

## **(5) Notes Concerning Going Concern Assumption**

None

## **(6) Basis for Preparation of Consolidated Financial Statements**

### **1. Basic Accounting Policies**

The accompanying consolidated financial statements of Mitsubishi Corporation and its subsidiaries 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 following:

- (1) Valuation of investments
- (2) Deferral of gain on sales of properties for tax purposes (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) under U.S. GAAP)
- (5) Accounting for business combinations and goodwill and other intangible assets

### **2. Adjustments of Prior Year's Consolidated Financial Statements**

Mitsubishi Corporation adopted ASC Paragraph 810-10-65-1 [Consolidation-Overall-Transition] for the fiscal year relating to the quarterly fiscal period under review. Upon the adoption of ASC Paragraph 810-10-65-1 [Consolidation-Overall-Transition], noncontrolling interests, which were previously referred to as minority interests and classified between total liabilities and shareholders' equity on the consolidated balance sheets, are now included as a separate component of total equity. In addition, consolidated net income on the consolidated statements of income now includes the net income (loss) attributable to noncontrolling interests. These financial statement presentation requirements have been adopted retrospectively and prior year amounts in the consolidated financial statements including the consolidated statements of cash flows have been reclassified or adjusted to conform to ASC Paragraph 810-10-65-1 [Consolidation-Overall-Transition].