Mitsubishi Corporation

# INVESTORS' NOTE

First-and Second-Quarter Reports
for Year Ending March 2014

NOV. 2013 No.37

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# To Our Shareholders

## Implementing "New Strategic Direction —Charting a New Path Toward Sustainable Growth" to Maximize Our Value as a *Sogo Shosha*

**Ken Kobayashi**
President and CEO

### Consolidated Operating Results for the Six Months Ended September 2013 (From April 1 to September 30, 2013)

## Achieved 62% of Full-Year Net Income Forecast
## Earnings Higher on a Year-Over-Year Basis

I am pleased to address the shareholders of Mitsubishi Corporation (MC) through this newsletter.

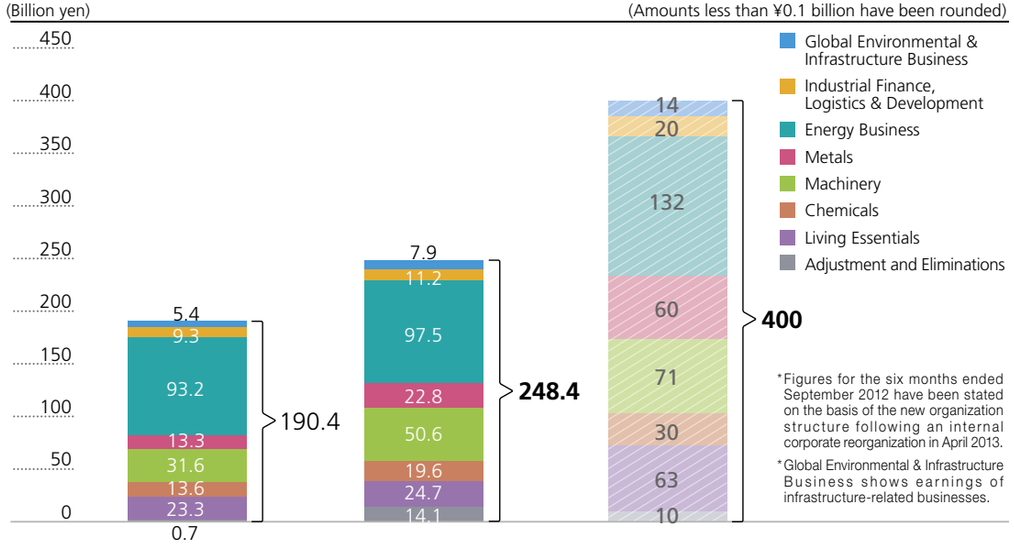
Let me begin by reporting on our consolidated operating results for the six months ended September 2013.

In the first six months of the year ending March 2014, the U.S. economy continued to experience a modest recovery, and in Europe there were signs that the economy had bottomed out. Meanwhile, emerging economies, while also showing signs of

bottoming out in some quarters, generally lacked strength in internal demand, resulting in a continued slowdown in growth. The Japanese economy, on the other hand, saw a moderate recovery, with the government policies underpinning the economy. Internal demand, including personal consumption, was also robust.

Against this backdrop, net income for the six months ended September 2013 was ¥248.4 billion, up 30% on a year-over-year basis, achievement rate of 62% of our full-year net income forecast. The highlight of this result is that all segments reported higher net income. In the Machinery Group, automobile-related businesses performed steadily, particularly in Asia, and the Metals Group saw earnings rebound following the end of strike action at the Australian resource-related subsidiary (coking coal). We will continue to work as one to achieve our ¥400 billion full-year net income forecast.

## Net Income by Business Group




| Six months ended Sept. 2012 | **Six months ended Sept. 2013** | **Year ending March 2014 (Forecast)** |
|---|---|---|

Net income, as used in this *INVESTORS' NOTE*, refers to net income attributable to MC, excluding non-controlling interests.
Also, shareholders' equity refers to total MC shareholders' equity, excluding non-controlling interests.



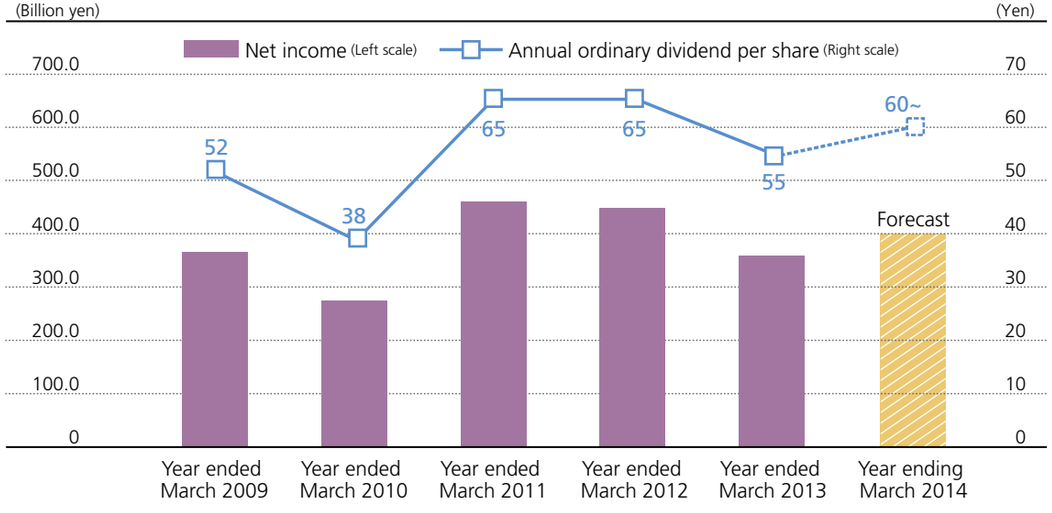
## Dividend

# Two-Staged Dividend Policy Introduced ¥30 Interim Dividend per Share

For the three-year period from the year ending March 2014, we have introduced a two-staged dividend policy with a base and a variable portion in order to provide a stable dividend to shareholders regardless of changes in the business environment.

In accordance with this policy, we plan to pay an annual dividend of at least ¥60 per share providing that we achieve our ¥400 billion full-year net income forecast. MC has decided to pay an interim dividend of ¥30 per share, as forecasted.

## Net Income and Dividend per Share




| | Year ended March 2009 | Year ended March 2010 | Year ended March 2011 | Year ended March 2012 | Year ended March 2013 | Year ending March 2014 |
|---|---|---|---|---|---|---|
| Interim dividend (yen) | 36 | 17 | 26 | 32 | 25 | 30 |
| Year-end dividend (yen) | 16 | 21 | 39 | 33 | 30 | 30 |
| Annual dividend (yen) | 52 | 38 | 65 | 65 | 55 | ¥60~ |
| Consolidated dividend payout ratio | 23% | 23% | 23% | 24% | 25% | 25% |

Prospective dividend

Consolidated dividend payout ratio is rounded

**Progress With "New Strategic Direction"**

# Maximizing Mitsubishi Corporation's Value to Achieve Our Circa 2020 Growth Vision

In May 2013, we launched the New Strategic Direction, aiming for robust growth as a *sogo shosha*.

The New Strategic Direction marks a shift from a conventional midterm management plan approach, one centered on a three-year financial target. Instead, we have laid out a vision circa 2020 as a long-term goal, and have adopted a "future pull" approach that will lead the path toward our vision. With our business models and external business environment changing dynamically, we believed we had to formulate strategy from a longer-term perspective. Thus we formulated the management policies and initiatives for the next three years through the year ending March 2016 as the basis for achieving our long-term objectives.

Among these policies, we have set forth a market strategy "Targeting Asia", which aims to developing business globally by leveraging our shift towards Asian markets. Eyeing fast-growing Asia, we are building a global supply chain, and at the same time developing businesses in the region with strong local roots. For example, while continuing to provide a stable supply of resources to Japan, we will secure and develop supply sources in Australia, the U.S., Russia, West Africa and elsewhere, and also create an Asia-based marketing hub. By establishing a supply structure that covers the whole of Asia and taking other steps, we will capture growth in Asia (Please see the Special Feature on pages 14-19).

In terms of business strategy, our policy is to reshape our business portfolio for realizing our circa 2020 vision. Guided by this policy, we will reshuffle our assets, and at the same time actively invest in new businesses. Besides resource fields such as the LNG business in the U.S., we have already begun working on some new initiatives in non-resource fields as well. These include strengthening our grain procurement ability in Brazil and participating in offshore electric transmission business in Europe (Please see Business Highlights on pages 10-13).

President Kobayashi explaining the New Strategic Direction for penetration within the company.

Under the Midterm Corporate Strategy 2012, the three-year midterm management plan that ended in March 2013, our overarching goal was to create sustainable corporate value. We are continuing this concept under the New Strategic Direction—we are pursuing the maximization of our value as a *sogo shosha* by striving to create economic value, societal value and environmental value. After announcing the New Strategic Direction, I have been touring the MC offices in Japan and overseas to explain the concepts and aspirations behind this new policy in my own words. I believe these efforts have penetrated the message of New Strategic Direction company-wide.

As always, thank you for your understanding and support.

November 2013

**Ken Kobayashi**
**President and CEO**

U.S. LNG business (Photo courtesy of Sempra)

Brazilian grain storage and marketing business

Offshore electric transmission business in Europe

## Results for the Six Months Ended September 2013

(Numbers indicate year-on-year changes)

| | | |
|---|---|---|
| Operating Transactions | ¥10,847.1 billion | (+12%) |
| Gross profit | ¥544.3 billion | (+11%) |
| Operating income | ¥84.3 billion | (+51%) |
| **Net income** | **¥248.4 billion** | **(+30%)** |
| **Dividend per share** | **¥30** | **(+¥5)** |

### Other indexes and figures

| | Year Ended Mar. 2013 | | Six months ended Sept. 2013 |
|---|---|---|---|
| •Net debt-to-equity ratio(*) | 1.0 times | ⇨ | 1.0 times |
| •Net interest-bearing liabilities | ¥4,335.8 billion | ⇨ | ¥4,490.0 billion |
| •Shareholders' equity | ¥4,179.7 billion | ⇨ | ¥4,451.7 billion |

Main reasons for change in shareholders' equity
- Net income (+¥248.4 billion)
- Improvement in foreign currency translation adjustments (+¥113.1 billion)
- Payment of dividends (△¥49.4 billion)

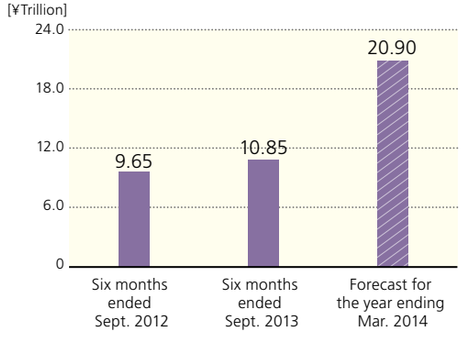
* Net interest-bearing liabilities = Gross interest-bearing liabilities (bank borrowings, corporate bonds, commercial paper, etc.) that must be repaid with interest, minus cash and cash equivalents. The ratio is in comparison to shareholders' equity and is a measure of financial soundness.

## Year Ending March 2014 Forecasts

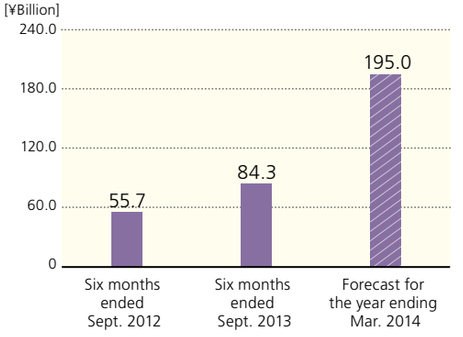
(Numbers indicate year-on-year changes)

| | | |
|---|---|---|
| **Net income** | **¥400.0 billion** | **(+11%)** |
| **Dividend per share** | **¥60~** | **(+¥5~)** |

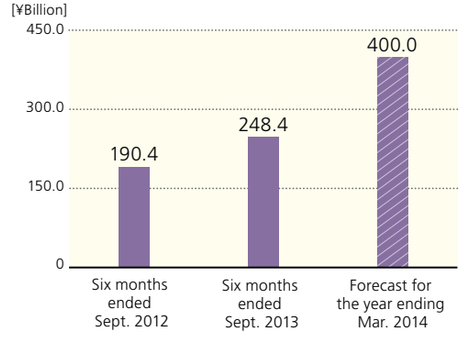
### Operating Transactions



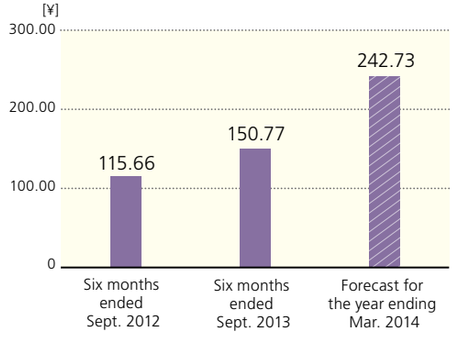

### Operating Income



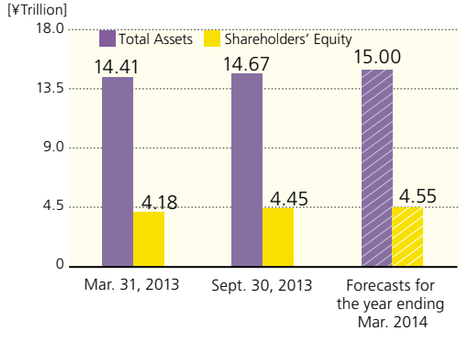

### Net Income



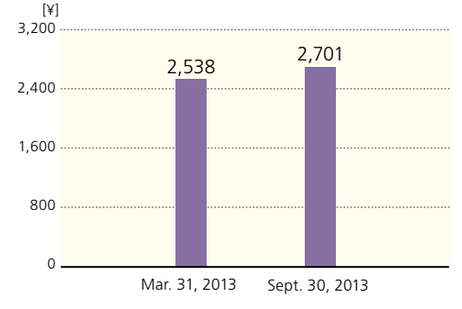

### Net Income per Share




### Total Assets and Shareholders' Equity




### Shareholders' Equity per Share



Global Environmental & Infrastructure Business Group

## Reaches Agreement for Construction of New International Airport in Mongolia

Image of the New Ulaanbaatar International Airport

In May 2013, MC and Chiyoda Corporation (Chiyoda) reached an agreement with the Civil Aviation Authority of Mongolia to construct the New Ulaanbaatar International Airport in Mongolia. The contract price is approximately ¥50 billion. The new international airport, which will meet all International Civil Aviation Organization (ICAO) standards such as safety, will be located on the plains approximately 50 km southwest of Ulaanbaatar, the capital of Mongolia.

In recent years, Mongolia has experienced robust economic growth, backed by its abundant mineral and livestock resources. The number of incoming overseas passengers has also been increasing year after year. However, take-offs and landings at the existing Chinggis Khaan International Airport, the only international airport in Mongolia at the moment, are greatly restricted due to the airport's location and climatic conditions. Construction of the New Ulaanbaatar International Airport will vastly increase the number of passengers arriving to Mongolia. Furthermore, the Mongolian government has earmarked more than 10% of its annual budget for the project, which will utilize technology and funding provided under the Japanese government's Special Terms of Economic Partnership (STEP) ODA loan scheme, or international yen loan. This major project should therefore contribute significantly to the country's economic growth.

MC has been gaining expertise in this area of logistics and infrastructure development by working with similar airport construction projects in the Philippines, Indonesia, Uzbekistan and others. MC intends to maintain an active focus on expanding this and other related business activities, particularly in Asia.

Global Environmental & Infrastructure Business Group

## Japanese and German Cooperation on the Development of Next-generation Lithium-ion Batteries

Vehicles equipped with Bosch's cutting-edge products

In June 2013, MC, Robert Bosch GmbH (Bosch) and GS Yuasa International Ltd. (GS Yuasa) agreed to work together on the development of next-generation high-performance lithium-ion batteries, which are the fundamental of plug-in hybrid and all-electric vehicles. The three companies intend to set up a joint venture (Bosch 50%, MC and GS Yuasa 25% each) in Germany for joint research and development, and to support sales and marketing activities. The companies aim to dramatically increase the energy capacity of batteries to extend the range of hybrid and electric vehicles. Operations are planned to start in January 2014.

Bosch will contribute its know-how in production processes and quality management relating to the mass production of complex products. GS Yuasa will leverage its strong engineering team and many years of experience in manufacturing large lithium-ion battery cells from development to production and supply. Meanwhile, MC will utilize its global value chain as a global integrated business enterprise to support the joint venture in terms of sales and marketing.



Living Essentials Group

## Strengthen Grain Procurement System in Brazil

Ceagro warehouse

In September 2013, MC Brazilian subsidiary Agrex do Brasil acquired an additional 60% of issued shares in Los Grobo Ceagro do Brasil S.A. (Ceagro). Through this acquisition, the MC Group's shareholdings of Ceagro increased from 20% to 80%, making Ceagro an MC consolidated subsidiary.

Brazil, which is designated as a Strategic Region in MC's New Strategic Direction, passed the U.S. last year as the world's largest soybean producing and exporting country. With expectations to also increase production and export of corn, Brazil has become an important grain supply source in conjunction with increasing global demand for grain. Ceagro's business activities range from grain production and procurement to sales and export in the central and northern regions of Brazil, where continuous growth in grain production is expected. Ceagro handles more than 1 million tons of grain commodities, mainly soybeans and corn, annually.

Through this acquisition, MC aims to further strengthen its grain procurement system in Brazil and expand its business by improving efficiency in logistics. Using Ceagro as a platform for the grain business in Brazil, MC will contribute to securing a stable supply of food worldwide to meet the increasing food demand, particularly in Asia.

Energy Business Group

## Advancing Plans to Secure Stable Supplies of U.S.-produced LNG

In May 2013, MC signed a 20-year tolling agreement for the liquefaction of natural gas with Cameron LNG (CLNG), a subsidiary of Sempra Energy (Sempra), the largest power generation and gas distribution company in the U.S. West Coast. MC also plans to invest in CLNG with Nippon Yusen Kabushiki Kaisha, which has expertise in LNG transportation, to support the development of the liquefaction project. Furthermore, MC has secured precedent agreements with three U.S. pipeline companies for enabling the procurement of natural gas from all main shale gas production sites in the country.

This business will endeavor to realize stable supplies from the U.S. to LNG consuming countries, including Japan. Plans call for supplying approximately 4 million tons per annum of LNG from the first half of 2018. Through the stable supply of U.S.-produced LNG, MC will help customers diversify their LNG sources.

Image of CLNG's LNG terminal in the U.S. (Photo courtesy of Sempra)

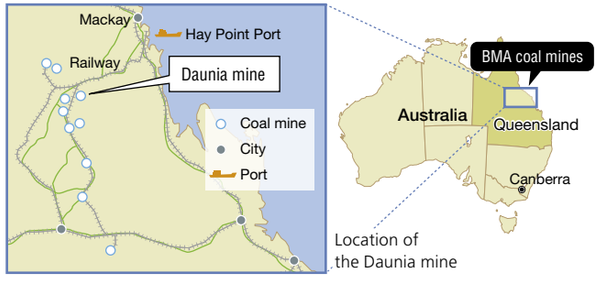
## Metals Group

### BMA Daunia Coal Mine Opens in Australia

In September 2013, the Daunia Coal Mine was opened in Queensland, Australia. The mine is run by BHP Billiton Mitsubishi Alliance (BMA), a 50/50 joint venture between resource major BHP Billiton and Mitsubishi Development Pty Ltd (MDP), a wholly-owned mining subsidiary of MC incorporated in Australia.

Daunia has a mine-life of about 30 years, with a production capacity of approximately 4.5 million tons per annum. This coal mine is also notable because existing railway and port infrastructure can be utilized, thereby allowing for greater cost and capital efficiency. Daunia's low stripping volume (topsoil and overburden removed in order to reach the coal seam) also contributes to its cost competitiveness. Furthermore, the potential for expansion at Daunia provides an opportunity for MC to continue growing the scale of BMA's business.

Under the New Strategic Direction, MC aims to double attributable equity production in its metallurgical coal business by circa 2020, compared with the end of March 2013. MC aims to further enlarge BMA assets held by MDP and to enhance the reliable supply of metallurgical coal through BMA in order to respond to prospective increases in global metallurgical coal demand from Japanese steelmakers and others over the medium to long term.




## Machinery Group

### 70 *i-MiEV* Electric Vehicles Delivered to Russian Presidential Office

In September 2013, MMC Rus* (MMCR, owned 49% MC, 42% Rolf Group and 9% Mitsubishi Motors Corporation), the legitimate importer and distributor for Mitsubishi automobiles in Russia, delivered 70 *i-MiEV* electric vehicles to Russia's Presidential Office. Not only was this the first time Russia's Presidential Office purchased electric vehicles, but Mitsubishi is also the only Japanese brand nominated as the official supplier of vehicles to the Russian Presidential Office at this moment.

MMCR started selling *i-MiEV* in Russia in 2011, and currently, it is the only mass-produced electric vehicle sold in the country. The recent purchase by the Russian Presidential Office is a result of MMCR's efforts to promote the zero-emission environmentally friendly nature of the electric vehicle in Russia. The *i-MiEV*s were used to transport officials at the G20 summit held in September 2013, and it is now being put to use in the Presidential Office.

MC will continue working to promote the uptake of electric vehicles in Russia through MMCR.

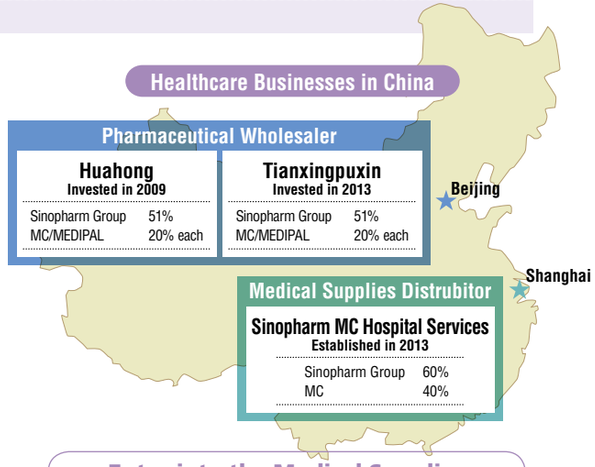
*i-MiEV*s delivered to the Russian Presidential Office

* The company's name changed from Rolf Import to MMC Rus in May 2013.

## Living Essentials Group

### Full-scale Development of General Healthcare Business in China

In 2009, MC signed a comprehensive strategic alliance with Sinopharm Group Co., Ltd. (Sinopharm Group), China's largest pharmaceutical distributor and wholesaler, and Medipal Holdings Corporation (MEDIPAL). China's healthcare market is growing remarkably, at an average annual rate of approximately 20%. MC is working in earnest in this burgeoning market to develop pharmaceutical wholesale and medical supplies distribution businesses.




#### Expansion of Pharmaceutical Wholesale Business

In July 2013, MC and MEDIPAL each purchased 20% of the shares of Sinopharm Group Beijing Tianxingpuxin Bio-med Sinopharm Holding Co., Ltd. (Tianxingpuxin). Earlier, in October 2009, MC and MEDIPAL purchased shares as part of a three-company business alliance in Sinopharm Group Beijing Huahong Co., Ltd. (Huahong). Through these investments, the Sinopharm Group, MEDIPAL and MC's partnership will develop a top-class healthcare business in Beijing, one of China's biggest healthcare markets alongside Shanghai, and build a stronger business foundation.

The Chinese market is defined by a complex distribution network of more than 10,000 pharmaceutical wholesalers, including second- and third-tier pharmaceutical distributors, which has led to higher medical costs. In a country with an aging population, reducing medical costs is a pressing issue.

MEDIPAL and MC will combine the know-how gained in streamlining distribution and sales and the delivery of efficient hospital solutions in the Japanese market with the Sinopharm Group's expertise and business foundation in the Chinese healthcare market to help reduce medical costs in China.

#### Entry into the Medical Supplies Distribution Business

In September 2013, MC and the Sinopharm Group established a joint venture company, Sinopharm MC Hospital Services Co., Ltd., marking MC's entry into the medical supplies distribution business in China.

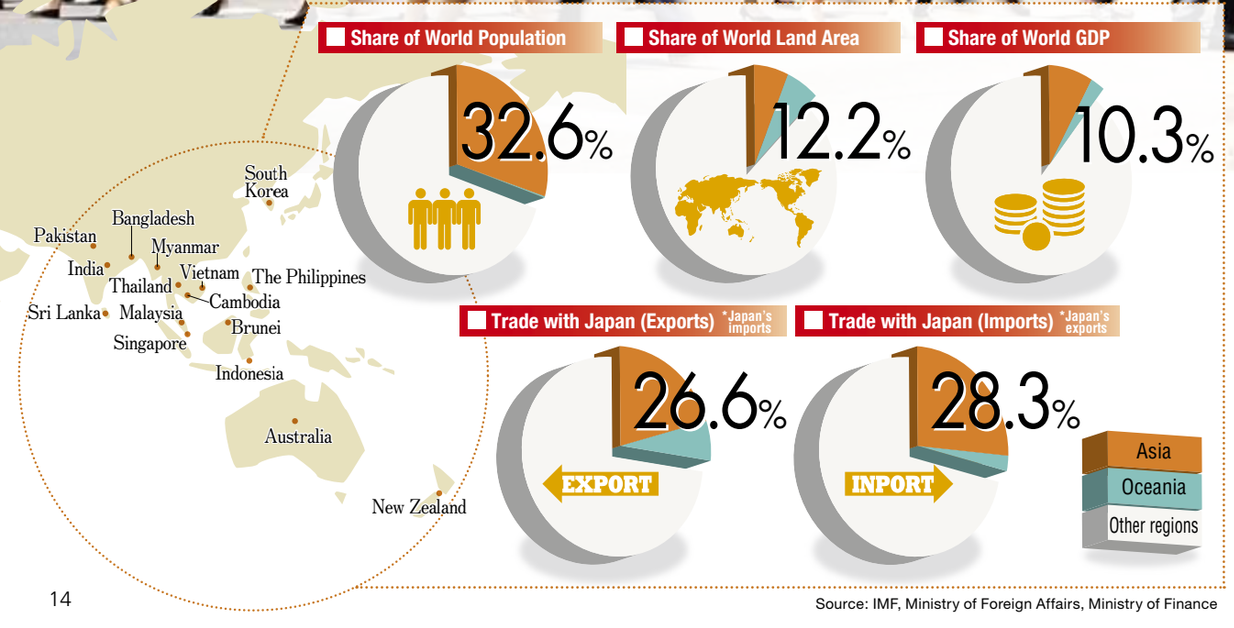
The medical supplies market has the highest growth rate of all healthcare businesses in China. This market is expected to grow further due to the increasing use of medical supplies as the number of hospital users rises and medical technology becomes more sophisticated. At the same time, the Chinese government is pushing through medical reforms to address rising medical supply costs stemming from such factors as the multi-layered distribution structure, in which the number of intermediaries is said to be 100 times more than in Japan.

Drawing on the integrated management and price-cutting know-how of MC subsidiary MC Healthcare. Inc, one of the largest medical supply companies in Japan, MC is working to rationalize distribution. These efforts should lead to the introduction of cost-competitive medical supplies and greater efficiency in hospital operations, contributing to China's medical reforms.

# Asian Economy Continues to Sizzle!

## Mitsubishi Corporation's Asia Business Frontlines

**Under the New Strategic Direction, MC sees Asia as a vital market for charting a new path toward sustainable growth through 2020. We are aiming to capture growth in Asia. In this Special Feature, we look at the MC Group's activities in Asia & Oceania, a region attracting close attention, as home to more than 30% of the world's population.**










Source: IMF, Ministry of Foreign Affairs, Ministry of Finance

## "New Strategic Direction"

### Charting a new path toward sustainable growth

MC launched the New Strategic Direction as a new management strategy in the year ending March 2014. The New Strategic Direction consists of basic concepts on management policy together with our business and market strategies to realize our long-term, circa 2020 growth vision. Based on this, MC will invest in growth while proactively reshaping its portfolio, with a strong focus on Asian markets.

### Market Strategy —Targeting Asia—

**Securing Supply Sources Globally**

#### Meeting Growing Raw Materials Demand

- **Foods:** Build a grain sourcing network across the Americas
- **Mineral Resources & Oil and Gas Resources:** Develop projects and secure supply sources from Asia, Oceania, the Americas, Russia, and West Africa, in addition to creating an Asia-based worldwide marketing hub
- **Fertilizers:** Develop fertilizer raw material resources and target markets across Asia

**Establishing a Local Presence within Asia**

#### Multi-Localization in Asian Markets

- **Retail:** Establish living essentials value chain in Asian markets by building retail franchises with prominent partners
- **Automotive:** Strengthen Thai and Indonesian operations

# Realizing a Brighter Future for Asia & Oceania with the "Future Pull" Approach

**Toru Moriyama**
Executive Vice President,
Regional CEO, Asia & Oceania

Asian markets are gaining greater international presence not only as resource rich and industrial nations, but also as consumer markets. Even amid ongoing uncertainty surrounding the global economy, Asian economies are expected to experience relatively strong growth.

The MC Group aims to secure supply sources globally in a way that responds to increasing demand from Asian markets. At the same time, it will establish a greater presence locally in Asia through M&As, strategic alliances and other means.

Heretofore, the MC Group has consciously developed business in Asia & Oceania from upstream to midstream and downstream operations. But looking forward, we will also realize a brighter future with the "future pull" approach that is a centerpiece of New Strategic Direction. Specifically, we will lay out a vision circa 2020 as a long-term goal and consider carefully what we should do over the next three years to move closer toward realizing it. We intend to act swiftly on individual businesses and projects, while watching the changes in the business environment.

As MC's portfolio manager for Asia & Oceania, to secure significant projects that will reach a substantial scale in 10 years, I will look at each business and investment project from a regional perspective, not only on an individual country or business group level, viewing Asia as one large consumer market.

We will step up our efforts "Targeting Asia" as a pillar of our market strategy under the New Strategic Direction, working as one to capture Asian growth.

## MC Business Frontlines in Asia

Thailand

### Building a Strong Value Chain with Firmly Entrenched Local Roots
**Tri Petch Isuzu Sales Co., Ltd. (TIS)**

TIS was established in 1974 by spinning off a division from our subsidiary in Thailand (Mitsubishi Company (Thailand) Ltd.) as an exclusive distributor to import and sell Isuzu-brand motor vehicles in the country. Boasting the top-selling D-MAX pickup truck, we have established a robust value chain that extends from production through sales, sales finance and after-sales service.

Domestic automobile sales in Thailand exceeded 1 million units for the first time in 2012, reaching 1.43 million units and ranking the country 13th in the world. What's more, production reached approximately 2.5 million units, for a world ranking of 9th, underscoring Thailand's growing importance as an export base for motor vehicles.

The environment surrounding Isuzu's automotive business in Thailand is facing significant change, as reflected by the entrance of Chinese automakers into the market and the need to achieve new emissions standards. Amid this change, TIS is not only focusing on sales units and market share. It is also intensifying its focus on quality by enhancing after-sales service, improving customer satisfaction, and strengthening its dealer network and sales finance, as well as the improvements of IT capabilities and the development of employees.

The *All-New ISUZU D-MAX* is the product of a full model change in 2011 that was planned through close cooperation between Isuzu Motors and TIS.

India

### Working with Local Partners to Expand Sales
**Metal One Corporation (Asia & Oceania)**

A motor core processing plant of Mahindra Steel Service Centre Ltd., an Indian joint venture coil center.

Global steel demand is expected to rise to more than 2 billion tons in 2020, from over 1.4 billion tons in 2012. While steel demand struggles to grow in Japan, fast-growing Asian economies are tipped to drive demand.

Metal One, which is owned 60% by MC and 40% by Sojitz Corporation, has 159 consolidated companies and 63 bases around the world, making it the world's largest trading firm specializing in steel products. In Asia & Oceania, Metal One is focusing in particular on fields related to automotive, infrastructure and energy. In specific terms, it is enhancing steel sheet service centers and steel plate processing centers, investing and participating in electric arc furnace companies, selling steel pipes, and engaging in projects.

Furthermore, through a long-standing trading business, Metal One is targeting internal demand in partnership with well-established local companies with which it has developed deep relationships of trust. In anticipation of the formation of the ASEAN Economic Community and other future developments, Metal One also aims to expand transactions in this area.

## Singapore

### Distributing the "Lifeblood" of Industry
**Petro-Diamond Singapore Ltd. (PDS)**

PDS aims to expand its petroleum business in Asia & Oceania.

PDS was established in 1989 from the former Fuel Department of the MC's Singapore Branch. It aims to develop and expand petroleum trading as an important strategic base in Asia & Oceania.

Headquartered in Singapore, the vital hub for petroleum trading in Asia & Oceania, PDS trades with Southeast Asian countries, as well as neighboring countries such as Australia and India. Together with MC, it is involved in the trading of 10 million tons of products a year.

Oil demand in Asia & Oceania and the Middle East, regions that are expected to see strong economic growth over the medium to long terms, has risen to account for more than 40% of global demand. PDS is actively developing new business projects, including infrastructure investments, in order to turn changes in the oil industry, such as this demand expansion, the construction and closure of oil refineries, and the U.S. shale oil revolution, into business opportunities. It will continue to play a vital role as a fulcrum of MC's overseas strategy in the petroleum business.

## Indonesia

### Advancing Strategies to Capture Market Growth
**PT. Krama Yudha Tiga Berlian Motors (KTB)**

In Indonesia, MC produces and sells motor vehicles, and is also developing sales finance, used-car sales, car rental services and other businesses. Among its businesses, KTB began operations in 1970 as an exclusive distributor to import and sell vehicles produced by Mitsubishi Motors Corporation (MMC) and Mitsubishi Fuso Truck and Bus Corporation. KTB has a strong position in commercial vehicles, with an approximate 45% market share in the country, and is also launching new models centered on SUVs*1 in the passenger car segment.

The Indonesian automobile market is set to expand further, centered on passenger cars, with some estimates suggesting that domestic automobile sales will top 1.5 million units in 2015. Eyeing this potential, many automakers are investing substantial sums in local production and sales. KTB also aims to raise its presence further in the passenger car market, augmenting its mainstay commercial vehicle business. To this end, KTB is working to bolster its sales network and production system. It is also actively rolling out new services such as operating lease*2 business.

*Pajero Sport* a mainstay SUV model

*1 Sport Utility Vehicle
*2 A type of lease in which lease fees are calculated by assessing the residual value at the end of the lease term and deducting it from the principal portion of the leased asset.

### Transfer of Mineral Resources Trading Business Headquarters Coordination Responsibilities
**Mitsubishi Corporation RtM International Pte. Ltd. (RtM International)**

In April 2013, RtM International started operations in Singapore, where many resource companies and traders have established operations. The headquarter's functions for the mineral resources trading business were transferred to RtM International, which is now developing ferrous raw materials and non-ferrous metals trading businesses globally.

Taking full advantage of having a headquarters in Singapore, a hub for business information and human resources, RtM International is expanding sales to Asian and other world growth markets and endeavoring to capture demand, all while enhancing its ability to respond to rapidly-changing market.

RtM International tenants the building to the right of center in the foreground.

### Contributing to the Development of Asia's Food Culture
**PT. Kaneka Foods Indonesia (KFI)**

Indonesia has a population of approximately 240 million people, the fourth largest in the world, and its GDP continues to grow steadily. The country's food culture is also westernizing and more value is being added to food as the ranks of the middle class swell.

In August 2013, MC agreed to establish KFI in a 50:50 joint venture with Kaneka Corporation. KFI will manufacture and sell processed oils and fat products in Indonesia, drawing on Kaneka's processed food products manufacturing technologies and product development capabilities. KFI will sell fillings* and other processed oils and fat products to food manufacturers in Indonesia and neighboring countries. Through the development of businesses in the confectionery and bread markets in the same region, where steady growth is expected going forward, KFI will contribute to the development of Asia's food culture.

These cream puffs use fillings made by KFI.

*Fillings for bread and sweets to give a variety of flavors.

## Australia

### A Bridgehead for Securing Metals Resources
**Mitsubishi Development Pty Ltd (MDP)**

MDP has developed and managed coking coal operations for more than 40 years.

MDP was established as a coal business venture of MC in 1968 with the mission to secure supply sources of coking coal, which is an essential resource for producing steel using blast furnaces. BHP Billiton Mitsubishi Alliance, which is owned 50:50 by MDP and resource major BHP Billiton, produces high-grade coking coal in Queensland, Australia. This project has grown into the world's largest, supplying approximately 30% of global seaborne coking coal by volume. Besides coking coal, MDP is involved in a number of other projects, including iron ore and uranium, as well as thermal coal, which is primarily used in a fuel for power generation. MDP is also enhancing its functions, including providing appraisal services for resource projects being targeted by MC.

# Further Revitalizing Disaster-Hit Regions!

## MC's Relief and Recovery Support

**MC has conducted relief and recovery support activities immediately after the Great East Japan Earthquake and tailored its support to the conditions in the disaster-hit regions since then. In the spring of 2012, MC established the Mitsubishi Corporation Disaster Relief Foundation, a public interest incorporated foundation. In addition to providing scholarships and support recovery grants, the foundation is conducting support activities with the aim of helping with industry revival and job creation.**

**MC and the Foundation will continue to conduct recovery support activities, quickly and accurately addressing the various needs of the disaster-hit areas.**

President & CEO Kobayashi and employee volunteers
(pictured at Mitobe fishing port in Minamisanriku Town in June 2013)

### Volunteer Activities

Many MC employees were quick to voice their determination to help with on-the-ground recovery work in disaster-hit areas and have been conducting volunteer activities continuously since directly after the Great East Japan Earthquake. Between April and October 2013, 447 MC Group employees took part, conducting activities in Ishinomaki City and Minamisanriku Town in Miyagi Prefecture, Rikuzentakata City in Iwate Prefecture and elsewhere.

Volunteers clear rubble

### Industry Revival and Job Creation Support

Through the Mitsubishi Corporation Disaster Relief Foundation, MC is supporting industry revival and job creation together with local financial institutions and others. So far in the year ending March 2014, MC has decided to provide funds to 9 industry revival and job creation projects (The Foundation has supported a total of 23 projects since the year ended March 2013, providing approximately ¥1.24 billion in loans and investment).

1

Supporting the rebuilding of a seafood processing company producing vinegar-pickled mackerel as its main product. There are many fans of this pickled product outside the region. The company took on five new employees during the processing season from the fall to the winter to boost production.

2

Providing support to a long-established soy sauce producer founded in 1807. We will support investment in new facilities at a new plant rebuilt in Ichinoseki City after the disaster. The company also plans to take on two new employees.

3




Supporting the "Umi no Ichi" seafood market adjoining the Kesennuma fish market. In addition to providing employment for around 10 people, the market will offer employment opportunities at tenant companies; before the disaster tenants provided jobs for about 120 people.

4

Funds provided by the Foundation have been used for investment in facilities for packaging and storing vegetables. 20 to 30 former local agricultural workers will be employed.

## Provision of Scholarships

The Foundation provides scholarships for undergraduate and graduate students who are otherwise incapable of continuing their studies due to the disaster. In the years ended March 2012 and 2013, 633 students and 1,072 students received scholarships. In the year ending March 2014, 996 students will receive scholarships (¥100,000 per month for 1 year). In this section, we introduce some scholarship recipients who are working hard to achieve their dreams.

Ishinomaki City, Miyagi Prefecture
**Wataru Sato**

We lost our family home and the store run by my father in the disaster. It will cost a lot of money to reopen the store and rebuild our house to restore our daily life. Going to university was putting an immense burden on my family. However, the scholarship money has lightened the load on the family. I intend to work hard so that I can be of some use in helping the Tohoku region get back on its feet, without forgetting the assistance I have received as a scholarship recipient.

Rikuzentakata City, Iwate Prefecture
**Fumika Saeki**

I really appreciate the scholarship program, as it allowed me to continue my studies.
I graduated and this year took up a post as a nursing teacher in an elementary school in Tokyo. The school is hosting some children who were evacuated from Fukushima as victims of the disaster. I am responsible for their mental well-being while at school. It is difficult to find employment in Iwate Prefecture and there is also a shortage of housing, so I had no choice but to move to another prefecture. I don't feel that enough attention has been paid to the issue of mental health after the disaster. I hope that the Mitsubishi Corporation Disaster Relief Foundation will work hard to help revive the disaster-hit regions.

### Realizing Dreams and Hopes with Octopus
**Minamisanriku Fukkoudakonokai**

Minamisanriku is well-known for its octopus. Using this sought-after local seafood as an ingredient, together with Minamisanriku-grown Hitomebore rice, we produce octopus rice crackers, aiming it to become as a popular souvenir of the town.

## Support Recovery Grants

The Foundation provides subsidies to NPOs, social welfare corporations and others involved with relief and recovery efforts in affected areas. In the years ended March 2012 and 2013, grants were awarded to 185 groups and 184 groups, which were selected from applicants. So far in the year ending March 2014, grants were awarded to 48 groups (A maximum of ¥2.5 million is granted per project).

### Supporting Seaside Towns From the Mountains
**Tosanomori Kyuentai, NPO**

This NPO is developing its own forestry business utilizing unused forest resources. Kesennuma has many mountain forests that are not utilized. The NPO offers hands-on training for logging forest thinnings and unused woods.





2013 11/1 OPEN!

# Capital Hotel 1000 Reopens!

The Capital Hotel 1000 reopened on November 1, 2013. The hotel received support from the Mitsubishi Corporation Disaster Relief Foundation, with its reconstructing as a symbol of the recovery of Rikuzentakata City.

The hotel's locally-hired staff will warmly welcome guests with cuisine using locally-produced ingredients.

Come along and see for yourself the vibrant strides that are being made toward recovery in the area.



The opening ceremony was held on October 25.

GOOD 1 Comfortable rooms

### Ocean view facilities

Guests can view the expansive Hirota Bay from the windows of all rooms, chapel and the large public bath.

GOOD 2 Tasty food

### Dishes featuring locally produced ingredients

The hotel's head chef is proud to serve cuisine made from fresh locally produced ingredients.

### Inquiries and access

**Address** 60-1, Nagasuna, Takata-cho, Rikuzentakata City, Iwate Prefecture 029-2205

**TEL** +81-192-55-3111

**Access**

**From Ichinoseki Station (Tohoku Shinkansen)**
[ Bus and taxi (approx. 2 hours) ]
- Iwatekenkotsu bus (Ichinoseki Eki mae(No. 5) →Rikuzentakata Shiyakusho mae)
- Taxi (Rikuzentakata Shiyakusho mae→Capital Hotel 1000)

[ Car (approx. 1.5 hours) ]
Kesennuma Highway (National Route 284) → Kesennuma Bypass/Rikuzentakata Bypass (National Route 45)

**From Iwate Hanamaki Airport**
[ Car (approx. 1.5 hours) ]
Kamaishi Expressway (Hanamaki Airport Interchange → Miyamori Interchange) → National Route 107 (for Sumita)

# MC FOREST Marks its 1st Anniversary!

**MC FOREST, which opened in October 2012, is an exhibition space for experiencing and understanding MC's environmental and CSR activities in a fun way. MC FOREST also stages other various events, seminars, lectures, and workshops in cooperation with NGOs and NPOs engaged in environmental and social contribution activities. Over the past year, 35,740 people have visited MC FOREST. We will continue to disseminate information as a focal point for environmental and CSR activities.**

Coral tank

This tank allows visitors the opportunity to take a close look at a living coral.

Tangible Earth

Visitors can observe how natural phenomena such as global warming, typhoons and tsunami occur, the migration of birds and others by touching the globe.

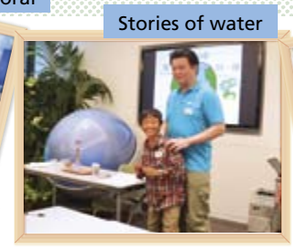
## Treeplanting News

In the year ended March 2012, MC started a global environmental preservation and improvement program designed to create abundant and rich forests together with shareholders. For every shareholder who consents to receive materials such as convocation notices for shareholder meetings and investors' notes via e-mail rather than by post, MC will plant 1 tree per person every 6 months in Malaysia. In the first half of the year ending March 2014, 28,324 shareholders participated in this program. We have planted a total of 123,282 trees to date.

*For details, please visit our website (Japanese only).
http://www.mitsubishicorp.com/jp/ja/ir/adr/edelivery/

The wonders of coral

Stories of water



The importance of energy

## "MC FOREST SCHOOL" Held During Summer Holidays

As a special program for the summer holidays this year, MC FOREST held a number of workshops from August 3 through August 31. The workshops were designed to be useful for students in completing their summer research assignments.

MC FOREST also records LOHAS TALK, a J-WAVE radio station program sponsored by MC, and holds seminars and other events regularly concerning the environment and CSR. Come and join in!

Smile Africa photo exhibit

Environment and CSR seminar

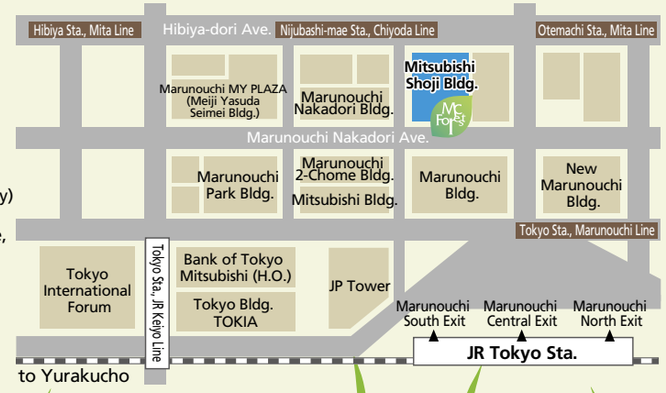
LOHAS TALK

### MC FOREST
Mitsubishi Corporation
CSR Station

Opening Hours: 11:00 to 20:00
Closed: Monday (Tuesday if Monday is a public holiday)
Admission: Free
Address: 3-1, Marunouchi 2-Chome, Chiyoda-ku, Tokyo

Please see the website for future event schedules.

MC FOREST Search



## Corporate Data (As of September 30, 2013)

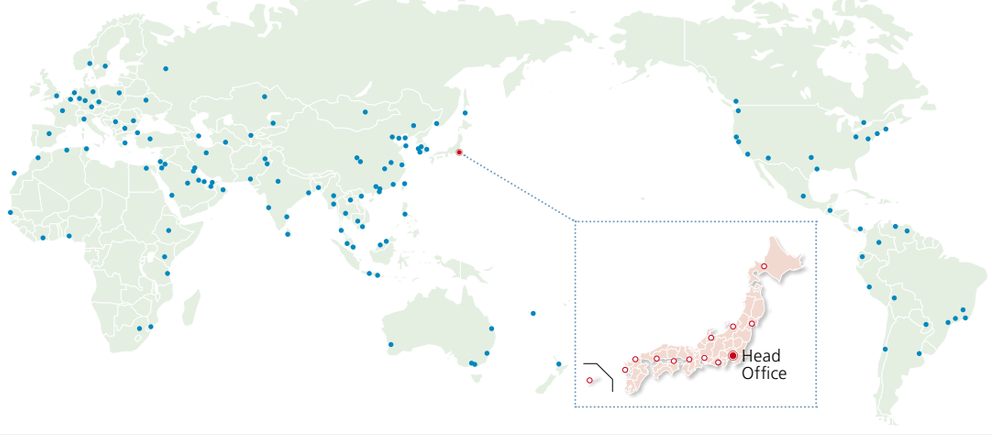
| | |
|---|---|
| Company Name | Mitsubishi Corporation |
| Date Established | July 1, 1954 (Date Registered April 1, 1950) |
| Capital | ¥204,446,667,326 |
| Registered Head Office | Mitsubishi Shoji Building 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8086, Japan |
| Number of Employees | Parent company: 5,815<br>Parent company and all of its consolidated subsidiaries: 65,975<br>*Number of Employees is as of March 31, 2013 |

Number of Consolidated Subsidiaries and Equity-Method Affiliates 625

## Network (As of September 30, 2013)

◉ Head Office ○ Domestic Network 29

● Overseas Network (195 bases of operations, including 111 offices, 41 subsidiary headquarters, and 43 branches)




## Member of the Board & Corporate Auditor (As of September 30, 2013)

| | |
|---|---|
| Chairman of the Board | Yorihiko Kojima |
| President & Chief Executive Officer* | Ken Kobayashi |
| Member of the Board* | Hideyuki Nabeshima |
| Member of the Board* | Hideto Nakahara |
| Member of the Board* | Jun Yanai |
| Member of the Board* | Jun Kinukawa |
| Member of the Board* | Takahisa Miyauchi |
| Member of the Board* | Yasuo Nagai |
| Member of the Board* | Shuma Uchino |
| Member of the Board** | Kunio Ito (Professor, Graduate School of Hitotsubashi University's Department of Commerce and Management) |
| Member of the Board** | Kazuo Tsukuda (Senior Advisor, Mitsubishi Heavy Industries, Ltd.) |
| Member of the Board** | Ryozo Kato |
| Member of the Board** | Hidehiro Konno |
| Member of the Board** | Sakie T. Fukushima (President & Representative Director, G&S Global Advisors Inc.) |
| Senior Corporate Auditor | Yukio Ueno |
| Corporate Auditor | Osamu Noma |
| Corporate Auditor*** | Eiko Tsujiyama (Professor, Graduate School of Commerce, Waseda University) |
| Corporate Auditor*** | Hideyo Ishino |
| Corporate Auditor*** | Tadashi Kunihiro (Attorney-at-Law) |

* Indicates a representative director. ** Indicates an outside director as provided for in Article 2-15 of the Companies Act.
*** Indicates an outside corporate auditor as provided for in Article 2-16 of the Companies Act.



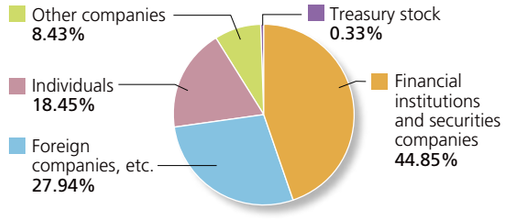


## Share Data (As of September 30, 2013)

### Number of shares and shareholders

| | |
|---|---|
| Number of shares authorized for issuance | 2,500,000,000 |
| Number of shares issued | 1,653,505,751 |
| Number of shareholders | 303,261 |

### Shareholder Composition




### Principal Shareholders

| Name of shareholder | No. of shares (thousands) | Investment Ratio(%) |
|---|---|---|
| Japan Trustee Services Bank, Ltd. (Trust Account) | 99,041 | 6.01 |
| Tokio Marine & Nichido Fire Insurance Co., Ltd. | 74,534 | 4.52 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 70,360 | 4.27 |
| Meiji Yasuda Life Insurance Company | 64,846 | 3.93 |
| The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account) | 48,920 | 2.97 |
| Japan Trustee Services Bank, Ltd. (Trust Account 9) | 28,567 | 1.73 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 25,620 | 1.55 |
| THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT | 23,032 | 1.40 |
| The Nomura Trust and Banking Co., Ltd. (Pension Benefit Trust Account, Mitsubishi UFJ Trust and Banking Corporation) | 22,088 | 1.34 |
| JPMorgan Securities Japan Co., Ltd. | 18,139 | 1.10 |

Note: The investment ratio is computed excluding 5,429,127 shares of treasury stock held by MC.

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

## Basic Information

**Securities Identification Code:** 8058
**Stock Listings:** Tokyo, Nagoya, London
**Unit Share:** 100 shares
**Fiscal Year:** from April 1 to March 31
**Ordinary General Meeting of Shareholders:** June
**Vesting Date to Receive an Interim Dividend:** March 31
**Vesting Date to Receive a Year-End Dividend:** September 30

**Public Notices:** electronic notification
If electronic notification cannot be implemented due to accidents or other unavoidable causes, public notices shall be placed in the gazette.
**<Public Notice Address>**
http://www.mitsubishicorp.com/
**Transfer Agent for Shares and Special Accounts Management Institution:**
Mitsubishi UFJ Trust and Banking Corporation