

# Results for the Three Months Ended June 2018

August 2, 2018

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 non-controlling interests.

## Results for the Three Months Ended June 2018

| (Billion Yen)                      | Three months ended<br>June 2017 | Three months ended<br>June 2018 | Fluctuation  | Forecast for the<br>year ending<br>March 2019 | Progress   |
|------------------------------------|---------------------------------|---------------------------------|--------------|---|------------|
| <b>Consolidated<br/>Net Income</b> | <b>117.8</b>                    | <b>204.4</b>                    | <b>+86.6</b> | <b>600.0</b>                                  | <b>34%</b> |
| Business-related sector            | 81.8                            | 120.2                           | +38.4        | 396.0   | 30%        |
| Market-related sector*             | 34.3                            | 74.3                            | +40.0        | 197.0   | 38%        |

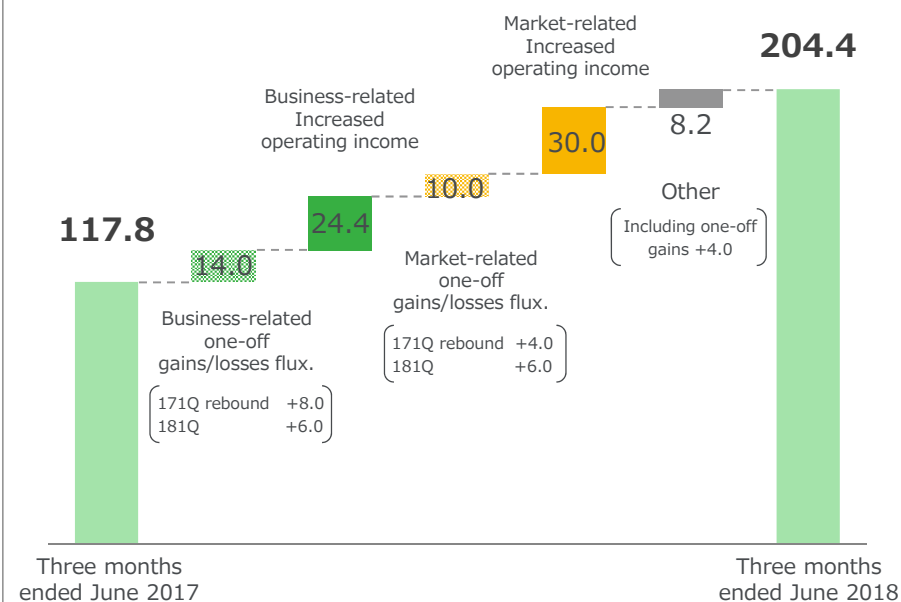
\* Market-related sector includes North American shale gas and E&P in the Energy Business segment, Mineral resources in the Metals segment, and Ships (commercial vessels) in the Machinery segment.

### <Year-over-Year fluctuation>

- ◎ Earnings increased 86.6 billion yen year-over-year, reached a historical high in quarterly earnings.
  - In the Business-related sector, in addition to rebound of one-off losses, solid accumulation of operating income in the LNG-related business, the Asia automotive business etc. led to an increase in net income.
  - In the Market-related sector, in addition to one-off gains in the Ship business, increased operating income in the Australian coal business etc. led to an increase in net income.

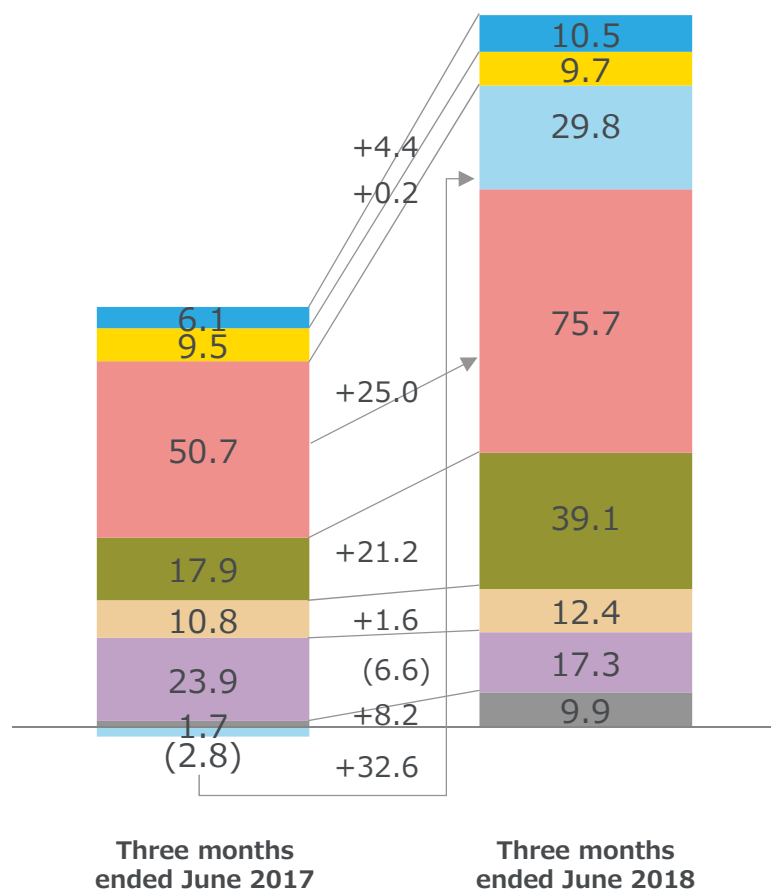
### <Progress against the forecast for the year ending March 2019>

- ◎ Progress against the earnings forecast was 34%, due to top-heavy earnings distributions in the Australian coal business and the Asia automotive business, and dividends received in the LNG-related business.



## Year-over-Year Segment Net Income (Loss)

(Billion Yen)  
117.8  $\xrightarrow{+86.6}$  204.4



■ **Global Environmental & Infrastructure Business [YoY +72%]**

One-off gains in the Overseas power generation business

■ **Industrial Finance, Logistics & Development**

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■ **Energy Business**

In addition to rebound of one-off losses from resource-related asset replacements, increase in earnings and dividends received in the LNG-related business

■ **Metals [YoY +49%]**

Increased earnings in the Australian coal business due to higher trading volume

■ **Machinery [YoY +118%]**

In addition to one-off gains in the Ship business, increased earnings in the Asia automotive business and contribution of equity income from Mitsubishi Motors

■ **Chemicals [YoY +15%]**

Increased trading profit and earnings due to higher selling prices

■ **Living Essentials [YoY (28%)]**

Decrease in earnings from the CVS business due to increased costs and decreased trading profit in the US meat business

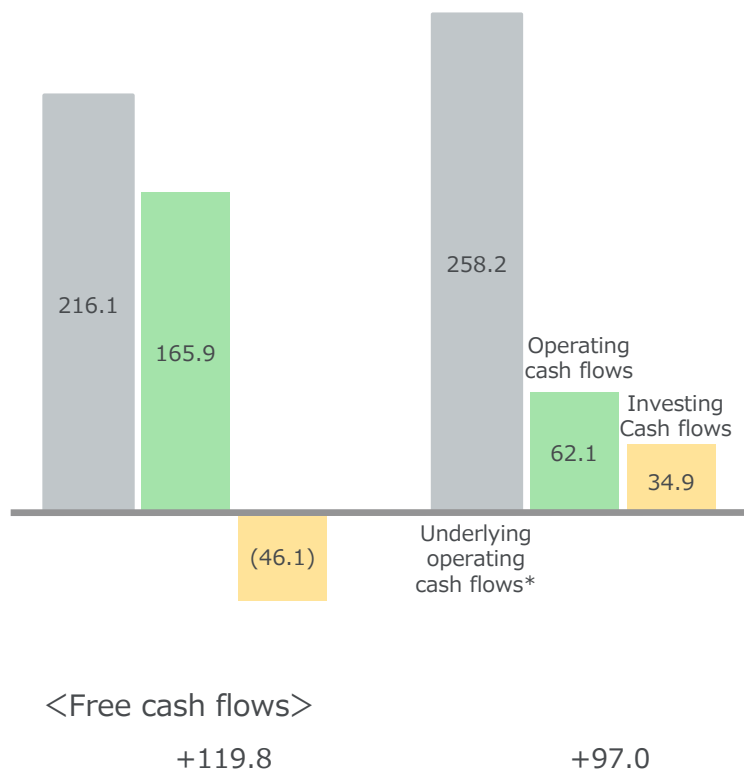
■ **Other**

Gains on the disposal of shares in SIGMAXYZ

# Cash Flows

Three months ended June 2017

Three months ended June 2018



[Breakdown of cash flows]

(Billion Yen)

| Ref. | Year ended                   | Underlying Operating CF | Investing CF    |                      |         | Underlying Operating CF + Investing CF |
|------|------------------------------|-------------------------|-----------------|----------------------|---------|--|
|      |                              |                         | New Investments | Sales and Collection | Net     |  |
|      | March 2017                   | 703.5                   | (569.6)         | 390.0                | (179.6) | 523.9                                  |
|      | March 2018                   | 857.8                   | (796.0)         | 478.4                | (317.6) | 540.2                                  |
|      | Three months ended June 2018 | 258.2                   | (167.6)         | 202.5                | 34.9    | 293.1                                  |

[Main items included in Investing CF for the three months ended June 2018]

| New Investments   | Sales and Collection   |
|---|--|
| <ul style="list-style-type: none"> <li>• Shale gas business (Energy Business)</li> <li>• Australian coal business (Metals)</li> <li>• CVS business (Living Essentials)</li> </ul> | <ul style="list-style-type: none"> <li>• Australian coal business (Metals)</li> <li>• Aircraft leasing business (Industrial Finance, Logistics &amp; Development)</li> </ul> |

\* 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 2018 | Forecast for the year ending March 2019<br>(Released on May 8) | Variance        | Consolidated Net Income Sensitivities for the year ending March 2019  |
|------------------------------------|------------------------------|--|-----------------|---|
| Foreign Exchange (YEN/US\$)        | 109.10                       | 110.00   | (0.9)           | Depreciation/appreciation of 1 yen per US\$1 has a 3.0 billion yen positive/negative impact on a full-year earnings.  |
| Crude Oil Price (Dubai) (US\$/BBL) | 72                           | 60   | +12             | A US\$1 rise/decline per barrel increases/reduces full-year earnings by 2.5 billion yen.<br>In addition to changes in crude oil price, 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. Therefore, the impact on earnings cannot be determined by the crude oil price alone. |
| Copper Price (US\$/MT)<br>[ ¢/lb ] | 6,872<br>[ 312 ]             | 6,504<br>[ 295 ]   | +368<br>[ +17 ] | A US\$100 rise/decline per MT increases/reduces full-year earnings by 1.4 billion yen (A US¢10 rise/decline per lb increases/reduces full-year earnings by 3.2 billion yen).<br>In addition to changes in copper price, 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 3M (%)          | 0.07                         | 0.10   | (0.03)          | 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 3M (%)         | 2.34                         | 2.50   | (0.16)          |   |