

Employee Relations

Human Resources System Aims to Maximize the Potential of the Individual

Basic Approach

MC understands that its employees are its greatest asset. Our basic human resources guideline is to create sound jobs and working environments that maximize the potential and skills of each individual employee and enable him or her to achieve greater value.

Our business activities span a large number of countries and regions around the globe, and we respect diverse cultures and regional characteristics while maintaining common, global guidelines and sense of direction. In enhancing our human resources systems and our training programs, we seek to ensure respect for the human rights and labor rights of employees.

Human Resources Programs Maximize Skills and Aptitudes

In addition to policies on hiring, training, assignment and remuneration, MC has three linked programs to strengthen organizations and cultures and to enhance working environments. These programs form the core of MC's efforts to strengthen and improve our human resources.

As a company, we are interested in recruiting and utilizing a wide variety of talent with a wide range of skills, hiring both new graduates and mid-career personnel with suitable expertise and experience.

The business operations of MC encompass more than 500 consolidated subsidiaries located both domestically and internationally. We have undergone significant expansion in recent years, and the businesses of our operating companies are taking on even greater importance, making it essential for the company to recruit and train executive personnel able to provide operating companies with the management and internal control that they require. It is from this perspective that we are enhancing our career path programs, launching internal recruiting systems, creating more opportunities for on-the-job training (OJT), including experiences on-site at operating companies, and making better

efforts to assign our staff to positions that are suited to their skills and aptitudes. On the salary and benefits side, the company's basic policies are to reward performance and to base salaries on the individual's functions and contributions. We also position "contribution to society" high on our list of evaluation items.

MC has several programs to strengthen the organizations and cultures that bring together our people from around the world. We instill in our employees the values and philosophies embodied in the Three Corporate Principles and other guidelines and we work to facilitate communication and to improve and enhance our training centers and other infrastructures in order to create environments that allow employees to take full advantage of their abilities.

Promoting Worker-Friendly Environments

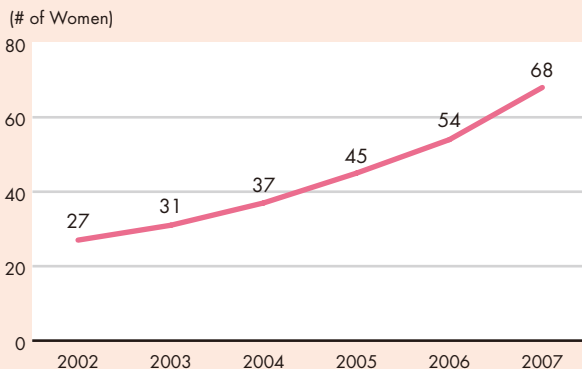
In April 2007, MC made significant enhancements to its programs for maternal welfare and child rearing. Working hours for parents with young children can now be shortened by a maximum of 120 minutes per day rather than 90, and the program is open to parents of children through the end of the 3rd grade, rather than until the 3rd birthday as previously. We also provide subsidies for babysitting expenses and have a childcare contract that provides for daycare service outside the company. Other enhancements include a reemployment system that provides opportunities for employees who resign from their positions, in conjunction with a spouse transfer overseas, to return to work when they come back to Japan. In fiscal 2006, a total of 21 employees took advantage of the child care leave program, and 2 made use of the family care leave program.

Respect for Diversity and Equal Opportunity

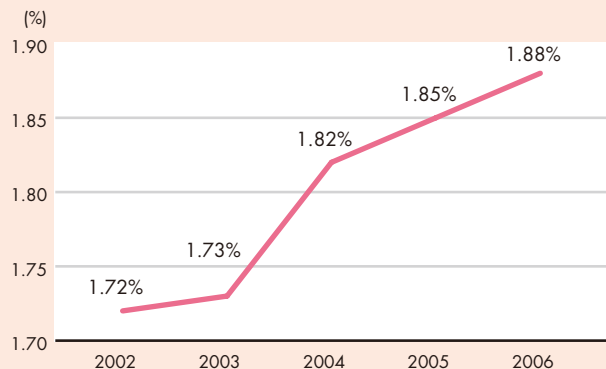
Equal Opportunity Employment and Anti-Discrimination Measures

MC has basic guidelines barring discrimination on the basis of

Female Managers



Disabled Employment Rate



race, religion, gender, nationality, age or physical disability in hiring, promoting and all other aspects of the company's operations. In Japan, training programs and other opportunities are used to educate employees on human rights issues to ensure that they are correctly understood. The company also operates a hotline which employees can turn to for advice.

Employee Diversity

As a global company, MC works proactively to achieve equal opportunity for its diverse workforce, while also respecting national laws and regulations and remaining sensitive to differences in culture and business environments.

In April 2006, we established the Human Resources Development Center in the head office to take the lead in consolidated-level, global human resources development, with particular emphasis on improving the skills and capacities of our international staff and encouraging the introduction of systems and programs that promote human resources development in overseas operations. We have also increased the number of staff appointed to executive posts in our overseas locations.

In conjunction with this, the company works actively to assign women and veteran staff to positions of responsibility. The ratio of women in our new graduate full time hires increased from 19.4% in fiscal 2006 to 22.9% in fiscal 2007, and the number of women in management positions is increasing year by year as well with 68 as of April 2007. We endeavor to make full use of the skills and abilities of veteran staff with programs for rehiring employees after they reach mandatory retirement at age 60.

Employing Persons with Disabilities

Japan has a statutory employment rate of 1.8% for the disabled, and in fiscal 2006 the disabled employment rate at MC was 1.88%. Mitsubishi Shoji & Sun Co., Ltd., established in 1983, has been designated a special subsidiary of MC to provide employment opportunities to the disabled.

Employee Health and Safety

MC is committed to helping our employees maintain their physical and mental well-being. In Japan, the head office and Kansai Branch Office have clinics; other locations have arrangements with hospitals to perform regular, annual checkups as well as more extensive annual check-ups for employees aged 40 and older. In addition, all staff assigned to overseas positions and their families are given full checkups before and after their assignments. To promote the mental well-being of our staff, we have established counseling rooms in our locations where professional counselors are available at all times to talk with employees.

Fast-track Development

Training Opportunities at MC

MC Open College

Staff are free to enroll in programs that will help enhance their performance within work assignments.

Basic Business Skills Program

Open to younger employees, this program teaches the basic knowledge and skills required of business professionals.

Management Training Program

This program trains managerial candidates within the MC organization and companies in which it has invested.

Career Development Program

This program gives employees an opportunity to take control of their careers and design future career paths.

Position-Specific Training Programs

These training programs provide an opportunity to regularly communicate with employees regarding the status of the company and its current management guidelines, allowing employees at the same levels in the company to share their awareness of issues and problems and reconfirm their roles within the organization.

Relevant Orientations and Seminars

The company provides employees with relevant training opportunities for employees who are to be assigned overseas, to MC subsidiaries or when promoted to executive positions.

Other Training Programs

Business schools abroad, language study abroad, self-improvement courses, etc.

A Message from the Employees Union

Go Miyamoto, Mitsubishi Corporation Employees Union

The primary objectives of the union are to maintain and improve working conditions, improve the economic and social positions of employees, and also to contribute to the sound development of company management by reflecting the general will of union members in the operation of the company.

For the past several years, the Employees Union has been engaged in an active debate on the topic of "a company we can be proud of." The company is achieving record high profits, but it is vital that it works to improve systems and work environments for employees, who are after all key stakeholders. The union looks forward to a far-reaching dialogue with management on what constitutes desirable working practices for each side.

Employees are increasingly diverse in their ways of thinking and values. For this reason it is necessary for union activities to solicit a wide range of opinions from workers so that we can provide recommendations to both employees and management on ways to improve our workplaces and our company as a whole.



MC's Investments and CSR

CSR-Based Approach to Loans and Investments

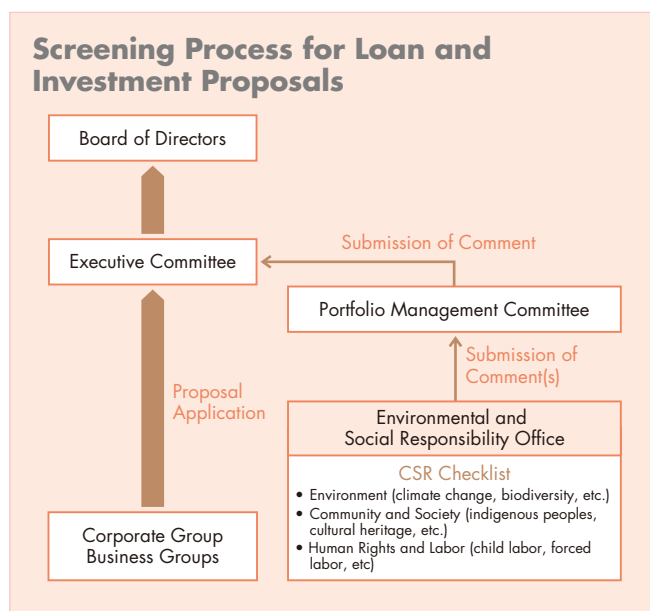
Loan and investment proposals are examined by the Executive Committee, which acts as the strategic decision-making body for MC. Social and environmental risks are examined as part of this process, with some proposals receiving further review from the Board of Directors.

Loan and investment decisions by the Executive Committee are based on advisory input from the Portfolio Management Committee, which in turn bases its advice on comments submitted by specialized internal departments. The screening and review process is a comprehensive one, taking into account not only economic but also global environment and community impact factors. The process is specifically guided by the following mechanisms:

- Inclusion of environmental and social impacts in loan and investment proposals
- Screening of environmental and social impacts by Environmental & Social Responsibility Office

The Environmental and Social Responsibility Office uses the following documents to guide its screening process: Guidelines for Confirmation of Environmental and Social Considerations published by the Japan Bank for International Cooperation (JBIC) and International Finance Corporation (IFC) guidelines. The office has also formulated a CSR checklist for consideration

before advancing loan and investment proposals. In addition to screening for environmental criteria, social criteria such as human rights and working conditions are also examined from a global perspective.



List of Topics Covered in the “Environment and CSR Survey” for Business Investments

List of Items The following items are covered in the Survey for business investments.

Environment			CSR		
1	Internal systems	Formulation of environmental guidelines, obtaining certifications including ISO14001, appointment of environmental officers, implementation of environmental education programs	1	Internal systems	Formulation of corporate philosophy and code of conduct, etc., establishment of office specifically for CSR related issues
2	Customer communications	Requests for environmental considerations	2	Employee working environment	Elimination of discrimination in hiring and promotion, etc., internal systems to support career choices, provision of safe and sanitary working environments, child care and family care assistance systems, internal training systems, female management ratio, disabled employment ratio, establishment of employee union
3	Programs to address environmental issues	Handling of chemical substances, retention of PCB waste products, soil pollution	3	Human rights	Respect for employee human rights (elimination of discrimination, prevention of sexual harassment, etc.), prohibition of child labor and forced labor in business activities, respect for human rights of indigenous peoples, armed security guards in international business activities
4	Confirmation of applicable environmental laws and ordinances		4	Social contribution activities	Implementation of social contribution activities
5	Energy usage	Electric power consumption, water resource consumption, other energy consumption	5	Products and services	Information security, provision of safety information, customer-response and information disclosure systems
6	Waste	Industrial waste, ordinary waste, recycling rate	6	Procurement and sourcing	Requiring suppliers to respect the environment and human rights, etc., existence or nonexistence of requirements from distributors to respect the environment and human rights, etc.
7	Domestic transportation	Domestic transportation volumes, programs to rationalize domestic transportation			