Mitsubishi Corporation

Mitsubishi Corporation INVESTORS' NOTE

[Security code 8058]

NOV. 2009 No. 29

“We will continue to invest in the future while bracing ourselves for new challenges, with the aim of delivering sustained growth.”

Yorihiko Kojima
President and CEO

Consolidated Operating Results for the Six Months Ended September 30, 2009

Full-Year Forecasts Raised Based on a Solid Six-Month Performance, Despite Lower Earnings Year on Year

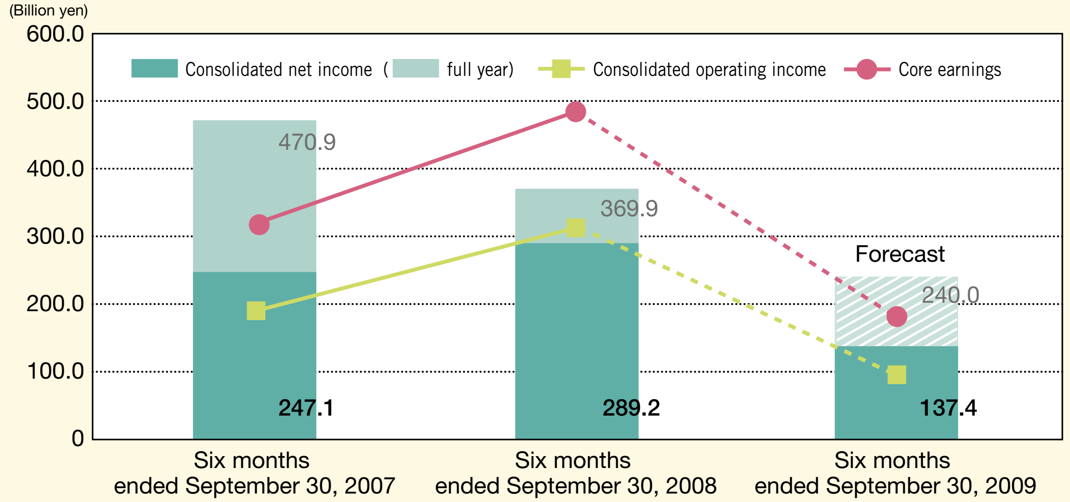
I’m pleased to address the shareholders of Mitsubishi Corporation (MC) through this newsletter. Let me begin by reporting on our consolidated operating results for the six months ended September 30, 2009 and our full-year forecasts for the fiscal year ending March 31, 2010.

The global economy had been mired in a serious recession in the wake of the financial crisis that began in the U.S. last fall, but the worst of the recession is now past thanks to pump-priming measures and quantitative easing by countries around the world. However, the pace of economic recovery remained very modest. While the Japanese economy saw some signs of a pickup in economic activity, it still lacks strength because of lackluster U.S., European and certain other overseas economies and stagnant domestic demand.

In this challenging business environment, we reported consolidated net income attributable to Mitsubishi Corporation* of 137.4 billon yen, a 52% year-on-year decrease from consolidated net income of ¥289.2 billion recorded in the same period of the previous fiscal year. This decrease was largely attributable to the drastic deterioration in real economies underway since the previous fiscal year. Another key factor was the pull-back from soaring resource prices in the previous fiscal year.

On the other hand, the achievement rate for net income was a solid 62% relative to the full-year forecast of 220.0 billion yen that we announced at the beginning of the fiscal year. In addition, commodity prices are rising, and concerns about possible share write-downs are diminishing in line with improving stock prices. Based on these factors, we have raised our full-year consolidated net income forecast by 20.0 billion yen from the initially forecast 220.0 billion yen to 240.0 billion yen.

■ Changes in Consolidated Net Income, Operating Income and Core Earnings



*Core earnings = Operating income (before the deduction of provision for doubtful receivables) + Interest expense-net + Dividend income + Equity in earnings of affiliated companies

*Consolidated net income in this presentation shows the amount of net income attributable to Mitsubishi Corporation, excluding noncontrolling interests, and is equivalent to net income through the fiscal year ended March 31, 2009.
Total shareholders' equity shows the amount of total equity attributable to Mitsubishi Corporation, excluding noncontrolling interests, and is equivalent to total shareholders' equity as used through March 31, 2009.

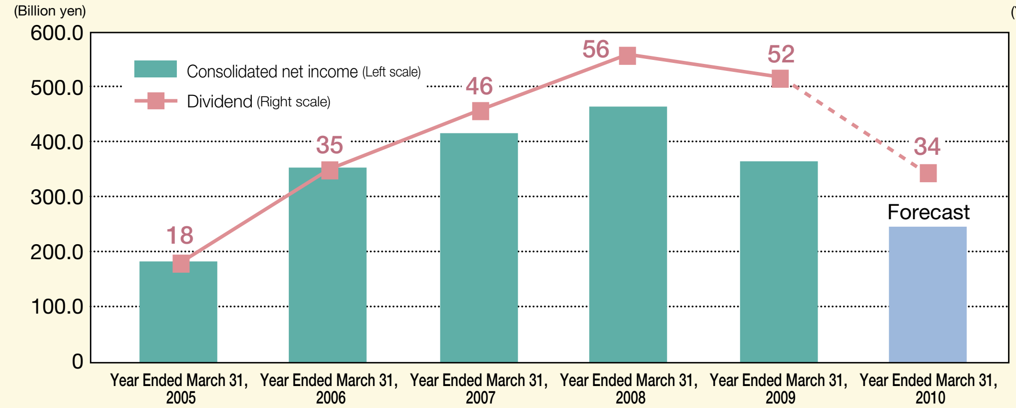
Interim Dividend

Interim Dividend Payment of 17 Yen Per Share as Originally Forecast

We have linked our dividend to consolidated net income in each fiscal year, so that earnings are directly returned to shareholders and set a consolidated payout ratio in the range of 20% to 25%.

Based on this policy, we plan to pay an annual dividend of 34 yen per share for the fiscal year ending March 31, 2010, as initially announced, providing we achieve our recently revised full-year consolidated net income forecast of 240.0 billion yen, which would equate to a consolidated payout ratio of 23%. MC has decided to pay an interim dividend of 17 yen per share, half the projected annual dividend, as originally forecast.

■ Changes in Consolidated Net Income and Dividend



	2005	2006	2007	2008	2009	2010
Interim dividend	6 yen	13 yen	18 yen	26 yen	36 yen	17 yen
Year-end dividend	12 yen	22 yen	28 yen	30 yen	16 yen	17 yen
Annual dividend	18 yen	35 yen	46 yen	56 yen	52 yen	34 yen
Consolidated payout ratio	15%	16%	19%	20%	23%	23%

Forecasts

The consolidated payout ratio has been rounded to nearest percent.

Meeting New Challenges in a Changing Business Environment

Bracing Ourselves to Continue Implementing Urgent Measures While Actively Paving the Way for the Future

In response to the abrupt global economic slowdown that emerged in the second half of 2008, MC has positioned the fiscal year ending March 31, 2010 as "a year for collective action". Ensuring financial soundness is our top priority. Therefore, under my leadership, MC has been taking swift action.

Specifically, the entire company has pulled together to implement the following four urgent measures: (1) Revise investment plans (2) Adopt management system for listed shares (3) Improve low-profit or loss-making businesses and (4) Cut operating expenses.

Progress With Four Urgent Measures

Urgent Measures	Progress
1 Revise Investment Plans Curb the build-up of investment assets* by revising investment plans, and by realigning the asset portfolio when making new investments, with a stronger emphasis on financial soundness. (Move the ratio of investment assets to consolidated shareholders' equity closer to 1.5, the target for March 31, 2010)	■ The ratio of investment assets to consolidated shareholders' equity was 1.42 as of September 30, 2009. ■ Investments of 145.0 billion yen were made during the six months ended September 30, 2009.
2 Adopt Management System for Listed Shares Adopt a system to decide whether to purchase, continue holding or sell listed shares based on the holding purpose and profitability as a measure to mitigate the risk of impairment losses and changes in accumulated other comprehensive income.	■ Devised and began implementing "Exit Rules for Listed Shares" and "Guidelines for New Acquisitions" from both a qualitative and quantitative perspective.
3 Improve Low-Profit or Loss-Making Businesses Upgrade monitoring of low-profit and loss-making businesses, and formulate and implement action plans to improve earnings and restore profitability in light of earnings declines due to deterioration of economic conditions.	■ Currently monitoring and planning to restore the profitability of business units (BUs) that have been in the red for three fiscal years in a row.
4 Cut Operating Expenses Formulate and implement plan to cut general and administrative expenses such as travel, transportation, and entertainment expenses.	■ Projected cost savings of 30.0 billion yen on a consolidated basis (savings of 15.0 billion yen were already reflected in initial forecasts)

Investment Record (For the Six Months Ended September 30, 2009)

- Australian coking / thermal coal-related investments
- Marunouchi Capital
- Metal One-related investment
- Aircraft leasing
- E&P business
- Mitsubishi Aircraft Corporation
- Amper Central Solar, etc.

Total: 145.0 billion yen / Up to 600.0 billion yen (Planned investments for the fiscal year ending March 31, 2010)

*Gross investment does not reflect asset portfolio realignment, depreciation and amortization, and so forth.

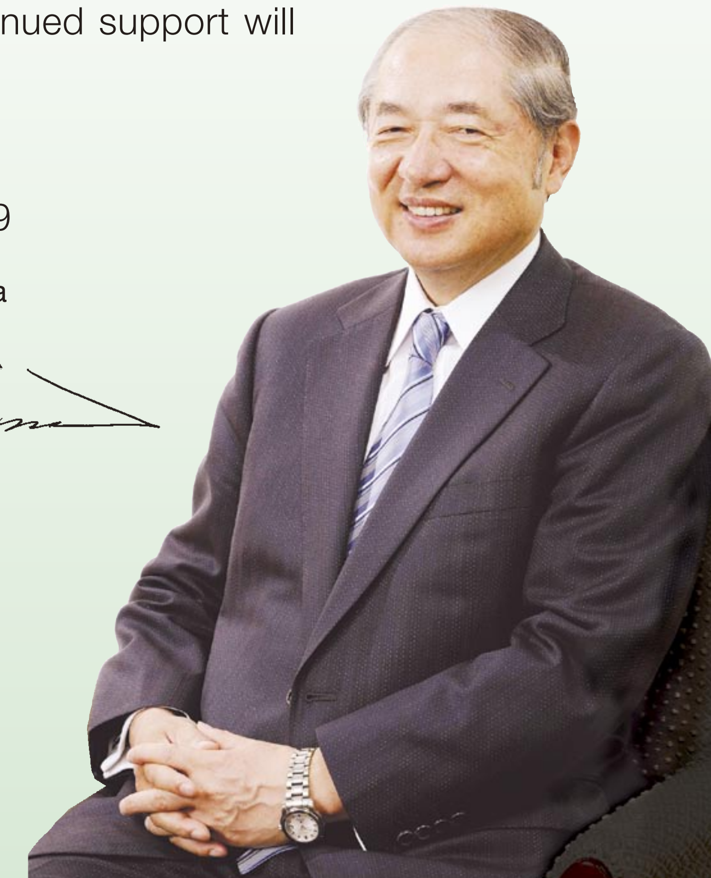
*Investment assets = Related investments and non-current receivables + cost of available-for-sale securities (shares only) + unlisted securities + property and equipment (excluding real estate held for development and resale) + intangible assets + goodwill

Meanwhile, the Corporate Development structure we put in place in April 2009 is producing solid results. For example, we entered into a strategic alliance with renewable energy major ACCIONA S.A. of Spain, and commenced mass production of lithium-ion batteries for electric vehicles through a joint venture. Going forward, we plan to continue actively investing in the new energy, environmental and water businesses, among other fields, as we develop each business into a core future growth driver. (Please see pages 10-13 for further details on Corporate Development.)

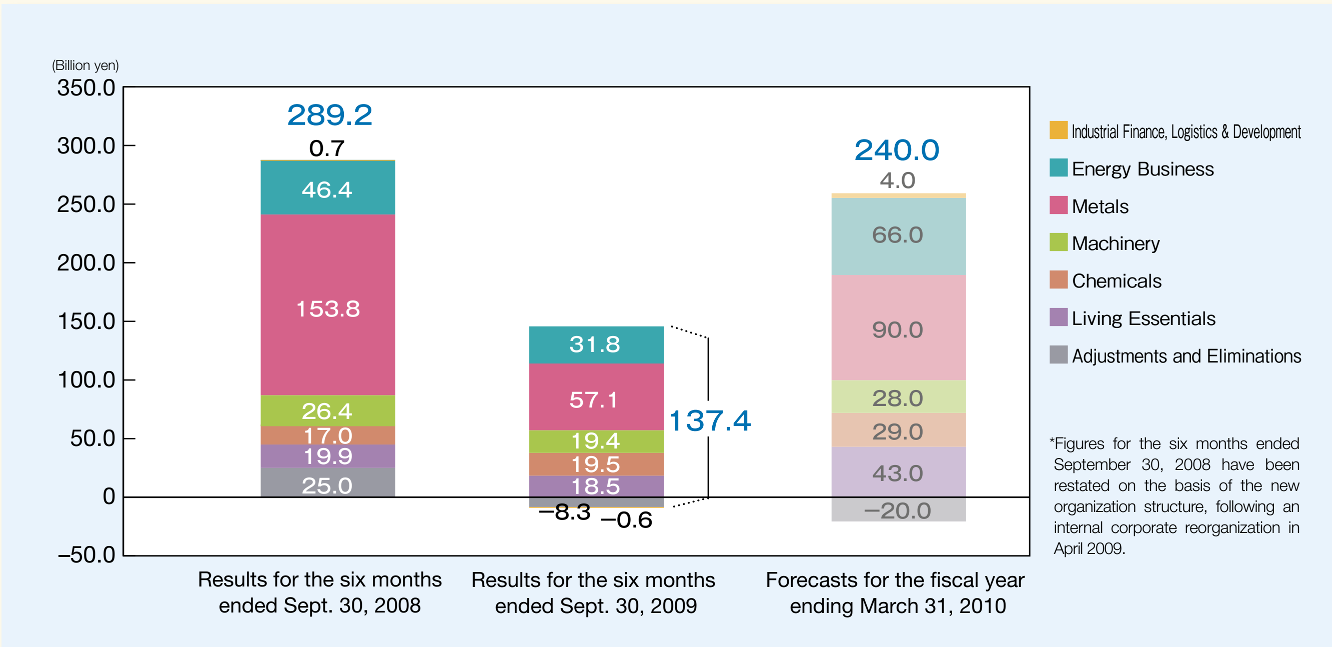
The global economic outlook still remains extremely uncertain, and the recent upturn cannot be taken for granted. However, I believe these times provide prime opportunities for a general trading company like Mitsubishi Corporation. We intend to continue bracing ourselves for new challenges in a changing business environment. At the same time, we will continue to invest in the future, with the aim of delivering sustained growth. Your understanding and continued support will be vital to this endeavor.

November 2009

Yorihiko Kojima
President and CEO



Consolidated Net Income (loss) by Business Group



Industrial Finance, Logistics & Development Group

Consolidated net income in this segment decreased 1.3 billion yen year on year. This change was primarily due to lower equity-method earnings from leasing-related businesses and write-downs of investment securities, although fund investment-related earnings improved.

Energy Business Group

Consolidated net income in this segment decreased 14.6 billion yen year on year. This reflected lower earnings on transactions at overseas resource-related subsidiaries and lower equity-method earnings from overseas resource-related business investees, both due to lower crude oil prices and the stronger yen.

Metals Group

Consolidated net income in this segment decreased 96.7 billion yen year on year. This decrease was mainly due to lower earnings on transactions and dividend income because of lower resource prices, as well as lower earnings at subsidiary Metal One Corporation.

Machinery Group

Consolidated net income in this segment decreased 7.0 billion yen year on year. The overall decrease was mainly on account of lower sales and the impact of forex fluctuations in overseas automobile operations, despite higher earnings at overseas Independent Power Producer (IPP)* businesses and other positive factors.

Chemicals Group

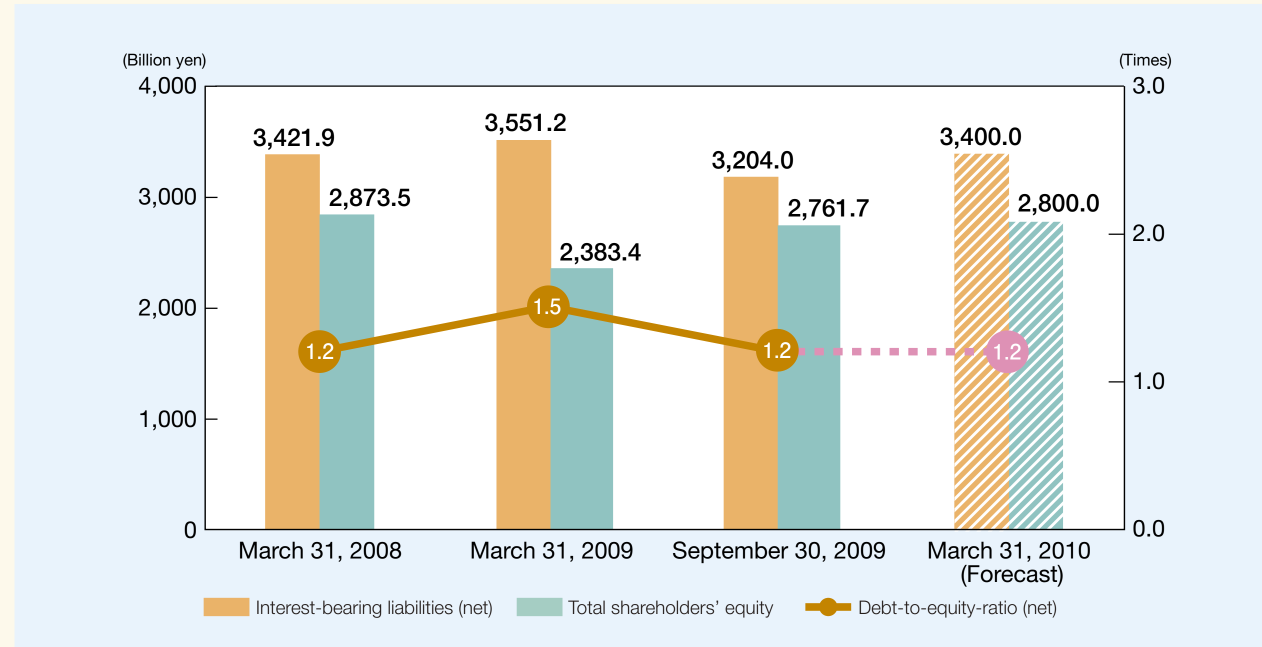
Consolidated net income in this segment increased 2.5 billion yen year on year. This result mainly reflected higher equity-method earnings due to the reversal of deferred tax liabilities of a petrochemical business-related company.

Living Essentials Group

Consolidated net income in this segment decreased 1.4 billion yen year on year. The decrease was mainly the result of lower earnings on transactions at food-related businesses and general merchandise-related subsidiaries, and lower equity-method earnings at food-related businesses.

*IPP (Independent Power Producer): a business operator that generates power at its own facilities and sells the electricity on the wholesale market to electric power companies.

Changes in Shareholders' Equity and Interest-Bearing Liabilities



Total shareholders' equity improved substantially to 2,761.7 billion yen, an increase of 378.3 billion yen from March 31, 2009. In addition to the consolidated net income result, this mainly reflected an increase in net unrealized gains on securities available for sale resulting from an increase in unrealized gains on listed shareholdings, as well as an improvement in foreign currency translation adjustments because of the yen's depreciation against the Australian dollar.

Interest-bearing liabilities (net) decreased 347.2 billion yen to 3,204.0 billion yen. As a result, the net debt-to-equity ratio, an indicator of financial soundness, improved 0.3 of a point to 1.2.

Reasons for Changes in Total Shareholders' Equity (Compared to March 31, 2009)

Consolidated net income (137.4 billion yen)	**Payment of dividends** (-26.3 billion yen)
Increase in net unrealized gains on securities available for sale (130.6 billion yen) →Increase in unrealized gains on listed shareholdings due to rising stock prices	**Improvement in foreign currency translation adjustments** (100.9 billion yen) →Impact of the yen's depreciation against the Australian dollar, etc

Interest-bearing liabilities: Debt that must be repaid with interest, including bank loans, bonds and commercial paper.
Net interest-bearing liabilities: interest-bearing liabilities (gross) minus cash and cash equivalents, and certain other accounts.

NEWS & TOPICS

Highlights of the latest developments at Mitsubishi Corporation

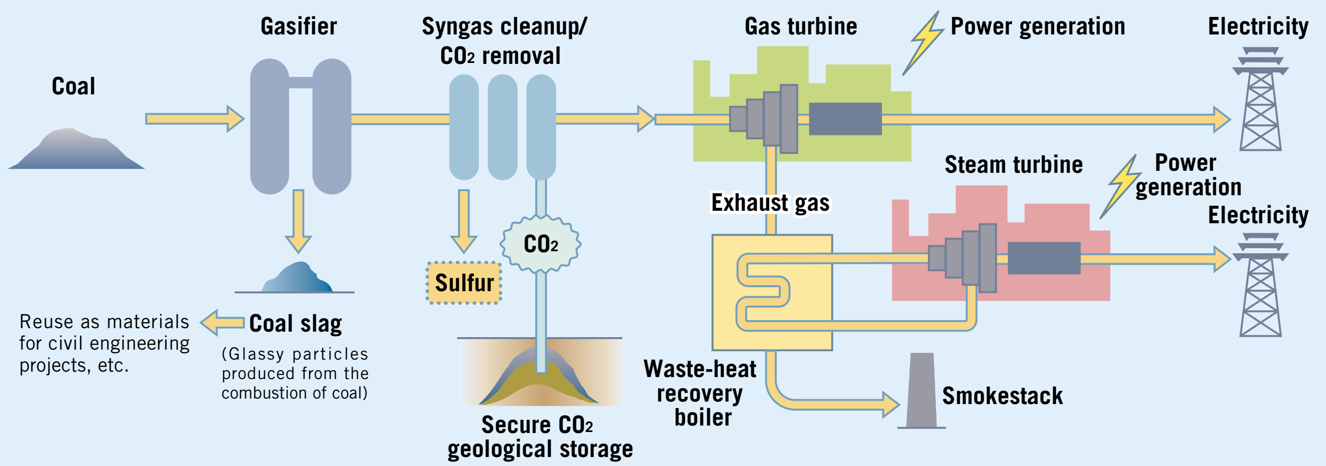
MC Participates in Clean Coal Project in Australia Via Construction of Power Plant With CCS Capability

(Power & Electrical Systems Division, Machinery Group)

Mitsubishi Corporation (MC) and Mitsubishi Heavy Industries, Ltd. (MHI) are participating in a power plant project in Australia that aims to demonstrate superior environmental performance. The project, which is being spearheaded by Australia's ZeroGen Pty. Ltd., seeks to combine a low-emission, high-efficiency Integrated Gasification Combined Cycle (IGCC) power plant with a Carbon Capture and Storage (CCS) facility. The facility would be the world's first commercial-scale complex to effectively integrate these two technologies. MC and MHI are expected to receive a comprehensive contract for the construction of the project, and are looking to bring the facilities on stream by 2015.

As a founding member of Australia's Global Carbon Capture and Storage Institute (GCCSI), MC provides advice on how coal can be effectively utilized in more environmentally responsible ways and it also makes practical suggestions to the Australian government regarding the planning and development of CCS initiatives. Through participation in this project, MC aims to accumulate know-how regarding the operation of next-generation coal-fired power plants while helping MHI to bolster its record in the area of IGCC plant supply. MC also aims to contribute throughout the value chain through its involvement in the project in various ways, from coal and pipeline supply to emissions credit trading.

ZeroGen IGCC with CCS



Integrated Gasification Combined Cycle (IGCC)

Coal is converted into a gas and used to generate power via a gas turbine. The high-temperature exhaust gas produced by the gas turbine is then used to drive a steam turbine to generate power. Compared with conventional coal-fired power generation, IGCC provides high power generation efficiency and low emissions of CO_2, as well as sulfur oxides and other substances responsible for air pollution. The method has attracted attention because it provides a means of utilizing the world's vast reserves of coal through clean coal-fired power generation.

Carbon Capture and Storage (CCS)

CCS is a technology for separating and capturing CO_2 from other gases, and sequestering CO_2 in geologically stable reservoirs either underground or under the seabed. In general, the technology will be deployed at power plants, factories and other large sources of CO_2 emissions. Research into CCS is being pursued worldwide because it is a promising technology that has the potential to help reduce CO_2 emissions on a global scale.

Dubai Metro Commences Operation—World's Longest Fully Automated Driverless Urban Rail System

(Ship, Aerospace & Transportation Systems Division, Machinery Group)


Dubai Metro

On September 9, 2009, Dubai Metro, a fully automated driverless urban rail system (total track length upon completion: 75 km), commenced operation of one segment of the project in Dubai, the United Arab Emirates (UAE). The segment that entered operation was the 52 km-long Red Line running between Dubai International Airport and Jebel Ali, a new area under development along the coast. The Green Line, a segment running through the old city along Dubai Creek, is planned to enter service by the end of 2010.

Dubai Metro is the Gulf Cooperation Council (GCC)'s first subway system. When completed, it will be the world's longest fully automated driverless urban rail system. Construction is being jointly conducted by an international consortium including Mitsubishi Heavy Industries, Ltd. (MHI), Obayashi Corporation, Kajima Corporation and Yapi Merkezi Insaat ve Sanayi A.S. of Turkey. Mitsubishi Corporation (MC) and MHI supplied the complete rail system, including rolling stock and automatic train control system.

MC has a track record of winning orders for rail system projects in Cairo, Egypt, Delhi, India and elsewhere around the world. In May 2009, MC won an account to supply Bangalore Metro of India with 150 cars of rolling stock. Going forward, MC will continue working to expand business with the aim of capturing growing global demand for the construction of rail systems.

MC Forges Alliance With China's Largest Pharmaceutical Wholesaler to Enter the Chinese Pharmaceutical Distribution and Wholesale Business

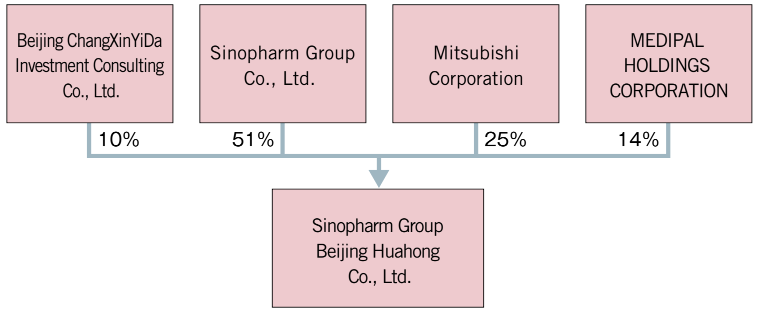
(Human Care & Media Division, Living Essentials Group)

Mitsubishi Corporation (MC), MEDIPAL HOLDINGS CORPORATION (MEDIPAL) and China's largest pharmaceutical wholesaler, Sinopharm Group Co., Ltd. (Sinopharm Group), have signed a memorandum for a comprehensive strategic alliance. As the first step of this alliance, MC and MEDIPAL have taken an equity interest in Sinopharm Group Beijing Huahong Co., Ltd. (Huahong), a member of the Sinopharm Group, to make inroads into China's pharmaceutical distribution and wholesale business, targeting the country's fast growing pharmaceuticals market.

As alliance partners, MC and MEDIPAL aim to support the development of Huahong providing expertise in their respective specialties. MC will provide expertise gained from its hospital management support business and hospital operational support outsourcing business, while MEDIPAL will provide know-how in the areas of pharmaceutical distribution and wholesaling.

By harnessing the strengths of the three partner companies—namely the Sinopharm Group's nationwide distribution network in China, MC's international business network, and MEDIPAL's close ties with Japanese pharmaceuticals and medical instrument manufacturers—the partners aim to further expand its business in China going forward.

Investment Scheme



Special Feature

Stepping Stones to New Growth
—Corporate Development Initiatives

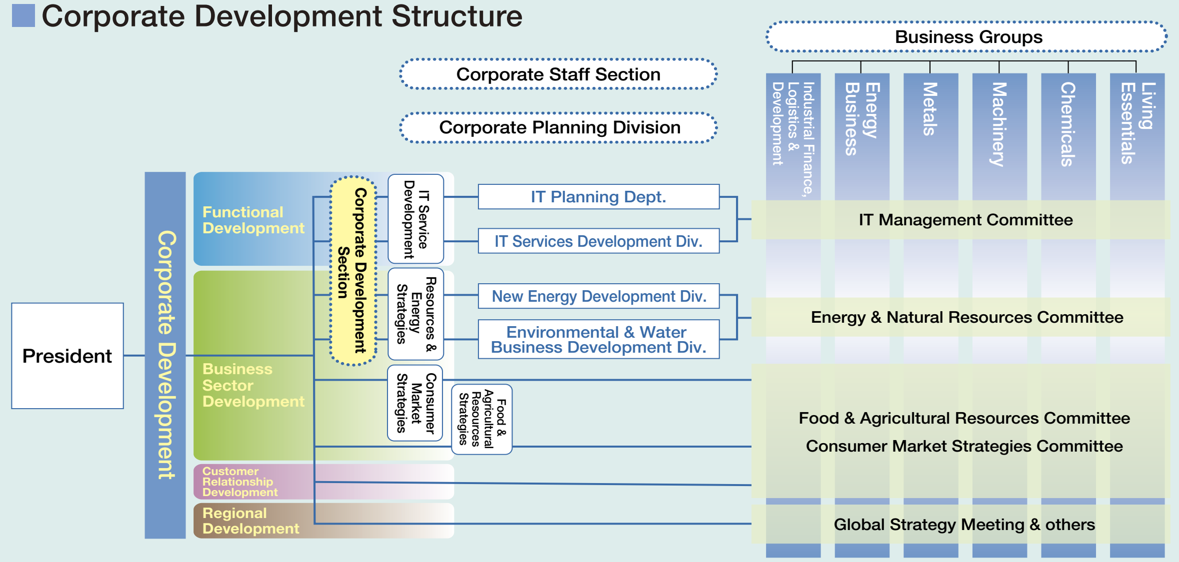
In a fast-changing operating environment, Mitsubishi Corporation (MC) is rigorously prioritizing core businesses, while sharpening corporate development capabilities to seize on new business opportunities from a Company-wide perspective.

Corporate Development Pursued in Four Areas —Functional Development, Business Sector Development, Customer Relationship Development, and Regional Development

MC has designated the four areas of Functional, Business Sector, Customer Relationship and Regional as Corporate Development areas, in order to bring together the entire company behind this drive and ensure that future growth opportunities do not slip through its fingers. The president personally oversees this corporate development. Business development is proceeding flexibly through various committees spanning the relevant Business Groups, the Corporate Development Section established in April 2009, and other organizations.

The entire company is working as one to develop Corporate Development areas that will become increasingly important over the medium and long terms, with each business positioned as a stepping stone to new growth. These areas encompass businesses that have the potential to drive medium and long-term growth and become core future earnings drivers, such as the new energy, and environmental and water businesses. Another area is IT services, given that it is essential to strengthen the capabilities of the entire company. Customer Relationship Development is also important because it increases our points of contact with industry as industry reorganization proceeds apace. In Regional Development, the focus is on infrastructure projects, a promising business worldwide.

■ Corporate Development Structure



Functional Development
Using IT to Bolster Management and Business

MC is working to strengthen the Company-wide IT infrastructure that is needed to raise the efficiency and rationalize management on a consolidated basis. Efforts are also focused on promoting IT that can support the business activities of our Business Groups, so that we can provide IT-driven systems and proposals to customers together with each Business Group. Another priority is to reinforce the IT services business itself by developing next-generation businesses in the field of IT.

Business Sector Development
Strengthening Businesses as Future Profit Centers

MC is conducting Business Sector Development in tandem with in-depth discussions at the Energy & Natural Resources Committee, Food & Agricultural Resources Committee and the Consumer Market Strategies Committee. Efforts are being driven by the belief that the new energy business, and environmental and water businesses, must be treated not only as businesses, but also as urgent corporate citizenship priorities. Furthermore, we plan to step up various activities in the food and agricultural resources field and the consumer market business as consumer needs become increasingly sophisticated and diverse.

Customer Relationship Development
Period of Economic Upheaval Allows MC to Exhibit Its Collective Strengths

MC is working to build the strong customer relationships that lie at the heart of our activities as a general trading company. Given the seismic shifts in the economic environment, companies all over the world now face a host of issues unlike anything seen before. In these uncertain times, quite a few companies are seeking to transform and reinvent themselves. With a foothold in a broad range of industries, MC possesses a wealth of collective capabilities such as a global network and outstanding corporate departments, as well as unique insights and competencies. Mobilizing these collective capabilities, we aim to contribute to the success of our customers as we develop new businesses.

Regional Development
Focusing on Long-Term Infrastructure Demand

In an effort to tap into global growth, MC is taking full advantage of its insights and expertise, and working horizontally across Business Groups, to tackle the issues of “securing natural resources” and “capitalizing on infrastructure demand.” MC is closely coordinating efforts with other Corporate Development areas, namely Business Sector Development (especially the Energy & Natural Resources Committee) and Customer Relationship Development, while advancing efforts related to new projects that are highly significant in terms of MC’s global strategy.

Corporate Development Section

MC has established development divisions that are devoted exclusively to each of its future core earnings drivers, such as the new energy business, and environmental and water businesses, and to the IT services, which will have a significant bearing on upgrading Company-wide capabilities.

IT Services Development Division

The IT Services Development Division's role is to solve clients' business problems in a speedy manner from a global perspective, based on know-how developed through experience.

Last year, MC established SIGMAXYZ Inc. as a new company focused on resolving clients' business problems through consulting and IT. Based on a closer relationship between SIGMAXYZ and IT Frontier Corporation, a provider of IT-related services, the Division is looking to promote the IT services business, which brings together consulting, systems integration and outsourcing functions. This will enable it to strengthen group management within the MC Group and raise the value of its consolidated businesses.

IT Frontier

IT Frontier Corporation (ITF) provides unified and total support for integrated IT strategies that are in line with clients' business strategies. ITF becomes an "IT Partner for Clients' Successes" and offers total support for clients' IT assets, beginning with the proposal of IT strategies and plans, including system design and integration, implementation, outsourcing services and ending with the IT management of network services.

SIGMAXYZ
Xpartner for Your Z

SIGMAXYZ Inc. is a business consulting services company that aims to maximize its clients' corporate value utilizing ICT*.

*Information communication technology

In April 2009, Lithium Energy Japan commenced mass production of large lithium-ion batteries for use in Mitsubishi Motors' new-generation electric vehicles, i-MiEV.

With this waterworks project along the Nagatogawa river in Chiba Prefecture, Japan Water Corporation became Japan's first company to sign a combined DBO (Design, Build, Operate) contract.

New Energy Development Division

The New Energy Development Division is on a mission to help alleviate and solve global environmental issues through new energy businesses. In parallel, the Division is opening new frontiers in MC's energy business, with the aim of establishing the Company as a leading global energy player.

In the solar photovoltaic power business, the Division is seeking to establish a robust value chain extending from the procurement of raw materials upstream to the development of power projects downstream. In March 2009, MC reinforced its downstream involvement with its participation in a solar photovoltaic power plant project developed by ACCIONA S.A. (Headquarters: Spain), one of the world's leading renewable energy companies. In July 2009, MC and ACCIONA S.A. signed a memorandum of understanding for a comprehensive strategic alliance. Through this alliance, the two companies will jointly develop and operate a comprehensive range of projects in the renewable energy and environmental businesses going forward.

In the biofuels business, the Division is pressing ahead with the bio-pellet manufacturing and sales business in Japan. Overseas, MC is now participating in the management of Vis Nova Trading GmbH, Germany's major bio-pellet production and sales company, as part of efforts to expand its bio-pellet business on a global scale. The Division is also stepping up efforts in the nanotechnology business, and will strengthen its R&D platform through greater collaboration with partners such as Battelle Memorial Institute, one of the world's largest independent research organizations, and the Tokyo Institute of Technology.

MC jointly operates one of the world's largest solar photovoltaic power plants with ACCIONA S.A. in Moura, Portugal.

Forest Energy Hita Co., Ltd. became Japan's first producer of bio-pellets for use as an alternative fuel to coal. The company boasts one of Japan's largest production bio-pellet production capacities.

Environmental & Water Business Development Division

The Environmental & Water Business Development Division seeks to help achieve a sustainable society by providing solutions to many different global environmental issues. The Division is currently pressing ahead with a diverse array of businesses.

In the automotive-relative field, the Division aims to boost production capacity for large lithium-ion batteries for electric vehicles at Lithium Energy Japan. At the same time, the Division is engaged in the development of lithium and rare earth metals, and the production of high-performance neodymium magnets, with the aim of building an automobile-related value chain. In the water-related business, the main priority is to enhance the functions necessary to grow MC's water business into "a private sector full-service water business enterprise." This will involve taking full advantage of the insights we have gained through Japan Water Corp. projects and other initiatives. In the emissions credit business, the Division is working to expand business in new fields such as the transport sector, which is to be covered by greenhouse gas emissions trading mechanisms in the future, while closely monitoring developments in environmental policies in various countries around the world.

A Worldwide MC Business

Energy Business Group
Natural Gas Business Division A
Natural Gas Business Division B

LNG Business

Demand for LNG (liquefied natural gas) is expected to rise worldwide as newly industrializing nations come to the fore and environmental preservation becomes increasingly important. Mitsubishi Corporation (MC) handles roughly 40% of Japan's LNG imports by volume, and is working hard to enhance its capabilities to ensure a stable supply of clean energy.

Handling Roughly 40% of Japan's LNG Imports by Volume

MC's LNG business was launched in 1969, when the Company facilitated Japan's first LNG imports from Alaska. For a resource-poor country like Japan, LNG is considered one of the most optimal types of energy, since it can be transported in large volume and from remote locations by tanker and other means. At the time, however, natural gas, including LNG, accounted for only a very small percentage of Japan's primary energy supplies by volume.

Convinced early on of LNG's potential, MC decided to take part with major oil producer Shell in the Brunei LNG Project. The first shipments from the project commenced in 1972. It was through this project that MC made its first major capital investment in natural gas liquefaction and sales operations. It was an extremely ambitious undertaking: our ¥45 billion investment in the project exceeded our capital at the time.

In the years since Brunei, we have steadily acquired working interests in LNG projects in Malaysia, Australia, Oman, Sakhalin and Indonesia. MC now handles about 40% of LNG imports by volume into Japan, which is the world's leading LNG importer nation. Besides Japan, we have also begun supplying LNG to South Korea, Taiwan and Europe.

Promoting Business Expansion Ahead of Rising Global Demand

In recent years, countries worldwide have aggressively adopted LNG as a more environmentally friendly energy source, since among other benefits, it produces fewer CO_2 emissions than either coal or oil. Given the anticipated rise of newly industrializing nations such as China and India, global seaborne LNG trading volume is projected to double during the next 10 years.

In anticipation of this rising demand, MC has expanded operations across a broad range of domains spanning the LNG value chain. This includes not only securing stable LNG supplies by acquiring production interests in key gas-producing nations, but also enhancing capabilities such as gas field exploration and development, natural gas production and liquefaction, LNG tanker operations, and LNG import agent services. In 2008, we boosted production at our Australia LNG project, followed in 2009 by the commencement of shipments from the Sakhalin LNG and Indonesia Tangguh LNG.

Along with steps to enhance the capabilities of existing operations going forward, MC will embark on a new challenge to organize entire LNG businesses as an LNG project operator. In tandem, we will pursue new LNG business opportunities in regions such as South America, the Middle East, and Africa, and actively develop unconventional gas such as coal bed methane, shale gas. Offshore natural gas development is another key priority as we work to boost MC's equity share of production. Through these efforts we aim to help ensure the stable supply of LNG.

What is unconventional gas?
Unconventional gas refers to types of gas that require special recovery technologies, which in the past has made extracting such gas technologically difficult or economically unfeasible. Reserves of such gas are estimated to be extremely abundant, with recent technological advancements and other breakthroughs spurring increased development of these resources, particularly in North America.

What is LNG (Liquefied Natural Gas)?

LNG is natural gas that has been converted into a liquid when cooled to a temperature of minus 162°C. Liquefaction reduces the volume of natural gas by a factor of 600, making it possible to transport large volumes of the fuel by tanker.

Clean LNG

	CO_2 (Carbon dioxide)	SOx (Sulfur oxides)	NOx (Nitrogen oxides)
Coal	100	100	100
Oil	83	68	71
LNG	57	0	29

Emissions per unit calorific value, with coal set as 100

How LNG is Delivered (LNG Value Chain)

Development

Gas field exploration and production, natural gas extraction

Production

Gas is cooled to minus 162°C and liquefied at a liquefaction plant

Transport

Transport via LNG tanker

Sales

Transfer to receiving terminals in countries with LNG demand

Global Development of the LNG Business

Mitsubishi Corporation (MC) is developing operations in a broad range of domains across the LNG value chain in the world's major LNG-exporting countries and regions.

Oman LNG

Oman

Supply operations launched in 2000. In 2006, MC took part in a second project in Oman (Qalhat LNG). Leveraging the project's geographical position in the Middle East, MC is supplying LNG not only to Asia, but also to Europe, the United States and other markets.

South Gas Utilization Project

Iraq

This project involves the recovery and effective utilization of massive volumes of natural gas (currently flared unused) released in conjunction with crude oil production in oil fields in southern Iraq. MC is promoting this business, with the view to supplying refined gas both for domestic supply in Iraq and for export abroad.

Sakhalin LNG

Russia

Shipments from the Sakhalin II Project commenced in March 2009. Given the amount of reserves and its geographical proximity to Japan, this project holds major significance and potential for Japan's energy security present and future.

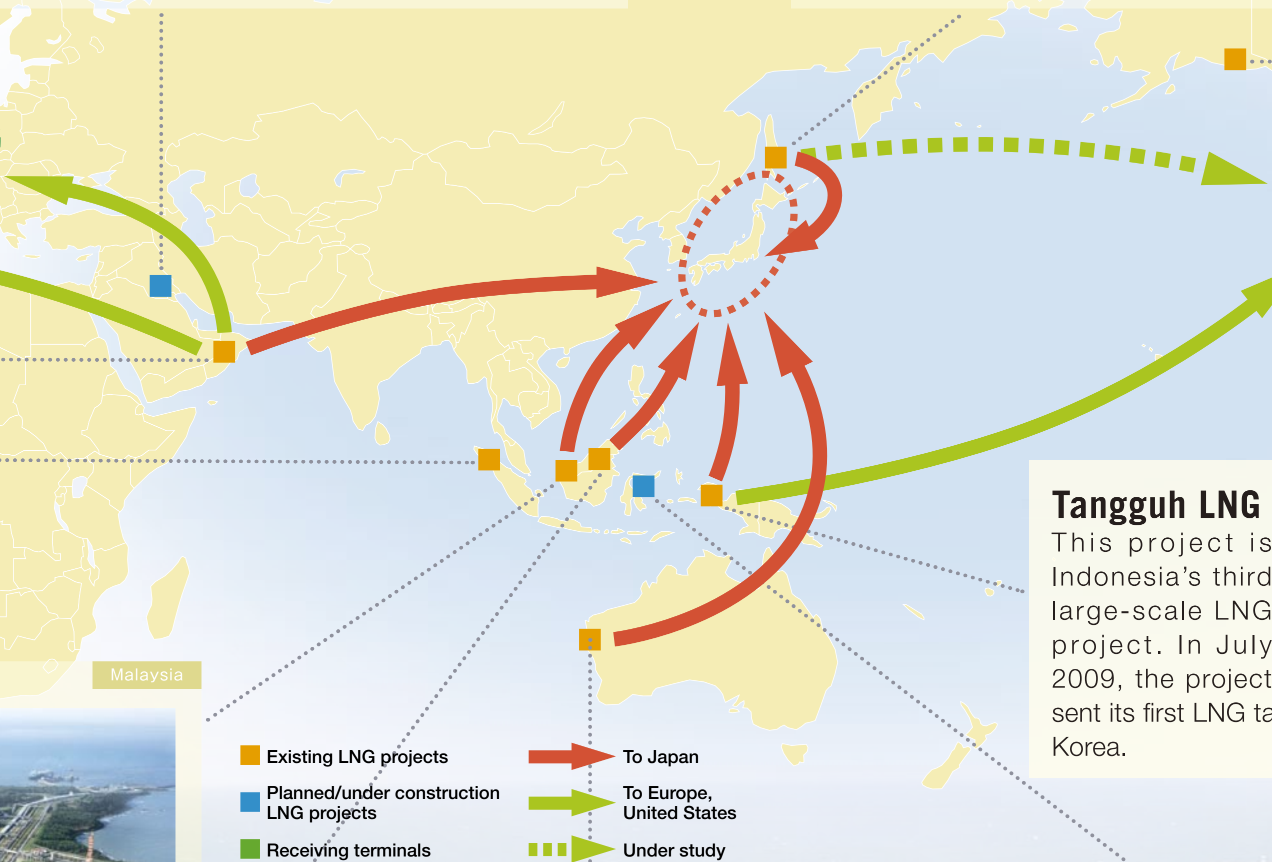
Alaska LNG

USA

This project was the first to export LNG to Japan, in 1969. MC serves as the import agent.

Receiving Terminal

MC obtained usage rights to the Freeport LNG Terminal, Texas (USA) in January 2009, and is currently planning ways to effectively utilize this new LNG base.



Arun LNG

Indonesia

Supply from this project began in 1984, where MC serves as the import agent.

Tangguh LNG

Indonesia

This project is Indonesia's third large-scale LNG project. In July 2009, the project sent its first LNG tanker shipment to South Korea.

Venezuela

Venezuela

Four companies—MC, Mitsui & Co., Ltd., ITOCHU Corporation, and Marubeni Corporation—have reached an agreement with Venezuela's state-oil firm Petróleos de Venezuela, S.A. (PDVSA) to consider possible joint participation in the Mariscal Sucre gas field development project off the coast of Venezuela.

Malaysia LNG

Malaysia

Production at this project began in 1983. MC has three LNG projects in operation in the country, accounting for some 20% of Japan's total LNG imports by volume. In the fiscal year ended March 31, 2009, MC focused on offshore exploration activities near the state of Sarawak.

Brunei LNG

Brunei

In 1972, this project began supplying LNG to Japan. Starting with investment in liquefaction and sales operations, MC in 2002 took stakes in companies that own LNG tankers as part of its extensive business development in this field. Together with the Brunei government, MC is currently involved in a solar photovoltaic power generation demonstration project (see page 18 for details).

Australia LNG

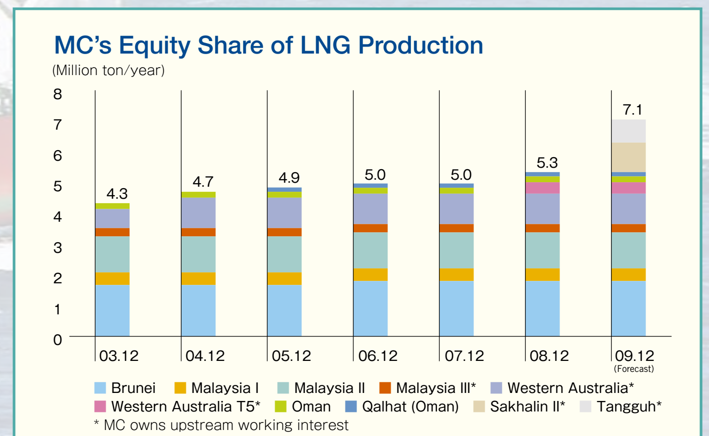
Australia

This project marked MC's first foray into gas field development. Production at a new LNG production facility (Phase 5 activity in the LNG chain) got under way in September 2008.

Donggi-Senoro Project

Indonesia

MC is the largest shareholder in this project, owning over half of all production rights. In contrast to its participation in past projects as a minority shareholder, MC coordinates all operations as the operator for this project, promoting development in conjunction with its partners.



Tackling Climate Change

Guided by the Three Corporate Principles (please see page 20) that constitute its corporate philosophy, Mitsubishi Corporation (MC) sees its response to global environmental challenges as one of its most important management issues. We are therefore actively engaged in promoting a range of initiatives aimed at realizing a sustainable society. These activities encompass every aspect of our business activities. Tackling climate change is a particularly important theme when considering the future of the global environment. Over the years, MC has remained committed to fighting climate change through its business activities and social contribution programs.

Initiatives Through Business Activities

Aiming to tackle climate change, MC has taken the lead in reducing greenhouse gas emissions. New technologies have been deployed that mitigate global warming, including new energy development projects, and new emissions trading mechanisms have been supported. In April 2009, MC positioned the new energy business, as well as the environmental and water businesses, as key targets for "Business Sector Development," one of its strategic areas for Corporate Development. MC has also established a corporate development structure to pull the entire company together behind initiatives in each area (Please see pages 10-13 for further details).

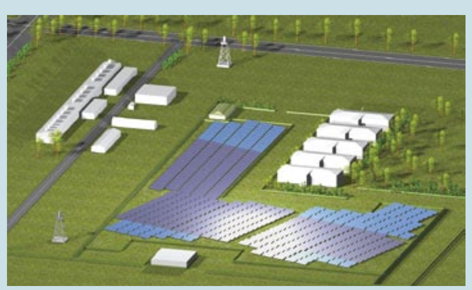
Going forward, MC remains determined to help bring about a sustainable society through a range of business activities.

Main Businesses

- Bio-pellets
- Solar photovoltaic, concentrated solar power, wind power generation businesses
- Bioethanol and biodiesel
- Development, manufacture and sale of lithium-ion batteries
- Emissions credit business on a global scale
- Domestic emissions reduction business using wood biomass
- Biomass-fueled power generation business using food waste
- ESCO business
- Aluminum recycling business
- Clean coal technology →See page 8
- Business to promote the uptake of electric vehicles
- CO_2 polymer

TOPICS Solar Photovoltaic Power Generation Demonstration Project in Brunei

This demonstration project involves the installation of a solar photovoltaic power generation plant with a rated power output of 1.2 megawatts, the largest project of its kind in Southeast Asia. The project will see MC work with the Brunei government on demonstration research and operational evaluations over a three-year period from the start of plant operations. The resulting data and know-how should be highly useful in promoting the uptake and practical use of solar photovoltaic power generation technology, including the training of local personnel. Work on the project is now fully underway, with the start of plant operations planned for 2010.



Solar photovoltaic power generation plant in Brunei (Artist's impression)

In-house CO_2 Action Project

MC is working to reduce the environmental impact of its daily operations and business activities by implementing an Environmental Management System (EMS) headed by the President & CEO.

EMS activities for the fiscal year ending March 31, 2010 are focused on reducing CO_2 emissions. To this end, MC is promoting a company-wide campaign to cut CO_2 emissions called the CO_2 Action Project. Ideas and targets for reducing CO_2 emissions are being considered by each business group. MC is implementing a broad range of initiatives, from turning off office lighting during lunch breaks as a electricity saving measure, to holding "paperless" meetings and promoting the use of teleconferencing, as well as choosing more environmentally friendly modes of transportation when on business trips or running errands.

In addition, solar photovoltaic power generation equipment has been installed on the roof of the Head Office buildings and is generating some of the electricity used by the office.

CO_2 Action Project poster

CSR & Environmental Affairs Advisory Committee Workshop

In September 2009, MC held a workshop with the CSR & Environmental Affairs Advisory Committee, which is made up of eight external experts. At the event, views were exchanged between committee members and relevant MC business departments. The committee members provided many suggestions on topics such as tackling climate change, as highlighted below:

Members of the CSR & Environmental Affairs Advisory Committee

- There is a large difference in the degree of concern about environmental issues between industrialized and developing nations. To bridge the difference, MC must take the lead in reducing CO_2 emissions through its own business activities.
- Funding and technology transfers from industrialized to developing nations is essential to drastically reducing CO_2 emissions. This should have a positive impact on MC's businesses.
- A paradigm shift is needed in Japan—the country must see its ambitious CO_2 reduction targets as an opportunity to establish itself as a leader in low carbon technologies. MC should be at the forefront of this movement.
- The time will almost certainly come when investment decisions will be based not only on the monetary return on investment, but also on factors like CO_2 emissions.

Q & A Answers to frequently asked questions from shareholders

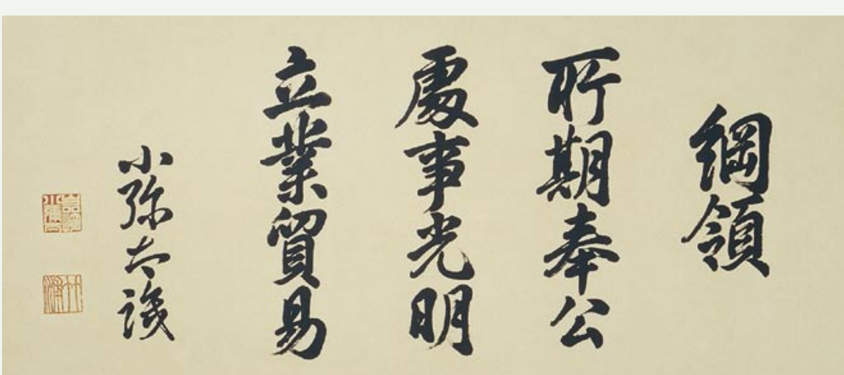
Q Could you please describe Mitsubishi Corporation's Corporate Philosophy?

A Mitsubishi Corporation's Corporate Philosophy was formulated based on the directives of Koyata Iwasaki, the first Chairman of Mitsubishi Shoji Kaisha (the fourth President of Mitsubishi). Our Corporate Philosophy is the *Sankoryo*—Mitsubishi's Three Corporate Principles of Corporate Responsibility to Society ("Shoki Hoko"), Integrity and Fairness ("Shoji Komei") and International Understanding through Trade ("Ritsugyo Boeki").

Mitsubishi Shoji Kaisha, the forerunner to today's Mitsubishi Corporation, was established in 1918. Shortly after its establishment, Mitsubishi Shoji Kaisha faced a continuous struggle as the Japanese economy was caught in a downward spiral, because of the recession following the boom years of World War I and a crash in stock markets due to the tightening of monetary policy. Under these difficult conditions, Koyata Iwasaki called managers and supervisors of Mitsubishi Shoji Kaisha together for a meeting to state his intentions. The managers and supervisors were prepared to be censured for the company's performance, but Iwasaki said nothing about working to make up for losses. Instead, he stressed that it was crucial for Mitsubishi's businesses to contribute to society and the nation—and that never should this important mission be forgotten for the sake of pursuing profits. He also set forth sound basic principles of business, such as competing in terms of quality, rather than just quantity, and avoiding speculation for windfall profits.

Based on Koyata Iwasaki's directives, the *Sankoryo*—Mitsubishi's Three Corporate Principles—were formulated in 1934 as the core values for the company. Over the years, this spirit has been handed down new generations of management and employees, and today remains the polestar for all of MC's business activities.

Mitsubishi's Three Corporate Principles, *Sankoryo*



Corporate Responsibility to Society ("Shoki Hoko")

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

Integrity and Fairness ("Shoji Komei")

Maintain principles of transparency and openness, conducting business with integrity and fairness.

International Understanding through Trade ("Ritsugyo Boeki")

Expand business, based on an all-encompassing global perspective

Mitsubishi Kinyokai, which is a meeting attended by top representatives of the companies that constitute the so-called Mitsubishi group, has confirmed that the *Sankoryo* constitutes the common corporate philosophy of the Mitsubishi group as it enters the 21st century.