
**FINANCIAL RESULTS FOR
THE THREE MONTHS ENDED JUNE 2017**

Mitsubishi Corporation

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FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED JUNE 30, 2017

(Based on IFRS) (Consolidated)

1. Consolidated operating results for the three months ended June 30, 2017

Note:
Figures less than one million yen are rounded.
%: change from the same period of the previous year

(1) Revenues and income

	Revenues		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the three months ended										
June 30, 2017	1,796,704	17.6	167,014	18.6	131,204	14.0	117,812	16.8	165,350	—
June 30, 2016	1,527,779	(16.1)	140,775	39.1	115,129	33.3	100,844	34.5	(273,842)	—

	Profit for the period attributable to owners of the Parent per share (basic)	Profit for the period attributable to owners of the Parent per share (diluted)
For the three months ended	Yen	Yen
June 30, 2017	74.31	74.14
June 30, 2016	63.64	63.50

Note: Profit for the period attributable to owners of the Parent per share (basic) and Profit for the period attributable to owners of the Parent per share (diluted) are calculated based on Profit for the period attributable to owners of the Parent.

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets
As of	Millions of Yen	Millions of Yen	Millions of Yen	%
June 30, 2017	15,507,849	5,904,467	4,995,124	32.2
March 31, 2017	15,753,557	5,789,011	4,917,247	31.2

2. Dividends

(Record date)	Cash dividend per share (Yen)				
	1Q end	2Q end	3Q end	4Q end	Annual
Fiscal Year ended March 31, 2017	—	30.00	—	50.00	80.00
Fiscal Year ending March 31, 2018	—				
Fiscal Year ending March 31, 2018 (Forecast)		40.00	—	40.00	80.00

Note: Change from the latest released dividend forecasts: None

3. Consolidated forecasts for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

Note:
%: change from the previous year.

	Profit attributable to owners of the Parent		Profit attributable to owners of the Parent per share	
For the year ending	Millions of Yen	%	Yen	
March 31, 2018	450,000	2.2	283.81	

Note: Change from the latest released earnings forecasts: None

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in scope of consolidation): None

New companies: —

Excluded companies: —

(2) Changes in accounting principles and accounting estimate

-1- Changes in accounting principles required by IFRS: Yes

-2- Changes other than -1-: None

-3- Changes in accounting estimate: None

(3) Number of shares issued (Common stock)

-1- Number of shares issued at quarterly-end (including treasury stock)

(June 30, 2017) 1,590,076,851 (March 31, 2017) 1,590,076,851

-2- Number of treasury stock at quarterly-end

(June 30, 2017) 4,499,257 (March 31, 2017) 4,597,223

-3- Average number of shares during each of the following three months (Apr-Jun.)

(June 30, 2017) 1,585,497,097 (June 30, 2016) 1,584,631,128

Disclosure Regarding Quarterly Review Procedures

This earnings release is not subject to independent Auditor's review procedures.

Forward-looking Statements

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. The achievement of said forecasts cannot be promised. Actual results may therefore differ materially from these statements for various reasons. For cautionary notes concerning assumptions for earnings forecasts and use of earnings forecasts, please refer to "1(4) Forecasts for the Year Ending March 2018" on page 4.

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* Mitsubishi Corporation will hold an earnings conference call for the three months ended June 2017, inviting institutional investors and analysts to join.

The conference material can be accessed live in Japanese from our website (Investor Relations section) at the following URL:

<http://www.mitsubishicorp.com/jp/ja/ir/index.html>

Time and date of the earnings conference call:

From 16:45 to 17:45 on Wednesday, August 2, 2017

1. Qualitative Information

(Profit for the period, as used hereinafter, refers to profit for the period attributable to owners of the Parent.)

(1) Results of Operations

Revenues was ¥1,796.7 billion, an increase of ¥268.9 billion, or 18% year over year, mainly due to increases attributed by Lawson, Inc. (hereinafter "Lawson") becoming a subsidiary.

Gross profit was ¥442.1 billion, an increase of ¥178.9 billion, or 68% year over year, mainly due to increases attributed by Lawson becoming a subsidiary and higher market prices in the Australian coal business.

Selling, general and administrative expenses rose ¥114.1 billion, or 51% year over year, to ¥338.3 billion, mainly due to increases attributed by Lawson becoming a subsidiary.

Gains on investments decreased ¥22.8 billion year over year, to ¥6.5 billion, mainly due to the rebound of one-off gains accompanied by the business merger among associate companies in the previous year.

Impairment losses on property, plant and equipment and others amounted to ¥37.1 billion, an increased loss of ¥34.9 billion year over year, mainly due to impairments of resource-related assets in the current year.

Share of profit of investments accounted for using the equity method increased ¥11.5 billion, or 31% year over year, to ¥48.8 billion, mainly due to higher resource-related market prices.

As a result, profit before tax increased ¥26.2 billion, or 19% year over year, to ¥167.0 billion.

Accordingly, profit for the period grew ¥17.0 billion, or 17% year over year, to ¥117.8 billion.

(2) Financial Position

Total assets as of June 30, 2017 was ¥15,507.8 billion, a decrease of ¥245.8 billion from March 31, 2017. The decrease was mainly due to lower cash and cash equivalents, owing to the repayment of bonds and borrowings, and to lower trade and other receivables stemming from lower transaction volumes.

Total liabilities was ¥9,603.4 billion, a decrease of ¥361.1 billion from March 31, 2017. This decline was attributable to lower trade and other payables, in line with a decrease in transaction volumes, as well as to the repayment of bonds and borrowings.

Net interest-bearing liabilities, which is gross interest-bearing liabilities minus cash, cash equivalents and time deposits, decreased ¥45.7 billion from March 31, 2017, to ¥3,945.8 billion.

Equity attributable to owners of the Parent was ¥4,995.1 billion, an increase of ¥77.9 billion from March 31, 2017. This increase was mainly due to the accumulation of profit for the period.

(3) Cash Flows

Cash and cash equivalents as of June 30, 2017 was ¥1,044.9 billion, down ¥100.6 billion from March 31, 2017.

(Operating activities)

Net cash provided by operating activities was ¥165.9 billion, mainly due to cash flows from operating transactions and dividend income, despite the payment of income taxes.

(Investing activities)

Net cash used in investing activities was ¥46.1 billion. The main use of cash was for capital expenditures, despite cash provided by the sale of listed stocks and sale of shares in the real estate business.

As a result, free cash flows, the sum of operating and investing cash flows, was positive ¥119.8 billion.

(Financing activities)

Net cash used in financing activities was ¥227.4 billion, mainly due to the repayment of borrowings, redemption of bonds, and the payment of dividends at the Parent.

(4) Forecasts for the Year Ending March 2018

There has been no change to the forecasts for the year ending March 2018 announced on May 9, 2017.

Note:

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. Therefore, they do not constitute a guarantee that they will be achieved. Actual results may differ materially from these statements for various reasons.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position
March 31, 2017 and June 30, 2017

ASSETS	Millions of Yen	
	March 31, 2017	June 30, 2017
Current assets		
Cash and cash equivalents	1,145,514	1,044,935
Time deposits	246,922	246,280
Short-term investments	22,867	9,657
Trade and other receivables	3,125,504	3,053,227
Other financial assets	115,734	98,923
Inventories	1,110,138	1,082,444
Biological assets	67,241	69,346
Advance payments to suppliers	229,819	203,037
Assets classified as held for sale	39,330	142,124
Other current assets	364,196	397,454
Total current assets	6,467,265	6,347,427
Non-current assets		
Investments accounted for using the equity method	2,651,317	2,656,485
Other investments	2,291,465	2,314,553
Trade and other receivables	500,853	512,948
Other financial assets	109,443	104,841
Property, plant and equipment	2,484,714	2,313,142
Investment property	47,959	54,089
Intangible assets and goodwill	1,010,310	1,014,842
Deferred tax assets	37,883	39,281
Other non-current assets	152,348	150,241
Total non-current assets	9,286,292	9,160,422
Total	15,753,557	15,507,849

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2017	June 30, 2017
Current liabilities		
Bonds and borrowings	1,248,231	1,224,116
Trade and other payables	2,542,191	2,496,857
Other financial liabilities	106,456	85,215
Advances from customers	222,373	191,417
Income tax payables	106,612	102,216
Provisions	50,689	51,704
Liabilities directly associated with assets classified as held for sale	6,094	11,350
Other current liabilities	395,196	313,271
Total current liabilities	4,677,842	4,476,146
Non-current liabilities		
Bonds and borrowings	4,135,680	4,012,907
Trade and other payables	204,657	198,418
Other financial liabilities	18,936	19,115
Retirement benefit obligation	79,261	80,034
Provisions	239,259	194,089
Deferred tax liabilities	576,941	586,617
Other non-current liabilities	31,970	36,056
Total non-current liabilities	5,286,704	5,127,236
Total liabilities	9,964,546	9,603,382
Equity		
Common stock	204,447	204,447
Additional paid-in capital	220,761	228,368
Treasury stock	(12,154)	(11,893)
Other components of equity		
Other investments designated as FVTOCI	451,086	481,051
Cash flow hedges	(17,953)	(13,480)
Exchange differences on translating foreign operations	445,816	441,950
Total other components of equity	878,949	909,521
Retained earnings	3,625,244	3,664,681
Equity attributable to owners of the Parent	4,917,247	4,995,124
Non-controlling interests	871,764	909,343
Total equity	5,789,011	5,904,467
Total	15,753,557	15,507,849

(2) Condensed Consolidated Statement of Income
for the three months ended June 30, 2016 and 2017

	Millions of Yen	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Revenues	1,527,779	1,796,704
Cost of revenues	(1,264,560)	(1,354,561)
Gross profit	263,219	442,143
Selling, general and administrative expenses	(224,224)	(338,274)
Gains on investments	29,310	6,549
Gains on disposal and sale of property, plant and equipment	4,793	4,210
Impairment losses on property, plant and equipment and others	(2,247)	(37,129)
Other income (expense)-net	15,387	12,142
Finance income	28,814	40,763
Finance costs	(11,594)	(12,199)
Share of profit of investments accounted for using the equity method	37,317	48,809
Profit before tax	140,775	167,014
Income taxes	(25,646)	(35,810)
Profit for the period	115,129	131,204
Profit for the period attributable to:		
Owners of the Parent	100,844	117,812
Non-controlling interests	14,285	13,392
	115,129	131,204

(3) Condensed Consolidated Statement of Comprehensive Income
for the three months ended June 30, 2016 and 2017

	Millions of Yen	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit for the period	115,129	131,204
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss for the period:		
(Losses) gains on other investments designated as FVTOCI	(64,572)	29,252
Remeasurement of defined benefit pension plans	(3,065)	(18)
Share of other comprehensive income (loss) of investments accounted for using the equity method	(713)	3,309
Total	(68,350)	32,543
Items that may be reclassified to profit or loss for the period:		
Cash flow hedges	64	1,369
Exchange differences on translating foreign operations	(267,737)	7,552
Share of other comprehensive income (loss) of investments accounted for using the equity method	(52,948)	(7,318)
Total	(320,621)	1,603
Total other comprehensive income (loss)	(388,971)	34,146
Total comprehensive income	(273,842)	165,350
Comprehensive income attributable to:		
Owners of the Parent	(271,833)	149,393
Non-controlling interests	(2,009)	15,957
	(273,842)	165,350

(4) Condensed Consolidated Statement of Changes in Equity
for the three months ended June 30, 2016 and 2017

	Millions of Yen	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Common stock:		
Balance at the beginning of the period	204,447	204,447
Balance at the end of the period	204,447	204,447
Additional paid-in capital:		
Balance at the beginning of the period	262,738	220,761
Compensation costs related to stock options	941	654
Sales of treasury stock upon exercise of stock options	(285)	(156)
Equity transactions with non-controlling interests and others	(39,660)	7,109
Balance at the end of the period	223,734	228,368
Treasury stock:		
Balance at the beginning of the period	(14,509)	(12,154)
Sales of treasury stock upon exercise of stock options	471	264
Purchases and sales—net	(1)	(3)
Balance at the end of the period	(14,039)	(11,893)
Other components of equity:		
Balance at the beginning of the period	913,939	878,949
Other comprehensive income (loss) attributable to owners of the Parent	(372,677)	31,581
Transfer to retained earnings	1,209	(1,009)
Balance at the end of the period	542,471	909,521
Retained earnings:		
Balance at the beginning of the period	3,225,901	3,625,244
Profit for the period attributable to owners of the Parent	100,844	117,812
Cash dividends paid to owners of the Parent	(39,615)	(79,276)
Sales of treasury stock upon exercise of stock options	(185)	(108)
Transfer from other components of equity	(1,209)	1,009
Balance at the end of the period	3,285,736	3,664,681
Equity attributable to owners of the Parent	4,242,349	4,995,124
Non-controlling interests:		
Balance at the beginning of the period	425,006	871,764
Cash dividends paid to non-controlling interests	(9,992)	(18,571)
Equity transactions with non-controlling interests and others	(9,731)	40,193
Profit for the period attributable to non-controlling interests	14,285	13,392
Other comprehensive income (loss) attributable to non-controlling interests	(16,294)	2,565
Balance at the end of the period	403,274	909,343
Total equity	4,645,623	5,904,467

(5) Condensed Consolidated Statement of Cash Flows
for the three months ended June 30, 2016 and 2017

	Millions of Yen	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Operating activities:		
Profit for the period	115,129	131,204
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	51,022	63,067
Gains on investments	(29,310)	(6,549)
Losses (gains) on property, plant and equipment	(2,546)	32,919
Finance (income) —net of finance costs	(17,220)	(28,564)
Share of (profit) of investments accounted for using the equity method	(37,317)	(48,809)
Income taxes	25,646	35,810
Changes in trade receivables	(80,683)	30,340
Changes in inventories	(44,749)	20,680
Changes in trade payables	12,889	(66,561)
Other—net	(87,837)	(24,850)
Dividends received	70,233	87,073
Interest received	21,119	20,121
Interest paid	(14,485)	(15,411)
Income taxes paid	(40,836)	(64,528)
Net cash provided by (used in) operating activities	(58,945)	165,942
Investing activities:		
Payments for property, plant and equipment	(35,049)	(74,587)
Proceeds from disposal of property, plant and equipment	17,209	28,376
Purchases of investments accounted for using the equity method	(31,255)	(54,889)
Proceeds from disposal of investments accounted for using the equity method	38,738	23,011
Acquisitions of businesses—net of cash acquired	—	(5,492)
Purchases of other investments	(26,418)	(12,774)
Proceeds from disposal of other investments	40,181	39,668
Increase in loans receivable	(10,411)	(17,055)
Collection of loans receivable	53,380	14,947
Net (increase) decrease in time deposits	(14,207)	12,722
Net cash provided by (used in) investing activities	32,168	(46,073)
Financing activities:		
Net increase (decrease) in short-term debts	74,227	(92,076)
Proceeds from long-term debts—net of issuance costs	94,868	35,952
Repayments of long-term debts	(218,966)	(118,460)
Dividends paid to owners of the Parent	(39,615)	(79,276)
Dividends paid to non-controlling interests	(9,992)	(18,571)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(16,264)	(6,671)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	1,905	51,690
Net (increase) decrease in treasury stock	(1)	(3)
Net cash provided by (used in) financing activities	(113,838)	(227,415)
Effect of exchange rate changes on cash and cash equivalents	(50,093)	6,967
Net increase (decrease) in cash and cash equivalents	(190,708)	(100,579)
Cash and cash equivalents at the beginning of the period	1,500,960	1,145,514
Cash and cash equivalents at the end of the period	1,310,252	1,044,935

3. Changes in Accounting Principles and Changes in Accounting Estimates

The important accounting principles applied to the condensed consolidated financial statements for the three months ended June 2017 are identical to those for the previous fiscal year, except for the following:

New standards and interpretations applied

Standard and interpretations	Outline
IAS 7 Statement of Cash Flows (Amended)	Additional disclosure requirements for reconciliation of liabilities arising from financing activities

The adoption of new standards including the above and interpretations had no significant impact on the condensed consolidated financial statements for the three months ended June 2017.

4. Notes Concerning Going Concern Assumption

None

Results for the Three Months Ended June 2017

August 2, 2017

Mitsubishi Corporation

(Forward-Looking Statements)

- This release contains 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 and that Mitsubishi Corporation bears no responsibility for any negative impact caused by the use of this release.

(Notes Regarding These Presentation Materials)

- Consolidated net income in this presentation shows the amount of net income attributable to owners of the Parent, excluding noncontrolling interests.

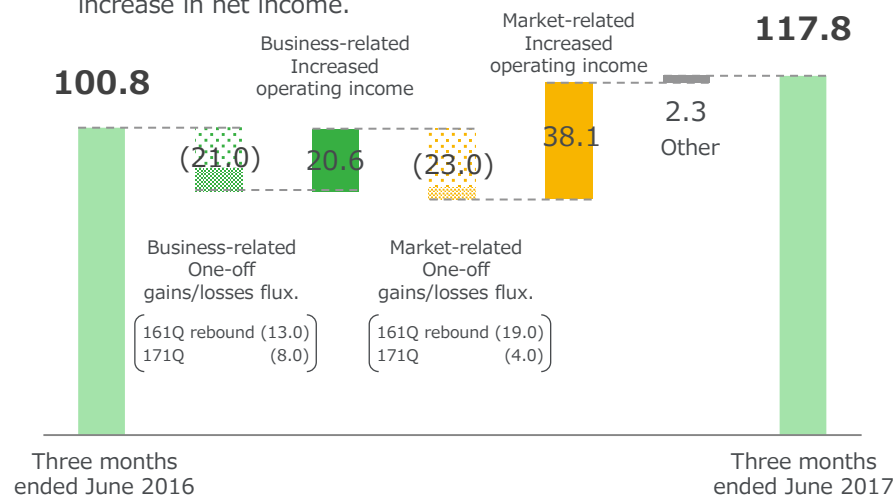
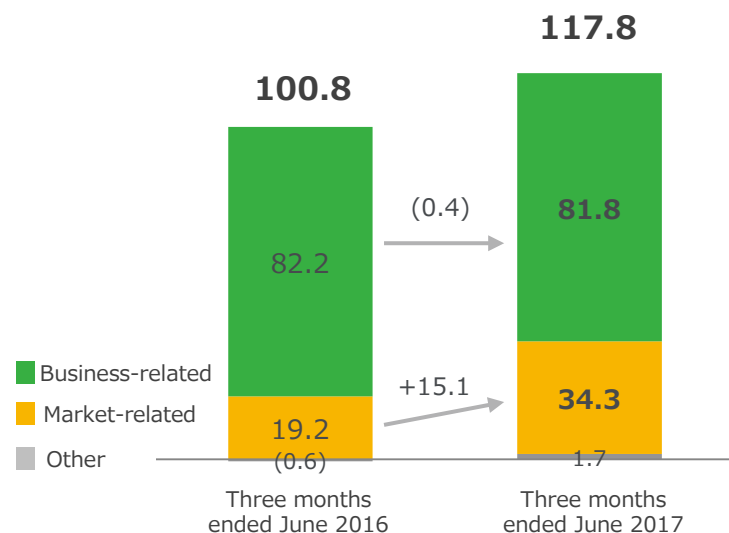
Results for the Three Months Ended June 2017

(Billion Yen)	Three months ended June 2016	Three months ended June 2017	Fluctuation	Forecast for the year ending March 2018	Progress
Consolidated Net Income	100.8	117.8	17.0	450.0	26%
Business-related sector	82.2	81.8	(0.4)	327.0	25%
Market-related sector*	19.2	34.3	15.1	97.0	35%

* Market-related sector includes North American shale gas and E&P in the Energy Business segment, Mineral resources in the Metals segment, and Ships (commercial vessels) in the Machinery segment.

- Earnings increased 17.0 billion yen year-over-year mainly due to higher market prices in the Australian coal business.
- Steady progress of 26% against the forecast for the year ending March 2018.

- In the Business-related sector, amid the rebound of one-off gains from the meat business restructuring etc., solid accumulation of operating income resulted in basically maintaining the income level year-over-year.
- In the Market-related sector, amid the one-off losses from resource-related asset replacements in addition to the rebound of one-off gains from the shale gas business restructuring, increased operating income in the Australian coal business due to higher market prices led to an increase in net income.



Year-over-Year Segment Net Income (Loss)

(Billion Yen)

100.8



117.8

■ Global Environmental & Infrastructure Business [YoY (39%)]

Rebound of one-off gains in the overseas power generation business and FPSO business

■ Industrial Finance, Logistics & Development [YoY +20%]

Increase in fund evaluation profit and disposal of real estates

■ Energy Business

In addition to rebound of one-off gains from the shale gas business restructuring, one-off losses from resource-related asset replacements

■ Metals [YoY +245%]

Increased earnings in the Australian coal business due to higher market prices

■ Machinery

–

■ Chemicals [YoY +32%]

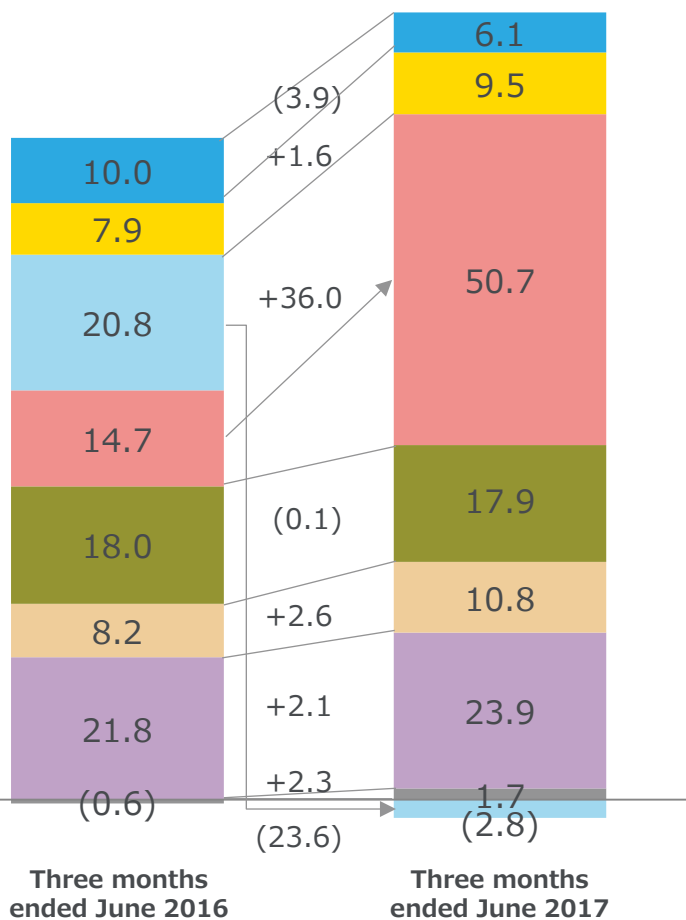
Increase in equity income from the petro-chemical related business due to higher market prices

■ Living Essentials [YoY +10%]

Amid the rebound of one-off gains from the meat business restructuring, increase in earnings from salmon farming business and grains-related business

■ Other

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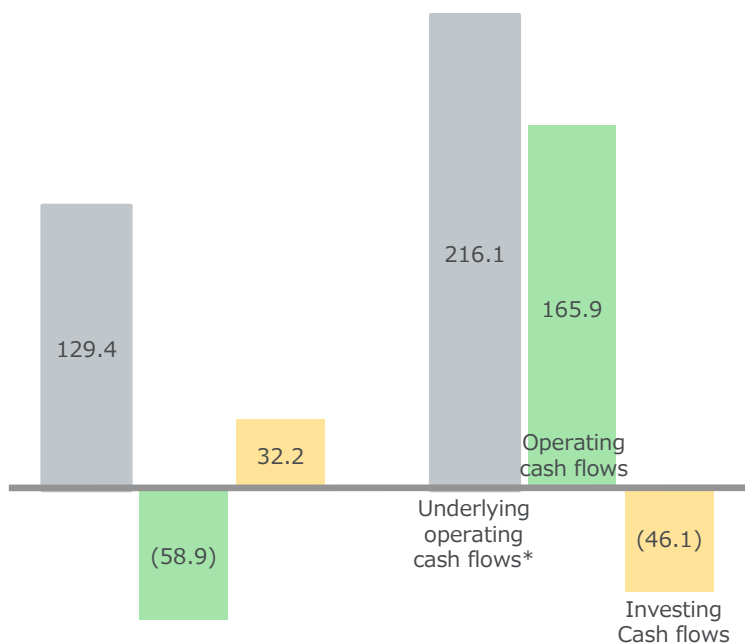
Cash Flows

Three months ended June 2016

Three months ended June 2017

[Breakdown of cash flows]

(Billion Yen)



Underlying Operating CF + Investing CF

Underlying Operating CF	Investing CF			Total
	New Investments	Sales and Collection	Net	
216.1	(164.8)	118.7	(46.1)	170.0

New Investments	Sales and Collection
<ul style="list-style-type: none"> • CVS business (Living Essentials) • Australian coal business (Metals) 	<ul style="list-style-type: none"> • Listed stocks (Energy Business) • Real estate-related business (Industrial Finance, Logistics & Development)

<Free cash flows>

(26.7)

+119.8

* Underlying operating cash flows

Operating cash flows excluding changes in assets and liabilities.

- (= Net income (including non-controlling interests) – DD&A
- profits and losses related to investing activities
- equity in earnings of affiliated companies not recovered through dividends
- allowance for bad debt etc. – deferred tax)

(Reference) Market Conditions

[Foreign Exchange, Commodity Prices and Interest Rates]

	Three months ended June 2017	Forecast for the year ending March 2018 (Released on May 9)	Variance	Consolidated Net Income Sensitivities
Foreign Exchange (YEN/US\$)	111.09	110.00	+1.09	Depreciation/appreciation of 1 yen per US\$1 has a 2.5 billion yen positive/negative impact on a full-year basis.
Crude Oil Price (Dubai) (US\$/BBL)	50	50	±0	A US\$1 rise/decline per barrel increases/reduces full-year earnings by 2.0 billion yen. In addition to changes in crude oil prices, other factors could also affect crude oil-related earnings, such as differences in the fiscal year-ends of consolidated companies, timing of the reflection of the crude oil price in sales prices, dividend policy, foreign currency movements, and production/sales volume.
Copper (US\$/MT) [¢/lb]	5,662 [257]	5,512 [250]	+150 [+7]	A US\$100 rise/decline per MT increases/reduces full-year earnings by 1.3 billion yen (A US¢10 rise/decline per lb increases/reduces full-year earnings by 2.9 billion yen). Besides copper price fluctuations, other variables affect earnings from copper mines, such as the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditure). Therefore, the impact on earnings cannot be determined by the copper price alone.
YEN Interest TIBOR (%)	0.06	0.10	(0.04)	The effect of rising interest rates is mostly offset by an increase in operating and investment profits. However, a rapid rise in interest rates could have a temporary negative effect.
US\$ Interest LIBOR (%)	1.21	1.40	(0.19)	