

Selection Criteria for Outside Directors and Outside Corporate Auditors

1. MC's Basic Policy on Corporate Governance

(1) Buttressed by a corporate philosophy founded on its Three Corporate Principles (Corporate Responsibility to Society, Integrity and Fairness, and International Understanding through Trade), Mitsubishi Corporation (MC) continuously enhances its management policies in a drive to maintain sustainable medium- and long-term growth. To this end, MC views the continued strengthening of corporate governance, along with the development of a system of internal controls, as a priority for management.

(2) MC views the development of an effective corporate governance framework as a vital task, irrespective of the specific system or format. Accordingly, MC has adopted the corporate auditor system and, in addition to its statutory bodies and governance framework, has encouraged the nomination of outside directors to its Board of Directors and established an executive officer system and advisory committees to the Board of Directors. Through these and other bodies, MC is committed to improving and bolstering corporate governance.

(3) MC's outside directors and corporate auditors respectively play major roles in realizing effective corporate governance. Outside directors enhance the decision-making and management oversight functions of the Board of Directors, while outside corporate auditors improve both the neutrality and independence of the corporate auditor system.

2. Selection Criteria for Outside Directors

(1) Outside directors are elected from among those individuals who have an eye for practicality founded on a wealth of experience as corporate executives, as well as an objective and expert's viewpoint based on extensive insight regarding the global situation and social and economic trends. Through their diverse perspectives, outside directors help ensure levels of decision-making and management oversight appropriate to our Board of Directors.

(2) To enable outside directors to fulfill their assigned task, attention is given to maintaining their independence; individuals incapable of preserving independence will not be selected to serve as outside directors.

(3) MC operations span a broad range of business domains; hence there may be cases of conflict of interest stemming from business relationships with firms in which the corporate executives appointed as outside directors of MC, have executive authority. MC copes with this potential issue through appropriate procedures meant to exclude the possibility of such conflict of interest, and maintains an appropriate level of governance by preserving a variety of viewpoints through the selection of numerous outside directors.

3. Selection Criteria for Outside Corporate Auditors

(1) Outside corporate auditors are selected from among individuals possessing a wealth of knowledge and experience across various fields that is helpful in performing neutral and objective audits which, in turn, will help to ensure sound management.

(2) To enable outside corporate auditors to fulfill their assigned task, attention is given to maintaining their independence; individuals incapable of preserving this independence will not be selected to serve as outside corporate auditors.

(Reference)

Overview of the Governance Committee

The Governance Committee was established in July 2001. Its remit is to discuss issues related to corporate governance and provide its opinions to the Board of Directors to strengthen the oversight function of the Board. Issues discussed by the Committee include MC's governance framework and governance issues arising from legislative amendments.