Midterm Corporate Strategy 2018
Evolving Our Business Model from Investing to Managing

May 10, 2016
President & CEO
Takehiko Kakiuchi
1. Overarching Objectives
   - Corporate Vision

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     1. Rebalancing of “Resources” and “Non-resources”
     2. Cash-flow-focused Management
     3. Further Evolution from “Investing” to “Managing”
     4. “Lifecycle-based” Portfolio Re-profiling

3. Financial Targets & Shareholder Returns
   1. Financial Targets
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(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.
Leverage our **ingenuity** to create new business models and generate **value** for societies, thereby developing the highest level of **management expertise**.

**Ingenuity**
Proactively innovate businesses, leveraging our strengths and functions

**Value**
Sustainably generate added value that meets stakeholder expectations

**Management Expertise**
Capably develop professionals with a strong **sense of ethics**, **foresight** and **execution skills**.

Simultaneously Generating Three Kinds of Value

- Economic Value
- Societal Value
- Environmental Value
Management Approach Over Next Three Years

【Reforming Management Platform】
1. Rebalancing of "Resources" and "Non-resources"
2. Cash-flow-focused Management

【Growth Initiatives】
3. Further Evolution from "Investing" to "Managing"
4. Accelerated "Lifecycle-based" Portfolio Re-profiling
(1) Rebalancing of “Resources” and “Non-resources”

- **Rebalance portfolios**
  - **In Resources**: Continue to invest in prime assets while maintaining portfolio sizes, thereby optimizing portfolio quality.
  - **In Non-resources**: Re-profile portfolios but increase their sizes by investing in growing businesses where we can proactively demonstrate our strengths and functions.

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**Portfolio Sizes**

- **Maintain**
  - Concentrate in metallurgical coal, copper, and natural gas.

- **Focus management resources on businesses where we can proactively demonstrate our strengths and functions.**

(Accelerated “Lifecycle-based” Portfolio Re-profiling)

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Resources

Non-resources

Portfolio Size = Fixed Assets + Investments + Financing + Goodwill

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(2) Cash-flow-focused Management

- Have Corporate and the Business Groups focus on managing cash flow and controlling interest-bearing debt to maintain business stability and remain flexible amidst economic uncertainty.

Over the next three years, manage investments and shareholder returns within our total cash flow.
(3) Further Evolution from “Investing” to “Managing”

Promote further growth-driver evolution, from “investing” in businesses to “managing” them and generating continuous value.

Evolving Our Business Model from Investing to Managing

Get more deeply involved in the management of businesses and generate greater value.

Become better acquainted with the risks inherent to each business, leverage our ingenuity and promote the growth of our employees.

- Get deeply involved in businesses where we can leverage competitive advantages.
- Raise businesses’ value by getting involved in their management.
- Proactively demonstrate strengths/functions in management and generate greater value.

Growth Drivers

- Lead, Innovate, and Reform Industries
- Generate New Value Through Synergy with Partners
- Rejuvenate Businesses and Create Corporate Value
- Capture New Technologies (AI, IoT) to Regrow Existing Businesses
Cognizant of business lifecycles and influencing factors, promote portfolio re-profiling according to our level of functional engagement in each business.
(1) Financial Targets

Aim for double-digit ROE through an effective combination of further growth in Non-resources and portfolio re-profiling in Resources

Consolidated Net Income (100 mil. Yen)

- FY2016: 2,500
- FY2018: 3,000
- Circa FY2020: Double-digit ROE

Resources
- Non-resources: 3,500

Main Growth Leaders
- Food Raw Materials, Life-sciences, Consumer Goods Manufacturing, Retail, Motor Vehicles, Power Generation, Real Estate Development & Asset Management

Basic Approach / Objective

- **High-value Earnings**
  - Build on our unique strengths and show initiative in the pursuit of high-value earnings
- **Efficiency / Financial Discipline**
  - In allocating management resources, prioritize efficiency ahead of scale
  - Target solid A Rating
Focus on **dividend as basic approach** to returning value to shareholders

Increase **dividend flexibly** in line with sustainable earnings growth **based on a progressive dividend scheme**

*Flexibly buy back our stock, only when necessary*