

Mitsubishi Corporation and subsidiaries  
Consolidated Statements of Cash Flows  
for the six months ended September 30, 2004 and 2003 (unaudited)

	Millions of Yen	
	Six months ended Sept. 30, 2004	Six months ended Sept. 30, 2003
<b>. Operating activities:</b>		
Net income	89,396	60,560
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	60,413	53,889
Provision for doubtful receivables	2,380	429
(Gain) loss on marketable securities and investments - net	7,194	(10,821)
Loss on property and equipment - net	4,765	3,140
Equity in earnings of affiliated companies, less dividends received	(13,427)	(9,180)
Deferred income taxes	13,907	4,678
Changes in operating assets and liabilities:		
Short-term investments -trading securities	(24,376)	(33,931)
Notes and accounts receivable - trade	(105,213)	133,038
Inventories	(39,452)	8,570
Notes, acceptances and accounts payable - trade	11,897	(129,077)
Other - net	29,137	(7,395)
Net cash provided by operating activities	36,621	73,900
<b>. Investing activities:</b>		
Expenditures for property and equipment and other assets	(42,144)	(97,180)
Net increase in investments	(49,844)	(5,531)
Net decrease in loans receivable	29,217	1,624
Net decrease (increase) in time deposits	(2,801)	26,366
Net cash used in investing activities	(65,572)	(74,721)
<b>. Financing activities:</b>		
Net increase in short-term debt	79,887	15,798
Net increase (decrease) in long-term debt	(117,403)	61,865
Issuance of common stock upon exercise of stock options	36	3
Purchases of treasury stock	(82)	(21)
Payment of dividends	(12,530)	(6,265)
Net cash provided by (used in) financing activities	(50,092)	71,380
<b>. Effect of exchange rate changes on cash and cash equivalents</b>	2,902	4,583
<b>. Net increase (decrease) in cash and cash equivalents</b>	(76,141)	75,142
<b>. Cash and cash equivalents, beginning of period</b>	475,670	348,780
<b>. Cash and cash equivalents, end of period</b>	399,529	423,922

NOTE:

Tax effects on investments in affiliated companies are classified as "Deferred income taxes" for the six months ended September 30, 2004, which were formerly included in "Equity in earnings of affiliated companies, less dividends received." The figures for the six months ended September 30, 2003 have been reclassified to conform to the current period presentation.