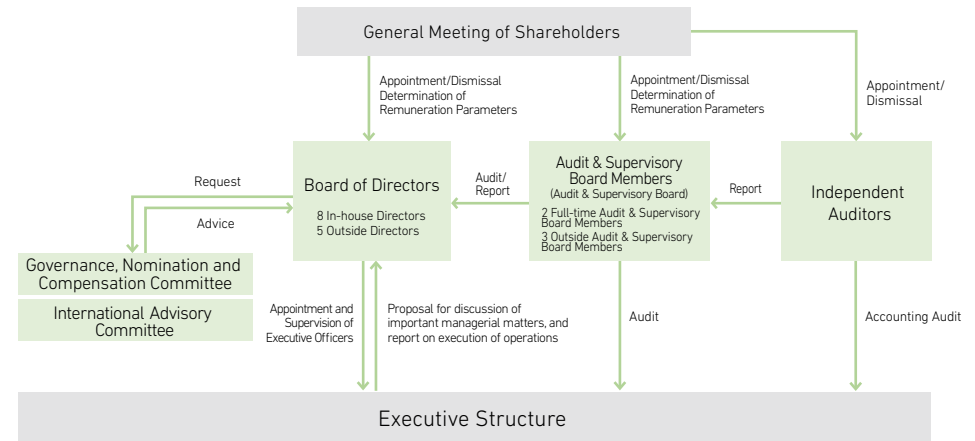


Corporate Governance and Internal Control System

MC has made strengthening corporate governance on an ongoing basis an important management concern as the foundation for ensuring sound, transparent and efficient management. MC, based on the Audit & Supervisory Board Member System, is thus working to put in place a corporate governance system that is even more effective. This includes strengthening management supervision through such measures as appointing Outside Directors and Outside Audit & Supervisory Board Members (five Outside Directors and three Outside Audit & Supervisory Board Members) who satisfy the conditions for Independent Directors or Independent Audit & Supervisory Board Members, and establishing advisory bodies to the Board of Directors where the majority of members are Outside Directors and Outside Audit & Supervisory Board Members as well as other experts from outside the company (Governance, Nomination and Compensation Committee and International Advisory Committee). At the same time, MC uses the executive officer system for prompt and efficient decision-making and business execution.

MC's efforts to improve and strengthen our internal control system are ongoing in order to increase corporate value through proper and efficient business operations in conformity with the law and our Articles of Incorporation. The internal control system covers: compliance, financial reporting, internal auditing and monitoring, management and storage of information, risk management, efficient business execution, ensuring proper business in group management, and Audit & Supervisory Board Members.



Governance, Nomination and Compensation Committee



Member Composition (as of April 1, 2019)

- Outside members (5):
- Akihiko Nishiyama (Outside Director)
- Toshiko Oka (Outside Director)
- Akitaka Saiki (Outside Director)
- Tsuneyoshi Tatsuoka (Outside Director)
- Tadashi Kunihiro (Outside Audit & Supervisory Board Member)
- In-house members (3):
- Ken Kobayashi* (Chairman of the Board)
- Takehiko Kakiuchi (Member of the Board, President & CEO)
- Shuma Uchino (Senior Audit & Supervisory Board Member)

*Committee Chairperson

International Advisory Committee

Member Composition (as of April 1, 2019)

- Outside members (8):
- Professor Joseph S Nye (Harvard University Distinguished Service Professor and Sultan of Oman Professor (U.S.A.))
- Ratan N Tata (Chairman, Tata Trusts (India))
- George Yeo (Chairman of Kerry Logistics Network (Singapore))
- Jaime Augusto Zobel de Ayala II (Chairman and CEO, Ayala Corporation (the Philippines))
- Niall FitzGerald KBE (Former CEO & Chairman, Unilever (Ireland))
- Ambassador Richard Armitage (Former Deputy Secretary of State (U.S.A.))
- Akitaka Saiki (Outside Director)
- Tsuneyoshi Tatsuoka (Outside Director)

- In-house members (3):
- Ken Kobayashi* (Chairman of the Board)
- Takehiko Kakiuchi (Member of the Board, President & CEO)
- Kanji Nishiura (Member of the Board, Executive Vice President)

*Committee Chairperson

