

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 six months ended September 30, 2008, 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 six months ended September 30, 2008 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)

Six months ended September 30, 2008

	Pre-adjustment	Adjustment	Adjusted
Consolidated net income	237,725	9,402	247,127
Total shareholders' equity	3,124,460	△8,596	3,115,864
Total assets	12,329,294	△48,820	12,280,474

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

3. Notes concerning going concern assumption (unreviewed)

None

4. Segment information (unreviewed)

Six months ended September 30, 2008

	Millions of Yen										
	Business Innovation	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit.....	19,809	23,982	49,413	286,940	97,582	53,755	223,353	754,834	4,292	(1,863)	757,263
Equity in earnings of affiliated companies.....	1,331	2,663	29,338	27,810	12,472	7,207	11,064	91,885	628	(553)	91,960
Net income.....	(2,968)	726	46,432	153,793	26,396	16,962	19,593	260,934	23,750	4,515	289,199
Segment assets.....	188,646	914,757	1,826,082	3,677,382	2,237,584	883,851	2,275,280	12,003,582	1,531,998	(950,336)	12,585,244
Operating transactions.....	147,393	112,115	3,368,442	3,196,305	2,093,312	1,366,894	2,915,621	13,200,082	39,229	(58,738)	13,180,573

Six months ended September 30, 2007

	Millions of Yen										
	Business Innovation	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit.....	20,400	23,040	44,616	161,514	101,929	46,735	188,752	586,986	7,908	(6,495)	588,399
Equity in earnings of affiliated companies.....	1,135	1,380	20,460	21,409	14,542	5,462	10,499	74,887	(43)	(616)	74,228
Net income.....	(1,069)	9,615	40,631	82,395	34,912	19,614	25,428	211,526	25,622	9,979	247,127
Segment assets.....	188,298	744,019	1,860,689	3,449,247	2,252,842	876,772	2,321,908	11,693,775	1,485,440	(898,741)	12,280,474
Operating transactions.....	135,757	93,368	2,217,882	2,931,980	1,921,668	1,230,263	2,544,614	11,075,532	42,781	(63,303)	11,055,010

NOTE:

- (1) Operating transactions, as presented above, are voluntary disclosures solely for the convenience of investors in Japan. Operating transactions represent the gross transaction volume or the aggregate nominal value of the sales contracts in which the companies act as principal and transactions in which the companies serve as agent. Operating transactions exclude the contract value of transactions in which the companies' role is limited to that of a broker.
- Operating transactions, as presented above, are non-US GAAP measures commonly used by similar Japanese trading companies and should not be construed as equivalent to, or a substitute or proxy for, revenues, or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing or financing activities.
- (2) "Other" represents the Corporate Staff Section which primarily provides services and operational support to the companies and affiliates.
- This column also includes certain revenue 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" were 1,531,998 million yen and 1,485,440 million yen at September 30, 2008 and 2007 respectively, which consist primarily of cash, time deposits and securities for financial and investment activities.
- (3) As written in Note 2. of "Basis of Consolidated Financial Statements," the figures for the six months ended September 30, 2007 have been adjusted.

5. Notes concerning major changes in shareholders' equity (unreviewed)

None