MC Shared Value Creation Forum

~ ESG Briefing ~

March 1, 2023
Katsuya Nakanishi
Representative Director, President and CEO
Our Corporate Philosophy: “The Three Corporate Principles”

Corporate Responsibility to Society
“Shoki Hoko”
Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

Integrity and Fairness
“Shoji Komei”
Maintain principles of transparency and openness, conducting business with integrity and fairness.

Global Understanding Through Business
“Ritsugyo Boeki”
Expand business, based on an all-encompassing global perspective.

(The modern day interpretation of the Three Corporate Principles, as agreed on at the Mitsubishi Kinyokai meeting of the companies that constitute the so-called Mitsubishi group in January 2001.)
Midterm Corporate Strategy 2024
Positioning of Materiality in Our Growth Strategies

Creating MC Shared Value (MCSV)

Materiality
- Contributing to Decarbonized Societies
- Conserving and Effectively Utilizing Natural Capital
- Promoting Stable, Sustainable Societies and Lifestyles
- Addressing Regional Issues and Growing Together with Local Communities
- Utilizing Innovation to Address Societal Needs
- Respecting Human Rights in Our Business Operations

Midterm Corporate Strategy 2024
- 10 Business Groups × Industry DX Group × Next-Generation Energy Business Group
- Utilizing Integrated EX/DX Initiatives Value-Added Cyclical Growth Model

Continuous Creation of MCSV

Management Capital
- Human Capital, etc.

Materiality
- Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce
- Realizing a Highly Transparent and Flexible Organization

The Three Corporate Principles
- Corporate Governance
- Human Capital, etc.
- Realizing a Highly Transparent and Flexible Organization

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Midterm Corporate Strategy 2024
Addressing Materiality in Our Growth Strategies (Scale of Investment)

We are striving to “Realize a Carbon Neutral Society and Enrich Society Both Materially and Spiritually”, as laid out in our Materiality, by investing 3 trillion yen (including around 1.2 trillion yen in EX-related and around 0.8 trillion yen in DX/Growth-related Investment areas) during Midterm Corporate Strategy 2024 and promoting initiatives in EX/DX-related fields, etc.

- **EX-related**
  - Copper
  - Natural Gas
  - New Decarbonization Technologies (DAC, CCUS, etc.)
  - Battery Materials/Bauxite, etc.

- **DX/Growth-related Investment**
  - Supply Chain Optimization (Conserving Energy, Reducing Food Loss, etc.)
  - Smart City Operation (Local Production of Energy for Local Consumption, etc.)
  - Regional Infrastructure Development
  - Cross-Industry Digital Ecosystems

- **Maintain/Expand Earnings Base**
  - Metallurgical Coal
  - Food
  - Automobiles

**Scale of Investment:**
- **FY2022-FY2024**
  - Approx. 1.2 Trillion Yen
  - Approx. 0.8 Trillion Yen
  - Approx. 1 Trillion Yen

**Key Relevant Material Issues**
- Promoting Stable, Sustainable Societies and Lifestyles
- Conserving and Effectively Utilizing Natural Capital
- Contributing to Decarbonized Societies
- Utilizing Innovation to Address Societal Needs
- Addressing Regional Issues and Growing Together with Local Communities

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Midterm Corporate Strategy 2024
Addressing Materiality in Our Growth Strategies (EX Strategy)

We are strengthening the framework for promoting our EX Strategy by establishing the Next-Generation Energy Business Group and will proceed to implement related initiatives.

EX Strategy Promotion Framework
Advancing our EX Strategy while promoting coordination between the Next-Generation Energy Business Group and related Business Groups, under the SEVP for Energy Transformation.

New Business Group
Next-Generation Energy Business Group
• Hydrogen
• Ammonia Fuel
• Carbon Management
• Infrastructure Development, etc.

Business Groups
Natural Gas
• LNG Business, etc.
Mineral Resources
• Copper/Lithium, etc.
Power Solution
• Renewable Energy, etc.

Other Business Groups Also Work to Advance EX Strategy

Image of EX-related Earnings
Pipeline of New Investments with Approx. 200 EX-related Projects

Successively Execute Carefully Selected Projects
• Offshore Wind Power, etc.
• Commencement of Production at Copper Mine Under Development
• Expansion of Existing LNG Projects

Earnings from New Investments
Earnings from Committed Investments
Existing Investments
FY2022 FY2030 FY2040

Pipeline of New Investments with Approx. 200 EX-related Projects

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Midterm Corporate Strategy 2024
Addressing Materiality in Our Growth Strategies (Regional Revitalization)

- We have reframed the various challenges faced by regional communities as business opportunities and will realize regional revitalization through integrated EX/DX initiatives that leverage our collective capabilities.
- A sample case, based on Japan, is shown below. We will seize business opportunities in the future by developing projects overseas, where regions are likely to face similar challenges.

<table>
<thead>
<tr>
<th>Changes in Society/Industry</th>
<th>Carbon Neutrality (CN)</th>
<th>Digitalization</th>
<th>Technological Innovation</th>
<th>Changing Values/Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significance of Efforts</td>
<td>Strive to develop revenue streams and fulfill our goal of addressing national/regional issues through proactive involvement in the transformation of society/industry, while leveraging our strengths/competitive edge in the Japanese market, where we have far-reaching connections in many industries and an established business base.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Opportunities</td>
<td>Growing Momentum for Industry Creation and Restructuring</td>
<td>Expectations for Addressing Economic Security</td>
<td>Need for Highly Productive/Convenient Services</td>
<td></td>
</tr>
<tr>
<td>MC’s Strategic Options</td>
<td>Creation of New CN Industries</td>
<td>Renewable Energy/Promotion of Farming &amp; Fisheries</td>
<td>Development of Wider Area Services</td>
<td></td>
</tr>
<tr>
<td>Address Issues</td>
<td>Stimulate Regional/National Economy</td>
<td>Increase Energy/Food Self-Sufficiency</td>
<td>Improve Quality of Life for Residents</td>
<td></td>
</tr>
</tbody>
</table>

Contribute to “Regional Revitalization” Through Our Business with a Focus on Profitability (Realizing Triple-Value Growth)

- Foster Self-sustained, Decentralized Communities
- Attract Companies Through the Creation of New Industries
- Enhance Services for Residents
- Increase Population, Employment and Tax Revenue
- Restore a Strong, Prosperous Japan Overseas Development
Midterm Corporate Strategy 2024
Addressing Materiality in Our Growth Strategies (Progress Report)

EX Related
- Participation in Breakthrough Energy Catalyst (BEC)
- Commencement of Production at Quellaveco Copper Mine Project in Peru (Around 300,000 Tons)
- Awarded Three Offshore Wind Power Projects (Total 1,740 MW) in Japan (Akita and Chiba Prefectures)
- Awarded Hollandse Kust West Site VI Offshore Wind Farm (760 MW) in the Netherlands
- Studying/Promoting Projects Involving Renewable Energy/Electrification/Natural Gas/Next-Generation Energy (Green/Blue Hydrogen, Ammonia, SAF, CCS, etc.)

DX Related
- Launch of Food Distribution DX Initiatives at Mitsubishi Shokuhin Distribution Centers
- Participation in Warehouse Industry DX Initiatives Utilizing Robots
- Launch of Self-Driving EV Pilot Project in Urban Development Project (BSD City in Greater Jakarta)
- Introduction of Autonomous Trucks and Drilling Equipment at Mining Projects

Creating a New Future Regional Revitalization
- Commencement of Land-Based Salmon Farming Business (Nyuzen Town, Toyama Prefecture)
- Introduction of AI-Based On-Demand Bus System in Nine New Regions
- Signing of Partnership Agreements on Regional Development with Three Municipalities (Kurashiki City, Yatsushiro City and Nasushiobara City)
- Establishment of New Branch Offices in Japan for the First Time in 35 Years (Akita and Choshi Branches)
Further Strengthening Stakeholder Engagement

- In order to increase corporate value, it is essential to grow together and collaborate with diverse stakeholders as a company with connections to a wide-range of countries and industries.
- We will strive to increase corporate value through the creation of MCSV and achieve sustainable growth together with society by incorporating third-party perspectives into our business strategies through stakeholder engagement.
Initiatives Focused on “Realizing a Carbon Neutral Society”

Senior Vice President
Kenji Kobayashi
Chief Stakeholder Engagement Officer (CSEO)
Initiatives Focused on “Realizing a Carbon Neutral Society”

- We are proceeding with decarbonizing and reinforcing our portfolio in line with efforts to create MC Shared Value (MCSV).

**Scope1/2 & Scope 3 Category 15 Avoided Emissions**
- “Roadmap to a Carbon Neutral Society” Formulated in October 2021
- Halve by FY2030 (FY2020 Baseline)
- Net Zero by 2050

**Classification of Businesses (MC Climate Taxonomy)**

**Analysis of Business Environment**
- (1.5°C Scenario Analysis)

**Incorporation into Business Strategies**
- (Transform Discussions/ Business Strategy Committee)

**Investment Screening**
- (Evaluation of New Investments Using Assumptions Under Decarbonization Scenarios)

**Renewable Energy**
- Next-Generation Energy (Hydrogen/Ammonia)
- Base Metals/ Rare Metals

**Internal Mechanisms**

**EX / DX Initiatives**

**Scope 3 Category 11 Emissions Disclosure**
- New Disclosure
  - FY2021 Results: 380 Million Tons
    - "Transform" Businesses: 140 Million Tons
    - "White" Businesses: 240 Million Tons

**Avoided Emissions**
- Scope 1/2 & Scope 3 Category 15

**Emissions Disclosure**
- Rebalance “Transform” and “Green” Businesses across Our Portfolio

**“Roadmap to a Carbon Neutral Society”**
- Formulated in October 2021
- Halve by FY2030 (FY2020 Baseline)
- Net Zero by 2050

**New Disclosure**
- FY2021 Results: 380 Million Tons
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**“Transform” and “Green” Businesses across Our Portfolio**
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**"Roadmap to a Carbon Neutral Society"**
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**New Disclosure**
- FY2021 Results: 380 Million Tons
  - "Transform" Businesses: 140 Million Tons
  - "White" Businesses: 240 Million Tons
Starting Point for Our Internal Mechanisms: MC Climate Taxonomy

- We have classified each of our approximately 130 business units as “Green”, “Transform” or “White” businesses, based on factors such as GHG emissions volumes and barriers to GHG emissions reduction, in accordance with the MC Climate Taxonomy.
- All climate initiatives are applied in accordance with the MC Climate Taxonomy.

**MC Climate Taxonomy**

- **Green**
  - Promote/Support Emission Reductions
  - Growth Expected in Decarbonized Society
  - High GHG Emissions/ Large Barriers to GHG emissions reduction
  - Own Fossil Fuel Related Assets

- **Transform**
  - Renewable Energy
  - Green Hydrogen
  - Natural Gas
  - Metallurgical Coal
  - Food Logistics
  - Urban Development

- **White (Other)**
  - None of the Above Apply

**Initiatives Implemented in Accordance with MC Climate Taxonomy**

- 1.5°C Scenario Analysis
- Transform Discussion
- Investment Planning in Accordance with GHG Reduction Plans
- Evaluations of New Investment Using Assumptions Under Decarbonization Scenario
Analysis of Business Environment (1.5°C Scenario Analysis)

- In FY2018, MC began to conduct business resilience assessments in line with the TCFD recommendations. In FY2021, we conducted a 1.5°C scenario analysis using the International Energy Agency’s Net Zero Emissions by 2050 scenario (IEA NZE).
- In FY2022, we sought to enhance our 1.5°C scenario analysis, adding a quantitative perspective by supplementing data not included within the IEA NZE.

### Previous Thinking

The IEA NZE does not specify data on certain products.

This presents difficulties in implementing/disclosing an impact assessment of the effect of the transition to a decarbonized society on MC’s business based on a 1.5°C scenario.

### New Initiatives in FY2022

Conducted a quantitative analysis by devising a 1.5°C scenario supplemented with more granular data having integrated core macro data and the IEA NZE.

Businesses Selected for Scenario Analysis:

- Natural Gas/LNG
- Metallurgical Coal
- Renewable Energy

For details on analysis results, refer to the attached “1.5°C Scenario Analysis – Details” as well as MC’s Sustainability Website.
Progress on Reducing Emissions for Scope 1/2 and Scope 3 Category 15

- We established GHG reduction targets for Scope 1/2 and Scope 3 Category 15, specifically “Halve by FY2030 (FY2020 baseline) and Net Zero by 2050”, in MC’s “Roadmap to a Carbon Neutral Society”, formulated in October 2021.
- We confirm short and mid-term GHG reduction plans when formulating investment plans through “Investment Planning in Accordance with GHG Reduction Plans”, an internal mechanism announced in Midterm Corporate Strategy 2024.

Company-Wide GHG Emissions Reduction Targets and Progress

- **FY2020** (Baseline)
- **2021 Results**
- **2030 Target**
- **2050 Target**

- **2,530**
- **2,285**

Halve

Portion Corresponding to Scope 3 Category 15 (Investments)

Net Zero

Breakdown by Business Group

<table>
<thead>
<tr>
<th>Business Groups</th>
<th>FY2021 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>317</td>
</tr>
<tr>
<td>Industrial Materials</td>
<td>41</td>
</tr>
<tr>
<td>Petroleum &amp; Chemicals Solution</td>
<td>122</td>
</tr>
<tr>
<td>Mineral Resources</td>
<td>320</td>
</tr>
<tr>
<td>Industrial Infrastructure</td>
<td>13</td>
</tr>
<tr>
<td>Automotive &amp; Mobility</td>
<td>14</td>
</tr>
<tr>
<td>Food Industry</td>
<td>143</td>
</tr>
<tr>
<td>Consumer Industry</td>
<td>24</td>
</tr>
<tr>
<td>Power Solution</td>
<td>1,289</td>
</tr>
<tr>
<td>Urban Development</td>
<td>2</td>
</tr>
</tbody>
</table>

Total 2,285

▶ See MC’s Sustainability Website for details.
Scope 3 Category 11 Emissions

- MC has newly disclosed Scope 3 Category 11 emissions, which account for the majority of MC’s Scope 3 emissions.
- Because Scope 3 emissions, including Category 11, are generated by other companies, MC will need to work with a wide range of partners throughout its supply chains to tackle the societal challenge of reducing Scope 3 emissions.
- We will tackle this through integrated EX/DX initiatives (e.g. supply of renewable energy, next-generation energy, climate technology investments through Breakthrough Energy Catalyst, etc.), and will collaborate with various stakeholders to achieve decarbonization of social and economic activities.

**Breakdown According to MC Climate Taxonomy**

- Transform (Metallurgical Coal Production, Natural Gas Production and Liquefaction, etc.)
- White (Fossil-fuel Trading, EPC (Engineering, Procurement and Construction), Automobile Sales, etc.)

**Breakdown by Business Group**

<table>
<thead>
<tr>
<th>Business Group</th>
<th>FY2021 Results</th>
<th>Main Businesses Responsible for Scope 3 Category 11 Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>11,141</td>
<td>Natural Gas Production and Liquefaction, Natural Gas and LNG Trading</td>
</tr>
<tr>
<td>Industrial Materials</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>Petroleum &amp; Chemicals Solution</td>
<td>4,130</td>
<td>Petrochemical Products Trading</td>
</tr>
<tr>
<td>Mineral Resources</td>
<td>9,407</td>
<td>Metallurgical Coal Production, Mineral Resources Trading</td>
</tr>
<tr>
<td>Industrial Infrastructure</td>
<td>8,847</td>
<td>EPC (Engineering, Procurement, and Construction)</td>
</tr>
<tr>
<td>Automotive &amp; Mobility</td>
<td>3,009</td>
<td>Automobile Sales</td>
</tr>
<tr>
<td>Food Industry</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>Consumer Industry</td>
<td>436</td>
<td></td>
</tr>
<tr>
<td>Power Solution</td>
<td>898</td>
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<tr>
<td>Urban Development</td>
<td>24</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>38,125</strong></td>
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</table>
Contributing to a Decarbonized Societies through “Integrated EX/DX Initiatives”

Avoided Emissions

- We have decided to newly disclose “avoided emissions” as one expression of MC Shared Value. This will be utilized as a quantitative indicator to measure the degree of contribution we are making to GHG emissions reductions as well as the extent to which we are capturing business opportunities in the transition to a decarbonized society.
- We will contribute to global decarbonization by promoting integrated EX/DX initiatives such as renewable energy and supply chain optimization.

Reducing GHG Emissions Throughout Society

Examples
- Aluminum Supply: Approx. 6 Million Tons
- Copper Supply: Approx. 30 Million Tons
- Renewable Energy Business: Approx. 4.5 Million Tons

Key Businesses and Growth Drivers to create Avoided Emissions

- CCUS and Next-Generation Energy Business Initiatives
- Supply of Materials Necessary for Electrification and Weight Reduction
- Next-Generation Energy and Materials Development
- Supply of Metal Resources Essential for Decarbonization
- Development and Construction of Low-Carbon and Decarbonized Infrastructure/Transportation Logistics
- Expansion of Sales of Next-Generation Vehicles
- Manufacturing and Logistics Chain Optimization
- Food Distribution Chain Optimization
- Creation and Supply of Renewable Energy
- Smart City Development and Operations/Financial Businesses Contributing to Carbon Reduction and Decarbonization
EX Businesses Contributing to Avoided Emissions (1)

- We continue to develop a base of high-quality projects through the expansion of our renewable energy business and initiatives focused on base metals that underpin electrification.

**Offshore Wind Power Projects in Japan and Overseas**

- Aiming to double our renewable power capacity by FY2030.
- Having been awarded three offshore wind power projects in Japan in 2021 (contributing future CO₂ reductions of 2.4 million tons), and the Hollandse Kust West Site VI project in the Netherlands in 2022 (contributing future CO₂ reductions of around 1.2 million tons), MC will continue to make progress toward building a portfolio to meet this target.
- We plan to develop future projects that use offshore wind power to produce green hydrogen.

- **490 MW**
  - Off the Coast of Noshiro City, Mitane Town and Oga City, Akita Pref.
  - Scheduled Start of Operations: Dec. 2028

- **850 MW**
  - Off the Coast of Yurihonjo City, Akita Pref.
  - Scheduled Start of Operations: Dec. 2030

- **400 MW**
  - Off the Coast of Choshi City, Chiba Pref.
  - Scheduled Start of Operations: Sep. 2028
EX Businesses Contributing to Avoided Emissions (2)

- We continue to develop a base of high-quality projects through the expansion of our renewable energy business and initiatives focused on base metals that underpin electrification.

Commencement of Production at Quellaveco Copper Mine Project in Peru

- Production commenced in 2022. Total development cost for MC was approx. US$2.2 billion.
- Our copper equity production volume, including that from Quellaveco, exceeds 250,000 tons per year. After the full-scale launch of Quellaveco, this figure is expected to increase to approx. 320,000-370,000 tons (equivalent to the amount of copper used to produce approx. 8-10 million electric vehicles).
- We will continue to secure and provide a stable supply of copper, an essential resource for supporting the progress of electrification and the spread of electric vehicles.

Two Major Sources of Increasing Demand

1. Offshore Wind Power Generation
2. EVs
Human Rights and Supply Chain Management
Senior Vice President
Kenji Kobayashi
Chief Stakeholder Engagement Officer (CSEO)

Maximizing the Value of Our Human Capital
Executive Vice President
Yutaka Kashiwagi
Corporate Functional Officer (CAO)
We believe respect for human rights is fundamental to doing business globally. We will strive to ensure respect for human rights and a sustainable supply chain through the MC Group’s business activities, including within our supply chains.

- Training for employees.
- Addition of human rights/environmental scope to audits of group companies by MC’s Internal Audit Department (starting in FY2023).
- Establishment of due diligence guidelines for environmental and societal matters when executing new investments and acquisition of fixed assets.
- Monitoring of activities through audits of environmental and societal matters on a consolidated basis.
- Conducting Sustainable Supply Chain Surveys (in FY2022, 894 responses received from supplier companies in approximately 50 countries and regions).
- Expansion of tiers/products of Sustainable Supply Chain Survey (in FY2023, we will include paper and soybeans, and expand shrimp, cacao and coffee to Tier 2).
- Establishment of separate procurement guidelines.

*Items in bold indicate key updates.

We have established grievance mechanism in February 2023 to handle consultations from external stakeholders regarding cases of adverse human rights and environmental impacts of the MC Group’s business activities, including within its supply chains.
We are enabling motivated professionals who take pride in actively fulfilling their responsibilities with a view toward creating MC Shared Value, while interconnecting with members of our diverse and versatile talent pool. We strive to maximize the value of our human capital by creating a dynamic, spirited and vibrant organization.

- **Strategic HR Assignments/Appointments**
  - Promote the placement of the right people in the right positions, with all employees demonstrating their capabilities in line with management strategies.

- **Strengthen Adaptable to Changes in the Business Environment**
  - Re-skill to increase adaptability to change and strengthen DX capabilities.
  - Promote regional experts.

- **Foster a Corporate Culture That Capitalizes on Diversity**
  - Cultivate ties through lively communication that spans group companies and organizations.
  - Promote diversity, equity & inclusion, and well-being.

- **Talent Management That Leverages Individuality**
  - Expand policies that promote career autonomy such as open placements and multiple internal assignments.

- **Expand Effectiveness Evaluations and Disclosure**
  - Strengthen effectiveness evaluations and disclosure through collection, analysis and surveying of human capital-related data.
HR Strategy

We are proceeding to dynamically shift and appoint human resources across organizations into priority areas/fields in response to advancements in the Value-Added Cyclical Growth Model and management strategies such as Utilizing Integrated EX/DX Initiatives. We are working to develop and re-skill our human resources so that all employees understand how EX/DX trends relate to their own activities and promote business accordingly.

Strategic HR Assignments

- Digital Strategy Department
- Food Industry DX Task Force
- Power & Retail DX Task Force

Midterm Corporate Strategy 2021

- Industry DX Group
  - Akita Branch
  - Choshi Branch

Midterm Corporate Strategy 2024

- EX Task Force
- Next-Generation Energy Business Group

Employee Plan to Assign Approx.

150 Employees

170 Employees

*1 As of January 2023. Figures include concurrent postings

*2 Planned for April 2023

Dynamically Shift Human Resources from Related Business Groups

** Strengthen Adaptability to Changes in the Business Environment

- EX: Establish training programs on EX-related themes for various training courses to be conducted regardless of employee workplace affiliations.
- DX: Establish on-demand training programs for all employees/officers as well as programs for specific skills such as web service development.
Engagement

- We foster a corporate culture that capitalizes on diversity by encouraging connections that transcend organizations, age groups and job titles.
- At the same time, we continue to develop initiatives that empower members of our diverse and versatile talent pool to fully demonstrate their talents and autonomously develop their careers in ways that enable them to flourish.

**Fostering a Corporate Culture That Capitalizes on Diversity**

- MC’s President personally responds to a wide-range of questions and opinions, not limited to specific themes.
- Diverse participation across organizations/age groups.

**Talent Management That Leverages Individuality**

Create/expand initiatives to encourage career autonomy that reflects the career and skill development aspirations of individual employees.

**Career Choice System**
(Open Recruitment for Transfer Assignments)
- Review System

**Dual Career System**
(Multiple Internal Assignments)
- Newly Established

**Sabbatical Leave System**
(Educational Leave)
- Newly Established

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**Overview of Participants**

<table>
<thead>
<tr>
<th>By Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20s</td>
<td>11%</td>
</tr>
<tr>
<td>30s</td>
<td>22%</td>
</tr>
<tr>
<td>40s</td>
<td>42%</td>
</tr>
<tr>
<td>50s</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Percentage whose engagement increased with their work and the company**

<table>
<thead>
<tr>
<th></th>
<th>By Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>Somewhat increased</td>
<td>30%</td>
<td>75%</td>
</tr>
<tr>
<td>Didn’t noticeably increase</td>
<td>48%</td>
<td>19%</td>
</tr>
</tbody>
</table>

**Percentage whose comprehension of Midterm Corporate Strategy/management policies increased**

<table>
<thead>
<tr>
<th></th>
<th>By Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>Somewhat increased</td>
<td>30%</td>
<td>75%</td>
</tr>
<tr>
<td>Didn’t noticeably increase</td>
<td>48%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Town hall-style meeting with MC’s President
Diversity, Equity, and Inclusion (DE&I)

- Our “diversity and versatility” is the foundation for DE&I at MC.
- We have established a company-wide working group directly under MC’s President and are promoting the development of an environment and organizations where all employees can flourish by fully demonstrating their individual strengths.

Developing systems and enhancing initiatives to support employees with child care, family care and other responsibilities associated with major life events.

- Enhancing the Child Care Support System for Employees (Supporting Women’s Careers Package)
- Training for Management-Level Staff (Supervisors)
- Culture Cultivation for Child Care Gender Gap
- Career Development Program for Female Employees (Mentor System, etc.)
- Diversity Training (Corporate Culture Development)

In the Future

- In the Future
- Developing systems and enhancing initiatives to support employees with child care, family care and other responsibilities associated with major life events.

<table>
<thead>
<tr>
<th>Percentage of Women in Management-Level Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 9.4%</td>
</tr>
<tr>
<td>2022 11.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of Male Employees Using Childcare-related Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 60%</td>
</tr>
<tr>
<td>2022 84% <strong>1,2</strong></td>
</tr>
</tbody>
</table>

*1 As of March 2023

*2 Percentage of men working at the Head Office or MC domestic offices and subsidiaries as of the end of the fiscal year whose spouse gave birth in the relevant fiscal year and who used childcare-related systems including childcare leave and spousal childbirth leave.

Establishment of a Working Group Reporting Directly to MC’s President

Proceed to study/implement initiatives that empower employees to succeed by respecting/accepting their individuality and leveraging our versatility.
Health Management (Well-being)

- The health of our employees is a vital management issue for us as we seek to realize a "dynamic, spirited and vibrant organization".
- We are implementing various initiatives in line with our Management Message on Safety and Health. In the future, we will leverage MC’s collective capabilities to strengthen initiatives tailored to our employees in three areas.

Enhancing Initiatives to Improve Employee Health

- Efforts to Promote Health Awareness and Healthy Lifestyles
  - Use of internal publications and other means to disseminate information from healthcare professionals.
  - Holding health-related seminars/events.
  - Provision of health-related apps.
- Efforts to Promote Early Detection /Prevention of Mental Health Issues
  - Conducting stress checks/individual consultations.
  - Establishment of a mental health support desk.
  - Establishment of a company-wide "mental health support period" during the COVID-19 pandemic.
- Health Management of Employees and Their Families on Overseas Appointments
  - Establishment of systems for local health examinations and consultations with the head office medical clinic.
  - Use of a survey to monitor and improve employees’ health/working environments.
- Enhancing Training/Education on Health/Safety
  - Hosting lectures on themes such as “safety and health management”, “stress management”, “mental health” as part of various level-specific training sessions.

In the Future

A Framework That Capitalizes on MC’s Collective Capabilities

Develop initiatives in three key areas, based on employees' workstyles/characteristics, by combining the efforts of HR-related functions, including the in-house medical clinic, with data analysis by MC’s healthcare businesses and the Industry DX Group.
Initiatives to Enhance the Effectiveness of Corporate Governance

Executive Vice President
Yutaka Kashiwagi
Corporate Functional Officer (CAO)
Corporate Governance Framework

The strengthening of corporate governance on an ongoing basis is an important subject for management.

We have established an effective corporate governance framework by (1) appointing directors with a wealth of experience and high levels of expertise; and (2) establishing advisory bodies with a majority composition of independent directors.

Ordinary General Meeting of Shareholders

Board of Directors

In-house Directors (6)
Independent Directors (5)

Audit & Supervisory Board Members/Audit & Supervisory Board

Full-time Audit & Supervisory Board Members (2)
Independent Audit & Supervisory Board Members (3)

Governance, Nomination & Compensation Committee

Independent Members (5)
In-house Members (3)

Percentage of Independent Members

63% [5/8]

International Advisory Committee

Overseas Members (6)
Japanese Members (5)

Request
Advis

Experience, Knowledge and Expertise Expected of Members of the Board of Directors

- We have established “Basic Items” as skill areas to be shared by all members.
- We also established “Management Strategy” items as areas of expertise needed to monitor progress on aspects of Midterm Corporate Strategy 2024, such as “Utilizing Integrated EX/DX Initiatives” and “Creating a New Future”.

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Responsibilities/ Main Career Experience</th>
<th>Basic Items</th>
<th>Management Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Director</td>
<td>Akitaka Saiki</td>
<td>Former Vice Minister, Ministry of Foreign Affairs of Japan</td>
<td>●</td>
<td>●●</td>
</tr>
<tr>
<td></td>
<td>Tsuneyoshi Tatsuoka</td>
<td>Former Vice Minister, Ministry of Economy, Trade and Industry</td>
<td>●</td>
<td>●●●●</td>
</tr>
<tr>
<td></td>
<td>Shunichi Miyanaga</td>
<td>Chairman of the Board, Mitsubishi Heavy Industries, Ltd.</td>
<td>●</td>
<td>●●●</td>
</tr>
<tr>
<td></td>
<td>Sakie Akiyama</td>
<td>Former CEO, Saki Corporation</td>
<td>●</td>
<td>●●●</td>
</tr>
<tr>
<td></td>
<td>Mari Sagiya</td>
<td>Former Senior Vice President, IBM Japan</td>
<td>●</td>
<td>●●●</td>
</tr>
<tr>
<td>Independent Audit &amp; Supervisory Board Member</td>
<td>Rieko Sato</td>
<td>Partner, ISHII LAW OFFICE</td>
<td>● (Legal) Attorney</td>
<td>●●●●</td>
</tr>
<tr>
<td></td>
<td>Takeshi Nakao</td>
<td>CEO, PARTNERS HOLDINGS, Co. Ltd.</td>
<td>● (Finance/Accounting) Certified public accountant</td>
<td>●●●●</td>
</tr>
<tr>
<td></td>
<td>Mari Kogiso</td>
<td>CEO, SDG Impact Japan Inc.</td>
<td>●</td>
<td>●●●</td>
</tr>
</tbody>
</table>
MC Governance Initiatives in Recent Years

Reevaluation of the Rules and Operating Processes of the Board of Directors

- **FY2017**: Evaluated the effectiveness of the Board of Directors and began investigation by the Governance, Nomination & Compensation Committee.

- **FY2018**
  1. Doubled the monetary threshold for the submission and reporting of investment and loan proposals.
  2. Enhanced monitoring of business investees.
  3. Enhanced briefing sessions before Board of Directors’ meetings.

Further Enhancement of the Content of Deliberations Conducted by the Board of Directors

- **FY2019**
  - Enhanced time spent deliberating the overall direction of management strategies and other key topics by the Board of Directors (conventional, detailed business execution reporting conducted outside of meetings).

- **FY2021**
  - Review of "Midterm Corporate Strategy 2021" by the Board of Directors and other bodies.
  - Established "Midterm Corporate Strategy 2024" after several exchanges of opinions with MC’s Independent Directors and Independent Audit & Supervisory Board Members.

- **FY2022**
  - Monitoring of progress on key aspects of "Midterm Corporate Strategy 2024" by the Board of Directors and other bodies.

Breakdown of Time Spent on Deliberations at Meetings of the Board of Directors

- **FY2017**: 14% Management Strategy and Sustainability, 35% Governance/Corporate Initiatives, 30% Investment and Loan Proposals, 10% Conventional Business Execution Reporting
- **FY2021**: 33% Management Strategy and Sustainability, 37% Governance/Corporate Initiatives, 30% Investment and Loan Proposals, 10% Conventional Business Execution Reporting
Identifying of Businesses Subject to Analysis

- "Transformer" Businesses: Businesses for which MC has especially large assets.
- "Green" Businesses: Core businesses within MC’s EX Strategy.

Businesses Subject to Analysis

- Natural Gas/LNG, Metallurgical Coal (Significant Climate Change-related Risks)
- Renewable Energy (Significant Climate Change-related Opportunities)

1.5°C Scenario Used for FY2022 Analysis

- A 1.5°C scenario supplemented with detailed data regarding the above businesses after integrating core macro data aligned with the IEA NZE.

Business Policies Based on Our 1.5°C Scenario Analysis

| Natural Gas/LNG | • Natural gas and LNG are energy sources that will play a key role in the transition period. Although natural gas and LNG demand is expected to decline overall in the long term, Asia, which is a strategic region for MC’s LNG business, is still expected to maintain a certain level of demand in the long term. • Taking into account the business environment mentioned above, MC will be focusing on strengthening its LNG business and decarbonizing its LNG value chain in order to achieve a stable supply of energy and resources as well as decarbonizing its social and economic activities. This is in line with the Midterm Corporate Strategy 2024. For the longer term, MC shall continue to: 1) work on initiatives to progress the decarbonization of its LNG value chain, 2) optimize its LNG portfolio, and 3) scale-up investment in next-generation energy, while closely monitoring the overarching business environment, including the development on technological innovation and climate-related regulations by various governments. |
| Metallurgical Coal | • The steel industry is expected to see a long transition period and the need for high-quality metallurgical coal, which is BMA’s main product, will likely increase relative to low-quality metallurgical coal since it contributes to the reduction of emissions in blast furnace steel making process. On the other hand, the supply of metallurgical coal is expected to decrease as a result of the increasing difficulty of obtaining necessary environmental approvals, and therefore fewer investments in new coal mines. • With assets that are among the world’s best in terms of cost competitiveness and quality, BMA will continue to fulfill its responsibility to provide a stable supply of high-grade metallurgical coal to customers. At the same time, BMA is exploring and implementing initiatives for reducing GHG emissions, including renewable energy procurement and alternatives to diesel fuel. |
| Renewable Energy | • The introduction of renewable energy and the spread of battery storage, as well as the accompanying trend toward decentralization of the power supply system, will vary according to country and region depending on the status of policies, regulations, and technological innovations, and the timing of their manifestation may differ significantly. MC “produces” (generates) renewable energy, “integrates” weather-dependent electricity (through a sophisticated balance of supply and demand), and “delivers” this integrated electricity and high added-value services. By strengthening each of these functions of the power value chain, MC aims to expand our renewable energy business in Japan, where offshore wind power is expected to grow, and in Europe, where Eneco’s platform stands, as well as in the Americas, Asia, and other regions. |
## Appendix

### Avoided Emissions - Details

- **Evaluation Period:** One Year. For the Power Solution business, etc., the amount of contribution created in a single fiscal year is calculated (Power Generation business is based on MC’s equity capacity as of the end of December 2022).

<table>
<thead>
<tr>
<th>Assessed Product</th>
<th>Avoided Emissions (Unit: Thousand Tons CO₂)</th>
<th>Evaluation Period</th>
<th>Final Product</th>
<th>Baseline</th>
<th>Calculation Formula</th>
<th>Details of Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Credits</td>
<td>5</td>
<td>Stock Basis (One Year)</td>
<td>Before the Project</td>
<td>Carbon credits generated by regrowth of native forests × Ownership of the company</td>
<td>Contribution by capture and storage of CO₂ from new land-management practices to facilitate the regeneration of native woodlands that have been lost over the past few centuries due to clearing and overgrazing</td>
<td></td>
</tr>
<tr>
<td>Solar</td>
<td>579</td>
<td>Stock Basis (One Year)</td>
<td>Average Energy Mix in Each Country</td>
<td>Power generation capacity (MW) × 24 hours × 365 days × Capacity factor × Emissions factor (tCO₂/MWh) × Equity ratio of the company (Only the avoided emissions at the operational stage, which accounts for the majority of emissions, is calculated)</td>
<td>Contribution by the creation of renewable energy (solar, onshore wind, geothermal, hydroelectric, biomass, and offshore wind power generation)</td>
<td></td>
</tr>
<tr>
<td>Offshore Wind</td>
<td>1,472</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geothermal</td>
<td>289</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydroelectric</td>
<td>110</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biomass</td>
<td>252</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copper</td>
<td>765</td>
<td>Flow Basis (Lifetime)</td>
<td>Battery Electric Vehicle</td>
<td>Internal Combustion Engine Vehicle</td>
<td>(Life-cycle emissions of ICEVs (tCO₂) - Life-cycle emissions of EVs (tCO₂)) × Number of EVs that incorporate our aluminum</td>
<td>Contribution by supplying aluminum which is essential for EV bodies, etc.</td>
</tr>
<tr>
<td></td>
<td>6,405</td>
<td>Solar Power and Wind Generation Facilities</td>
<td>Average Energy Mix in Each Country</td>
<td>Power generation capacity (MW) × 24 hours × 365 days × Capacity factor × Emissions factor (tCO₂/MWh) × Number of solar and wind power facilities that incorporate our aluminum × Economic life (Only the avoided emissions at the operational stage, which accounts for the majority of emissions, is calculated)</td>
<td>Contribution by supplying aluminum which is essential for solar power generation frames, panels, wind power blades, towers, connectors, etc.</td>
<td></td>
</tr>
<tr>
<td>Copper</td>
<td>765</td>
<td>Flow Basis (Lifetime)</td>
<td>Battery Electric Vehicle</td>
<td>Internal Combustion Engine Vehicle</td>
<td>(Life-cycle emissions of ICEVs (tCO₂) - Life-cycle emissions of EVs (tCO₂)) × Number of EVs that incorporate our copper</td>
<td>Contribution by supplying copper which is essential for EV batteries, motors, wires etc.</td>
</tr>
<tr>
<td></td>
<td>30,394</td>
<td>Solar Power and Wind Generation Facilities</td>
<td>Average Energy Mix in Each Country</td>
<td>Power generation capacity (MW) × 24 hours × 365 days × Capacity factor × Emissions factor (tCO₂/MWh) × Number of solar and wind power installations that incorporate our copper × Economic life (Only the avoided emissions at the operational stage, which accounts for the majority of emissions, is calculated)</td>
<td>Contribution by supplying copper which is essential for solar power generation wiring, solar thermal collectors, wind power generation generators, wiring, etc.</td>
<td></td>
</tr>
</tbody>
</table>

- **Evaluation Period:** Lifetime. For materials and products that exhibit long-term reduction effects, the lifetime reduction contribution is calculated by multiplying the durability of the final product (based on the sales volume forecast for FY2022). The contribution rate of materials supplied by MC is not considered at this time due to the limitations of calculation.

<table>
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</table>
This release contains forward-looking statements about Mitsubishi Corporation’s future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company’s assumptions and beliefs in light of competitive, financial and economic data currently available and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices.

Accordingly, Mitsubishi Corporation wishes to caution readers that actual results may differ materially from those projected in this release and that Mitsubishi Corporation bears no responsibility for any negative impact caused by the use of this release.