FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 2018

Mitsubishi Corporation

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November 2, 2018
Mitsubishi Corporation

FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018
(Based on IFRS) (Consolidated)

1. Consolidated operating results for the six months ended September 30, 2018

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

(1) Revenues and income

	Revenues		Profit before tax		Profit for the period		Profit for the period attributable to owners of the Parent		Comprehensive income	
For the six months ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2018	7,943,248	117.2	450,554	20.1	339,075	19.8	309,309	21.8	489,412	13.5
September 30, 2017	3,657,086	24.7	375,011	46.2	282,937	40.0	253,998	41.2	431,250	–

	Profit for the period attributable to owners of the Parent per share (basic)	Profit for the period attributable to owners of the Parent per share (diluted)
For the six months ended	Yen	Yen
September 30, 2018	195.01	194.55
September 30, 2017	160.19	159.82

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

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets
As of	Millions of Yen	Millions of Yen	Millions of Yen	%
September 30, 2018	16,613,704	6,608,727	5,678,810	34.2
March 31, 2018	16,036,989	6,265,211	5,332,427	33.3

2. Dividends

	Cash dividend per share (Yen)				
(Record date)	1Q end	2Q end	3Q end	4Q end	Annual
Fiscal Year ended March 31, 2018	–	47.00	–	63.00	110.00
Fiscal Year ending March 31, 2019	–	62.00			
Fiscal Year ending March 31, 2019 (Forecast)			–	63.00	125.00

Note: Change from the latest released dividend forecasts: Yes

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	640,000	14.3	403.46

Note: Change from the latest released earnings forecasts: Yes

4. Notes

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

(2) Changes in accounting policies and accounting estimates
-1- Changes in accounting policies required by IFRS : Yes
-2- Changes in accounting policies other than -1- : None
-3- Changes in accounting estimates : None

(3) Number of shares issued (Common stock)

-1- Number of shares issued at quarterly-end (including treasury stock)	(September 30, 2018)	1,590,076,851	(March 31, 2018)	1,590,076,851
-2- Number of treasury stock at quarterly-end	(September 30, 2018)	3,664,849	(March 31, 2018)	4,147,602
-3- Average number of shares during each of the six months ended September 30, 2018	(September 30, 2018)	1,586,143,959	(September 30, 2017)	1,585,565,877

Disclosure Regarding Quarterly Review Procedures
This earnings release is not subject to independent Auditor's review procedures.

Forward-looking Statements
Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. The achievement of said forecasts cannot be promised. Actual results may therefore differ materially from these statements for various reasons. For cautionary notes concerning assumptions for earnings forecasts and use of earnings forecasts, please refer to "1. (4) Forecasts for the Year Ending March 2019" on page 4

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* Mitsubishi Corporation will hold an earnings conference in Tokyo for the six months ended September 2018 on November 6, 2018 (Tuesday) from 15:30 to 17:00 (Japan Time), inviting institutional investors to join. The conference material can be accessed live in Japanese from the following URL:
https://www.mitsubishicorp.com/jp/ja/ir/index.html

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

1. Qualitative Information

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

(1) Results of Operations

Revenues were ¥7,943.2 billion, an increase of ¥4,286.1 billion, or 117% year over year. This is mainly due to an increase of transactions in which identified performance obligations of the Company are transfer of goods as principal and therefore revenue is recognized in the gross amount of consideration with the application of IFRS 15.

Gross profit was ¥994.5 billion, an increase of ¥88.6 billion, or 10% year over year, mainly due to higher trading volume in the Australian coal business.

Selling, general and administrative expenses remained nearly flat to ¥691.8 billion.

Gains on investments decreased ¥6.0 billion year over year, to ¥8.7 billion, mainly due to impairment of investment in Chiyoda Corporation that offset valuation gains stemming from the Overseas power generation business.

Impairment losses on property, plant and equipment and others amounted to ¥8.6 billion, an improvement of ¥31.3 billion, mainly due to the rebound of impairments of resource-related assets recorded in the previous year.

Other income (expense)-net decreased ¥22.2 billion year over year, to an expense amount of ¥15.9 billion, mainly due to the rebound of one-off gains recorded in the previous year.

Finance income increased ¥20.9 billion, or 26% year over year, to ¥100.9 billion, mainly due to increased dividend income from resource-related investments.

Share of profit of investments accounted for using the equity method decreased ¥8.9 billion, or 9% year over year, to ¥93.0 billion, mainly due to one-off losses from worsening construction-related losses in Chiyoda Corporation.

As a result, profit before tax increased ¥75.6 billion, or 20% year over year, to ¥450.6 billion.

Accordingly, profit for the period grew ¥55.3 billion, or 22% year over year, to ¥309.3 billion.

(2) Financial Position

Total assets at September 30, 2018 was ¥16,613.7 billion, an increase of ¥576.7 billion from March 31, 2018. The increase was mainly due to higher trade and other receivables stemming from increased transaction volumes and transaction prices.

Total liabilities was ¥10,005.0 billion, an increase of ¥233.2 billion from March 31, 2018. This increase was mainly attributable to higher trade and other payables, in line with an increase in transaction volumes and transaction prices.

Net interest-bearing liabilities, which is gross interest-bearing liabilities minus cash, cash equivalents and time deposits, increased ¥60.5 billion from March 31, 2018, to ¥3,774.7 billion.

Equity attributable to owners of the Parent was ¥5,678.8 billion, an increase of ¥346.4 billion from March 31, 2018. This increase was mainly due to the accumulation of profit for the period.

(3) Cash Flows

Cash and cash equivalents at September 30, 2018 was ¥1,063.6 billion, an increase of ¥58.1 billion from March 31, 2018.

(Operating activities)

Net cash provided by operating activities was ¥286.5 billion, mainly due to cash flows from operating transactions and dividend income, despite an increase in working capital requirements and the payment of income taxes.

(Investing activities)

Net cash used by investing activities was ¥155.0 billion. The main uses of cash were additional acquisition of copper assets in Peru and payments for the purchase of property, plant and equipment, despite cash provided by the sale of business in the Australian coal business.

As a result, free cash flows, the sum of operating and investing cash flows, was positive ¥131.5 billion.

(Financing activities)

Net cash used in financing activities was ¥85.5 billion, mainly due to the payment of dividends.

(4) Forecasts for the Year Ending March 2019

Due to factors such as the progress to date against the initial forecast (announced on May 8, 2018), forecast for the year ending March 2019 has been revised as follows.

Consolidated Forecast for the Year Ending March 2019 (April 1, 2018 to March 31, 2019)

(Billions of Yen)

	Previous full-year forecast (May 8, 2018) (A)	Revised full-year forecast (B)	Change (B-A)	Change (%)
Profit attributable to owners of the Parent	600.0	640.0	40.0	7%

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

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position
March 31, 2018 and September 30, 2018

ASSETS	Millions of Yen	
	March 31, 2018	September 30, 2018
Current assets		
Cash and cash equivalents	1,005,461	1,063,622
Time deposits	234,758	246,687
Short-term investments	9,319	11,846
Trade and other receivables	3,523,341	3,704,360
Other financial assets	99,804	124,058
Inventories	1,204,402	1,212,837
Biological assets	68,431	79,405
Advance payments to suppliers	164,909	60,432
Assets classified as held for sale	91,431	74,610
Other current assets	376,905	350,872
Total current assets	6,778,761	6,928,729
Non-current assets		
Investments accounted for using the equity method	3,050,371	3,179,118
Other investments	2,203,242	2,319,087
Trade and other receivables	526,986	585,275
Other financial assets	93,849	100,816
Property, plant and equipment	2,106,195	2,186,543
Investment property	72,192	72,842
Intangible assets and goodwill	1,003,335	1,038,809
Deferred tax assets	35,847	31,233
Other non-current assets	166,211	171,252
Total non-current assets	9,258,228	9,684,975
Total	16,036,989	16,613,704

LIABILITIES AND EQUITY	Millions of Yen	
	March 31, 2018	September 30, 2018
Current liabilities		
Bonds and borrowings	1,269,535	1,363,912
Trade and other payables	2,765,215	2,947,348
Other financial liabilities	81,574	139,628
Advances from customers	167,143	64,730
Income tax payables	101,671	42,951
Provisions	48,631	42,897
Liabilities directly associated with assets classified as held for sale	22,958	31,580
Other current liabilities	460,211	401,523
Total current liabilities	4,916,938	5,034,569
Non-current liabilities		
Bonds and borrowings	3,684,860	3,721,111
Trade and other payables	222,474	283,399
Other financial liabilities	23,349	25,523
Retirement benefit obligation	80,532	80,196
Provisions	228,483	213,159
Deferred tax liabilities	598,244	630,867
Other non-current liabilities	16,898	16,153
Total non-current liabilities	4,854,840	4,970,408
Total liabilities	9,771,778	10,004,977
Equity		
Common stock	204,447	204,447
Additional paid-in capital	229,423	229,070
Treasury stock	(10,970)	(9,688)
Other components of equity		
Other investments designated as FVTOCI	509,887	669,860
Cash flow hedges	(10,920)	(8,538)
Exchange differences on translating foreign operations	426,644	471,924
Total other components of equity	925,611	1,133,246
Retained earnings	3,983,916	4,121,735
Equity attributable to owners of the Parent	5,332,427	5,678,810
Non-controlling interests	932,784	929,917
Total equity	6,265,211	6,608,727
Total	16,036,989	16,613,704

(2) Condensed Consolidated Statement of Income
for the six months ended September 30, 2017 and 2018

	Millions of Yen	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Revenues	3,657,086	7,943,248
Cost of revenues	(2,751,190)	(6,948,702)
Gross profit	905,896	994,546
Selling, general and administrative expenses	(676,312)	(691,815)
Gains on investments	14,684	8,726
Gains on disposal and sale of property, plant and equipment and others	7,701	2,161
Impairment losses on property, plant and equipment and others	(39,910)	(8,577)
Other income (expense)-net	6,296	(15,851)
Finance income	79,993	100,880
Finance costs	(25,193)	(32,515)
Share of profit of investments accounted for using the equity method	101,856	92,999
Profit before tax	375,011	450,554
Income taxes	(92,074)	(111,479)
Profit for the period	282,937	339,075
Profit for the period attributable to:		
Owners of the Parent	253,998	309,309
Non-controlling interests	28,939	29,766
	282,937	339,075

(3) Condensed Consolidated Statement of Comprehensive Income
for the six months ended September 30, 2017 and 2018

	Millions of Yen	
	Six months ended September 30,2017	Six months ended September 30 ,2018
Profit for the period	282,937	339,075
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss for the period:		
Gains on other investments designated as FVTOCI	84,511	98,723
Remeasurement of defined benefit pension plans	(96)	(120)
Share of other comprehensive income (loss) of investments accounted for using the equity method	4,158	2,386
Total	88,573	100,989
Items that may be reclassified to profit or loss for the period:		
Cash flow hedges	1,230	(2,761)
Exchange differences on translating foreign operations	66,876	68,637
Share of other comprehensive income (loss) of investments accounted for using the equity method	(8,366)	(16,528)
Total	59,740	49,348
Total other comprehensive income (loss)	148,313	150,337
Total comprehensive income	431,250	489,412
Comprehensive income attributable to:		
Owners of the Parent	396,379	449,494
Non-controlling interests	34,871	39,918
	431,250	489,412

(4) Condensed Consolidated Statement of Changes in Equity for the six months ended September 30, 2017 and 2018

	Millions of Yen	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Common stock:		
Balance at the beginning of the period	204,447	204,447
Balance at the end of the period	204,447	204,447
Additional paid-in capital:		
Balance at the beginning of the period	220,761	229,423
Compensation costs related to stock options	893	768
Sales of treasury stock upon exercise of stock options	(350)	(787)
Equity transactions with non-controlling interests and others	6,453	(334)
Balance at the end of the period	227,757	229,070
Treasury stock:		
Balance at the beginning of the period	(12,154)	(10,970)
Sales of treasury stock upon exercise of stock options	615	1,288
Purchases and sales-net	(7)	(6)
Balance at the end of the period	(11,546)	(9,688)
Other components of equity:		
Balance at the beginning of the period	878,949	925,611
Cumulative effects of change in accounting policy	—	53
Adjusted balance at the beginning of the period	878,949	925,664
Other comprehensive income attributable to owners of the Parent	142,381	140,185
Transfer to retained earnings	(3,989)	67,397
Balance at the end of the period	1,017,341	1,133,246
Retained earnings:		
Balance at the beginning of the period	3,625,244	3,983,916
Cumulative effects of change in accounting policy	—	(3,677)
Adjusted balance at the beginning of the period	3,625,244	3,980,239
Profit for the period attributable to owners of the Parent	253,998	309,309
Cash dividends paid to owners of the Parent	(79,276)	(99,916)
Sales of treasury stock upon exercise of stock options	(265)	(500)
Transfer from other components of equity	3,989	(67,397)
Balance at the end of the period	3,803,690	4,121,735
Equity attributable to owners of the Parent	5,241,689	5,678,810
Non-controlling interests:		
Balance at the beginning of the period	871,764	932,784
Cumulative effects of change in accounting policy	—	(521)
Adjusted balance at the beginning of the period	871,764	932,263
Cash dividends paid to non-controlling interests	(26,781)	(38,853)
Equity transactions with non-controlling interests and others	47,705	(3,411)
Profit for the period attributable to non-controlling interests	28,939	29,766
Other comprehensive income attributable to non-controlling interests	5,932	10,152
Balance at the end of the period	927,559	929,917
Total equity	6,169,248	6,608,727

(5) Condensed Consolidated Statement of Cash Flows
for the six months ended September 30, 2017 and 2018

	Millions of Yen	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Operating activities:		
Profit for the period	282,937	339,075
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	126,491	122,664
(Gains) on investments	(14,684)	(8,726)
Losses on property, plant and equipment and others	32,209	6,416
Finance (income) -net of finance costs	(54,800)	(68,365)
Share of (profit) of investments accounted for using the equity method	(101,856)	(92,999)
Income taxes	92,074	111,479
Changes in trade receivables	(170,639)	(247,928)
Changes in inventories	(22,757)	(3,731)
Changes in trade payables	188,667	130,904
Other-net	(36,971)	(76,313)
Dividends received	177,345	207,152
Interest received	42,996	56,625
Interest paid	(31,067)	(39,843)
Income taxes paid	(104,927)	(149,928)
Net cash provided by (used in) operating activities	405,018	286,482
Investing activities:		
Payments for property, plant and equipment and others	(141,569)	(137,862)
Proceeds from disposal of property, plant and equipment and others	57,930	65,393
Purchases of investments accounted for using the equity method	(106,168)	(219,968)
Proceeds from disposal of investments accounted for using the equity method	31,211	70,123
Acquisitions of businesses-net of cash acquired	(6,258)	(18,431)
Proceeds from disposal of businesses-net of cash divested	－	86,141
Purchases of other investments	(22,648)	(39,813)
Proceeds from disposal of other investments	72,465	44,539
Increase in loans receivable	(25,031)	(28,986)
Collection of loans receivable	25,433	22,354
Net (increase) decrease in time deposits	3,293	1,535
Net cash provided by (used in) investing activities	(111,342)	(154,975)
Financing activities:		
Net increase (decrease) in short-term debts	(110,091)	108,708
Proceeds from long-term debts-net of issuance costs	154,704	331,532
Repayments of long-term debts	(421,953)	(390,015)
Dividends paid to owners of the Parent	(79,276)	(99,916)
Dividends paid to non-controlling interests	(26,781)	(38,853)
Payments for acquisition of subsidiary's interests from the non-controlling interests	(8,869)	(3,746)
Proceeds from disposal of subsidiary's interests to the non-controlling interests	58,703	6,813
Net (increase) decrease in treasury stock	(7)	(6)
Net cash provided by (used in) financing activities	(433,570)	(85,483)
Effect of exchange rate changes on cash and cash equivalents	17,959	12,137
Net increase (decrease) in cash and cash equivalents	(121,935)	58,161
Cash and cash equivalents at the beginning of the period	1,145,514	1,005,461
Cash and cash equivalents at the end of the period	1,023,579	1,063,622

3. Changes in Accounting Policies and Accounting Estimates

The important accounting policies applied to the condensed consolidated financial statements for the six months ended September 2018 are identical to those for the previous fiscal year, except for the following:

New standards and interpretations applied

Standard and interpretations	Outline
IFRS 15 Revenue from Contracts with Customers	Changes in accounting and disclosure requirements for revenue recognition
IFRS 9 Financial Instruments (Amended July 2014)	Partial changes in classification and measurement of financial instruments, and implementation of expected credit loss model for impairment losses

IFRS 15 Revenue from Contracts with Customers

The Parent, together with its consolidated domestic and foreign subsidiaries (collectively, the "Company") has applied IFRS 15 from the first three months of the fiscal year ending in March 2019. Of the accepted transitional provisions, the Company has adopted the method of recognizing the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings, etc. of the year ending March 2019. However, the amount of impact is immaterial.

1) Revenue recognition criteria (five-step approach)

In line with the application of IFRS 15, the Company recognizes revenue based on the five-step approach outlined below.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company identifies distinct goods or services included in contracts with customers and identifies performance obligations by such transaction units.

In identifying performance obligations, the Company performs principal versus agent considerations. If the nature of the promise is a performance obligation to provide the specified goods or services itself, the Company is a principal and the total amount of consideration is presented as revenue in its consolidated statement of income. If its nature is a performance obligation to arrange for those goods or services to be provided by other parties, the Company is an agent and the commission or fee amount or the net amount of consideration is presented as revenue in its consolidated statement of income.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to customers. If the amount of consideration is undetermined at the point of revenue recognition, the consideration is estimated by a reliable manner based on formulas provided in the contract. If uncertainty is high or the transaction price cannot be reliably estimated, the consideration is not included in the transaction price. The transaction price is revised once the uncertainty is decreased and a reliable estimation becomes possible.

2) Revenue recognition in major streams

(Sale of products and commodities)

The Company trades a wide variety of products and commodities, including metals, machinery, chemicals, and consumer goods. In the sale of products and commodities, the Company recognizes revenue when the terms of delivery have been satisfied, as it is considered that the customer has obtained control of the products or commodities and therefore the identified performance obligations have been satisfied at the point.

(Rendering of services and other services)

The Company also performs service-related and other activities. In service-related activities, the Company provides a variety of services including the services based on franchise contracts, logistics, telecommunications, technical support, and other services. Revenue for service-related activities is recognized when the performance obligations for services identified in contracts are satisfied. For transactions where performance obligations are satisfied over time, revenue is recognized by measuring progress towards complete satisfaction of the performance obligations.

3) Comparison with the previous standards

With the application of IFRS 15, both amounts of "Revenues" and "Cost of revenues" of the condensed consolidated statement of income for the six months ended September 30, 2018 increased by approximately ¥4,000 billion respectively as compared to those under previous standards due to increase of transactions in which identified performance obligations of the Company are transfer of goods or services as principal and therefore revenue is recognized in the gross amount of consideration. There was no significant impact on other items of the condensed consolidated financial statements including "Profit for the period."

IFRS 9 Financial Instruments (Amended July 2014)

The Company has applied IFRS 9 Financial Instruments (Amended July 2014) from the first three months of the fiscal year ending in March 2019. Of the accepted transitional provisions under this standard, the Company has adopted the method of recognizing the cumulative amount of impact from this application as an adjustment in retained earnings at the beginning of the fiscal year ending in March 2019. However, the amount of impact is immaterial.

1) Classification and measurement of financial assets

The amendments to IFRS 9 include the addition of a fair value through other comprehensive income (FVTOCI) measurement category for certain debt instruments. The Company has evaluated business models containing such financial instruments and the contract conditions of financial instruments as of the beginning of the fiscal year ending March 2019 and measured such instruments at FVTOCI if the following conditions are met:

・The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
・The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As a result, the classification of certain debt instruments in the amount of ¥35,853 million that were measured at fair value through profit or loss prior to this application has been changed to be measured at FVTOCI. In cases where debt instruments measured at FVTOCI are derecognized, the difference between the carrying amount and the consideration received or receivable, and cumulative gain or loss previously recognized through OCI is recognized in profit or loss.

2) Impairment of financial assets

The Company estimates expected credit losses on financial assets measured at amortized cost and debt instruments measured at FVTOCI, and recognizes and measures loss allowances.

As of the reporting date, if credit risks on certain financial instruments have not increased significantly since initial recognition, the loss allowance on such financial instruments is measured at an amount equal to expected credit losses that result from default events that are possible within 12 months after the reporting date.

Meanwhile, if, as of the reporting date, credit risks on certain financial instruments have increased significantly since initial recognition, the loss allowance on such financial instruments is measured at an amount equal to expected credit losses that result from all possible default events over the expected lifetime of the financial instruments (expected lifetime credit losses).

Significant increase in credit risk is determined considering information such as changes in external and internal credit ratings and past due information, and expected credit losses are measured by reflecting factors such as time value of money, history of default events, and reasonable and supportable information about forecast of future economic conditions.

Evidence of credit impairment is determined considering information such as significant financial difficulty of the issuer or the borrower, and a breach of contract, including past due events.

Furthermore, for financial assets showing evidence of credit impairment as of the reporting date, the Company estimates expected credit losses individually after taking into overall consideration such factors as investment rating, the details of investment contracts, the state of collateral, cash flow rights and priorities, and the status of the issuer.

However, for trade receivables that do not contain a significant financing component, the loss allowance is always recognized at an amount equal to expected lifetime credit losses, regardless of whether a significant increase in credit risk has occurred since initial recognition.

Except standards and interpretations outlined above, the adoption of new standards and interpretations had no significant impact on the condensed consolidated financial statements for the six months ended September 2018.

4. Notes Concerning Going Concern Assumption

None

Results for the Six Months Ended September 2018

November 2, 2018

Mitsubishi Corporation

(Forward-Looking Statements)

- This release contains forward-looking statements about Mitsubishi Corporation's future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company's assumptions and beliefs in light of competitive, financial and economic data currently available and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices.
- Accordingly, Mitsubishi Corporation wishes to caution readers that actual results may differ materially from those projected in this release and that Mitsubishi Corporation bears no responsibility for any negative impact caused by the use of this release.

(Notes Regarding These Presentation Materials)

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

Results for the Six Months Ended September 2018

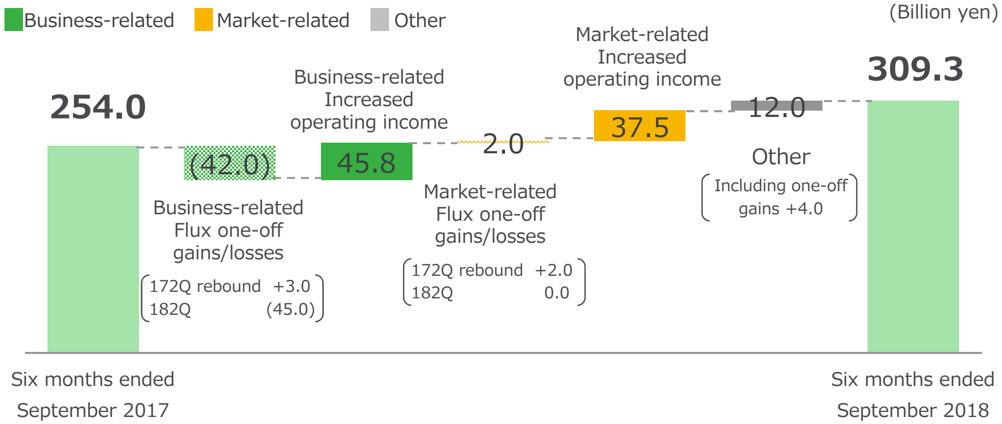
(Billion yen)	Six months ended September 2017	Six months ended September 2018	Fluctuation	Revised forecast for the year ending March 2019	Progress
Consolidated Net Income	**254.0**	**309.3**	**+55.3**	**640.0**	**48%**
Business-related sector	168.0	171.8	+3.8	392.0	44%
Market-related sector*	85.3	124.8	+39.5	243.0	51%

* 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 from results for the six months ended September 2018

✓ Earnings increased 55.3 billion yen year over year.

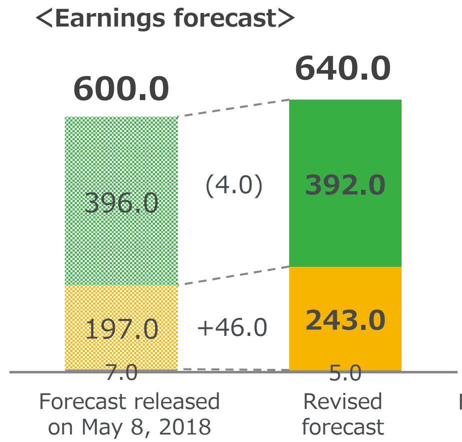
- In the Business-related sector, despite large one-off losses, net income increased due to solid operating income in the LNG-related business, the Asia automotive business, etc.
- In the Market-related sector, net income increased due to higher operating income in the Australian coal business, etc.

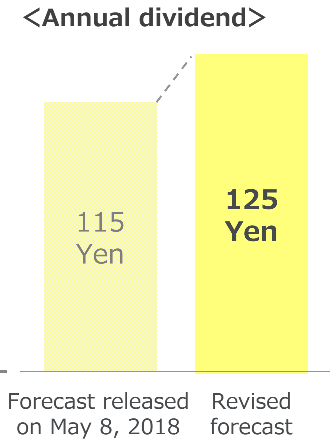


Revised forecast for the year ending March 2019

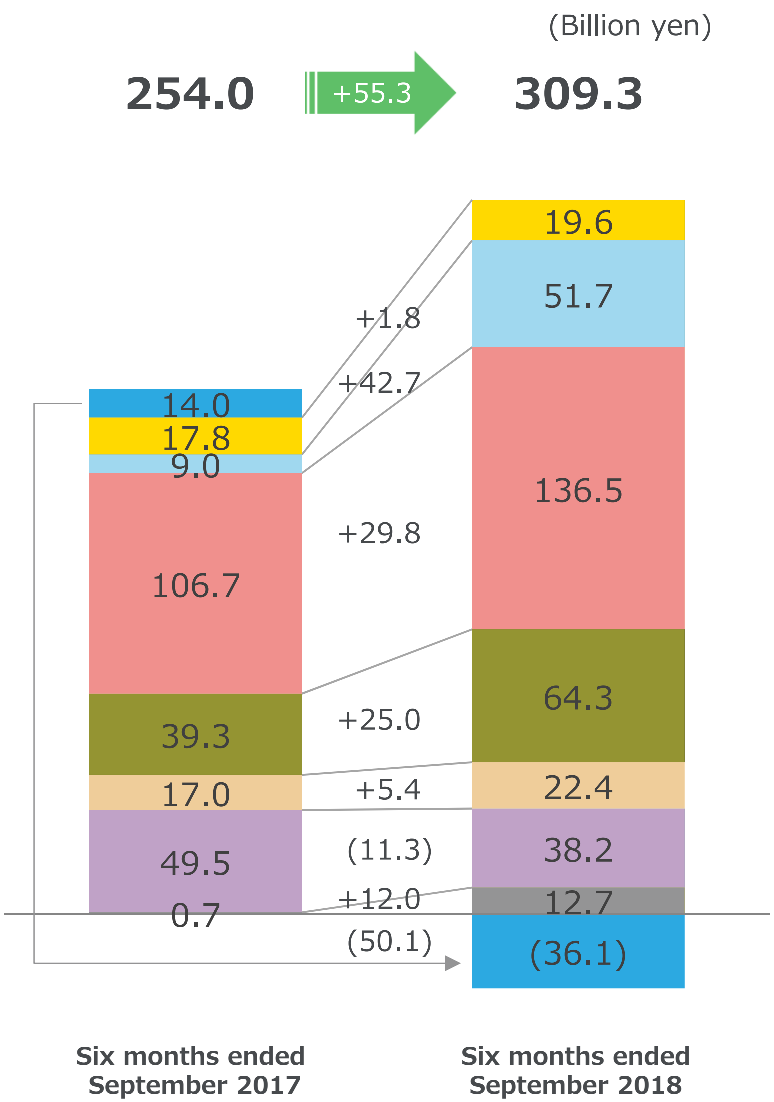
✓ Despite large one-off losses in this year, based on the solid progress of operating income in both the Business and Market-related sectors, the earnings forecast for the year ending March 2019 was revised to a historical high of 640.0 billion yen.

✓ Annual dividend per share was revised from 115 yen to 125 yen.





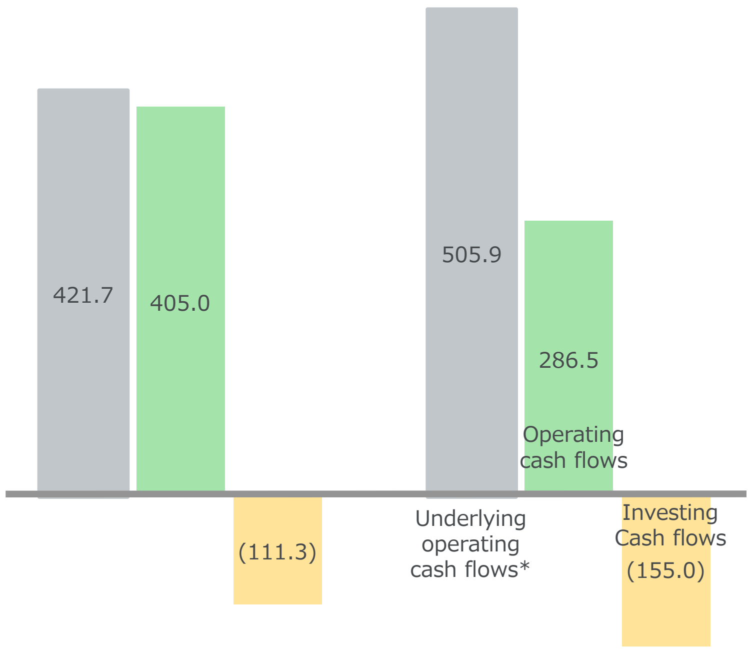
Year over Year Segment Net Income (Loss)



- **Global Environmental & Infrastructure Business**
  One-off losses related to Chiyoda Corporation, etc.
- **Industrial Finance, Logistics & Development [YoY +10%]**
  Gains on the disposal of fund-related investment, etc.
- **Energy Business [YoY +474%]**
  In addition to rebound of one-off losses from resource-related asset replacements, increase in earnings and dividends received in the LNG-related business, etc.
- **Metals [YoY +28%]**
  Increased earnings in the Australian coal business due to higher trading volume, etc.
- **Machinery [YoY +64%]**
  In addition to one-off gains in the Ship business, increased earnings in the Asia automotive business and contribution of equity income from Mitsubishi Motors, etc.
- **Chemicals [YoY +32%]**
  Increased trading profit and earnings in the Petro-chemical business, etc.
- **Living Essentials [YoY (23%)]**
  Decreased earnings in the Meat business and the Salmon farming business, etc.
- **Other**
  Gains on the disposal of shares in SIGMAXYZ and profit and loss from derivatives, etc.

Cash Flows

Six months ended September 2017 | **Six months ended September 2018**



<Free cash flows>

+293.7 | +131.5

[Breakdown of cash flows]

(Billion yen)

		Underlying Operating CF	Investing CF: New/Sustaining Investments	Investing CF: Sales and Collection	Investing CF: Net	**Underlying Operating CF + Investing CF**
Ref.	Year ended March 2017	703.5	(569.6)	390.0	(179.6)	523.9
	Year ended March 2018	857.8	(796.0)	478.4	(317.6)	540.2
Six months ended September 2018		**505.9**	(445.0)	290.0	**(155.0)**	**350.9**

[Main items included in Investing CF for the six months ended September 2018]

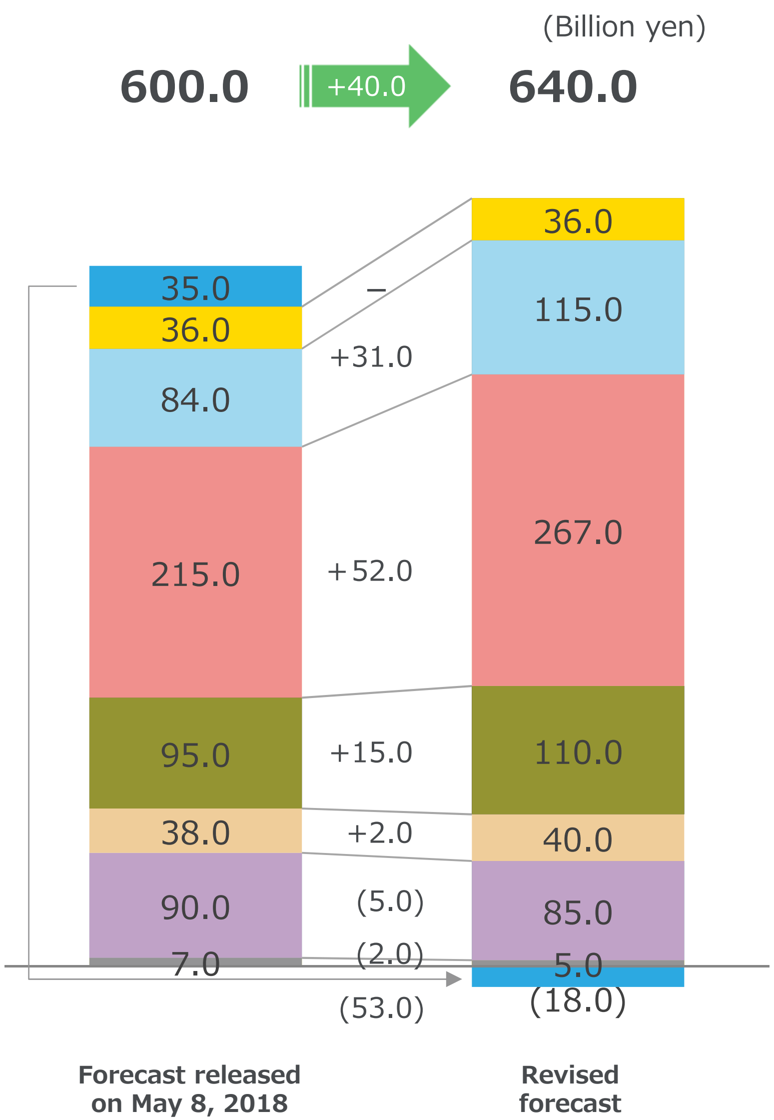
New/Sustaining Investments	Sales and Collection
・Copper business (Metals) ・Shale gas business (Energy Business) ・Australian coal business (Metals) ・Convenience store business (Living Essentials)	・Australian coal business (Metals) ・Aircraft leasing business (Industrial Finance, Logistics & Development)

* 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
One-off losses related to Chiyoda Corporation, etc.

Industrial Finance, Logistics & Development
–

Energy Business [Revised +37%]
Increase in earnings and dividends received in the LNG-related business, etc.

Metals [Revised +24%]
Increased earnings in the Australian coal business due to higher market prices and trading volume, etc.

Machinery [Revised +16%]
Increased earnings in the Asia automotive business, etc.

Chemicals [Revised +5%]
Increased earnings in the Petro-chemical business and the Basic chemical business, etc.

Living Essentials [Revised (6%)]
Decreased earnings in the Meat business, etc.

Other
–

(Reference) Market Conditions

[Foreign Exchange, Commodity Prices and Interest Rates]

	Forecast for the year ending March 2019 (Released on May 8)	Forecast for the year ending March 2019 (Revised)	Variance	Six months ended September 2018	Consolidated Net Income Sensitivities for the year ending March 2019
Foreign Exchange (YEN/US$)	110.00	110.00	±0	110.26	Depreciation/appreciation of 1 yen per US$1 has a 3.0 billion yen positive/negative impact on a full-year earnings.
Crude Oil Price (Dubai) (US$/BBL)	60	72	+12	73	A US$1 rise/decline per barrel increases/reduces full-year earnings by 2.5 billion yen. In addition to changes in crude oil price, other factors could also affect crude oil-related earnings, such as differences in the fiscal year-ends of consolidated companies, timing of the reflection of the crude oil price in sales prices, dividend policy, foreign currency movements, and production/sales volume. Therefore, the impact on earnings cannot be determined by the crude oil price alone.
Copper Price (US$/MT) [US¢/lb]	6,504 [295]	6,283 [285]	(221) [(10)]	6,483 [294]	A US$100 rise/decline per MT increases/reduces full-year earnings by 1.4 billion yen (A US¢10 rise/decline per lb increases/reduces full-year earnings by 3.2 billion yen). In addition to changes in copper price, other variables affect earnings from copper mines, such as the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditure). Therefore, the impact on earnings cannot be determined by the copper price alone.
YEN Interest TIBOR 3M (%)	0.10	0.10	±0	0.07	The effect of rising interest rates is mostly offset by an increase in operating and investment profits. However, a rapid rise in interest rates could have a temporary negative effect.
US$ Interest LIBOR 3M (%)	2.50	2.50	±0	2.34	