

Translation of report filed with the Tokyo Stock Exchange on July 21, 2006

## **Mitsubishi Corporation to Subscribe to Private Placement, Make Kinsho Corporation a Subsidiary**

Mitsubishi Corporation's Board of Directors today approved a subscription to a private placement of new shares by Kinsho Corporation (First Section, Tokyo Stock Exchange; Code: 8064). Details are as follows.

The purchase of these shares will give Mitsubishi Corporation an approximate 51% equity interest in Kinsho Corp. up from 9.2%, which will make Kinsho Corp. a subsidiary of Mitsubishi Corporation.

### **1. Reason for Share Purchase**

Mitsubishi Corporation trades broadly on a global scale in non-ferrous metallurgical resources, including copper and aluminum, and non-ferrous metals and metal products such as aluminum products. These activities are conducted mainly through overseas offices of Mitsubishi Corporation and its subsidiaries. Mitsubishi Corporation decided to purchase additional shares of Kinsho Corp. because it believes that this move will facilitate greater efficiency by linking the non-ferrous products and non-ferrous raw materials businesses of Mitsubishi Corporation and Kinsho Corp. This in turn is expected to drive growth, including expansion of the Mitsubishi Corporation Group's existing businesses and the development of new businesses.

### **2. Summary of the Private Placement**

- (1) No. of shares: 13,687,500 shares of common stock
- (2) Subscription price: 342 yen per share
- (3) Total purchase price: 4,681,125,000 yen
- (4) Application date: August 11, 2006 (planned)
- (5) Payment date: August 11, 2006 (planned)

### **3. About the Issuer (Kinsho Corporation)**

- (1) Company: Kinsho Corporation
- (2) President and Representative Director: Hiroshi Takeuchi
- (3) Address: 24-1, Shinkawa 1-chome, Chuo-ku, Tokyo

- (4) Established: January 1947
- (5) Main businesses: Sales (incl. import and export) of non-ferrous raw materials and products and ferrous raw materials and products
- (6) Fiscal year-end: March 31
- (7) No. of employees: 126 (parent company)
- (8) Capital: 802.5 million yen
- (9) Total no. of issued shares: 16,050,000 (as of March 31, 2006)
- (10) Major (top 5) shareholders and shareholdings (as of March 31, 2006)

	Shares Held (Thousands)	Shareholding
Japan Securities Finance Co., Ltd.	1,481	9.2%
Mitsubishi Corporation	1,477	9.2%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,150	7.2%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	792	4.9%
Mitsubishi UFJ Trust and Banking Corporation	792	4.9%

(11) Recent financial results (Consolidated)

(Millions of yen)

Item	Year ended March 31, 2005	Year ended March 31, 2006
Net sales	84,507	93,647
Gross profit	4,211	4,377
Operating income	2,081	2,213
Ordinary income	1,567	1,608
Net income	1,024	1,087
Total assets	41,062	36,920

(12) Relationships with the Company

- 1- Capital: The Company held 1,477,500 shares (9.2%) of Kinsho Corp. as of March 31, 2006.
- 2- Personnel: One Company employee serves as a corporate auditor at Kinsho Corp.
- 3- Trading: The Company has no product trading relationship with Kinsho Corp.

#### 4. Mitsubishi Corporation's Shareholding Before and After Purchase

Kinsho Corp. plans to sell 13,687,500 shares of common stock to the Company through a private placement.

	No. of Voting Rights (No. of Shares Held)	Shareholding	Shareholder Rank
Before Purchase	2,955 (1,477,500)	9.2%	2nd
After Purchase	30,330 (15,165,000)	51.1%	1st

#### 5. Outlook After Kinsho Corp. Is Made a Subsidiary

The consolidation of Kinsho Corp. will have only a negligible effect on the Company's consolidated (U.S. GAAP) operating results for the year ending March 31, 2007. A further announcement will be made with regard to forecasts for the following fiscal year as soon as they become available.

#### 6. Other

Even after this private placement, Kinsho Corp. will not fall within the definition of a specified subsidiary (*tokutei kogaisha*) as prescribed by Article 19-7 of the Cabinet Office Ordinances (January 30, 1973, No. 5) relating to the disclosure of business activities, etc.

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