Introduction

This report provides an overview of the Mitsubishi Corporation (MC) Group’s compliance efforts.

A company’s success depends largely on its ability to operate in harmony with society. Compliance is therefore an essential ingredient for the attainment of sustainable corporate growth. At MC, we are constantly guided by the spirit of our Three Corporate Principles, the backbone of our corporate philosophy, as we strive to achieve sustainable economic, social and environmental value, in keeping with the expectations of our stakeholders.

Our corporate activities have always been conducted on the basis of “Shoji Komei” (Integrity and Fairness), one of our Three Corporate Principles. Shoji Komei is interpreted as: “Maintain principles of transparency and openness, conducting business with integrity and fairness,” and in Midterm Corporate Strategy 2018, I reiterated that exercising strict compliance remains a priority at MC and that we will continue seeking to cultivate, at all levels, the type of personnel who execute their responsibilities with a strong sense of ethics.

With this in mind, I invite all our stakeholders, business partners as well as officers and employees, to read this report as it will deepen your understanding of the MC Group’s approach to compliance.

April 2017

Takehiko Kakiuchi
President and CEO
Mitsubishi Corporation
In anticipation of further changes in conditions inside and outside the company, we practice compliance on a daily basis in order to meet the expectations of society. With the principles of integrity and fairness at all times, both in their professional and private lives.

Shoji Komei (Integrity and Fairness), one of the Three Corporate Principles, is interpreted as: “Maintain principles of transparency and openness, conducting business with integrity and fairness.” This encapsulates the modern-day thinking of compliance.

Today, the MC officers and employees are required to conduct themselves in line with the principles of integrity and fairness at all times, both in their professional and private lives.

Based on its Three Corporate Principles, Mitsubishi Corporation has established compliance systems on a consolidated and global basis for immediate response in light of ever-changing laws and social environments. In addition, we have concentrated on employee education, including e-learning and compliance discussions for officers and employees at MC and its Group companies, both in Japan and overseas.

In order to maintain the trust of all of our business partners and other stakeholders worldwide, it is essential for every officer and employee to recognize the importance of the historical value known as Shoji Komei (Integrity and Fairness), and to strive to practice compliance on a daily basis in order to meet the expectations of society.

In anticipation of further changes in conditions inside and outside the company, we will continue to strengthen our compliance measures, and instill a thorough awareness and knowledge of compliance throughout the entire MC Group.

April 2017
Masakazu Sakakida, Chief Compliance Officer, Mitsubishi Corporation

The following is an excerpt from the teachings of former Chairman Koyata Iwasaki at a meeting of all office general managers at headquarters in 1920, which are the basis for Shoji Komei.

September 17, 2010
Excerpt from message by then President Ken Kobayashi

Ever since I was appointed as president, I have taken every opportunity to affirm that compliance is our fundamental premise for conducting corporate business activities. Any compliance problems caused by our employees would have a tremendous impact on Mitsubishi Corporation’s reputation. In the blink of an eye, we could lose the trust that we have built up over decades. This would also have repercussions for our customers, not to mention a huge impact on the work of colleagues in the Company and our families.

Regardless of the time or place, or whether at work or in private life, please ensure that your conduct reflects good judgment as a Mitsubishi Corporation employee and as a productive member of society. Keeping the spirit of “Shoji Komei” (Integrity and Fairness) close to heart at all times, we must conduct ourselves with the utmost integrity, fairness, and dignity.

Excerpt from January 5, 2009
New Year’s Message by then President Yorihiko Koijima

Our commitment to compliance does not stop at merely following laws. It means that the MC Group must recognize its social responsibilities and fully meet the expectations of society, in order to be a corporate group that retains the trust of the public at all times. Indeed, it is in times like these that society will hold the MC Group to the highest standards.

September 30, 2002
Excerpt from message by then president Mikio Sasaki when the compliance framework was overhauled

There are two points in particular that I would like to emphasize.

The first is our obligation to maintain corporate ethics as a top priority at MC. We have set high goals under MC2003 and each BU and office is doing its utmost to achieve them. Compromising our very system of values to realize future business however, is quite simply, not an option. These goals need to be realized through skill and effort, by using our collective wisdom to strengthen the functions of our company and rebalance certain businesses. Neglecting corporate ethics in order to raise profits will never be tolerated at MC. I hope all members of the MC Group will take this message to heart and endeavor to conduct business honestly and fairly at all times.

In circumstances where you feel caught between “profits” and “ethics” and are unsure about how to proceed, please do not hesitate to consult the Compliance Officer for each Business Group or Office, the Legal Dept., or the Internal Audit Department. They are directed to provide you with every assistance in dealing with your concerns fairly.

The second point I would like to make is that as a company, we have an obligation to uphold commonsense of our society at all times. Thus, it goes without saying that illegal activities of any kind are unacceptable. However, even in cases where the actions themselves may not be against the law, we must avoid any actions that may be considered unethical or give rise to suspicion. I believe that it is possible for a company to gain a reputation of trust only through a strong awareness of the need for conduct in compliance with society’s values. Strictly adhering to social etiquette at every stage of one’s business is the only way to gain this trust. I trust each and every one of you will continue to take pride in your work and do your best to uphold the traditional values MC has long represented.

All BUs and overseas offices have been instructed to hold meetings to discuss this very important issue. In addition, it is my hope, that we will make every effort, starting immediately, to review business operations and always strive to uphold the finest reputation possible. I ask all of you to keep this issue of compliance firmly in mind as you go about your daily business.
Definition of Compliance

Mitsubishi Corporation defines compliance as observance of laws, rules, regulations, international standards and internal regulations, and respect for generally accepted standards for the conduct of business. Compliance is generally interpreted as meaning legal compliance. However, this narrow definition would exclude points 2 and 3 on the diagram to the right, and could lead to the misunderstanding that “an act is acceptable as long as the law is observed.”

In addition to 1 observance of laws and regulations, all officers and employees at the MC Group are also obliged to consider 2 observance of internal rules and regulations and 3 proper consideration for generally accepted standards for the conduct of business. Officers and employees must think at all times what these standards entail in the present-day context, as they haven’t been prescribed. Specifically, officers and employees must meet the trust and expectation of society that Mitsubishi Corporation will do what only it can. Corporate officers and employees are aware of the high expectations of society and aim to ensure the Mitsubishi Corporation Group remains a trusted company.

Code of Conduct

In September 2000, MC formulated the Mitsubishi Corporation Code of Conduct, which compiles the Three Corporate Principles, as the philosophy on compliance, and other internal rules and regulations that every officer and employee must be mindful of.

The basic policy of the Mitsubishi Corporation Code of Conduct states “All officers and employees of Mitsubishi Corporation (the “Company”) must comply with all applicable laws, rules and regulations where they operate, international standards and rules, and all internal corporate rules and policies. In addition, all officers and employees of the Company must act in a socially responsible manner by complying with the highest ethical standards in the conduct of their business.” Compliance at MC goes beyond simply complying with laws. Acts that go against generally accepted standards for the conduct of business must not be carried out even if they are not illegal. Accordingly, at the same time as prohibiting inappropriate acts and of course illegal acts specified in law, we refrain from engaging in transactions if they cannot clear certain important specified criteria.

With the goal of internally entrenching the Mitsubishi Corporation Code of Conduct, business card-sized editions have been distributed to all officers and employees. In addition to the basic principles, these cards contain the contact details for compliance helplines and mail boxes (whistleblowing system). Officers and employees are required to carry these cards at all times so that they can confirm the details whenever necessary.

Points to Observe

1. Laws and regulations, international rules
2. Internal rules and regulations, and policies
3. Proper consideration for generally accepted standards for the conduct of business

Points to Observe

1. Respect human rights, and do not discriminate on any basis, and engage in any form of harassment.
2. Maintain a high regard for environmental considerations in conducting our business operations, and ensure that our business is conducted in an environmentally sustainable manner, and comply with treaties, laws and regulations concerning the environment.
3. Promote fair business practices and comply with trade rules, regulations, and internal corporate rules and policies.
4. Comply with the rules and regulations of international trade.
5. Protect and properly use confidential and proprietary information, protect the rights of the Company and respect the rights of others.
6. Do not engage in insider trading.
7. Avoid conflicts of interest with the Company; maintain a distinction between corporate and private business.
8. Record and report accounting and financial information timely and accurately.
9. Maintain proper legal and ethical standards with respect to gifts and entertainment.
10. Resolutely oppose any organization, group or individual engaged in unlawful activities and do not provide money or other types of economic benefits to them.
11. Promptly report to or consult the superiors, the Group Compliance Officers, the Foreign Regional Compliance Officers, the relevant departments, the Secretariat for the Compliance Committee, or the outside counsel in charge of Compliance upon discovering or committing any violations of this “Code of Conduct”.

Importance of Compliance

[Diagram depicting the relationship between compliance and laws, rules, and regulations]

Mitsubishi Corporation Code of Conduct

--- Basic Policy ---

All officers and employees of Mitsubishi Corporation (the “Company”) must comply with all applicable laws, rules and regulations where they operate, international standards and rules, and all internal corporate rules and policies. In addition, all officers and employees of the Company must act in a socially responsible manner by complying with the highest ethical standards in the conduct of their business.

--- Basic Principles ---

1. Respect human rights, and do not discriminate on any basis, and engage in any form of harassment.
2. Maintain a high regard for environmental considerations in conducting our business operations, and ensure that our business is conducted in an environmentally sustainable manner, and comply with treaties, laws and regulations concerning the environment.
3. Promote fair business practices and comply with trade rules, regulations, and internal corporate rules and policies.
4. Comply with the rules and regulations of international trade.
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6. Do not engage in insider trading.
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11. Promptly report to or consult the superiors, the Group Compliance Officers, the Foreign Regional Compliance Officers, the relevant departments, the Secretariat for the Compliance Committee, or the outside counsel in charge of Compliance upon discovering or committing any violations of this “Code of Conduct”.
Mitsubishi Corporation’s Compliance Framework

Internal Regulations

In order to enhance the effectiveness of compliance, the compliance philosophy must be clarified, and a functional system and action plan are also necessary for this.

Under the Three Corporate Principles, which constitute MC’s corporate philosophy, MC has the Corporate Standards of Conduct, which regulate the company, and the Mitsubishi Corporation Code of Conduct, which regulates all officers and employees. Various rules and regulations are formulated under this conceptual framework.

At MC, important matters that are applied broadly to officers and employees on an ongoing basis in the internal control system are systematically codified as internal rules and regulations, and items that apply to the whole company are managed as Company-wide regulations.

There are various regulations governing compliance, but the main ones are listed below.

[ Main Compliance-related Internal Regulations ]

Corporate Philosophy
- The Three Corporate Principles
- Corporate Standards of Conduct
- Mitsubishi Corporation Code of Conduct

HR Management
- Office rules and regulations
- Discipline Rules

Compliance
- Basic Rules for the Organization and Implementation of Compliance
- Security Trade Control Rules and Regulations
- Trade Procedure Management Standards
- Standard for the Prevention of Cartels
- Standard for Transaction pursuant to the Law on the Prevention of Delays in the Payment of Subcontracting Charges
- Standard for the Prevention of Unreal Stock Trading
- Code of Prohibition against Impropror Payments or Other Types of Benefits
- Guidelines Concerning Entertaining and Giving Gifts to Public Officials

Corporate Standards of Conduct
1. Aims of Corporate Business Activities
2. Fairness and Integrity in Corporate Business Activities
3. Respect for Human Rights and Employees
4. Information Security and Disclosure
5. Consideration for Environmental Issues
6. Contribution to Society

Mitsubishi Corporation Code of Conduct
- “Shoki Hiko” - Corporate Responsibility to Society
- “Shoju Komai” - Integrity and Fairness = Compliance
- “Ritsujo Boso” - Global Understanding Through Business

Compliance Framework

Compliance Committee

At MC, the Compliance Committee and the Compliance Officer system play important roles in implementing compliance.

As an advisory body to the Chief Compliance Officer, the Compliance Committee prepares and disseminates information about Company-wide compliance measures. The Compliance Committee is led by the Chief Compliance Officer, who is appointed by the president, and meets twice a year, in principle. Officers and employees of MC are required to report to or consult with managers of organizational bodies if they become aware of a compliance violation or a potential compliance violation. The managers of organizational bodies must in turn report to or consult with a Compliance Officer, who is then required to report to the Chief Compliance Officer. In addition, MC has established compliance mailboxes and helplines to make it easy for officers and employees to seek advice about compliance issues.
Compliance Officer System

The Chief Compliance Officer, who is appointed by the president, is in charge of matters concerning compliance as a whole at MC, and is responsible for planning and implementing compliance-related measures. The Chief Compliance Officer also has the authority to conduct any necessary investigations if there has been a breach of compliance or possible breach and can also order the suspension or improvement of the business activities concerned.

The Head Office has appointed Compliance Officers in the eight section / groups. This structure respects the autonomy of each of these organizational bodies while ensuring compliance at the frontline of business.

There are also Compliance Officers stationed at each branch in the six regions in Japan. These Compliance Officers implement compliance activities in cooperation with the administration office of the Compliance Committee.

Furthermore, Compliance Officers have also been stationed at six overseas regions. These Compliance Officers promote compliance measures according to regional characteristics.

Mitsubishi Corporation’s Compliance Promotion Activities and Initiatives

PDCA Cycle

The aim of compliance initiatives is to instill an awareness of compliance in all officers and employees. This is achieved by repeatedly educating personnel about compliance, while using the PDCA (Plan-Do-Check-Act) cycle.

MC vigilantly monitors the social environment surrounding the company, giving the utmost consideration to the latest thinking on compliance. MC also identifies and evaluates necessary measures, referring to the Compliance Awareness Survey, the consolidated basic management checklist and case studies of reports and consultations fielded by the Administration Office on a daily basis, among other information.

In the Do step of the cycle, we conduct internal seminars for specific personnel as part of awareness-raising activities, based on identified and evaluated risks in the Plan step of the cycle. MC has a number of training programs such as for new hires, for senior management-level employees, for employees on secondment, and for employees who are scheduled to take up overseas appointments. These training programs all incorporate compliance-related seminars.

Besides this training, we also run seminars in specialist fields, including antitrust law, the Subcontract Act, and Foreign Exchange and Trade Laws. At the same time, each Overseas Regional Compliance Officer holds compliance seminars according to characteristics and needs of business groups and overseas regions.

Since the year ended March 2004, MC has asked all officers and employees to re-read the Mitsubishi Corporation Code of Conduct and submit a written commitment to it each year, as well. In the year ended March 2010, MC also launched an e-learning program. Additionally, MC has prepared a Compliance Case Study Q&A (Japanese only), with the aim of reminding people of easily misunderstood situations in daily operations and daily life. This has been distributed as a booklet.

Compliance Committee (Administration office: Legal Dept., Compliance Administration Office)

- Plan, implement and evaluate compliance initiatives under the Chief Compliance Officer
- Implement process management through twice-yearly regular meetings of the Compliance Committee, hold extraordinary meetings to study responses to individual cases as necessary
- Coordinate compliance functions among other divisions

Social environment and trends

Process management

Feedback

Plan

Risk identification and evaluation

Control activity

Monitoring and audits

Compliance process

Management by PDCA cycle

Check

Reflection of monitoring and individual case analysis results in risk identification and evaluation

Individual cases

Review of initiative examples

Review of initiative examples

Do

Control activity: Seminars (approx. 500 times/year)

Manager programs of risk identification and evaluation

Formalization of internal control regulations

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In other areas, MC conducts Compliance Discussions at each workplace to provide an opportunity for personnel to discuss compliance issues that could arise in the workplace. The intent is to encourage officers and employees to increase their awareness of compliance and see it as a priority that is relevant to their duties. Together with reinforcing compliance knowledge acquired through seminars, these discussions are used to boost compliance awareness.

Activities to Prevent Corruption

Following the amendment of Japan’s “Unfair Competition Prevention Act,” by which the bribery of foreign public officials was made illegal, in 1998 MC established the “Code of Prohibition against Improper Payments or Other Types of Benefits” in order to prevent the provision of such benefits to public officials, etc., and so as to not invite external suspicion or mistrust. Furthermore, in 2002, MC established a strict anti-corruption system by setting specific guidelines regarding the provision of entertainment or gifts to public officials, etc., and regarding the appointment of agents, etc. MC has further committed to build and operate an environment surrounding our business, the MC Group will continue to focus on our anti-corruption efforts and strive to prevent corruption.

In step with the expansion of MC’s business activities on a consolidated and global basis, MC has enlarged the scope of the various compliance measures from MC to Group companies in Japan and abroad as well as overseas staff members. As a cohesive group with expansive operations around the world, the MC Group works continuously to strengthen compliance activities, while linking individual measures in this way.

Compliance Awareness Survey

This survey assesses the degree of penetration of compliance awareness and the ethics environment in the workplace, and the results are used in planning and enacting compliance initiatives at MC. Outside experts are employed to carry out the survey in order to analyze and evaluate the survey results in comparison with other companies. MC conducted the survey at MC in the fiscal years ended March 2009 and 2015. MC Group companies began conducting the survey in the fiscal year ended March 2010, and have conducted the survey every fiscal year thereafter. While in the first fiscal year, 39 Group companies participated in the survey, in the fiscal year ended March 2017, that number had increased to 55 companies.

This survey is viewed as an important initiative for assessing and evaluating the current status of the Company because it can confirm compliance awareness penetration and the ethical environment in the workplace at the individual officer and employee level. In practice, some of the participating companies conduct surveys only after a certain period of time has passed since the previous survey. These companies implement measures to surmount issues identified by the previous survey, and conduct a follow-up survey to confirm the effectiveness of those measures.

[ Overview of Awareness Survey Implementation at Group Companies ]

<table>
<thead>
<tr>
<th>Implementation frequency</th>
<th>Once or twice a year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation body</td>
<td>A specialist survey company is used to ensure anonymity and obtain comparisons with other companies</td>
</tr>
<tr>
<td>Survey method</td>
<td>Officers and employees access a website created by the specialist survey company using a URL sent by email by the Compliance Administration Office. The survey takes between 10 and 15 minutes to complete.</td>
</tr>
<tr>
<td>Scope</td>
<td>Officers and employees of Group companies (including seconded personnel from MC)</td>
</tr>
</tbody>
</table>

Compliance-related In-house Seminars

In-house seminars play an important role in ensuring compliance awareness. MC runs in-house training programs on a Company-wide basis according to level in the organization.

Compliance-related training was offered on individual topics such as antitrust laws, the Subcontract Act, anti-bribery laws, and labor management. Furthermore, seminars are held for each business group and region according to business group and regional characteristics.

Just holding seminars as a formality is not enough to ensure effective compliance, however. Given the extremely broad and varied scope of instances of enforcement within those nations. In 2015, MC established and published “Mitsubishi Corporation’s Anti-Corruption Guideline” in order to inform its business partners of MC’s fundamental approach to the prevention of corruption. In 2016, in order to prevent officers and employees of MC Group from becoming involved in corruption, MC published and distributed “Anti-Corruption Handbook,” which summarized the relevant anti-corruption regulations in Japan and other major countries, recent occurrences of corruption, and MC’s efforts to prevent corruption.

By considering changes, etc., in the environment surrounding our business, the MC Group will continue to focus on our anti-corruption efforts and strive to prevent corruption.

In other areas, MC conducts Compliance Discussions at each workplace to provide an opportunity for personnel to discuss compliance issues that could arise in the workplace. The intent is to encourage officers and employees to increase their awareness of compliance and see it as a priority that is relevant to their duties. Together with reinforcing compliance knowledge acquired through seminars, these discussions are used to boost compliance awareness.
In January 2005, MC prepared a Code of Conduct Q&A Booklet to encourage officers and employees to notice compliance problems in the course of daily operations and daily life, and to correctly understand the relevant laws and regulations and internal rules. The booklet was distributed to all MC officers and employees.

In light of subsequent developments in society, and to reflect cases for which larger numbers of inquiries were received internally, MC prepared and distributed a new Compliance Case Study Q&A Booklet. This new booklet was prepared and distributed to officers and employees of MC Group companies in April 2013, and officers and employees of MC in November 2013. Because the booklet looks at case studies of issues that could arise in familiar situations, it is used widely by individual members of the MC Group as a guide for their conduct.

Compliance Discussions

To rigorously enforce compliance, every officer and employee must be strongly aware of compliance, incorporating this awareness into their actions on a daily basis and reflecting on their conduct at times. MC has therefore been conducting compliance discussions since the fiscal year ended March 2014 to encourage personnel to discuss compliance issues in each workplace. The discussions look at case studies of compliance issues that could actually occur in daily operations and daily life. The participants examine where problems lie and how personnel should respond if a problem occurs.

These discussions represent a type of workplace improvement activity, so to speak, focused on compliance aspects. These activities allow members of a workplace to take time out of their busy schedules to get together and discuss a single theme. In doing so, they are able to recognize problems that might have gone unnoticed until then. This leads to a willingness to promptly consult with others on any problems that might arise, without suffering in silence, and to solve each problem. For this reason, MC believes that these discussions will enhance compliance awareness and help to create better workplaces.

Code of Conduct Q&A Booklet

In January 2005, MC prepared a Code of Conduct Q&A Booklet to encourage officers and employees to notice compliance problems in the course of daily operations and daily life, and to correctly understand the relevant laws and regulations and internal rules. The booklet was distributed to all MC officers and employees. In light of subsequent developments in society, and to reflect cases for which larger numbers of inquiries were received internally, MC prepared information and exchanging views, and for incorporating the latest thinking on compliance as fast as possible.

e-Learning

Every year since the year ended March 2004, MC has required all officers and employees to sign a written commitment to the Mitsubishi Corporation Code of Conduct. The aim of this is to encourage all officers and employees to re-read the Code at least once a year and reflect on their conduct.

In the year ended March 2010, MC launched an e-learning program where participants answer case study questions related to the provisions of the Code. Officers and employees must re-read the Code to answer the questions, thereby providing an opportunity for them to reaffirm Mitsubishi Corporation’s stance on compliance.

MC has been making improvements to ensure the effective and efficient implementation of e-learning. From the fiscal year ended March 2013, MC integrated e-learning programs in related fields that had been overseen by multiple internal divisions. MC also initiated the simultaneous implementation of e-learning programs in crucial areas such as the antitrust law.

From the fiscal year ended March 2012, MC started conducting these e-learning programs at domestic Group companies. In the fiscal year ended March 2017, the number of companies participating in e-learning programs reached 100. Furthermore, the e-learning material has been translated into English and supplied to overseas regions. It is being used extensively in overseas regions as training material. In addition, MC has been implementing original e-learning for each overseas region. In this manner, e-learning is going a long way to enhancing the MC Group’s compliance knowledge and awareness on a consolidated and global basis.

Compliance Case Study Q&A Booklet for MC Group companies (issued April 2013)
Compliance Case Study Q&A Booklet for MC Group companies (issued November 2013)
Whistleblowing System

As a rule, officers and employees should consult with their superior or jurisdictional Compliance Officer about compliance-related questions and problems. However, MC has also established "compliance mail boxes" as an alternative means for reporting and consulting on compliance-related matters. This is an important initiative for enabling frontline employees to directly report to and seek advice from the Compliance Administration Office by telephone, e-mail or other means, without going through their supervisor.

Officers and employees who wish to remain anonymous may also contact outside legal counsel. While outside legal counsel will confirm the person to the Compliance Administration Office without the informant’s consent.

There is also a compliance mailbox for MC Group company officers and employees. Here, legal counsel to the informant with their superior or jurisdictional Compliance Officer or the Compliance Administration Office safeguards the rights of the informant and strictly prohibits any disadvantageous treatment of the informant by relevant parties.

The compliance mail boxes have been used as a safe point of contact since they were established in 2001.

Response to Individual Cases

Besides planning and implementing the various compliance-related initiatives explained thus far, responding to individual cases that arise in the course of daily operations is also an important compliance promotion activity.

Officers and employees who become aware of a violation or potential violation concerning compliance are obliged to report immediately to their supervisor or other relevant party, including a Compliance Officer. The supervisor then reports to the Compliance Officer, and the violation is finally reported to the Chief Compliance Officer through the administration office for the Compliance Committee.

Compliance officers conduct the necessary investigation of the reported matter, mindful of not harming the human rights or dignity of interested parties. The findings are reported to the Chief Compliance Officer, and measures are planned and implemented to prevent a recurrence. Furthermore, cases of violations and the status of resolutions reported to the Chief Compliance Officer, including cases for which reports or notifications have been received from Group companies, are periodically reported to the Audit & Supervisory Board Members.

Through this series of steps, MC responds to individual cases while utilizing the PDCA cycle.

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<th>Column</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Violation</td>
<td>Report</td>
<td>Notification of violation</td>
<td>Investigation and response</td>
<td>Disciplinary consideration</td>
<td>Disciplinary proceedings</td>
</tr>
</tbody>
</table>

- Employees who are aware of a violation or potential violation must promptly report to or consult with their supervisor, person in charge of compliance (Group Compliance Officer, Domestic Branch Compliance Officer, or Foreign Regional Compliance Officer), the relevant department, the administration office for the Compliance Committee, or the outside counsel in charge of compliance (compliance mail box) (Basic Principle 11, Mitsubishi Corporation Code of Conduct).
- In the event that the Head or Corporate Department in charge of the receipt of Compliance consultations (the "Receiving Department") receives any report, information or consultation regarding conduct that violates Compliance or is suspected of violating Compliance, the Head and the Receiving Department shall immediately deliver such report or consultation to the Responsible Compliance Officer (with a copy to the Administration Office of Compliance Committee).
- The Administration Office for the Compliance Committee shall report to the Chief Compliance Officer.
- The Compliance Officer shall conduct necessary investigations concerning the reported matter with due regard and consideration so that the investigation does not violate the human rights and dignity of the relevant person.
- In cases involving multiple Compliance Officers, the related Compliance Officers will decide among themselves who will lead the investigation.
- The Compliance Officer shall report the results of the investigation to the Chief Compliance Officer, and develop and implement a plan to prevent recurrence of any violation. In the event of a compliance violation, the Compliance Officer shall report to the General Manager of the Human Resources Management Dept. in accordance with the Code of Discipline in the event of a compliance violation.
- The General Manager of the Human Resources Management Dept. will in principle request a Compliance Officer to conduct an investigation and furnish a report if an employee(s) is deemed to have breached Work Regulations or similar after a review of the Compliance Officer’s report and other information. Furthermore, the General Manager of the Human Resources Management Dept. shall examine the case reported by the Compliance Officer, and request an additional investigation or conduct his/her own investigation if necessary. (Discipline Rules 2 (1) a. and b.)
- After the investigation is completed, the General Manager of the Human Resources Management Dept. will in principle convene an Investigation and Coordination Committee to discuss the need for disciplinary action, type of action and preventative measures. Based on the outcome of these discussions, the General Manager of the Human Resources Management Dept. will report to the Corporate Functional Officer (Human Resources) on the need for disciplinary action and type of action. (Discipline Rules 2 (1) c. and d.)
Closing Note

Compliance is by no means a new subject for any company. It is sometimes stressed as a company’s defensive mechanism for preventing damage to corporate value. However, the observance of laws and regulations, respect for generally accepted standards for the conduct of business and contribution to society are only natural for a company to fulfill its corporate social responsibility. The MC Group has formulated and implemented various compliance initiatives based on legislative amendments and changes in the social environment, while adhering to its corporate philosophy enshrined in the Three Corporate Principles. And all officers and employees have made concerted efforts together to conduct compliance activities. From the MC Group’s standpoint, compliance is a never-ending endeavor in order to respond to and address a constantly changing legal and social environment.

An important aspect of compliance is to repeat compliance activities day in and day out at the frontlines of business operations. All officers and employees, including senior management, must be attuned to legislative amendments and changes in the social environment and share an awareness and knowledge about compliance in order to prevent compliance violations from arising. And should a violation arise, they must sincerely respond to society’s demands and take steps to prevent a reoccurrence of the violation. The never-ending compliance process should help ensure the sustainability of the Company and improve corporate value.

Compliance Chronology (Reference)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>August 1994</td>
<td>Formulated Standard for the Prevention of Cartels</td>
</tr>
<tr>
<td>March 1998</td>
<td>Formulated Code of Prohibition against Improper Payments or Other Types of Benefits</td>
</tr>
<tr>
<td>April 1999</td>
<td>Formulated the Business Ethics Committee and appointed executive in charge of business ethics</td>
</tr>
<tr>
<td>September 2010</td>
<td>(1) Formulated Code of Conduct</td>
</tr>
<tr>
<td></td>
<td>(2) Introduced Compliance Officer post</td>
</tr>
<tr>
<td></td>
<td>Appointed Chief Compliance Officer, under which Compliance Officers were appointed in all business groups, the Corporate Staff Section, domestic branches and overseas regions.</td>
</tr>
<tr>
<td>Since 2001</td>
<td>Convened the Compliance Committee (regular committee meetings have been held twice a year since)</td>
</tr>
<tr>
<td>November 2001</td>
<td>Established compliance mail boxes (helplines) in the administration office for the Compliance Committee and outside legal counsel.</td>
</tr>
<tr>
<td>September 2002</td>
<td>Clear message sent by the president to all employees about compliance</td>
</tr>
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<td></td>
<td>Excerpts from the message: “The first is our obligation to maintain corporate ethics as a top priority at MC. The second point I would like to make is that as a company, we have an obligation to uphold commonsense of our society at all times. In addition, it is my hope, that we will make every effort to review business operations (from a compliance perspective) and always strive to uphold the finest reputation possible.”</td>
</tr>
<tr>
<td>September 2002</td>
<td>Decided and announced the following measures relating to ODA (Official Development Assistance) projects</td>
</tr>
<tr>
<td></td>
<td>(1) Consolidate ODA projects in the organization with direct jurisdiction of officers in each business group and promote projects in conformity with the purport of international cooperation without setting profit targets.</td>
</tr>
<tr>
<td></td>
<td>Q ODA projects cannot be executed only on the basis of a decision by a BU manager; the opinion of the business group Compliance Officer and person responsible for audits must be sought.</td>
</tr>
<tr>
<td>November 2002</td>
<td>(1) Strengthened the structure of the Compliance Committee Administration Office</td>
</tr>
<tr>
<td></td>
<td>(2) Established and amended internal rules and regulations governing entertainment, etc. of public officials—Formulated the Code of Prohibition against Improper Payments or Other Types of Benefits, etc.</td>
</tr>
<tr>
<td></td>
<td>(3) Established the Internal Audit Dept. front page, as well as the Internal Audit Dept. compliance mail box and helpline</td>
</tr>
<tr>
<td>April 2003</td>
<td>Required all officers and employees to sign a written commitment to the Code of Conduct for the first time</td>
</tr>
<tr>
<td>January 2004</td>
<td>Established the Basic Rules for the Organization and Implementation of Compliance</td>
</tr>
<tr>
<td>January 2005</td>
<td>Prepared and distributed the Mitsubishi Corporation Code of Conduct Q&amp;A Booklet</td>
</tr>
<tr>
<td>February 2005</td>
<td>Established a common outside legal counsel compliance mail box for all domestic subsidiaries (MC Group legal counsel mail box)</td>
</tr>
<tr>
<td>March 2006</td>
<td>Introduced mail box (helpline) to Audit &amp; Supervisory Board Members</td>
</tr>
<tr>
<td>March 2007</td>
<td>Obtained a written commitment to observe the Code of Conduct from all officers and employees</td>
</tr>
<tr>
<td>April 2008</td>
<td>Established the Compliance Dept.</td>
</tr>
<tr>
<td></td>
<td>Conducted compliance risk analysis</td>
</tr>
<tr>
<td>June 2008</td>
<td>Obtained a written commitment to observe the Code of Conduct from all officers and employees</td>
</tr>
<tr>
<td>January 2009</td>
<td>Conducted a Compliance Awareness Survey</td>
</tr>
<tr>
<td>(Conducted at MC Group companies in July, and every fiscal year thereafter)</td>
<td></td>
</tr>
<tr>
<td>January 2010</td>
<td>Obtained a written commitment to the Code of Conduct and launched an e-learning program (run every fiscal year since)</td>
</tr>
<tr>
<td>June 2011</td>
<td>Launched an e-learning program for MC Group companies (run every fiscal year since)</td>
</tr>
<tr>
<td>April 2012</td>
<td>Re-established the Administration Office for Compliance Committee in the Legal Dept.</td>
</tr>
<tr>
<td>April 2013</td>
<td>Prepared and distributed the MC Group Compliance Case Study Q&amp;A Booklet</td>
</tr>
<tr>
<td>October 2013</td>
<td>Launched Compliance Discussions (run every fiscal year since)</td>
</tr>
<tr>
<td>November 2013</td>
<td>Prepared and distributed the MC Compliance Case Study Q&amp;A Booklet</td>
</tr>
<tr>
<td>July 2014</td>
<td>Conducted a Compliance Awareness Survey</td>
</tr>
<tr>
<td>December 2013</td>
<td>Established and published the Mitsubishi Corporation’s Anti-Corruption Guideline</td>
</tr>
<tr>
<td>May 2016</td>
<td>Launched the LUKS (Let Us Know System), a specialized Group-wide global whistleblowing system for antitrust law and anti-bribery law</td>
</tr>
<tr>
<td>October 2016</td>
<td>Prepared and distributed “Anti-Corruption Handbook”</td>
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