

Integrated Report

2025

2026

2027

 INTEGRATED
STRENGTH

About MC

Guided by the Three Corporate Principles, we are committed to optimizing our business portfolio to drive sustainable growth and enhance corporate value. We will achieve this by leveraging our integrated strength in response to a rapidly changing business environment.

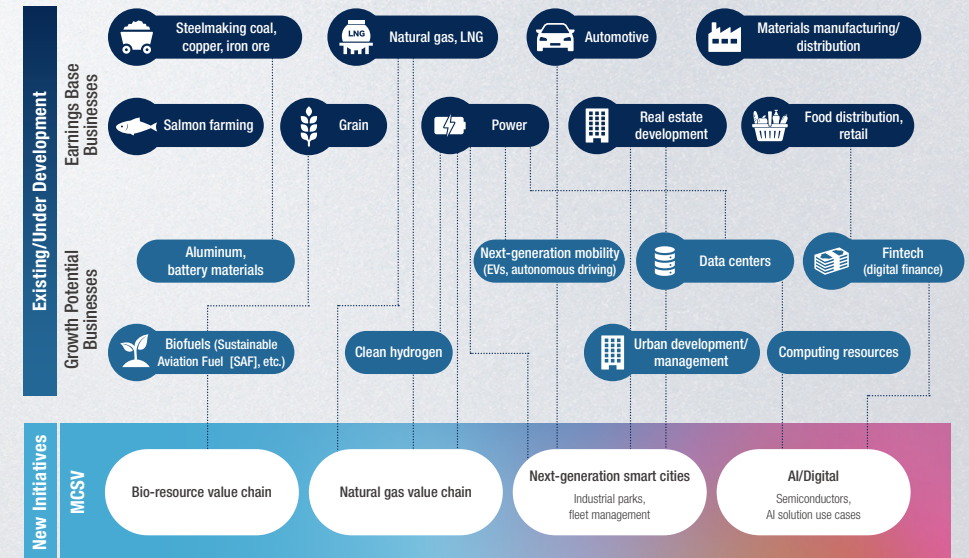
Our Strength

Our competitive advantage lies in our integrated strength, enabling us to dynamically shift business strategies in anticipation of change.

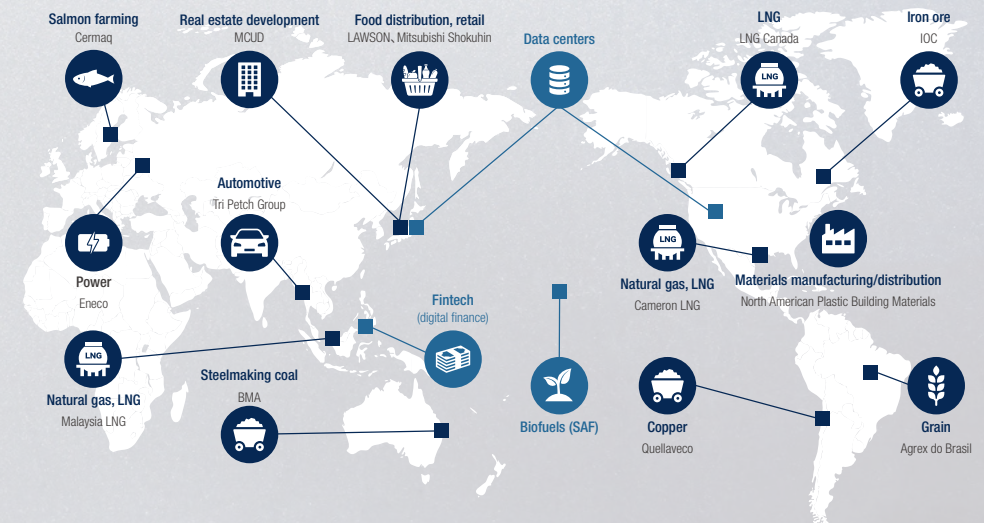
We operate globally across a wide range of industries, drawing strength from the trust we've earned, our deep industry expertise, and the insights gained through extensive operational experience.

In addition to reinforcing businesses that form the foundation of our earnings base, we are actively investing in those with strong growth potential. In doing so, we aim to create MC Shared Value (MCSV) by creating new integrations across our business portfolio.

Business Portfolio



Global Footprints



Established	Overseas Network ^{*1}	Underlying Operating CF/Consolidated Net Income ^{*2}	Market Capitalization ^{*3}
1954	76 countries / 104 offices	¥983.7 billion / ¥950.7 billion	¥14 trillion

Key Data

By consistently refining our strategy and actively optimizing our portfolio, we have delivered earnings growth, improved capital efficiency, and strengthened our financial position.

EPS (average of each three years)

MCS 2024	¥246
MCS 2021	¥122
MCS 2018	¥111

ROE (average of each three years)

MCS 2024	12.5%
MCS 2021	9.3%
MCS 2018	10.3%

TSR (annual average)

MCS 2024	23%
MCS 2021	18%
MCS 2018	21%

(cumulative basis)

Past 9 years	488%
Past 6 years	292%
Past 3 years	186%

Financial Soundness (As of September 1, 2025)

• S&P
Long-term: A

• Moody's
Long-term: A2

^{*1} As of April 1, 2025 ^{*2} FY2024 Results ^{*3} As of September 1, 2025

Overall Structure of the Integrated Report

Editorial Policy

Publication of Mitsubishi Corporation's Integrated Report

In this integrated report, we present the initiatives taken to enhance corporate value using a logic tree, highlighting how these efforts are interconnected and collectively contribute to integrated value creation.

To provide more detailed and supplementary information, we have strengthened integration with other disclosure platforms, such as our global website, ensuring easy access to relevant information.

Financial Information

Since FY2013, MC has prepared its consolidated financial statements in accordance with IFRS. Unless otherwise noted, the information presented in this integrated report is based on IFRS. For detailed financial information regarding FY2024, please refer to the Annual Financial Report.

<https://www.mitsubishicorp.com/jp/en/ir/library/afr/>

Scope of Reporting

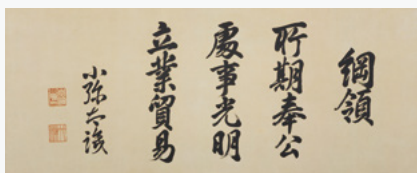
Period: FY2024 (April 1, 2024 to March 31, 2025).

However, some activities after April 2025 are included.

Organization: Mitsubishi Corporation

Corporate Philosophy

The Three Corporate Principles



Corporate Responsibility to Society

"Shoji 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.

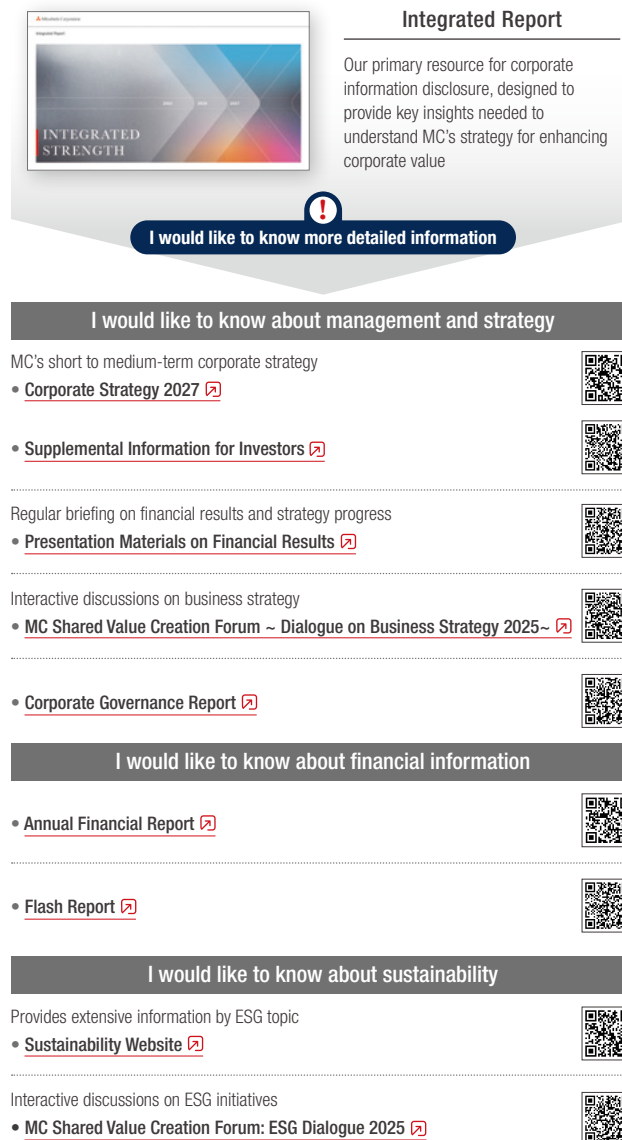
Global Understanding Through Business

"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.)

Disclosure Framework



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01

SECTION

Corporate Value Enhancement Story

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~ Dialogue on Business Strategy 2025 ~

I would like to address several key topics of interest to all stakeholders:

- ◎ Our achievements under Midterm Corporate Strategy 2024, along with our current strategic priorities
- ◎ The guiding concerns and commitments that shaped the development of Corporate Strategy 2027 (CS 2027)
- ◎ Our evaluation of the current portfolio, and the initiatives underway to optimize it and enhance capital efficiency
- ◎ Our vision and efforts to create integrated value

総合カモエンジンに、持続的な成長と
企業価値向上を実現できるよう
全力投球いたします。

We are committed to leveraging our integrated strengths to drive sustainable growth and enhance long-term corporate value.



Katsuya Nakanishi
Representative Director,
President and CEO

Message from our President and CEO

Q1 Looking back at Midterm Corporate Strategy 2024, what are your achievements and management challenges?

Under Midterm Corporate Strategy 2024 (MCS 2024), we articulated our vision for creating MC Shared Value (MCSV) in response to rapid shifts in the external environment, including global supply chain restructuring, the transition to a digital society, and advancements in decarbonization. Guided by this vision, we pursued a growth strategy centered on portfolio optimization, advancing our Value-Added Cyclical Growth Model through continuous business recycling, and implementing our “Creating a New Future” initiative, driven by our EX and DX strategies. We also prioritized strengthening the earning power of existing businesses and developing new ventures that transcend sector boundaries. To support these efforts, we reorganized the company to enhance the capabilities of each business segment and accelerate cross-industry business development.

To improve the earning power of existing businesses under the Value-Added Cyclical Growth Model, we initially focused on areas that could be enhanced without additional capital investment. At the end of FY2021, we had identified 160 underperforming and/or low-growth companies out of a total of 311 operating companies at the time*. By setting clear targets for each business segment, we encouraged autonomous business reviews and yield improvement initiatives. I personally led efforts to advance the “select and focus” process with a strong emphasis on capital efficiency (Enhance 1.0). As a result of the Enhance 1.0 initiatives, we achieved approximately ¥100 billion in profit improvement in FY2024 compared to FY2021. This contributed to significant gains in consolidated net income and underlying operating cash flow (CF), and allowed us to achieve our target of double-digit ROE. Additionally, thanks to exceeding our initial cash generation projections, we delivered strong returns to shareholders and investors through two dividend increases and large-scale share buybacks.

Despite these accomplishments, several priorities remain. First, we must

continue to strengthen our earning power. The current business environment—marked by political, economic, environmental, and technological uncertainty, as exemplified by the Trump administration’s tariff policies—is increasingly volatile. In this context, it is essential to drive steady improvements to our profitability by starting from our existing businesses where we maintain a competitive edge. Building on the success of Enhance 1.0 under MCS 2024, our next strategy, Corporate Strategy 2027, will include Enhance 2.0. This initiative will involve additional capital investment and expand the scope to all business investments, aiming to further boost profits and elevate overall earnings.^①

A second priority is the creation of MCSV. While we did not launch any major MCSV projects during the MCS 2024 period, we are currently exploring several promising new concepts rooted in our existing businesses. Looking ahead, we intend to act at the right moment to transform these concepts into co-creation projects that combine our strengths.

* Excludes affiliates or investments not subject to management control (e.g., dormant companies, or those slated for liquidation or withdrawal).

Q2 What issues and commitments influenced the formulation of Corporate Strategy 2027^②?

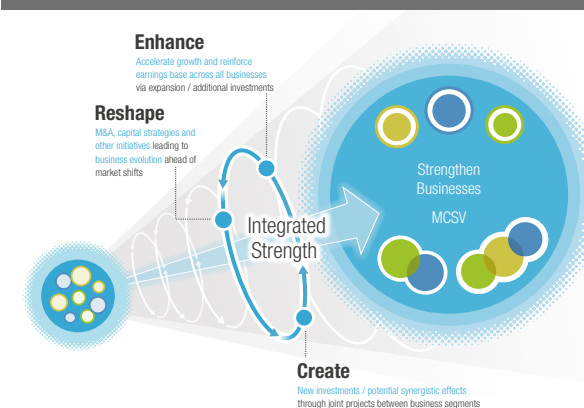
One of the first considerations was the strategic positioning of CS 2027 itself. We began detailed discussions in the fall of 2024, coinciding with the peak of the U.S. presidential election. At the time, we carefully evaluated how potential shifts in the global business environment, particularly in the event of President Trump’s re-election, might impact our strategic direction. Recognizing the possibility of significant changes, we concluded that it was precisely in such an uncertain environment that a clear and resilient strategy was most essential. Thus, we committed to formulating Corporate Strategy 2027. My personal conviction was to define the ideal form MC should pursue, one that enables us to maintain a

sustainable growth trajectory. This requires a strategy that is both reliable and adaptable, capable of bold revisions in response to volatility while remaining grounded in long-term vision.

We also continued to emphasize quantitative management indicators focused on growth and efficiency, core priorities for us. However, several elements of these indicators reflect my own perspectives. Traditionally, we have used net income as a growth metric. For CS 2027, we shifted to cash flow from business activities, which excludes asset and business sales or one-time items, and decided to evaluate its average growth rate. This change reflects our belief that stable, recurring CF is a more accurate measure of our capacity for sustainable investments and shareholder returns. Its consistent growth is directly tied to shareholder expectations and the enhancement of our corporate value.

For efficiency, we reaffirmed ROE as our key indicator. However, rather than using vague targets like “medium to long-term” or “double-digit growth,” we set a

Value Creation Framework



[Corporate Strategy Review \(page 12\)](#)

We will create value through our business management models, while remaining agile and continuously refining our strategies in response to shifts in the business environment.



[CS 2027 \(page 13\)](#)

We will leverage our integrated strength, which is rooted in the diversification of our business, to respond effectively to a rapidly changing business environment.

Message from our President and CEO

specific goal of 12% or higher by FY2027. In addition, we announced a ¥1 trillion share buyback program in April 2025, aimed at rebalancing the capital accumulated during MCS 2024. I view this as a clear demonstration of our commitment to capital-efficient management.

To ensure the successful execution of CS 2027, we have strengthened our Value Creation Framework beyond the traditional Value-Added Cyclical Growth Model. It now comprises three strategic initiatives: Enhance, Reshape, and Create. These initiatives will guide us in achieving both growth and efficiency, while maintaining our shareholder return policy of progressive dividends and flexible share buybacks.

Q3 How would you evaluate the current portfolio? What are your ideas for optimizing the portfolio, and what steps will you take to improve capital efficiency?

Our current portfolio spans a wide range of industries, including mineral resources, natural gas, automotive, and food. This diversity reflects the company's broad industrial footprint, varied business models, and global presence. These characteristics are among our greatest strengths. They provide resilience against shifts in market conditions and allow us to detect early signs of change in one industry that may affect others. This capacity is essential for identifying new

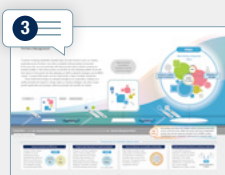
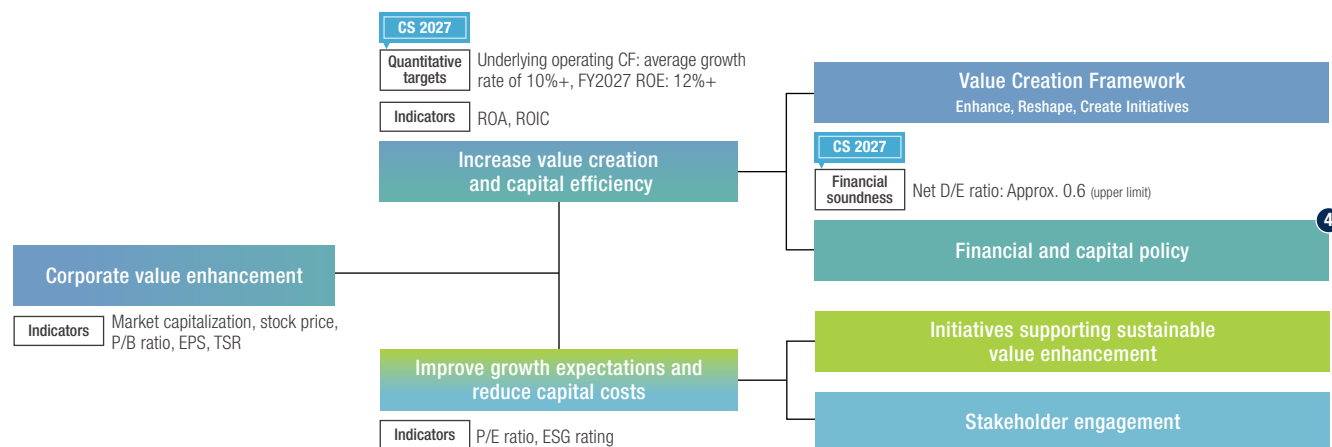
business opportunities and plays a key role in advancing cross-industry initiatives such as MCSV creation.

CS 2027 outlines our vision to "optimize our business portfolio to achieve sustainable growth and increase our corporate value by leveraging our integrated strength in response to a rapidly changing business environment." In a world where trends are increasingly difficult to predict, even in the short term, we remain committed to building an optimal portfolio that evolves with the times while continuing to strengthen each business sector.

One example is our involvement in the crop-based biofuels business, which is expected to contribute to the transition toward a decarbonized society. Because we operate in both the food and energy sectors, we were able to act early in developing a bio-resource value chain, creating a new cross-industry integration. This includes leveraging the Food Industry segment's global networks to establish a strategic alliance through a MOU with a major grain company, as well as advancing our initiatives in sustainable aviation fuel production within the Environmental Energy segment. Our long-term vision is to build a portfolio composed of multiple strong businesses, each capable of enhancing corporate value through active management. We expect these businesses to grow together and generate synergies where their activities intersect.

To improve capital efficiency, our basic policy is to strengthen the earning power of existing businesses through our Value Creation Framework, with a particular focus on the Enhance and Reshape initiatives. We are pursuing operational efficiency improvements through technologies such as AI, while also working with urgency to build a solid earnings base and restructuring where needed. This includes using our business knowledge to make additional investments and expand our footprint. A recent example is our salmon farming subsidiary Cermaq's acquisition of businesses from Grieg Seafood, announced in July 2025. During the formulation of CS 2027, I personally reviewed all 244 of our operating companies to assess their potential for earnings improvement. This review confirmed that many of our existing businesses still have room to grow. We

Enhancing Corporate Value (Logic tree style)



Portfolio Management (page 07)

By further developing our robust business portfolio and generating synergies, including the creation of MCSV, we aim to achieve sustainable growth in our corporate value.



Message from our CFO (page 21)

We will pursue management that balances growth and efficiency through the initiatives outlined in CS 2027.

Message from our President and CEO

are confident that in areas where we have deep expertise and competitive strengths, we can deliver tangible results in a shorter timeframe. To support these efforts, we have made structural adjustments, including setting ROE targets for each business segment and strengthening the link between executive compensation and ROE performance.

Q4 What are your aspirations for realizing integrated value, and how will you approach this goal?

Our advantage lies in our integrated strength, which is rooted in our diversity⁵. While diversification is also a feature of other business models, such as private equity funds, I believe our true competitive advantage comes from how we leverage that diversification to create integrated strength. This belief has grown stronger throughout my more than three years in management.

Beyond strengthening their individual business activities, our business segments aim to collaborate and combine their capabilities to generate synergies. As the business environment continues to evolve and new opportunities emerge, we are focused not only on pursuing synergies, but also on creating new MCSV through new cross-industry integrations. We remain committed to enhancing corporate value and maximizing our integrated value through these efforts. Currently, there are only a few projects that we can confidently highlight as examples of this approach. However, during the period covered by MCS 2024, we successfully developed the organizational structures and corporate culture needed to support MCSV creation. We also expect that the Corporate Venture Capital Office and the AI Solution Task Force, both established in 2025, will play important roles in generating future business opportunities.

Over the past year, some investment projects were postponed due to factors such as high share prices, a weak yen, and negotiation challenges. Despite these delays, we have made progress on several new concepts aimed at generating

synergies between business segments. Projects like the bio-resource value chain initiative are now moving toward consideration for large-scale investment.

Looking ahead, we will continue to bring together our strengths, including the trust and reliability we have earned from stakeholders and the global intelligence we gather across our business fields. By fully leveraging our integrated strength and addressing the societal issues identified in our materiality, we aim to create new value and maximize our integrated strength.



Q5 Do you have any final comments for shareholders and investors?

Since assuming the role of President and CEO in 2022, I have placed a strong emphasis on dialogue with shareholders and investors. This commitment has led to more frequent and meaningful engagement, involving not only myself but also our independent directors and the management teams of our business segments.⁶

At the Investor Day event held in June 2025, speakers included the CSEO and the CEOs of four business segments, one of whom also leads Energy Transformation and AI Solutions. Many attendees shared that hearing directly from these executives provided a deeper and more comprehensive understanding of our strategies in each business area. Feedback and advice from stakeholders are promptly shared with management and incorporated into our business activities as soon as practically possible. We will continue to maintain this two-way dialogue approach without change.

Looking ahead, we will build on the achievements of MCS 2024 as a foundation for further growth through the Value Creation Framework outlined in CS 2027. This will include expanding our cash generation capacity and continuing to deliver returns that meet shareholder expectations. We view the high level of uncertainty in the current business environment as a valuable opportunity to leverage the integrated strength we have cultivated over many years. We are committed to creating new value through bold yet prudent actions.



Industry Expertise and Market Intelligence that Support the Value Creation Framework (page 18) [↗](#)

By anticipating change through our diverse capabilities, we will evolve our business strategies through cross-industry and cross-regional collaboration.



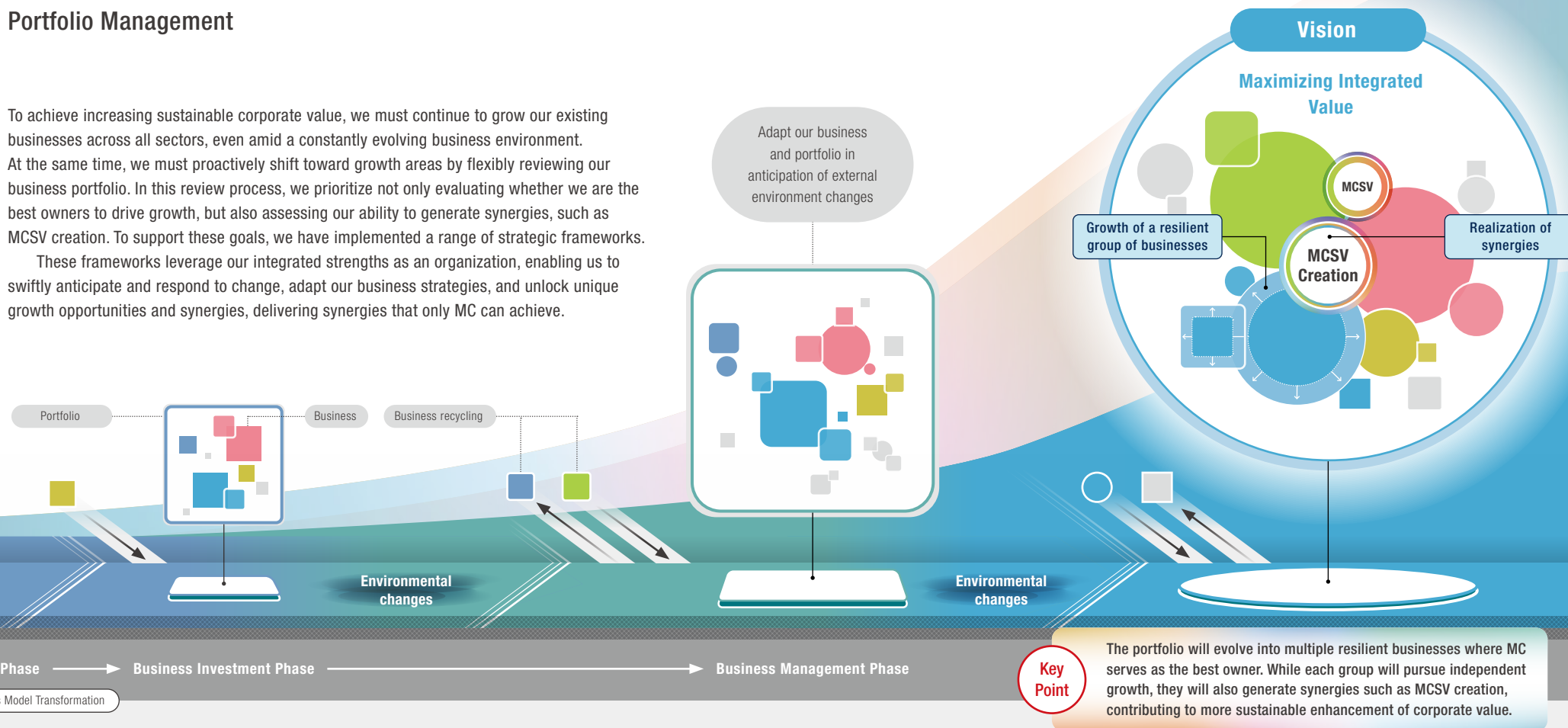
Message from our CSEO (page 08) [↗](#)

We will clarify our growth initiatives and strengthen the confidence of shareholders and investors, with the goal of improving our P/E ratio.

Portfolio Management

To achieve increasing sustainable corporate value, we must continue to grow our existing businesses across all sectors, even amid a constantly evolving business environment. At the same time, we must proactively shift toward growth areas by flexibly reviewing our business portfolio. In this review process, we prioritize not only evaluating whether we are the best owners to drive growth, but also assessing our ability to generate synergies, such as MCSV creation. To support these goals, we have implemented a range of strategic frameworks.

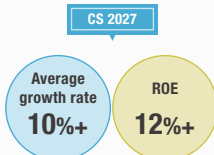
These frameworks leverage our integrated strengths as an organization, enabling us to swiftly anticipate and respond to change, adapt our business strategies, and unlock unique growth opportunities and synergies, delivering synergies that only MC can achieve.



Frameworks for Portfolio Optimization

Pursuit of Growth and Efficiency

Through our Value Creation Framework, we aim to simultaneously achieve sustainable high growth and efficiency by enhancing the value of existing businesses and strategically investing in new growth opportunities.



Flexible Capital Allocation for Growth Investments

Through our cash flow management system, we secure funding at the company-wide level while utilizing borrowing when necessary. This approach enables us to allocate capital flexibly to growth investments, regardless of the specific conditions of individual business environments.



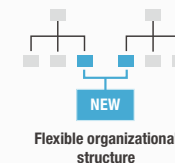
Asset and Business Accumulation and Recycling

While building a portfolio of high-quality assets, we will also advance the replacement or divestiture of businesses where we are not the best owner. This approach ensures the effective circulation of management resources.



Flexible Organizational Structure and Resource Allocation

To create MCSV through the integration of multiple businesses, we are promoting cross-business collaboration. This includes organizational restructuring, the establishment of a dedicated task force, and the strategic development and rotation of talent.



Message from our CSEO



K. Kobayashi
Executive Vice President
Corporate Functional Officer, CSEO
(Concurrently) Capital Alliances

Connecting shareholder engagement to corporate value enhancement

A Look Back at the Capital Markets

Since assuming the role of CSEO in April 2023, I have remained committed to deepening and expanding our engagement with shareholders, investors, and other stakeholders. At MC, we believe that sustainable growth in corporate value requires not only clear communication of our strategic initiatives, but also a genuine commitment to listening to stakeholder feedback and incorporating it into our management activities.

Reflecting on our progress, the Value-Added Cyclical Growth Model has enabled us to build a robust portfolio and increase our earning power. Under Midterm Corporate Strategy (MCS) 2018, our earnings per share (EPS) were in the ¥100 range; by MCS 2024, they had grown to the ¥200 range (see Figure 1).

In terms of shareholder returns, we have steadily increased dividends in line with profit improvements and market expectations

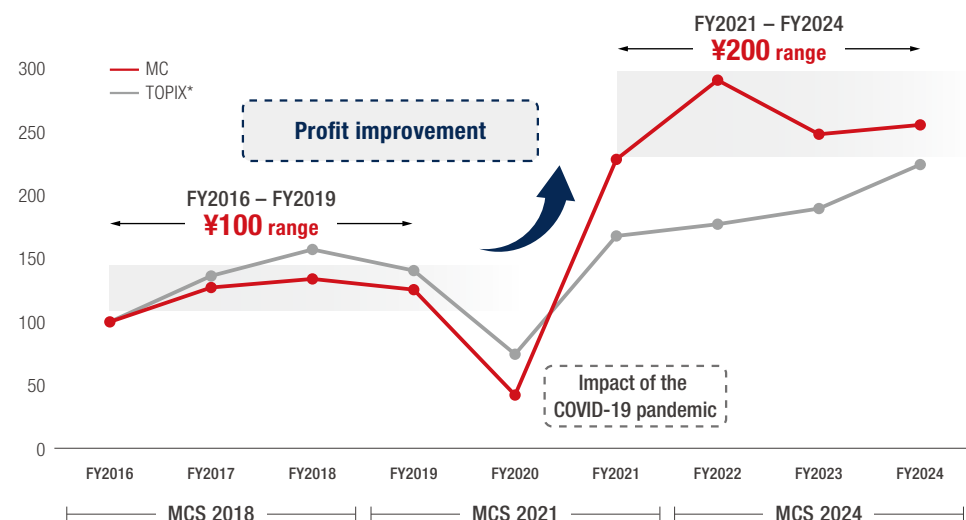
since adopting progressive dividends in FY2016, taking our dividend per share from ¥27 in FY2016 to ¥110 in FY2025.

We have also flexibly implemented share buybacks, based on our investment pipeline and financial soundness —¥370 billion in FY2022, ¥600 billion in FY2023 and a planned ¥1 trillion in FY2025. As shown in Figure 2, this steady profit growth and proactive shareholder return strategy are also reflected in the growth of Total Shareholder Return (TSR), earning us a strong level of recognition in the capital markets.

At the same time, we acknowledge that some of our core businesses have been temporarily affected by a challenging and uncertain business environment and are still in the process of recovery. Additionally, certain projects aimed at creating MC Shared Value (MCSV), a key goal under our previous midterm strategy, have yet to bear fruit.

While we believe that the vision and quantitative targets of Corporate Strategy 2027 (CS 2027) are generally understood by stakeholders, we have also received feedback suggesting that some find it difficult to differentiate between initiatives in our previous midterm corporate strategy and the current "Enhance" initiatives designed to achieve significant profitability improvements in our existing businesses in the period to FY2027. We recognize the need to improve the clarity of our messaging in this area.

Figure 1 Earnings per share (EPS)



*A comparison of the TOPIX average's fluctuations, expressed as an index.

Message from our CSEO

Achieving Further Improvement in Corporate Value

Our top priorities to achieve further improvement in corporate value in the current business environment are the steady implementation of the “Value Creation Framework” outlined in CS 2027, including ongoing efforts to enhance profitability and growth potential, especially for existing businesses.

As CSEO, my focus will be to further clarify our growth strategies to raise shareholder and investor confidence and ultimately, improve our P/E ratio (see Figure 3).

We are aware that investors, including overseas and individual investors, are encountering MC as an investment opportunity for the first time. The *sogo shosha*, or trading and investment company, is a uniquely Japanese business model, and our business portfolios are diverse and complex. We are aware that these characteristics may make it difficult for investors to understand some aspects of our business. To address this, we are committed to engaging with our investors in ways that reflect their perspectives.

During the CS 2027 period, we will focus on providing clear explanations and disclosures related to our unique investment opportunities, growth strategies and business activities, including their scalability and reproducibility.

For example, we are providing more detailed information about our initiatives in core business areas, such as natural gas,

mineral resources, automotive, and salmon farming, through the MC Shared Value Creation Forum and other channels.

However, we recognize the need to further improve disclosures for our smaller-scale businesses and cross-segment initiatives, such as MCSV projects. Given the breadth of our operations, detailing each individual businesses alone does not fully capture MC’s overall strategic direction and competitive advantages. We are therefore exploring approaches that allow us to better communicate our strategic direction more effectively, such as presenting growth strategies on a cross-segment or partially consolidated basis, supported by relevant quantitative data.

We will also continue to enhance our disclosure and communication efforts by leveraging the unique characteristics of various channels, including video content, integrated reports and other media.

To drive further growth, we must continue evolving in response to societal expectations and emerging needs. In my new role as Head of Capital Alliances, I am responsible for driving change by leveraging our partnerships with financial institutions and venture companies, and integrating those external catalysts into our management strategy to accelerate the speed and scale of our “Reshape” initiatives under CS 2027.

➔ For further details on Capital Alliance Office initiatives see page 17 under ‘Implementation of the Value Creation Framework’.

Figure 2 Total Shareholder Return (March 31, 2016 = 100)

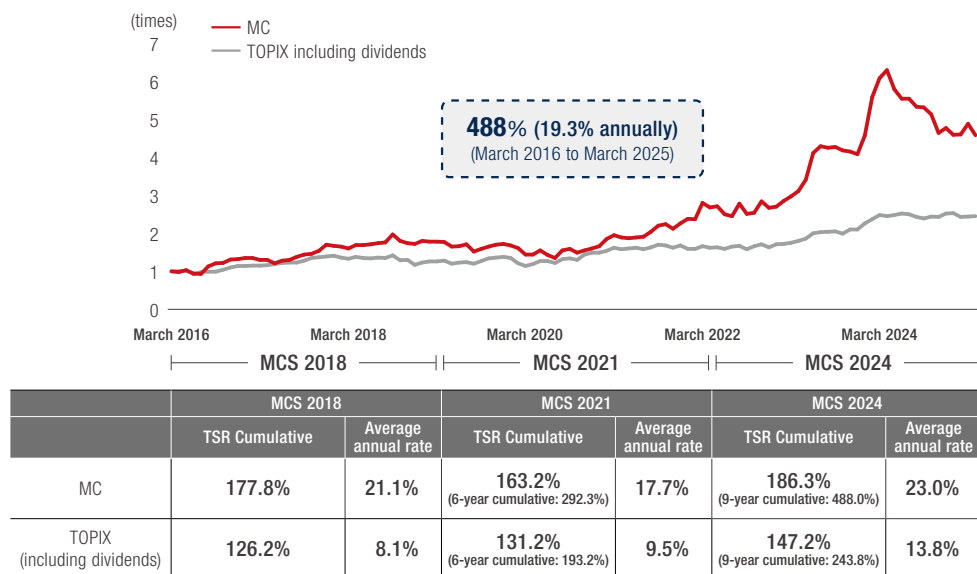
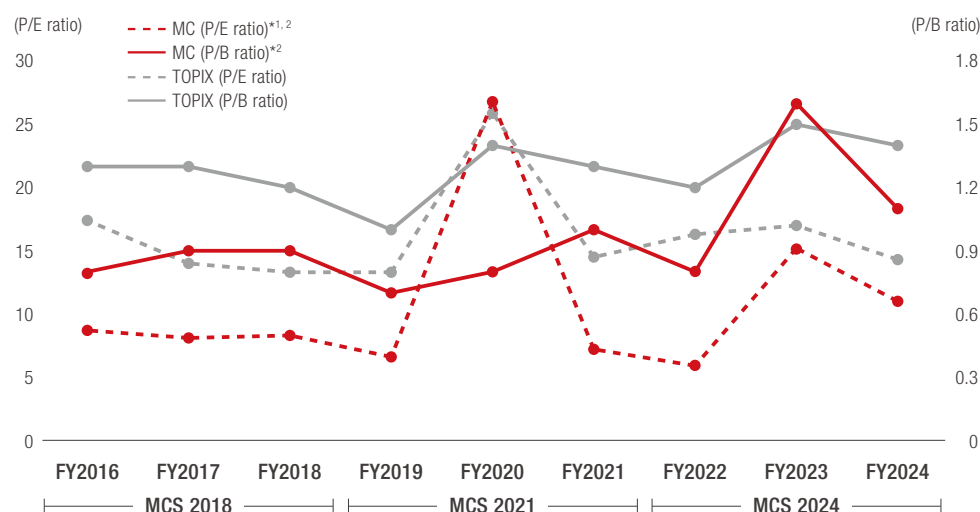


Figure 3 P/E ratio and P/B ratio



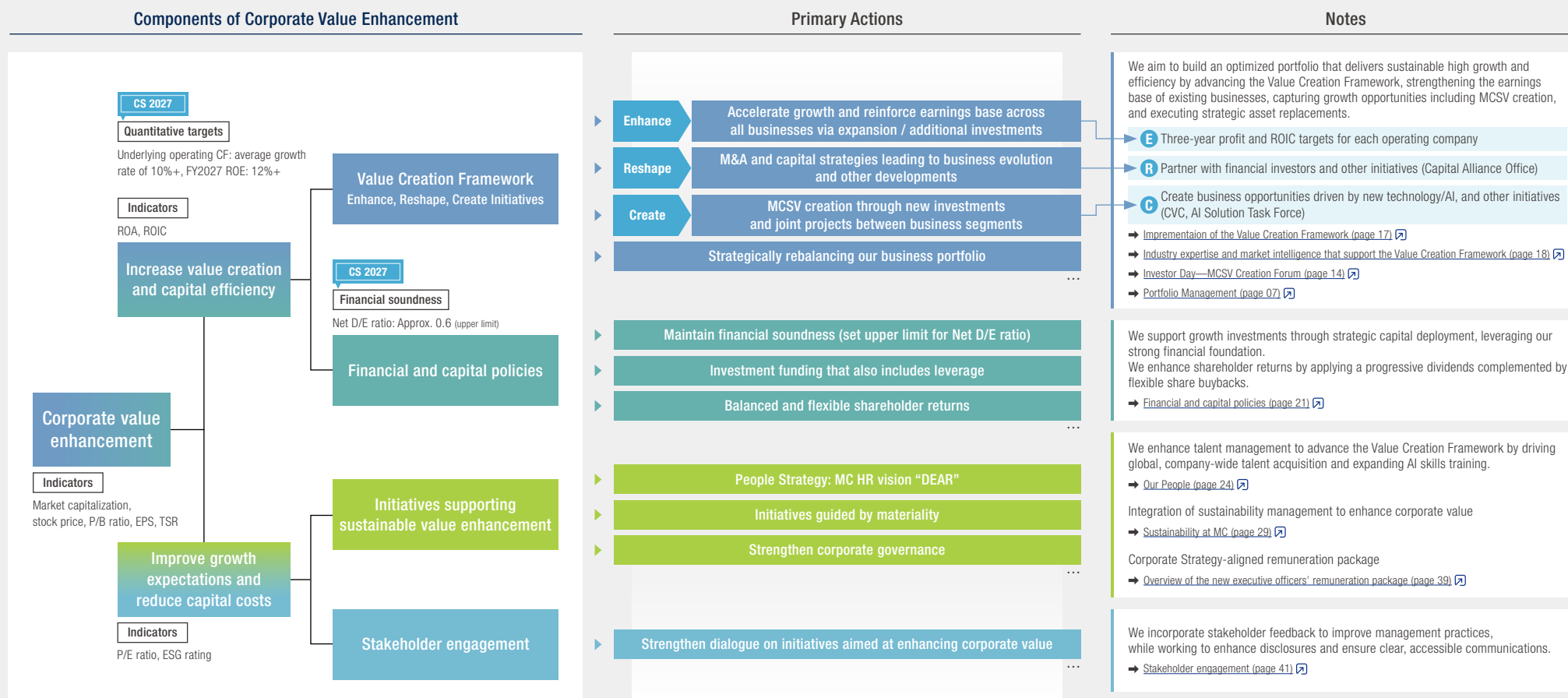
*1 P/E ratio is calculated by dividing the closing price at the end of the fiscal year (Tokyo Stock Exchange share price) by the basic net income (loss) per share (attributable to owners of the parent).

*2 Stock prices between FY2015 and FY2024 show the highest and the lowest stock prices after the stock split.

Enhancing Corporate Value

We are enhancing our medium to long-term corporate value from two key perspectives: “increased value creation and capital efficiency” and “improved growth expectations and reduced capital costs.” This page outlines the components and major actions associated with each perspective in logic tree style. Specifically, we are reviewing the allocation of management resources in response to changes in the business environment through our Value Creation Framework, which strengthens the Value-Added Cyclical Growth Model. At the same time, we are realizing “increased value creation and capital efficiency” by promoting disciplined financial and capital policies based on capital cost considerations, while continuously advancing initiatives to drive growth. Furthermore, we are steadily implementing medium to long-term growth initiatives, such as stakeholder engagement and materiality-driven strategies, to “improve growth expectations and reduce capital costs.”

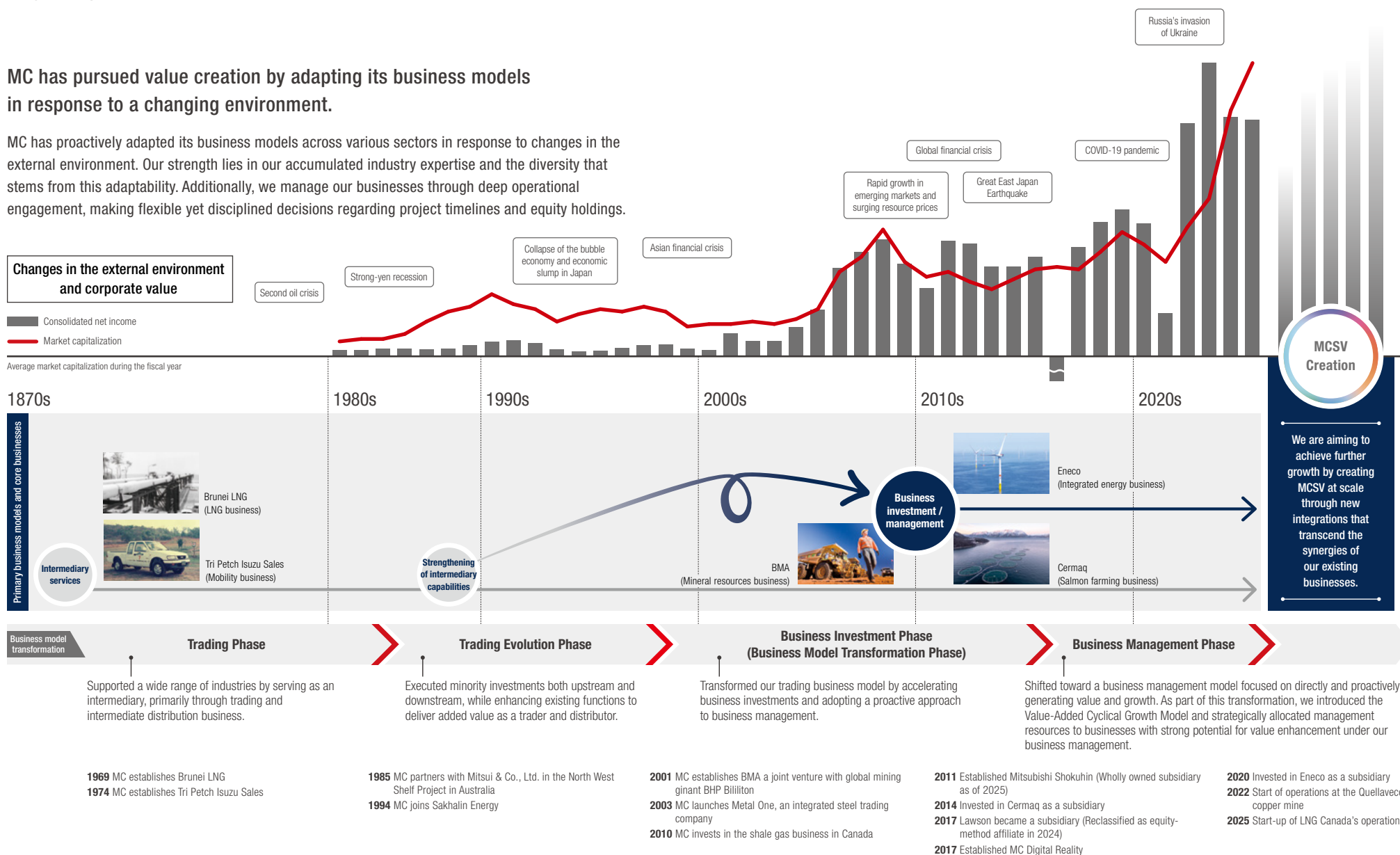
■ The Three Corporate Principles have been Mitsubishi Corporation’s core philosophy since its founding, guiding our ongoing efforts to enhance how we address economic, environmental, and social responsibilities across the globe.



Trajectory of Corporate Value Enhancement

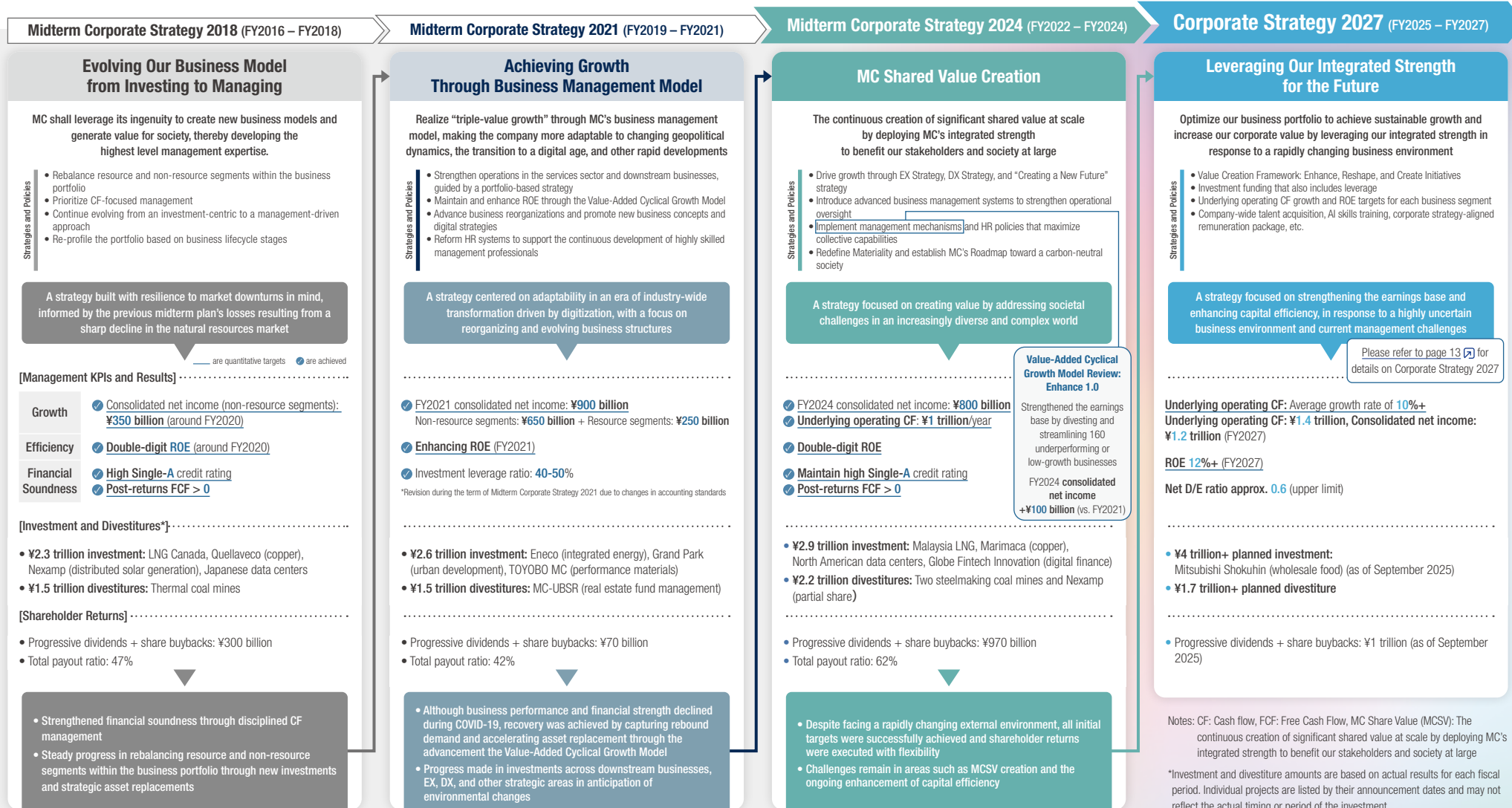
MC has pursued value creation by adapting its business models in response to a changing environment.

MC has proactively adapted its business models across various sectors in response to changes in the external environment. Our strength lies in our accumulated industry expertise and the diversity that stems from this adaptability. Additionally, we manage our businesses through deep operational engagement, making flexible yet disciplined decisions regarding project timelines and equity holdings.



Corporate Strategy Review

We aim to enhance corporate value by understanding social changes and our role, continuously reviewing our corporate strategies to keep them optimal, and implementing targeted policies.



Corporate Strategy 2027

Examples of "Enhance" "Reshape" and "Create" Initiatives under Corporate Strategy 2027

Vision

Leveraging Our Integrated Strength for the Future

Optimize our business portfolio to achieve sustainable growth and increase our corporate value by leveraging our integrated strength in response to a rapidly changing business environment

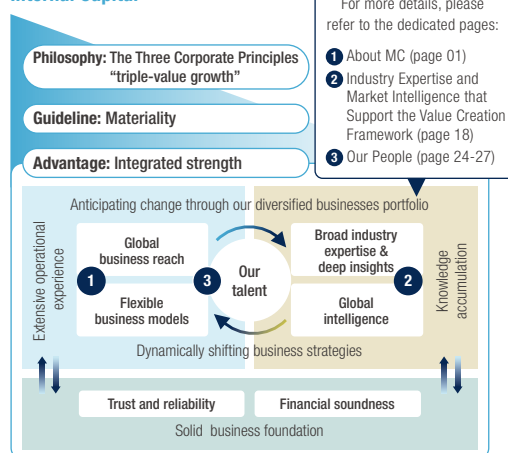
Current Understanding

External Environment

The business environment is more complex than ever, with rising uncertainty

Politics / Geopolitics	Increasingly divided world and society, including ideological rifts
Environment / Society	Prolonged transition to decarbonization
Economy / Industry	Rising global economic uncertainty
Technology / Innovation	AI-driven market disruption

Internal Capital



Key Challenges

- Increase the value of all business investments
- Execute joint projects between business segments (MCSV creation)
- Implement a proactive capital allocation
- Continuously improve capital efficiency

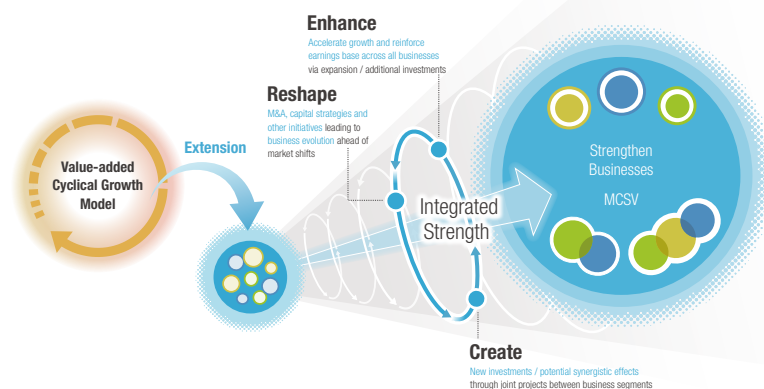
Value Creation Framework

Enhance

Reshape

Create

Deploy these initiatives based on the business environment to achieve sustainable, high growth and efficiency



Measures

Enhance	3-year profit and ROIC targets for each operating company
Reshape	Partner with financial investors (Capital Alliance Office), etc.
Create	Create business opportunities driven by new technology / AI (CVC / AI Solution Task Force), etc.

Investment funding that also includes leverage

Underlying operating CF growth and ROE targets for each business segment

Global, company-wide talent acquisition, AI skill training, corporate strategy-aligned compensation structure, etc.

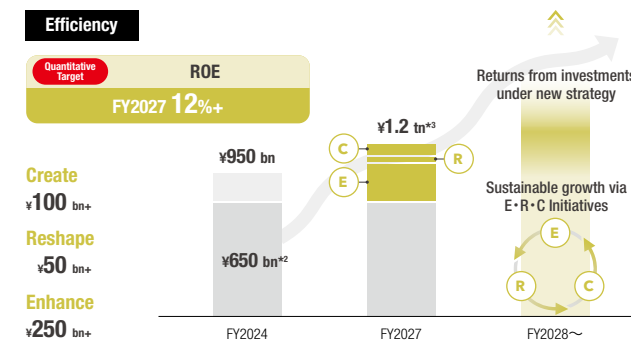
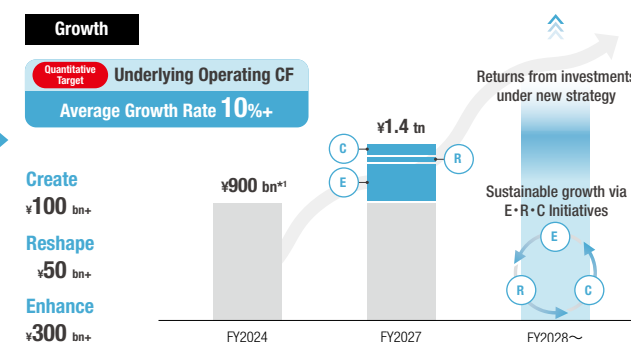
Capital Allocation (→ page 22)

	Items	Plan
IN	Underlying Operating CF	¥3.3tn+
	Cash In	¥1.7tn+
OUT	Investments	¥4.0tn+
	Cash Out	Shareholder returns ¥2.4tn+

Investment amount excluding sustaining CAPEX

MCS 2024 Actual: ¥1.5tn → CS 2027 Planned: ¥3.0tn+

Financial Metrics and Policies



Financial Soundness Net D/E Ratio Approx. 0.6 (upper limit)

Shareholder Returns Progressive dividends and flexible share buybacks

^{*1} Excludes cash flow from businesses divested in FY2024. Also excludes the impact of business restructuring in FY2024.
^{*2} Excludes capital recycling profits / losses including gains / losses on asset turnover-type businesses such as certain real estate and power generation businesses.
^{*3} Includes capital recycling gains / losses

Special Feature: Corporate Strategy 2027

Investor Day

MC Shared Value Creation Forum ~ Dialogue on Business Strategy 2025 ~

In June 2025, we hosted the MC Shared Value Creation Forum, welcoming 68 institutional investors and analysts.

As the first year of Corporate Strategy 2027 (CS 2027), the forum showcased key policies and frameworks that form the foundation of the strategy.

This special feature focuses on the Enhance, Reshape, and Create initiatives, and shares candid insights from discussions held with participants throughout the event.



Ko Imamura

Executive Vice President
Group CEO,
Materials Solution Group

Since joining MC in 1990, Mr. Imamura has spent nearly 30 years in the chemicals industry. His experience spans a wide range of areas, including trading, business investments, and company-wide investment screening as a member of the Investment Committee. He has held several key leadership roles, including Division COO of the Performance Materials Division, President of Metal One, and Group CEO of the Chemicals Solution Group. He assumed his current position in 2024.

Hideyuki Hori

Executive Vice President
Group CEO,
Food Industry Group

Since joining MC in 1991, Mr. Hori has focused primarily on grain-related businesses, including trading and business investments across the U.S., Brazil, and other countries. He has held key leadership roles such as General Manager of the Grain & Oilseeds Department and General Manager of the Corporate Strategy & Planning Department, and also served as a director of Olam Group. During his tenure in Corporate Strategy & Planning, he led the development and implementation of Midterm Corporate Strategy 2021. Mr. Hori assumed his current position in 2024.

Shigeru Wakabayashi

Executive Vice President
Group CEO,
Mobility Group

Since joining MC in 1986, he has spent a total of 19 years stationed in Thailand, Europe, and India, consistently working in the Isuzu Motors business. While in India, he was involved in the launch of Isuzu Motors India. During his six-year tenure as Division COO of the Isuzu Motors Division, he focused on new business development. He assumed his current position in 2022.



Materials Solution Group

Q North America has been identified as a key region for investments aimed at achieving discontinuous growth. What specific products are being targeted?

A Rather than targeting specific products, our focus is on building competitive business models—defining what risks to take, which functions to develop, and what returns to pursue. This includes strategies like local production for local consumption and niche global approaches. That said, if I were pressed to name one, it would be building materials. The U.S. accounts for 60–70% of the segment's profits, driven by businesses such as steel distribution, plastic building materials, and cement and ready-mixed concrete—all fundamentally tied to construction and infrastructure. By taking a holistic view of the construction sector beyond individual product lines and leveraging these networks, we aim to invest in local production for local consumption businesses within North America's construction and infrastructure space, where we already have a presence. This strategy encompasses both horizontal expansion and vertical downstream development. While sectors like public infrastructure and housing are influenced by economic trends, I expect demand to remain stable, supported by factors such as U.S. population growth and the need for infrastructure renewal driven by national resilience efforts.

ERC Initiative

Pursuing Growth in the North American Construction Sector

Strategic Priority

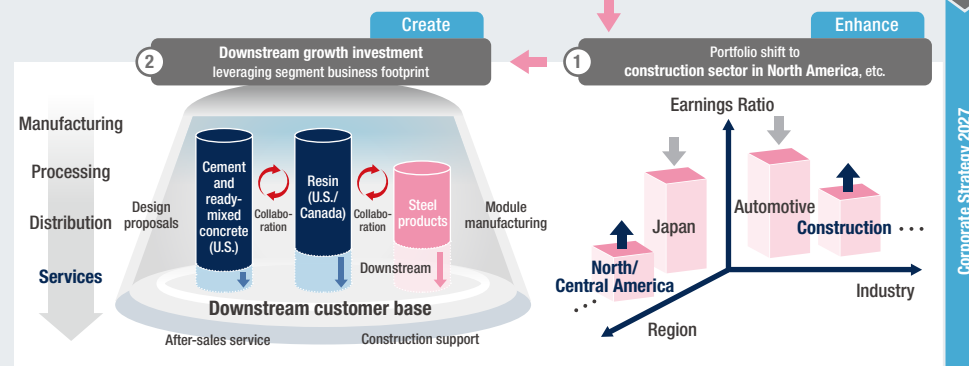
Expand the customer base in the North American construction sector by acquiring and strengthening downstream functions
→ Drive growth across the entire value chain

Company Example

Metal One

FY2024 Results (vs. FY2019)

Employees (20%)↓
Equity-method profit CAGR 8%↑
Loss-making companies (16%)↓
Achieve opposing goals



Special Feature: Corporate Strategy 2027

Investor Day



Food Industry Group

Q In many cases, partnerships between Japanese trading and investment companies and large companies tend to remain at a surface level. If the partnership with ADM is limited to traditional trading, it wouldn't represent a significant shift. How do you specifically envision the strategic direction of this partnership moving forward?

A While other trading and investment companies have also engaged in the grain business and worked with major grain companies, our partnership with ADM stands apart. What ADM values is MCSV. Biofuels are a critical area for major grain companies, given the potential of soybean oil and corn ethanol as renewable energy sources. In our case, the partnership goes beyond traditional grain trading to include collaboration in biofuel-related sectors. ADM recognizes our strong presence in the energy and resource domains, along with our expertise in areas such as sustainable aviation fuel (SAF). With this in mind, they see MC not only as a grain industry player but also as a strategic partner capable of contributing across multiple sectors. While I can't share further details at this stage, we have presented ADM with a proposal built around a unique MC narrative that integrates food and energy, and we are currently engaged in ongoing discussions.

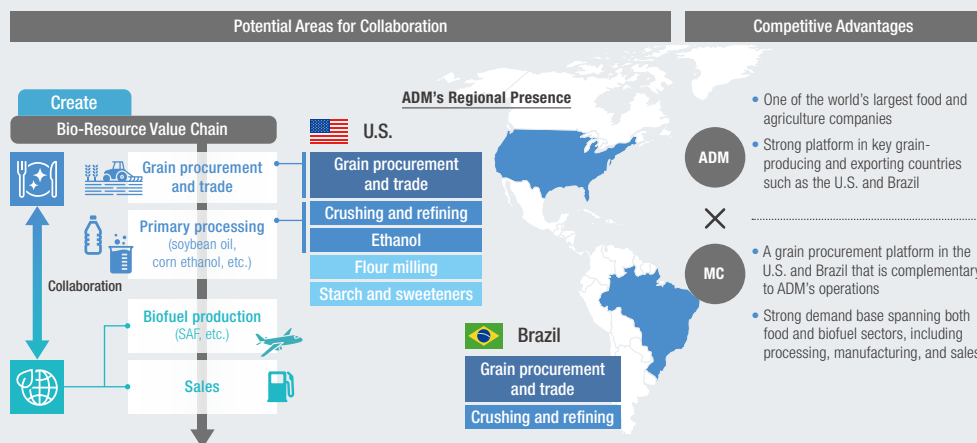
ERC Initiative



Grain and Agricultural Solutions

Strategic Alliance with ADM

ADM and MC will leverage their respective expertise and business platforms to develop a resilient global food system and contribute to decarbonization through the development of a bio-resource value chain



Mobility Group

Q The profit scale of the Mobility Services (MS) business appears smaller compared to other trading and investment companies. What are the factors behind this, and what strategies are in place to drive future growth?

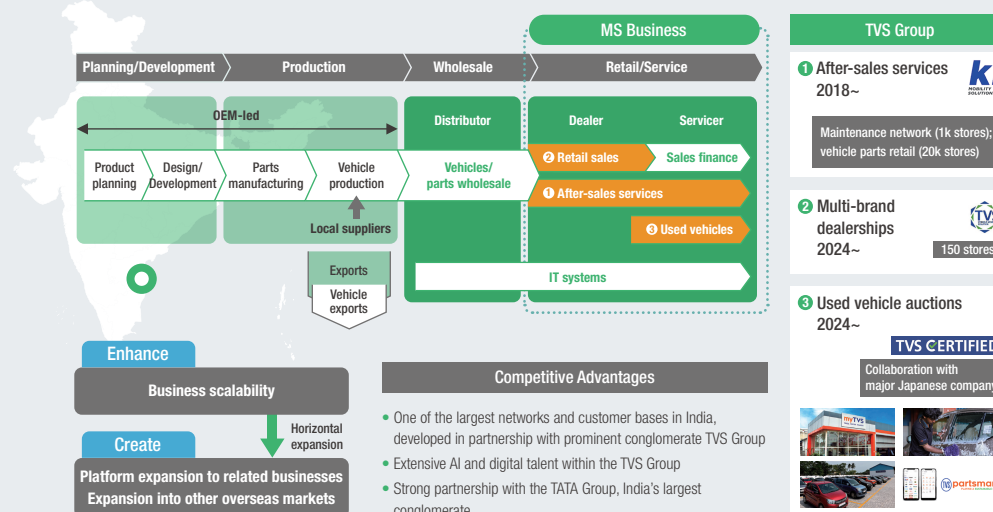
A One factor is that we have historically focused our business development on building strong relationships with automotive OEMs and developing Value Chain (VC) business, particularly in the ASEAN region. Our current strategy takes a dual approach: continuing to strengthen these existing initiatives while also positioning MS as a new core business by leveraging our extensive industry networks and customer touchpoints. For example, in India, we are collaborating with the TVS Group — a prominent local conglomerate with one of the country's largest networks and customer bases — to launch businesses in after-sales services, multi-brand dealerships, and used vehicle auctions. Looking ahead, we plan to expand into other Global South markets. In Japan, a country facing advanced challenges such as an aging population, we are developing business models that address these issues, including on-demand bus services and auto leasing. Our long-term vision is to become a fleet management company that builds a vehicle ecosystem in anticipation of the autonomous driving era. Beyond financing and after-sales services, we aim to expand into used vehicles, improve fleet utilization rates, and ultimately connect these services to energy and battery management.

ERC Initiative



MS Business in India

Build Business Platforms and Expand into Other Global South Markets



SECTION 02

Enhancing Corporate Value

Business Assets

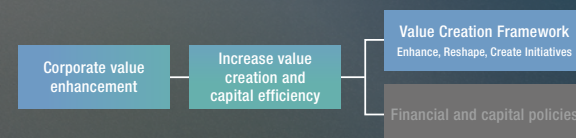
- 17 Implementation of the Value Creation Framework
- 18 Industry Expertise and Market Intelligence that Support the Value Creation Framework

Financial Capital

Our People

Environmental and Social Capital

Components of Corporate Value Enhancement (page 10)



HIGHLIGHTS

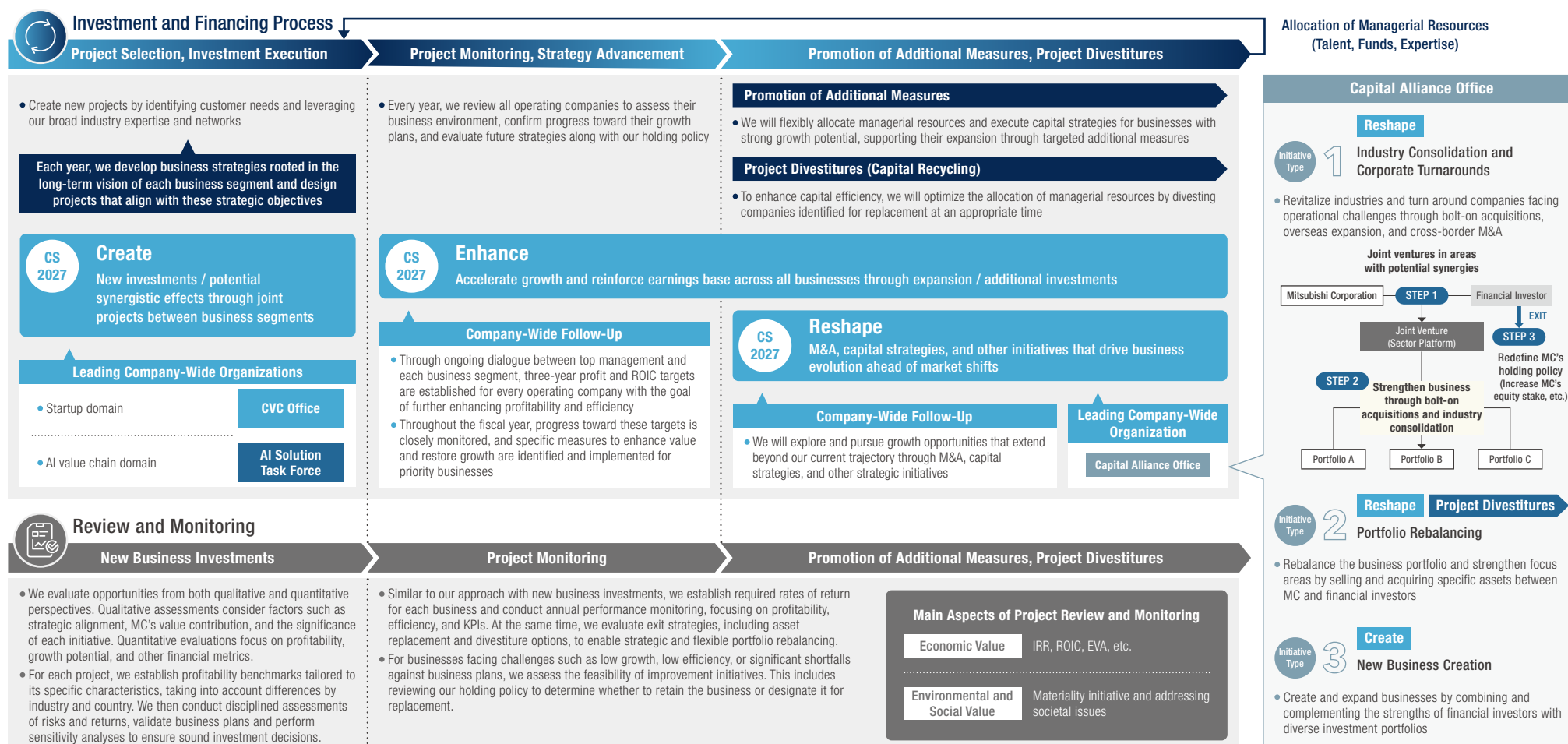
- To implement the Value Creation Framework, we have developed processes for investment, financing, screening, and monitoring. These measures are designed to enhance the effectiveness of our initiatives in driving value creation and improving capital efficiency.
- MC's integrated strength is the core driving force behind the Value Creation Framework. Within this framework, the extensive industry expertise developed over years of business activity, along with market intelligence from our global network, plays a pivotal role in generating value—particularly in today's uncertain business environment.

Implementation of the Value Creation Framework

Risk Management

Examples of "Enhance" "Reshape" and "Create" Initiatives under Corporate Strategy 2027

We have established a framework designed to promote a virtuous cycle of Enhance, Reshape, and Create initiatives within our investment and financing processes. This approach enables us to pursue both high growth and efficiency by strengthening our earnings base through targeted strategic initiatives including targeted investment, implementing capital strategies that drive business transformation, and flexibly allocating assets across all operating companies. To ensure the effective implementation of this framework, top management regularly reviews the growth targets of each operating company, monitors the progress of their initiatives, and takes timely action to enhance the overall quality of the portfolio.



* Excluding companies not under management control, including dormant entities and those scheduled for liquidation or withdrawal

Industry Expertise and Market Intelligence that Support the Value Creation Framework

Our extensive industry expertise and deep market intelligence, developed through diverse business activities, allow us to anticipate shifts in today's uncertain business environment. As industry boundaries become increasingly blurred and change grows more unpredictable, this insight becomes essential for guiding strategic growth investments across our business areas. It also supports the creation of MCSV through collaboration among our business segments.

1 Industry Expertise

We actively pursue new business opportunities by leveraging the industry connections we have built over time and the expertise gained through engagement across a wide range of businesses.

Our culture encourages the sharing of past successes and failures, allowing us to apply these insights when evaluating new ventures and supporting the Value-Added Cyclical Growth Model.

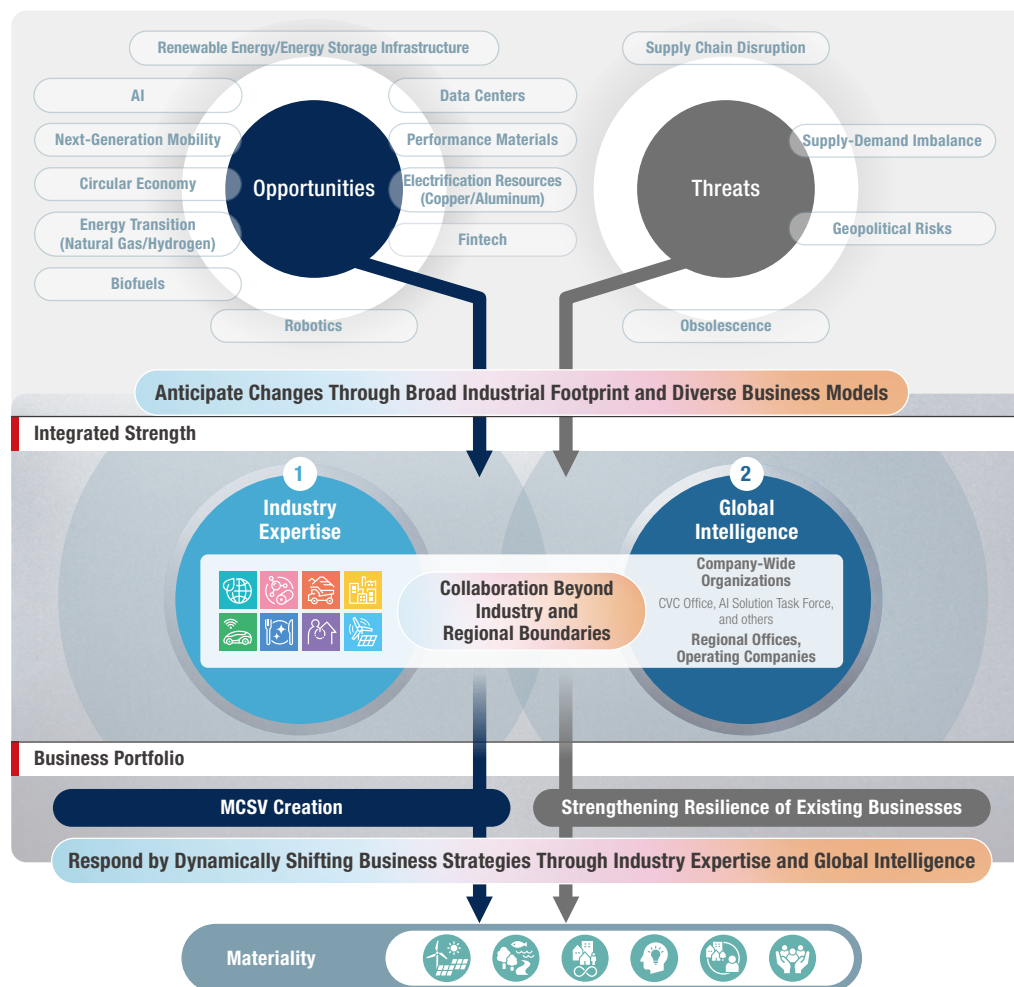
To advance cutting-edge technologies and accelerate their social adoption, we invest in both early- and late-stage opportunities. This includes establishing a company-wide Corporate Venture Capital organization and participating in initiatives such as Breakthrough Energy Catalyst^(*). We also foster collaboration between industry and academia through start-up support programs with institutions like The University of Tokyo and Kyoto University^(*). By continuously strengthening the core drivers of each industry and integrating AI, digital solutions, and other emerging technologies with real-world execution, we strive to deliver new value.

2 Global Intelligence

With operations in approximately 80 countries, our companies collaborate continuously to enhance our ability to respond to change and identify the next sources of significant growth. We maintain a constant state of preparedness by envisioning a wide range of possibilities and leveraging market intelligence built from high-quality information, networks, and business knowledge developed through our global offices and trading businesses. Our goal is to always stay a step ahead by anticipating and responding to changes swiftly and effectively.

We also benefit from the insights of the International Advisory Committee (page 36)^(*), an advisory body to the Board of Directors that provides a global perspective and strengthens our international intelligence.

Initiatives Leveraging Industry Expertise and Global Intelligence



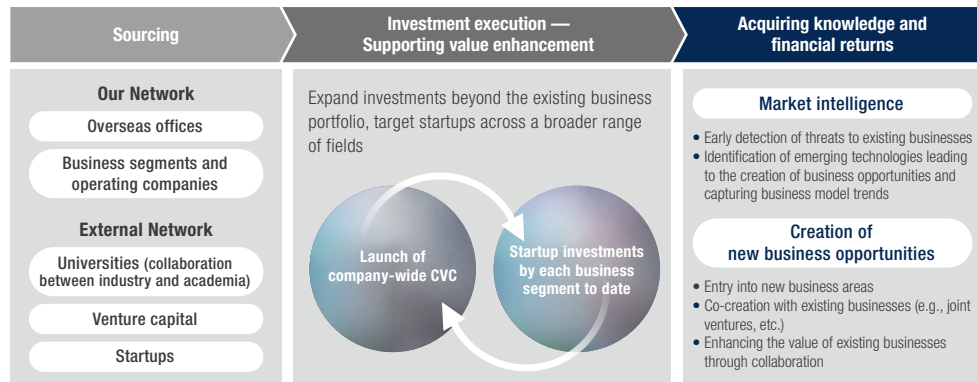
Example



Leverage Our Industry Expertise and Network

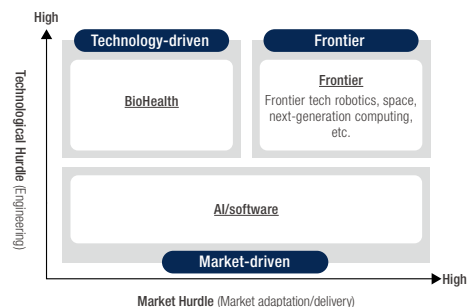
CASE 01 Co-Creating with Startups by Leveraging Our Network

To date, we have invested in startups that are closely aligned with our existing businesses, aiming to further strengthen our earnings base. In addition, we are working to complement and enhance our startup investment framework through a company-wide corporate venture capital (CVC) initiative that extends beyond specific business domains. This initiative will deepen our market intelligence on emerging technologies and help us identify untapped business areas.



Areas of Interest as a Company-Wide CVC (Example)

Categorize investment target areas based on technological and market risks, while maintaining a flexible approach



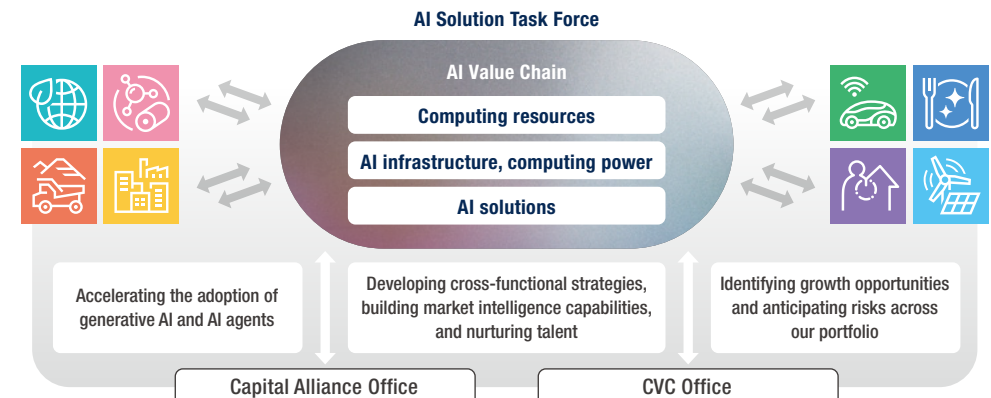
Example of business development initiatives



MC has invested in U.S.-based Jetty Holdings, Inc. (Jetty), a company that has developed innovative technology to unlock copper from primary sulfide ores, and is actively supporting its expansion. We market environmentally valuable copper cathodes made possible through Jetty's technology. Additionally, we leverage our extensive copper industry network to jointly drive wider adoption of Jetty's technology at mines facing challenges in extracting copper from low-grade ore.

CASE 02 AI Value Chain Initiatives Leveraging Our Multiple Industry Touchpoints

As AI continues to reshape industries and create new business domains, we have launched a company-wide task force to take a comprehensive approach across the entire AI value chain. This cross-functional initiative transcends business segment boundaries, developing cross-organizational strategies, building market intelligence capabilities, nurturing talent, and advancing AI deployment. Our goal is to pursue business opportunities in growth markets.



Short to Long-Term Strategic Priorities

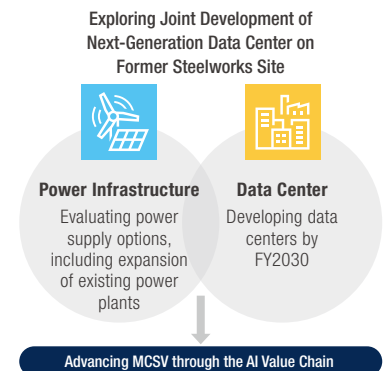
Short to Medium-Term (Next Few Years)

- Strengthening AI infrastructure:** We aim to establish a strong presence in the AI infrastructure space by leveraging the strengths of our existing businesses and collaborating with our industry-leading partners.
- Entry into Computing Resources and Strategy Validation:** We aim to initiate small-scale projects to remain agile and responsive to market needs, while pursuing co-creation of AI solutions with partners in computing power services.

Long-Term (Up to 10 Years)

- AI Solutions Expansion:** We will assess growth strategies for existing businesses with high potential for AI-driven value creation and develop investment strategies in sectors poised for AI-enabled growth. This includes co-creating and delivering new AI solutions, as well as forming strategic alliances with AI-related companies.

Example of business development initiatives



SECTION 02 Enhancing Corporate Value

Business Assets

Financial Capital

21 Financial and Capital Policies/Message
from our CFO

Our People

Environmental and Social Capital



Yuzo Nouchi

Representative Director
Executive Vice President
Corporate Functional Officer, CFO



Components of Corporate Value Enhancement (page 10)



HIGHLIGHTS

- Under Midterm Corporate Strategy 2024 (MCS 2024), we focused on improving the profitability of existing businesses, executing disciplined growth investments, delivering shareholder returns aligned with market expectations, and maintaining financial soundness. In doing so, we achieved all of our quantitative targets.
- Under Corporate Strategy 2027, we are targeting an average growth rate of 10% or higher in underlying operating CF, alongside a ROE of 12% or higher in FY2027, to achieve both growth and efficiency.
- We will execute an investment plan that surpasses the achievements of MCS 2024, while using leverage at levels that allow us to maintain financial soundness. At the same time, we remain committed to delivering shareholder returns aligned with market expectations.

Financial and Capital Policies

Message from our CFO

Overview of Financial and Capital Policies Under Midterm Corporate Strategy 2024

As outlined in last year's Integrated Report, under Midterm Corporate Strategy 2024 (MCS 2024), we have pursued sustainable growth in corporate value. As CFO, I have prioritized four key factors: (1) promoting the recycling of existing businesses and improvement in the rates of return, (2) disciplined growth investment and risk management, (3) shareholder returns aligned with market expectations, and (4) maintaining financial soundness.

Our efforts to enhance the performance of existing businesses were guided by the Value-Added Cyclical Growth Model. We identified approximately 160 operating companies that faced profitability and growth challenges, and worked to improve their efficiency, or in some cases, divest those businesses. These initiatives contributed to an increase of approximately ¥100 billion in consolidated net income compared to FY2021. The introduction of ROE targets for each business segment as a monitoring indicator has helped embed capital efficiency-conscious management across business segments. As a result, we have achieved the double-digit ROE target set in MCS 2024. While this marks a significant milestone, we view it not as a final goal but as a foundation for continued efforts to further improve capital efficiency.

Our second focus was disciplined growth investment and risk management. Over the three-year period, we made a total of ¥2.9 trillion in strategic investments in the EX and DX fields — key investment priorities under MCS 2024 — including ¥0.3 trillion in fund management. This total was slightly below our initial ¥3 trillion target, reflecting our commitment to investment discipline and rigorous project selection amid significant macroeconomic changes, rather than strict adherence to the original plan.

In collaboration with the CSEO organization, which maintains direct engagement with shareholders and investors, we worked to deliver shareholder returns in line with market expectations. When MCS 2024 was first announced, we set a total payout ratio target of 30% - 40%, aiming to deliver progressive dividends while retaining the

flexibility to provide additional returns based on cash flow trends. As our earning power improved, we increased the dividend per share from ¥60 to ¥70, and then to ¥100. We also flexibly executed additional returns through share buybacks. As a result, total shareholder returns during the MCS 2024 period reached approximately ¥1.9 trillion, including dividends of about ¥950 billion and share buybacks of about ¥970 billion, resulting in a total shareholder return ratio of 62%.

In terms of maintaining financial soundness, we achieved a positive free cash flow (FCF) after shareholder returns and upheld a strong Single-A credit rating through our managed cash flow system.

We attribute the achievement of all quantitative goals under MCS 2024, including income and cash flow targets, to the growth initiatives led by individual businesses and the effective application of the Value-Added Cyclical Growth Model, which strengthened the resilience of our portfolio.

Financial and Capital Policies Under CS 2027: Our Thoughts

Quantitative Targets

In Corporate Strategy 2027 (CS 2027), we have set two quantitative targets aimed at achieving both growth and efficiency. First, we have adopted underlying operating CF as a growth indicator, with a target of an average growth rate of 10% or higher. We selected underlying operating CF as a more effective measure of earning power, given that net income can fluctuate year to year due to capital recycling gains and losses and one-time items. Historically, the average growth rate of underlying operating CF has been around 8%, so the 10% target represents a meaningful step up. However, based on strategy discussions and reviews with each business segment, we believe this target is fully achievable through our Enhance, Reshape, and Create initiatives.

Aligned with our focus on underlying operating CF, we will continue our basic approach of continuously recovering returns from equity-method affiliates through dividends.

Going forward, we will clarify whether we intend to pursue these businesses by converting them into subsidiaries or treating them as investments to be harvested through dividends and divestitures. This approach enables us to autonomously manage the resulting cash flows.

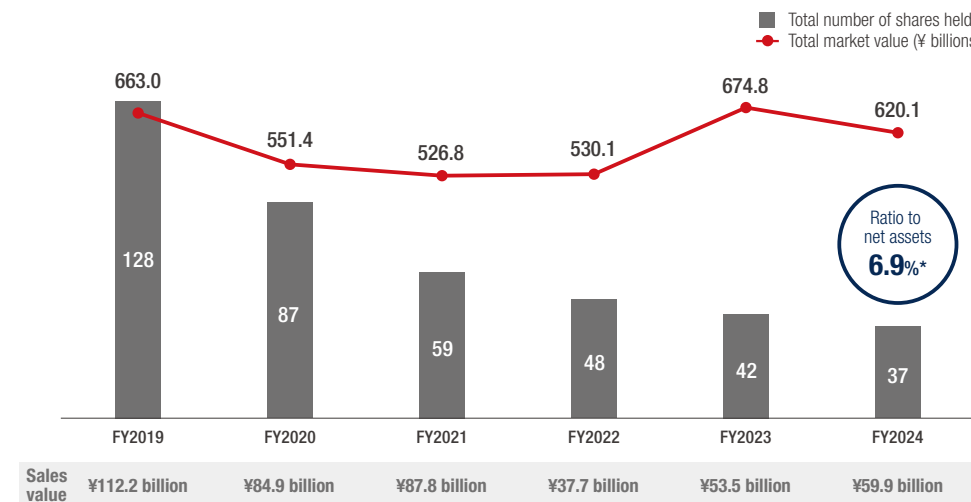
On the other hand, while we will continue to use ROE as an efficiency indicator, the previous target of double-digit ROE under MCS 2024 has been refined to a clearer goal of 12% or higher in FY2027. Our estimated cost of equity is approximately 8-10%, based on the Capital Asset Pricing Model (CAPM). We estimate that ROE of at least 10% is necessary to consistently maintain a price-to-book of 1.0 or higher. However, we are aiming for an ROE of 12% or more, which not only exceeds our cost of equity but also better reflects market expectations. Achieving this target will be challenging in the current business environment, but we are committed to reaching this level by implementing the measures outlined in CS 2027, particularly by strengthening

our earnings base through the Enhance initiatives, which aim to increase the value of all of our existing businesses. That said, we do not see 12% ROE as our final goal, and we will continue striving for even higher levels over the medium to long-term.

We also recognize the ongoing need to reduce our strategic shareholdings to improve capital efficiency. Every year, we review the rationale for these holdings from both qualitative and quantitative perspectives and report the findings to the Board of Directors.

In FY2024, we reduced strategic shareholdings by a total of ¥59.9 billion in market value as of the end of FY2024, including ¥14.1 billion in deemed shareholdings contributed to retirement benefit trusts. This resulted in a 10% year-on-year reduction, and the book value of our listed strategic shareholdings now accounts for less than 10% of our net assets. Going forward, we will continue to steadily reduce these holdings by gradually selling shares (taking

Reduction of Listed Strategic Shareholdings



Note: Includes non-listed FVOCI

Financial and Capital Policies

Message from our CFO

market conditions into account) if we determine that the rationale for holding them has diminished.

We have adopted two quantitative targets: ROE improvement and growth in underlying operating CF. However, we will not prioritize one over the other. Instead, our goal is to achieve both efficiency and growth potential simultaneously.

Financial Soundness

We previously used the investment leverage ratio as our primary indicator of financial soundness. However, we have now switched to the net debt-to-equity ratio (net D/E ratio), a more widely recognized metric, to provide greater clarity for our shareholders and investors. Our financial soundness has significantly improved, supported by our adoption of positive FCF post shareholder returns as a target under MCS 2024. As a result, our net D/E ratio stood at a relatively low 0.29 as of the end of 2024. While the appropriate level of leverage depends on the risk concentration of our assets, we estimate that a net D/E ratio of around 0.6 represents the upper threshold for maintaining our current Single-A flat credit rating. Using this as a benchmark, our policy under CS 2027 is to utilize leverage within a range that ensures the continued preservation of financial soundness.

From Enhance 1.0 to Enhance 2.0

As outlined above, under our previous midterm corporate strategy, we pursued Enhance 1.0 initiatives focused on businesses with low profitability or growth. These efforts primarily aimed to improve returns or recycle underperforming businesses. Under CS 2027, we are strengthening this approach through Enhance 2.0, which targets value improvement across all 244 operating companies, including those already delivering satisfactory returns. We believe that in today's unpredictable business environment, reliable profit growth depends on focusing on existing businesses, where we have deep familiarity, and pursuing value enhancement measures such as bolt-on investments using our own financial resources, as well as exploring asset recycling options within individual businesses. A key feature of CS 2027 is the allocation of

substantial funds for these purposes. (See Capital Allocation Strategy). Specifically, we have set three-year profit and ROIC targets for all operating companies. Progress toward these targets will be regularly reviewed by management, including the President and CEO. By building on the solid foundation of our existing businesses, we aim to further improve profitability and capital efficiency through expanded and bolt-on investments.

Capital Allocation Strategy and Shareholder Returns in Line with Market Expectations

In addition to approximately ¥1 trillion in sustaining CAPEX for existing businesses, CS 2027 allocates around ¥3 trillion for expansion and new investments aligned with the Value Creation Framework priorities of the Enhance, Reshape, and Create initiatives. This represents an increase of ¥1 trillion compared to the ¥2.9 trillion invested under MCS 2024 (which included ¥1 trillion in sustaining CAPEX and ¥0.3 trillion in fund management investments). These investments will be funded through expanded underlying operating CF, asset recycling, and by leveraging the improvements in financial soundness achieved under MCS 2024.

Regarding shareholder returns, in April 2025, we announced the continuation of progressive dividends and increased dividends to ¥110 per share—a ¥10 increase over FY2024—bringing the total payout over the three-year period to ¥1.4 trillion. We also announced ¥1 trillion in share buybacks for FY2025.

The ¥10 dividend increase was determined to be sustainable under our progressive dividend system, based on our assessment of continued strong cash generation capacity. We will flexibly consider further dividend increases, depending on improvements in our earning power and underlying operating CF.

The decision to implement ¥1 trillion in share buybacks was primarily driven by the need to rebalance accumulated capital, reflecting the significant improvement in financial soundness under the previous corporate

Capital Allocation Strategy

	Items		CS 2027 Investment Plan (Three-Year Cumulative Totals)	Profit Contributions (FY2027)		
Cash In	Underlying Operating CF		¥3.3 trillion+	Expansion of underlying operating CF and capital recycling via Value Creation Framework		
	Divestitures		¥1.7 trillion+			
Cash Out	Investments	Existing Business Enhance	Sustaining CAPEX	¥1.0 trillion+	<ul style="list-style-type: none">European integrated energy company (Eneco)Australian steelmaking coal business (BMA), etc.	<div>Profit Contributions</div> <div>Up ¥150 billion</div> <div>Up ¥100 billion</div> <div>Up ¥50 billion</div> <div>Up ¥100 billion</div>
			CS 2027 projects	¥0.9 trillion+	<u>Case examples</u> <ul style="list-style-type: none">Strengthening marine products business (salmon farming)Reforming steel products portfolioReal estate business in Japan and overseas	
			MCS 2024 projects	¥0.6 trillion+	<u>Case examples</u> <ul style="list-style-type: none">LNG Canada/Canada Shale GasMalaysia LNGData center business	
		Reshape	¥0.5 trillion+	Industry restructuring, capital policies, etc.		
		New Business Create	¥1.0 trillion+	<u>Case examples</u> <ul style="list-style-type: none">Natural gas value chainBio-resource value chainNext-generation industrial parkStrengthening our copper business		
	Excess Cash		Evaluate appropriateness of allocating funds to growth investments or additional shareholder returns in consideration of investment pipeline and other factors			
	Shareholder returns	Share Buybacks		¥1.0 trillion+	Announced on April 3, 2025 (Includes shareholder returns founded by post-returns FCF of ¥0.7tn during MCS 2024)	
		Dividends		¥1.4 trillion+	Progressive dividends starting at ¥110 per share (Includes ¥0.2tn in dividend payments by subsidiaries to non-controlling shareholders)	

Financial and Capital Policies

Message from our CFO

strategy and the current state of our investment pipeline. This move also underscores our commitment to capital efficiency-conscious management. We will maintain a flexible approach to additional shareholder returns, based on comprehensive evaluations of business performance, investment pipeline status, overall financial soundness, and other relevant factors.

Enhancing Risk Management and Strengthening Disclosure

Given the rising uncertainty in the business environment over the past few years, we recognize the need to develop and implement an enhanced risk management framework. While our current framework is robust, we continuously review and update our systems to address emerging risks

and the increasing complexity of existing ones.

As part of our intensive risk management efforts, we periodically assess our business portfolio from multiple perspectives, including business segment, industry, country, and currency. Based on these reviews, we manage the level of risk assets in specific areas to ensure they remain within our financial capacity. This approach allows us to minimize the impact on our financial soundness in the event of significant losses within any one area.

In FY2024, we incurred a loss due to fraudulent activities at a trading business. We treated this not as an isolated incident, but as a vital lesson. Following a thorough investigation, we implemented company-wide systems to prevent recurrence and are actively identifying and applying measures to further strengthen our risk management capabilities.

We continue to enhance our response to environmental

and social risks, recognizing that appropriate management of these issues and improved disclosure are essential for sustaining business activities in an uncertain environment. We also believe these initiatives continue to lower our capital costs. In preparation for the upcoming disclosure standards from the Sustainability Standards Board of Japan (SSBJ), we are working to enhance our sustainability disclosures. Led by the finance and corporate accounting departments, we are working collaboratively with the corporate teams involved in areas such as climate change and human capital to identify material issues and evaluate their financial impact in alignment with the SSBJ standards.

Final Thoughts

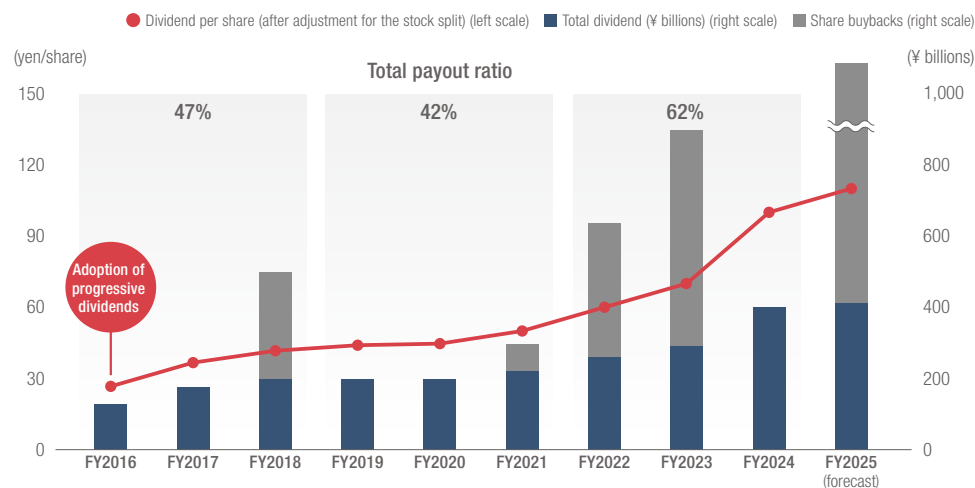
Under MCS 2024, we accelerated initiatives aligned with the Value-Added Cyclical Growth Model, aiming to improve asset efficiency. As a result, we successfully achieved all of the

quantitative targets we had set. While we made reasonable progress in moving away from businesses that failed to meet required rates of return or demonstrated low growth, we recognize that further improvements in asset efficiency are still possible.

Regarding the external environment, concerns about the economic outlook continue to grow. At the same time, the business landscape is rapidly evolving amid a complex mix of geopolitical and economic risks, contributing to rising uncertainty.

In light of these domestic and international conditions, we remain strongly committed to not only reinforcing our current earnings base but also building a foundation that will support the next generation. We will continue to devote our efforts to achieve the CS 2027 targets through open, two-way communication with our shareholders and investors.

Trends in Shareholder Returns



* ¥1 trillion in share buybacks was announced in April 2025, including ¥0.7 trillion funded by FCF post shareholder returns under MCS 2024.



SECTION 02 Enhancing Corporate Value

Business Assets

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Our People

25 Talent Management/Message from the General Manager, Global Human Resources Department

26 Advance Talent Management Based on MC HR Vision DEAR

Environmental and Social Capital



Diversify

Optimize talent pool to take greater advantage of diversity (gender, age, nationality, background, etc.)

KPIs
(examples)

- Mid-career hires: 94
- Percentage of new female graduate hires: 36%
- Percentage of mid-career female hires: 23%

Reward

A competitive and inclusive compensation system that attracts diverse talent, ensures the right people are in the right positions, and promotes a performance-driven culture

KPIs
(examples)

- Number of key position interviewees for talent visualization and optimal talent placement: 650 in total

Energize

Create a vibrant, motivating, and dynamic corporate climate

KPIs
(examples)

- Employee engagement rate: 77% (Target: 65% or more)
- Employee enablement rate: 71% (Target: 65% or more)

Accelerate

Encourage early-career development and self-growth through diverse experiences

KPIs
(examples)

- Talent investment: ¥3.8 billion
- Number of applicants/transfers through career autonomy policies: 113/37

Components of Corporate Value Enhancement (page 10)



HIGHLIGHTS

- We established the MC HR Vision DEAR to strengthen our position as an attractive employer in a rapidly evolving business environment, enabling us to hire and retain top talent while continuously developing professionals who drive value creation.
- As part of Corporate Strategy 2027 (CS 2027), we will update MC's Key Talent Management Concepts in alignment with DEAR and implement targeted initiatives to support the ambitions of our top-tier and diverse talent pool, advancing our Value Creation Framework through the Enhance, Reshape, and Create (ERC) initiatives.

Enhancing Talent Management with MC's Key Talent Management Concepts and MC HR Vision DEAR



Enhancing Talent Management with the Changing Times

People are—and will always be—MC's greatest asset and the source of our value creation, regardless of how times may change.

As we advance our Value Creation Framework through the ERC initiatives outlined in CS 2027, we recognize that our top-tier and diverse talent base is the key to leveraging our integrated strength. In both business and talent, the pace and intensity of external changes continue to exceed expectations. To effectively implement our corporate strategies in this context, we must return to and firmly ground ourselves in MC's Key Talent Management Concepts. These concepts will be further strengthened through human resource initiatives that reflect the evolving needs of the times.

At the center of these concepts are four foundational elements that define MC's strengths and identity—the Three Corporate Principles. These four elements work in tandem to attract people with high aspirations and enable them to achieve growth by taking on challenges and accumulating achievements, thereby turning personal growth into corporate success. Looking ahead to the next decade, we will continue to evolve our talent management by consistently updating these core concepts. This evolution will be guided by the MC HR Vision "DEAR"—Diversify, Energize, Accelerate, and Reward—our long-term initiative to shape a future-ready workforce. As part of CS 2027, we have formulated key initiatives based on DEAR, centered on the theme of "challenge," to advance our Value Creation Framework through the ERC initiatives. Through these efforts, we will continue to make progress toward realizing our vision and further enhancing our corporate value.

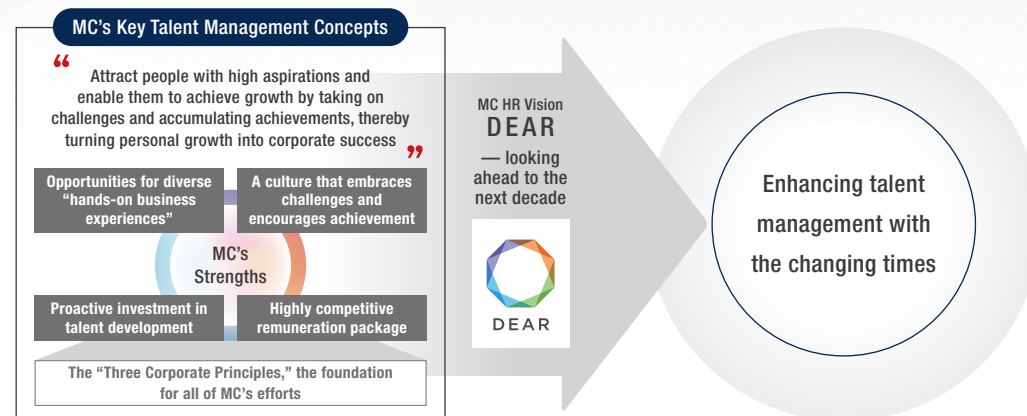
Reiko Kashiwabara

Senior Vice President
General Manager, Global Human
Resources Department



Key Talent Management Concepts

While returning to MC's Key Talent Management Concepts, we will continuously develop various human resource initiatives based on MC HR Vision DEAR to accelerate the ERC initiatives set forth in CS 2027.



Strategic Focus for Enhancing Our Key Talent Management under CS 2027

In addition to existing initiatives, we will implement the following to enhance the management of our key talent under CS 2027.



Advance Talent Management Based on MC HR Vision DEAR

Developing Next-Generation Leaders Through a Strategic Talent Development Model that Provides Diverse Experiences



To realize the ERC initiatives, we require employees who demonstrate exceptional conception and execution skills, uphold high moral and ethical standards, and contribute to value creation across business stages.

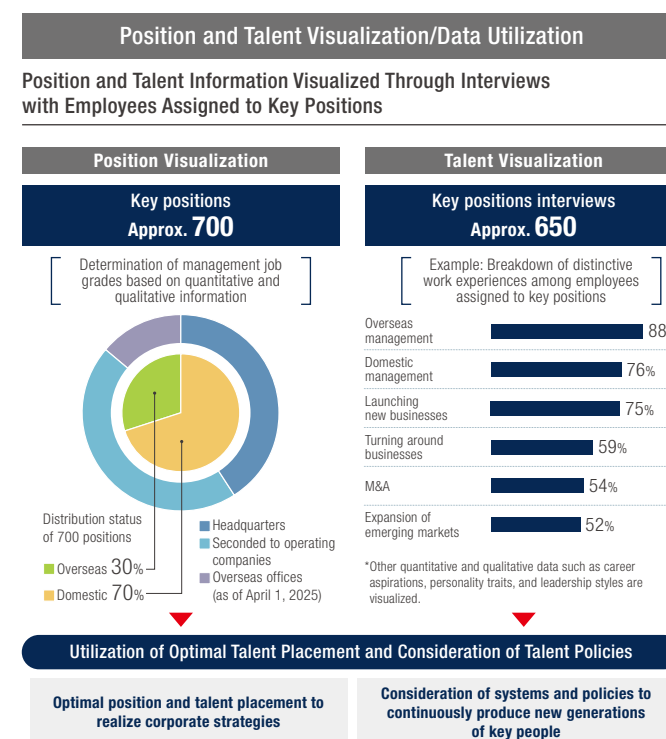
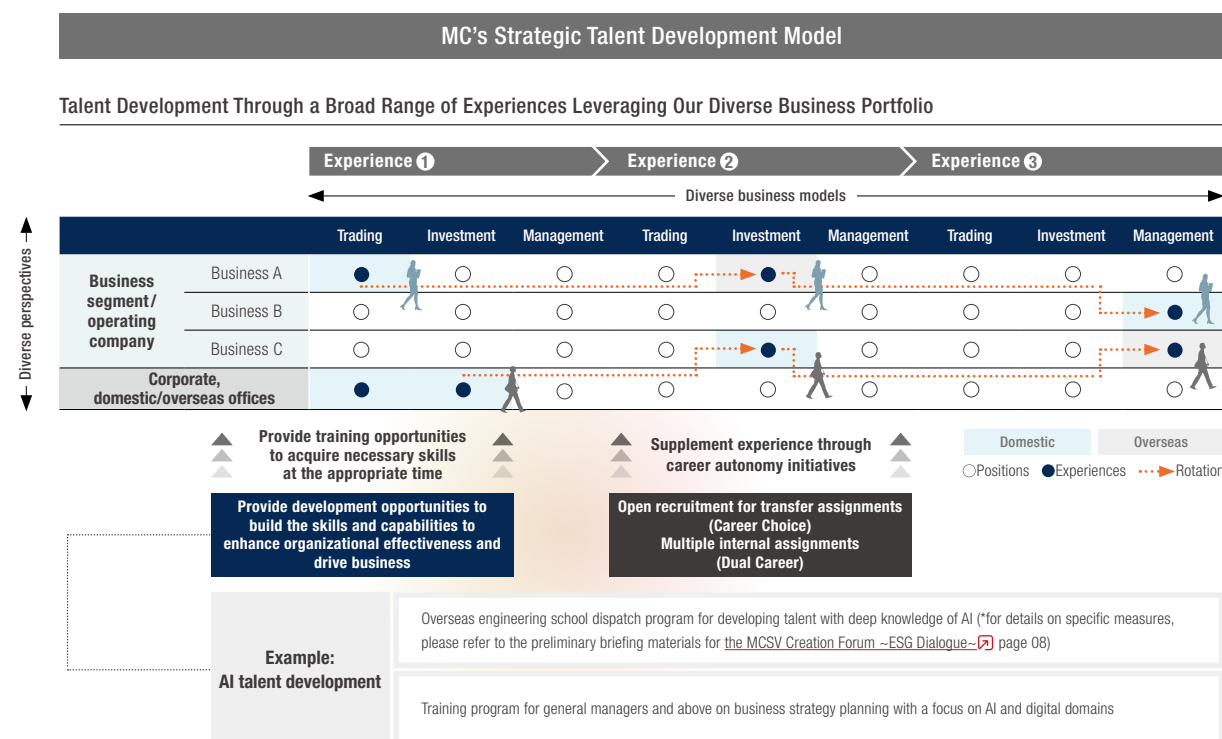
In addition to ensuring the right people are placed in the right positions, we have established a rotational system—one of MC's unique strengths in talent management—that offers opportunities for diverse, hands-on business experiences. This system exposes individuals to a

wide range of business models and perspectives across business segments, corporate teams, operating companies, and domestic and overseas offices, fostering the development of next-gen leaders.

As a complement to this on-the-job training, we provide a comprehensive suite of training and development opportunities tailored to each employee's stage of growth and individual needs. Recently, we have focused on expanding AI and digital-related training, including the acquisition of AI skills and knowledge. We have also enhanced open

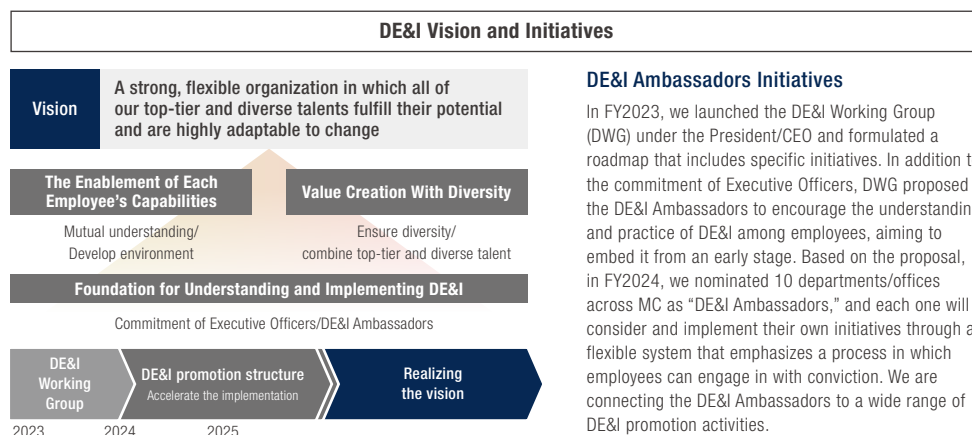
recruitment for internal transfers to promote career autonomy.

These efforts are designed to cultivate the capabilities required to meaningfully contribute to value creation in a rapidly changing business environment. Through these unique MC experiences, we are identifying and developing individuals for key positions, such as general managers at headquarters and CxOs at our operating companies. This information is used to optimize talent placement, while also being analyzed at a macro level to support the development of the next generation of leaders.



Advance Talent Management Based on MC HR Vision DEAR

Promotion of DE&I and Women's Empowerment



Milestones and Initiatives for Promoting Women's Empowerment

We position women's empowerment as a key driver for promoting DE&I. Based on the four pillars set to achieve our vision and milestones, we will continue to enhance training and promotion opportunities across all levels, as well as improve the ratio of female hires.

The Four Pillars for Women's Empowerment		① Strengthening of Recruitment		② Enhancing Training and Promotion Opportunities		③ Women's Empowerment		④ Development of Work Environments	
						Milestones		Vision	
		FY2024	FY2025		End of FY2027	End of FY2030			
Pipeline	General Managers	2.6%	3.0%	▶	5%	10%			
	General Manager Candidates	7.8%	8.7%	▶	10%	15%			
	Managerial Staff	11.9%	12.3%	▶	15%				
Recruitment	Mid-Career Hires	Past 3 years' results (FY2021-FY2023 hires) 11%	23%	▶	Through FY2025-FY2027 25–35%	Updated while checking progress	Percentage of women at all levels 30%		
	New Graduate Hires	Past 3 years' results (FY2022-FY2024 hires) 27%	36%	▶	Through FY2025-FY2027 30–40%				

- The percentage of female executives under the Company Act is 26.7% (as of June 20, 2025).
- "General Manager Candidates" refers to those who are in positions of leading people, organizations, and projects.
- Milestones set for the end of FY2027 and end of FY2030 will be monitored according to the data as of April 1, 2028, and April 1, 2031, respectively.
- 30% is considered as a critical number of personnel needed in order to affect corporate culture and decision-making as an influential body.

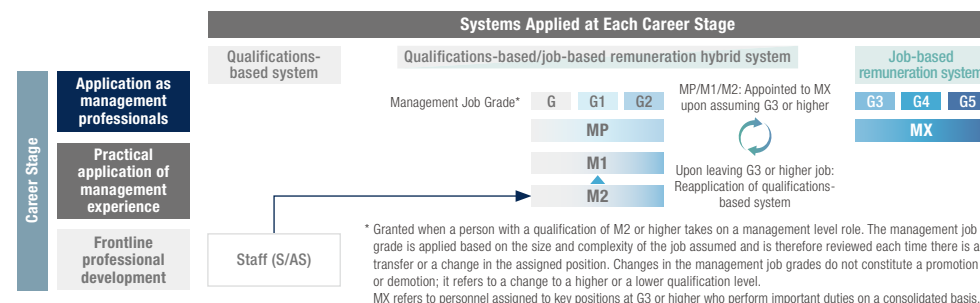
Percentage of women at all levels:
30%

A Human Resource System that Integrates Employee Growth and Company Development



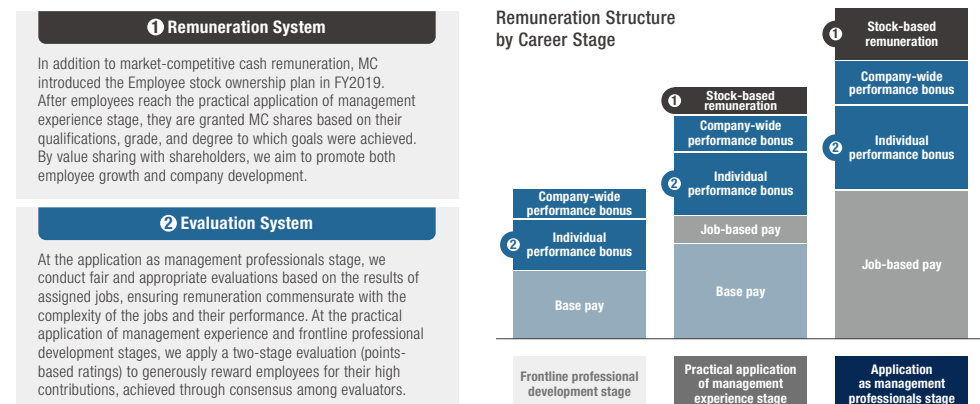
A Hybrid Human Resource System Combining a Qualifications-Based System and a Job-Based Remuneration System

Taking into account the characteristics of our business model, we have implemented a hybrid system that integrates employee growth and company development. This system combines a qualifications-based system, focusing on the gradual development of talent in line with each employee's career stage, and a job-based remuneration system, centered on rewarding employees according to their jobs.



Job and Performance-Based Evaluation and Remuneration Systems Ensuring Fair and Appropriate Treatment of Employees

Based on a hybrid human resource system, we are supporting employee growth and company development by implementing fair and appropriate treatment through market-competitive remuneration and value sharing with shareholders, as well as evaluations that accelerate the operation of these systems.



Business Assets

Financial Capital

Our People

Environmental and Social Capital

29 Sustainability at MC

Our **8**
Material Issues



Components of Corporate Value Enhancement (page 10)

Corporate value
enhancement

Improve growth
expectations and
reduce capital costs

Initiatives supporting
sustainable value
enhancement

Stakeholder engagement

HIGHLIGHTS

- We are implementing initiatives to enhance our medium to long-term corporate value, guided by our 8 material issues.
- We are integrating these material issues into our internal mechanisms to effectively pursue business opportunities and respond to risks appropriately.

Sustainability at MC

The Three Corporate Principles call upon us to enrich society while contributing to the preservation of the global environment.

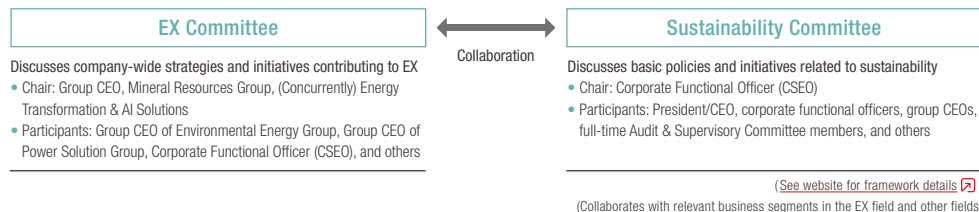
In recent years, as expectations for companies to address various societal challenges have grown, so too has the importance of doing so as a means of enhancing sustainable corporate value.

MC has identified its material issues as a set of critical societal issues that we will prioritize through our business activities. To effectively seize the business opportunities these issues present and respond to risks in a timely manner, we have formulated a sustainability-conscious business strategy and established a progress management process based on clearly defined goals.

Together, these efforts drive our commitment to sustainable growth and long-term value creation.

1. Promoting Sustainability Through Business (Leveraging Business Opportunities)

As part of our company-wide response to the evolving business environment and the societal imperative of decarbonization, we have established the EX Committee. This committee consists of business segments closely tied to energy transformation (EX) and serves as a forum for discussing strategic direction in the EX space. In collaboration with the Sustainability Committee, the EX Committee promotes the development and implementation of high-impact sustainability initiatives that also consider business opportunities.



Key Discussion Topics: Details are regularly reported to the Executive Committee and Board of Directors

EX Committee	Shared Topics	Sustainability Committee
<ul style="list-style-type: none"> Company-wide strategies, business opportunities and specific initiatives in the EX space 	<ul style="list-style-type: none"> External changes regarding carbon neutrality Progress on the Roadmap to a Carbon Neutral Society and emissions forecast 	<ul style="list-style-type: none"> Scope 3 disclosure expansion Roadmap for TNFD initiatives

We expect to create and grow new businesses over the medium to long-term toward a carbon-neutral society. With its extensive industrial footprint, we believe MC will play a significant role, and we are working to build a business model with a global perspective.

Case Studies

[Please click here for details on our key decarbonization businesses](#)

Business 1: Renewable Energy Business Initiatives

Aligned with our strategy to capture value across the entire power value chain, we are expanding our renewable energy footprint.

Business 2: Expanding Supply of Next-Generation Energy and Critical Minerals for Decarbonization

We are aiming to expand our businesses in copper, aluminum, and battery materials, which are essential for electrification, as well as next-generation energy such as clean hydrogen, ammonia, and sustainable aviation fuel.

Management Reference Indicator (Example)

We disclose avoided emissions as a quantitative indicator to measure the degree of contribution we are making to the reduction of society-wide GHG emissions, as well as the extent to which we are capturing business opportunities in the transition to a decarbonized society.

- Renewable energy: Approx. 3 million t-CO₂e (per year)
- Copper: approx. 50 million t-CO₂e (lifetime)

Note: [Calculation methods, key considerations, and avoided emissions of other products](#)

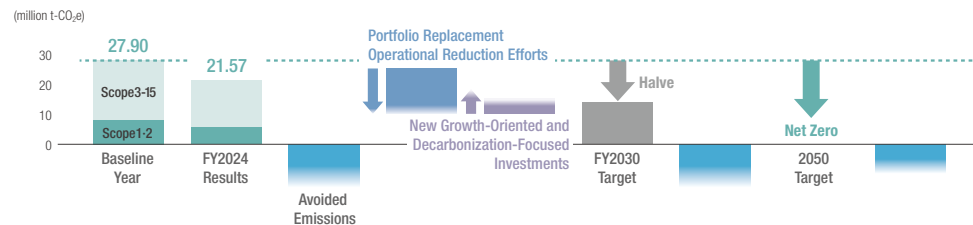
2. Sustainable Growth Support for Individual Businesses (Appropriate Responses to Environmental and Social Risks)

MC confirms the significance of each project against our Materiality when making decisions on individual investment and finance proposals. This includes a thorough assessment of environmental and social risks and opportunities. Following project implementation, we continue to monitor its sustainability performance by evaluating how effectively we are addressing these risks and opportunities, considering external trends, stakeholder expectations, and international standards that change on a yearly basis.

Key Environmental and Social Risks

Climate Change (GHG Emissions)

MC's GHG emissions in FY2024 amounted to 21.57 million tons, which is 23% lower than the baseline figure in FY2020. This indicates steady progress toward our FY2030 target. To reach net zero emissions by 2050, we remain committed to meeting our GHG emission reduction targets, ensuring a stable supply of energy and mineral resources, and advancing decarbonization projects to contribute to the reduction of society-wide emissions (the creation of avoided emissions).



Human Rights (Occupational Safety and Health)

Establishing environments where employees and contractors can work with peace of mind is essential to creating sustainable corporate value, and we are promoting company-wide occupational safety and health management.

Business Management Indicator and Target

Reduce Lost Time Injury Frequency Rate (LTIFR) every year

- FY2024: 1.31 (down 0.44 from FY2023)

Natural Capital (Biodiversity)

Conducting risk analysis using the TNFD Framework to grasp the extent to which our businesses depend on and impact nature.

Business Management Indicator and Target

Deepen the TNFD trial analyses conducted in FY2022 and FY2023 and aim to disclose results in line with the TNFD by FY2025.

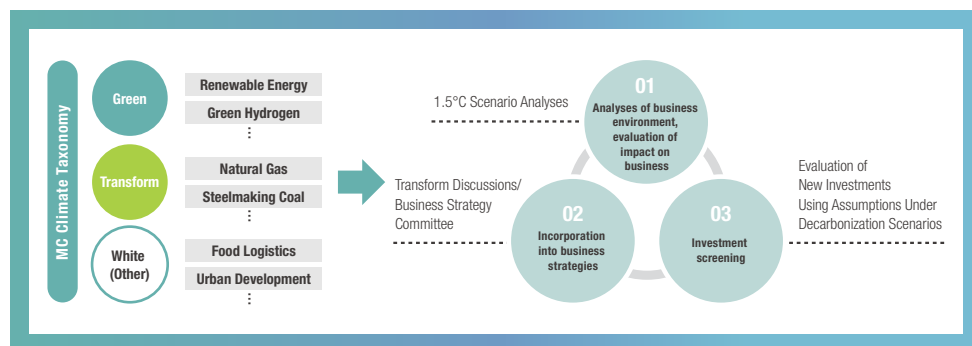
Sustainability at MC

We are developing various policies to achieve sustainable growth for society, including for our supply chains, centered on environmental initiatives focused on climate change and natural capital, as well as human rights-related social initiatives. We are also working to expand information disclosure in line with the TCFD framework for climate change and the TNFD framework for natural capital.

Climate Change:

Mechanism for Simultaneously Decarbonizing and Reinforcing Our Portfolio

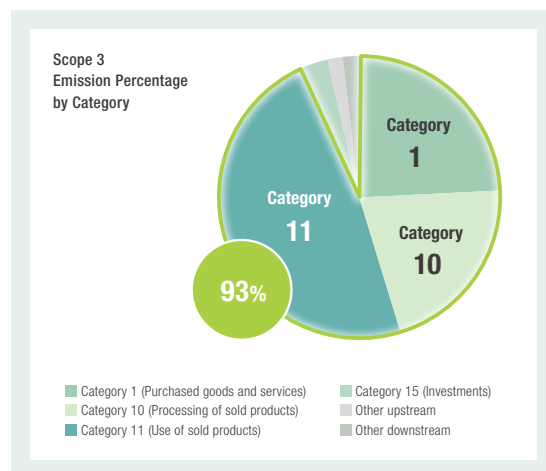
To achieve the GHG reduction targets (halve emissions by FY2030 and reach net zero by 2050), we are promoting mechanisms for simultaneously decarbonizing and reinforcing our portfolio, classifying all businesses based on climate change transition risks and opportunities.



Climate Change:

Value Chain Emission Initiatives

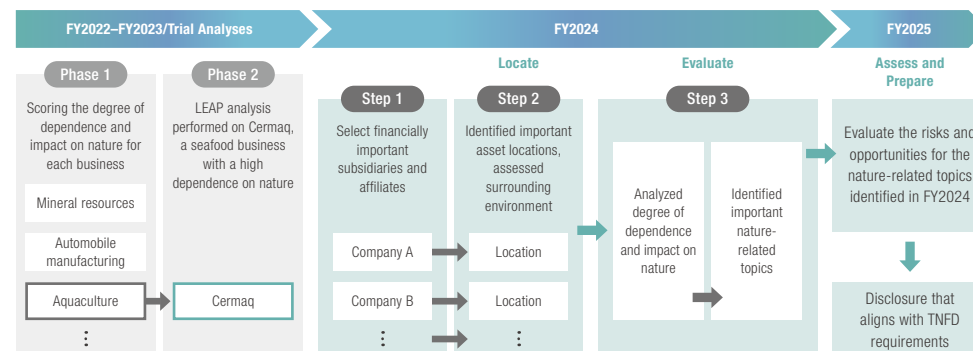
- In addition to Category 11 (Use of sold products), which we have been disclosing up to now, we have calculated emissions for all other Scope 3 categories (FY2024 results: 362.58 million tCO₂e; financial control approach) and expanded our disclosure.
- As a company operating across numerous sectors with extensive industry connections, we believe that collaborating with partners across our supply chain and pursuing initiatives that contribute to societal decarbonization (i.e. generate avoided emissions) will enable us to reduce our Scope 3 emissions.



Natural Capital:

TNFD Analyses

To address the issues identified in the trial analyses, we selected subsidiaries and affiliates that are financially important to MC in FY2024 and implemented the 'Locate' and 'Evaluate' steps of the LEAP (Locate, Evaluate, Assess, and Prepare) analysis for each company. In FY2025, we plan to implement the 'Assess' and 'Prepare' steps.



Human Rights and Supply Chain Management: Overview of Initiatives

Recognizing that protecting human rights and ensuring a sustainable supply chain are fundamental to supporting our business activities, MC has implemented various initiatives including a human rights policy, human rights due diligence, and a grievance mechanism. We continuously monitor relevant laws, regulations, and other external trends, and apply the PDCA (Plan-Do-Check-Act) cycle to our existing initiatives to ensure they remain effective and up-to-date.
























Sustainability at MC

Materiality Identification Process  Video introducing materiality 

List of Materiality-Related Measures

To promote the creation of MC Shared Value, we have established “action plans”, which serve as medium-term plans for the material issues for each business or initiative, which are tracked through annual reviews. MC has thereby established a system to verify how our businesses and initiatives lead to the creation of MCSV.

Materiality	Overview	Typical Measures / Action Plans
Decarbonization and the Enrichment of Society	 <p><u>Contributing to Decarbonized Societies</u> </p>	<p>Contributing to the realization of decarbonized societies by working to reduce greenhouse gas (GHG) emissions while providing products and services that support decarbonization during the transition period.</p> <ul style="list-style-type: none"> • <u>Roadmap to a Carbon Neutral Society</u>  • Doubling renewable energy power generation capacity • Implementation of next-generation energy supply chains • Supply of mineral resources to promote an electrified society • CCUS initiatives • <u>1.5°C scenario analysis</u>  • <u>Response to physical risks</u> 
	 <p><u>Conserving and Effectively Utilizing Natural Capital</u> </p>	<p>Recognizing the Earth itself to be our most important stakeholder, we strive to maintain biodiversity and conserve natural capital, and work to create circular economies, while reducing our environmental footprint.</p> <ul style="list-style-type: none"> • Promotion of a circular economy • <u>Assessment of environmental dependencies and impacts by utilizing the TNFD framework</u> 
	 <p><u>Promoting Stable, Sustainable Societies and Lifestyles</u> </p>	<p>Promoting sustainable societies and lifestyles of the future through businesses in a various countries and industries while fulfilling our responsibility to provide a stable supply of resources, raw materials, products, services, and other offerings, in line with customer needs.</p> <ul style="list-style-type: none"> • Fulfilling our responsibility to ensure a stable energy supply to support the transition period • Ensuring a stable supply of high-quality steelmaking coal • Ensuring a sustainable food supply
	 <p><u>Using Innovation to Address Societal Needs</u> </p>	<p>Creating businesses that help address societal needs while working to spur major industry reforms that are supported by business innovation.</p> <ul style="list-style-type: none"> • Building a cross-industry digital ecosystem • Reducing food waste • Providing solutions to wasteful, inconsistent, and burdensome practices by optimizing the entire supply chain through digital technology • Contributing to the realization of a carbon-neutral society through technological innovation
	 <p><u>Addressing Regional Issues and Growing Together with Local Communities</u> </p>	<p>Work to contribute to the development of economies and societies by addressing issues facing countries and regions, while seeking to grow together and collaborate with diverse stakeholders, regions, and communities.</p> <ul style="list-style-type: none"> • Creating self-sustained decentralized communities • Developing and managing smart cities • Providing solutions for regional transportation challenges through on-demand mobility services
	 <p><u>Respecting Human Rights in Our Business Operations</u> </p>	<p>We respect the human rights of all stakeholders involved in promoting our diverse operations worldwide, and pursue solutions to address any value chain-related issues, taking into account the local conditions in each country.</p> <ul style="list-style-type: none"> • Implementing human rights due diligence for business activities • Ensuring the safety of employees • <u>Supply chain management</u> 
Striving to Serve as a Platform for Generating Triple-Value Growth	 <p><u>Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce</u> </p>	<p>Recognizing that our people are our greatest assets, we foster a diverse and versatile talent pool that drives efforts to generate triple-value growth throughout our organization. We seek to develop an organization where diverse employees share common values and grow together while furthering their connections and inspiring one another to excel.</p> <ul style="list-style-type: none"> • Talent management strategy • Strengthen employee engagement • Data utilization
	 <p><u>Maintaining a Highly Transparent and Flexible Organization</u> </p>	<p>While swiftly responding to changes in the business environment, we will implement effective governance on a global, consolidated basis and to maintain and strengthen an organization that is transparent and flexible.</p> <ul style="list-style-type: none"> • Incorporating global intelligence into management • Flexible organizational restructuring • Transparent and effective operation of the Board of Directors


TOPIC

Visualizing Societal Impact

In 2025, we worked on visualizing the societal impact generated by the on-demand bus business operated by the Mobility segment.

Specifically, we analyzed the impact from the following two perspectives.

- 1 Improving the quality of life for local residents
- 2 Mitigating the environmental impact (reducing CO₂ emissions)

➡ Please refer to the impact report  for details on the analysis results.

SECTION 03

Corporate Governance

33 Corporate Governance
41 Stakeholder Engagement

Components of Corporate Value Enhancement (page 10)



HIGHLIGHTS

- Following the transition from an Audit & Supervisory Board to having an Audit & Supervisory Committee, we have confirmed that the foundation for enhancing corporate governance has been further strengthened. As changes in the external environment accelerate, we remain committed to reinforcing the Board of Directors' monitoring function and enhancing corporate value.
- Our remuneration package is designed to promote value sharing with shareholders while increasing awareness of MC's future sustainable growth and the medium to long-term enhancement of corporate value.
- We have strengthened two-way engagement with stakeholders and continue to advance initiatives aimed at enhancing corporate value.

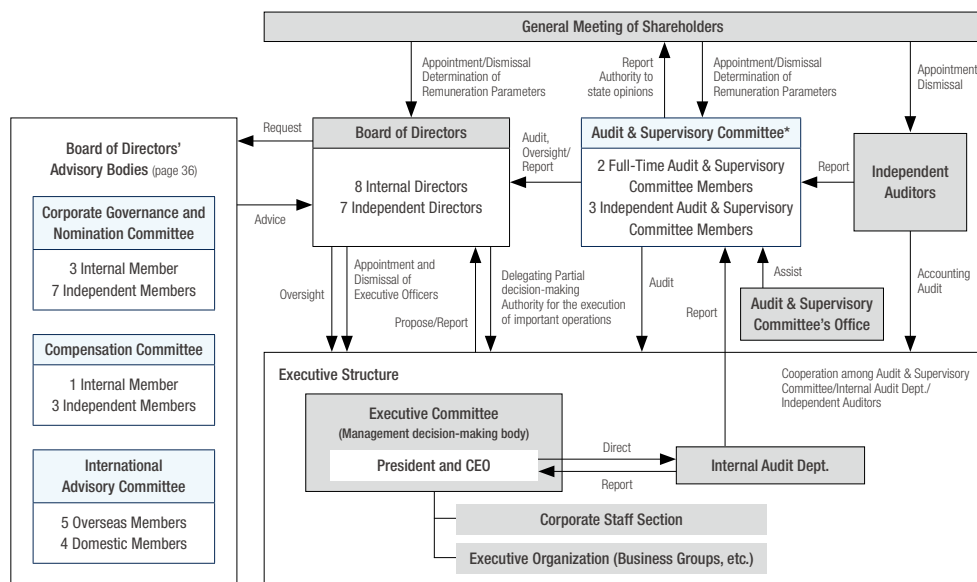
Corporate Governance

Basic Policy

Guided by the Three Corporate Principles, MC is committed to continuously increasing corporate value through business activities rooted in fairness and integrity. We believe that contributing to the enrichment of society is critical to meeting stakeholder expectations. To achieve this, we view the ongoing strengthening of corporate governance as a core management policy, forming the foundation for sound, transparent, and efficient operations.

Since the 2000s, MC has advanced corporate governance reforms in line with this policy. To enable management and business execution that anticipate change and drive growth through business transformation and reinforcement, we have consistently focused on enhancing corporate value through deliberation and effective oversight by the Board of Directors. In June 2024, MC transitioned to having an Audit & Supervisory Committee, aiming to accelerate decision-making through delegated authority. This shift also enhances the Board's monitoring function by deepening discussion around management policies and strategies, further strengthening our ability to respond to rapid changes in the external environment.

Corporate Governance System



*Composed of Directors who are Audit & Supervisory Committee Members.

Main agenda items of the Board of Directors in the fiscal year ended March 31, 2025

Initiatives to Enhance the Effectiveness of the Board of Directors



Takehiko Kakiuchi
Chairman of the Board

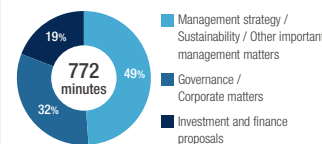
As the business environment grows increasingly complex and fast-paced, it is essential to continuously reflect on and evolve our approach to corporate governance. To respond with agility and achieve resilient growth amid shifting industrial structures and emerging opportunities, we remain committed to pursuing the optimal form of corporate governance and the ideal structure for the Board of Directors.

Our independent directors have shown strong dedication not only to Board activities but also to the ongoing enhancement of corporate governance. As Chairman of the Board, I will continue to draw on their expertise to enrich Board deliberations and strengthen the governance framework that supports our management. Through these efforts, we aim to contribute to the Company's sound and sustainable enhancement of corporate value.

Strengthening the Substance of Board Deliberations

Even prior to transitioning to having an Audit & Supervisory Committee, MC has worked to strengthen its monitoring functions by refining the selection of agenda items and improving the quality of deliberations. These efforts have led to a significant enhancement in the matters discussed by the Board of Directors. Currently, approximately half of the Board's deliberation time is dedicated to management policies and strategies (Fig. 1). In addition to formal deliberations by the Board and its advisory bodies, MC provides independent directors with additional opportunities to receive information and exchange views. This approach, combined with the strong commitment of our independent directors, contributes to more substantive and impactful Board discussions.

[Fig. 1] Board of Directors in FY2024:
Breakdown of deliberation time by topic



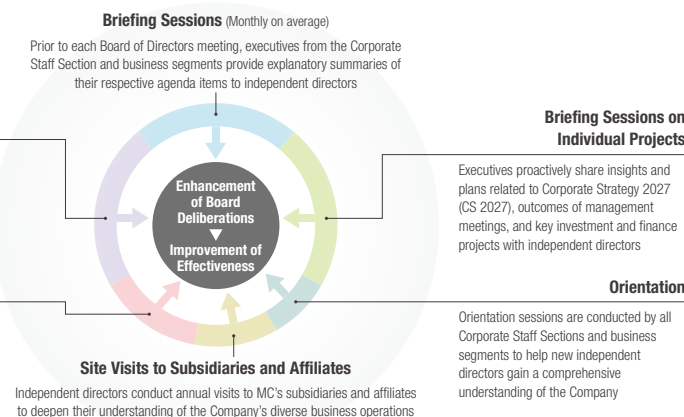
* Please refer to page 36 for details on the initiatives of the Board of Directors' advisory bodies

Dialogues between Independent Directors of the Board and Officers and Employees

MC facilitates direct engagement between the management executives of the Corporate Staff Section and business segments, including small-group discussions with Executive Vice Presidents and dialogues with mid-level and junior employees

Meetings of Independent Directors (Six times per year)

Regular meetings are held to provide a forum for open discussion among independent directors on a wide range of topics



Corporate Governance

Evaluation of the Effectiveness of the Board of Directors

In FY2024, following the transition to a new governance structure, the effectiveness of the Board of Directors was evaluated through a self-assessment process led by the independent directors. This evaluation was based on the findings of a third-party assessment conducted in FY2023. The results confirmed that the strengths identified in FY2023 have been further reinforced through the transition to becoming a company with having an Audit & Supervisory Committee. These strengths are outlined below.

Strengths Confirmed in the FY2024 Board of Directors Effectiveness Evaluation

- Through discussions surrounding the transition to becoming a company with an Audit & Supervisory Committee, the Board of Directors has engaged in careful deliberations on its ideal structure and approach to oversight. These efforts confirmed that the Board's leadership has contributed meaningfully to the enhancement of corporate governance.

Four Key Strengths Supporting MC's Board Effectiveness

1	2	3	4
The Chairman of the Board and executives demonstrate a strong dedication to continuously strengthening corporate governance	Close and consistent communication between Board Members in oversight roles and executives fosters mutual trust and alignment	Independent directors and Independent Audit & Supervisory Members show a high level of commitment to MC	The Board of Directors' Office provides comprehensive initiatives, support systems, and PDCA cycle management

Factors supporting the four key strengths

- A Board culture that is genuinely committed to pursuing the optimal structure for the Company, while remaining responsive to changes in the external environment
- Strong interpersonal dynamics, including mutual trust and commitment between Board Members in oversight roles and the executive team, as well as among Directors

FY2025 Policy Based on FY2024 Board Effectiveness Evaluation Results

	FY2024 Effectiveness Evaluation Results	FY2025 Board Policy
Overall Evaluation of the Board of Directors	<ul style="list-style-type: none"> Confirmed that a relationship of mutual trust has been established among Directors, supported by the strong commitment of independent directors and the executives' transparent disclosure of detailed information. Under the new corporate governance system, the Board has more opportunities to discuss management strategies from diverse perspectives. 	<ul style="list-style-type: none"> The Board will continue to foster and strengthen the relationship of mutual trust between Directors in oversight roles and the executive team, which remains one of MC's core strengths.
Medium to Long-Term Considerations	<ul style="list-style-type: none"> Following in-depth discussion on the size and composition of the Board of Directors, it was concluded that the current structure is functioning effectively. However, in light of significant changes in the business environment, continued dialogue around MC's long-term vision was considered essential. 	<ul style="list-style-type: none"> The Board will continue to refine our vision for MC in response to changes in the external environment. These ongoing discussions will serve as a foundation for strengthening and continuously improving our corporate governance systems.
Monitoring of MCS 2024 and Formulation of CS 2027	<ul style="list-style-type: none"> Progress on Midterm Corporate Strategy 2024 (MCS 2024) was effectively monitored, supported by the executives' thorough and transparent information sharing. The formulating for CS 2027, which featured extensive dialogue between Directors in oversight roles and the executive team, received strong praise from the independent directors. 	<ul style="list-style-type: none"> Given the complexity of the current business environment, the Board will oversee progress on CS 2027, drawing on the insights and deliberations of its Directors.

Comments from the Independent Directors Who Compiled the Evaluation of the Board of Directors



Shunichi Miyanaga
Independent Director

Extensive discussions during the consideration of transitioning to having an Audit & Supervisory Committee fostered a strong, shared understanding of governance and monitoring among all Directors. Building on this foundation, the Board has continued to engage in multifaceted analysis and has pursued higher standards of oversight. This has enabled effective deliberation and monitoring of the Company's direction from a medium- to long-term perspective. As deglobalization and geopolitical conflicts intensify, drawing increased attention to resource and national security, and as competition in areas such as semiconductors and AI becomes more fierce, the Board is well-positioned to conduct thorough deliberation, monitoring, and oversight. This ensures that MC remains agile and responsive to these historic shifts.

Through discussions held during the consideration of transitioning to having an Audit & Supervisory Committee, along with transparent information sharing by the executives, I believe the independent directors have deepened their understanding of MC's businesses. Since the transition, Audit & Supervisory Committee members now serve as directors of the Board, resulting in more proactive and unified discussions than ever before. At the same time, the Audit & Supervisory Committee engages in more proactive discussions based on diverse perspectives than the previous Audit & Supervisory Board. The strengthened coordination between the Board of Directors and the Audit & Supervisory Committee has, in turn, created a positive synergy.



Takeshi Nakao
Independent Director,
Audit & Supervisory
Committee Member

Monitoring Approach for Corporate Strategy 2027 in FY2025

The key monitoring items for the Board of Directors in FY2025 outline the components of the Value Creation Framework for delivering CS 2027. The Board has confirmed a proposal that focuses on the following items:

Demonstrating Our Integrated Strength

- We will monitor the following key items that constitute our integrated strength:
 - Strategy × Global × Intelligence:** Strategy meetings, regional strategies, regional office structures
 - Sustainability:** Progress on initiatives and policies from a medium to long-term perspective, and compliance with statutory disclosure requirements
 - Talent management strategy:** Progress on various policies, including consolidated and global talent acquisition, AI talent development, and remuneration packages aligned with management strategies
 - Business management:** Status of quantitative target achievement, shareholder returns, financial soundness

Advancing Enhance, Reshape, and Create Initiatives

- The Board of Directors will regularly monitor the progress of the Enhance, Reshape, and Create Initiatives.
- In addition to overall progress, the Board will also monitor key individual projects related to these initiatives as needed.

Steps Toward Further Enhancement

- Timely monitoring of activities and progress related to new initiatives, including the Capital Alliance Office, the Corporate Venture Capital (CVC) Office, and the AI Solution Task Force.

Message from Independent Directors

Special
Feature

Involvement of Independent Directors in the Formulation of Corporate Strategy 2027

Following the transition to having an Audit & Supervisory Committee in June 2024, we have advanced the delegation of authority to the executive team. This shift has aimed to enhance the quality of discussions at the Board of Directors, particularly those focused on management policies and strategic direction.

In developing CS 2027, independent directors were actively involved from the earliest stages of strategy

formulation through to execution. We also provided more detailed updates than ever before, sharing the outcomes of Business Strategy Committee meetings across each business segment and other relevant organizations. This level of engagement was essential, given MC's broad industrial footprint and diverse business models. These collaborative efforts played a critical role in shaping CS 2027, ultimately leading to its successful formulation and announcement.



Mari Sagiya Independent Director

We rigorously discussed new fields and projects, particularly in areas such as technology and innovation, which are of high interest to our stakeholders, during the formulation of CS 2027. It is highly commendable that the outcomes of these discussions are reflected in measures under CS 2027, including the establishment of the AI Solution Task Force and the development of the CVC Office.

Mari Kogiso Independent Director

In the discussions leading up to the formulation of CS 2027, we placed particular emphasis on defining MC's strategic direction using the newly established Value Creation Framework. We are also committed to building a solid foundation for achieving our quantitative targets, even amid a rapidly changing and uncertain environment. As a result, I believe the strategy generated a strong sense of alignment among the directors.



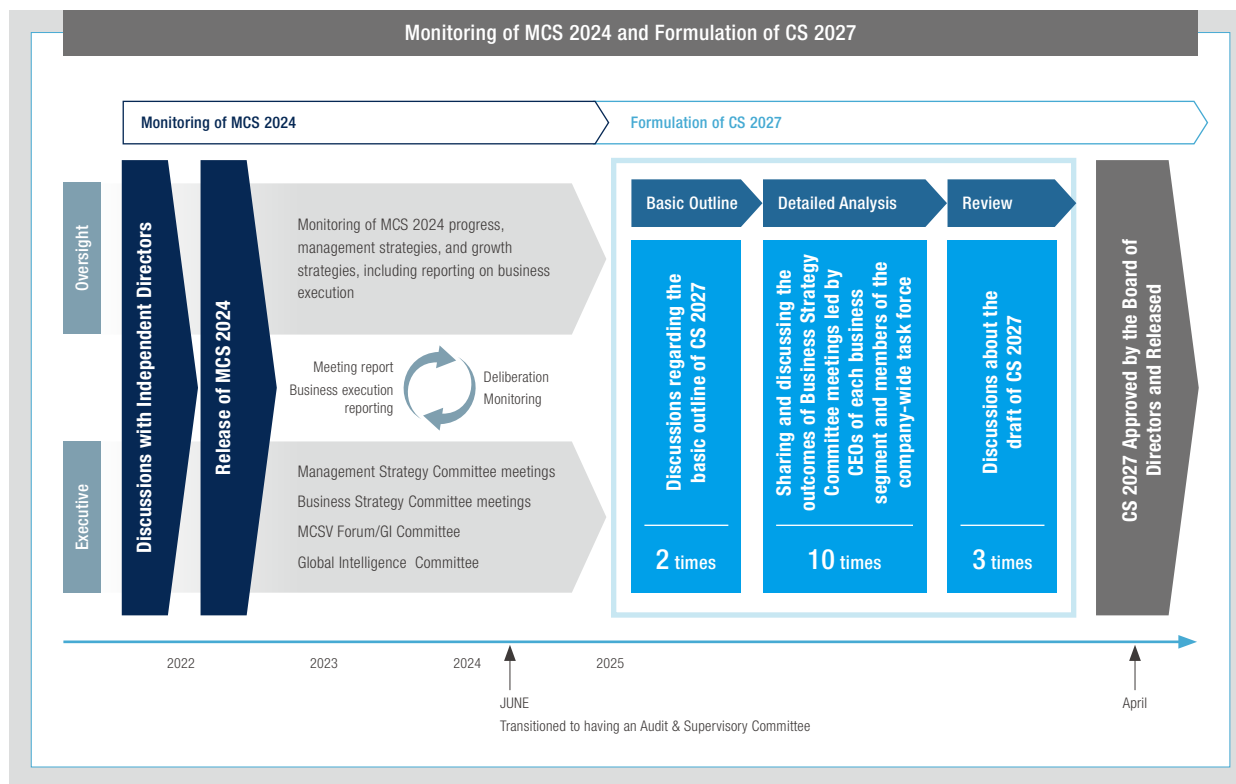
Tsuneyoshi Tatsuoka Independent Director, Audit & Supervisory Committee Member



CS 2027 is designed to be a flexible and agile plan that enables MC to fully leverage its integrated strengths and achieve sustainable growth in corporate value, even amid rapid environmental changes. I believe it is essential to apply intelligence with adaptability and to swiftly translate insights into strategic action.

Rieko Sato Independent Director, Audit & Supervisory Committee Member

During the formulation of CS 2027, we held multiple rounds of information sharing and exchanges of views on the outcomes of Business Strategy Committee meetings, led by the CEOs of each business segment and the leaders of company-wide task forces. These discussions served as critical inputs in shaping the corporate strategy. I believe CS 2027 was successfully formulated by reaffirming MC's integrated strengths and achieving alignment among the directors on the Company's vision.



Corporate Governance

Results of deliberations by advisory bodies 

Advisory Bodies to the Board of Directors

Corporate Governance and Nomination Committee

To further strengthen corporate governance, enhance the objectivity and transparency of the Board of Directors' nomination process, and ensure its fairness, the Corporate Governance and Nomination Committee will deliberate on and monitor the following matters, with the participation of all independent directors:

Committee Composition		(*Committee Chair)
Independent members (7)		Internal members (3)
Shunichi Miyanaga	Independent Director	Takehiko Kakiuchi* Chairman of the Board
Sakie Akiyama	Independent Director	Katsuya Nakanishi Director, President/CEO
Mari Sagiya	Independent Director	Mitsumasa Ichio Director, Full-time Audit & Supervisory Committee Member
Mari Kogiso	Independent Director	
Tsuneyoshi Tatsuoaka	Independent Director, Audit & Supervisory Committee Member	
Rieko Sato	Independent Director, Audit & Supervisory Committee Member	
Takeshi Nakao	Independent Director, Audit & Supervisory Committee Member	



- Key Matters Deliberated (as of June 2024)
- Operation of the new corporate governance system following the transition to having an Audit & Supervisory Committee
 - Evaluation of the effectiveness of the Board of Directors
 - Board size and composition and Nomination of Directors

Compensation Committee

To enhance the objectivity and transparency of the policy and amounts for the remuneration of directors and executive officers, which are determined by the Board of Directors, and to ensure fairness throughout the decision-making process, the Compensation Committee will deliberate on and monitor the following matters:

Key Matters Deliberated and Determined (as of June 2024)		(*Committee Chair)
<ul style="list-style-type: none"> • Revised remuneration for Directors and Executive Officers • Evaluation of sustainability factors tied into Executive Officers' remuneration* • Performance evaluation of the President/CEO* 		Committee Composition
		Independent members (3)
		Sakie Akiyama* Independent Director
		Mari Kogiso Independent Director
		Tsuneyoshi Tatsuoaka Independent Director, Audit & Supervisory Committee Member
		Internal member (1)
		Takehiko Kakiuchi Chairman of the Board

*All of the Company's independent directors (including Independent Audit & Supervisory Committee Members) participate in deliberations and decision-making.

International Advisory Committee

To establish a system that reflects the views of all stakeholders and enables the Board of Directors to incorporate diverse international and external perspectives into its deliberations, the committee will provide recommendations and advice to the Board from an international standpoint.

Committee Composition (as of November 2024)		(*Committee Chair)	Main Discussion Themes (FY2024)
Overseas members (5)		Domestic members (4)	<ul style="list-style-type: none"> • U.S. political situation • Scenario planning based on exploring global trends*
Joseph S. Nye		Takehiko Kakiuchi* Chairman of the Board	
Niall FitzGerald, KBE		Katsuya Nakanishi Director, President/CEO	
Natarajan Chandrasekaran, KBE		Kotaro Tsukamoto Director,	
Bilahari Kausikan		Senior Executive Vice President	
Victor L.L. Chu		Tsuneyoshi Tatsuoaka Independent Director, Audit & Supervisory Committee Member	

*Discussed today's important global themes: geopolitics, the economy & society, and energy security

Governance Policy for Listed Subsidiaries and Affiliates

MC respects the independence of its listed subsidiaries and affiliates, while expecting each to enhance its corporate and business value. At the same time, MC strives to optimize consolidated management by sharing its corporate philosophy and management strategies to strengthen the overall corporate value of the of MC.

To achieve sustainable growth and build an optimal business portfolio, MC is implementing its Value Creation Framework, which strengthens the Value-Added Cyclical Growth Model. As with other consolidated companies, MC annually reviews and discusses its holding policy for each listed subsidiary and affiliate at management meetings. These reviews consider factors such as the use of MC's management resources and opportunities to enhance corporate value through collaboration with MC.

To mitigate potential conflicts of interest between general shareholders and MC, internal regulations stipulate that voting rights on proposals for appointing independent directors at listed subsidiaries and affiliates must be exercised only after evaluating each candidate's independence from MC. Additionally, to ensure the effectiveness of the governance framework, when an MC employee is appointed president of a listed subsidiary or affiliate, the transfer is made as a full reassignment rather than a secondment.

Note: As of September 30, 2025, MC has two listed subsidiaries (Nitro Fuji Flour Milling and Nihon Shokuhin Kako) and 12 listed affiliates (Itoham Yonekyu Holdings, Kanro, Kadoya Sesame Mills, Canox, Meiwa Corporation, Life Corporation, Mitsubishi HC Capital, Mitsubishi Motors, TOYO TIRE, Nippon Care Supply, Chiyoda Corporation, Mitsui DM Sugar)

Corporate Governance

Audit & Supervisory Committee

MC transitioned from having an Audit & Supervisory Board to having an Audit & Supervisory Committee, following approval at its 2024 Ordinary General Meeting of Shareholders held on June 21, 2024. The Audit & Supervisory Committee, a statutory independent body mandated by shareholders to audit the performance of Directors' duties, is responsible for establishing a high-quality corporate governance system through the appropriate execution of its responsibilities. It also plays a key role in monitoring MC's operations in coordination with the Board of Directors. Through these functions, the Audit & Supervisory Committee supports the maintenance and development of MC's corporate governance, considers the interests of various stakeholders, and works collaboratively to promote MC's sound and sustainable growth, as well as the continuous enhancement of its corporate value and social credibility.

Audit Plans and Activities

Prior to each fiscal year, the Audit & Supervisory Committee formulates audit plans focused on key areas. For FY2025, the following three priority audit areas were selected to monitor specific progress in management and execution:

Audit Plans	
① Monitoring of CS 2027 <ul style="list-style-type: none"> Progress on implementation of new corporate strategy Progress of Enhance, Reshape, and Create initiatives Impact and effectiveness of newly established company-wide organizations (Capital Alliance Office, CVC Office, AI Solution Task Force) 	
② Strengthening governance of MC on a consolidated basis <ul style="list-style-type: none"> Effectiveness and adherence to newly adopted rules and monitoring processes (trade practices, IT, other areas) Development of a risk management system and organizational culture that prevents misconduct Communication between supervising groups and operating companies 	
③ Initiatives to strengthen corporate governance <ul style="list-style-type: none"> Progress toward enhancing deliberations at the Board of Directors 	
Activities of the Audit & Supervisory Committee	
① Dialogue with Management and Executives	
② Attendance at important meetings	
③ On-site audits and observations	
④ Strengthening company-wide governance	
⑤ Initiatives toward enhancing the effectiveness of activities by the Audit & Supervisory Committee	

Review of the First Year as having an Audit & Supervisory Committee







FY2024 marked the first year under the Audit & Supervisory Committee system. The transition proceeded smoothly, as we had already been strengthening our monitoring functions during the period when the Company operated under the Audit & Supervisory Board. As the final year of the Midterm Corporate Strategy 2024, the last fiscal year saw Audit & Supervisory Committee members confirm the progress of key initiatives including growth strategies, business management systems, and HR and sustainability policies. The members also actively contributed to discussions on the new corporate strategy as part of the Board of Directors. We remain committed to supporting MC's growth by further enhancing the effectiveness of audits and maintaining close collaboration with management.



Tsuneyoshi Tatsuoka
Independent Director,
Audit & Supervisory
Committee Member

Skills Matrix of Board of Directors

Directors are selected based on their experience, insight, expertise, and overall character. At Board of Directors meetings, deliberations by bringing diverse perspectives that support sound decision-making and strong management oversight. The requirements for MC's Board of Directors are established based on the goals of CS 2027 and through ongoing dialogue with stakeholders. The purpose and rationale for selecting each skill area are outlined below:

Basic Items	Business Management and Organizational Management 15 directors	 <p>The Board of Directors is responsible for making comprehensive decisions from an organizational management perspective. Therefore, experience in business or organizational management that is broad and not limited to a specific area of specialization is considered essential. Knowledge of corporate governance, gained through such experience, is also identified as a necessary skill area.</p>
	Risk Management 15 directors	 <p>To support MC's growth, it is essential to establish and operate internal controls that comply with laws, regulations, and the Articles of Incorporation. These controls must also contribute to enhancing corporate value through appropriate and efficient business execution. In addition, the ability to manage a wide range of risks associated with MC's operations is critical. As such, broad experience, insight, and expertise in all aspects of risk management are required. This item also includes specific elements, which are noted in parentheses for the relevant individuals.</p> <ul style="list-style-type: none"> (Legal) Management of overall corporate legal affairs (Finance and Accounting) Management of overall financial affairs and accounting
Management Strategy Items	Energy 5 directors	 <p>MC is working to achieve both a stable supply of energy and resources and the decarbonization of social and economic activities. To effectively monitor the progress of these initiatives, experience, insight, and expertise related to energy have been identified as essential skill areas.</p>
	Technology / Innovation 7 directors	 <p>MC views AI-driven changes in industrial structure and the competitive environment as both a risk and an opportunity. The Company aims to enhance the efficiency of existing businesses and create new value. Therefore, experience, insight, and expertise in technology and innovation are considered essential for monitoring the progress of these initiatives.</p>
	Global Market Intelligence 5 directors	 <p>MC operates businesses globally and integrates market intelligence on geopolitics, economic conditions, policy trends, and other factors into its management strategies in a timely manner. Experience, insight, and expertise in these areas have been identified as essential skill areas.</p>
	Talent Management Strategy 7 directors	 <p>MC's most valuable asset is its talent. It is essential to continue developing this asset with a management mindset and a commitment to enhancing business value. In line with the goal of creating MC Shared Value, as outlined in the Midterm Corporate Strategy 2024, experience, insight, and expertise in talent management strategy are considered essential. This includes strategies related to organizational structure and composition.</p>
	Environment and Society 5 directors	 <p>MC defines materiality as important societal issues to be addressed through its business activities. The Company aims to contribute to a carbon-neutral society and improved lifestyles for people around the world. Accordingly, experience, insight, and expertise related to the environment and social issues have been identified as essential skill areas.</p>

Corporate Governance

Reasons for adoption of Each Skill (Internal Directors)

Directors (as of July 1, 2025)

Note: The skills matrix does not capture the full range of experience, insight, and expertise of the Directors. The criteria are based on their professional experience, current roles, and qualifications.

Skills Matrix of Directors

	Directors (excluding Directors who are Audit & Supervisory Committee Members)										Directors who are Audit & Supervisory Committee Members				
	Takehiko Kakiuchi Chairman of the Board	Katsuya Nakanishi Representative Director, President and CEO	Kotaro Tsukamoto Representative Director	Yutaka Kashiwagi Representative Director	Yuzo Nouchi Representative Director	Yoshiyuki Nojima Representative Director	Shunichi Miyanaga Independent Director*	Sakie Akiyama Independent Director*	Mari Sagiya Independent Director*	Mari Kogiso Independent Director*	Mitsumasa Icho Full-time Audit & Supervisory Committee Member	Akira Murakoshi Full-time Audit & Supervisory Committee Member	Tsuneyoshi Tatsuoaka Independent Director, Audit & Supervisory Committee Member*	Rieko Sato Independent Director, Audit & Supervisory Committee Member*	Takeshi Nakao Independent Director, Audit & Supervisory Committee Member*
Business Management and Organizational Management	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Risk Management	●	●	●	●	● (Finance/Accounting)	● (Legal)	●	●	●	●	● (Finance/Accounting)	●	●	● Attorney (Legal)	● Certified public accountant (Finance/Accounting)
Energy	●	●	●				●						●		
Technology/Innovation	●	●	●				●	●	●				●		
Global Market Intelligence	●	●	●	●			●								
Talent Management Strategy	●	●		●				●	●	●		●			
Environment and Society	●	●		●						●			●		

*Independent Director represents "outside director" as provided for in Articles 2–15 of the Companies Act. Independent Directors have been registered as "Independent Directors" with the Tokyo Stock Exchange, Inc.

Reasons Each Skill Item Applies (Independent Directors)

Shunichi Miyanaga ■

Mr. Miyanaga has spent many years leading a publicly listed manufacturing conglomerate with global operations (). In addition to his extensive experience in international management (), he possesses extensive know-how in the technology sector, including a keen understanding of the latest trends in energy-related and other various technologies ().

Sakie Akiyama ■■

Ms. Akiyama founded Saki Corporation, a firm specializing in robotic inspection systems for the electronics assembly market. She possesses a wealth of knowledge in IT and digital technologies, as well as deep insight into innovation, cultivated through her leadership at Saki Corporation and other global enterprises (). She serves as Chair of MC's Compensation Committee, drawing on her experience in corporate management and her involvement in compensation committees at several publicly listed companies ().

Mari Sagiya ■

Ms. Sagiya has served on the boards of several globally active technology companies and brings extensive experience in corporate reform (). She possesses deep insight into IT and digital technologies (), as well as HR strategies, including diversity ().

Mari Kogiso ■■

Ms. Kogiso has many years of practical experience in international finance (), including work that has promoted diversity and sustainability initiatives across global enterprises and public interest incorporated foundations through her role in founding and managing an ESG impact fund. Ms. Kogiso has also gained valuable expertise in both ESG and finance ().

Tsuneyoshi Tatsuoaka ■■■

Mr. Tatsuoaka possesses extensive knowledge of industry, developed through his long involvement in economic and industrial policy at Japan's Ministry of Economy, Trade and Industry (). He also has deep insight into sustainability, including environmental and energy policies ().

Rieko Sato ■■

Ms. Sato possesses deep knowledge of corporate law, including Japan's Companies Act, the Financial Instruments and Exchange Act, and compliance regulations, cultivated through her many years of experience as an attorney. She also brings a management perspective gained through her extensive experience serving as an independent director on other corporate boards ().

Takeshi Nakao ■

Mr. Nakao is a certified public accountant with extensive experience in finance, accounting, and auditing. He has developed a high level of insight through years of advisory work in areas such as M&A transactions, corporate revitalizations, and internal control ().

■ Corporate Governance and Nomination Committee
■ Compensation Committee
■ International Advisory Committee

Corporate Governance

Details of Remuneration for Directors 

Overview of Remuneration Package

Overview of the New Executive Officers' Remuneration Package

Following continued deliberations by the Compensation Committee, the Board of Directors decided at its May 2025 meeting to revise the remuneration package for Directors responsible for business execution (excluding Audit & Supervisory Committee Members), effective from FY2025 onward. This revision was subsequently approved at the 2025 Ordinary General Meeting of Shareholders held on June 20, 2025. Shareholders endorsed both the updated upper limits for Directors' remuneration and the adoption of stock-based remuneration linked to share performance for Directors engaged in business execution.

The updated remuneration package is designed to strengthen alignment with shareholder interests and reinforce our commitment to continuous growth and the enhancement of medium to long-term corporate value.

Executive Officers' Remuneration Package: Basic Policy for the Review

• Alignment with Strategy

KPIs will be selected based on their strategic relevance to ensure that our remuneration package is aligned with the company's overall corporate strategy. Remuneration levels will be benchmarked both domestically and globally to remain competitive, reflecting the roles and responsibilities expected of MC and the level of performance achieved. This approach is intended to ensure the career development of future leaders and enhance the company's overall vitality.

• Further Value Sharing with Shareholders

Performance-linked bonuses (medium to long-term) and stock-based remuneration linked to medium to long-term share performance—previously treated as separate incentives—will be integrated. A new stock-based remuneration system will be introduced, significantly increasing its proportion within the overall package, while maintaining conditions linked to stock price performance.

• Strengthening Accountability

To ensure transparency and objectivity in the remuneration of Directors and Executive Officers, the Compensation Committee—comprised primarily of Independent Directors and chaired by an Independent Director—will continue to oversee the structure, policy, level and appropriateness of remuneration. The Committee will also conduct ongoing reviews and monitoring to ensure continued effectiveness.

Message from the Chairperson of the Compensation Committee

Sakie Akiyama
Chairperson of
Compensation Committee
Independent Director

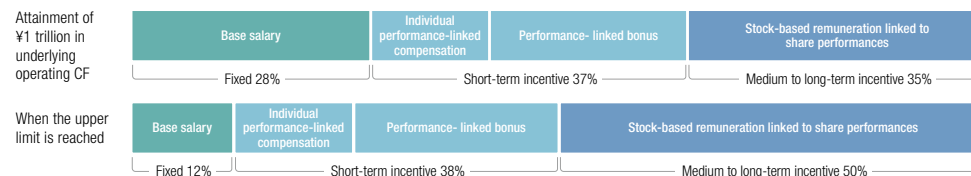


Engage in deeper and more active discussions as a smaller committee to achieve our goals

We believe that the transition to a Company with Audit & Supervisory Committee in June 2024, and the resulting shift to a smaller Compensation Committee, has allowed the Committee to engage in deeper and more active discussions. Prior to formal deliberations, extensive dialogue was held with executives to reach a shared understanding of the goals behind revising the Executive Officers' remuneration package. The Committee then examined how best to design a package that would effectively achieve these goals from multiple perspectives.

Specifically, the Committee conducted a series of discussions to ensure the revised package aligns with Corporate Strategy 2027, is easy for Executive Officers to understand, and serves to enhance motivation.

Revised Remuneration Payment Mix for the President and CEO



The diagram above illustrates a sample remuneration mix, calculated using assumed values for consolidated earnings and share price for illustrative purposes only. Actual figures may vary depending on changes in the company's consolidated earnings, market conditions, and other factors.

Remuneration Package Composition

~FY2024	Revised Package	KPI	Remuneration Details
Fixed: About 20-50%	Base salary	Fixed: About 15-50%	<ul style="list-style-type: none"> A monthly amount determined by the Board of Directors based on the individual's position.
Annual deferral for retirement remuneration Integrated into base salary			
Variable (single year): About 25-30%	Individual performance-linked remuneration ^{*1}	Individual performance (single year)	<ul style="list-style-type: none"> The payment amount for each Director and Executive Officer is determined by the President and CEO, based on assessments of both financial and non-financial performance, under authority delegated by the Board of Directors. The performance assessment of the President and CEO is conducted by the Compensation Committee^{*2} following deliberation. Assessment results are reported to both the Board of Directors and the Compensation Committee^{*2}.
Variable (single year): About 25-30%	Performance-linked bonus (short-term) ^{*1}	Underlying operating CF, ROE, Sustainability factors (single year)	<ul style="list-style-type: none"> The amount paid is determined based on underlying operating cash flow (CF) for a single fiscal year, using formulas approved by the Board of Directors following deliberation by the Compensation Committee^{*1}. However, if net income is zero or negative, the payment amount will be zero regardless of the level of underlying operating CF. Additionally, if ROE falls below the threshold set by the Board, the payment amount will be reduced. The final amount also reflects the results of initiative evaluations related to sustainability factors. These evaluations are conducted by the Compensation Committee^{*2}, which reviews initiatives carried out during the relevant single year and considers their longer-term impact from both quantitative and qualitative perspectives. The evaluation results are reported to the Board of Directors.
Variable (medium to long-term): About 25-50%	Performance-linked bonus (medium to long-term) ^{*1}		
Integrated into stock-based remuneration			
Variable (medium to long-term): About 25-50%	Stock-based remuneration linked to medium to long-term share performances	Share price/ Growth rate in shares (three years)	<ul style="list-style-type: none"> Each fiscal year, points will be allocated based on position. The performance evaluation period spans three years. Point values fluctuate according to the growth rate of MC stock during this period, calculated as Total Shareholder Return divided by the TOPIX benchmark growth rate including dividends, using a remuneration formula approved by the Board of Directors after deliberation by the Compensation Committee^{*2}. Stock-based remuneration will be delivered through a trust scheme.
Integrated into stock-based remuneration			

^{*1} Components of remuneration subject to the clawback policy.

^{*2} In addition to the Compensation Committee, which consists of a majority of Independent Directors and is chaired by an Independent Director, all Independent Directors also participate, including Directors who are the Independent Audit & Supervisory Committee member.

Corporate Governance

Characteristics of the New Executive Officers' Remuneration Package

Performance-linked remuneration for Executive Officers (including Directors responsible for business execution) consists of two components, both evaluated using uniform KPIs across all Directors and Executive Officers: 1) performance-linked bonuses aligned with corporate strategies and 2) stock-based remuneration designed to enhance value sharing with shareholders.

Individual performance-linked remuneration, each Director and Executive Officer is assessed based on both financial and non-financial criteria. These evaluations consider initiatives outlined in our Value Creation Framework from Corporate Strategy 2027, which emphasizes Enhance, Reshape, and Create initiatives, as along with sustainability efforts. This remuneration structure applies not only to Directors responsible for business execution but also to all Executive Officers.

In the recent revision of Executive Officer remuneration, 3) from the perspective of remuneration governance, the Compensation Committee, chaired by an independent director, conducted ongoing deliberations and provided guidance to ensure sound governance practices.

Performance-Linked Bonus Aligned with Corporate Strategies

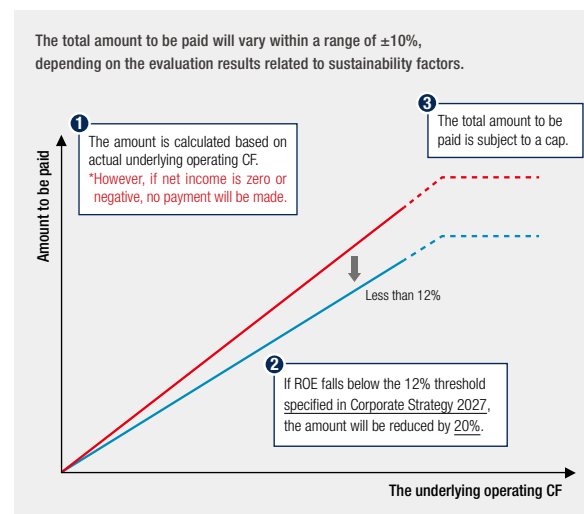
- In Corporate Strategy 2027, underlying operating CF is established as a new key performance indicator (KPI) for measuring growth. The payment amount is determined based on single fiscal year results.
- To promote awareness of capital efficiency, if the ROE target of 12% set for FY2027 is not achieved, the payment amount will be reduced by 20%.
- For sustainability factors, it is essential to monitor whether the initiatives designated for each year are being properly implemented. These are set as annual KPIs to ensure accountability and progress.

*In addition to the above, individual performance-linked remuneration is determined based on the fiscal year results for the KPIs relevant to each individual's respective business responsibilities.

Stock-Based Remuneration Aimed at Enhancing Value Sharing with Shareholders

- The cash-based performance-linked bonus (medium to long-term) and stock-based remuneration tied to medium to long-term share performance have been integrated into a single stock-based remuneration framework. This significantly increases the proportion of stock-based remuneration.
- To make the formula more receptive to stock price movements, the previous upper limit of 1.25 times the TOPIX has been raised to 1.5 times the TOPIX, including dividends.
- To promote share ownership, the basic policy remains unchanged: Directors and Executive Officers are restricted from selling their shares until the aggregate market value exceeds approximately 300% of their base salary (500% for the President and CEO).

Performance-linked bonus

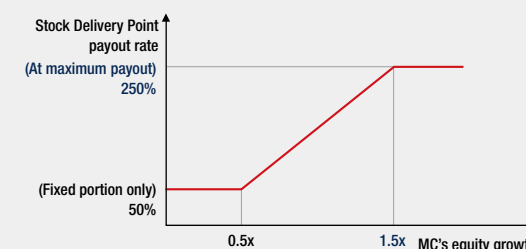


Stock-based remuneration linked to share performances

Calculation Method for Stock Delivery Point payout ratio

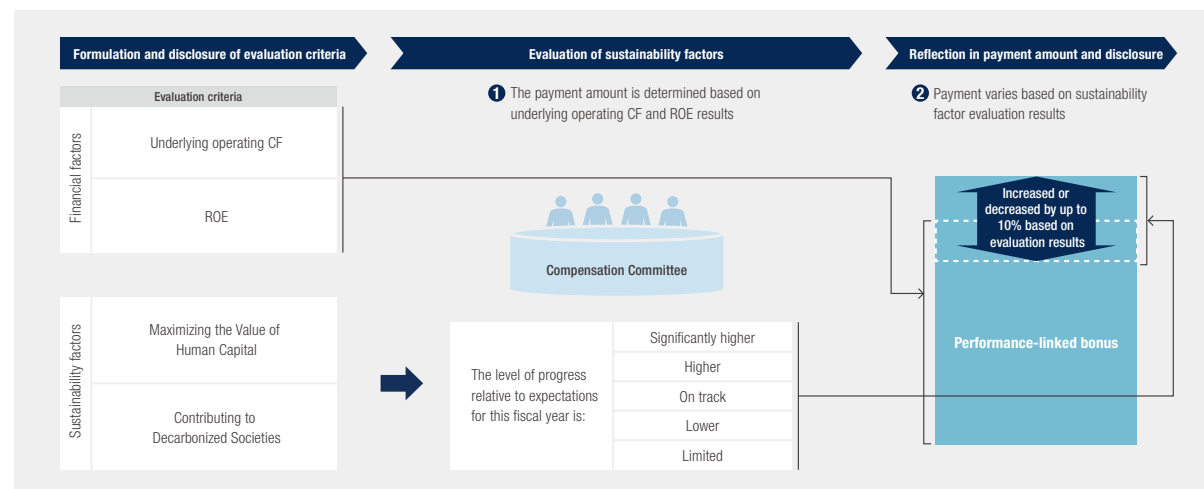
Stock-based remuneration linked to medium to long-term share performance is allocated based on position. The payout ratio varies according to MC's equity growth rate* over a three-year period from the date the points are granted as follows:

- If MC's equity growth rate is 1.5x or higher: maximum payout (250%)
- If MC's equity growth rate is equal or higher than 0.5x and less than 1.5x: payout = 50% + [(MC's equity growth rate (times) - 0.5) x 200] %
- If MC's equity growth rate is less than 0.5 times: Fixed portion only (50%)



*MC's equity growth rate is calculated as Total Shareholder Return divided by the TOPIX benchmark growth rate including dividends. Any numerical values are rounded to the third decimal place.

Reflection of Sustainability Factor Evaluations: Process Flow

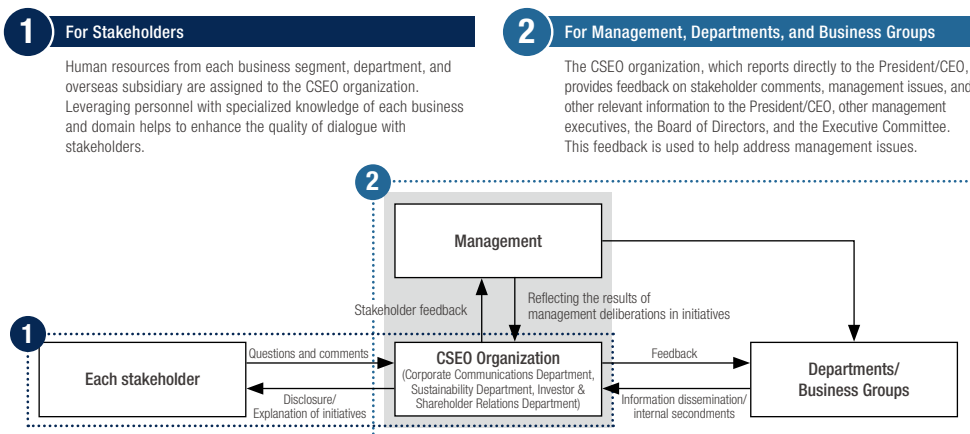


Stakeholder Engagement

Stakeholder Engagement Framework

In April 2023, MC established the role of Chief Stakeholder Engagement Officer (CSEO) to strengthen dialogue with all external stakeholders. This role is designed to clearly communicate our efforts to enhance corporate value and to ensure that stakeholder expectations and feedback are reflected in the planning and execution of our business strategy.

By doing so, we aim to improve our management practices and drive the continuous and long-term enhancement of corporate value.



Examples of MC's Stakeholder Engagement Initiatives

Theme	Management's Considerations and Responses
Disclosure designed to facilitate dialogue with investors	<ul style="list-style-type: none"> In conjunction with releasing Corporate Strategy 2027 (CS 2027), we released a supplemental disclosure to address key market concerns. <ul style="list-style-type: none"> ➔ Please refer to the Corporate Strategy 2027 Supplemental Information for Investors. Continuously refine earnings results materials based on feedback from investors and analysts. For example, for FY2025, improvements included enhanced visibility of business segment information and provided more detailed disclosures related to CS 2027.
Initiatives based on dialogue with stakeholders	<ul style="list-style-type: none"> Engaged regularly with a broad range of stakeholders, including customers, suppliers, and NGOs. Used stakeholder dialogue to exchange views on expectations for MC and the external environment, review internal policies and guidelines, and explore initiatives such as TNFD (Taskforce on Nature-related Financial Disclosures).

FY2024 Activity Results

Stakeholder	Activity	Frequency	Main Coordinator(s)
Shareholders / Investors / Financial Institutions	Interviews with domestic and overseas institutional investors (asset management departments) and analysts	Approx. 600	President/CEO, CFO, CSEO, Investor & Shareholder Relations (IR-SR) department
	Interviews with domestic and overseas institutional investors (responsible investment departments)	Approx. 30	Independent directors, CSEO, Corporate Administration department, Global Human Resources department, Sustainability department, IR-SR department
	MCSV Creation Forum (ESG Dialogue and Dialogue on Business Strategy)	Twice	Independent directors, CSEO, GCeOs, others
	Business site visits	Once	Operating companies, IR-SR department
	Individual investor briefing sessions	Twice	President/CEO, CSEO
	Informational videos for individual investors	As required	IR-SR department
NGOs	Meetings with NGOs (Japan, Europe, The Americas)	Approx. 80	Sustainability department

Other Engagement Examples

Stakeholder	Activity
Customers / Partners	Producing websites and corporate brochures in multiple languages, supply chain surveys and collaboration with external parties regarding the supply chain, etc.
Employees	Human resource development, health and productivity management, diversity management, conducting regular employee awareness surveys, etc.
General public / Media	Corporate website, news releases, official text messaging, sponsored events, etc.
Governments / Local Authorities	Business association activities, public-private initiatives with public institutions

CASE ESG Dialogue

[MCSV Creation Forum: ESG Dialogue 2025](#)

MC held an "ESG Dialogue" event, inviting institutional investors from responsible investment departments.

The session was hosted by independent directors, the CSEO, and the general managers of the Sustainability, Global Human Resources, and Corporate Administration departments, and also facilitated by Professor Yanagawa of the University of Tokyo Graduate School of Economics.

Launched in FY2024, this event serves as an important forum for deepening investors' understanding of MC's management policies from an ESG perspective, while also allowing both the executive and supervisory sides to hear directly from investors.

We carefully consider the feedback received and incorporate it into our management practices, aiming to achieve sustainable growth through an ongoing cycle of transparent reporting and responsive action.



SECTION 04

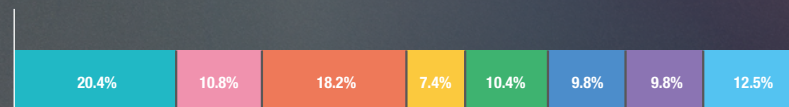
Data Section

- 43 Business Groups
- 51 Breakdown of Major Country Risks
- 52 Financial Highlights
- 53 Non-Financial Highlights
- 54 Corporate Information

FY2024 Highlights

Underlying Operating CF

¥983.7 billion
(FY2024)



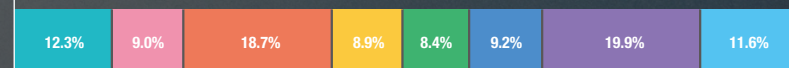
Net Income

¥950.7 billion
(FY2024)



Total Assets

¥23,459.6 billion
(As of March 31, 2025)



- Environmental Energy
- Materials Solution
- Mineral Resources
- Urban Development & Infrastructure
- Mobility
- Food Industry
- Smart-Life Creation
- Power Solution
- Other

(Revenue and expenses that cannot be allocated to each segment, elimination of inter segment transactions.)

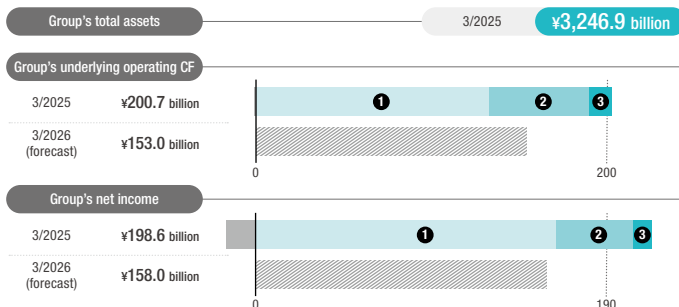


Environmental Energy Group



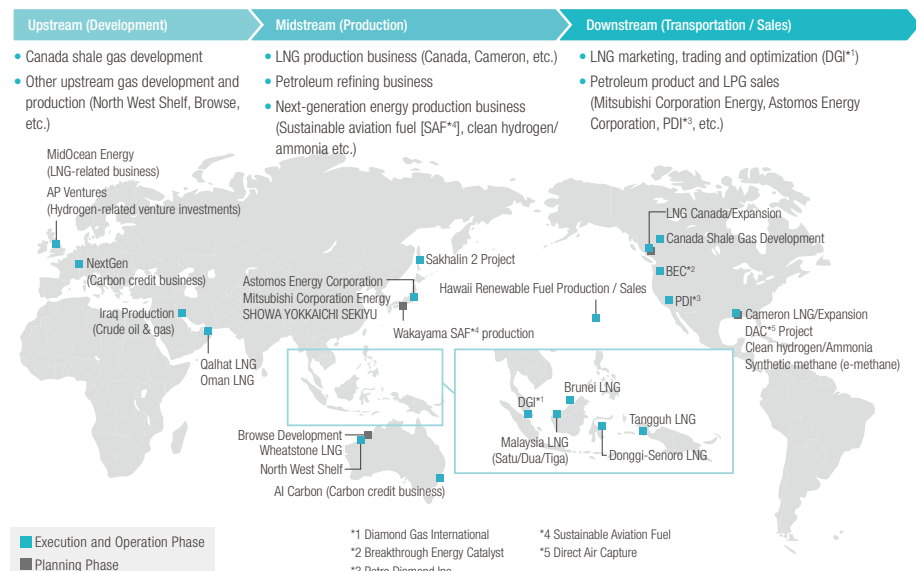
Masaru Saito

Executive Vice President
Group CEO,
Environmental Energy Group



- ① Natural Gas, LNG (Asia-Pacific)
- ② Natural Gas, LNG (North Americas)
- ③ Petroleum-related business: Petroleum refining business and sales of crude oil, petroleum products, and LPG

Business Development



Our Business | MC Shared Value Creation Forum ~ Dialogue on Business Strategy 2024 ~ | Examples of "Enhance" "Reshape" and "Create" Initiatives under Corporate Strategy 2027

Focused Material Issues

Awareness of the External Environment

- Risks**
- Rising market volatility for resources driven by geopolitical tensions and global economic trends
 - Declining demand for oil and natural gas amid concerns over slowing economic growth

- Opportunities**
- Rising demand for oil and natural gas, fueled by heightened energy security concerns and economic growth in emerging markets
 - Growth in market for decarbonized products, supported by environmental regulations and government support

Group Strengths

- Strong relationships across a broad network of customers, partners, and gas-producing nations, cultivated through extensive experience in the oil and natural gas sectors
- A globally competitive energy business portfolio
- Proven capabilities in developing large-scale energy projects, complemented by strong sales expertise in international markets

Growth Strategy

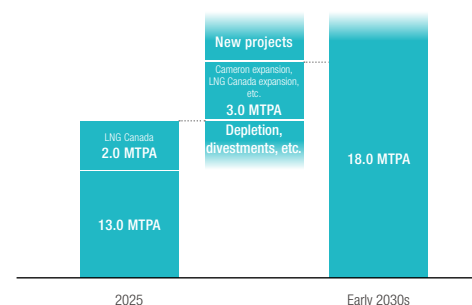
- Strengthen the foundation of existing LNG and petroleum product businesses, while pursuing new LNG investments maximizing value of owned assets
- Selectively develop and promote next-generation energy businesses tailored to customer needs and social demands

Major Growth Drivers

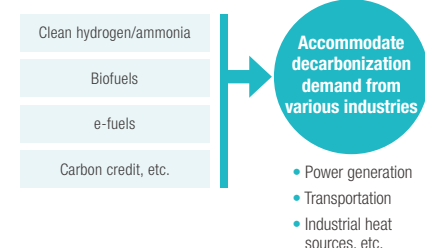
Global energy demand is expected to rise, fueled by population growth and technological advancements such as AI and digitization. At the same time, the long-term imperative for decarbonization remains unchanged. This creates opportunities to advance the energy transition toward a carbon-neutral society while ensuring a stable energy supply. MC will continue to expand its total LNG equity production capacity, currently around 15 MTPA, and will optimize its energy portfolio by launching highly competitive, next-generation energy businesses with strong, sustained demand.

Growth Outlook of LNG Equity Production Capacity

(Capacity based on the equity production in each project)



Next-Generation Energy Products



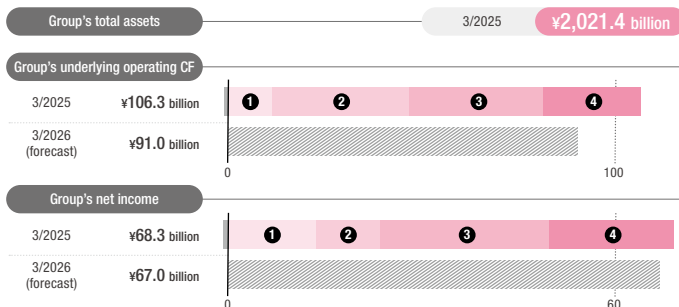


Materials Solution Group



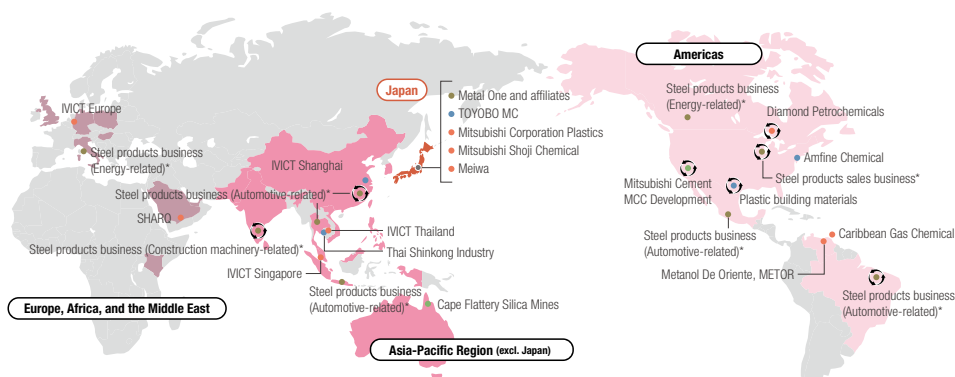
Ko Imamura

Executive Vice President
Group CEO,
Materials Solution Group



- 1 Essential Materials Division:**
Trading, manufacturing, and sale of carbon materials, cement and ready-mix concrete, silica sand, salt, and ethanol
- 2 Steel Products Division:**
Distribution, processing, and sale of steel products through Metal One (MC's stake: 60%); provision of DX and recycling-related solutions
- 3 Performance Materials Division:**
Manufacturing and sale of performance materials, as well as providing solutions in semiconductor-related businesses
- 4 Basic Materials Division:** Trading, manufacturing, and sales in the petrochemical and basic chemical sectors

Business Development



This map shows the locations of our major business investments

Local production for local consumption

Business areas: ● Essential materials ● Steel products ● Performance materials ● Basic materials

*Metal One affiliates

Focused Material Issues



Awareness of the External Environment

Risks

- Disruptions in the materials supply chain driven by rising geopolitical risks
- Declining demand for materials due to market maturity and Japan's shrinking population
- Weak performance in the basic materials market caused by economic slowdown and overproduction in China

Opportunities

- Growth of local production for local consumption businesses, reducing exposure to tariffs and geopolitical risks
- Expansion of materials business in North America, fueled by strong demand in construction and infrastructure
- Increased business opportunities driven by the "select and focus" initiatives strategies in the materials industry, as well as by consolidation and restructuring within the sector

Group Strengths

- Global industry knowledge and robust operational platforms across key sectors such as mobility, construction, and infrastructure
- Strong partnerships with major industry players, built through trading and business operations
- Broad and unique insights into the diverse materials sector, coupled with the ability to drive strategic management and operational advancement

Growth Strategy

- Leverage the strengths of existing businesses to expand local production for local consumption businesses in North America's construction and infrastructure sectors, where demand is expected to grow. This will be achieved by strengthening and acquiring downstream capabilities.
- Transforming steel products business, which has strengths in the domestic market and the automotive sector, into a more balanced structure that spans various regions, functions, and industries
- Apply expertise in the diverse materials industry to drive transformation in the performance materials sector and unlock the untapped value embedded within companies and their operations

Major Growth Drivers

Capture the growing demand for construction and infrastructure, with a focus on the U.S. market, to strengthen and expand the group's foundation in the materials business.

Essential Materials

Infrastructure-related demand across Asia

Steel Products

Global vehicle production, construction investment in Japan, and demand for construction and infrastructure in North America and other regions

Performance Materials

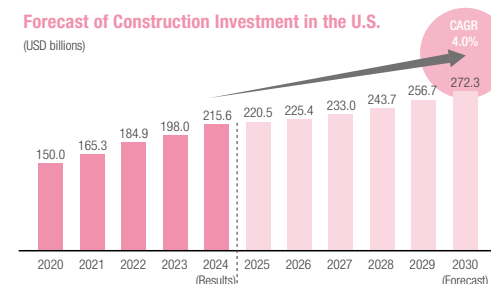
Rising demand for reducing environmental impact, along with growing construction and infrastructure-related needs in North America and other regions

Basic Materials

Changes in trade flow structures driven by shifts in the global supply and demand balance

Forecast of Construction Investment in the U.S.

(USD billions)



Source: Arthur D. Little Japan, Inc.

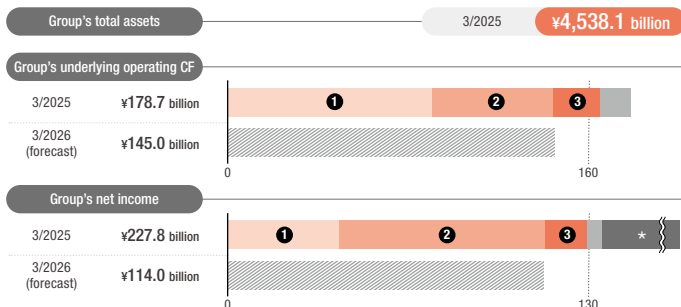


Mineral Resources Group



Satoshi Koyama

Executive Vice President
Group CEO, Mineral Resources
Group (Concurrently) Energy
Transformation & AI Solutions



- 1 Steelmaking Coal
- 2 Copper
- 3 Iron Ore

*Gain on divestiture of two steelmaking coal mines

Business Development



● Subsidiary/Branch
● Mineral resources trading/RtM office

△ Investment projects
◇ Exploration, investigation, and development projects

■ Steelmaking coal ■ Copper ■ Lithium
■ Iron ore ■ Bauxite/Aluminum
■ Secondary resources ■ Nickel

Focused Material Issues



Awareness of the External Environment

- Risks**
- Increasing geopolitical tensions and greater difficulty in obtaining development permits are leading to supply constraints and shifts in existing supply chains and industry structures
 - Possible decline in demand for steelmaking coal due to the growing adoption of low CO₂ steel production methods

- Opportunities**
- Rising basic demand driven by population growth and economic development, along with increased demand for copper, raw materials for batteries, and other resources due to progress in electrification
 - Higher prices resulting from further tightening of supply-demand conditions
 - Emerging business opportunities involving secondary resources and related areas driven by shifts in supply chains and industry structures

Group Strengths

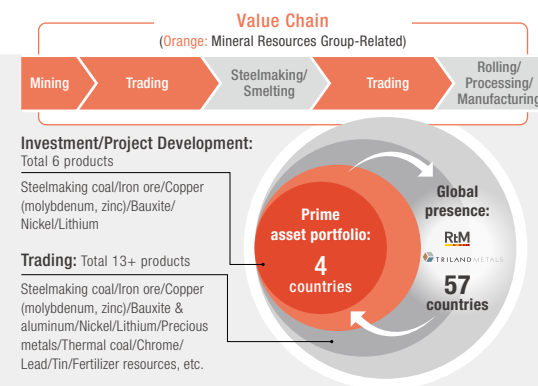
Ability to swiftly identify business opportunities by taking a holistic view of the entire value chain, leveraging synergies across investment, project development, and trading

Investment/Project Development:

① Prime assets offering world-class cost competitiveness and quality, and ② long-standing, strategic partnerships with leading mining companies

Trading:

Strong sourcing and marketing capabilities, leveraging a global trading network and underpinned by a robust customer base

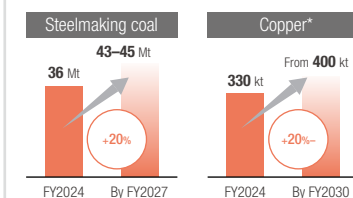


Growth Strategy

Tackling climate change is one of today's most pressing global priorities. The Mineral Resources Group is actively addressing this challenge by shifting from a traditional product-centered business portfolio to one focused on solving societal issues. This transformation is guided by three key strategic areas. The Group aims to achieve further growth by reinforcing its portfolio through organic growth in existing projects, the acquisition of new assets that leverage its core strengths, and the launch of new initiatives, including secondary resource businesses.

- Decarbonization**
We are committed to ensuring a stable supply of high-quality steelmaking coal and iron ore. At the same time, we are stepping up our efforts in direct reduced iron, which is essential for the expansion of electric arc furnaces, while also securing precious metals and other resources vital to a future hydrogen-based society.
- Electrification**
We are expanding our copper business through the acquisition of high-quality assets, the deployment of advanced recovery technologies, and strategic initiatives designed to enhance the scale and competitiveness of existing operations. In parallel, we are reinforcing supply in critical metals and minerals including bauxite, aluminum, lithium, and nickel that are essential to battery production.
- Building a Circular Economy**
We have formed a cross-functional team tasked with identifying growth opportunities in secondary resources.

Major Earnings and Growth Drivers (Production Volume)



*MC's equity-share basis

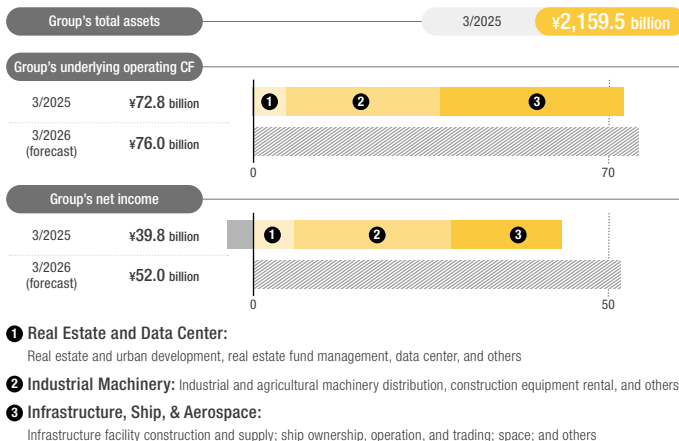


Urban Development & Infrastructure Group



Satoshi Sato

Executive Vice President
Group CEO,
Urban Development &
Infrastructure Group



Business Development



Focused Material Issues



Awareness of the External Environment

- Risks**
- Rising costs in construction, raw materials, and transportation, along with increasing interest rates, are contributing to market volatility and affecting the profitability of existing businesses
 - Geopolitical risks, including U.S. tariff measures, are impacting current operations

Opportunities

- Growing demand for advanced urban development and infrastructure that address social and environmental challenges, driven by decarbonization efforts and evolving consumer preferences
- Increased demand for data centers, fueled by rapid technological innovation and digitalization, including the expansion of cloud services and the rise of generative AI

Group Strengths

- Proven capabilities in project development and management, built through extensive experience with large-scale initiatives both in Japan and internationally
- Strong partnerships and industry networks across multiple sectors, supported by a long history of successful business execution
- Hands-on expertise in business development and operations, with the ability to anticipate emerging market needs as a trusted industry insider

Growth Strategy

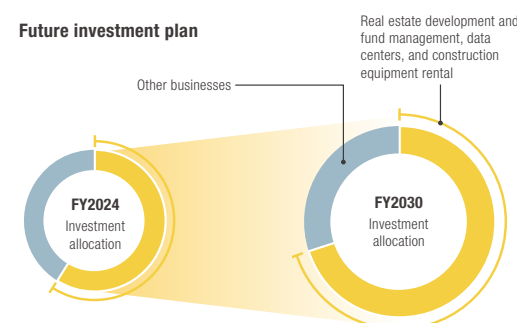
Strengthen efforts in the following growth areas to enhance earning potential

- Expand large-scale urban development and operations both domestically and internationally. In addition to traditional real estate development and fund management, focus on creating vibrant communities that help address regional challenges
- Scale digital infrastructure businesses, with a particular emphasis on data centers
- Advance decarbonization and low-carbon initiatives across industries that rely on face-to-face engagement

Major Growth Drivers

To accelerate growth, prioritize the allocation of management resources to the segment's core revenue-generating businesses: real estate development and fund management, data center services, and construction equipment rentals. Leverage the segment's extensive industry networks, broad customer base, and deep domain expertise to strengthen and expand capabilities.

Future investment plan



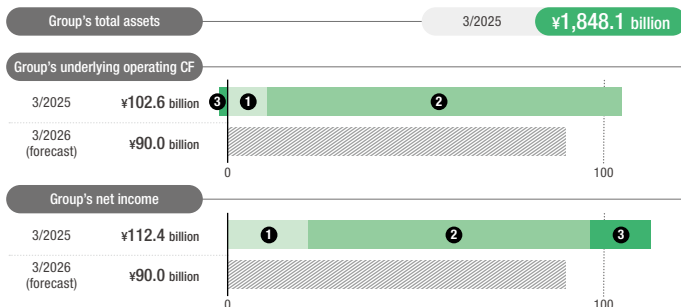


Mobility Group



Shigeru Wakabayashi

Executive Vice President
Group CEO,
Mobility Group



- OEM Partners Business:** Consolidated equity and dividend income of Mitsubishi Motors Corporation, Mitsubishi Fuso Truck and Bus Corporation, and Isuzu Motors Limited
- Value Chain Business:** Expansion of OEM partners and other specific brands in the ASEAN region and globally, through vehicle and parts production, sales, financing, and after-sales services
- Mobility Services Business:** Parts and tire sales, vehicle maintenance, auto leasing business, and next-generation mobility services business

Business Development

Address challenges related to the movement of people and goods by developing a downstream mobility services business, leveraging strong relationships with OEM partners and the robust upstream and midstream business platforms established over many years

OEM Partners / Value Chain (VC) Businesses

- Strengthen capabilities
- Expand downstream by leveraging strong customer base and business platforms

OEM Partners	Collaboration with Mitsubishi Motors Corporation, Isuzu Motors Limited, and Mitsubishi Fuso Truck and Bus Corporation
Value Chain	Operating in 11 countries, primarily centered around ASEAN nations such as Thailand and Indonesia Sales: 400k vehicles / Production: 470k vehicles / Exports: 200k vehicles
Multi-Brand Distributor	Operating 41 brands across 19 countries, primarily in Europe and South America / Sales: 200k vehicles
Multi-Brand Dealerships	Operating in Japan and India / Sales: 30k vehicles

Mobility Services (MS) Business

- Create new core businesses by leveraging our extensive industry networks and customer touchpoints

Tires	Tire sales / Maintenance	Auto Leasing	Vehicle leasing and related business
After-Sales Services	Vehicle maintenance / Parts sales	Next-Generation Mobility Services	On-demand bus / Autonomous driving / Taxi dispatch / Other
Used Car	Used car sales / Auctions	e-Mobility Solutions	EV and battery-related businesses
Financing	Auto loans / Vehicle Insurance / Other		

Encourage society's shift to electrification and autonomous driving, and capture growth

Expansion of the mobility ecosystem

- Mobility
- Energy
- Data
- New services

Focused Material Issues



Awareness of the External Environment

- Risks**
- Changes in the business and competitive landscape due to new entrants from other industries driven by technological innovations such as electrification and software development
 - Changes in national tax systems, laws, and regulations driven by low-carbon and decarbonization initiatives
 - Increasing competitiveness and presence of Chinese OEMs

- Opportunities**
- Growth of the ASEAN and Global South markets
 - Shift from ownership to usership, with value increasingly transitioning from hardware to software and services, trend toward electrification
 - Acceleration of automotive intelligence and autonomous driving through the use of generative AI

Group Strengths

- Strong partnerships with Mitsubishi Motors Corporation, Isuzu Motors Limited, Mitsubishi Fuso Truck and Bus Corporation, and Toyo Tire Corporation
- Core midstream and downstream businesses centered in the ASEAN region
 - Annual global sales: approx. 600k vehicles
 - Market share of commercial vehicles within the ASEAN region: approx. 30%
 - Stable earnings base from after-sales services
 - Downstream mobility services business group in India
- Providing impetus and expertise for next-generation mobility services through collaboration with local governments, transportation operators, and tech companies, built on experience from initiatives such as AI-driven on-demand bus services
- Integrated knowledge of Mobility x Energy x Data for the electrification era

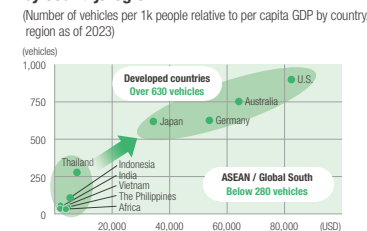
Growth Strategy

- In the VC business, which has been active for over 50 years in countries such as Thailand and Indonesia, efforts are being made to strengthen existing capabilities and expand into downstream areas in order to capture future market growth and maintain or increase our earnings scale
- Develop new core businesses within the MS business by leveraging our extensive industry networks and customer touchpoints
 - Build and reinforce business platforms in Global South markets such as India, Africa, and South America to capture future growth opportunities
 - Build advanced business models in Japan and Europe through cross-industry initiatives that integrate "Mobility x Energy x Data x New services," while strengthening efforts in the auto leasing business, which offers long-term customer engagement

Major Growth Drivers

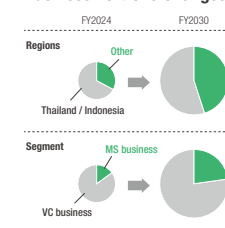
Given the current vehicle penetration rates and untapped demand, automotive markets in ASEAN and the Global South continue to offer strong growth potential. In the VC business, we will reinforce our earnings base in core markets such as Thailand and Indonesia, while expanding our earnings in other regions. Furthermore, we will develop new core businesses by expanding the MS business, leveraging our strong customer base. We will also strengthen our portfolio by expanding the high potential MS business into new countries to capture future opportunities.

Growth potential of vehicle penetration rates by country/region



Source: Data from various national automobile industry associations and the International Monetary Fund

Business Portfolio Changes



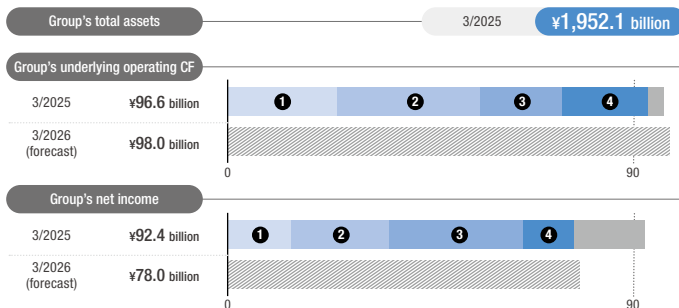


Food Industry Group



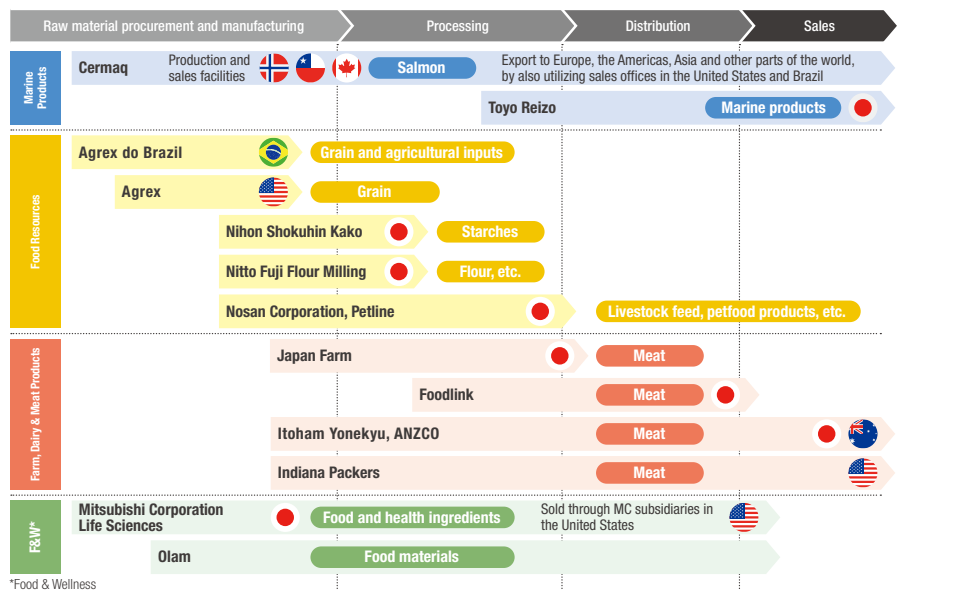
Hideyuki Hori

Executive Vice President
Group CEO,
Food Industry Group



- ① Marine Products: Salmon farming
- ② Food Resources: Grain and agricultural solutions
- ③ Farm, Dairy & Meat Products: Meat products
- ④ Food & Wellness: Food ingredients and materials

Business Development



Our Business | MC Shared Value Creation Forum ~ Dialogue on Business Strategy 2025 ~ | Examples of "Enhance" "Reshape" and "Create" Initiatives under Corporate Strategy 2027

Focused Material Issues



Awareness of the External Environment

- Risks**
- Decline in the supply of agricultural and marine products due to climate change and the deterioration of natural capital
 - Emergence of societal and environmental issues in the supply chain, including unethical labor practices and deforestation
 - Disruptions to global food supply networks driven by geopolitical conflicts, trade policy shifts, and other global developments
 - Industry-wide challenges in Japan, including a shrinking market and aging production facilities

- Opportunities**
- Evolving food preferences driven by economic growth, with demand shifting from quantity to quality, from basic foodstuffs like grains to animal proteins such as meat and fish, and further toward value-added products
 - Continued global growth in grain demand, driven by population growth and the emerging demand for biofuels
 - Cross-industry adoption of new technologies and innovations, expanding into food-related sectors, including primary industries

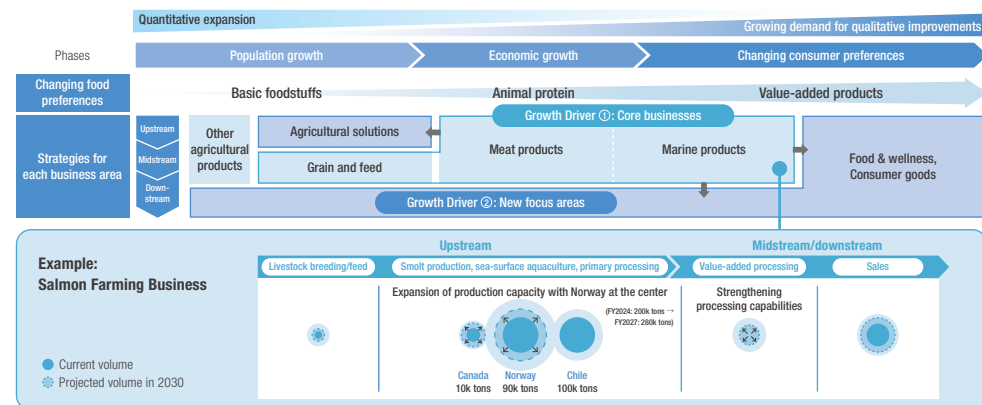
Group Strengths

- Large-scale platforms in core business areas
- Trusted partners and networks across the globe
- Capabilities to meet qualitative improvement needs in food (e.g. biotechnology, sustainability capabilities)
- Diversified, multi-faceted business portfolio

Growth Strategy

- Implement growth strategies tailored to each business's development stage and contribute to industry-wide resilience (strengthen and expand core businesses such as marine products, grain, and meat products)
- Capture new profit sources by strengthening "Food × Energy" initiatives, and contribute to food security (e.g. agricultural solutions)
- Build new business platforms in areas adjacent to core businesses (e.g. food & wellness, consumer goods)
- Flexibly rebalance the business portfolio

Major Growth Drivers



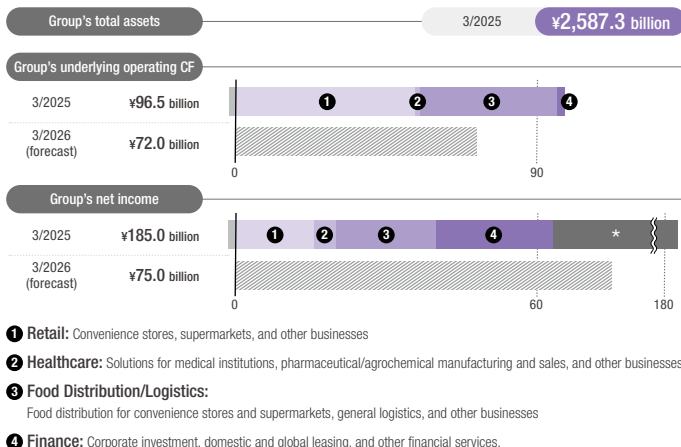


Smart-Life Creation Group



Shota Kondo

Executive Vice President
Group CEO,
Smart-Life Creation Group



*Revaluation gain on Lawson's reclassification to equity method affiliates

Business Development

MC is building a unique Smart-Life ecosystem designed around consumer needs. By launching C2B* initiatives that promote better lifestyles, and seamlessly integrating them with B2B operations in finance, digital services, and logistics, MC aims to create a connected and responsive platform. This integrated approach not only addresses key societal challenges but also enables sustainable monetization across diverse countries and regions.



*MC has formulated a growth strategy originating from consumers' demand, based on the idea that consumers have choices in today's society full of all kinds of goods and services. To emphasize the "market-in" way of thinking to match consumers' demand, MC also defines and uses "C2B" businesses for the so-called "B2C" businesses.

Our Business | MC Shared Value Creation Forum ~ Dialogue on Business Strategy 2024 ~ | Examples of "Enhance" "Reshape" and "Create" Initiatives under Corporate Strategy 2027

Focused Material Issues



Awareness of the External Environment

- Risks**
- Decreasing domestic demand due to population decline
 - Supply chain constraints due to labor shortages
 - Declining consumption due to inflation and rising interest rates

- Opportunities**
- Development of services tailored to evolving consumer needs
 - Expansion into emerging markets with growing populations and economies
 - Growth in both inbound and outbound demand
 - Enhanced productivity through the adoption of digital technologies

Group Strengths

- Strong C2B customer base, anchored by convenience stores and loyalty point programs
- Comprehensive service development capabilities driven by consumer demand
- B2B businesses such as digital, finance, and logistics to reinforce C2B businesses
- Established network of leading local partners across ASEAN and other regions, supported by a solid C2B foundation

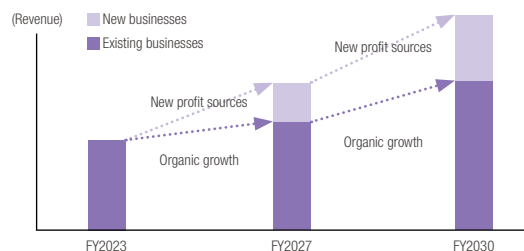
Growth Strategy

- In domestic C2B businesses, leverage the strong customer base and brand equity to expand into new service areas. Transform the earnings model by aligning strategies with B2B operations and partner companies.
- In overseas C2B businesses, accelerate initiatives to capture demand in high-growth markets, particularly within the ASEAN region.
- In B2B businesses leverage digital technologies, financial services, and logistics capabilities to enhance operational efficiency and asset optimization. Drive scale and productivity through industry consolidation.

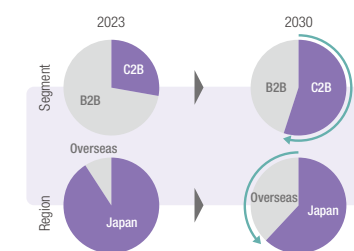
Major Growth Drivers

In addition to strengthening the existing domestic earnings base, MC will raise its earnings thresholds through new business initiatives. The company will also rebalance its portfolio by shifting focus from B2B to C2B businesses, and from domestic to international markets.

Quantitative Outlook Toward FY2030



Target Portfolio for FY2030



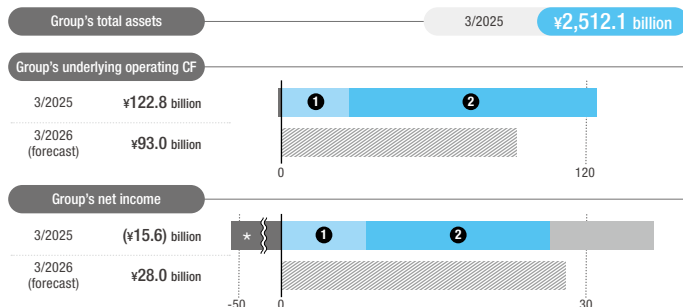


Power Solution Group



Yuji Okafuji

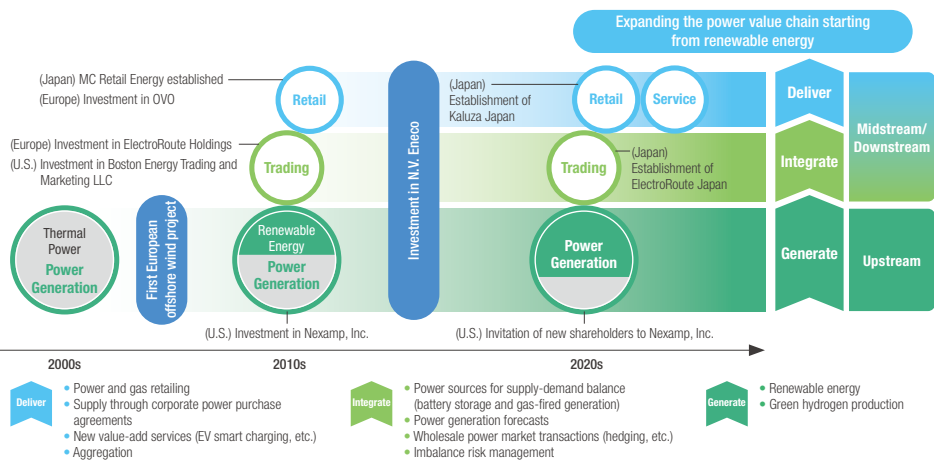
Executive Vice President
Group CEO,
Power Solution Group



*Impairments and other losses in the Japanese offshore wind power business

Business Development

Originally focused on power plant exports and domestic trading, MC entered the power generation business as an operator in the late 1990s. Since then it has expanded into the power supply chain's midstream (trading) and downstream (retail) areas, covering the entire value chain of Generate, Integrate, and Deliver. In March 2020, MC further strengthened its position by acquiring Eneco, a European integrated energy company, aiming for further business expansion leveraging these platforms.



Focused Material Issues



Awareness of the External Environment

- Risks**
- Evolving decarbonization-related regulations, policies, and measures across operating countries, and their impact on the power sector
 - Profit fluctuation driven by increased energy market price volatility and other contributing factors
 - Grid capacity constraints resulting from rising electricity demand, including demand from newly established data centers

- Opportunities**
- Strong growth in power demand driven by the rise of AI, digital technologies, and increased data center construction
 - Global spread and expansion of renewable energy
 - Steady increase in demand for renewable energy procurement, along with broader use of renewables and hydrogen
 - Growing expectations from both the generation and consumption sides for functions that balance supply and demand to mitigate the intermittency of renewable energy

Group Strengths

- Proven ability to adapt business models flexibly in response to market fluctuations, backed by expertise and long-standing networks in both Japanese and global power industries
- Strong track record in the development, construction, and operation of renewable energy power generation projects
- Extensive experience and accumulated knowledge in trading within the midstream and downstream sectors

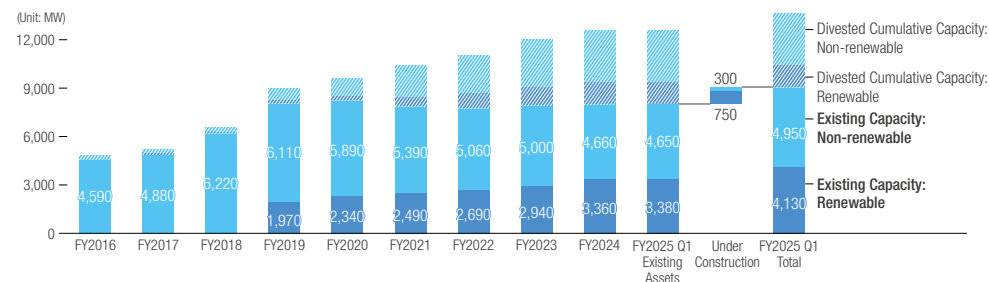
Growth Strategy

- Strengthen core functions across the power value chain:
 - Generate renewable energy,
 - Integrate electricity that fluctuates due to weather and other factors, and
 - Deliver this integrated electricity along with high-value-added services.
- Through these efforts, MC aims to build and expand renewable energy-based power value chains not only in Europe—centered around the Eneco platform—but also in Japan, the Americas, Asia, and other regions with strong growth potential

Major Growth Drivers

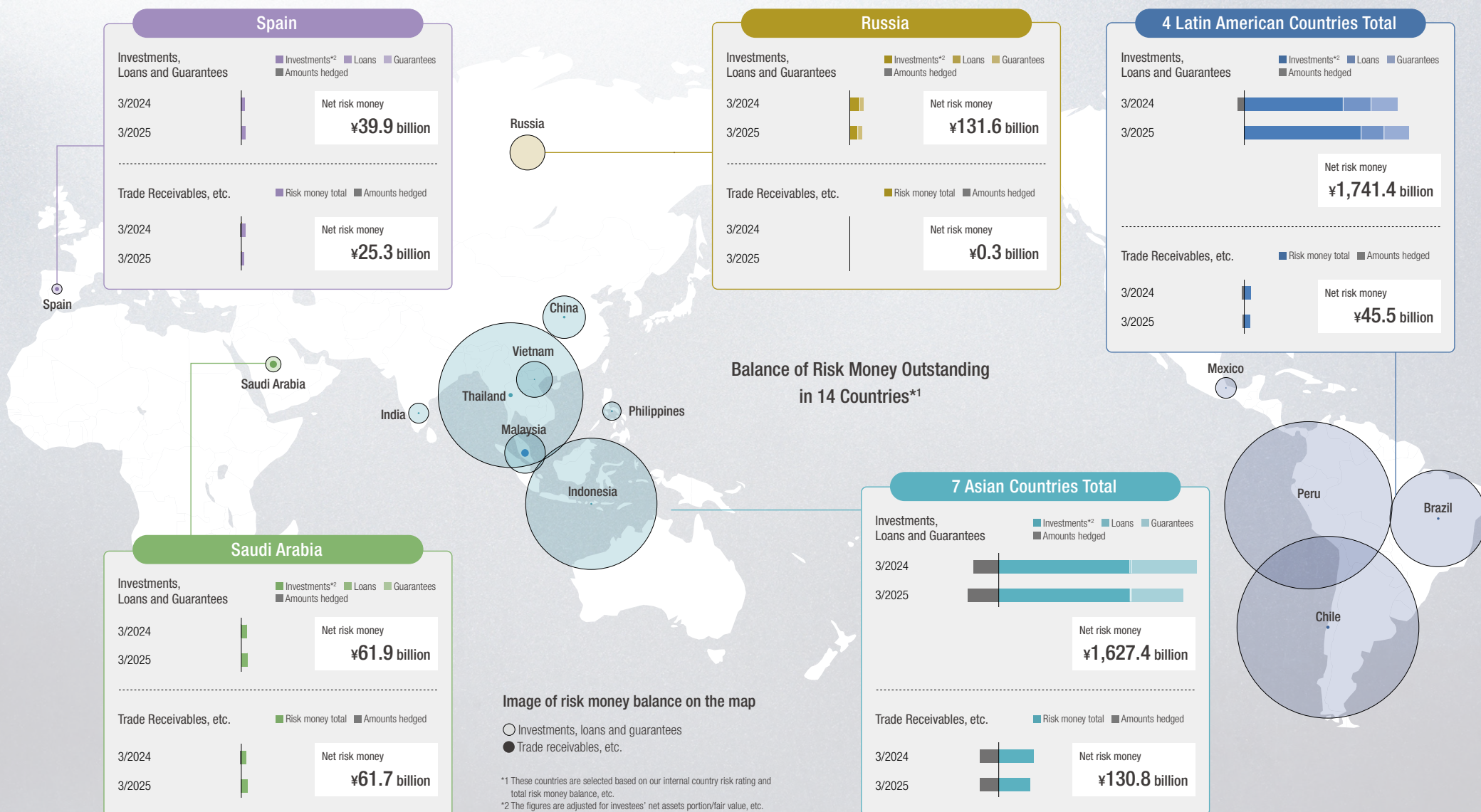
Building on the expertise gained through our Japanese and global power generation businesses, we will optimize our portfolio by expanding renewable generation, and extending our operations into midstream and downstream sectors. We will also pursue new growth areas such as green hydrogen.

Generation Capacity (Net Equity Basis) (As of June 30, 2025)



Breakdown of Major Country Risks

Breakdown of Major Country Risks



Financial Highlights

Mitsubishi Corporation and Subsidiaries/Fiscal Years ended March 31

The consolidated financial information is prepared in accordance with International Financial Reporting Standards ("IFRS").

	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	Millions of yen 2025.3	Millions of US dollars 2025.3
Results of Operations											
Revenues* ¹	¥ 6,925,582	¥ 6,425,761	¥ 7,567,394	¥16,103,763	¥14,779,734	¥12,884,521	¥17,264,828	¥21,571,973	¥19,567,601	¥18,617,601	\$124,117
Gross profit	1,098,877	1,328,638	1,886,640	1,987,811	1,789,131	1,605,106	2,150,764	2,559,962	2,359,709	1,836,394	12,243
Income from investments accounted for using the equity method	(175,389)	117,450	211,432	137,269	179,325	97,086	393,803	500,180	444,385	337,482	2,250
Net income (loss) attributable to owners of the parent	(149,395)	440,293	560,173	590,737	535,353	172,550	937,529	1,180,694	964,034	950,709	6,338
Financial Position at Year-End											
Total assets	14,916,256	15,753,557	16,036,989	16,532,800	18,033,424	18,634,971	21,912,012	22,147,501	23,459,572	21,496,104	143,307
Borrowings (less current maturities)	4,560,258	4,135,680	3,684,860	3,569,221	4,287,354	4,381,793	4,039,749	3,493,991	3,394,268	3,278,748	21,858
Equity attributable to owners of the parent	4,592,516	4,917,247	5,332,427	5,696,246	5,227,359	5,613,647	6,880,232	8,065,640	9,043,867	9,368,714	62,458
Gross interest-bearing liabilities* ²	6,042,606	5,383,911	4,954,395	5,092,099	5,760,123	5,644,315	5,643,169	4,889,881	5,127,952	4,617,022	30,780
Net interest-bearing liabilities* ³	4,315,460	3,991,475	3,714,176	3,723,568	4,336,295	4,178,410	3,939,721	3,237,591	3,782,289	3,047,171	20,314
Cash Flows											
Net cash provided by operating activities	700,105	583,004	742,482	652,681	849,728	1,017,550	1,055,844	1,930,138	1,347,380	1,658,349	11,056
Net cash used in investing activities	(503,854)	(179,585)	(317,583)	(273,687)	(500,727)	(357,297)	(167,550)	(177,466)	(205,761)	(273,945)	(1,826)
Free cash flow	196,251	403,419	424,899	378,994	349,001	660,253	888,294	1,752,672	1,141,619	1,384,404	9,230
Net cash provided by (used in) financing activities	(364,528)	(752,162)	(554,328)	(227,480)	(156,629)	(691,184)	(693,396)	(1,766,638)	(1,086,233)	(1,530,703)	(10,205)
Net cash flows	(168,277)	(348,743)	(129,429)	151,514	192,372	(30,931)	194,898	(13,966)	55,386	(146,299)	(975)
Per Share Information											
Net income (loss) attributable to owners of the parent per share:											
Basic (yen, US dollars)* ⁴	(31.23)	92.60	117.76	124.13	116.17	38.95	211.69	269.76	230.10	236.97	1.58
Diluted (yen, US dollars)* ⁴	(31.23)	92.39	117.48	123.85	115.90	38.86	208.58	268.56	222.37	235.80	1.57
Cash dividends per share (yen, US dollars)* ⁴	16.67	26.67	36.67	41.67	44.00	44.67	50.00	60.00	70.00	100.00	0.66
Equity per share attributable to owners of the parent (yen)* ⁴	966.08	1,033.81	1,120.78	1,196.46	1,173.77	1,267.67	1,553.23	1,881.69	2,206.97	2,355.22	—
Payout ratio (%)	—	28.8	31.1	33.6	37.9	114.7	23.6	22.2	30.4	42.2	—
Common Stock											
Number of shares outstanding at year-end (thousands of shares)* ⁴	4,753,785	4,756,440	4,757,788	4,760,932	4,453,491	4,428,315	4,429,635	4,286,378	4,097,859	3,977,844	—
Financial Measures											
ROE (%)	(2.9)	9.3	10.9	10.7	9.8	3.2	15.0	15.8	11.3	10.3	—
ROA (%)	(0.6)	3.9	5.1	5.2	3.8	1.4	6.4	7.6	6.0	6.2	—
DOE (%)	1.6	2.7	3.4	3.6	3.7	3.7	3.5	3.5	3.4	4.4	—
Stock Price Information											
Highest stock price (yen, US dollars)* ⁵	945.67	901.83	1,106.00	1,212.67	1,059.33	1,099.33	1,583.00	1,708.33	3,616.00	3,775.00	—
Lowest stock price (yen, US dollars)* ⁵	521.83	559.83	736.17	925.33	716.17	716.17	956.33	1,246.67	2,219.00	2,351.00	—
Price earnings ratio (P/E ratio) (times)* ⁶	—	8.66	8.10	8.25	6.58	26.78	7.24	5.87	15.15	11.08	—
Price book-value ratio (P/B ratio) (times)* ⁷	0.66	0.78	0.85	0.86	0.65	0.82	0.99	0.84	1.58	1.12	—

Note: The application of IFRS 16 "Leases" from the start of the fiscal year ended March 31, 2020, increased total assets due to an increase in right-of-use assets included in calculations. In addition, lease payments have been reclassified from net cash provided by operating activities to net cash provided by financing activities. US dollar amounts are converted at the rate of U.S.\$1 = ¥150.

*1 In the fiscal year ended March 31, 2019, revenues exceeded the results of the previous fiscal year. This was mainly due to the application of IFRS 15 "Revenue from Contract with Customers," which led to an increase of transactions wherein the identified performance obligation of the Company is the transfer of goods as principal and therefore revenue is recognized in the gross amount of consideration.

*2 "Gross interest-bearing liabilities" (excluding lease liabilities) is defined as the total of debt and borrowings of current and fixed liabilities.

*3 Net interest-bearing liabilities is defined as gross interest-bearing liabilities minus cash and cash equivalents and time deposits.

*4 On January 1, 2024, the Company conducted a three-for-one stock split of its common shares. The calculations of "basic net income per share, diluted net income per share, cash dividends per share, equity per share attributable to owners of the parent, and number of shares issued are done under the assumption that the stock split occurred at the start of the fiscal year ended March 31, 2015. Furthermore, the number of shares issued excludes treasury stock held by the Company.

*5 Stock prices between the fiscal year ended March 31, 2015 and the fiscal year ended March 31, 2025 show the highest and the lowest stock prices after the stock split.

*6 P/E ratio is calculated by dividing the closing price at the end of the fiscal year (Tokyo Stock Exchange share price) by the basic net income (loss) per share (attributable to owners of the parent).

*7 P/B ratio is calculated by dividing the closing price at the end of the fiscal year (Tokyo Stock Exchange share price) by the equity per share attributable to owners of the parent.

Non-Financial Highlights

	Unit	Baseline/Target	2021.3	2022.3	2023.3	2024.3	2025.3
Number of employees (consolidated)	people	—	82,997	80,728	79,706	80,037	62,062
Number of employees (non-consolidated)	people	—	5,725	5,571	5,448	5,421	5,361
Percentage of Women	%	—	25.92	25.67	25.64	25.51	25.80
Percentage of women in management positions (non-consolidated)*1	%	Over 30% by FY2030	11.06	11.51	11.64	11.99	11.90
Average years of service (non-consolidated)	year	—	18.4	18.5	18.5	18.3	17.8
Number of employees on overseas assignments (non-consolidated)	people	—	1,075	1,051	1,054	1,012	1,033
Employment rate of persons with disabilities (non-consolidated)*2	%	2.5	2.90	2.53	2.45	2.41	2.68
Percentage of annual paid leave days taken (non-consolidated)	%	Over 70%	55	60	67	71	68
Number of employees who took maternity/paternity leave (non-consolidated)			84	116	146	147	173
Male	people	—	36	49	78	65	105
Female			48	67	68	82	68
Lost time injuries frequency rate*3 (consolidated)*4	—	Reduce LTIFR every year	2.74	2.03	1.98	1.75	1.31
(non-consolidated)			0.16	0.15	0	0	0
Human capital investment (non-consolidated)*5	¥ billion	—	1.63	1.75	2.42	3.30	3.78
Employee engagement (non-consolidated)*6	%	Over 65%	—	—	74	77	77
Employee enablement (non-consolidated)*6	%	Over 65%	—	—	69	71	71
Directors*7	people	—	16	16	16	14	15
Percentage of independent directors among total directors			50	50	50	50	47
Percentage of women among total directors			19	19	25	29	27
Percentage of independent directors among corporate governance and nomination committee members*8	%	—	63	63	63	57	70
Percentage of independent directors among compensation committee members*8							75
GHG emissions (consolidated)*9							
Scope 1			—	—	—	580	479
Scope 2			—	—	—	86	73
Scope 1 & 2 Total	Ten thousand	—	810*10	—	—	666	552
Scope 3 Category 1 (Purchased Goods and Services)	t-CO ₂ e		—	—	—	11,612	10,519
Category 10 (Processing of Sold Products)			—	—	—	10,100	7,020
Category 11 (Use of Sold Products)			—	—	—	22,906	15,674
Scope 1, 2, 3 (Category 15) Total		Halve by FY2030	2,790*10	—	—	2,287	2,157
Reduction rate compared to base year	%	Net Zero by 2050	—	—	—	18	23
Avoided Emissions*11							
Stock Basis (single year) Renewable energy power generation			—	451	309	317	—
Carbon credits			—	—	0.5	1.5	—
Flow Basis (lifetime) Aluminum (solar and wind power generation facilities)	Ten thousand	—	—	641	380	383	—
Copper (solar and wind power generation facilities)	t-CO ₂ e		—	3,039	5,204	9,564	—
RO membranes			—	—	—	444	—
Needle coke (electric furnace steel)			—	—	—	636	—

Please refer to ESG Data for calculation scope, method and detailed data.

*1 Based on status as of April 1 of each calendar year.

*2 Based on status as of June 1 of each calendar year.

The total of the non-consolidated Mitsubishi Shoji & Sun Co., Ltd., a special subsidiary, and the three companies applicable to the group.

*3 “Frequency rate” refers to the frequency of occupational accidents and is derived from the number of lost time injuries resulting from occupational accidents per 1,000,000 actual working hours. Calculation Formula: “Lost time Injuries in the financial year” ÷ “Total Working Hours in the financial year” × 1,000,000

*4 This data includes subsidiaries and unincorporated joint operations, which contain production business sites.

*5 Since FY2023, this figure has included incidental expenses relating to long-term overseas training activities, in addition to expenditure on education and training activities and services outsourced from external training institutions.

*6 Employee awareness surveys are taken to obtain a snapshot of employee motivation and organizational vitality. The findings are used to improve management and other aspects of operations. Employee satisfaction figures represent the ratio of staff members responding positively to questions about important factors for improving employee performance in the survey.

*7 Based on status as of July 1 of each fiscal year. Number of persons including Audit & Supervisory Members before FY2023.

*8 Percentage of Outside Directors in the Governance, Nomination & Compensation Committee prior to FY2023.

*9 Based on financial accounting information. Please refer to Climate Change Data in ESG Data for GHG emission calculations.

*10 Base year figures. The base year figures include emissions from thermal power generation and natural gas projects, which comprise (i) assumed peak emissions from pre-operational committed projects and (ii) projected full-capacity emissions for partially-operational projects.

*11 Avoided emissions are defined as the quantified contribution to the reduction or mitigation of GHG emissions by providing low-emission products and services that contribute to societal GHG emissions reduction, compared to providing existing products and services (baseline scenario). Please refer to Climate Change Data in ESG Data for calculations.

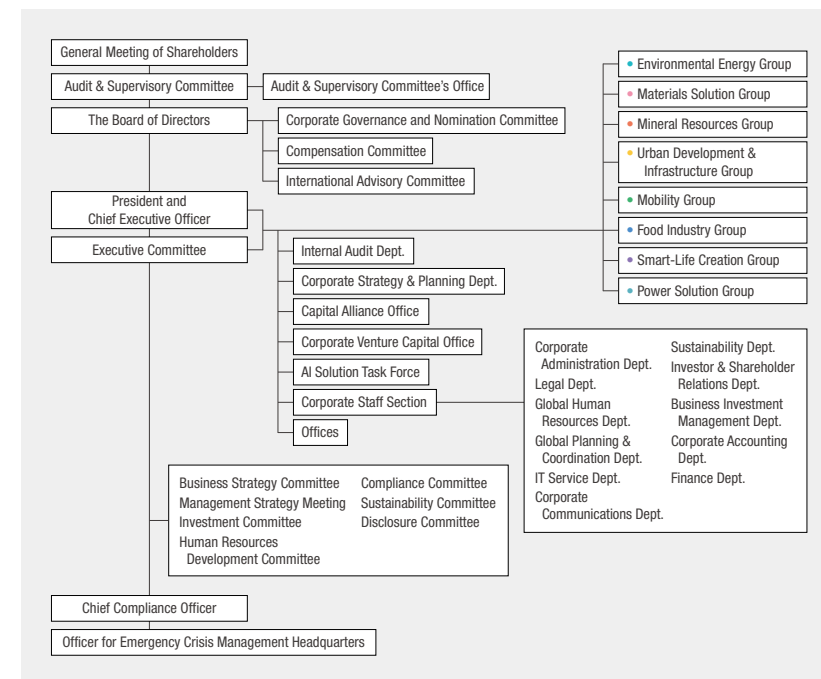
Corporate Information (As of March 31, 2025)

Website

URL: <https://www.mitsubishicorp.com/jp/ja/about/profile/> (Japanese)
<https://www.mitsubishicorp.com/jp/en/about/profile/> (English)

Company Name	Mitsubishi Corporation (Securities code: 8058)
Date Established (Date Registered)	July 1, 1954 (April 1, 1950)
Capital	204,446,667,326 yen
Shares of Common Stock Issued	4,022,391,153
Head Office	Mitsubishi Shoji Building 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8086, Japan (Registered address of the Company) Telephone: +81-3-3210-2121 Marunouchi Park Building 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8086, Japan
Number of Employees	Non-Consolidated: 4,477 Consolidated: 62,062
Independent Auditors	Deloitte Touche Tohmatsu LLC
Number of Shareholders	859,698
Stock Listing	Tokyo
Transfer Agent for Shares and Special Accounts, Account Management Institution	Mitsubishi UFJ Trust and Banking Corporation
Contact Address	Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-1, Nikkocho, Fuchu, Tokyo, 183-0044, Japan Telephone: 0120-232-711 (within Japan)
Postal Contact Address	PO BOX 29 Shin Tokyo Post Office, Tokyo, 137-8081, Japan
Contact Address	Investor & Shareholder Relations Department, Mitsubishi Corporation 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8086, Japan Telephone: +81-3-3210-2121

Organizational Structure



Forward-Looking Statements

This integrated report contains forward-looking statements about Mitsubishi Corporation's future profit plans, strategies, beliefs, and performance that are not historical facts. They are based on current expectations, estimates, forecasts, and projections about the industries in which Mitsubishi Corporation operates and beliefs and assumptions made by management. As the expectations, estimates, forecasts, and projections are subject to a number of risks, uncertainties, and assumptions, they may cause actual results to differ materially from those projected. Mitsubishi Corporation, therefore, wishes to caution readers not to place undue reliance on forward-looking statements. Furthermore, Mitsubishi Corporation undertakes no obligation to update any forward-looking statements as a result of new information, future events, or other developments.

Risks, uncertainties, and assumptions mentioned above include, but are not limited to, commodity prices; exchange rates and economic conditions; the outcome of pending and future litigation; and the continued availability of financing, financial instruments, and financial resources.

www.mitsubishicorp.com