

Consolidated subsidiaries	[Exclusion]	MC ENGINE LEASING LTD HERNIC FERROCHROME (PTY) LTD.
Investments accounted for using the equity method	[New]	Mitsubishi Motors Corporation

(Note)

The Company acquired additional shares of Mitsubishi Motors Corporation through a tender offer that was completed on March 20, 2018, and then classified the investments into those accounted for using the equity method.

(Translation)

4. Significant Consolidated Subsidiaries and Investments Accounted for Using the Equity Method

Consolidated subsidiaries	Mitsubishi Corporation (Americas) Mitsubishi Corporation International (Europe) Plc Mitsubishi Corporation (Shanghai) Ltd. MITSUBISHI CORPORATION FINANCE PLC TRI PETCH ISUZU SALES COMPANY LIMITED MITSUBISHI DEVELOPMENT PTY LTD Metal One Corporation Mitsubishi Shokuhin Co., Ltd Lawson, Inc.
Investments accounted for using the equity method	Japan Australia LNG (MIMI) Pty. Ltd. Mitsubishi Motors Corporation

5. Significant Accounting Policies

(1) Basis of consolidation

(i) Subsidiaries

The Parent consolidates the investees that it directly or indirectly controls. Therefore, the Company generally consolidates its majority-owned subsidiaries. However, even in cases where the Company does not own the majority of voting rights, if the Company is deemed to effectively control the decision-making body, the investee is treated as a consolidated subsidiary. In cases where the Company has the majority of voting rights in an investee but other shareholders have substantive rights to participate in decision-making regarding the ordinary course of business of the investee, the Company does not have control, and the equity method is applied.

The consolidated financial statements include profit or loss and other comprehensive income of subsidiaries from the day on which control was obtained to the day on which control was lost. Adjustments have been made to the financial statements of subsidiaries to adhere to the accounting policies adopted by the Company.

All intercompany accounts and transactions have been eliminated.

Changes in ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Parent's interest and non-controlling interest is adjusted to reflect changes in their relative interest in the subsidiaries. Any difference between the amount of non-controlling interest and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Parent.

If control over a subsidiary is lost, the difference between (a) the sum of the fair value of consideration received and the fair value of remaining interest and (b) assets (including goodwill), liabilities, and the previous carrying amount of non-controlling interest of the subsidiary is recognized in profit or loss. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments" or the cost on initial recognition of investment in associates or joint ventures.

(ii) Business combinations

Business combinations (acquisition of businesses) are accounted for using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values at the acquisition date (i.e., the day on which the Company obtains control) of the assets transferred by the Company, the liabilities incurred by the Company to former owners of the acquiree and the equity interests issued by the Company. The Company accounts for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except as follows:

· Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively.

· Assets or disposal groups that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with the Standard.

· Liabilities or equity instruments related to share-based remuneration of the acquiree or share-based remuneration of the Company entered into to replace such arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment".

In cases where the sum of the consideration transferred, the amount of non-controlling interest in the acquiree, and the fair value of equity interest in the acquiree held previously by the Company exceed the net amount of identifiable assets and liabilities at the acquisition date, goodwill is measured at the excess amount.

If the net amount of identifiable assets and liabilities at the acquisition date exceeds the sum of the consideration transferred, the amount of non-controlling interest in the acquiree, and the fair value of equity interest in the acquiree held previously by the Company, the excess amount is immediately recognized in profit or loss as a bargain purchase gain.

In the case of a business combination achieved in stages, the equity interest in the acquiree held previously by the Company is re-measured at fair value at the acquisition date (i.e., the day on which the Company obtains control), and gains or losses incurred are recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss

or other comprehensive income where such treatment would be appropriate if the interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. During the measurement period, which can last no longer than one year, the Company retrospectively adjusts the provisional amounts recognized at the acquisition date or recognizes additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

(iii) Associates and joint ventures

The equity method is applied to investments in associates and joint ventures. An associate is an entity that is not controlled solely or jointly by the Company, but for which the Company is able to exert significant influence over the decisions on financial and operating or business policies. If the Company has 20% or more but no more than 50% of the voting rights of another entity, the Company is presumed to have significant influence over that entity. Entities over which the Company is able to exert significant influence on their decisions regarding financial and operating or business policies even if it holds less than 20% of the voting rights are also included in associates. On the other hand, the equity method is not applied in cases where the Company is deemed not to have significant influence, even if it holds 20% or more of the voting rights.

A joint venture is a joint arrangement (i.e., an arrangement of which two or more parties have joint control) whereby the parties that have joint control have rights to the net assets of an independent entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions on activities that have a significant impact on the returns of the arrangement require the unanimous consent of the parties sharing control and those activities are undertaken jointly by the parties.

Under the equity method, the investment in an associate or a joint venture is recognized initially at cost and the carrying amount is increased or decreased to recognize the Company's share of the net assets of the associate or the joint venture after the date of acquisition. The Company's share of the profit or loss of the associate or the joint venture is recognized in the Company's profit or loss. The Company's share of the other comprehensive income of the associate or the joint venture is recognized in the Company's other comprehensive income. When the Company's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Company discontinues recognizing its share of further losses. After the Company's interest, including any long-term interests that, in substance, form part of the Company's net investment in the associate or joint venture, is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. All profits associated with intercompany transactions, excluding business transfers, have been eliminated in proportion to interests in associates and joint ventures.

An associate or a joint venture is accounted for using the equity method from the date they become an associate or joint venture. On initial recognition, the amount of investment in excess of interests with respect to the net fair value of assets, liabilities, and contingent liabilities of associates and joint ventures is recognized as the amount corresponding to goodwill, and is included in the carrying amount of investments.

In cases where significant influence over associates or joint control over joint ventures is lost and the application of the equity method is discontinued, remaining investments are measured at fair value at the disposal date, and are accounted for as financial assets in accordance with IFRS 9 "Financial Instruments." The difference between the previous carrying amount and fair value of the remaining investments is recognized in profit or loss as a gain or loss on disposal of such investments. The amount previously recognized as other comprehensive income by associates and joint ventures is accounted for by determining whether or not they should be reclassified into profit or loss as if related assets or liabilities had been directly disposed of.

(iv) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities, in accordance with the contractual arrangement. For investments in joint operations, only the Company's share of assets, liabilities, revenues and expenses arising from the jointly controlled operating activities is recognized. All intercompany accounts and transactions have been eliminated in proportion to interests.

(v) Investment entities

An investment entity is defined as an entity that satisfies the following conditions: (a) the entity obtains funds from investors for the purpose of providing those investors with investment management services; (b) invests the funds solely for returns from capital appreciation, investment income, or both; and (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

In principle, investment entities measure all of their investments, including equity in the subsidiaries of the investment entities, at fair value through profit or loss in accordance with IFRS 9 “Financial Instruments.” However, if a subsidiary of the Company qualifies as an investment entity, when the Company consolidates the investment entity, the fair value measurement applied by the investment entity to equity in its subsidiaries is reclassified to conform to the ordinary consolidation process.

Meanwhile, if an associate or joint venture of the Company qualifies as an investment entity, when the Company applies the equity method, the fair value measurement applied by the investment entity to equity in its subsidiaries is

(Translation)

maintained.

(vi) Reporting date

When the Company prepares consolidated financial statements, certain subsidiaries, associates and joint arrangements prepare financial statements with a fiscal year end on or after December 31, but prior to the Parent's fiscal year end of March 31, for which unification of the fiscal year end is impracticable, since the local legal system or contractual terms among shareholders requires the fiscal year end to be different from that of the Parent. It is also impracticable for such entities to provide the provisional settlement of accounts at the end of the reporting period of the Parent due to the characteristics of the business, operations or other practical factors. Where this is the case, adjustments have been made to the consolidated financial statements of the Company for the effects of significant transactions or events that occurred between the end of the reporting period of the subsidiaries, associates or joint arrangements and that of the consolidated financial statements.

(2) Foreign currency translation

Items denominated in foreign currencies in the financial statements are translated at the exchange rate at the transaction date, and monetary items are retranslated at the exchange rate at the fiscal year end. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The difference arising from the retranslation of monetary items is recognized in "Other income (expense) – net" in the consolidated statement of profit or loss.

The assets and liabilities of foreign operations are translated into Japanese yen at the respective year-end exchange rates. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period. Exchange differences arising from translation are recognized in other comprehensive income and accumulated in "Other components of equity" on a past-tax basis.

In the event of a loss of control due to the disposal of foreign operations, the cumulative amount of exchange difference is reclassified into profit or loss. In the case of partial disposal that does not lead to the loss of control of a subsidiary, the ratio of ownership interest in the cumulative amount of exchange difference is reallocated to non-controlling interests, but no amount is recognized in profit or loss. In other cases of partial disposal that lead to the loss of significant influence or joint control, the amount proportionate to the disposal of the cumulative amount of exchange difference is reclassified into profit or loss.

Goodwill and fair value adjustments resulting from the acquisition of foreign operations are retranslated as assets and liabilities of such foreign operations as at the end of the reporting period, and exchange differences are recognized in "Other components of equity" and accumulated in equity.

(3) Financial instruments

The Company has early-applied IFRS 9 "Financial Instruments" (revised in November 2013) from January 1, 2015. Accordingly, the Company has accounted for all hedging relationships designated on or after January 1, 2015 based on the requirements therein.

(i) Non-derivative financial assets

The Company recognizes trade and other receivables on the date they arise. The Company recognizes all other financial assets at the trade date on which the Company became a party to the contract concerning such financial instruments.

The Company initially recognizes financial assets at fair value. Financial assets not recorded at fair value through profit or loss also include transaction costs that are directly attributable to the acquisition of the financial assets. After initial recognition, financial assets are measured either at amortized cost or at fair value.

(ii) Financial assets measured at amortized cost

Financial assets are measured at amortized cost using the effective interest method if both of the following conditions are met:

· The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

· The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate is the rate that discounts estimated future cash receipts (including all fees paid or received, transaction costs, and other premiums/discounts) through the expected life of a financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

In cases where a financial asset measured at amortized cost is derecognized, the difference between the carrying amount and the consideration received or receivable is recognized in profit or loss.

(iii) Impairment of financial assets measured at amortized cost

The Company assesses evidence of impairment of financial assets measured at amortized cost individually and as a whole. For assets for which the contractual cash flows are unlikely to be recovered in full, impairment is assessed on an individual basis. Investment rating, contractual nature of the investments, underlying collateral, rights to and

advantages of the investment's cash flows and the condition of the issuers are assessed comprehensively when recognizing and measuring the impairment. Assets for which impairment need not be assessed individually are assessed collectively to determine whether or not there is any impairment that has occurred but has not been identified. When assessing assets collectively for impairment, the amount expected to be irrecoverable is calculated based on the historical loss rate, probability of default, etc. When impairment is recognized, the carrying amount of the financial asset shall be reduced either directly or through use of an allowance account.

(iv) Financial assets measured at fair value

Financial assets other than those measured at amortized cost are measured at fair value, and changes in their fair value are recognized as profit or loss (FVTPL). However, the Company elects to designate some equity instruments as financial assets measured at fair value through other comprehensive income (FVTOCI) if the investments are not held for trading. A financial asset is classified as held for trading if:

(a) It has been acquired or incurred principally for the purpose of selling it in the near term; or
(b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit- taking; or
(c) It is a derivative (except for derivatives that are financial guarantee contracts or designated and effective hedging instruments).

Changes in the fair value of financial assets measured at FVTOCI are directly transferred from other comprehensive income to retained earnings in the event of derecognition of such assets, and are not recognized in profit or loss. Dividend income from financial assets measured at FVTOCI is recognized in profit or loss as part of finance income at the time when the right to receive payment of the dividend is established.

(v) Derecognition of financial assets

The Company derecognizes financial assets when and only when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and substantially all the risks and rewards of ownership are transferred. In cases where the Company neither transfers nor retains substantially all the risks and rewards of ownership but continues to control the assets transferred, the Company recognizes the retained interest in assets and related liabilities that might be payable.

(vi) Cash and cash equivalents

Cash equivalents are short-term (original maturities of three months or less), highly liquid investments (including mainly short-term time deposits) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(vii) Non-derivative financial liabilities

The Company initially recognizes debt securities and subordinated debt instruments issued by the Company on the issue date. All other financial liabilities are recognized on the transaction date on which the Company becomes a party to the contract concerning the financial instruments.

The Company derecognizes financial liabilities when the obligation specified in the contract is discharged or canceled or expires.

Financial liabilities are initially recognized at fair value, net of direct transaction costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash payments (including all fees paid, transaction costs, and other premiums/discounts) through the expected life of the financial liability, or where appropriate, a shorter period to the net carrying amount on initial recognition. There is no financial liability irrevocably designated as measured at fair value through profit or loss at the time of initial recognition.

(viii) Equity

Common stock

The amount of equity instruments issued by the Parent is recognized in "Common stock" and "Additional paid-in capital," and direct issue costs (net of tax) are deducted from "Additional paid-in capital."

Treasury stock

When the Company acquires treasury stock, the sum of the consideration paid and direct transaction costs after tax is recognized as a deduction from equity.

(ix) Hedge accounting and derivatives

The Company utilizes derivative instruments primarily to manage interest rate risks to reduce exposure to movements in foreign exchange rates and to hedge the commodity price risk of various inventory and trading commitments. All derivative instruments are reported at fair value as assets or liabilities.

In the case where transactions which can mitigate market risk cannot be utilized, the Company applies hedge accounting by designating such derivatives and non-derivative financial instruments, such as foreign currency-denominated debt, as a hedging instrument of either a fair value hedge, a cash flow hedge, or a hedge on net investment in foreign operations, to the extent that hedging criteria are met.

(Translation)

The Company assesses hedge effectiveness at the start of the hedging relationship, quarterly, or when a significant change impacting hedge effectiveness occurs by confirming whether or not the relationship is such that changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are substantially offset by changes in the fair value or cash flows of the hedging instrument. The Company has determined that the effect of credit risk on the hedging relationship is immaterial.

Fair value hedges

Derivative instruments designated as hedging instruments of fair value hedges primarily consist of interest rate swaps used to convert fixed-rate financial assets or debt obligations to floating-rate financial assets or debt. Changes in fair values of hedging derivative instruments are recognized in profit or loss, offset against the changes in the fair value due to the risk of the related financial assets, financial liabilities, and firm commitments being hedged and are included in "Other income (expense) – net" in the consolidated statement of profit or loss.

In cases where a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective remains unchanged, the Company adjusts the hedging ratio to reestablish the effectiveness of the hedging relationship. Furthermore, the Company discontinues the application of hedge accounting in cases where there is a change in the risk management objective for the hedging relationship. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from the date on which the Company discontinues hedge accounting.

Cash flow hedges

Derivative instruments designated as hedging instruments of cash flow hedges include interest rate swaps to convert floating-rate financial liabilities to fixed-rate financial liabilities, and forward exchange contracts to offset variability in functional currency-equivalent cash flows on forecasted sales transactions. Additionally, commodity swaps and futures contracts that qualify as cash flow hedges are utilized. The effective portion of changes in the fair values of derivatives that are designated as cash flow hedges are deferred and recognized in other comprehensive income and accumulated in "Other components of equity." Derivative unrealized gains and losses included in "Other components of equity" are reclassified into profit or loss at the time that the associated hedged transactions are recognized in profit or loss. In cases where the hedged item is recognized as a non-financial asset or non-financial liability, the amount recognized in “Other components of equity” is reclassified as an adjustment of the initial carrying amount of the non-financial asset or non-financial liability. Ineffectiveness is recognized immediately in profit or loss, except for certain cases.

In cases where a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective remains unchanged, the Company adjusts the hedging ratio to reestablish the effectiveness of the hedging relationship. Furthermore, the Company discontinues the application of hedge accounting in cases where there is a change in the risk management objective for the hedging relationship. Any gain or loss recognized in other comprehensive income and accumulated in "Other components of equity" at the time of discontinuing hedge accounting remains in equity and is reclassified into profit or loss when the forecasted transaction is ultimately recognized in profit or loss. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in "Other components of equity" is recognized immediately in profit or loss.

Hedges of net investment in foreign operations

The Company uses forward exchange contracts and non-derivative financial instruments such as foreign currency-denominated debt in order to reduce the foreign currency exposure in the net investment in a foreign operation. The effective portion of changes in fair values of the hedging instruments are accumulated in "Exchange differences on translating foreign operations" within "Other components of equity."

Derivative instruments used for other than hedging activities

The Company enters into commodity and financial derivative instruments as part of its brokerage services in commodity futures markets and its trading activities. The Company clearly distinguishes between derivatives used for brokerage services and trading activities from derivatives used for risk management purposes. As part of its internal control policies, the Company has set strict limits on the positions which can be taken in order to manage potential losses for these derivative transactions, and periodically monitors the open positions for compliance.

Changes in fair value of derivatives not designated as hedging instruments or held for trading purposes are recognized in profit or loss.

(x) Financial guarantee contracts

Liabilities under financial guarantee contracts issued by the Company are initially measured at fair value and, if not designated as FVTPL, are subsequently measured at the higher of:

· The amount of contractual obligations calculated in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; or

· The amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with accounting policies for revenue recognition.

(xi) Offsetting financial assets and financial liabilities

(Translation)

If the Company currently has a legally enforceable right to set off the recognized amount of financial assets against the recognized amount of financial liabilities and has the intention either to settle on a net basis or to realize assets and settle liabilities simultaneously, the Company offsets financial assets against financial liabilities and presents the net amount in the consolidated statement of financial position.

(4) Inventories

Inventories are recognized at the lower of cost or net realizable value based on the moving average method or identified cost method. Net realizable value is presented in the amount of estimated selling price of inventories, less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories acquired with the purpose of generating a profit from short-term price fluctuations are measured at fair value less costs to sell.

(5) Biological assets

Biological assets are measured at fair value less costs to sell, with any changes therein recognized in profit, except in the case where fair value cannot be measured reliably.

Costs to sell include all costs that would be necessary to sell the assets, including transportation costs. Agricultural produce harvested from biological assets is reclassified into inventories at fair value less costs to sell at the point of harvest.

(6) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are recognized at cost, net of accumulated depreciation and accumulated impairment losses.

Cost includes the expenses directly attributable to the acquisition of the assets, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs to be capitalized. If the useful life of property, plant and equipment varies from component to component, each component is recognized as a separate item of property, plant and equipment.

(ii) Depreciation

Land is not depreciated. Depreciation of other classes of property, plant and equipment is calculated based on the depreciable amount. The depreciable amount is calculated by deducting the residual value from the cost of the asset or the amount equivalent to the cost. Depreciation of property, plant and equipment other than mineral resources-related property is calculated principally using the straight-line method for buildings and structures, the straight-line or declining-balance method for machinery and equipment, and the straight-line method for aircraft and vessels mainly over the following estimated useful lives:

Buildings and structures	2 to 60 years
Machinery and equipment	2 to 45 years
Aircraft and vessels	2 to 25 years

Assets related to the acquisition of contractual right for the exploration, evaluation, development, and production of oil and gas or mining resources are classified as mineral resources-related property.

Mineral resources-related property is amortized principally using the unit-of-production method based on the proven or probable reserves. Improvements in finance lease assets are amortized over the lesser of the useful life of the improvement or the term of the underlying lease.

The above depreciation method was adopted as it most closely reflects the pattern in which the asset's future economic benefits are expected to be consumed.

The depreciation method, estimated useful life and residual value are reviewed at each period end, and amended as necessary.

(iii) Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

(7) Investment property

Investment property is property held to earn rentals, for long-term capital appreciation or both. Real estate held for sale in the ordinary course of business (real estate held for development and resale) and real estate held to use in the production or supply of goods or services or for administrative purposes (property, plant and equipment) are not included. The Company applies the cost method to investment property, and measures investment property at cost, net of accumulated depreciation and accumulated impairment losses. Investment property is depreciated using the straight-line method over its estimated useful life, which is mainly 1 to 60 years. An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss arising from the derecognition of an investment property is included in profit or loss when the investment property is derecognized.

(Translation)

(8) Intangible assets and goodwill
(i) Research and development costs
Expenditures related to research activities to obtain new scientific or technical knowledge and understanding are recognized as an expense as incurred. Development costs are capitalized only if they are reliably measurable, the product or process is technically and commercially feasible, it is probable that future economic benefits will be generated, and the Company has the intention and sufficient resources to complete the development and to use or sell it. Other development costs are recognized as an expense as incurred.

(ii) Other intangible assets
Other intangible assets with finite useful lives acquired by the Company are measured at cost, net of accumulated amortization and accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized but measured at cost, net of accumulated impairment losses.

(iii) Goodwill
Initial recognition
Goodwill arising from acquisition of subsidiaries is included in "Intangible assets and goodwill" in the consolidated statement of financial position. Measurement of goodwill at the time of initial recognition is described in (1) Basis of consolidation (ii) Business combinations above.
Measurement after initial recognition
Goodwill is measured at cost, net of accumulated impairment losses. The carrying amount of investments accounted for using the equity method includes the carrying amount of goodwill.
At the time of disposal of related cash-generating units, goodwill is derecognized and the amount is recognized in profit or loss.

(iv) Amortization
Other than goodwill and intangible assets with indefinite useful lives, intangible assets are amortized under the straight-line method over their estimated useful lives from the day on which the assets became available for use.
The estimated useful life of each asset is mainly as follows:

Software	2 to 15 years
Customer relationships	4 to 28 years
Trade names	9 to 23 years
Trademarks	3 to 36 years

The amortization method, estimated useful life, and residual value are reviewed at each period end, and amended as necessary.

(9) Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.
Leases other than finance leases are classified as operating leases.

(i) Lease as lessor
Amounts due from lessees under finance leases are recognized as "Trade and other receivables" at the amount of net investment in the leases, and unearned income is allocated over the lease term at a constant periodic rate of return on the net investments and recognized in the fiscal year to which it is attributable. Operating lease income is recognized over the term of underlying leases on a straight-line basis.

(ii) Lease as lessee
Lease assets and lease liabilities under finance leases are initially recognized at the lower of the present value of minimum lease payments or the fair value at the inception of the lease. After initial recognition, lease assets are accounted for according to the accounting policies applied to the assets. Lease payments are allocated at a constant periodic rate to the balance of lease liabilities, and are accounted for as finance costs and a reduction in the amount of lease liabilities.
Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

(10) Oil and gas exploration and development
Oil and gas exploration and evaluation activity includes:
- Acquisition of rights to explore;
- Gathering exploration data through topographical, geological, geochemical and geophysical studies;
- Exploratory drilling, trenching and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation expenditures such as geological and geophysical cost are expensed as incurred. Exploration and evaluation expenditures such as costs of acquiring properties, drilling, and equipping exploratory wells and related plant and equipment are capitalized as property, plant and equipment or intangible assets.

(Translation)

The capitalized exploration and evaluation expenditures are not depreciated until production commences. Capitalized exploration and evaluation expenditures are monitored for indications of impairment. If the capitalized expenditure is determined to be impaired, an impairment loss is recognized based on the fair value.
When capitalized exploration and evaluation expenditures have been established as commercially viable by a final feasibility study, subsequent development expenditures are capitalized and amortized using the unit-of-production method.

(11) Mining operations

Mining exploration costs are recognized as an expense as incurred until the mining project has been established as technically feasible and commercially viable by a final feasibility study. Once established as technically feasible and commercially viable, costs are capitalized and are amortized using the unit-of-production method based on the proven and probable reserves.
The stripping costs incurred during the production phase of a mine are accounted for as variable production costs and are included in the costs of the inventory produced during the period that the stripping costs are incurred. To the extent the benefit is improved access to ore, the stripping costs are recognized as property, plant and equipment or an intangible asset.
For capitalized costs related to mining operations, impairment loss is recognized based on the fair value less cost of disposal if it is determined that commercial production cannot commence or capitalized costs are not recoverable.

(12) Non-current assets held for sale

If the carrying amount of non-current assets or disposal groups will be recovered principally through a sale transaction rather than through continued use, the Company classifies such non-current assets or disposal groups as held for sale, and reclassifies them into current assets. This condition is regarded as met only when the non-current asset or the disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.
Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

(13) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.
All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(14) Impairment of non-financial assets

(i) Assessment for impairment

If there are any events or changes in circumstances indicating that the carrying amount of the Company's non-financial assets, excluding inventories and deferred tax assets, may not be recoverable, the recoverable amount of such assets are estimated by assuming that there are indications of impairment. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually, or more frequently if indicators of impairment are present. Goodwill that constitutes part of the carrying amount of investments accounted for using the equity method is not recognized separately and is not tested for impairment on an individual basis. However, the total amount of investments accounted for using the equity method is assessed for indications of impairment and tested for impairment by treating it as a single asset.
Assessment for impairment is performed with respect to each asset, cash-generating unit or group of cash-generating units. If the carrying amount of the asset, cash-generating unit, or group of cash-generating units exceeds its recoverable amount, an impairment loss is recognized in profit or loss.
The recoverable amount of the asset, cash-generating unit or group of cash-generating units is the higher of the value in use or the fair value less costs to sell. Value in use is calculated by discounting the estimated future cash flows to the present value using the pre-tax discount rate reflecting the risks specific to the asset or the cash-generating unit.

(ii) Cash-generating units

In cases where cash flows are generated by multiple assets, the smallest unit that generates cash flows more or less independently from cash flows of other assets or groups of assets is referred to as a cash-generating unit.
A cash-generating unit, including goodwill, is set as the smallest unit at which the goodwill is monitored for internal management purposes and is a smaller unit than the operating segment. If impairment loss is recognized in relation to a cash-generating unit, the carrying amount of any goodwill allocated to the cash-generating unit is reduced first, and if there is any residual amount, other assets of the unit are reduced pro rata on the basis of the carrying amount of each asset in the unit.

(iii) Reversal of impairment loss

Impairment recognized in the past is reversed if there are indications of reversal of impairment and changes in the

estimates used to determine the asset's recoverable amount. However, impairment loss recognized for goodwill is not reversed. Reversal of impairment loss is recognized up to the carrying amount, which is calculated on the basis that no impairment loss for the asset had been recorded in prior years.

(15) Post-employment benefits

The Company has adopted defined benefit plans and defined contribution plans.

(i) Defined benefit plans

Obligations related to defined benefit plans are recognized in the consolidated statement of financial position as the net amount of benefit obligations under such plans and the fair value of pension assets. Any surplus resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plans or reductions in future contributions to the plans. Benefit obligations are calculated at the discounted present value of the amount of estimated future benefits corresponding to the consideration for services already provided by employees with respect to each plan. The Company remeasures benefit obligations using pension assets and information provided by qualified actuaries each period.

Increases or decreases in benefit obligations for employees' past services due to revisions to the pension plan are recognized in profit or loss.

The Company recognizes the increases or decreases in obligations due to the remeasurement of benefit obligations and pension assets of defined benefit plans in other comprehensive income, and such increases or decreases are recorded in "Other components of equity" and are immediately reclassified into "Retained earnings."

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans in which the employer makes a certain amount of contributions to fund post-employment benefits and does not bear more obligations than the amount contributed. Obligations to make contributions under defined contribution plans are recognized in profit or loss as expenses in the period during which services were provided by employees.

(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations, and is discounted when the time value of money is material.

Provision for decommissioning and restoration

The provision for decommissioning and restoration is reviewed each period and adjusted to reflect developments that could include changes in closure dates, legislation, discount rate or estimated future costs. The amount recognized as a liability for decommissioning and restoration is calculated as the present value of the estimated future costs determined in accordance with local conditions and requirements. An amount corresponding to the provision is capitalized as part of "Property, plant and equipment" and "Investment property" and is depreciated over the life of the corresponding asset. The impact of unwinding of the discount applied in establishing the net present value of the provision is recognized in "Finance costs." The applicable discount rate is a pre-tax rate that reflects the current market assessment of the time value of money.

(17) Stock-based compensation

Stock-based compensation cost is measured at the grant date based on the estimated fair value of stock-based awards made to directors other than outside directors and executive officers, and is recognized on a straight-line basis over the vesting period with a corresponding increase in equity. The fair values of stock options are estimated using the Black-Scholes option-pricing model.

(18) Revenues

The Company recognizes revenues for each transaction. In principle, the unit of transactions is a single contract. However, in certain circumstances, it is necessary to apply the recognition criteria to separately identifiable components as multiple units in a single contract in order to reflect the substance of the transaction. Conversely, the recognition criteria are applied to two or more contracts together as a single unit when they are linked in such a way that the commercial interest can be achievable with a series of transactions.

Revenues are measured at the fair value of consideration received or receivable.

The Company manufactures a wide variety of products, such as metals, machinery, chemicals, and general consumer merchandise, and develops natural resources. The Company also trades a wide variety of commodities and may take ownership risk of such inventory or merely facilitate the Company's customers' purchase and sale of commodities and other products where it earns a commission for this service.

(Translation)

Revenues from the sale of goods, including products and commodities, are recognized when all the following conditions are satisfied:

· Significant risks and rewards of ownership of the goods have been transferred to the buyer;

· Neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold is retained;

· The amount of revenue can be measured reliably;

· It is probable that the economic benefits associated with the transaction will flow to the Company; and

· The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If there are any trade discounts, volume rebates, etc., with respect to revenues from the sale of products and commodities, they are deducted from revenues.

Revenues from the rendering of services are recognized when all of the following conditions are met, by reference to the stage of completion of the transaction at the end of the fiscal year:

· The amount of revenue can be measured reliably;

· It is probable that the economic benefits associated with the transaction will flow to the Company;

· The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

· The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenues are recognized only to the extent of the expenses that are deemed recoverable.

(i) Various streams of revenue

(a) Sale of products and commodities

The Company acts as a principal seller in manufacturing and other activities. It also acts as a principal in various trading transactions where the Company carries commodity inventory and generates a profit or loss on the spread between the bids and ask prices for commodities. Delivery in these transactions is considered to have occurred at the point in time when the delivery conditions, as agreed to by customers, have been met. This is generally when the goods have been delivered to and accepted by the customer, title to the goods has been transferred, or the implementation testing has been duly completed.

(b) Construction contracts

The Company enters into long-term construction contracts as part of its manufacturing business. Revenues from long-term construction projects are accounted for using the percentage-of-completion method in cases where the estimated costs to complete and extent of progress toward completion of long-term contracts are measured reliably and there is an enforceable agreement between the parties who can fulfill the obligations. Otherwise, construction revenue is recognized to the extent of construction costs that are deemed recoverable.

If the amount of cost incurred plus profit exceeds the billing amount at that point in time, the excess amount is recognized in "Trade and other receivables," but if the amount is less than the billing amount at that point in time, the shortfall is recognized as "Trade and other payables." Amounts received prior to the completion of work are recognized in "Advances" from customers.

(c) Rendering of services and other services

The Company performs other activities which consist of services and rental or leasing activities. Service-related activities include performance of various services such as financial and logistics services, information and communications, technical support, and other service-related activities. The Company is engaged in certain rental activities or leasing of properties, including office buildings, aircraft, and other industrial assets. Revenues from service-related activities are recognized when the contracted services have been rendered to third-party customers pursuant to the agreement. Refer to (9) Leases for revenues from rental or leasing activities.

(ii) Transactions performed as an agent

The Company acts as an agent and records revenues earned from margins and commissions related to various trading transactions in which it acts as an agent. Through these trading activities, the Company facilitates its customers' purchases and sales of commodities and other products, and earns a commission for this service. The trading margins and commissions are recognized when revenue recognition criteria have been met.

(iii) Gross and net presentation of revenues

The Company presents revenues on a gross basis in the consolidated statement of income for transactions traded in which the Company is the primary obligor in the sale of products and commodities with general inventory risk before customer orders and in services with significant risk.

For the sale of goods, construction contracts and the rendering of services traded in which the Company acts as an agent, the revenues are presented in the consolidated statement of income on a net basis.

(Translation)

(19) Service concession arrangements

A service concession arrangement is an arrangement between the "grantor" (a public sector entity) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise.

With respect to service concession arrangements, revenue and costs are allocated between those relating to construction services and those relating to operation services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable.

When the amount of the arrangement consideration (including minimum revenue guarantee) for the provision of public services is substantially fixed by a contract, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration as a financial asset. The Company accounts for such financial assets in accordance with IFRS 9 "Financial Instruments," and calculates interest income based on the effective interest method and recognizes it in profit or loss.

(20) Government grants

Government grants are not recognized until there is reasonable assurance that the entity will comply with the conditions attached to the grants and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Government grants that are mainly conditional upon the Company acquiring non-current assets by purchase, construction or other method are recognized by deducting the grants from the carrying amount of the assets in the consolidated statement of financial position and are reclassified into profit or loss on a systematic basis based on reasonable criteria over their useful lives.

(21) Income taxes

Income tax expenses consist of current and deferred taxes. They are recognized in profit or loss, excluding those related to business combinations and items recognized directly in equity or other comprehensive income.

Deferred taxes are recognized for temporary differences between the financial statement and income tax bases of assets and liabilities.

For taxable temporary differences concerning subsidiaries, associates, and joint arrangements, deferred tax liabilities are recognized. However, deferred tax liabilities are not recognized in cases where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences concerning subsidiaries, associates, and joint arrangements are recognized only to the extent that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized only with respect to unused tax losses, unused tax credits, and deductible temporary differences where it is probable that future taxable income will be reduced. The recoverability of deferred tax assets is reviewed at the end of each period, and the Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

The Company recognizes an asset or liability for the effect of uncertainty in income taxes, and the asset or liability is measured at the amount of the reasonable estimate for uncertain tax positions when it is probable, based on the Company's interpretation of tax laws, that the tax positions will be sustained.

The Parent and its wholly owned domestic subsidiaries file a consolidated corporate income tax return as a consolidation group.

(22) Fair value measurements

Certain assets and liabilities are required to be recognized at fair value. The estimated fair values of those assets and liabilities have been determined using market information such as quoted market price and valuation methodologies such as market approach, income approach, and cost approach. There are three levels of inputs that may be used to measure fair value.

(i) Level 1

Quoted prices (unadjusted) in active markets in which transactions take place with sufficient frequency and volume on an ongoing basis for identical assets or liabilities that the Company can access at the measurement date.

(ii) Level 2

Quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

(Translation)

(iii) Level 3

Unobservable inputs for the assets or liabilities that reflect the assumptions that market participants would use when pricing the assets or liabilities. The Company develops unobservable inputs using the best information available in the circumstances, which might include the Company's own data.

(Translation)

Notes Concerning Consolidated Statement of Financial Position

1. Assets pledged as collateral

(1) Pledged assets

Trade and other receivables (current and non-current)	113,638 million yen
Other investments (current and non-current)	468,447 million yen
Property, plant, and equipment (less accumulated depreciation and accumulated impairment losses)	105,818 million yen
Investment property (less accumulated depreciation and accumulated impairment losses)	45,154 million yen
Others	13,946 million yen
Total	747,003 million yen

(2) Liabilities with the pledged assets listed above

Short-term debt	26,034 million yen
Long-term debt	188,003 million yen
Guarantees of contracts and others	532,966 million yen
Total	747,003 million yen

2. Accumulated depreciation and impairment losses on property, plant, and equipment 1,673,477 million yen

3. Accumulated depreciation and impairment losses on investment properties 24,728 million yen

4. Accumulated amortization and impairment losses on intangible assets 171,636 million yen

5. Guarantees

Financial guarantees	570,150 million yen
Performance guarantees	168,786 million yen
Total	738,936 million yen

These guarantees are credit enhancements in the form of standby letters of credit and performance guarantees in order to enable the Company's customers, suppliers, and associates to execute transactions or obtain desired financing arrangements with third parties.

Notes Concerning Consolidated Statement of Changes in Equity

1. Number of shares issued at the end of the fiscal year Common stock 1,590,076,851 shares

2. Matters concerning dividends

(1) Matters concerning dividends paid during the fiscal year under review

Resolution	Class of Shares	Total Dividend	Dividend per Share	Record Date	Effective Date
June 23, 2017 Ordinary General Meeting of Shareholders	Common stock	79,276 million yen	50 yen	March 31, 2017	June 26, 2017
November 6, 2017 Board of Directors Meeting	Common stock	74,530 million yen	47 yen	September 30, 2017	December 1, 2017

(2) Matters concerning dividends to be paid after the end of the fiscal year under review

The Parent plans to submit the following proposal for approval at the Ordinary General Meeting of Shareholders on June 22, 2018.

Total dividend:	99,916,047,189 yen
Dividend per share of common stock:	63 yen
Effective date:	June 25, 2018
Source of funds for dividend:	Retained earnings
Record date:	March 31, 2018

(Translation)

3. Number of shares resulting from the potential exercise of stock acquisition rights at the end of the fiscal year
3,600,800 shares of common stock (excluding shares for which the exercise period has not commenced)

Notes Concerning Financial Instruments

1. Matters concerning financial instruments

The Company, in the normal course of its business, deals with various financial instruments. The Company engages in business transactions with a significant number of customers in a wide variety of industries all over the world, and its receivables from, and guarantees to, such parties are broadly diversified. Consequently, in management's opinion, there is no significant concentration of credit risk in any particular region or to any specific customer. The Company manages credit risk of these financial instruments by setting and approving credit limits and by periodically monitoring the credit standing of counterparties based on the Company's credit risk management policies. The Company requires collateral to the extent considered necessary.

As for derivative transactions, the Company enters into various derivative contracts in accordance with its risk management policy to mitigate specific risks.

2. Matters concerning fair value of financial instruments

The fair value of financial instruments has been determined using available market information, such as quoted market prices, or valuation methodologies, such as the market, income, or cost approaches.

The following assumptions and methods were used to calculate the fair value of each class of financial instrument:

The fair values of investments in marketable securities included in "Short-term investments" and "Other investments" are estimated using quoted market prices in active markets or quoted prices for identical or similar assets in markets that are not active. The fair values of non-marketable investments are estimated primarily using the discounted present value of future cash flows, comparison with similar transactions, the value of net assets per share, and third-party valuations.

For trade and other receivables that have relatively short maturities, the carrying amounts approximate fair value. The fair values of trade and other receivables that do not have short-term maturities are determined using a discounted cash flow based on estimated future cash flows, which incorporate the characteristics of the receivables, including principal and contractual interest rates, and discount rates reflecting the Company's assumptions related to credit spread.

For trade and other payables that have relatively short maturities, the carrying amounts approximate fair value. The fair values of trade and other payables that do not have short-term maturities are determined using estimated future cash flows discounted by the interest rate applied to new debt the Company incurred with similar remaining maturities and conditions.

The fair values of borrowings are estimated based on the present value of estimated future cash flows using interest rates that are currently available to the Company for debt with similar terms and remaining maturities.

The fair values of derivative assets and derivative liabilities are estimated by a market approach using observable market inputs, such as quoted prices, interest rates, and foreign exchange rates, and unobservable inputs such as forward contracts. Derivative assets are included under "Other financial assets" and "Other current assets" and derivative liabilities are included under "Other financial liabilities" and "Other current liabilities."

The breakdown of carrying amounts and fair values of financial instruments as of March 31, 2018 is as follows:

(Millions of Yen)

	As of March 31, 2018	
	Carrying Amount	Fair Value
Financial assets:		
Short-term investments and other investments	¥2,212,561	¥2,212,494
Trade and other receivables	3,659,413	3,681,237
Derivative assets	193,653	193,653
Financial liabilities:		
Trade and other payables	2,792,704	2,791,208
Bonds and borrowings	4,954,395	4,967,983

Derivative liabilities	104,923	104,923

(Figures less than one million yen are rounded to the nearest million.)

Notes Concerning Investment Property

1. Matters concerning investment property

The Company holds investment property, including office buildings, commercial facilities, and other property for rent in Tokyo and other regions.

2. Matters concerning fair value of investment property

As of March 31, 2018, the carrying amount of investment property was 72,192 million yen and the fair value was 83,486 million yen.

The carrying amount is calculated as the acquisition cost, net of accumulated depreciation and accumulated impairment losses.

The fair value is determined based on evaluations obtained from independent appraisers with recent appraisal experience in relation to the location and real estate type and with publically certified qualifications suited to a specialist, such as a real estate appraiser. These evaluations are based on an income approach utilizing input information, such as anticipated rental fees and discount rates.

Notes Concerning Per-Share Information

Total equity attributable to owners of the Parent per share	3,362.34 yen
Basic profit (loss) for the year attributable to owners of the Parent per share	353.27 yen
Diluted profit (loss) for the year attributable to owners of the Parent per share	352.44 yen

Notes Concerning Significant Subsequent Events

There have been no significant subsequent events.

(Translation)

Non-consolidated Balance Sheet

(Millions of Yen)

Item	As of March 31, 2017 (Reference only)	As of March 31, 2018
ASSETS		
Current assets	¥2,684,263	¥2,633,117
Cash and time deposits	839,781	731,887
Trade notes receivable	107,321	113,669
Trade accounts receivable	779,484	820,116
Short-term investments	19,215	5,138
Inventories	159,802	153,597
Real estate for sale	7,251	5,281
Advance payments to suppliers	194,445	136,134
Accounts receivable – Other	138,000	126,772
Short-term loans	373,880	455,124
Deferred tax assets – current	17,830	24,538
Other current assets	53,025	63,795
Allowance for doubtful receivables	(5,777)	(2,940)
Fixed Assets	4,746,526	4,772,311
Net property, plant, and equipment	129,641	126,754
Buildings and structures	38,466	36,391
Land	85,645	85,678
Construction in progress	825	86
Other property, plant, and equipment	4,703	4,597
Intangible assets	43,479	42,069
Software	38,941	35,396
Software in progress	3,725	6,168
Other intangible assets	812	504
Total investments and other assets	4,573,405	4,603,487
Investment securities	951,089	867,285
Investments in affiliates – stock	3,019,091	3,123,414
Other investments in affiliates	23,536	21,634
Investments into capital	16,261	16,446
Investments in affiliates into capital	149,223	149,830
Long-term loans receivable	336,974	340,066
Noncurrent trade receivables	9,924	30,228
Long-term prepaid expenses	62,701	55,699
Other investments	32,653	27,487
Allowance for doubtful receivables	(28,049)	(28,604)

Item	As of March 31, 2017 (Reference only)	As of March 31, 2018
LIABILITIES AND EQUITY		
Current liabilities	¥1,718,173	¥1,789,613
Trade notes payable	45,372	43,332
Trade accounts payable	631,020	656,593
Short-term borrowings	402,277	576,253
Bonds due for redemption within one year	209,115	139,102
Accounts payable – other	133,326	139,869
Accrued expenses	45,686	50,135
Advances received	197,850	145,630
Deposit liabilities	22,778	24,526
Provision for directors' bonuses	230	373
Other current liabilities	30,515	13,795
Noncurrent liabilities	3,305,509	2,931,604
Long-term borrowings	2,317,141	2,032,950
Bonds	868,871	776,852
Accrued pension and severance liabilities	2,625	2,855
Retirement provision for directors and executive officers	1,870	1,767
Provision for loss on guarantees of obligations	44,765	31,669
Provision for special repairs	661	739
Provision for environmental measures	11,400	11,400
Provision for loss on lease agreements	1,240	—
Deferred tax liabilities – noncurrent	42,774	53,270
Asset retirement obligations	1,766	1,795
Other noncurrent liabilities	12,391	18,302
Total liabilities	5,023,683	4,721,218
EQUITY		
Shareholders' equity	2,104,420	2,315,454
Common stock	204,446	204,446
Capital surplus	214,161	214,161
Additional paid-in capital appropriated for legal reserve	214,161	214,161
Retained earnings	1,697,928	1,907,769
Retained earnings appropriated for legal reserve	31,652	31,652
Other retained earnings	1,666,275	1,876,116
Reserve for deferred gain on sales of property	11,543	11,543
General reserve	1,527,760	1,511,760
Unappropriated retained earnings	126,972	352,812
Treasury stock	(12,115)	(10,922)
Valuation and translation adjustments	300,232	365,155

(Translation)

			Unrealized gains and losses on other securities	336,641	392,034
Deferred assets	2,915	2,424	Deferred hedging gains and losses	(36,409)	(26,878)
Bond issuance cost	2,915	2,424	Stock acquisition rights	5,368	6,025
			Total equity	2,410,021	2,686,635
Total assets	¥7,433,705	¥7,407,853	Total liabilities and equity	¥7,433,705	¥7,407,853

(Figures less than one million yen are rounded down.)

(Translation)

Non-consolidated Statement of Operations

(Millions of Yen)

Item	Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017) (Reference only)	Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)
Net sales	¥5,216,706	¥5,233,193
Cost of sales	(5,098,941)	(5,119,457)
Gross profit	117,765	113,735
Selling, general, and administrative expenses	(216,943)	(224,149)
Operating loss	(99,178)	(110,413)
Non-operating income	380,673	580,022
Interest income	30,144	35,454
Dividend income	305,952	470,705
Gains on sales of property, plant, and equipment	113	356
Gains on sales of investment securities	28,375	35,973
Unrealized gains on investment securities	206	1
Gain on reversal of provision for doubtful receivables from affiliates	5,892	13,985
Other income	9,988	23,545
Non-operating expenses	(177,787)	(115,032)
Interest expense	(19,428)	(23,750)
Foreign exchange losses	(16,886)	(20,682)
Loss on sales and disposals of property, plant and equipment	(724)	(546)
Impairment losses	(4)	(299)
Loss on sales of investment securities	(14,993)	(5,496)
Loss on write-down of investment securities	(113,517)	(57,738)
Other expenses	(12,232)	(6,518)
Ordinary income	103,707	354,576
Income before income taxes	103,707	354,576
Income taxes – current	16,633	(1,671)
Income taxes – deferred	7,464	11,238
Net income	¥127,805	¥364,143

(Figures less than one million yen are rounded down.)

(Translation)

Non-consolidated Statement of Changes in Equity

(Millions of Yen)

Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017) (Reference only)														
	Shareholders' equity									Valuation and translation adjustments			Stock acquisition rights	Total equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity	Unrealized gains on other securities	Deferred hedging gains	Total valuation and translation adjustments		
		Additional paid-in capital appropriated for legal reserve	Other capital surplus	Retained earnings appropriated for legal reserve	Other retained earnings									
					Reserve for deferred gain on sales of property	General reserve	Unappropr-iated retained earnings							
Balance as of April 1, 2016	¥204,446	214,161	—	31,652	11,543	1,855,760	(240,720)	(14,470)	2,062,373	311,281	(43,278)	268,003	5,854	2,336,230
Changes during the fiscal year														
Dividends							(87,170)		(87,170)					(87,170)
Transfer to general reserve						(328,000)	328,000		—					—
Net income							127,805		127,805					127,805
Purchases of treasury stock								(9)	(9)					(9)
Sales of treasury stock							(942)	2,364	1,422					1,422
Net changes in items other than shareholders' equity during the fiscal year									—	25,359	6,869	32,228	(485)	31,743
Total changes during the fiscal year	—	—	—	—	—	(328,000)	367,692	2,355	42,047	25,359	6,869	32,228	(485)	73,790
Balance as of March 31, 2017	204,446	214,161	—	31,652	11,543	1,527,760	126,972	(12,115)	2,104,420	336,641	(36,409)	300,232	5,368	2,410,021

(Figures less than one million yen are rounded down)

(Millions of Yen)

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)														
	Shareholders' equity									Valuation and translation adjustments			Stock acquisition rights	Total equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity	Unrealized gains on other securities	Deferred hedging gains	Total valuation and translation adjustments		
		Additional paid-in capital appropriated for legal reserve	Other capital surplus	Retained earnings appropriated for legal reserve	Other retained earnings									
					Reserve for deferred gain on sales of property	General reserve	Unappropr-iated retained earnings							
Balance as of April 1, 2017	¥204,446	214,161	—	31,652	11,543	1,527,760	126,972	(12,115)	2,104,420	336,641	(36,409)	300,232	5,368	2,410,021
Changes during the fiscal year														
Dividends							(153,806)		(153,806)					(153,806)
Transfer to general reserve						(16,000)	16,000		—					—
Net income							364,143		364,143					364,143
Purchase of treasury stock								(15)	(15)					(15)
Sales of treasury stock							(496)	1,208	712					712
Net changes in items other than shareholders' equity during the fiscal year									—	55,393	9,530	64,923	656	65,580
Total changes during the fiscal year	—	—	—	—	—	(16,000)	225,840	1,192	211,033	55,393	9,530	64,923	656	276,614
Balance as of March 31, 2018	204,446	214,161	—	31,652	11,543	1,511,760	352,812	(10,922)	2,315,454	392,034	(26,878)	365,155	6,025	2,686,635

(Figures less than one million yen are rounded down)

(Translation)

Notes to Non-consolidated Financial Statements

Notes Concerning Significant Accounting Policies (Non-consolidated Financial Statements for the Year Ended March 31, 2018)

1. Measurement and Valuation Method of Inventories

Inventories held for ordinary sale are measured at the lower of cost or net realizable value. Cost is determined by the average cost method or specific identification method.

2. Measurement and Valuation Method of Securities

Securities are measured as follows:

- Held-to-maturity securities: at amortized cost
- Securities issued by subsidiaries and affiliated companies: at cost (the cost of securities sold is determined based on the moving average method)
- Other securities
  Marketable securities: at fair value as determined by the market value at the end of the fiscal year
  (Unrealized gains and losses are recorded in equity. The cost of securities sold is determined based on the moving average method.)
  Non-marketable securities: at cost, based on the moving average method

3. Derivatives

Derivatives are measured at market value.

For those derivative financial instruments used to manage exposures to fluctuations in foreign exchange rates, interest rates, and commodity prices, hedge accounting is applied when the hedge effectiveness requirements are met.

4. Depreciation Method of Property, Plant, and Equipment

Depreciation of property, plant and equipment (excluding leased assets) is calculated using the declining-balance method. However, depreciation of buildings (excluding fixtures) acquired after March 31, 1998, as well as facilities attached to buildings and other structures acquired after March 31, 2016, is calculated using the straight-line method.

Intangible assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method, based on an estimated useful life of no more than 15 years.

Leased assets under finance leases other than those that transfer ownership are depreciated using the straight-line method, based on the lease term as the useful life, and residual value of zero.

5. Amortization Method of Deferred Assets

Bond issuance expenses are amortized by the interest method over the bond term.

6. Foreign Currency Translation of Assets and Liabilities

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at year-end exchange rates with the resulting exchange gains or losses recognized in the nonconsolidated statement of income.

7. Accounting for Allowance for Doubtful Receivables

The allowance for doubtful receivables is established, as to general allowance, based on the Parent's past credit loss experience, and as to individual doubtful receivables, based on evaluation of potential losses in the receivables outstanding.

8. Accounting for Provision for Directors' Bonuses

The provision for directors' bonuses represents the amount deemed to have been incurred in the fiscal year based on projected payments at the end of the fiscal year.

9. Accounting for Accrued Pension and Severance Liabilities

Accrued pension and severance liabilities are accounted for based on the projected benefit obligations and the plan assets at the balance sheet date.

The unrecognized net actuarial loss is amortized using the straight-line method over the average remaining service period of active employees in service from the following fiscal year. Prior service costs are amortized using the straight-line method over the average remaining service period of employees.

10. Accounting for Retirement Provision for Directors and Executive Officers

Retirement provisions for Directors and Executive Officers are provided at the amount of estimated retirement benefits to be paid at the end of the fiscal year based on calculation formulas in the by-laws.

The retirement bonuses plan for Directors and Executive Officers was abolished in the fiscal year ended March 31, 2008. The provision balance as of March 31, 2018 relates to the previous plan.

(Translation)

11. Accounting for Provision for Loss on Guarantees of Obligations

The Parent provides for contingent losses on guarantees of obligations of subsidiaries and other parties in the amount deemed necessary in consideration of their financial conditions and other factors.

12. Accounting for Provision for Special Repairs

The provision for special repairs is provided at the amount allocated to the period based on the estimated amount of expenses required for mandated regular open inspections of oil storage tanks.

13. Accounting for Provision for Environmental Measures

The provision for environmental measures is provided in the amount deemed necessary to cover expenditures for the cost of transport, treatment, and other processing of waste materials for which treatment is mandated by laws and regulations.

14. Accounting for Provision for Loss on Lease Contracts

The provision for loss on lease contracts is provided in the amount deemed necessary for any losses that arise during the non-cancellation period when facilities can no longer be expected to be utilized by the Company, through in-house use, resale, or other means, in accordance with facility rental agreements.

15. Accounting for Consumption Tax and Similar Local Taxes

Consumption tax and similar local taxes are excluded from income and expenses.

16. Income Taxes

The Parent applies the consolidated tax return filing system.

(Translation)

Notes to Non-consolidated Balance Sheet

1. Assets pledged as collateral and significant liabilities with collateral

(1) Assets pledged as collateral

Short-term loans	3	million yen
Short-term investments	40	million yen
Investment securities	7,440	million yen
Investments in affiliates – stock	67,600	million yen
Investments in affiliates into capital	2,448	million yen
Buildings and structures	7,459	million yen
Land	6,695	million yen
Long-term loans	46	million yen
Other	18,320	million yen
Total	110,054	million yen

(Note)
"Other" consists primarily of lease deposits and guarantees related to operating transactions and derivative transactions

(2) Significant liabilities with collateral

Deposit liabilities	282	million yen
Other	11,044	million yen
Total	11,326	million yen

2. Accumulated depreciation for property, plant, and equipment 82,765 million yen

3. Credit guarantee of indebtedness

Guarantees for borrowings from banks and others by customers and suppliers

(Affiliate) PE WHEATSTONE PTY LTD.	164,286	million yen
(Affiliate) PETRO-DIAMOND SINGAPORE (PTE) LTD.	143,190	million yen
(Affiliate) Mitsubishi Corporation RtM Japan Ltd.	137,077	million yen
(Affiliate) MC FINANCE AUSTRALIA PTY LTD.	132,237	million yen
(Affiliate) TRI PETCH ISUZU LEASING CO., LTD.	121,727	million yen
(Affiliate) MITSUBISHI DEVELOPMENT PTY LTD.	115,387	million yen
(Affiliate) MITSUBISHI CORPORATION FINANCE PLC	106,612	million yen
(Affiliate) CUTBANK DAWSON GAS RESOURCES LTD.	93,805	million yen
(Affiliate) PT. DIPO STAR FINANCE	84,047	million yen
Others (178 companies)	1,260,920	million yen
Total	2,359,293	million yen

The table above includes quasi-guarantees on bank loans and other liabilities.
In addition to the above, the Parent has a Keep Well Agreement with Mitsubishi International Corporation, an affiliate, in connection with the issuance of its commercial paper and other financial obligations. Although the agreement does not present a guarantee by the Parent to service the debt obligations of this affiliate, it promises the Parent will provide funds for pledging to financial and other institutions in the event that the affiliate experiences either a decline in net assets below a predetermined amount or a shortage in current assets required for paying its debt obligations.
However, as of the end of the fiscal year, this affiliate had maintained net assets above the predetermined amount and had experienced no shortage in current assets.
In addition to the above-mentioned credit guarantees for borrowings from banks and others by customers and suppliers, the Parent provides performance guarantees for LNG projects. These performance guarantees are guarantees for the future funding commitment in accordance with the joint venture agreement, and guarantees of the payment of usage fees for natural gas liquefaction facilities. These guarantees amounted to 647,681 million yen as of March 31, 2018. The main projects included in the above are those in North America and Australia.

(Translation)

4. Trade notes discounted		43,863	million yen
5. Due from/to affiliates:	Short-term receivables	701,133	million yen
	Long-term receivables	343,563	million yen
	Short-term payables	345,919	million yen

Notes to Non-consolidated Statement of Income

1. Transactions with affiliates

Operating transactions		
Sales	1,616,429	million yen
Purchases	1,188,940	million yen
Transactions other than operating transactions	438,374	million yen

Transactions with affiliates include the annual amount of transactions with Mitsubishi Motors Corporation.

2. Gain on reversal of provision for doubtful receivables from affiliates

Gain on reversal of provisions for doubtful receivables from affiliates primarily include reversal of provisions for doubtful receivables and for loss on guarantees of obligations of affiliates, net of provisions.

Notes to Statement of Changes in Equity

Number of shares of treasury stock at the end of the fiscal year	Common stock	4,107,848 shares

Notes Concerning Income Tax Effects

1. Breakdown of the significant components of deferred tax assets and liabilities

Deferred tax assets		
Provisions (provision for doubtful receivables and provision for loss on guarantees)	19,208	million yen
Accrued expenses	12,736	million yen
Loss on write-down of investment securities	212,826	million yen
Deferred hedging gains and losses	13,880	million yen
Tax loss carry forwards	17,841	million yen
Other	32,780	million yen
Subtotal	309,273	million yen
Less valuation allowance	(148,055)	million yen
Total deferred tax assets	161,218	million yen
Deferred tax liabilities		
Unrealized gain on other securities	(166,710)	million yen
Gain on write-up of investment securities	(9,413)	million yen
Other	(13,825)	million yen
Total deferred tax liabilities	(189,950)	million yen
Net deferred tax assets (liabilities)	(28,732)	million yen
Current assets	24,538	million yen
Non-current liabilities	(53,270)	million yen

2. Reconciliation of the combined statutory income tax rate to the effective income tax rate after giving effect to income tax allocation

Statutory effective tax rate	30.9%
(Adjustments)	
Expenses not deductible for income tax purposes	0.5%
Dividends	(34.7%)

(Translation)

Foreign tax	1.5%
Combined income of special foreign subsidiaries, etc.	0.8%
Valuation allowance	(1.0%)
Other	(0.7%)
Burden ratio, such as corporation tax after application of tax-effect accounting	(2.7%)

(Translation)

Notes Concerning Transactions with Related Parties

Category	Name of Company	Ownership Interest of Voting Rights	Relationship with Related Party	Transactions	Transaction Amount (Million yen)	Financial Line Items	Year-End Balance (Million yen)
Subsidiary	MC FINANCE & CONSULTING ASIA PTE. LTD.	Directly held 100%	Advance of funds	Advance of funds (Notes 1 and 2) Interest received (Note 1)	157,781 2,800	Short-term loans Long-term loans Others (current assets)	44,946 82,959 249
Subsidiary	MITSUBISHI CORPORATION FINANCE PLC	Directly held 100%	Advance of funds	Advance of funds (Notes 1 and 2) Interest received (Note 1)	37,853 582	Short-term loans Others (current assets)	184,857 92
			Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	106,612 208	—	—
Subsidiary	Mitsubishi International Corporation	Indirectly held 100%	Advance of funds	Advance of funds (Notes 1 and 2) Interest received (Note 1)	110,518 1,627	Short-term loans Others (current assets)	169,984 110
Subsidiary	MAI Corporation	Directly held 100%	Advance of funds	Advance of funds (Notes 1 and 2) Interest received (Note 1)	2,979 16	Long-term loans Others (current assets)	120,853 16
Subsidiary	Mitsubishi Corporation Financial & Management Services (Japan) Ltd.	Directly held 100%	Borrowing of funds	Borrowing of funds (Notes 1 and 2) Interest expenses (Note 1)	72,544 27	Short-term Borrowings Others (current liabilities)	86,862 7
Subsidiary	MITSUBISHI DEVELOPMENT PTY LTD.	Directly held 100%	Borrowing of funds	Borrowing of funds (Notes 1 and 2) Interest expenses (Note 1)	9,843 232	Short-term Borrowings Others (current liabilities)	106,158 115
			Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	115,387 280	—	—
Subsidiary	PETRO DIAMOND SINGAPORE (PTE) LTD.	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	143,190 5	—	—
Subsidiary	Mitsubishi Corporation RtM Japan Ltd.	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	137,077 30	—	—
Affiliated company	PE WHEATSTONE PTY LTD.	Indirectly held 39.66%	Guarantee obligations	Guarantee obligations (Notes 3 and 4) Receipt of guarantee fees (Note 3)	164,286 1,302	—	—
Subsidiary	MC FINANCE AUSTRALIA PTY LTD.	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 5)	132,237	—	—
Subsidiary	TRI PETCH ISUZU LEASING CO., LTD.	Directly held 43.50% Indirectly held 50%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	121,727 84	—	—

(Translation)

Subsidiary	PT. DIPO STAR FINANCE	Indirectly held 95%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	84,047 814	—	—
Subsidiary	CUTBANK DAWSON GAS RESOURCES LTD.	Indirectly held 100%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	93,805 436	—	—

Transaction terms and policy

(Notes)

1. The Parent determines conditions of advances and borrowings reasonably based on market interest rates.
2. Transaction amount of the Parent determines conditions of advances and borrowings set as average balance during the period.
3. The Parent provides guarantees for bank loans and receives a guarantee fee based on market interest rates.
4. In connection with the LNG project in Australia discussed under "3. Credit guarantee of indebtedness" in "Notes to Non-consolidated Balance Sheet," the Parent provides a joint performance guarantee for the affiliated company.
5. Almost all of the assets used to fund the repayment of the bank loans of the Company are advances of funds to the Parent's related parties, and the Parent provides guarantees separately for those advances of funds and receives guarantee fees. Therefore, the Parent does not receive a guarantee fee from the company for guarantees for the bank loans of the company.
6. In addition to the above, in connection with LNG projects in North America discussed under "3. Credit guarantee of indebtedness" in "Notes to Non-consolidated Balance Sheet," Mitsubishi Corporation provides performance guarantees for its subsidiaries.

Notes Concerning Per Share Information

Net assets per share	1,690.20 yen
Basic net income per share	229.64 yen
Diluted net income per share	229.10 yen

Note Concerning Notes Maturing on the Last Day of the Fiscal Year

Notes maturing on the last day of the fiscal year are recognized on the clearance date. Moreover, since the last day of the fiscal year under review was a holiday for financial institutions, the following mature notes are included in the year-end balance for the fiscal year under review.

Trade notes receivable	3,709 million yen
Trade notes payable	1,239 million yen

Notes Concerning Significant Subsequent Events

There have been no significant subsequent events.

(Translation)

Consolidated Statement of Comprehensive Income (Reference only) (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)
Profit (loss) for the year	¥480,074	¥610,416
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss for the year		
Gains (losses) on other investments designated as FVTOCI	111,869	10,086
Remeasurement of defined benefit pension plans	26,832	1,928
Share of other comprehensive income of equity method investees	5,471	(3,736)
Total	144,172	8,278
Items that may be reclassified to profit or loss for the year		
Cash flow hedges	1,359	(2,011)
Exchange differences on translating foreign operations	(62,975)	(16,825)
Share of OCI of equity method investees	(65,307)	4,488
Total	(126,923)	(14,348)
Total other comprehensive income (loss), net of tax	17,249	(6,070)
Total comprehensive income (loss)	¥497,323	¥604,346
Comprehensive income (loss) attributable to:		
Owners of the Parent	¥452,465	¥559,636
Non-controlling interests	44,858	44,710
	¥497,323	¥604,346

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Consolidated Statement of Cash Flows (Reference only) (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)
Operating activities		
Profit (loss) for the year	¥480,074	¥610,416
Adjustments to reconcile profit (loss) for the year to net cash provided by operating activities:		
Depreciation and amortization	201,117	254,038
Gains on investments	(83,288)	(4,365)
Losses on property, plant, and equipment	88,762	39,244
Finance income – net of finance costs	(82,852)	(126,901)
Share of (profit) loss of investments accounted for using the equity method	(117,450)	(211,432)
Income taxes	121,366	202,306
Changes in trade receivables	(226,319)	(366,807)
Changes in inventories	(115,595)	(60,265)
Changes in trade payables	194,692	224,839
Other – net	(55,342)	49,121
Dividends received	218,960	305,010
Interest received	85,010	89,258
Interest paid	(64,797)	(65,212)
Income taxes paid	(61,334)	(196,768)
Net cash provided by operating activities	583,004	742,482
Investing activities		
Payments for property, plant, and equipment	(160,055)	(277,456)
Proceeds from sales of property, plant, and equipment	26,924	178,882
Payments for investment property	(8,696)	(7,624)
Proceeds from disposal of investment property	26,893	9,252
Purchases of investments accounted for using the equity method	(139,747)	(359,511)
Proceeds from disposal of investments accounted for using the equity method	98,475	77,627
Acquisitions of businesses – net of cash acquired	(74,694)	(32,264)
Proceeds from disposal of businesses – net of cash divested	1,365	25,201
Purchases of other investments	(117,283)	(46,090)
Proceeds from disposal of other investments	135,994	127,883
Increase in loans receivable	(43,331)	(73,017)
Collection of loans receivable	100,307	49,137
Net increase in time deposits	(25,737)	10,397
Net cash used in investing activities	(179,585)	(317,583)

(Translation)

Item	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Financing activities		
Net decrease in short-term debts	(111,480)	53,562
Proceeds from long-term debts – net of issuance costs	671,204	300,556
Repayment of long-term debts	(1,190,052)	(770,267)
Payment of dividends	(87,170)	(153,806)
Payment of dividends to non-controlling interests	(19,722)	(39,834)
Payment for the acquisition of subsidiaries interests from non-controlling interests	(31,469)	(13,545)
Proceeds from the sales of a subsidiaries interest to non-controlling interests	16,535	69,021
Net decrease in treasury stock	(8)	(15)
Net cash used in financing activities	(752,162)	(554,328)
Effect of exchange rate changes on cash and cash equivalents	(6,703)	(10,624)
Net decrease in cash and cash equivalents	(355,446)	(140,053)
Cash and cash equivalents, beginning of year	1,500,960	1,145,514
Cash and cash equivalents, end of year	¥1,145,514	¥1,005,461

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Segment Information (Reference only) (Prepared based on IFRS)

(Millions of Yen)

	Global Environmental & Infrastructure Business	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total	Other	Adjustments and Eliminations	Consolidated
Fiscal year ended March 31, 2017											
Gross profit (loss)	¥38,013	60,195	37,663	414,766	182,061	112,976	473,224	1,318,898	7,850	1,890	1,328,638
Share of profit (loss) of investments accounted for using the equity method	23,229	13,733	25,278	2,690	5,252	12,059	34,851	117,092	1,191	(833)	117,450
Profit (loss) for the year attributable to owners of the Parent	23,420	35,531	55,477	147,901	29,437	26,732	121,344	439,842	(1,233)	1,684	440,293
Total assets	1,005,671	841,567	2,118,028	3,704,234	1,739,554	943,884	4,343,006	14,695,944	2,631,382	(1,573,769)	15,753,557
Fiscal year ended March 31, 2018											
Gross profit (loss)	¥38,140	49,949	55,711	452,804	195,593	116,154	971,796	1,880,147	7,081	(588)	1,886,640
Share of profit (loss) of investments accounted for using the equity method	37,345	28,250	44,076	33,521	28,768	16,170	23,644	211,774	1,166	(1,508)	211,432
Profit (loss) for the year attributable to owners of the Parent	44,594	44,185	20,273	261,028	85,176	30,585	74,742	560,583	(1,100)	690	560,173
Total assets	1,045,645	814,767	2,074,072	3,777,340	1,921,082	993,650	4,599,842	15,226,398	2,460,406	(1,649,815)	16,036,989

(Figures less than one million yen are rounded to the nearest million.)

(Notes)

1. "Other" represents the corporate departments that primarily provide services and operational support to the Company and affiliated companies.
   This column also includes certain revenues and expenses from business activities related to financing and human resource services that are not allocated to reportable operating segments.
   Unallocated corporate assets categorized in "Other" consist primarily of cash, time deposits, and securities for financial and investment activities.
2. "Adjustments and Eliminations" include certain income and expense items that are not allocated to reportable operating segments and intersegment eliminations.

(Translation)

INDEPENDENT AUDITOR'S REPORT

May 15, 2018

To the Board of Directors of Mitsubishi Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Yoshiaki Kitamura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kazuaki Furuuchi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kenichi Yoshimura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Noriaki Kobayashi

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of March 31, 2018 of Mitsubishi Corporation (the "Company") and its consolidated subsidiaries, and the consolidated statements of profit or loss and changes in equity for the fiscal year from April 1, 2017 to March 31, 2018, and related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from

material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2018, and the results of their operations for the year then ended.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(Translation)

INDEPENDENT AUDITOR'S REPORT

May 15, 2018

To the Board of Directors of Mitsubishi Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Yoshiaki Kitamura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kazuaki Furuuchi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kenichi Yoshimura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Noriaki Koabayashi

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet as of March 31, 2018 of Mitsubishi Corporation (the "Company"), and the related non-consolidated statements of operations and changes in equity for the fiscal year from April 1, 2017 to March 31, 2018, and a summary of significant accounting policies and other explanatory information, and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally

accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the non-consolidated financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2018, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

(Translation)

AUDIT REPORT OF THE AUDIT & SUPERVISORY BOARD (COPY)

This audit report was prepared following discussions based on the audit reports of each Audit & Supervisory Board Member concerning the conduct of the Directors in the execution of their duties during the Company's fiscal year from April 1, 2017 to March 31, 2018. The Audit & Supervisory Board submits its report as follows.

1. Methods and Details of Audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board determines auditing policies, the division of duties and other matters, and receives reports from each Audit & Supervisory Board Member on the status and results of audits. In addition, the Audit & Supervisory Board received reports from Directors, and the independent auditors, and others concerning the execution of their duties, and requested explanations when deemed necessary.

(2) In accordance with the auditing policies and division of duties and in conformity with standards for audits by Audit & Supervisory Board Members, as determined by the Audit & Supervisory Board, each Audit & Supervisory Board Member worked to gather information and create an effective audit environment by keeping channels of communication open with Directors, the Internal Audit Department, employees and others. At the same time, the Audit & Supervisory Board Members conducted audits through the following approach.

(a) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important management meetings, requested reports from Directors, employees and others concerning the execution of their duties as well as explanations when deemed necessary, and examined important documents supporting decisions and other records and surveyed the status of operations and assets at the Head Office and main offices. In addition, the Audit & Supervisory Board kept channels of communication open and exchanged information with Directors, Audit & Supervisory Board Members and other employees of subsidiaries, and received business reports from subsidiaries when deemed necessary.

(b) The Audit & Supervisory Board regularly received reports from Directors, employees and others about the operation of the internal control system, which was designed based on the Board of Directors resolutions, pursuant to Article 100, Paragraphs 1 and 3 of the Companies Act enforcement regulations as essential for ensuring the execution of duties by Directors described in the business report conforms with laws and the Company's Articles of Incorporation and for otherwise ensuring proper business conduct by the conglomerate consisting of the Company and its subsidiaries. The Audit & Supervisory Board requested explanations when deemed necessary and Audit & Supervisory Board Members expressed their opinions.

(c) Moreover, each Audit & Supervisory Board Member monitored and verified whether the independent auditors, Deloitte Touche Tohmatsu LLC, maintained independence and conducted proper audits. At the same time, reports were received from the independent auditor regarding the status of the execution of its duties, and explanations were requested where deemed necessary. The Audit & Supervisory Board also received notification from the independent auditors that it had established a system for ensuring that duties are performed properly, as prescribed by items in Article 131 of the Accounting Ordinance of the Companies Act, in accordance with the Standards for Quality Control of Audit, as issued by the Business Accounting Council on October 28, 2005. Explanations were requested where deemed necessary.

Based on the above approach, the Audit & Supervisory Board examined the accompanying supplemental schedules of the company as well as the business reports and the accompanying, consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, and consolidated statement of change in equity and a summary of significant accounting policies and other explanatory information) and non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of operations, non-consolidated statement of changes in equity, and a summary of significant accounting policies and other explanatory information) for the fiscal year under review.

(Translation)

2. Audit Results

(1) Results of Audit of Business Reports, etc.

As a result of these activities, we certify that:

(a) the business report and the accompanying supplemental schedules present the Company's situation correctly in accordance with laws and ordinances and the Articles of Incorporation of the Company;

(b) there was no improper behavior detected on the part of Directors in the conduct of their duties and no grave instances of violations of either applicable laws or ordinances or the Articles of Incorporation of the Company; and

(c) the details of the Board of Directors' resolutions concerning the internal control system were appropriate and adequate. Furthermore, there was nothing we must point out regarding the contents of the business report or the performance of duties by Directors in connection with said internal control system.

(2) Results of Audit of Consolidated Financial Statements

We confirm that the auditing method and results of the independent auditors, Deloitte Touche Tohmatsu LLC, are appropriate and adequate.

(3) Results of Audit of Non-consolidated Financial Statements and the Accompanying Supplemental Schedules

We confirm that the auditing method and results of the independent auditors, Deloitte Touche Tohmatsu LLC, are appropriate and adequate.

May 16, 2018

Mitsubishi Corporation Audit & Supervisory Board
Hideyuki Nabeshima
Senior Audit & Supervisory Board Member (full-time)

Hiroshi Kizaki
Audit & Supervisory Board Member (full-time)

Tadashi Kunihiro
Audit & Supervisory Board Member

Ikuo Nishikawa
Audit & Supervisory Board Member

Yasuko Takayama
Audit & Supervisory Board Member

(Note)
Audit & Supervisory Board Members Tadashi Kunihiro, Ikuo Nishikawa and Yasuko Takayama fulfill the conditions for Outside Audit & Supervisory Board Members as provided for in Article 2-16 and Article 335, Paragraph 3 of the Companies Act.

(Translation)

Information on Exercising Voting Right

Please refer to the Notice of 2018 Ordinary General Meeting of Shareholders (page 1) and exercise your voting right using one of the following methods.

- **Attend the general meeting of shareholders**

  Please submit your voting form to the receptionist at the venue.

  Time and date of the general meeting of shareholders is 10:00 a.m. on Friday, June 22, 2018 (Japan Time).

- **Mail**

  Please indicate your approval or disapproval of the proposals on the voting form and return it by mail.

  Voting forms must arrive no later than 5:30 p.m. on Thursday, June 21, 2018 (Japan Time).

- **Internet**

  Please access the Internet voting website (https://evote.tr.mufg.jp/) and enter your approval or disapproval of the proposals.

  Deadline for exercising voting right is 5:30 p.m. on Thursday, June 21, 2018 (Japan Time).

  ‣‣‣Please see the following page for details.

(Translation)

Procedures for Exercising Voting Right via the Internet

If you exercise your voting right via the Internet, please refer to the following. Access the Internet voting website via a computer, smartphone or mobile phone and follow the directions on the screen to exercise your voting right.

About the Internet Voting Website: https://evote.tr.mufg.jp/

Please note that the site cannot be accessed between 2 a.m. and 5 a.m. daily in Japan Time.

Access Procedures

(1) Once you have accessed to the Internet voting website, please enter your login ID and temporary password shown on the bottom right of the voting form. Please cast your vote by following the directions on the screen.
(2) To avoid unauthorized access and tampering, the website will ask you to set a new password once you log on to the website.

Notes

1. How We Process Multiple Votes

(1) If you exercise your voting right by both mail and via the Internet, the vote you enter via the Internet will be counted as valid.
(2) If you exercise your voting right multiple times via the Internet, the last vote you enter will be counted as valid.

2. Fees For Accessing the Internet Voting Website

The shareholder will pay all fees arising from accessing the Internet voting website (Internet connection fees, communications fees, etc.) via a computer, smartphone or mobile phone.

<**Institutional Investors**>

Please exercise your voting right using the voting platform operated by ICJ if you have applied to use it in advance.