Mitsubishi Corporation

For the year ended March 31, 2015

Financial Section of Integrated Report 2015

ANNUAL FINANCIAL REPORT
<FOR THE YEAR ENDED MARCH 2015>

CONTENTS

Forward-Looking Statements

This financial section of Mitsubishi Corporation's Integrated Report for the year ended March 2015 contains forward-looking statements about Mitsubishi Corporation's future plans, strategies, beliefs and performance that are not historical facts. They are based on current expectations, estimates, forecasts and projections about the industries in which Mitsubishi Corporation operates and beliefs and assumptions made by management. As the expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, they may cause actual results to differ materially from those projected.

Mitsubishi Corporation, therefore, wishes to caution readers not to place undue reliance on forward-looking statements. Furthermore, the company undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments.

Risks, uncertainties and assumptions mentioned above include, but are not limited to, commodity prices; exchange rates and economic conditions; the outcome of pending and future litigation; and the continued availability of financing, financial instruments and financial resources.

Management's Discussion and Analysis of Financial Condition and Results of Operations

1. Results of Operations

1) Operating Results

In the year ended March 2015, the U.S. economy continued to experience a solid recovery, driven by consumer spending. In Europe, there were continuing signs of an upturn in overall economic conditions, albeit at a gradual pace of recovery. Certain emerging nations experienced a slowdown in economic growth. The Japanese economy followed a moderate recovery path, despite a pull-back from last-minute demand ahead of the increase in the consumption tax rate. In the latter half of 2014, resource prices such as crude oil prices decreased, while the yen depreciated at a faster pace.

Under such circumstances, revenues for the year ended March 2015 were ¥7,669.5 billion, nearly flat year over year.

Gross profit increased ¥23.9 billion, or 2%, to ¥1,209.9 billion.

Selling, general and administrative expenses increased ¥45.9 billion, or 5%, to ¥998.8 billion, due mainly to the impact of business expansion (new consolidations).

Reversal of impairment loss from investment accounted for using the equity method was ¥94.2 billion in the year ended March 2015 due to a reversal of impairment losses recognized in prior years in the Living Essentials Group and the Global Environmental & Infrastructure Business Group.

In other P/L items, impairment losses on long-lived assets increased mainly due to the recording of impairment losses in the gas and oil development business in Oceania, North America and Europe, while other (expense) income-net and finance income increased mainly due to an improvement in foreign exchange gains and losses, as well as to higher dividend income from resource-related investees (non-ferrous metals).

Income from investments accounted for using the equity method increased ¥35.4 billion, or 21%, to ¥203.8 billion.

As a result, income before income taxes increased ¥42.7 billion, or 8%, to ¥574.7 billion.

Accordingly, consolidated net income attributable to owners of Parent for the year ended March 2015 increased ¥39.2 billion, or 11%, to ¥400.6 billion.

Year Ended March 2015 vs. Year Ended March 2014

1) Total Revenues
Revenues in the year ended March 2015 were ¥7,669.5 billion, nearly flat year over year. There was a ¥36.1 billion, or 1%, year-over-year decrease in revenues from the sale of goods to ¥6,598.0 billion. Revenues from the rendering of services and others increased ¥70.4 billion, or 7%, to ¥1,071.5 billion.

The main reasons for changes (by segment) were as follows:

- The Living Essentials Group revenues increased ¥95.1 billion, or 4%, to ¥2,448.6 billion, due mainly to the impact of business expansion (new consolidations) in fields such as the salmon farming business.
- The Industrial Finance, Logistics & Development Group revenues increased ¥57.9 billion, or 34%, to ¥230.2 billion, due mainly to the sale of real estate held for development and resale.
- The Energy Business Group revenues decreased by ¥69.8 billion, or 4%, to ¥1,816.2 billion, due mainly to a decrease in sales volume and the impact of the falling crude oil prices.

2) Gross Profit
Gross profit increased ¥23.9 billion, or 2%, to ¥1,209.9 billion.

3) Selling, General and Administrative Expenses
Selling, general and administrative expenses increased ¥45.9 billion, or 5%, to ¥998.8 billion, due mainly to the impact of business expansion (new consolidations).

4) Gains on investments
In the year ended March 2015, we recorded gains on investments of ¥45.4 billion, a decrease of ¥1.0 billion, or 2%, year over year.

5) Reversal of impairment losses from investments accounted for using the equity method
Reversal of impairment losses from investments accounted for using the equity method was ¥94.2 billion in the year ended March 2015 due to reversals of impairment losses recognized in prior years in the Living Essentials Group and the Global Environmental & Infrastructure Business Group.

6) Gains on sale and disposal of long-lived assets
In the year ended March 2015, we recorded gains on sale and disposal of long-lived assets of ¥21.9 billion, an increase of ¥16.0 billion, or 268%, year over year.

7) Impairment losses on long-lived assets
In the year ended March 2015, we recorded impairment losses on long-lived assets of ¥115.2 billion, an increase of ¥94.7 billion, or 462%, from the previous fiscal year. This mainly reflected the recording of impairment losses in the gas and oil development business in Oceania, North America and Europe in the year ended March 2015.

8) Other (expense) income —net
We recorded net other expenses of ¥45.4 billion, an improvement of ¥21.4 billion, or 32%, year over year due primarily to an improvement in foreign exchange gains and losses.

9) Finance income
Finance income increased ¥7.7 billion, or 4%, year over year to ¥204.9 billion, mainly due to higher dividend income from resource-related investees (non-ferrous metals).

10) Finance costs
Finance costs increased ¥14.3 billion, or 45%, year over year to ¥46.1 billion, mainly due to higher interest expenses.

11) Income from investments accounted for using the equity method
Income from investments accounted for using the equity method was ¥203.8 billion, up ¥35.4 billion, or 21%, year over year.

12) Income before income taxes
Income before income taxes was ¥574.7 billion, up ¥42.8 billion, or 8%, year over year, for the above reasons.

13) Income taxes
Income taxes increased by ¥22.7 billion, or 16%, year over year to ¥168.3 billion, in line with the increase in income before income taxes.

14) Net income attributable to non-controlling interest
Net income attributable to non-controlling interest was ¥5.8 billion, down ¥19.2 billion, or 77%, year over year.

15) Net income attributable to owners of the Parent
As a result of the above, net income attributable to owners of the Parent increased by ¥39.2 billion, or 11%, to ¥400.6 billion.

2. Year Ended March 2015 Segment Information

Operating Segments
(Consolidated net income, as used hereinafter, refers to "Net income attributable to owners of the Parent")

1) 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.

In the year ended March 2015, segment revenues increased by ¥8.5 billion, or 28%, to ¥39.2 billion.

Gross profit increased by ¥3.1 billion, or 11%, to ¥31.6 billion. This increase was due primarily to higher earnings on transactions in infrastructure-related businesses.

Income from investments accounted for using the equity method increased by ¥10.5 billion, or 57%, to ¥28.9 billion. The higher income mainly reflects increased earnings from the FPSO (Floating Production Storage & Offloading System) business and the North American power generation business.

The segment recorded consolidated net income of ¥20.4 billion, an increase of ¥4.2 billion, or 26%, year over year. In addition to the reasons above, this result reflected factors such as increased earnings from a reversal of impairment losses recognized in prior fiscal years, and the recording of provision for losses on guarantee obligations in connection with loans and guarantees for oil field production and development businesses.

2) Industrial Finance, Logistics & Development Group
The Industrial Finance, Logistics & Development Group is developing shosha-type industrial finance businesses. These businesses range from asset management, infrastructure investment, and buyout investment to leasing, real estate development and logistics services.

In the year ended March 2015, segment revenues increased by ¥57.9 billion, or 34%, to ¥230.2 billion.

Gross profit increased by ¥8.5 billion, or 13%, to ¥75.7 billion. This higher gross profit mainly reflected the sale of real estate held for development and resale.

Income from investments accounted for using the equity method increased by ¥16.9 billion, or 104%, to ¥33.1 billion, reflecting mainly increased earnings in the fund investment and the leasing businesses.

For the above reasons, the segment recorded consolidated net income of ¥40.1 billion, an increase of ¥10.4 billion, or 35%.

3) Energy Business Group
The Energy Business Group conducts a number of activities including oil and gas exploration, development and production (E&P) business; investment in natural gas liquefaction projects; trading of crude oil, petroleum products, carbon materials and products, LNG (Liquefied Natural Gas), and LPG (Liquefied Petroleum Gas); and planning and development of new energy business.

In the year ended March 2015, segment revenues decreased by ¥69.8 billion, or 4%, to ¥1,816.2 billion.

Gross profit decreased by ¥3.0 billion, or 5%, to ¥59.2 billion. This was mainly due to lower earnings on transactions due to deterioration in market conditions.

Income from investments accounted for using the equity method increased by ¥5.9 billion, or 9%, to ¥71.6 billion, reflecting mainly the impact of the yen's depreciation.

However, the segment recorded consolidated net income of ¥82.3 billion, a decrease of ¥36.3 billion, or 31%. In addition to the reasons above, this result reflected factors such as the recording of impairment losses in the gas and oil development business in Oceania, North America and Europe in line with changes in the business environment.

4) Metals Group

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

In the year ended March 2015, segment revenues decreased by ¥20.4 billion, or 2%, to ¥852.8 billion.

Gross profit decreased by ¥42.6 billion, or 18%, to ¥199.3 billion. This was mainly due to lower sales prices in the Australian coal business.

Income from investments accounted for using the equity method increased by ¥1.5 billion, or 125%, to ¥2.7 billion, reflecting mainly the higher dividend income and equity-method earnings from resource-related investees (non-ferrous metals), and lower impairment losses on resource-related investments.

As a result of the above, the segment recorded consolidated net income of ¥13.9 billion, an increase of ¥5.9 billion, or 74%, year over year.

5) Machinery Group

The Machinery Group handles sales, finance and logistics across many different sectors, in which it also invests. These fields include machine tools, agricultural machinery, construction machinery, mining machinery, elevators, escalators, ships, aerospace-related equipment and motor vehicles.

In the year ended March 2015, segment revenues decreased by ¥22.3 billion, or 3%, to ¥806.7 billion.

Gross profit increased by ¥10.6 billion, or 6%, to ¥197.3 billion. This was mainly due to higher earnings on transactions in automobile operations outside Asia, as well as in shipping and industrial machinery businesses, despite lower sales in Asian automobile operations.

Income from investments accounted for using the equity method increased by ¥2.2 billion, or 7%, to ¥32.2 billion, reflecting mainly an increase in earnings from Asian automobile operations.

The segment recorded consolidated net income of ¥91.3 billion, a decrease of ¥7.5 billion, or 8%, year over year. In addition to the reasons above, this decrease reflected factors such as the rebound of a one-off gain associated with the revaluation of assets recorded in the previous fiscal year.

6) Chemicals Group

The Chemicals Group trades chemical products in a broad range of fields, in which it also develops business and invests. These fields extend from basic materials such as ethylene, methanol, and salt produced from crude oil, natural gas, minerals, plants, marine resources and so forth, to midstream and downstream products such as plastics, electronic materials, food ingredients, fertilizer and fine chemicals.

In the year ended March 2015, segment revenues were ¥1,462.3 billion, largely unchanged year over year.

Gross profit increased by ¥8.3 billion, or 8%, to ¥110.9 billion. This was mainly due to new consolidations of food science subsidiaries and higher earnings on transactions.

Income from investments accounted for using the equity method increased by ¥1.5 billion, or 9%, to ¥18.8 billion, reflecting mainly higher earnings from a methanol-related business company.

The segment recorded consolidated net income of ¥31.4 billion, an increase of ¥9.7 billion, or 45%, year over year. In addition to the reasons above, this result reflected factors such as higher earnings on transactions at the Parent and at plastics and other related business companies.

7) Living Essentials Group

The Living Essentials Group provides products and services, develops businesses and invests in various fields closely linked with people's lives, including food products and food, textiles, essential supplies, healthcare, distribution and retail. These fields extend from the procurement of raw materials to the consumer market.

In the year ended March 2015, segment revenues increased by ¥95.1 billion, or 4%, to ¥2,448.6 billion.

Gross profit increased by ¥44.5 billion, or 9%, to ¥525.4 billion. This was mainly due to the new consolidation of a salmon farming subsidiary and higher sales prices in the livestock business.

Income from investments accounted for using the equity method decreased by ¥2.0 billion, or 9%, to ¥20.6 billion, reflecting mainly a decrease in earnings mainly due to the sale of investees in Japan.

The segment recorded consolidated net income of ¥120.5 billion, an increase of ¥61.3 billion, or 104%, year over year. In addition to the reasons above, this result reflected factors such as a reversal of impairment losses recognized in prior fiscal years.

Geographic Information

1) Japan

In the year ended March 2015, revenues were ¥5,360.8 billion, down ¥70.8 billion, or 1%. This decrease was mainly due to lower sales volumes and the impact of lower oil prices in the Energy Business Group, despite the sale of real estate held for development and resale in the Industrial Finance, Logistics & Development Group.

2) U.S.A.

In the year ended March 2015, revenues were ¥608.7 billion, down ¥14.0 billion, or 2%. This decrease was mainly due to lower sales prices in the subsidiaries of Living Essentials Group.

3) Other

In the year ended March 2015, revenues increased by ¥119.1 billion, or 8%, to ¥1,700.0 billion.

3. Year Ended March 2015 Operating Environment and Year Ending March 2016 Outlook

(Consolidated net income, as used hereinafter, refers to “Net income attributable to owners of the Parent”)

1) Global Environmental & Infrastructure Business Group

In the year ended March 2015, signs of a global economic recovery began to emerge. Notably, the U.S. economy continued to experience a solid recovery. In Europe, there were continuing signs of an upturn in overall economic conditions, albeit a gradual pace of recovery. In Japan, corporate earnings started to improve owing to the weakening yen and rising stock prices. In this environment, the Global Environmental & Infrastructure Business Group saw earnings lifted by increased earnings from Asian and North American power generation businesses and the FPSO business, in addition to earnings from a reversal of impairment losses recognized in prior fiscal years.

In the year ending March 2016, firm demand is expected for social and industrial infrastructure, such as power, water, transportation, and plant infrastructure, primarily in emerging and developing countries. The Group’s business domains also offer abundant business opportunities over the medium and long terms. Under these conditions, we believe that we will continue to see steady growth in the prevailing business environment.

The business environment in our main business domains was as follows.

In the power business, demand for power is steadily growing, particularly in Asia and the Americas. In Europe, where the main focus of renewable energy is on offshore wind projects, we continue to expect business opportunities to emerge from offshore wind projects and the associated offshore power transmission projects. Furthermore, in Japan, plans for developing alternative sources of power are being advanced amid delays in the restarting of nuclear power plants. In this environment, we anticipate that negotiations on power generation facilities will emerge as the plans for developing alternative sources of power open up new business opportunities for power generation projects.

In the water business, the Japanese government is accelerating efforts to embrace the promotion of public-private partnership (PPP) businesses as an important policy measure to develop concessions. Overseas, demand is increasing for seawater desalination plants primarily in Asia and Oceania, the Middle East and Africa. Business opportunities related to these sorts of water treatment infrastructure are anticipated to increase. For these reasons, we expect the business environment to remain strong going forward.

In the transportation field, we entered the container terminal operation business in Spain and the airport operation business in Myanmar. In the railway equipment sector, we received orders for large railcar projects from cities such as Istanbul, Turkey and Doha, Qatar. We believe that demand in the transportation field will remain extremely buoyant, against the backdrop of trends such as the globalization of logistics on a borderless scale, fast-paced economic development in emerging countries, burgeoning population movements and the concentration of populations in urban areas driven by large-scale investment in the Middle East. Therefore, we believe that the business environment will facilitate our efforts to build a steady revenue base.

In the plant & engineering business, several major investment decisions were made in projects such as development and production facilities for oil and gas fields and LNG and oil refinery projects in the first half of the year ended March 2015. However, in the second half of the fiscal year, growth in investment slowed primarily in resource-rich countries due to the impact of falling oil prices. Although we will need to continue to monitor oil price trends closely in the year ending March 2016, we believe that competitive projects will steadily emerge given that global demand for energy remains strong. Therefore, overall, we believe that the business environment offers prospects for solid demand for plant projects. Furthermore, the market for large compressors, the core product we handle, has seen delays in some projects, but demand for these products is strong. Accordingly, we believe that the business environment will enable us to steadily capture market growth through not only plant projects but also the supply of equipment.

2) Industrial Finance, Logistics & Development Group

In the year ended March 2015, market conditions in terms of stock and real estate prices trended favorably in Japan, the U.S., the U.K. and certain other countries, mainly reflecting continued monetary easing in developed countries. In this market environment, the Industrial Finance, Logistics & Development Group saw continued strong performances in the real estate-related business and leasing business, along with strong operating results in the fund investment business. As a result, the Group posted consolidated net income of ¥40.1 billion in the year ended March 2015, up ¥10.4 billion year over year.

For the year ending March 2016, we believe that market conditions surrounding the Group will remain stable on the whole, despite some concerns such as economic trends in China and the tightening of U.S. monetary policy. Accordingly, we will develop businesses centered on the asset management business targeting alternative assets such as real estate and private equity, as well as the leasing business and the real estate development business in Japan and overseas.

The business environment in our main business fields was as follows.

In the real estate-related business in Japan, real estate transactions totaled ¥4.8 trillion, higher than the ¥4.6 trillion recorded in the previous fiscal year. Moreover, amid falling long-term interest rates, a weaker yen and rising stock prices in addition to a recovery in real estate market conditions, the Tokyo Stock Exchange REIT Index showed an increase of nearly 30% for the full year. In these and other ways, the real estate fund sector was buoyant, including both publicly offered funds and private funds. In the year ending March 2016, we believe that real estate and real estate fund market conditions will remain strong, based on new J-REIT listings and additional investment in J-REITs, the launch of new private REITs, and greater inflow of overseas funds.

In the overseas real estate-related business, North America is experiencing a robust real estate market recovery in both the real estate trading and leasing sectors, helped partly by steady improvement in economic fundamentals, such as population growth, a recovery in the jobs market, and a rebound in business conditions. While real estate conditions in China are likely to peak out in the short term, the Chinese real estate market should see sustained demand for highly functional logistics facilities driven by growing markets primarily for online shopping. In addition, demand for housing purchases among middle income earners has yet to lose momentum. In the ASEAN region, there is stronger demand for condominiums for middle income earners and logistics facilities on the back of firm economic expansion and population growth.

In the leasing business field, leasing demand in Japan in the year ended March 2015 decreased year over year, owing partly to the impact of the consumption tax hike in April 2014. However, we are starting to see an improvement in corporate earnings centered on export sectors, as well as an increase in capital investment and other positive factors. Accordingly, the leasing market in Japan is expected to gradually recover. In the aircraft leasing field, we anticipate continuing growth on the back of rising demand for procuring aircraft and finance mainly due to the entry of new carriers. Growth will also be driven by demand from emerging countries and demand for replacing existing aircraft with aircraft that offer high economic efficiency.

3) Energy Business Group

The Brent spot crude oil price in the year ended March 2015 began the first half of the year by rising fitfully due to the annexation of the Crimean peninsula by Russia and increased geopolitical risk in the Middle East, reaching over $110/BBL in June. However, from July, although U.S. shale oil production starting increasing at a faster pace, the Brent spot price began to decrease in stages due to an economic slowdown in China and other emerging countries and the decision by OPEC members, primarily Saudi Arabia, to maintain crude oil production. As a result, the Brent spot price had decreased by more than half, to below $50/BBL, in January 2015. Thereafter, the Brent spot price has recovered to over $60/BBL owing to a global recovery in demand for crude oil, coupled with a decrease in U.S. shale oil production. However, the Brent spot price will likely struggle to recover sharply to the $100/BBL level seen in the first half of the fiscal year. In the year ended March 2015, with the Brent spot price decreasing by more than half, the crude oil market experienced a year of major turmoil that was second only to the fallout from the Lehman Brothers bankruptcy in 2008.

Crude oil prices for the year ending March 2016 should see some unstable movements, as in the previous fiscal year. It is highly likely that U.S. shale oil production will continue to be reduced in the near term, making this factor a supply-side concern that could push up crude oil prices. Meanwhile, an agreement between Iran and the P5+1 countries on a framework for nuclear development in Iran and other trends could lead to potential oversupply. Coupled with trends surrounding OPEC, which continues to maintain and increase crude oil production, these factors could soften crude oil prices going forward. Furthermore, global economic trends such as the tightening of monetary easing by the U.S. Federal Reserve Board (FRB), developments surrounding the European economic recovery, most notably the Greek fiscal debt crisis, and an uncertain outlook for the Chinese economy, are expected to act as destabilizing factors in the crude oil markets. Consequently, both upward and downward crude oil price movements are expected. We believe that the crude oil price has bottomed out and is gradually recovering over the medium and long terms. However, a mix of positive and negative factors is highly likely to have a simultaneous impact on the crude oil price in the short term. Accordingly, we must continue to watch crude oil price trends closely.

Our consolidated net income projection for the year ending March 2016 for this business group assumes a crude oil price of US$65/BBL (Dubai spot price). The Energy Business Group holds upstream rights, and/or liquefaction facilities in Australia, Malaysia, Brunei, Sakhalin, Indonesia, the U.S., including the Gulf of Mexico, Gabon, Angola and other parts of the world. Therefore, our operating results are subject to the effect of fluctuations in the price of crude oil. A US$1/BBL change in the price of crude oil has an approximate ¥1.5 billion effect on consolidated net income in this business group, mainly through a change in income from investments accounted for using the equity method. However, because of timing differences, this price fluctuation might not be immediately reflected in our operating results in the fiscal year in which it occurs.

4) Metals Group

Global steel output for the 2014 calendar year reached approximately 1.7 billion tons, setting a new record for the fifth straight year. However, steel market prices and the price of raw materials for steel were sluggish, reflecting the persistence of excessive production capacity in China, which accounts for almost half of global steel output, despite declining steel output in the country. Furthermore, non-ferrous metals prices remained capped within a certain range throughout the year. The average annual price of copper cathode declined from US$7,104 per ton in the year ended March 2014 to US$6,558 in the year ended March 31, 2015, reflecting mainly falling crude oil prices.

In this environment, Australian resource related subsidiary Mitsubishi Development Pty Ltd posted lower earnings, mainly owing to a drastic decline in prices from the previous fiscal year, despite higher sales volume and lower unit costs due to the benefits of cost-cutting and productivity enhancement measures. However, the Metals Group saw consolidated net income increase year over year. The increase mainly reflected higher dividend income and equity-method earnings from resource-related investees (non-ferrous metals), and lower impairment losses on resource-related investments.

Over the medium and long terms, demand for metal resources and related products as well as prices are expected to increase strongly, with economic growth in emerging markets driving the global economy. Accordingly, we expect commodity prices to recover gradually.

For the year ending March 2016, we project an increase in consolidated net income in the Metals Group year over year, despite a delay in the recovery of metal resource prices. This projection is premised mainly on the benefits of productivity enhancements and cost-cutting measures implemented until now, along with the rebound of one-off losses recorded in the previous fiscal year.

5) Machinery Group

The Machinery Group posted lower earnings year over year, due to the rebound of a one-off gain associated with the revaluation of assets recorded in the previous fiscal year. The Group was hit hard by the impact of declining demand for automobiles in the Asian region, although earnings were underpinned by increased earnings reflecting the yen's depreciation and growth in businesses other than Asian automobile operations. For the year ending March 2016, it is difficult to foresee an upturn in Asian automobile operations and shipping market conditions. However, we will continue to implement growth initiatives in other fields. We also intend to strengthen our business platform, eyeing an improvement in the business environment over the medium and long terms.

The business environment in our main business fields was as follows.

In the industrial machinery business, the construction machinery rental business in Japan is expecting another year of strong construction investment supported by public works projects and the Tokyo Olympic Games in the year ending March 2016, as in the year ended March 2015. In the elevator business, we posted strong sales against the backdrop of surging construction demand in the ASEAN region. In the year ending March 2016 and beyond, demand is projected to continue growing firmly. In the machine tools business, we reported growth in our Japanese business partly owing to a tax cut for capital investments and the positive effects of subsidies. The North American market also grew steadily atop a resurgence in the manufacturing sector. In the year ending March 2016, we expect this favorable environment to continue in the Japanese and North American markets, as in the year ended March 2015, despite the projected impact of an economic slowdown in China and some parts of the ASEAN region.

In the shipping-related business, although market conditions for bulk carriers have remained sluggish, we are expecting a recovery in market conditions over the medium and long terms driven by higher demand for the shipping of bulk freight in line with global economic growth, plus improving supply-demand dynamics due mainly to a lower number of newly constructed ships. The gas carrier and related marine special purpose ships business has maintained a strong performance due to higher demand for LNG on a global basis. Considering these and other factors, the business environment is expected to gradually improve.

In business related to Mitsubishi Motors Corporation (MMC), we faced challenging conditions in emerging markets, mainly due to a sharp contraction in the Russian market, but we saw an improving business environment in mature markets, supported mainly by the yen's ongoing depreciation. In the year ending March 2016, the environment surrounding emerging markets is expected to come under further pressure. However, guided by the basic policy of MMC, our largest partner in this business, we will continue working to further strengthen the operating base in the key markets of Indonesia, Russia, and China, while focusing on expanding sales in other markets.

In business related to Isuzu Motors Limited brand automobiles, automobile demand in the mainstay Thailand market in the 2014 calendar year decreased sharply by 33.8% from the 2013 calendar year, primarily reflecting the impact of weak agricultural prices. For the year ending March 2016, the mainstay Thailand market is expected to remain stagnant, in addition to facing intensifying competition. Aiming for growth over the medium and long terms, we plan to step up activities in Thailand and other countries, such as India.

6) Chemicals Group

The chemicals product market in the year ended March 2015 was lackluster overall, despite a gradual recovery in the global economy. The sluggish market conditions were due mainly to slowing growth in emerging economies and the impact of overcapacity in China resulting from large-scale facility expansion. In addition, actual demand lacked strength on the whole in the second half of the fiscal year, as market conditions for products declined along with the sharp decrease in crude oil prices, with certain customers postponing purchases.

Looking ahead, market conditions around the world are expected to experience unstable movements as overcapacity and the slowdown in economic growth in China are projected to continue in the near term, in addition to lackluster oil prices. This is despite expectations of continued growth in demand primarily in Asian markets.

In the medium term, we anticipate structural changes (industry realignment, consolidation and closure of facilities) in the global petrochemical industry as the shale gas revolution makes the North American petrochemical industry more competitive and boosts its supply capacity. This development is also expected to transform the flow of logistics and the supply of products. Therefore, we expect to see more and more opportunities to emerge that will make the most of our capabilities.

Meanwhile, there is greater interest in the themes of health, safety, comfort and good taste, driven by an ever-increasing middle class and improving living standards in emerging markets, and aging populations in developed countries. As a result, demand in the life science field, including food science, is projected to expand firmly.

We will respond to these changes in the business environment and market needs by developing food science, and pharmaceutical and agrochemical businesses globally in order to capture market growth in Japan and abroad. In addition, while strengthening core businesses such as Saudi Arabian petrochemical operations and the Venezuelan methanol business, we will continue to expand our trading platform in the commodity chemicals field. Along with these efforts, we will continue to develop the business chain in plastics and other functional chemicals fields and continuously strengthen consolidated businesses.

7) Living Essentials Group

The market in Japan in the year ended March 2015 started to show signs of recovery, despite a year-over-year decline in household spending mainly due to the impact of the consumption tax hike (from 5% to 8%) in April 2014. The recovery has been underpinned recently by rising stock prices and a rebound in business conditions. Although the size of the market is projected to continue contracting in line with an ongoing decline in the population, we expect to capture new sources of demand spawned by changes in lifestyles in line with the ongoing aging of society. In overseas markets, despite slightly slower economic growth, we expect rising income levels to enhance consumer spending in terms of both quality and quantity in emerging markets centered on Asia. In this business environment, we will work to strengthen our capabilities by means including developing economies of scale and rationalizing operations, while upgrading and enhancing our business platform to capture market growth overseas.

In the food raw materials and primary processing fields, we faced a challenging business environment due to higher costs in Japan associated with the yen's depreciation, although international prices for main grains remained mostly soft. Meanwhile, overseas, demand for meat and marine products continues to expand in emerging markets. Consequently, it has become increasingly important to upgrade and expand our global raw material procurement network encompassing livestock, aquaculture and other businesses. Notably, declining salmon prices are expected to drive market expansion by unlocking pent-up demand. At the same time, salmon prices are starting to show signs of returning to a recovery path.

Looking at the product manufacturing and intermediary distribution fields, in the textile domain, the Japanese market is supported by firm demand based on strong performances by operators of apparel production and retail chains, despite higher costs due to the yen's depreciation and other challenges. Meanwhile, overseas emerging markets are expected to continue expanding, supported by an extremely strong appetite for consumption. In response, we will work to lower costs further mainly by stepping up the relocation of production sites to Southeast Asia, as we strive to achieve business growth. In the paper and packaging domains, the business environment has come under pressure due to the impacts of surging raw material prices and higher costs reflecting the yen's depreciation. In the tire field, we expect to drive business growth in emerging markets based on an overall increase in demand in overseas markets, despite some signs of market contraction due to the weakening of the Russian currency. In the healthcare field, the market is expected to expand in Japan and overseas. The medical frontline is spreading out from hospitals to local healthcare providers to meet requests to curb medical expenses and fulfill other needs. This has led to a stronger need to raise efficiency, cut costs and create frameworks for assigning responsibility that transcend the boundaries of medical institutions in all aspects of healthcare, namely people, physical assets and capital. We will continue to provide many different products and services, as we explore new business opportunities.

In the retail field, shopping methods are diversifying in line with the popularization of smartphones and other trends. As the barriers between the Internet and real stores come down, it is becoming increasingly crucial to provide the necessary goods and services when they are needed in many different situations in daily life. We will work to develop products and expand businesses in response to changes in consumer lifestyle patterns and needs, with the aim of helping to achieve even more fulfilling consumer lifestyles. This will include initiatives focused on not just urban areas, but also measures to support a "local production, local consumption" model that is closely rooted in the cultures of each region.

4. Significant Contracts

There were no significant contracts in the year ended March 2015.

5. R&D Activities

There were no material R&D activities in the year ended March 2015.

6. Liquidity and Capital Resources

1) Fund Procurement and Liquidity Management

Our basic policy concerning the procurement of funds to support business activities is to procure funds in a stable and cost-effective manner. For funding purposes, we select and utilize, as needed, both direct financing, such as commercial paper and corporate bonds, and indirect financing, including bank loans. We seek to use the most advantageous means, according to market conditions at the time. We have a strong reputation in capital markets. Regarding indirect financing, we maintain good relationships with a broad range of financial institutions in addition to our main banks, including foreign-owned banks, life insurance companies and regional banks. This diversity allows us to procure funds on terms that are cost competitive.

In the year ended March 2015, the U.S. economy continued to experience a modest recovery. However, the economies in Japan, Europe and emerging nations lacked strength, and the uncertain financial environment continued, mainly due to the ongoing low prices of crude oil. The Company pursued extended fundraising periods for borrowings and both Japanese and overseas corporate bonds, and made efforts to improve financial soundness.

As a result of these funding activities, as of March 31, 2015, gross interest-bearing liabilities stood at ¥6,349.0 billion, ¥273.2 billion higher than March 31, 2014. Of these gross interest-bearing liabilities, 86% represented long-term financing. Gross interest-bearing liabilities at the Parent were ¥4,063.1 billion, of which 99.5% represented long-term financing, and the average remaining period was approximately 6 years.

For the year ending March 2016, we plan to continue procuring funds mainly through long-term financing. Furthermore, in order to prepare for future demand for funds, we will seek to diversify funding sources and at the same time look to continue raising funding efficiency on a consolidated basis. Moreover, because financial markets remain unpredictable, we will remain vigilant and secure sufficient cash and deposits, and bank commitment lines, to maintain our liquidity.

Regarding management of funds on a consolidated basis, we have a group financing policy in which funds are raised principally by the Parent, as well as domestic and overseas finance companies and overseas regional subsidiaries, and distributed to other subsidiaries. As of March 31, 2015, 80% of consolidated gross interest-bearing liabilities were procured by the Parent, domestic and overseas finance companies, and overseas regional subsidiaries. Looking ahead, we plan to enhance our fund management system on a consolidated basis, especially in light of our stated management policy of continuously improving consolidated management.

The current ratio as of March 31, 2015 was 153% on a consolidated basis. In terms of liquidity, we believe that the Parent has a high level of financial soundness. The parent, Mitsubishi International Corporation (U.S.A.) and Mitsubishi Corporation Finance PLC (U.K.) had ¥334.0 billion in short-term debt as of March 31, 2015, namely commercial paper and bonds scheduled for repayment within a year. But, since the sum of cash and deposits, bond investments due to mature within a year, and securities for trading purpose together with commitment lines secured on a fee basis amounted to ¥2,221.7 billion, we believe we have a sufficient level of liquidity to meet current obligations. The excess coverage amount was ¥1,887.7 billion. The Parent has a yen-denominated commitment line of ¥510.0 billion with major Japanese banks, a commitment line of US$1.0 billion and a soft currency facility equivalent to US$0.3 billion with major international banks, mainly in the U.S. and Europe.

To procure funds in global financial markets and ensure smooth business operations, we obtain ratings from three agencies: Rating and Investment Information, Inc. (R&I), Moody's Investors Service, and Standard and Poor's (S&P). As of May 14, 2015, our ratings (long-term/short-term) are AA-/a-1+ (outlook stable) by R&I, A1/P-1 (outlook negative) by Moody's, and A+/A-1 (outlook stable) by S&P.

2) Total Assets, Liabilities and Total Equity
Total assets at March 31, 2015 were ¥16,774.4 billion, up ¥ 873.2 billion, or 5%, from March 31, 2014.

Current assets increased by ¥338.6 billion, or 5%, to ¥7,608.7 billion. This was mainly because of an increase in cash and cash equivalents due to collection of working capital.

Non-current assets increased by ¥534.6 billion, or 6%, to ¥9,165.7 billion from March 31, 2014. This was mainly because of an increase in investments accounted for using the equity method due to the impact of the yen's depreciation and reversal of impairment losses, as well as increases in various asset items associated with the new consolidations of subsidiaries.

Total liabilities at March 31, 2015 were ¥10,718.8 billion, up ¥357.1 billion, or 3%, from March 31, 2014.

Current liabilities increased by ¥126.4 billion, or 3%, to ¥4,979.0 billion. This was mainly because of increases in unpaid consumption tax on imports and lease obligations.

Non-current liabilities increased by ¥230.7 billion, or 4%, to ¥5,739.8 billion. This mainly reflected an increase in long-term debt due to the impact of the yen's depreciation and the procurement of funds for making new and additional investments.

Total equity increased by ¥516.2 billion, or 9%, from March 31, 2014 to ¥6,055.6 billion at March 31, 2015.

Equity attributable to owners of the Parent increased ¥502.8 billion, or 10%, to ¥5,570.5 billion, due mainly to net income and an improvement in exchange differences on translating foreign operations from the yen's depreciation, despite the payment of dividends at the Parent.

Non-controlling interest was largely unchanged at ¥485.1 billion.

Net interest-bearing liabilities, gross interest-bearing liabilities minus cash and cash equivalents, at March 31, 2015 were ¥4,467.7 billion, down ¥133.4 billion, or 3%, year over year.

As a result, the net debt-to-equity ratio, which is net interest-bearing liabilities divided by equity attributable to owners of the Parent, was 0.8, which was 0.1 of a point lower than at March 31, 2014.

3) Cash Flows
Cash and cash equivalents at March 31, 2015 were ¥ 1,725.2 billion, up ¥ 393.2 billion from March 31, 2014.

(Operating activities)
Net cash provided by operating activities was ¥798.3 billion, mainly due to cash flows from operating transactions and dividend income, as well as the recovery of working capital, despite the payment of income taxes.

Net cash provided by operating activities increased ¥416.7 billion year over year mainly due to cash inflows from operating transactions and dividend income, as well as the recovery of working capital.

(Investing activities)
Net cash used in investing activities was ¥154.9 billion. Investing activities used net cash mainly due to an investment in a salmon farming company and capital expenditures in the Australian coal business, despite cash provided by the sale of aircraft, the collection of loans receivable at subsidiaries, and proceeds from a paid-in capital reduction at an associate.

Net cash used in investing activities decreased by ¥145.6 billion year over year, mainly due to decreased capital expenditures in the Australian coal business and the collection of loans receivable, despite an investment in a salmon farming company.

As a result, free cash flow, the sum of operating and investing cash flows, was positive ¥643.4 billion.

(Financing activities)
Net cash used in financing activities was ¥305.3 billion. Financing activities used net cash mainly due to the purchase of treasury stock and the payment of dividends at the Parent, in addition to the repayment of debt in line with asset sales and the recovery of working capital.

Net cash used in financing activities increased ¥186.5 billion year over year, due mainly to the repayment of debt associated with asset reshaping in addition to the purchase of treasury stock.

7. Strategic Issues

(Consolidated net income, as used hereinafter, refers to "Net income attributable to owners of the Parent")

1) "New Strategic Direction"

In May 2013, Mitsubishi Corporation developed its new management strategy, entitled New Strategic Direction (charting a new path toward sustainable growth). It went into effect in the year ended March 2014. Amidst major changes in Mitsubishi Corporation's business models and the external environment, we have abolished our traditional "midterm management plan" concept of committing to fixed financial targets three years in the future, in favor of a long-term, circa 2020 growth vision. To realize this vision we have set down our "New Strategic Direction," which consists of basic concepts on management policy together with our business and market strategies.

New Strategic Direction seeks to recognize our value and upside potential as a *sogo shosha* capable of "providing stable earnings throughout business cycles by managing a portfolio diversified by business model, industry, market and geography." As we continuously optimize our portfolio, we will strive to realize our growth vision and enhance the Mitsubishi Corporation's overall corporate value.

■ Mitsubishi Corporation circa 2020: Double Business

Mitsubishi Corporation's ability to maintain stable earnings is based on its improved concept of portfolio management. Acknowledging both this strength and our company's upside potential, we have set down our circa 2020 growth vision as follows:

Resource (LNG, coking coal, copper): Double Equity Production (compared to the year ended March 2013)

Non-Resource: Double Earnings Level (compared to the year ended March 2013)

■ Mitsubishi Corporation circa 2020 Portfolio Vision: Optimal Diversification & Winning Businesses

To intensively allocate management resources to current and future "winning businesses" while ensuring optimal diversification, we envision reducing the number of business sub-segments from the current total of 47 to between 35 and 40.

To strengthen these "winning businesses," we also envision reshaping the portfolio to consist of at least 10 business sub-segments earning more than ¥20 billion in net income, and between 10 and 15 business sub-segments earning between ¥10 and ¥20 billion in net income.

■ Management Policies

Our basic management policy is to create sustainable corporate value through business activities and strengthen "winning businesses" through the proactive reshaping of the portfolio in order to win competition on a global scale.

Our investment policy is to accelerate divestments selectively and free up capital for new investments, while continuing to invest at a rate in line with the average of the 3 years under Midterm Corporate Strategy 2012, in order to improve our earnings base.

Our financial policy is to increase our focus on financial discipline including funding our investments within our own cash flow assuming a base earnings level of ¥350.0 billion per annum. Furthermore, we will strive to deliver a return on equity of 12-15% in the medium to long term.

With regard to dividend policy, we will introduce a two-staged dividend policy with a base dividend and a performance based variable dividend in order to provide a stable return to shareholders, regardless of changes in the external environment.

■ Market Strategy and Business Strategy

In terms of our market strategy, we will accelerate our global business development by leveraging our shift towards Asian markets, which are gaining greater international presence not only as resource and industrial markets, but as consumer markets as well. Our objective will be to ensure sustainable growth by capturing growth in Asia. This will entail securing global supply sources to meet the increasing demand for raw materials and other commodities in Asia, and establishing a local presence within the region, through M&As, strategic alliances, and other proactive initiatives.

In terms of our business strategy, our resources business will be transitioning to the project development stage toward full operation, which will primarily entail upgrading and expanding our existing asset base (coking coal, copper, LNG and other core assets). At the same time, we will refocus on productivity and cost, be it capital or operational, to make more efficient use of our management resources.

In non-resource fields, we will accelerate the shift of management resources to current and future “winning businesses” to realize our growth vision circa 2020, which aims to build multiple robust and large-scale earnings drivers. While selectively growing businesses (automotive, foods, retail, power generation and life sciences), we will be transforming our business models, such as developing downstream shale gas operations in North America and shifting to industrial finance’s asset management business.

Looking at the outlook for the global business environment, the global economy is expected to remain shrouded in uncertainty, with the economies of developed countries still on a path to recovery, and signs of a slowdown in economic growth evident even in emerging countries such as China, India and Brazil.

Conscious of these conditions, we will forge ahead with New Strategic Direction as we work to create an even stronger earnings base and financial position. In tandem, through our diverse businesses, we aim to create sustainable corporate value while helping solve global problems. Moreover, guided by the spirit of the Three Corporate Principles, which form our corporate philosophy, we are determined to support economic activities and contribute to society through our businesses.

2) Main Investment Activities

We plan to invest in the mineral resources and oil and gas resources fields, which we expect to remain key earnings drivers, as well as the global environmental business, industrial finance, machinery, chemicals, living essentials and other fields, including Strategic Regions and Strategic Domains, which we see as future sources of earnings. All investments will be made with the aim of sustaining our growth.

Under New Strategic Direction, which we formulated in May 2013, together with a further selective acceleration of divestments and a freeing up capital for new investments, we planned to invest a total of ¥2.0-2.5 trillion over the three-year period from April 2013 to the end of March 2016. During the year ended March 2015, we invested a total of ¥760.0 billion.

The main investments made by the Company were in the acquisition of the salmon farming company Cermaq ASA (currently “Cermaq Group AS”), in expansion work on resource projects, and in the shipping business.

Note:
Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. Therefore, they do not constitute a guarantee that they will be realized. Actual results may differ materially from these statements for various reasons.

3) Forecast for the Year Ending March 2016

For the year ending March 2016, we forecast the consolidated net income of ¥360.0 billion. Please note that the basic assumptions for this forecast are as follows:

Reference: Change of basic assumptions

	Year Ended March 2015 (Actual)	Year Ending March 2016 (Forecasts)	Change
Exchange rate	¥109.8 /US$	¥120.0 /US$	¥10.2 /US$
Crude oil price	US$83.5 /BBL	US$65.0 /BBL	US$(18.5) /BBL
Interest rate (TIBOR)	0.20%	0.20%	-

8. Business Risks

(Unless otherwise stated, calculations of effects on future consolidated net income are based on consolidated net income for the year ended March 2015.Consolidated net income, as used hereinafter, refers to "Net income attributable to owners of the Parent")

1) Risks of Changes in Global Macroeconomic Conditions

As we conduct businesses on a global scale, our operating results are impacted by economic trends in overseas countries as well as those in Japan.

For instance, a decline in prices of energy and metal resources could have a large impact on our resource-related import transactions and earnings from business investments. Furthermore, the worldwide economic slowdown could affect our entire export-related business, including plants, construction machinery parts, automobiles, steel products, ferrous raw materials, chemical products, and other products.

In Thailand and Indonesia, we have various automobile businesses, including automobile assembly plants, distribution and sales companies and financial services companies jointly established with Japanese automakers. Because automobile sales volume reflects internal demand in each of these countries, economic trends in both Thailand and Indonesia may have a significant bearing on earnings from our automobile operations.

In the year ended March 2015, the global economy saw an increase in volatility in the financial and commodity markets, mainly due to concerns about the outlook for the Chinese economy and the Greek debt crisis, along with rising geopolitical risk as a result of the situation in Ukraine and the Middle East and other developments. Volatility in the financial and commodity markets also increased due to expectations of an interest rate hike in the U.S. In emerging countries, the pace of economic growth has slowed even among major countries such as China and Brazil, mainly due to slower growth in investment and exports, compounded by structural problems within these countries.

2) Market Risks

(1) Commodity Market Risk

In the course of our business activities, we are exposed to various risks relating to movements in prices of commodities as a trader, an owner of rights to natural and energy resources, and a producer and seller of industrial products of our investees. Product categories that may have a large impact on our operating results are as follows:

(Energy Resources)

We hold upstream rights to LNG and crude oil, and/or liquefaction facilities in Australia, Malaysia, Brunei, Sakhalin, Indonesia, Gulf of Mexico (United States), Gabon, Angola and other regions. Movements in LNG and crude oil prices may have a significant impact on operating results in these businesses. From the latter half of 2014, crude oil prices have decreased sharply. The main reasons for the drastic decline in crude oil prices were a decision by OPEC members, primarily Saudi Arabia, to maintain crude oil production, and supply-side changes such as increased shale oil production in the U.S. Another reason was economic slowdowns in countries centered on China, as well as in developed countries. Crude oil prices are forecast to gradually recover from the latter half of 2015 to 2016 based on an anticipated recovery in demand driven by the lower crude oil prices. However, considering that the outlook for crude oil prices remains uncertain, future developments must be watched closely.

Fundamentally, LNG prices are linked to crude oil prices. It is estimated that a US$1/BBL fluctuation in the price of crude oil would have an approximate ¥1.5 billion effect on consolidated net income for LNG and crude oil combined in a given year, mainly through a change in equity-method earnings. However, fluctuations in the price of LNG and crude oil might not be immediately reflected in our operating results because of timing differences.

(Metal Resources)

Through wholly owned Australian subsidiary Mitsubishi Development Pty Ltd (MDP), we sell coking coal, which is used for steel manufacturing, and thermal coal, which is used for electricity generation. Fluctuations in the price of coking coal may affect our consolidated operating results through MDP's earnings. MDP's operating results cannot be determined by the coal price alone since MDP's results are also significantly affected by fluctuations in exchange rates for the Australian dollar, U.S. dollar and yen, as well as adverse weather and labor disputes.

In addition, as a producer, we are exposed to the risk of price fluctuations in copper. A US$100 fluctuation in the price per MT of copper would have a ¥1.4 billion effect on our consolidated net income for the year. However, variables beside price fluctuations can also have an impact. These include the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditures). Therefore, the impact on earnings cannot be determined by the copper price alone.

(Petrochemical Products)

We are engaged in a broad range of trading activities for petrochemical products manufactured from raw materials such as naphtha and natural gas. The prices of petrochemical products are largely determined for each product on an individual basis based on the prices of the above raw materials, supply-demand dynamics and other factors. Fluctuations in the prices of these raw materials may affect earnings from these trading transactions.

We have made investments in manufacturing and sales companies for petrochemicals such as ethylene glycol, paraxylene and methanol in Saudi Arabia, Malaysia and Venezuela. Our equity-method earnings would be affected by changes in the operating results of these companies due to price movements.

(2) Foreign Currency Risk

We bear risk of fluctuations in foreign currency rates relative to the yen in the course of our trading activities, such as export, import and offshore trading. While we use forward contracts and other hedging strategies, there is no assurance that we can completely avoid foreign currency risk.

In addition, dividends received from overseas businesses and equity in earnings of overseas consolidated subsidiaries and affiliates are relatively high in proportion to our consolidated net income. Because most of these earnings are denominated in foreign currencies, which are converted to yen solely for reporting purposes, an appreciation in the yen relative to foreign currencies has a negative impact on consolidated net income. In terms of sensitivity, a 1 yen change relative to the U.S. dollar would have an approximate ¥2.5 billion effect on consolidated net income.

Regarding our investments in overseas businesses, an appreciation in the yen poses the risk of lowering shareholders’ equity through a negative effect on exchange differences on translating foreign operations. Consequently, we implement various measures to prevent increased exposure to foreign currency risk on investments, such as by hedging foreign currency risks with respect to new large investments. However, there is no assurance that we can completely avoid these risks.

(3) Stock Price Risk

As of March 31, 2015, we owned approximately ¥1,470.0 billion (market value basis) of marketable securities, mostly equity issues of customers, suppliers and associates. These investments expose us to the risk of fluctuations in stock prices. The valuation above represented net unrealized gains of approximately ¥510.0 billion based on market prices, a figure that could change depending on future trends in stock prices. In our corporate pension fund, some of the pension assets managed are marketable stocks. Accordingly, a fall in stock prices could cause an increase in pension expenses by reducing pension assets.

(4) Interest Rate Risk

As of March 31, 2015, we had gross interest-bearing liabilities of ¥6,349.0 billion. Because almost all of these liabilities bear floating interest rates, there is a risk of an increase in interest expenses caused by a rise in interest rates.

The vast majority of these interest-bearing liabilities are corresponding to trade receivables, loans receivable and other operating assets that are positively affected by changes in interest rates. Because a rise in interest rates produces an increase in income from these assets, while there is a timing difference, interest rate risk is offset. For the remaining interest-bearing liabilities exposed to interest rate risk without such offsets, commensurate asset holdings such as investment securities, property and equipment generate trading income as well as other income streams such as dividends that are strongly correlated with economic cycles. Accordingly, even if interest rates increase as the economy improves, leading to higher interest expenses, we believe that these expenses would be offset by an increase in income from the corresponding asset holdings. However, our operating results may be negatively affected temporarily if there is a rapid rise in interest rates because increased income from commensurate asset holdings would fail to offset the effects of a preceding increase in interest expenses.

To monitor market movements in interest rates and respond flexibly to market risks, we established the ALM (Asset Liability Management) Committee. This committee establishes fund procurement strategy and manages the risk of interest rate fluctuations.

3) Credit Risk

We extend credit to customers in the form of trade credit, including accounts receivables and advance payments, finance, guarantees and investments due to our various operating transactions. We are therefore exposed to credit risk in the form of losses arising from deterioration in the credit of or bankruptcy of customers. Furthermore, we utilize derivative instruments, primarily swaps, options and futures, for the purpose of hedging risks. In this case, we are exposed to the credit risk of the counterparties to these derivative instruments.

To manage this risk, we have established credit and transaction limits for each customer as well as introduced an internal rating system. Based on internal rules determined by internal ratings and the amount of credit, we also require collateral or a guarantee depending on the credit profile of the counterparty. There is no guarantee that we will be able to completely avoid credit risk with these risk hedging strategies. We reduce transactions and take measures to protect our receivables when there is deterioration in the credit condition of customers. We also have a policy for dealing with bankrupt customers and work to collect receivables. However, failure to collect receivables and other credit could affect our operating results.

4) Country Risk

We bear country risk in relation to transactions and investments with overseas companies in the form of delays or inability to collect cash or conduct business activities due to political and socioeconomic conditions in the countries where they are domiciled.

We take appropriate risk hedging measures that involve, in principle, hedges via third parties through such means as taking out insurance, depending on the nature of the project. Furthermore, we have established a Country Risk Committee, under which country risk is managed through a country risk countermeasure system. The country risk countermeasure system classifies countries with which we conduct business into six categories based on risk money in terms of the sum total of the amount of investments, advances, and guarantees, and the amount of trade receivables, net of hedges, as well as creditworthiness by country (country rating). Country risk is controlled through the establishment of risk limits for each category.

However, even with these risk hedging measures, it is difficult to completely avoid risks caused by deterioration in the political, economic, or social conditions in the countries or regions where our customers, portfolio companies or we have ongoing projects. Such eventualities may have an impact on our operating results.

5) Business Investment Risk

We participate in the management of various companies by acquiring equity and other types of interests. These business investment activities are carried out with the aim of increasing our commercial rights and deriving capital gains. However, we bear various risks related to business investments, such as the possible inability to recover our investments and exit losses and being unable to earn the planned profits. Regarding the management of business investment risk, in the case of new business investments, we clarify the investment meaning and purpose, quantitatively grasp the downside risk of investments and evaluate whether the return on our investments made based on the characteristics of a business exceeds the minimum expected rate of return. After investing, we manage risk on an individual basis with respect to business investments to achieve the investment goals set forth in the Business Plan formulated every year. Furthermore, we apply Exit Rules for the early sale of our equity interest or the liquidation of the investee in order to efficiently replace assets in our portfolio.

Notwithstanding these initiatives, although we follow strict standards for the selection and management of investments, it is difficult to completely avoid the risk of investments not delivering the expected profits. Therefore, our operating results could be affected by such actions as the withdrawal from an investment.

6) Risks Related to Specific Investments

(Investment in and Operations with Mitsubishi Motors Corporation)

Following requests from Mitsubishi Motors Corporation (MMC), we injected equity totaling ¥140.0 billion in MMC from June 2004 through January 2006 by subscribing to ordinary and preferred MMC shares. Based on the Mitsubishi Motors Capital Restructuring Plan announced by MMC on November 6, 2013, we invested part of MMC's preferred shares that we own in an anonymous association, and converted all the remaining shares into MMC's common shares on March 5, 2014. Furthermore, we cooperate with MMC developing business at sales companies mainly outside of Japan and across the related value chain. Our risk exposure to MMC proper was approximately ¥160.0 billion as of March 31, 2015. Our risk exposure in connection with investments in businesses, finance, trade receivables and other related business was approximately ¥190.0 billion as of March 31, 2015 (of which, risk exposure in connection with the sales finance business was approximately ¥95.0 billion). Our total MMC-related risk exposure, including both the aforementioned risk exposure to MMC proper and our risk exposure to related business, was thus around ¥350.0 billion as of March 31, 2015.

For the year ended March 2015, MMC posted consolidated sales of ¥2,180.7 billion, operating profit of ¥135.9 billion and a net profit of ¥118.2 billion.

(Acquisition of Interest in Chilean Copper Asset)
On November 10, 2011, we completed the acquisition of 24.5% of Anglo American Sur, S.A. (AAS) for US$5.39 billion (approximately ¥420.0 billion). AAS is a Chilean copper mining and smelting company, wholly owned by Anglo American plc (AAC). The acquisition is the result of a sales process initiated by AAC.

Thereafter, on August 23, 2012, we agreed to transfer 4.1% of its 24.5% shareholding in AAS to AAC for the sum of US$895 million. As a result of this deal, our risk exposure to this project on March 31, 2015 was approximately ¥350.0 billion.

AAC sold a 29.5% shareholding in AAS to a joint venture between Chile's state-run copper producer Corporación Nacional del Cobre de Chile and Mitsui & Co., Ltd., comprising this 4.1% share from us and 25.4% owned by AAC. Following completion of these transactions, AAC has a 50.1% shareholding in AAS, the aforementioned joint venture has a 29.5% shareholding, and we have a 20.4% shareholding, thereby forming a strong 4-company partnership.

AAS holds a significant portfolio of copper assets in Chile, including the Los Bronces mine, the El Soldado mine, the Chagres smelter and large-scale prospective exploration properties. (AAS' total copper production was approximately 440,000 tonnes in 2014.)

We have designated the expansion of high-quality resource investments and the expansion of its resource portfolio with sustainable growth as an important area. We will continue to grow its business in this area.

7) Risks Related to Compliance
We are engaged in businesses in all industries through our many offices around the world. These activities subject us to a wide variety of laws and regulations. Specifically, we must comply with the Companies Act, tax laws, Financial Instruments and Exchange Act, anti-monopoly laws, international trade-related laws, environmental laws and various business laws in Japan. In addition, in the course of conducting business overseas, we must abide by the laws and regulations in the countries and regions where we operate.

We have established a Compliance Committee, which is headed by a Chief Compliance Officer, who is at the forefront of our efforts to raise awareness of compliance. This officer also directs and supervises compliance with laws and regulations on a consolidated basis.

Notwithstanding these initiatives, compliance risks cannot be completely avoided. Failure to fulfill our obligations under related laws and regulations could affect our businesses and operating results.

8) Risks From Natural and Other Types of Disasters
An unforeseeable event, such as a natural disaster like an earthquake, heavy rain or flood, or infectious diseases such as a new strain of influenza or a large-scale accident, that affects our employees and damages our offices, facilities or systems could hinder sales and production activities.

We have established adequate countermeasures, having implemented an employee safety check system; formulated a disaster contingency manual and a business contingency plan (BCP); implemented earthquake-proof measures for buildings, facilities or systems (including backup of data); introduced a program of disaster prevention drills; prepared stocks of necessary goods; and collaborated and shared information with offices, subsidiaries and related companies both in Japan and overseas. However, no amount of preparation of this sort can completely avoid the risk of damage caused by a natural disaster. Accordingly, damage from a natural disaster could affect our businesses and operating results.

Note:
Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. Actual results may therefore differ materially from these statements for various reasons.

9. Critical Accounting Policies and Estimates

The preparation of these consolidated financial statements requires management to make estimates that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the fiscal year end and the reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various other factors which it believes reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes that the following items require accounting estimates and judgments that could have a critical impact on our financial position and results of operations.

1) Fair Valuation of Financial Instruments

The fair valuation of financial instruments is a critical accounting estimate as the balance of financial instruments measured at fair value, such as marketable securities and derivatives, is significant.

Fair value is determined based on market data, such as market prices, as well as calculation procedures such as the market approach, income approach and cost approach. Specifically, the fair value of marketable securities is estimated using quoted market prices in active markets or quoted prices for identical or similar assets in markets that are not active. Fair value of non-marketable securities is 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. Furthermore, the fair value of derivative instruments is estimated by pricing models using observable market inputs, such as quoted prices, interest rates, and foreign exchange rates.

Management believes that the fair valuation of financial instruments is reasonable. However, these valuations include uncertainties that may be beyond the control of management. Therefore, we may need to revise the amounts of fair valuations in the future if there is a change in the estimates related to the valuation of financial instruments due to unforeseen changes in assumptions and other factors.

2) Impairment Loss on Receivables Measured at Amortized Cost

The valuation of receivables measured at amortized cost is a critical accounting estimate as the balance of our receivables measured at amortized cost, such as trade receivables, notes and loans, is significant.

We perform ongoing credit valuations of our customers and establish transaction and credit limits for each customer based upon the customer's payment history and current credit worthiness, as determined by our review of the customer's current credit information. At the same time, we obtain the necessary collateral, guarantees and other forms of security from our customers. We continuously monitor collections and payments from our customers. We adequately provide for an allowance for doubtful accounts by collectively evaluating certain receivables based upon past credit loss experience, the probability of future defaults and other factors. For certain customers, we individually monitor their financial position, credit standing, and collection of receivables. If there is a high likelihood of being unable to recover the full amount of receivables (total of principal and interest) in line with the initial contractual conditions, we adequately provide for an allowance for doubtful accounts for each of these customers based on the nature of the receivables, the extent of the delay in recovery, assessments by credit rating agencies, valuations based on the discounted cash flow method, the fair value of collateral and other information.

Management believes that the estimates made to evaluate receivables measured at amortized cost are reasonable, the balance of the allowance for doubtful accounts is adequate and a recoverable amount of receivables is presented. However, these valuations include uncertainties that are beyond the control of management. Therefore, we may need to increase the allowance for doubtful accounts in the future if there is a change in the estimates related to the valuation of receivables due to unforeseen changes in assumptions and other factors.

3) Impairment of Non-financial Assets

We estimate the recoverable amount of non-financial assets other than inventories, biological assets and deferred tax assets whenever events or changes in circumstances indicate that there are signs of impairment, i.e., the carrying amount of an asset may not be recoverable. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is the present value of the estimated future cash flows, calculated by applying a pre-tax discount rate that reflects risks specific to the asset. Value in use is based on assumptions such as future market growth, forecast revenue and costs, and the estimated useful lives of utilization of the asset.

Management believes that its judgment as regards identifying evidence of impairment and evaluations related to estimates of value in use and fair value, are reasonable. However, these valuations include uncertainties that are beyond the control of management. Therefore, we may need to recognize additional impairment losses in the future if there is a change in the estimates related to the valuation of non-financial assets due to unforeseen changes in assumptions and other factors.

4) Pension Benefit Obligations and Costs

Employee pension benefit obligations and costs are estimated using actuarial calculations based on assumptions such as the discount rate, the average rate of increase in future compensation levels, the retirement rate, and the mortality rate. Among these, the discount rate is a particularly critical assumption for determining pension benefit obligations and costs. The discount rate is determined based on the rate available on high quality fixed income investments over our employees' projected average period of service remaining until the payment of benefits, at the respective measurement dates. Management believes that the assumptions and methods employed in the actuarial calculations are appropriate. However, if differences arise between the assumptions and actual experience, or the assumptions are changed, our pension benefit obligations and costs could be impacted.

5) Recoverability of Deferred Tax Assets

The evaluation of the recoverability of deferred tax assets is a critical accounting estimate as the balance of our deferred tax assets is significant.

We recognize deferred tax assets only for certain items that are highly likely to be deductible from future taxable income, from among net operating loss carryforwards, tax deductions, and deductible temporary differences. We review the recoverability of deferred tax assets at the end of every fiscal year, and reduce deferred tax assets by the amount of tax benefits that are not expected to be realized.

Management believes that the estimates made to evaluate the recoverability of deferred tax assets are reasonable, and that a recoverable amount of deferred tax assets is presented. However, these estimates include uncertainties that are beyond the control of management. Therefore, we may need to reduce deferred tax assets in the future if there is a change in the estimates related to the evaluation of recoverability due to unforeseen changes in assumptions and other factors.

Five-year Financial Summary

Mitsubishi Corporation and Subsidiaries
Years Ended March 31

<IFRS>

The consolidated financial information is prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014.

The date of transition to IFRS was April 1, 2012 ("Date of Transition").

	Millions of Yen				Millions of U.S. Dollars
	Date of Transition	2013	2014	2015	2015
RESULTS OF OPERATIONS:					
Revenues		¥6,009,887	¥7,635,168	¥7,669,489	$63,912
Gross profit		1,054,933	1,186,005	1,209,894	10,082
Net income attributable to owners of the Parent		323,457	361,359	400,574	3,338
FINANCIAL POSITION AT YEAR-END:					
Total assets	¥13,167,750	¥15,064,738	¥15,901,125	¥16,774,366	$139,787
Working capital*1	1,804,589	2,076,570	2,417,452	2,629,705	21,914
Borrowings (Non-current)	3,760,101	4,498,683	4,693,855	4,835,117	40,293
Equity attributable to owners of the Parent	3,773,471	4,517,107	5,067,666	5,570,477	46,421
	Yen				U.S. Dollars
AMOUNTS PER SHARE:					
Net income attributable to owners of the Parent per share:					
Basic EPS		¥196.45	¥219.30	¥246.39	$2.05
Diluted EPS		196.02	218.80	245.83	2.05
Cash dividends declared for the year	¥65.00	55.00	68.00	70.00	0.58
	Thousands of shares				
COMMON STOCK:					
Number of shares outstanding at year-end*2	1,646,173	1,647,158	1,648,541	1,620,383	
	Yen per U.S. Dollar				
EXCHANGE RATES INTO U.S. CURRENCY:					
(Per the Federal Reserve Bank of New York)					
At year-end	¥82.41	¥94.16	¥102.98	¥119.96	
Average for the year	78.86	83.26	100.46	110.78	
Range:					
Low	85.26	96.16	105.25	121.50	
High	75.72	77.41	92.96	101.26	

Notes: The U.S. dollar amounts represent translations, for convenience only, of yen amounts at the rate of ¥120=US$1.
*1. Working capital consists of all current assets and liabilities, including cash and short-term debt.
*2. Treasury stock is not included.

<U.S. GAAP>

The consolidated financial information in accordance with U.S. GAAP, previously adopted by the Company, is presented for readers' convenience as follows:

	Millions of Yen			
	2011	2012	2013	2014
RESULTS OF OPERATIONS:				
Revenues	¥5,206,873	¥5,565,832	¥5,968,774	¥7,589,255
Gross profit	1,149,902	1,127,860	1,029,657	1,160,141
Net income from continuing operations attributable to Mitsubishi Corporation	464,543	452,344	360,028	444,793
Net income attributable to Mitsubishi Corporation	464,543	452,344	360,028	444,793
FINANCIAL POSITION AT YEAR-END:				
Total assets	¥11,272,775	¥12,588,320	¥14,410,665	¥15,291,699
Working capital*1	2,012,098	1,709,310	2,098,147	2,421,288
Long-term debt, less current maturities	3,188,749	3,760,101	4,498,683	4,692,531
Total Mitsubishi Corporation shareholders' equity	3,233,342	3,507,818	4,179,698	4,774,244
	Yen			
AMOUNTS PER SHARE:				
Net income from continuing operations attributable to Mitsubishi Corporation per share:				
Basic EPS	¥282.62	¥274.91	¥218.66	¥269.93
Diluted EPS	281.87	274.30	218.18	269.31
Net income attributable to Mitsubishi Corporation per share:				
Basic EPS	282.62	274.91	218.66	269.93
Diluted EPS	281.87	274.30	218.18	269.31
Cash dividends declared for the year	65.00	65.00	55.00	68.00
	Thousands of Shares			
COMMON STOCK:				
Number of shares outstanding at year-end*2	1,644,074	1,646,173	1,647,158	1,648,541
	Yen per U.S. Dollar			
EXCHANGE RATES INTO U.S. CURRENCY:				
(Per the Federal Reserve Bank of New York)				
At year-end	¥82.76	¥82.41	¥94.16	¥102.98
Average for the year	85.00	78.86	83.26	100.46
Range:				
Low	94.68	85.26	96.16	105.25
High	78.74	75.72	77.41	92.96

*1. Working capital consists of all current assets and liabilities, including cash and short-term debt.
*2. Treasury stock is not included.

Deloitte.

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Independent Auditor's Report

To the Board of Directors and Shareholders of
Mitsubishi Corporation (Mitsubishi Shoji Kabushiki Kaisha):

We have audited the accompanying consolidated financial statements of Mitsubishi Corporation (Mitsubishi Shoji Kabushiki Kaisha) and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and 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 entity's 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 entity's 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mitsubishi Corporation and its subsidiaries as at March 31, 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Convenience Translations

Our audit also includes the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 2 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Report on Management's Report on Internal Control over Financial Reporting

Notwithstanding the second paragraph of the "Auditor's Responsibility" section, we have performed an audit of management's report on internal control over financial reporting ("ICFR") under the Financial Instruments and Exchange Act of Japan. A translated copy of management's report on ICFR along with a translated copy of our report is included within this annual report as information for readers.

/s/ Deloitte Touche Tohmatsu LLC

June 19, 2015

Supplementary Explanation

Internal Controls Over Financial Reporting in Japan

The Financial Instruments and Exchange Act in Japan ("the Act") requires the management of Japanese public companies to annually evaluate whether internal controls over financial reporting ("ICFR") are effective as of each fiscal year-end and to disclose the assessment to investors in a "Management Internal Control Report." The Act also requires that the independent auditor of the financial statements of these companies report on management's assessment of the effectiveness of ICFR in an Independent Auditor's Report ("indirect reporting"). Under the Act, these reports are required for fiscal years beginning on or after April 1, 2008.

We have thus evaluated our internal controls over financial reporting as of March 31, 2015 in accordance with "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by Business Accounting Council on March 30, 2011.

As a result of conducting an evaluation of internal controls over financial reporting in the fiscal year ended March 31, 2015, we concluded that our internal control system over financial reporting as of March 31, 2015 was effective and reported as such in the Management Internal Control Report.

Our Independent Auditor, Deloitte Touche Tohmatsu LLC, performed an audit of the Management Internal Control Report under the Act.

An English translation of the Management Internal Control Report and the Independent Auditor's Report filed under the Act is attached on the following pages.

Mitsubishi Corporation

Management Internal Control Report (Translation)

NOTE TO READERS:

Following is an English translation of management's report on internal control over financial reporting ("ICFR") filed under the Financial Instruments and Exchange Act in Japan. This report is presented merely as supplemental information.

(TRANSLATION)

1 [Matters relating to the basic framework for internal control over financial reporting]

Ken Kobayashi, President and CEO, and Shuma Uchino, Director and Executive Vice President, are responsible for designing and operating effective internal control over financial reporting of Mitsubishi Corporation (the "Company") and have designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by Business Accounting Council on March 30, 2011.

The internal control is designed to achieve its objectives to the extent reasonable through the effective function and combination of its basic elements. Therefore, there is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

2 [Matters relating to the scope of assessment, the basic date of assessment and the assessment procedures]

The assessment of internal control over financial reporting was performed as of March 31, 2015, which is the end of this fiscal year. The assessment was performed in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In conducting this assessment, we evaluated internal controls which may have a material effect on our entire financial reporting in a consolidation ("company-level controls"). We appropriately selected business processes to be evaluated, analyzed these selected business processes, identified key controls that may have a material impact on the reliability of the Company's financial reporting, and assessed the design and operation of these key controls. These procedures have allowed us to evaluate the effectiveness of the internal controls of the Company.

We determined the required scope of assessment of internal control over financial reporting for the Company, as well as its consolidated subsidiaries and equity-method associates, from the perspective of the materiality that may affect the reliability of the Company's financial reporting. The materiality that may affect the reliability of the financial reporting is determined taking into account the materiality of quantitative and qualitative impacts. We confirmed that we had reasonably determined the scope of assessment of internal controls over business processes in light of the results of assessment of company-level controls conducted for the Company, its consolidated subsidiaries and equity-method associates. We did not include those consolidated subsidiaries and equity-method associates which do not have any material impact on the consolidated financial statements in the scope of assessment of company-level controls.

Regarding the scope of assessment of internal control over business processes, we accumulated locations and business units in descending order of total assets (before elimination of intercompany accounts) and income before income taxes (before elimination of intercompany transactions) for the prior fiscal year, and those locations and business units whose combined amount of total assets reaches approximately 70% of total assets on a consolidated basis and those locations and business units whose combined amount of income before income taxes reaches approximately 70% of consolidated income before income taxes on a consolidated basis were selected as "significant locations and business units." At the selected significant locations and business units, we included, in the scope of assessment, (i) those business processes leading to revenue, accounts receivable and inventories, and those leading to investments and loans, as significant accounts that may have a material impact on the business objectives of the Company, and (ii) those business processes leading to other quantitatively-material accounts. Further, not only at selected significant locations and business units, but also at other locations and business units, we added to the scope of assessment, as business processes having greater materiality considering their impact on the financial reporting, (i) those business processes relating to greater likelihood of material misstatements and significant accounts involving estimates and the management's judgment, and (ii) those business processes relating to businesses or operations dealing with high-risk transactions.

3 [Matters relating to the results of the assessment]

As a result of the assessment described above, we concluded that the Company's internal control over financial reporting was effective as of the end of this fiscal year.

4 [Supplementary information]

Not applicable

5 [Special information]

Not applicable

Independent Auditor's Report filed under the Financial Instruments and Exchange Act in Japan (Translation)

NOTE TO READERS:

Following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act in Japan. This report is presented merely as supplemental information.

(TRANSLATION)

Independent Auditor's Report
(filed under the Financial Instruments and Exchange Act in Japan)

June 19, 2015

To the Board of Directors of Mitsubishi Corporation

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant: Kohei Kan

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant: Hideo Shirata

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant: Masayuki Yamada

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

< Audit of Financial Statements >

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements included in the Financial Section, namely, the consolidated statement of financial position of Mitsubishi Corporation (the “Company”) and its consolidated subsidiaries as of March 31, 2015, and the related consolidated statement of income, comprehensive income, changes in equity and cash flows for the fiscal year from April 1, 2014 to March 31, 2015, and the related notes.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, pursuant to the provisions of Article 93 of Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, 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 Company’s 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 Company’s 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 present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2015, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

< Audit of Internal Control >

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management’s report on internal control over financial reporting of the Company as of March 31, 2015.

Management’s Responsibility for the Report on Internal Control

The Company’s management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan. There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor’s Responsibility

Our responsibility is to express an opinion on management’s report on internal control based on our internal control audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether management’s report on internal control is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about the results of the assessment of internal control over financial reporting in management’s report on internal control. The procedures selected depend on the auditor’s judgment, including the significance of effects on reliability of financial reporting. An internal control audit includes examining representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management’s report on internal control.

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, management's report on internal control referred to above, which represents that the internal control over financial reporting of the Company as of March 31, 2015 is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting 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.)

Consolidated Financial Statements

Consolidated Statement of Financial Position

March 31, 2014 and 2015

	Millions of Yen		Millions of U.S. Dollars (Note 2)
ASSETS	2014	2015	2015
Current assets			
Cash and cash equivalents (Note 30)	¥1,332,036	¥1,725,189	$14,377
Time deposits (Note 30)	142,705	156,090	1,301
Short-term investments (Notes 7 and 30)	23,533	31,913	266
Trade and other receivables (Notes 8, 16, 30, 31, 34 and 41)	3,751,865	3,473,352	28,945
Other financial assets (Notes 30, 31 and 32)	136,398	203,348	1,694
Inventories (Notes 9, 16 and 30)	1,287,959	1,301,547	10,846
Biological assets (Notes 10 and 16)	18,059	69,600	580
Advance payments to suppliers	236,493	243,939	2,033
Assets classified as held for sale (Note 11)	55,874	77,045	642
Other current assets (Notes 30 and 31)	285,121	326,667	2,722
Total current assets	7,270,043	7,608,690	63,406
Non-current assets			
Investments accounted for using the equity method	2,833,576	3,220,455	26,837
Other investments (Notes 7, 16 and 30)	2,122,444	2,243,344	18,695
Trade and other receivables (Notes 8, 16, 30, 34 and 41)	623,686	603,908	5,033
Other financial assets (Notes 30, 31 and 32)	93,174	112,434	937
Property and equipment (Notes 12, 15, 16 and 30)	2,509,918	2,395,261	19,960
Investment property (Notes 13, 16 and 30)	103,725	80,524	671
Intangible assets and goodwill (Notes 5, 14 and 16)	213,729	329,081	2,742
Deferred tax assets (Note 28)	45,822	38,728	323
Other non-current assets	85,008	141,941	1,183
Total non-current assets	8,631,082	9,165,676	76,381
Total assets (Note 6)	¥15,901,125	¥16,774,366	$139,787

See notes to the consolidated financial statements.

	Millions of Yen		Millions of U.S. Dollars (Note 2)
LIABILITIES AND EQUITY	2014	2015	2015
Current liabilities			
Borrowings (Notes 17, 30, 32 and 33)	¥1,381,980	¥1,513,876	$12,616
Trade and other payables (Notes 18, 30, 33 and 41)	2,680,954	2,511,142	20,926
Other financial liabilities (Notes 30, 31, 32 and 33)	110,557	161,916	1,349
Advances from customers	220,041	232,165	1,935
Income tax payables	86,251	41,204	343
Liabilities directly associated with assets classified as held for sale (Note 11)	9,043	9,071	76
Other current liabilities (Notes 20, 30 and 31)	363,765	509,611	4,247
Total current liabilities	4,852,591	4,978,985	41,492
Non-current liabilities			
Borrowings (Notes 17, 30, 32 and 33)	4,693,855	4,835,117	40,293
Trade and other payables (Notes 18, 30, 33 and 41)	91,361	74,123	618
Other financial liabilities (Notes 30, 31, 32 and 33)	32,966	25,851	215
Accrued pension and retirement benefits (Note 19)	65,452	69,482	579
Provisions (Note 20)	128,913	153,596	1,280
Deferred tax liabilities (Note 28)	462,391	544,483	4,537
Other non-current liabilities	34,226	37,174	310
Total non-current liabilities	5,509,164	5,739,826	47,832
Total liabilities	10,361,755	10,718,811	89,324
Equity			
Common stock (Note 21)	204,447	204,447	1,704
Additional paid-in capital (Note 21)	265,356	266,688	2,222
Treasury stock (Note 21)	(14,081)	(7,796)	(65)
Other components of equity			
Other investments designated as FVTOCI	625,151	677,672	5,647
Cash flow hedges	(4,119)	(18,609)	(155)
Exchange differences on translating foreign operations	638,220	856,628	7,139
Total other components of equity (Note 22)	1,259,252	1,515,691	12,631
Retained earnings (Notes 7 and 21)	3,352,692	3,591,447	29,929
Equity attributable to owners of the Parent	5,067,666	5,570,477	46,421
Non-controlling interest	471,704	485,078	4,042
Total equity	5,539,370	6,055,555	50,463
Total liabilities and equity	¥15,901,125	¥16,774,366	$139,787

See notes to the consolidated financial statements.

Consolidated Statement of Income

For the years ended March 31, 2014 and 2015

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2014	2015	2015
Revenues (Notes 6, 24, 26 and 32)	¥7,635,168	¥7,669,489	$63,912
Costs of revenues (Notes 9, 26 and 32)	(6,449,163)	(6,459,595)	(53,830)
Gross profit (Note 6)	1,186,005	1,209,894	10,082
Selling, general and administrative expenses (Notes 19 and 25)	(952,898)	(998,751)	(8,323)
Gains on investments (Notes 5, 26, 32 and 38)	46,335	45,351	378
Reversal of impairment losses from investment accounted for using the equity method (Note 39)		94,247	785
Gains on sale and disposal of long-lived assets	5,964	21,937	183
Impairment losses on long-lived assets (Notes 12, 13 and 14)	(20,517)	(115,208)	(960)
Other (expense) income - net (Notes 26, 27 and 32)	(66,794)	(45,411)	(379)
Finance income (Notes 7 and 26)	197,231	204,920	1,708
Finance costs (Notes 26 and 32)	(31,728)	(46,075)	(384)
Income from investments accounted for using the equity method (Notes 6 and 39)	168,356	203,818	1,698
Income before income taxes	531,954	574,722	4,790
Income taxes (Note 28)	(145,595)	(168,331)	(1,403)
Net income	¥386,359	¥406,391	$3,387
Net income attributable to:			
Owners of the Parent (Note 6)	¥361,359	¥400,574	$3,338
Non-controlling interest	25,000	5,817	49
	¥386,359	¥406,391	$3,387
Net income attributable to owners of the Parent per share (in Yen)			
Basic (Note 29)	¥219.30	¥246.39	$2.05
Diluted (Note 29)	218.80	245.83	2.05

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the years ended March 31, 2014 and 2015

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2014	2015	2015
Net income	¥386,359	¥406,391	$3,387
Other comprehensive income (loss), net of tax			
Items that will not be reclassified to net income:			
(Losses) gains on other investments designated as FVTOCI (Note 22)	(7,177)	62,063	517
Remeasurement of defined benefit pension plans (Note 22)	14,640	28,447	237
Share of other comprehensive income of investments accounted for using the equity method (Note 22)	7,969	(2,498)	(21)
Total	15,432	88,012	733
Items that may be reclassified to net income:			
Cash flow hedges (Note 22)	(3,856)	(6,588)	(55)
Exchange differences on translating foreign operations (Note 22)	197,043	180,211	1,502
Share of other comprehensive income of investments accounted for using the equity method (Note 22)	88,345	46,799	390
Total	281,532	220,422	1,837
Total other comprehensive income, net of tax (Note 39)	296,964	308,434	2,570
Total comprehensive income	¥683,323	¥714,825	$5,957
Comprehensive income attributable to:			
Owners of the Parent	¥643,850	¥686,900	$5,724
Non-controlling interest	39,473	27,925	233
	¥683,323	¥714,825	$5,957

See notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the years ended March 31, 2014 and 2015

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2014	2015	2015
Common stock: (Note 21)			
Balance, beginning of year	¥204,447	¥204,447	$1,704
Balance, end of year	204,447	204,447	1,704
Additional paid-in capital: (Note 21)			
Balance, beginning of year	261,987	265,356	2,211
Compensation costs related to stock options (Note 23)	1,322	1,346	11
Sales of treasury stock upon exercise of stock options	(1,412)	(1,379)	(11)
Equity transactions with non-controlling interests and others (Note 38)	3,459	1,365	11
Balance, end of year	265,356	266,688	2,222
Treasury stock: (Note 21)			
Balance, beginning of year	(17,970)	(14,081)	(117)
Sales of treasury stock upon exercise of stock options	3,628	2,989	25
Purchases and sales—net	261	(60,013)	(500)
Cancellation		63,309	527
Balance, end of year	(14,081)	(7,796)	(65)
Other components of equity: (Note 22)			
Balance, beginning of year	1,046,595	1,259,252	10,494
Other comprehensive income attributable to owners of the Parent	282,491	286,326	2,386
Transfer to retained earnings	(69,834)	(29,887)	(249)
Balance, end of year	1,259,252	1,515,691	12,631
Retained earnings: (Note 21)			
Balance, beginning of year	3,022,048	3,352,692	27,939
Net income attributable to owners of the Parent	361,359	400,574	3,338
Cash dividends paid to owners of the Parent	(98,862)	(127,437)	(1,062)
Sales of treasury stock upon exercise of stock options	(1,687)	(960)	(8)
Cancellation of treasury stock		(63,309)	(527)
Transfer from other components of equity	69,834	29,887	249
Balance, end of year	3,352,692	3,591,447	29,929
Equity attributable to owners of the Parent	5,067,666	5,570,477	46,421
Non-controlling interest:			
Balance, beginning of year	414,668	471,704	3,931
Cash dividends paid to non-controlling interest	(23,328)	(24,212)	(202)
Equity transactions with non-controlling interest and others	40,891	9,661	80
Net income attributable to non-controlling interest	25,000	5,817	48
Other comprehensive income attributable to non-controlling interest (Note 22)	14,473	22,108	185
Balance, end of year	471,704	485,078	4,042
Total equity	¥5,539,370	¥6,055,555	$50,463
Comprehensive income attributable to:			
Owners of the Parent	¥643,850	¥686,900	$5,724
Non-controlling interest	39,473	27,925	233
Total comprehensive income	¥683,323	¥714,825	$5,957

See notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the years ended March 31, 2014 and 2015

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2014	2015	2015
Operating activities:			
Net income	¥386,359	¥406,391	$3,387
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	184,726	206,559	1,721
Gains on investments	(46,335)	(45,351)	(378)
Reversal of impairment loss from investment accounted for using the equity method		(94,247)	(785)
Losses on long-lived assets	14,553	93,271	777
Finance income — net of finance costs	(165,503)	(158,845)	(1,324)
Income from investments accounted for using the equity method	(168,356)	(203,818)	(1,698)
Income taxes	145,595	168,331	1,403
Changes in notes and accounts receivable — trade	(62,304)	249,283	2,077
Changes in inventories	(67,397)	71,875	599
Changes in notes, acceptance and accounts payable — trade	(95,022)	(156,622)	(1,305)
Other — net	48,653	57,860	482
Dividends received	314,067	383,007	3,192
Interest received	77,398	79,706	664
Interest paid	(48,360)	(67,683)	(564)
Income taxes paid	(136,498)	(191,453)	(1,596)
Net cash provided by operating activities	381,576	798,264	6,652
Investing activities:			
Expenditures for property and equipment	(496,108)	(307,539)	(2,563)
Proceeds from sales of property and equipment	84,857	147,181	1,227
Expenditures for investment property	(1,571)	(17,586)	(147)
Proceeds from sales of investment property	31,021	38,135	318
Purchases of investments accounted for using the equity method	(194,220)	(167,203)	(1,393)
Proceeds from sales of investments accounted for using the equity method	89,788	164,642	1,372
Acquisitions of businesses — net of cash acquired (Note 37)	(36,627)	(154,449)	(1,287)
Proceeds from sales of businesses — net of cash divested	10,264	8,889	74
Purchases of other investments	(98,148)	(76,359)	(636)
Proceeds from sales of other investments	299,232	79,448	662
Increase in loans receivable	(93,441)	(72,913)	(608)
Collection of loans receivable	124,890	213,007	1,775
Net increase in time deposits	(20,439)	(10,105)	(84)
Net cash used in investing activities	(300,502)	(154,852)	(1,290)

Financing activities:			
Net decrease in short-term debts	(126,915)	(73,876)	(615)
Proceeds from long-term debts — net of issuance costs	845,112	1,080,358	9,003
Repayment of long-term debts	(745,558)	(1,097,693)	(9,147)
Payment of dividends	(98,862)	(127,437)	(1,062)
Payment of dividends to the non-controlling interest	(23,328)	(24,212)	(202)
Payment for acquisition of subsidiary's interests from the non-controlling interest	(5,556)	(12,873)	(107)
Proceeds from sales of subsidiary's interests to the non-controlling interest	35,472	9,762	81
Net decrease (increase) in treasury stock	790	(59,363)	(495)
Net cash used in financing activities	(118,845)	(305,334)	(2,544)
Effect of exchange rate changes on cash and cash equivalents	23,887	55,075	459
Net (decrease) increase in cash and cash equivalents	(13,884)	393,153	3,277
Cash and cash equivalents, beginning of year	1,345,920	1,332,036	11,100
Cash and cash equivalents, end of year	¥1,332,036	¥1,725,189	$14,377

See notes to the consolidated financial statements

Notes to Consolidated Financial Statements

1. REPORTING ENTITY

Mitsubishi Corporation (the "Parent") is a public company located in Japan. The Parent, together with its consolidated domestic and foreign subsidiaries (collectively, the "Company"), is a diversified organization engaged in a wide variety of business activities, providing various types of products and services on a global basis. Through the Company's domestic and overseas network, the Company is engaged in general trading, including the purchasing, supplying and manufacturing of a wide range of products related to energy, metals, machinery, chemicals and living essentials, in addition to natural resources development, infrastructure-related businesses and financial businesses. The Company is also engaged in the development of new business models in the new energy, environmental and new technology fields. The principal business activities of the Company are disclosed in Note 6 "Segment information". The consolidated financial statements of the Parent comprise the accounts of the Company, including the interests in associates and joint arrangements.

2. BASIS OF PREPARATION

(1) Compliance with International Financial Reporting Standards (IFRS)
These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, permitted by the provision of Article 93 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No.28 of 1976) as all requirements of "Specified Company" set forth in Article 1-2 of said Ordinance have been fulfilled.

(2) Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at their fair values at the end of each reporting period, as stated in Note 3 "Significant accounting policies".

(3) Functional currency and presentation currency
The consolidated financial statements are presented in Japanese yen, which is the Parent's functional currency. All financial information presented in Japanese yen is rounded to the nearest million Japanese yen. Translation of Japanese yen amounts into U.S. dollars amounts for the year ended March 31, 2015 is included solely for the convenience of readers outside Japan and has been made at the rate of ¥120=US$1, the approximate rate of exchange at March 31, 2015. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

(4) New major standards and interpretations applied
The new major standards and interpretations applied from the fiscal year ended March 31, 2015 are as follows:

Standards and interpretations	Outline
IFRIC 21 "Levies"	Accounting treatment of liabilities related to levies
IAS 36 "Impairment of Assets" (Revised)	Disclosure requirements for the recoverable amount of impaired assets
IFRS 9 "Financial Instruments" (Revised in November 2013)	Accounting treatment and disclosure requirements related to hedge accounting
IAS 1 "Presentation of Financial Statements" (Revised)	Clarification of presentation methods of financial statements, etc.

The new major standards and interpretations, including those above, were applied pursuant to their respective transitional provisions, and the adoption of them had no significant impact on the consolidated financial statements for the fiscal year ended March 31, 2015.

(5) Significant accounting judgments, estimates and assumptions
In preparing IFRS-compliant consolidated 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 these 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.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 3 Significant accounting policies (1) Basis of consolidation
- Note 3 Significant accounting policies (3) Financial instruments
- Note 3 Significant accounting policies (9) Lease

Significant changes in accounting judgments, estimates and assumptions in the consolidated financial statements for the year ended March 31, 2015 are included in the following notes:

- Property and equipment: Note 12
- Fair value measurement: Note 30
- Interests in joint arrangements and associates: Note 39

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2016 is included in the following notes:

- Fair value of financial instruments: Notes 7, 30
- Impairment of financial assets: Note 8
- Impairment of non-financial assets: Notes 12, 13, 14, 15
- Measurement of defined benefit obligation: Note 19
- Provisions: Note 20
- Recoverability of deferred tax assets: Note 28

3. 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 its majority-owned subsidiaries. However, even in cases where the Company does not own the majority of voting rights, if the Company is deemed to effectively control the decision-making body, the investee is treated as a consolidated subsidiary. In cases where the Company has the majority of voting rights in a company but other shareholders have substantive rights to participate in the decision-making of the ordinary course of business of the Company, the Company does not have control, and the equity method is applied.

In addition, the Company consolidates a structured entity that is designed so that voting or similar rights are not the dominant factor in determining who controls the entity, where it substantially controls the decision-making body of the entity. As to whether or not the Company controls a structured entity, the Company is deemed to have control if it has exposure or rights to variable returns from its involvement with the structured entity and has the ability to use its power to affect the Company's returns from its involvement with the structured entity. When the Company with decision-making rights assesses whether it controls a structured entity, it determines whether it is a principal or an agent with particular reference to:

(a) The scope of its decision-making authority over the investee;
(b) The rights held by other parties;
(c) The remuneration to which it is entitled in accordance with the remuneration agreements; and
(d) The Company's exposure to variability of returns from other interests that it holds in the investee.

The consolidated financial statements include net income 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 according to their materiality, to adhere to the accounting policies adopted by the Company.

All significant intercompany accounts 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 interest is adjusted to reflect changes in their relative interest in the subsidiaries. Any difference between the amount of non-controlling interest 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 interest of the subsidiary, is recognized in net income. 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 venture.

Please refer to Appendix for the major consolidated subsidiaries.

(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 (i.e. the day on which the Company obtains control) of the assets transferred by the Company, the liabilities incurred by the Company to former owners of the acquiree and the equity interests issued by the Company in exchange for control over the acquiree. The Company accounts for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.

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 the Standard.

• Liabilities or equity instruments related to share-based remuneration of the acquiree or share-based remuneration 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 interest in the acquiree, and the fair value of equity interests in the acquiree held previously by the Company exceed the net amount of identifiable assets and liabilities at the acquisition date, goodwill is measured at the excess amount.

As a result of reassessment, 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 interest in the acquiree, and the fair value of equity interest in the acquiree held previously by the Company, the excess amount is immediately recognized in net income as bargain purchase gain.

In the case of a business combination achieved in stages, equity interest in the acquiree held previously by the Company is re-measured at fair value at the acquisition date (i.e. the day on which the Company obtains control), and gains or losses incurred are recognized in net income. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to net income or other comprehensive income where such treatment would be appropriate if the interest were 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 does not 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 exert 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 exert 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 is deemed not to have significant influence even if it holds 20% or more of the voting rights.

A joint venture is a joint arrangement (i.e., arrangement of which two or more parties have joint control) whereby the parties that have joint control have rights to the net assets of an independent entity. 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 net income of the associate or the joint venture is recognized in the Company's net income. 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 significant profits associated with intercompany transactions 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 with respect to 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, 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 net income 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 they should be reclassified into net income as if related assets or liabilities had been directly disposed of.

(iv) Joint operations

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 significant intercompany accounts and transactions have been eliminated in proportion to interests.

(v) Investment Entities

If an associate or a joint venture of the Company meets the definition of an investment entity, the associate or joint venture does not consolidate its subsidiaries, and measures its investment in its subsidiaries at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments." IFRS 10 defines an investment entity as an entity that (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; (b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

(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 settlement 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 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 (expense) income - 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."

In the event of a loss of control due to the disposal of foreign operations, the cumulative amount of exchange difference is reclassified into net income. 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 net income. In other cases of partial disposal that leads to the loss of significant influence or joint control, the amount proportionate to the disposal of the cumulative amount of exchange difference is reclassified into net income.

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

Effective January 1, 2015, the Company early-applied IFRS 9 “Financial Instruments” (revised in November 2013). 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). Prior to January 1, 2015, the Company early-applied IFRS 9 "Financial Instruments" (revised in December 2011) to the accounting treatment of financial instruments.

(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 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 net income.

(iii) Impairment of financial assets measured at amortized cost

The Company assesses evidence of impairment of financial assets measured at amortized cost individually and as a whole. 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 elects 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:

(a) It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or

(b) 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

(c) 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 net income. Dividend income from financial assets measured at FVTOCI is recognized in net income, 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 when 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 short term (original maturities of three months or less), highly liquid investments (including short-term time deposits, commercial paper, debt securities and certificates of deposit) 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 the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

(viii) Equity

Common stock

The amount of equity instruments issued by the Parent are 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. When the Company disposes treasury stock, gains (losses) on sales of treasury stock, including the exercise of stock options, is recognized in additional paid-in capital.

(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 case where natural hedges cannot be used to mitigate market risk, the Company applies hedge accounting by designating such derivatives 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 hedging criteria are met.

The Company assesses hedge effectiveness at the start of the hedging relationship or at least on a quarterly basis 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.

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 net income, 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 (expense) income - net" in the consolidated statement of income.

The application of hedge accounting is discontinued in cases where the Company revokes the hedging relationship, in cases where the hedging instrument expires or is sold, terminated, or exercised, and in cases where it no longer qualifies for hedge accounting. 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 net income 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 eliminate 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 net income at the time that the associated hedged transactions are recognized in net income. Any ineffectiveness is recognized directly in net income.

The application of hedge accounting is discontinued in cases where the Company revokes the hedging relationship, in cases where the hedging instrument expires or is sold, terminated, or exercised, or in cases where it no longer qualifies for hedge accounting. 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 net income when the forecasted transaction is ultimately recognized in net income. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in "Other components of equity" is recognized immediately in net income.

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 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 which can be taken in order to manage potential losses for these derivative transactions, and periodically monitors the open positions for compliance.

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

(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 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 or net realizable value based on the moving average method or identified cost method. Net realizable value is presented in the amount of estimated selling price of inventories, less the estimated costs of completion and the estimated costs necessary to make the sale.

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 net income.

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 and equipment

(i) Recognition and measurement

Property 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 and equipment varies from component to component, each component is recognized as a separate item of property and equipment.

(ii) Depreciation

Land is not depreciated. Depreciation of other classes of property 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 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	5 to 40 years
Machinery and equipment	5 to 40 years
Aircraft and vessels	13 to 25 years

Assets related to the acquisition of contractual right 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

Carrying amount of an item of property 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 and equipment is included in net income 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 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 5 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 the derecognition of an investment property is included in net income when the investment property 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 the time of 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 net income.

(iv) Amortization

Other than goodwill and intangible assets with indefinite useful lives, intangible assets, including those internally generated, are amortized under the straight-line method over their estimated useful lives from the day on which the assets became available for use.

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

Software (including those internally generated)	4 to 15 years
Manufacturing, sales and service licenses and trademarks	17 to 50 years
Customer relationships	2 to 23 years
Trade names	5 to 15 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
Lease assets and lease liabilities under finance leases are initially recognized at the lower of the present value of minimum lease payments or the fair value at the inception the lease. After initial recognition, lease assets are accounted for according to the accounting policies applied to the assets. Lease payments are allocated at a constant periodic rate to the balance of lease liabilities, and are accounted for as a reduction in the amount of finance cost and lease liabilities.

Operating lease payments are recognized as an expense on a straight-line basis over the 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 cost, 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 and equipment or intangible assets.

The capitalized exploration and evaluation expenditure is 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 expenditure has 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 the 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 that the stripping costs are incurred. To the extent the benefit is improved access to ore, the stripping costs are recognized as a property and equipment or an intangible asset.

For capitalized costs related to mining operations, 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 the non-current asset or the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales 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 such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in net income 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, biological assets and deferred tax assets may not be recoverable, the recoverable amount of such assets are estimated by assuming that 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 net income.

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 the 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, including goodwill, is set as the smallest unit at which the goodwill is monitored for internal management purposes and is a smaller unit than the operating segment. If 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 if there are indications of reversal of impairment and changes in the estimates used to determine the asset's recoverable amount. Reversal of impairment loss is recognized up to the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. However, 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 benefit 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 re-measures 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 net income.

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

(ii) Defined contribution plans

Some subsidiaries have adopted 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 more obligations than the amount contributed. Obligations to make contributions under defined contribution plans are recognized in net income 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 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 obligations, 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 that could include 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 and equipment" and "Investment property" and is depreciated over the life of the corresponding asset. The impact of unwinding of the discount rate applied in establishing the net present value of the provision is recognized in "Finance costs." The applicable discount rate is a pre-tax rate that reflects the current market assessment of the time value of money.

(17) Stock-based compensation

Stock-based compensation cost is measured at the grant date, based on the estimated fair value of stock-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 transactions 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 achievable 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 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. For revenues from rental or leasing activities, please refer to the accounting policy of leases described above.

(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 with general inventory risk before customer orders and in services with significant risk.

For the sale of goods, construction contracts and the rendering of services traded 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 net income.

(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 net income 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 net income 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 net income, 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 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 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 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 at the end of each period, 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 possible, 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 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.

4. NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

New or revised major Standards and Interpretations that were issued by the date of approval of the consolidated financial statements but were not yet applied by the Company as of March 31, 2015, are as follows. The Company is currently assessing the possible impacts that application of these standards and interpretations will have on the consolidated financial statements.

Standards and Interpretations	Title	Date of mandatory application (fiscal year of commencement thereafter)	Reporting periods of application by the Company (The reporting period ended)	Overview of new/revised Standards and Interpretations
IFRS 11 (Revised)	Joint Arrangements	January 1, 2016	March 31, 2017	Clarification of the accounting for acquisitions of interests in joint operations
IFRS 15	Revenue from Contracts with Customers	January 1, 2017	March 31, 2018	Accounting and disclosure requirements for revenue recognition
IFRS 9 (Revised in July 2014)	Financial Instruments	January 1, 2018	March 31, 2019	Accounting and disclosure requirements related to impairment losses and partial amendment of classification and measurement of financial assets

5. BUSINESS COMBINATIONS

The significant business combinations during the year ended March 31, 2014 were as follows:

Acquisition of Kirin Kyowa Foods Co., Ltd.

On July 1, 2013 (the acquisition date), the Company acquired in cash 81.02% of voting rights in Kirin Kyowa Foods Co., Ltd. ("KKF", currently renamed as "MC Food Specialties Inc."), a company involved in the business of manufacturing and sales of food science products.

As a result of the acquisition, KKF became a subsidiary of the Company as the Company obtained control of KKF. Through the acquisition, the Company intends to develop a leading food science business in a global industry by using KKF as a core entity of the Company to consolidate its food innovation and technical know-how capabilities of the group.

The following table summarizes the estimated fair values of consideration paid and non-controlling interest, as well as the assets acquired and liabilities assumed at the date of acquisition.

	Millions of Yen
	2014
Fair value of consideration paid	¥24,705
Fair value of non-controlling interest	5,795
Total	¥30,500
Fair value of assets acquired, liabilities assumed and goodwill	
Trade and other receivables (current)	¥20,274
Inventories	10,187
Investments accounted for using the equity method	3,415
Other investments	7,893
Property and equipment	15,929
Intangible assets	7,427
Goodwill	4,294
Other assets	3,219
Current liabilities	(19,308)
Non-current liabilities	(22,830)
Total	¥30,500

The fair value of non-controlling interest was measured by considering the evaluation of assets, liabilities and enterprise value of KKF by third-parties and other related issues.

The goodwill consisted primarily of excess earnings and synergies with the existing operations and was non-deductible for tax purpose.

The amounts of revenue and profit or loss since the acquisition date and pro forma results of operations for the above business combinations are not presented because the effects are immaterial to the consolidated financial statements.

Acquisition of Los Grobo Ceagro do Brasil S.A.

On September 13, 2013 (the acquisition date), the Company acquired in cash an additional 60.00% of voting rights in Los Grobo Ceagro do Brasil S.A. ("Ceagro", currently renamed as "AGREX DO BRASIL S.A."), a company involved in the business of production, sales, and export of grain, and sales of agricultural materials such as seeds, fertilizer, and agrichemicals.

The acquisition raised the Company's ownership of Ceagro to 80.00% of voting rights from its previously held equity interest. The Company intended to expand the Company's food and commodity supply sources globally through the acquisition. In addition, the Company acquired 49.99% of voting rights in AGREX DO BRASIL PATRIMONIAL S.A., a land holding company spun-off by Ceagro, relating to the business combination. As a result, the Company obtained control of Ceagro and AGREX DO BRASIL PATRIMONIAL S.A., which became subsidiaries of the Company.

The following table summarizes the estimated fair values of consideration paid, previously held equity interest, and non-controlling interest, as well as the assets acquired and liabilities assumed at the date of acquisition.

	Millions of Yen
	2014
Fair value of consideration paid	¥15,246
Fair value of previously held equity interest	4,385
Fair value of non-controlling interest	5,054
Total	¥24,685
Fair value of assets acquired, liabilities assumed and goodwill	
Cash and cash equivalents	¥3,406
Trade and other receivables (current)	9,485
Inventories	17,659
Investments accounted for using the equity method	2,163
Property and equipment	6,649
Goodwill	16,035
Other assets	4,545
Current liabilities	(26,419)
Non-current liabilities	(8,838)
Total	¥24,685

Upon remeasuring the fair value of its previously held equity interests, the Company recorded a gain of ¥927 million in "Gains on investments" in the consolidated statement of income for the year ended March 31, 2014.

The fair value of previously held equity interest and non-controlling interest were measured by considering the evaluation of assets, liabilities and enterprise value of Ceagro by third-parties and other related factors.

The goodwill consisted primarily of excess earnings and synergies with the existing operations and was non-deductible for tax purpose.

The amounts of revenue and profit or loss since the acquisition date and pro forma results of operations for the above business combinations are not presented because the effects are immaterial to the consolidated financial statements.

The significant business combination during the year ended March 31, 2015 was as follows:

Acquisition of Cermaq ASA

On October 23, 2014 (the acquisition date), the Company acquired through a voluntary cash tender offer 92.16% of voting rights in Cermaq ASA ("Cermaq", currently renamed as "Cermaq Group AS"), a company listed on the Oslo Stock Exchange, involved in the business of salmon farming. On November 4, 2014, the Company completed a compulsory acquisition of the remaining 7.84% in accordance with applicable laws, and as a consequence, has become the owner of all outstanding shares of Cermaq. Through the acquisition, the Company intends to combine the production know-how, business foundation accumulated in the food sector with Cermaq's scale and sector expertise to expand globally in the seafood business and, in so doing, contribute to securing a safe and sustainable food supply network.

The following table summarizes the estimated fair values of consideration paid, as well as the assets acquired and liabilities assumed at the date of acquisition.

	Millions of Yen	Millions of U.S. Dollars
	2015	2015
Fair value of consideration paid	¥143,932	$1,199
Fair value of assets acquired, liabilities assumed and goodwill		
Cash and cash equivalents	¥2,223	$19
Trade and other receivables (current)	18,982	158
Inventories	8,609	72
Biological assets	60,844	507
Property and equipment	34,818	290
Intangible assets	87,957	733
Goodwill	27,055	225
Other assets	4,329	36
Current liabilities	(70,388)	(587)
Non-current liabilities	(30,497)	(254)
Total	¥143,932	$1,199

The goodwill consisted primarily of excess earnings and synergies with the existing operations and was non-deductible for tax purpose.

The amounts of revenue and profit or loss since the acquisition date and pro forma results of operations for the above business combinations are not presented because the effects are immaterial to the consolidated financial statements.

6. SEGMENT INFORMATION

[Operating segment information]

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the President and CEO of the Parent who is the chief operating decision maker of the Company, in deciding how to allocate resources and in assessing performance.

The operating segments were determined based on the nature of the products and services offered. The Company's reportable operating segments consist of the following seven business groups:

Global Environmental & Infrastructure Business	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.
Industrial Finance, Logistics & Development	The Industrial Finance, Logistics & Development Group is developing shosha-type industrial finance business. These businesses range from asset management, infrastructure investment, and buyout investment to leasing, real estate development and logistics services.
Energy Business	The Energy Business Group conducts a number of activities including oil and gas exploration, development and production (E&P) business; investment in natural gas liquefaction projects; trading of crude oil, petroleum products, carbon materials and products, LNG (Liquefied Natural Gas), and LPG (Liquefied Petroleum Gas); and planning and development of new energy business.
Metals	The Metals Group trades, develops business and invests in a range of fields. These include steel products such as steel sheets and thick plates, steel raw materials such as coking coal and iron ore, and non-ferrous raw materials and products such as copper and aluminum.
Machinery	The Machinery Group handles sales, finance and logistics across many different sectors, in which it also invests. These fields include machine tools, agricultural machinery, construction machinery, mining machinery, elevators, escalators, ships, aerospace-related equipment and motor vehicles.
Chemicals	The Chemicals Group trades chemical products in a broad range of fields, in which it also develops business and invests. These fields extend from basic materials such as ethylene, methanol, and salt produced from crude oil, natural gas, minerals, plants, marine resources and so forth, to midstream and downstream products such as plastics, electronic materials, food ingredients, fertilizer and fine chemicals.
Living Essentials	The Living Essentials Group provides products and services, develops businesses and invests in various fields closely linked with people’s lives, including food products and food, textiles, essential supplies, healthcare, distribution and retail. These fields extend from the procurement of raw materials to the consumer market.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies except that the disaggregated financial information has been prepared using a management approach, in which management internally disaggregates financial information for the purpose of assisting in making internal operating decisions. Management evaluates segment performance based on several factors, of which the primary financial measure is net income (loss) attributable to the Parent.

Intersegment transactions are priced with reference to prices applicable to transactions with unassociates.

The Company's segment information at and for the years ended March 31, 2014 and 2015 were as follows:

Millions of Yen

2014	Global Environmental & Infrastructure Business	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total	Other	Adjustments and Eliminations	Consolidated
Revenues	¥30,669	¥172,265	¥1,886,026	¥873,154	¥829,006	¥1,465,304	¥2,353,559	¥7,609,983	¥31,932	¥(6,747)	¥7,635,168
Gross profit	28,493	67,168	62,150	241,898	186,680	102,589	480,928	1,169,906	22,846	(6,747)	1,186,005
Income (loss) from investments accounted for using the equity method	18,433	16,189	65,743	1,193	30,026	17,290	22,649	171,523	(3,516)	349	168,356
Net income attributable to owners of the Parent	16,156	29,674	118,574	8,047	98,835	21,689	59,155	352,130	10,005	(776)	361,359
Total assets	866,996	1,031,393	2,464,014	4,703,943	1,891,157	1,008,397	2,662,090	14,627,990	3,143,721	(1,870,586)	15,901,125

Millions of Yen

2015	Global Environmental & Infrastructure Business	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total	Other	Adjustments and Eliminations	Consolidated
Revenues	¥39,221	¥230,210	¥1,816,224	¥852,813	¥806,678	¥1,462,328	¥2,448,564	¥7,656,038	¥16,581	¥(3,130)	¥7,669,489
Gross profit	31,608	75,692	59,155	199,347	197,280	110,870	525,354	1,199,306	13,710	(3,122)	1,209,894
Income (loss) from investments accounted for using the equity method	28,910	33,096	71,598	2,704	32,244	18,756	20,566	207,874	(3,729)	(327)	203,818
Net income (loss) attributable to owners of the Parent	20,448	40,126	82,262	13,856	91,301	31,360	120,514	399,867	(14,931)	15,638	400,574
Total assets	996,202	895,759	2,253,567	4,796,811	1,999,106	975,467	3,144,562	15,061,474	3,555,574	(1,842,682)	16,774,366

Millions of U.S. Dollars

2015	Global Environmental & Infrastructure Business	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total	Other	Adjustments and Eliminations	Consolidated
Revenues	$327	$1,918	$15,135	$7,107	$6,722	$12,186	$20,405	$63,800	$138	$(26)	$63,912
Gross profit	263	631	493	1,661	1,644	924	4,378	9,994	114	(26)	10,082
Income (loss) from investments accounted for using the equity method	241	276	597	23	269	156	171	1,733	(31)	(4)	1,698
Net income (loss) attributable to owners of the Parent	170	334	686	115	761	261	1,004	3,331	(124)	131	3,338
Total assets	8,302	7,465	18,780	39,973	16,659	8,129	26,205	125,513	29,630	(15,356)	139,787

*1. "Other" represents the corporate departments which primarily provide services and operational support to the Company and associates.
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" includes certain income and expense items that are not allocated to reportable operating segments and intersegment eliminations.

*3. The Company determines the infrastructure-related business of the “Global Environmental & Infrastructure Business Group” as an operating segment and, accordingly, it is presented as the Global Environmental & Infrastructure Business. The environment-related business is categorized under "Other."

*4. Effective from April 1 and July 1, 2014 a part of the environment-related business in "Other" was transferred to the "Global Environment & Infrastructure Business." With this change, the consolidated financial position and the results of operations of related reportable operating segments for the year ended March 31, 2014 have also been reclassified accordingly.

[Geographic Information]

Revenues and non-current assets at and for the years ended March 31, 2014 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Revenues:			
Japan	¥5,431,592	¥5,360,766	$44,673
U.S.A	622,689	608,688	5,072
Other	1,580,887	1,700,035	14,167
Total	¥7,635,168	¥7,669,489	$63,912
Non-current assets (excluding financial assets, deferred tax assets and post-employment benefit assets)			
Australia	¥1,162,417	¥1,166,756	$9,723
Japan	755,100	701,418	5,845
Other	947,589	981,455	8,179
Total	¥2,865,106	¥2,849,629	$23,747

*1. Revenues are attributed to geographic areas based on the location of the assets producing such revenues.

Neither the Company nor any of its segments depended on any single customer, small group of customers, or government for more than 10% of the Company's revenues for the years ended March 31, 2014 and 2015, respectively.

7. SHORT-TERM INVESTMENTS AND OTHER INVESTMENTS

The following is a breakdown of the carrying amounts of short-term investments and other investments at March 31, 2014 and 2015.

	Millions of Yen			
	FVTPL	FVTOCI	Amortized cost	Total
(March 31, 2014)				
Short-term investments	¥13,542		¥9,991	¥23,533
Other investments	52,444	¥1,944,769	125,231	2,122,444
(March 31, 2015)				
Short-term investments	7,324		24,589	31,913
Other investments	90,165	2,049,543	103,636	2,243,344

	Millions of U.S. Dollars			
	FVTPL	FVTOCI	Amortized cost	Total
(March 31, 2015)				
Short-term investments	$61		$205	$266
Other investments	751	$17,080	864	18,695

The following is a breakdown of the fair values of financial assets measured at FVTOCI at March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Marketable	¥906,683	¥1,064,728	$8,873
Non-marketable	1,038,086	984,815	8,207
Total	¥1,944,769	¥2,049,543	$17,080

Of the above, the fair values of the marketable securities at March 31, 2014 and 2015, were as follows.

Security name	Millions of Yen 2014	Millions of Yen 2015	Millions of U.S. Dollars 2015
AYALA	¥84,220	¥135,897	$1,132
ISUZU MOTORS	92,797	124,995	1,042
MITSUBISHI MOTORS CORPORATION	106,968	107,463	896
AEON	50,906	57,757	481
NISSIN FOODS HOLDINGS	38,816	57,515	479
MITSUBISHI MOTORS CORPORATION (non-voting shares)	41,729	41,983	350
MITSUBISHI ESTATE	25,656	29,233	244
THAI UNION FROZEN PRODUCTS	18,947	25,862	216
JX HOLDINGS	24,162	22,470	187
YAMAZAKI BAKING	12,036	21,344	178
T-GAIA	12,145	20,729	173
HOKUETSU KISHU PAPER	18,969	19,701	164
INPEX CORPORATION	19,580	19,383	162
RYOHIN KEIKAKU	10,718	18,827	157
SUMBER ALFARIA TRIJAYA	16,239	17,996	150
MITSUBISHI HEAVY INDUSTRIES	15,889	17,627	147
NHK SPRING	10,640	13,931	116
MITSUBISHI UFJ FINANCIAL GROUP	10,368	13,599	113
NISSHIN SEIFUN GROUP	8,710	11,946	100
CAP	48,656	11,735	98
KIRIN HOLDINGS	9,596	10,582	88

The non-marketable securities primarily consisted of the investments related to mineral resources. These investments principally included Sakhalin Energy Investment Company and Malaysia LNG Dua for LNG, and also included Minera Escondida, Compania Minera Antamina and Anglo American Quellaveco for copper.
Fair values of the investments related to mineral resources were ¥826,521 million and ¥770,163 million ($6,418 million) for the years ended March 31, 2014 and 2015, respectively.

The amounts of dividend income from financial assets measured at FVTOCI held at March 31, 2014 and 2015 that were recognized for the years ended March 31, 2014 and 2015 were ¥161,923 million and ¥171,954 million ($1,433 million), respectively.

With respect to financial assets measured at FVTOCI derecognized as a result of sale through the continuous modification of the Company's portfolio strategy, the fair values at the time of derecognition and accumulated gains or losses on disposal (before tax) for the years ended March 31, 2014 and 2015 were as follows.

	Millions of Yen 2014	Millions of Yen 2015	Millions of U.S. Dollars 2015
Fair value at the time of derecognition	¥194,685	¥15,408	$128
Accumulated gain or loss on disposal (before tax)	90,440	4,025	34

The amounts of dividend income from derecognized financial assets measured at FVTOCI were immaterial for the years ended March 31, 2014 and 2015.

With respect to financial assets measured at FVTOCI, accumulated gain or loss on disposal (after tax) recorded as other components of equity at the time of derecognition was transferred to retained earnings. The amounts transferred were ¥55,936 million and ¥2,607 million ($22 million) at March 31, 2014 and 2015, respectively.

8. TRADE AND OTHER RECEIVABLES

The following is a breakdown of the carrying amounts of "Trade and other receivables" at March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
Classification	2014	2015	2015
Current trade and other receivables			
Notes receivable-trade	¥373,192	¥297,073	$2,476
Accounts receivable-trade and other	3,096,488	2,883,038	24,025
(Amount not expected to be collected within 1 year included within the above account)	35,063	46,441	387
Loans and other receivables	308,898	322,435	2,687
Allowance for doubtful receivables	(26,713)	(29,194)	(243)
Total current trade and other receivables	¥3,751,865	¥3,473,352	$28,945
Non-current trade and other receivables			
Loans receivable	¥198,579	¥138,212	$1,152
Other receivables	461,443	505,651	4,214
Allowance for doubtful receivables	(36,336)	(39,955)	(333)
Total non-current trade and other receivables	¥623,686	¥603,908	$5,033

Short-term or long-term receivables are contractual rights to receive money. When it is probable that, based on internal ratings and current financial conditions, the Company will not be able to collect all amounts, including amounts with interest based on the contractual terms of the receivables agreement, the Company determines an appropriate amount of allowance for doubtful receivables. The Company determines an amount of allowance for doubtful receivables based upon factors surrounding the collection history, length of the period past due, credit ratings from applicable agencies, evaluation based on discounted cash flow, fair value of the underlying collateral and other information. The Company also collectively evaluates some receivables and determines an amount of allowance for doubtful receivables based on past actual rates of credit losses, probability of future default and other information.

The changes in "Allowance for doubtful receivables" for the years ended March 31, 2014 and 2015 were as follows.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Balance at beginning of year	¥51,741	¥63,049	$525
Provision for credit losses	18,994	7,174	60
Charge-offs	(9,446)	(4,216)	(35)
Other*	1,760	3,142	26
Balance at end of year	¥63,049	¥69,149	$576

* "Other" principally includes the effect of changes in foreign currency exchange rates.

Impairment losses (including provision for credit losses) recorded for the years ended March 31, 2014 and 2015 were ¥19,692 million and ¥6,326 million ($53 million), predominantly due to worsened business condition of a customer.

The following is an analysis of the balance of trade and other receivables impaired individually, and the corresponding allowance for doubtful receivables at March 31, 2014 and 2015.

	Millions of Yen				Millions of U.S. Dollars	
	2014		2015		2015	
	Balance	Allowance	Balance	Allowance	Balance	Allowance
Trade receivables	¥35,237	¥(19,540)	¥33,399	¥(22,867)	$278	$(191)
Lease receivables	55,379	(6,585)	52,857	(5,470)	441	(46)
Loans	20,654	(13,467)	23,399	(14,697)	195	(122)
Total	¥111,270	¥(39,592)	¥109,655	¥(43,034)	$914	$(359)

The Company holds collateral and other credit enhancements related impaired financial assets mainly due to lease receivables by vessel leasing transactions. At March 31, 2014 and 2015, the fair values of these were ¥47,704 million and ¥47,060 million ($392 million), respectively.

The following is an analysis of the age of receivables that are past due but not impaired individually at March 31, 2014 and 2015.

	Millions of Yen			
March 31, 2014	Past due within 30 days	Past due over 30 days through 90 days	Past due over 90 days	Total
Trade receivables and loans	¥37,289	¥15,900	¥15,738	¥68,927
Lease receivables	23,892	10,332	3,245	37,469
Total	¥61,181	¥26,232	¥18,983	¥106,396

	Millions of Yen			
March 31, 2015	Past due within 30 days	Past due over 30 days through 90 days	Past due over 90 days	Total
Trade receivables and loans	¥53,399	¥19,702	¥22,232	¥95,333
Lease receivables	26,114	14,399	4,818	45,331
Total	¥79,513	¥34,101	¥27,050	¥140,664

	Millions of U.S. Dollars			
March 31, 2015	Past due within 30 days	Past due over 30 days through 90 days	Past due over 90 days	Total
Trade receivables and loans	$445	$164	$185	$794
Lease receivables	218	120	40	378
Total	$663	$284	$225	$1,172

Loans are aggregated with trade receivables because these are immaterial.

The Company has a single consistent method without classification about accounting treatment and risk management related to trade and other receivables, refer to Note 3 Significant accounting policies (3) Financial instruments and Note 33 Risk management related to financial instruments.

9. INVENTORIES

The breakdown of inventories at March 31, 2014 and 2015 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Merchandise and finished goods	¥996,287	¥1,007,403	$8,395
Raw materials, work in progress and supplies	204,853	231,231	1,927
Real estate held for development and resale	86,819	62,913	524
Total	¥1,287,959	¥1,301,547	$10,846
Carrying amount of inventories carried at fair value less costs to sell included above (refer to Note 30)	¥184,408	¥236,178	$1,968

"Real estate held for development and resale" includes those expected to be sold more than 12 months from the end of each fiscal year.

The amount of inventories recognized as "Costs of revenues" for the years ended March 31, 2014 and 2015 was ¥6,180,393 million and ¥6,133,796 million ($51,115 million), respectively.

Amounts related to write-down of inventories recognized as expenses were immaterial for the years ended March 31, 2014 and 2015.

10. BIOLOGICAL ASSETS

The following is a breakdown of cost of biological assets, fair value adjustments and carrying amounts of biological assets at March 31, 2015.

	Millions of Yen	Millions of U.S. Dollars
	2015	2015
Cost of biological assets	¥70,971	$591
Fair value adjustments	(1,371)	(11)
Carrying amounts	¥69,600	$580

The following is a breakdown of change in the carrying amounts of biological assets for the year ended March 31, 2015.

	Millions of Yen	Millions of U.S. Dollars
	2015	2015
Beginning of year	¥22,896	$191
Increase due to production	79,953	666
Decrease due to sales / harvest / mortality	(92,752)	(773)
Fair value adjustments	(2,671)	(22)
Increase due to business combination	61,187	510
Exchange translations	987	8
End of year	¥69,600	$580

Fair value adjustments of biological assets were included in "Other (expense) income - net" in the consolidated statement of income.

The valuation of biological assets is carried out separately for each operating region. Fair value is measured using a valuation model which uses the most relevant assumptions of price, growth rate and mortality rate at the reporting date. The valuation of biological assets is classified at level 3 in the valuation hierarchy.

The business related to biological assets is exposed to fluctuations in the prices, which is determined by global supply and demand.
In order to partially mitigate the price risk, the Company entered into financial contracts at the regulated market place.

Biological assets are mainly inventories of live fish held in the business of salmon farming in Norway, Chile and Canada.

The following is a breakdown of change in the live weight (tonnes) of biological assets held in the business of salmon farming for the year ended March 31, 2015.

	Tonnes
	2015
Beginning of year	14,059
Increase due to production	94,782
Decrease due to sales / harvest / mortality	(127,257)
Increase due to business combination	122,065
End of year	103,649

11. NON-CURRENT ASSETS OR DISPOSAL GROUPS HELD FOR SALE

The following non-current assets or disposal groups are classified as held for sale as of March 31, 2014 and 2015 since the Company entered into sales contracts which required the sale and delivery within 1 year.
Impairment losses recognized when classified as held for sale are included in "Impairment losses on long-lived assets" in the consolidated statement of income.

Non-current assets classified as held for sale
¥38,341 million of Property and equipment (Aircraft) in the Industrial Finance, Logistics & Development segment was classified as held for sale as of March 31, 2014, of which ¥14,904 million was measured at fair value less cost to sell (Level 2). Majority of non-current assets held for sale were disposed during the year ended March 31, 2015.
¥24,841 million ($207 million) of Property and equipment (Aircraft) in the Industrial Finance, Logistics & Development segment was classified as held for sale as of March 31, 2015, of which ¥11,350 million ($95 million) was measured at fair value less cost to sell (Level 2). ¥21,538 million ($179 million) of Property and equipment (Vessels) in the Machinery segment was classified as held for sale as of March 31, 2015.

Disposal groups classified as held for sale (Subsidiary)
The following is a breakdown of assets and liabilities of a subsidiary in the Other segments classified as held for sale as of March 31, 2014. The disposal group was disposed during the year ended March 31, 2015.

Item	Millions of Yen
Trade and other receivables	¥7,861
Property and equipment (Buildings)	6,515
Intangible assets (Software)	3,157
Total assets	¥17,533
Trade and other payables	9,043
Total liabilities	¥9,043

Alpac Forest Products Inc., and Alpac Pulp Sales Inc. which are consolidated subsidiaries in the Living Essentials segment were classified as disposal groups held for sale as of March 31, 2015.
¥21,176 million ($176 million) was measured at fair value less cost to sell (Level 2) with the classification of the disposed group as held for sale. And as a result, the Company recognized ¥18,915 million ($158 million) of the impairment loss on property and equipment for the year ended March 31, 2015. The Company recognized ¥6,213 million ($52 million) of exchange differences on translating foreign operations in consolidated statement of financial position. The following is a breakdown of assets and liabilities.

Item	Millions of Yen	Millions of U.S. Dollars
Inventories	¥12,556	$105
Biological assets	4,810	40
Property and equipment	1,975	16
Trade and other receivables	10,906	91
Total assets	¥30,247	$252
Trade and other payables	9,071	76
Total liabilities	¥9,071	$76

Fair value of non-current assets or disposal group deducted from sale cost
The fair values less cost to sell in Level 2 or 3 for non-current assets were measured by personnel in the accounting department of the subsidiaries who managed the corresponding assets, based upon information such as the sales value and the future cash flows of the assets.
All valuations were reviewed by the accounting personnel and approved by the management of the administration department of the Company.

12. PROPERTY AND EQUIPMENT

The following is a breakdown of the gross carrying amount, accumulated depreciation and accumulated impairment losses, and carrying amounts of property and equipment at March 31, 2014 and 2015.

	Millions of Yen						
	Land	Buildings and structures	Machinery and equipment	Aircraft and vessels	Mineral resources -related property	Construction in progress	Total
(March 31, 2014)							
Gross carrying amount	¥235,107	¥584,751	¥828,414	¥613,690	¥1,756,924	¥30,471	¥4,049,357
Accumulated depreciation and accumulated impairment losses	14,761	359,788	583,956	155,547	422,967	2,420	1,539,439
Carrying amount	¥220,346	¥224,963	¥244,458	¥458,143	¥1,333,957	¥28,051	¥2,509,918
(March 31, 2015)							
Gross carrying amount	¥231,040	¥600,422	¥781,737	¥492,757	¥1,878,518	¥31,814	¥4,016,288
Accumulated depreciation and accumulated impairment losses	15,011	362,803	514,917	140,057	588,075	164	1,621,027
Carrying amount	¥216,029	¥237,619	¥266,820	¥352,700	¥1,290,443	¥31,650	¥2,395,261

	Millions of U.S. Dollars						
(March 31, 2015)	Land	Buildings and structures	Machinery and equipment	Aircraft and vessels	Mineral resources -related property	Construction in progress	Total
Gross carrying amount	$1,925	$5,004	$6,515	$4,106	$15,654	$265	$33,469
Accumulated depreciation and accumulated impairment losses	125	3,024	4,291	1,167	4,901	1	13,509
Carrying amount	$1,800	$1,980	$2,224	$2,939	$10,753	$264	$19,960

The following is a breakdown of change in the carrying amounts of property and equipment for the years ended March 31, 2014 and 2015.

	Millions of Yen						
Carrying amount	Land	Buildings and structures	Machinery and equipment	Aircraft and vessels	Mineral resources -related property	Construction in progress	Total
Balance at April 1, 2013	¥213,769	¥215,458	¥210,648	¥383,165	¥1,174,894	¥65,676	¥2,263,610
Additions	1,694	17,257	39,027	93,054	254,289	80,623	485,944
Additions through business combination	4,717	7,420	8,470	1,616		400	22,623
Disposal or reclassification to assets held for sale	(1,053)	(8,711)	(2,917)	(95,485)	(2,486)	(1,664)	(112,316)
Depreciation		(19,885)	(45,684)	(32,006)	(67,720)		(165,295)
Impairment losses	(309)	(2,225)	(1,322)	(4,385)	(11,193)	(176)	(19,610)
Exchange translations	1,117	5,002	14,235	27,279	4,226	1,960	53,819
Other	411	10,647	22,001	84,905	(18,053)	(118,768)	(18,857)
Balance at March 31, 2014	¥220,346	¥224,963	¥244,458	¥458,143	¥1,333,957	¥28,051	¥2,509,918
Additions	960	12,340	52,363	52,150	158,368	34,369	310,550
Additions through business combination	1,859	10,221	22,114	50		4,412	38,656
Disposal or reclassification to assets held for sale	(3,088)	(1,847)	(5,339)	(175,751)	(3,867)	(189)	(190,081)
Depreciation		(19,750)	(54,161)	(25,323)	(87,047)		(186,281)
Impairment losses	(326)	(4,665)	(18,615)	(4,428)	(84,102)		(112,136)
Exchange translations	2,421	5,037	11,394	46,001	(24,285)	1,702	42,270
Other	(6,143)	11,320	14,606	1,858	(2,581)	(36,695)	(17,635)
Balance at March 31, 2015	¥216,029	¥237,619	¥266,820	¥352,700	¥1,290,443	¥31,650	¥2,395,261

	Millions of U.S. Dollars						
Carrying amount	Land	Buildings and structures	Machinery and equipment	Aircraft and vessels	Mineral resources -related property	Construction in progress	Total
Beginning of year	$1,836	$1,875	$2,037	$3,818	$11,116	$234	$20,916
Additions	8	103	436	435	1,320	286	2,588
Additions through business combination	16	85	184			37	322
Disposal or reclassification to assets held for sale	(26)	(15)	(44)	(1,465)	(32)	(2)	(1,584)
Depreciation		(165)	(451)	(211)	(725)		(1,552)
Impairment losses	(3)	(39)	(155)	(37)	(701)		(935)
Exchange translations	20	42	95	384	(203)	14	352
Other	(51)	94	122	15	(22)	(305)	(147)
End of year	$1,800	$1,980	$2,224	$2,939	$10,753	$264	$19,960

* "Other" includes transfers from construction in progress to other property and equipment.

Impairment losses recognized for the years ended March 31, 2014 and 2015 were applicable to the following segments:

	Millions of Yen		Millions of U.S. Dollars
Segment	2014	2015	2015
Global Environmental & Infrastructure Business			
Industrial Finance, Logistics & Development	¥2,809	¥2,443	$20
Energy Business	11,185	82,235	685
Metals	1,805	5,132	43
Machinery	1,572	1,868	16
Chemicals	1,215		
Living Essentials	1,023	20,458	171
Other	1		
Total	¥19,610	¥112,136	$935

*1. "Other" represents impairment losses attributable to the assets for corporate use, which have not been allocated to specific operating segments.
*2. The Company determines the infrastructure-related business of the "Global Environmental & Infrastructure Business Group" as an operating segment and, accordingly, it is presented as the Global Environmental & Infrastructure Business.

The impairment loss of property and equipment for the year ended March 31, 2014 includes an impairment loss of ¥11,182 million, mainly due to withdrawal from a certain oil and gas property held by a consolidated subsidiary in the Energy Business segment.

The impairment loss of property and equipment for the year ended March 31, 2015 includes an impairment loss of ¥38,309 million ($319 million) on shale gas development assets in Canada held by Cordova Gas Resources Ltd., impairment losses of ¥27,722 million ($231 million) on gas exploration and development assets in Papua New Guinea held by Diamond Gas Niugini B.V. and other entities, and impairment losses of ¥15,467 million ($129 million) on assets held by MCX Dunlin (UK) Ltd. and MCX Osprey (UK) Ltd. in connection with North Sea oil field projects, which are consolidated subsidiaries in the Energy Business Segment.

These impairment losses were recognized due to the deterioration in the business environment and are included in "Impairment losses on long-lived assets" in the consolidated statement of income. For assets that had indications that they may be impaired, impairment losses are calculated as the difference between the carrying amount of such assets and their recoverable amount. In the course of recognizing and measuring impairment losses, the Company measured the recoverable amount primarily using value in use. 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.

The amount of reversals of impairment losses of property and equipment recognized was immaterial for the years ended March 31, 2014 and 2015.

The amount of contractual commitments for the acquisition of property and equipment was ¥97,069 million and ¥80,278 million ($669 million) at March 31, 2014 and 2015, respectively.

The amount of compensation from third parties for items of property and equipment that were impaired, lost or given up that is included in net income was immaterial as of March 31, 2014 and 2015.

13. INVESTMENT PROPERTY

The following is a breakdown of gross carrying amount, accumulated depreciation and accumulated impairment losses, and carrying amounts of investment property at March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Gross carrying amount	¥143,308	¥115,975	$966
Accumulated depreciation and accumulated impairment losses	39,583	35,451	295
Carrying amount	¥103,725	¥80,524	$671

The following is a breakdown of the activity of the carrying amounts of investment property.

Carrying amount	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Beginning of year	¥116,785	¥103,725	$864
Additions	1,460	17,242	144
Additions through business combination	1,614		
Disposal or reclassification to assets held for sale	(14,450)	(38,322)	(319)
Depreciation	(2,028)	(2,434)	(20)
Impairment losses	(693)	(2,225)	(19)
Other	1,037	2,538	21
End of year	¥103,725	¥80,524	$671

Impairment losses are included in "Impairment losses on long-lived assets" in the consolidated statement of income.

The fair value of investment property is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Fair value	¥128,700	¥112,068	$934

The fair value of investment property is based on a valuation conducted by independent real estate appraisers. The valuation techniques are based on discount cash flow model or market data of current transaction prices for similar properties. The fair value is designated as Level 3 in the fair value hierarchy.

The following table includes amounts recognized in the consolidated statement of income related to investment property.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Rental income	¥12,778	¥11,031	$92
Fixed property taxes and other direct operating expenses arising from investment property which generate rental income	8,296	6,933	58

The amounts of fixed property taxes and other direct operating expenses arising from investment property that did not generate rental income were immaterial for the years ended March 31, 2014 and 2015.

The amount of acquisitions of investment property for which a contract had been concluded but not executed was immaterial at March 31, 2014 and 2015.

14. INTANGIBLE ASSETS AND GOODWILL

Intangible assets

The following is a breakdown of the gross carrying amount, accumulated amortization and accumulated impairment losses, and carrying amounts of intangible assets at March 31, 2014 and 2015.

	Millions of Yen						
	Software	Fish farming license and surface rights	Intellectual properties related to feasibility studies	Customer relationships	Trade names	Other	Total
Year ended March 31, 2014:							
Gross carrying amount	¥139,557	¥7,477	¥16,639	¥20,475	¥19,167	¥41,246	¥244,561
Accumulated amortization and accumulated impairment losses	74,246	1,147		3,398	6,184	28,392	113,367
Carrying amount	¥65,311	¥6,330	¥16,639	¥17,077	¥12,983	¥12,854	¥131,194
Year ended March 31, 2015:							
Gross carrying amount	¥143,707	¥79,128	¥16,092	¥21,286	¥19,833	¥59,944	¥339,990
Accumulated amortization and accumulated impairment losses	75,933	2,631		4,392	6,608	29,482	119,046
Carrying amount	¥67,774	¥76,497	¥16,092	¥16,894	¥13,225	¥30,462	¥220,944

	Millions of U.S. Dollars						
March 31, 2015	Software	Fish farming license and surface rights	Intellectual properties related to feasibility studies	Customer relationships	Trade names	Other	Total
Gross carrying amount	$1,198	$659	$134	$177	$165	$500	$2,833
Accumulated amortization and accumulated impairment losses	633	22		36	55	246	992
Carrying amount	$565	$637	$134	$141	$110	$254	$1,841

The following is a breakdown of the changes in the carrying amount of intangible assets for the years ended March 31, 2014 and 2015.

	Millions of Yen						
	Software	Fish farming license and surface rights	Intellectual properties related to feasibility studies	Customer relationships	Trade names	Other	Total
Beginning of year ended March 31, 2014	¥62,830	¥4,861	¥17,118	¥10,353	¥11,304	¥13,258	¥119,724
Additions	19,632	1,168		472	529	713	22,514
Additions through business combination	411			7,190		205	7,806
Disposal or reclassification to assets held for sale	(3,647)	(53)			(10)	(145)	(3,855)
Amortization	(14,128)	(85)		(304)	(924)	(1,830)	(17,271)
Impairment losses	(92)				(91)	(108)	(291)
Exchange translations	145	431	(479)	(185)	1,610	835	2,357
Other	160	8		(449)	565	(74)	(210)
End of year ended March 31, 2014	¥65,311	¥6,330	¥16,639	¥17,077	¥12,983	¥12,854	¥131,194
Additions	16,982	1,603		594	66	3,159	22,404
Additions through business combination	348	69,144		1,016		18,879	89,387
Disposal or reclassification to assets held for sale	(473)	(18)			(145)	(1,193)	(1,829)
Amortization	(13,630)	(68)		(1,415)	(661)	(1,936)	(17,710)
Impairment losses	(302)			(48)	(90)	(407)	(847)
Exchange translations	727	(378)	(547)	(326)	998	(791)	(317)
Other	(1,189)	(116)		(4)	74	(103)	(1,338)
End of year ended March 31, 2015	¥67,774	¥76,497	¥16,092	¥16,894	¥13,225	¥30,462	¥220,944

	Millions of U.S. Dollars						
	Software	Fish farming license and surface rights	Intellectual properties related to feasibility studies	Customer relationships	Trade names	Other	Total
Beginning of year ended March 31, 2015	$544	$53	$139	$142	$108	$107	$1,093
Additions	142	13		5	1	26	187
Additions through business combination	3	576		9		157	745
Disposal or reclassification to assets held for sale	(4)				(1)	(10)	(15)
Amortization	(113)	(1)		(12)	(6)	(16)	(148)
Impairment losses	(3)				(1)	(3)	(7)
Exchange translations	6	(3)	(5)	(3)	8	(6)	(3)
Other	(10)	(1)			1	(1)	(11)
End of year ended March 31, 2015	$565	$637	$134	$141	$110	$254	$1,841

The Company does not amortize intangible assets with indefinite useful lives such as trade names and surface rights, given that term of the contract is not set out and it is possible to sustain the value of rights at a small cost.

At March 31, 2014 and 2015, the carrying amounts of intangible assets with indefinite useful lives were as follows.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Trade names	¥4,797	¥6,654	$55
Fish farming license and surface rights	4,689	74,815	624
Other	3,607	4,535	38
Total	¥13,093	¥86,004	$717

Amortization expense for intangible assets, including those internally generated, is included in "Costs of revenues" or "Selling, general and administrative expenses" in the consolidated statement of income.

Impairment losses of intangible assets are included in "Impairment losses on long-lived assets" in the consolidated statement of income. For the assets of which indications of impairment are identified, the recoverable amounts are estimated, normally as value in use, and impairment losses are calculated as a difference between the carrying amount of the assets and the recoverable amount. Value in use of assets is primarily estimated based on discounted cash flows.

Internally generated intangible assets are primarily software, the carrying amounts of which were ¥27,261 million and ¥34,432 million ($287 million) at March 31, 2014 and 2015, respectively.

The amount of contractual commitments for the acquisition of intangible assets was immaterial at March 31, 2014 and 2015.

Research and development costs recognized in net income amount were immaterial at March 31, 2014 and 2015.

Goodwill

The following is a breakdown of the change in goodwill for the years ended March 31, 2014 and 2015.

	Millions of Yen		
	Cost	Accumulated impairment losses	Carrying amount
Beginning of year ended March 31, 2014	¥64,158	¥(3,299)	¥60,859
Additions by business combinations	20,857		20,857
Impairment		(1,045)	(1,045)
Disposal	(334)		(334)
Exchange translations	2,888		2,888
Other	(690)		(690)
End of year ended March 31, 2014	¥86,879	¥(4,344)	¥82,535
Additions by business combinations	32,126		32,126
Impairment losses		(7,655)	(7,655)
Disposal	(347)		(347)
Exchange translations	1,661		1,661
Other	(183)		(183)
End of year ended March 31, 2015	¥120,136	¥(11,999)	¥108,137

	Millions of U.S. Dollars		
	Cost	Accumulated impairment losses	Carrying amount
Beginning of year ended March 31, 2015	$724	$(36)	$688
Additions by business combinations	268		268
Impairment losses		(64)	(64)
Disposal	(3)		(3)
Exchange translations	14		14
Other	(2)		(2)
End of year ended March 31, 2015	$1,001	$(100)	$901

Impairment losses of goodwill are included in "Other (expense) income - net" in the consolidated statement of income.

Impairment test of goodwill and intangible assets with indefinite useful lives

The assumptions used for the impairment test of significant goodwill and intangible assets with indefinite useful lives allocated to cash-generating-units were as follows:

Cermaq Group AS

The Company, in the year ended March 31, 2015, acquired control of Cermaq Group AS, and completed the allocation of consideration paid to assets acquired and liabilities assumed. The amount of goodwill and intangible assets with indefinite useful lives as of March 31, 2015 were ¥26,042 million ($217 million) and ¥68,218 million ($568 million), respectively.

In the impairment test of goodwill and intangible assets with indefinite useful lives in the year ended March 31, 2015, the recoverable amount was estimated based on value in use, by using the present value of future cash flows based on the most recent business plan with the support of an independent appraiser. 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. Even when the significant assumptions used in the impairment test change in a reasonably predictable range, the risk of the recoverable amount falling below the book value is considered to be limited.

Please refer to Note 5 for the details of business combinations.

Agrex do Brasil S.A.

The Company, in the year ended March 31, 2014 acquired control of Agrex do Brasil S.A., and completed the allocation of consideration paid to assets acquired and liabilities assumed. The amount of goodwill as of March 31, 2014 and 2015 was ¥16,357 million and ¥16,557 million ($138 million), respectively.

In the impairment test of goodwill in the years ended March 31, 2014 and 2015, the recoverable amount was estimated based on value in use, by using the present value of future cash flows based on the business plan used for the basis of consideration paid, amended to reflect the recent business environment. 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. Even when the significant assumptions used in the impairment test change in a reasonably predictable range, the risk of the recoverable amount falling below the book value is considered to be limited.

Please refer to Note 5 for the details of business combinations.

15. EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

The following is a breakdown of change in the carrying amounts of exploration and evaluation assets for the years ended March 31, 2014 and 2015.

Carrying amount	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Beginning of year	¥ 236,671	¥ 234,885	$1,957
Additions	27,557	13,061	109
Impairment and write-off of unsuccessful exploration expenditure	(22,009)	(42,591)	(355)
Transfer due to demonstration of commercial viability	(7,622)	(7,317)	(61)
Exchange translations	288	(354)	(3)
End of year	¥ 234,885	¥ 197,684	$1,647

The Company's exploration and evaluation activities have also generated liabilities, of which the carrying amounts were ¥ 15,788 million and ¥ 14,318 million ($119 million) as of March 31, 2014 and 2015, respectively.

The following table presents the amounts of expenses and cash flows arising from exploration for and evaluation of mineral resources for the years ended March 31, 2014 and 2015. "Expenses arising from exploration for and evaluation of mineral resources" are recognized in "Impairment losses on long-lived assets" and "Other (expense) income - net" in the consolidated statement of income.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Expenses arising from exploration for and evaluation of mineral resources	¥(30,672)	¥(45,542)	$(380)
Net cash used in operating activities arising from exploration for and evaluation of mineral resources	(8,663)	(4,778)	(40)
Net cash used in investing activities arising from exploration for and evaluation of mineral resources	(27,557)	(12,778)	(106)

16. PLEDGED ASSETS

The following is a breakdown of the carrying amounts of assets pledged as collateral for loans, guarantees of contracts and others at March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Trade and other receivables (current and non-current)	¥81,504	¥100,501	$838
Other investments (current and non-current)	236,221	305,333	2,544
Property and equipment (net of accumulated depreciation and accumulated impairment losses)	136,051	173,596	1,447
Investment property (net of accumulated depreciation and accumulated impairment losses)	71,596	48,224	402
Inventories	42,416	31,614	263
Biological assets		47,509	396
Intangible assets and goodwill		62,326	519
Other	4,925	24,844	207
Total	¥572,713	¥793,947	$6,616

"Other investments" above includes shares pledged as collateral by the Company in relation to project financing in which an associate or unassociate is the debtor.

Trust receipts issued under customary import financing arrangements give banks a security interest in the merchandise imported and/or sales proceeds resulting from the sale of such merchandise. The Company follows the practice of repaying the related notes and acceptances payable at maturity without applying the sales proceeds to specific notes or acceptances. Due to the large volume of transactions, it is impracticable to determine the aggregate amounts of assets covered by outstanding trust receipts and therefore, those amounts are not included in the amount of assets pledged as collateral above.

Notwithstanding the above assets pledged as collateral, substantially all of the short-term and long-term loans from banks are made under agreements which, as is customary in Japan, allow banks, under certain conditions, to require the Company to provide collateral (or additional collateral) or guarantors with respect to the loans, and to treat any collateral, whether furnished as security for short-term or long-term loans or otherwise, as collateral for all indebtedness to such bank.

17. BORROWINGS

Borrowings (current liabilities) as of March 31, 2014 and 2015 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Bank loans			
—1.7% as of March 31, 2015	¥666,850	¥724,690	$6,039
Commercial paper			
—0.4% as of March 31, 2015	173,082	171,266	1,428
Borrowings (non-current liabilities) with current maturities	542,048	617,920	5,149
Total	¥1,381,980	¥1,513,876	$12,616

The interest rates represent weighted average rates on outstanding balances as of March 31, 2015.

Borrowings (non-current liabilities) as of March 31, 2014 and 2015 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Non-current liabilities with collateral:			
Banks and other financial institutions, maturing thorough to 2034			
—principally 0.1% to 0.9% as of March 31, 2015	¥93,548	¥47,995	$400
Banks and other financial institutions, maturing thorough to 2028 (payable in foreign currencies)			
—principally 1.1% to 3.0% as of March 31, 2015	87,211	104,366	870
Japanese yen bonds			
(floating rate 0.2% to 2.3%, due 2018 as of March 31, 2015)	180	11,060	92
Foreign currency bonds			
(fixed rate 6.1%, due 2021 as of March 31, 2015)	5,155	5,289	44
Total	¥186,094	¥168,710	$1,406
Non-current liabilities without collateral:			
Banks and other financial institutions, maturing thorough to 2035			
—principally 0.1% to 2.0% as of March 31, 2015	2,354,366	2,278,381	18,986
Banks and other financial institutions, maturing thorough to 2032 (payable in foreign currencies)			
—principally 0.4% to 2.8% as of March 31, 2015	1,478,300	1,687,865	14,066
Japanese yen callable bonds			
(adjustable fixed rate 0.9%, due 2015 as of March 31, 2014)	10,000		
Japanese yen bonds			
(floating rate 0.2% to 1.8%, due 2015-2021 as of March 31, 2015)	128,594	118,611	988
(fixed rate 0.3% to 3.2%, due 2015-2032 as of March 31, 2015)	683,656	661,534	5,513
U.S. dollar bonds			
(floating rate 0.6% to 1.1%, due 2015-2020 as of March 31, 2015)	10,283	21,617	180
(fixed rate 1.8% to 3.4%, due 2015-2024 as of March 31, 2015)	284,217	390,828	3,257
New Zealand dollar bonds			
(4.5%, due 2017 as of March 31, 2015)	893	901	8
Australian dollar bonds			
(fixed rate 4.3% to 4.8%, due 2018-2021 as of March 31, 2015)	28,235	36,413	303
Brazilian real bonds			
(9.8%, due 2014 as of March 31, 2014)	81		
Total	¥4,978,625	¥5,196,150	$43,301
Total non-current liabilities	¥5,164,719	¥5,364,860	$44,707
Add adjustments to fair value under fair value hedge accounting	71,184	88,177	735
Total	¥5,235,903	¥5,453,037	$45,442
Less current maturities	(542,048)	(617,920)	(5,149)
Borrowings (non-current liabilities)	¥4,693,855	¥4,835,117	$40,293

Related information such as lines of credit, financial covenants and breakdown by due date is stated in "Liquidity risk management" of Note 33.

18. TRADE AND OTHER PAYABLES

The following is a breakdown of the carrying amounts of "Trade and other payables" at March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
Classification	2014	2015	2015
Current trade and other payables			
Notes and acceptances payable-trade	¥200,034	¥186,321	$1,553
Accounts payable-trade and other payables	2,480,920	2,324,821	19,373
(Amount not expected to be settled within 1 year included within the above account)	22,855	26,022	217
Total current trade and other payables	¥2,680,954	¥2,511,142	$20,926
Total non-current trade and other payables	¥91,361	¥74,123	$618

19. EMPLOYEE BENEFITS

Pension and retirement benefit obligations

The Parent and certain subsidiaries have defined benefit pension plans covering substantially all employees other than directors. The primary defined benefit pension plans are the Corporate Pension Funds under the Japanese Defined Benefit Corporate Pension Law. The benefits for these plans are based upon years of service, compensation at the time of severance and other factors.

By April 2013, the Parent has converted certain portions of the Corporate Pension Funds into a defined contribution plan in phases.

The Parent has the obligation to make contributions to the Mitsubishi Corporation Pension Fund (“Fund”) in order to cover the cost of paying pension benefits. The Fund is legally independent from the Parent, and the board of representatives comprises of an equal number of representatives elected by the Parent and the Parent's employees. The chairman of the board is elected from the representatives elected from the Parent. Proceedings of the board of representatives are decided by a majority vote of the members attending. In the case of a tied vote, the chairman has the power to decide. However, with regard to important matters, the decision is made by a majority that exceeds the above.

The director of the Fund has the duty to comply with the laws, the dispositions of the Minister of Health, Labour, and Welfare made pursuant to laws, the bylaws of the Fund and the decisions of the board of representatives and to faithfully perform duties for the Fund. In addition, the director is prohibited from acts that constitute conflicts of interest and from managing the Fund for the purpose of benefiting a third party.

In addition to the defined benefit pension plans, most of the domestic subsidiaries have unfunded severance indemnity plans under which their employees, other than directors, are entitled, under most circumstances, to lump-sum severance indemnities upon mandatory retirement at normal retirement age or earlier termination of employment. The benefits for these plans are based upon years of service, compensation at the time of severance and other factors.

The Company uses a March 31 measurement date for the pension plans.

A breakdown of changes in the net amount recorded in the consolidated statement of financial position for the Company's defined benefit obligations for the years ended March 31, 2014 and 2015 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Change in present value of obligations under defined benefit pension plans:			
Present value of obligations under defined benefit pension plans at beginning of year	¥514,831	¥539,546	$4,496
Service cost	15,254	7,611	63
Interest cost	8,920	9,536	80
Employee contributions	247	290	2
Plan amendments	143	(673)	(6)
Actuarial loss	7,981	37,487	312
Benefits paid	(21,339)	(21,043)	(175)
Settlements and curtailments	(2,609)	(3,985)	(33)
Acquisitions/divestitures and other—net	7,037	(2,226)	(18)
Exchange translations	9,081	3,966	33
Present value of obligations under defined benefit pension plans at end of year	539,546	570,509	4,754
Change in plan assets:			
Fair value of plan assets at beginning of year	483,938	530,120	4,417
Interest income	9,439	10,882	91
Income from plan assets other than interest	30,437	81,846	682
Employer contributions	13,554	6,081	51
Employee contributions	247	290	2
Benefits paid	(16,748)	(16,589)	(138)
Settlements	(2,609)	(3,481)	(29)
Acquisitions/divestitures and other—net	3,323	(4,337)	(36)
Exchange translations	8,539	3,727	31
Fair value of plan assets at end of year	530,120	608,539	5,071
Effect of the asset ceiling	606	1,177	10
Net amount of liabilities (assets) recorded in Consolidated statement of financial position	¥10,032	¥(36,853)	$(307)

Actuarial loss arises primarily from changes in financial assumptions.

Investment Policy

Plan assets

The Company's investment policy for its defined benefit pension plans is to procure an adequate return to provide future payments of pension benefits over the long term by optimizing risk tolerance and formulating a well-diversified portfolio including investments such as equity instruments, debt securities and alternative assets.

Considering the funded status of the pension plans and surrounding economic environment for investments, the Company's investment strategy may be revised as needed. Moreover, the Company continuously monitors and pays extra attention to the diversification strategies and investment managers for the purpose of risk control and thereby pursues efficient risk management.

Fair value of plan assets by type

A breakdown of the Company's plan assets at March 31, 2014 and 2015 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Plan assets that have a quoted market price in an active market			
Equity instruments:			
Japanese equity securities	¥140,483	¥201,067	$1,675
Global equity securities	9,329	11,010	92
Debt instruments:			
Global debt securities	1,846	1,661	14
Total	151,658	213,738	1,781
Plan assets that do not have a quoted market price in an active market			
Equity instruments:			
Japanese equity securities	21,725	21,919	183
Global equity securities	58,070	65,185	543
Debt instruments:			
Japanese debt securities	8,893	10,267	86
Global debt securities	176,754	193,538	1,613
Hedge funds	16,797	25,820	215
Life insurance company accounts	30,417	44,193	368
Cash and cash equivalents	49,293	16,339	136
Other assets	16,513	17,540	146
Total	378,462	394,801	3,290
Total plan assets	¥530,120	¥608,539	$5,071

*1. Japanese equity securities and global equity securities include the form of fund units. Global equity securities include a mixture of Japanese and non-Japanese securities which are held in the form of fund units.

*2. Japanese debt securities and global debt securities include the form of fund units. Global debt securities include a mixture of Japanese and non-Japanese debt securities which are held in the form of fund units.

*3. Life insurance company accounts consist of investments in life insurance company general accounts and special accounts. General accounts are guaranteed for principal amount and interest rate by life insurance companies while special accounts are not guaranteed for their investment return.

*4. Other assets include private equity funds, real estate funds and infrastructure funds.

Significant actuarial assumptions

The weighted average assumptions used to measure the present value of the defined benefit obligation at March 31, 2014 and 2015 were as follows:

	2014	2015
Discount rate	1.9%	1.6%
Rate of increase in future compensation levels	2.7	2.7

The assumption of average longevity at pension age for current pensioners and employees of the Parent was 18.9 years and 20.3 years for the years ended March 31, 2014 and 2015, respectively.

Analysis of sensitivity to significant actuarial assumptions

If the discount rate of the Parent, which accounts for a large proportion of the defined benefit obligation of the Company falls by 0.5%, the defined benefit obligation is presumed to increase by ¥28,456 million and ¥31,435 million ($262 million) for the years ended March 31, 2014 and 2015, respectively. This analysis assumes that all other variables remain fixed, however, in fact, the discount rate does not always change independently.

Contributions

The Company's funding policy is to contribute to provide not only for benefits attributable to service to date, but also for those expected to be earned in the future, and companies in Japan generally contribute to the extent of an amount deductible for income tax purposes.

The Company expects to contribute approximately ¥6,000 million ($50 million) to its defined benefit pension plans during the year ending March 31, 2016.

Estimated future benefit payments

Estimated future benefit payments are as follows:

	Millions of Yen	Millions of U.S. Dollars
Years ending March 31:		
2016	¥23,698	$197
2017	25,182	210
2018	25,172	210
2019	24,894	207
2020	24,926	208
2021 through 2025	119,128	993

Defined contribution plans

The Parent and certain subsidiaries have defined contribution plans. The expenses related to these defined contribution plans were immaterial for the years ended March 31, 2014 and 2015.

Employee benefits expense

The amount of employee benefits expense included in the consolidated statement of income was ¥518,770 million and ¥544,467 million ($4,537 million) for the years ended March 31, 2014 and 2015, respectively.

20. PROVISIONS

Provisions are included in "Other current liabilities" and "Provisions" in the consolidated statement of financial position.

The changes in provisions for the years ended March 31, 2014 and 2015 were as follows:

(Year ended March 31, 2014)

	Millions of Yen					
	Balance at beginning of year	Provisions made	Provisions used	Accretion expense	Other*	Balance at end of year
Provision for decommissioning and restoration	¥93,782	¥14,764	¥(1,924)	¥5,038	¥1,125	¥112,785
Provision for environmental measures	1,900	8,984	(8)			10,876
Other	8,548	8,255	(4,039)		(87)	12,677

(Year ended March 31, 2015)

	Millions of Yen					
	Balance at beginning of year	Provisions made	Provisions used	Accretion expense	Other*	Balance at end of year
Provision for decommissioning and restoration	¥112,785	¥23,618	¥(2,545)	¥6,235	¥(2,264)	¥137,829
Provision for environmental measures	10,876	228	(8)		(33)	11,063
Other	12,677	18,615	(8,590)		9	22,711

(Year ended March 31, 2015)

	Millions of U.S. Dollars					
	Balance at beginning of year	Provisions made	Provisions used	Accretion expense	Other*	Balance at end of year
Provision for decommissioning and restoration	$940	$197	$(21)	$52	$(19)	$1,149
Provision for environmental measures	90	2				92
Other	106	155	(72)			189

* "Other" principally includes the effect of changes in foreign currency exchange rates, unused amounts reversed during the period and the effect of deconsolidation.

Provision for decommissioning and restoration

The Company accounts for provision for decommissioning and restoration, consisting primarily of costs associated with mine reclamation, landfills and dismantlement of facilities. These are related to legal obligations associated with the normal operation of the Company's coal mining, oil, gas and other facilities. Cash outflows related to the provision is expected to be paid over periods of up to 40 years, but is inherently difficult to predict and is affected by future business plans and other circumstances.

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. The timing of cash outflows related to the provision is affected by future business plans and other circumstances.

Other

"Other" includes provisions for onerous contracts, product warranties and others.

21. EQUITY

Common stock

The Companies Act of Japan (the "Companies Act") requires in principle that the amount of payment for shares and assets delivered shall be the amount of common stock. However, the Companies Act permits, as an exception, that an amount not exceeding 50% of such payment and assets is able to be incorporated into additional paid-in capital.

The total number of common stocks authorized to be issued at March 31, 2014 and 2015 was as follows:

	2014 (Number of shares)	2015 (Number of shares)
Ordinary stock (no-par stock)	2,500,000,000	2,500,000,000

The change in the total number of issued stocks for the years ended March 31, 2014 and 2015 was as follows:

	2014 (Number of shares)	2015 (Number of shares)
Balance, beginning of year	1,653,505,751	1,653,505,751
Change during the year		(29,469,000)
Balance, end of year	1,653,505,751	1,624,036,751

Additional paid-in capital and retained earnings

The Companies Act requires that an amount equal to 10% of dividends from retained earnings to be paid shall be appropriated and set aside as legal reserve until the total of additional paid-in capital and legal reserve amounts to 25% of the common stock amount.

The Companies Act provides that, subject to certain conditions, such as a resolution at a shareholders' meeting, a company may transfer amounts between common stock, reserves and surplus.

Treasury stock

The Companies Act allows Japanese companies to purchase and hold treasury stock. Japanese companies are allowed to decide the number, amount and other aspects of the treasury stock to be acquired, not exceeding the amount available for distribution, upon resolution at the shareholders' meeting. The Companies Act allows Japanese companies to purchase treasury stock through market transactions or tender offer by resolution of the Board of Directors, as far as it is allowed under the Articles of Incorporation, subject to limitations imposed by the Companies Act.
At the ordinary general meeting of shareholders held on June 24, 2004, it was approved that the Parent amended the Articles of Incorporation to entitle the Board of Directors to purchase outstanding shares of the Company's treasury stock by its resolutions.
The number of treasury stock and treasury stock held by subsidiaries and associates was 4,964,444 shares and 3,653,124 shares at March 31, 2014 and 2015, respectively.
In the year ended March 31, 2015, the Parent retired treasury stock (29 million shares) subject to approval of the Board of Directors.
As a result, retained earnings and treasury stock decreased by ¥63,309 million ($528 million).

Dividends

Under the Companies Act, the total amount for dividends and acquisition or purchase of treasury stock may not exceed the distributable amount of the Parent which is calculated based on the amount of the retained earnings recorded in the Parent's books of account prepared in accordance with accounting principles generally accepted in Japan. Adjustments to the consolidated financial statements to conform with IFRS have no impact on the distributable amount under the Companies Act. The distributable amount under the Companies Act was ¥1,954,172 million ($16,285 million) as of March 31, 2015. The distributable amount may change up to the effective date of the distribution of dividends due to its acquisition of its own shares etc.
The Companies Act allows the payment of dividends at any time during the fiscal year upon resolution at a shareholders' meeting. Furthermore, the Parent is also allowed to distribute a semi-annual interim dividend by resolution of the Board of Directors.

Dividends paid during the years ended March 31, 2014 and 2015 were as follows:

Resolution	Class of shares	Millions of Yen Amount of dividends	Yen Dividends per share	Record date	Effective date	Millions of U.S. Dollars Amount of dividends	U.S. Dollars Dividends per share
Ordinary general meeting of shareholders held on June 21, 2013	Ordinary shares	¥49,420	¥30	March 31, 2013	June 24, 2013		
Board of Directors' meeting held on November 1, 2013	Ordinary shares	49,442	30	September 30, 2013	December 2, 2013		
Ordinary general meeting of shareholders held on June 20, 2014	Ordinary shares	62,647	38	March 31, 2014	June 23, 2014	$522	$0.32
Board of Directors' meeting held on November 7, 2014	Ordinary shares	64,791	40	September 30, 2014	December 1, 2014	540	0.33

Dividends whose record date is in the current fiscal year but whose effective date is in the following fiscal year are as follows:

Resolution	Class of shares	Millions of Yen Amount of dividends	Source of dividends	Yen Dividends per share	Record date	Effective date	Millions of U.S. Dollars Amount of dividends	U.S. Dollars Dividends per share
Ordinary general meeting of shareholders held on June 19, 2015	Ordinary shares	¥48,613	Retained earnings	¥30	March 31, 2015	June 22, 2015	$405	$0.25

Management of capital

The Company's capital consists of total equity attributable to owners of the Parent.

The Company's basic capital policy is to sustain growth and maximize corporate value through enhancing its earnings base, as well as taking efficiency and soundness into consideration. The net debt-to-equity ratio is used as an indication of financial soundness, which is calculated from the net interest-bearing liabilities (cash and cash equivalents and time deposits deducted) and the total equity attributable to owners of the Parent.

The net debt-to-equity ratio at March 31, 2014 and 2015 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Interest-bearing liabilities	¥6,075,835	¥6,348,993	$52,908
Cash and cash equivalents, time deposits	1,474,741	1,881,279	15,677
Net interest-bearing liabilities	4,601,094	4,467,714	37,231
Total equity attributable to owners of the Parent	5,067,666	5,570,477	46,421
Net debt-to-equity ratio (multiple)	0.9	0.8	

The Company may be affected by capital restrictions through debt covenants on interest-bearing liabilities from financial institutions etc. Therefore the Company manages its financial operations to ensure it stays within the requirements of those covenants.

22. OTHER COMPONENTS OF EQUITY AND OTHER COMPREHENSIVE INCOME

The following is a breakdown of "Other components of equity" (attributable to owners of the Parent, net of tax) for the years ended March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Other investments designated as FVTOCI:			
Balance, beginning of year	¥686,859	¥625,151	$5,209
Other comprehensive income attributable to owners of the Parent	(9,168)	55,040	459
Transfer to retained earnings	(52,540)	(2,519)	(21)
Balance, end of year	¥625,151	¥677,672	$5,647
Remeasurement of defined benefit pension plans:			
Balance, beginning of year			
Other comprehensive income attributable to owners of the Parent	¥17,294	¥27,368	$228
Transfer to retained earnings	(17,294)	(27,368)	(228)
Balance, end of year			
Cash flow hedges:			
Balance, beginning of year	¥(6,978)	¥(4,119)	$(34)
Other comprehensive income attributable to owners of the Parent	2,859	(14,490)	(121)
Balance, end of year	¥(4,119)	¥(18,609)	$(155)
Exchange differences on translating foreign operations:			
Balance, beginning of year	¥366,714	¥638,220	$5,319
Other comprehensive income attributable to owners of the Parent	271,506	218,408	1,820
Balance, end of year	¥638,220	¥856,628	$7,139
Total other components of equity			
Balance, beginning of year	¥1,046,595	¥1,259,252	$10,494
Other comprehensive income attributable to owners of the Parent	282,491	286,326	2,386
Transfer to retained earnings	(69,834)	(29,887)	(249)
Balance, end of year	¥1,259,252	¥1,515,691	$12,631

The following is a breakdown of "Other comprehensive income attributable to non-controlling interest"(net of tax) for the years ended March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Gains on other investments designated as FVTOCI	¥6,718	¥5,329	$44
Remeasurement of defined benefit pension plans	588	275	2
Cash flow hedges	396	(863)	(7)
Exchange differences on translating foreign operations	6,771	17,367	145
Total	¥14,473	¥22,108	$184

The following is a breakdown of "Other comprehensive income" (including that attributable to non-controlling interests) for the years ended March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Items that will not be reclassified to net income			
(Losses) gains on other investments designated as FVTOCI			
(Losses) gains during the year	¥(12,264)	¥68,423	$570
Income tax benefit (expense)	5,087	(6,360)	(53)
Subtotal	(7,177)	62,063	517
Remeasurement of defined benefit pension plans			
Gains (losses) during the year	23,062	45,536	379
Income tax benefit (expense)	(8,422)	(17,089)	(142)
Subtotal	14,640	28,447	237
Share of other comprehensive income of investments accounted for using the equity method			
Gains (losses) during the year	7,969	(2,498)	(21)
Income tax benefit (expense)			
Subtotal	7,969	(2,498)	(21)
Items that may be reclassified to net income			
Cash flow hedges			
Net unrealized gains (losses) during the year			
Interest rate risk	570	(5,059)	(42)
Foreign currency risk	(21,781)	(2,859)	(24)
Commodity price risk	1,611	622	5
Reclassification adjustments to acquisition of non-financial assets			
Foreign currency risk	(3,298)	(4,346)	(36)
Reclassification adjustments to net income			
Interest rate risk	533	2,369	19
Foreign currency risk	16,966	426	4
Commodity price risk	28	426	4
Net change during the year	(5,371)	(8,421)	(70)
Income tax benefit (expense)	1,515	1,833	15
Subtotal	(3,856)	(6,588)	(55)

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Exchange differences on translating foreign operations			
Translation adjustments during the year			
Hedges of net investment in foreign operations	(62,141)	(99,416)	(828)
Other	240,109	263,231	2,194
Reclassification adjustments to net income			
Hedges of net investment in foreign operations	(886)	(14,502)	(121)
Other	341	10,283	85
Net change during the year	177,423	159,596	1,330
Income tax benefit (expense)	19,620	20,615	172
Subtotal	197,043	180,211	1,502
Share of other comprehensive income of investments accounted for using the equity method			
Translation adjustments during the year	106,765	67,368	561
Reclassification adjustments to net income	1,748	(10,572)	(88)
Income tax benefit (expense)	(20,168)	(9,997)	(83)
Subtotal	88,345	46,799	390
Total other comprehensive income	¥296,964	¥308,434	$2,570

23. SHARE-BASED REMUNERATION

The Parent had two types of stock option plans, stock option Class A and Class B, for certain directors, executive officers and senior vice presidents of the Parent; however, the Parent resolved to unify the plans at the Board of Directors' meeting held on July 20, 2007.

The stock option plans resolved by the Board of Directors' meetings held on or before June 2007

Under the Class A plan, for directors, executive officers and senior vice presidents of the Parent, the right to purchase the shares of the Parent is granted at an exercise price determined based on the greater of the closing price of the shares on the Tokyo Stock Exchange on the grant date or the average closing price for a month prior to the grant date. The stock options are vested and immediately exercisable after 2 years from the grant date, and exercisable periods are 8 years from the vesting day.

Under the Class B plan, for directors and executive officers of the Parent, the right to purchase the shares of the Parent is granted at an exercise price of ¥1 per share. The contractual term of the Class B stock option is 30 years. The stock option holders may exercise their stock acquisition right during the 10-year period starting on the day after leaving their position as both director and executive officer of the Parent. Notwithstanding the above, if the stock option holders do not leave their position as both director and executive officer of the Parent, they may exercise their right from the day after 25 years from the grant date. If they leave their position before June 30 of the next year after the grant date, the exercisable number is determined based on the tenure from the grant date.

The stock option plans resolved by the Board of Directors' meetings held on or after July 2007

Under the unified plan, for directors, executive officers and senior vice presidents of the Parent, the right to purchase the shares of the Parent is granted at an exercise price of ¥1 per share. The contractual term of the stock option is 30 years. The stock options are vested and exercisable from the earlier of either the day after 2 years from the grant date or the day after leaving their position as director, executive officer and senior vice president of the Parent. The stock option holders may exercise their stock acquisition right during the 10-year period starting on the day after leaving their position as director, executive officer and senior vice president of the Parent. If they leave their position before June 30 of the next year (regarding the stock option plans resolved by the Board of Director's meeting held on or after May 31, 2014, before March 31 of the next year) after the grant date, the exercisable number is determined based on the tenure from the grant date.

The total share-based remuneration cost recognized for the years ended March 31, 2014 and 2015 was ¥1,322 million, and ¥1,346 million ($11.22 million), respectively.

The weighted-average fair value of options granted under the Parent's stock option plan at the measurement date for the years ended March 31, 2014 and 2015 was ¥1,475 and ¥1,595 ($13.29) per share, respectively.

The fair value of these stock options is estimated using the Black-Scholes option pricing model with the assumptions in the following table. The risk-free interest rate is based on the yield of government bonds in effect at the grant date with a remaining term equal to the option's expected term. Expected volatilities are based on the historical volatility of the Parent's stock for the period equal to the option's expected term from the grant date. The expected dividend yield is based on the actual dividends in the preceding year. Expected term represents the period of time that the options granted are expected to be outstanding.

	2014	2015
Risk-free interest rate	0.5%–0.8%	0.3%
Expected volatility	38.4%–40.9%	40.3%
Expected dividend yield	2.9%–3.1%	3.4%
Expected term	7.0–9.6 years	7.0 years
Stock price at the measurement date	¥1,777–1,902	¥2,020

The following table summarizes information about stock option activities for the years ended March 31, 2014 and 2015.

	2014		2015		
	Number of shares	Weighted-average exercise price	Number of shares	Weighted-average exercise price	
		Yen		Yen	U.S. Dollars
Outstanding at beginning of year	5,653,400	¥797	5,280,000	¥754	$6.3
Granted	920,100	1	708,600	1	
Forfeited or expired	(23,500)	1	(9,000)	1	
Exercised	(1,270,000)	417	(1,317,000)	493	4.1
Outstanding at end of year	5,280,000	754	4,662,600	714	6.0
Exercisable at end of year	3,832,300	1,038	3,533,400	942	7.9

The weighted-average stock price at the time when stock options were exercised during the years ended March 31, 2014 and 2015 was ¥1,884 and ¥2,167 ($18.06), respectively.

The following table summarizes information for options outstanding and exercisable at March 31, 2014 and 2015.

March 31, 2014	Outstanding		Exercisable	
Exercise price range (Yen)	Number of shares	Weighted-average remaining term (Years)	Number of shares	Weighted-average remaining term (Years)
¥1	3,501,800	21.2	2,054,100	16.3
1,090 to 1,691	460,800	1.2	460,800	1.2
2,435	1,317,400	2.3	1,317,400	2.3

March 31, 2015	Outstanding		Exercisable	
Exercise price range (Yen)	Number of shares	Weighted-average remaining term (Years)	Number of shares	Weighted-average remaining term (Years)
¥1	3,273,200	20.0	2,144,000	15.6
1,691	74,200	0.3	74,200	0.3
2,435	1,315,200	1.3	1,315,200	1.3

24. REVENUES

The following is a breakdown of "Revenues" for the years ended March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Revenues from the sale of goods	¥6,634,114	¥6,598,044	$54,983
Revenues from the rendering of services and others	1,001,054	1,071,445	8,929
Total	¥7,635,168	¥7,669,489	$63,912

25. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The following is a breakdown of "Selling, general and administrative expenses" for the years ended March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Employee benefit expenses	¥406,238	¥430,129	$3,585
Transportation and warehousing expenses	126,293	138,162	1,151
Equipment expenses	106,948	113,420	945
Office expenses	64,310	68,561	571
Outsourcing expenses	69,210	68,428	570
Others	179,899	180,051	1,501
Total	¥952,898	¥998,751	$8,323

26. INCOME AND EXPENSES PERTAINING TO FINANCIAL INSTRUMENTS

The following is a breakdown of "Gains on investments", "Finance income" and "Finance costs" for the years ended March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
Classification	2014	2015	2015
Gains on investments			
Financial assets measured at FVTPL	¥31,588	¥10,924	$91
Subsidiaries, investments accounted for using equity method and other	14,747	34,427	287
Total gains on investments	¥46,335	¥45,351	$378
Finance income			
Interest income			
Financial assets measured at amortized cost	20,275	21,072	176
Financial assets measured at FVTPL	12,214	10,280	86
Total interest income	¥32,489	¥31,352	$262
Dividend income			
Financial assets measured at FVTOCI	164,742	173,568	1,446
Total dividend income	¥164,742	¥173,568	$1,446
Total finance income	¥197,231	¥204,920	$1,708
Finance costs			
Interest expense			
Financial liabilities measured at amortized cost	(51,712)	(66,662)	(556)
Derivatives	26,225	27,593	230
Others	(6,241)	(7,006)	(58)
Total finance costs	¥(31,728)	¥(46,075)	$(384)

In addition to the above, net gains of ¥25,083 million and ¥26,591 million ($222 million) in "Revenues / Costs of revenues", and net gains of ¥4,868 million and losses of ¥113,264 million ($944 million) in "Other (expense) income - net" were caused by the derivatives not designated as hedging instruments, for the years ended March 31, 2014 and 2015, respectively. Please refer to Note 32 for gains and losses on hedges.

Furthermore, for the years ended March 31, 2014 and 2015, interest income from financial assets measured at amortized cost amounted to ¥13,234 million and ¥13,970 million ($116 million), respectively, and interest expense pertaining to financial liabilities measured at amortized cost amounted to ¥22,374 million and ¥21,231 million ($177 million), respectively. These incomes and expenses were included primarily in "Revenues / Costs of revenues".

Any borrowing costs are capitalized where the debts are directly attributable to the acquisitions of property and equipment. The borrowing costs from general borrowings are also capitalized to the extent that the costs are spent for the acquisitions of property and equipment. The amounts of capitalized borrowing costs were immaterial for the years ended March 31, 2014 and 2015, respectively.

27. FOREIGN EXCHANGE GAINS AND LOSSES - NET

The amounts of net foreign exchange gains and losses included in "Other (expense) income - net" in the consolidated statement of income were ¥44,064 million of losses and ¥85,782 million ($715 million) of gains for the years ended March 31, 2014 and 2015, respectively.

28. INCOME TAXES

Income taxes in Japan applicable to the Company, imposed by the national, prefectural and municipal governments, in the aggregate, resulted in a statutory income tax rate of approximately 36%. The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 9 of 2015) and the "Act for Partial Revision of Local Taxation Act, etc.", (Act No. 2 of 2015) were promulgated on March 31, 2015, and the "Tokyo Metropolitan Government Metropolitan Tax Ordinance and Ordinance for Partial Revision of Tokyo Metropolitan Government Metropolitan Tax Ordinance" (Tokyo Metropolitan Government Ordinance No. 93 of 2015) was promulgated on April 1, 2015. This revision of Tokyo Metropolitan Government Metropolitan Tax Ordinance resulted in a change in income tax rates from fiscal years beginning on or after April 1, 2015.
In accordance with this change, the statutory income tax rate for Japan used for calculating deferred tax assets and liabilities will change to 33% for temporary differences expected to be reversed during the fiscal year beginning on April 1, 2015. This expectation takes into account the aforementioned revision to the Tokyo Metropolitan Government Metropolitan Tax Ordinance (Promulgated on April 1, 2015).
Furthermore, the Company will apply a statutory tax rate of 32% for temporary differences expected to be resolved from the fiscal year beginning on April 1, 2016. This estimate takes into account the assumptions for the calculations stipulated by the revised ordinance for the fiscal year ending March 2016.
In accordance with these tax rate changes, adjustment of deferred tax assets and liabilities in relation to enactment of the tax law was immaterial.

Foreign subsidiaries are subject to income taxes of the countries in which they operate.

Income taxes for the years ended March 31, 2014 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Current tax	¥118,935	¥131,645	$1,097
Deferred tax	26,660	36,686	306
Income taxes	145,595	168,331	1,403
Income taxes recognized in other comprehensive income	2,368	10,998	91
Total	¥147,963	¥179,329	$1,494

A reconciliation of the combined statutory income tax rates for the years ended March 31, 2014 and 2015 to the effective income tax rates on income before income taxes reflected in the accompanying consolidated statement of income was as follows:

	2014	2015
Combined statutory income tax rate	38.0%	36.0%
Effect of income from investments accounted for using the equity method	(11.2)	(12.3)
Expenses not deductible for income tax purposes	0.9	0.7
Effect of the recoverability of deferred tax assets	3.5	9.3
Tax benefits recognized for accumulated losses of certain subsidiaries	(0.2)	(3.2)
Lower income tax rates in certain foreign countries	(3.9)	(0.9)
Effect of taxation on dividends	(1.3)	(0.8)
Other-net	1.6	0.5
Effective income tax rate on income before income taxes in the consolidated statement of income	27.4%	29.3%

Significant components of deferred tax assets and liabilities at March 31, 2014 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Assets:			
Allowance for doubtful receivables	¥19,588	¥14,017	$117
Accrued pension and retirement benefits	21,577	18,348	153
Property and equipment, Investment property and Intangible assets	31,040	47,922	399
Short-term investments and Other investments	33,955	33,486	279
Net operating loss carry forwards	51,101	61,506	513
Provisions and other	63,570	48,834	407
Derivatives	45,696	71,978	600
Other	50,343	34,923	290
Gross deferred tax assets	316,870	331,014	2,758
Liabilities:			
Short-term investments and Other investments	417,210	427,763	3,565
Property and equipment, Investment property and Intangible assets	174,299	210,656	1,755
Investments accounted for using the equity method	98,196	137,230	1,144
Other	43,734	61,120	508
Gross deferred tax liabilities	733,439	836,769	6,972
Net deferred tax liabilities	¥(416,569)	¥(505,755)	$(4,214)

No provision for income taxes is recognized for the undistributed earnings of subsidiaries and joint arrangements where the Parent considers that such earnings are not expected to be remitted in the foreseeable future. At March 31, 2014 and 2015, the amount of undistributed earnings of subsidiaries and joint arrangements on which a deferred tax liability was not recognized in the Company's consolidated financial statements aggregated ¥1,214,432 million and ¥1,279,587 million ($10,663 million), respectively.

The Company recognized deferred tax assets for deductible temporary differences, tax losses and tax credits where it is probable that future taxable profit will allow the deferred tax asset to be recovered.

The tax effect of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognized as at March 31, 2014 and 2015 expire as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Not later than 5 years	¥18,955	¥21,688	$181
Later than 5 years and not later than 10 years	33,795	50,706	423
Later than 10 years and not later than 15 years	1,586	852	7
Later than 15 years	188,746	296,452	2,470
Total	¥243,082	¥369,698	$3,081

The abolition of the Minerals Resource Rent Tax Act 2012 (MRRT) in Australia was enacted on September 5, 2014.
The Company remeasured the tax basis of the starting base assets, consisting of property or a legal or equitable relating to a mining project interest, and the Company elected the market value approach in order to determine the amount of starting base assets when the Company applied MRRT. As a result, deductible temporary difference arose between the accounting and tax basis of the relative assets. Since MRRT was abolished on September 30, 2014, the deductible temporary difference was all reversed, however, abolition of the tax law had no impact on the Company's net income for the year ended March 31, 2015, because the Company had not recognized deferred tax assets for all of the deductible temporary difference.
The amount of the deductible temporary difference on MRRT, for which no deferred tax asset was recognized, was ¥1,413,448

million at March 31, 2014, which is not included in the table above.
The amount of corresponding deferred tax asset not recognized in the consolidated statement of financial position was ¥222,618 million at March 31, 2014.

The Company recognized assets or liabilities for the effect of uncertainty in income taxes based on a reasonable estimate. For the years ended March 31, 2014 and 2015, the amounts were immaterial.

The Company is not able to predict whether the total amount of unrecognized tax benefits will significantly increase or decrease during the next 12 months.

29. EARNINGS PER SHARE

Reconciliations of the basic and diluted net income attributable to owners of the Parent per share are as follows:

			U.S. Dollars
	2014	2015	2015
Net income attributable to owners of the Parent per share (Yen)			
Basic	¥219.30	¥246.39	$2.05
Diluted	218.80	245.83	2.05

			Millions of U.S. Dollars
	2014	2015	2015
Numerator (Millions of Yen):			
Net income attributable to owners of the Parent	¥361,359	¥400,574	$3,338
Denominator (Thousands of shares):			
Basic weighted average common shares outstanding	1,647,786	1,625,754	
Effect of dilutive securities:			
Stock options	3,794	3,720	
Diluted outstanding shares	1,651,581	1,629,474	

Shares that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the years presented are as follows:

(Year ended March 31, 2014)

Grant date	August 10, 2006
Number of stock acquisition rights	13,174
Class and number of shares to be issued for the purpose of issuing stock acquisition rights	1,317,400 shares of Mitsubishi Corporation's common stock
Issue price of stock acquisition rights	Issued in gratis
Price per share due upon exercise of stock acquisition rights (Yen)	2,435
Exercise period	From July 22, 2008 Through June 27, 2016

(Year ended March 31, 2015)

Grant date	August 10, 2006
Number of stock acquisition rights	13,152
Class and number of shares to be issued for the purpose of issuing stock acquisition rights	1,315,200 shares of Mitsubishi Corporation's common stock
Issue price of stock acquisition rights	Issued in gratis
Price per share due upon exercise of stock acquisition rights (Yen)	2,435
Exercise period	From July 22, 2008 Through June 27, 2016

30. FAIR VALUE MEASUREMENT

Assets and liabilities measured at fair value on a recurring basis

The following is a breakdown of assets and liabilities that are measured at fair value on a recurring basis at March 31, 2014 and 2015.

(March 31, 2014)

	Millions of Yen				
	Level 1	Level 2	Level 3	Netting	Total
Assets					
Cash and cash equivalents	¥460,331				¥460,331
Short-term investments and other investments					
Financial assets measured at FVTPL	578	¥2,350	¥63,058		65,986
Financial assets measured at FVTOCI	906,387	296	1,038,086		1,944,769
Trade and other receivables (FVTPL)			83,079		83,079
Derivatives	16,962	487,570		¥(273,949)	230,583
Inventories and other current assets	2,873	392,822			395,695
Total assets	¥1,387,131	¥883,038	¥1,184,223	¥(273,949)	¥3,180,443
Liabilities					
Derivatives	21,098	396,374		(273,949)	143,523
Total liabilities	¥21,098	¥396,374		¥(273,949)	¥143,523

*1. There were no material transfers between different levels during the year ended March 31, 2014.

*2. "Derivatives" are recognized in "Other financial assets," "Other current assets," "Other financial liabilities" or "Other current liabilities" in the consolidated statement of financial position.

(March 31, 2015)

	Millions of Yen				
	Level 1	Level 2	Level 3	Netting	Total
Assets					
Cash and cash equivalents	¥634,679				¥634,679
Short-term investments and other investments					
Financial assets measured at FVTPL		¥3,922	¥93,567		97,489
Financial assets measured at FVTOCI	1,064,258	470	984,815		2,049,543
Trade and other receivables (FVTPL)			49,095		49,095
Derivatives	66,890	791,840		¥(541,380)	317,350
Inventories and other current assets	2,379	443,631			446,010
Total assets	¥1,768,206	¥1,239,863	¥1,127,477	¥(541,380)	¥3,594,166
Liabilities					
Derivatives	50,792	678,355		(541,380)	187,767
Total liabilities	¥50,792	¥678,355		¥(541,380)	¥187,767

(March 31, 2015)

	Millions of U.S. Dollars				
	Level 1	Level 2	Level 3	Netting	Total
Assets					
Cash and cash equivalents	$5,289				$5,289
Short-term investments and other investments					
Financial assets measured at FVTPL		$32	$780		812
Financial assets measured at FVTOCI	8,869	4	8,207		17,080
Trade and other receivables (FVTPL)			409		409
Derivatives	557	6,600		$(4,512)	2,645
Inventories and other current assets	20	3,696			3,716
Total assets	$14,735	$10,332	$9,396	$(4,512)	$29,951
Liabilities					
Derivatives	423	5,654		(4,512)	1,565
Total liabilities	$423	$5,654		$(4,512)	$1,565

*1. There are no material transfers between different levels during the year ended March 31, 2015.
*2. "Derivatives" are recognized in "Other financial assets," "Other current assets," "Other financial liabilities" or "Other current liabilities" in the consolidated statement of financial position.

The following tables present the changes in Level 3 assets and liabilities that are measured at fair value on a recurring basis using unobservable inputs for the years ended March 31, 2014 and 2015.

(Year ended March 31, 2014)

	Millions of Yen							
	Balance at beginning of year	Net realized/ unrealized gains (losses) included in net income	Net realized/ unrealized gains (losses) included in other comprehensive income (loss)	Increase due to purchases and other	Decrease due to sales and other	Redemptions and Settlements	Balance at end of year	Net change in unrealized gains (losses) still held at end of year
Short-term investments and other investments								
FVTPL	¥110,267	¥23,973	¥2,183	¥4,362	¥(77,727)		¥63,058	¥4,362
FVTOCI	1,003,757		14,422	24,410	(4,503)		1,038,086	
Trade and other receivables (FVTPL)	85,221	1,615	3,158	6,184		¥(13,099)	83,079	1,615
Other financial assets (Derivatives)	616					(616)		
Other financial liabilities (Derivatives)	592					(592)		

*1. "Increase due to purchases and other" and "Decrease due to sales and other" include changes due to consolidation, deconsolidation and transfer from (to) other accounts.
*2. There were no material transfers between different levels during the year ended March 31, 2014.

(Year ended March 31, 2015)

	Millions of Yen							
	Balance at beginning of year	Net realized/ unrealized gains (losses) included in net income	Net realized/ unrealized gains (losses) included in other comprehensive income (loss)	Increase due to purchases and other	Decrease due to sales and other	Redemptions and Settlements	Balance at end of year	Net change in unrealized gains (losses) still held at end of year
Short-term investments and other investments								
FVTPL	¥63,058	¥10,942	¥5,742	¥46,838	¥(31,887)	¥(1,126)	¥93,567	¥10,942
FVTOCI	1,038,086		(69,422)	30,107	(13,954)	(2)	984,815	
Trade and other receivables (FVTPL)	83,079	2,979	(331)	10,174		(46,806)	49,095	2,982

(Year ended March 31, 2015)

	Millions of U.S. Dollars							
	Balance at beginning of year	Net realized/ unrealized gains (losses) included in net income	Net realized/ unrealized gains (losses) included in other comprehensive income (loss)	Increase due to purchases and other	Decrease due to sales and other	Redemptions and Settlements	Balance at end of year	Net change in unrealized gains (losses) still held at end of year
Short-term investments and other investments								
FVTPL	$525	$91	$48	$391	$(266)	$(9)	$780	$91
FVTOCI	8,651		(579)	251	(116)		8,207	
Trade and other receivables (FVTPL)	692	25	(3)	85		(390)	409	25

*1. "Increase due to purchases and other" and "Decrease due to sales and other" include changes due to consolidation, deconsolidation and transfer from (to) other accounts.

*2. There are no material transfers between different levels during the year ended March 31, 2015.

Gains (losses) on short-term investments and other investments included in net income are recognized in "Gains (losses) on investments" in the consolidated statement of income. Gains (losses) on derivatives included in net income are recognized in "Revenues" and "Cost of revenues" in the consolidated statement of income.

The amount recognized as other comprehensive income (loss) for financial assets measured at FVTPL is included in "Exchange differences on translating foreign operations" in the consolidated statement of other comprehensive income. The amount recognized as other comprehensive income (loss) for financial assets measured at FVTOCI is included in "Gains (losses) on other investments designated as FVTOCI" and "Exchange differences on translating foreign operations" in the consolidated statement of other comprehensive income.

Cash and cash equivalents

Level 1 cash and cash equivalents are cash and current accounts, for which the carrying amount approximates the fair value.

Short-term investments and other investments

Level 1 short-term investments and other investments are primarily marketable equity securities valued at the quoted market price in an active market. Level 2 short-term investments and other investments are primarily investments in hedge funds valued based on net asset value per share of investees. Level 3 short-term investments and other investments are primarily non-marketable equity securities valued by discounted cash flows, making comparisons with similar transactions and net asset value per share of investees, etc.

The fair values of short-term investments and other investments classified in Level 3 are measured by personnel in the accounting departments of the Company who manage the investments, with information on the future cash flows of the investees, information on the net asset value per share of the investees, or independent third party appraisals.

Trade and other receivables (FVTPL)

Trade and other receivables measured at FVTPL are primarily non-recourse receivables valued by discounted cash flows using the interest rate applied in cases where loans or credit with the same terms and remaining maturities are provided to borrowers or customers with a similar credit rating, excluding variable interest rate loans, etc., whose carrying amounts approximate their fair value. Trade and other receivables measured at FVTPL are classified in Level 3 if the amount affected by unobservable inputs covers for a significant proportion of fair value, and Level 2 if the amount affected by unobservable inputs does not cover a significant proportion of fair value.

The fair values of trade and other receivables classified in Level 3 are measured by personnel in the accounting departments of the Company who manage the corresponding assets, with information on the future cash flows from such receivables.

Derivatives

Derivatives classified in Level 1 are comprised principally of commodity derivative contracts traded on exchanges market, which are valued using quoted market prices. Derivatives classified in Level 2 are comprised principally of commodity derivative contracts traded in over-the-counter markets, which are valued by pricing models using observable market inputs such as interest rates, foreign exchange rates and commodity prices. Derivatives classified in Level 3 are comprised principally of more structured commodity derivatives, which are valued based on unobservable inputs.

Credit risks are adjusted in the net balance of derivative assets and liabilities.

The fair values of derivatives classified in Level 3 are measured by personnel in accounting departments of the subsidiaries who manage the corresponding assets, with pricing information valued by the appropriate evaluation organization.

Inventories

Level 1 and Level 2 inventories are primarily inventories of nonferrous metals held for trading purposes, and which are classified in Level 1 if they are valued using quoted market prices, and Level 2 if they are valued by pricing models using observable inputs such as commodity prices. The fair values of these inventories include costs to sell, which are immaterial.

All the valuations are reviewed quarterly by the accounting personnel and approved by the management of the administration departments of the Company. The valuation policies and procedures for the fair value measurements are decided and periodically revised by the corporate accounting department of the Parent.

Assets and liabilities measured at fair value on a non-recurring basis

Assets and liabilities that are measured at fair value on a non-recurring basis are stated in "Non-current assets or disposal groups held for sale" of Note 11.

Quantitative information about Level 3 Fair Value Measurements

The following tables present information about valuation techniques and unobservable inputs used for the major Level 3 assets measured at fair value by the significant and unobservable inputs at March 31, 2014 and 2015.

(March 31, 2014)

Classification	Fair value (Millions of Yen)	Valuation technique	Unobservable input	Weighted average
Non-marketable equity securities	¥768,521	Discounted cash flow	Discount rate	10.1%

(March 31, 2015)

Classification	Fair value (Millions of Yen)	Fair value (Millions of U.S. Dollars)	Valuation technique	Unobservable input	Weighted average
Non-marketable equity securities	¥783,722	$6,531	Discounted cash flow	Discount rate	10.4%

The significant unobservable input used in measuring the fair value of non-marketable equity securities is the discount rate. Substantial changes in such inputs cause the fair value to substantially fall (rise).

Level 3 assets measured at fair value not included in the quantitative information above are measured by net asset value, comparison with similar transactions, and so on. The range of inputs are not disclosed as the Company owns diversed investments.

Fair value of financial instruments measured at amortized cost

The following is a breakdown of the carrying amounts and fair values of financial instruments that are measured at amortized cost at March 31, 2014 and 2015.

(March 31, 2014)

	Millions of Yen				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Assets					
Cash equivalents and time deposits	¥1,014,410		¥1,014,410		¥1,014,410
Short-term investments and other investments	135,222	¥18,750	46,821	¥68,458	134,029
Trade and other receivables	3,774,128		3,692,698	101,821	3,794,519
Total assets	¥4,923,760	¥18,750	¥4,753,929	¥170,279	¥4,942,958
Liabilities					
Borrowings	6,075,835		6,029,285		6,029,285
Trade and other payables	2,715,482		2,709,709		2,709,709
Total liabilities	¥8,791,317		¥8,738,994		¥8,738,994

(March 31, 2015)

	Millions of Yen				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Assets					
Cash equivalents and time deposits	¥1,246,600		¥1,246,600		¥1,246,600
Short-term investments and other investments	128,225	¥42,610	23,845	¥61,902	128,357
Trade and other receivables	3,481,910		3,434,858	72,494	3,507,352
Total assets	¥4,856,735	¥42,610	¥4,705,303	¥134,396	¥4,882,309
Liabilities					
Borrowings	6,348,993		6,325,281		6,325,281
Trade and other payables	2,531,504		2,530,691		2,530,691
Total liabilities	¥8,880,497		¥8,855,972		¥8,855,972

(March 31, 2015)

	Millions of U.S. Dollars				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Assets					
Cash equivalents and time deposits	$10,388		$10,388		$10,388
Short-term investments and other investments	1,069	$355	199	$516	1,070
Trade and other receivables	29,016		28,624	604	29,228
Total assets	$40,473	$355	$39,211	$1,120	$40,686
Liabilities					
Borrowings	52,908		52,711		52,711
Trade and other payables	21,096		21,089		21,089
Total liabilities	$74,004		$73,800		$73,800

Fair value measurement of financial instruments measured at amortized cost

Cash equivalents and time deposits

Carrying amounts of cash equivalents and time deposits measured at amortized cost approximate fair value due to their relatively short maturities.

Short-term investments and other investments

Short-term investments and other investments measured at amortized cost are mainly domestic and foreign debt securities and non-marketable investments such as guarantee deposits. Debt securities classified in Level 1 are valued at the quoted market price in an active market, and debt securities classified in Level 2 are valued at the quoted market price of the same assets in an inactive market. Non-marketable investments such as guarantee deposits measured at amortized cost are valued at the carrying amount, given that it is not practicable to estimate their fair values as there are a large number of investments of which the information to measure fair value is not readily available.

Trade and other receivables

For trade and other receivables that have relatively short maturities, the carrying amounts approximate fair values. The fair values of trade and other receivables that do not have short 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.

Borrowings

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

Trade and other payables

For trade and other payables that have relatively short maturities, the carrying amounts approximate fair values. The fair values of trade and other payables that do not have short-term maturities are estimated based on the present value of estimated future cash flows computed using interest rates that are currently available to the Company for debt with similar terms and remaining maturities.

31. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The amounts of financial assets and financial liabilities that are subject to enforceable master netting agreements or similar agreements at March 31, 2014 and 2015 were as follows.

(March 31, 2014)

	Millions of Yen		
	Financial assets		Financial liabilities
	Derivatives	Loans receivable	Derivatives
Gross amount of assets (before offset)	¥504,532	¥154,967	¥417,472
Offset amount	(273,949)		(273,949)
Amount presented in the consolidated statement of financial position	230,583	154,967	143,523
Trade and other receivables (current)		154,967	
Other financial assets (current)	136,398		
Other current assets (current)	1,011		
Other financial assets (non-current)	93,174		
Other financial liabilities (current)			110,557
Other financial liabilities (non-current)			32,966
Amount presented in the consolidated statement of financial position	230,583	154,967	143,523
Amount not offset in the consolidated statement of financial position			
Financial instruments	(78,103)	(154,967)	(78,103)
Cash collateral payables	(6,687)		(17,565)
Net	¥145,793		¥47,855

(March 31, 2015)

	Millions of Yen			Millions of U.S. Dollars		
	Financial assets		Financial liabilities	Financial assets		Financial liabilities
	Derivatives	Loans receivable	Derivatives	Derivatives	Loans receivable	Derivatives
Gross amount of assets (before offset)	¥858,730	¥154,969	¥729,147	$7,156	$1,291	$6,076
Offset amount	(541,380)		(541,380)	(4,511)		(4,511)
Amount presented in the consolidated statement of financial position	317,350	154,969	187,767	2,645	1,291	1,565
Trade and other receivables (current)		154,969			1,291	
Other financial assets (current)	203,348			1,695		
Other current assets (current)	1,568			13		
Other financial assets (non-current)	112,434			937		
Other financial liabilities (current)			161,916			1,349
Other financial liabilities (non-current)			25,851			215
Amount presented in the consolidated statement of financial position	317,350	154,969	187,767	2,645	1,291	1,565
Amount not offset in the consolidated statement of financial position						
Financial instruments	(97,207)	(154,969)	(97,207)	(810)	(1,291)	(810)
Cash collateral payables	(6,150)		(7,612)	(51)		(63)
Net	¥213,993		¥82,948	$1,783		$691

Derivative transactions

The Company has derivative transactions subject to an enforceable master netting agreement or similar agreement with counterparties.

These agreements prescribe that, in the event of non-performance or cancellation of any provision, all financial instruments within their scope must be settled in a single net amount. A master netting agreement creates a right of set off but the agreement does not automatically grant the right of set off.

Reverse repurchase transactions

The Company has lending agreements where the Company is able to offset the debt securities pledged as collateral against the loan in the event of debt default, bankruptcy or failure of the counterparty. The agreements provide a right of set off for the Company but do not grant the right of set off automatically.

32. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company has early applied IFRS 9 "Financial Instruments" (Revised in November 2013) from the quarter ended March 31, 2015. Accordingly, following disclosures for the years ended March 31, 2014 and 2015 are in compliance with the disclosure requirements in IFRS 7 "Financial Instruments: Disclosure" (Revised in December 2011) and IFRS 7 "Financial Instruments: Disclosure" (Revised in November 2013), respectively.

The Company, in the normal course of business, is exposed to market risks from changes in interest rates, foreign exchange rates and commodity prices. To manage the exposures to these risks, the Company generally identifies its net exposures and takes advantage of natural offsets.
Additionally, the Company enters into various derivative transactions pursuant to the Company's risk management strategies to hedge the exposures to market risks. Refer to Note 33 for details of the risk management strategies.

The types of derivatives used by the Company are primarily interest rate swaps, forward exchange contracts, currency swaps and commodity futures contracts. The changes in fair values or cash flows of these derivatives are offset in part or in whole by corresponding changes in the fair values or cash flows of the hedged items.
When the Company cannot utilize natural offsets, it performs hedge designation pursuant to the risk management strategies and applies hedge accounting. In these circumstances, in order to assess whether the changes in fair values or cash flows of hedging instruments are highly effective in offsetting changes in fair values or cash flows of hedged items, both at the inception of the hedge and on an on-going basis, the Company confirms the economic relationship between the hedging instruments and the hedged items by qualitative assessment which confirms whether the critical terms of the hedging instruments and the hedged items match or are closely aligned or quantitative assessment which confirms that the hedging instruments and the hedged items have values that will move in the opposite direction because of the same risk. When the hedging relationship is expected to create ineffectiveness, the Company measures the hedge ineffectiveness by quantitative method. As the Company performs hedges which are highly effective, the amount of hedge ineffectiveness is immaterial.
At the inception of the hedging relationship, the Company determines the hedge ratio of the hedging relationship based on the quantity of the hedged items and the quantity of the hedging instruments, which are generally one to one. If a hedging relationship ceases to meet the hedge effectiveness requirement but the risk management objective remains the same, the Company adjusts the hedge ratio determined at the inception of the hedging relationship so that it meets the qualifying criteria again. When the risk management objective for a hedging relationship is changed, the Company discontinues applying hedge accounting.

(1) Impact of hedging activities on the consolidated statement of financial position

The following are the carrying amounts of derivative instruments and non-derivative financial instruments designated as hedging instruments at March 31, 2014 and 2015.

		Millions of Yen				Millions of U.S. Dollars	
		March 31, 2014		March 31, 2015		March 31, 2015	
Hedging instruments		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Fair value hedge							
Interest rate contracts	Current	¥935	¥82	¥1,137	¥1	$9	
	Non-current	69,677	3,947	84,253	1,792	702	$15
Foreign exchange contracts	Current	679	230	36	158		1
	Non-current	267			126		1
Sub-total		71,558	4,259	85,426	2,077	711	17
Cash flow hedge							
Interest rate contracts	Current	36	292	20	268		2
	Non-current	424	1,194	417	2,095	3	17
Foreign exchange contracts	Current	7,212	5,870	886	2,625	7	22
	Non-current	6	747	196	2,063	2	17
Commodity contracts	Current	476	443	344	2,027	3	17
	Non-current	620	3,009	429	1,023	4	9
Sub-total		8,774	11,555	2,292	10,101	19	84
Hedge of the net investment in foreign operations							
Foreign exchange contracts	Current	4,955	2,718	708	10,659	7	89
Foreign-currency-denominated debt	Current		4,940		4,329		36
	Non-current		9,596		12,644		105
Sub-total		4,955	17,254	708	27,632	7	230
Total		¥85,287	¥33,068	¥88,426	¥39,810	$737	$331

The derivative instruments above are included in "Other financial assets" or "Other financial liabilities", and the foreign-currency-denominated debt above is included in "Borrowings" in the consolidated statement of financial position.

The following are the nominal amounts related to major derivative instruments designated as hedging instruments at March 31, 2015. As the Company uses various types of hedging instruments, it is practically difficult to provide a breakdown of the nominal amounts by maturity or the average price of the hedging instruments.

(March 31, 2015)

Risk category	Type of hedge	Hedging instrument	Nominal amount	
Interest rate risk	Fair value hedge	Fixed receive / floating pay interest rate swap	1,667,840	Million yen
			3,260,000	Thousand U.S. Dollars
			400,000	Thousand Australian Dollars
		Fixed pay / floating receive interest rate swap	5,022	Million yen
			240,657	Thousand U.S. Dollars
	Cash flow hedge	Fixed pay / floating receive interest rate swap	164,168	Thousand Australian Dollars
Foreign currency risk	Hedge of the net investment in foreign operations	U.S. Dollars sell / Japanese Yen buy foreign exchange contract	5,374,173	Thousand U.S. Dollars
		U.S. Dollars denominated debt	141,237	Thousand U.S. Dollars
Commodity price risk	Cash flow hedge	Aluminum ingot future buy contract	48,775	MT
		Aluminum ingot future sell contract	42,175	MT

The following are the carrying amount of the hedged item and the accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item at March 31, 2015.

(March 31, 2015)

		Carrying amount		Accumulated amount of fair value hedge adjustments	
Risk category	Account in the consolidated statement of financial position	Millions of Yen	Millions of U.S.Dollars	Millions of Yen	Millions of U.S.Dollars
Interest rate risk	Trade and other receivables	¥31,527	$263	¥1,485	$12
	Borrowings	2,207,835	18,399	85,603	713

The accumulated amount of fair value hedge adjustments remaining in the consolidated statement of financial position for hedged items that have ceased to be applied fair value hedge was ¥2,574 million ($21 million) at March 31, 2015.

The following are the amounts of other components of equity recognized by cash flow hedges and net investment hedges at March 31, 2015.

(March 31, 2015)

		Other components of equity recognized by continuing hedges		Other components of equity recognized by hedging relationships for which hedge accounting is no longer applied	
Risk category	Type of hedge	Millions of Yen	Millions of U.S. Dollars	Millions of Yen	Millions of U.S. Dollars
Interest rate risk	Cash flow hedge	¥(17,311)	$(144)		
Foreign currency risk	Cash flow hedge	(3,034)	(25)		
	Net investment hedge	(149,489)	(1,246)	¥(3,667)	$(31)
Commodity price risk	Cash flow hedge	1,736	14		

(2) Impact of hedging activities on the consolidated statement of income and on other comprehensive income

The following are the gains or losses related to hedging activities for the years ended March 31, 2014 and 2015.

The Company has early applied IFRS 9 "Financial Instruments" (December 2011) until December 31, 2014 and IFRS 9 "Financial Instruments" (November 2013) from January 1, 2015. Although the gains or losses related to hedging activities for the year ended March 31, 2015 include accounting treatment based on the both standards, its impact was immaterial.

(Year ended March 31, 2014)

Derivatives designated as fair value hedges

		Millions of Yen	
Derivative type	Account in the consolidated statement of income	Amount of gain or loss recognized in net income on derivative	Amount of gain or loss recognized in net income on hedged item
Interest rate contracts	Other (expense) income -net	¥(14,230)	¥14,222
Foreign exchange contracts	Other (expense) income -net	(1,360)	1,346

Derivatives designated as cash flow hedges

	Millions of Yen		
Derivative type	Amount of gain (loss) recognized in OCI (effective portion)	Account in the Consolidated statement of income	Amount of gain or loss reclassified from other components of equity into profit or loss (effective portion)
Interest rate contracts	¥7,567	Finance costs	¥(247)
Foreign exchange contracts	(23,456)	Other (expense) income -net	(13,668)
Commodity contracts	(245)	Revenues/(Cost of revenues)	(28)

Amounts related to hedge ineffectiveness or excluded from the assessment of hedge effectiveness was immaterial for the year ended March 31, 2014. During the year ended March 31, 2014, there were no gains or losses reclassified from other components of equity into profit or loss as a result of the discontinuance of cash flow hedges because it was probable that the original forecasted transactions would not occur by the end of the originally specified time period.

Derivatives designated as net investment hedges

The amounts related to hedge ineffectiveness or excluded from the assessment of hedge effectiveness were immaterial for the year ended March 31, 2014.

(Year ended March 31, 2015)

Fair value hedges

The following are the change in fair value of the hedging instrument and the change in value of the hedged item used as the basis for recognizing hedge ineffectiveness for the year ended March 31, 2015.

	Change in fair value of hedging instrument		Change in value of hedged item	
Risk category	Millions of Yen	Millions of U.S. Dollars	Millions of Yen	Millions of U.S. Dollars
Interest rate risk	¥17,014	$142	¥(17,004)	$(142)
Foreign currency risk	(964)	(8)	963	8

Cash flow hedges

	Amount of gain (loss) recognized in OCI (effective portion)			Amount of gain or loss reclassified from other components of equity into profit or loss (effective portion)	
Risk category	Millions of Yen	Millions of U.S. Dollars	Account in the consolidated statement of income	Millions of Yen	Millions of U.S. Dollars
Interest rate risk	¥(3,878)	$(32)	Finance costs	¥(2,369)	$(20)
Foreign currency risk	(3,065)	(26)	Other (expense) income - net	(426)	(4)
Commodity price risk	720	6	Revenues/ (Cost of revenues)	(426)	(4)

The line items in the consolidated statement of income that includes the recognized hedge ineffectiveness are as shown in the column "Account in the consolidated statement of income" above for the year ended March 31, 2015. During the year ended March 31, 2015, there was no discontinuance of cash flow hedges as it was probable that the original forecasted transactions would not occur by the end of the originally specified time period.
Refer to Note 22 for the breakdown of other components of equity and other comprehensive income.

The change in fair value of the hedging instrument and the change in value of the hedged item used as the basis for recognizing hedge ineffectiveness were immaterial for the year ended March 31, 2015.

Net investment hedges

	Amount of loss recognized in OCI (effective portion)			Amount of loss reclassified from other components of equity into profit or loss (effective portion)	
Risk category	Millions of Yen	Millions of U.S. Dollars	Account in the consolidated statement of income	Millions of Yen	Millions of U.S. Dollars
Foreign currency risk	¥(97,274)	$(811)	Gains on investments	¥(14,502)	$(121)

The line item in the consolidated statement of income that includes the recognized hedge ineffectiveness is as shown in the column "Account in the consolidated statement of income" above for the year ended March 31, 2015.

The following are the change in fair value of the hedging instrument and the change in value of the hedged item used as the basis for recognizing hedge ineffectiveness for the year ended March 31, 2015.

	Change in fair value of hedging instrument		Change in value of hedged item	
Risk category	Millions of Yen	Millions of U.S. Dollars	Millions of Yen	Millions of U.S. Dollars
Foreign currency risk	¥(106,542)	$(888)	¥104,353	$870

33. RISK MANAGEMENT RELATED TO FINANCIAL INSTRUMENTS

The Company's risk management strategies for each risk are as follows. Please refer to Note 32 for further information regarding hedging activities.

Interest rate risk management

The Company's financing, investing and cash management activities are exposed to risks associated with changes in interest rates. In order to manage these exposures, the Company enters into interest rate swap contracts. Interest rate swaps are used, in most cases, to convert fixed-rate assets or debts to floating-rate assets or debts, as well as to convert some floating-rate assets or debts to a fixed basis. The objective of maintaining this mix of fixed- and floating-rate assets and debts is to allow the Company to manage the overall value of cash flows attributable to certain assets and debt instruments.

At March 31, 2014 and 2015, the Company had gross interest-bearing liabilities of approximately ¥6,075.8 billion and ¥6,349.0 billion ($53 billion), respectively. Since almost all of these liabilities bear floating interest rates, there is a risk of an increase in interest expenses caused by a rise in interest rates.

The majority of these interest-bearing liabilities correspond to trade receivables, loans receivable and other operating assets that are positively affected by changes in interest rates. Since a rise in interest rates produces an increase in income from these assets, although there is a time lag, interest rate risk is mitigated. For the remaining interest-bearing liabilities exposed to interest rate risk without such offsets, commensurate asset holdings such as investment securities, property and equipment generate trading income and other income streams, such as dividends, are strongly correlated with economic cycles. Accordingly, even if interest rates increase through economic improvement, leading to higher interest expenses, the Company believes that these expenses would be offset by an increase in income from the corresponding asset holdings.

However, the Company's operating results may be negatively impacted temporarily if there is a rapid rise in interest rates because increased income from commensurate asset holdings would fail to offset the effects of a preceding increase in interest expenses.

To monitor market movements in interest rates and respond to market risks, the Parent has the ALM (Asset Liability Management) Committee, which establishes fund procurement strategies and manages the risk of interest rate fluctuations.

Assuming that the interest rate increased/decreased by 1% at March 31, 2014 and 2015, its impact on net income and total equity would be immaterial.

Foreign currency risk management

The Company operates globally and is exposed to foreign currency risks related to purchasing, selling, financing and investing in currencies other than the local currencies in which the Company operates. The Company's strategy to manage foreign currency risks is to net foreign currency exposures on recognized assets, liabilities and unrecognized firm commitments by taking advantage of natural offsets to, and purchase forward exchange and other contracts to preserve the economic value of cash flows in currencies other than the functional currency. The Company believes that in circumstances where these foreign currency contracts have not been designated as hedging instruments, such contracts effectively hedge the impact of the variability in exchange rates. Hedged currencies primarily include the U.S. dollar, the Australian dollar and the Euro.

Estimated amounts of decrease in the total equity assuming that the Japanese yen appreciated by ¥1 at March 31, 2014 and 2015 were as follows. The estimated amounts of increase in the total equity assuming that the Japanese yen depreciated by ¥1 were the same amounts.

Currency	2014 (Billion Yen)	2015 (Billion Yen)	2015 (Million U.S. Dollars)
U.S. Dollar	¥13.5	¥13.0	$108
Australian Dollar	8.0	8.0	67
Euro	1.2	1.3	11

Commodity price risk management

The Company is exposed to fluctuations in commodity prices associated with various commodities used in its trading and other operating activities. The Company enters into commodity futures, forwards, options and swap contracts to hedge the variability in commodity prices in accordance with its risk management strategies. Although these contracts are generally not designated as hedging instruments except in certain cases where the contracts are designated as cash flow hedges, the Company believes that such contracts effectively hedge the impact of the variability in commodity prices.

At March 31, 2014 and 2015, the Company did not perform commodity derivative transactions other than those for hedging purposes as a general rule. Therefore, the risk exposure pertaining to the net position of derivative transactions and transactions being hedged, and the impact of commodity price fluctuations on net income and total equity was immaterial.

Share price risk management

At March 31, 2014 and 2015, the Company owned approximately ¥1,400 billion and ¥1,600 billion ($14 billion) (fair value basis) of marketable securities, respectively. These investments are mostly equity issues of customers, suppliers and the associates which are exposed to the risk of fluctuations in share prices. Based on its risk management policies, the Company manages the risk of share price fluctuations by periodically monitoring fair value and unrealized gains (losses) with respect to each investee.

Assuming that the share price rose or fell by 10% at March 31, 2014 and 2015, increase or decrease in total equity amounted to approximately ¥55 billion and approximately ¥72 billion ($0.6 billion), respectively. As most of the marketable securities held by the Company are classified as financial assets measured at FVTOCI as per accounting policy described in Note 3, assuming that the share price rose or fell by 10%, its impact on net income was immaterial. Please refer to Note 7 for the exposure of non-marketable investments at March 31, 2014 and 2015.

Credit risk management

The Company has exposure to credit risk arising from extending credit terms to its customers in various business transactions with them. In case of deterioration in the credit of or bankruptcy of customers, the risk exposure causes the Company credit losses. To manage the credit risk, the Company has maintained credit and transaction limits for each customer with an internal rating system. According to the internal rules corresponding to the internal ratings and the amount of credit, the Company also requires collateral or a guarantee depending on the credit profile of the counterparty.

In spite of the various engagements in various businesses and industries, the Company has assessed the nature and characteristics of the credit risk based on a single consistent method, and has managed its credit risk without classification corresponding to the business types or the industries of the customers. The Company considers that the customers' financial position could offer a relevant and sufficient information for the assessment of the Company's credit risk because the Company estimates that its credit risk is relatively insignificant, compared to its market and foreign currency risks.

The Company has no exposure to credit risks that are over-concentrated in a single counterparty or a group to which the counterparty belongs.

The contract amount of guarantees and the carrying amount of impaired financial assets presented in the consolidated financial statements represent the maximum exposure of the Company's financial assets to credit risks, without taking into account the valuation of collateral held. Please refer to Note 42 for details of guarantees.

Liquidity risk management

The Company's basic policy concerning the procurement of funds to support business activities is to procure funds in a stable and cost-effective manner. For funding purposes, the Company selects and utilizes, as needed, both direct financing, such as commercial paper and corporate bonds, and indirect financing, including bank loans. The Company seeks to use the most advantageous means, according to market conditions at the time. The Company has a strong reputation in capital markets and with regard to indirect financing, the Company maintains good relationships with a broad range of financial institutions in addition to Japanese mega banks, including foreign-owned banks, life insurance companies and regional banks. This diversity allows the Company to procure funds on terms that are cost competitive. Regarding management of funds on a consolidated basis, the Company has a group financing policy in which funds are raised principally by the Parent, as well as domestic and overseas finance companies and overseas regional subsidiaries, and distributed to other subsidiaries.

The breakdown of financial liabilities (except for obligations under finance leases) by due date at March 31, 2014 and 2015 was as follows, excluding the effect of adjustments to fair value under fair value hedge accounting.

Please refer to Note 35 for the obligations under finance leases by due date.

(March 31, 2014)

	Millions of Yen			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years	Total
Borrowings	¥1,379,832	¥2,521,170	¥2,103,649	¥6,004,651
Trade and other payables	2,644,872	57,266	14,134	2,716,272
Other financial liabilities (derivatives)	110,557	30,918	2,048	143,523
Financial guarantee contracts	174,710	166,072	141,652	482,434

(March 31, 2015)

	Millions of Yen			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years	Total
Borrowings	¥1,512,288	¥2,472,153	¥2,276,375	¥6,260,816
Trade and other payables	2,465,074	44,792	21,638	2,531,504
Other financial liabilities (derivatives)	161,916	22,188	3,663	187,767
Financial guarantee contracts	410,396	91,800	133,007	635,203

(March 31, 2015)

	Millions of U.S. Dollars			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years	Total
Borrowings	$12,602	$20,601	$18,970	$52,173
Trade and other payables	20,542	374	180	21,096
Other financial liabilities (derivatives)	1,349	185	31	1,565
Financial guarantee contracts	3,420	765	1,108	5,293

The Company maintains lines of credit with various banks. The short-term and long-term portions of unused lines of credit, including overdraft contracts and facilities discussed below, totaled ¥971,265 million and ¥669,266 million, respectively, at March 31, 2014 and ¥923,507 million ($7,696 million) and ¥648,769 million ($5,406 million), respectively, at March 31, 2015.

The lines of credit include Japanese yen facilities of ¥510,000 million ($4,250 million) held by the Parent and ¥90,000 million ($750 million) held by a domestic subsidiary, and foreign currency facilities for major currencies equivalent to $1,000 million and for soft currencies equivalent to $300 million held by the Parent and foreign subsidiaries at March 31, 2015. The Parent and the subsidiaries are required to comply with certain financial covenants to maintain these facilities.

The Parent utilizes its long-term portions of unused lines of credit, discussed above, totaling ¥410,000 million ($3,417 million) which terminate in December 2019, to support the Parent's commercial paper program. The commercial paper program is used to fund working capital and other general corporate requirements as needed. The Company had ¥10,000 million ($83 million) outstanding commercial paper at March 31, 2015 that was recognized on the consolidated statement of financial position for this purpose. Meanwhile, the Company had no outstanding commercial paper at March 31, 2014.

34. TRANSFERS OF FINANCIAL ASSETS

Significant transfers of financial assets for the years ended March 31, 2014 and 2015 were as follows.

The Company has established a Receivable Purchase Facility with a maximum funding amount of EUR 500 million (¥65,160 million, or $543 million) transferring its contractually qualified loan receivables to third parties. In line with the facility, the Company can subsequently transfer its receivables with a maximum amount of EUR 500 million (¥65,160 million, or $543 million) over a revolving period of three years after July 2013. The amount of EUR 500 million (¥65,160 million, or $543 million) mentioned above is the discounted amount which the Company transferred to third parties. In addition, the Company has the right to receive a part of the future interest income from the transferred receivables. Also the Company bears its credit risk for the transferred receivables up to a portion of the facility by depositing cash and providing guarantees to the purchasers. Further, the Company acts as a service provider, collecting the principal loan and interest.

The Company derecognized the transferred assets and treated the transactions above as sales transactions due to substantially all the risks and rewards of ownership being transferred to third parties. The transactions for the years ended March 31, 2014 and 2015 were as follows. The amount of income through the sales was immaterial for the years ended March 31, 2014 and 2015.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Total amount of the loan receivables derecognized	¥92,173	¥26,972	$225
Total amount of consideration received	91,804	26,864	224

The Company, at the time when it transfers the loan receivables and every quarter end, measures the fair value of its right to receive the future interest income. The Company recognized the rights as trade and other receivables (current and non-current). The aggregate amounts of the assets recognized regarding the transaction were immaterial for the years ended March 31, 2014 and 2015.

The Company measures the fair value of its credit risk and its servicing liabilities for the receivables when transferred and at every quarter end, and the amounts of these liabilities were immaterial for the years ended March 31, 2014 and 2015.

The fair value of the assets and liabilities are measured on recurring basis by the same method mentioned above, and the movements of fair value are recognized in "Other (expense) income-net".

The balance of the main accounts related to the facility as of the years ended March 31, 2014 and 2015 were mainly as follows.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Balance of transferred receivables (the principal amount outstanding)	¥70,868	¥62,833	$524
Fair value of future interest income	3,279	2,898	24
Maximum amount of exposure to losses	9,544	8,780	73

"Balance of transferred receivables" is the balance of the loan receivables derecognized by the transactions at March 31, 2014 and 2015. "Maximum amount of exposure to losses" is the total amount of the cash deposits and the guarantees, provided by the Company for the third parties. No credit losses were incurred for the years ended March 31, 2014 and 2015.

35. LEASES

Lessee

Finance leases as lessee

The Company leases, as lessee, machinery and equipment, real estate and other assets under finance leases. Some of these leases have renewal and purchase options.

The carrying amounts of assets leased under finance leases at March 31, 2014 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Buildings	¥4,157	¥3,445	$29
Machinery and equipment	21,514	23,244	193
Vessels and vehicles	4,574	3,541	30
Total	¥30,245	¥30,230	$252

Obligations under finance leases are included in "Trade and other payables" in the consolidated statement of financial position.

The breakdown of future minimum lease payments under finance leases by payment period and the components of the present value of the future minimum lease payments at March 31, 2014 and 2015 were as follows:

	Future minimum lease payments			Present value of future minimum lease payments		
	Millions of Yen		Millions of U.S. Dollars	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015	2014	2015	2015
Not later than 1 year	¥14,545	¥13,728	$115	¥14,357	¥13,580	$113
Later than 1 year and not later than 5 years	31,986	31,827	265	30,104	30,344	253
Later than 5 years	14,383	11,175	93	12,372	9,837	82
Sub-total	¥60,914	¥56,730	$473	¥56,833	¥53,761	$448
Less amount representing interest	(4,081)	(2,969)	(25)			
Finance lease obligations (Present value of total minimum lease payments to be paid)	¥56,833	¥53,761	$448			

Minimum sub-lease income due in the future at March 31, 2014 and 2015 were ¥26,605 million and ¥24,789 million ($207 million), respectively, and were not deducted from the above amounts.

Operating leases as lessee

The Company leases, as lessee, office space and certain other assets under operating leases. Some of these leases have renewal and purchase options.

Total rental expenses under operating leases for the years ended March 31, 2014 and 2015 were ¥90,517 million and ¥97,419 million ($812 million), respectively. Sub-lease rental income for the years ended March 31, 2014 and 2015 were ¥25,703 million and ¥29,946 million ($250 million), respectively.

The breakdown of future minimum lease payments under non-cancelable leases by payment period at March 31, 2014 and 2015 were as follows. Minimum sublease income due in the future under non-cancelable leases at March 31, 2014 and 2015 were ¥60,990 million and ¥57,640 million ($480 million), respectively, and were not deducted from the following amounts.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Not later than 1 year	¥54,084	¥62,170	$518
Later than 1 year and not later than 5 years	133,007	145,870	1,216
Later than 5 years	74,897	77,630	647
Total	¥261,988	¥285,670	$2,381

Lessor

Finance leases as lessor

The Company leases, as lessor, vehicles, vessels and other industrial machinery and equipment under finance leases.

Receivables under finance leases are included in "Trade and other receivables" in the consolidated statement of financial position. The breakdown of future minimum lease payments receivable by receipt period and the present value of such minimum lease payments, and the components of the outstanding receivables under finance leases at March 31, 2014 and 2015 were as follows:

	Components of receivables under financial lease			Present value of future minimum lease payments to be received		
	Millions of Yen		Millions of U.S. Dollars	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015	2014	2015	2015
Future minimum lease payments to be received						
Not later than 1 year	¥182,002	¥187,537	$1,563	¥170,177	¥176,382	$1,470
Later than 1 year and not later than 5 years	313,226	362,217	3,019	268,640	310,237	2,585
Later than 5 years	104,624	101,309	844	78,443	75,271	627
Sub-total	¥599,852	¥651,063	$5,426	¥517,260	¥561,890	$4,682
Estimated unguaranteed residual value of leased assets	1,084	1,237	10			
Gross investment in the lease	600,936	652,300	5,436			
Less—unearned income	(82,592)	(89,173)	(743)			
Finance lease receivables	518,344	563,127	4,693			
Less—allowance for doubtful receivables	(8,034)	(16,872)	(141)			
Receivables under finance leases (net of allowance for doubtful receivables)	¥510,310	¥546,255	$4,552			

Future minimum lease payments to be received by receipt period do not include contingent rents that may be received under certain lease contracts.

Operating leases as lessor

The Company leases, as lessor, aircraft, vessels and other industrial machinery under operating leases.

The breakdown of future minimum lease payments to be received under non-cancelable leases by receipt period at March 31, 2014 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Not later than 1 year	¥73,291	¥64,519	$538
Later than 1 year and not later than 5 years	181,945	162,950	1,358
Later than 5 years	132,793	112,013	933
Total	¥388,029	¥339,482	$2,829

36. SERVICE CONCESSION ARRANGEMENTS

In Australia, the Company has various water businesses for the purpose of serving public and business customers. Pursuant to contracts with waterworks departments and other public institutions, the Company is assigned the right to use public infrastructure facilities relating waterworks, sewerage, regeneration and desalination and provides comprehensive services through design, construction, operation and other activities of the infrastructure facilities.

IFRIC Interpretation 12 "Service Concession Arrangements" is applied in cases where a public institution effectively controls significant residual interests in the public facilities at the end of the service concession arrangements, on the grounds that there is an obligation to transfer the public facilities or for other such reasons. While there are projects in which the contract term can be extended, their impact on the consolidated financial statements was immaterial. The residual periods of the major service concession arrangements on March 31, 2015 were between 5 and 19 years.

37. SUPPLEMENTAL CASH FLOW INFORMATION

The following is supplemental information related to the consolidated statement of cash flows.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Acquisition of businesses:			
Consideration for acquisition (cash and cash equivalents)			
Total amount of consideration for acquisition	¥ 41,017	¥ 157,509	$1,313
Cash and cash equivalents of acquired businesses	4,390	3,060	26
Consideration for acquisition (net of cash and cash equivalents of acquired businesses)	36,627	154,449	1,287
Fair value of assets acquired (excluding cash and cash equivalents)			
Trade and other receivables	33,052	22,584	188
Inventories	27,241	11,428	95
Biological assets	610	60,844	507
Property and equipment and investment property	24,237	35,919	299
Intangible assets and goodwill	28,663	121,513	1,013
Other	17,177	4,863	41
Total acquired assets	130,980	257,151	2,143
Fair value of liabilities assumed			
Borrowings	43,865	50,702	423
Trade and other payables	21,959	17,413	145
Other	12,351	35,922	299
Total liabilities assumed	78,175	104,037	867
Non-cash investing and financing activities:			
Assets recognized due to loss of control			
Investment accounted for using the equity method	5,672	22,753	190
Loans receivable	2,491	90,827	757
Acquisition of assets under finance leases	4,715	2,023	17

Please refer to Note 5. Business combinations for the detail of assets acquired through significant business combinations for the years ended March 31, 2014 and 2015.

Loans receivable recognized as non-cash investing and financing activities for the year ended March 31, 2015 include the loan recognized as consideration for the partial transfer of aircraft business, as described in Note 39. Interest in joint arrangements and associates.

In addition to the above, the Company recognized ¥16,200 million ($135 million) of "other investments" due to loss of control as non-cash investing and financing activities for the year ended March 31, 2015.

38. CONSOLIDATED SUBSIDIARIES

The effects on the equity attributable to owners of the Company of any changes in its ownership interest in consolidated subsidiaries that did not result in a loss of control

The effects on the equity attributable to owners of the Company of any changes in its ownership interest in consolidated subsidiaries that did not result in a loss of control were immaterial for the years ended March 31, 2014 and 2015.

The gains (losses) associated with the losses of control of subsidiaries

The gains (losses) associated with the losses of control of subsidiaries (before tax) were ¥15,702 million and ¥19,689 million ($164 million) for the years ended March 31, 2014 and 2015, respectively. The gains (losses) were included in "Gains on investments" in the consolidated statement of income.

The portions of gains or losses (before tax) attributable to the remeasurement of investment retained in the former subsidiary at its fair value at the date when control was lost were ¥6,832 million and ¥17,652 million ($147 million) for the years ended March 31, 2014 and 2015, respectively.

39. INTERESTS IN JOINT ARRANGEMENTS AND ASSOCIATES

(1) Entities of which the Company does not have control regardless of the possession of more than half of the voting rights.

MI Berau B.V. ("MI Berau")

The Company holds a 56% ownership interest in MI Berau, a Netherlands corporation. MI Berau is a joint venture, participating in the Tangguh LNG Project in Indonesia, which was established with INPEX CORPORATION ("INPEX") holding a 44% ownership interest. 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 control over the operations or assets of MI Berau does not rest with 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 a 75% ownership interest in Sulawesi LNG Development, a UK corporation. Sulawesi LNG Development is a holding company, investing in the Donggi Senoro LNG Project in Indonesia, which was established with Korea Gas Corporation ("KOGAS") holding a 25% ownership interest. Under the shareholder's 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 shareholder's agreement are considered substantive participating rights, and control over the operations or assets of Sulawesi LNG Development does not rest with the Company. Accordingly, the Company accounts for its investment in Sulawesi LNG Development using the equity method as a joint venture.

(2) Share of net income and other comprehensive income of joint ventures and associates

	Joint ventures			Associates		
	Millions of Yen		Millions of U.S. Dollars	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015	2014	2015	2015
Net income	¥90,281	¥99,129	$826	¥78,075	¥104,689	$872
Other comprehensive income	32,045	4,924	41	70,106	39,377	329
Comprehensive income	¥122,326	¥104,053	$867	¥148,181	¥144,066	$1,201

Reversal of impairment losses on investments accounted for using the equity method

In the year ended March 2015, the Company recognized a gain from reversal of the full amount of the accumulated impairment losses of ¥84,517 million ($704 million) on the Company's investment in Lawson, Inc., in which the Company holds a 32.4% equity interest, reflecting the strong quoted market prices of the shares and other factors.

The Company considered the investment in Lawson, Inc. to be an independent cash-generating unit in the assessment of the reversal and recognized the gain because the fair value less costs of disposal based on quote market prices (Level 1) exceeded the gross carrying amount including the reversal of all accumulated impairment losses. The gain from reversal was included in "Reversal of impairment loss from investment accounted for using the equity method" in the consolidated statement of income in the Living Essentials segment.

(3) Sale of goods / rendering of service to and goods purchased / service received from joint ventures and associates

	Joint ventures			Associates		
	Millions of Yen		Millions of U.S. Dollars	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015	2014	2015	2015
Sale of goods / rendering of service	¥465,897	¥391,737	$3,264	¥1,015,869	¥1,137,568	$9,480
Goods purchased / service received	610,063	328,778	2,740	891,353	946,228	7,885

(4) Assets and liabilities of the Company to joint ventures and associates

	Joint ventures			Associates		
	Millions of Yen		Millions of U.S. Dollars	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015	2014	2015	2015
(Assets)						
Trade and other receivables	¥53,003	¥50,773	$423	¥153,704	¥154,159	$1,285
Loans and other	53,997	106,404	887	130,355	81,221	677
(Liabilities)						
Trade and other payables	111,223	50,469	421	94,351	141,494	1,179

Along with the above, as of March 31, 2014 and 2015, the Company provided ¥44,934 million and ¥149,416 million ($1,245 million), respectively, of credit guarantees for certain joint ventures, ¥402,779 million and ¥382,815 million ($3,190 million), respectively, of credit guarantees for certain associates.
As of March 31, 2014 and 2015, the Company also entered into substantial purchase commitments with joint ventures and the outstanding purchase commitments amounted to ¥234,696 million and ¥254,687 million ($2,122 million), respectively, and ¥471,287 million and ¥472,506 million ($3,938 million), respectively with associates.

Cameron LNG Project

With regards to its investment to Cameron LNG, a natural gas liquefaction project which will be operated by Cameron LNG LLC at their Louisiana Terminal in U.S., the Company secured 4 million tons per annum of LNG tolling capacity for 20 years following the inception of production of LNG scheduled in 2018, for which the Company will pay a tolling service fee, under a natural gas tolling liquefaction agreement with Cameron LNG LCC.
In relation to most of LNG the Company plans to purchase, the Company also entered into long term LNG sales contracts with customers mainly in Japan and other markets in Asia.

Transfer of aircraft business to Vermillion Aviation Holdings

For the year ended March 31, 2015, MC Aviation Partners Inc. (“MCAP”), a consolidated subsidiary in Industrial Finance, Logistics & Development segment, transferred a part of its aircraft business including 12 aircraft in exchange for ¥5 million cash and ¥58,942 million ($491 million) loan to Vermillion Aviation Holdings (“VAH”), an associate of which MCAP holds 40% share. The loan mentioned above was fully collected in the year ended March 31, 2015.
Thereafter, MCAP transferred 2 aircrafts to VAH in the amount of ¥16,424 million ($137 million) in the year ended March 31, 2015.

40. STRUCTURED ENTITIES (SEs)

The Company evaluates its involvement with SEs to determine whether the Company has control over SEs. If the Company has the power to direct the activities of the SE that most significantly affects the economic performance and the obligation to absorb losses of or the right to receive benefits from the SE that could potentially be significant to the SE, the Company is considered to have control over the SE and consolidates the SE.

Non-consolidated SEs

The SEs that the Company does not consolidate due to lack of control are involved in various businesses. Most of the SEs are entities established to conduct project financing in infrastructure and real-estate-related businesses. These SEs are financed mainly by borrowings and the Company is involved in the form of equity investments, guarantees and loans, which exposes the Company to investment risks and credit risks.

Total assets of the SEs that the Company does not consolidate, which is related to infrastructure and real-estate related businesses and others which include resource-related and shipping-related businesses were ¥177,389 million, ¥301,233 million and ¥198,179 million, respectively at March 31, 2014, and ¥158,789 million ($1,323 million), ¥153,734 million ($1,281 million) and ¥258,330 million ($2,153 million), respectively at March 31, 2015.

The following table summarizes carrying amounts of assets and liabilities in the Company's consolidated statement of financial position and the Company's maximum exposures to losses as a result of the Company's involvement in these SEs at March 31, 2014 and 2015.

The following information of the SEs represents the latest one available to the Company.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Carrying amounts of assets in the Company's consolidated statement of financial position	¥ 89,514	¥ 70,567	$588
Carrying amounts of liabilities in the Company's consolidated statement of financial position	315	379	3
Maximum exposures to losses	93,384	73,315	611

Carrying amounts of assets in the Company's consolidated statement of financial position that relate to the SEs consisted primarily of trade and other receivables (current and non-current assets) and investments accounted for using the equity method. Carrying amounts of liabilities in the Company's consolidated statement of financial position that relate to the SEs consisted primarily of trade and other payables (current liabilities) and deferred tax liabilities.

There is a difference between carrying amounts of assets in the Company's consolidated statement of financial position that relate to the SEs and maximum exposures to losses, as the Company's maximum exposures to losses include credit guarantees on these SEs. Maximum exposures to losses do not represent anticipated losses possibly to incur from the Company's involvement with the SEs, and are considered to exceed the anticipated losses considerably.

41. TRANSACTIONS WITH MANAGEMENT PERSONNEL

The amounts of remuneration for the Parent's directors were as follows.

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Monthly remuneration	¥893	¥777	$7
Bonuses	220	250	2
Reserved retirement remuneration	127	119	1
Share-based remuneration	361	382	3
Total remuneration	¥1,601	¥1,528	$13

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.

The amount of "Share-based remuneration" is the amount recognized in the consolidated statement of income and is different from the amount acquired due to the execution of right-related stock option and selling stocks.

42. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Commitments

The Company has financing agreements (i.e., loan commitments), and outstanding commitments at March 31, 2014 and 2015 amounting to ¥6,028 million and ¥3,796 million ($32 million), respectively.

Guarantees

The Company is a party to various agreements under which it has undertaken obligations resulting from the issuance of certain guarantees. The guarantees have been issued for the companies that are accounted for using the equity method, as well as for customers and suppliers of the Company.

Credit guarantees

The Company provided credit guarantees for certain customers and suppliers, and for the companies accounted for using the equity method, in the form of financial and performance guarantees.

The outstanding amount and the maximum potential amount of future payments under these credit guarantees as of March 31, 2014 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2014	2015	2015
Financial guarantees			
Outstanding amount	¥482,434	¥635,203	$5,293
Maximum potential amount of future payments	823,797	1,105,820	9,215
Performance guarantees			
Outstanding amount	279,881	242,035	2,017
Maximum potential amount of future payments	279,881	242,035	2,017

These credit guarantees enable the Company's customers, suppliers and the companies accounted for using the equity method to execute transactions or obtain desired financing arrangements with third parties. Most of these guarantees outstanding at March 31, 2015 will expire within 10 years, with certain credit guarantees expiring by the end of 2040. Should the customers, suppliers and the companies accounted for using the equity method fail to perform under the terms of the transaction or financing arrangement, the Company would be required to perform on their behalf.

The Company has set internal ratings based on various information, such as the guaranteed party's financial statements, and manages risks of credit guarantees by establishing limits on guarantees for each guaranteed party based on these internal ratings and requires collateral or reassurance as necessary.

At March 31, 2014 and 2015, the amounts of possible recoveries under recourse provisions from third parties or from collateral on pledged financial guarantees were ¥1,087 million and ¥4,250 million ($35 million), respectively, and on performance guarantees were ¥154,390 million and ¥136,780 million ($1,140 million), respectively.

The liabilities for these credit guarantees were ¥4,709 million and ¥20,373 million ($170 million) at March 31, 2014 and 2015, respectively.

As of March 31, 2015, there were no credit guarantees with a high probability of a significant loss due to enforcement of the guarantee, except for those recognized as liabilities.

LNG project in Australia

An associate of the Parent acquired a participating interest in a project to develop LNG in Australia (the "Project"). The associate has obtained a $1,927 million line-of-credit from a bank to secure funding for the acquisition of the participating interest and for the future development of the Project. The Parent, along with another participant in the Project, provides a credit guarantee to the bank on the line-of-credit. The maximum potential amount of future payments of the Parent resulting from a default on the line-of-credit is $1,533 million, and is included in "Financial guarantees – Maximum potential amount of future payments" in the table above. As of March 31, 2015, the portion of the associate's draw-down against the line-of-credit that the Parent is responsible for amounted to $823 million. The amount is included in "Financial guarantees – Outstanding amount" in the table above.

In addition, the Parent, along with other participants to the Project, provides a performance guarantee to the seller of the participating interest in the Project. The performance guarantee is a joint guarantee of the payments for the participating interest in this Project and for the future funding commitment in accordance with the joint venture agreement. The obligation from this performance guarantee is considered to arise at the execution of project agreements and the total guarantee as of March 31, 2015 is $1,593 million. The amounts are included in both "Performance guarantees – Maximum potential amount of future payments" and "Performance guarantees – Outstanding amount" in the table above.

The performance guarantee obligation encompasses future planned payments, which will be funded, in part, by the line of credit. Regarding the line item "Maximum potential amount of future payments", the amounts related to the performance guarantee will be reduced to the extent that the associate makes cash call payments for participating interest and development funding, while the amount relating to the maximum potential amount of future payments of credit guarantee will remain the same. In this case, regarding the line item "Outstanding amount", the amount relating to this performance guarantee will be reduced as cash call payments are made, while the amount relating to the credit guarantee will increase.

Indemnification

In the context of certain sales or divestitures of business, the Company occasionally commits to indemnify contingent losses, such as environmental losses, or the imposition of additional taxes. Due to the nature of the indemnifications, the Company's maximum exposure under these arrangements cannot be estimated. No provisions have been recorded for such indemnifications as the Company's obligations under them are not probable and estimable, except for certain cases which already have been claimed.

Litigation

The Company is a party to litigation arising in the ordinary course of business. In the opinion of management, the liability of the Company, if any, when ultimately determined from the progress of the litigation, will not have a materially adverse effect on the consolidated operating results or consolidated financial position of the Company.

43. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through June 19, 2015.

Acquisition of own shares

The Parent resolved at the Board of Directors meeting held on May 8, 2015 that it would acquire its own shares of stock based on the provisions of Article 156 of the Companies Act that is applied in an alternative interpretation of Article 165, Section 3 of the Companies Act.

The repurchases of shares are to be executed as described below:

Type of shares	:Ordinary shares of the Parent
No. of shares to be repurchased	:Up to 45 million shares (2.8% of the common shares outstanding)
Total value of stock repurchased	:Up to ¥100,000 million ($833 million)
Period of acquisitions	:May 11, 2015 - August 31, 2015

Stock options

The Parent resolved at the Board of Directors meeting held on May 15, 2015 that it would distribute stock options to Directors, Executive Officers and Senior Vice Presidents of the Parent.

The stock options are to be distributed as described below:

2015 stock options plan A for a stock-linked compensation plan

Total No. of shares granted	:Up to 25,100 ordinary shares of the Parent
Exercise price	:¥1 per share
Exercise term	:June 2, 2015 - June 2, 2044

2015 stock options plan B for a stock-linked compensation plan

Total No. of shares granted	:Up to 476,500 ordinary shares of the Parent
Exercise price	:¥1 per share
Exercise term	:June 2, 2015 - June 1, 2045

Dividends

The Parent was authorized at the general shareholders' meeting held on June 19, 2015 to pay a cash dividend of ¥30 ($0.25) per share, or a total of ¥48,613 million ($405 million) to shareholders of record on March 31, 2015.

Dividends from the LNG related business

Dividends from the LNG related business amounted to ¥119.4 billion and ¥116.3 billion ($0.97 billion) for the years ended March 31, 2014 and 2015, respectively. While a part of their rights and interests expired after April 1, 2015, the Company extended the relating agreements partially with compensation.

44. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Parent's Board of Directors on June 19, 2015.

Appendix

1. List of subsidiaries

The Parent's subsidiaries as of March 31, 2015 are as follows:

Business Segment	Company Name	Voting Rights(%)
Global Environmental & Infrastructure Business Group	DGA Ho Ping B.V. (The Netherlands)	100.00
	DGA Ilijan B.V. (The Netherlands)	100.00
	Diamond Generating Asia, Limited (Hong Kong)	100.00
	Diamond Generating Corporation (U.S.A.)	100.00 (100.00)
	Diamond Generating Europe Limited (U.K.)	100.00
	Diamond Solar Corporation (Japan)	100.00
	Diamond Transmission Corporation Limited (U.K.)	100.00
	MCKG PORT Holdings Co.,Ltd. (Japan)	60.00
	Mitsubishi Corporation Machinery, Inc. (Japan)	100.00
	Mitsubishi Corporation Power Systems, Inc. (Japan)	100.00
	TRILITY Pty Ltd. (Australia)	60.00
	Others (97 Companies)	
Industrial Finance, Logistics & Development Group	Alternative Investment Capital Limited (Japan)	51.00
	Diamond Car Carriers S.A. (Panama)	100.00
	Diamond RC Holding Limited (Hong Kong)	100.00
	Diamond Realty Investments, Inc. (U.S.A.)	100.00 (100.00)
	Diamond Realty Management Inc. (Japan)	100.00
	DRI Phoenix Limited (Hong Kong)	100.00
	Flexitech Holding K.K. (Japan)	77.76
	MC AI HOLDINGS Limited (Cayman Islands, British overseas territory)	100.00
	Mitsubishi Corporation Asset Management Ltd. (Japan)	100.00
	MC Asset Management Holdings, Inc. (U.S.A.)	100.00
	MC Aviation Financial Services (Europe) B.V. (The Netherlands)	100.00
	MC Aviation Partners Inc. (Japan)	100.00
	MC Capital Inc. (U.S.A.)	100.00
	MC CREDIT PRODUCTS FUND, Inc. (U.S.A.)	100.00 (20.00)
	MC Engine Leasing Limited (U.K.)	80.00
	MC GIP-UK Ltd. (U.K.)	100.00
	MC Real Asset Investments Ltd. (Cayman Islands, British overseas territory)	100.00
	Mitsubishi Corporation LT, Inc. (Japan)	100.00
	Mitsubishi Corporation Urban Development, Inc. (Japan)	100.00
	Mitsubishi Corp.-UBS Realty Inc. (Japan)	51.00
	New Century Insurance Co., Ltd. (Bermuda, British overseas territory)	100.00
	Port South Aircraft Leasing Co., Ltd. (Japan)	100.00
	Seto Futo Co., Ltd. (Japan)	61.65 (20.00)
	Shina River Aviation Financing Co., Ltd. (Japan)	100.00
	TRM Aircraft Leasing Co., Ltd. (Japan)	100.00
	Others (123 Companies)	

Business Segment	Company Name	Voting Rights(%)
Energy Business Group	Angola Japan Oil Co., Ltd. (Japan)	65.70
	Cordova Gas Resources Ltd. (Canada)	67.50 (67.50)
	Cutbank Dawson Gas Resources Ltd. (Canada)	100.00 (100.00)
	Diamond Gas Netherlands B.V. (The Netherlands)	80.00 (80.00)
	Diamond Gas Resources Pty. Ltd. (Australia)	100.00
	Diamond Gas Sakhalin B.V. (The Netherlands)	100.00
	Diamond Tanker PTE. LTD. (Singapore)	100.00
	Mitsubishi Shoji Sekiyu Co., Ltd. (Japan)	100.00
	MPDC Gabon Co., Ltd. (Japan)	75.00
	Onahama Petroleum Co., Ltd. (Japan)	85.00
	Petro-Diamond Inc. (U.S.A.)	100.00 (100.00)
	Petro-Diamond Singapore (PTE) LTD (Singapore)	100.00
	Tomori E&P Ltd. (U.K.)	51.00
	Others (56 Companies)	
Metals Group	Coilplus, Inc. (U.S.A.)	100.00 (100.00)
	Hernic Ferrochrome (Pty) Ltd. (Republic of South Africa)	50.98 (50.98)
	Isuzu Corporation (Japan)	56.60 (56.60)
	JECO Corporation (Japan)	70.00
	Kyushu Steel Corporation (Japan)	55.00 (55.00)
	M.C. Inversiones Limitada (Chile)	100.00
	MC Copper Holdings B.V. (The Netherlands)	100.00
	MC Metal Service Asia (Thailand) Co., Ltd. (Thailand)	100.00 (100.00)
	Metal One Corporation (Japan)	60.00
	Metal One Holdings America, Inc. (U.S.A.)	92.00 (92.00)
	Metal One Specialty Steel Corporation (Japan)	100.00 (100.00)
	Metal One Pipe & Tubular Products Inc. (Japan)	100.00 (100.00)
	Mitsubishi Corporation RtM International Pte. Ltd. (Singapore)	100.00
	Mitsubishi Corporation RtM Japan Ltd. (Japan)	100.00
	Mitsubishi Development Pty Ltd (Australia)	100.00
	Ryowa Development Pty., Ltd. (Australia)	100.00
	Ryowa Development II Pty., Ltd. (Australia)	100.00
	Sus-Tech Corporation (Japan)	64.48 (64.48)
	Tamatsukuri Corporation (Japan)	97.31 (97.31)
	Triland Metals Ltd. (U.K.)	100.00 (9.09)
	Others (108 Companies)	

Business Segment	Company Name	Voting Rights(%)
Machinery Group	Diamond Camellia S.A. (Panama)	100.00
	Diamond Star Shipping Pte. Ltd. (Singapore)	100.00
	Isuzu UTE Australia Pty Ltd. (Australia)	100.00
	JSC MC BANK RUS (Russia)	100.00 (100.00)
	MC Factoring Rus LLC (Russia)	100.00 (100.00)
	MC Machinery Systems, Inc. (U.S.A.)	100.00 (20.00)
	MCE Bank GmbH (Germany)	100.00 (100.00)
	Mitsubishi Corporation Technos (Japan)	100.00
	Mitsubishi Motors Malaysia Sdn. Bhd. (Malaysia)	52.00
	MSK FARM MACHINERY CORPORATION (Japan)	100.00
	Nikken Corporation (Japan)	96.83
	P.T. Dipo Star Finance (Indonesia)	95.00 (95.00)
	The Colt Car Company Ltd. (U.K.)	100.00
	Tri Petch Isuzu Leasing Co., Ltd. (Thailand)	93.50 (50.00)
	Tri Petch Isuzu Sales Co., Ltd. (Thailand)	88.73 (41.66)
	Others (75 Companies)	
Chemicals Group	Chuo Kagaku Co., Ltd. (Japan)	60.59 (4.96)
	Chuo Kasei Co., Ltd. (Japan)	100.00
	KIBIKASEI CO., LTD. (Japan)	100.00
	KOHJIN Holdings Co.,Ltd. (Japan)	100.00
	MC Ferticom Co., Ltd. (Japan)	72.83
	Mitsubishi Corporation Life Sciences Limited (Japan)	100.00
	Mitsubishi Shoji Chemical Corporation (Japan)	100.00
	Mitsubishi Corporation Plastics Ltd. (Japan)	100.00
	Others (30 Companies)	

Business Segment	Company Name	Voting Rights(%)
Living Essentials Group	Agrex do Brasil S.A. (Brazil)	81.54 (1.08)
	AGREX, Inc. (U.S.A.)	100.00 (100.00)
	Alpac Forest Products Inc. (Canada)	70.00
	California Oils Corporation (U.S.A.)	100.00
	Cape Flattery Silica Mines Pty., Ltd. (Australia)	100.00
	Cermaq Group AS (Norway)	100.00 (100.00)
	Dai-Nippon Meiji Sugar Co., Ltd. (Japan)	100.00
	Foodlink Corporation (Japan)	99.42
	Indiana Packers Corporation (U.S.A.)	80.00 (10.00)
	JAPAN FARM, LTD. (Japan)	70.00
	ART COFFEE Co., Ltd. (Japan)	100.00
	MC Healthcare, Inc. (Japan)	80.00
	Mitsubishi Corporation Fashion Co., Ltd. (Japan)	100.00
	Mitsubishi Shoji Construction Materials Corporation (Japan)	100.00
	Mitsubishi Shoji Packaging Corporation (Japan)	92.15
	Mitsubishi Shokuhin Co., Ltd. (Japan)	62.00 (0.02)
	KFC Holdings Japan, Ltd. (Japan)	65.98 (0.13)
	Nihon Shokuhin Kako Co., Ltd. (Japan)	59.81
	Nippon Care Supply Co., Ltd. (Japan)	74.78
	Nitto Fuji Flour Milling Co., Ltd. (Japan)	64.45
	Nosan Corporation (Japan)	100.00
	Princes Limited (U.K.)	100.00 (10.00)
	Riverina (Australia) Pty., Ltd. (Australia)	100.00
	Southern Cross Seafoods S.A. (Chile)	99.50
	TH FOODS, Inc. (U.S.A.)	53.16 (6.32)
	Toyo Reizo Co., Ltd. (Japan)	81.92
	YONEKYU CORPORATION (Japan)	71.02
	Others (156 Companies)	

Business Segment	Company Name	Voting Rights(%)
Others	MC Finance & Consulting Asia Pte. Ltd. (Singapore)	100.00
	MC Finance Australia Pty Ltd. (Australia)	100.00
	Mitsubishi Corporation Finance PLC (U.K.)	100.00
	Mitsubishi Corporation Financial & Management Services (Japan) Ltd. (Japan)	100.00
	Others (11 Companies)	
Main Regional Subsidiaries	Mitsubishi Corporation International (Europe) Plc. (U.K.)	100.00 (100.00)
	Mitsubishi Australia Ltd. (Australia)	100.00
	Mitsubishi Corporation (Americas) (U.S.A.)	100.00
	Mitsubishi Corp. do Brasil S.A. (Brazil)	100.00 (12.57)
	Mitsubishi Corporation (Hong Kong) Ltd. (Hong Kong)	100.00
	Mitsubishi Corporation (Shanghai) Ltd. (China)	100.00 (100.00)
	Mitsubishi Corporation (Korea) Ltd. (Korea)	100.00
	Mitsubishi International GmbH. (Germany)	100.00 (100.00)
	Mitsubishi Corporation Taiwan Ltd. (Taiwan)	100.00
	Thai-MC Company Ltd. (Thailand)	69.00 (45.00)
	Others (34 Companies)	

*The percentage in the parenthesis under "Voting Rights (%)" indicates the indirect ownership out of the total ownership noted above.

June 19, 2015

Responsibility Statement

The following responsibility statement is made solely to comply with the requirements of DTR 4.1.12 of the United Kingdom Financial Conduct Authority's Disclosure Rules and Transparency Rules, in relation to Mitsubishi Corporation as an issuer whose financial instruments are admitted to trading on the London Stock Exchange.

Shuma Uchino, Chief Financial Officer, confirms that:

- to the best of his knowledge, the financial statements, prepared in accordance with accounting principles generally accepted in the United States of America, give a true and fair view of the assets, liabilities, financial position and profit or loss of Mitsubishi Corporation and the undertakings included in the consolidation taken as a whole; and

- to the best of his knowledge, the management report includes a fair review of the development and performance of the business and the position of Mitsubishi Corporation and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Mitsubishi Corporation

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