

Mitsubishi Corporation to Issue Stock Options (Stock Acquisition Rights) for a Stock-linked Compensation Plan

Mitsubishi Corporation has announced that at a meeting of the Board of Directors today a resolution was passed to issue stock acquisition rights to directors (excluding outside directors) and executive officers of the Company (hereinafter “Eligible Persons”) for the purpose of distributing stock options as stock-linked compensation. The resolution is subject to approval at the Annual General Meeting of Shareholders scheduled for June 24, 2005.

1. Purpose of Issuing Stock Acquisition Rights on Specially Favorable Conditions

The Company intends to issue stock acquisition rights, as outlined below, to Eligible Persons to provide further incentive and motivation to improve the Company’s performance and further align their interests with those of shareholders.

(Note) The compensation of directors of the Company is made up of a monthly salary, a bonus, stock options and retirement allowances. Moving forward, the Company has decided to further align directors’ compensation with the interests of shareholders by reducing retirement allowances and issuing stock acquisition rights as stock options (stock-linked compensation).

2. Matters Pertaining to the Issuance of Stock Acquisition Rights

(1) Class and Number of Shares to Be Issued for the Purpose of Issuing Stock Acquisition Rights

Up to 338,200 shares of the Company’s common stock.

(2) Total Number of Stock Acquisition Rights to Be Issued

Up to 3,382. The number of shares to be issued per stock acquisition right (hereinafter “Number of Shares Granted”) shall be 100.

(3) Issue Price of Stock Acquisition Rights

Issued gratis.

(4) Total Payment Due Upon Exercise of Stock Acquisition Rights

The total payment due upon the exercise of stock acquisition rights shall be determined by multiplying the price paid per share issued or transferred due to the exercise of stock acquisition rights (hereinafter “Exercise Price”) by the Number of Shares Granted.

The Exercise Price shall be ¥1.

(5) Exercise Period

From June 25, 2005 through June 24, 2035

(6) Other Conditions for Exercise of Stock Acquisition Rights

1. A stock acquisition rights holder may exercise his/her stock acquisition rights during the 10-year period starting on the day after losing his/her position (hereinafter "Start of Exercise Date") as either director or executive officer of the Company.
2. Regardless of 1. above, in the event that the "Start of Exercise Date" has not occurred by June 30, 2030, a stock acquisition rights holder may exercise his/her rights from July 1, 2030.
3. A stock acquisition right may not be partially exercised.

(7) Reasons and Conditions for Canceling Stock Acquisition Rights

The Company shall, at any time, be permitted to acquire and cancel stock acquisition rights without compensation.

(8) Limitations on Transfer of Stock Acquisition Rights

The approval of the Board of Directors is required when Eligible Persons transfer stock acquisition rights.

(9) Adjustments to the Number of Shares Granted

1. In the event that the Company splits or consolidates its common stock, the Number of Shares Granted shall be adjusted proportionately based on the stock split or consolidation ratio. Fractions of a share resulting from this adjustment shall be discarded.
2. When, for unavoidable reasons, it is necessary to adjust the Number of Shares Granted, such as in the event that the Company reduces its capital, merges or is split up, the Company reserves the right to adjust the Number of Shares Granted within reasonable limits.

3. Stock Acquisition Rights Agreement

The number of stock acquisition rights allotted to Eligible Persons, the Issue Date, conditions as to loss of position or death of an Eligible Person, and other conditions associated with the allotment of stock acquisition rights shall be stipulated in a stock acquisition rights agreement signed by the Company and Eligible Persons based on resolutions of the general meeting of shareholders and the Board of Directors.

Note: Subject to approval of the above issue and allotment of stock acquisition rights at the Annual General Meeting of Shareholders scheduled for June 24, 2005, the specific details will be determined at a meeting of the Board of Directors held subsequent to the closing of this meeting.

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