

# Results for the Three Months Ended June 2019

August 1, 2019

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 2019

(Billion Yen)	Three months ended June 2018	Three months ended June 2019	Fluctuation	Forecast for the year ending March 2020	Progress
<b>Consolidated Net Income</b>	<b>204.4</b>	<b>161.2</b>	<b>(43.2)</b>	<b>600.0</b>	<b>27%</b>
Business-related sector	120.2	95.8	(24.4)	393.0	24%
Market-related sector*	74.3	60.1	(14.2)	198.0	30%

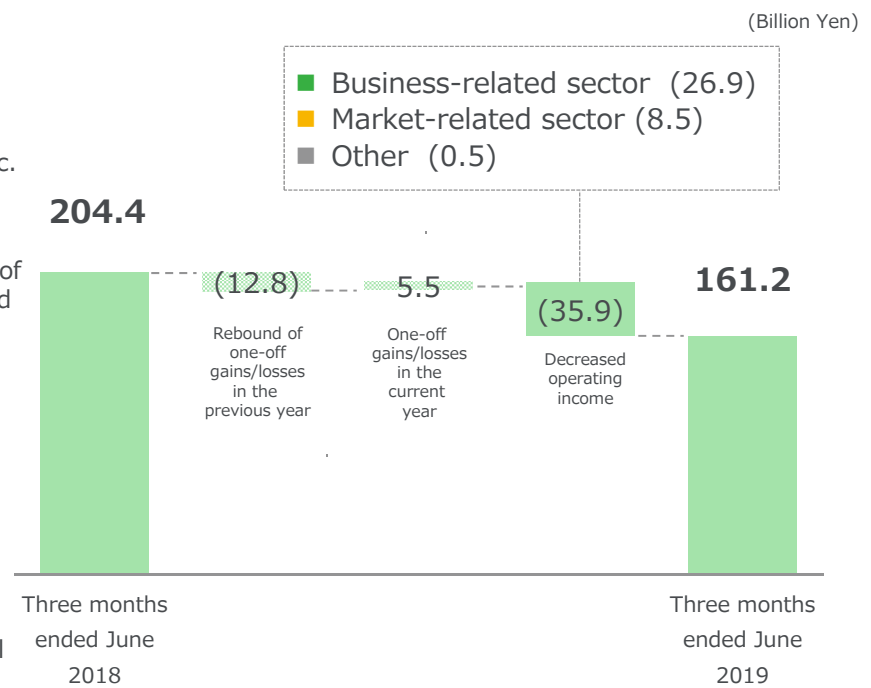
\* Market-related sector includes North American shale gas and E&P in Natural Gas segment, Mineral Resource business except for trading and business incubation in Mineral Resource segment, and Ships (commercial vessels) in Industrial Infrastructure segment.

## <Year-over-Year fluctuation>

- ◎ Earnings decreased 43.2 billion yen year-over-year.
  - In the Business-related sector, net income decreased mainly due to lower earnings in the Automotive-related business, the Petro-chemical business, and the Salmon farming business, etc.
  - In the Market-related sector, net income decreased due to lower operating income mainly in the Australian metallurgical coal business and decreased trading profit due to the disposal of the Australian thermal coal business, in addition to the rebound of one-off gains in the previous year.

## <Progress against the forecast for the year>

- ◎ Progress of 27% against the forecast for the year.
  - In the Business-related sector, net income progress was 24% mainly due to weak results in the Automotive-related business and the Salmon farming business.
  - In the Market-related sector, net income progress was 30% mainly due to higher price range and sales quantity in the Australian metallurgical coal business in addition to concentrated income for Q1 in the Australian metallurgical coal business and the North American shale gas business.

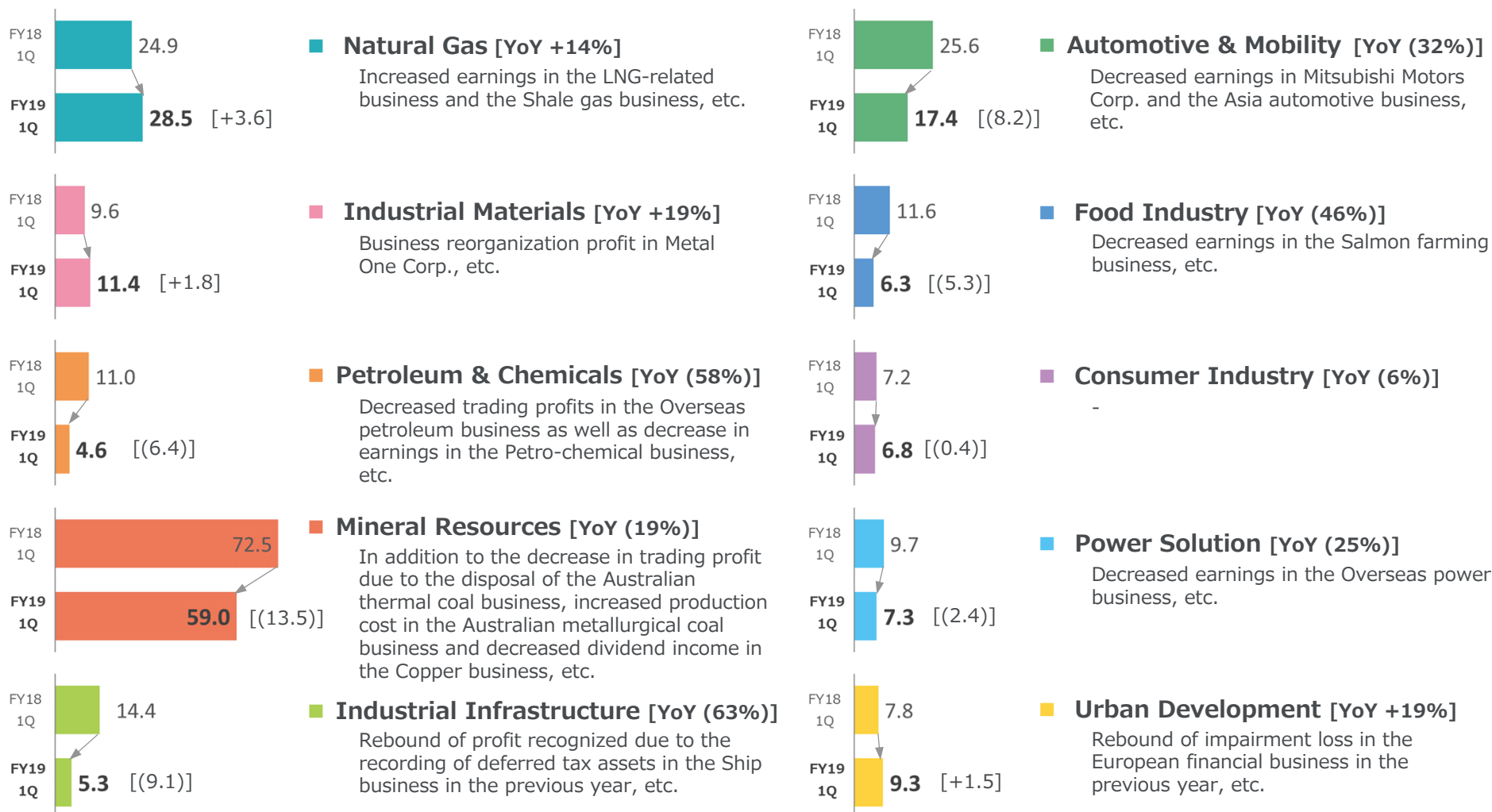


## Year-over-Year Segment Net Income

Consolidated Net Income : Three months ended June 2018 (FY18 1Q): 204.4

(Billion Yen)

Three months ended June 2019 (FY19 1Q): 161.2 [YoY (43.2)]

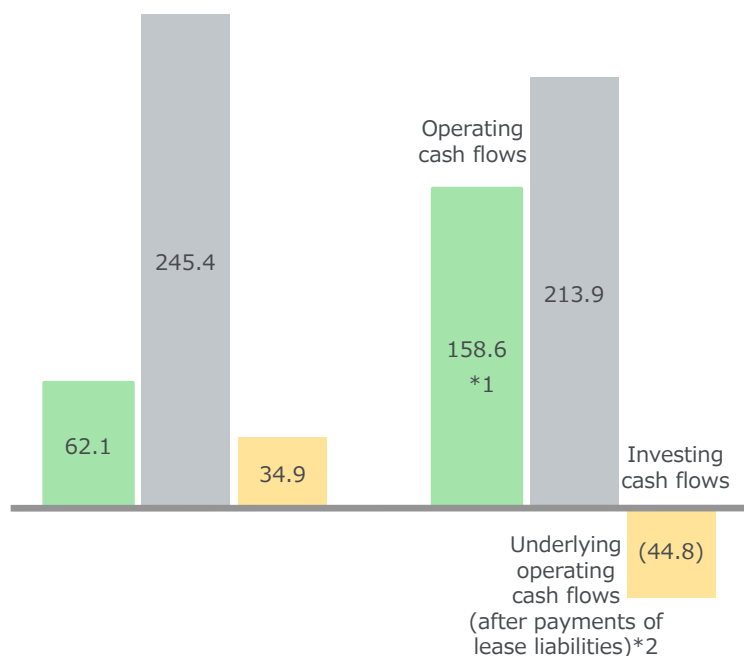


## Cash Flows

In order to present the source of funds for future investments and shareholder returns appropriately, “Adjusted Free Cash Flows” is introduced, which is free cash flows excluding changes in working capitals whilst including repayments of lease liabilities which are necessary in the ordinary course of business activities.

Three months ended June 2018

Three months ended June 2019



<Adjusted Free Cash Flows>

+280.3

+169.1

### [Breakdown of cash flows]

(Billion Yen)

	Underlying operating cash flows (after payments of lease liabilities)	Investing CF			Adjusted Free Cash Flows
		New/Sustaining Investments	Sales and Collection	Net	
Three months ended June 2019	213.9	(176.9)	132.1	(44.8)	169.1

### [Main items included in Investing CF for the three months ended June 2019]

New/Sustaining Investments	Sales and Collection
<ul style="list-style-type: none"> <li>Plant engineering business (Industrial Infrastructure)</li> <li>Australian metallurgical coal business (Mineral Resources)</li> <li>Convenience store business (Consumer Industry)</li> </ul>	<ul style="list-style-type: none"> <li>Overseas power business (Power Solution)</li> <li>Listed stocks (Food Industry/Consumer Industry/Other)</li> </ul>

\*1 Due to adoption of IFRS16, repayments of lease liabilities for three months ended June 2019 (64.9 Billion Yen) are not included.

\*2 Underlying operating cash flows (after payments of lease liabilities) :  
Operating cash flows excluding changes in working capitals  
(=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)  
whilst including repayments of lease liabilities

## (Reference) Market Conditions

### [Foreign Exchange, Commodity Prices and Interest Rates]

	Three months ended June 2019	Forecast for the year ending March 2020 (Released on May 9)	Variance	Consolidated Net Income Sensitivities for the year ending March 2020
Foreign Exchange (YEN/US\$)	109.90	110.00	(0.10)	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)	67	65	+2	A US\$1 rise/decline per barrel increases/reduces full-year earnings by 2.5 billion Yen. To better account for the differences in fiscal year-ends of consolidated companies and the timing when crude oil price is actually reflected in LNG sales price, the average price for the preceding 6 month period (e.g. For the year ending March: average price from Oct. to Sep.) is utilized. In addition to changes in crude oil price, other factors could also affect crude oil-related earnings, such as 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) [ ¢/lb ]	6,113 [ 277 ]	6,504 [ 295 ]	(391) [ (18) ]	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). 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 (%)	2.51	2.60	(0.09)	