

Midterm Corporate Strategy 2018

“Evolving Our Business Model from Investing to Managing”

Mitsubishi Corporation (hereinafter “MC”) has established its new management strategy during the three years beginning with fiscal year 2016.

“Midterm Corporate Strategy 2018 – “Evolving Our Business Model from Investing to Managing” sets forth MC’s corporate vision and management approach over the next three years, both of which are designed to generate sustainable business value. The strategy takes into account various environmental factors that are expected to have an impact on MC’s operations, including a world economic slowdown, changes in commodity markets, geopolitical risks, a long-term stagnation in resource prices and changes caused by technological innovations such as AI and the IoT (the so-called “Fourth Industrial Revolution”).

1. Corporate Vision

MC shall *leverage its ingenuity to create new business models and generate value for societies, thereby developing the highest level of management expertise.*

MC shall provide more opportunities for employees to develop into future leaders, instilling them with a strong sense of ethics, the foresight to anticipate and adapt to change, and the execution skills to overcome challenges in any business environment or era. More opportunities for employees to innovate new businesses will further enhance MC’s businesses, creating a virtuous cycle of professional and corporate growth.

2. Management Approach Over the Next Three Years

Rebalancing of “Resources” and “Non-resources”

In Resources, MC shall focus its investments in metallurgical coal, copper, and natural gas, optimizing the quality of its portfolios while maintaining their overall sizes.

In Non-resources, MC shall re-profile its portfolios but increase their sizes by investing in growing businesses where the company can proactively demonstrate its strengths.

Cash-flow-focused Management

Over the strategy's three-year period, MC shall manage its investments and shareholders returns within its capacity to generate cash.

Further Evolution from "Investing" to "Managing"

Until now, MC has generated growth primarily by investing in businesses; however, the new strategy shall focus more on proactively *managing* the businesses, enabling our management partners to benefit from MC's unique strengths and functions, and generating continuous value together.

Accelerated "Lifecycle-based" Portfolio Re-profiling

Recognizing that businesses have lifecycles influenced by environmental and other factors, MC shall re-profile its portfolios by proactively demonstrating the company's strengths.

3. Financial Targets & Shareholder Returns

Financial Targets

By effectively combining asset growth and portfolio re-profiling, MC shall aim for double-digit ROE by fiscal year circa 2020.

Shareholder Returns

MC shall introduce a flexible and progressive dividend policy in line with its sustainable earnings growth over the next three years.

Mitsubishi Corporation

Midterm Corporate Strategy 2018

Evolving Our Business Model from Investing to Managing

May 10, 2016

President & CEO

Takehiko Kakiuchi

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(1) Financial Targets

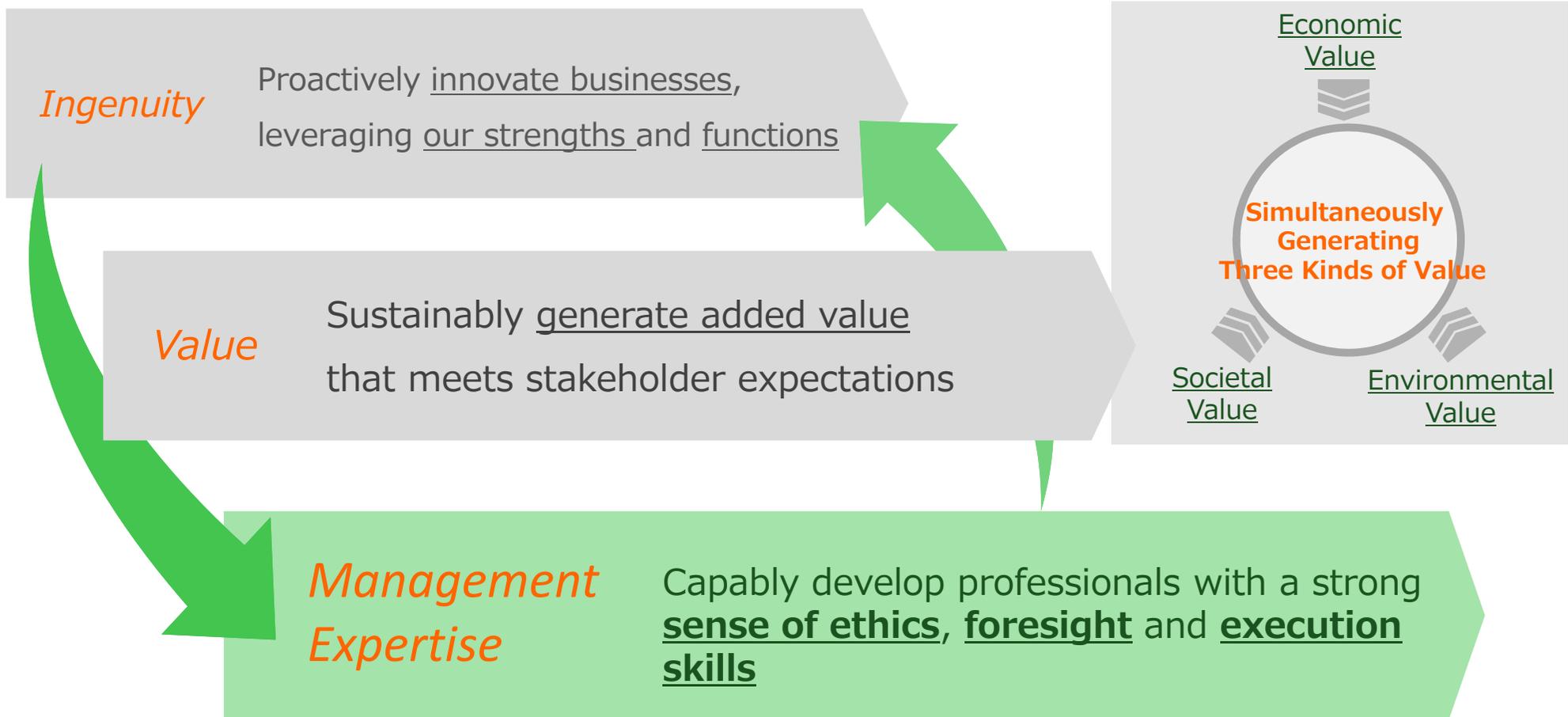
(2) Shareholder Returns

(Forward-Looking Statements)

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

Corporate Vision

Leverage our ingenuity to create new business models and generate value for societies, thereby developing the highest level of management expertise



Management Approach Over Next Three Years

【Reforming Management Platform】

1

Rebalancing of
“Resources” and “Non-resources”

2

Cash-flow-focused Management



【Growth Initiatives】

3

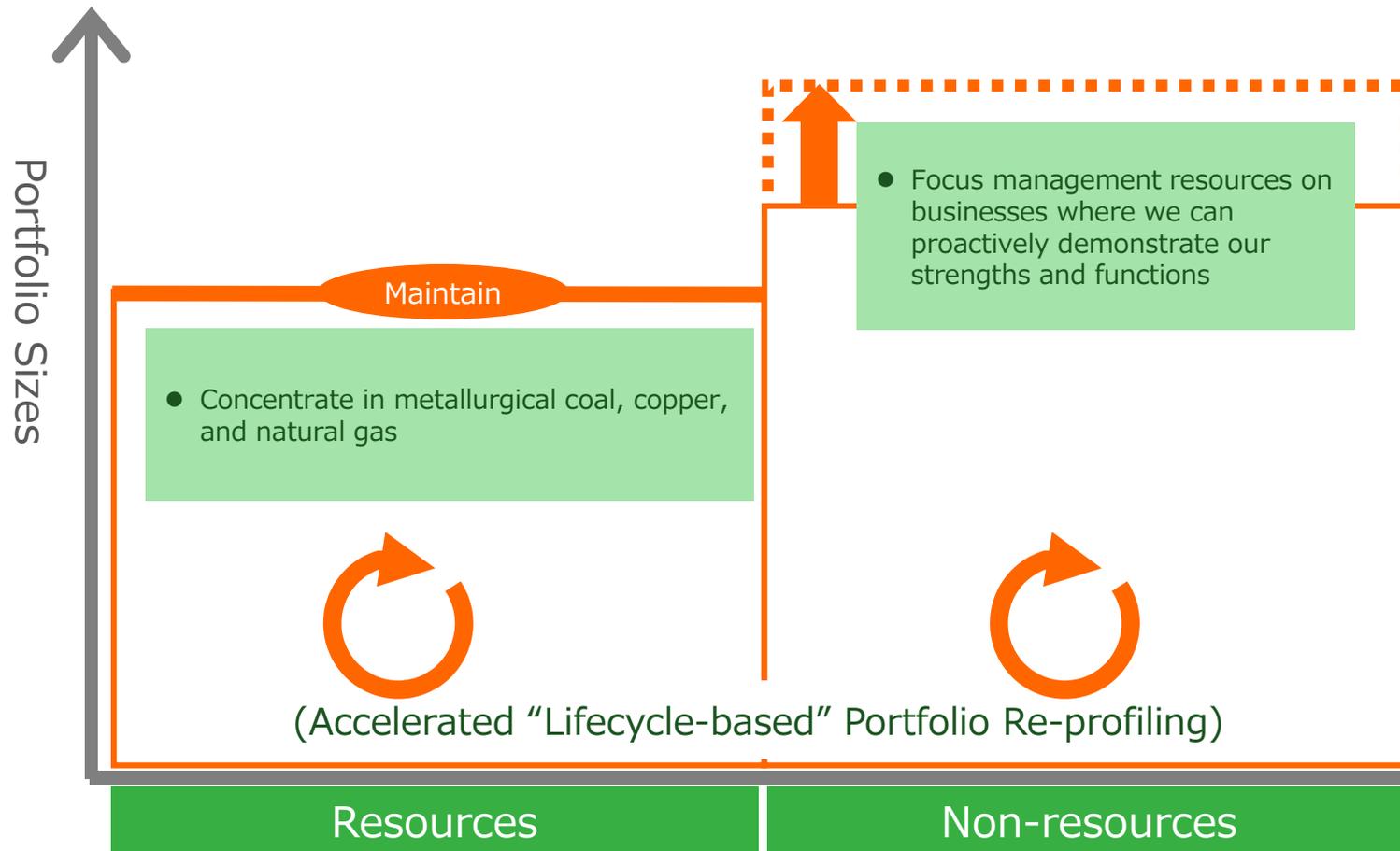
Further Evolution from
“Investing” to “Managing”

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Accelerated “Lifecycle-based”
Portfolio Re-profiling

(1) Rebalancing of "Resources" and "Non-resources"

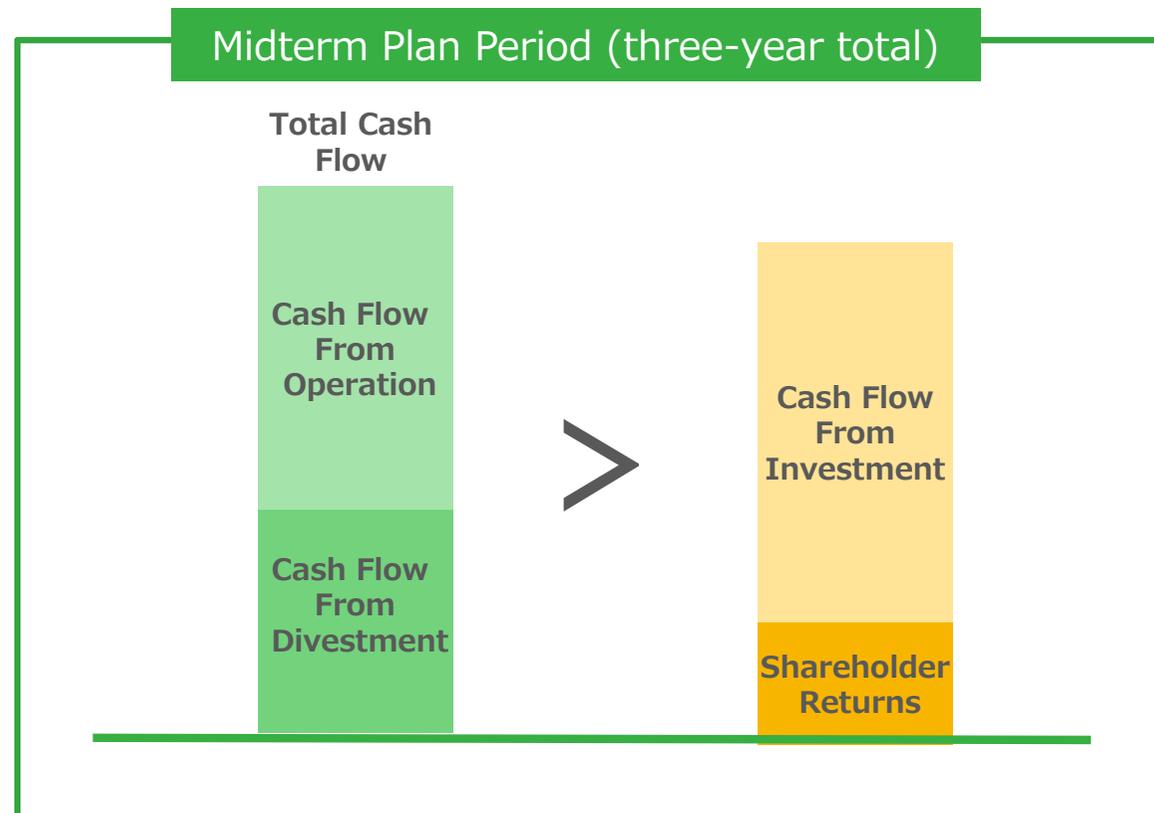
- Rebalance portfolios
 - In Resources : Continue to invest in prime assets while maintaining portfolio sizes, thereby optimizing portfolio quality
 - In Non-resources : Re-profile portfolios but increase their sizes by investing in growing businesses where we can proactively demonstrate our strengths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



(2) Cash-flow-focused Management

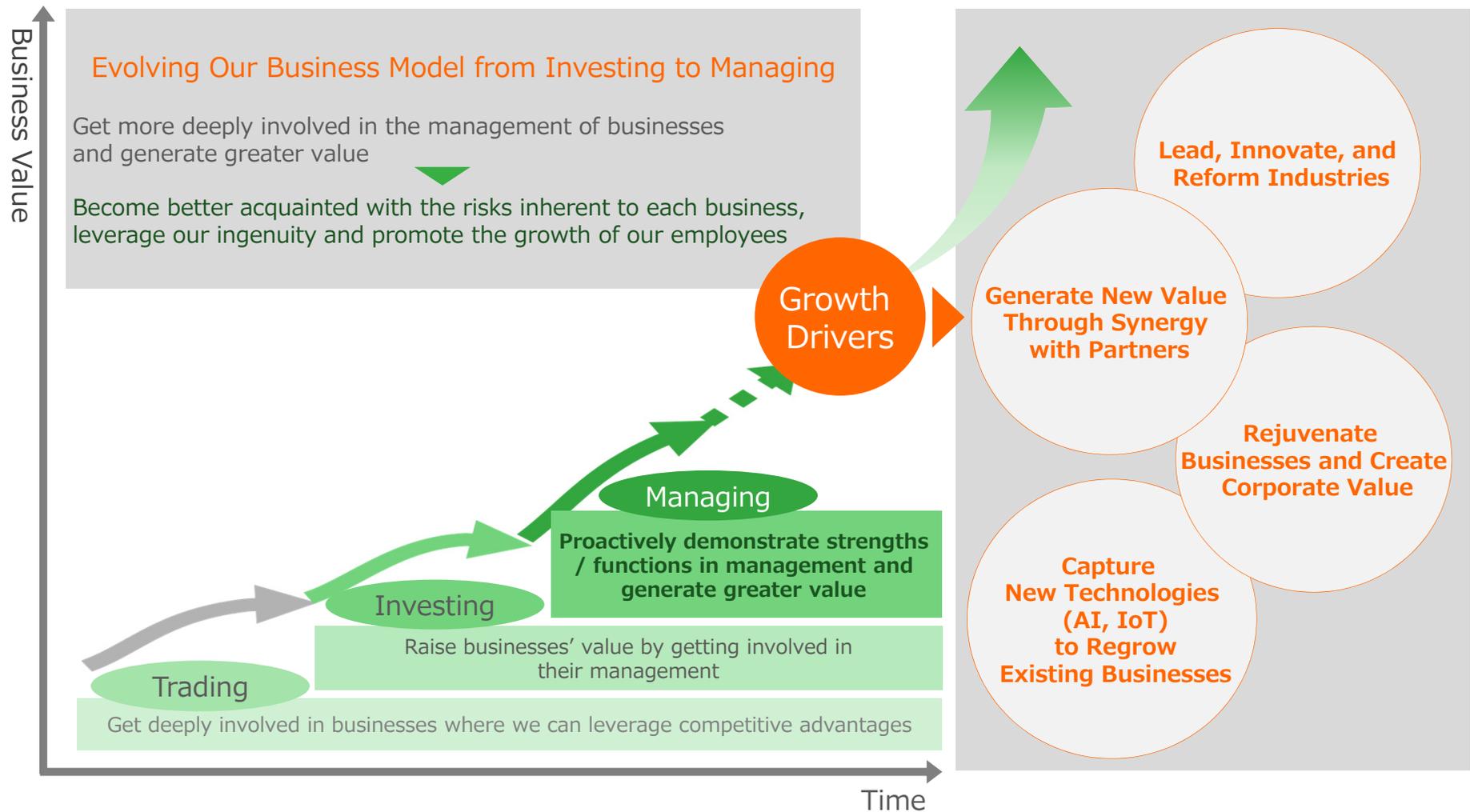
- Have Corporate and the Business Groups **focus on managing cash flow** and controlling interest-bearing debt to maintain business stability and remain flexible amidst economic uncertainty

Over the next three years, **manage investments and shareholder returns within our total cash flow**



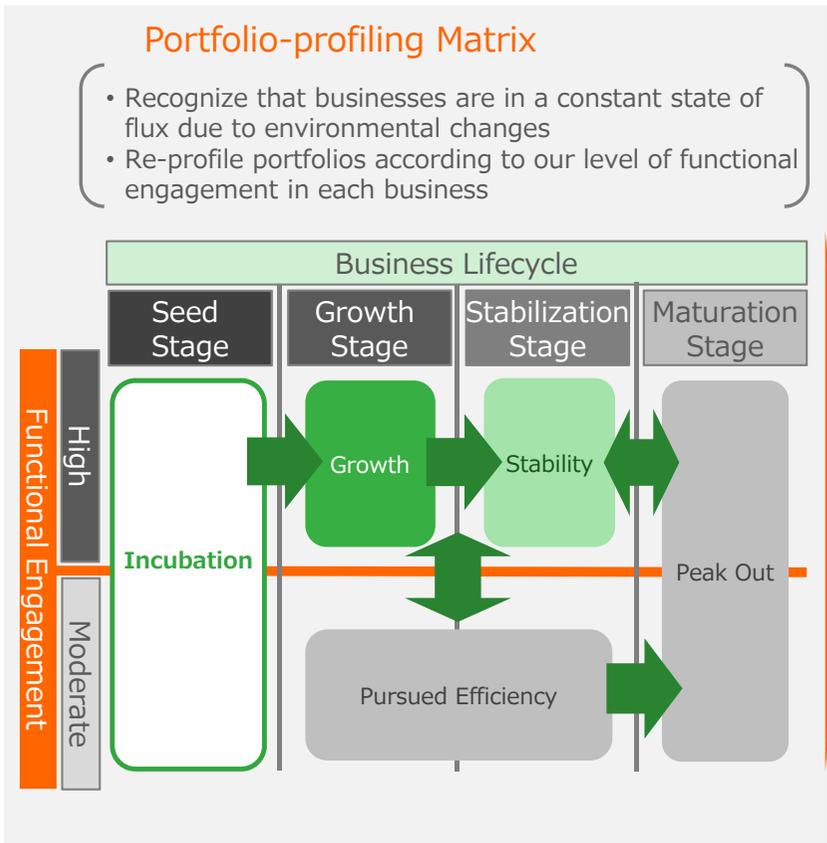
(3) Further Evolution from "Investing" to "Managing"

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



(4) "Lifecycle-based" Portfolio Re-profiling

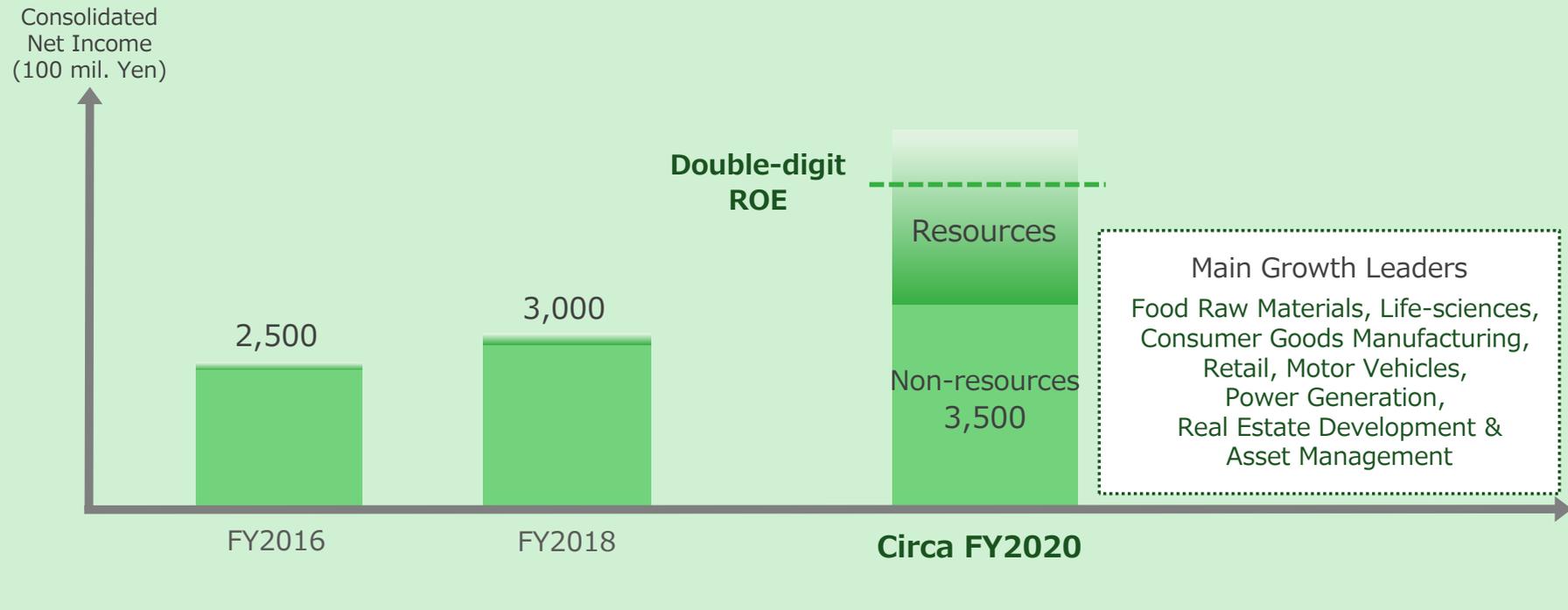
- Cognizant of business lifecycles and influencing factors, promote portfolio re-profiling according to our level of functional engagement in each business



		Management resources allocation	
Growth	<ul style="list-style-type: none"> • Businesses in which we generate growth by playing a leading role in their management 	Aim for at least 10 billion yen in consolidated net income per business segment	
Stability	<ul style="list-style-type: none"> • Businesses that already have solid foundations, and from which we can generate a certain level of stable earnings by proactively demonstrating our strengths 		
Pursued Efficiency	<p style="text-align: center;">Assess whether or not a business should be continued based on our functional engagement in the business and its lifecycle</p>	<ul style="list-style-type: none"> • Continue as long as business is growing more efficient 	
Peak Out		<p style="text-align: center;">Aim at building a fundamental/growth business</p> <ul style="list-style-type: none"> - Leveraging our function by management engagement - Proactively leading business reform - Changing the business model by combining the business foundation with new technologies <ul style="list-style-type: none"> • Assign equal priority to missions whose objectives are to exit from peaked out businesses 	
Incubation	<ul style="list-style-type: none"> • New businesses in the startup or incubation stages where we can apply our existing strengths 	Assign equal priority to missions whose objectives are to develop wholly new businesses	

(1) Financial Targets

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



Basic Approach / Objective

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

(2) Shareholder Returns

- Focus on **dividend as basic approach** to returning value to shareholders
- **Increase dividend flexibly** in line with sustainable earnings growth **based on a progressive dividend scheme**
- Flexibly buy back our stock, only when necessary

