NOTICE OF 2017 ORDINARY GENERAL MEETING OF SHAREHOLDERS

Mitsubishi Corporation

(Note)
This is an unofficial translation of the Japanese language original version, and is provided for your convenience only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version is the sole official version.
If minor amendments are required to matters contained in the Business Report, the financial statements, the Matters for Resolution or other documents, Mitsubishi Corporation will post revisions on its website (http://www.mitsubishicorp.com/).

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(Note)
"Mitsubishi Corporation Group" in the Business Report represents Mitsubishi Corporation's "group of enterprises" pursuant to Article 120, Paragraph 2 of the Ordinance for Enforcement of the Companies Act.

(Translation)

May 30, 2017

Notice of 2017 Ordinary General Meeting of Shareholders

Dear Shareholders,

This is to notify you that an ordinary general meeting of the shareholders of Mitsubishi Corporation for the fiscal year ended March 31, 2017 will be held as described below. Your attendance at the meeting is cordially requested.

1. Date and Time: Friday, June 23, 2017 at 10:00 a.m.

2. Place: The Prince Park Tower Tokyo, Ballroom (B2 floor),
8-1, Shibakoen 4-chome, Minato-ku, Tokyo

3. Agenda for the Meeting:

[Matters for Reporting]

1. *Report on the consolidated statement of financial position and the non-consolidated balance sheet as of March 31, 2017, the consolidated statement of profit or loss, the non-consolidated statement of operations, and the consolidated and the non-consolidated statement of changes in equity for the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017) and business report for the same fiscal year.*
2. *The audit reports of the independent auditors and the Audit & Supervisory Board concerning the consolidated financial statements.*

[Matters for Resolution]

1. *To Approve the Proposed Appropriation of Surplus*
2. *To Elect 13 Directors*
3. *To Grant Bonuses to Directors*

<u>If you attend the meeting, please bring the enclosed voting form to the reception desk. You are also requested to bring with you this booklet as relevant documents for the proceedings.</u>

If you are unable to attend the meeting, you may exercise your voting right by mail or via the Internet. If exercising your right by mail, please complete the required procedures and ensure we receive the form no later than 5:30 p.m. on Thursday, June 22, 2017 (Japan Time). Procedures for exercising your voting right via the Internet must also be completed by 5:30 p.m. on Thursday June 22, 2017 (Japan Time). Please refer to the “Information on Exercising Voting Right” on the last two pages of this Notice.

When exercising your voting right by proxy, <u>the proxy can only be entrusted to one shareholder holding a voting right of Mitsubishi Corporation</u> in accordance with the relevant provision in the Articles of Incorporation of Mitsubishi Corporation. The proxy must submit the enclosed voting form and a document testifying the proxy authority (power of attorney) to the reception desk at the meeting.

Takehiko Kakiuchi
Representative Director, President and Chief Executive Officer
Mitsubishi Corporation

(Translation)

Reference Documents

Details of Each Proposal

1. To Approve the Proposed Appropriation of Surplus

The proposed appropriation of surplus for the fiscal year ended March 31, 2017 is as follows.
Under Midterm Corporate Strategy 2018, which covers the period from the fiscal year ended March 31, 2017 to the fiscal year ending March 31, 2019, Mitsubishi Corporation is focusing on dividends as its basic approach to returning value to shareholders and will increase dividends flexibly in line with sustainable earnings growth based on a progressive dividend scheme. In consideration of consolidated business results and other factors, the Board of Directors proposes to increase the year-end dividend by ¥25, from ¥25 to ¥50 per common share. As a result, total dividends for the fiscal year ended March 31, 2017, including the interim dividend of ¥30 per common share, will be increased by ¥30 from the previous fiscal year to become ¥80 per common share.

1. Year-end dividends
   (1) Dividends to be paid
      Cash
   (2) Allotment of dividend assets for shareholders and total amount
      ¥50 per common share of Mitsubishi Corporation
      Total amount: ¥79,276,017,850
   (3) Effective date of payment of surplus available for dividends
      June 26, 2017

2. Other retained earnings
   (1) Increase in retained earnings and amount
      Unappropriated retained earnings: ¥16,000,000,000
   (2) Decrease in retained earnings and amount
      General reserve: ¥16,000,000,000

(Translation)

2. *To Elect 13 Directors*

The term of all 11 Directors will expire at the close of this Ordinary General Meeting of Shareholders.
Accordingly, the Board proposes the following 13 candidates for election as Directors, as detailed below. Of the 13 candidates, 5 are candidates for Outside Director. All such candidates meet the requirements of independent director, as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation.

(See pages 13 to 24 for detailed information on the Selection Criteria for Outside Directors and information on Outside Director candidates.)

Number	Name	Age		Present position and responsibilities at Mitsubishi Corporation	Years served as Director	Member of Governance & Compensation Committee
1	Ken Kobayashi	68	Renomination	Chairman of the Board	7 years	○
2	* Takehiko Kakiuchi	61	Renomination	Member of the Board, President & CEO	1 year	○
3	* Eiichi Tanabe	63	Renomination	Member of the Board, Senior Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania	1 year	-
4	* Yasuhito Hirota	60	Renomination	Member of the Board, Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch	3 years	-
5	* Kazuyuki Masu	58	Renomination	Member of the Board, Executive Vice President, Corporate Functional Officer, CFO, IT	1 year	-
6	Iwao Toide	58	New Election	Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability	-	
7	Akira Murakoshi	58	New Election	Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources	-	
8	* Masakazu Sakakida	58	New Election	Executive Vice President, Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer	-	

(Translation)

Number	Name	Age		Present position and responsibilities at Mitsubishi Corporation	Years served as Director	Member of Governance & Compensation Committee
9	Hidehiro Konno	72	Renomination, Outside Director, Independent Director	Member of the Board	7 years	○
10	Akihiko Nishiyama	64	Renomination, Outside Director, Independent Director	Member of the Board	2 years	○
11	Hideaki Omiya	70	Renomination, Outside Director, Independent Director	Member of the Board	1 year	-
12	Toshiko Oka	53	Renomination, Outside Director, Independent Director	Member of the Board	1 year	○
13	Akitaka Saiki	64	New Election, Outside Director, Independent Director	Corporate Advisor	-	○

(Notes)

1. Each candidate denoted by an asterisk is supposed to be appointed as Representative Director at Board of Director Meeting which will be held after this Ordinary General Meeting of Shareholders if this resolution is approved.
2. Mitsubishi Corporation has concluded agreements with Messrs. Hidehiro Konno, Akihiko Nishiyama, Hideaki Omiya and Ms. Toshiko Oka limiting their liability according to Article 423, Paragraph 1 of the Companies Act. According to the agreements, the maximum liability of each is the minimum amount stipulated under Article 425, Paragraph 1 of the Companies Act. If this proposal is approved, Mitsubishi Corporation will extend agreements limiting their liability with the above-mentioned 4 individuals and conclude new agreements with Messrs. Ken Kobayashi and Akitaka Saiki to the same effect.

(Translation)

1. Ken Kobayashi <Date of Birth Feb. 14, 1949 68 years old>

Renomination

Number of Shares owned:
113,983
Years served as Director:
7 years (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Jul. 1971	Joined Mitsubishi Corporation
Apr. 2003	Senior Vice President, General Manager, Singapore Branch
Jun. 2004	Senior Vice President, Division COO, Plant Project Div.
Apr. 2006	Senior Vice President, Division COO, Ship, Aerospace & Transportation Systems Div.
Apr. 2007	Executive Vice President, Group CEO, Industrial Finance, Logistics & Development Group
Jun. 2007	Member of the Board, Executive Vice President, Group CEO, Industrial Finance, Logistics & Development Group
Jun. 2008	Executive Vice President, Group CEO, Industrial Finance, Logistics & Development Group
Apr. 2010	Senior Executive Vice President, Executive Assistant to President
Jun. 2010	Member of the Board, President & CEO
Apr. 2016	Chairman of the Board (present position)

Important Concurrent Position

Outside Director, Nissin Foods Holdings Co., Ltd.
Outside Director, Mitsubishi Motors Corporation
Outside Director, Mitsubishi Heavy Industries, Ltd.

Reasons for Nomination as Director

Mr. Kobayashi has been Chairman of the Board since April 2016 after having served as President & CEO from June 2010 to March 2016, prior to which he held a range of positions that included General Manager, Singapore Branch, Division COO, Plant Project Div., Division COO of Ship, Aerospace & Transportation Systems Div., and Group CEO, Industrial Finance, Logistics & Development Group. He has abundant business experience at Mitsubishi Corporation and insight on management of a *sogo shosha* in general and on global business management as well as supervisory and operational experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

2. Takehiko Kakiuchi <Date of Birth Jul. 31, 1955 61 years old>

Renomination

Number of Shares owned:
75,557

Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1979	Joined Mitsubishi Corporation
Apr. 2010	Senior Vice President, Division COO, Foods (Commodity) Div.
Apr. 2011	Senior Vice President, General Manager, Living Essential Group CEO Office, Division COO, Foods (Commodity) Div.
Apr. 2013	Executive Vice President, Group CEO, Living Essentials Group
Apr. 2016	President & CEO
Jun. 2016	Member of the Board, President & CEO (present position)

Reasons for nomination as Director

Mr. Kakiuchi has been President & CEO since April 2016 after having served as Division COO, Foods (Commodity) Div., Group CEO, Living Essentials Group and in other positions. He has abundant business experience at Mitsubishi Corporation and insight on management of a *sogo shosha* in general and on global business management as well as supervisory and operational experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

3. Eiichi Tanabe <Date of Birth Sep. 16, 1953 63 years old>

Renomination

Number of Shares owned:
30,226
Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

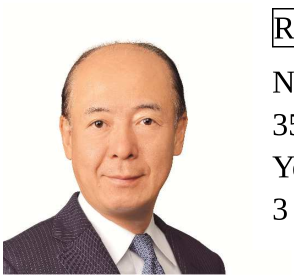
Apr. 1978	Joined Mitsubishi Corporation
May. 2001	Left Mitsubishi Corporation, Held the positions of: Member of the Board, Executive Vice President, Lawson, Inc. (Lawson) Member of the Board, Senior Executive Vice President, Lawson Member of the Board, Senior Executive Vice President, Lawson (resigned in June 2007)
Jun. 2007	Joined Mitsubishi Corporation
Apr. 2008	Senior Vice President, Treasurer
Apr. 2011	Senior Vice President, General Manager, Industrial Finance, Logistics & Development Group CEO Office
Apr. 2012	Executive Vice President, Group CEO, Industrial Finance, Logistics & Development Group
Apr. 2016	Senior Executive Vice President, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania
Jun. 2016	Member of the Board, Senior Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania (present position)

Reasons for nomination as Director

Mr. Tanabe has been Senior Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania since April 2016, after having served as Senior Executive Vice President of Lawson, Inc., Treasurer, and Group CEO of Industrial Finance, Logistics & Development Group. He has abundant business experience at Mitsubishi Corporation and insight on management of a *sogo shosha* in general and on regional management and supervisory experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

4. <u>Yasuhito Hirota</u> <Date of Birth Nov. 5, 1956 60 years old>



Renomination

Number of Shares owned:
35,187
Years served as Director:
3 years (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1980	Joined Mitsubishi Corporation
Apr. 2010	Senior Vice President, General Manager, Corporate Administration Dept.
Apr. 2011	Senior Vice President, Senior Assistant to Senior Executive Vice President, Corporate Functional Officer, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources, General Manager, Corporate Administration Dept.
Apr. 2014	Executive Vice President, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources
Jun. 2014	Member of the Board, Executive Vice President, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources
Apr. 2016	Member of the Board, Executive Vice President, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources, Chief Compliance Officer
Apr. 2017	Member of the Board, Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch (present position)

Reasons for Nomination as Director

Mr. Hirota has been Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan and General Manager, Kansai Branch since April 2017, after having served as General Manager, Corporate Communications Dept. , General Manager, Corporate Administration Dept., Corporate Functional officer, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources and in other positions. He has abundant business experience at Mitsubishi Corporation and insight on management of a *sogo shosha* in general and on supervisory and operational experience. Furthermore, as General Manager of the Kansai branch, he has responsibility for alternative Head Office functions during major disasters and other times of emergency. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

5. Kazuyuki Masu <Date of Birth Feb. 19, 1959 58 years old>

Renomination

Number of Shares owned:
20,660

Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1982	Joined Mitsubishi Corporation
Apr. 2013	Senior Vice President, General Manager, Corporate Accounting Dept.
Apr. 2016	Executive Vice President, Chief Financial Officer
Jun. 2016	Member of the Board, Executive Vice President, Chief Financial Officer
Apr. 2017	Member of the Board, Executive Vice President, Corporate Functional Officer, CFO, IT (present position)

Reasons for nomination as Director

Mr. Masu has been Executive Vice President, Corporate Functional Officer, CFO, IT since April 2017 after having served as General Manager, Corporate Accounting Dept., Chief Financial Officer and in other positions. He has abundant business experience at Mitsubishi Corporation and insight on management of a sogo shosha in general and on supervisory and operational experience. Accordingly, he has been nominated to continue in the position of Director.

(Translation)

6. <u>Iwao Toide</u> <Date of Birth Oct. 18, 1958 58 years old>

New election

Number of Shares owned:
55,400

Job History, Positions and Responsibilities

Apr. 1981	Joined Mitsubishi Corporation
Apr. 2011	Senior Vice President, Division COO, Ferrous Raw Materials Div. Dept.
Apr. 2012	Senior Vice President, Division COO, Steel Business Div.
Apr. 2013	Senior Vice President, General Manager, Metals Group CEO Office
Mar. 2014	Resigned Senior Vice President
Apr. 2014	President & CEO, Director, Metal One Corporation (resigned in Mar. 2017)
Apr. 2017	Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability, Mitsubishi Corporation (present position)

Reasons for nomination as Director

Mr. Toide has been Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability since April 2017 after having served as Division COO, Ferrous Raw Materials Div., Division COO, Steel Business Div., General Manager, Metals Group CEO Office, and President & CEO, Director, Metal One Corporation and in other positions. He has abundant business experience at Mitsubishi Corporation and insight on management of a sogo shosha in general and on business management and supervisory experience. Accordingly, he has been nominated for the position of Director.

(Translation)

7. Akira Murakoshi <Date of Birth Jun. 27, 1958 58 years old>

New election

Number of Shares owned:
11,192

Job History, Positions and Responsibilities

Apr. 1982	Joined Mitsubishi Corporation
Apr. 2012	Senior Vice President, Division COO, General Merchandise Div.
Apr. 2014	Senior Vice President, President, Mitsubishi Company (Thailand), Ltd., President, Thai-MC Company, Limited
Apr. 2017	Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources (present position)

Reasons for nomination as Director

Mr. Murakoshi has been Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources since April 2017 after having served as Division COO, General Merchandise Div., President, Mitsubishi Company (Thailand), Ltd. and in other positions. He has abundant business experience at Mitsubishi Corporation and insight on management of a *sogo shosha* in general and on supervisory and operational experience. Accordingly, he has been nominated for the position of Director.

(Translation)

8. Masakazu Sakakida <Date of Birth Nov. 11, 1958 58 years old>

New election

Number of Shares owned:
19,082

Job History, Positions and Responsibilities

Apr. 1981 Joined Mitsubishi Corporation

Apr. 2013 Senior Vice President,
Chairman & Managing Director, Mitsubishi Corporation India Private Ltd.,
Deputy Regional CEO, Asia & Oceania (South Asia)

Apr. 2017 Executive Vice President, Corporate Functional Officer, Corporate Administration,
Legal, Chief Compliance Officer (present position)

Reasons for nomination as Director

Mr. Sakakida has been Executive Vice President, Corporate Functional Officer, Corporate Administration, Legal since April 2017 after having served as General Manager for Group Strategy Planning, Machinery Group, Chairman & Managing Director, Mitsubishi Corporation India Private Ltd., Deputy Regional CEO, Asia & Oceania (South Asia) and in other positions. He has abundant business experience at Mitsubishi Corporation and insight on management of a *sogo shosha* in general and on supervisory and operational experience. Accordingly, he has been nominated for the position of Director.

(Translation)

[Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members]

To make the function of Outside Directors and Outside Audit & Supervisory Board Members stronger and more transparent, Mitsubishi Corporation has set forth Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members as follows, after deliberation by the Governance & Compensation Committee, which is composed with a majority of Outside Directors, Outside Audit & Supervisory Board Members and Outside Members.

[Selection Criteria for Outside Directors]

1. Outside Directors are elected from among those individuals who have an eye for practicality founded on a wealth of experience as corporate executive officers, as well as an objective and specialist viewpoint based on extensive insight regarding global conditions and social and economic trends. Through their diverse perspectives, Outside Directors help ensure levels of decision-making and management oversight appropriate to the Board of Directors.

2. To enable Outside Directors to fulfill their appointed task, attention is given to maintain their independency*; individuals incapable of preserving this independency in effect will not be selected to serve as Outside Directors.

3. Mitsubishi Corporation's operations span a broad range of business domains; hence there may be cases of conflict of interest stemming from business relationships with firms home to a corporate executive officer appointed as Outside Directors. Mitsubishi Corporation appropriately copes with this potential issue through the procedural exclusion of the director in question from matters related to the conflict of interest, and by preserving a variety of viewpoints through the selection of numerous Outside Directors.

[Selection Criteria for Outside Audit & Supervisory Board Members]

1. Outside Audit & Supervisory Board Members are selected from among individuals who possess wealth of knowledge and experience across various fields that is helpful in performing audits. Neutral and objective auditing, in turn, will ensure sound management.

2. To enable Outside Audit & Supervisory Board Members to fulfill their appointed task, attention is given to maintain their independency*; individuals incapable of preserving this independency will not be selected to serve as Outside Audit & Supervisory Board Members.

(Notes)

Independency for the purpose of Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members

To make a judgment of independence, Mitsubishi Corporation checks if the person concerned meets the conditions for independent directors and independent auditors as specified by stock exchanges in Japan such as the Tokyo Stock Exchange, Inc., and whether the person concerned is currently any of the following items (1) to (7) and whether they have been at any time in the past 3 fiscal years.

(1) A major shareholder of Mitsubishi Corporation (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such shareholder (*1).

(2) A member of business personnel of a creditor of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation (*2).

(3) A member of business personnel of a supplier or a customer of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation (*3).

(4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from Mitsubishi Corporation, other than directors' or audit & supervisory board members ' remuneration, where the amount exceeds ¥10 million per fiscal year.

(5) A representative or partner of Mitsubishi Corporation's independent auditor.

(6) A person belonging to an organization that has received donations exceeding a certain amount (*4) from Mitsubishi Corporation.

(7) A person who has been appointed as an Outside Director or Outside Audit & Supervisory Board Member of Mitsubishi Corporation for more than 8 years.

*1 A member of business personnel refers to a managing director, corporate officer, executive officer, or other employee of a company.

*2 Creditors exceeding the threshold set by Mitsubishi Corporation refer to creditors to whom Mitsubishi Corporation owes an amount exceeding 2% of Mitsubishi Corporation's consolidated total assets.

*3 Suppliers or customers exceeding the threshold set by Mitsubishi Corporation refer to suppliers or customers whose transactions with Mitsubishi Corporation exceed 2% of Mitsubishi Corporation's consolidated revenues.

*4 Donations exceeding a certain amount refer to donations of more than ¥20 million per fiscal year.

If a person is still judged to be effectively independent despite one or more of the above items (1) to (7) applying, Mitsubishi Corporation will explain and disclose the reason at the time of their appointment as an Outside Director or Outside Audit & Supervisory Board Members.

(Translation)

9. Hidehiro Konno <Date of Birth Jul. 23, 1944 72 years old>

Renomination | Outside Director | Independent Director

Number of Shares owned:
16,218

Years served as Director:
7 years (as of close of this Ordinary General Meeting of Shareholders)

Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2017)
Regular: 12 held, 12 attended / Extraordinary: 2 held, 2 attended

Job History, Positions and Responsibilities

Apr. 1968	Joined Ministry of International Trade and Industry ("MITI") Held the positions of: Director-General, Commerce & Distribution Policy, Director-General, International Trade Administration Bureau, Director-General, International Trade Policy Bureau and Vice-Minister for International Affairs
Jul. 2002	Retired from MITI
Feb. 2003	Chairman & CEO, Nippon Export and Investment Insurance ("NEXI") (resigned in Jul. 2009)
Jan. 2010	Senior Corporate Advisor, Mitsubishi Corporation
Jun. 2010	Member of the Board, Mitsubishi Corporation (present position)

Message from the candidate for appointment as Outside Director

Mitsubishi Corporation has a corporate culture that emphasizes fairness and transparency. In this culture, I believe that corporate governance reforms have steadily taken root. At the same time, Mitsubishi Corporation has been continuously pursuing new business models to respond appropriately to major upheaval in the business environment. Corporate governance and business models are always a work in progress and must be continuously improved. As an Outside Director, I would like to offer appropriate advice while keeping a close eye on changes both internal and external, in order to contribute to the long-term growth of Mitsubishi Corporation.

Reasons for nomination as Outside Director

Mr. Konno has been offering advice to Mitsubishi Corporation's management and properly oversees execution of business from an objective and professional perspective based on his extensive insight regarding domestic and global economic trends, having held key posts at MITI and NEXI. Accordingly, he has been nominated to continue in the position of Outside Director.

(Translation)

Supplementary Information with respect to Independence and Important Concurrent Position

1. Independence of Outside Director

Mr. Konno meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Supplementary information in terms of independence is as follows:

- Mr. Konno is chairman (part-time position) of general incorporated foundation Koushikai, a non-profitable association that engages in helping Japanese next-generation leaders to be cosmopolitan with liberal arts. Mitsubishi Corporation pays ¥1.9 million per year to the association mainly as membership dues as a regular member. These payments are consistent with activities of the association under its philosophy. In addition, Mr. Konno receives no compensation from the association, therefore he does not benefit personally.
- Until July 2009, Mr. Konno served as Chairman & CEO of NEXI, which is wholly owned by the Japanese government and offers trade insurance based on the Trade Insurance and Investment Act for business risks that conventional insurances are unable to cover, including the inability to export cargo due to international disputes. Although Mitsubishi Corporation utilizes trade insurance provided by NEXI, it has been about 8 years since his resignation. Therefore, there is no relationship between him and those transactions.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position

Not applicable

(Translation)

10. Akihiko Nishiyama <Date of Birth Jan. 4, 1953 64 years old>

Renonimation | Outside Director | Independent Director

Number of Shares owned:
5,492
Years served as Director:
2 years (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2017)
Regular: 12 held, 12 attended / Extraordinary: 2 held, 2 attended

Job History, Positions and Responsibilities

Apr. 1975	Joined Tokyo Gas Co., Ltd. (resigned in Mar. 2015)
Apr. 2001	Visiting professor, Policy Studies, Graduate School of Social Sciences, Hosei University (resigned in Mar. 2003)
Apr. 2004	Professor, Dept. of International Liberal Arts, Tokyo Jogakkan College
Apr. 2011	Councilor, Tokyo Jogakkan College; Professor, Dept. of International Liberal Arts, Tokyo Jogakkan College (resigned in Mar. 2013)
Apr. 2013	Adjunct Professor, Hitotsubashi University (present position)
Jun. 2015	Member of the Board, Mitsubishi Corporation (present position)

(Note)
Mr. Nishiyama served as Head of Nishiyama Research Institute, Tokyo Gas Co., Ltd. from April 2004 until March 2015. However, his primary position during this period was professor of the universities mentioned above, and he had no involvement with business execution of Tokyo Gas Co., Ltd.

Important Concurrent Position

Adjunct professor, Hitotsubashi University

(Translation)

Message from the candidate for appointment as Outside Director

I believe my mission is to do my utmost to increase corporate value over the medium and long terms from the perspectives of shareholders and other investors. In practice, in my first year as Outside Director, I have held 23 interactive sessions with all business groups and each department of the Corporate Staff Section, besides actively expressing my views in the Board of Directors' meetings. In my second year, I held 20 interactive sessions and conducted surveys by visiting managers of Mitsubishi Corporation Group companies at 15 locations in the Kanto, Kansai and Tohoku regions. I found that personnel on the frontlines of business management are fulfilling their duties with tremendous enthusiasm, supported by members of Mitsubishi Corporation, who are demonstrating their specialized capabilities, leading to solid results. I have also made recommendations to management based on what I have noticed in the course of these activities. I will continue to pursue the path that leads to further development of consolidated management and increases in its corporate value.

Reasons for nomination as Outside Director

Mr. Nishiyama has been offering advice to Mitsubishi Corporation's management and properly oversees execution of business from an objective and professional perspective based on his research activities relating to corporate management and human resource development at universities, and many years of experience in the business. Accordingly, he has been nominated to continue in the position of Outside Director.

Supplementary Information with respect to Independence and Important Concurrent Position

1. Independence of Outside Director

Mr. Nishiyama meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. There is no supplementary information in terms of independence.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position

Mitsubishi Corporation has no business relationship with Hitotsubashi University.

(Translation)

11. Hideaki Omiya <Date of Birth Jul. 25, 1946 70 years old>

Renomination | Outside Director | Independent Director

Number of Shares owned:
6,693
Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2017)
Regular: 9 held, 8 attended / Extraordinary: 1 held, 1 attended
* Attendance at Board of Directors meetings of Mr. Omiya indicates after his appointment for Outsider Director on June 24, 2016.

Job History, Positions and Responsibilities

Jun. 1969	Joined Mitsubishi Heavy Industries, Ltd. ("MHI")
Jun. 2002	Member of the Board, MHI
Jun. 2005	Member of the Board, Executive Vice President, MHI
Apr. 2007	Member of the Board, Senior Executive Vice President, MHI
Apr. 2008	Member of the Board, President and CEO, MHI
Apr. 2013	Chairman of the Board, MHI (present position)
Jun. 2016	Member of the Board, Mitsubishi Corporation (present position)

Important Concurrent Position

Chairman of the Board, MHI
Outside Director, Seiko Epson Corporation

Message from the candidate for appointment as Outside Director

Mitsubishi Corporation has seen a sharp recovery in its business results. However, this recovery has been driven mostly by an upturn in resource prices and improving global conditions. Many issues still stand in the way of the sustained development of Mitsubishi Corporation's core businesses. As the world is rapidly reshaped by geopolitical developments and technological innovation, it is vital for Mitsubishi Corporation to rapidly identify and capture prime opportunities while avoiding risks. As a manager with a background in engineering, I would like to help spur further development at Mitsubishi Corporation.

(Translation)

Reasons for nomination as Outside Director

Mr. Omiya has been offering advice to Mitsubishi Corporation's management and properly oversees execution of business from a practical perspective based on his extensive insight developed through management of MHI, a manufacturer that conducts business around the world, as Chairman and former President and CEO. Accordingly, he has been nominated to continue in the position of Outside Director.

Supplementary Information with respect to Independence and Important Concurrent Position

1. Independence of Outside Director

Mr. Omiya meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Supplementary information in terms of independence is as follows:

- Mr. Omiya was Member of the Board, President and CEO of MHI, from April 2008 to March 2013 and has been Chairman of the Board of MHI since April 2013. MHI and Mitsubishi Corporation have a relationship of cross-directorship whereby each has an outside director assigned from the other. In addition, the two companies have business transactions, though these transactions do not exceed 2% of Mitsubishi Corporation's consolidated revenues.

- Since June 2015, Mr. Omiya has been chairman (part-time position) of The Mitsubishi Foundation which provides financial support for activities related to academic research and social welfare. Mitsubishi Corporation contributed more than ¥20 million per year to the foundation, but these contributions are consistent with the foundation's activities under its mission as a public interest incorporated foundation. In addition, Mr. Omiya receives no compensation from the foundation, therefore he does not benefit personally. Accordingly, his independence is assured.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position

Mitsubishi Corporation and MHI have business transactions, but there is no special relationship (specified related party, etc). Also, Mitsubishi Corporation has no business relationship with Seiko Epson Corporation.

(Translation)

12. Toshiko Oka <Date of Birth Mar. 7, 1964 53 years old>

Renomination | Outside Director | Independent Director

Number of Shares owned:
238

Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)

Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2017)
Regular: 9 held, 9 attended / Extraordinary: 1 held, 1 attended
* Attendance at Board of Directors meetings of Ms. Oka indicates after her appointment for Outsider Director on June 24, 2016.

Job History, Positions and Responsibilities

Apr. 1986	Joined Tohmatsu Touche Ross Consulting Limited (currently ABeam Consulting Ltd.)
Jul. 2000	Joined Asahi Arthur Anderson Limited
Sep. 2002	Principal, Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.) (resigned in Aug. 2012)
Apr. 2005	President and Representative Director, ABeam Consulting Ltd. After change of company name, Chief Executive Officer, PricewaterhouseCoopers Deals Advisory LLC (resigned in Mar. 2016)
Apr. 2016	Partner, PwC Advisory LLC (resigned in Jun. 2016)
Jun. 2016	CEO, Oka & Company Ltd. (present position)
Jun. 2016	Member of the Board, Mitsubishi Corporation (present position)

Important Concurrent Position

CEO, Oka & Company Ltd.
Outside Audit & Supervisory Board Member, Astellas Pharma Inc.
Outside Corporate Auditor, Happinet Corporation
Outside Director, Hitachi Metals, Ltd.

Message from the candidate for appointment as Outside Director

In meetings of the Board of Directors of Mitsubishi Corporation, extensive discussions are held on many different themes, testifying to the advanced level of its governance system. The roles of Outside Directors have become more significant than ever. Over the past 30 years, I have examined numerous companies as a management consultant. Based on this experience, I would like to offer a neutral and objective perspective reflecting “common sense in society” from an independent standpoint. By doing so, I would like to help to further enhance Mitsubishi Corporation’s governance system and contribute to sustainable increases in its corporate value.

(Translation)

Reasons for nomination as Outside Director

Ms. Oka has been offering advice to Mitsubishi Corporation’s management and properly oversees execution of business from a practical and diversified perspective based on her many years of experience in the consulting industry and experience as outside director of various companies. Accordingly, she has been nominated to continue in the position of Outside Director.

Supplementary Information with respect to Independence and Important Concurrent Position

1. Independence of Outside Director

Ms. Oka meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Supplementary information in terms of independence is as follows:

- Ms. Oka had been a training lecturer for the Mitsubishi Corporation Group under a contract with Human Link Corporation, a wholly owned subsidiary of Mitsubishi Corporation, with commission payments of around ¥2 million per year. Human Link Corporation has not renewed and doesn’t plan to renew the above-mentioned contract with Ms. Oka subsequent to her appointment as an Outside Director of Mitsubishi Corporation.
- Ms. Oka served as Principal, Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.) until August 2012. Although Mitsubishi Corporation has business transactions with that company, it has been about 5 years since her resignation. Therefore, there is no relationship between her and those transactions.
- Ms. Oka served as Partner, PwC Advisory LLC until June 2016. Although Mitsubishi Corporation has business transactions with that company, it has been about 1 year since her resignation. Therefore, there is no relationship between her and those transactions.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position

Mitsubishi Corporation has business transactions with Hitachi Metals, Ltd. and Astellas Pharma Inc., but there is no special relationship (specified related party, etc). Also, Mitsubishi Corporation has no business relationship with Happinet Corporation and Oka & Company Ltd.

(Translation)

13. Akitaka Saiki <Date of Birth Oct. 10, 1952 64 years old>

New Election | Outside Director | Independent Director

Number of Shares owned:

-

Job History

Apr. 1976	Joined the Ministry of Foreign Affairs of Japan Held the position of: Director-General, Asian and Oceanian Affairs Bureau, Ambassador to the Republic of India, concurrently to the Kingdom of Bhutan, Deputy Minister for Foreign Affairs, and Vice Minister for Foreign Affairs
Jun. 2016	Retired from Ministry of Foreign Affairs of Japan
Sep. 2016	Corporate Adviser, Mitsubishi Corporation (present position)

Message from the candidate for appointment as Outside Director

Mitsubishi Corporation undertakes an expansive range of corporate business activities worldwide. Many of these activities entail heavy responsibilities as they are closely connected to the interests of society as a whole. Mitsubishi Corporation is thus deeply involved in realizing the broad national interests of Japan. Uncertainty and risks have been increasing in line with growing instability in the world's existing political, economic, and social frameworks. In this environment, while drawing on my extensive experience in the field of foreign relations, I will work to contribute as much as possible to Mitsubishi Corporation as an Outside Director.

Reasons for nomination as Outside Director

Mitsubishi Corporation expects that Mr. Saiki will provide advice to Mitsubishi Corporation's management and properly oversee the execution of business from an objective and professional perspective based on his international sensibility and extensive insight regarding global conditions developed through foreign diplomacy, having held key posts at the Ministry of Foreign Affairs of Japan. Accordingly, he has been nominated for the position of Outside Director.

(Translation)

Supplementary Information with respect to Independence and Important Concurrent Position

1. Independence of Outside Director

Mr. Saiki meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Supplementary information in terms of independence is as follows:

- Mr. Saiki has been offering advice to the Company and receiving compensation as Corporate Advisor since September 2016, having been appointed to a member of an advisory body to the Board of Directors (Governance & Compensation Committee); however, this compensation is paid as consideration for the advice he offers regarding the management of Mitsubishi Corporation based on his experience and insight, and does not affect his independence.

2. Business relationships between Mitsubishi Corporation and entities where the candidate holds important concurrent position

Not applicable

(Translation)

3. ***To Grant Bonuses to Directors***

In consideration of consolidated business results for the fiscal year ended March 31, 2017 and other factors, the Board proposes to pay a total of ¥180 million as Directors' bonuses to 5 Directors as of the fiscal year-end (excluding Chairman of the Board and Outside Directors).

, excluding Chairman of the Board and Outside Directors, consists of Directors' Base Remuneration, Individual Performance Bonus, Bonus, Stock-option-based Remuneration and Reserved Retirement Remuneration. Bonuses are subject to approval of the Ordinary General Meeting of Shareholders every year, given their strong linkage to Mitsubishi Corporation's business results.

(See pages 33 to 35 for Policy for Setting Directors' and Audit & Supervisory Board Members' Remuneration.)

(Translation)

<Reference>

Approaches to Corporate Governance

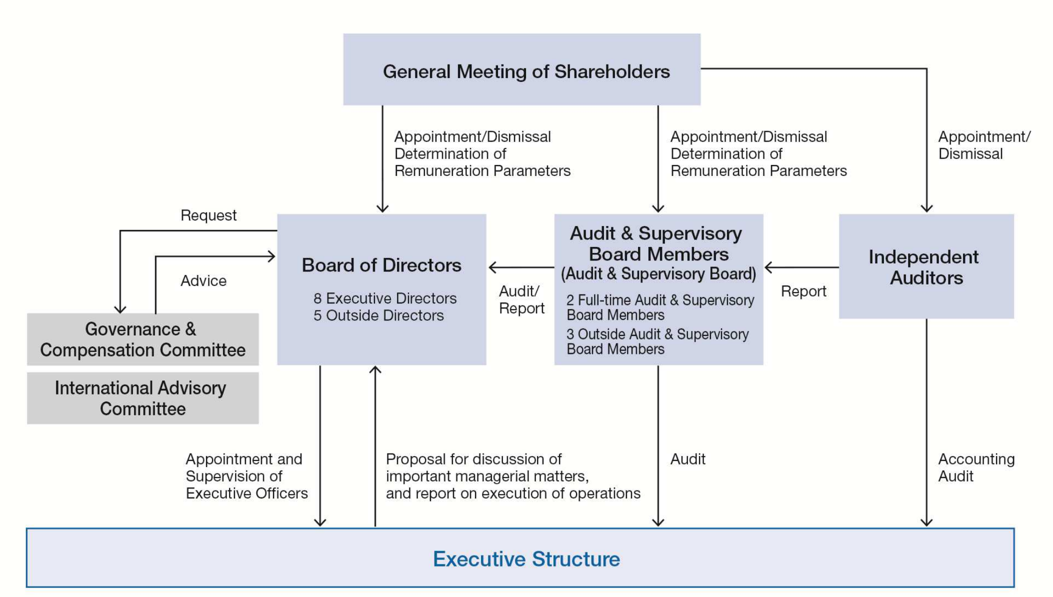
-Mitsubishi Corporation's Corporate Governance System Supporting Sustainable Growth

[Basic Policy]

Mitsubishi Corporation's corporate philosophy is enshrined in the Three Corporate Principles. Through corporate activities rooted in the principles of fairness and integrity, Mitsubishi Corporation strives to continuously raise corporate value. Mitsubishi Corporation believes that by helping to enrich society, both materially and spiritually, it will also meet the expectations of shareholders, customers and all other stakeholders.

In order to achieve these goals, Mitsubishi Corporation recognizes strengthening corporate governance on an ongoing basis as its important subject concerning management as it is foundation for ensuring sound, transparent and efficient management. Mitsubishi Corporation, based on the Audit & Supervisory Board Member System, is thus working to put in place a corporate governance system that is even more effective. This includes strengthening management supervision through such measures as appointing Outside Directors and Outside Audit & Supervisory Board Members who satisfy the conditions for Independent Directors or Independent Audit & Supervisory Board Members, and establishing advisory bodies to the Board of Directors where the majority of members are Outside Directors and Outside Audit & Supervisory Board Members and other experts from outside Mitsubishi Corporation. At the same time, Mitsubishi Corporation uses the executive officer system etc. for prompt and efficient decision-making and business execution.

■Corporate Governance Framework



*This diagram indicates the number of Directors and Audit & Supervisory Board Members after the Ordinary General Meeting of Shareholders if the resolution No.2 is approved.

(Translation)

[Board of Directors]

The Board of Directors is responsible for making decision concerning important management issues and overseeing business execution. In-house Directors utilize their rich experience of working within Mitsubishi Corporation and Outside Directors utilize their practical, objective and professional perspectives to ensure appropriate decision-making and management oversight.

The composition of the Board of Directors and the policy and process for appointing nominated Directors are deliberated at the Governance & Compensation Committee, and then decided by the Board of Directors as follows:

Composition of the Board of Directors and the Policy for Appointing Nominated Directors

To ensure Mitsubishi Corporation's decision-making and management oversight are appropriate for a *sogo shosha* involved in diverse businesses and industries in a wide range of fields, several Directors are appointed from both within and outside Mitsubishi Corporation with the depth of experience and high levels of knowledge and expertise needed for fulfilling their duties.

More specifically, in addition to Chairman of the Board and the President & CEO, Mitsubishi Corporation's in-house Directors are appointed from executive persons responsible for companywide management, Corporate Staff operations, and other areas. Outside Directors are appointed from those who possess a practical perspective of highly experienced officers and those who possess an objective and professional perspective with a deep insight on global developments and socio-economic trends.

In principle, the Board of Directors is an appropriate size for conducting deliberations, with one third or more being made up of Outside Directors.

Process for Appointing Nominated Directors

Based on the above policy, the President & CEO proposes a list of nominated Directors, which is then deliberated at the Governance & Compensation Committee and resolved by the Board of Directors before being presented at the Ordinary General Meeting of Shareholders.

Matters Deliberated by the Board of Directors

Matters requiring a resolution by the Board of Directors in accordance with laws and regulations and the Articles of Incorporation and important matters concerning management are resolved by the Board of Directors. In particular, for acquisitions and disposals of shares, equity stakes, and fixed assets, and investments and loans involving loans and guarantees, the Board of Directors sets out monetary threshold standards for each of various type of risks, such as credit risk, market risk and business investment risk (amounts do not exceed 1% of total assets and are set individually depending on the nature of the risk). Investments and loans that exceed this monetary threshold are deliberated and resolved by the Board of Directors.

Furthermore, business execution other than these matters for resolution by the Board of Directors is entrusted to Executive Officers in accordance with the allocation of duties decided by the Board of Directors for prompt and efficient business execution. Business is executed through President, as the Chief Executive Officer, and the Executive Committee (held twice monthly), as a management decision-making body to take responsibility for business execution.

Further, the Board of Directors strives to construct an internal control system for increasing corporate value by conducting appropriate, valid and efficient business execution in conformity with laws, regulations and the Articles of Incorporation. Each year, the Board checks on the implementation of the internal control system and makes ongoing improvements and enhancements.

[Audit & Supervisory Board]

The Audit & Supervisory Board audits Directors' decision-making process and their performance of duties according to the Companies Act and other laws and regulations, Mitsubishi Corporation's Articles of Incorporation and internal rules and regulations. In-house Audit & Supervisory Board Members conduct audits from a perspective of their rich experience of working within Mitsubishi Corporation, and Outside Audit & Supervisory Board Members from a neutral and objective perspective, to ensure that management is sound.
The composition of the Audit & Supervisory Board and the policy and procedure for appointment of nominated Audit & Supervisory Board Members are deliberated by the Governance & Compensation Committee, and then, decided by the Board of Directors as follows:

Composition of the Audit & Supervisory Board and the Policy for Appointing Nominated Audit & Supervisory Board Members

To ensure Mitsubishi Corporation's sound business development and improve its social credibility through audits, several Audit & Supervisory Board Members are appointed from within and outside Mitsubishi Corporation with the depth of experience and high level of expertise needed for conducting audits.
More specifically, in-house Audit & Supervisory Board Members are appointed from those with knowledge and experience in corporate management, finance, accounting, risk management, or other areas. Outside Audit & Supervisory Board Members are appointed from those with rich knowledge and experience across various fields.
In principle, the total number of Audit & Supervisory Board Members is 5, with more than half their number being made up of Outside Audit & Supervisory Board Members.

Process for Appointment of Nominated Audit & Supervisory Board Members

Based on the above policy, the President & CEO consults with Senior Audit & Supervisory Board Member and creates a proposal for appointment of nominated Audit & Supervisory Board Members, which is then deliberated by the Governance & Compensation Committee and approved by the Audit & Supervisory Board before being resolved by the Board of Directors and presented at the Ordinary General Meeting of Shareholders.

(Translation)

[Composition of Audit & Supervisory Board Members (as of close of this Ordinary General Meeting of Shareholders)]

For the composition of Directors, please see Proposal 2 “To Elect 13 Directors” (pages 3 to 24).

<table>
<tr><th>Name</th><th>Age</th><th></th><th>Present position at Mitsubishi Corporation</th><th>Years served as Audit & Supervisory Board Member</th><th>Member of Governance & Compensation Committee</th></tr>
<tr><td>Hideyuki Nabeshima</td><td>67</td><td></td><td>Senior Audit & Supervisory Board Member (full-time)</td><td>3</td><td>◯</td></tr>
<tr><td>Hiroshi Kizaki</td><td>58</td><td></td><td>Audit & Supervisory Board Member (full-time)</td><td>2</td><td>—</td></tr>
<tr><td rowspan="2">Tadashi Kunihiro</td><td>61</td><td>Outside Audit & Supervisory Board Member, Independent Auditor</td><td>Audit & Supervisory Board Member</td><td>5</td><td>○</td></tr>
<tr><td colspan="5">Message from the Outside Audit & Supervisory Board Member
The essence of corporate governance lies in the ability of stakeholders to impose discipline on management. What is important in governance is not formalities, but substance. At Mitsubishi Corporation, Outside Directors and Audit & Supervisory Members with a diverse range of backgrounds are effectively fulfilling their governance functions from a multitude of perspectives. For my part, based on my experience in compliance and crisis management as a lawyer, I check to see whether management decisions are appropriate with a particular emphasis on a risk management perspective.</td></tr>
<tr><td rowspan="2">Ikuo Nishikawa</td><td>65</td><td>Outside Audit & Supervisory Board Member, Independent Auditor</td><td>Audit & Supervisory Board Member</td><td>1</td><td>—</td></tr>
<tr><td colspan="5">Message from the Outside Audit & Supervisory Board Member
Mitsubishi Corporation has been serving as a driving force behind Japan’s economy and society by conducting economic activities worldwide as a sogo shosha. I expect that Mitsubishi Corporation will continue to evolve these activities further. In recent years, it has become crucial for employees, shareholders and society as a whole to ensure that managers with high integrity manage businesses in compliance with laws and regulations under an appropriate governance framework. As an Audit & Supervisory Board Member, I will make use of my experience in developing accounting standards and related areas to monitor whether Mitsubishi Corporation is providing appropriate disclosure.</td></tr>
<tr><td rowspan="2">Yasuko Takayama</td><td>59</td><td>Audit & Supervisory Board Member, Independent Auditor</td><td>Audit & Supervisory Board Member</td><td>1</td><td>—</td></tr>
<tr><td colspan="5">Message from the Outside Audit & Supervisory Board Member
With the Three Corporate Principles as its origin, Mitsubishi Corporation has established a solid governance system in terms of both corporate philosophy and systems. However, in today’s fast-changing social environment, perception gaps and differences in values between Mitsubishi Corporation and various stakeholders may arise in the course of developing business, and this could give rise to considerable risks. While taking into account my experience serving as a Standing Audit & Supervisory Board Member of another company, I would like to fulfill my responsibility to strengthen effective governance at Mitsubishi Corporation by making suggestions and recommendations from the perspectives of stakeholders.</td></tr>
</table>

(Note)

Mitsubishi Corporation has concluded agreements with Mr. Tadashi Kunihiro, Mr. Ikuo Nishikawa and Ms. Yasuko Takayama limiting their liability according to Article 423, Paragraph 1 of the Companies Act.

(Translation)

Based on the agreements, the maximum liability of them is limited to the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. In addition, Mitsubishi Corporation plans to conclude new agreements with Mr. Hideyuki Nabeshima and Mr. Hiroshi Kizaki to the same effect on the date of this Ordinary General Meeting of Shareholders.

[Board of Directors' Advisory Bodies]

Governance & Compensation Committee

Since its establishment in 2001, the Governance & Compensation Committee has met around twice a year. While a majority of the members of the Committee are Outside Directors and Outside Audit & Supervisory Board Members and Outside Members, the Committee conducts continuous reviews of corporate governance-related issues at Mitsubishi Corporation and also discusses the remuneration system for Executive Officers, including the policy for setting remuneration and appropriateness of remuneration levels, and monitors operation of this system.

■Main Discussion Themes

・Composition of the Board of Directors and Audit & Supervisory Board, policy on appointment of and proposals for appointment of Directors and Audit & Supervisory Board Members
・Requirements of President and CEO and basic policy on the appointment, proposals for appointment of President and CEO
・Review of the remuneration system including the policy for setting remuneration and appropriateness of remuneration levels
・Assessment of operations of the Board of Directors

Furthermore, the President's Performance Evaluation Committee has been established as a subcommittee to the Governance & Compensation Committee, to deliberate the assessment on the President's performance.

■Composition of Committee (*Committee Chairman) (as of April 1, 2017)

Outside members (6):
Ryozo Kato, Outside Director
Hidehiro Konno, Outside Director
Akihiko Nishiyama, Outside Director
Toshiko Oka, Outside Director
Tadashi Kunihiro,
Outside Audit & Supervisory Board Member
Akitaka Saiki, Corporate Advisor

In-house members (3):
Ken Kobayashi,* Chairman of the Board
Takehiko Kakiuchi, Member of the Board, President & CEO
Hideyuki Nabeshima, Senior Audit & Supervisory Board Member

(Translation)

International Advisory Committee

The International Advisory Committee has met annually since its establishment in 2001. Members of the Committee offer proposals and advice from an international standpoint on Mitsubishi Corporation's management and corporate strategies as it develops its business globally. Further, the committee reports on the political and economic conditions of respective regions and exchanges opinions.

■Main discussion themes

・The global business environment (political and economic conditions, IT and innovation)
・Perspectives on "Midterm Corporate Strategy 2018"
・Internationalization of Mitsubishi Corporation

■Composition of Committee (*Committee Chairman) (as of the annual meeting in the fiscal year ended March 2017)

Outside members (8):
Dr. Herminio Blanco Mendoza, former Secretary of Trade & Industry (Mexico)
Mr. Niall FitzGerald, Former CEO & Chairman, Unilever (Ireland)
Professor Joseph S Nye, Harvard University Distinguished Service Professor (U.S.A.)
Mr. Ratan Tata, Chairman, Tata Trusts (India)
Mr. George Yeo, Chairman of Kerry Logistics Network (Singapore)
Mr. Jaime Augusto Zobel de Ayala ii, Chairman and CEO, Ayala Corporation (the Philippines)
Ryozo Kato, Outside Director
Hidehiro Konno, Outside Director

In-house members (4):
Yorihiko Kojima,* Honorary Chairman
Ken Kobayashi, Chairman of the Board
Takehiko Kakiuchi, Member of the Board, President & CEO
Eiichi Tanabe, Member of the Board, Senior Executive Vice President

(Translation)

[Provision of Information to Directors and Audit & Supervisory Board Members and Support System]

To ensure that the Directors and Audit & Supervisory Board Members are able to perform their management supervision and audit functions adequately, the Board of Directors' Office and the Audit & Supervisory Board Members' Office have been established, and have been providing necessary information and support appropriately and in a timely manner for them to perform their duties.
For Outside Directors and Outside Audit & Supervisory Board Members, the Board of Directors' Office and the Audit & Supervisory Board Members' Office provide Board of Directors' meeting materials and explanations as well as hold joint presentations about management strategies, important matters, and other topics before the Board of Directors' meetings to ensure that they can participate in the discussion fully. The offices also provide an orientation to newly appointed Outside Directors and Outside Audit & Supervisory Board Members, as well as ongoing opportunities to increase their understanding of the businesses and strategies of Mitsubishi Corporation, including annual observation tours of subsidiaries and affiliates and opportunities for dialogue with the management. Furthermore, to enhance the effectiveness of the management supervision function, Mitsubishi Corporation holds meetings of the Governance & Compensation Committee, the President's Performance Evaluation Committee, and other bodies comprising a majority of Outside Directors and Outside Audit & Supervisory Board Members in their memberships. Also, Mitsubishi Corporation endeavors to enhance close cooperation among Outside Directors and Outside Audit & Supervisory Board Members through such measures as holding small meetings for Outside Directors and Outside Audit & Supervisory Board Members approximately four times a year to provide opportunities for free discussion about a wide range of themes relating to the business management and the corporate governance of Mitsubishi Corporation.

■Small Meetings for Outside Directors and Outside Audit & Supervisory Board Members

Mitsubishi Corporation endeavors to enhance close cooperation among Outside Directors and Outside Audit & Supervisory Board Members by providing opportunities approximately four times a year for free discussion about a wide range of themes relating to the business management and the corporate governance of Mitsubishi Corporation.
In the fiscal year ended March 31, 2017, Mitsubishi Corporation held meetings for the exchange of opinions on themes such as corporate governance, and foreign relations and international conditions. The company also organized dialogue sessions attended by guest experts.

■Observation Tours of Subsidiaries and Affiliates

For further understanding of the Mitsubishi Corporation Group's wide range of business lines, Outside Directors and Audit & Supervisory Board Members participate in observation tours of the sites of Mitsubishi Corporation Group companies and other sites, which are conducted every year.
In the fiscal year ended March 31, 2017, Mitsubishi Corporation organized an observation tour of the "Lawson Seminar", a forum for Lawson, Inc. to share information about its management policies and measures with its franchised store owners. Lawson, Inc. became a consolidated subsidiary of Mitsubishi Corporation in the fiscal year ended March 2017. The company also held an observation tour of a refrigerated product delivery center operated by Mitsubishi Shokuhin Co., Ltd. for Lawson, Inc. In addition, a vigorous exchange of opinions was held with the managers of Lawson, Inc. and Seijo Ishii Co., Ltd. , a wholly owned subsidiary of Lawson, Inc., as well as the management owners of the franchised stores of Lawson, Inc.

■On-site Audits of Subsidiaries, Affiliates and Other Sites

As part of audits conducted by the Audit & Supervisory Board Members, Mitsubishi Corporation organizes visits of subsidiaries, affiliates and other sites by the Audit & Supervisory Board Members, allowing them to exchange opinions with regional chiefs, managers of subsidiaries and affiliates, and local employees.

(Translation)

[Policy for Setting Directors' and Audit & Supervisory Board Members' Remuneration]

In line with the Basic Policy on Corporate Governance (see page 26), Mitsubishi Corporation has established a remuneration system for Directors and Audit & Supervisory Board Members and related systems to ensure a sustainable increase in corporate value, and to ensure that their respective roles are fulfilled properly according to business execution and management supervision functions. Mitsubishi Corporation strives to operate the system with a high degree of transparency. Within this system, the policy for setting remuneration, appropriateness of remuneration levels, and operation of remuneration system for Directors responsible for business execution are discussed and monitored by the Governance & Compensation Committee.

The details and methods for setting remuneration for Directors and Audit & Supervisory Board Members are as follows.

<table>
<tr><th>Directors / Audit & Supervisory Board Members</th><th>Type of Director or Audit & Supervisory Board Member (Number as of March 31, 2017)</th><th>Approach to Remuneration</th><th>Method for Setting Remuneration</th></tr>
<tr><td rowspan="2">Directors</td><td>Directors responsible for business execution (who also serve as Executive Officers) (5)</td><td>●The remuneration of Directors who also serve as Executive Officers and are responsible for business execution are set with the aim of providing further incentive and motivation to achieve business results and creation of sustainable business value through the steady execution of the Midterm Corporate Strategy, along with aligning the Directors' interests with those of the shareholders over the medium and long terms.
●The remuneration of Directors responsible for business execution consists of fixed and variable remuneration, as shown on the next page.
Mitsubishi Corporation has adopted variable remuneration including not only cash remuneration linked to consolidated business results and individual performance but also stock remuneration (stock-option-based remuneration) to provide further incentive to improve corporate value over the medium and long terms.</td><td rowspan="2">●Regarding remuneration for the Chairman of the Board, Outside Directors, and Directors responsible for business execution (excluding bonuses), the 2010 Ordinary General Meeting of Shareholders approved a payment limit of 1.6 billion yen per annum. Remuneration is paid within this remuneration limit subject to resolution of the Board of Directors.
●Meanwhile, Bonuses for directors responsible for business execution are subject to approval by the Ordinary General Meeting of Shareholders, given their strong linkage to Mitsubishi Corporation's business results.</td></tr>
<tr><td>Chairman of the Board (1)
Outside Directors (5)</td><td rowspan="2">●The Chairman of the Board and the Outside Directors, who do not also serve as Executive Officers, must primarily fulfill a supervisory function for management in an appropriate manner, while the Audit & Supervisory Board Members must perform audits appropriately. Accordingly, there is a need to ensure their independence. For this reason, they are paid only fixed monthly remuneration, which does not have a component linked with business results.</td></tr>
<tr><td>Audit & Supervisory Board Members</td><td>Audit & Supervisory Board Members (2)
Outside Audit & Supervisory Board Members (3)</td><td>●The monthly remuneration of Audit & Supervisory Board Members was set at an upper limit of 15 million yen per month in total by resolution of the 2007 Ordinary General Meeting of Shareholders. Audit & Supervisory Board Members' Base Remuneration is paid within this remuneration limit subject to discussions by the Audit & Supervisory Board Members.</td></tr>
</table>

(Translation)

■Composition of the Remuneration of Directors Responsible for Business Execution

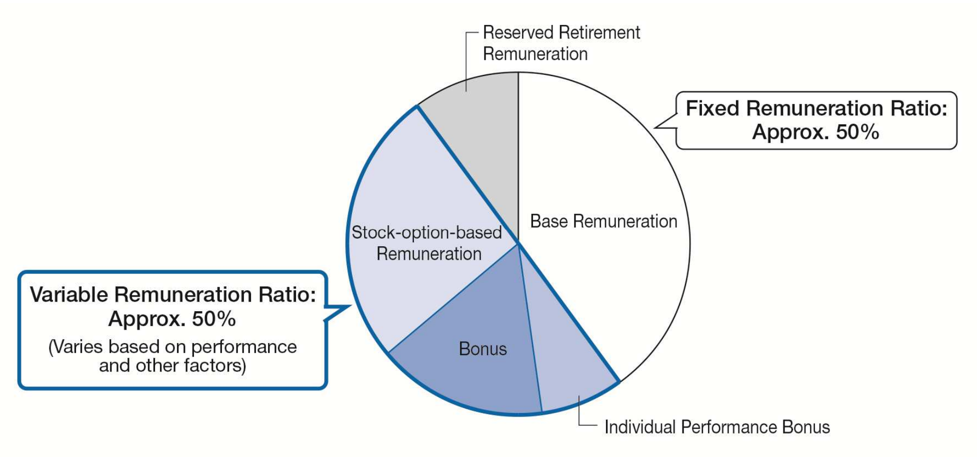
Remuneration type	Remuneration composition	Fixed/ Variable (Note 1)	Form of payment	Included within Remuneration limit (Note 2)
Base Remuneration	An amount determined according to position, paid monthly	Fixed	Cash	○
Individual Performance Bonus	For Directors responsible for business execution, Individual Performance Bonuses are determined and paid on an individual basis after the President's yearly performance assessment of each Director for the previous fiscal year. The assessment on the President's performance is deliberated by the President's Performance Evaluation Committee, a subcommittee to the Governance & Compensation Committee. The subcommittee comprises the Chairman, who also serves as the Chairman of the Governance & Compensation Committee, and members made up of Outside Directors and Outside Audit & Supervisory Board Members.	Variable (Single year)	Cash	○
Bonus	● Bonuses are determined and paid on an individual basis after deciding whether or not Bonuses will be paid and what the total amount will be based on the previous year's consolidated earnings and other factors. ● During the period of Midterm Corporate Strategy 2018 (fiscal year ended March 31, 2017 to fiscal year ending March 31, 2019), the amounts of bonuses to be paid will be determined based on the achievement of a level of earnings that leads to improved corporate value (consolidated capital cost) and initial business targets, and an upper limit is set for the total amount to be paid. If consolidated net income (attributable to owners of Mitsubishi Corporation) exceeds the consolidated capital cost, the amount to be paid will be increased in line with business performance. Meanwhile, if consolidated net income is less than the consolidated capital cost or the initial business targets, no bonuses will be paid.	Variable (Single year)	Cash	− (Paid upon resolution of the Ordinary General Meeting of Shareholders)
Stock-option-based Remuneration	Stock options as remuneration are grants from the perspective of aligning Directors' interests with those of shareholders and creating value over the medium and long terms. Stock options cannot be exercised for two years from the date they are granted. As a basic policy, in-house Directors cannot sell shares, including shares acquired by exercising stock options, during their terms of office until their shareholdings reach a certain level.	Variable (Medium to long term)	Shares (Stock acquisition rights)	○
Reserved Retirement Remuneration	Reserved Retirement Remuneration is set aside in a certain amount every year as consideration for the performance of duties, and the accumulated amount is calculated and paid in full upon retirement of a director by resolution of the Board of Directors.	Fixed	Cash	○

(Note 1) "Fixed" indicates a fixed payment amount and "Variable" indicates a payment amount that varies based on performance and other factors. "Single year" indicates amounts that correspond to previous fiscal year performance or individual performance assessment. "Medium to long term" is used for stock options as remuneration to indicate their role as a medium to long-term incentive.

(Note 2) "○" indicates remuneration paid by a resolution of the Board of Directors within the 1.6 billion yen per annum limit approved by the 2010 Ordinary General Meeting of Shareholders.

(Translation)

■Conceptual Image of the Payment Mix of Remuneration for Directors Responsible for Business Execution



(Translation)

[Evaluation of the Effectiveness of the Board of Directors]

In the fiscal year ended March 31, 2017, Mitsubishi Corporation appointed a third-party evaluation body to undertake the evaluation of the Board of Directors, in order to ensure objectivity and further enhance governance. The outline and the results of the evaluation are as follows.

Process	1. The third-party evaluation body conducted questionnaires and interviews involving all Directors and Audit & Supervisory Board Members. 2. The report obtained from the third-party evaluation body was discussed in the Governance & Compensation Committee. 3. Based on the result of discussions in the Governance & Compensation Committee, the Board of Directors analyzed and evaluated the findings.
Questions	Structure, operation, agenda items and other related items of the Board of Directors
Evaluation Results	・Mitsubishi Corporation has established a governance structure optimal for its business characteristics, based on the Audit & Supervisory Board system. To do so, the company has taken steps such as incorporating the opinions of Outside Directors and Outside Audit & Supervisory Board Members into management, in conjunction with making use of the Board of Directors' advisory committees. Mitsubishi Corporation has shown a clear commitment to working in earnest to strengthen its corporate governance further. ・The Board of Directors of Mitsubishi Corporation was evaluated to be appropriate in terms of composition, operation, deliberation and other aspects. The Board of Directors has adequate systems for the exercise of oversight functions and these functions are being realized appropriately. ・In the Board of Directors evaluation undertaken in the previous fiscal year, the opinion was expressed that to enhance the effectiveness of the Board of Directors even further, it is important to take measures to enhance provision of information to Outside Directors and Outside Audit & Supervisory Board Members, and to take measures to increase opportunities outside the Board of Directors for free exchanges of opinions and communication among Outside Directors and Outside Audit & Supervisory Board Members, and among outsiders and internal management in relation to significant agenda items. Mitsubishi Corporation has made progress on these priorities in the past year. Notably, Mitsubishi Corporation is undertaking extremely effective measures to provide information to Outside Directors and Outside Audit & Supervisory Board Members. ・The evaluation expressed opinions on specific measures to further enhance the Board of Directors. Specifically, the evaluation suggested upgrading and expanding discussions about management strategies and other important matters by reducing the agenda items of Board of Directors' meetings; further enhancing initial orientations for newly appointed Outside Directors and Outside Audit & Supervisory Board Members and communication with personnel involved in business execution, including executive-level employees; and increasing opportunities for outsiders to monitor the status of dialogue with shareholders and other investors.

Considering the foregoing evaluation results, and as a result of analysis and evaluation in the Governance & Compensation Committee and the Board of Directors, it was confirmed that Mitsubishi Corporation will implement the abovementioned priorities as key measures in the fiscal year ending March 31, 2018. Based on the analysis and evaluations of the Governance & Compensation Committee and the Board of Directors with respect to the issues highlighted by the evaluation results and the opinions and recommendations from Directors and Audit & Supervisory Board Members, Mitsubishi Corporation will implement measures to further enhance the effectiveness of the Board of Directors.

(Translation)

Fiscal 2016 Business Report (From April 1, 2016 to March 31, 2017)

Review of Operations

● Summary of Operating Results for the Mitsubishi Corporation Group

[Business Lines]

Mitsubishi Corporation's subsidiaries and affiliates are diverse organizations engaged in a wide variety of activities on a global scale. We manufacture and market a wide range of products, including energy, metals, machinery, chemicals and living essentials through our domestic and overseas network. We also are involved in diverse businesses by actively investing in areas such as natural resources development and infrastructure, and we are engaged in finance businesses. Furthermore, we are also engaged in diversified businesses such as creating new business models in the fields of new energy and the environment, and new technology-related businesses. Some of our basic functions enhance the above activities and enable us to provide various services to customers.

[Consolidated Results]

1. Summary of the Year Ended March 2017 Results

Revenues were 6,425.8 billion yen, a decrease of 499.8 billion yen, or 7% year over year, due to lower sales volumes and the impact of exchange rates.

Gross profit was 1,328.6 billion yen, an increase of 229.7 billion yen, or 21% year over year, mainly due to reduced production costs in the Australian coal business and the significant contribution of higher market prices, despite changes in consolidation of certain consolidated subsidiaries.

Selling, general and administrative expenses were 932.6 billion yen, an improvement of 83.4 billion yen, or 8% year over year, due to changes in consolidation of certain consolidated subsidiaries and the impact of exchange rates.

In other P/L items, gains on investments were 83.3 billion yen, an increase of 37.0 billion yen, or 80% year over year, mainly due to one-off gains associated with the management integration of affiliated companies and a rebound from impairment losses recognized in the previous fiscal year.

Share of profits of investments accounted for using the equity method were 117.5 billion yen, an increase of 292.9 billion yen year over year, mainly due to a rebound from impairment losses on resource-related assets recorded in the previous fiscal year.

As a result, consolidated net income for the fiscal year was 440.3 billion yen, a growing of 589.7 billion yen year over year.

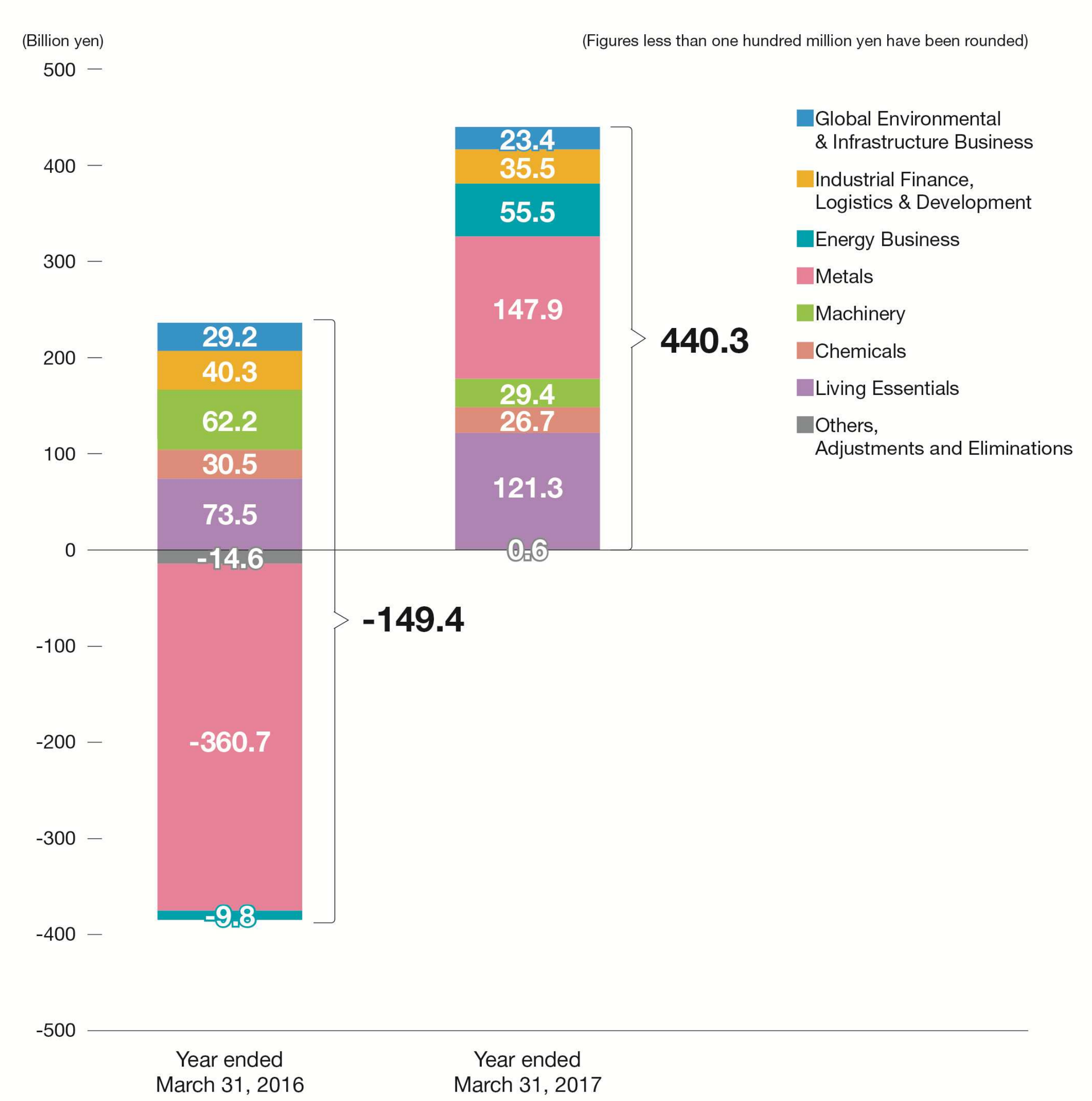
(Notes)

1. This Business Report for the fiscal year ended March 31, 2017 is prepared based on International Financial Reporting Standards (IFRS).
2. “Consolidated net income” in this Business Report represents net income attributable to owners of Mitsubishi Corporation, excluding non-controlling interests.

(Translation)

2. Segment Information

■Consolidated Net Income (Loss) by Segment



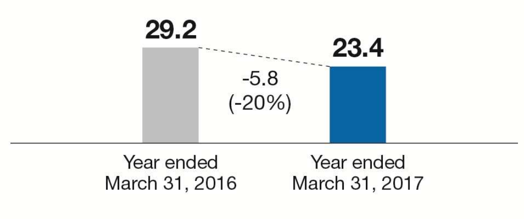
(Note)
Effective from the fiscal year ended March 31, 2017, the environment-related businesses of the Global Environmental and Infrastructure Business have been managed and controlled as an independent business segment, as with the infrastructure-related businesses. In conjunction with this, the environment-related businesses that had been included in “Other, Adjustments and Eliminations” have been included in the Global Environmental and Infrastructure Business. Segment information for the fiscal year ended March 31, 2016 has been restated to reflect this change.

(Translation)

Global Environmental & Infrastructure Business Group

The Global Environmental & Infrastructure Business Group conducts infrastructure projects, related trading operations and other activities in power generation, water, transportation and other infrastructure fields that serve as a foundation for industry. With these activities at the core, the Group also undertakes environment-related businesses, such as the development of next-generation battery systems and hydrogen energy.

■Consolidated Net Income （Billion yen）



[Main Factors]
<Positive>
・Increase in equity income from the overseas power generation business.

<Negative>
・Decrease due to an absence of one-off gains recognized in the previous fiscal year.
(Previous fiscal year: Recognition of gain on a reversal of position for loss on guarantee in connection with a North Sea oil field project)
・Decrease in equity income from Chiyoda Corporation.

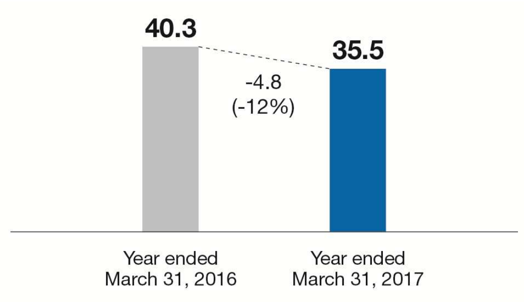
[TOPIC] Mitsubishi Corporation Invests in US Solar Energy Firm Nexamp

In August 2016, Mitsubishi Corporation has reached an agreement to invest in US-based distributed solar power generation company, Nexamp. The initiative is being executed through Diamond Generating Corporation, a wholly-owned subsidiary of Mitsubishi Corporation. Mitsubishi Corporation will engage in the distributed solar power generation business, a growing field in the US, by becoming the Nexamp's main shareholder and participating in management. By doing so, Mitsubishi Corporation aims to drive business expansion and further transformation of its business models.

Industrial Finance, Logistics & Development Group

The Industrial Finance, Logistics & Development Group leverages financial techniques to develop multifaceted corporate investment business, leasing business, real estate business, and logistics business.

■Consolidated Net Income （Billion yen）



[Main Factors]
<Negative>
・Decrease in equity income from the China real estate business, the aircraft-related business and the leasing business.

[TOPIC] Commencement of a Large Mixed-Use Redevelopment Project in Myanmar

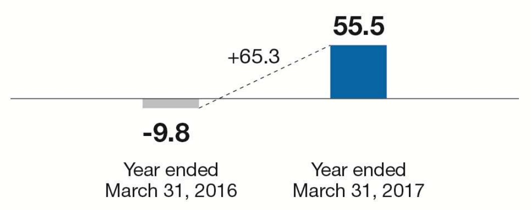
In February 2017, Mitsubishi Corporation held a groundbreaking ceremony for Yoma Central in Downtown Yangon, Myanmar – the country's largest city – and commenced development of the project. It attended the ceremony together with government officials from both Japan and Myanmar, the Serge Pun & Associates Ltd. Group, which is a major Myanmar-based conglomerate, Mitsubishi Estate Co., Ltd., Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development and others. The project will be Myanmar's first large modern mixed-use urban development project with a total floor area of over 200,000 m^2, involving the construction of offices, housing, commercial facilities, hotels and others. Mitsubishi Corporation will provide high value-added urban infrastructure, which it is hoped, contribute to rapid development in Myanmar.

(Translation)

Energy Business Group

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

■Consolidated Net Income (Loss) （Billion yen）



[Main Factors]
<Positive>
・Decrease in the recognition of impairment losses on resource-related assets compared with the previous fiscal year.
・Recognition of one-off gains on business restructuring in the shale gas business.
・Recognition of a gain on sales of investment in the Asia E&P business.

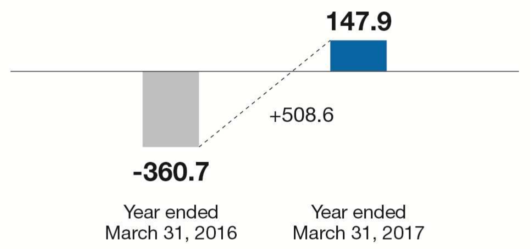
[TOPIC] Final Investment Decision to Expand Indonesia's Tangguh LNG Facility

In July 2016, the final investment decision (FID) was made to advance the development of the Tangguh Expansion Project as part of Tangguh LNG Project Mitsubishi Corporation participates in. The Tangguh Expansion Project will add a third LNG process train with 3.8 million tons per annum (mtpa) of production capacity to the existing facilities which consist of two trains with 7.6 mtpa of production capacity. The commencement of additional production is expected in 2020. Through the Tangguh Expansion Project, Mitsubishi Corporation will contribute to not only supporting Indonesia's growing energy demand but also ensuring a stable energy supply to Japan.

Metals Group

The Metals Group trades, develops businesses, and invests in a range of metals fields. These include steel products such as steel sheets and thick plates, ferrous raw materials such as coking coal and iron ore, and non-ferrous raw materials and products such as copper and aluminum.

■Consolidated Net Income (Loss) （Billion yen）



[Main Factors]
<Positive>
・Decrease in the recognition of impairment losses on resource-related assets compared with the previous fiscal year.
・Increase in equity income in the Australian coking coal business due to reduced production costs and higher market prices.

[TOPIC] Strengthen the Portfolio by Reducing Costs and Re-profiling Assets

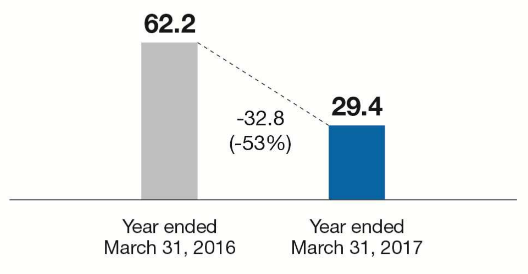
In the Metals Group, Mitsubishi Corporation is working to enhance its competitiveness mainly by reducing costs associated with prime assets and to strengthen the portfolio by re-profiling certain assets. In cost reductions, Mitsubishi Corporation has been implementing continuous cost reduction measures focused on the Australian coking coal business, BHP Billiton Mitsubishi Alliance (BMA), achieving cost savings of about 40% compared with the peak cost. Mitsubishi Corporation is also advancing the re-profiling of assets. Notably, Mitsubishi Corporation withdrew from the Weda Bay Nickel Project in Indonesia in April 2016, in addition to re-profiling certain assets such as uranium and Platinum Group Metals (PGM), which have already been implemented.

(Translation)

Machinery Group

The Machinery Group is involved in sales, finance and logistics and investment in a wide range of fields which include machine tools, agricultural machinery, construction equipment, mining equipment, elevators and escalators, ships, aerospace-related equipment and motor vehicles.

■Consolidated Net Income (Billion yen)



[Main Factors]
<Negative>
・Recognition of impairment losses in the ship-related businesses.

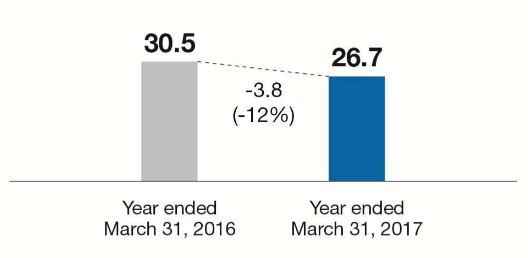
[TOPIC] Restructuring of Automotive Production and Distribution Business in Indonesia

In October 2016, Mitsubishi Corporation has reached an agreement with Mitsubishi Motors Corporation (MMC), Mitsubishi Fuso Truck & Bus Corporation (MFTBC), and Indonesia's PT Krama Yudha, regarding the restructuring of their automotive business in Indonesia. MMC and MFTBC products were previously manufactured and distributed in Indonesia by the four partner joint venture Krama Yudha Tiga Berlian Motors. Effective April 2017, however, both brands have been administered separately and in order to establish a more efficient structure. Mitsubishi Corporation will continue to expand business and contribute to the economic development in Indonesia, where the automobile market is expected to see continued growth.

Chemicals Group

The Chemicals Group conducts business activities such as manufacturing, sales, and development in a broad range of fields. These fields extend from raw materials used in industrial products such as ethylene, methanol, and salt produced from crude oil, natural gas, minerals, plants, marine resources and so forth to plastics, electronic materials, food ingredients, fertilizer and fine chemicals.

■Consolidated Net Income (Billion yen)



[Main Factors]
<Negative>
・Decrease in equity income mainly from the petrochemical-related business due to lower market prices and yen appreciation.

[TOPIC] Focusing on the Food Science Business

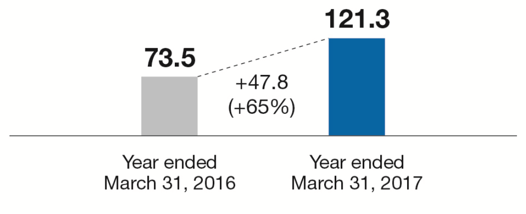
In the Chemicals Group, Mitsubishi Corporation sees the life sciences field as one of its pillars of growth, focusing on the food science business. In this business, through KOHJIN Life Sciences Co., Ltd., a subsidiary of Mitsubishi Corporation Life Sciences Limited, a wholly -owned subsidiary of Mitsubishi Corporation, Mitsubishi Corporation is engaged in the manufacture and sale of glutathione, a health ingredient providing enhanced lipid metabolism, anti-oxidation and skin care benefits. Looking ahead, Mitsubishi Corporation will seek to further strengthen and expand its business fields, with a view to developing businesses that command a strong presence in the food and health markets.

(Translation)

Living Essentials Group

The Living Essentials Group conducts businesses that support and further enrich the daily lives of consumers around the world by providing lifestyle essentials related to food, clothing and shelter. It supplies products and services, develops businesses and invests in various products fields covering an expansive range of areas from upstream procurement of raw materials to downstream retail parts of the value chain.

■Consolidated Net Income (Billion yen)



[Main Factors]

<Positive>

・Increase in earnings from the salmon farming business due mainly to market price recovery.

・Recognition of one-off gains on acquiring Lawson as a subsidiary and the management integration of related companies in the meat business

[TOPIC] Strengthen Collaboration with Lawson

In February 2017, Mitsubishi Corporation acquired Lawson, Inc. as a subsidiary through a tender offer for shares. Mitsubishi Corporation conducts a wide range of businesses in expansive product fields, ranging from procurement of raw materials to manufacturing, distribution, and retail. By strengthening collaboration with Lawson operating about 13,000 stores nationwide that serve as contact points with consumers, Mitsubishi Corporation is working to enhance product and service capabilities that will satisfy consumers. In order to increase Lawson's corporate value, Mitsubishi Corporation will provide all manner of resources held worldwide to Lawson.

(Introduction of Group Directly Under the President)

Business Service Group

The Business Service Group* provides IT functions that the businesses of the Mitsubishi Corporation Group and client companies require and conducts related investment and other measures. Further through collaboration with business partners in Japan and overseas, the group secures and provides flexible, competitive IT services that have global reach. At the same time, group supports initiatives to utilize digital technology in business and contributes to the ongoing corporate value enhancement and business expansion of the Mitsubishi Corporation Group and client companies.

*Transferred to the Corporate Staff Section in the fiscal year ending March 31, 2018.

■Activities of the Business Service Group

Cloud Service Business

Mitsubishi Corporation has demerged and transferred the cloud service business for the construction industry to MC Data Plus, Inc., a 74%-owned subsidiary of Mitsubishi Corporation. With this move, MC Data Plus is now providing the construction industry's largest cloud services which are currently in use at over 10,000 sites by 30,000 firms. MC Data Plus has also added big data analysis and data analysis consulting as new business fields, and is providing data usage platform services to corporate customers. As the use of big data attracts greater interest, Mitsubishi Corporation will push ahead with businesses that leverage the data analysis and usage expertise of MC Data Plus.

(Translation)

[Consolidated Financial Position]

1. Changes in Assets, Liabilities and Equity

Total assets as of March 31, 2017 was 15,753.6 billion yen, an increase of 837.3 billion yen, year over year, mainly due to a rise in intangible assets and goodwill because of the acquisition of Lawson as a subsidiary.

Total liabilities was 9,964.5 billion yen, an increase of 65.8 billion yen, year over year, mainly due to a rise in trade and other payables because of the acquisition of Lawson as a subsidiary and higher transaction volumes.

Equity attributable to owners of our company was 4,917.2 billion yen, an increase of 324.7 billion yen year over year, mainly due to the accumulation of profit for the period.

2. Cash Flows

Operating activities

Net cash provided by operating activities was 583.0 billion yen, mainly due to cash flows from operating transactions and dividend income, despite an increase in working capital requirements.

Investing activities

Net cash used in investing activities was 179.6 billion yen. The main use of cash was for capital expenditures, real estate business payments, and the acquisition of shares in Lawson, despite cash provided by the collection of loans receivable.

Financing activities

Net cash used in financing activities was 752.2 billion yen, mainly due to the repayment of borrowings, redemption of bonds, and the payment of dividends at our company, despite cash provided by the issuance of subordinated bonds (hybrid bonds), etc.

As a result, cash and cash equivalents as of March 31, 2017 were 1,145.5 billion yen, a decrease of 355.5 billion yen, year over year.

[Capital Expenditures]

There were no significant capital expenditures in the fiscal year ended March 31, 2017.

[Issuance of Corporate Bonds]

The Mitsubishi Corporation Group flexibly issues bonds as its primary means of procuring funds.

During the fiscal year ended March 31, 2017, Mitsubishi Corporation issued unsecured and subordinated bonds (hybrid bonds), totaling 200.0 billion yen. Furthermore, Mitsubishi Corporation Finance PLC, a wholly owned subsidiary of Mitsubishi Corporation based in the U.K., issued bonds totaling approximately 2.0 billion yen as part of the Euro Medium Term Note Programme.

[Important Business Combinations]

●Acquisition of Lawson, Inc.

Mitsubishi Corporation acquired through a tender offer an additional 16.6% of the total number of issued shares in Lawson, Inc., which runs a convenience store chain operator.

As a result, combined with its existing investment interest, Mitsubishi Corporation now holds a majority of the total number of issued shares, making Lawson, Inc. a consolidated subsidiary of Mitsubishi Corporation.

(Translation)

●Operating Results and Financial Position

Mitsubishi Corporation Group Consolidated Operating Results and Financial Position

(Million yen)

	Item＼Fiscal Year Ended	<U.S. GAAP>	<IFRS>			
		March 31, 2014	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
Consolidated	Revenues	7,589,255	7,635,168	7,669,489	6,925,582	6,425,761
	Net Income (Loss) attributable to Owners of Mitsubishi Corporation	444,793	361,359	400,574	(149,395)	440,293
	Shareholders’ Equity	4,774,244	5,067,666	5,570,477	4,592,516	4,917,247
	Total Assets	15,291,699	15,901,125	16,774,366	14,916,256	15,753,557
	Basic Net Income (Loss) attributable to Owners of Mitsubishi Corporation per Share (yen)	¥269.93	¥219.30	¥246.39	(¥93.68)	¥277.79
	R O E	9.9%	7.5%	7.5%	(2.9%)	9.3%

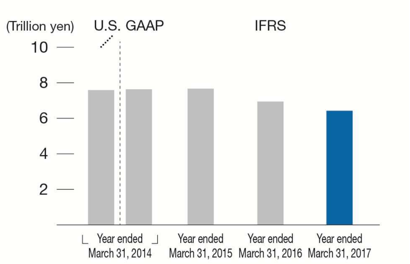
(Figures less than one million yen are rounded to the nearest million)

(Notes)

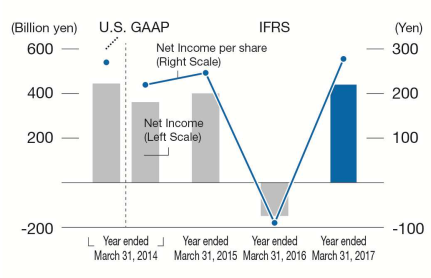
1. For the years accounted for using accounting standards generally accepted in the United States of America (U.S. GAAP) in the above table (fiscal year ended March 2014), figures are derived from financial information included in the consolidated financial statements which are prepared in conformity with terms, form and preparation methods of U.S. GAAP in accordance with Article 120-2, Paragraph 1 of the Ordinance on Company Accounting of Japan (Ordinance of the Ministry of Justice No. 16 of 2013). In addition, for the years accounted for using International Financial Reporting Standards (IFRS) (fiscal years ended March 2014, 2015, 2016 and 2017), figures are derived from financial information included in the consolidated financial statements based on IFRS in accordance with Article 120, Paragraph 1 of the Ordinance on Company Accounting of Japan.
2. Shareholders' equity for the years accounted for using International Financial Reporting Standards (IFRS) represents equity attributable to owners of Mitsubishi Corporation, excluding non-controlling interests.

Mitsubishi Corporation Group (Consolidated)

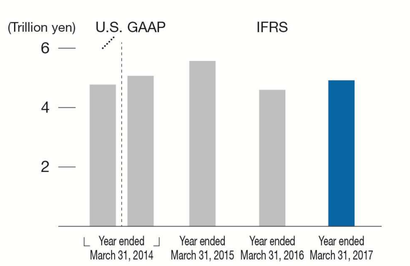
《Revenues》



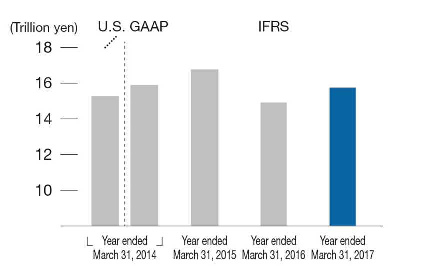
《Net Income (Loss) attributable to Owners of Mitsubishi Corporation and Basic Net Income (Loss) attributable to Owners of Mitsubishi Corporation per Share》



《Shareholders’ Equity》



《Total Assets》



(Translation)

Mitsubishi Corporation Non-Consolidated Operating Results and Financial Position

(Million yen)

	Item＼Fiscal Year Ended	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
Non-consolidated	Net Sales	7,355,181	7,013,434	5,929,566	5,216,706
	Net Income (Loss)	416,686	289,744	(156,328)	127,805
	Total Equity	2,518,119	2,690,523	2,336,230	2,410,021
	Total Assets	7,962,764	8,249,804	7,548,952	7,433,705
	Basic Net Income (Loss) per Share (yen)	¥252.86	¥178.21	(¥98.02)	¥80.63
	Dividend per Share (yen)	¥68	¥70	¥50	¥80 （Including interim ¥30）

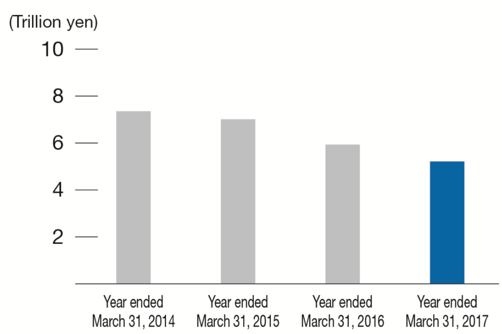
(Figures less than one million yen are rounded down)

(Note)

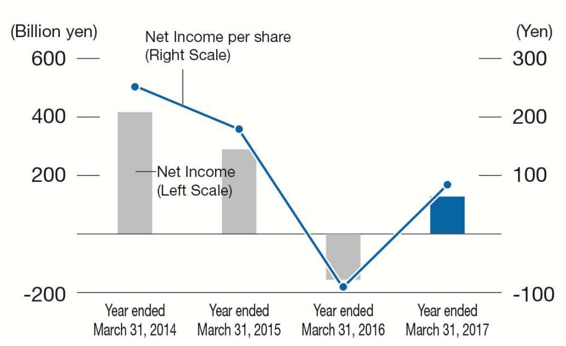
The year-end dividend applicable to the fiscal year ended March 31, 2017 is proposed at 50 yen per share and approval will be sought at the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2017 (see page 2).

Mitsubishi Corporation (Non-consolidated)

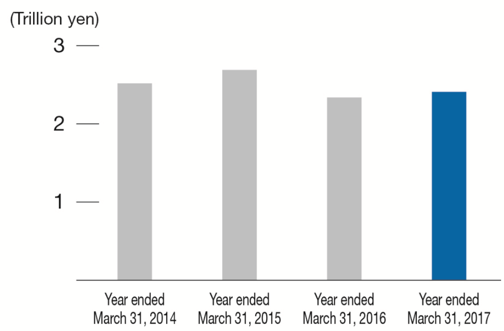
《Net Sales》



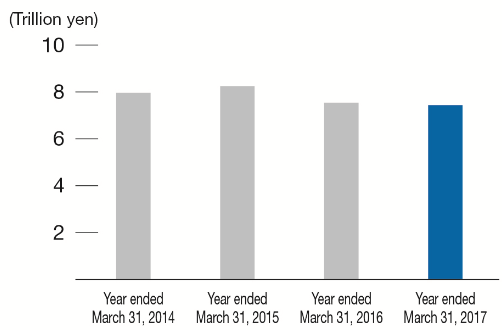
《Net Income (Loss) and Basic Net Income (Loss) per Share》



《Total Equity》



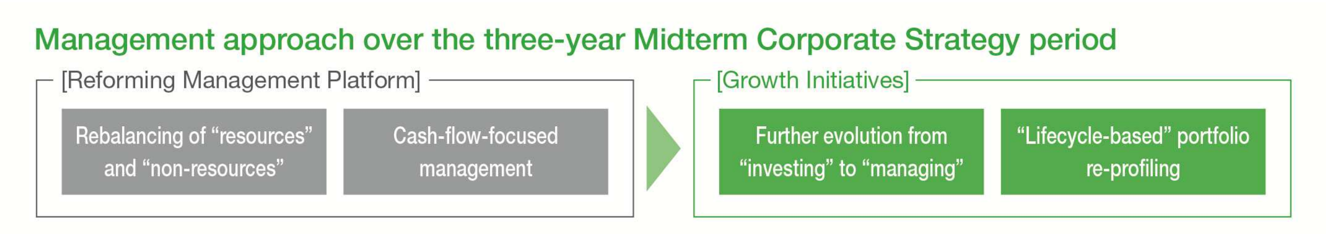
《Total Assets》



(Translation)

●Key Themes for the Mitsubishi Corporation Group

In May 2016, Mitsubishi Corporation established "Midterm Corporate Strategy 2018."
Under "Midterm Corporate Strategy 2018," Mitsubishi Corporation has adopted the following as its Corporate Vision: "Leverage our ingenuity to create new business models and generate value for societies, thereby developing the highest level of management expertise." As its management approach over the next three years, Mitsubishi Corporation aims double-digit ROE based on high-quality earnings as well as efficiency and financial soundness by simultaneously executing two priorities: reforming management platform and growth initiatives.

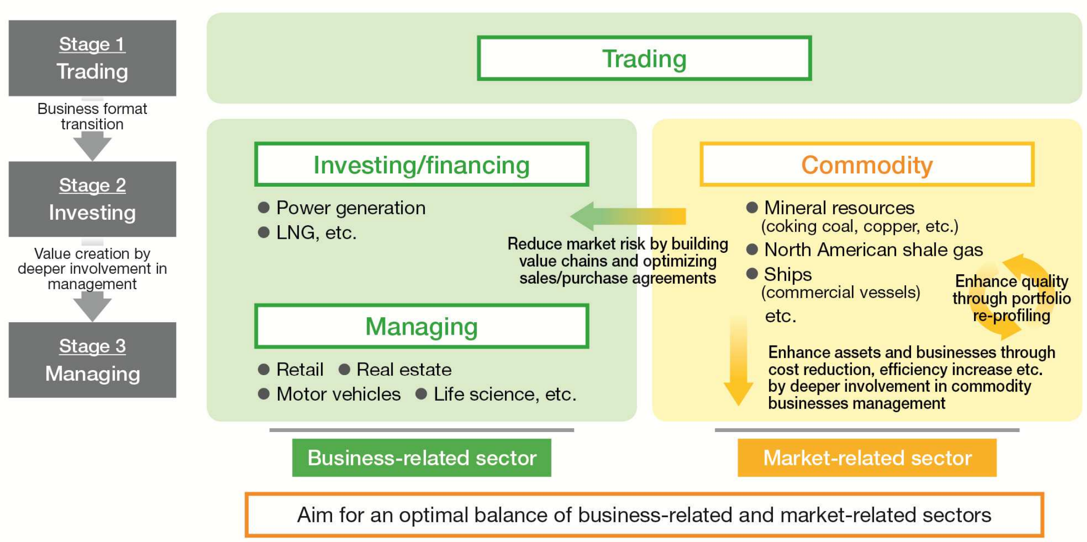


[Initiatives Based on the Midterm Strategy Management Directions]

In the fiscal year ended March 31, 2017, Mitsubishi Corporation completed the introduction of a framework based on its management directions.

(1) Achievement of an optimal portfolio balance and visualization of the shift toward "managing" businesses

Mitsubishi Corporation has revised its business categorization to "market-related sector" and "business-related sector," based on market risk sensitivity, replacing the previous categorization of resources and non-resources. Mitsubishi Corporation will assume an optimal portfolio balance by the fiscal year ended March 31, 2019 by keeping the "market-related" portfolio size unchanged.
Mitsubishi Corporation has introduced a framework to make the shift toward "managing" businesses visible by dividing the "business-related sector" into three sub-categories. It has clarified the direction toward growth as value creation leveraging management capabilities.

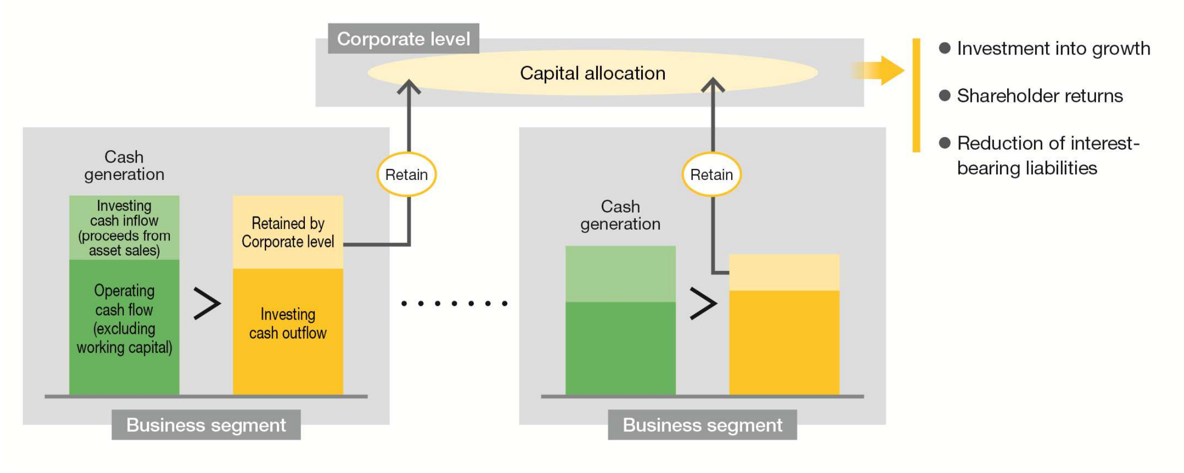


(Translation)

(2) Companywide capital allocation toward growth

Mitsubishi Corporation will increase the number of options in capital allocation policy and drive companywide growth beyond the business segment boundaries by retaining a fixed percentage of business segment profits on the corporate level.

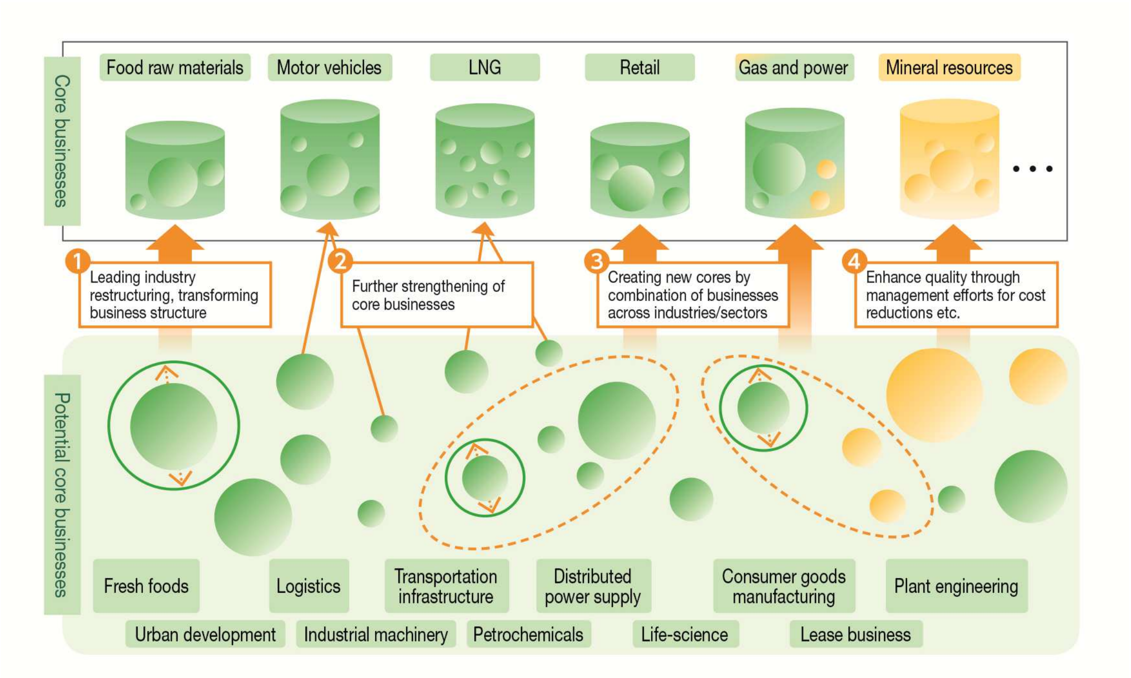
Mitsubishi Corporation has steadily promoted autonomous management of the business segments by continuing cash-flow-focused management at the business segment level.



[Future of the Mitsubishi Corporation Group]

Mitsubishi Corporation will create multiple core businesses by further advancing the shift to "managing" businesses along with driving companywide growth through the newly introduced framework.

In addition to businesses expected as core businesses at this point in time, Mitsubishi Corporation has a large number of potential core businesses within its business portfolio. Mitsubishi Corporation will dynamically allocate management resources to develop core businesses.



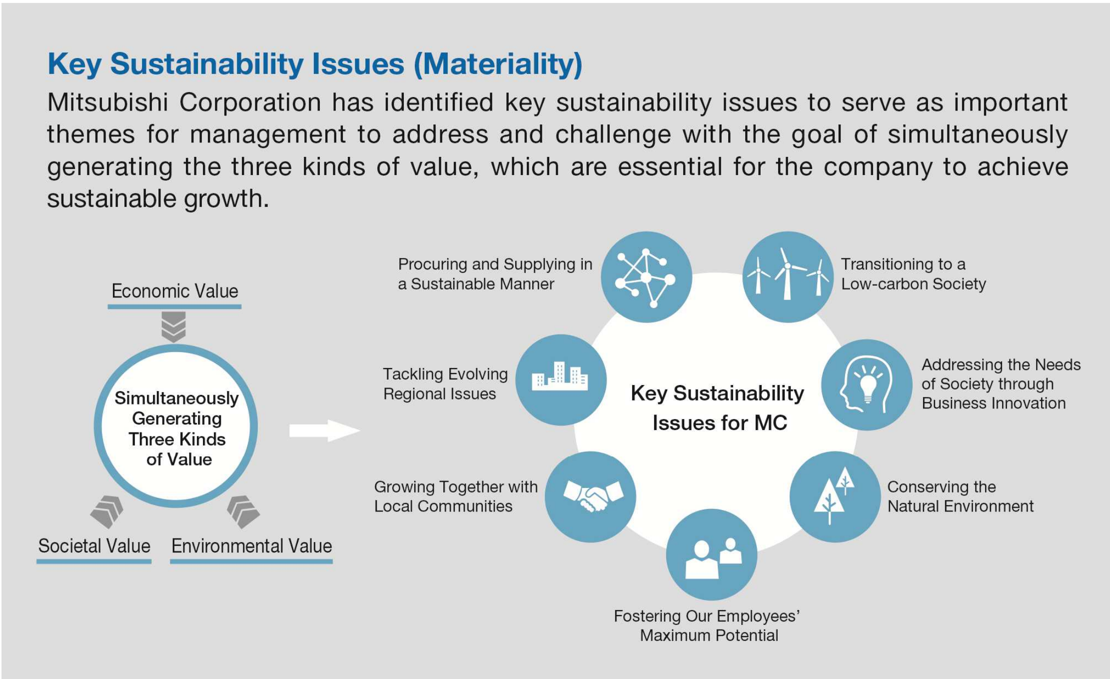
(Translation)

●Efforts toward Achieving Sustainable Growth

Mitsubishi Corporation regards its corporate philosophy, the Three Corporate Principles, as the cornerstone of all of its activities. With this in mind, Mitsubishi Corporation has laid out the purpose and ideals of its activities in the Corporate Standards of Conduct, along with upholding the importance of consideration for the global environment and respect for human rights in the Environmental Charter and Social Charter. These concepts are guiding Mitsubishi Corporation forward as it pushes ahead with its business activities.

In “Midterm Corporate Strategy 2018,” Mitsubishi Corporation reiterates its belief that the creation of added value through simultaneously generating economic value, societal value and environmental value is essential for the company to achieve sustainable growth.

Specifically, Mitsubishi Corporation will strive to create businesses that generate value for societies by addressing key sustainability issues through its business activities and contributions to society, thereby ensuring sustainable growth for the company.



[Promotion Framework]

CSR & Environmental Affairs Committee and Investment Committee

The CSR & Environmental Affairs Committee which is chaired by Corporate Functional Officer, Corporate Sustainability, and is attended by the Senior Executive Vice President and Executive Vice Presidents, discusses Mitsubishi Corporation’s basic sustainability policies and related matters. Moreover, the Investment Committee reviews and makes decisions on individual loan and investment proposals from a comprehensive perspective not only economic aspects but also environmental and social aspects.

CSR & Environmental Affairs Advisory Committee

Mitsubishi Corporation established the CSR & Environmental Affairs Advisory Committee, comprised of external experts of international organizations, nongovernmental organizations and other, and reflects the proposals and advice from the committee members in the company’s sustainability initiatives and communication with stakeholders.

(Translation)

[Overview of Key Sustainability Issues]

Transitioning to a Low-carbon Society

Climate change is an issue that has the potential to impact every aspect of our business activities. We are working to anticipate and address these impacts, while at the same time actively pursuing businesses that facilitate the transition to a low-carbon society and reduce greenhouse gas (GHG) emissions.

Procuring and Supplying in a Sustainable Manner

One of Mitsubishi Corporation's most important roles is to ensure stable, long-term procurement and supply of resources, raw materials and other inputs that support people's lifestyles in line with the needs of Japan and every other country and region in which we do business. Going forward, we will continue to implement a sustainable approach to procurement and supply operations while taking into account environmental and social factors not only in our own business but also throughout our supply chains.

Tackling Evolving Regional Issues

As a company with business operations across the globe, it is important for Mitsubishi Corporation to ascertain the issues faced by various countries and regions in an appropriate and timely manner, as well as to contribute to resolving those issues. The company will continue to take appropriate steps to address geopolitical risk while at the same time contribute to the development of the countries and regions in which we do business by proactively providing solutions to relevant issues.

Addressing the Needs of Society through Business Innovation

Mitsubishi Corporation has consistently provided added value in line with the needs of the times by evolving our business models. The company will continue to work to address the needs of society by creating innovative business solutions while keeping a pulse on major industrial shifts brought about by technological advances.

Conserving the Natural Environment

Recognizing the Earth as our largest stakeholder, Mitsubishi Corporation works to ensure the continuity of its business by preserving biodiversity, reducing the environmental impact of its operations and conserving the natural environment.

Growing Together with Local Communities

It is important to engage and grow together with a variety of stakeholders in each region where Mitsubishi Corporation undertakes business activities. With a strong focus on dialogue with local communities, the company will continue working to grow together with local communities by addressing the voice from local communities with the utmost integrity.

Fostering Our Employees' Maximum Potential

Mitsubishi Corporation's employees are a diverse group not only in terms of gender and nationality, but also with respect to their lifestyles and values. The company will work to build positive and productive workplaces by developing work environments where employees are able to demonstrate their abilities to the fullest extent and where the optimal personnel are assigned to the right positions, at the right time.

(Translation)

General Information about the Mitsubishi Corporation Group (As of March 31, 2017)

●Office Network of the Mitsubishi Corporation Group

Mitsubishi Corporation	Head Office	Mitsubishi Shoji Building: 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan (Registered headquarters) Marunouchi Park Building: 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
	Domestic Office Network	27 offices, including Hokkaido (Sapporo), Tohoku (Sendai), Chubu (Nagoya), Kansai (Osaka), Chugoku (Hiroshima), Kyushu (Fukuoka) branches, etc.
	Overseas Office Network	106 offices, including Headquarters for the Middle East & Central Asia (Dubai), Kuala Lumpur Branch, Singapore Branch, Manila Branch, etc.

Regional Subsidiaries	43 main regional subsidiaries including: Mitsubishi Corporation (Americas), Mitsubishi International Corporation, Mitsubishi de Mexico S.A. de C.V., Mitsubishi Corporation do Brasil S.A., Mitsubishi Corporation International (Europe) Plc., Mitsubishi International GmbH, Mitsubishi Corporation India Private Ltd., Mitsubishi Company (Thailand), Ltd., Thai-MC Company Limited, PT. Mitsubishi Corporation Indonesia, Mitsubishi Corporation China Co., Ltd., Mitsubishi Corporation (Shanghai) Ltd., Mitsubishi Corporation (Hong Kong) Ltd., Mitsubishi Corporation (Taiwan) Ltd., Mitsubishi Corporation (Korea) Ltd., Mitsubishi Australia Limited, etc. (88 locations if it includes the branches and offices of those subsidiaries)

(Note)

In addition to the above, the Mitsubishi Corporation Group companies have offices, factories and other bases in Japan and overseas. A summary of major Group companies is shown on page 51 under "Status of Major Subsidiaries and Affiliated Companies."

●Number of Employees of the Mitsubishi Corporation Group

(Number of employees)

	Global Environmental & Infrastructure Business	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Others	Total (YoY change)
The Mitsubishi Corporation Group	1,680	1,478	1,809	11,867	9,815	7,169	39,633	3,713	77,164 (+8,917)
Mitsubishi Corporation	486	352	547	277	536	628	830	1,561	5,217 (-162)

(Notes)

1. The number of employees does not include individuals seconded to other companies and includes individuals seconded from other companies.
2. Previously, the number of employees in the Global Environmental & Infrastructure Business Group included employees working in the infrastructure-related businesses, while employees working in the environment-related businesses were included in the number of employees in Others. From the fiscal year ended March 31, 2017, employees working in the environment-related businesses are also included in the number of employees in the Global Environmental & Infrastructure Business Group.

(Translation)

●Status of Major Subsidiaries and Affiliated Companies

■Major consolidated subsidiaries and equity-method affiliates

Name of Company	Capital stock (Amounts rounded to the nearest million yen or thousand foreign currency)	Voting rights percentage	Main business
Mitsubishi Corporation (Americas)	US$1,427,832	100	Operational support and management for North American companies subject to consolidation
Mitsubishi Corporation International (Europe) Plc.	£ 120,658	100	Trading
Mitsubishi Corporation (Shanghai) Ltd.	US$91,000	100	Trading
Mitsubishi Corporation Finance PLC	US$90,000	100	Financial investment company
Japan Australia LNG (MIMI) Pty. Ltd.	US$2,604,286	50	Development and sales of LNG
TRI PETCH ISUZU SALES COMPANY LIMITED	THB 3,000,000	88.73	Import / Distribution of automobiles
MITSUBISHI DEVELOPMENT PTY LTD	AUS$450,586	100	Investment, production and sales of coals and other metals resources
Metal One Corporation	¥100,000	60	Steel products operations
Mitsubishi Shokuhin Co., Ltd	¥10,630	61.99	Wholesale of food products
Lawson, Inc.	¥58,507	50.14	Operation of a convenience store chain

(Note)
As of March 31, 2017, 1,274 companies are subject to consolidation (834 consolidated subsidiaries and 440 equity-method affiliates).

●Stock Information

1. Number of shares authorized for issuance 2,500,000,000 shares

2. Shares of common stock issued, capital stock and number of shareholders

	Shares of common stock issued	Capital stock	Number of shareholders
As of March 31, 2016	1,590,076,851 shares	¥204,446,667,326	272,565
Increase/decrease	-	-	-29,895
As of March 31, 2017	1,590,076,851 shares	¥204,446,667,326	242,670

(Translation)

●Stock Acquisition Rights

1. Stock Acquisition Rights at Fiscal Year-end
Stock Acquisition Rights as Stock Options for a Stock-option-based Remuneration
Directors', Audit & Supervisory Board Members', Senior Vice Presidents' and Senior Vice Presidents' ("Riji") Holdings

Fiscal Year issued	No. of stock options	Class and number of shares to be issued upon exercise of stock options	Issue price of stock options	Price per share due upon exercise of stock options (Exercise Price)	Stock option term
FY 2005	54	5,400 shares of the Company's common stock	Issued in gratis	¥1	From August 11, 2005 through June 24, 2035
FY 2006	28	2,800 shares of the Company's common stock	Issued in gratis	¥1	From August 11, 2006 through June 27, 2036
FY 2010	180	18,000 shares of the Company's common stock	Issued in gratis	¥1	From August 3, 2010 through August 2, 2040
FY 2011	427	42,700 shares of the Company's common stock	Issued in gratis	¥1	From August 2, 2011 through August 1, 2041
For FY 2011 (Issued June 4, 2012)	94	9,400 shares of the Company's common stock	Issued in gratis	¥1	From June 5, 2012 through August 1, 2041
FY 2012	1,804	180,400 shares of the Company's common stock	Issued in gratis	¥1	From August 7, 2012 through August 6, 2042
FY 2013	1,911	191,100 shares of the Company's common stock	Issued in gratis	¥1	From August 13, 2013 through August 12, 2043
For FY 2013 (Issued June 2, 2014)	259	25,900 shares of the Company's common stock	Issued in gratis	¥1	From June 3, 2014 through August 12, 2043
FY 2014	2,475	247,500 shares of the Company's common stock	Issued in gratis	¥1	From June 3, 2014 through June 2, 2044
For FY 2014 (Issued June 1, 2015)	96	9,600 shares of the Company's common stock	Issued in gratis	¥1	From June 2, 2015 through June 2, 2044
FY 2015	3,040	304,000 shares of the Company's common stock	Issued in gratis	¥1	From June 2, 2015 through June 1, 2045
For FY 2015 (Issued June 6, 2016)	827	82,700 shares of the Company's common stock	Issued in gratis	¥1	From June 7, 2016 through June 1, 2045
FY 2016	5,609	560,900 shares of the Company's common stock	Issued in gratis	¥1	From June 7, 2016 through June 6, 2046

(Translation)

Breakdown

Fiscal Year issued	Directors (Excluding Outside Directors)		Audit & Supervisory Board Member		Senior Vice Presidents		Senior Vice Presidents (“*Riji*”)	
	No. of stock options	No. of holders	No. of stock options	No. of holders	No. of stock options	No. of holders	No. of stock options	No. of holders
FY 2005	54	1	–	–	–	–	–	–
FY 2006	28	1	–	–	–	–	–	–
FY 2010	90	1	–	–	90	1	–	–
FY 2011	94	1	194	1	139	2	–	–
For FY 2011 (Issued June 4, 2012)	–	–	–	–	94	1	–	–
FY 2012	319	3	283	1	1,202	10	–	–
FY 2013	391	3	205	1	1,235	12	80	4
For FY 2013 (Issued June 2, 2014)	–	–	–	–	259	2	–	–
FY 2014	423	3	20	1	1,812	17	220	11
For FY 2014 (Issued June 1, 2015)	–	–	–	–	96	1	–	–
FY 2015	724	6	8	1	1,583	21	725	25
For FY 2015 (Issued June 6, 2016)	–	–	–	–	827	3	–	–
FY 2016	1,030	5	–	–	3,144	29	1,435	35

(Notes)

1. The number of stock acquisition rights granted to Directors who also have duties as Senior Vice Presidents are shown in the column titled “Directors.”
2. Stock acquisition rights held by the Audit & Supervisory Board Member were granted while the individual was a Director, Senior Vice President or Senior Vice President (“Riji”). No stock acquisition rights have been granted during the individual’s tenure as an Audit & Supervisory Board Member.
3. The total number of shares for the purposes of stock acquisition rights at March 31, 2017 was 3,268,200 including stock acquisition rights held by retirees.

(Translation)

2. Stock Acquisition Rights Granted During the Fiscal Year Ended March 31, 2017
Stock Acquisition Rights as Stock-option-based Remuneration in the Fiscal Year Ended March 31, 2017

<table>
<tr><th>Date of the resolution on issuance of stock options</th><td>May 20, 2016</td><td>May 20, 2016</td></tr>
<tr><th>Number of stock options</th><td>4,449</td><td>5,791</td></tr>
<tr><th>Number of allottees and rights granted</th><td>Senior Vice Presidents*
9 people 3,951 units

Senior Vice Presidents ("Riji")*
6 people 498 units</td><td>Directors
2 people 282 units

Senior Vice Presidents
33 people 4,033 units

Senior Vice Presidents ("Riji")
36 people 1, 476 units</td></tr>
<tr><th>Class and number of shares to be issued upon exercise of stock options</th><td>444,900 shares of the Company's common stock</td><td>579,100 shares of the Company's common stock</td></tr>
<tr><th>Issue price of stock options</th><td colspan="2">Issued in gratis</td></tr>
<tr><th>Price per share due upon exercise of stock options (Exercise Price)</th><td colspan="2">¥1</td></tr>
<tr><th>Stock option term</th><td>From June 7, 2016
through June 1, 2045</td><td>From June 7, 2016
through June 6, 2046</td></tr>
<tr><th rowspan="3">Other conditions for exercise of stock options</th><td>a. A stock option holder may exercise his/her stock options from June 2, 2017 or the day after losing his/her position as either Director, Senior Vice President or Senior Vice President ("Riji") of Mitsubishi Corporation, whichever is earlier, within the Stock Option Term above.</td><td>a. A stock option holder may exercise his/her stock options from June 7, 2018 or the day after losing his/her position as either Director, Senior Vice President or Senior Vice President ("Riji") of Mitsubishi Corporation, whichever is earlier, within the Stock Option Term above.</td></tr>
<tr><td colspan="2">b. A stock option holder may not exercise his/her stock options after 10 years from the day after losing his/her position as either Director, Senior Vice President or Senior Vice President ("Riji") of Mitsubishi Corporation.</td></tr>
<tr><td colspan="2">c. In the event that a stock option holder forfeits his/her stock options, such stock options cannot be exercised.</td></tr>
</table>

(Notes)
[*] includes people who retired in the fiscal year ended March 31, 2016.

(Translation)

●Principal Shareholders

Name of shareholder	No. of shares (Thousands)	Investment ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	130,812	8.25
The Master Trust Bank of Japan, Ltd. (Trust Account)	77,548	4.89
Tokio Marine & Nichido Fire Insurance Co., Ltd.	74,534	4.70
Meiji Yasuda Life Insurance Company	64,846	4.08
The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)	32,276	2.03
Ichigo Trust Pte. Ltd.	29,683	1.87
Japan Trustee Services Bank, Ltd. (Trust Account 5)	27,207	1.71
STATE STREET BANK WEST CLIENT – TREATY 505234	23,129	1.45
Japan Trustee Services Bank, Ltd. (Trust Account 9)	22,275	1.40
Japan Trustee Services Bank, Ltd. (Trust Account 7)	20,314	1.28

(Figures less than 1,000 shares are rounded down)

(Note)
The investment ratio is computed by excluding 4,556,494 shares of treasury stock held by Mitsubishi Corporation and rounded to two decimal points.

●Major Lenders

The Mitsubishi Corporation Group has a group finance policy in which domestic and overseas finance subsidiaries, overseas subsidiaries and other entities raise their own funds for distribution to affiliates. The Mitsubishi Corporation Group's borrowing from financial institutions is conducted mainly by Mitsubishi Corporation. The following is a list of major lenders as of March 31, 2017.

Name of lender	Loans payable (Million yen)
Japan Bank for International Cooperation	326,331
Meiji Yasuda Life Insurance Company	262,000
Nippon Life Insurance Company	200,000
Mitsubishi UFJ Trust and Banking Corporation	161,924
Development Bank of Japan Inc.	140,000
Sumitomo Mitsui Trust Bank, Limited	135,752
Sumitomo Life Insurance Company	120,000
The Norinchukin Bank	92,148

(Figures less than one million yen are rounded to the nearest million)

(Note)
In addition to the above, Mitsubishi Corporation has borrowings of 110,000 million yen from a syndicated loan, a facility arranged by The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mizuho Bank, Ltd.

(Translation)

Internal Control System (System for Ensuring Proper Business)

(Article 362, Paragraph 4, Item 6 of the Companies Act)

On May 10, 2016, the Board of Directors of Mitsubishi Corporation resolved the basic policy of establishing the following internal control systems (pursuant to items enumerated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act) for Mitsubishi Corporation, as a whole Mitsubishi Corporation group including its subsidiaries, to improve the corporate value through proper and efficient business operations in conformity with laws and its Articles of Incorporation. Mitsubishi Corporation checks the operating status of these systems and endeavors to continuously improve and strengthen them.

<Basic Policy for the Construction of an Internal Control System>

1. System for the Storage and Management of Information Related to Directors' Execution of Duties

After establishing internal rules and regulations in relation to such matters as persons responsible for management of information in the course of execution of duties and methods and informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations and prepare, process, and store information appropriately.

2. Regulations and Other Systems Concerning Management of Loss Risk

Mitsubishi Corporation shall establish internal rules and regulations for such matters as risk classes, persons responsible for management and methods for each class, and systems. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. In addition, in accordance with the business lines or size of subsidiaries, Mitsubishi Corporation shall encourage the development of necessary risk management systems, thereby appropriately controlling on a corporate group basis risk accompanying the execution of duties.

3. System for Ensuring that Directors Perform Duties Efficiently

(1) The President and Chief Executive Officer shall establish management policies and goals on a corporate group basis, prepare management plans aimed achieving them, and then endeavor to execute duties efficiently by implementing these plans.

(2) Mitsubishi Corporation shall establish internal rules and regulations for such matters as standards and main points relating to reorganization, the division of duties, personnel allocation, and authority. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. Further, in accordance with the business lines or size of subsidiaries, Mitsubishi Corporation shall ensure efficiency by encouraging the establishment of similar internal rules and regulations and other measures.

4. System to Ensure that the Execution of Duties by Directors and Employees Is in Conformity with the Laws and Regulations and Articles of Incorporation

(1) Mitsubishi Corporation shall establish internal rules and regulations for such matters as codes of conduct for officers and employees; Companywide lateral management systems; and measures for prevention, correction, and improvement; and internal whistleblower systems. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. Further, Mitsubishi Corporation shall realize compliance capabilities on a corporate group basis by encouraging subsidiaries to establish similar systems.

(2) Mitsubishi Corporation shall establish internal rules and regulations for such matters as the

establishment of persons responsible for each accounting organization and procedures for the preparation of financial statements in conformity with laws and accounting standards. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations and ensure proper and timely disclosure of financial information on a corporate group basis.

(3) Mitsubishi Corporation shall establish internal rules and regulations for such matters as the systems and main points of internal auditing. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations and objectively inspect, evaluate, and improve the execution of duties by respective organizations and subsidiaries.

5. System to Ensure the Suitability of Business Conducted by the Stock Company and the Corporate Group Comprising the Parent Company and Subsidiaries

To ensure appropriate duties in the corporate group, Mitsubishi Corporation shall establish basic policies on a corporate group basis while for each subsidiary and affiliate establishing internal rules and regulations for such matters as persons responsible, important management-related items, management methods, and the exercise of shareholder rights. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. Further, these persons responsible shall receive reports required by the Parent Company concerning the status of the execution of duties by directors and others at subsidiaries and shall understand the qualitative and quantitative status and issues of subsidiaries.

6. If Employees Are Required to Assist in the Duties of Audit & Supervisory Board Members, Items Concerning the Said Employees

Mitsubishi Corporation shall establish an independent, dedicated organization to assist Audit & Supervisory Board Members in the execution of their duties.

7. Items Concerning the Independence from Directors of Employees who Assist in the Duties of Audit & Supervisory Board Members

For personnel matters concerning employees assisting in the duties of Audit & Supervisory Board Members, such as evaluations and transfers, Mitsubishi Corporation shall seek the opinions of Audit & Supervisory Board Members and shall respect these opinions.

8. Items Concerning the Ensuring of the Effectiveness of Directions Issued to Employees Assisting in the Duties of Audit & Supervisory Board Members

Employees assisting in the duties of Audit & Supervisory Board Members shall not concurrently perform duties for other divisions and departments and shall exclusively comply with the instructions of Audit & Supervisory Board Members, thereby ensuring the effectiveness of Audit & Supervisory Board Members' directions.

9. System to Enable Directors, Employees, and Others to Report to Audit & Supervisory Board Members and Other Systems for Reporting to Audit & Supervisory Board Members

(1) Audit & Supervisory Board Members shall attend meetings of the Board of Directors and other important management meetings and shall state opinions.

(2) Mitsubishi Corporation shall establish internal rules and regulations for such matters as persons responsible, standards, and methods in relation to reporting to Audit & Supervisory Board Members if there is a risk of substantial detriment occurring.

(3) Mitsubishi Corporation shall encourage the construction of systems, including a system for enabling the persons responsible or officers and employees of respective subsidiaries to report if Audit & Supervisory Board Members request reports relating to subsidiaries and a system to enable the reporting

of important matters, including subsidiaries' significant compliance matters, to Audit & Supervisory Board Members.

10. System to Ensure That Persons Who Have Submitted a Report to Audit & Supervisory Board Member Are Not Treated Disadvantageously as a Result of Submitting the Said Report

Mitsubishi Corporation shall prohibit the disadvantageous treatment of officers and employees as a result of having reported to Audit & Supervisory Board Members, and shall also ensure that subsidiaries are thoroughly informed about this policy.

11. Items Concerning Procedures for the Advance Payment or Reimbursement of Expenses Arising from the Execution of Audit & Supervisory Board Member' Duties and Policy Concerning the Processing of Other Expenses or Liabilities Arising from the Execution of the Said Duties

When Audit & Supervisory Board Member submit invoices for such items as reimbursement of expenses incurred in the execution of their duties, excluding cases in which it is recognized that the said expenses were not required for the execution of Audit & Supervisory Board Member' duties, Mitsubishi Corporation shall undertake prompt processing.

12. Other Systems to Ensure That Audit & Supervisory Board Member' Audits Are Executed Effectively

Audit & Supervisory Board Member shall endeavor to communicate with internal related departments and independent auditors, collect information, and conduct investigations, and related departments shall cooperate with these efforts.

(Translation)

<Operating Status of Internal Control System>

Every year, the Mitsubishi Corporation Group conducts monitoring of development and operating status of its internal control system and, in light of these results, implements improvements or helps subsidiaries implement improvements. Further, details of the operating status of the internal control system are reported to the Board of Directors.

The main details of the operating status of the internal control system are as follows.

Management and Storage of Information

For information related to business activities, the person responsible for managing business activities classifies information individually in accordance with its degree of importance. They also instruct users on the handling of this information. The aim is to ensure information security while promoting efficient administrative processing and the sharing of information. The responsible person retains, for a predetermined period, documents that must be stored by law and information that Mitsubishi Corporation specifies as important in terms of internal management. For all other information, the responsible person determines the necessity and period for storage of information, and stores such information accordingly.

Regarding countermeasures for cyber-attacks with such aims as the exploitation or destruction of corporate information, Mitsubishi Corporation takes systemic countermeasures, continuously educates employees, and checks and establishes incident-response systems that include major subsidiaries. Also, Mitsubishi Corporation collaborates with outside specialist bodies to access the latest information and implement appropriate, effective countermeasures.

Risk Management

Mitsubishi Corporation has designated categories of business activity risk, corresponding to the details and scale of the Mitsubishi Corporation Group's businesses—such as credit, market, business investment, country, compliance, legal, information management, environmental, and natural disaster-related risks—and has specified departments responsible for each category. Furthermore, Mitsubishi Corporation also has in place policies, systems and procedures for managing risk on a consolidated basis, including by responding to new risks by immediately designating a responsible department to manage such risks, and executes operations based on these policies, systems, and procedures.

With respect to individual projects, personnel responsible for the applicable department makes decisions within the scope of their prescribed authority after analyzing and assessing the risk-return profile of each project in accordance with company-wide policies and procedures. Projects are executed and managed on an individual basis in accordance with this approach. Further, in response to the progress of projects or changes in the external environment, Mitsubishi Corporation conducts periodic verification of risk-return profiles.

In addition to managing risk on an individual project basis, Mitsubishi Corporation assesses risk on a consolidated basis with respect to risks that are capable of being monitored quantitatively and manages these risks properly, making reassessments as necessary.

In the fiscal year ended March 31, 2017, Mitsubishi Corporation partially revised its internal system concerning country risk countermeasures, and further reflected the political, regulatory and other risks regarding evaluations of the creditworthiness of individual countries. In so doing, Mitsubishi Corporation deepened its risk management techniques that enable it to efficiently make decisions.

(Translation)

Efficient Business Execution

The President and CEO delineates basic management policies for the Mitsubishi Corporation Group and sets specific management goals. At the same time, the President and CEO formulates management plans and oversees progress in achieving targets efficiently. The organization is realigned and resources are deployed as necessary so as to achieve management targets in the most efficient manner possible. Furthermore, the organizational chain of command is clearly laid out and authority is delegated to managers and staff of internal organizational bodies to the extent necessary to accomplish targets. These people are required to submit reports regularly. In addition, the President and CEO works in a cycle where he conducts regular follow-up checks regarding the execution of management plans and repeatedly makes revisions to plans after giving consideration to such factors as the level of achievement and the external environment. In the fiscal year ended March 31, 2017, Mitsubishi Corporation established “Midterm Corporate Strategy 2018 – Evolving Our Business Model from Investing to Managing” as its new management strategy for the three years beginning with the fiscal year ended March 31, 2017. The strategy is designed to generate sustainable business value, and takes into account various environmental factors that are expected to have an impact on Mitsubishi Corporation's operations, including a world economic slowdown, changes in commodity markets, heightened geopolitical risks, and industry changes caused by technological innovations such as artificial intelligence (AI) and the Internet of Things (IoT) (the so-called "Fourth Industrial Revolution"). In line with this strategy, Mitsubishi Corporation has established policies to achieve the strategy in each business, and is making progress with associated measures.

Compliance

Compliance, which is defined as acting in compliance with laws and regulations and in conformity with social norms, is regarded as a matter of the highest priority in conducting business activities. Mitsubishi Corporation has formulated a Code of Conduct for all officers and employees, which specifies basic matters in relation to compliance. Efforts are made to ensure that all officers and employees are familiar with the Code of Conduct and that Mitsubishi Corporation’s corporate philosophy is understood and practiced throughout the entire Mitsubishi Corporation Group.

To accomplish this, Mitsubishi Corporation has built a Group-wide compliance promotion framework that includes the appointment of the Chief Compliance Officer, who has overall control; the appointment of compliance officers in each organization and subsidiary; and information sharing at regularly convened meetings of the Compliance Committee. Also, Mitsubishi Corporation takes preventive and corrective measures, such as offering any needed training on a consolidated basis regarding the various laws and regulations. Regarding Codes of conduct for officers and employees, for all officers and employees every year Mitsubishi Corporation conducts training seminars and requires the submission of compliance pledges. In addition, to heighten the compliance awareness of officers and employees, the Mitsubishi Corporation Group regularly holds compliance discussions, which enable officers and employees to discuss compliance freely in small groups.

Regarding the status of compliance, in addition to a framework for receiving reports from all officers and employees in internal organizations and subsidiaries throughout the Mitsubishi Corporation Group, Mitsubishi Corporation has established an internal whistleblower system. Through these structures and systems, Mitsubishi Corporation identifies problems and shares information. Regular reports are also made to the Board of Directors and to the Audit & Supervisory Board Members on the status of

compliance. Moreover, Mitsubishi Corporation rigorously protects people making reports from internal organizations and subsidiaries to ensure that they do not suffer any disadvantage.
In the fiscal year ended March 31, 2017, Mitsubishi Corporation introduced and is gradually expanding a global internal whistleblower system that enables all officers and employees in each domestic and overseas organization and subsidiary to report directly from the country in which they operate any concern about a breach (or potential breach) of anti-trust laws and anti-bribery laws that would have a significant impact on the management of the Mitsubishi Corporation Group.

Financial Reporting
To ensure proper and timely disclosure in financial statements, Mitsubishi Corporation has appointed personnel responsible for financial reporting and for preparing financial statements in conformity with legal requirements and accounting standards. These financial statements are released in line with the information disclosure policy that was examined and confirmed by the Disclosure Committee.
For the internal control system governing financial reporting, Mitsubishi Corporation conducts internal control activities and monitoring in accordance with the internal control system based on the Financial Instruments and Exchange Act. Mitsubishi Corporation develops activities to ensure the effectiveness of internal controls on a consolidated basis.

Auditing and Monitoring
To more objectively review and evaluate business activities, Mitsubishi Corporation conducts regular audits of each organization and subsidiary through an internal audit organization.

Ensuring Proper Business in Group Management
Mitsubishi Corporation has established internal rules and regulations concerning the management of subsidiaries, and specifies a department that is responsible for the oversight of each subsidiary and affiliate. The person responsible in the specified department requires the directors of the subsidiaries to report the business execution and quantitatively monitor business performance, management efficiency and other operational aspects of each company every year. Efforts are also made to monitor qualitative issues such as compliance and risk management. In addition, checks are conducted in relation to the development and operating status of the internal control system and with regard to whether or not improvement is required.
Mitsubishi Corporation strives to ensure proper business conduct by subsidiaries that conform to laws, the Articles of Corporation and internal regulations, by sending Directors to sit on their boards, executing joint venture agreements, exercising its voting rights and in other ways. Through various initiatives designed to sustain growth at each company through efficient business execution, Mitsubishi Corporation aims to raise corporate value on a consolidated basis.

Audit & Supervisory Board Member
The Audit & Supervisory Board Members attend and express opinions at meetings of the Board of Directors and other important management meetings. In addition, the Audit & Supervisory Board Members gather information and conduct surveys, keeping channels of communication open with independent auditors, Directors, Executive Officers and employees of Mitsubishi Corporation, directors and Audit & Supervisory Board Members of subsidiaries, and others, who cooperate with these efforts whenever necessary. Moreover, Mitsubishi Corporation shall bear the necessary expenses to ensure the

auditing effectiveness.

If there is a risk of a certain level of financial loss or a major problem, personnel responsible in the department concerned is required to immediately report to Audit & Supervisory Board Members in accordance with predetermined standards and procedures, and subsidiaries are also required to report if necessary, going through the responsible department concerned or other channels. The aforementioned system is actually operating. Further, officers and employees shall not be treated disadvantageously as a result of reporting to Audit & Supervisory Board Members, and subsidiaries are informed rigorously of this policy. To raise the effectiveness of audits conducted by Audit & Supervisory Board Members, an internal organization directly reporting to the Audit & Supervisory Board and personnel working only for Audit & Supervisory Board Members is appointed to assist Audit & Supervisory Board Members in carrying out their duties so that it can quickly respond in assisting Audit & Supervisory Board Members. Mindful of the need for independence, the opinions of Audit & Supervisory Board Members are respected and other factors taken into consideration when evaluating and assignment of personnel to assist them. Moreover, the Audit & Supervisory Board regularly creates opportunities to hold discussions with respected individuals brought in from outside Mitsubishi Corporation. The knowledge gained and external perspectives are put to good use in audit activities.

(Translation)

●Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities at Mitsubishi Corporation and Important Concurrent Positions as of March 31, 2017
Chairman of the Board	Ken Kobayashi	Outside Director, Nissin Foods Holdings Co., Ltd.; Outside Director, Mitsubishi Motors Corporation; Outside Director, Mitsubishi Heavy Industries, Ltd.
*President and CEO	Takehiko Kakiuchi	
*Director, Senior Executive Vice President	Eiichi Tanabe	Global Strategy & Business Development, Global Relations, International Economic Cooperation, Logistics Management; Regional CEO, Asia & Oceania
*Director, Executive Vice President	Kazuyuki Mori	Regional Strategy (Japan); General Manager, Kansai Branch
*Director, Executive Vice President	Yasuhito Hirota	Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources; Chief Compliance Officer
*Director, Executive Vice President	Kazuyuki Masu	Chief Financial Officer
**Director	Ryozo Kato	
**Director	Hidehiro Konno	
**Director	Akihiko Nishiyama	Adjunct Professor, Hitotsubashi University
**Director	Hideaki Omiya	Chairman of the Board, Mitsubishi Heavy Industries, Ltd.; Outside Director, Seiko Epson Corporation
**Director	Toshiko Oka	CEO, Oka & Company Ltd.; Outside Audit & Supervisory Board Member, Astellas Pharma Inc.; Outside Corporate Auditor, Happinet Corporation; Outside Director, Hitachi Metals, Ltd.
Senior Audit & Supervisory Board Member (full time)	Hideyuki Nabeshima	
Audit & Supervisory Board Member (full time)	Hiroshi Kizaki	
***Audit & Supervisory Board Member	Tadashi Kunihiro	Attorney at T. Kunihiro & CO., Attorneys-at-Law; Outside Director, LINE Corporation
***Audit & Supervisory Board Member	Ikuo Nishikawa	Professor, Faculty of Business & Commerce of Keio University; Outside Director, Eisai Co., Ltd.; Outside Director, Daiwa Securities Group Inc.; External Director (Audit and Supervisory Committee Member), Megmilk Snow Brand Co., Ltd.
***Audit & Supervisory Board Member	Yasuko Takayama	Outside Director, The Chiba Bank, Ltd.; Outside Director, Nippon Soda Co., Ltd.

(Notes)

1. * indicates a Representative Director.
2. ** indicates the fulfillment of the conditions for Outside Directors as provided for in Article 2, Item 15 of the Companies Act.
3. *** indicates the fulfillment of the conditions for Outside Audit & Supervisory Board Members as provided for in Article 2, Item 16 of the Companies Act.
4. ** and *** also indicate fulfillment of the conditions for independent Directors or independent Audit & Supervisory Board Members as specified by the Tokyo Stock Exchange and other stock exchanges in Japan as well as Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members specified by Mitsubishi Corporation.
5. For Directors who also serve as Executive Officers, Position as Executive Officer is also indicated.
   Responsibilities of Directors Eiichi Tanabe, Kazuyuki Mori, Yasuhito Hirota and Kazuyuki Masu indicate their responsibilities as Executive Officer.

6. Audit & Supervisory Board Member Hideyuki Nabeshima has extensive experience in Mitsubishi Corporation's Corporate Planning Dept. and has a considerable degree of knowledge concerning finance and accounting.
7. Audit & Supervisory Board Member Hiroshi Kizaki has extensive experience in Mitsubishi Corporation's finance and accounting departments and has a considerable degree of knowledge concerning finance and accounting.
8. Audit & Supervisory Board Member Ikuo Nishikawa has extensive experience as a certified public accountant and has a considerable degree of knowledge concerning finance and accounting.
9. Directors and Audit & Supervisory Board Members who retired during the fiscal year ended March 31, 2017 are as follows:

   Directors Yorihiko Kojima, Hideto Nakahara, Jun Yanai, Jun Kinukawa, Takahisa Miyauchi, Shuma Uchino, Kazuo Tsukuda and Sakie T. Fukushima and Audit & Supervisory Board Members Eiko Tsujiyama and Hideyo Ishino (retired on June 24, 2016)
10. Director Ikuo Nishikawa retired as Outside Corporate Auditor of Megmilk Snow Brand Co., Ltd. on June 28, 2016, and on the same date assumed the position of External Director (Audit and Supervisory Committee Member) of the same company.
11. Astellas Pharma Inc., Eisai Co., Ltd., The Chiba Bank, Ltd., Hitachi Metals, Ltd., Nissin Foods Holdings Co., Ltd., Nippon Soda Co., Ltd., Mitsubishi Motors Corporation, Mitsubishi Heavy Industries, Ltd. and Megmilk Snow Brand Co., Ltd. are suppliers or customers of Mitsubishi Corporation. However, there are no special relationships (specified related party, etc.) between Mitsubishi Corporation and each of these companies.
12. Mitsubishi Corporation had concluded an agreement with Keio University on joint research with the Graduate School of Media Design, Keio University relating to creation of new business models in the field of healthcare. However, the agreement has been terminated as of March 31, 2017, and there is no special relationship (specified related party, etc.). Moreover, the agreement did not relate directly to Audit & Supervisory Board Member Ikuo Nishikawa.
13. There are no business relationships between Mitsubishi Corporation and entities at which the above Directors and Audit & Supervisory Board Members serve concurrently other than those mentioned in 11. to 12. above.

(Translation)

●Matters Concerning Outside Directors and Audit & Supervisory Board Members

1. Status of Main Activities of Outside Directors and Audit & Supervisory Board Members

(1) Outside Directors

Name	Participation in Board of Directors' Meetings	Attendance at Board of Directors' Meetings
Ryozo Kato	Mr. Kato made remarks from an objective and professional perspective as an Outside Director, based on his international way of thinking and extensive insight regarding global conditions developed through foreign diplomacy, having held key posts at the Ministry of Foreign Affairs of Japan.	Board of Directors' meetings (Regular): 11 of 12 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings
Hidehiro Konno	Mr. Konno made remarks from an objective and professional perspective as an Outside Director, based on his extensive insight into domestic and global economic trends, having held key posts at the Ministry of Economy, Trade and Industry and Nippon Export and Investment Insurance.	Board of Directors' meetings (Regular): 12 of 12 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings
Akihiko Nishiyama	Mr. Nishiyama made remarks from an objective and professional perspective as an Outside Director, based on his research activities relating to corporate management and human resources development at universities and many years of experience in business.	Board of Directors' meetings (Regular): 12 of 12 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings
Hideaki Omiya	Mr. Omiya made remarks from a practical perspective as an Outside Director, based on his extensive insight developed through management of Mitsubishi Heavy Industries, Ltd., a manufacturer that conducts business around the world, as Chairman and former President and CEO.	Board of Directors' meetings (Regular): 8 of 9 meetings Board of Directors' meetings (Extraordinary): 1 of 1 meetings
Toshiko Oka	Ms. Oka made remarks from a practical and diversified perspective as an Outside Director, based on many years of experience in the consulting industry, and experience as outside director of various companies.	Board of Directors' meetings (Regular): 9 of 9 meetings Board of Directors' meetings (Extraordinary): 1 of 1 meetings

(Note)

Attendance at Board of Directors' meetings of Mr. Omiya and Ms. Oka indicates after their appointments for Outside Director on June 24, 2016.

(Translation)

(2) Outside Audit & Supervisory Board Members

Name	Participation in Board of Directors' and Board of Corporate Auditors' Meetings	Attendance at Board of Directors' and Audit & Supervisory Board' Meetings
Tadashi Kunihiro	Mr. Kunihiro made remarks from a neutral and objective perspective as an Outside Audit & Supervisory Board Member, based on his extensive insight regarding corporate-related laws (such as the Companies Act and the Financial Instruments and Exchange Act of Japan) developed through his many years of experience as an attorney.	Board of Directors' meetings (Regular): 12 of 12 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings Audit & Supervisory Board' meetings: 13 of 13 meetings
Ikuo Nishikawa	Mr. Nishikawa made remarks from a neutral and objective perspective as an Outside Audit & Supervisory Board Member, based on his extensive insight regarding accounting developed through many years of experience as a certified public accountant.	Board of Directors' meetings (Regular): 9 of 9 meetings Board of Directors' meetings (Extraordinary): 1 of 1 meetings Audit & Supervisory Board' meetings: 10 of 10 meetings
Yasuko Takayama	Ms. Takayama made remarks from a neutral and objective perspective as an Outside Audit & Supervisory Board Member, based on her experience as Audit & Supervisory Board Member at Shiseido Company, Limited, and as outside director at various companies.	Board of Directors' meetings (Regular): 9 of 9 meetings Board of Directors' meetings (Extraordinary): 1 of 1 meetings Audit & Supervisory Board' meetings: 10 of 10 meetings

(Note)
Attendance at Board of Directors' and Audit & Supervisory Board' meetings of Mr. Nishikawa and Ms. Takayama indicates after their appointments for Outside Audit& Supervisory Board Member on June 24, 2016.

2. Outline of Limitation of Liability Agreements

Mitsubishi Corporation has executed agreements with all Outside Directors and Outside Audit & Supervisory Board Members limiting their liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, liability for damages is limited to the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.

(Translation)

●Directors' and Audit & Supervisory Board Members' Remuneration

Total Amounts and Number of Eligible People

(Million yen)

Title	Total Remuneration	Base Remuneration and Individual Performance Bonus		Bonus		Stock-option-based Remuneration		Reserved Retirement Remuneration	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
Directors (In-house)	860	12	493	5	180	5	134	5	52
Directors (Outside)	120	7	120	―	―	―	―	―	―

Title	Total Remuneration	Base remuneration and Individual Performance Bonus		Bonus		Stock-option-based Remuneration		Reserved Retirement Remuneration	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
Audit & Supervisory Board Members (In-house)	124	2	124	―	―	―	―	―	―
Audit & Supervisory Board Members (Outside)	39	5	39	―	―	―	―	―	―

(Figures less than one million yen are rounded down)

(Notes)

1. The above figures include 8 Directors and 2 Audit & Supervisory Board Members who resigned during the fiscal year ended March 31, 2017.
   Furthermore, there were 11 Directors (including 5 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members) as of March 31, 2017.
2. The above amounts of Director's Bonuses represents the amounts to be submitted for approval to the Ordinary General Meeting of Shareholders to be held on June 23, 2017 (For details on the proposal, please see page 25.).
3. The Stock-option-based Remuneration above shows the amount recognized as an expense in the fiscal year ended March 31, 2017 related to stock options granted to 5 in-house Directors (Chairman of the Board and Outside Directors are ineligible for payment).
4. In addition to the above, Mitsubishi Corporation paid executive pensions to retired Directors and Audit & Supervisory Board Members. The amounts paid in the fiscal year ended March 31, 2017 were as follows:
   The retirement bonus system, including executive pensions for Directors and Audit & Supervisory Board Members, was abolished at the close of the 2007 Ordinary General Meeting of Shareholders.
   Mitsubishi Corporation paid 155 million yen to 92 Directors (Outside Directors were ineligible for payment).
   Mitsubishi Corporation paid 6 million yen to 9 Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment).

(Translation)

●Executive Officers (as of April 1, 2017)

Title	Name	Position, etc.
President and CEO	Takehiko Kakiuchi*	
Senior Executive Vice President	Eiichi Tanabe*	Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania
Executive Vice President	Kazushi Okawa	Group CEO, Machinery Group
Executive Vice President	Yasuhito Hirota*	Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch
Executive Vice President	Hajime Hirano	Group CEO, Energy Business Group
Executive Vice President	Hiroshi Sakuma	Group CEO, Global Environmental & Infrastructure Business Group
Executive Vice President	Kanji Nishiura	Group CEO, Metals Group
Executive Vice President	Haruki Hayashi	Regional CEO, Europe & Africa, Managing Director, Mitsubishi Corporation International (Europe) Plc.
Executive Vice President	Hidemoto Mizuhara	Regional CEO, North America, President, Mitsubishi Corporation (Americas)
Executive Vice President	Kazuyuki Masu*	Corporate Functional Officer, CFO, IT
Executive Vice President	Takeshi Hagiwara	Group CEO, Chemicals Group
Executive Vice President	Shinya Yoshida	Group CEO, Industrial Finance, Logistics & Development Group
Executive Vice President	Yutaka Kyoya	Group CEO, Living Essentials Group
Executive Vice President	Iwao Toide	Corporate Functional Officer, Business Investment Management, Corporate Sustainability
Executive Vice President	Akira Murakoshi	Corporate Functional Officer, Corporate Communications, Human Resources
Executive Vice President	Masakazu Sakakida	Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer
Senior Vice President	Mitsuyuki Takada	General Manager, Global Strategy & Coordination Dept.
Senior Vice President	Keisuke Hoshino	President and CEO, Mitsubishi Corporation RtM Japan Ltd.
Senior Vice President	Koichi Wada	General Manager, Nagoya Branch
Senior Vice President	Tsutomu Takanose	Deputy General Manager, Kansai Branch
Senior Vice President	Katsuhiro Ito	President, Mitsubishi Corporation (Hong Kong) Ltd.
Senior Vice President	Mitsumasa Icho	General Manager, Business Investment Management Dept.
Senior Vice President	Takajiro Ishikawa	Assistant to Group CEO, Industrial Finance, Logistics & Development Group
Senior Vice President	Yasuteru Hirai	Regional CEO, East Asia, President, Mitsubishi Corporation China Co., Ltd.
Senior Vice President	Noboru Tsuji	Division COO, Motor Vehicle Business Div.
Senior Vice President	Norikazu Tanaka	Division COO, Mineral Resources Investment Div.
Senior Vice President	Fuminori Hasegawa	Division COO, Energy Resources Div. A
Senior Vice President	Tetsuji Nakagawa	Division COO, Infrastructure Business Div.
Senior Vice President	Hidenori Takaoka	General Manager, Energy Business Group CEO Office
Senior Vice President	Noriyuki Tsubonuma	Managing Director & CEO, Mitsubishi Australia Limited , Managing Director, Mitsubishi New Zealand Limited, Deputy Regional CEO, Asia & Oceania
Senior Vice President	Yasushi Okahisa	General Manager, Corporate Staff Section Management Dept.
Senior Vice President	Tsunehiko Yanagihara	EVP, Mitsubishi Corporation (Americas) (work location: Silicon Valley)
Senior Vice President	Masatsugu Kurahashi	Chief Regional Officer, Indonesia, President, PT. Mitsubishi Corporation Indonesia
Senior Vice President	Nodoka Yamasaki	Division COO, Living Essential Distribution Div.
Senior Vice President	Kotaro Tsukamoto	Division COO, Steel Business Div.
Senior Vice President	Katsuya Nakanishi	Regional CEO, Middle East & Central Asia, General Manager, Business Division, Headquarters for the Middle East and Central Asia
Senior Vice President	Jun Nishizawa	Division COO, Energy Resources Div. B
Senior Vice President	Tatsuo Nakamura	General Manager, Strategic Planning Office, Motor Vehicle Business Div.
Senior Vice President	Osamu Takeuchi	Division COO, Petrochemicals Div.
Senior Vice President	Kazunori Nishio	Division COO, Retail Div.

(Translation)

Senior Vice President	Koji Kishimoto	Division COO, Life Sciences Div.
Senior Vice President	Eisuke Shiozaki	Chairman & Managing Director, Mitsubishi Corporation India Private Ltd., Deputy Regional CEO, Asia & Oceania
Senior Vice President	Yoshinori Katayama	Division COO, New Energy & Power Generation Div.
Senior Vice President	Yoshifumi Hachiya	General Manager, Corporate Accounting Dept.
Senior Vice President	Hisashi Ishimaki	Division COO, Ship & Aerospace Div.
Senior Vice President	Takuya Kuga	Division COO, Real Estate Business Div.
Senior Vice President	Yasumasa Kashiwagi	Division COO, Fresh Food Products Div.
Senior Vice President	Hiroki Haba	Mitsubishi Corporation (Americas), SVP, Energy Business Group
Senior Vice President	Norio Saigusa	President, Mitsubishi Company (Thailand), Ltd., President, Thai-MC Company, Limited, General Manager, Vientiane Liaison Office

(Note)
* indicates Executive Officers who serve concurrently as Directors.

(Translation)

●Matters Concerning Independent Auditors

1. Name of Mitsubishi Corporation's Independent Auditors

Deloitte Touche Tohmatsu LLC

2. Independent Auditors' Fees for the Fiscal Year Ended March 31, 2017

	Amount paid (Million yen)
Amount of fees for services in accordance with Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (Act No. 103 of 1948) (Note 1)	741
Amount of fees for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (Note 2)	24
Total amount of fees paid by Mitsubishi Corporation to the independent auditors for the fiscal year ended March 31, 2017	765
Total amount of fees to be paid by Mitsubishi Corporation and consolidated subsidiaries (Note 3)	2,322

(Figures less than one million yen are rounded to the nearest million)

(Note 1) Fees for services prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (Act No. 103 of 1948) are fees, etc., for audit certification services relating to English language financial statements prepared based on accounting standards generally accepted in the International Financial Reporting Standards and audit certification based on the Companies Act and the Financial Instruments and Exchange Act.

(Note 2) Fees for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan are fees for Mitsubishi Corporation training, overseas tax return work, etc.

(Note 3) Some subsidiaries are audited by certified public accountants or independent auditors (including persons with qualifications equivalent to these qualifications in overseas countries) other than Mitsubishi Corporation's independent auditors.

3. Reason for Agreement of the Audit & Supervisory Board with the Remuneration of Independent Auditors, etc.

As a result of confirming such items as details of the audit plans, status of the execution of duties, and the basis for calculation of the remuneration estimates of the independent auditors, these were deemed to be reasonable in light of the perspectives of ensuring the quality of the auditing of the independent auditors and ensuring independence. Therefore, an agreement in accordance with Article 399, Paragraph 1 of the Companies Act was concluded with respect to the amount of such items as remuneration of independent auditors.

4. Policy for the Dismissal or Non-reappointment of Independent Auditors

Mitsubishi Corporation has a policy to dismiss independent auditors based on the unanimous agreement of all Audit & Supervisory Board Members if any of the items set forth in Article 340, Paragraph 1 of the Companies Act is applicable to the independent auditors. In this instance, at the Ordinary General Meeting of Shareholders first convened after the dismissal, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report on the dismissal of the independent auditors and the reason for this action.

Furthermore, if the Audit & Supervisory Board decides it is appropriate to dismiss or not to reappoint the independent auditors after comprehensively taking into consideration and evaluating the independent auditors' execution of duties and other circumstances, the Audit & Supervisory Board will submit a proposal to the Ordinary General Meeting of Shareholders to dismiss or not to reappoint the independent auditors concerned and to appoint new independent auditors concerned and to appoint new independent auditors.

(Translation)

Consolidated Statement of Financial Position (Prepared based on IFRS)

(Millions of Yen)

ASSETS			LIABILITIES AND EQUITY		
Item	As of March 31, 2016 (Reference only)	As of March 31, 2017	Item	As of March 31, 2016 (Reference only)	As of March 31, 2017
Current assets			Current liabilities		
Cash and cash equivalents	¥1,500,960	¥1,145,514	Bonds and borrowings	¥1,482,348	¥1,248,231
Time deposits	226,186	246,922	Trade and other payables	2,153,748	2,542,191
Short-term investments	28,763	22,867	Other financial liabilities	84,252	106,456
Trade and other receivables	2,923,060	3,125,504	Advances from customers	213,058	222,373
Other financial assets	148,718	115,734	Income taxes payable	38,104	106,612
Inventories	1,033,752	1,110,138	Provisions	55,121	50,689
Biological assets	65,261	67,241	Liabilities directly associated with assets classified as held for sale	26,235	6,094
Advance payments to suppliers	222,299	229,819	Other current liabilities	380,371	395,196
Assets classified as held for sale	91,864	39,330	Total current liabilities	4,433,237	4,677,842
Other current assets	316,328	364,196			
Total current assets	6,557,191	6,467,265	Non-current liabilities		
			Bonds and borrowings	4,560,258	4,135,680
Non-current assets			Trade and other payables	84,078	204,657
Investments accounted for using the equity method	2,869,873	2,651,317	Other financial liabilities	18,647	18,936
Other investments	1,990,215	2,291,465	Retirement benefit obligation	64,914	79,261
Trade and other receivables	488,817	500,853	Provisions	233,779	239,259
Other financial assets	139,593	109,443	Deferred tax liabilities	469,589	576,941
Property, plant and equipment	2,297,384	2,484,714	Other non-current liabilities	34,232	31,970
Investment property	70,578	47,959	Total non-current liabilities	5,465,497	5,286,704
Intangible assets and goodwill	291,116	1,010,310	Total liabilities	9,898,734	9,964,546
Deferred tax assets	91,349	37,883	Equity		
Other non-current assets	120,140	152,348	Common stock	204,447	204,447
Total non-current assets	8,359,065	9,286,292	Additional paid-in capital	262,738	220,761
			Treasury stock	(14,509)	(12,154)
			Other components of equity		
			Other investments designated as FVTOCI	364,386	451,086
			Cash flow hedges	(18,664)	(17,953)
			Exchange differences on translating foreign operations	568,217	445,816
			Total other components of equity	913,939	878,949
			Retained earnings	3,225,901	3,625,244
			Equity attributable to owners of the Parent	4,592,516	4,917,247
			Non-controlling interests	425,006	871,764
			Total equity (net assets)	5,017,522	5,789,011
Total assets	¥14,916,256	¥15,753,557	Total liabilities and equity	¥14,916,256	¥15,753,557

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Consolidated Statement of Profit or Loss (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2016 (Reference only)	Fiscal year ended March 31, 2017
Revenues	¥6,925,582	¥6,425,761
Cost of revenues	(5,826,705)	(5,097,123)
Gross profit	1,098,877	1,328,638
Selling, general, and administrative expenses	(1,015,968)	(932,607)
Gains and losses on investments	46,334	83,288
Gains and losses on sale and disposal of property, plant, and equipment	21,392	14,419
Impairment losses on property, plant and equipment and others	(102,544)	(103,181)
Other income (expenses) – net	(37,787)	10,581
Finance income	123,124	132,389
Finance costs	(50,862)	(49,537)
Share of profit (loss) of investments accounted for using the equity method	(175,389)	117,450
Profit (loss) before income taxes	(92,823)	601,440
Income taxes	(39,841)	(121,366)
Profit (loss) for the year	(¥132,664)	¥480,074
Profit (loss) for the year attributable to:		
Owners of the Parent	(149,395)	440,293
Non-controlling interests	16,731	39,781
	(¥132,664)	¥480,074

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Consolidated Statement of Changes in Equity (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2016 (Reference only)	Fiscal year ended March 31, 2017
Common stock		
Balance, beginning of year	¥204,447	¥204,447
Balance, end of year	204,447	204,447
Additional paid-in capital		
Balance, beginning of year	266,688	262,738
Compensation costs related to stock options	1,175	1,621
Sales of treasury stock upon exercise of stock options	(1,268)	(1,420)
Equity transactions with non-controlling interests and others	(3,857)	(42,178)
Balance, end of year	262,738	220,761
Treasury Stock		
Balance, beginning of year	(7,796)	(14,509)
Sales of treasury stock upon exercise of stock options	2,937	2,364
Purchases and sales - net	(99,969)	(9)
Cancellation	90,319	—
Balance, end of year	(14,509)	(12,154)
Other components of equity		
Balance, beginning of year	1,515,691	913,939
Other comprehensive income attributable to owners of the Parent	(638,928)	12,172
Transfer to retained earnings	37,176	(47,162)
Balance, end of year	913,939	878,949
Retained earnings		
Balance, beginning of year	3,591,447	3,225,901
Profit (loss) for the year attributable to the owners of the Parent	(149,395)	440,293
Cash dividends paid to owners of the Parent	(88,223)	(87,170)
Sales of treasury stock upon exercise of stock options	(433)	(942)
Cancellation of treasury stock	(90,319)	—
Transfer from other components of equity	(37,176)	47,162
Balance, end of year	3,225,901	3,625,244
Equity attributable to owners of the Parent	4,592,516	4,917,247
Non-controlling interests		
Balance, beginning of year	485,078	425,006
Cash dividends paid to non-controlling interests	(25,199)	(19,722)
Equity transactions with non-controlling interests and others	(12,801)	421,622
Profit for the year attributable to non-controlling interests	16,731	39,781
Other comprehensive income (loss) attributable to non-controlling interests	(38,803)	5,077
Balance, end of year	425,006	871,764
Total equity	¥5,017,522	¥5,789,011
Comprehensive income (loss) attributable to:		
Owners of the Parent	(¥788,323)	¥452,465
Non-controlling interests	(22,072)	44,858
Total comprehensive income (loss)	(¥810,395)	¥497,323

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Notes to Consolidated Financial Statements

Basis of Preparing Consolidated Financial Statements

Notes Concerning Significant Accounting Policies (for the fiscal year ended March 2017)

1. Basis of Preparing Consolidated Financial Statements

(1) Standards of Preparing Consolidated Financial Statements

These consolidated financial statements of Mitsubishi Corporation (the “Parent”) and its consolidated subsidiaries (collectively, “the Company”) have been prepared under International Financial Reporting Standards (“IFRS”) in accordance with the first paragraph of Article 120 of the Ordinance on Company Accounting of Japan. Pursuant to the second sentence of the paragraph, certain disclosures and notes required by IFRS have been omitted.

(2) New major standards and interpretations applied

The new major standards and interpretation applied from the fiscal year ended March 31, 2017 are as follows:

Standard and interpretation guideline	Outline
IFRS 11 Joint Arrangements (Amended)	Clarification of the accounting for acquisitions of interests in joint operations
IAS 16 Property, Plant, and Equipment (Amended)	Accounting for produce growing on bearer plants
IAS 41 Agriculture (Amended)	

The adoption of the new major standards and interpretations, including those above, had no significant impact on the consolidated financial statements for the fiscal year ended March 31, 2017.

(3) Significant accounting judgments, estimates, and assumptions

In preparing IFRS-based financial statements, management is required to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods that are affected.

Significant changes in accounting judgments, estimates, and assumptions in the consolidated financial statements for the fiscal year ended March 2017 are as follows:

(Impairment losses on property, plant and equipment)

In the fiscal year ended March 2017, the Company recorded impairment losses of 103,181 million yen due to changes in the business environment as “impairment losses on property, plant and equipment and others” in the Consolidated Statement of Income. In the course of recognizing and measuring impairment losses, the Company measured the recoverable amount using value in use or fair value less costs of disposal. For the discount rate, the Company used a rate that reasonably reflects the rate of return that is considered to be the market-average rate that incorporates the risks specific to the cash-generating units. These impairment losses primarily include impairment losses of 35,496 million yen on the thermal coal-related assets held by MITSUBISHI DEVELOPMENT PTY LTD based on its policy for portfolio re-profiling impairment losses of 17,947 million yen on ships held by DIAMOND STAR SHIPPING PTE. LTD. brought about by stagnant shipping market conditions, and impairment losses of 12,043 million yen on unproved exploration and development assets held by Cote D’Ivoire Japan Petroleum Limited in connection with a change in development policy.

(Recoverability of deferred tax assets)

The Company recognizes deferred tax assets for deductible temporary differences, unused tax credits, and unused tax losses carried forward to the extent that it is probable that the deferred tax asset will be recovered through the future generation of taxable profit and reversal of taxable temporary differences. In the fiscal year ended March 31, 2017, the Company revised the forecasts for future taxable profit and the schedule for reversal of taxable temporary differences. As a result, the Company derecognized part of deferred tax assets that were assumed to be recoverable in the previous fiscal years.

(Translation)

(Fair value of financial instruments)
Please refer to “Notes Concerning Financial Instruments.”

2. Scope of Consolidation and Application of the Equity Method

(Number of Companies)

	As of March 31, 2016	As of March 31, 2017	Increase
Number of subsidiaries	815	834	19
Number of investment accounted for using the equity method	427	440	13
Total	1,242	1,274	32

Entities of which the Company holds more than half of the voting rights but does not have control:

MI Berau B.V. (“MI Berau”)
The Company holds 56% of the voting rights in MI Berau, a company located in the Netherlands that participates in the Tangguh LNG Project in Indonesia and INPEX CORPORATION (“INPEX”) holds the remaining 44% of the voting rights. Under the joint-venture agreement with INPEX, significant decisions regarding MI Berau’s operations require unanimous consent by the Company and INPEX. The rights given to INPEX in the joint venture agreement are considered substantive participating rights, and MI Berau is not controlled solely by the Company. Accordingly, the Company accounts for its investment in MI Berau using the equity method as a joint venture.

Sulawesi LNG Development Ltd. (“Sulawesi LNG Development”)
The Company holds 75% of the voting rights in Sulawesi LNG Development, a UK corporation. Sulawesi LNG Development is a holding company, investing in the Donggi Senoro LNG Project in Indonesia, that was established with Korea Gas Corporation (KOGAS), which holds a 25% ownership interest. Under the shareholders’ agreement with KOGAS, significant decisions regarding Sulawesi LNG Development’s operations require unanimous consent by the Company and KOGAS. The rights given to KOGAS in the shareholders’ agreement are considered substantive participating rights, and Sulawesi LNG Development is not controlled solely by the Company. Accordingly, the Company accounts for its investment in Sulawesi LNG Development using the equity method as a joint venture.

3. Primary Changes in the Scope of Consolidation and the Application of the Equity Method

Subsidiaries	[New]	Lawson, Inc. Loyalty Marketing, Inc. SEIJO ISHII CO., LTD. Lawson ATM Networks, Inc. SCI, Inc. Lawson HMV Entertainment United Cinema Holdings, Inc.
	[Exclusion]	YONEKYU CORPORATION CALIFORNIA OILS CORPORATION
Investments accounted for using the equity method	[New]	GAC MITSUBISHI MOTORS CO., LTD PT MITSUBISHI MOTORS KRAMA YUDHA SALES INDONESIA ITOHAM YONEKYU HOLDINGS INC.
	[Exclusion]	STRAND MINERALS (INDONESIA) PTE. LTD. Itoham Foods Inc. HIMARAYA Co., Ltd.

(Notes)
1. On February 9, 2017, the Company acquired through a tender offer the majority of the issued shares in Lawson, Inc. (“Lawson”), which had been accounted for using the equity method at the prior year-end, and Lawson and its subsidiaries have become consolidated subsidiaries of the Company.
2. Yonekyu Corporation, which was formerly a consolidated subsidiary, and Itoham Foods Inc., which was accounted for using the equity method, integrated their management through a joint share transfer on April 1, 2016, and Itoham Yonekyu Holdings Inc. became the parent company of these companies. As a result of this transaction, Itoham Yonekyu Holdings Inc. became an investment accounted for using the equity method of the Company.

(Translation)

4. Significant Subsidiaries and Investments Accounted for Using the Equity Method

Subsidiaries	Mitsubishi Corporation (Americas) Mitsubishi Corporation International (Europe) Plc Mitsubishi Corporation (Shanghai) Ltd. MITSUBISHI CORPORATION FINANCE PLC TRI PETCH ISUZU SALES COMPANY LIMITED MITSUBISHI DEVELOPMENT PTY LTD Metal One Corporation Mitsubishi Shokuhin Co., Ltd Lawson, Inc.
Investments accounted for using the equity method	Japan Australia LNG (MIMI) Pty. Ltd.

5. Significant Accounting Policies

(1) Basis of consolidation

(i) Subsidiaries

The Parent consolidates the investees that it directly or indirectly controls. Therefore, the Company generally consolidates investees in which the Company holds more than half of voting rights. However, even in cases where the Company does not own the majority of voting rights, if the Company effectively controls the decision-making body of the investee, the investee is treated as a consolidated subsidiary. In cases where the Company has the majority of voting rights in an investee, but other shareholders have substantive rights to participate in the decision-making of the ordinary course of business of the investee, the Company does not have control and the equity method is applied.

The consolidated financial statements include profit or loss and other comprehensive income of subsidiaries from the day on which control was obtained to the day on which control was lost. Adjustments have been made to the financial statements of subsidiaries to adhere to the accounting policies adopted by the Company.

All intercompany balances and transactions have been eliminated.

Changes in ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Parent's interest and non-controlling interests is adjusted to reflect changes in their relative interest in the subsidiaries. Any difference between the amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Parent.

If control over a subsidiary is lost, the difference between (a) the sum of the fair value of consideration received and the fair value of remaining interest and (b) assets (including goodwill), liabilities and the previous carrying amount of non-controlling interests of the subsidiary, is recognized in profit or loss. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments" or the cost on initial recognition of investment in associates or joint ventures.

(ii) Business combinations

Business combinations (acquisition of businesses) are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values at the acquisition date (namely, the day on which the Company obtains control) of the assets transferred by the Company, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. The Company accounts for acquisition-related costs as expenses in the periods in which the costs are incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except as follows:

• Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively.

• Assets or disposal groups that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with this standard.

• Liabilities or equity instruments related to share-based payments of the acquiree or share-based payments of the Company entered into to replace such arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment."

In cases where the sum of the consideration transferred, the amount of non-controlling interests in the acquiree, and the fair value of equity interests in the acquiree held previously by the acquirer exceed the net amount of identifiable assets and liabilities at the acquisition date, goodwill is measured at the excess amount.

If the net amount of identifiable assets and liabilities at the acquisition date exceeds the sum of the consideration transferred, the amount of non-controlling interests in the acquiree, and the fair value of equity interest in the acquiree held previously by the acquirer, the excess amount is immediately recognized in profit or loss as a bargain purchase gain.

In the case of a business combination achieved in stages, an equity interest in the acquiree held previously by the Company is remeasured at fair value at the acquisition date (i.e., the day on which the Company obtains control), and the resulting gains or losses are recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss or other comprehensive income, as appropriate, on the same basis as would be required if the interest had been disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. During the measurement period, which cannot exceed one year, the Company retrospectively adjusts the provisional amounts recognized at the acquisition date or recognizes additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

(iii) Associates and joint ventures

The equity method is applied to investments in associates and joint ventures. An associate is an entity that is not controlled solely or jointly by the Company but for which the Company is able to exercise significant influence over the decisions on financial and operating or business policies. If the Company has 20% or more, but no more than 50% of the voting rights of another entity, the Company is presumed to have significant influence over that entity. Entities over which the Company is able to exercise significant influence on their decisions regarding financial and operating or business policies through agreements with other investors even if it holds less than 20% of the voting rights are also included in associates. On the other hand, the equity method is not applied in cases where the Company does not have significant influence even if it holds 20% or more of the voting rights.

A joint venture is a joint arrangement (i.e., arrangement in which two or more parties have joint control) whereby the parties that have joint control have rights to the net assets of a separate vehicle. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions on activities that have a significant impact on the returns of the arrangement require the unanimous consent of the parties sharing control and those activities are undertaken jointly by the parties.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the net assets of the associate or the joint venture after the date of acquisition. The Company's share of the profit or loss of the associate or the joint venture is recognized in the Company's profit or loss. The Company's share of the other comprehensive income of the associate or the joint venture is recognized in the Company's other comprehensive income. When the Company's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Company discontinues recognizing its share of further losses. After the Company's interest, including any long-term interests that, in substance, form part of the Company's net investment in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. All profits associated with intercompany transactions, excluding business transfers, have been eliminated in proportion to interests in associates and joint ventures.

An associate or a joint venture is accounted for using the equity method from the date they become an associate or joint venture. On initial recognition, the amount of investment in excess of interests in the net fair value of assets, liabilities, and contingent liabilities of associates and joint ventures is recognized as the amount corresponding to goodwill, and is included in the carrying amount of investments.

In cases where equity method investments are disposed of and significant influence is lost, any remaining investments are measured at fair value at the disposal date, and are accounted for as financial assets in accordance with IFRS 9 "Financial Instruments." The difference between the previous carrying amount and fair value of the remaining investments is recognized in profit or loss as a gain or loss on disposal of such investments. The amount previously recognized as other comprehensive income by associates and joint ventures is accounted for by determining whether or not it would be reclassified into profit or loss as if the related assets or liabilities had been directly disposed of.

(iv) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets, and obligations for the liabilities, relating to the contractual arrangement. For investments in joint operations, only the Company's share of assets, liabilities, revenues, and expenses arising from the jointly controlled operating activities is recognized. All intercompany accounts and transactions have been eliminated in proportion to interests.

(v) Investment Entities

An investment entity is an entity that satisfies certain conditions, such as investing funds obtained from investors for returns from capital appreciation, investment income or both, and measuring and evaluating the performance of substantially all of its investments on a fair value basis.

All investments held by investment entities, including equity interests in subsidiaries of the investment entities, are measured, in principle, at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments." However, even if a subsidiary of the Company is an investment entity, in the consolidated financial statements of the Company, the Company unwinds the fair value measurement applied by the investment entity to its subsidiaries, and applies the ordinary consolidation procedures to the investment entity subsidiary.

Meanwhile, if an associate or a joint venture of the Company qualifies as an investment entity, when the Company applies the equity method, the fair value measurement applied by the investment entity to its subsidiaries is maintained.

(vi) Reporting Date

When the Company prepares consolidated financial statements, certain subsidiaries, associates, and joint arrangements prepare financial statements with a fiscal year end on or after December 31, but prior to the Parent's fiscal year end of March 31, for which unification of the fiscal year end is impracticable since the local legal system or contractual terms among shareholders requires the fiscal year end to be different from that of the Parent. It is also impracticable for such entities to provide the provisional closing of accounts at the end of the reporting period of the Parent due to the characteristics of the business, operations, or other practical factors. Where this is the case, adjustments have been made to the consolidated financial statements of the Company for the effects of significant transactions or events that occurred between the end of the reporting period of the subsidiaries, associates or joint arrangements and that of the consolidated financial statements.

(2) Foreign currency translation

Items denominated in foreign currencies in the consolidated financial statements are translated at the exchange rate at the transaction date, and monetary items are retranslated at the exchange rate as at the fiscal year end. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The difference arising from the retranslation of monetary items is generally recognized in "Other income (expenses) - net" in the consolidated statement of income.

The assets and liabilities of foreign operations are translated into Japanese yen at the respective year-end exchange rates. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period. Exchange differences arising from translation are recognized in other comprehensive income and accumulated in "Other components of equity" on a post-tax basis.

In the event of a loss of control due to the disposal of foreign operations, the cumulative amount of exchange difference is reclassified into profit or loss. In the case of partial disposal that does not lead to the loss of control of a subsidiary, the ratio of ownership interest in the cumulative amount of exchange difference is reallocated to non-controlling interests, but no amount is recognized in profit or loss. In other cases of partial disposal that leads to the loss of significant influence or joint control, the proportionate amount of cumulative exchange differences is reclassified into profit or loss.

Goodwill and fair value adjustments resulting from the acquisition of foreign operations are retranslated as assets and liabilities of such foreign operations as at the end of the reporting period, and exchange differences are recognized in "Other components of equity" and accumulated in equity.

(3) Financial instruments

The Company early-applied IFRS 9 "Financial Instruments" (revised in November 2013) from January 1, 2015. Accordingly, the Company has accounted for all hedging relationships designated on or after January 1, 2015, based on the requirements of IFRS 9 “Financial Instruments” (revised in November 2013).

(Translation)

(i) Non-derivative financial assets

The Company recognizes trade and other receivables on the date they arise. The Company recognizes all other financial assets at the trade date on which the Company became a party to the contract concerning such financial instruments.

The Company initially recognizes financial assets at fair value. Financial assets not recorded at fair value through profit or loss also include transaction costs that are directly attributable to the acquisition of the financial assets. After initial recognition, financial assets are measured either at amortized cost or at fair value.

(ii) Financial assets measured at amortized cost

Financial assets are measured at amortized cost using the effective interest method if both of the following conditions are met:

• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• 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.

The effective interest rate is the rate that discounts estimated future cash receipts (including all fees paid or received, transaction costs, and other premium/discounts) through the expected life of a financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

In cases where a financial asset measured at amortized cost is derecognized, the difference between the carrying amount and the consideration received or receivable is recognized in profit or loss.

(iii) Impairment of financial assets measured at amortized cost

The Company assesses evidence of impairment of financial assets measured at amortized cost individually and collectively. For assets for which the contractual cash flows are unlikely to be recovered in full, impairment is assessed on an individual basis. Investment rating, contractual nature of the investments, underlying collateral, rights to, and advantages of the investment's cash flows, and the condition of the issuers are assessed comprehensively when recognizing and measuring the impairment. Assets for which impairment need not be assessed individually are assessed collectively to determine whether or not there is any impairment that has occurred but has not been identified. When assessing assets collectively for impairment, the amount expected to be irrecoverable is calculated based on the historical loss rate, probability of default, etc. When impairment is recognized, the carrying amount of the financial asset shall be reduced either directly or through use of an allowance account.

(iv) Financial assets measured at fair value

Financial assets other than those measured at amortized cost are measured at fair value, and changes in their fair value are recognized as profit or loss (FVTPL). However, the Company has elected to designate some equity instruments as financial assets measured at fair value through other comprehensive income (FVTOCI) if the investments are not held for trading. A financial asset is classified as held for trading if:

• it has been acquired principally for the purpose of selling it in the near term or sales of it has occurred in the near term;
• on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or
• it is a derivative (except for derivatives that are financial guarantee contracts or designated and effective hedging instruments).

Changes in the fair value of financial assets measured at FVTOCI are directly transferred from other comprehensive income to retained earnings in the event of derecognition of such assets, and are not recognized in profit or loss. Dividend income from financial assets measured at FVTOCI is recognized in profit or loss, as part of finance income at the time when the right to receive payment of the dividend is established.

(v) Derecognition of financial assets

The Company derecognizes financial assets when, and only when the contractual rights to the cash flows from the financial assets expire, or the financial assets and substantially all the risks and rewards of ownership are transferred. In cases where the Company neither transfers nor retains substantially all the risks and rewards of ownership, but continues to control the assets transferred, the Company recognizes the retained interest in assets and related liabilities that might be payable.

(vi) Cash and cash equivalents

Cash equivalents are mainly short-term time deposits, being short-term (original maturities of three months or less), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(vii) Non-derivative financial liabilities

The Company initially recognizes debt securities and subordinated debt instruments issued by the Company on the issue date. All other financial liabilities are recognized on the transaction date on which the Company becomes a party to the contract concerning the financial instruments.

The Company derecognizes financial liabilities when the obligation specified in the contract is discharged or canceled or expires.

Financial liabilities are initially recognized at fair value, net of direct transaction costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash payments (including all fees paid, transaction costs, and other premium/discounts) through the expected life of the financial liability, or a shorter period (where appropriate) to the net carrying amount on initial recognition. At initial recognition, there was no financial liability irrevocably designated as measured at FVTPL.

(viii) Equity

Common stock

The amount of equity instruments issued by the Parent is recognized in common stock and additional paid-in capital, and direct issue costs (net of tax) are deducted from additional paid-in capital.

Treasury stock

When the Company acquires treasury stock, the sum of the consideration paid and direct transaction costs after tax is recognized as a deduction from equity.

(ix) Hedge accounting and derivatives

The Company utilizes derivative instruments primarily to manage interest rate risks, to reduce exposure to movements in foreign exchange rates, and to hedge the commodity price risk of various inventory and trading commitments. All derivative instruments are reported at fair value as assets or liabilities. In the cases the risk cannot be mitigated by utilization of transactions that have an effect of offsetting the market risks, the Company applies hedge accounting by designating such derivatives and non-derivative financial instruments, such as foreign currency-denominated debt, as a hedging instrument of either a fair value hedge, a cash flow hedge, or a hedge on net investment in foreign operations, to the extent that hedge accounting criteria are met.

The Company assesses hedge effectiveness at the start of the hedging relationship, quarterly, or when a significant change impacting on hedge effectiveness occurs, by confirming whether or not the relationship is such that changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are substantially offset by changes in the fair value or cash flows of the hedging instrument. The effect of credit risk on hedging relationships is immaterial.

Fair value hedges

Derivative instruments designated as hedging instruments of fair value hedges primarily consist of interest rate swaps used to convert fixed-rate financial assets or debt obligations to floating-rate financial assets or debt. Changes in fair values of hedging derivative instruments are recognized in profit or loss, offset against the changes in the fair value due to the risk of the related financial assets, financial liabilities, and firm commitments being hedged and are included in "Other income (expenses) - net" in the consolidated statement of income.

Effective from the early application of IFRS 9 “Financial Instruments” (revised in November 2013), hedging relationships may not be voluntarily revoked, unless there is a change in the risk management objective. Accordingly, in cases where a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective remains unchanged, the Company adjusts the hedging ratio to reestablish the effectiveness of the hedging relationship. Furthermore, the Company discontinues the application of hedge accounting in cases where there is a change in the risk management objective for the hedging relationship. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from the date on which the Company discontinues hedge accounting.

Cash flow hedges

Derivative instruments designated as hedging instruments of cash flow hedges include interest rate swaps to convert floating-rate financial liabilities to fixed-rate financial liabilities, and forward exchange contracts to offset variability in functional-currency-equivalent cash flows on forecasted sales transactions. Additionally, commodity swaps and futures contracts that qualify as cash flow hedges are utilized. The effective portion of changes in the fair values of derivatives that are designated as cash flow hedges are deferred and recognized in other comprehensive income and accumulated in “Other components of equity.” Derivative unrealized gains and losses included in “Other components of equity” are reclassified into profit or loss at the time that the associated hedged transactions are recognized in profit or loss. In the case where hedged transactions result in the recognition of non-financial assets or non-financial liabilities, the amounts recognized in “Other components of equity” are reclassified as adjustments to the initial carrying amount of the non-financial assets or non-financial liabilities. Any ineffectiveness is recognized directly in profit or loss.

Effective from the early application of IFRS 9 “Financial Instruments” (revised in November 2013), hedging relationships may not be voluntarily revoked unless there is a change in the risk management objective. Accordingly, in cases where a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective remains unchanged, the Company adjusts the hedging ratio to reestablish the effectiveness of the hedging relationship. Furthermore, the Company discontinues the application of hedge accounting in cases where there is a change in the risk management objective for the hedging relationship. Any gain or loss recognized in other comprehensive income and accumulated in “Other components of equity” at that time of discontinuing hedge accounting remains in equity and is reclassified into profit or loss when the forecasted transaction is ultimately recognized in profit or loss. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in “Other components of equity” is recognized immediately in profit or loss.

Hedges of net investment in foreign operations

The Company uses forward exchange contracts and non-derivative financial instruments such as foreign-currency-denominated debt, in order to reduce the foreign currency exposure in the net investment in a foreign operation. The effective portion of changes in fair values and so forth of hedging instruments is accumulated in "Exchange differences on translating foreign operations" within “Other components of equity.”

Derivative instruments used for other than hedging activities

The Company enters into commodity and financial derivative instruments as part of its brokerage services in commodity futures markets and its trading activities. The Company clearly distinguishes derivatives used for brokerage services and trading activities from derivatives used for risk management purposes. As part of its internal control policies, the Company has set strict limits on the positions that can be taken in order to manage potential losses for these derivative transactions, and periodically monitors the open positions to confirm compliance.

Changes in fair value of derivatives not designated as hedging instruments and held or issued for trading purposes are recognized in profit or loss.

(x) Financial guarantee contracts

Liabilities under financial guarantee contracts issued by the Company are initially measured at fair value, and if not designated as FVTPL, are subsequently measured at the higher of:

• The amount of contractual obligations calculated in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; or

• The amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with accounting policies for revenue recognition.

(xi) Offsetting financial assets and financial liabilities

If the Company currently has a legally enforceable right to set off the recognized amount of financial assets against the recognized amount of financial liabilities and has the intention either to settle on a net basis or to realize assets and settle liabilities simultaneously, the Company offsets financial assets against financial liabilities and presents the net amount in the consolidated statement of financial position.

(4) Inventories

Inventories are recognized at the lower of cost, based on the moving average method or identified cost method, or net realizable value. Net realizable value is presented at the amount of the estimated selling price of inventories, less the estimated costs of completion and the estimated costs to sell.

Inventories acquired with the purpose of generating a profit from short-term price fluctuations are measured at fair value less costs to sell.

(5) Biological assets

Biological assets are measured at fair value less costs to sell, with any changes therein recognized in profit or loss. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs. Agricultural produce harvested from biological assets is reclassified into inventories at fair value less costs to sell at the point of harvest.

(6) Property, plant, and equipment

(i) Recognition and measurement

Property, plant, and equipment are recognized at cost, net of accumulated depreciation and accumulated impairment losses.

Cost includes the expenses directly attributable to the acquisition of the assets, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs to be capitalized. If the useful life of property, plant, and equipment varies from component to component, each component is recognized as a separate item of property, plant, and equipment.

(ii) Depreciation

Land is not depreciated. Depreciation of other classes of property, plant, and equipment is calculated based on the depreciable amount. The depreciable amount is calculated by deducting the residual value from the cost of the asset or the amount equivalent to the cost. Depreciation of property, plant, and equipment other than mineral resources-related property is calculated principally using the straight-line method for buildings and structures, the straight-line or declining-balance method for machinery and equipment, and the straight-line method for aircraft and vessels mainly over the following estimated useful lives.

Buildings and structures	2 to 60 years
Machinery and equipment	2 to 45 years
Aircraft and vessels	1 to 30 years

Assets related to the acquisition of contractual rights for the exploration, evaluation, development, and production of oil and gas or mining resources are classified as mineral resources-related property. Mineral resources-related property is amortized principally using the unit-of-production method based on the proven or probable reserves.

Improvements in finance lease assets are amortized over the lesser of the useful life of the improvement or the term of the underlying lease. The above depreciation method was adopted as it most closely reflects the pattern in which the asset's future economic benefits are expected to be consumed.

The depreciation method, estimated useful life, and residual value are reviewed at each period end, and amended as necessary.

(iii) Derecognition

The carrying amount of an item of property, plant, and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant, and equipment is included in profit or loss when the item is derecognized.

(7) Investment property

Investment property is property held to earn rentals for long-term capital appreciation, or both. Real estate held for sale in the ordinary course of business (real estate held for development and resale) and real estate held to use in the production or supply of goods or services or for administrative purposes (property, plant, and equipment) are not included. The Company applies the cost method to investment property, and measures investment property at cost, net of accumulated depreciation and accumulated impairment losses. Investment property is depreciated using the straight-line method over its estimated useful life, which is mainly 1 to 50 years. An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss arising from derecognition of an item of investment property is included in profit or loss when is derecognized.

(8) Intangible assets and goodwill

(i) Research and development costs

Expenditures related to research activities to obtain new scientific or technical knowledge and understanding are recognized as an expense as incurred.

Development costs are capitalized only if they are reliably measurable, the product or process is technically and commercially feasible, it is probable that future economic benefits will be generated, and the Company has the intention and sufficient resources to complete the development and to use or sell them. Other development costs are recognized as an expense as incurred.

(ii) Other intangible assets

Other intangible assets with finite useful lives acquired by the Company are measured at cost, net of accumulated amortization and accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized but measured at cost, net of accumulated impairment losses.

(iii) Goodwill

Initial recognition

Goodwill arising from acquisition of subsidiaries is included in "Intangible assets and goodwill" in the consolidated statement of financial position. Measurement of goodwill at initial recognition is described in (1) Basis of consolidation (ii) Business combinations above.

Measurement after initial recognition

Goodwill is measured at cost, net of accumulated impairment losses. The carrying amount of investments accounted for using the equity method includes the carrying amount of goodwill.

At the time of disposal of related cash-generating units, goodwill is derecognized and the amount is recognized in profit or loss.

(iv) Amortization

Other than goodwill and intangible assets with indefinite useful lives, intangible assets are amortized by the straight-line method over their estimated useful lives when the assets become available for use.

The estimated useful life of each asset is mainly as follows:

Software	2 to 15 years
Customer relationships	4 to 24 years
Trade names	9 to 25 years
Trademarks and leasehold	5 to 99 years

The amortization method, estimated useful life, and residual value are reviewed at each period end, and amended as necessary.

(9) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Leases other than finance leases are classified as operating leases.

(i) Lease as lessor

Amounts due from lessees under finance leases are recognized as "Trade and other receivables" at the amount of net investment in the leases, and unearned income is allocated over the lease term at a constant periodic rate of return on the net investments and recognized in the fiscal year to which is attributable. Operating lease income is recognized over the term of underlying leases on a straight-line basis.

(ii) Lease as lessee

Leased assets and liabilities under finance leases are initially recognized at the lower of the present value of minimum lease payments or the fair value of leased assets at the inception of the lease. After initial recognition, leased assets are accounted for according to the accounting policies applied to the assets. Lease payments are allocated at a constant periodic rate to the outstanding balance of the leased liabilities, and are accounted for as finance cost and a reduction in the amount of leased liabilities. Operating lease payments are recognized as an expense on a straight-line basis over the contractual lease term.

(10) Oil and gas exploration and development

Oil and gas exploration and evaluation activity includes:

- Acquisition of rights to explore;
- Gathering exploration data through topographical, geological, geochemical, and geophysical studies;
- Exploratory drilling, trenching, and sampling;
- Evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation expenditures, such as geological and geophysical costs, are expensed as incurred. Exploration and evaluation expenditures, such as costs of acquiring properties, drilling and equipping exploratory wells and related plant and equipment, are capitalized as property, plant, and equipment or intangible assets. Capitalized exploration and evaluation expenditures are not depreciated until production commences. Capitalized exploration and evaluation expenditures are monitored for indications of impairment. If the capitalized expenditure is determined to be impaired, an impairment loss is recognized based on the fair value.

When capitalized exploration and evaluation expenditures have been established as commercially viable by a final feasibility study, subsequent development expenditures are capitalized and amortized using the unit-of-production method.

(11) Mining operations

Mining exploration costs are recognized as an expense as incurred until a mining project has been established as commercially viable by a final feasibility study. Once established as commercially viable, costs are capitalized and are amortized using the unit-of-production method based on the proven and probable reserves.

The stripping costs incurred during the production phase of a mine are accounted for as variable production costs and are included in the costs of the inventory produced during the period in which the stripping costs are incurred. To the extent a stripping activity improves access to ore, the stripping costs are recognized as property, plant, and equipment or an intangible asset.

For capitalized costs related to mining operations, an impairment loss is recognized based on the fair value if it is determined that commercial production cannot commence or capitalized costs are not recoverable.

(12) Non-current assets held for sale

If the carrying amount of non-current assets or disposal groups will be recovered principally through a sale transaction rather than through continuing use, the Company classifies such non-current assets or disposal groups as held for sale, and reclassifies them into current assets. This condition is regarded as met only when a non-current asset or the disposal group is available for an immediate sale in its present condition subject only to terms that are usual and customary for the sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

(13) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(14) Impairment of non-financial assets

(i) Assessment for impairment

If there are any events or changes in circumstances indicating that the carrying amount of the Company's non-financial assets, excluding inventories, deferred tax assets and so forth, may not be recoverable, the recoverable amount of such assets is estimated as there are indications of impairment. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually or more frequently if indicators of impairment are present. Goodwill that constitutes part of the carrying amount of investments accounted for using the equity method is not recognized separately, and is not tested for impairment on an individual basis. However, the total amount of investments accounted for using the equity method is assessed for indications of impairment and tested for impairment by treating it as a single asset.

Assessment for impairment is performed with respect to each asset, cash-generating unit, or group of cash-generating units. If the carrying amount of the asset, cash-generating unit, or group of cash-generating units exceeds its recoverable amount, an impairment loss is recognized in profit or loss.

The recoverable amount of the asset, cash-generating unit, or group of cash-generating units is the higher of the value in use or the fair value less costs to sell. Value in use is calculated by discounting the estimated future cash flows to the present value using a pre-tax discount rate reflecting the risks specific to the asset or the cash-generating unit.

(ii) Cash-generating units

In cases where cash flows are generated by multiple assets, the smallest unit that generates cash flows more or less independently from cash flows of other assets or groups of assets is referred to as a cash-generating unit.

A cash-generating unit to which goodwill is allocated is determined as the smallest unit at which the goodwill is monitored for internal management purposes and is a smaller unit than an operating segment. If an impairment loss is recognized in relation to a cash-generating unit, the carrying amount of any goodwill allocated to the cash-generating unit is reduced first, and if there is any residual amount, other assets of the unit are reduced pro rata on the basis of the carrying amount of each asset in the unit.

(iii) Reversal of impairment loss

Impairment recognized in the past is reversed to the recoverable amount of the asset if there are indications of reversal of impairment and changes in the estimates used to determine the asset’s recoverable amount. Reversal of an impairment loss is recognized up to the carrying amount which is calculated on the basis that no impairment loss for the asset had been recorded in prior years. However, an impairment loss recognized for goodwill is not reversed.

(15) Post-employment benefits

The Company has adopted defined benefit plans and defined contribution plans.

(i) Defined benefit plans

Obligations related to defined benefit plans are recognized in the amount of benefit obligations under such plans, net of the fair value of pension assets, in the consolidated statement of financial position. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. Benefit obligations are calculated at the discounted present value of the amount of estimated future benefits corresponding to the consideration for services already provided by employees with respect to each plan. The Company remeasures benefit obligations using information provided by qualified actuaries and pension in each period.

Increases or decreases in benefit obligations for employees' past services due to the revision of the pension plan are recognized in profit or loss.

The Company recognizes the changes in the obligations due to the remeasurement of benefit obligations and pension assets of defined benefit plans in other comprehensive income and such changes are recorded in “Other components of equity,” which are immediately reclassified into “Retained earnings.”

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans in which the employer makes a certain amount of contributions to fund post-employment benefits and does not bear obligations more than the amount contributed. Obligations to make contributions under defined contribution plans are recognized in profit or loss as expenses in the period during which services were provided by employees.

(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation, and is discounted when the time value of money is material.

Provision for decommissioning and restoration

The provision for decommissioning and restoration is reviewed and adjusted each period to reflect developments such as changes in closure dates, legislation, discount rate, or estimated future costs. The amount recognized as a liability for decommissioning and restoration is calculated as the present value of the estimated future costs determined in accordance with local conditions and requirements. An amount corresponding to the provision is capitalized as part of "Property, plant, and equipment" and "Investment property" and is depreciated over the life of the corresponding asset. The impact of unwinding of the pre-tax discount rate applied in establishing the net present value of the provision is recognized in "Finance costs." The applicable discount rate reflects the current market assessment of the time value of money prior to consideration of tax effects.

(17) Share-based compensation

Share-based compensation cost is measured at the grant date, based on the estimated fair value of share-based awards made to directors other than outside directors and executive officers, and is recognized on a straight-line basis over the vesting period with a corresponding increase in equity. The fair values of stock options are estimated using the Black-Scholes option-pricing model.

(18) Revenues

The Company recognizes revenues for each transaction. In principle, the unit of account is a single contract. However, in certain circumstances, it is necessary to apply the recognition criteria to separately identifiable components as multiple units in a single contract in order to reflect the substance of the transaction. Conversely, the recognition criteria are applied to two or more contracts together as a single unit when they are linked in such a way that the commercial interest can be achieved with a series of transactions.

Revenues are measured at the fair value of consideration received or receivable.

The Company manufactures a wide variety of products, such as metals, machinery, chemicals, and general consumer merchandise, and develops natural resources. The Company also trades a wide variety of commodities and may take an ownership risk of such inventory or merely facilitate the Company's customers' purchase and sale of commodities and other products where it earns a commission for this service.

Revenues from the sale of goods, including products and commodities, are recognized when all the following conditions are satisfied:

• Significant risks and rewards of ownership of the goods have been transferred to the buyer;
• Neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold is retained;
• The amount of revenue can be measured reliably;
• It is probable that the economic benefits associated with the transaction will flow to the Company; and
• The costs incurred, or to be incurred in respect of the transaction can be measured reliably.

If there are any trade discounts, volume rebates, etc., with respect to revenues from the sale of products and commodities, they are deducted from revenues.

Revenues from the rendering of services are recognized when all of the following conditions are met by reference to the stage of completion of the transaction at the end of the fiscal year:

• The amount of revenue can be measured reliably;
• It is probable that the economic benefits associated with the transaction will flow to the Company;
• The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
• The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenues are recognized only to the extent of the expenses that are deemed recoverable.

(i) Various streams of revenue

(a) Sale of products and commodities

The Company acts as a principal seller in manufacturing and other activities. It also acts as a principal in various trading transactions where the Company carries commodity inventory and generates a profit or loss on the spread between the bids and ask prices for commodities. Delivery in these transactions is considered to have occurred at the point in time when the delivery conditions, as agreed to by customers, have been met. This is generally when the goods have been delivered to and accepted by the customer, title to the goods has been transferred, or the implementation testing has been duly completed.

(b) Construction contracts

The Company enters into long-term construction contracts as part of its manufacturing business. Revenues from long-term construction projects are accounted for using the percentage-of-completion method in cases where the estimated costs to complete and extent of progress toward completion of long-term contracts are measured reliably and there is an enforceable agreement between the parties who can fulfill the obligations. Otherwise, construction revenue is recognized to the extent of construction costs that are deemed recoverable.

If the amount of cost incurred, plus profit exceeds the billing amount at that point in time, the excess amount is recognized in "Trade and other receivables," but if the amount is less than the billing amount at that point in time, the shortfall is recognized as "Trade and other payables." Amounts received prior to the completion of work are recognized in "Advances from customers."

(c) Rendering of services and other services

The Company performs other activities, which consist of services and rental or leasing activities. Service-related activities include performance of various services, such as financial and logistics services, information and communications, technical support, and other service-related activities. The Company is engaged in certain rental activities or leasing of properties, including office buildings, aircraft, and other industrial assets. Revenues from service-related activities are recognized when the contracted services have been rendered to third-party customers pursuant to the agreement. Refer to "(9) Leases for revenues from rental or leasing activities."

(ii) Transactions performed as an agent

The Company acts as an agent and records revenues earned from margins and commissions related to various trading transactions in which it acts as an agent. Through these trading activities, the Company facilitates its customers' purchases and sales of commodities and other products, and earns a commission for this service. The trading margins and commissions are recognized when all other revenue recognition criteria have been met.

(iii) Gross and net presentation of revenues

The Company presents revenues on a gross basis in the consolidated statement of income for transactions traded in which the Company is the primary obligor in the sale of products and commodities where the Company has general inventory risk before receiving customer orders and in services where the Company has significant risk.

For the sale of goods and the rendering of services traded, as well as transactions in which the Company acts as an agent, the revenues are presented in the consolidated statement of income on a net basis.

(19) Service concession arrangements

A service concession arrangement is an arrangement between the "grantor" (a public sector entity) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise.

With respect to service concession arrangements, revenue and costs are allocated between those relating to construction services and those relating to operation services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable.

When the amount of the arrangement consideration (including minimum revenue guarantee) for the provision of public services is substantially fixed by a contract, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration as a financial asset. The Company accounts for such financial assets in accordance with IFRS 9 "Financial Instruments," at amortized cost, calculates interest income based on the effective interest method, and recognizes it in profit or loss.

(20) Government grants

Government grants are not recognized until there is reasonable assurance that the entity will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Government grants that are mainly conditional upon the Company acquiring non-current assets by purchase, construction, or other method are recognized by deducting the grants from the carrying amount of the assets in the consolidated statement of financial position and are reclassified into profit or loss on a systematic basis based on reasonable criteria over their useful lives.

(21) Income taxes

Income tax expenses consist of current and deferred taxes. They are recognized in profit or loss, excluding those related to business combinations and items recognized directly in equity or other comprehensive income.

Deferred taxes are recognized for temporary differences between the consolidated financial statement and income tax bases of assets and liabilities.

For taxable temporary differences concerning subsidiaries, associates, and joint arrangements, deferred tax liabilities are recognized. However, deferred tax liabilities are not recognized in cases where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences concerning subsidiaries, associates, and joint arrangements are recognized only to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized only with respect to unused tax losses, unused tax credits, and deductible temporary differences where it is probable that future taxable income will be reduced. The recoverability of deferred tax assets is reviewed on the end of each fiscal year, and the Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

The Company recognizes an asset or liability for the effect of uncertainty in income taxes, and the asset or liability is measured at the amount of the reasonable estimate for uncertain tax positions when it is probable, based on the Company's interpretation of tax laws, that the tax positions will be sustained.

The Parent and its wholly-owned domestic subsidiaries file a consolidated corporate income tax return as a consolidation group.

(22) Fair value measurements

Certain assets and liabilities are required to be recognized at fair value. The estimated fair values of those assets and liabilities have been determined using market information, such as quoted market price, and valuation methodologies, such as the market approach, income approach, and cost approach. There are three levels of inputs that may be used to measure fair value.

(i) Level 1

Quoted prices (unadjusted) in active markets in which transactions take place with sufficient frequency and volume on an ongoing basis for identical assets or liabilities that the Company can access at the measurement date.

(ii) Level 2

Quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

(iii) Level 3

Unobservable inputs for the assets or liabilities that reflect the assumptions that market participants would use when pricing the assets or liabilities. The Company develops unobservable inputs using the best information available in the circumstances, which might include the Company's own data.

(Translation)

Notes Concerning Consolidated Statement of Financial Position

1. Assets pledged as collateral

(1) Pledged assets

Trade and other receivables (current and non-current)	119,762 million yen
Other investments (current and non-current)	442,458 million yen
Property, plant, and equipment (less accumulated depreciation)	115,981 million yen
Investment property (less accumulated depreciation)	20,183 million yen
Others	4,558 million yen
Total	702,942 million yen

(2) Liabilities with the pledged assets listed above

Short-term debt	21,770 million yen
Long-term debt	183,142 million yen
Guarantees of contracts and others	498,030 million yen
Total	702,942 million yen

2. Accumulated depreciation and impairment losses on property, Plant, and equipment 1,810,985 million yen

3. Accumulated depreciation and impairment losses on investment properties 29,956 million yen

4. Accumulated amortization and impairment losses on intangible assets 147,166 million yen

5. Guarantees

Financial guarantees	607,038 million yen
Performance guarantees	152,614 million yen
Total	759,652 million yen

These guarantees are credit enhancements in the form of standby letters of credit and performance guarantees in order to enable the Company's customers, suppliers, and associates to execute transactions or obtain desired financing arrangements with third parties.

Notes Concerning Consolidated Statement of Changes in Equity

Type and number of shares of treasury stock 4,597,223 shares of common stock

Notes Concerning Financial Instruments

1. Matters Concerning Financial Instruments

The Company, in the normal course of its business, deals with various financial instruments. The Company engages in business transactions with a significant number of customers in a wide variety of industries all over the world, and its receivables from, and guarantees to, such parties are broadly diversified. Consequently, in management's opinion, there is no significant concentration of credit risk in any particular region or to any specific customer. The Company manages credit risk of these financial instruments by setting and approving credit limits and by periodically monitoring the credit standing of counterparties based on the Company's credit risk management policies. The Company requires collateral to the extent considered necessary.

As for derivative transactions, the Company enters into various derivative contracts based on its risk management policy concerning counterparties to mitigate specific risks.

2. Matters Concerning Fair Value of Financial Instruments

The fair value of financial instruments has been determined using available market information, such as quoted market prices, or valuation methodologies, such as the market, income, or cost approaches.

The following assumptions and methods were used to calculate the fair value of each class of financial instrument:

The fair values of investments in marketable securities included in "Short-term investments" and "Other investments" are estimated using quoted market prices in active markets or quoted prices for identical or similar assets in markets that are not active. The fair values of non-marketable investments are estimated primarily using the discounted present value of future cash flows, comparison with similar transactions, the value of net assets per share, and third-party valuations.

For trade and other receivables that have relatively short maturities, the carrying amounts approximate fair value. The fair values of trade and other receivables that do not have short-term maturities are determined using a discounted cash flow based on estimated future cash flows, which incorporate the characteristics of the receivables, including principal and contractual interest rates, and discount rates reflecting the Company's assumptions related to credit spread.

For trade and other payables that have relatively short maturities, the carrying amounts approximate fair value. The fair values of trade and other payables that do not have short-term maturities are determined using estimated future cash flows discounted by the interest rate applied to new debt the Company incurred with similar remaining maturities and conditions.

The fair values of borrowings are estimated based on the present value of estimated future cash flows using interest rates that are currently available to the Company for debt with similar terms and remaining maturities.

The fair values of the derivative assets and derivative liabilities are estimated by pricing models using observable market inputs, such as quoted prices, interest rates, and foreign exchange rates. Derivative assets are included under "Other financial assets" and "Other current assets" and derivative liabilities are included under "Other financial liabilities" and "Other current liabilities."

The breakdown of carrying amounts and fair values of financial instruments as of March 31, 2017 is as follows:

(Millions of Yen)

	As of March 31, 2017	
	Carrying Amount	Fair Value
Financial assets:		
Short-term investments and other investments	¥2,314,332	¥2,314,020
Trade and other receivables	3,249,829	3,282,599
Derivative assets	225,177	225,177
Financial liabilities		
Trade and other payables	2,577,310	2,576,343
Bonds and borrowings	5,383,911	5,377,867
Derivative liabilities	125,392	125,392

(Figures less than one million yen are rounded to the nearest million.)

Notes Concerning Investment Property

1. Matters Concerning Investment Property

The Company holds investment property, including office buildings, commercial facilities, and other property for rent in Tokyo as well as other regions.

2. Matters Concerning Fair Value of Investment Property

As of March 31, 2017, the carrying amount of investment property was 47,959 million yen and the fair value was 67,014 million yen.

The carrying amount is calculated as the acquisition cost, net of accumulated depreciation and accumulated impairment losses.

The fair value is determined based on evaluations obtained from independent appraisers with recent appraisal experience in relation to the location and real estate type and with publically certified qualifications suited to a specialist, such as a real estate appraiser. These evaluations are based on an income approach utilizing input information, such as anticipated rent fees and discount rates.

(Translation)

Notes Concerning Per-Share Information

Total equity attributable to owners of the Parent per share	3,101.43 yen
Basic profit (loss) for the year attributable to owners of the Parent per share	277.79 yen
Diluted profit (loss) for the year attributable to owners of the Parent per share	277.16 yen

Notes Concerning Significant Subsequent Events

There have been no significant subsequent events.

(Translation)

Non-consolidated Balance Sheet

(Millions of Yen)

Item	As of March 31, 2016 (Reference only)	As of March 31, 2017
ASSETS		
Current assets	¥2,933,826	¥2,684,263
Cash and time deposits	1,084,712	839,781
Trade notes receivable	69,120	107,321
Trade accounts receivable	763,031	779,484
Short-term investments	41,538	19,215
Inventories	160,386	159,802
Real estate for sale	8,357	7,251
Advance payments to suppliers	183,948	194,445
Accounts receivable -Other	148,908	138,000
Short-term loans	382,318	373,880
Deferred tax assets - current	17,039	17,830
Other current assets	82,680	53,025
Allowance for doubtful receivables	(8,215)	(5,777)
Fixed Assets s	4,612,645	4,746,526
Net property, plant, and equipment	129,701	129,641
Buildings and structures	37,448	38,466
Land	85,645	85,645
Construction in progress	1,801	825
Other property, plant, and equipment	4,806	4,703
Intangible assets	44,608	43,479
Software	40,581	38,941
Software in progress	3,168	3,725
Other intangible assets	858	812
Total investments and other assets	4,438,334	4,573,405
Investment securities	895,190	951,089
Investments in affiliates-stock	2,896,246	3,019,091
Other investments in affiliates	48,319	23,536
Investments into capital	25,036	16,261
Investment in affiliates into capital	144,691	149,223
Long-term loans receivable	367,058	336,974
Noncurrent trade receivables	10,398	9,924
Long-term prepaid expenses	58,397	62,701
Other investments	35,955	32,653
Allowance for doubtful receivables	(42,958)	(28,049)

Item	As of March 31, 2016 (Reference only)	As of March 31, 2017
LIABILITIES AND EQUITY		
Total current liabilities	¥1,714,702	¥1,718,173
Trade notes payable	39,632	45,372
Trade accounts payable	562,119	631,020
Short-term borrowings	383,582	402,277
Bonds due for redemption within one year	251,309	209,115
Accounts payable - other	200,888	133,326
Accrued expenses	38,926	45,686
Advances received	187,712	197,850
Deposit liabilities	22,307	22,778
Provision for directors' bonuses	146	230
Other current liabilities	28,077	30,515
Noncurrent liabilities	3,498,019	3,305,509
Long-term borrowings	2,503,599	2,317,141
Bonds	878,663	868,871
Accrued pension and severance liabilities	2,390	2,625
Retirement provision for directors and executive officers	1,977	1,870
Provision for loss on guarantees of obligations	57,074	44,765
Provision for special repairs	543	661
Provision for environmental measures	11,452	11,400
Provision for loss on lease agreements	5,364	1,240
Deferred tax liabilities – noncurrent	24,896	42,774
Asset retirement obligations	1,637	1,766
Other noncurrent liabilities	10,418	12,391
Total liabilities	5,212,721	5,023,683
EQUITY		
Shareholders' equity	2,062,373	2,104,420
Common stock	204,446	204,446
Capital surplus	214,161	214,161
Additional paid-in capital appropriated for legal reserve	214,161	214,161
Retained earnings	1,658,235	1,697,928
Retained earnings appropriated for legal reserve	31,652	31,652
Other retained earnings	1,626,583	1,666,275
Reserve for deferred gain on sales of property	11,543	11,543
General reserve	1,855,760	1,527,760
Unappropriated retained earnings	(240,720)	126,972
Treasury stock	(14,470)	(12,115)
Valuation and translation adjustments	268,003	300,232

(Translation)

			Unrealized gains and losses on other securities	311,281	336,641
Deferred assets	2,480	2,915	Deferred hedging gains and losses	(43,278)	(36,409)
Bond issuance cost	2,480	2,915	Stock acquisition rights	5,854	5,368
			Total equity	2,336,230	2,410,021
Total assets	¥7,548,952	¥7,433,705	Total liabilities and equity	¥7,548,952	¥7,433,705

(Figures less than one million yen are rounded down.)

(Translation)

Non-consolidated Statement of Operations

(Millions of Yen)

Item	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016) (Reference only)	Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)
Net sales	¥5,929,566	¥5,216,706
Cost of sales	(5,810,172)	(5,098,941)
Gross profit	119,393	117,765
Selling, general, and administrative expenses	(213,412)	(216,943)
Operating loss	(94,019)	(99,178)
Non-operating income	466,487	380,673
Interest income	26,010	30,144
Dividend income	366,955	305,952
Gains on sales of property, plant, and equipment	5,142	113
Gains on sales of investment securities	51,873	28,375
Unrealized gains on investment securities	—	206
Gain on reversal of provision for doubtful receivables from affiliates	—	5,892
Other income	16,504	9,988
Non-operating expenses	(504,147)	(177,787)
Interest expense	(20,131)	(19,428)
Foreign exchange losses	(12,417)	(16,886)
Loss on sales and disposals of property, plant and equipment	(668)	(724)
Loss on sales of investment securities	(6,645)	(14,993)
Loss on write-down of investment securities	(432,679)	(113,517)
Provision for doubtful receivables from affiliates	(24,956)	—
Other expenses	(6,648)	(12,236)
Ordinary income (loss)	(131,679)	103,707
Income (loss) before income taxes	(131,679)	103,707
Income taxes – current	4,978	16,633
Income taxes – deferred	(29,627)	7,464
Net income (loss)	(¥156,328)	¥127,805

(Figures less than one million yen are rounded down.)

(Translation)

Non-consolidated Statement of Changes in Equity

(Millions of Yen)

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016) (Reference only)

	Shareholders' equity									Valuation and translation adjustments			Stock acquisition rights	Total equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity	Unrealized gains on other securities	Deferred hedging gains	Total valuation and translation adjustments		
		Additional paid-in capital appropriated for legal reserve	Other capital surplus	Retained earnings appropriated for legal reserve	Other retained earnings									
					Reserve for deferred gain on sales of property	General reserve	Unappropr-iated retained earnings							
Balance as of April 1, 2015	¥204,446	214,161	—	31,652	11,271	1,723,760	226,855	(7,715)	2,404,431	408,764	(128,619)	280,144	5,947	2,690,523
Changes during the fiscal year														
Dividends							(88,222)		(88,222)					(88,222)
Increase in reserve due to change in tax rate					272		(272)		—					—
Transfer to general reserve						132,000	(132,000)		—					—
Net loss							(156,328)		(156,328)					(156,328)
Purchases of treasury stock								(100,013)	(100,013)					(100,013)
Sales of treasury stock							(432)	2,939	2,506					2,506
Cancellation of treasury stock							(90,319)	90,319	—					—
Net changes in items other than shareholders' equity during the fiscal year									—	(97,482)	85,341	(12,141)	(92)	(12,234)
Total changes during the fiscal year	—	—	—	—	272	132,000	(467,576)	(6,755)	(342,058)	(97,482)	85,341	(12,141)	(92)	(354,292)
Balance as of March 31, 2016	204,446	214,161	—	31,652	11,543	1,855,760	(240,720)	(14,470)	2,062,373	311,281	(43,278)	268,003	5,854	2,336,230

(Figures less than one million yen are rounded down)

(Millions of Yen)

Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

	Shareholders' equity									Valuation and translation adjustments			Stock acquisition rights	Total equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity	Unrealized gains on other securities	Deferred hedging gains	Total valuation and translation adjustments		
		Additional paid-in capital appropriated for legal reserve	Other capital surplus	Retained earnings appropriated for legal reserve	Other retained earnings									
					Reserve for deferred gain on sales of property	General reserve	Unappropr-iated retained earnings							
Balance as of April 1, 2016	¥204,446	214,161	—	31,652	11,543	1 855,760	(240,720)	(14,470)	2,062,373	311,281	(43,278)	268,003	5,854	2,336,230
Changes during the fiscal year														
Dividends							(87,170)		(87,170)					(87,170)
Increase in retained earnings due to change in tax rates									—					—
Transfer to general reserve						(328,000)	328,000		—					—
Net income							127,805		127,805					127,805
Purchase of treasury stock								(9)	(9)					(9)
Sales of treasury stock							(942)	2,364	1,422					1,422
Cancellation of treasury stock									—					—
Net changes in items other than shareholders' equity during the fiscal year									—	25,359	6,869	32,228	(485)	31,743
Total changes during the fiscal year	—	—	—	—	—	(328,000)	367,692	2,355	42,047	25,359	6,869	32,228	(485)	73,790
Balance as of March 31, 2017	204,446	214,161	—	31,652	11,543	1,527,760	126,972	(12,115)	2,104,420	336,641	(36,409)	300,232	5,368	2,410,021

(Figures less than one million yen are rounded down)

(Translation)

Notes to Non-consolidated Financial Statements

Notes Concerning Significant Accounting Policies (Non-consolidated Financial Statements for the Year Ended March 31, 2017)

1. Measurement and Valuation Method of Inventories

Inventories held for ordinary sale are measured at the lower of cost or net realizable value. Cost is determined by the average cost method or specific identification method.

2. Measurement and Valuation Method of Securities

Securities are measured as follows:

- Held-to-maturity securities: at amortized cost
- Securities issued by subsidiaries and affiliated companies: at cost (the cost of securities sold is determined based on the moving average method)
- Other securities

  Marketable securities: at fair value as determined by the market value at the end of the fiscal year.

  (Unrealized gains and losses are recorded in equity. The cost of securities sold is determined based on the moving average method.)

  Non-marketable securities: at cost, based on the moving average method

3. Derivatives

Derivatives are measured at market value.

For those derivative financial instruments used to manage exposures to fluctuations in foreign exchange rates, interest rates, and commodity prices, hedge accounting is applied when the hedge effectiveness requirements are met.

4. Depreciation Method of Property, Plant, and Equipment

Depreciation of property, plant and equipment (excluding leased assets) is calculated using the declining-balance method. However, depreciation of buildings (excluding fixtures) acquired after March 31, 1998, as well as facilities attached to buildings and other structures acquired after March 31, 2016, is calculated using the straight-line method.

Intangible assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method, based on an estimated useful life of no more than 15 years.

Leased assets under finance leases other than those that transfer ownership are depreciated using the straight-line method based on the lease term as the useful life and residual value of zero. Finance leases other than those that transfer ownership, beginning prior to April 1, 2008, are accounted for as ordinary operating leases.

5. Amortization Method of Deferred Assets

Bond issuance expenses are amortized by the interest method over the bond term.

6. Foreign Currency Translation of Assets and Liabilities

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at year-end exchange rates with the resulting exchange gains or losses recognized in the nonconsolidated statement of income.

7. Accounting for Allowance for Doubtful Receivables

The allowance for doubtful receivables is established, as to general allowance, based on the Parent’s past credit loss experience, and as to individual doubtful receivables, based on evaluation of potential losses in the receivables outstanding.

8. Accounting for Provision for Directors’ Bonuses

The provision for directors’ bonuses represents the amount deemed to have been incurred in the fiscal year, based on projected payments at the end of the fiscal year.

9. Accounting for Accrued Pension and Severance Liabilities

Accrued pension and severance liabilities are accounted for based on the projected benefit obligations and the plan assets at the balance sheet date.

The unrecognized net actuarial loss is amortized using the straight-line method over the average remaining service period of active employees in service from the following fiscal year. Prior service costs are amortized using the straight-line method over the average remaining service period of employees.

10. Accounting for Retirement Provision for Directors and Executive Officers

Retirement provisions for Directors and Executive Officers are provided at the amount of estimated retirement benefits to be paid at the end of the fiscal year based on calculation formulas in the by-laws.

The retirement bonuses plan for Directors and Executive officers was abolished in the fiscal year ended March 31, 2008. The provision balance as of March 31, 2016, relates to the previous plan.

11. Accounting for Provision for Loss on Guarantees of Obligations

The Parent provides for contingent losses on guarantees of obligations of subsidiaries and other parties in the amount deemed necessary in consideration of their financial conditions and other factors.

12. Accounting for Provision for Special Repairs

The provision for special repairs is provided at the amount allocated to the period based on the estimated amount of expenses required for mandated regular open inspections of oil storage tanks.

13. Accounting for Provision for Environmental Measures

The provision for environmental measures is provided in the amount deemed necessary to cover expenditures for the cost of transport, treatment, and other processing of waste materials for which treatment is mandated by laws and regulations.

14. Accounting for Provision for Loss on Lease Contracts

The provision for loss on lease contracts is provided in the amount deemed necessary for any losses that arise during the non-cancellation period when facilities can no longer be expected to be utilized by the Company, through in-house use, resale, or other means in accordance with facility rental agreements.

15. Accounting for Consumption Tax and Similar Local Taxes

Consumption tax and similar local taxes are excluded from income and expenses.

16. Income Taxes

The Parent applies the consolidated tax return filing system.

Notes Concerning Changes in Accounting Policies

Adoption of the “Practical Solution on a change in depreciation method due to Tax Reform 2016”

The Company has adopted the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (Accounting Standards Board of Japan Practical Issue Task Force No. 32, June 17, 2016), in accordance with revisions to the Corporation Tax Act. Accordingly, the Company has changed the depreciation method for facilities attached to buildings and other structures acquired after March 31, 2016 from the declining-balance method to the straight-line method.

This adoption had no significant impact on the financial statements for the fiscal year ended March 31, 2017.

(Translation)

Notes to Non-consolidated Balance Sheet

1. Assets pledged as collateral and significant liabilities with collateral

(1) Assets pledged as collateral

Short-term loans	4	million yen
Investment securities	11,342	million yen
Investments in affiliates – stock	67,237	million yen
Investments in affiliates into capital	2,448	million yen
Long-term loans	50	million yen
Other	15,718	million yen
Total	96,799	million yen

(Note)

"Other" consists primarily of lease deposits and guarantees related to operating transactions and derivative transactions

(2) Significant liabilities with collateral

The Parent pledges its assets as collateral against transaction guarantees and the liabilities of affiliates, but does not have collateral pledged against its liabilities.

2. Accumulated depreciation for property, plant, and equipment 80,718 million yen

3. Credit guarantee of indebtedness

Guarantees for borrowings from banks and others by customers and suppliers

(Affiliate) MITSUBISHI CORPORATION FINANCE PLC	192,360	million yen
(Affiliate) MITSUBISHI DEVELOPMENT PTY LTD	171,205	million yen
(Affiliate) PETRO DIAMOND COMPANY LIMITED	169,207	million yen
(Affiliate) Mitsubishi Corporation RtM Japan Ltd.	163,430	million yen
(Affiliate) PE WHEATSTONE PTY LTD	159,465	million yen
(Affiliate) MC FINANCE AUSTRALIA PTY LTD	139,059	million yen
(Affiliate) TRI PETCH ISUZU LEASING CO., LTD.	92,077	million yen
(Affiliate) P.T. DIPO STAR FINANCE	83,208	million yen
(Affiliate) CUTBANK DAWSON GAS RESOURCES LTD	79,383	million yen
Others (192 companies)	1,246,567	million yen
Total	2,495,966	million yen

The table above includes quasi-guarantees on bank loans and other liabilities.

In addition to the above, the Parent has a Keep Well Agreement with Mitsubishi International Corporation, an affiliate, in connection with the issuance of its commercial paper and other financial obligations. Although the agreement does not present a guarantee by the Parent to service the debt obligations of this affiliate, it promises the Parent will provide funds for pledging to financial and other institutions in the event that the affiliate experiences either a decline in net assets below a predetermined amount or a shortage in current assets required for paying its debt obligations.

However, as of the end of the fiscal year, this affiliate had maintained net assets above the predetermined amount and had experienced no shortage in current assets.

In addition to the above-mentioned credit guarantees for borrowings from banks and others by customers and suppliers, the Parent provides performance guarantees for LNG projects. These performance guarantees are guarantees of the payments for the participating interest in these projects, guarantees for the future funding commitment in accordance with the joint venture agreement, and guarantees of the payment of usage fees for natural gas liquefaction facilities. These guarantees amounted to 674,779 million yen as of March 31, 2017. The main projects included in the above are those in North America and Australia.

4. Trade notes discounted 53,703 million yen

5. Due from/to affiliates:

Short-term receivables	656,043	million yen
Long-term receivables	335,900	million yen
Short-term payables	244,439	million yen

Notes to Non-consolidated Statement of Income

1. Transactions with affiliates

Operating transactions		
Sales	1,548,197	million yen
Purchases	947,749	million yen
Transactions other than operating transactions	278,519	million yen

2. Provision for doubtful receivables from affiliates and gain on reversal of provision for doubtful receivables from affiliates

Provision for doubtful receivables from affiliates and gain on reversal of provisions for doubtful receivables from affiliates primarily include provisions for doubtful receivables and for loss on guarantees of obligations of affiliates, net of reversals.

Notes to Statement of Changes in Equity

1. Number of shares issued at the end of the fiscal year — Common stock 1,590,076,851 shares

2. Number of shares of treasury stock at the end of the fiscal year — Common stock 4,556,494 shares

3. Matters concerning dividends

(1) Matters concerning dividends paid during the fiscal year under review

Resolution	Class of Shares	Total Dividend	Dividend per Share	Record Date	Effective Date
June 24, 2016 Ordinary General Meeting of Shareholders	Common stock	39,616 million yen	25 yen	March 31, 2016	June 27, 2016
November 4, 2016 Board of Directors Meeting	Common stock	47,555 million yen	30 yen	September 30, 2016	December 1, 2016

(2) Matters concerning dividends to be paid after the end of the fiscal year under review

The Parent plans to submit the following proposal for approval at the Ordinary General Meeting of Shareholders on June 23, 2017.

Total dividend:	79,276,017,850 yen
Dividend per share of common stock:	50 yen
Effective date:	June 26, 2017
Source of funds for dividend:	Retained earnings
Record date:	March 31, 2017

4. Number of shares resulting from the potential exercise of stock acquisition rights at the end of the fiscal year

3,268,200 shares of common stock (excluding shares for which the exercise period has not commenced)

(Translation)

Notes Concerning Income Tax Effects

1. Breakdown of the significant components of deferred tax assets and liabilities

Deferred tax assets		
Allowance for doubtful receivables	23,958	million yen
Accrued expenses	10,580	million yen
Loss on write-down of investment securities	209,625	million yen
Impairment loss on property, plant, and equipment and real estate held for sale	484	million yen
Deferred hedging gains and losses	17,156	million yen
Tax loss carry forwards	17,093	
Other	33,170	million yen
Subtotal	312,068	million yen
Less valuation allowance	(161,987)	million yen
Total deferred tax assets	150,081	million yen
Deferred tax liabilities		
Expenses related to accrued pension and severance liabilities	(1,574)	million yen
Reserve for deferred gain on sales of property	(5,094)	million yen
Unrealized gain on other securities	(155,068)	million yen
Other	(13,286)	million yen
Total deferred tax liabilities	(175,024)	million yen
Net deferred tax assets (liabilities)	(24,944)	million yen
Current assets	17,830	million yen
Non-current liabilities	(42,774)	million yen

2. Reconciliation of the combined statutory income tax rate to the effective income tax rate after giving effect to income tax allocation

Statutory effective tax rate	30.9%
(Adjustments)	
Expenses not deductible for income tax purposes	1.5%
Dividends	(71.2%)
Foreign tax	3.1%
Downward revisions of deferred tax assets resulting from a change in tax rate	1.3%
Combined income of special foreign subsidiaries, etc.	2.1%
Valuation allowance	7.6%
Other	1.5%
Burden ratio such as corporation tax after application of tax-effect accounting	(23.2%)

(Translation)

Notes Concerning Transactions with Related Parties

Category	Name of Company	Ownership interest of voting rights	Relationship With Related Party	Transactions	Transaction Amount (Million yen)	Financial line items	Year-end Balance (Million yen)
Subsidiary	MC FINANCE & CONSULTING ASIA PTE. LTD.	Directly held 100%	Advance of funds	Advance of funds (Note 1) Interest received (Note 1)	170,081 1,876	Short-term loans Long-term loans Others (current assets)	74,304 134,659 222
Subsidiary	MITSUBISHI CORPORATION FINANCE PLC	Directly held 100%	Advance of funds	Advance of funds (Note 1) Interest received (Note 1)	11,249 90	Short-term loans Others (current assets)	129,018 32
			Guarantee obligations	Guarantee obligations (Note 2) Receipt of guarantee fees (Note 2)	192,360 179	—	—
Subsidiary	Mitsubishi International Corporation	Indirectly held 100%	Advance of funds	Advance of funds (Note 1) Interest received (Note 1)	68,666 480	Short-term loans Others (current assets)	100,971 43
Subsidiary	Mitsubishi Corporation Financial & Management Services (Japan) Ltd.	Directly held 100%	Borrowing of funds	Borrowing of funds (Note 1) Interest expenses (Note 1)	30,875 16	Short-term Borrowings Others (current liabilities)	117,687 5
Subsidiary	MITSUBISHI DEVELOPMENT PTY LTD	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 2) Receipt of guarantee fees (Note 2)	171,205 672	— —	—
Subsidiary	PETRO DIAMOND COMPANY LIMITED	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 3)	169,207	—	—
Subsidiary	Mitsubishi Corporation RtM Japan Ltd.	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 2) Receipt of guarantee fees (Note 2)	163,430 31	— —	—
Affiliated company	PE WHEATSTONE PTY LTD	Indirectly held 39.66%	Guarantee obligations	Guarantee obligations (Notes 2 and 4) Receipt of guarantee fees (Note 2)	159,465 1,099	— —	—
Subsidiary	MC FINANCE AUSTRALIA PTY LTD	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 5)	139,059	— —	—
Subsidiary	TRI PETCH ISUZU LEASING CO., LTD.	Directly held 43.50% Indirectly held 50%	Guarantee obligations	Guarantee obligations (Note 2) Receipt of guarantee fees (Note 2)	92,077 48	— —	—
Subsidiary	P.T. DIPO STAR FINANCE	Indirectly held 95%	Guarantee obligations	Guarantee obligations (Note 2) Receipt of guarantee fees (Note 2)	83,208 807	— —	—
Subsidiary	CUTBANK DAWSON GAS RESOURCES LTD	Indirectly held 100%	Guarantee obligations	Guarantee obligations (Note 2) Receipt of guarantee fees (Note 2)	79,383 360	— —	—

Transaction terms and policy

(Notes)

1. The Parent determines conditions of advances and borrowings reasonably based on market interest rates.

2. The Parent provides guarantees for bank loans and receives a guarantee fee based on market interest rates.
3. The Parent provides guarantees for bank loans, but does not receive a guarantee fee because the Company effectively serves only as an agent for the Parent.
4. In connection with the LNG project in Australia discussed under "3. Credit guarantee of indebtedness" in "Notes to Non-consolidated Balance Sheet," the Parent provides a joint performance guarantee for the affiliated company.
5. Almost all of the assets used to fund the repayment of the bank loans of the Company are advances of funds to the Parent's related parties, and the Parent provides guarantees separately for those advances of funds and receives guarantee fees. Therefore, the Parent does not receive a guarantee fee from the company for guarantees for the bank loans of the company.
6. In addition to the above, in connection with LNG projects in North America discussed under "3. Credit guarantee of indebtedness" in "Notes to Non-consolidated Balance Sheet," Mitsubishi Corporation provides performance guarantees for its subsidiaries.

Notes Concerning Per Share Information

Net assets per share	1,516.63 yen
Basic net income per share	80.63 yen
Diluted net income per share	80.45 yen

Notes Concerning Significant Subsequent Events

There have been no significant subsequent events.

(Translation)

Consolidated Statement of Comprehensive Income (Reference only) (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 2016 (From April 1, 2015 to March 31, 2016)	Fiscal year ended March 2017 (From April 1, 2016 to March 31, 2017)
Profit(loss) for the year	(¥132,664)	¥480,074
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss for the year		
Gains (losses) on other investments designated as FVTOCI	(294,716)	111,869
Remeasurement of defined benefit pension plans	(49,636)	26,832
Share of other comprehensive income of equity method investees	(25,493)	5,471
Total	(369,845)	144,172
Items that may be reclassified to profit or loss for the year		
Cash flow hedges	2,259	1,359
Exchange differences on translating foreign operations	(274,809)	(62,975)
Share of OCI of equity method investees	(35,336)	(65,307)
Total	(307,886)	(126,923)
Total other comprehensive income (loss), net of tax	(677,731)	17,249
Total comprehensive income (loss)	(¥810,395)	¥497,323
Comprehensive income (loss) attributable to:		
Owners of the Parent	(¥788,323)	¥452,465
Non-controlling interests	(22,072)	44,858
	(¥810,395)	¥497,323

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Consolidated Statement of Cash Flows (Reference only) (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)
Operating activities		
Profit (loss) for the year	(¥132,664)	¥480,074
Adjustments to reconcile profit (loss) for the year to net cash provided by operating activities:		
Depreciation and amortization	219,699	201,117
Gains on investments	(46,334)	(83,288)
Losses on property, plant, and equipment	81,152	88,762
Finance income - net of finance costs	(72,262)	(82,852)
Share of (profit) loss of investments accounted for using the equity method	175,389	(117,450)
Income taxes	39,841	121,366
Changes in trade receivables	300,823	(226,319)
Changes in inventories	211,722	(115,595)
Changes in trade payables	(293,040)	194,692
Other – net	85,751	(55,342)
Dividends received	216,206	218,960
Interest received	87,112	85,010
Interest paid	(70,594)	(64,797)
Income taxes paid	(102,696)	(61,334)
Net cash provided by operating activities	700,105	583,004
Investing activities		
Payments for property, plant, and equipment	(249,062)	(160,055)
Proceeds from sales of property, plant, and equipment	45,582	26,924
Payments for investment property	(23,317)	(8,696)
Proceeds from disposal of investment property	28,233	26,893
Purchases of investments accounted for using the equity method	(336,495)	(139,747)
Proceeds from disposal of investments accounted for using the equity method	68,749	98,475
Acquisitions of businesses - net of cash acquired	(12,873)	(74,694)
Proceeds from disposal of businesses - net of cash divested	12,208	1,365
Purchases of other investments	(314,697)	(117,283)
Proceeds from disposal of other investments	139,489	135,994
Increase in loans receivable	(77,302)	(43,331)
Collection of loans receivable	290,513	100,307
Net increase in time deposits	(74,882)	(25,737)
Net cash used in investing activities	(503,854)	(179,585)

Item	Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Financing activities:		
Net decrease in short-term debts	(19,719)	(111,480)
Proceeds from long-term debts - net of issuance costs	979,730	671,204
Repayment of long-term debts	(1,109,316)	(1,190,052)
Payment of dividends	(88,223)	(87,170)
Payment of dividends to non-controlling interests	(25,199)	(19,722)
Payment for the acquisition of subsidiary's interests from non-controlling interests	(6,001)	(31,469)
Proceeds from the sales of a subsidiary's interest to non-controlling interests	2,976	16,535
Net decrease in treasury stock	(98,776)	(8)
Net cash used in financing activities	(364,528)	(752,162)
Effect of exchange rate changes on cash and cash equivalents	(55,952)	(6,703)
Net decrease in cash and cash equivalents	(224,229)	(355,446)
Cash and cash equivalents, beginning of year	1,725,189	1,500,960
Cash and cash equivalents, end of year	¥1,500,960	¥1,145,514

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Segment Information (Reference only) (Prepared based on IFRS)

(Millions of Yen)

	Global Environmental & Infrastructure Business	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total	Other	Adjustments and Eliminations	Consolidated
Fiscal year ended March 31, 2016											
Gross profit (loss)	¥37,834	61,774	35,405	139,109	198,021	112,564	505,041	1,089,748	10,114	(985)	1,098,877
Share of profit (loss) of investments accounted for using the equity method	28,787	17,536	(3,985)	(278,896)	25,133	15,424	20,190	(175,811)	1,123	(701)	(175,389)
Profit (loss) for the year attributable to owners of the Parent	29,228	40,307	(9,763)	(360,732)	62,224	30,513	73,474	(134,749)	4,071	(18,717)	(149,395)
Total assets	1,011,818	870,322	2,036,199	3,557,899	1,726,900	870,506	3,169,251	13,242,895	3,319,226	(1,645,865)	14,916,256
Fiscal year ended March 31, 2017											
Gross profit (loss)	¥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 (loss) 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

(Figures less than one million yen are rounded to the nearest million.)

(Notes)

1. "Other" represents the corporate departments that 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" include certain income and expense items that are not allocated to reportable operating segments and intersegment eliminations.
3. Effective from the fiscal year ended March 31, 2017, the environment-related businesses of the Global Environmental and Infrastructure Business have been managed and controlled as an independent business segment, as with the infrastructure-related businesses. In conjunction with this, the environment-related businesses that had been included in “Other” have been included in the Global Environmental and Infrastructure Business. Segment information for the fiscal year ended March 31, 2016 has been restated to reflect this change.

(Translation)

INDEPENDENT AUDITOR'S REPORT

May 16, 2017

To the Board of Directors of Mitsubishi Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Yoshiaki Kitamura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kazuaki Furuuchi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kenichi Yoshimura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Noriaki Kobayashi

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of March 31, 2017 of Mitsubishi Corporation (the "Company") and its consolidated subsidiaries, and the consolidated statements of profit or loss and changes in equity for the fiscal year from April 1, 2016 to March 31, 2017, and related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2017, and the results of their operations for the year then ended.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(Translation)

INDEPENDENT AUDITOR'S REPORT

May 16, 2017

To the Board of Directors of Mitsubishi Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Yoshiaki Kitamura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kazuaki Furuuchi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kenichi Yoshimura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Noriaki Kobayashi

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet as of March 31, 2017 of Mitsubishi Corporation (the "Company"), and the related non-consolidated statements of operations and changes in equity for the fiscal year from April 1, 2016 to March 31, 2017, and a summary of significant accounting policies and other explanatory information, and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the non-consolidated financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2017, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

(Translation)

AUDIT REPORT OF THE AUDIT & SUPERVISORY BOARD (COPY)

This audit report was prepared following discussions based on the audit reports of each Audit & Supervisory Board Member concerning the conduct of the Directors in the execution of their duties during the Company's fiscal year from April 1, 2016 to March 31, 2017. The Audit & Supervisory Board submits its report as follows.

1. Methods and Details of Audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board determines auditing policies, the division of duties and other matters, and receives reports from each Audit & Supervisory Board Member on the status and results of audits. In addition, the Audit & Supervisory Board received reports from Directors, and the independent auditors, and others concerning the execution of their duties, and requested explanations when deemed necessary.

(2) In accordance with the auditing policies and division of duties and in conformity with standards for audits by Audit & Supervisory Board Members, as determined by the Audit & Supervisory Board, each Audit & Supervisory Board Member worked to gather information and create an effective audit environment by keeping channels of communication open with Directors, the Internal Audit Department, employees and others. At the same time, the Audit & Supervisory Board Members conducted audits through the following approach.

(a) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important management meetings, requested reports from Directors, employees and others concerning the execution of their duties as well as explanations when deemed necessary, and examined important documents supporting decisions and other records and surveyed the status of operations and assets at the Head Office and main offices. In addition, the Audit & Supervisory Board kept channels of communication open and exchanged information with Directors, Audit & Supervisory Board Members and other employees of subsidiaries, and received business reports from subsidiaries when deemed necessary.

(b) The Audit & Supervisory Board regularly received reports from Directors, employees and others about the operation of the internal control system, which was designed based on the Board of Directors resolutions, pursuant to Article 100, Paragraphs 1 and 3 of the Companies Act enforcement regulations as essential for ensuring the execution of duties by Directors described in the business report conforms with laws and the Company's Articles of Incorporation and for otherwise ensuring proper business conduct by the conglomerate consisting of the Company and its subsidiaries. The Audit & Supervisory Board requested explanations when deemed necessary and Audit & Supervisory Board Members expressed their opinions.

(c) Moreover, each Audit & Supervisory Board Member monitored and verified whether the independent auditors, Deloitte Touche Tohmatsu LLC, maintained independence and conducted proper audits. At the same time, reports were received from the independent auditor regarding the status of the execution of its duties, and explanations were requested where deemed necessary. The Audit & Supervisory Board also received notification from the independent auditors that it had established a system for ensuring that duties are performed properly, as prescribed by items in Article 131 of the Accounting Ordinance of the Companies Act, in accordance with the Standards for Quality Control of Audit, as issued by the Business Accounting Council on October 28, 2005. Explanations were requested where deemed necessary.

Based on the above approach, the Audit & Supervisory Board examined the business reports and the accompanying supplemental schedules and non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of operations, non-consolidated statement of changes in equity, and a summary of significant accounting policies and other explanatory information) and the accompanying supplemental schedules of the company as well as the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, and consolidated statement of change in equity and a summary of significant accounting policies and other explanatory information) for the fiscal year under review.

(Translation)

2. Audit Results

(1) Results of Audit of Business Reports, etc.

As a result of these activities, we certify that:

(a) the business report and the accompanying supplemental schedules present the Company's situation correctly in accordance with laws and ordinances and the Articles of Incorporation of the Company;

(b) there was no improper behavior detected on the part of Directors in the conduct of their duties and no grave instances of violations of either applicable laws or ordinances or the Articles of Incorporation of the Company; and

(c) the details of the Board of Directors' resolutions concerning the internal control system were appropriate and adequate. Furthermore, there was nothing we must point out regarding the contents of the business report or the performance of duties by Directors in connection with said internal control system.

(2) Results of Audit of Non-consolidated Financial Statements and the Accompanying Supplemental Schedules

We confirm that the auditing method and results of the independent auditors, Deloitte Touche Tohmatsu LLC, are appropriate and adequate.

(3) Results of Audit of Consolidated Financial Statements

We confirm that the auditing method and results of the independent auditors, Deloitte Touche Tohmatsu LLC, are appropriate and adequate.

May 17, 2017

Mitsubishi Corporation Audit & Supervisory Board
Hideyuki Nabeshima
Senior Audit & Supervisory Board Member (full-time)

Hiroshi Kizaki
Audit & Supervisory Board Member (full-time)

Tadashi Kunihiro
Audit & Supervisory Board Member

Ikuo Nishikawa
Audit & Supervisory Board Member

Yasuko Takayama
Audit & Supervisory Board Member

(Note)

Audit & Supervisory Board Members Tadashi Kunihiro, Ikuo Nishikawa and Yasuko Takayama fulfill the conditions for Outside Audit & Supervisory Board Members as provided for in Article 2-16 and Article 335, Paragraph 3 of the Companies Act.

(Translation)

Information on Exercising Voting Right

Please refer to the Notice of 2017 Ordinary General Meeting of Shareholders (page 1) and exercise your voting right using one of the following methods.

- **Attend the general meeting of shareholders**

  Please submit your voting form to the receptionist at the venue.

  Time and date of the general meeting of shareholders is 10:00 a.m. on Friday, June 23, 2017 (Japan Time).

- **Mail**

  Please indicate your approval or disapproval of the proposals on the voting form and return it by mail.

  Voting forms must arrive no later than 5:30 p.m. on Thursday, June 22, 2017 (Japan Time).

- **Internet**

  Please access the voting website (http://www.evote.jp/) and enter your approval or disapproval of the proposals.

  Deadline for exercising voting right is 5:30 p.m. on Thursday, June 22, 2017 (Japan Time).

  ‣‣‣Please see the following page for details.

(Note)

If you are attending the Ordinary General Meeting of Shareholders, the procedures for exercising voting right via mail (voting form) or the Internet are unnecessary.

(Translation)

Procedures for Exercising Voting Right via the Internet

If you exercise your voting right via the Internet, please refer the following.

1. About the Internet Voting Website

(1) You can exercise your voting right via the Internet by accessing the voting website (http://www.evote.jp/) from a computer, smartphone or mobile phone. (Please note that the site cannot be accessed between 2 a.m. and 5 a.m. daily in Japan Time).

(2) Depending on your Internet usage environment, the service you subscribe to, the type of device you are using or other factors, you may not be able to properly access the website to exercise your voting right.

(3) The website will accept your votes until 5:30 p.m. on Thursday, June 22, 2017 (Japan Time). We advise you to exercise your voting right as early as possible. Please contact the help desk (please refer to information below) if you have any questions.

2. How to Exercise Your Voting Right via the Internet

(1) Once you have accessed to the Internet voting website (http://www.evote.jp/), please enter your login ID and temporary password shown on the bottom right of the voting form. Please cast your vote by following the directions on the screen.

(2) To avoid unauthorized access and tampering, the website will ask you to set a new password once you log on to the website.

3. How We Process Multiple Votes

(1) If you exercise your voting right by both mail and via the Internet, the vote you enter via the Internet will be counted as valid.

(2) If you exercise your voting right multiple times via the Internet, the last vote you enter will be counted as valid.

4. Fees For Accessing the Internet Voting Website

The shareholder will pay all fees arising from accessing the Internet voting website (Internet connection fees, communications fees, etc.) via a computer, smartphone or mobile phone.

<**Institutional Investors**>

Please exercise your voting right using the voting platform operated by ICJ if you have applied to use it in advance.