FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 2018

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Mitsubishi Corporation

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2018

(Based on IFRS) (Consolidated)

1. Consolidated operating results for the year ended March 31, 2018

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

(1) Revenues and income

	Revenues		Profit before tax		Profit for the year		Profit for the year attributable to owners of the Parent		Comprehensive income	
For the year ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2018	7,567,394	17.8	812,722	35.1	610,416	27.2	560,173	27.2	604,346	21.5
March 31, 2017	6,425,761	(7.2)	601,440	−	480,074	−	440,293	−	497,323	−

	Profit for the year attributable to owners of the Parent per share (basic)	Profit for the year attributable to owners of the Parent per share (diluted)	Return on equity attributable to owners of the Parent	Pre-tax income to total assets ratio
For the year ended	Yen	Yen	%	%
March 31, 2018	353.27	352.44	10.9	5.1
March 31, 2017	277.79	277.16	9.3	3.9

Share of profit of investments accounted for using the equity method for the years ended March 31, 2018 and 2017 were 211,432 million and 117,450 million respectively.

(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	Equity per share attributable to owners of the Parent
As of	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
March 31, 2018	16,036,989	6,265,211	5,332,427	33.3	3,362.34
March 31, 2017	15,753,557	5,789,011	4,917,247	31.2	3,101.43

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
For the year ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2018	742,482	(317,583)	(554,328)	1,005,461
March 31, 2017	583,004	(179,585)	(752,162)	1,145,514

2. Dividends

	Cash dividends per share (Yen)					Cash dividends (annual)	Payout ratio (consolidated)	Dividends on equity attributable to owners of the Parent (consolidated)
(Record date)	1Q end	2Q end	3Q end	4Q end	Annual	Millions of Yen	%	%
March 31, 2017	−	30.00	−	50.00	80.00	126,831	28.8	2.7
March 31, 2018	−	47.00	−	63.00	110.00	174,446	31.1	3.4
March 31, 2019 (Forecast)	−	57.00	−	58.00	115.00	—	30.4	—

Scheduled dividends payment date: June 25, 2018.

3. Consolidated forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

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, 2019	600,000	7.1	378.33

4. Notes

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

(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

Please refer to page 19, "(1) Changes in Accounting Policies and Changes in Accounting Estimates" under "2. Notes Concerning Consolidated Financial Statements" of "Consolidated Financial Statements and Notes Concerning Consolidated Financial Statements".

(3) Number of shares issued (Common stock)

-1- Number of shares issued at year-end (including treasury stock)	(March 31, 2018)	1,590,076,851	(March 31, 2017)	1,590,076,851
-2- Number of treasury stock at year-end	(March 31, 2018)	4,147,602	(March 31, 2017)	4,597,223
-3- Average number of shares during each of the following fiscal years	(March 31, 2018)	1,585,658,390	(March 31, 2017)	1,584,995,082

Please refer to page 21, "(3) Earnings Per Share" under "2. Notes Concerning Consolidated Financial Statements" of "Consolidated Financial Statements and Notes Concerning Consolidated Financial Statements" regarding the number of shares that serve as the basis for calculating consolidated profit for the year attributable to Mitsubishi Corporation per share.

Disclosure Regarding Audit Procedures

This earnings release is not subject to audit procedures by certified public accountant or audit corporation.

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.

Contents

※ Mitsubishi Corporation will hold an earnings conference in Tokyo for the year ended March 2018 on May 10, 2018 (Thursday) from 15:30 to 17:00 (Japan Time), inviting institutional investors and analysts to join.
The conference material will be accessible in Japanese from the following URL:
https://www.mitsubishicorp.com/jp/ja/ir/index.html

(English interpretation of the conference call will be posted on our web site as soon as it becomes available.)

Operating Results and Financial Position

1. Operating Results and Financial Position of the Year Ended March 2018

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

(1) Summary of the Year Ended March 2018 Results

Revenues were ¥7,567.4 billion, an increase of ¥1,141.6, or 18% year over year, mainly due to increases attributed by Lawson, Inc. (hereinafter "Lawson") becoming a subsidiary and higher resource-related market prices.

Gross profit was ¥1,886.6 billion, an increase of ¥558.0 billion, or 42% year over year, mainly due to increases attributed by Lawson becoming a subsidiary and higher resource-related market prices.

Selling, general and administrative expenses rose ¥454.7 billion, or 49% year over year, to ¥1,387.3 billion, mainly due to increases attributed by Lawson becoming a subsidiary.

Gains on investments decreased ¥78.9 billion year over year, to ¥4.4 billion, mainly due to the rebound of one-off gains accompanied by business mergers and sales of associated companies in the previous year.

Gains on disposal and sale of property, plant and equipment increased ¥26.5 billion, or 184% year over year, to ¥40.9 billion, mainly due to sales of resource-related assets and swap profit on held real estate.

Impairment losses on property, plant and equipment and others amounted to ¥80.2 billion, a decreased loss of ¥23.0 billion year over year, mainly due to the rebound of impairments related to resource-related assets and the shipping business in the previous year.

Finance income increased ¥46.8 billion, or 35%, year over year, to ¥179.2 billion, due to increased dividend income from resource-related investments.

Share of profit of investments accounted for using the equity method increased ¥93.9 billion, or 80% year over year, to ¥211.4 billion, mainly due to higher resource-related market prices.

As a result, profit before tax increased ¥211.3 billion, or 35% year over year, to ¥812.7 billion.

Income taxes rose ¥80.9 billion, or 67% year over year, to ¥202.3 billion. Despite the reversal of deferred tax liabilities due to US tax reform, increased profit before tax and additional tax expenses through an exit from resource-related assets led to a rise in the total.

Accordingly, profit for the year grew ¥119.9 billion, or 27% year over year, to ¥560.2 billion.

(2) Segment Information

1) Global Environmental & Infrastructure Business Group

The Global Environmental & Infrastructure Business Group conducts environmental and infrastructure projects, related trading operations and other activities in power generation, water, transportation and other fields that serve as a foundation for industry.

The segment recorded profit for the year of ¥44.6 billion, an increase of ¥21.2 billion year over year.

The higher earnings mainly reflected improved equity income from Chiyoda Corporation and the reversal of deferred tax liabilities due to US tax reform.

2) Industrial Finance, Logistics & Development Group
The Industrial Finance, Logistics & Development Group conducts an investment and operation business. This business includes corporate investment, leasing, real estate/urban development, and logistics services.

The segment recorded profit for the year of ¥44.2 billion, an increase of ¥8.7 billion year over year.

The higher earnings mainly reflected the swap profit on held real estate and an increase in fund evaluation profit.

3) Energy Business Group
The Energy Business Group conducts a number of activities including natural gas/oil exploration, production and development business; liquefied natural gas (LNG) business; trading of crude oil/petroleum products/carbon materials and products/liquefied petroleum gas (LPG); and planning and development of new energy business.

The segment recorded profit for the year of ¥20.3 billion, a decrease of ¥35.2 billion year over year.

The lower earnings mainly reflected one-off losses on resource-related assets due to replacements, increased decommissioning costs, and additional tax expenses, despite the increase in earnings and dividends received in the LNG-related business.

4) Metals Group
The Metals Group conducts “managing” businesses through trade, development, and investment in a range of fields. These include steel products such as steel sheets and thick plates, steel raw materials such as coking coal and iron ore, and non-ferrous metals such as copper and aluminum.

The segment recorded profit for the year of ¥261.0 billion, an increase of ¥113.1 billion year over year.

The higher earnings mainly reflected increased earnings resulting from partial mitigation of reduction of production and shipments caused by Cyclone Debbie, and higher realized prices and dividend income for the Australian coal and other mineral resource business.

5) Machinery Group
The Machinery Group conducts trading, finance and logistics, and investments in a range of fields. These fields include machine tools, agricultural machinery, construction machinery, mining machinery, elevators, escalators, ships, aerospace-related equipment and motor vehicles.

The segment recorded profit for the year of ¥85.2 billion, an increase of ¥55.8 billion year over year.

The higher earnings mainly reflected a rebound from one-off losses as well as one-off gains in the shipping business and increased earnings in the Asia automotive business.

6) Chemicals Group

The Chemicals Group conducts trading, business development, and investments related to chemical products in a broad range of fields. These fields extend from basic materials such as ethylene, methanol, and salt produced from crude oil, natural gas, minerals, plants, marine resources and so forth, to midstream and downstream products such as plastics, electronic materials, food ingredients, fertilizer, and fine chemicals.

The segment recorded profit for the year of ¥30.6 billion, an increase of ¥3.9 billion year over year.

The higher earnings mainly reflected increased trading profit and earnings due to stronger markets, despite one-off losses due to recording of deferred tax liabilities etc. in the basic chemicals business.

7) Living Essentials Group

The Living Essentials Group provides products and services and develops businesses in various fields closely linked with people's lives, including food products and food, apparel, everyday products, healthcare, and items central to consumer lifestyles. These fields extend from the procurement of raw materials to distribution and retail.

The segment recorded profit for the year of ¥74.7 billion, a decrease of ¥46.6 billion year over year.

The lower earnings mainly reflected the rebound of one-off gains from the acquisition of Lawson as a subsidiary and meat business restructuring in the previous year, and one-off losses in the food materials business this year, despite the increased earnings from the salmon farming business.

(3) <u>Changes in Assets, Liabilities and Equity</u>

Total assets as of March 31, 2018 was ¥16,037.0 billion, an increase of ¥283.4 billion from March 31, 2017. The increase was mainly due to a rise in trade and other receivables caused by the fact that the end of the period fell on a holiday and that transaction prices and transaction volume got higher.

Total liabilities was ¥9,771.8 billion, a decrease of ¥192.7 billion from March 31, 2017. This decline was attributable to the repayment of bonds and borrowings, although trade and other payables expanded as a result of the fact that the end of the period fell on a holiday and that transaction prices and transaction volume got higher.

Net interest-bearing liabilities, which is gross interest-bearing liabilities minus cash, cash equivalents and time deposits, decreased ¥277.3 billion from March 31, 2017 to ¥3,714.2 billion.

Equity attributable to owners of the Parent was ¥5,332.4 billion, an increase of ¥415.2 billion from March 31, 2017. This increase was mainly due to the accumulation of profit for the period.

(4) <u>Cash Flows</u>

Cash and cash equivalents as of March 31, 2018 was ¥1,005.5 billion, down ¥140.0 billion from March 31, 2017.

(Operating activities)

Net cash provided by operating activities was ¥742.5 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 ¥317.6 billion. The main use of cash was for investments in affiliated companies, including the acquisition of shares in Mitsubishi Motors Corporation, and for capital expenditures, despite cash provided by the sale of property, plant and equipment and listed stocks.

As a result, free cash flow, the sum of operating and investing cash flows, was positive ¥424.9 billion.

(Financing activities)
Net cash used in financing activities was ¥554.3 billion, mainly due to the repayment of borrowings, redemption of bonds, and the payment of dividends at the Parent.

2. Forecasts for the Year Ending March 2019

For the year ending March 2019, profit for the year is expected to be ¥600.0 billion. For the segment-specific forecasts and market condition assumptions, please refer to MC's financial results for the year ended March 2018 (Results for the Year Ended March 2018 and Forecasts for the Year Ending March 2019). Please see the "Business Risks" section for principal risks that have the potential to affect the operating performance.

3. Business Risks

(1) Risks of Changes in Global Macroeconomic Conditions

As we conduct businesses on a global scale, our operating results are impacted by economic trends in overseas countries as well as those in Japan.

For instance, a decline in prices of energy and metal resources could have a large impact on our resource-related import trading and earnings from business investments. Furthermore, the worldwide economic slowdown could affect our entire export-related business, including plants, construction machinery parts, automobiles, steel products, ferrous raw materials, chemical products, and other products.

In Thailand and Indonesia, we have various automobile businesses, including automobile assembly plants, distribution/sales companies and financial services companies jointly established with Japanese automakers. Since automobile sales volume reflects internal demand in each of these countries, economic trends in both Thailand and Indonesia may have a significant impact on earnings from our automobile operations.

In the year ended March 2018, the global economy was characterized by rising geopolitical risks in North Korea and the Middle East. Nevertheless, world economic growth continued, sustained by rising levels of consumption and investment in advanced countries, as well as stable economic growth in emerging markets such as China.

(2) Market Risks

(Unless otherwise stated, calculations of effects on future profit for the year are based on profit for the year ended March 2018.)

1) Commodity Market Risk

In the course of our business activities, we are exposed to various risks relating to fluctuations of commodity prices as a trader, an owner of rights to natural and energy resources, and a producer and seller of industrial products of our investees. Product categories that may have a large impact on our operating results are as follows:

(Energy Resources)

We engage in the natural gas and oil production, business development, and the liquefied natural gas (LNG) business, in North America, Southeast Asia, Australia, and other regions. Accordingly, fluctuations in oil and gas prices could have a significant impact on our operating results.

Crude oil (Brent) is traded at around US$60 due primarily to solid demand, especially Asia, as well as the agreement among major oil-producing countries to extend their accord on lowering production volumes, despite the rise in US shale oil production. Going forward, we expect the price environment to remain uncertain, due to ongoing geopolitical risk, the production level of major oil-producing countries and US shale oil production, and inventory trends among the major countries.

Fundamentally, LNG prices are linked to crude oil prices. It is estimated that a US$1/BBL fluctuation in the price of crude oil would have an approximate ¥2.0 billion effect on profit for the year for LNG and crude oil combined in a year, mainly through equity method earnings. However, fluctuations in the price of LNG and crude oil might not be immediately reflected in our operating results because of the time lag of the fluctuations to provide impact to our operation.

(Metal Resources)
Through a wholly owned subsidiary, Mitsubishi Development Pty Ltd (MDP), in Brisbane, Australia, we sell coking coal, which is used for steel manufacturing, and thermal coal used for electricity generation. Fluctuations in the price of coking coal may affect our operating results through MDP's earnings. MDP's operating results cannot be determined by the coal price alone since MDP's results are also significantly affected by fluctuations in exchange rates among the Australian dollar, U.S. dollar and yen, as well as adverse weather and labor disputes etc.

In addition, as a producer, we are exposed to the risk of price fluctuations in copper. A US$100 fluctuation in the price per MT of copper would have a ¥1.4 billion effect on our profit for the year (a US¢10 price fluctuation per lbs. of copper would have a ¥3.2 billion effect on our profit for the year). However, variables beside price fluctuations can also have an impact. These include the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditures). Therefore, the impact on earnings may not be determined by the copper price alone.

(Petrochemical Products)
We engage in the production and sale of petrochemical products manufactured from raw materials such as naphtha and natural gas in such countries as Saudi Arabia, Malaysia, and Venezuela. We also engage in global trading activities, centered on Asia. Market prices on petrochemical products are determined individually based on product characteristics, according to such factors as raw material prices and the supply-demand balance. Such changes could affect this business and the earnings the Company generates from related transactions.

2) Foreign Currency Risk
We bear the risk of fluctuations in foreign currency rates against yen in the course of our trading activities, such as export, import, and offshore trading. While we use forward contracts and other hedging strategies, there is no assurance that we can completely avoid foreign currency risk.

In addition, dividends received from overseas businesses and equity in earnings of overseas consolidated subsidiaries and affiliates are relatively high in proportion to our profit for the year. Because most of these earnings are denominated in foreign currencies, which are converted to yen solely for reporting purposes, an appreciation in the yen relative to foreign currencies has a negative impact on profit for the year. In terms of sensitivity, a ¥1 change relative to the U.S. dollar would have an approximate ¥2.5 billion effect on profit for the year.

Regarding our investments in overseas businesses, an appreciation in the yen poses the risk of lowering shareholders' equity through a negative effect on exchange differences on translating foreign operations. Consequently, we implement various measures to prevent increased exposure to foreign currency risk on investments, such as by hedging foreign currency risks with respect to new large investments. However, there is no assurance that we can completely avoid these risks.

3) Stock Price Risk

As of March 31, 2018, we owned approximately ¥1,490.0 billion (market value) of marketable securities, mostly equity issues of customers, suppliers and affiliates. These investments expose us to the risk of fluctuations in stock prices. The valuation above represented net unrealized gains of approximately ¥580.0 billion based on market prices, a figure that could change depending on future trends in stock prices. In our corporate pension fund, some of the pension assets are managed by marketable stocks. Accordingly, a fall in stock prices could reduce pension assets.

4) Interest Rate Risk

As of March 31, 2018, we had gross interest-bearing liabilities of ¥4,954.4 billion. Because almost all of these liabilities bear floating interest rates, there is a risk of an increase in interest expenses caused by a rise in interest rates.

The vast majority of these interest-bearing liabilities correspond to trade receivables, loans receivable and other operating assets that are positively affected by changes in interest rates. Because a rise in interest rates produces an increase in income from these assets, while there is a timing difference, interest rate risk is offset. For the remaining interest-bearing liabilities exposed to interest rate risk without such offsets, commensurate asset holdings such as investment securities, property and equipment generate trading income as well as other income streams such as dividends that are strongly correlated with economic cycles. Accordingly, even if interest rates increase as the economy improves, leading to higher interest expenses, we believe that these expenses would be offset by an increase in income from the corresponding assets held. However, our operating results may be negatively affected temporarily if there is a rapid rise in interest rates because increased income from commensurate assets held would fail to offset immediately the effects of a preceding increase in interest expenses.

To monitor market movements in interest rates and respond flexibly to market risks, we have established the ALM (Asset Liability Management) Committee. This committee establishes fund procurement strategy and manages the risk of interest rate fluctuations.

(3) Credit Risk

We extend credit to customers in the form of trade credit, including accounts receivables and advance payments, finance, guarantees and investments due to our various operating transactions. We are therefore exposed to credit risks in the form of losses arising from deterioration in the credit of or bankruptcy of customers. Furthermore, we utilize derivative instruments, primarily swaps, options and futures, for the purpose of hedging these risks. In this case, we are exposed to the credit risk of the counterparties regarding these derivative contracts.

To manage this risk, we have established credit and transaction limits for each customer as well as introduced an internal rating system. Based on internal rules determined by internal ratings and the amount of credit, we also require collateral or a guarantee depending on the credit profile of the counterparty. There is no guarantee that we will be able to completely avoid credit risk with these risk hedging strategies. We reduce transactions and take measures to protect our receivables when there is deterioration in the credit condition of customers. We also have a policy for dealing bankrupt customers and work to collect receivables. However, failure to collect receivables and other credit could affect our operating results.

(4) Country Risk

We bear country risks in relation to transactions and investments with overseas companies in the form of delays or inability to collect cash or conduct business activities due to political and socioeconomic conditions in the countries where they are domiciled.

We take appropriate risk hedging measures that involve, in principle, hedges via third parties through such means as taking out insurance, depending on the nature of the project. Furthermore, we have established a Country Risk Committee, in which country risks are managed through a country risk countermeasure system. The country risk countermeasure system classifies countries with which we conduct business into eight categories based on creditworthiness by country. Country risk is controlled through the establishment of risk limits for each category.

However, even with these risk hedging measures, it is difficult to completely avoid risks caused by deterioration in the political, economic, or social conditions in the countries or regions where our customers, portfolio companies or ongoing projects. Such eventualities may have an impact on our operating results.

(5) Business Investment Risk

We participate in the management of various companies by acquiring equity and other types of interests. These business investment activities are carried out with the aim of increasing our commercial rights and deriving capital gains. However, we bear various risks related to business investments, such as the possible inability to recover our investments and exit losses, or being unable to earn the planned profits. Regarding the management of business investment risk, in the case of new business investments, we clarify the meaning and purpose of the investment, quantitatively grasp the downside risk of investments, and evaluate whether the return on our investments based on the characteristics of a business exceeds the minimum expected rate of return. After investing, we manage risks individually with respect to business investments to achieve the investment goals through the Business Plan formulated every year. Furthermore, we clarify retention policies, including the sale of our equity interest or the liquidation of the investee in order to efficiently replace assets in our portfolio, in the event that the investments are generating lower earnings than indicated in the plan.

Notwithstanding these initiatives, although we follow strict standards for the selection and management of investments, it is difficult to completely avoid the risk of investments not delivering the expected profits. Therefore, our operating results could be affected by changes in the business environment and withdrawals from an investment etc.

(6) Risks Related to Specific Investments

(Investments in Australian Coking Coal and Other Metal Resource Interests)

In November 1968, we established a wholly owned subsidiary, Mitsubishi Development Pty Ltd (MDP), headquartered in Brisbane, Australia, to engage in the development of coal (coking coal, which is used for steel manufacturing, and thermal coal, which is used for electricity generation). In 2001, we acquired through MDP the 50% interest in the BMA coking coal business (BMA) in Queensland, Australia, for approximately ¥100.0 billion, and have been engaging in this business with the partner, BHP Billiton Limited, headquartered in Melbourne, Australia. BMA has grown into one of the world's largest coking coal businesses, currently producing 60 million tons per year. As of March 31, 2018, the book value of MDP's fixed assets is approximately ¥810.0 billion.

MDP’s commodity market risks have the potential to affect our operating performance. For details, please refer to the section entitled “(2) 1) Commodity Market Risk (Metal Resources).”

(Investments in Interests in Chilean Copper Assets and Other Resource Interests)
We hold shares in Anglo American Sur S.A. (AAS), which holds Chilean copper resource interests, with Anglo American Plc (AAC), headquartered in London, United Kingdom, and a joint venture between Corporación Nacional del Cobre de Chile, a nationally operated copper production company headquartered in Santiago, and Mitsui & Co., Ltd. Ownership interests in AAS are 50.1% by AAC, 29.5% by the Joint Venture and 20.4% by us, which we acquired for US$4.51 billion.

AAS holds a significant portfolio of copper assets in Chile, including the Los Bronces mine, the El Soldado mine, the Chagres copper smelter and large-scale prospective exploration properties. (AAS' total copper production was approximately 350,000 tons in 2017.)

We apply the equity method to the investment in AAS. As an investment accounted for using the equity method, during the year we conducted an impairment test on our investment in AAS. As AAS’ production and development plans are long-term, we judged that an evaluation was necessary from a medium- to long-term perspective, including revisions in copper price forecasts. In relation to copper prices, we formulated a forecast, taking into account fundamentals such as the future supply/demand environment and the data provided by external financial institutions and other organizations. Because AAS’ production and development plans are long-term, medium- to long-term price forecasts have a more significant impact on the valuation of our investment in AAS than price fluctuations in the short term. Taking into overall consideration sluggish copper market prices and the extended timeframe for the development of mining projects, on March 31, 2016, we recorded an impairment loss of ¥271.2 billion, leading to a book value of approximately ¥160.0 billion as of March 31, 2018.

In addition to the items mentioned above, we are evaluating our other investments in copper asset interests, as well as investments related to crude oil, gas, and LNG in order to recognize key risks. As production and development plans are long-term, we judge that evaluation according to medium- to long-term price forecasts has a greater impact on the value of investments than short-term price fluctuations.

(7) Risks Related to Compliance

We are engaged in businesses in all industries through many offices around the world. These activities subject us to a wide variety of laws and regulations. Specifically, we must comply with the Companies Act, tax laws, Financial Instruments and Exchange Act, anti-monopoly laws, international trade-related laws, environmental laws and various business laws in Japan. In addition, in the course of conducting business overseas, we must abide by the laws and regulations in the countries and regions where we operate.

We have established a Compliance Committee, which is headed by a chief compliance officer, who is at the forefront of our efforts to raise awareness of compliance. Under his/her direction and supervision, in the individual business groups and corporate departments, the compliance officers of individual groups and departments plan and implement specific compliance initiatives and strive to enhance awareness toward compliance.

Notwithstanding these initiatives, compliance risks cannot be completely avoided. Failure to fulfill our obligations under related laws and regulations could affect our businesses and operating results.

(8) Risks from Natural and Other Types of Disasters

An unforeseeable event, such as a natural disaster like an earthquake, heavy rain or flood, abnormal climatic conditions, or infectious diseases such as a new strain of influenza, or a large-scale accident, acts of terrorism or riots that affect our employees and damage our offices, facilities or systems could hinder sales and production activities.

We have established adequate countermeasures, having implemented an employee safety check system; formulated a disaster contingency manual and a business contingency plan (BCP); implemented earthquake-proof measures for buildings, facilities or systems (including backup of data); introduced a program of disaster prevention drills; prepared stocks of necessary goods; and collaborated and shared information with offices, subsidiaries and related companies both in Japan and overseas. However, no amount of preparation of this sort can completely avoid the risk of damage caused by a natural disaster. Accordingly, damage from a natural disaster could affect our businesses and operating results.

Note:
Earnings forecast and other forward-looking statements in this release are based on data available, as of the end of the current year, to management and certain assumptions that management believes are reasonable. The achievement of said forecasts cannot be promised, and actual results may therefore differ materially from these statements for various reasons.

Basic Concept Regarding the Selection of Accounting Standards

Mitsubishi Corporation has applied IFRS to enhance its financial reporting's international comparability and availability.

Consolidated Financial Statements and Notes Concerning Consolidated Financial Statements

1. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position
March 31, 2017 and 2018

ASSETS	Millions of Yen	
	March 31, 2017	March 31, 2018
Current assets		
Cash and cash equivalents	1,145,514	1,005,461
Time deposits	246,922	234,758
Short-term investments	22,867	9,319
Trade and other receivables	3,125,504	3,523,341
Other financial assets	115,734	99,804
Inventories	1,110,138	1,204,402
Biological assets	67,241	68,431
Advance payments to suppliers	229,819	164,909
Assets classified as held for sale	39,330	91,431
Other current assets	364,196	376,905
Total current assets	6,467,265	6,778,761
Non-current assets		
Investments accounted for using the equity method	2,651,317	3,050,371
Other investments	2,291,465	2,203,242
Trade and other receivables	500,853	526,986
Other financial assets	109,443	93,849
Property, plant and equipment	2,484,714	2,106,195
Investment property	47,959	72,192
Intangible assets and goodwill	1,010,310	1,003,335
Deferred tax assets	37,883	35,847
Other non-current assets	152,348	166,211
Total non-current assets	9,286,292	9,258,228
Total	15,753,557	16,036,989

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2017	March 31, 2018
Current liabilities		
Bonds and borrowings	1,248,231	1,269,535
Trade and other payables	2,542,191	2,765,215
Other financial liabilities	106,456	81,574
Advances from customers	222,373	167,143
Income tax payables	106,612	101,671
Provisions	50,689	48,631
Liabilities directly associated with assets classified as held for sale	6,094	22,958
Other current liabilities	395,196	460,211
Total current liabilities	4,677,842	4,916,938
Non-current liabilities		
Bonds and borrowings	4,135,680	3,684,860
Trade and other payables	204,657	222,474
Other financial liabilities	18,936	23,349
Retirement benefit obligation	79,261	80,532
Provisions	239,259	228,483
Deferred tax liabilities	576,941	598,244
Other non-current liabilities	31,970	16,898
Total non-current liabilities	5,286,704	4,854,840
Total liabilities	9,964,546	9,771,778
Equity		
Common stock	204,447	204,447
Additional paid-in capital	220,761	229,423
Treasury stock	(12,154)	(10,970)
Other components of equity		
Other investments designated as FVTOCI	451,086	509,887
Cash flow hedges	(17,953)	(10,920)
Exchange differences on translating foreign operations	445,816	426,644
Total other components of equity	878,949	925,611
Retained earnings	3,625,244	3,983,916
Equity attributable to owners of the Parent	4,917,247	5,332,427
Non-controlling interests	871,764	932,784
Total equity	5,789,011	6,265,211
Total	15,753,557	16,036,989

(2) Consolidated Statement of Income
Years ended March 31, 2017 and 2018

	Millions of Yen	
	Year ended March 31, 2017	Year ended March 31, 2018
Revenues	6,425,761	7,567,394
Cost of revenues	(5,097,123)	(5,680,754)
Gross profit	1,328,638	1,886,640
Selling, general and administrative expenses	(932,607)	(1,387,266)
Gains on investments	83,288	4,365
Gains on disposal and sale of property, plant and equipment	14,419	40,929
Impairment losses on property, plant and equipment and others	(103,181)	(80,173)
Other income (expense)-net	10,581	9,894
Finance income	132,389	179,160
Finance costs	(49,537)	(52,259)
Share of profit of investments accounted for using the equity method	117,450	211,432
Profit before tax	601,440	812,722
Income taxes	(121,366)	(202,306)
Profit for the year	480,074	610,416
Profit for the year attributable to:		
Owners of the Parent	440,293	560,173
Non-controlling interests	39,781	50,243
	480,074	610,416

(3) Consolidated Statement of Comprehensive Income
Years ended March 31, 2017 and 2018

	Millions of Yen	
	Year ended March 31,2017	Year ended March 31,2018
Profit for the year	480,074	610,416
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss for the year:		
Gains on other investments designated as FVTOCI	111,869	10,086
Remeasurement of defined benefit pension plans	26,832	1,928
Share of other comprehensive income (loss) of investments accounted for using the equity method	5,471	(3,736)
Total	144,172	8,278
Items that may be reclassified to profit or loss for the year:		
Cash flow hedges	1,359	(2,011)
Exchange differences on translating foreign operations	(62,975)	(16,825)
Share of other comprehensive (loss) income of investments accounted for using the equity method	(65,307)	4,488
Total	(126,923)	(14,348)
Total other comprehensive income (loss)	17,249	(6,070)
Total comprehensive income	497,323	604,346
Comprehensive income attributable to:		
Owners of the Parent	452,465	559,636
Non-controlling interests	44,858	44,710
	497,323	604,346

(4) Consolidated Statement of Changes in Equity
Years ended March 31, 2017 and 2018

	Millions of Yen	
	Year ended March 31,2017	Year ended March 31,2018
Common stock:		
Balance at the beginning of the year	204,447	204,447
Balance at the end of the year	204,447	204,447
Additional paid-in capital:		
Balance at the beginning of the year	262,738	220,761
Compensation costs related to stock options	1,621	1,368
Sales of treasury stock upon exercise of stock options	(1,420)	(712)
Equity transactions with non-controlling interests and others	(42,178)	8,006
Balance at the end of the year	220,761	229,423
Treasury stock:		
Balance at the beginning of the year	(14,509)	(12,154)
Sales of treasury stock upon exercise of stock options	2,364	1,208
Purchases and sales—net	(9)	(24)
Balance at the end of the year	(12,154)	(10,970)
Other components of equity:		
Balance at the beginning of the year	913,939	878,949
Other comprehensive income (loss) attributable to owners of the Parent	12,172	(537)
Transfer to retained earnings	(47,162)	47,199
Balance at the end of the year	878,949	925,611
Retained earnings:		
Balance at the beginning of the year	3,225,901	3,625,244
Profit for the year attributable to owners of the Parent	440,293	560,173
Cash dividends paid to owners of the Parent	(87,170)	(153,806)
Sales of treasury stock upon exercise of stock options	(942)	(496)
Transfer from other components of equity	47,162	(47,199)
Balance at the end of the year	3,625,244	3,983,916
Equity attributable to owners of the Parent	4,917,247	5,332,427
Non-controlling interests:		
Balance at the beginning of the year	425,006	871,764
Cash dividends paid to non-controlling interests	(19,722)	(39,834)
Equity transactions with non-controlling interests and others	421,622	56,144
Profit for the year attributable to non-controlling interests	39,781	50,243
Other comprehensive income (loss) attributable to non-controlling interests	5,077	(5,533)
Balance at the end of the year	871,764	932,784
Total equity	5,789,011	6,265,211

(5) Consolidated Statement of Cash Flows
Years ended March 31, 2017 and 2018

	Millions of Yen	
	Year ended March 31,2017	Year ended March 31,2018
Operating activities:		
Profit for the year	480,074	610,416
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:		
Depreciation and amortization	201,117	254,038
(Gains) on investments	(83,288)	(4,365)
Losses on property, plant and equipment	88,762	39,244
Finance (income) —net of finance costs	(82,852)	(126,901)
Share of (profit) of investments accounted for using the equity method	(117,450)	(211,432)
Income taxes	121,366	202,306
Changes in trade receivables	(226,319)	(366,807)
Changes in inventories	(115,595)	(60,265)
Changes in trade payables	194,692	224,839
Other—net	(55,342)	49,121
Dividends received	218,960	305,010
Interest received	85,010	89,258
Interest paid	(64,797)	(65,212)
Income taxes paid	(61,334)	(196,768)
Net cash provided by (used in) operating activities	583,004	742,482
Investing activities:		
Payments for property, plant and equipment	(160,055)	(277,456)
Proceeds from disposal of property, plant and equipment	26,924	178,882
Payments for investment property	(8,696)	(7,624)
Proceeds from disposal of investments property	26,893	9,252
Purchases of investments accounted for using the equity method	(139,747)	(359,511)
Proceeds from disposal of investments accounted for using the equity method	98,475	77,627
Acquisitions of businesses—net of cash acquired	(74,694)	(32,264)
Proceeds from disposal of businesses—net of cash divested	1,365	25,201
Purchases of other investments	(117,283)	(46,090)
Proceeds from disposal of other investments	135,994	127,883
Increase in loans receivable	(43,331)	(73,017)
Collection of loans receivable	100,307	49,137
Net (increase) decrease in time deposits	(25,737)	10,397
Net cash provided by (used in) investing activities	(179,585)	(317,583)
Financing activities:		
Net increase (decrease) in short-term debts	(111,480)	53,562
Proceeds from long-term debts—net of issuance costs	671,204	300,556
Repayment of long-term debts	(1,190,052)	(770,267)
Dividends paid to owners of the Parent	(87,170)	(153,806)
Dividends paid to the non-controlling interests	(19,722)	(39,834)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(31,469)	(13,545)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	16,535	69,021
Net (increase) decrease in treasury stock	(8)	(15)
Net cash provided by (used in) financing activities	(752,162)	(554,328)
Effect of exchange rate changes on cash and cash equivalents	(6,703)	(10,624)
Net increase (decrease) in cash and cash equivalents	(355,446)	(140,053)
Cash and cash equivalents at the beginning of the year	1,500,960	1,145,514
Cash and cash equivalents at the end of the year	1,145,514	1,005,461

2. Notes Concerning Consolidated Financial Statements

(1) Changes in Accounting Policies and Changes in Accounting Estimates

The important accounting policies applied to the consolidated financial statements for the year ended March 2018 are identical to the accounting policies applied to the consolidated financial statements for the previous fiscal year, except for the following:

New standards and interpretations applied

Standards 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 above and interpretations had no significant impact on the consolidated financial statements for the year ended March 2018.

(2) Segment Information

Year ended March 31, 2017

Millions of Yen

	Global Environmental & Infrastructure Business	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit	38,013	60,195	37,663	414,766	182,061	112,976	473,224	1,318,898	7,850	1,890	1,328,638
Share of profit of investments accounted for using the equity method	23,229	13,733	25,278	2,690	5,252	12,059	34,851	117,092	1,191	(833)	117,450
Profit (loss) for the year attributable to owners of the Parent	23,420	35,531	55,477	147,901	29,437	26,732	121,344	439,842	(1,233)	1,684	440,293
Total assets	1,005,671	841,567	2,118,028	3,704,234	1,739,554	943,884	4,343,006	14,695,944	2,631,382	(1,573,769)	15,753,557

Year ended March 31, 2018

Millions of Yen

	Global Environmental & Infrastructure Business	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit	38,140	49,949	55,711	452,804	195,593	116,154	971,796	1,880,147	7,081	(588)	1,886,640
Share of profit of investments accounted for using the equity method	37,345	28,250	44,076	33,521	28,768	16,170	23,644	211,774	1,166	(1,508)	211,432
Profit (loss) for the year attributable to owners of the Parent	44,594	44,185	20,273	261,028	85,176	30,585	74,742	560,583	(1,100)	690	560,173
Total assets	1,045,645	814,767	2,074,072	3,777,340	1,921,082	993,650	4,599,842	15,226,398	2,460,406	(1,649,815)	16,036,989

Notes:

*1. “Other” represents the corporate departments which primarily provide services and operational support to the Company and Affiliated companies.
This column also includes certain revenues and expenses from business activities related to financing and human resource services that are not allocated to reportable operating segments.
Unallocated corporate assets categorized in “Other” consist primarily of cash, time deposits and securities for financial and investment activities.

*2. “Adjustments and Eliminations” includes certain income and expense items that are not allocated to reportable operating segments and intersegment eliminations.

(3) Earnings Per Share

Reconciliations of the basic and diluted profit for the year attributable to owners of the Parent per share are as follows:

	Year ended March 31,2017	Year ended March 31,2018
Profit for the year attributable to owners of the Parent per share (Yen)		
Basic	277.79	353.27
Diluted	277.16	352.44
Numerator (Millions of Yen):		
Profit for the year attributable to owners of the Parent	440,293	560,173
Denominator (Thousands of shares):		
Basic weighted average common shares outstanding	1,584,995	1,585,658
Effect of dilutive securities:		
Stock options	3,575	3,736
Diluted outstanding shares	1,588,570	1,589,394

(4) Subsequent Events

There are no material subsequent events to be disclosed.

3. Notes Concerning Going Concern Assumption

None

Results for the Year Ended March 2018 and Forecasts for the Year Ending March 2019

May 8, 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 noncontrolling interests.

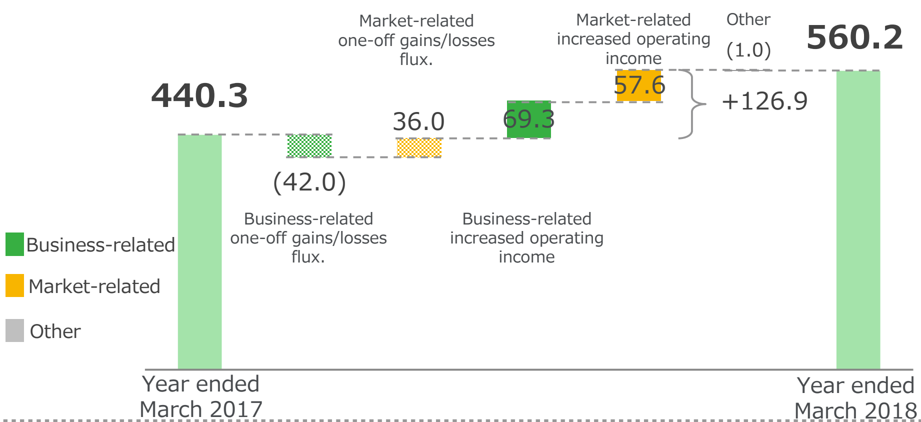
Results for the Year Ended March 2018 and Forecasts for the Year Ending March 2019

(Billion Yen)	Year ended March 2017	Year ended March 2018	Fluctuation	Forecasts for the year ended March 2018 (Released Feb. 5)	Fluctuation	Forecasts for the year ending March 2019
Consolidated Net Income	**440.3**	**560.2**	**+119.9**	**540.0**	**+20.2**	**600.0**
Business-related sector	339.5	366.8	+27.3	364.0	+2.8	396.0
Market-related sector*	100.2	193.8	+93.6	173.0	+20.8	197.0
Annual Dividend per Share	80 yen	110 yen	+30 yen	100 yen	+10 yen	115 yen

* 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.

Takeaways of results for the year ended March 2018

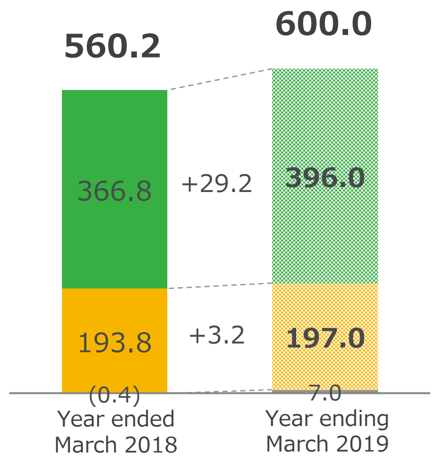
- ✓ In the Business-related sector, despite the rebound of one-off gains in the previous year, solid accumulation of operating income in the LNG-related, Asia automotive business etc. of +69.3 billion yen YoY led to an increase in net income.
- ✓ In the Market-related sector, in addition to the rebound of one-off losses in the shipping business, increased operating income in the mineral resource business etc. of +57.6 billion yen led to an increase in net income.
- ✓ As a result, operating income increased +126.9 billion yen YoY, and consolidated net income was 560.2 billion yen, a historical high.
- ✓ Annual dividend per share is revised from 100 yen (released Feb. 5) to 110 yen.



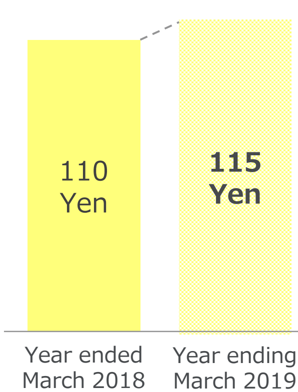
Forecasts for the year ending March 2019

- ✓ In both the Business and Market-related sectors, in addition to the rebound of one-off losses in the previous year, due to the continuously solid operating income, earnings forecast for the year ending March 2019 is expected to be a two-year consecutive historical high of 600.0 billion yen.
- ✓ Annual dividend per share is expected to increase 5 yen from the previous year, from 110 yen to 115 yen.

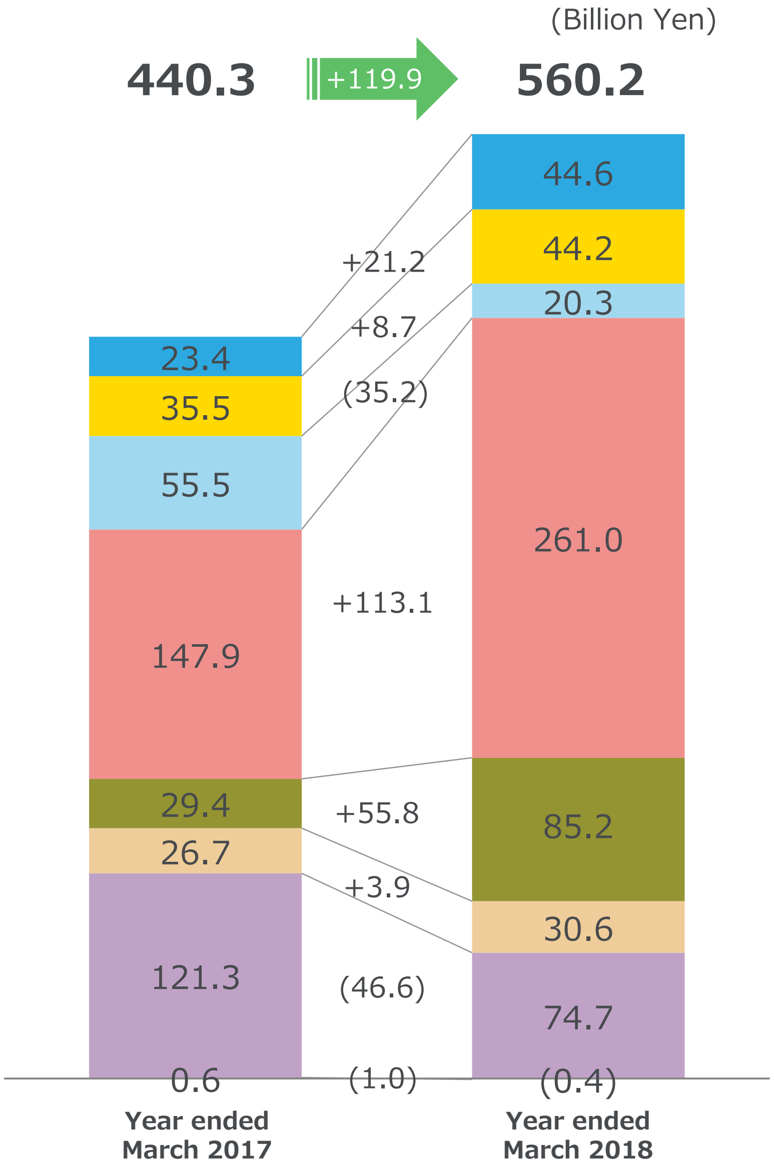
<Earnings forecasts>



<Annual dividend>



Year-over-Year Segment Net Income



Global Environmental & Infrastructure Business [YoY +91%]

Improved equity income from Chiyoda Corporation and the reversal of deferred tax liabilities due to US tax reform

Industrial Finance, Logistics & Development [YoY +25%]

Swap profit on held real estate and increase in fund evaluation profit

Energy Business [YoY (63%)]

Despite the increase in earnings and dividends received in the LNG-related business, one-off losses this year from resource-related assets due to replacements, increased decommissioning costs, and additional tax expenses

Metals [YoY +76%]

Increased earnings resulting from partial mitigation of reduction of production and shipments caused by Cyclone Debbie, and higher realized prices and dividend income for the Australian coal and other Mineral resource business

Machinery [YoY +190%]

Rebound of one-off losses as well as one-off gains this year in the Shipping business and increased earnings in the Asia automotive business

Chemicals [YoY +15%]

Despite the one-off losses due to recording of deferred tax liability etc. in the Basic chemicals business, increased trading profit and earnings due to stronger markets etc.

Living Essentials [YoY (38%)]

Despite the increased earnings from the Salmon farming business, rebound of one-off gains from the acquisition of Lawson as subsidiary and meat business restructuring in the previous year, and one-off losses in the Food materials business this year

Other

–

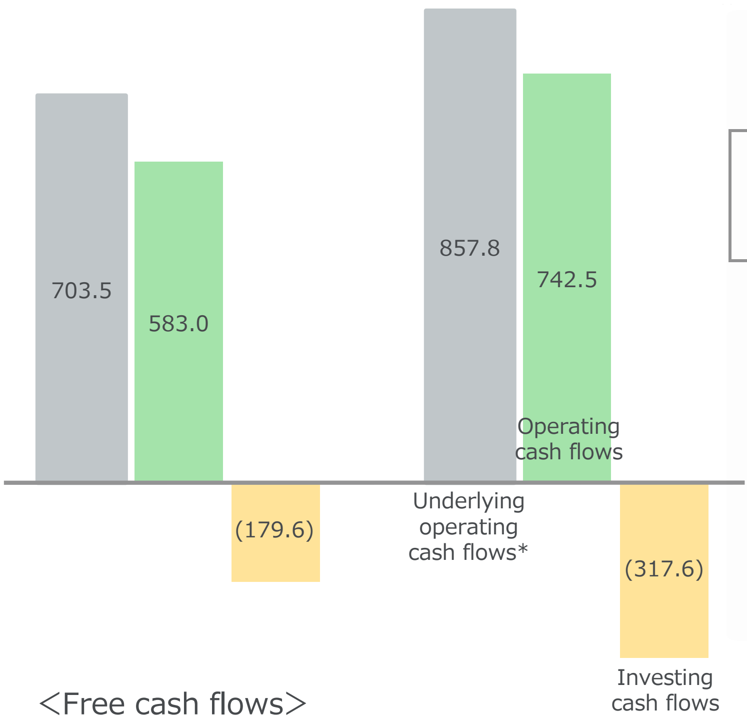
Cash Flows

Year ended
March 2017

**Year ended
March 2018**

【Breakdown of cash flows】

(Billion Yen)



<Free cash flows>

+403.4

+424.9

	Underlying Operating CF	Investing CF			Year ended March 2018 Total	Midterm corp. strategy plan 2 years Total
		New/Sustaining Investments	Sales and Collection	Net		
Underlying Operating CF + Investing CF	**857.8**	(796.0)	478.4	**(317.6)**	**540.2**	**1,064.1**

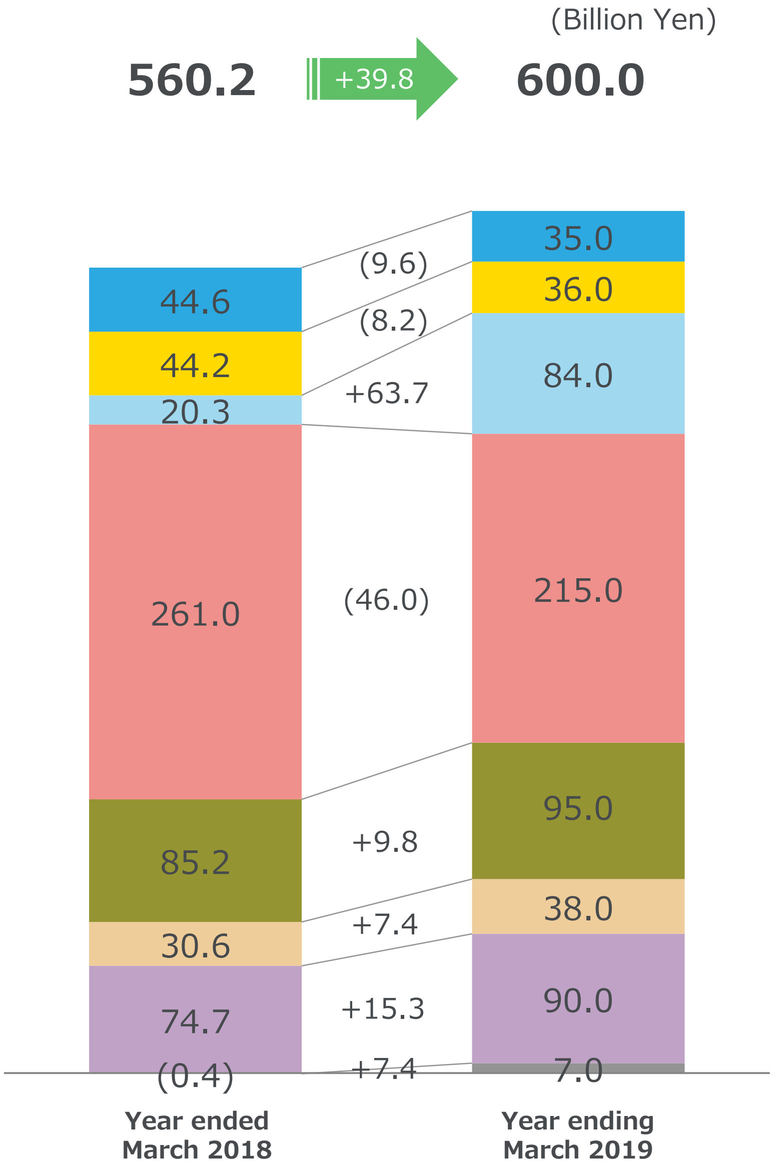
New/Sustaining Investments	Sales and Collection
・Automotive-related business (Machinery) ・Shale gas business (Energy Business) ・CVS business (Living Essentials)	・Aircraft leasing business (Industrial Finance, Logistics & Development) ・Shipping business (Machinery) ・Real estate-related business (Industrial Finance, Logistics & Development) ・Listed stocks (Energy Business/Other)

* 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)

Segment Forecasts for the Year Ending March 2019



- **Global Environmental & Infrastructure Business [YoY (22%)]**
  Despite one-off gains expected in the Overseas power generation business, rebound of the reversal of deferred tax liabilities due to US tax reform in the previous year
- **Industrial Finance, Logistics & Development [YoY (19%)]**
  Rebound of swap profit on held real estate in the previous year
- **Energy Business [YoY +314%]**
  Despite the rebound of one-off losses from resource-related assets due to replacements, increased decommissioning costs, and additional tax expenses in the previous year, increase in earnings and dividends received due to higher market prices
- **Metals [YoY (18%)]**
  Decreased earnings and dividend income due to declining market prices
- **Machinery [YoY +12%]**
  Contribution of equity income from Mitsubishi Motors
- **Chemicals [YoY +24%]**
  Rebound of one-off losses due to recording of deferred tax liability etc. in the Basic chemicals business in the previous year
- **Living Essentials [YoY +20%]**
  Rebound of one-off losses in the Food materials business in the previous year
- **Other**
  One-off gain expected due to sales of held assets

(Reference) Market Conditions

[Foreign Exchange, Commodity Prices and Interest Rates]

	Year ended March 2018	Forecast for the year ending March 2019	Variance	Consolidated Net Income Sensitivities for the year ending March 2019
Foreign Exchange (YEN/US$)	110.85	110.00	(0.85)	Depreciation/appreciation of 1 yen per US$1 has a 3.0 billion yen positive/negative impact on a full-year basis.
Crude Oil Price (Dubai) (US$/BBL)	56	60	+4	A US$1 rise/decline per barrel increases/reduces full-year earnings by 2.5 billion yen. In addition to changes in crude oil prices, other factors could also affect crude oil-related earnings, such as differences in the fiscal year-ends of consolidated companies, timing of the reflection of the crude oil price in sales prices, dividend policy, foreign currency movements, and production/sales volume.
Copper (US$/MT) [¢/lb]	6,444 [292]	6,504 [295]	+60 [+3]	A US$100 rise/decline per MT increases/reduces full-year earnings by 1.4 billion yen (A US¢10 rise/decline per lb increases/reduces full-year earnings by 3.2 billion yen). Besides copper price fluctuations, other variables affect earnings from copper mines, such as the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditure). Therefore, the impact on earnings cannot be determined by the copper price alone.
YEN Interest TIBOR 3M (%)	0.06	0.10	+0.04	The effect of rising interest rates is mostly offset by an increase in operating and investment profits. However, a rapid rise in interest rates could have a temporary negative effect.
US$ Interest LIBOR 3M (%)	1.48	2.50	+1.02	