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## Mitsubishi Corporation Receives Amended Assessment Relating to Transactions With Energy Business Group Subsidiary and Affiliate in Australia

Mitsubishi Corporation (MC) today received an amended assessment from the Tokyo Regional Taxation Bureau for the fiscal year ended March 2001 based on transfer pricing taxation regulations concerning transactions between MC and a subsidiary and an affiliate of MC's Energy Business Group in Australia. MC previously made provisions in the fiscal year ended March 31, 2006 for assessment tax of 23.4 billion yen for the period of six years that ended in March 2005 in expectation of receiving amended assessments from the bureau for these transactions based on transfer pricing taxation regulations. The latest amended assessment shows amended taxable income of 8.9 billion yen and income taxes of 3.6 billion yen.

In August 2006, MC filed an objection with the Tokyo Regional Taxation Bureau regarding its amended assessment for the fiscal year ended March 2000. Later, in November last year, MC also petitioned for a mutual agreement based on the tax treaty between Japan and Australia.

MC wishes to avoid double taxation in the two countries through a mutual agreement between the Japanese and Australian tax authorities. However, no mutual agreement has been reached at this point. Given this situation, the Tokyo Regional Taxation Bureau issued an amended assessment of the fiscal year ended March 2001 before being time barred from doing so. Similarly, the bureau issued an amended assessment only for the fiscal year ended March 2000 last year in consideration also of the impending expiry of the statute of limitations.

At present, the bureau has given no indication that it will change its original policy of assessing all six fiscal years through March 2005. The bureau plans to issue assessments for the remaining four fiscal years based on the statute of limitations for each year if the mutual agreement procedure between the Japanese and Australian tax authorities takes even longer. The receipt of the latest amended assessment will have no effect on MC's consolidated earnings.

Regarding the latest amended assessment, as with the amended assessment received for the fiscal year ended March 2000, MC plans to file an objection with the Tokyo Regional Taxation Bureau as well as request for a mutual agreement procedure based on the tax treaty between Japan and Australia.

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