

[Qualitative Information and Financial Position]

1. Qualitative Information Concerning Consolidated Operating Results

(1) Summary of Results for the Nine Months Ended December 31, 2009

The first nine months of the fiscal year ending March 31, 2010 saw the global economy put the worst of the recession behind and head for a modest recovery overall thanks to pump-priming measures and quantitative easing by major countries around the world.

In Japan, a recovery in exports and the beneficial effects of government stimulus put the economy back on a growth path. Notwithstanding, the economy continued to lack strength, with domestic private-sector demand failing to achieve a self-sustaining recovery.

Under these conditions, consolidated operating transactions for the nine months ended December 31, 2009 dropped 5,966.7 billion yen, or 32.4%, year on year to 12,451.5 billion yen, the result of lower commodity prices compared with the corresponding period of the previous fiscal year. Gross profit declined 418.0 billion yen, or 35.8%, to 748.6 billion yen, reflecting the impact of lower coking coal prices, lower sales volumes of steel products accompanying falling demand, and the impact of commodity price falls.

Selling, general and administrative expenses decreased 32.9 billion yen, or 5.0%, to 621.6 billion yen. This decline resulted from lower general and administrative expenses, including travel expenses, and decreased expenses at overseas subsidiaries due to the impact of the yen's appreciation.

Other P/L items collectively had a positive effect on earnings, mainly reflecting an improvement in gain (loss) on marketable securities and investments-net due to lower write-downs of shares year on year, as well as an improvement in foreign exchange gains and losses. On the other hand, there was a decrease in dividend income on account of lower resource prices.

As a result, income from continuing operations before income taxes decreased 265.0 billion yen, or 55.1%, to 215.9 billion yen.

Net equity in earnings of affiliated companies declined 67.7 billion yen, or 46.2%, to 78.7 billion yen, mainly due to lower earnings at overseas resource-related companies.

Accordingly, consolidated net income attributable to Mitsubishi Corporation dropped 203.3 billion yen, or 52.3%, to 185.6 billion yen.

(2) Segment Information

1) Industrial Finance, Logistics & Development Group

The Industrial Finance, Logistics & Development Group is developing *shosha*-type industrial finance businesses. These include merchant banking and M&A businesses such as asset management and buyout investment; asset finance and business development businesses such as leasing businesses and real estate funds; and businesses in other fields including real estate development, ownership and management, and logistics services and insurance.

For the first nine months of the fiscal year ending March 31, 2010, the segment recorded a consolidated net loss attributable to Mitsubishi Corporation of 7.7 billion yen, an increase of 3.1 billion yen year on year. Although fund investment-related earnings improved, the segment result was primarily due to share write-downs on Japan Airlines Corporation (JAL) and certain other shares and lower equity-method earnings from general leasing-related business in Japan.

2) Energy Business Group

The Energy Business Group, in addition to developing and investing in oil and gas projects, conducts trading activities in areas such as crude oil, petroleum products, liquefied petroleum gas (LPG), liquefied natural gas (LNG), and carbon materials and products.

The Energy Business Group recorded consolidated net income attributable

to Mitsubishi Corporation of 41.6 billion yen, a decrease of 40.5 billion yen year on year. This reflected lower earnings on transactions at overseas resource-related subsidiaries and lower equity-method earnings from overseas resource-related business investees both due to lower crude oil prices and the stronger yen. Another factor was the booking of losses related to fuel derivative transactions for a JAL subsidiary.

3) Metals Group

The Metals Group trades, develops businesses and invests in a range of fields. These include steel products such as steel sheets and thick plates, steel raw materials such as coking coal and iron ore, and non-ferrous raw materials and products such as copper and aluminum.

The segment recorded consolidated net income attributable to Mitsubishi Corporation of 84.7 billion yen, a decrease of 139.0 billion yen year on year. This result was mainly due to lower earnings on transactions and dividend income because of lower resource prices, as well as lower earnings at Metal One Corporation and losses related to fuel derivative transactions for a JAL subsidiary.

4) Machinery Group

The Machinery Group trades machinery in a broad range of fields, in which it also develops businesses and invests. These fields extend from large plants for producing essential industrial materials, including electricity, natural gas, petroleum, chemicals and steel, to equipment and machinery for transportation and distribution industries, including ships, trains and automobiles. It is also active in the aerospace and defense industries, and in general industrial equipment and machinery, including construction machinery, machine tools, and agricultural machinery.

The segment recorded consolidated net income attributable to Mitsubishi Corporation of 29.8 billion yen, up 3.5 billion yen year on year. Despite a pull-back from the higher ship charter rates in the first nine months of the fiscal year ended March 31, 2009 and lower transactions in machinery and equipment sold in large volumes, such as industrial machinery and construction equipment, the increase in overall segment earnings reflected

higher earnings at overseas Independent Power Producer (IPP) businesses and the absence of impairment losses on property and equipment recorded in the corresponding period of the fiscal year ended March 31, 2009.

5) Chemicals Group

The Chemicals Group trades and invests in the commodity chemicals and functional chemicals fields. Commodity chemicals include petrochemicals, olefins and aromatics, methanol, ammonia, chlor-alkali, fertilizer and inorganic chemicals. Functional chemicals include plastics, functional materials, electronic materials, food ingredients, and fine chemicals.

The segment recorded consolidated net income attributable to Mitsubishi Corporation of 25.7 billion yen, a 0.5 billion yen year-on-year decrease. Although there was an increase in equity-method earnings due to the reversal of deferred tax liabilities of a petrochemical business-related company, the largely flat segment earnings result was due in part to a decrease in earnings because of a pull-back from the strong commodity chemical transactions recorded at the parent company and subsidiaries in the first nine months of the fiscal year ended March 31, 2009.

6) Living Essentials Group

The Living Essentials Group trades in products including foods, clothing, paper, packaging materials, cement, construction materials, and medical equipment and provides various services in a wide range of areas from material procurement to the consumer market.

The segment recorded consolidated net income attributable to Mitsubishi Corporation of 32.5 billion yen, a decrease of 0.3 billion yen year on year, despite a boost to earnings from the absence of share write-downs recorded in the corresponding period of the previous fiscal year. This largely flat result reflected lower earnings on transactions at food-related businesses and general merchandise-related subsidiaries, and lower equity-method earnings at food-related businesses.