

Basis of Consolidated Financial Statements

1. Basic Accounting Policies

The accompanying consolidated financial statements of Mitsubishi Corporation (*the Company*) and its subsidiaries (collectively, *the companies*) have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The significant differences between U.S. and Japanese accounting standards applicable to the companies relate to the followings:

- (1) Valuation of investments
- (2) Deferral of gain on sales of properties for tax purpose (Not permitted under U.S. GAAP)
- (3) Derivative instruments and hedge accounting
- (4) Pension and retirement benefit accounting (Underfunded obligations and overfunded obligations are recognized as assets, liabilities and other comprehensive income (loss) for U.S. GAAP)
- (5) Accounting for business combinations and goodwill and other intangible assets

2. Adjustments of Prior Year's Consolidated Financial Statements

In accordance with EITF No. 06-9 and SFAS No. 144, the Company has adjusted the consolidated financial statements for three months ended June 30, 2007, since certain subsidiaries changed their fiscal year ends to March 31, and certain operation had been classified as discontinued operations on March 31, 2008.

In accordance with APB No. 18, the Company has adjusted the consolidated financial statements for the three months ended June 30, 2007 and for the year ended March 31, 2008, since the Company acquired additional investments in cost method investees, and accounted for the Company's ownership interest in the investees under the equity method retroactively.

Adjustments to consolidated net income, total shareholders' equity and total assets in line with these adjustments are as follows:

(Millions of Yen)

Three months ended June 30, 2007

	Pre-adjustment	Adjustment	Adjusted
Consolidated net income	115,326	7,541	122,867
Total shareholders' equity	3,167,426	△14,631	3,152,795
Total assets	12,253,864	△41,551	12,212,313

Year ended March 31, 2008

	Pre-adjustment	Adjustment	Adjusted
Consolidated net income	462,788	8,071	470,859
Total shareholders' equity	2,873,210	300	2,873,510
Total assets	11,754,439	△3,998	11,750,441