

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 nine months ended December 31, 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 nine months ended December 31, 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)

Nine months ended December 31, 2007

	Pre-adjustment	Adjustment	Adjusted
Consolidated net income	345,560	9,212	354,772
Total shareholders' equity	3,057,671	△9,493	3,048,178
Total assets	12,359,024	△16,268	12,342,756

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

Nine months ended December 31, 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.....	30,292	36,828	59,153	481,896	138,974	75,890	338,818	1,161,851	7,370	(2,646)	1,166,575
Equity in earnings of affiliated companies.....	1,680	3,150	55,716	46,971	14,776	10,595	15,737	148,625	(2,029)	(278)	146,318
Net income.....	(2,124)	(4,634)	82,062	223,657	26,253	26,233	31,102	382,549	2,507	3,789	388,845
Segment assets.....	194,598	893,212	1,489,119	3,455,589	2,109,774	769,844	2,327,296	11,239,432	1,941,241	(1,045,654)	12,135,019
Operating transactions.....	223,247	164,230	4,429,382	4,642,695	2,868,944	1,797,084	4,325,073	18,450,655	58,759	(91,250)	18,418,164

Nine months ended December 31, 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.....	31,786	41,815	61,357	228,401	147,664	72,335	296,440	879,798	10,765	(5,125)	885,438
Equity in earnings of affiliated companies.....	1,605	1,998	30,596	31,395	24,301	7,425	15,315	112,635	(12)	(585)	112,038
Net income.....	(943)	16,240	60,813	128,301	53,798	27,957	40,939	327,105	20,068	7,599	354,772
Segment assets.....	200,437	727,407	1,877,955	3,345,866	2,252,372	906,486	2,470,688	11,781,211	1,316,403	(754,858)	12,342,756
Operating transactions.....	209,173	202,414	3,597,680	4,306,617	2,991,098	1,862,295	3,980,814	17,150,091	58,607	(82,366)	17,126,332

NOTE:

(1) Operating segment information above are not reviewed by the auditors.

(2) 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.

(3) "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 1,941,241 million yen and 1,316,403 million yen at December 31, 2008 and 2007 respectively,

which consist primarily of cash, time deposits and securities for financial and investment activities.

(4) As written in Note 2. of "Basis of Consolidated Financial Statements," the figures for the nine months ended December 31, 2007 have been adjusted.

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

None