(Translation of report filed with the Tokyo Stock Exchange on May 17, 2000)

Summary of Results for the Fiscal Year ended March 31, 2001

Mitsubishi Corporation

I. Notes on Business Strategy

1. Management Policies

Mitsubishi Corporation and its subsidiaries and affiliates are steadily implementing the policies outlined below, which are based on MC2003, Mitsubishi Corporation's new medium-term plan announced in March 2001. MC2003 imbues the company's drive to create new value. The following initiatives are intended to raise earnings and bolster its management base.

(1) Growth Strategy

The overall growth strategy contained in MC2003 consists of three parts: Portfolio Management, ".Commerce," and New Technologies.

The Portfolio Management Strategy sharpens Mitsubishi Corporation's focus on strategic fields: energy and natural resources; project development, including Independent Power Producer (IPP) projects and infrastructure projects; and food distribution and other SCM businesses. It requires that Mitsubishi Corporation aggressively reshape its portfolio of businesses, reallocating company resources more appropriately. The keywords are "selection" and "concentration."

The ".Commerce" Strategy goes beyond merely IT (Information Technology). Mitsubishi Corporation also aims to leverage FT (Financial Technology), LT (Logistics Technology) and MT (Marketing Technology) to create new business models that marry offline with online, as well as to expand and open up business domains. Collectively, these are called Mitsubishi Corporation's FILM technologies. Lynchpins in the ".Commerce" Strategy are IT Frontier Co., Ltd., which brought together five IT-related subsidiaries under one entity, and the Lawson Project.

The New Technologies Strategy lays the groundwork for future streams of earnings. Mitsubishi Corporation will identify, develop and commercialize seminal technologies and intellectual property. For example, Mitsubishi Corporation is working on commercialization of image compression technology, and fullerenes and nanotubes, which are grabbing the spotlight as next-generation materials. Nanotubes—carbon-based structures measured in units of one-billionth—are expected to be used in a wide range of areas, from cancer treatment and fuel cells to next-generation displays.

(2) Enhancing Management System

Previously, Mitsubishi Corporation used departments and teams as organizational units and for managing results. MC2003 has seen Mitsubishi Corporation abolish this framework and introduce business units (BUs). This action will make the organization flatter, thereby facilitating speedier decision-making and enabling top management to see into all corners of business models. The aim is to maximize value as a whole rather than as parts.

In a related move, Mitsubishi Corporation will use MCVA (Mitsubishi Corporation Value Added), in addition to ROE, as performance yardsticks. MCVA indicates whether or not the company's consolidated net income can cover the capital cost associated with a given level of risk. It measures whether or not Mitsubishi Corporation is creating value.

Mitsubishi Corporation's business models have been organized into approximately 190 business units, of which there are three types: Stretch, Build and Restructure.

- Stretch BUs aim to maintain and enhance earnings of business models by adding new functions.
- Build BUs aim to create new business domains through the intensive allocation of resources.
- Restructure BUs aim to drastically realign their businesses through downsizing, restructuring and withdrawal from unprofitable areas.

All business units will be assigned a clear mission and their results will be evaluated in detail every year using MCVA. This forms a new management cycle interwoven with the Portfolio Management Strategy.

(3) Reforming Executive Management

Mitsubishi Corporation's drive to create value presupposes greater transparency and efficiency in management. The following initiatives are geared toward strengthening corporate governance and broadening the scope of executive management.

- To clearly demarcate the duties of directors and executive officers and clarify areas of responsibility, Mitsubishi Corporation will introduce the post of corporate executive officer.
- Mitsubishi Corporation will dramatically reduce the number of directors. And to bring an outer dimension to management Mitsubishi Corporation will increase the number of outside directors and is considering the establishment of an advisory board made up of prominent outside experts. These moves are intended to enhance supervision of the Board of Directors.
  Specifically, on July 1, 2001, Mitsubishi Corporation will establish a Governance Committee, comprising three members from within the company and four from outside. In addition, Mitsubishi Corporation is considering the establishment of an International Advisory Board to give advice to the Board of Directors from a global perspective.
- The position of Chief Strategy Officer has been created to promote the company-wide growth strategy, as well as to extend support to business groups in implementing growth strategies.
- The position of Chief Restructuring Officer has been created to oversee the mechanism for withdrawing from and restructuring businesses to give further impetus to reallocation and concentration of resources.
- The position of Chief Regional Officer has been created to promote, from a company-wide perspective, strategies in key markets, overseas network strategies and international human resource development.

2. Basic Policy Regarding the Appropriation of Profits

Mitsubishi Corporation's dividend policy is one of the central elements of its management policies. The company intends to maintain and raise its competitiveness to increase shareholders' equity and increase the profit margin. At the same time, Mitsubishi Corporation will strive to stabilize and increase the dividend.

The dividend has been set in accordance with the company's earnings ability and desire to maintain a stable dividend. As such, Mitsubishi Corporation plans to set the year-end dividend for fiscal 2001, ended March 31, 2001, at ¥4 per share, the same as for the preceding fiscal year. The annual dividend will thus be ¥8 per share, when combined with the semiannual interim dividend of ¥4 per share.

Regarding retained earnings, the company is striving to effectively use funds for trading activities, capital expenditures and business investment with the aim of maintaining and enhancing competitiveness as well as increasing profitability.

3. Management Goals

As mentioned under "Management Policies," Mitsubishi Corporation is implementing growth strategies, enhancing management techniques and reforming executive management in accordance with the recently launched MC2003. Through these actions, Mitsubishi Corporation aims to transform itself into a powerful, value-driven company.

As a yardstick of performance, Mitsubishi Corporation has set a target of achieving consolidated net income for the year ending March 31, 2004, the final year of MC2003, of ¥120 billion.

II. Operating Results

1. General Operating Environment

In fiscal 2001, ended March 31, 2001, the previously robust world economy lost momentum in the second half of the year due to a slowdown in the U.S. economy and soaring crude oil prices.

The U.S. economy clearly lost steam as personal consumption and capital expenditures gradually trended downward due to an interest rate hike and falling stock prices. Asian economies, which had shown a dramatic upturn on the back of increased exports to the U.S., saw exports taper off before a full-fledged internal demand-led recovery could be achieved. As such, these economies stopped growing from the middle of the fiscal year. Economies in EU countries were generally strong, despite feeling the effects of the U.S. downturn and skyrocketing crude oil prices. Supporting these economies were expanding exports driven by the weak Euro, which gave a boost to internal demand.

The Japanese economy, long mired in recession, briefly showed signs of an upturn, as capital expenditures increased in line with an export-led recovery in production. From around the end of 2000, however, exports began decreasing as the U.S. economy slowed, triggering a downturn in production and a drop in stock prices. As a result, the direction of the Japanese economy became cloaked in growing uncertainty. Furthermore, amid waning buying sentiment, consumers increasingly opted for lower-priced products, which perpetuated the deflationary tone of the economy. All in all, the Japanese economy failed to gain a foothold for recovery.

2. Consolidated Results (US GAAP)

(1) Summary of Fiscal 2001 Results

Consolidated operating transactions for fiscal 2001, ended March 31, 2001, increased ¥882.5 billion (6.7%) to ¥13,995.3 billion. This reflected sharply higher fuels(*) transactions as crude oil prices rose, as well as higher machinery and chemicals transactions buoyed by market comebacks.

** "Fuels Group" has been renamed to "Energy Business Group," which is effective from April 1st, 2001.*

Gross profit increased ¥38.4 billion year on year to ¥613.5 billion. All other business groups, except metals, recorded higher gross profit, particularly machinery, due to a recovery in automobile transactions and the effect of converting certain affiliates into subsidiaries. In addition, fuels saw gross profit increase due to rising crude oil prices.

Selling, general and administrative expenses increased due to higher personnel expenses at the parent company. Furthermore, the provision for doubtful receivables rose, primarily in respect of provisions for specific overseas receivables based on country risk due to the introduction of a new risk management system and adoption of new guidelines for writing off doubtful accounts. As a result, operating income increased ¥23.5 billion to ¥78.1 billion.

In other income (expenses), interest expense—net improved, and dividends increased from natural resource development-related business investments. Furthermore, gain on marketable securities and investments increased over the previous year. This includes the booking of a loss on the sale of Aristech Chemical Corporation, a petrochemical manufacturing subsidiary. This was exceeded by gains on the sale of Photonic Integration Research Inc. (PIRI), and gains on the sales of shares resulting from the contribution of shares by the parent company to a pension trust.
On the other hand, parent company booked impairment losses on long-lived assets, after reviewing company-owned housing and industrial building. In addition, the company booked an extraordinary loss related to an antitrust lawsuit concerning graphite electrode trading. Despite the above, income from consolidated operations before income taxes increased ¥100.9 billion to ¥131.9 billion. This improvement came reflecting the absence of special charge to cover all expenses for an early retirement program at the parent company booked in the previous year.

Net income was ¥92.1 billion, approximately 3.5 times higher than the previous year, reflecting the above factors as well as an increase in equity in earnings of affiliated companies—net, notably affiliates connected with natural resources. The net income was a record.

(2) Outlook for the Fiscal Year Ending March 31, 2002

Mitsubishi Corporation is projecting an approximate ¥200 billion increase in consolidated operating transactions to ¥14,200 billion. This is predicated on a weaker yen, which is estimated to increase operating transactions by around ¥500 billion. The forecast also allows for an expected fall in crude oil prices.

Gross profit is projected to increase in fiscal 2002, mainly in metals, machinery and living essentials, as subsidiary operating results are expected to remain strong. Operating income (gross profit minus selling, general and administrative expenses and provision for doubtful receivables) is also expected to improve further.

On the other hand, Mitsubishi Corporation is projecting an approximate ¥12 billion decline in consolidated net income to ¥80 billion. This is based on an expected sharp drop in gains on marketable securities and investments, notably the absence of gains on the sale of shares in PIRI recorded in fiscal 2001.

(3) Cash Flow

Net cash used by operating activities was ¥37.5 billion. This reflected a decrease in other accounts payable, in addition to an increase in notes and accounts receivable, despite strong cash flows mainly from operating activities of overseas subsidiaries.

Net cash provided in investing activities was ¥113.2 billion. Cash was used for the acquisition of an additional stake in Lawson, Inc. in Japan, as well as for the purchase of aircraft at leasing subsidiaries and investment in natural resource-related areas overseas. Outweighing these outflows were cash proceeds from the sale of shares in PIRI and SDL, Inc. and reduction of investment assets such as debt securities at finance subsidiaries. As a result, net free cash flow was an inflow of ¥75.7 billion.

Net cash used in financing activities was ¥230.3 billion, as the parent company used cash and cash equivalents to redeem commercial paper, and overseas and finance subsidiaries redeemed bonds with funds procured from reducing investment assets.

Overall, cash and cash equivalents at the end of the year had decreased to ¥314.9 billion, down ¥150.3 billion compared to the previous year-end.

3. Regarding the Graphite Electrode Trading Lawsuit

On May 10, 2001, Mitsubishi Corporation was fined US$134 million by the U.S. District Court for the Eastern District of Pennsylvania in a graphite electrode transaction case filed by the U.S. Department of Justice. In accordance with an agreement entered into on April 19, 2001 with the U.S. Justice Department, Mitsubishi Corporation decided not to file an appeal. The following is the course of events preceding the May 10 ruling.

① On January 19, 2000, Mitsubishi Corporation was indicted by the U.S. Department of Justice on allegations of aiding and abetting in cartel activity that was carried out by graphite electrode manufacturers during the period from July 1992 through June 1997.

② During the trial that began on January 29, 2001, Mitsubishi Corporation vigorously contested the charges asserting that it was not involved in illegal activity. Regrettably, however, the jury rendered a guilty verdict on February 12, 2001 against Mitsubishi Corporation.

③ On April 19, 2001, Mitsubishi Corporation and the U.S. Department of Justice reached an agreement to submit to the presiding judge the joint recommendation that, based on the condition that Mitsubishi Corporation waives its right to appeal, a fine in the amount of US$134 million was appropriate in this case. And immediately thereafter, the joint recommendation was submitted to the U.S. District Court for the Eastern District of Pennsylvania in Philadelphia.

④ On May 10, 2001, the U.S. District Court for the Eastern District of Pennsylvania in Philadelphia, in accordance with the said joint recommendation, sentenced Mitsubishi Corporation to pay the above-referenced fine.

While Mitsubishi Corporation did not appeal, the company continues to believe in its innocence, as it has from the very outset. After the jury's verdict, Mitsubishi Corporation carefully reviewed the various measures that the company could take, including the option to appeal. It was eventually decided that it would be in the best interest of both Mitsubishi Corporation and all parties that have a stake in the company to reach the above-mentioned agreement.

Mitsubishi Corporation considers it deeply regrettable that it has been forced to pay the fine, as explained above, but the company will sincerely accept the situation as fact. Mitsubishi Corporation already has guidelines in place for the conduct of its directors, officers and employees and is vigilant in its efforts to have them abide by laws, international rules, and internal company rules in the conduct of their duties. At the same time, Mitsubishi Corporation gives guidance to its directors, officers and employees to aid them in upholding the highest standards of responsible behavior. Moving forward, Mitsubishi Corporation will step up its implementation of these initiatives.

Mitsubishi Corporation recorded the fine of ¥16.6 billion in its books under the sundry—net item in other income (expenses) as a loss related to the graphite electrode transaction lawsuit.

In relation with the above, Mitsubishi Corporation has been named as a defendant in several lawsuits in the U.S. (one in Canada) by graphite electrodes users and also as a defendant in a lawsuit by UCAR International, a graphite electrodes manufacturer, in connection with the sales and marketing of graphite electrodes. As these lawsuits are still in their initial stages, it is impossible for the company to predict what liability, if any, may result from the litigation. However, Mitsubishi Corporation intends to defend itself vigorously in court and demonstrate that the lawsuits are without merit and that it has no liability whatsoever.

Changes in Directors

As per announcements made on March 6 and April 27 this year.

Forward-Looking Statements

The statements included in this release contain forward-looking statements about Mitsubishi Corporation's future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company's assumptions and beliefs in light of competitive, financial and economic data currently available and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices. Accordingly, Mitsubishi Corporation wishes to caution readers that actual results may differ materially from those projected in this release.

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MITSUBISHI CORPORATION AND SUBSIDIARIES

STATEMENTS OF CONSOLIDATED INCOME
FOR THE YEAR ENDED MARCH 31, 2001
AND
CONSOLIDATED BALANCE SHEETS
AS OF March 31, 2001

Based on US GAAP

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May 17, 2001
Mitsubishi Corporation

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2001
(Mitsubishi Corporation and subsidiaries based on US GAAP)

1. Operating transactions and income

	Operating transactions	Operating income	Net income
For the year ended	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2001	13,995,298	78,138	92,105
March 31, 2000	13,112,801	54,682	26,023

	Net income per share	Net income per share(diluted basis)	Return on equity
For the year ended	Yen	Yen	%
March 31, 2001	58.77	58.77	9.8
March 31, 2000	16.61	16.61	2.8

2. Assets and shareholders' equity

	Total assets	Shareholders' equity	Shareholders' equity to total assets	Shareholders' equity per share
For the year ended	Millions of Yen	Millions of Yen	%	Yen
March 31, 2001	8,067,192	969,359	12.0	618.54
March 31, 2000	8,097,435	905,700	11.2	577.92

3. Cash Flows

	Operating activites	Investing activities	Financing activites	Cash and cash equivalents end of year
For the year ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2001	-37,471	113,169	-230,254	314,880
March 31, 2000	43,559	-38,875	-504,837	465,157

4. Projections for the year ending March 31, 2002

	Operating transactions	Net income
For the six months ending	Millions of Yen	Millions of Yen
September 30, 2001	6,700,000	30,000
For the year ending		
March 31, 2002	14,200,000	80,000

(Forecast of Net income per share for the year ending March 31, 2002： 51.05 Yen)

5. Number of consolidated subsidiaries： 510
Number of affiliated companies accounted for by equity method： 184

The consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America.

The transrations of Japanese yen amounts into United States dollar amounts with respect to the year ended March 31, 2001 are included solely for the convenience of readers outside Japan and have been made at the rate of ¥126=$1, the approximate rate of exchange on March 30, 2001.

Subsidiaries and Affiliated Companies

Mitsubishi Corporation

Mitsubishi Corporation's subsidiaries and affiliates are diverse organizations engaged in a wide variety of activities on a global scale. We manufacture and market a wide range of products, including fuels, metals, machinery, chemicals and living essentials. Some of our basic functions -- information / telecommunications, finance, logistics / retailing -- enhance the above activities and enable us to provide comprehensive solutions to customers. We also invest actively in energy, natural resources, project development and information technology areas.

Mitsubishi Corporation organizes business groups according to products and services. Business groups manage their products and services in collaboration with subsidiaries and affiliates (Subsidiaries: 809, Affiliates: 462).

To strengthen and upgrade its operations in the fields of financial services, logistics,IT, e-commerce and consumer businesses, Mitsubishi Corporation integrated products and services associated with these fields that were formerly part of the IT & Electronics Business, Living Essentials and Professional Services segments to create the New Business Initiative Group, effective April 1, 2000.

Due to the establishment of this new group, Mitsubishi Corporation has added the New Business Initiative Group to the existing seven business groups: IT & Electronics Business, Fuels, Metals, Machinery, Chemicals, Living Essentials and Professional Services. Furthermore, this revision resulted in the transfer to the new group of subsidiaries and affiliates as follows: 12 from IT & Electronics Business; 10 from Living Essentials; and 77 from Professional Services.

The following table shows products and services by operating segment and major subsidiaries and affiliates.

	PRODUCTS OR SERVICES	MAJOR SUBSIDIARIES	MAJOR AFFILIATES
NEW BUSINESS INITIATIVE (138)	IT,e-commerce, Financial Services, Logistics, Consumer Business,Healthcare, and others	RYOKO LOGISTICS CORPORATION MITSUBISHI CORPORATION FINANCE PLC MITSUBISHI OFFICE MACHINERY CO.,LTD (86)	LAWSON, INC. KENTUCKY FRIED CHICKEN JAPAN LTD. (52)
IT & ELECTRONICS BUSINESS (53)	Telecommunication & Media business, Digital Systems & Devices, Aerospaces, and others	MC AIRCRAFT(EUROPE),LIMITED MC SILICON VALLEY (29)	SPACE COMMUNICATIONS CORPOATION NET ONE SYSTEMS CO.,LTD (24)
FUELS (124)	Petroleum Products, Carbon, Crude Oil, LPG, LNG, and others	MITSUBISHI SHOJI SEKIYU CO.,LTD. PETRO-DIAMOND INC. DIAMOND GAS RESOURCES PTY.LTD. (95)	JAPAN AUSTRALIA LNG(MIMI)PTY.,LTD. BRUNEI LNG SENDIRIAN BERHAD (29)
METALS (191)	Ferrous Products,Coals,Ore, Non-Ferrous Metals & Minerals, Non-Ferrous Metal Products, and others	ISUZU CORPORATION JECO MITSUBISHI DEVELOPMENT PTY.,LTD. (132)	IRON ORE COMPANY OF CANADA HEISEI MINERALS CORPORATION (59)
MACHINERY (296)	Power & Electrical Systems, Plants, Ships, Automobils, Industrial Machinery, Project Development & Constraction, and others	NIKKEN CORPORATION MSK TOKYU MACHINERY CO.,LTD. TRI PETCH ISUZU SALES CO.,LTD. (189)	MITSUBISHI AUTO CREDIT-LEASE CORP. DIAMOND CITY CO.,LTD (107)
CHEMICALS (109)	Chemical Products、Inorganic Chemicals Products,Fertilizer, Chlor-Alkali,Specialty Chemicals, and others	MITSUBISHI SHOJI PLASTICS CORP. MITENI (54)	TOWA CHEMICAL INDUSTRY CO.,LTD. EXPORTADORA DE SAL,S.A. DE C.V. (55)
LIVING ESSENTIALS (272)	Foods & Food Products, Textiles,General Merchandise, and others	RYOSHOKU LTD. TOYO REIZO CO.,LTD. MITSUBISHI SHOJI CONSTRUCTION MATERIALS LTD. PRINCES LTD. ALPAC FOREST PRODUCTS INCORPORATED (159)	CHUKYO COCA-COLA BOTTLING CO.,LTD. MITSUBISHI SEISHIHANBAI K.K. (113)
PROFESSIONAL SERVICES (49)	Finance, Accounting, Personnel General affairs, and others	MITSUBISHI CORPORATION FINANCIAL & MANAGEMENT SERVICES(JAPAN)LTD. (27)	KOHJIN CO.,LTD. (22)
OVERSEAS SUBSIDIARIES (39)	Handling of a Broad Range of Products, Like the Parent Company in Japan	MITSUBISHI INTERNATIONAL CORPORATION MITSUBISHI CORPORATION INTERNATIONAL N.V. MITSUBISHI CORPORATION(HONG KONG)LTD. (38)	(1)

Note: 1."Fuels Group" has been renamed to "Energy Business Group" ,which is effctive from April 1st,2001
2. Among the above-listed subsidiaries,the stocks of "Ryoshoku LTD" are listed on Tokyo stock exchange. In addition,the stocks of "Nitto Flour Milling CO.,LTD",which is not included in the above major subsidiaries, are also listed on Tokyo stock exchange.

Mitsubishi Corporation and subsidiaries
STATEMENTS OF CONSOLIDATED INCOME (US GAAP)
Years ended March 31, 2001 and 2000

	Millions of yen				Millions of U.S. dollars
	2001	2000	Increase or [-]decrease		2001
				%	
Operating transactions	13,995,298	13,112,801	882,497	6.7	111,074
Gross profit	613,463	575,058	38,405	6.7	4,869
Gross profit ratio	4.38%	4.39%			
Selling, general and administrative expenses	(511,272)	(502,856)	-8,416	1.7	(4,058)
Provision for doubtful receivables	(24,053)	(17,520)	-6,533	-	(191)
Operating income	78,138	54,682	23,456	42.9	620
Other income (expenses) :					
Interest expense - net	(11,406)	(13,427)	2,021	-15.1	(90)
Dividends	32,555	23,239	9,316	40.1	258
Gain on marketable securities and investments - net	43,185	33,077	10,108	-	343
Gain on securities contributed to employee retirement benefit trust	43,187	-	43,187	-	343
Loss on property and equipment - net	(24,483)	(5,437)	-19,046	-	(194)
Expenses for early retirement program	-	(65,324)	65,324	-	-
Litigation settlement related to graphite electrodes trading	(16,602)	-	-16,602	-	(132)
Other - net	(12,676)	4,227	-16,903	-	(101)
Other income (expenses) - net	53,760	(23,645)	77,405	-	427
Income from consolidated operations before income taxes	131,898	31,037	100,861	325.0	1,047
Income taxes:					
Current	(70,942)	(49,039)	-21,903	-	(563)
Deferred	19,844	39,161	-19,317	-	157
Income from consolidated operations	80,800	21,159	59,641	281.9	641
Minority interests in net income	(5,118)	(6,743)	1,625	-24.1	(40)
Equity in earnings of affiliated companies - net (less applicable income taxes)	16,423	11,607	4,816	41.5	130
Net income	92,105	26,023	66,082	253.9	731

Mitsubishi Corporation and subsidiaries
CONSOLIDATED BALANCE SHEETS (US GAAP)
March 31, 2001 and 2000

ASSETS	Millions of yen			Millions of U.S. dollars
	2001	2000	Increase or [-]decrease	2001
Current assets:				
Cash and cash equivalents	314,880	465,157	-150,277	2,499
Time deposits	56,772	101,634	-44,862	451
Short-term investments	243,487	400,368	-156,881	1,932
Receivables-trade:				
Notes and loans	544,249	518,950	25,299	4,319
Accounts	1,856,176	1,684,893	171,283	14,732
Affiliated companies	261,462	296,748	-35,286	2,075
Allowance for doubtful receivables	(47,444)	(28,066)	-19,378	(377)
Inventories	526,354	496,981	29,373	4,178
Advance payments to suppliers	228,807	249,168	-20,361	1,816
Other current assets	127,292	72,983	54,309	1,010
Total current assets	4,112,035	4,258,816	-146,781	32,635
Investments and non-current receivables:				
Investments in and advances to affiliated companies	643,923	543,285	100,638	5,111
Other investments	1,485,784	1,476,344	9,440	11,792
Non-current notes, loans and accounts receivable-trade	861,245	911,874	-50,629	6,835
Allowance for doubtful receivables	(106,469)	(124,703)	18,234	(845)
Total investments and non-current receivables	2,884,483	2,806,800	77,683	22,893
Property and equipment-At cost less accumulated depreciation	908,145	883,992	24,153	7,207
Other assets	162,529	147,827	14,702	1,290
Total	8,067,192	8,097,435	-30,243	64,025

Mitsubishi Corporation and subsidiaries
CONSOLIDATED BALANCE SHEETS (US GAAP)
March 31, 2001 and 2000

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen			Millions of U.S. dollars
	2001	2000	Increase or [-]decrease	2001
Current liabilities:				
Short-term debt	1,054,511	1,163,920	-109,409	8,369
Current maturities of long-term debt	361,621	621,592	-259,971	2,870
Payables-trade:				
Notes and acceptances	279,674	286,238	-6,564	2,220
Accounts	1,548,999	1,556,409	-7,410	12,294
Affiliated companies	50,669	45,437	5,232	402
Accrued income taxes	45,482	29,548	15,934	361
Other accrued expenses	129,186	114,319	14,867	1,025
Advances from customers	159,160	166,110	-6,950	1,263
Other current liabilities	141,426	106,247	35,179	1,122
Total current liabilities	3,770,728	4,089,820	-319,092	29,926
Long-term debt, less current maturities	3,094,877	2,794,438	300,439	24,563
Accrued pension and severance liabilities	87,681	112,445	-24,764	696
Deferred income taxes	61,131	119,127	-57,996	485
Minority interests	83,416	75,905	7,511	662
Shareholders' equity:				
Common stock	126,609	126,609	-	1,005
Capital surplus	179,491	179,491	-	1,424
Retained earnings:				
Appropriated for legal reserve	35,220	33,924	1,296	279
Unappropriated	774,604	696,332	78,272	6,148
Accumulated other comprehensive income (loss):				
Net unrealized gains on securities available for sale	122,552	148,634	-26,082	973
Minimum pension liability adjustments	(65,636)	(29,526)	-36,110	(521)
Foreign currency translation adjustments	(203,481)	(249,764)	46,283	(1,615)
Total shareholders' equity	969,359	905,700	63,659	7,693
Total	8,067,192	8,097,435	-30,243	64,025

Mitsubishi Corporation and subsidiaries
Statements of Consolidated Shareholders' Equity and
Comprehensive Income (Loss)
Years ended March 31, 2001 and 2000

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Shareholders' Equity			
Common stock:			
Balance, beginning and end of year	126,609	126,609	1,005
Capital surplus:			
Balance, beginning and end of year	179,491	179,491	1,424
Retained earnings appropriated for legal reseve:			
Balance, beginning of year	33,924	32,346	269
Transfer from unappropriated retained earnings	1,296	1,578	10
Balance, end of year	35,220	33,924	279
Unappropriated retained earnings:			
Balance, beginning of year	696,332	684,425	5,527
Net income	92,105	26,023	731
Total	788,437	710,448	6,258
Deduct:			
Cash dividends paid	(12,537)	(12,538)	(100)
Transfer to retained earnings appropriated for legal reserve	(1,296)	(1,578)	(10)
Total	(13,833)	(14,116)	(110)
Balance, end of year	774,604	696,332	6,148
Accumulated other comprehensive income (loss)			
Balance, beginning of year	(130,656)	(73,357)	(1,037)
Other comprehensive loss	(15,909)	(57,299)	(126)
Balance, end of year	(146,565)	(130,656)	(1,163)

Comprehensive Income (Loss)			
Net income	92,105	26,023	731
Other comprehensive income (loss):			
Decrease in unrealized gains on securities available for sale	(26,082)	(7,656)	(207)
Minimum pension liability adjustments	(36,110)	11,292	(286)
Foreign currency translation adjustments	46,283	(60,935)	367
Other comprehensive loss	(15,909)	(57,299)	(126)
Comprehensive Income (Loss)	76,196	(31,276)	605

(*)Dividends and appropriations to legal reserve shown for each year represent dividends paid out during the year and the appropriation to legal reserve made in relation to the respective dividends.

STATEMENTS OF CONSOLIDATED CASH FLOWS (US GAAP)

Mitsubishi Corporation and subsidiaries
Years ended March 31,2001 and 2000

	Millions of Yen		Millions of U.S. Dollars
	2001	2000	2001
I. Operating activities:			
Net income	92,105	26,023	731
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	84,260	71,128	669
Provision for doubtful receivables	24,053	17,520	191
Gain on marketable securities and investments - net	(86,372)	(33,077)	(686)
Loss on property and equipment - net	24,483	5,437	194
Equity in earnings of affiliated companies, less dividends received	(5,812)	(869)	(46)
Deferred income taxes	(19,844)	(39,161)	(157)
Changes in operating assets and liabilities:			
Short-term trading investments	(7,716)	(12,788)	(61)
Notes and accounts receivable - trade	(128,913)	33,775	(1,023)
Inventories	(32,116)	(45,153)	(255)
Notes, acceptances and accounts payable - trade	25,184	(25,528)	200
Other accounts payable	(108,425)	(33,912)	(861)
Other - net	101,642	80,164	807
Net cash provided by (used in) operating activities	(37,471)	43,559	(297)
II. Investing activities:			
Expenditures for property and equipment, and other assets	(165,689)	(67,210)	(1,315)
Net decrease (increase) in investment	206,933	(133,180)	1,642
Net decrease in loans receivable	26,869	25,234	213
Net decrease in time deposits	45,056	136,281	358
Net cash provided by (used in) investing activities	113,169	(38,875)	898
III. Financing activities:			
Net decrease in short-term debt	(136,437)	(527,680)	(1,083)
Net increase (decrease) in long-term debt	(81,280)	35,381	(645)
Cash dividends paid	(12,537)	(12,538)	(99)
Net cash used in financing activities	(230,254)	(504,837)	(1,827)
IV. Effect of exchange rate changes on cash and cash equivalents	4,279	(16,183)	33
V. Net decrease in cash and cash equivalents	(150,277)	(516,336)	(1,193)
VI. Cash and cash equivalents, beginning of year	465,157	981,493	3,692
VII. Cash and cash equivalents, end of year	314,880	465,157	2,499

Mitsubishi Corporation and subsidiaries
SEGMENT INFORMATION (US GAAP)
Years ended March 31, 2001 and 2000

The companies' segment information by commodities for the years ended March 31, 2001 and 2000 are summarized as follows:

Year ended March 31, 2001

[SEGMENT INFORMATION BY COMMODITIES]

	Millions of yen									
	New Business Initiative	IT & Electronics Business	Fuels	Metals	Machinery	Chemicals	Living Essentials	Total	Eliminations or Unallocated	Consolidated
Operating transactions:										
Outside customers	147,032	518,340	3,399,796	2,281,360	2,695,665	1,358,082	3,545,589	13,945,864	49,434	13,995,298
Inter-segment	4,449	2,087	36,902	4,626	11,637	1,558	2,545	63,804	(63,804)	-
Total	151,481	520,427	3,436,698	2,285,986	2,707,302	1,359,640	3,548,134	14,009,668	(14,370)	13,995,298
Gross profit	28,583	30,513	55,759	92,694	105,727	51,350	235,959	600,585	12,878	613,463
Operating income	(8,807)	5,154	9,692	15,708	22,094	8,450	56,206	108,497	(30,359)	78,138
Net income	(3,912)	64,987	4,272	7,243	4,326	(24,681)	27,964	80,199	11,906	92,105
Segment assets:										
Total assets	1,148,379	346,221	741,111	1,083,009	2,061,219	596,924	1,408,208	7,385,071	682,121	8,067,192
Depreciation and amortization	8,431	7,125	11,199	7,609	18,042	1,334	13,859	67,599	12,664	80,263
Capital expenditures for long-lived segment assets	16,932	46,294	15,359	25,286	52,983	11,123	20,830	188,807	7,796	196,603

[GEOGRAPHIC INFORMATION]

	Millions of yen Operating Transactions
Japan	12,143,130
U.S.A.	757,912
United Kingdom	234,796
Others	859,460
Total	13,995,298

	Millions of yen Long-lived Assets
Japan	649,443
Canada	63,705
Others	310,408
Total	1,023,556

	Millions of U.S. dollars									
	New Business Initiative	IT & Electronics Business	Fuels	Metals	Machinery	Chemicals	Living Essentials	Total	Eliminations or Unallocated	Consolidated
Operating transactions:										
Outside customers	1,167	4,114	26,982	18,106	21,394	10,779	28,140	110,682	392	111,074
Inter-segment	35	16	293	37	92	12	20	505	(505)	-
Total	1,202	4,130	27,275	18,143	21,486	10,791	28,160	111,187	(113)	111,074
Gross profit	227	242	443	736	839	408	1,873	4,768	101	4,869
Operating income	(70)	41	77	125	175	67	446	861	(241)	620
Net income	(31)	516	34	57	34	(196)	222	636	95	731
Segment assets:										
Total assets	9,114	2,748	5,882	8,595	16,359	4,737	11,176	58,611	5,414	64,025
Depreciation and amortization	67	57	89	60	143	11	110	537	100	637
Capital expenditures for long-lived segment assets	134	367	122	201	421	88	165	1,498	62	1,560

[GEOGRAPHIC INFORMATION]

	Millions of U.S. dollars Operating Transactions
Japan	96,374
U.S.A.	6,015
United Kingdom	1,863
Others	6,822
Total	111,074

	Millions of U.S. dollars Long-lived Assets
Japan	5,154
Canada	506
Others	2,463
Total	8,123

Year ended March 31, 2000

[SEGMENT INFORMATION BY COMMODITIES]

	Millions of yen									
	New Business Initiative	IT & Electronics Business	Fuels	Metals	Machinery	Chemicals	Living Essentials	Total	Eliminations or Unallocated	Consolidated
Operating transactions:										
Outside customers	128,736	544,543	2,511,555	2,356,349	2,624,054	1,283,962	3,659,798	13,108,997	3,804	13,112,801
Inter-segment	734	377	1,675	3,588	20,548	1,747	2,372	31,041	(31,041)	-
Total	129,470	544,920	2,513,230	2,359,937	2,644,602	1,285,709	3,662,170	13,140,038	(27,237)	13,112,801
Gross profit	25,294	29,732	49,895	96,735	81,034	50,331	235,106	568,127	6,931	575,058
Operating income	(4,881)	(37)	3,954	15,133	5,012	1,765	50,107	71,053	(16,371)	54,682
Net income	(1,358)	19,577	8,032	3,143	(6,430)	487	19,131	42,582	(16,559)	26,023
Segment assets:										
Total assets	1,285,728	269,097	654,082	1,023,079	1,905,303	627,113	1,231,825	6,996,227	1,101,208	8,097,435
Depreciation and amortization	6,239	6,746	7,476	8,144	11,963	7,868	15,210	63,646	6,256	69,902
Capital expenditures for long-lived segment assets	3,019	9,499	14,248	9,831	11,073	25,781	19,458	92,909	1,020	93,929

[GEOGRAPHIC INFORMATION]

	Millions of yen Operating Transactions
Japan	11,485,343
U.S.A.	732,632
United Kingdom	212,460
Others	682,366
Total	13,112,801

	Millions of yen Long-lived Assets
Japan	625,492
U.S.A.	123,824
Others	230,066
Total	979,382

1. The segment information of the individual commodity group havs been prepared on the basis of accounting principles generally accepted in Japan(Japan GAAP), and the difference between Japan GAAP and US GAAP is included in "Eliminations or Unallocated".
2. "Eliminations or Unallocated" also includes income and expense that are not allocated to the individual commodity group.
3. Unallocated common assets included in the column of "Eliminations or Unallocated" March 31,2001 and 2000 are ¥945,285 million($7,502 million) and ¥1,389,622 million, respectively.
   The assets mainly consist of cash, time deposits and securities for financial activities.
4. Operating transactions are attributed to geographic areas based on the locations of the assets producing revenues.
5. As a result of the establishment of the New Business initiative Group on April 1,2000, prior-year amounts have been reclassified to conform to the 2000 presentation.

Mitsubishi Corporation and Subsidiaries

FAIR VALUE OF INVESTMENTS (US GAAP)

as of March 31,2001 (unaudited)

Pursant to SFAS NO.115, substantially all of the companies' marketable equity securities and debt securities, principally corporate bonds and commercial paper, were classified as available-for-sale or held-to-maturity securities, except for certain items categorized as trading securities. Fair value information regading each category of the securities classified as trading, available-for-sale and held-to-maturity at March 31,2001 and 2000, including securities of which certain of the companies are the beneficial owners under trust agreements with trust companies, is as follows.

March 31,2001

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Trading				40,475
Available-for-sale				
Equity securities	437,236	280,130	(21,984)	695,382
Debt securities	45,412	70	0	45,482
Held-to maturity	541,650	2,439	(657)	543,432

March 31,2000

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Trading				27,430
Available-for-sale				
Equity securities	480,285	351,420	(51,051)	780,654
Debt securities	136,167	7,841	(1,678)	142,330
Held-to maturity	604,389	3,401	(13,662)	594,128

March 31,2001

	Millions of U.S.Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Trading				321
Available-for-sale				
Equity securities	3,470	2,223	(174)	5,519
Debt securities	360	1	0	361
Held-to maturity	4,299	19	(5)	4,313

The changes in net unrealized holding gains and losses on trading securities that were included in earnings were gains of ¥856 million ($7 million) , ¥483 million for the years ended March 31,2001 and 2000, respectively.

"Other investments" include investments in non-traded and unaffiliated companies, and non-current time deposits, etc., amounting to ¥406,282 million($3,224 million) and ¥321,909 at March 31,2001 and 2000 respectively.

[Reference:Fair value of marketable securities regarding subsidiaries and affiliaeted companies held by the parent company]

(as of March 31,2001)

	Millions of Yen			Millions of U.S.Dollars		
	Cost	Fair value	Difference	Cost	Fair value	Difference
Subsidiaries	10,451	78,372	67,921	83	622	539
Affiliated	21,493	116,033	94,540	171	921	750
Total	31,944	194,405	162,461	254	1,543	1,289

May 17, 2001
Mitsubishi Corporation

NON-CONSOLIDATED FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED MARCH 31, 2001
(Mitsubishi Corporation)

1. Net sales and income

	Net sales	Operating income	Ordinary income	Net income (loss)
For the year ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2001	10,927,418	21,623	80,583	28,760
March 31, 2000	10,485,212	28,051	77,652	-15,895

	Net income(loss) per share	Net income per share (fully diluted basis)	Return on equity	Ordinary income on total assets	Ordinary income to net sales
For the year ended	Yen	Yen	%	%	%
March 31, 2001	18.35	—	4.3	1.5	0.7
March 31, 2000	-10.14	—	-2.7	1.4	0.7

The non-consolidated financial statements are prepared on the basis of accounting principles generally accepted in Japan (Japan GAAP).

2. Cash dividends applicable for the period

	Cash dividends per share		Total cash dividends	Payout ratio on net income	Payout ratio on shareholders' equity
	The first half				
For the year ended	Yen	Yen	Millions of Yen	%	%
March 31, 2001	4.00	8.0	12,537	43.6	1.7
March 31, 2000	4.00	8.0	12,537	—	2.1

3. Assets and shareholders' equity

	Total assets	Shareholders' equity	Shareholders' equity to total assets	Shareholders' equity per share
For the year ended	Millions of Yen	Millions of Yen	%	Yen
March 31, 2001	5,413,667	753,598	13.9	480.86
March 31, 2000	5,213,327	584,595	11.2	373.02

Notes: Number of shares issued and outstanding as of March 31, 2001 : 1,567,175,508
March 31, 2000 : 1,567,175,508

4. Projections for the year ending March 31, 2002

	Net sales	Ordinary income	Net income (*)	Cash dividends per share
For the 6 months ending	Millions of Yen	Millions of Yen	Millions of Yen	Yen
September 30, 2001	4,900,000	18,000	5,000	4.00
For the year ending March 31, 2002	10,300,000	40,000	20,000	8.00

(* Forecast of Net income per share for the year ending March 31, 2002 : 12.76 Yen)

Mitsubishi Corporation
STATEMENTS OF NON-CONSOLIDATED INCOME
Years ended March 31, 2001 and 2000

	Millions of Yen			
	2001	2000	Increase or [-]decrease	
				%
Net sales	10,927,418	10,485,212	442,205	4.2
Cost of sales	(10,710,356)	(10,278,909)	-431,446	4.2
Gross profit	217,062	206,303	10,759	5.2
Selling, general and administrative expenses	(195,439)	(178,251)	-17,188	9.6
Operating income	21,623	28,051	-6,428	-22.9
Non-operating income:				
Interest income	30,999	33,667	-2,667	-7.9
Dividends	43,439	40,236	3,203	8.0
Other income	41,150	44,877	-3,727	-
Non-operating income	115,589	118,781	-3,191	-2.7
Non-operating expenses:				
Interest expenses	(28,533)	(-)	-28,533	-
Interest expenses and discount charges	-	(34,753)	34,753	-
Interest expenses on commercial paper	-	(1,317)	1,317	-
Other expenses	(28,095)	(33,109)	5,014	-
Non-operating expenses	(56,628)	(69,180)	12,551	-18.1
Ordinary income	80,583	77,652	2,931	3.8
Special loss - net (1)	(53,834)	(118,129)	64,295	-
Income (loss) before income taxes	26,749	(40,477)	67,227	-
Income taxes:				
Current	(35,157)	(18,105)	-17,052	-
Deferred	37,168	42,687	-5,519	-
Net income (loss)	28,760	(15,895)	44,656	-

(1) See attached.
(2) The interest expense of commercial paper(¥1,658 million) is included in the account of interest expenses.

Mitsubishi Corporation
NON-CONSOLIDATED SPECIAL INCOME(LOSS)
Years ended March 31, 2001 and 2000

	Millions of Yen		
	2001	2000	Increase or [-]decrease
Loss on property and equipment - net	(184)	(775)	591
Write-down of property and equipment - net	(142)	(4,167)	4,024
Gain on investment securities - net	67,248	17,133	50,114
Write-down of investment securities	(71,793)	(18,383)	-53,409
Write-down on the golf club membership	(2,932)	-	-2,932
Provision for doubtful receivables from affiliates	(20,735)	(13,727)	-7,007
Provision for doubtful receivables related to specified overseas countries	(9,153)	-	-9,153
Litigation settlement related to graphite electrodes trading	(16,602)	-	-16,602
Gain on securities contributed to employee retirement benefit trust	61,297	-	61,297
Expenses for pension and severance liabilities	(60,835)	(32,885)	-27,949
Expenses for early retirement program	-	(65,324)	65,324
Special loss -net	(53,834)	(118,129)	64,295

	Millions of Yen		
	2001	2000	Increase or [-]decrease
(REFERENCE)			
Provision for doubtful receivables	(14,803)	(7,028)	-7,774
(Included in Selling, general and administrative expenses)			
Gain (loss) on marketable securities - net	(3)	37,375	-37,379
(Included in Non-operating income and expenses)			
Evaluation profit (loss) of marketable securities	656	(9,132)	9,789
(Included in Non-operating income and expenses)			
Gain on investment securities - net	28,698	-	28,698
(Included in Non-operating income and expenses)			
Write-down of real estate for sale	(2,834)	(15,246)	12,411
(Included in Non-operating expenses)			

Mitsubishi Corporation
NON-CONSOLIDATED BALANCE SHEETS
March 31, 2001 and March 31, 2000

	Millions of Yen		
	March 31, 2001	March 31, 2000	Increase or [-]decrease
ASSETS			
Current assets:			
Cash and time deposits	124,491	301,293	-176,801
Trade notes receivable	314,196	309,867	4,328
Trade accounts receivable	1,644,940	1,577,488	67,451
Marketable securities	28,720	401,705	-372,984
Inventories	184,948	182,594	2,354
Real estate for sale	56,378	56,166	211
Advance payments to suppliers	217,896	198,497	19,398
Accounts receivable-miscellaneous	83,349	88,716	-5,366
Short-term loans	334,662	375,673	-41,010
Short-term deferred tax assets	34,563	17,790	16,773
Other current assets	110,976	90,906	20,070
Allowance for doubtful receivables	(36,384)	(21,643)	-14,741
Total current assets	3,098,738	3,579,054	-480,316
Fixed assets:			
Property and equipment:			
Equipment leased to others	3,936	8,132	-4,195
Buildings and structures	70,457	75,951	-5,493
Land	86,283	87,617	-1,333
Construction in progress	17,741	3,183	14,558
Other property and equipment	6,180	6,423	-242
Total property and equipment	184,601	181,308	3,293
Intangible assets:			
Leasehold and others	61,410	61,418	-8
Investments:			
Investment securities	1,094,030	482,195	611,835
Capital stock of subsidiaries	496,588	452,521	44,066
Investments other than securities	39,606	17,875	21,730
Investments in subsidiaries other than capital stock	21,472	21,661	-189
Long-term advances for joint-ventures	63,341	74,601	-11,260
Long-term loans	310,975	261,420	49,554
Non-current trade receivables	104,647	107,126	-2,479
Long-term prepaid expenses	2,725	2,795	-70
Long-term deferred tax assets	-	38,402	-38,402
Other investments	42,309	31,872	10,437
Allowance for doubtful receivables	(106,779)	(98,926)	-7,852
Total investments	2,068,918	1,391,546	677,371
Total fixed assets	2,314,929	1,634,272	680,656
Total assets	5,413,667	5,213,327	200,340

Mitsubishi Corporation
NON-CONSOLIDATED BALANCE SHEETS
March 31, 2001 and March 31, 2000

	Millions of Yen		
	March 31, 2001	March 31, 2000	Increase or [-]decrease
LIABILITIES			
Current liabilities:			
Trade notes payable	219,569	212,197	7,371
Trade accounts payable	1,213,497	1,201,401	12,095
Short-term borrowings	182,544	156,908	25,635
Commercial paper	563,000	703,000	-140,000
Current maturities of bonds	55,000	70,000	-15,000
Accounts payable-miscellaneous	105,161	196,447	-91,285
Income taxes payable	25,074	9,400	15,673
Accrued expenses	76,553	86,768	-10,214
Advances from customers	205,814	185,269	20,545
Deposit liabilities	52,013	49,183	2,830
Other current liabilities	58,017	29,125	28,892
Total current liabilities	2,756,246	2,899,702	-143,455
Long-term liabilities:			
Long-term borrowings	1,301,275	1,235,290	65,985
Bonds	550,000	493,000	57,000
Provision for special repairs	633	739	-105
Long-term deferred tax liabilities	51,836	-	51,836
Other long-term liabilities	76	-	76
Total long-term liabilities	1,903,823	1,729,029	174,793
Total liabilities	4,660,069	4,628,732	31,337
SHAREHOLDERS' EQUITY			
Common stock	126,608	126,608	-
Legal reserve:	167,977	166,852	1,124
Capital surplus	136,325	136,325	-
Retained earnings appropriated for legal reserve	31,652	30,527	1,124
Retained earnings:	306,231	291,133	15,098
Reserve for deferred gains on sales of property	6,295	5,335	960
Reserve for overseas investment losses	15,524	13,031	2,492
General reserve	255,460	254,960	500
Unappropriated retained earnings	28,951	17,806	11,145
Net unrealized gain or loss on securities	152,780	-	152,780
Total shareholders' equity	753,598	584,595	169,003
Total liabilities and shareholders' equity	5,413,667	5,213,327	200,340

(1)Accumulated depreciation of property and equipment:\122,074 million
(2)Assets pledged as collateral:\166,135 million
(3)Treasury stocks included in 'Marketable securities':\2 million
(4)Guarantees:\1,116,224 million
(5)Trade notes receivable discounted:\80,485 million
(6)Litigation

The company has been named as a defendant in several lawsuits in the U.S. (one in Canada) by graphite electrodes users and also as a defendant in a lawsuit by UCAR International , a graphite electrodes manufacturer. The lawsuits brought by graphite electrodes users do not specify the amount of damages that are sought.

UCAR International is seeking damages in the amount of $406 million U.S.dollars and other unspecified damages, plus interest.Since all of these lawsuits are still in their early states, it is not possible to predict at this time what, if any, liability the company may sustain on account of these actions.

PROPOSED APPROPRIATIONS OF RETAINED EARNINGS
(Parent Company)

Mitsubishi Corporation

(Unit : Millions of Yen)

	2001	2000
Net income (loss)	28,760	-15,895
Unappropriated Retained Earnings Brought Forward	6,957	13,791
Adjustment of adopting new accounting for interperiod tax allocation	—	13,505
Reversal of reserves according to adopting new accounting for interperiod tax allocation	—	13,301
Interim Dividends	6,268	6,268
Appropriated for Legal Reserve	497	626
Unappropriated Retained Earnings	28,951	17,806
Reversal of Reserve for Overseas Investment Losses	827	681
Reversal of Deferred Gains on Sales of Property	—	5
Total	29,779	18,493
APPROPRIATIONS		
Appropriated for Legal Reserve	—	627
Cash Dividends : \ 4.0 per share	6,268	6,268
Bonuses to Directors	140	—
Reserve for Overseas Investment Losses	1,188	3,174
Deferred Gains on Sales of Property	1,144	965
General Reserve	14,700	500
Total	23,441	11,535
Unappropriated Retained Earnings Carried Forward	6,337	6,957

Bases of Non-consolidated Financial Statements

1. Valuation and Computation of Securities

Securities are valued as follows:

Trading securities	Accounted for at market value as determined by the moving-average method.
Held-to-maturity securities	Accounted for at amortized cost.
Securities issued by subsidiaries and affiliates	Accounted for at cost as determined by the moving-average method.

Other securities

- Securities with market quotations: Accounted for at fair value as determined by the market value on March 31, 2001. (Unrealized gains or losses are recorded in the category of shareholders' equity. Cost is determined by the moving-average method.)
- Securities without market quotations: Accounted for at cost, cost being determined by the moving-average method.

2. Valuation and Computation of Derivatives

Derivatives and Money Trust Funds Held for Investment Purposes are valued at fair value.

3. Valuation and Computation of Inventories

Inventories are valued principally at the lower of cost or market, cost being determined by the moving-average method or specific identification method.

4. Depreciation of Fixed Assets

Depreciation of tangible fixed assets is computed principally under the declining-balance method. However, effective from April 1, 1998, newly acquired buildings (excluding fixtures) are depreciated under the straight-line method.
Intangible fixed assets are amortized under the straight-line method. Development costs of software for internal use, however, are amortized under the straight-line method based on an estimated useful life of 5 years.

5. Conversion of Foreign Currency-Denominated Assets and Liabilities into Japanese Yen

Financial assets and liabilities denominated in foreign currencies are translated into yen using the prevailing exchange rates at the end of the period ended March 31, 2001. Exchange gains or losses arising from this translation are included in earnings.

6. Accounting for Allowances

(1) The allowance for doubtful receivables is calculated based on the historical default rate for ordinary receivables. In respect of specified receivables where there is a fear of default, allowances are provided for in amounts considered to be appropriate based on the possibility of collection of individual receivables.

(2) In preparation for employees' retirement benefits, the company records an allowance for employees' retirement benefits, which is provided for in an amount equal to the difference between estimated retirement benefit obligations and pension assets at the end of the fiscal year. The company has established an employees' retirement benefit trust to fund the shortfall of ¥60,835 million arising from the adoption of a new accounting standard for pension funds and has taken a one-time charge as a special loss for retirement benefit expenses. Unrecognized net actuarial loss is amortized under the straight-line method over the average remaining service period for the employees in service, from the following fiscal year. At the year-end, under the conditions that fair value of plan assets exceeds the difference between projected benefit obligation and unrecognized net actuarial loss, and that contribution exceeds retirement benefit expenses, the excess contribution of ¥14,409 is included in "other current assets".

(Company's Pension Plan)
The company's employee benefits under the plan consist of a portion specified by government regulations and an additional portion from the company's sponsored plan.

(Calculation Bases)
The calculation bases for projected benefit obligation etc. are as follows:

• Criteria for the allocation of benefit obligation	Contributory pension fund (basic portion): straight-line approach - ditto - (additional portion): benefit/year-of-service approach Non-contributory pension fund: benefit/year-of-service approach
• Discount rate	3.0%
• Expected long-term rate of return on plan assets	4.5%
• Amortization period of unrecognized net obligation at transition	1 year (one-time charge)
• Amortization period of unrecognized net actuarial loss	13–14 years (average remaining service period)

(3) The allowance for special repair expenses represents the amount allocated to the period ended March 31, 2001, based on the estimated total amount of expenses for mandatory regular crude oil tank inspections.

7. Leases

Financial leases, other than those that transfer ownership of the leased assets to the lessees, are treated in the same way as ordinary operating leases for accounting purposes.

8. Hedging Transactions

Based on the company’s internal risk management policy, the company applies hedge accounting to derivative transactions, that are carried out with the purpose of avoiding such market risks arising in the course of ordinary operating activities, as foreign currency risks of foreign currency-denominated assets and liabilities, interest rate risk or foreign currency risk on loans and bonds, commodity risk, where the hedge is recognized as having satisfied certain conditions on an individual basis.
The company uses principally deferred hedge accounting or special interest rate swap accounting.

9. Other Accounting Policies

Consumption tax and similar local taxes are excluded from income and expenses.

(Supplementary Information)

1. Accounting for Financial Instruments

Effective from the period ended March 31, 2001, the company adopted a new accounting standard for financial instruments as outlined in the Business Accounting Deliberation Council’s paper “Opinion Concerning the Establishment of Accounting Standards for Financial Instruments” issued in January 1999.

(1) Accounting Standard for Allowance for Doubtful Receivables
In accordance with the Accounting Standards Committee Report No. 14 called *Implementation Guidelines to Accounting for Financial Instruments: A Tentative Report* (the “Report”), which was issued in January 2000 by the Japanese Institute of Certified Public Accountants, the company undertook a review of its internal risk management system for trade receivables. At the same time, the company wrote off and made allowances for trade receivables in accordance with the risk classifications contained therein.
Specifically, an allowance for ordinary receivables is made based on the historical default rate in accordance with an internal rating system. For receivables where there is a fear of default and receivables under rehabilitation, allowances are provided for based on an analysis of the financial position and circumstances of each debtor. Regarding specific overseas receivables, an allowance is provided for the estimated amount deemed irrecoverable based on the country risk of the receivable in question taking into consideration the country’s political and economic circumstances.
This change had the effect of decreasing operating income and ordinary income by ¥4,689 million, and decreasing income before income taxes by ¥17,936 million, compared to the previous method.

(2) Valuation and Disclosure of Securities

Securities are classified in the balance sheets in accordance with the purpose for which they are held. Trading securities and held-to-maturity securities due to mature within one year are recorded under marketable securities in current assets. All other securities are shown under investment securities in fixed assets.

This reclassification resulted in a ¥298,605 million decrease in marketable securities in current assets and a corresponding increase of ¥298,605 million in investment securities.

Regarding valuation standards and valuation methods, trading securities are accounted for at market value, held-to-maturity securities are accounted for at amortized cost, and shares issued by subsidiaries and affiliates are accounted for at cost. Other securities with market quotations are accounted for at market value with unrealized gains and losses included in shareholders' equity, while other securities without market quotations are accounted for at cost.

The effect of the adoption of market value accounting for other securities was an increase in investment securities of ¥263,414 million and a securities valuation adjustment of ¥152,780 million in shareholders' equity, being the amount net of deferred tax.

Furthermore, based on management policy, the company has reviewed its internal risk management system for business investments. At the same time, it has written off business investments in line with risk categories contained therein. Also, in respect of shares issued by subsidiaries and affiliates and other securities where the market value or actual value has fallen markedly compared to the acquisition cost, the company is writing down the value of such shares after assessing the prospects for a recovery in the share price.

This had the effect of decreasing ordinary income by ¥46,128 million and decreasing income before income taxes by ¥41,309 million, compared to the previous method.

(3) Valuation of Derivative Transactions

Derivative transactions are accounted for at fair value.

This had the effect of decreasing both gross profit and operating income by ¥743 million and increasing ordinary income and income before income taxes by ¥3,779 million.

(4) Valuation of Investments in Membership (golf club etc.)

Where the market value or actual value has fallen markedly compared to the acquisition cost, the company is writing down the value of investments in membership.

This had the effect of decreasing income before income taxes by ¥2,932 million.

2. Retirement Benefit Accounting

Effective from the period ended March 31, 2001, the company adopted a new accounting standard for the recognition of retirement benefits outlined in the Business Accounting Deliberation Council's paper "Opinion Concerning the Establishment of Accounting Standard for Retirement Benefits," issued in June 1998.

This change had the effect of increasing selling, general and administrative expenses by ¥2,402 million, decreasing ordinary income by ¥2,402 million and decreasing income before income taxes by ¥1,940 million, compared to the previous method.

Furthermore, the company recorded a special gain of ¥61,297 million for gains on contributions to a retirement benefit trust and a special loss of ¥60,835 million, representing retirement benefit expenses arising from a change in accounting standards governing the treatment of pensions.

The gain on contributions the retirement benefit trust, mentioned above, is included in the effect on income before income taxes.

3. Accounting Standards for Foreign Currency-Denominated Transactions

Effective from the period ended March 31, 2001, the company adopted a new accounting standard for foreign currency-denominated transactions as outlined in the Business Accounting Deliberation Council's paper "Opinion Concerning the Revision of Accounting Standards for Foreign Currency-Denominated Transactions" issued in October 1999.

This change had the effect of increasing operating income by ¥366 million and increasing both ordinary income and income before income taxes by ¥296 million, compared to the previous method.