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Mitsubishi Corporation (MC) seeks to simultaneously generate economic, societal and environmental value through all of its businesses, while creating sustainable corporate value.

MC Group Corporate Vision
Corporate Philosophy
MC’s Value Creation Process
Our Path to Value Creation
Message from the President and CEO
Message from the CFO
Breakthrough Value Creator
Mission & Corporate Philosophy

- The Three Corporate Principles serve as the MC Group’s core philosophy and underpin its commitment to fair, responsible, and global business practices.

- By pooling its collective capabilities, the MC Group strives to fulfill societal needs and meet stakeholder expectations by simultaneously generating economic, societal, and environmental value.

Adaptability

- The MC Group prides itself in adapting to our ever-evolving world, anticipating and responding to changes in geopolitical, economic and industrial landscapes, the last two of which are being increasingly driven by innovations in technology.

Consolidated Growth Strategy

- The MC Group includes approximately 1,400 enterprises (as of September 2018), and as the MC Group works to raise their consolidated earnings, it remains equally committed to growing their individual corporate value, while simultaneously generating three values.

- By leveraging the diverse expertise found throughout its network of group companies and more than 150 Business Units, MC shall continue to innovate and inspire global industries.

- MC shall optimize its portfolio by dynamically allocating management resources based on its level of engagement in each business. Sizeable growth investments are companywide commitments to develop next-generation earnings drivers.

- The MC Group is dedicated to rearing the highest quality of management professionals, ethically grounded leaders with the foresight to identify new seeds of growth and the execution skills to germinate them.

- Regardless of how our world evolves, there will always be opportunities to deliver goods and services that meet societal needs and improve our quality of life. This recognition is the very foundation of MC’s consolidated growth strategy.
The MC Group Will Deliver Sustainable Growth by Fulfilling Societal Needs

The MC Group aims to deliver sustainable growth by adapting to changes in the business environment and fulfilling societal needs in due consideration of the United Nations’ Sustainable Development Goals (SDGs). To achieve this aim, the MC Group shall rely on three core strengths, namely its collective capabilities to adopt a holistic view of industry, its foresight to identify new seeds of growth, and its execution skills to germinate them.

Simultaneously generating economic value, environmental value and societal value through our businesses
Since its founding years, Mitsubishi Corporation has embraced the spirit of the Three Corporate Principles as its corporate philosophy.

The Three Corporate Principles were formulated in 1934, as the action guidelines of Mitsubishi Trading Company (Mitsubishi Shoji Kaisha), based on the teachings of Koyata Iwasaki, the fourth president of Mitsubishi. We look to the Three Corporate Principles as the source of inspiration for our business activities and also for our initiatives to fulfill our responsibilities toward the global environment and society.

Corporate Philosophy—The Three Corporate Principles

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

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

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

(The modern day interpretation of the Three Corporate Principles, as agreed on at the Mitsubishi Kinyokai meeting of the companies that constitute the so-called Mitsubishi group in January 2001.)

Corporate Standards of Conduct

1 Aim of Corporate Business Activities
   Through its business activities, Mitsubishi Corporation will endeavor to increase its value. At the same time, the company will strive to enrich society in all ways, developing and offering its customers the best services and products, with the highest regard for safety.

2 Fairness and Integrity in Corporate Business Activities
   Mitsubishi Corporation will continue to develop its business activities in compliance with all relevant laws, international regulations and internal rules. The company will act responsibly and will respect the highest social standards.

3 Respect for Human Rights and Employees
   Mitsubishi Corporation will respect human rights and will not engage in any discrimination. The company will preserve and improve its corporate strengths through the development of its employees, all the while respecting the character and individuality of each employee.

4 Information Security and Disclosure
   While Mitsubishi Corporation will continue to develop, implement and improve the effectiveness of its information security management system, at the same time the company will disclose information accurately and in a timely fashion, so as to maintain transparency and be correctly understood by both its stakeholders and the general public.

5 Consideration for Environmental Issues
   Mitsubishi Corporation understands that an enterprise cannot continue to prosper without consideration for its environmental performance, and will strive to protect and improve the global environment and pursue sustainable development through all aspects of its business activities.

6 Contribution to Society
   As a responsible member of society, Mitsubishi Corporation will actively carry out philanthropic programs in an effort to promote the enrichment of society. Moreover, the company will support efforts of its employees to contribute to society.
MC’s Value Creation Process

By harnessing management capital backed by a robust management platform, MC will strive to deliver sustainable growth by simultaneously generating economic, societal and environmental value through initiatives focused on the seven Key Sustainability Issues—management priorities we must address and tackle.
From its foundation to the 1980s, MC was primarily involved in the trading and distribution business. The Company supported a wide range of industries by serving as a “middleman,” connecting suppliers and buyers across international borders in order to respond to market changes and customer needs. Given the underlying expansion of trading volumes for numerous industries throughout Japan’s period of rapid economic growth up to the 1980s, MC, with trading commissions as its primary revenue source, saw its financial performance steadily improve.

In the mid-1980s, a strong yen pushed Japan into a recession, which was followed by the economic bubble and its subsequent collapse. During this period, the business environment surrounding sogo shosha became increasingly severe, as the notion that such intermediaries were perceived as unnecessary. Under these circumstances, MC decided to step out from its role as a middleman by striving to maintain and, where possible, expand its trading volumes by executing minority investments in upstream and downstream fields, as well as by enhancing its existing functions in order to provide added value as a trader and distributor.
with changes in the external business environment.

**Business Model Transformation Phase**
(Acceleration of Business Investment)

Entering into the new millennium, value chain dynamics for industry as a whole began to change, and it became necessary to transform the trading business model completely. MC sought a new way forward by pursuing business models that transcended the bounds of the traditional trading business. By accelerating business investments, MC embarked upon a new course of more proactively managing businesses.

**Business Management Phase**

Due to a shift in the market environment for natural resources, MC recorded its first ever net loss for the fiscal year ended March 2016. Given the heightened volatility of the natural resources business, from the following fiscal year, MC has worked to rebalance its resources and non-resources businesses under Midterm Corporate Strategy 2018. Furthermore, MC is endeavoring to shift its business model from investing, which had traditionally been conducted to facilitate the increased trading of raw materials and other products, to a model of “managing” businesses by becoming more deeply involved in operations and leveraging MC’s unique management capabilities in order to actively generate value and drive growth.

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### Business Model Transformation Phase (Acceleration of Business Investment)

**2000~**
- Rapid growth in emerging markets and surging resource prices
- Restructured unprofitable businesses, allocated management resources in a clear-cut manner and shifted to growth businesses
- Strengthened financial position

**2010~**
- Shifting trends in emerging economies and sluggish resource prices
- Refined portfolio management
- Restored positive cash flows

**2016~**
- Global financial crisis
- Great East Japan Earthquake
- Rebalanced resource and non-resources businesses
- Emphasized cash flows

### Business Management Phase

**Global trading**
- Entered the mining business in earnest by successively investing significant sums in mining projects. Concurrently focused on developing global sales channels to supply the resources MC had secured.

**Domestic wholesaling business (vertical integration)**
- Entered the retail business
  - Entered the EPC business
  - Entered the IPP business
  - Entered the power transmission business

Based on the knowledge it had gained through trading activities, MC boldly entered the independent power producer (IPP) business, a new frontier for the Company, and expanded its business sites globally.

Here, I will explain our new strategy in detail.

Takehiko Kakiuchi
Member of the Board, President and CEO
MC’s new midterm corporate strategy aims to realize triple-value growth* through its business management model, while responding to global developments such as changes in the geopolitical landscape and the rapid advance of digital technology. The strategy has the following four components.

* Simultaneously generating economic, societal and environmental value through our businesses

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First, I will explain the external environment that has shaped Midterm Corporate Strategy 2021—Achieving Growth Through Business Management Model.

To start, we expect to see more advances being made in digital technologies and more platform businesses emerging, trends that will likely trigger business model reforms that will cut across various industries. In fact, such developments are already underway in the automotive and power industries, and it is fair to say that we are now truly in the midst of the Fourth Industrial Revolution. It would not be a stretch to suggest that in the future, the world economy will be driven by these new businesses. These changes have also brought new challenges, some faced by general society, such as how to better protect personal information, and others faced by corporations, such as how to adapt existing business models. Determining the best approaches to digitization and platform businesses is a crucial issue for MC as well. Our choices related to these issues will no doubt play a big role in shaping our Company’s future.

Another factor that demanded our attention in conceiving this strategy is the world’s ever-changing geopolitical dynamics. It appears that the US and China trade tensions will not ease for some time, but despite that, it is unlikely that the world economy will enter a major recession, nor will their situation pose any threat to the fundamentals of economic development. Even with some restrictions on Chinese exports to the US, domestic demand remains robust in China and its economic influence on other countries continues to grow, so we see the possibility of a major slowdown as low. Furthermore, demand is healthy in the US and around the world, and the shift in manufacturing from China to other countries will very likely stimulate those economies. Looking forward, I am confident that changes in supply chains will create opportunities and ultimately invigorate the world economy.

There are concerns that the friction caused by the contrasting political and economic structures in the US and China might eventually escalate into a geopolitical confrontation, but we see little likelihood of that happening anytime soon, and we expect the world economy to continue growing at its current pace. That said, the Company must nonetheless consider worst-case scenarios when analyzing its portfolio, including incidental military conflicts.
As mentioned before, we have a responsibility to stay on top of the changing times and proactively adapt our portfolio to find the optimal structure for each period.

Under the new strategy, MC will be implementing a framework of portfolio-based decision-making to enable a holistic view across numerous industries. We will then determine which fields we need to be more proactive in and where we need to replace our assets, based on changes in our operating environment.

MC’s portfolio will be structured as a 12-sector matrix, with upstream, midstream and downstream areas along the vertical axis, and four categories along the horizontal axis—Living, Mobility & Infrastructure, Energy & Power Generation and Services—the last of which will include businesses in IT, logistics, finance and so on.

Provided MC improves its performance according to its current business plan, it should generate approximately three trillion yen in capital over the next three years. Our biggest challenge over that period will be determining the allocation and management of that capital.

MC is strong in the Living, Mobility & Infrastructure, and Energy & Power Generation categories, but from here on, developing businesses in the downstream areas where MC has yet to firmly establish itself will be a matter of urgency.

Meanwhile, more and more heavyweights backed by large customer bases are jostling for position in the Services sectors, where market growth is accelerating due to the rapid deployment of digital technologies. Midterm Corporate Strategy 2021 will give MC a three-year window to determine whether or not it should enter those sectors.

We will optimize our business portfolio by applying MC’s unique multi-dimensional matrix. By considering not only quantitative aspects, but also vantage points such as region, industry presence and management engagement, we will develop a structure for constantly considering the best form for our portfolio.
Business Portfolio Strategy

- **Upstream**
  - Meat, Fish & Vegetables
  - Grains & Food Raw Materials
  - Mineral Resources
  - Natural Gas

- **Midstream**
  - Daily Necessities Processing & Manufacturing
  - Healthcare
  - Motor Vehicles Machinery & Equipment
  - Steel
  - LNG Power Generation
  - Petrochemicals

- **Downstream**
  - Retail
  - Mobility Services Urban Development
  - Distributed Power Generation
  - E-Commerce Internet Services
  - Logistics Leasing
  - Communications Data Assets
  - Logistics
  - Leasing
  - E-Commerce
  - Internet Services

: Investment Balance (as of March 31, 2018)

: Sectors
Aiming for Sustained Improvement in ROE through a Value-Added Cyclical Growth Model

--- Growth Mechanism ---

Potential Growth Sources ➔ Growth Drivers ➔ Core Businesses

Our new growth model will enhance business value through this divestment-to-reinvestment cycle
MC’s objective is to identify Potential Growth Sources, nurture them into Growth Drivers, and increase their value to create next-generation Core Businesses. When we are no longer able to add value to a particular business, we will redirect capital to other businesses where we can add value. This virtuous growth cycle has long defined MC’s approach.

Naturally, MC will continue this cycle, but moving forward it will be even more focused on maintaining an optimal portfolio balance. Should any of its businesses reach a point where the Company is no longer able to add value, MC will not hesitate to divest from and replace that business, even if it is a Core Business. MC must be financially disciplined, but at the same time forward-looking, in order to identify attractive Growth Driver candidates that could represent the Company’s next generation of Core Businesses. Asset replacements will generate capital gains, meaning that as long as MC can continue this cycle, it can expect to maintain or even grow its return on equity (ROE).

MC’s strengths are its holistic view across numerous industries, its expertise in conceiving new businesses, and its wealth of management talent to run them. I am confident that by applying those strengths to the full extent, the Company will be able to take its cyclical growth model to another level.
Most of MC’s Business Groups have been around for many years, and the walls between them have gradually widened. Those walls must start coming down, and my feeling is that we must act now. So with that in mind, I decided to reorganize all of MC’s Business Groups to promote Companywide unity and adaptability.

To build MC’s envisioned portfolio and boost its growth potential, operations that are capable of standing on their own as Core Businesses will form new Business Groups. Furthermore, some operations will be integrated in industries where we feel MC’s redefined position could leverage new business opportunities. Following these reorganizations, MC will have ten Business Groups, three more than it has at present. Its most important challenge will be to foster reciprocal growth between the Company and its employees, so a fundamental driver behind these reorganizations is to stimulate career development throughout MC.

Six of the new Business Groups will represent Core Businesses: Natural Gas, Mineral Resources, Automotive & Mobility, Food Industry, Consumer Industry and Power Solution. MC’s near-term policies in all six of those Groups have been clarified, and the Company’s primary mission will be to build on its existing strengths. The mission in the other four Groups (Industrial Materials, Petroleum & Chemicals, Industrial Infrastructure and Urban Development) will be three-pronged and much more challenging. Firstly, these Groups will seek to identify Potential Growth Sources emerging from MC’s redefined
position in each industry. Secondly, they will generate growth by integrating businesses from fresh perspectives. Thirdly, they will rearrange or restructure businesses in which additional growth is unlikely. MC’s history has shown us that the more complex the operating environments, the greater the opportunity for professional development, so naturally my expectations are high for our people working in these four Groups. I will be looking to them to produce MC’s next generation of Growth Drivers and Core Businesses. Each of these missions was formulated based on MC’s guiding philosophy, the Three Corporate Principles, and on its pledge to simultaneously generate economic, societal and environmental value. I would like us to continue to reflect upon these principles whenever we consider specific strategies going forward.

With all of that said, MC’s structure will not be set in stone. Should any developments in the external operating environment or business strategies warrant it, the Company will adapt as necessary. We must become an extremely flexible organization. MC’s corporate structure will also be rearranged to focus on the main themes of its new midterm strategy, namely its business portfolio, HR development and digital strategies. In addition to placing greater weight on the work done by the Investment Committee and the Human Resources Development Committee, MC will be establishing a Digital Strategy Committee that will report directly to the Executive Committee. This new committee will be responsible for exploring Companywide strategic digital initiatives.

### Business Groups*3

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<td>Mineral Resources</td>
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<tr>
<td>Urban Development</td>
<td>• Urban Infrastructure • Urban Development • Asset Finance</td>
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*1 Other committees reporting to the Executive Committee: Business Strategy Committee, Management Strategy Meeting, Sustainability & CSR Committee, Compliance Committee, Disclosure Committee
*2 Chief Digital Officer
*3 The number of Business Group administration departments is to be increased from seven to eight.
<table>
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<td>Natural Gas</td>
<td>The demand for liquid natural gas (LNG), a principal source for both power generation and industrial applications, is growing. However, energy mix diversification driven by changes to the industrial structure, including the liberalization of the Japanese gas and power market, is increasing demand for the role of LNG supply/demand matching and adjustment. Our mission is to improve our value by meeting the needs of this new era.</td>
</tr>
<tr>
<td>Industrial Materials</td>
<td>Against a backdrop of an increasingly competitive environment, diversifying materials needs are likely to present new business opportunities. Our mission is to redefine the role MC can play in providing solutions to the industries in which it operates and focus resources in areas where the Company can leverage its strengths and capabilities.</td>
</tr>
<tr>
<td>Petroleum &amp; Chemicals</td>
<td>The transition to a low-carbon society and increasing importance of environmental action continue to have an impact on the petroleum and chemicals industries. Our mission is to find solutions to global issues by concentrating on Core Businesses in these industries where MC can demonstrate its strengths and functions.</td>
</tr>
<tr>
<td>Mineral Resources</td>
<td>With metallurgical coal and copper as our main pillars, our mission is to further enhance the cost competitiveness and the quality of our world-class assets, while delivering long-term sustainability for our business in terms of both the environment and supply stability.</td>
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<tr>
<td>Industrial Infrastructure</td>
<td>More and more market players are looking to go digital and reduce their environmental footprints. Our mission is to redefine MC’s position in each industry by leveraging its existing machinery, ship and plant and engineering sales businesses and transitioning to high-value-added business models providing solutions for those industries.</td>
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<td>Automotive &amp; Mobility</td>
<td>Our mission is to capture demand and leverage MC’s formidable business foundations in the evolving automotive and mobility industries, which are embracing digital technologies and services encapsulated by CASE (Connected, Autonomous, Sharing and Electric). The Group will endeavor to build business models aimed at solving people- and goods-related mobility issues.</td>
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<tr>
<td>Food Industry</td>
<td>Our mission is to help solve the societal challenges surrounding supply chains and build a stable and sustainable business model. The Group also contributes to Japanese companies by expanding their high-quality products and services into overseas markets, thereby creating new growth opportunities.</td>
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<td>Consumer Industry</td>
<td>Our mission is to spearhead solutions to societal challenges in the retail and distribution industries and maximize the value of MC’s physical assets as social infrastructure, including its network of retail stores. The Group will also effectively combine its physical assets with digital technologies to build consumer-oriented retail and distribution platform businesses.</td>
</tr>
<tr>
<td>Power Solution</td>
<td>Our mission is not only to contribute to stable power supplies, but also to create new added value for power customers by combining renewables and other environmentally friendly energy sources with digital technologies.</td>
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<tr>
<td>Urban Development</td>
<td>Our mission is to establish high-value-added and large-scale businesses, through combining MC’s expertise in areas including urban development, infrastructure development and asset finance to meet societal and environmental needs such as urbanization and reduced carbon footprints.</td>
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When reviewing the business landscape, we will reassess MC’s portfolio from top to bottom from a holistic industry viewpoint while keeping in mind industry restructuring, technical innovations and other global megatrends to identify Potential Growth Sources.

MC will be appointing General Managers for Business Creation to all ten of its Business Groups, which will allow it to be even more proactive in identifying Potential Growth Sources. We will also be setting up a Business Creation Office in our Corporate Strategy & Planning Department, the mission of which will be to pick up on potential opportunities that may be overlooked by the Business Groups and their various divisions. Internal systems and protocols will be put in place to facilitate collaborations between this new office and the Business Groups.

Establishment of the Business Creation Office and Digital Strategy Department

As I touched on earlier, the growing influence of platform businesses and the spread of new technologies such as electronic payments and 5G mobile communications systems are evidence of how rapidly the business world is changing. We have entered a new era, when digital technologies will be essential, not only for identifying Potential Growth Sources, but also for raising the value of MC’s current businesses. Part of MC’s new midterm strategy will be to address these developments via its Digital Strategy Committee, and the Company will also be appointing a Chief Digital Officer (CDO) and setting up a Digital Strategy Department under the CDO’s charge. General Managers for Digital Strategy will also be assigned to each of the Business Groups. The Digital Strategy Committee will work closely with the Business Creation Office and the Groups’ General Managers for Business Creation to promote business model reforms at MC Group companies and new business development in the areas outlined in orange in MC’s Business Portfolio Strategy matrix*, namely all of the Services sectors as well as all downstream businesses.

* Please refer to the Business Portfolio Strategy matrix on page 15.
With the rapid pace of change in MC’s operating environment and increasingly common industry integration, societal needs are starting to change in a big way. In order to develop human resources capable of responding to such developments, MC has been considering an overhaul to the HR system over the past three years, and will now undergo its first major reform in some 20 years.

The overarching objective of Midterm Corporate Strategy 2021 is “Achieving Growth Through Business Management Model.” To achieve that objective, MC must accelerate the development of future management professionals by providing them with varied experience, by being more meritocratic and by ensuring that the right people are assigned to the right positions. A key theme of MC’s strategy will be utilizing its management talent more broadly throughout the MC Group.

Becoming a management professional demands certain know-how and expertise, and up to now, MC has required its employees to have around 20 years of experience before they can be promoted to such positions. However, going forward, the Company will ensure that its people gain basic management competencies within their first 10 years, so that they can be appointed to management positions at an appropriate time, regardless of age.

To accomplish that objective, MC will be creating broader grade categories that will enable it to appoint and utilize its human assets more flexibly. Posts and personnel above a certain level will be managed Companywide rather than at the Business Group level, so as to speed up the development and deployment of management professionals throughout the Company.

Under its new strategy, MC will also be more meritocratic, and employee remuneration will be based on the job level difficulty and performance. Furthermore, MC will be providing share-based compensation in addition to cash remuneration packages for certain employees in order to foster reciprocal employee-Company growth.

MC’s evaluation system will also be changing. While the basis for employee evaluations will continue to be made by their direct superiors, the Company will also introduce a multilayered evaluation framework to ensure that employee performance is assessed from numerous perspectives, which will help MC to assign the right people to the right positions. One of the most important missions of all superiors will be to closely follow their employees’ progress and support their growth.

These reforms will ensure that employees share an ambition to grow as management professionals, and MC will do its utmost to help that happen. As a result, MC as a whole, including its Group companies, should grow as well.

Continuously Produce Highly Skilled Management Professionals
Capable of Excelsing in Different Fields
System for Continuous Generation of Highly Skilled Management Professionals

1. Flexible promotion to management positions
   - Nurture employees into “Frontline Professionals” by having them build up experience in specific fields or markets (extension of current HR policy).
   - Stimulate growth by utilizing management talent throughout the MC Group.
   - Ensure employees gain right experience earlier.
   - Be more meritocratic to ensure right people are assigned to right positions.

Key Features of the New HR System

1) Flexible promotion to management positions
   - Maintain the skill-based grading system to develop talent in a stepwise fashion, but reduce the number of grades.

2) Enhance performance-based system
   - Have employees and positions at or above a certain level managed on a Companywide basis.
   - Pay these management professionals based on their managerial mission and performance.

3) Share-based compensation
   - To promote reciprocal employee-Company growth, provide share-based compensation in addition to cash remuneration packages to certain employees.

4) Multilayered evaluation framework (for all employees)
MC’s earnings targets for the fiscal year ending March 2022, the final year of its new midterm strategy, will be 650 billion yen in business-related segments and 250 billion yen in market-related segments, for a total of 900 billion yen.

With respect to the sectors in the upper-left quadrant of its 12-sector portfolio matrix*1, namely the upstream and midstream Living, Mobility & Infrastructure and Energy & Power Generation categories together with the downstream Living category, where MC already has a strong presence, the Company will be selectively investing to make its existing businesses even more competitive. I am confident that such an approach will generate steady growth for MC and enable it to achieve 900 billion yen in earnings over the course of Midterm Corporate Strategy 2021, even from expanding its existing businesses alone. With that in mind, the Company will be aiming for an even higher double-digit ROE.

However, this earnings target is merely a checkpoint on MC’s journey to new growth. To make even greater progress, MC must nurture new Core Businesses in the L-shaped portion of its portfolio matrix covering all of the Services sectors and downstream businesses*2.

*1 Please refer to the Business Portfolio Strategy matrix on page 15.
*2 Please refer to the areas outlines in orange in the Business Portfolio Strategy matrix on page 15.
With regard to shareholder returns, MC will be continuing its progressive dividend scheme aligned to sustained profit growth and aiming to increase its dividend payout ratio from 30% to 35%.

For the fiscal year ending March 2019, we have announced an annual dividend of ¥125 per share, up ¥10 from our forecast of ¥115 per share made at the announcement of our second quarter results. Future dividend increases will be determined by taking into account a comprehensive range of factors, including our cash flow performance. We will continue our capital allocation policy, which is based on the investment leverage ratio*, and we also plan to flexibly buy back our stock while considering financial discipline in order to increase our total return ratio.

* Please refer to Establishment of the Investment Leverage Ratio on page 79.

Kazuyuki Masu
Member of the Board, Executive Vice President,
Corporate Functional Officer, Chief Financial Officer, IT

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**Capital Policy**

**Investment Plan**
- Invest as necessary regardless of Business Group performance
- Clean break from "market-follower" investment practice
- Maintain optimal asset balance in business-related and market-related segments (at least 70% in business-related segment)

**Dividend Policy**

```
80 yen 110 yen 125 yen
```

Dividend for net income of 900 billion yen with dividend payout ratio of 35% will be around 200 yen/share

We will increase MC’s shareholder returns by flexibly buying back the Company’s shares in a financially disciplined manner (e.g., paying due consideration to our optimal investment leverage ratio range).
Mitsubishi Corporation (MC) has always moved ahead of the trends and changes in the times to create new value. This feature focuses on three of the workplaces where we apply bold ideas and execution ability to create value that exceeds our customers’ expectations.

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Clean Energy for a Low-Carbon Society 28

Breakthrough Innovation 2
The Challenge of Development and Innovation in the Automotive Industry 32

Breakthrough Innovation 3
Putting Consumers First in the Food Business 36
Breakthrough Value Creator
Stable Supply of Environmentally Friendly LNG

Natural gas has relatively low greenhouse gas emissions compared to other fossil fuels. By stimulating greater demand for this fuel, we will help realize a low-carbon society.

**Natural Gas and LNG Business**

MC has been involved in the development, liquefaction (conversion to LNG), and transportation of natural gas for 50 years, starting with its involvement in Japan’s first LNG supply from Alaska in 1969. Now, with the transition to a low-carbon society expected to create further demand for natural gas, we are working to further enhance the value chain for this business, aiming to ensure a stable supply for Asia, centered on Japan.

**Breakthrough Point 1**

Management Personnel Supporting the Provision of Clean Energy

**Donggi Senoro LNG Project in Indonesia**

MC has a 45% stake in the Donggi Senoro LNG Project as the project operator. It is the first LNG project to be run entirely by Asian countries—Japan, Indonesia, and South Korea—with no participation from oil majors. Since the start of operations in August 2015, the project has been producing a steady 2 million tons of LNG per annum, which is sold to power and gas companies in Japan and South Korea. In 2017, the project became one of the most stably operated LNG plants in the world.

MC has played a leading role in the project, from the proposal of a liquefaction business to plant design, construction and operation. Moreover, it is our duty to remain constantly alert on site and continue safe, stable operations. With a multinational environment, we encourage respect for diverse cultures and values, and drive personal improvement through friendly competition among employees. As we go about our work, we think about how we can strengthen our sense of team unity in order to become a world-class LNG operator.

In recognition of its outstanding efforts to achieve the Sustainable Development Goals (SDGs), the project received the Indonesian SDGs Award 2018*.

* An annual award presented by the Indonesian government to companies and initiatives that contribute to development in fields corresponding with the SDGs proposed under the United Nations Development Programme (UNDP).
Renewable Power Generation Business

Our power business is helping to realize a low-carbon society by making use of all kinds of renewable energy sources, both large and small in scale, including solar, wind, and biomass, to meet the needs of each region.

MC was one of the first companies to participate in offshore wind power generation projects in Europe, where progress in the use of offshore wind energy is well advanced. Since 2011, we have also been involved in the offshore power transmission business, delivering power generated by offshore wind farms to power grids onshore. MC participates from the planning and construction stages in the offshore wind power sector, which is able to supply clean electricity at scale. We aim to use our accumulated project management capabilities to roll out this business in other areas.

MC’s wholly owned subsidiary DGE was established in 2012 to participate in the European power generation business. Since then, DGE accumulated knowledge through solar power generation businesses in Spain and Italy, before steadily expanding into the offshore wind power generation business and other initiatives. I have been involved since our initial entry into the market. At that time, we had no knowledge of the power generation business in Europe, therefore we began by making investments to acquire existing assets. In recent years, DGE has dispatched management teams into the project companies to take hands-on control of every aspect for each project, from business development to financing, construction, and operations. We have been able to develop our management capabilities to match Europe’s leading companies by sharing our knowledge and effort, and we now work together with those leading companies in the fast-growing field of offshore wind power generation. Over the past few years, we have made huge progress particularly in winning series of new projects, and I have felt DGE growing day by day. Going forward, we will continue sending our management personnel to the front lines of our project companies with the goal of building a more robust portfolio. We also expect to see offshore wind power generation make inroads in other regions, such as Asia, the US, and Japan. This will provide an opportunity for MC to expand its corporate value through the power business in Europe, which is at the forefront of the renewable energy field. We will also utilize the knowledge acquired through our European operations in other areas to propel our worldwide power business.
Portfolio of Effective Assets

Securing LNG Supplies and Strengthening Our Bases in the Pacific

The transition to a low-carbon society is expected to increase the stable demand for LNG, mainly in developing Asian countries. MC has a responsibility to provide a stable supply of cleaner energy by securing a supply of LNG and strengthening its bases in the Pacific, which offers good access to these areas.

Decision to Invest in LNG Canada

In October 2018, MC decided to invest in an LNG project in the port of Kitimat, British Columbia in Canada, together with Shell, PETRONAS, PetroChina and KOGAS. The project has a production capacity of 14 million tons per annum, of which MC has a share of 2.1 million tons. We will use this to provide a supply of LNG to consumers in Japan and the rest of Asia.

Start of Production at Cameron LNG

The Cameron LNG Project in Louisiana, US, is scheduled to start production in 2019 (capacity of 12 million tons per annum). MC invested in liquefaction operating company Cameron LNG (CLNG) through Japan LNG Investment, a joint venture with NYK Line. In addition, MC has concluded a liquefaction contract with CLNG for 4 million tons per annum. As shale gas production increases, we will sell the growing supply of North American gas in the form of LNG to consumers primarily in Japan, as well as emerging markets in Asia.

New Business Anticipating Market Changes

Strengthening Demand and Supply Adjustment Functions Incorporating Emerging Market Needs

Primary energy demand is growing in emerging markets, particularly in Asia, driven by economic growth. This is driving a need to switch from coal and oil to natural gas, which is more environmentally friendly. MC will capture this surging demand for natural gas while responding flexibly to changes in demand in Japan.

Participation in an LNG Receiving Terminal Project in Bangladesh

MC acquired 25% of the shares in Summit LNG Terminal Co. (Pvt) Limited (SLNG) to participate in an LNG receiving terminal project that uses a Floating Storage and Regasification Unit (FSRU) in Bangladesh. Under the project, SLNG will install an FSRU 6 km off the coast of the island of Maheshkhali in the Cox’s Bazar District of the Chittagong Division in Bangladesh, where it will receive and regasify approximately 3.5 million tons of LNG per annum procured by Petrobangla, the national oil and energy company. The project is expected to start operations around March 2019.
Aiming to Build a Sustainable Portfolio

With sites in the US, Asia, Europe, and Japan, MC has been expanding its power generation business, which promotes local production for local consumption, in accordance with the energy policies and industry trends in each country. In Europe, the leading area for the offshore wind power generation business, we are also engaged in the offshore power transmission business, delivering power generated offshore to consumer locations. We will continue to build a solid portfolio centered on clean, gas-fired power generation and renewable energy. In tandem, we aim to have at least 20% of our power generation come from renewables by 2030.

By staying on top of changes in markets and regulations in each area and by continually pursuing new business models, MC aims to achieve sustainable growth and to disseminate knowledge gained across all areas.

Creating New Business Models

**Distributed Solar Power Generation Business (Nexamp)**

MC invested in Nexamp in 2016 and began participating in the company’s management. Since then, the distributed power generation operator has grown to become one of the leading operators in the US. MC will continue working to expand the business further while embarking on new challenges such as the provision of services using energy storage systems.

**Power Trading Business (ElectroRoute)**

MC’s subsidiary ElectroRoute trades power and transmission rights in the electricity markets of nine European countries. It provides power-trading services related to renewable energy to support power utilities in achieving optimal sales as well as to help meet the needs of consumers purchasing electricity. We will support the spread of renewable energy through power trading.

**Global Hydrogen Supply Chain Demonstration Project**

MC is working to establish technologies to support transportation and supply of large volumes of hydrogen from overseas, which are required for the full introduction of large-scale hydrogen power generation. As the focus on reducing greenhouse gas emissions intensifies going forward, these technologies will support large-scale power generation using hydrogen, which does not emit CO₂ during combustion.
MC has grown its automotive business by focusing on sales and financing of passenger and commercial vehicles, while keeping pace with changes among automakers such as overseas expansion and business growth. As the automotive industry is confronted with epoch technological innovations, we will seek further growth by transforming our business model to leverage the functions and networks we have built up over the years.

In Indonesia, MC handles Mitsubishi Motors and Mitsubishi Fuso Truck and Bus Corporation vehicles, while in Thailand, we handle Isuzu Motors vehicles, both of which are key markets where future growth is anticipated. In both countries, we are deeply involved in the entire value chain (upstream–midstream–downstream) including automobile production, distribution, financing and after-sales service. MC has years of experience in sales and marketing activities, which make up the central core of the value chain. This has given us a firm grasp of customer needs in each region, and we bolster our product and branding capabilities by incorporating that feedback in our products and services.

Looking ahead, we will strengthen our business infrastructure in Indonesia and Thailand, while aiming to expand the value chain even further into emerging markets such as China, Russia, India, the Philippines, Malaysia and Vietnam.

**The Value Chain from Upstream to Downstream**

**Thailand Business**
MC began importing and selling Isuzu Motors vehicles in Thailand in 1957. In 1974, we established Tri Petch Isuzu Sales (TIS) as an exclusive distributor to handle overall sales of Isuzu Motors vehicles within the country. Exports of Isuzu vehicles produced in Thailand started in 2003, and today we export to over 100 countries worldwide. As a distributor, TIS forms the core of these wide-ranging operations, including sales, automobile financing and servicing, and has built Isuzu into a leading brand in the commercial vehicle market.

**Indonesia Business**
PT Krama Yudha Tiga Berlian Motors (KTB) has been in the automotive business for nearly 50 years since its establishment in Indonesia in 1970 as an exclusive distributor for the import and sale of Mitsubishi Motors and Mitsubishi Fuso Truck and Bus Corporation vehicles. In April 2017, KTB was reorganized with a focus on the brands it handles. PT Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) handles Mitsubishi Motors vehicles while KTB handles Mitsubishi Fuso Truck and Bus Corporation vehicles. These two core companies form a solid value chain including production, distribution, automobile financing and used car sales.
In Thailand, TIS aims to coexist with the local community by engaging in CSR activities. For example, municipal water supplies are not yet available in many schools and other educational institutions throughout Thailand, and TIS is supplying water towers and fountains for these facilities and the surrounding communities.

Since the start of the project in 2013, TIS has supplied tanks in 31 locations. These are making a huge contribution in the local communities by providing them with the water they need for daily life.

MC has had a presence in the automotive markets in Indonesia and Thailand, the leading automobile production sites in ASEAN, since their beginning. We began with import and distribution over 50 years ago and steadily expanded the dealership and after-sales service networks and formed close ties with individual and corporate customers through community connections. We have earned a strong reputation by providing high quality services to customers all over these countries through our extensive nationwide networks.

At the same time, we have worked with manufacturers to promote the local assembly of vehicles and engines. Moreover, we have also strengthened our local procurement of parts, thereby contributing to the growth of the local automotive industry and creating employment.
Breakthrough Innovation 2

Management Personnel Striving to Transform the Automotive Industry

The very structure of the automotive industry is about to change dramatically as a result of an epoch technological innovation referred to as “CASE” (Connected, Autonomous, Shared/Service, Electric). How are we to respond to this wave of change here in Indonesia, where we have grown the automotive business over many years around the core businesses of distribution, automobile financing, and local assembly? Faced with the pressing need to determine our path forward, I have been thinking daily about how to create new businesses. As I do so, the most important focus for me is customer needs. The answer can always be found with the customer. Our dealers and staff gather customer feedback from the front lines, and I visit our branches myself to hear directly from customers. This helps with creating businesses and making management decisions.

Grasping the massive environmental changes surrounding the automotive industry in recent times, we will increase our earnings throughout the entire value chain and aim for sustainable growth by further expanding our business domains, centered on our existing distribution and financing businesses.

Mobility Initiatives in a Wide Range of Business Fields

MC will capture new demand created by the advance of the mobility industry through various initiatives in a wide range of business fields.

A Generational Shift from Ownership to Sharing

Capturing Needs around Vehicle Sharing

MC engages in the auto leasing business through Mitsubishi Auto Leasing Corporation, a joint venture with Mitsubishi UFJ Lease & Finance Company. In addition to financing in the form of leases, our services include business process outsourcing for vehicle management and maintenance, telematics for vehicle operation management as well as safe driving instruction and risk management through a package including insurance services. We provide these and other services in combination with a multi-brand auto leasing business.

As we are making a transition from an era of vehicle ownership to a “shared” era, where people simply use vehicles only when they are needed, we will capture the anticipated needs associated with this shift through our leasing business.

Battery Services for EV Buses

Countries in Europe and other areas are moving forward with the introduction of EV buses to mitigate environmental impact. MC has moved in step by promoting service businesses, including EV bus and charging station rental to transport bureaus and operators in European cities in partnership with French power company Électricité de France (EDF). We will encourage the spread of electric mobility by providing services such as financing, maintenance and management, operation, and charging optimization to alleviate the financial burden and solve efficiency issues associated with the introduction of EV buses.
Donating Trucks to Support Development of Mechanics

FUSO Vocational Education Program (Indonesia)

KTB donated Mitsubishi Fuso trucks to 11 vocational schools in Indonesia and taught FUSO standard technologies to teachers and students. From July to August 2018, 550 students took part in our skills contest, which aims to further improve student’s automotive skills and knowledge. By providing real trucks as educational materials, we are contributing to the development of future mechanics by enabling their practical learning.

Capturing Lithium Battery Demand

Lithium battery demand continues to grow for use in automotive industry and storage applications, driven by the spread of EVs as well as growth in renewable energy generation and distributed power supplies. MC and its business partner, GS Yuasa, are working together to promote a lithium-ion battery manufacturing and distribution business to meet anticipated growth in the market.

Capturing Copper Demand

Growth in global copper demand is expected to remain steady, fueled by the development of power networks and other infrastructure in emerging countries and by growth in the global electric vehicle market centered around China. Copper constitutes one of the core areas of MC’s mineral resources business, through highly cost competitive copper mining assets in Chile and Peru, MC aims to continue providing a stable supply of copper in keeping with the needs of society.

Capturing Demand for Lightweight Materials

A key to encouraging the spread of EVs is increasing their travel range. Reducing vehicle body weight is essential for achieving this, and development of chemical materials such as resins offering both lightness and strength is accelerating. Increased use of plastic is expected to follow the spread of automated driving, which will reduce the rate of accidents. Using the integrated value chain of our petrochemical business as a basis, we will promote new materials businesses, while monitoring the mobility field for changes such as the development of new highly functional materials.
Breakthrough Innovation 3

Putting Consumers First in the Food Business

Breakthrough Point 1

A Retail Business for Enriching Consumer Lifestyles

MC will optimize all operations from the consumer’s perspective by identifying needs in its retail business and reflecting them in its materials procurement and processing, product manufacturing, and distribution businesses.

Product Development Based on Consumer Needs

MC made Gourmet Delica Co., Ltd. a subsidiary in October 2018. Gourmet Delica is a manufacturer and seller of pre-cooked foods such as lunch boxes and steamed rice products. It has excellent production technology and product development capacity, and has supplied Lawson, Inc. for nearly 30 years. The MC Group will leverage its combined capabilities to further strengthen Gourmet Delica’s manufacturing and development functions with a view to assisting further product enhancement at Lawson.

Data-Based Consumer Value Creation

Loyalty Marketing, Inc. operates Ponta, a coalition loyalty program with an expansive marketing base that connects all aspects of daily life. The Ponta service enables consumers to accumulate points at multiple affiliated stores using a single card. Combining this with various data such as member data and usage information, Loyalty Marketing provides marketing services that accurately reflect consumer needs.

It is also developing services overseas in Indonesia, Malaysia, and South Korea. Leveraging a membership base of 100 million in Asia, Loyalty Marketing links information from various points in the supply chain organically to streamline overall distribution and maximize consumer value.
MC aims to provide a secure, safe supply of food products through sustainable procurement of ingredients. We are also making a unique contribution to consumers and their communities by reflecting direct feedback from consumers through our retail businesses into our corporate functions.

Breakthrough Point 2

A Sustainable, Traceable Food Business

MC is strengthening the supply chain of its sustainable and traceable food business in order to supply food securely and safely to consumers in Japan and overseas.

Food Materials Business

MC and Olam International Limited, a major agricultural company in Singapore with strong capabilities in production and procurement of sustainable food materials, jointly established MC Agri Alliance Ltd. (MCAA) in 2016, which imports, sells and develops food materials in Japan. MCAA sells products certified by third parties such as the Rainforest Alliance (RA) and Fair Trade, as well as food materials under Olam’s proprietary sustainability program. RA-certified coffee imported by MCAA is used for Lawson, Inc.’s MACHI café products. MCAA will continue to work with Olam to promote the spread of sustainable materials and products as part of a solution to societal issues.

US Food Business

Sesaco Corporation has been a subsidiary of MC since 2011 and is currently engaged in building a traceable supply chain for sesame seeds in the US by modernizing a traditional crop that has been reliant on manual harvest due to the inherent shattering nature of the sesame capsule. Sesaco has developed varieties of sesame with capsules that are shatter resistant, enabling mechanical harvesting and enhancing productivity and traceability.

In 2017, Sesaco acquired a tahini processing plant, and is working to add value through the concept of local production for local consumption in the US, a major consumer of sesame products. One of Sesaco’s customers for sesame supply is MC subsidiary TH Foods Inc. This company is creating new demand in the US market by combining Japanese technology for baking thin, perfectly crisp rice crackers with Sesaco’s sesame.

Development of sesame with capsules that do not shatter has enabled efficient harvesting
Feature: Putting Consumers First in the Food Business

Breakthrough Innovation 3

Breakthrough Point 3

Management Resources Supporting Food Material Production at the Ground Level

Sesame is recognized as an environmentally friendly crop in the US, since it is resistant to low moisture conditions and requires less agricultural inputs than other crops. Sesaco’s business has a strong sense of mission on two fronts: winning trust from consumers through the stable supply of a healthy ingredient and contributing to farmers’ production programs by providing whole-crop contracts for a valuable rotation crop that improves the soil and extends resources. Sesaco comes across various issues every day in its operations, which cover everything from production to processing. For example, I will always remember the time when the silo bags used for storing bulk sesame were damaged by large hailstones that caused over 10,000 punctures. In preparation for a major rainstorm forecasted to occur a few days later, we worked together with plant employees out in the open to repair the damaged bags, sharing a communal sense of satisfaction at having ensured a safe supply to our customers.

As a manager, I am reminded daily of the importance of frequently visiting our operations on the ground, making rapid decisions, and assuring those decisions are always put into action. We will now turn our attention to strengthening the manufacturing side of our business as well. Our goal is to develop the sesame business in response to increasingly diverse and advanced consumer needs.

MC will develop food business based on local production for local consumption in emerging markets that have high potential, combining local needs with expertise cultivated in Japan. In the process, we will contribute to societal development and improved quality of life for local communities.

Indonesia

MC formed a business alliance with leading Indonesian retailer PT. Sigmantara Alfindo (Alfa Group) in 2011. With support from Alfa Group’s retail and distribution networks, we conduct business related to living essential goods, such as bread, snacks, beverages, instant noodles, seasonings and disposable diapers.

In 2017, MC and Rokko Butter Co., Ltd. established PT EMINA CHEESE INDONESIA, and began the manufacture and sale of cheese in 2018. Using technological capabilities developed in Japan, we will supply consumers with cheese suited to local tastes, aiming to create healthy dining scenes full of smiles.

Myanmar

In 2015, MC invested in Lluvia Limited, a joint venture with Capital Diamond Star Group in Myanmar. Lluvia operates food-related businesses including a wheat flour business that has Myanmar’s top share and a coffee business enjoying strong recognition under the PREMIER brand. The company is also engaging in new business development, including the food terminal business and instant noodle business, to contribute to developing a secure and safe food supply in Myanmar.
Aiming for an Even More Sustainable Supply of Food

Effective Use of Limited Resources

Mitsubishi Corporation Life Sciences Limited is an MC subsidiary that operates a food science business manufacturing and selling sauces, dressings and other seasonings. These are made by processing and adding unprocessed extracts manufactured by themselves and Japan Farm Holdings Inc., an MC subsidiary. Going forward, we will make full use of limited resources generated by the meat and marine product businesses, such as bones, meat cuts and shells derived from the MC Group and its partners, to manufacture ingredients and formulas for food products. In the process, we aim to maximize added value throughout the value chain.

Meeting Future Growth in Demand for Protein with Spirulina

MC’s joint bio-venture investment, Tavelmout Corporation, is developing and selling products made using production and food processing technologies for a type of algae called spirulina.

Spirulina is a cutting-edge food with high nutritional value. It has exceptional protein content of 65% (by dry weight) and is rich in vitamins, minerals, dietary fiber and more.

Amid expectations for growth in global demand for protein, spirulina is drawing attention as a new protein source because algae can grow using only photosynthesis and production per unit area is extremely high.

Tavelmout has accumulated many years of research into processing technologies for spirulina, and has successfully developed a product called Raw Spirulina that makes full use of the algae’s characteristics of being highly rich in protein and nutrients.

Through investment in Tavelmout, which aims to mass produce and globally promote spirulina, MC will contribute to diversifying sustainable sources of protein.
Breakthrough Value Creator
We introduce our framework for continuously supporting corporate value creation with a solid management platform and developing it even further, focusing on the perspectives of our management platform, management capital, and initiatives to ensure sustainable growth.

<table>
<thead>
<tr>
<th>Framework Supporting Value Creation</th>
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<tbody>
<tr>
<td>Management Platform</td>
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<tr>
<td>Corporate Governance</td>
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<tr>
<td>Risk Management</td>
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<td>Compliance</td>
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<td>Management Capital</td>
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<td>Human Capital</td>
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<td>Network</td>
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<td>Customer and Partner Capital</td>
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<tr>
<td>Intellectual Capital</td>
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<tr>
<td>Initiatives to Ensure Sustainable Growth</td>
</tr>
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</table>
MC’s Basic Policy on Corporate Governance

MC’s corporate philosophy is enshrined in the Three Corporate Principles. Through corporate activities rooted in the principles of fairness and integrity, MC strives to continuously raise corporate value. MC believes that by helping to enrich society, both materially and spiritually, it will also meet the expectations of shareholders, customers and all other stakeholders.

In order to achieve these goals, MC recognizes strengthening corporate governance on an ongoing basis as an important management issue as it is a foundation for ensuring sound, transparent and efficient management. MC, based on the Audit & Supervisory Board System, is thus working to put in place a corporate governance system that is even more effective. This includes strengthening management supervision through such measures as appointing Outside Directors and Outside Audit & Supervisory Board Members who satisfy the conditions for Independent Directors or Independent Audit & Supervisory Board Members, and establishing advisory bodies to the Board of Directors where the majority of members are Outside Directors, Outside Audit & Supervisory Board Members and Outside Members. At the same time, MC uses the executive officer system, etc., for prompt and efficient decision-making and business execution.

Corporate Governance Framework (As of July 1, 2018)

As a company based on the Audit & Supervisory Board Member System, MC’s Board of Directors has the dual functions of decision-making and supervision with regard to business execution. In the future, the Company plans to further enhance the board’s monitoring function. Furthermore, as consolidated management deepens, the board will monitor the status of consolidated strategies and management more closely.

Specifically, the Board of Directors will lead MC’s sustainable growth by 1) enhancing its deliberations on Company-wide strategies and particularly important matters by concentrating on important projects and 2) taking a more sophisticated approach to monitoring of Corporate Staff Section and Business Group management and business investees.

(For details of the “Revision of Board of Directors Regulations and Operation” implemented in May 2018, please refer to pages 54–55.)
Board of Directors

The Board of Directors is responsible for making decisions concerning important management issues and overseeing business execution. In-house Directors utilize their rich experience of working within MC and Outside Directors utilize their practical, objective and professional perspectives to ensure appropriate decision-making and management oversight.

Composition of the Board of Directors and the Policy for Appointing Nominated Directors

To ensure MC’s decision-making and management oversight are appropriate for a company involved in diverse businesses and industries in a wide range of fields, several Directors are appointed from both within and outside MC with the depth of experience and high levels of knowledge and expertise needed for fulfilling their duties.

More specifically, in addition to the Chairman of the Board and President and CEO, MC’s In-house Directors are appointed from executive persons responsible for Company-wide management, Corporate Staff Section operations, and other areas. Outside Directors are appointed from those who possess a practical perspective of highly experienced officers and those who possess an objective and professional perspective with a deep insight into global developments and socio-economic trends.

In principle, the Board of Directors is an appropriate size for conducting deliberations, with one-third or more being made up of Outside Directors.

Number of Independent Outside Directors/Directors*

5/13

Number of Female Directors/Directors*

1/13

* Based on the status as of July 1, 2018

Matters Deliberated by the Board of Directors

In order to lead MC’s sustainable growth and increase mid- and long-term corporate value, the Board of Directors deliberates on important management issues, such as management strategies, and will supervise business execution through reports by directors of the status of their duties. In addition, matters requiring a resolution by the Board of Directors in accordance with laws and regulations and the Articles of Incorporation are deliberated and resolved based not only on the economic aspects, but also with an emphasis on perspectives of ESG (Environment, Social, and Governance). In particular, for investments and loans, the Board of Directors sets out monetary threshold standards for each type of risk, such as credit risk, market risk and business investment risk (amounts do not exceed 1% of total assets and are set individually depending on the nature of the risk) in accordance with MC’s scale of assets and investments. Investments and loans that exceed this monetary threshold are deliberated and resolved by the Board of Directors.

Business execution other than these matters for resolution by the Board of Directors is entrusted to Executive Officers in accordance with the allocation of duties decided by the Board of Directors for prompt and efficient business execution. Business is executed through the President, as the Chief Executive Officer, and the Executive Committee (meets twice monthly), as a management decision-making body to take responsibility for business execution.

Further, the Board of Directors strives to construct an internal control system for increasing corporate value by conducting appropriate, valid and efficient business execution in conformity with laws, regulations and the Articles of Incorporation. Each year, the board checks on the implementation of the internal control system and makes ongoing improvements and enhancements.
Board of Directors’ Advisory Bodies

Governance, Nomination and Compensation Committee

The Governance, Nomination and Compensation Committee has met around twice a year since its establishment in 2001. A majority of the members of the committee are Outside Directors, Outside Audit & Supervisory Board Members, and Outside Members. It conducts continuous reviews of corporate governance-related issues and discusses requirements for the President and CEO and basic policies concerning its appointment and dismissal as well as selection of individual candidates. The committee also discusses matters regarding the basic policy for selecting Directors and Audit & Supervisory Board Members when nominating them and the selection of individual candidates and so forth. The committee also deliberates on the remuneration system for Executive Officers, including the policy for setting remuneration and appropriateness of remuneration levels, and monitors operation of this system.

Select Topics Discussed by the Governance, Nomination and Compensation Committee in the Fiscal Year Ended March 2018

Revision of Rules and Operations for the Board of Directors
- Discussion regarding the proposal to revise rules and operations for the Board of Directors based on the evaluation results of the effectiveness of the Board of Directors

Revising System for the Appointment of Retired Executives to Advisory Positions
- Discussing the system for the appointment of retired executives to advisory positions

Policies for Selecting Directors and Audit & Supervisory Board Members
- Discussing the requirements and selection process for candidates for Directors and Audit & Supervisory Board Members

Remuneration System/Operating Policy for the President’s Performance Evaluation Committee
- Discussing review of remuneration levels for Directors, Audit & Supervisory Board Members and Executive Officers, the proposed policy for payment of Company-wide performance-linked bonuses, and operating policy proposal for the President’s performance evaluation and other matters

Composition of the Committee (*Committee Chairman (as of July 1, 2018)

Outside Members (5)
- Akihiko Nishiyama
  Outside Director
- Toshiko Oka
  Outside Director
- Akitaka Saiki
  Outside Director
- Tsuneyoshi Tatsuoka
  Outside Director
- Tadashi Kunihiro
  Outside Audit & Supervisory Board Member

In-house Members (3)
- Ken Kobayashi*
  Chairman of the Board
- Takehiko Kakiuchi
  President and CEO
- Shuma Uchino
  Senior Audit & Supervisory Board Member

President’s Performance Evaluation Committee

The President’s Performance Evaluation Committee has been established as a subcommittee to the Governance, Nomination and Compensation Committee, comprising the same Chairman and Outside Members as the parent committee to deliberate the assessment of the President’s performance.
International Advisory Committee

The International Advisory Committee has met annually since its establishment in 2001. The committee comprises experts with a wide range of backgrounds in government, finance, administration and academia. Members of the committee offer proposals and advice from an international standpoint according to MC’s management and corporate strategies as it develops its business globally. Further, the committee reports on the political and economic conditions of various regions and exchanges opinions on these matters. The International Advisory Committee fulfills a highly crucial role in deepening discussions in meetings of the Board of Directors.

Overseas Members (As of July 1, 2018)

<table>
<thead>
<tr>
<th>Member</th>
<th>Nationality</th>
<th>Title</th>
<th>Years served</th>
<th>Principal area of specialization and background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambassador Richard Armitage</td>
<td>U.S.A.</td>
<td>Former United States Deputy Secretary of State</td>
<td>2 years</td>
<td>Ambassador Armitage previously served as Special Emissary to Jordan and United States Deputy Secretary of State. He is widely experienced in foreign diplomacy, is a leading expert on Asia and Japan within the U.S.A. and is acknowledged as an authority on the Middle East.</td>
</tr>
<tr>
<td>Professor Joseph S. Nye</td>
<td>U.S.A.</td>
<td>Harvard University Distinguished Service Professor</td>
<td>10 years</td>
<td>Professor Nye is a globally renowned scholar in the field of geopolitics. He has extensive networks not only in academia, but also in political and economic circles. Within the International Advisory Committee, he provides an annual overview of the international situation and makes valuable suggestions regarding industry trends.</td>
</tr>
<tr>
<td>Mr. Ratan N. Tata</td>
<td>India</td>
<td>Chairman, Tata Trusts</td>
<td>18 years</td>
<td>Mr. Tata has expanded his business presence to over 100 countries worldwide and has particularly deep knowledge of industrial as well as political and economic developments in India.</td>
</tr>
<tr>
<td>Mr. George Yeo</td>
<td>Singapore</td>
<td>Chairman, Kerry Logistics Network</td>
<td>5 years</td>
<td>Mr. Yeo has previously served as Singapore’s Minister for Information and the Arts, Minister for Health, Minister for Trade and Industry, and Minister for Foreign Affairs. His background brings a wealth of knowledge in the geopolitical situation in ASEAN and China to the committee.</td>
</tr>
<tr>
<td>Mr. Niall FitzGerald, KBE</td>
<td>Ireland</td>
<td>Former CEO and Chairman, Unilever</td>
<td>5 years</td>
<td>Mr. FitzGerald, KBE has served as Chairman of several major companies such as Reuters and Unilever, as well as the British Museum. He has an outstanding knowledge of both geopolitics and industry, and his consideration of the impacts of geopolitical changes on business provides valuable advice for the International Advisory Committee.</td>
</tr>
<tr>
<td>Mr. Jaime Augusto Zobel de Ayala II</td>
<td>The Philippines</td>
<td>Chairman and CEO, Ayala Corporation</td>
<td>18 years</td>
<td>Mr. Zobel has experience in growing a global business launched from the ASEAN region, and therefore has a thorough knowledge of various geopolitical and industry trends in Asia, particularly in the ASEAN region.</td>
</tr>
</tbody>
</table>

Japanese Members (As of July 1, 2018)

Chairman of IAC
Ken Kobayashi
Chairman of the Board
Takehiko Kakiuchi
President and CEO
Kanji Nishiura
Member of the Board, Executive Vice President
Akitaka Saiki
Outside Director
Tsuneo Katsuoka
Outside Director

IAC Agenda and Keynote Speakers for the Fiscal Year Ending March 31, 2019

- Future of free trade: Ambassador Armitage
- Threats to global growth: Professor Nye
- Potential of emerging markets: Mr. FitzGerald, KBE

Committee members carried out robust discussions regarding the various topics introduced by keynote speakers, with Group executives actively participating in sessions relevant to their businesses.
Audit & Supervisory Board Members/Audit & Supervisory Board

The Audit & Supervisory Board comprises all of the Audit & Supervisory Board Members responsible for auditing the decision-making processes and management performance of Directors according to the Companies Act and other laws and regulations, MC’s Articles of Incorporation and internal rules and regulations. In-house Audit & Supervisory Board Members conduct audits based on many years of experience working within MC, while Outside Audit & Supervisory Board Members conduct audits from a neutral and objective perspective based on extensive experience in their respective fields of expertise, to ensure that management is sound. In addition, the Audit & Supervisory Board passes resolutions on matters required by law and other important issues, and each Audit & Supervisory Board Member reports and shares information on the status of audit activities.

<table>
<thead>
<tr>
<th>Number of Independent Outside Audit &amp; Supervisory Board Members/Number of Audit &amp; Supervisory Board Members*</th>
<th>Number of Female Audit &amp; Supervisory Board Members/Number of Audit &amp; Supervisory Board Members*</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/5</td>
<td>1/5</td>
</tr>
</tbody>
</table>

Audit Plans

Every year, the Audit & Supervisory Board draws up an audit plan prior to the start of the audit year. The audit plan establishes important items for each year. In the fiscal year ended March 31, 2018, the Audit & Supervisory Board identified the following three important items and conducted various audit activities outlined in the Audit Implementation Guidelines described below.

Policies related to Midterm Corporate Strategy 2018

- Monitoring the execution of initiatives discussed and confirmed by the Business Strategy Committee and at the Management Strategy Meeting and other forums

Group management

- Monitoring the development and enhancement of systems that will reinforce Group management and crisis management and response capabilities at the consolidated level

Corporate governance

- Monitoring the development of MC’s governance system and internal control systems at MC Group companies

Audit Implementation Guidelines

The audit plan sets out five Audit Implementation Guidelines for the Audit & Supervisory Board Members to keep in mind when conducting audits. The Audit & Supervisory Board Members will conduct audit activities based on these guidelines, and proactively and constructively share insights and offer recommendations to ensure MC’s sound, sustained growth and to contribute to establishing a corporate governance system that earns society’s trust.

1. Implementation of systematic audits

All Audit & Supervisory Board Members cooperate closely with one another, in principle. The In-house Audit & Supervisory Board Members strive to gather information primarily by attending a wide range of key internal meetings, while the Outside Audit & Supervisory Board Members express impartial and objective opinions based on information they receive. The Outside Audit & Supervisory Board Members also proactively participate in various audit activities in an effort to monitor the status of management and business execution. (Please refer to "4. Audits of management performance")

In order to ensure that systematic audits are performed effectively, MC has set up the Audit & Supervisory Board Members Office as an independent organization to assist the Audit & Supervisory Board Members. Five full-time staff members with backgrounds in corporate finance and accounting, as well as legal and compliance affairs, are ready to provide timely support.

2. Cooperation with the Independent Auditors

The Audit & Supervisory Board has strengthened cooperation with the Independent Auditors. Key measures include the Independent Auditors attending briefings on the outline of audit plans at the beginning of the year, quarterly reviews prepared by the Independent Auditors, and holding regular monthly meetings of the Audit & Supervisory Board Members and Independent Auditors. In another key measure, the Audit & Supervisory Board Members accompany the President and Group CEOs in dialogues with the Independent Auditors.

Proposals on the appointment, dismissal and non-reappointment of the Independent Auditors are determined following a process at the fiscal year-end that includes meetings to review performance. This process is based on data accumulated on the performance of the Independent Auditors during the fiscal year through discussions in quarterly reviews, regular meetings and other forums.
3. Cooperation with the Internal Audit Department

MC emphasizes cooperation between the Audit & Supervisory Board (Members) and Internal Audit Department. Every month, the In-house Audit & Supervisory Board Members hold regular meetings and exchange opinions with the General Managers of the Internal Audit Department and Legal Department. In these meetings, the General Manager of the Internal Audit Department explains the results of audits, while the General Manager of the Legal Department discusses litigation and compliance matters. Every quarter, the General Manager of the Internal Audit Department reports on audit results to the President in addition to the Audit & Supervisory Board.

4. Audits of management performance

The Audit & Supervisory Board Members strive to effectively monitor management performance through the audit activities described below.

<table>
<thead>
<tr>
<th>Dialogue with CEOs and other members of senior management</th>
<th>Attendances at important meetings</th>
<th>On-site audits and tours</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Audit &amp; Supervisory Board Members conduct dialogues with all members of senior management, such as the Chairman, President, Corporate Functional Officers, Group CEOs, Division COOs, and General Manager of the Corporate Staff Section*. In addition, the Company has arranged a forum for dialogue between the Outside Audit &amp; Supervisory Board Members and mid-level employees, in order to ensure an opportunity to gather information from the front lines. The Company also provides the opportunity for Outside Directors to participate in the dialogues with Group CEOs, Division COOs and others.</td>
<td>The Audit &amp; Supervisory Board Members attend meetings of 20 important internal management structures such as the Board of Directors, Governance, Nomination and Compensation Committee, Executive Committee, Business Strategy Committee, and Management Strategy Meeting. Moreover, the staff of the Audit &amp; Supervisory Board Members Office attend meetings held by all business groups to review loan and investment proposals, and report matters discussed to the Audit &amp; Supervisory Board Members. Based on this, the Audit &amp; Supervisory Board Members discuss loan and investment proposals prior to deliberation at the relevant Board of Directors meetings.</td>
<td>Through on-site audits and tours, the Audit &amp; Supervisory Board Members meet with the CEOs of 54 overseas and 16 domestic MC Group companies, as well as the regional chiefs of all 59 overseas and 5 domestic sites. The Audit &amp; Supervisory Board Members report on the results of their on-site audits to the Chairman and the President.</td>
<td>MC has appointed one lawyer as an advisory member of the Audit &amp; Supervisory Board, and has held three regular meetings with the lawyer. The Audit &amp; Supervisory Board has received helpful recommendations from the lawyer, and has put these recommendations to good use in its audit activities. In addition, the Audit &amp; Supervisory Board has conducted training through programs such as seminars offered by the Japan Audit &amp; Supervisory Board Members Association and the Japan Foundation for Accounting Education and Learning.</td>
</tr>
</tbody>
</table>

*1 Dialogues were held 66 times in total in the fiscal year ended March 31, 2018.
*2 Attended by Audit & Supervisory Board Member Tadashi Kunihiro.
*3 Dialogues were held with regional chiefs of 15 overseas sites and CEOs of 1 domestic and 13 overseas MC Group companies during on-site audits and tours in the fiscal year ended March 31, 2018.

Every quarter, the Audit & Supervisory Board conducts information sharing meetings with the Audit & Supervisory Board Members of 37 major MC Group companies, particularly large companies, in addition to holding dialogues with the CEOs of those companies. At these meetings, the Audit & Supervisory Board Members strive to share information on audit activities and develop a common understanding of MC’s management policies. These activities are designed to gauge the development and status of internal control systems throughout the organization.

5. Operational audits of Group companies

Every quarter, the Audit & Supervisory Board conducts information sharing meetings with the Audit & Supervisory Board Members of 37 major MC Group companies, particularly large companies, in addition to holding dialogues with the CEOs of those companies. At these meetings, the Audit & Supervisory Board Members strive to share information on audit activities and develop a common understanding of MC’s management policies. These activities are designed to gauge the development and status of internal control systems throughout the organization.

Raising the Bar for Audits by Audit & Supervisory Board Members

In order for In-house and Outside Audit & Supervisory Board Members to fulfill their responsibilities, I believe that we must monitor the broadest possible range of daily business operations undertaken by executives. We are taking steps to accurately understand the larger picture behind businesses and the main purpose of various strategies. To this end, we are making a conscious effort to establish points of contact particularly between Outside Audit & Supervisory Board Members and MC’s officers and employees. At the same time, we are enhancing the monitoring of management by encouraging greater information sharing and stronger cooperation between In-house and Outside Audit & Supervisory Board Members. Looking ahead, we seek to provide even more opportunities to foster effective communication and cooperation.
Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors and Outside Audit & Supervisory Board Members are as follows (as of July 1, 2018).

(Please refer to pages 98–99 for more information on In-house Directors and In-house Audit & Supervisory Board Members.)

### Outside Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Independent Director</th>
<th>Main career</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akihiko Nishiyama</td>
<td>65</td>
<td>□</td>
<td>Professor, Ritsumeikan University</td>
</tr>
<tr>
<td>Hideaki Omiya</td>
<td>71</td>
<td>□</td>
<td>Chairman of the Board, Mitsubishi Heavy Industries, Ltd.</td>
</tr>
<tr>
<td>Toshiko Oka</td>
<td>54</td>
<td>□</td>
<td>CEO, Oka &amp; Company Ltd. Business consultant</td>
</tr>
<tr>
<td>Akitaka Saiki</td>
<td>65</td>
<td>□</td>
<td>Former Vice-Minister of Foreign Affairs, Ministry of Foreign Affairs of Japan</td>
</tr>
<tr>
<td>Tsuneyoshi Tatsuoka</td>
<td>60</td>
<td>□</td>
<td>Former Vice-Minister of Economy, Trade Industry, Ministry of Economy, Trade and Industry</td>
</tr>
</tbody>
</table>

### Outside Audit & Supervisory Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Independent Audit &amp; Supervisory Board Member</th>
<th>Main career</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tadashi Kunihiro</td>
<td>62</td>
<td>□</td>
<td>Attorney at T. Kunihiro &amp; Co., Attorneys-at-Law</td>
</tr>
<tr>
<td>Ikuo Nishikawa</td>
<td>67</td>
<td>□</td>
<td>Former Professor, Faculty of Business &amp; Commerce of Keio University Certified Public Accountant</td>
</tr>
<tr>
<td>Yasuko Takayama</td>
<td>60</td>
<td>□</td>
<td>Former Audit &amp; Supervisory Board Member, Shiseido Company, Limited</td>
</tr>
</tbody>
</table>

### Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members

To make the function of Outside Directors and Outside Audit & Supervisory Board Members stronger and more transparent, Mitsubishi Corporation has set forth Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members as follows, after deliberation by the Governance, Nomination and Compensation Committee, which is composed of a majority of Outside Directors, Outside Audit & Supervisory Board Members and Outside Members. Each of the 5 Outside Directors and 3 Outside Audit & Supervisory Board Members satisfy the requirements for Independent Directors and Independent Audit & Supervisory Board Members as stipulated by Japanese stock exchanges, such as the Tokyo Stock Exchange, and Mitsubishi Corporation’s Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members.

1. Outside Directors are elected from among those individuals who have an eye for practically founded on a wealth of experience as corporate Executive Officers, as well as an objective and specialist viewpoint based on extensive insight regarding global conditions and social and economic trends. Through their diverse perspectives, Outside Directors help ensure levels of decision-making and management oversight appropriate to the Board of Directors.

2. To enable Outside Directors to fulfill their appointed task, attention is given to maintain their independency, individuals incapable of preserving this independency in effect will not be selected to serve as Outside Directors.

3. Mitsubishi Corporation’s operations span a broad range of business domains; hence there may be cases of conflict of interest stemming from business relationships with firms home to a corporate Executive Officer appointed as Outside Directors. Mitsubishi Corporation appropriately copes with this potential issue through the procedural exclusion of the director in question from matters related to the conflict of interest, and by preserving a variety of viewpoints through the selection of numerous Outside Directors.

[Selection Criteria for Outside Directors]
### Board of Directors Attendance and Status of Membership

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Independent Board Member</th>
<th>Independent Supervisory Director</th>
<th>Years served as Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ikuo Nishikawa</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tadashi Kunihiro</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tsuneyoshi Tatsuoka</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Akitaka Saiki</td>
<td>65</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toshiko Oka</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hideaki Omiya</td>
<td>71</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Status of Membership on Advisory Bodies

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Independent Board Member</th>
<th>Independent Supervisory Director</th>
<th>Years served as Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ikuo Nishikawa</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tadashi Kunihiro</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tsuneyoshi Tatsuoka</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Akitaka Saiki</td>
<td>65</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toshiko Oka</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hideaki Omiya</td>
<td>71</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Attendance in the Fiscal Year Ended March 31, 2018

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Governance, Nomination and Compensation Committee</th>
<th>International Advisory Committee</th>
<th>Years served as Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>14/14 meetings</td>
<td>(3/3 meetings)</td>
<td></td>
<td>3 years</td>
</tr>
<tr>
<td>12/14 meetings*1</td>
<td></td>
<td></td>
<td>2 years</td>
</tr>
<tr>
<td>14/14 meetings</td>
<td>(3/3 meetings)</td>
<td></td>
<td>2 years</td>
</tr>
<tr>
<td>10/10 meetings*2</td>
<td>(3/3 meetings)</td>
<td>(1/1 meeting)</td>
<td>1 year</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Independence for the purpose of Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members.

To make a judgment of independence, Mitsubishi Corporation checks if the person concerned meets the conditions for Independent Directors and Independent Audit & Supervisory Board Members as specified by stock exchanges in Japan such as the Tokyo Stock Exchange, Inc., and whether the person concerned is currently any of the following items (1) to (7) and whether they have been at any time in the past 3 fiscal years.

1. A major shareholder of Mitsubishi Corporation (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such shareholder*1.
2. A member of business personnel of a creditor of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation*2.
3. A member of business personnel of a supplier or a customer of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation*3.
4. A major shareholder of Mitsubishi Corporation (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such customer*1.
5. A major shareholder of Mitsubishi Corporation (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such supplier*1.
6. A member of business personnel of a supplier or a customer of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation*3.
7. A person who has been appointed as an Outside Director or Outside Audit & Supervisory Board Member of Mitsubishi Corporation for more than 8 years.

*1 A member of business personnel refers to a managing director, corporate officer, Executive Officer, or other employee of a company.

*2 A credit facility exceeding the threshold set by Mitsubishi Corporation refers to a credit facility to whom Mitsubishi Corporation owes an amount exceeding 2% of Mitsubishi Corporation's consolidated total assets. Credits exceeding the threshold set by Mitsubishi Corporation refer to creditors to whom Mitsubishi Corporation owes an amount exceeding 2% of Mitsubishi Corporation's consolidated total assets. Credits exceeding the threshold set by Mitsubishi Corporation refer to suppliers or customers whose transactions with Mitsubishi Corporation exceed 2% of Mitsubishi Corporation’s consolidated revenues.

*3 A donation exceeding a certain amount refers to donations of more than ¥20 million per fiscal year.

*4 A donation exceeding a certain amount refers to donations of more than ¥20 million per fiscal year.
Enhancing the Monitoring Function of the Board of Directors

MC strives to enhance the effectiveness of the Board of Directors by providing necessary information and support to Outside Directors and Outside Audit & Supervisory Board Members in an appropriate and timely manner so that they can perform their duties, and increasing opportunities for them to engage in dialogue with In-house Directors, In-house Audit & Supervisory Board Members and management executives and to participate in site visits.

Ken Kobayashi
Chairman of the Board

To ensure that the Directors and Audit & Supervisory Board Members are able to perform their management supervision and audit functions adequately, the Board of Directors Office and the Audit & Supervisory Board Members Office have been established, and have been providing necessary information and support appropriately and in a timely manner for them to perform their duties.

For Outside Directors and Outside Audit & Supervisory Board Members, the offices provide Board of Directors meeting materials and explanations as well as hold briefing sessions about management strategies, important matters, and other topics before Board of Directors meetings to ensure that they can effectively participate in the discussion fully and to enhance the Board’s monitoring function. The offices also provide an orientation to newly appointed Outside Directors and Outside Audit & Supervisory Board Members, as well as ongoing opportunities to deepen their understanding of the businesses and strategies of MC including site visits of business investees and opportunities for dialogue with the management executives. Furthermore, to enhance the effectiveness of the Board of Directors, MC holds meetings of the Governance, Nomination and Compensation Committee and the President’s Performance Evaluation Committee, which comprise a majority of Outside Directors and Outside Audit & Supervisory Board Members in their memberships. Also, MC endeavors to enhance close cooperation among Outside Directors and Outside Audit & Supervisory Board Members through such measures as holding exclusive meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members approximately once every quarter to provide opportunities for discussion about a wide range of themes such as business management and the corporate governance of MC. To further enhance the effectiveness of the management supervision function, MC also holds informal meetings of the Board of Directors whenever necessary to provide a forum for free discussion among Directors and Audit & Supervisory Board Members.

Enhance Provision of Information

Prior to each Board of Directors meeting, the meeting materials are distributed and the management executives of the Corporate Staff Section and Business Groups spend around three hours on average providing a briefing session regarding their business status, investments and loans, and corporate projects to the Outside Directors and Outside Audit & Supervisory Board Members, covering the strategic importance and key points of management strategies. Moreover, for investments and loans deliberated in the Board of Directors meetings, an overview of the deliberation and key points by the Executive Committee, the management decision-making body on the executive side, is shared beforehand to report the discussion process on the executive side with the Outside Directors and Outside Audit & Supervisory Board Members. Furthermore, MC organizes dialogues with the MC management executives to provide an opportunity for Outside Directors and Outside Audit & Supervisory Board Members to hear opinions directly from the executive side.

(For further details of MC’s governance reforms, please refer to pages 54–55.)
Site Visits of Business Investees
For further understanding of MC and the MC Group’s wide range of business lines, every year Outside Directors and Outside Audit & Supervisory Board Members participate in site visits of MC Group companies and other sites, and hold dialogues with the management of Group companies and others.

1 Norway and the North Sea
In August 2018, MC held site visits of its wholly owned subsidiary, Cermaq Group AS*1 in Norway, where the participants observed the salmon farming business and had a lively exchange of opinion with the subsidiary’s management executives, and visited an offshore wind farm facility in the North Sea.

*1 Cermaq Group AS is the third largest salmon farming, processing and sales company in the world with operations in Norway, Chile and Canada. It produces about 190 thousand metric tons of salmon per year. Cermaq became a wholly owned subsidiary of MC in October 2014, and supplies sustainable, safe and secure farmed salmon worldwide.

2 Myanmar
In April 2018, MC organized site visits of its large mixed-use redevelopment project in Yangon, the Mandalay International Airport operation business, and other activities in Myanmar, and visited partner companies to engage in dialogues.

3 Australia
In September 2017, MC hosted site visits in Australia which included MDP’s*2 coking coal assets. Besides touring BMA-owned Peak Downs coal mine and Hay Point coal terminal, participants actively engaged in discussions with the top management of our Australian Group companies.

*2 MDP stands for Mitsubishi Development Pty Ltd. In 2001, BMA was established as a 50-50 joint venture between MDP and mineral resources major BHP. BMA is one of the world’s largest seaborne coking coal suppliers. It owns seven operating coal mines with additional undeveloped reserves, in addition to a coal terminal in Queensland, Australia.
Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members

[Approximately Once Every Quarter]

MC endeavors to enhance close cooperation among Independent Outside Directors and Independent Outside Audit & Supervisory Board Members by providing opportunities for free discussion about a wide range of themes relating to MC’s business management and corporate governance.

In the fiscal year ended March 2018, MC held meetings for exchanging opinions on themes such as sustainability, social contributions and dialogue with shareholders. In the fiscal year ending March 2019, MC invited institutional investors to discuss investment trends and other topics of interest.

Furthermore, before formulating Midterm Corporate Strategy 2021, the President and CEO explained the policies and approach behind its conception and exchanged opinions with Outside Directors and Outside Audit & Supervisory Board Members.

Interaction with Management Executives

To enable Outside Directors and Outside Audit & Supervisory Board Members to understand Executive Officer candidates, opportunities are regularly provided for the Outside Directors and Outside Audit & Supervisory Board Members to engage in dialogue with management executives of MC and the MC Group outside of meetings of the Board of Directors.

Moreover, as noted in the section “Enhance Provision of Information” on page 50, having management executives hold briefing sessions for Outside Directors and Outside Audit & Supervisory Board Members prior to meetings of the Board of Directors helps to strengthen connections between both parties.
**Evaluation of the Effectiveness of the Board of Directors**

MC undertakes an evaluation of the Board of Directors every year in order to continually enhance the effectiveness of corporate governance. The evaluation of the fiscal year ended March 31, 2017 was undertaken by a third party. For the evaluation of the fiscal year ended March 31, 2018, MC adopted a self-evaluation process in line with the evaluation theme of “further enhancement of the functions of the Board of Directors.” Director Akihiko Nishiyama and Audit & Supervisory Board Member Yasuko Takayama, who serve as Independent Outside Director and Independent Outside Audit & Supervisory Board Member, respectively, took the lead in formulating questions and analyzing and evaluating the results.

<table>
<thead>
<tr>
<th>Process</th>
<th>Questions</th>
<th>Evaluation Results and Future Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The process and themes of the evaluation of the Board of Directors for the fiscal year ended March 2018 were deliberated in the Governance, Nomination and Compensation Committee.</td>
<td>MC’s hybrid model of corporate governance based on the Audit &amp; Supervisory Board Member System has been functioning effectively as a governance system. Adequate information has been provided to Outside Directors and Outside Audit &amp; Supervisory Board Members. There has also been sufficient communication among Outside Directors and Outside Audit &amp; Supervisory Board Members, as well as communication with personnel involved in business execution.</td>
<td>1. The process and themes of the evaluation of the Board of Directors for the fiscal year ended March 2018 were deliberated in the Governance, Nomination and Compensation Committee.</td>
</tr>
<tr>
<td>2. Questionnaires and interviews involving all Directors and Audit &amp; Supervisory Board Members were conducted.</td>
<td>The Board of Directors was evaluated to be appropriate in terms of composition, operation, deliberation and other aspects. The Board of Directors has adequate systems for the exercise of decision-making and oversight functions and these functions are being realized appropriately. Moreover, the Audit &amp; Supervisory Board Members have been fulfilling their roles in meetings of the Board of Directors based on self-evaluations by the Audit &amp; Supervisory Board Members.</td>
<td>2. Questionnaires and interviews involving all Directors and Audit &amp; Supervisory Board Members were conducted.</td>
</tr>
<tr>
<td>3. The results of the interviews were compiled and deliberated together with future policies in the Governance, Nomination and Compensation Committee.</td>
<td>The evaluation highly commended measures implemented in the fiscal year ended March 2018 (observation tours of business investees, etc.) as a result of the findings of the Board of Directors evaluation undertaken in the fiscal year ended March 2017. Meanwhile, the evaluation identified the need to continue upgrading and expanding deliberation on strategies and other important matters.</td>
<td>3. The results of the interviews were compiled and deliberated together with future policies in the Governance, Nomination and Compensation Committee.</td>
</tr>
<tr>
<td>4. Based on the result of discussions in the Governance, Nomination and Compensation Committee, the Board of Directors analyzed and evaluated the findings and shared future policies.</td>
<td>The evaluation proposed a number measures to be undertaken going forward. From the standpoint of further enhancement of the functions of the Board of Directors, a matter was continually discussed during the fiscal year ended March 2018, these measures included upgrading and enhancing Companywide and Group strategies and the monitoring of major business investees, revising agenda items, and enhancing and expanding feedback and follow-up activities to enhance discussions. Other measures included enhancing communication in forums other than the Board of Directors meetings, and considering ways to involve the Outside Directors and Outside Audit &amp; Supervisory Board Members in the successor planning and selection process.</td>
<td>4. Based on the result of discussions in the Governance, Nomination and Compensation Committee, the Board of Directors analyzed and evaluated the findings and shared future policies.</td>
</tr>
</tbody>
</table>

The questions concerned the evaluation of measures undertaken in the fiscal year ended March 2018; the composition, structure, operation, oversight and audit functions of the Board of Directors; the status of individual involvement; and further enhancement of the functions of the Board of Directors, among other matters.

Based on the analysis and evaluations of the Governance, Nomination and Compensation Committee and the Board of Directors with respect to the issues highlighted by the evaluation results and the opinions and recommendations from Directors and Audit & Supervisory Board Members, MC will implement measures to further enhance the effectiveness of the Board of Directors.

**Comments from the Outside Members and Outside Audit & Supervisory Board Member Responsible for Summarizing the Evaluation of Effectiveness of the Board of Directors**

**Akihiko Nishiyama**
Independent Outside Director

In evaluating the effectiveness of the Board of Directors, MC implemented a third-party evaluation in the fiscal year ended March 31, 2017, which was quite rare among other companies at that time. In the fiscal year ended March 31, 2018, we carried out a self-evaluation led by Independent Outside Directors and Independent Outside Audit & Supervisory Board Members. By doing so, I believe we were able to establish a new model of evaluation among Japanese companies, which enabled us to grasp the current status of the Board of Directors while also ensuring an external perspective and objectivity. With many years of experience in surveys, I focused on designing the questions in accordance with this theme. I also feel that we have made great progress in MC’s corporate governance by aptly linking the evaluation results with the improvement plan for revising the rules and operations of the Board of Directors (Refer to pages 54–55).

**Yasuko Takayama**
Independent Outside Audit & Supervisory Board Member

I believe the biggest accomplishment through the evaluation of the effectiveness of the Board of Directors this year was reaching a consensus among In-house and Outside Directors and Audit & Supervisory Board Members that our management discussions about Company-wide strategy should prioritize the most essential points from the mid- to long-term perspective. Another achievement was that based on this, MC was able to implement revisions of the rules of the Board of Directors, and we recognize that the monitoring functions of the Board of Directors were enhanced. As MC’s hybrid model with the advantages of the committee system, MC’s corporate governance is evolving to an even higher level among companies that adopt the Audit & Supervisory Board Member system. We will drive continuous improvements going forward.
Governance Reforms at Mitsubishi Corporation
—Building a More Effective Board of Directors—

“What is the vision for corporate governance at Mitsubishi Corporation?”
In response to this question raised by Outside Directors and Outside Audit & Supervisory Board Members, In-house Directors and In-house Audit & Supervisory Board Member came together with them to have many discussions. The discussions led to a sweeping reform of rules and operating processes of the Board of Directors. We will continue to implement reforms through evaluations of the effectiveness of the Board of Directors and other means.

At the first informal meeting of the Board of Directors, the main topic of discussion was the role of the Board of Directors. Outside Directors and Outside Audit & Supervisory Board Members put the following issue on the table:

“I would like to propose that we hold the Board of Directors informal meeting whenever necessary to provide a forum for free discussion among Directors and Audit & Supervisory Board Members to further enhance intensive communication and build an even more effective Board of Directors.”

“Hidehiro Konno
Former Outside Director”

“Ken Kobayashi
Chairman of the Board”

“The Governance & Compensation Committee, an advisory body to the Board of Directors, comprised of a majority of Outside Directors, Outside Audit & Supervisory Board Members and Outside Members, confirmed the following key directions for this reform: (1) focus on Company-wide strategy and other important matters by narrowing down agenda items and (2) enhance monitoring function of Corporate Staff Section and Business Groups and business investees.”

Ken Kobayashi
Chairman of the Board

Hidehiro Konno
Former Outside Director

May 2017

Issue Raised by Outside Directors and Outside Audit & Supervisory Board Members

April 2017

Launch of the Board of Directors Informal Meeting
In line with the evaluation theme of “further enhancing the function of the board,” MC conducted an evaluation of the effectiveness of the board led by Independent Outside Directors and Independent Outside Audit & Supervisory Board Members. Through questionnaires and interviews, the issues of the Board of Directors were highlighted.

“\textquote{It will be imperative to challenge the board’s accepted wisdom, specifically its practice of exhaustively reviewing every individual project with a relatively minor impact. This will be all the more important as the board focuses on Company-wide strategy and an effective monitoring framework.}”

Tsuneyoshi Tatsuoka
Outside Director

March 2018

Discuss Specific Solutions

The Governance & Compensation Committee discussed solutions to the issues raised by Directors and Audit & Supervisory Board Members and confirmed the highlights of the governance reforms which were brought forward.

April 2018

Deliberations and Resolutions by the Board of Directors

Based on the discussions held to date, the Board of Directors deliberated matters in its regular meeting in April 2018, and from May the new rules and operating processes for the Board of Directors were set in motion. (See below of the main points of the reforms).

March to March 2018

Identify Specific Issues

I believe that more feedback and follow-up on the opinions provided by Outside Directors and Outside Audit & Supervisory Board Members in the Board of Directors meetings should be provided. This will go a long way to enhancing the quality of board discussions. The board should also get more deeply involved in the strategies and governance of major business investees and increase monitoring functions.

Toshiko Oka
Outside Director

Highlights of reforms to the Board of Directors

1) Enhance monitoring
   - The Board of Directors enhances reports by directors of the status of their duties in the board meeting. The board also deliberates the strategies and governance of major business investees of each Business Group as consolidated management deepens.

2) Revisions to rules for the Board of Directors
   - In principle, the board doubles the current level of monetary threshold standards for investments and loans of MC and the MC Group and delegates more decision-making authority to the executive side. The board focuses more on deliberation for management strategy and important matters.

3) Improve and streamline the operating processes of the Board of Directors by enhancing briefing sessions for board members and others
   - With regard to management strategies, reports by directors of the status of their duties and others, management executives of the section and group provide briefing session on the strategic significance and key points.

Toshiko Oka
Outside Director

April 2018

Deliberations and Resolutions by the Board of Directors

Based on the discussions held to date, the Board of Directors deliberated matters in its regular meeting in April 2018, and from May the new rules and operating processes for the Board of Directors were set in motion. (See below of the main points of the reforms).
Directors’ and Audit & Supervisory Board Members’ Remuneration

In line with the Basic Policy on Corporate Governance, MC has established a remuneration system for Directors and Audit & Supervisory Board Members and related systems to ensure a sustainable increase in corporate value, and to ensure that their respective roles are fulfilled properly according to business execution and management supervision functions. MC strives to operate the system with a high degree of transparency.

Within this system, the policy for setting remuneration, appropriateness of remuneration levels, and operation of the remuneration system for Directors responsible for business execution are discussed and monitored by the Governance, Nomination and Compensation Committee.

The details and methods for setting remuneration for Directors and Audit & Supervisory Board Members are as follows.

<table>
<thead>
<tr>
<th>Directors/ Audit &amp; Supervisory Board Members</th>
<th>Type of Director or Audit &amp; Supervisory Board Member (As of July 1, 2018)</th>
<th>Approach to Remuneration</th>
<th>Method for Setting Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>Directors responsible for business execution (who also serve as Executive Officers) (7)</td>
<td>■ The remuneration of Directors who also serve as Executive Officers and are responsible for business execution are set with the aim of providing further incentive and motivation to achieve business results and creation of sustainable business value through the steady execution of the midterm corporate strategy, along with aligning the Directors’ interests with those of the shareholders over the medium and long terms.</td>
<td>■ Regarding remuneration for the Chairman of the Board, Outside Directors, and Directors responsible for business execution (excluding bonuses), the 2010 Ordinary General Meeting of Shareholders approved a payment limit of ¥1.6 billion per annum. Remuneration is paid within this remuneration limit subject to resolution of the Board of Directors.</td>
</tr>
<tr>
<td></td>
<td>Chairman of the Board (1) Outside Directors (5)</td>
<td>■ The Chairman of the Board and the Outside Directors, who do not also serve as Executive Officers, must primarily fulfill a supervisory function for management in an appropriate manner, while the Audit &amp; Supervisory Board Members must perform audits appropriately. Accordingly, there is a need to ensure their independence. For this reason, they are paid only fixed monthly remuneration, which does not have a component linked with business results.</td>
<td>■ The monthly remuneration of Audit &amp; Supervisory Board Members was set at an upper limit of ¥15 million per month in total by resolution of the 2007 Ordinary General Meeting of Shareholders. Audit &amp; Supervisory Board Members’ base remuneration is paid within this remuneration limit subject to discussions by the Audit &amp; Supervisory Board Members.</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Members</td>
<td>In-house Audit &amp; Supervisory Board Members (2) Outside Audit &amp; Supervisory Board Members (3)</td>
<td>■ Directors responsible for business execution are subject to the following limits: Directors’ Individual Performance Bonus: ¥6 million for Directors (Outside Directors were ineligible for payment).</td>
<td></td>
</tr>
</tbody>
</table>

Total Amounts and Number of Eligible People in the Fiscal Year Ended March 2018

<table>
<thead>
<tr>
<th>Title</th>
<th>Total Remuneration</th>
<th>Base Remuneration and Individual Performance Bonus</th>
<th>Bonus</th>
<th>Stock-option-based Remuneration</th>
<th>Reserved Retirement Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Eligible Persons</td>
<td>Total</td>
<td>Eligible Persons</td>
<td>Total</td>
<td>Eligible Persons</td>
</tr>
<tr>
<td>Directors (In-house)</td>
<td>1,198</td>
<td>9</td>
<td>667</td>
<td>6</td>
<td>270</td>
</tr>
<tr>
<td>Directors (Outside)</td>
<td>120</td>
<td>6</td>
<td>120</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Members (In-house)</td>
<td>136</td>
<td>2</td>
<td>136</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Members (Outside)</td>
<td>39</td>
<td>3</td>
<td>39</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Notes:
1. The above figures include 2 Directors who retired and 1 Director who resigned during the fiscal year ended March 2018.
2. As of March 31, 2018, there were 12 Directors (including 5 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members).
3. The stock-option-based remuneration above shows the amount recognized as an expense in the fiscal year ended March 31, 2018 related to stock options granted to 7 In-house Directors (Chairman of the Board and Outside Directors are ineligible for payment).
4. In addition to the above, MC paid executive pensions to retired Directors and Audit & Supervisory Board Members. The amounts paid in the fiscal year ended March 31, 2018 were as follows: The retirement bonus system, including executive pensions for Directors and Audit & Supervisory Board Members, was abolished at the close of the 2007 Ordinary General Meeting of Shareholders. MC paid ¥146 million to 85 Directors (Outside Directors were ineligible for payment). MC paid ¥6 million to 7 Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment). (Figures less than one million yen are rounded down)
Composition of the Remuneration of Directors Responsible for Business Execution

<table>
<thead>
<tr>
<th>Remuneration type</th>
<th>Remuneration composition</th>
<th>Fixed/ Variable*1</th>
<th>Form of payment</th>
<th>Included within remuneration limit*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Remuneration</td>
<td>An amount determined according to position, paid monthly</td>
<td>Fixed</td>
<td>Cash</td>
<td>○</td>
</tr>
<tr>
<td>Individual Performance Bonus</td>
<td>For Directors responsible for business execution, individual performance bonuses are determined and paid on an individual basis after the President’s yearly performance assessment of each Director for the previous fiscal year. The assessment on the President’s performance is deliberated by the President’s Performance Evaluation Committee, a subcommittee to the Governance, Nomination and Compensation Committee. The subcommittee comprises the Chairman, who also serves as the Chairman of the Governance, Nomination and Compensation Committee, and members made up of Outside Directors and Outside Audit &amp; Supervisory Board Members.</td>
<td>Variable (Single year)</td>
<td>Cash</td>
<td>○</td>
</tr>
</tbody>
</table>
| Bonus                              | ▪ Bonuses are determined and paid on an individual basis after deciding whether or not bonuses will be paid and what the total amount will be based on the previous year’s consolidated earnings and other factors.  
▪ During the period of Midterm Corporate Strategy 2018 (fiscal year ended March 31, 2017 to fiscal year ending March 31, 2019), the amounts of bonuses to be paid will be determined based on the achievement of a level of earnings that leads to improved corporate value (consolidated capital cost) and initial business targets, and an upper limit is set for the total amount to be paid. If consolidated net income (attributable to owners of MC) exceeds the consolidated capital cost, the amount to be paid will be increased in line with business performance. Meanwhile, if consolidated net income is less than the consolidated capital cost or the initial business targets, no bonuses will be paid. | Variable (Single year) | Cash            | ○                                   |
| Stock-option-based Remuneration    | Stock options as remuneration are grants from the perspective of aligning Directors’ interests with those of shareholders and creating value over the medium and long terms. Stock options cannot be exercised for two years from the date they are granted. As a basic policy, In-house Directors cannot sell shares, including shares acquired by exercising stock options, during their terms of office until their shareholdings reach a certain level. | Variable (Medium to long term) | Shares (Stock acquisition rights) | ○                                   |
| Reserved Retirement Remuneration   | Reserved retirement remuneration is set aside in a certain amount every year as consideration for the performance of duties, and the accumulated amount is calculated and paid in full upon retirement of a Director by resolution of the Board of Directors. | Fixed             | Cash            | ○                                   |

*1 “Fixed” indicates a fixed payment amount and “Variable” indicates a payment amount that varies based on performance and other factors. “Single year” indicates amounts that correspond to performance or individual performance assessment of the previous fiscal year ended March 31. “Medium to long term” is used for stock options as remuneration to indicate their role as a medium- to long-term incentive.

*2 ○” indicates remuneration paid by a resolution of the Board of Directors within the ¥1.6 billion per annum limit approved by the 2010 Ordinary General Meeting of Shareholders.

Conceptual Image of the Payment Mix of Remuneration for Directors Responsible for Business Execution

Fixed Remuneration Ratio: Approx. 50%

Variable Remuneration Ratio: Approx. 50%

(Varies based on performance and other factors)
Initiatives on Japan’s Corporate Governance Code

Mitsubishi Corporation (MC) has long worked to implement corporate governance as the foundation of sound, transparent and efficient management. We have determined that MC is implementing all principles set forth in Japan’s Corporate Governance Code.

(For more information, please refer to the Corporate Governance Report on MC’s website.)

MC’s Stance on Acquisition, Holding, and Reduction in Holding of Listed Shares

Holding of listed shares reduced by 10% (compared to the previous year) after reviewing significance

MC may acquire and hold shares and equity stakes of non-affiliated companies ("General Investment Shares"), as a means of creating business opportunities and building, maintaining and strengthening business and partner relationships. Cross-shareholdings are included in these General Investment Shares.

When acquiring General Investment Shares, MC judges whether or not to make the acquisition based on the significance and economic rationale of the purchase, periodically reviews its holding policy after an acquisition and promotes reducing holdings of stocks with decreased significance.

Moreover, MC confirms the significance of holding shares of major listed companies, included in General Investment Shares, from a Company-wide management perspective, and regular verifications by the Board of Directors will be discussed later. In addition to the scheme described above, MC has a policy for proactively reorganizing its portfolio and sold approximately 0.1 trillion yen in listed shares, previously included in General Investment Shares, on a consolidated and market value basis during the fiscal year ended March 31, 2018, reducing its holdings by 10% year on year.

* General Investment Shares include listed and unlisted shares. All General Investment Shares are included under "Other investments" on the consolidated balance sheets.

MC’s Pension Management Structure

Operation by experienced experts and appropriate monitoring

In an effort to utilize personnel with experience in markets and investment, those responsible for pension management are appointed from the Finance Department of MC and serve concurrently as employees of the Mitsubishi Corporation Pension Fund. The basic policy and management guidelines for safe and efficient management of the reserve are drafted and issued to institutions contracted to undertake management, which are then monitored constantly. Rules governing the fund prevent inappropriate administration and management of the reserve for the benefit of one’s self or an independent party other than the fund. Moreover, Mitsubishi Corporation Pension Fund elects four directors to execute the fund’s operation and two auditors to audit its operations. Officers in these positions are rotated after a certain period based on their decided terms of office.

< Announcement of Acceptance of Japan’s Stewardship Code in the Fiscal Year Ending March 31, 2019 >

Marked with the responsibility for autonomous allocations it holds, the fund has announced its acceptance of Japan’s Stewardship Code and requires the institutions entrusted with management of the assets to perform stewardship activities.
Policy and Procedures for Appointment and Dismissal of Management Executive and Appointment of Nominated Directors and Audit & Supervisory Board Members

Ensuring objectivity and transparency through deliberation at the Governance, Nomination and Compensation Committee, where Outside Directors, Outside Audit & Supervisory Board Members and other experts from outside MC have a majority

For the appointment of the President and CEO, the requirements of the role, the basic policy on appointment, and selection of individual candidates are deliberated and reviewed by the Governance, Nomination and Compensation Committee, where Outside Directors, Outside Audit & Supervisory Board Members and other experts from outside MC have a majority (4 Outside Directors and 1 Outside Audit & Supervisory Board Member out of 8 Committee Members). Appointments are then decided by the Board of Directors, which also appoints and assigns duties to Executive Officers.

Moreover, the policy and process for appointment and all appointment proposals of Directors and Audit & Supervisory Board Members are deliberated by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors, before being presented at the Ordinary General Meeting of Shareholders.

Furthermore, the Company’s policy is to take a flexible approach to determining and dealing with dismissal of the President and CEO who is the chief executive officer. The matter is deliberated by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.

Details of Retired Executives Currently Serving in Advisory Positions

Honorary Chairman to receive no remuneration (2020 onward), no further appointment of Senior Corporate Advisor to be made

MC appoints, as necessary, retired executives (presidents and chairmen of the board) to the positions of Honorary Chairman and Senior Corporate Advisor. Currently, one Honorary Chairman and two Senior Corporate Advisors are appointed. Neither the Honorary Chairman nor the Senior Corporate Advisors serve as directors. They do not participate in internal management meetings and are not involved in the Company’s decision-making process. They mainly engage in activities that carry high social significance for the Company’s external affairs, as requested. With effect from July 2020, the Honorary Chairman will execute his duties on a part-time basis with no remuneration. No new Senior Corporate Advisors will be appointed with immediate effect.

### Names, positions, and other information related to retired executives currently serving in advisory positions

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Area of assignment</th>
<th>Work conditions (full/part-time, remunerated, etc.)</th>
<th>Date of retirement as President, etc.</th>
<th>Term end</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minoru Makihara</td>
<td>Senior Corporate Advisor</td>
<td>External affairs</td>
<td>Part-time, remunerated</td>
<td>March 31, 2004</td>
<td>March 2019</td>
</tr>
<tr>
<td>Mikio Sasaki</td>
<td>Senior Corporate Advisor</td>
<td>External affairs</td>
<td>Part-time, remunerated</td>
<td>June 23, 2010</td>
<td>June 2020</td>
</tr>
<tr>
<td>Yohiko Kojima</td>
<td>Honorary Chairman</td>
<td>External affairs</td>
<td>Full-time, remunerated</td>
<td>March 31, 2016</td>
<td>June 2022</td>
</tr>
</tbody>
</table>

(Note) The dates of retirement as President are the respective dates of retirement from appointment as chair of the Board of Directors.

**Number of retired executives currently serving in advisory positions: 3**

Policy on Diversity, Size and Balance of Knowledge, Experience and Capability for the Board of Directors

Appointment of internal and external personnel with the depth of experience and high levels of knowledge and expertise needed for fulfilling duties

MC stipulates its stance on diversity, size and balance of knowledge, experience and capability for the Board of Directors in Composition of the Board of Directors and Policy on Appointment of Candidates and Selection Criteria for Outside Directors.

(Please refer to pages 43 and 48 for details. Furthermore, for details on diversity management in the MC Group, please refer to page 64.)
Risk Management

Mitsubishi Corporation (MC) has a basic policy of identifying various risks involved with its business activities, classifying them by their characteristics, and managing them in order to maintain and improve its financial soundness and corporate value. In particular, risks that significantly affect the Company’s financial position and social standing are identified and managed on a consolidated basis.

System for Management of Individual Projects

<table>
<thead>
<tr>
<th>Projects</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>New projects</td>
<td>Application for policy / Application for implementation. Narrow down new investment and finance proposals by comprehensively evaluating quantitative aspects in terms of the invested capital and its return determined on the basis of the characteristics of each business, in addition to evaluation of qualitative aspects, including consistency with the business strategy of each business group, and risk locations and countermeasures.</td>
</tr>
<tr>
<td>Existing projects</td>
<td>Business plan formulation. Once a year, monitor business investees’ management issues and initiatives as well as MC’s functions and business life cycle; select business investees monitored throughout the Company for follow-up on business management of each business group and report to the Executive Committee.</td>
</tr>
<tr>
<td>Re-profiling projects</td>
<td>Review regarding continuation of investments. Conduct qualitative and quantitative evaluations of new investment and finance proposals based on the priority order of business group strategies and promote a healthy business metabolism.</td>
</tr>
</tbody>
</table>

Screening Process for Proposals

MC delegates authority according to the financial scale of each business group, while the Investment Committee discusses all new investment and finance proposals and sales and withdrawal proposals prior to deliberation by the Executive Committee and the Board of Directors.

The Corporate Functional Officer for Business Investment Management and Corporate Sustainability serves as the chairman of the Investment Committee. To make full use of the knowledge of each business group and the expert viewpoints of each corporate department, we select representatives from among associated corporate general managers and within each business group to serve as committee members and comprehensively consider proposals, including non-financial aspects.
Company-Wide Management System

Business investment performance assessment / Risk report
Report to the Executive Committee on the analysis results of risk and return on business investment, Company-wide risks and tolerance, and utilize these results in ascertaining the overall status of business and determining the policy for capital allocation.

Business Continuity Planning

In light of the increasingly diverse and complex risks that accompany business expansion, MC engages in rigorous crisis management on a consolidated basis, including at individual Group companies.

A business continuity plan (BCP) is an action plan formulated in advance to prevent interruptions in priority operations or restore and restart them in as little time as possible if they are interrupted by an unexpected event such as a natural disaster or incident. We have formulated BCPs for different types of crises, such as major natural disasters, new infectious diseases, international or political problems including terrorism, and accidents. We will immediately initiate BCPs in the event of such crises and work to, at minimum, ensure the continuity of priority operations along with quickly restoring operations.

(Reference) Formulation of BCP in the Event of a Large-Scale Earthquake in Japan

- Select priority operations (vital operations that must be restored quickly or cannot be interrupted), designate personnel to perform these operations and formulate implementation structure and methods
- Specify estimations of earthquake damage
- Confirm contact points with important business suppliers and share content of BCP
- Determine safety management policies and thoroughly understand the situation of important suppliers and contractors
Compliance

MC defines compliance as observance of laws, rules, regulations, international standards and internal regulations and respect for generally accepted standards for conducting business, and works to prevent any compliance violations.

Under the Three Corporate Principles, which constitute MC’s corporate philosophy, the MC Group is working to strengthen its global compliance system on a consolidated basis in order to accommodate ever-evolving laws, regulations and social standards.

We are also focused on cultivating a strong sense of ethics in our employees by continuing to carry out a range of compliance-related measures, as a part of our efforts to further enhance the integrity of our corporate group.

Particularly at our affiliated companies in Japan and overseas, compliance issues differ by business and region, so we and our overseas offices provide various types of support to strengthen the compliance systems at the affiliated companies and increase their level of autonomy.

MC’s corporate philosophy is embodied in the Three Corporate Principles, under which the Corporate Standards of Conduct are used to regulate the Company and the Code of Conduct is used to supervise all officers and employees. Various rules and regulations are formulated under this conceptual framework.

MC Internal Rules and Regulations

Compliance Framework

* An internal whistleblower system that enables anyone to make a report anonymously.
Group Initiatives for Strengthening Compliance

<table>
<thead>
<tr>
<th>Top message</th>
<th>Communication of MC Group compliance policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinforcement of systems</td>
<td>Compliance-related support and coordination for subsidiaries and overseas offices</td>
</tr>
<tr>
<td></td>
<td>Reinforcement of anti-bribery systems</td>
</tr>
</tbody>
</table>

Knowledge and awareness-raising

<table>
<thead>
<tr>
<th>Compliance discussions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance e-learning</td>
</tr>
<tr>
<td>Compliance seminars</td>
</tr>
<tr>
<td>Compliance handbook distribution</td>
</tr>
</tbody>
</table>

Measurement of effectiveness

<table>
<thead>
<tr>
<th>Compliance awareness survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuous monitoring</td>
</tr>
</tbody>
</table>

Improvement and Promotion of Internal Whistleblower Systems

MC has developed and oversees the proper operation of various internal whistleblower systems for the early detection of violations.

In addition to several internal contact points for whistleblowers, we have a contact point for anonymous reporting through an outside legal counsel and contact points within each overseas region. We have also provided a global internal whistleblower system at every MC Group location and subsidiary in Japan and overseas for receiving reports about violations of antitrust and anti-bribery laws.

This entails not only establishing multiple systems but also training employees managing the whistleblower systems, raising awareness of the systems throughout the Group, gathering feedback through compliance awareness surveys to make improvements, and other means.

We began actively promoting efforts to raise awareness when the number of reports decreased significantly in the fiscal year ended March 31, 2014. This has resulted in a steady increase in reports each year and has led to the discovery of compliance violations.

In handling reported matters, we protect the rights of whistleblowers and strictly prohibit any disadvantageous treatment by people involved in the incident.

Number of Reports (No. of reports)

<table>
<thead>
<tr>
<th>Fiscal year ended March 31, 2014</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year ended March 31, 2015</td>
<td>22</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2016</td>
<td>34</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2017</td>
<td>46</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2018</td>
<td>90</td>
</tr>
</tbody>
</table>


Message from the Chief Compliance Officer

In addition to building a compliance system, we must ensure that it functions properly. Therefore it is vital that every employee understands the importance of compliance and has a highly ethical perspective. MC runs continuous programs to raise employee awareness, including e-learning and compliance discussions. As Chief Compliance Officer, it is my job to raise employee awareness by delivering the message of compliance in various ways targeting all employees, managers, and others.
Mitsubishi Corporation (MC) creates new value by leveraging competitive advantages derived from human capital, networks, customer and partner capital, and intellectual capital that have been developed over many years.

Human Capital

Highly Skilled Management Professionals

Human resources represent the most important management capital in achieving growth through the business management model. MC's approach is to continuously develop highly skilled management professionals capable of excelling in different fields, and to foster reciprocal growth between the Company and its employees. To achieve this, MC must accelerate the development of future management professionals through varied experience, be more meritocratic to ensure that the right people are assigned to the right positions, and utilize its management talent more broadly throughout the MC Group.

Fostering Management Professionals

We are working to foster future management professionals who have a combination of conception skills, execution skills, and high moral and ethical standards, as well as a passion for increasing business value with a management-focused mindset.

We provide employees with a wide range of experience through gradual and systematic on-the-job training (OJT). This includes transfers across departments and groups as well as assignments at offices, subsidiaries and Group companies worldwide.

For off-the-job training (OFF-JT), we provide numerous training programs designed to gradually develop the abilities needed by management professionals at the consolidated level. These programs cover skills in areas such as finance, M&A, and leadership, as well as knowledge needed to work overseas and at Group companies.

Diversity Management

MC’s mission is to achieve sustainable growth by simultaneously generating economic, societal, and environmental value. As we pursue this mission, we believe it is important to create vibrant workplaces where individual employees can embrace diversity and make meaningful use of their talents. We are also focused on promoting global human resource development on a consolidated basis and giving people active roles.

Specific Initiatives

- Reviewing workstyles with an emphasis on work-life balance
- Fostering an understanding of diverse values
- Supporting employees with family care responsibilities
- Supporting women’s careers
- Providing active roles for seniors
- Maximizing the abilities of employees with disabilities
- Promoting roles for employees of all nationalities
- Promoting understanding of LGBT

New Workstyles Befitting MC

We are pursuing new workstyles befitting MC that enhance productivity and efficiency to deliver superior results and performance by ensuring each organization and individual autonomously practices workstyles that best suit respective needs.

While respecting the initiatives of each organization and individual in diverse business environments and industries, we are encouraging the systematic use of paid leave throughout the Company, aiming to increase the utilization rate to at least 70%. We will also plan and implement strategies for organizations that struggle with excessive overtime.

Our efforts extend to a work environment that enables diverse employees to thrive professionally while fostering an organizational culture in which performance is evaluated fairly on the basis of results.
Supporting Women’s Careers at MC

Led by the Diversity Office that was established within the Global HR Department in October 2014, MC is implementing the following action plan to create an environment that is more supportive of women’s careers. In addition, we have established policies that surpass statutory requirements to support employees engaged in family care. As a result, we have achieved Target 3 of the plan as of April 2018, two years ahead of schedule.

Action Plan

Period: April 1, 2016 to March 31, 2021

Target 1: Aim to recruit more women as professional staff.
Target 2: Offer further career support for women.
Target 3: Increase the percentage of women in management-level positions to 10% or more by the fiscal year ending March 31, 2021.
Target 4: Aim to achieve 100% utilization of paid childbirth leave or other similar childcare systems by men.
Target 5: Organize training programs and seminars on supporting women’s careers, new workstyles, and work-life balance support systems.

Improve the content of management training programs to increase awareness.

Employee Health Management

Employee health and safety are our highest management priorities, and we are taking steps to implement employee health management.

One of our most important initiatives for health management is our internal health clinic. We promote early consultation and treatment, and provide long-term health management together with health checks.

We also support the mental health of employees, with a focus on prevention and early treatment. In addition to self-checks and stress checks that individuals can use to better manage their own mental health, we aim to provide support alongside workplaces and our health clinic is equipped with a neurology department, an internal support desk for both workplaces and individuals and an outside counseling desk for employees and their family members to field consultations at an early stage.

Consolidated Global Human Resources Framework

At MC, we are working in close cooperation with our offices, subsidiaries, and Group companies to reinforce our human resource functions and frameworks so as to support employees on a consolidated, global basis.

Our systems and frameworks are applied with consideration for our operations in various countries and businesses. We aim to streamline business management activities, ensure objectivity and transparency in our human resource systems, and effectively identify and deploy our best people.

In addition, we have introduced the MC Group Gateway Program to share our corporate principles and values as well as to foster greater understanding of the MC Group among employees of MC offices, subsidiaries, and Group companies in Japan and overseas.

Message from the Corporate Functional Officer (Corporate Communications, Human Resources)

At MC, our basic approach to human resources is to give roles to people who are capable and highly motivated and treat them accordingly, regardless of their gender, age, nationality, or other attributes. This is the same throughout the Group, anywhere in the world. Under our new mid-term corporate strategy, utilizing the perspectives and new ideas of diverse employees is even more important. We will continue promoting new workstyles aimed at fostering the maximum potential of our employees, including engagement of diverse human resources, support for women’s careers, and measures for productivity and efficiency.

(Please refer to the ESG Data Book [https://www.mitsubishicorp.com/jp/en/ir/library/esg/]) for further information about human capital.)
Network

MC’s global network includes approximately 1,400* Group companies in some 90 countries and regions around the world.

Global Network

MC has built a network to drive its next phase of major growth by constantly enhancing its ability to respond to change in tandem with fostering collaboration through the efficient and effective roles among MC offices and subsidiaries, Group companies and the Head Office.

Head Office

- Take full advantage of information obtained from the global network
- Execute decision-making aimed at maximizing corporate value

Expanding Our Global Network and Creating New Business Opportunities

MC Offices and Subsidiaries

- Supply intelligence that contributes to new business opportunities and management by integrating local knowledge
- Tangentially support the growth of Group companies

Group Companies

- Achieve growth by “managing” businesses
- Acquire intelligence closely tied to frontline business activities

MC is committed to bolstering its corporate value by directing more management resources into its consolidated subsidiaries and continuing its shift towards effective business management. MC offices in each region previously led our business, but now our growth is derived from Group companies while MC offices play a supporting role.

At the same time, the international situation is in a constant state of flux. Recent major geopolitical changes are occurring rapidly and have an extensive impact, which creates an increasingly complex business environment. As we generate significant earnings from our overseas business activities, we remain committed to strengthening our ability to respond appropriately to such change.

Based on this approach, it is vital that we support the growth of our Group companies and manage risk by applying real-time information from the front lines directly to our businesses. Information is obtained through our global network including approximately 1,400 Group companies in 90 countries and regions around the world.

We will continue to strengthen our intelligence capability through the integration of human networks, business knowledge, and partnerships. Our strong global network facilitates the discovery and development of new businesses that will contribute to future growth.

By enhancing the quality of our global network and connecting the dots between specific intelligence and Group company management, we aim to increase the value of the MC Group.

Kanji Nishiura
Member of the Board, Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management (Concurrently) Regional CEO, Asia & Oceania
Network in Japan

With 6 branches, 5 offices, and 14 annex offices in Japan, the MC Group is working as a united force to expand earnings and develop new business, adapting to changes and meeting needs in each region.

Collaboration with Local Companies

With the market in Japan expected to shrink, many leading companies in the region are studying diversification and globalization of their businesses. MC’s domestic network is strengthening its relationship with several such companies, by such means as providing solutions for overseas expansion of real estate business and collaborating with a foreign company on airport business in Japan. This is all done in cooperation with the Head Office and Group companies by taking advantage of MC’s access to all industries, overseas network and other strengths.

Automotive Business Conferences (Chubu Branch)

With the Chubu region’s clusters of automotive companies, the Chubu Branch holds automotive business conferences where 13 Group companies involved in the automobile industry regularly gather. With dramatic changes to the automobile industry, such as EVs and autonomous cars, members from business departments and the Corporate Staff Section in the Head Office involved in the industry have newly joined the conferences, exchanging information on industry trends and discussing new collaborations with Group companies.

Japan faces labor shortages and medium- and long-term market contraction stemming from trends such as over-concentration in Tokyo and an aging population with fewer children. On the other hand, innovation using AI/IoT and solutions for social issues will bring new business opportunities. Moreover, most of MC’s global operations have connections with Japan in some way, be it through business partners that are Japanese companies or products made in or sold to Japan. Therefore, the domestic market and our domestic network will remain just as important to us going forward.

We have 6 branches, 5 offices, and 14 annex offices in Japan. Under the above recognition, we will pursue united management on a consolidated basis while joining forces with Group companies to strengthen existing businesses and networks.

Furthermore, it is important to identify Potential Growth Sources and nurture them for MC’s further growth. In order to achieve that, we will leverage our networks with regional business circles and local governments and endeavor to identify Potential Growth Sources, leading to meeting regional needs.

Example of overseas real estate development business:
The Manor Central Park Housing Development Project in Hanoi’s Hoang Mai District (Vietnam)

Conference in September 2018, 40–50 people attend the biannual event

Mitsumasa Icho
Member of the Board, Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan (Concurrently) General Manager, Kansai Branch
Customer and Partner Capital

Good Relationships with Customers and Partners around the World That We Have Nurtured over the Years

MC has long contributed to the development of society and the economy by working with customers and partners all over the world to create various businesses that could not have been realized on its own. These good relationships were built up day by day as irreplaceable assets to us that span the past, present and future.

Message from Jaime Augusto Zobel de Ayala II, Chairman & CEO of Ayala Corporation

Ayala Corporation is committed to the development of the Philippines. Towards this, our companies in real estate, banking, telecommunications, water, power, infrastructure, industrial technologies, healthcare, and education have strived to lead and transform their industries. Across our many endeavors, we are proud to have a cherished partner in Mitsubishi Corporation (MC), who shares our core values and philosophy. As a significant stockholder of Ayala for many years, MC continues to be a key contributor in the development of vital infrastructure in the country.

Our partnership dates back to 1974, and together, we have achieved many notable milestones: In 1990, we welcomed MC’s investment in Laguna Technopark—our companies’ contribution to Philippine industrialization. We then entered automobile manufacturing and retail through Isuzu Philippines in 1995. We have since collaborated on other strategic ventures. In 1998, MC invested in Manila Water—which today services Metro Manila’s East Zone and several provinces. We continue to work with MC on other water opportunities across Southeast Asia.

More recently, in 2015, we partnered in the wind energy space through North Luzon Renewable Energy. In real estate, Ayala Land (ALI) and MC are part of the joint venture that operates the 118-hectare Cavite Technopark, which incorporates the strong lessons gained from our Laguna experience. Meanwhile, ALI’s subsidiary, Alveo Land Corp., and MC are also partners in developing Portico—a high-rise residential development located in a prominent residential and commercial location in Pasig City. Aside from these, our engagement encompasses other urban development initiatives, and ongoing explorations for new ways to serve the consumer market in the Philippines.

I am also pleased to be a member of the MC International Advisory Committee since 2001. Our discussions related to global geopolitical and socioeconomic developments have truly been insightful, and I continue to greatly enjoy being part of such an esteemed group.

As we celebrate the 45th anniversary of our partnership next year, we are committed to further deepening our relationship. Ayala and MC will remain the strongest of friends and partners in today’s dynamic times, and in all our efforts to mutually grow and meaningfully contribute to the development of our societies.

Jaime Augusto Zobel de Ayala II
Chairman & CEO of Ayala Corporation
Intellectual Capital

Intelligence and Expertise Developed through Deep Involvement in the Industries We Face

Intelligence Is the Wellspring of Our Collective Capabilities

MC possesses a global network and strong relationships with customers and partners worldwide that it has developed over many years. In addition to our knowledge and insight into an expansive range of macroeconomic, industrial and geopolitical trends that extend beyond general information, we have been accumulating intelligence and expertise by becoming deeply involved in various industries around the world on a daily basis.

Meanwhile, it is crucial to spread information accumulated at each site beyond business groups and regions and to develop and utilize this intellectual capital throughout the Company. Based on this approach, we have long promoted initiatives to increase the value of intellectual capital. Initiatives in the North America region, which I oversee, are a case in point. Here, we have established shared themes such as shale gas and have been pushing ahead with initiatives to pursue Group-wide business opportunities together with operating companies. We also have sites focused on enhancing the value of intellectual capital, such as the Washington Office and Silicon Valley Branch, which are described in the column below.

We have been conducting these sorts of activities not only in North America, but also in various other locations worldwide, according to the characteristics of each region. The intellectual capital accumulated through these activities has become the well-spring of our collective capabilities.

Initiatives in Washington and Silicon Valley

MC has a network of sites consisting of approximately 1,400 Group companies in 90 countries and regions around the world. Each site has a specific mission. The Washington Office and Silicon Valley Branch of Mitsubishi Corporation (Americas) are sites that stand out for their focus on enhancing the value of intellectual capital.

Since it was established in 1971, the Washington Office has been monitoring U.S.A. political trends as well as global geopolitical developments. As internal and external conditions become more and more uncertain, the Washington Office will assume an increasingly pivotal role going forward.

In addition, AI has brought about a structural shift in the economy known as the Fourth Industrial Revolution in the past few years. Silicon Valley lies at the epicenter of digitalization. Accordingly, the Silicon Valley Branch is advancing an initiative called M-Lab to uncover new business opportunities and pave the way for their development and commercial success, while fostering cooperation among companies in different industries.

Fusing the specialized expertise of M-Lab members involved in diverse industries in Silicon Valley will enhance the value of intellectual capital and lead to new business development initiatives.

About M-Lab

A platform for creating business by promoting collaboration across corporate barriers by members from diverse industries
Create business seeds through a full-time research team that gathers and disseminates information and a business development team with members well-versed in various fields
Become an insider by contributing to the ecosystem

Hidemoto Mizuhara
Executive Vice President,
Regional CEO, North America
(Concurrently) President, Mitsubishi Corporation (Americas)
Initiatives to Ensure Sustainable Growth

Since its foundation, MC has followed a philosophy of contributing to the sustainable development of society through global business activities rooted in integrity and fairness based on the Three Corporate Principles.

Midterm Corporate Strategy 2021 also reemphasizes the need to simultaneously generate economic, societal, and environmental value in order to achieve growth for the MC Group through its business management model.

To enable the simultaneous generation of these three values, MC has identified a number of Key Sustainability Issues (Materiality) as issues for management for achieving sustainable growth. By working together with our Group companies to address these issues, we will ensure sustainable (including financial) growth for the Company. Moreover, these initiatives also contribute to the achievement of the Sustainable Development Goals (SDGs) that correspond to each Key Sustainability Issue.

Key Sustainability Issues (Materiality)

Examples of MC’s initiatives for transitioning to a low-carbon society and procuring and supplying in a sustainable manner can be found on pages 72–73.

<table>
<thead>
<tr>
<th>Issue</th>
<th>SDGs</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transitioning to a Low-Carbon Society</td>
<td></td>
<td>In anticipation of the impact that climate change is expected to have on the Company’s business activities, MC is working to address these potential impacts, while at the same time actively pursuing businesses that facilitate the transition to a low-carbon society and reducing greenhouse gas (GHG) emissions.</td>
</tr>
<tr>
<td>Procuring and Supplying in a Sustainable Manner</td>
<td></td>
<td>MC will ensure the stable, sustainable procurement and supply of resources, raw materials, and other inputs in line with the needs of each country around the world. In addition, we will consider environmental and social factors throughout our supply chains.</td>
</tr>
<tr>
<td>Tackling Evolving Regional Issues</td>
<td></td>
<td>MC will continue to take appropriate steps to address geopolitical risk while at the same time contributing to solutions through its business to issues faced by each country and region, thereby supporting the development of economies and societies.</td>
</tr>
<tr>
<td>Addressing the Needs of Society through Business Innovation</td>
<td></td>
<td>MC will stay on the pulse of major industrial shifts brought about by technological advances, while continually creating innovative businesses that contribute to solutions for social issues.</td>
</tr>
<tr>
<td>Conserving the Natural Environment</td>
<td></td>
<td>Recognizing the earth as our most important stakeholder, MC works to ensure the continuity of its business by preserving biodiversity, reducing its environmental impact and conserving the natural environment.</td>
</tr>
<tr>
<td>Growing Together with Local Communities</td>
<td></td>
<td>MC will contribute to regional development through its business and corporate philanthropy initiatives, and will aim to grow together with the regions and communities where it operates.</td>
</tr>
<tr>
<td>Fostering Our Employees’ Maximum Potential</td>
<td></td>
<td>MC will work to develop human resources with advanced management capabilities who will become the driving force behind corporate value creation by developing career opportunities and workplaces where the members of its diverse workforce are able to grow as they share values in a spirit of mutual learning.</td>
</tr>
</tbody>
</table>

Identification Process for Key Sustainability Issues

1. Create a list of potential issues
2. Gauge the importance of each issue based on internal and external perspectives
3. Identify the Key Sustainability Issues

In keeping with commonly used materiality setting procedures*, MC compiled a list of approximately 80 potential issues that should be taken into account in order to achieve sustainable growth for the MC Group, based on international standards and goals such as ISO 26000 and the SDGs.

* Referencing reporting guidelines such as those of the Global Reporting Initiative (GRI), an international NGO.

MC gauged the importance of each theme, in terms of both opportunities and risks, and selected priority issues based on the perspectives of the Company’s business groups as well as those of external stakeholders.

MC reexamined the selected priority issues while incorporating the views of the Sustainability Advisory Committee. Following deliberations by the Executive Committee and Board of Directors, the Key Sustainability Issues were determined in July 2016.
Addressing Key Sustainability Issues through Business

MC has incorporated the Key Sustainability Issues into its long-term business strategies as well as into decision-making processes for individual businesses as detailed below. Under our sustainability promotion framework, we focus on three perspectives as we pursue true effectiveness for our initiatives.

### Initiatives for Long-Term Strategies and Individual Businesses

#### Formulation of Long-Term Strategies

At Sustainability Dialogues attended by all business group CEOs and the Corporate Functional Officer for Corporate Sustainability, participants discuss the adoption of various long-term strategies for simultaneously realizing economic, societal, and environmental value in light of the future outlook for the external environment.

#### Decision-Making Regarding Individual Businesses

Decisions related to individual businesses are made based on an assessment of environmental and social risks as well as the positioning of each business in addressing the Key Sustainability Issues. In particular, by having the General Manager of the Corporate Sustainability Department participate as a member of the Investment Committee, which discusses key issues to be brought before the Executive Committee, MC implements initiatives in a focused and comprehensive manner.

### Analyzing the Sustainability Promotion Framework from Three Perspectives

#### Sustainability Promotion Framework

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>President and CEO</th>
<th>Executive Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainability &amp; CSR Committee</strong></td>
<td>Discusses MC’s basic sustainability policies and related matters as an advisory body to the Executive Committee.</td>
<td></td>
</tr>
<tr>
<td><strong>Sustainability Advisory Committee</strong></td>
<td>Makes recommendations on sustainability as an advisory body to the Corporate Functional Officer (Corporate Sustainability).</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate Functional Officer (Corporate Sustainability)</strong></td>
<td>Responsible for all aspects of sustainability.</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate Sustainability Dept.</strong></td>
<td>Plans and implements sustainability initiatives. Engages with internal and external stakeholders. Screens and implements individual business projects from a sustainability perspective.</td>
<td></td>
</tr>
<tr>
<td><strong>Business Groups</strong></td>
<td>Group CEO Office</td>
<td>Group Chief Sustainability Officer (GCSD)</td>
</tr>
</tbody>
</table>

#### High-Priority Management Framework

While the Executive Vice President (Member of the Board) is responsible for sustainability, MC has a framework in place where sustainability policies and related matters are discussed by the Sustainability & CSR Committee, and then screened and decided by the Executive Committee and Board of Directors. The Sustainability & CSR Committee is chaired by the Executive Vice President (Member of the Board) and includes all business group CEOs, all Corporate Functional Officers involved in corporate management, and the General Manager of the Corporate Strategy & Planning Department.

#### Framework for Embracing External Stakeholder Perspectives

MC has set up the Sustainability Advisory Committee as an advisory body to the Corporate Functional Officer for Corporate Sustainability. The committee is comprised of eight external experts representing a wide range of stakeholder perspectives, including nongovernmental organizations, international organizations, entities interested in ESG investment, and academia.

#### Implementation Framework Led by Business Groups

MC has established the posts of Group Chief Sustainability Officer (GCSD) and Group Sustainability Manager (GSM) within each Group CEO Office. The Group CEO Offices oversee management strategies within each business group, forming a structure for unified Group management of sustainability.

We will play our part in the international community and aim for sustainable growth through our business.

The issues facing society and the global environment are becoming increasingly urgent, and societal expectations for companies to be part of the solution are also growing. In line with MC’s support of the UUN Global Compact*, the MC Group will grasp society’s needs and expectations through dialogue with external stakeholders and play an active role in the international community. Moreover, as a company that has grown by resolutely adapting its business model in accordance with societal changes, MC will contribute to solutions to issues related to global agendas, such as the SDGs and the Paris Agreement, through its businesses, and in doing so, make its own growth all the more certain.

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* The UN Global Compact is a United Nations initiative to encourage businesses and other organizations to support 10 universal sustainability principles in the fields of human rights, labor, environment and anti-corruption. MC first declared its support for this initiative in 2010.
MC is contributing to the transition to a low-carbon society.

Recognition and Policy on Climate Change

Transitioning to a low-carbon society is one of the key issues for management to address and respond to as MC strives to achieve sustainable growth. MC aims to fulfill its mandate to meet the demand for energy while contributing towards the achievement of international goals such as those expressed through the SDGs and the Paris Agreement (including keeping global temperature rise within 2°C above pre-industrial levels). Working closely together with each company in the MC Group, MC strives to achieve this goal through collaboration with a wide range of stakeholders including governments, companies and industry associations. Furthermore, as we recognize the importance of climate-related financial disclosures, we support the TCFD*1, which has proposed disclosure guidelines.

*1 Task Force on Climate-Related Financial Disclosures. This task force established by the Financial Stability Board (FSB) proposes items that companies should disclose to markets. The General Manager of MC’s Corporate Sustainability Department is a member of this task force.

Addressing Climate Change — Promoting the Transition to a Low-Carbon Society —

Governance

- Under the Sustainability Promotion Framework, the Executive Committee determines basic policies and other important matters and reports to the Board of Directors on an annual basis.
- The Sustainability & CSR Committee discusses matters including the evaluation of opportunities and risks related to climate change as well as their reflection into business strategies.

Basic policies:
Policy on initiatives through business, policy on TCFD response, etc.

Important points:
Scenario analysis, GHG reduction targets, etc.

Risk Management

- Key opportunities and risks are evaluated and determined by the Sustainability & CSR Committee, in which all business group CEOs participate in discussions.
- The opportunities and risks that are assessed and determined are managed under the Sustainability Promotion Framework*3.

1 Survey
- Sustainability survey (of business investees)
- External trend survey

2 Assessment and Identification
- Assess key business opportunities and risks identified by the Committee through scenario analysis

3 Management
- Reflect assessment in strategic terms through the Sustainability Promotion Framework
- Manage aspects of individual businesses through investment and loan screening

*3 Subjects for consideration by the above process include incorporation of transition risks, physical risks and business opportunities

Strategies

- MC considers the various opportunities and risks associated with climate change to be an important perspective in determining business strategies.
- With the goal of contributing to the transition to a low-carbon society, MC is promoting the following businesses

<table>
<thead>
<tr>
<th>Renewable energy businesses</th>
<th>Businesses that support the proliferation of renewable energy, including energy transmission and storage-related businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>The copper business, which supports the proliferation of electric vehicles (EVs), etc.</td>
<td>Low-emission natural gas businesses</td>
</tr>
</tbody>
</table>

Scenario Analysis

Among all of its businesses, including those mentioned above, MC has conducted an analysis of multiple scenarios in relation to its fossil fuel-related businesses. Even under a 2°C scenario**, we believe our business is highly resilient from a medium- to long-term perspective, having confirmed our competitive capabilities and initiatives towards new business opportunities.

*2 The International Energy Agency (IEA) Sustainable Development Scenario

Indicators and Targets

By 2030 aim to reduce greenhouse gas emissions per total assets by 25%**.

*4 The target represent the numerical values within the emissions reporting calculation range, which differ from the total assets reported in MC’s financial reports.

*5 Compared to fiscal year ended March 31, 2017 levels. Greenhouse gas emissions on a consolidated basis (MC on a non-consolidated basis plus subsidiaries)

The distributed solar power generation business in the U.S. is expected to expand going forward.

In addition to enhancing disclosure regarding its initiatives, MC is utilizing the recommendations of the TCFD to seize growth opportunities resulting from climate change and to respond appropriately to risks with a view towards promoting sustainable business growth. All of MC’s businesses are currently undergoing high-level assessments from both financial and non-financial perspectives. We will examine the necessary measures to be taken going forward after considering the impact on each business.
MC will procure and supply in a sustainable manner.

Policy and Management Framework for Supply Chain Management

**Policy**
- As a company handling a diverse range of products and services across the globe, we recognize that ensuring our supply chains operate sustainably is crucial to our business. We have organized our approach into a supply chain policy.

**Policy for Sustainable Supply Chain Management**
The following aspects are included in our policy, which we share with our suppliers.
- Forced labor and child labor
- Suitable remuneration
- Consideration for the global environment

**Management Framework**
- The Executive Committee decides the basic policy for supply chain management and reports to the Board of Directors. The results of the supply chain management survey are reported to the Executive Committee and the Board of Directors by the Corporate Functional Officer for Corporate Sustainability.
- Policies related to supply chain management are reviewed from time to time based on dialogues with stakeholders.

**Basic Policy for Supply Chain Management**
- Corporate Functional Officer, Corporate Sustainability
- Decided by the Executive Committee
- Reported to the Board of Directors

(Please refer to the ESG Data Book for further information on these initiatives.)

Supply Chain Management Initiatives

**Surveys and Supplier Visits**
In order to ensure that the principles outlined in our Policy for Sustainable Supply Chain Management are being upheld in our supply chains, we conduct regular surveys of our suppliers that operate in higher risk industries such as agriculture, marine products and apparel. Moreover, in the fiscal year ending March 31, 2019, we updated its assessment process with the aim of improving effectiveness.

1. **Select target products**
   Target products are selected based on the following aspects:
   - External trends related to the product
   - Situation in the country or region of origin of the product

2. **Determine target suppliers**
   Target suppliers are determined based on transaction history, etc.

3. **Send out surveys**
   Send out surveys that include questions related to the following items:
   - Establishment of rules and compliance with laws and regulations
   - Presence of forced labor or child labor
   - Environmental conservation status
   - Initiatives for information disclosure

4. **Determine initiatives according to supplier status**
   Suppliers are categorized into three degrees of risk based on their survey results, and additional surveys and site visits are conducted based on the status of each supplier.

**Survey Results**
MC received responses from approximately 330 suppliers in approximately 30 countries and regions, including China, Myanmar and Thailand, via its survey conducted in fiscal year ending March 31, 2019 (survey based on transactions during the fiscal year ended March 31, 2018). Based on these results, MC will conduct additional surveys and site visits for a number of the suppliers.

**Communication with Suppliers**
MC regards communication with suppliers as an important aspect of supply chain management. Examples of the dialogues held in the fiscal year ended March 31, 2018 are as follows.

**Visit to Viet Tien Garment (Garment Factory) – an Important Partner in Vietnam**
In the fiscal year ended March 31, 2018, MC visited Viet Tien Garment, a garment factory in Vietnam to cultivate a better understanding of best practices in the industry. Through our discussions with Viet Tien Garment, we were able to confirm that sustainability has been integrated into the company’s core strategy, and as part of its strategy to improve efficiency, Viet Tien Garment is in the process of setting energy-saving targets and strengthening its occupational health and safety (H&S) standards.

(For details, please refer to the ESG Data Book.)
**Reference Information**

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Breakthrough Value Creator
Financial Highlights

Mitsubishi Corporation and Subsidiaries

Years ended March 31

The consolidated financial information is prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 2014.

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<thead>
<tr>
<th></th>
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<th>2010.3 (U.S. GAAP)</th>
<th>2011.3 (U.S. GAAP)</th>
<th>2012.3 (U.S. GAAP)</th>
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</thead>
<tbody>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>¥6,156,365</td>
<td>¥4,540,793</td>
<td>¥5,206,873</td>
<td>¥5,565,832</td>
</tr>
<tr>
<td>Gross profit</td>
<td>¥1,465,027</td>
<td>¥1,016,597</td>
<td>¥1,149,902</td>
<td>¥1,127,860</td>
</tr>
<tr>
<td>Income from investments</td>
<td>163,256</td>
<td>117,857</td>
<td>167,002</td>
<td>192,418</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>370,987</td>
<td>275,787</td>
<td>464,543</td>
<td>452,344</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Position at Year-End:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>10,837,537</td>
<td>10,803,702</td>
<td>11,272,775</td>
<td>12,588,320</td>
</tr>
<tr>
<td>Working capital**</td>
<td>1,613,776</td>
<td>1,780,008</td>
<td>2,012,098</td>
<td>1,709,310</td>
</tr>
<tr>
<td>Borrowings (less current maturities)**</td>
<td></td>
<td>3,467,766</td>
<td>3,246,029</td>
<td>3,188,749</td>
</tr>
<tr>
<td>Equity attributable to owners of the parent*1</td>
<td>2,359,397</td>
<td>2,926,094</td>
<td>3,233,342</td>
<td>3,507,818</td>
</tr>
<tr>
<td>Interest-Bearing Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross interest-bearing liabilities**3</td>
<td>4,879,397</td>
<td>4,154,692</td>
<td>4,287,562</td>
<td>5,016,383</td>
</tr>
<tr>
<td>Net interest-bearing liabilities**4</td>
<td>3,567,633</td>
<td>2,968,151</td>
<td>2,947,308</td>
<td>3,647,408</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Flows:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>558,226</td>
<td>761,573</td>
<td>331,204</td>
<td>550,694</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(693,550)</td>
<td>(138,502)</td>
<td>(262,601)</td>
<td>(1,100,913)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(135,324)</td>
<td>623,071</td>
<td>68,603</td>
<td>(550,219)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>650,608</td>
<td>(755,347)</td>
<td>76,749</td>
<td>599,059</td>
</tr>
<tr>
<td>Net cash flows</td>
<td>515,284</td>
<td>(132,276)</td>
<td>145,352</td>
<td>48,840</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Share Information:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>225.88</td>
<td>167.85</td>
<td>282.62</td>
<td>274.91</td>
</tr>
<tr>
<td>attributable to owners of the parent per share:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic (yen, U.S. dollars)</td>
<td>225.38</td>
<td>167.46</td>
<td>281.87</td>
<td>274.30</td>
</tr>
<tr>
<td>Diluted (yen, U.S. dollars)</td>
<td>52.00</td>
<td>38.00</td>
<td>65.00</td>
<td>65.00</td>
</tr>
<tr>
<td>Equity per share attributable to owners of the parent (yen, U.S. dollars)</td>
<td>1,436.11</td>
<td>1,780.37</td>
<td>1,966.66</td>
<td>2,130.89</td>
</tr>
<tr>
<td>Payout ratio** (%)</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stock:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of shares outstanding** (thousands of shares)</td>
<td>1,642,904</td>
<td>1,643,532</td>
<td>1,644,074</td>
<td>1,646,173</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Measures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROE** (%)</td>
<td>14.3</td>
<td>10.4</td>
<td>15.1</td>
<td>13.4</td>
</tr>
<tr>
<td>ROA** (%)</td>
<td>3.3</td>
<td>2.5</td>
<td>4.2</td>
<td>3.8</td>
</tr>
<tr>
<td>Net DER** (times)</td>
<td>1.5</td>
<td>1.0</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>DOE**10 (%)</td>
<td>3.3</td>
<td>2.4</td>
<td>3.5</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Price Information:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock price (annual average) (yen, U.S. dollars)</td>
<td>2,299</td>
<td>1,969</td>
<td>2,102</td>
<td>1,840</td>
</tr>
<tr>
<td>Price earnings ratio (PER)**11 (times)</td>
<td>10.51</td>
<td>12.11</td>
<td>7.68</td>
<td>6.73</td>
</tr>
<tr>
<td>Price book-value ratio (PBR)**12 (times)</td>
<td>1.7</td>
<td>1.1</td>
<td>1.1</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Notes: The U.S. dollar amounts represent translations, for convenience, of yen amounts at the rate of ¥106=$1.

*1 Net income (loss) attributable to owners of the parent corresponds to net income (loss) attributable to Mitsubishi Corporation under U.S. GAAP. Borrowsings (less current maturities) correspond to long-term debt, less current maturities under U.S. GAAP. Equity attributable to owners of the parent corresponds to total Mitsubishi Corporation shareholders’ equity under U.S. GAAP.

*2 Working capital consists of all current assets and liabilities, including cash and short-term debt.

*3 Gross interest-bearing liabilities is defined as the total of debt and borrowings of current and fixed liabilities.

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

*5 The payout ratio was calculated based on net income attributable to owners of the parent for the fiscal year before redisclosure (this includes the restatement of results for the fiscal years ended March 2013 and March 2014 due to the change from U.S. GAAP to IFRS).

*6 Excluding treasury stock held by the Company.
Figures from the year ended March 2009 through the year ended March 2011 have been retrospectively adjusted to reflect a change in year-end at certain consolidated subsidiaries.

### Stock Price Information:

- **Common Stock:**
  - **Price:**
  - **Average:**
  - **Range:**

### Financial Measures:

- **Total Assets**: ¥15,041,537
- **Borrowings (less current maturities)**: ¥9,347,766
- **Working capital**: ¥1,973,771
- **Net income (loss) attributable to owners of the parent**: ¥1,436,112
- **Cash dividends per share**: ¥1,219.46
- **Gross profit**: ¥12,164,303
- **Revenues**: ¥18,561,966
- **Equity per share attributable to owners of the parent**: ¥65.00
- **Net DER**: 1.03
- **Price book-value ratio (PBR)**: 0.9

### Results of Operations:

- **Revenues**
  - **2013**: ¥16,036,989
  - **2014**: ¥15,098,570
  - **2015**: ¥14,799,683
  - **2016**: ¥14,410,665
  - **2017**: ¥13,999,788
  - **2018**: ¥13,435,829

- **Net income (loss) attributable to owners of the parent**
  - **2013**: ¥225.38
  - **2014**: ¥167.46
  - **2015**: ¥281.87
  - **2016**: ¥274.30
  - **2017**: ¥277.16
  - **2018**: ¥310.43

- **Equity per share attributable to owners of the parent**
  - **2013**: ¥68.00
  - **2014**: ¥70.00
  - **2015**: ¥70.00
  - **2016**: ¥70.00
  - **2017**: ¥70.00
  - **2018**: ¥55.00

- **Cash dividends per share**
  - **2013**: ¥2.7
  - **2014**: ¥2.3
  - **2015**: ¥2.3
  - **2016**: ¥2.5
  - **2017**: ¥2.5
  - **2018**: ¥2.7

- **Total assets**
  - **2013**: ¥16,036,989
  - **2014**: ¥15,098,570
  - **2015**: ¥14,799,683
  - **2016**: ¥14,410,665
  - **2017**: ¥13,999,788
  - **2018**: ¥13,435,829

- **Equity per share attributable to owners of the parent**
  - **2013**: ¥68.00
  - **2014**: ¥70.00
  - **2015**: ¥70.00
  - **2016**: ¥70.00
  - **2017**: ¥70.00
  - **2018**: ¥55.00

- **Cash dividends per share**
  - **2013**: ¥2.7
  - **2014**: ¥2.3
  - **2015**: ¥2.3
  - **2016**: ¥2.5
  - **2017**: ¥2.5
  - **2018**: ¥2.7

### Notes:

- *ROE is calculated by dividing net income (loss) attributable to owners of the parent by the average of equity attributable to owners of the parent at the beginning and end of the fiscal year.
- *ROA is calculated by dividing net income (loss) attributable to owners of the parent by the average of total assets at the beginning and end of the fiscal year.
- *Net DER is calculated by dividing net interest-bearing liabilities by equity attributable to owners of the parent at the end of the fiscal year.
- *Price book-value ratio (PBR) is calculated by dividing market capitalization, as determined by multiplying the average share price during the fiscal year by the number of shares issued at the fiscal year-end (including treasury stock held by the Company), by net income (loss) attributable to owners of the parent.
Financial Measures

Net income (loss) attributable to owners of the parent / ROE
(¥ billion / %)

<table>
<thead>
<tr>
<th>Year</th>
<th>IFRS</th>
<th>U.S. GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-149.4</td>
<td>371.0</td>
</tr>
<tr>
<td>2014</td>
<td>371.0</td>
<td>464.5</td>
</tr>
<tr>
<td>2015</td>
<td>464.5</td>
<td>452.3</td>
</tr>
<tr>
<td>2016</td>
<td>452.3</td>
<td>360.0</td>
</tr>
<tr>
<td>2017</td>
<td>360.0</td>
<td>323.5</td>
</tr>
<tr>
<td>2018</td>
<td>323.5</td>
<td>400.6</td>
</tr>
<tr>
<td>2019</td>
<td>400.6</td>
<td>440.3</td>
</tr>
<tr>
<td>2020</td>
<td>440.3</td>
<td>560.2</td>
</tr>
</tbody>
</table>

Equity attributable to owners of the parent / Net interest-bearing liabilities / Net debt-to-equity ratio
(¥ trillion / times)

<table>
<thead>
<tr>
<th>Year</th>
<th>IFRS</th>
<th>U.S. GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>18.3</td>
<td>4.2</td>
</tr>
<tr>
<td>2014</td>
<td>17.3</td>
<td>4.2</td>
</tr>
<tr>
<td>2015</td>
<td>16.3</td>
<td>4.18</td>
</tr>
<tr>
<td>2016</td>
<td>15.3</td>
<td>4.34</td>
</tr>
<tr>
<td>2017</td>
<td>14.3</td>
<td>4.52</td>
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<tr>
<td>2018</td>
<td>13.3</td>
<td>4.42</td>
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<tr>
<td>2019</td>
<td>12.3</td>
<td>4.59</td>
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<td>2020</td>
<td>11.3</td>
<td>4.32</td>
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<tr>
<td>2021</td>
<td>10.3</td>
<td>4.6</td>
</tr>
<tr>
<td>2022</td>
<td>9.3</td>
<td>4.92</td>
</tr>
</tbody>
</table>

Total assets / ROA
(¥ billion / %)

<table>
<thead>
<tr>
<th>Year</th>
<th>IFRS</th>
<th>U.S. GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>10,837.5</td>
<td>10,803.7</td>
</tr>
<tr>
<td>2014</td>
<td>10,803.7</td>
<td>281.9</td>
</tr>
<tr>
<td>2015</td>
<td>281.9</td>
<td>274.3</td>
</tr>
<tr>
<td>2016</td>
<td>274.3</td>
<td>218.2</td>
</tr>
<tr>
<td>2017</td>
<td>218.2</td>
<td>196.0</td>
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<tr>
<td>2018</td>
<td>196.0</td>
<td>245.8</td>
</tr>
<tr>
<td>2019</td>
<td>245.8</td>
<td>277.2</td>
</tr>
<tr>
<td>2020</td>
<td>277.2</td>
<td>352.4</td>
</tr>
<tr>
<td>2021</td>
<td>352.4</td>
<td>11,272.8</td>
</tr>
<tr>
<td>2022</td>
<td>11,272.8</td>
<td>15,064.7</td>
</tr>
</tbody>
</table>

Net income (loss) attributable to owners of the parent per share (Diluted)
(¥)

<table>
<thead>
<tr>
<th>Year</th>
<th>IFRS</th>
<th>U.S. GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-2.9</td>
<td>2.36</td>
</tr>
<tr>
<td>2014</td>
<td>2.36</td>
<td>1.5</td>
</tr>
<tr>
<td>2015</td>
<td>1.5</td>
<td>3.57</td>
</tr>
<tr>
<td>2016</td>
<td>3.57</td>
<td>2.97</td>
</tr>
<tr>
<td>2017</td>
<td>2.97</td>
<td>2.95</td>
</tr>
<tr>
<td>2018</td>
<td>2.95</td>
<td>3.51</td>
</tr>
<tr>
<td>2019</td>
<td>3.51</td>
<td>2.6</td>
</tr>
<tr>
<td>2020</td>
<td>2.6</td>
<td>4.18</td>
</tr>
<tr>
<td>2021</td>
<td>4.18</td>
<td>2.8</td>
</tr>
<tr>
<td>2022</td>
<td>2.8</td>
<td>4.47</td>
</tr>
</tbody>
</table>

Total assets / ROA
(¥ billion / %)

<table>
<thead>
<tr>
<th>Year</th>
<th>IFRS</th>
<th>U.S. GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>15,753.6</td>
<td>10,837.5</td>
</tr>
<tr>
<td>2014</td>
<td>15,753.6</td>
<td>11,272.8</td>
</tr>
<tr>
<td>2015</td>
<td>15,753.6</td>
<td>15,064.7</td>
</tr>
<tr>
<td>2016</td>
<td>15,753.6</td>
<td>14,916.3</td>
</tr>
<tr>
<td>2017</td>
<td>15,753.6</td>
<td>16,774.4</td>
</tr>
<tr>
<td>2018</td>
<td>16,037.0</td>
<td>16,774.4</td>
</tr>
<tr>
<td>2019</td>
<td>16,037.0</td>
<td>16,037.0</td>
</tr>
<tr>
<td>2020</td>
<td>16,037.0</td>
<td>15,901.1</td>
</tr>
<tr>
<td>2021</td>
<td>15,901.1</td>
<td>15,901.1</td>
</tr>
<tr>
<td>2022</td>
<td>15,753.6</td>
<td>15,753.6</td>
</tr>
</tbody>
</table>
Establishment of the Investment Leverage Ratio

MC has defined the investment leverage ratio as the basic indicator of financial soundness and capital allocation, and has set the 25%–35% range as an appropriate level. The investment leverage ratio as of March 31, 2018 was 29%, within the appropriate range.

Furthermore, the investment leverage ratio shows the relationship between the Company’s debt applied to investment assets and total equity, and is calculated as a percentage representing debt applied to investment assets divided by total equity and hybrid capital.

* Prior to adoption of IFRS 16—Leases

Capital Allocation Framework

In accordance with the policies outlined in Midterm Corporate Strategy 2018, we work to drive the growth of our businesses by proactively taking a disciplined approach to investment, with a view to increasing corporate value over the medium and long terms.

Furthermore, we are focusing on a progressive dividend scheme as the basis for shareholder returns, and we control the level of interest-bearing debt to firmly retain a sound balance sheet.

Under Midterm Corporate Strategy 2021, we have continued our capital allocation policy based on investment leverage. With regard to shareholder returns, we will continue to pay progressive dividends and share buybacks will be conducted flexibly with the goal of increasing the total return ratio while giving consideration to financial discipline.

* The target was calculated based on the following procedures.
  (1) The relationships between risk assets of companies in developed countries and total equity were analyzed for each rating category. Based on this analysis, a standard range was calculated for companies with a high-ranked A credit rating.
  (2) The range determined in procedure (1) above was converted into ratios of interest-bearing debt applied to investment assets and to total equity. These ratios were adopted as the target range for the investment leverage ratio.
### ESG Data

#### Number of Board Members

<table>
<thead>
<tr>
<th>Year</th>
<th>Outside Directors</th>
<th>In-House Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016.3</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>2017.3</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>2018.3</td>
<td>13</td>
<td>8</td>
</tr>
</tbody>
</table>

#### Number of Employees (consolidated)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016.3</td>
<td>68,247</td>
</tr>
<tr>
<td>2017.3</td>
<td>77,164</td>
</tr>
<tr>
<td>2018.3</td>
<td>77,476</td>
</tr>
</tbody>
</table>

#### GHG Emissions (consolidated)

<table>
<thead>
<tr>
<th>Year</th>
<th>GHG Emissions (Unit: thousand t-CO2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016.3</td>
<td>3,634</td>
</tr>
<tr>
<td>2017.3</td>
<td>10,019</td>
</tr>
<tr>
<td>2018.3</td>
<td>8,138*</td>
</tr>
</tbody>
</table>

### Environmental Performance (non-consolidated)

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016.3</th>
<th>2017.3</th>
<th>2018.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 Emissions**</td>
<td>15.8</td>
<td>18.6</td>
<td>16.5</td>
</tr>
<tr>
<td>Energy Consumption**</td>
<td>373,805</td>
<td>346,170</td>
<td>305,339*</td>
</tr>
<tr>
<td>Electricity Consumption (Unit: MWh)</td>
<td>31,764</td>
<td>28,882</td>
<td>24,724*</td>
</tr>
<tr>
<td>CO2 Emissions from Logistics** (Unit: thousand t-CO2)</td>
<td>57</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Paper Consumption** (Unit: thousand sheets)</td>
<td>58,554</td>
<td>55,908</td>
<td>51,194*</td>
</tr>
<tr>
<td>Waste Production Waste produced (Unit: kg)</td>
<td>664,178</td>
<td>645,355</td>
<td>572,824*</td>
</tr>
<tr>
<td>Waste recycling rate (Unit: %)</td>
<td>98.3</td>
<td>98.4</td>
<td>98.5</td>
</tr>
<tr>
<td>Water Consumption (Unit: thousand m³)</td>
<td>40</td>
<td>40</td>
<td>41</td>
</tr>
</tbody>
</table>

#### Employee Data (non-consolidated)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
<th>Gender ratio in management positions (Unit: %)**</th>
<th>Average years of service</th>
<th>Number of employees on overseas assignments (including global trainees)**</th>
<th>Employment rate of persons with impairments** (Unit: %)</th>
<th>Number of employees who took Maternity/Paternity Leave**</th>
<th>Number of employees who took Family Care Leave**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016.3</td>
<td>4,678</td>
<td>Male 91.30, Female 87.90</td>
<td>18.5</td>
<td>1,291</td>
<td>2.41</td>
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<td>0</td>
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<tr>
<td>2017.3</td>
<td>4,629</td>
<td>Male 90.58, Female 92.42</td>
<td>18.4</td>
<td>1,286</td>
<td>2.48</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>2018.3</td>
<td>4,535</td>
<td>Male 90.58, Female 92.42</td>
<td>18.4</td>
<td>1,288</td>
<td>2.63</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Environmental Performance (consolidated)

<table>
<thead>
<tr>
<th>Metric</th>
<th>2017.3</th>
<th>2018.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 Emissions*** (Unit: thousand t-CO2)</td>
<td>10,019</td>
<td>8,138*</td>
</tr>
<tr>
<td>CO2 Emissions per total assets ** (Unit: million t-CO2/trillion yen)</td>
<td>0.79</td>
<td>0.63</td>
</tr>
<tr>
<td>Energy Consumption (Unit: GJ)</td>
<td>373,805</td>
<td>346,170</td>
</tr>
<tr>
<td>CO2 Emissions from Logistics** (Unit: thousand t-CO2)</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Waste Recycling Rate (Unit: %)</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Water Consumption (Unit: thousand m³)</td>
<td>40</td>
<td>40</td>
</tr>
</tbody>
</table>

---

** Source: MITSUBISHI CORPORATION INTEGRATED REPORT 2018

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For more information on MC’s ESG Data, please see our ESG Data Book (https://www.mitsubishicorp.com/en/en/library/esg/).
Organizational Structure (As of October 1, 2018)

* Organizational structure of the Head Office
# Description of Business Activities: Business Groups

## Global Environmental & Infrastructure Business Group

### Progress on Midterm Corporate Strategy 2018

**Power Business**
- **Drove portfolio optimization by re-profiling assets**
  - Sold part of equity interests in power generation assets and power transmission assets
  - Participated in new gas-fired thermal power projects, offshore wind power projects, and power transmission projects

**Infrastructure Business**
- **Strengthened existing businesses and entered new businesses**
  - Sustained performance of the FPSO* system and energy infrastructure businesses
  - Advancing foray into airport privatization projects worldwide
  - Stable and continuous growth of the water business (U.K. concession business and other initiatives)

**Environmental Business**
- **New business initiatives**
  - Participated in and strengthened initiatives in the distributed solar power generation and trading businesses
  - Promoted the battery services business with France-based Électricité de France (EDF)

*FPSO: Floating Production, Storage & Offloading

### Future Growth and Priorities

**Power Business**
- **Strengthen functions to refine business management**
  - Strengthen initiatives in the power value chain
  - Initiatives to realize a low-carbon society (expand renewable energy)
  - Address the diversification of power purchasers

**Infrastructure Business**
- **Growing number of opportunities in the energy infrastructure business**
  - Promote collaboration with the Energy Business Group, among other initiatives
- **Deregulation and privatization trends in various business fields**
  - Greater need for private funding and financing and a growing number of opportunities

**Environmental Business**
- **Businesses for power consumers**
  - Initiatives to address technological innovation in battery storage and distributed power generation (including the energy storage business)
- **Develop new business domains (hydrogen-related and e-Mobility-related businesses, etc.)**

### Risks and Opportunities Surrounding the Entire Group

- **Moves to build a low-carbon society**
  - Further growth in renewable energy

- **Demand for energy infrastructure**
  - Firm growth in demand from the infrastructure sectors of emerging countries

- **Changes in power supply systems**
  - Decentralization of power generation and widespread adoption of storage batteries due to falling renewable energy costs and technological innovation

- **Low gas price environment**
  - Opportunities in gas-fired thermal power generation remain in place

## Global Environmental & Infrastructure Business Group

- **Environmental Business Div.**

- **New Energy & Power Generation Div.**

- **Infrastructure Business Div.**

Global Environmental & Infrastructure Business Group CEO Office, Global Environmental & Infrastructure Business Group Administration Dept.
### Net Income*1 by Segment (¥ billion)

<table>
<thead>
<tr>
<th>Segment</th>
<th>44.6</th>
<th>44.2</th>
<th>20.3</th>
<th>261.0</th>
<th>85.2</th>
<th>30.6</th>
<th>74.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Ended March 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>37.8</td>
<td>38.0</td>
<td>38.1</td>
<td>37.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from Equity Method Investment</td>
<td>28.8</td>
<td>23.2</td>
<td>4.3%</td>
<td>2.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>16.3</td>
<td>17.3</td>
<td>18.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3%</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Share of Total Assets by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>6.5%</th>
<th>5.1%</th>
<th>12.9%</th>
<th>23.6%</th>
<th>12.0%</th>
<th>6.2%</th>
<th>28.7%</th>
<th>5.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of March 31, 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>¥16.0 trillion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Gross Profit and Income from Equity Method Investment

- **Gross Profit (¥ billion)**: 37.8, 38.0, 38.13 (37.3 billion)
- **Income from Equity Method Investment (¥ billion)**: 28.8, 23.2, 4.3%
- **Total Assets (¥ trillion)**: 16.3, 17.3, 18.3
- **ROA*2**: 2.3%

### Total Assets and ROA*2

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>37.8</td>
<td>38.0</td>
<td>38.13</td>
<td>37.3</td>
<td>37.9</td>
<td>38.2</td>
<td>38.4</td>
<td>38.5</td>
</tr>
<tr>
<td>Income from Equity Method Investment</td>
<td>28.8</td>
<td>23.2</td>
<td>4.3%</td>
<td>2.9%</td>
<td>3.1%</td>
<td>3.2%</td>
<td>3.3%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Net Income*1</td>
<td>44.6</td>
<td>44.2</td>
<td>20.3</td>
<td>261.0</td>
<td>85.2</td>
<td>30.6</td>
<td>74.7</td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>1.0 trillion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROA*2</td>
<td>4.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of employees (Consolidated)*3</td>
<td>1,716</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of employees (Parent company)*3</td>
<td>553</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of consolidated subsidiaries and equity-method affiliates*4</td>
<td>253</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

*1 Net income (loss) refers to “Net income (loss) attributable to owners of the parent.”

*2 ROA is calculated by dividing net income (loss) by the average of total assets at the beginning and end of the fiscal year.

*3 Data as of March 31, 2018. The number of Corporate Staff Section employees not shown on this page was 3,469 on a consolidated basis and 1,400 on a parent company basis. Accordingly, the total number of employees was 77,476 on a consolidated basis and 6,129 on a parent company basis.

*4 Data as of March 31, 2018. Figures include companies consolidated by subsidiaries. Not shown on this page are 16 consolidated subsidiaries and equity-method affiliates belonging to the Corporate Staff Section and 46 overseas regional subsidiaries. Accordingly, the total number of consolidated subsidiaries and equity-method affiliates was 1,293.

* The environmental business of the Global Environmental & Infrastructure Business Group has been managed as a business group in the same way as the infrastructure business since the fiscal year ended March 2017. Accordingly, the environmental business has been presented under the Global Environmental & Infrastructure Business Group, having previously been included in Other, and segment information for previous fiscal years has been restated.
Progress on Midterm Corporate Strategy 2018

- Clarified the Group’s policy of promoting the urban development business, involving the integrated development of urban infrastructure and real estate, as a business likely to become a pillar of growth

- Reallocated management resources and clarified Head Office functions through reorganization and revision of business plans

Future Growth and Priorities

- **Urban development**
  Drive initiatives in the urban development business forward, primarily in emerging countries, involving the integrated development of urban infrastructure and real estate

- **Real estate and urban development**
  Implement initiatives targeting new earnings models
  (Examples: data center operation business, integrated infrastructure fund business)

- **Leasing**
  Strengthen the business platform through partnerships and collaboration with business investees

- **Logistics**
  Promote new business development

- **Merchant banking**
  Allocate management resources in core businesses primarily in Japan, the ASEAN region, and the U.S.

Risks and Opportunities Surrounding the Entire Group

- **Financial markets**
  Global financial market movements, such as rising interest rates

- **Real estate markets**
  Sudden shifts in real estate markets

- **Logistics markets**
  Changes in global logistics volume, industry restructuring driven by cutting-edge technologies and other factors

- **Others**
  Geopolitical risks, etc.
### Net Income*1 by Segment (¥ billion)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>44.2</td>
</tr>
<tr>
<td>Corporate Vision</td>
<td>44.6</td>
</tr>
<tr>
<td>Front Lines of Value</td>
<td>20.3</td>
</tr>
<tr>
<td>Creation Framework</td>
<td>261.0</td>
</tr>
</tbody>
</table>

### Year Ended March 2018

- Net Income*1: ¥560.2 billion
- Total Assets: ¥16.0 trillion

### Share of Total Assets by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Share of Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>6.5%</td>
</tr>
<tr>
<td>Income from Equity</td>
<td>5.1%</td>
</tr>
<tr>
<td>Method Investment</td>
<td>12.9%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>23.6%</td>
</tr>
<tr>
<td>ROA*2</td>
<td>12.0%</td>
</tr>
<tr>
<td>Consolidated Net Income*1</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

### As of March 31, 2018

- Total Assets: ¥16.0 trillion

### Gross Profit and Income from Equity Method Investment

- Gross Profit: ¥61.8 billion
- Income from Equity Method Investment: ¥60.2 billion

### Total Assets and ROA*2

- Total Assets: ¥16.3 trillion
- ROA: 5.3%

### Assets

- Corporate Vision: ¥870.3 billion
- Front Lines of Value Creation Framework: ¥841.6 billion
- Support: ¥814.8 billion

### Consolidated Net Income*1

- Corporate Vision: ¥40.3 billion
- Front Lines of Value Creation Framework: ¥35.5 billion
- Support: ¥44.2 billion

---

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Energy Business Group

Progress on Midterm Corporate Strategy 2018

Basic Policy: Build a business portfolio that is resistant to a low oil price environment

• Reshaped the business portfolio by replacing assets
  Conducted replacement of E&P-related assets
  Development of North American shale assets
  Made final investment decision on LNG Canada

• Rebuilt businesses, adapting to recent changes in the market
  Implemented measures to optimize domestic logistics and create overseas demand
  Captured fast-growing demand for graphite electrodes through business investments in the manufacturing sector

Future Growth and Priorities

Natural Gas Business

• Strengthen the foundation of existing projects and continue efforts to secure LNG supply capacity for the future
  Steady launch of post-FID projects, namely, Cameron LNG in the U.S., the Tangguh LNG Train 3 Expansion Project in Indonesia, and LNG Canada

• Expand and strengthen the value chain in the LNG business
  Capture emerging LNG demand associated with the development of energy infrastructures (LNG receiving terminals, regasification facilities, etc.) in countries introducing LNG, including participation in an LNG receiving terminal project in Bangladesh

• Improve business value and establish new business models through the use of digital technologies
  Establishment of the Digital Incubation Unit
  Commence trial implementation of an AI-based LNG production efficiency system at the Donggi-Senoro LNG Project in Indonesia

Risks and Opportunities Surrounding the Entire Group

• Energy resource prices
  Fluctuations in oil and gas prices

• Geopolitical risks
  Trends in major oil- and gas-producing countries

• Climate change
  Trends in demand for various fossil fuels resulting from the transition to a low-carbon society

• Changes in business models
  Strengthening of the natural gas business value chain

• Growth in emerging markets
  Increase in demand for natural gas

Energy Business Group

- Energy Resources Div. (Asia Pacific)
  - Brunei Oil & Gas Business Dept.,
  - Malaysia Oil & Gas Business Dept.,
  - Indonesia Oil & Gas Business Dept.,
  - Australia Oil & Gas Business Dept.

- Energy Resources Div. (Americas, Europe and ME)
  - LNG Operations Dept.,
  - Global Marketing Dept.,
  - Canada Oil & Gas Business Dept.,
  - Americas Oil & Gas Business Dept.,
  - Middle East/Africa Oil & Gas Business Dept.,
  - Europe/Russia Oil & Gas Business Dept.

  - Global Trading Business Dept.,
  - Petroleum Products Dept.,
  - Utility & Industrial Fuel Dept.,
  - Carbon Materials Dept.,
  - Petroleum Coke Dept.,
  - LPG Business Dept.
Description of Business Activities: Business Groups

Net Income*1 by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>¥ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>44.6</td>
<td>44.2</td>
</tr>
<tr>
<td>261.0</td>
<td>85.2</td>
</tr>
<tr>
<td>74.7</td>
<td></td>
</tr>
</tbody>
</table>

Year Ended March 2018

Net Income*1 ¥560.2 billion

Share of Total Assets by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.5%</td>
<td>5.1%</td>
</tr>
<tr>
<td>23.6%</td>
<td>12.0%</td>
</tr>
<tr>
<td>28.7%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

As of March 31, 2018

Total Assets ¥16.0 trillion

Gross Profit and Income from Equity Method Investment

<table>
<thead>
<tr>
<th>Segment</th>
<th>¥ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>35.4</td>
<td>37.7</td>
</tr>
<tr>
<td>44.1</td>
<td></td>
</tr>
</tbody>
</table>

Total Assets and ROA*2

<table>
<thead>
<tr>
<th>Segment</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.3</td>
<td>17.3</td>
</tr>
<tr>
<td>2.0</td>
<td>2.1</td>
</tr>
<tr>
<td>-0.5%</td>
<td>16.3</td>
</tr>
<tr>
<td>1.0%</td>
<td></td>
</tr>
</tbody>
</table>

No. of employees (Consolidated)*3

1,774

No. of employees (Parent company)*3

650

No. of consolidated subsidiaries and equity-method affiliates*4

94

Gross profit

55.7 billion

Income from equity method investment

44.1 billion

Net income*1

20.3 billion

Total assets

2.1 trillion

ROA*2

1.0%

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### Metals Group

#### Progress on Midterm Corporate Strategy 2018

**Market-related (Mineral Resources)**
- **Accelerated portfolio resilience by assets reshuffling**
  - Completed sale of interests in thermal coal business in Australia (Hunter Valley Operations and Warkworth coal mines) and reached agreement to sell interest in coking coal business in Australia (BMA Gregory Crinum coal mine)
  - Acquired equity interest in Quellaveco copper mine in Peru and reached final investment decision on Quellaveco copper mine project
  - Enhanced competitiveness by continuous cost reduction and productivity improvement

- **Further improve the profitability across individual assets**

**Business-related (Steel Products Trading and Mineral Resources Trading)**
- **Further increase steady earnings base**
  - Reached agreement with Sumitomo Corporation Group to integrate Japanese tubular businesses
  - Acquired Cargill’s Flat rolled steel processing and distribution business in the United States

- **Expanded businesses and captured demand primarily from emerging markets**
  - Diversified and expanded products sourcing by leveraging MC’s operating assets
  - Increased the overseas share of earnings to over 60% by capturing demand in the Asian market

**Group-wide**
- **Anticipate market changes due to technological innovation etc., and build structures that can accommodate new changes**
  - Consideration and implementation of measures targeting the utilization of digital technologies and the spread of electric vehicles
  - Established Business Incubation Unit and Digital Mining Development Office

### Future Growth and Priorities

**Market-related**
- Keep strengthening a mineral resources asset portfolio

**Business-related**
- Domestic business restructuring and strengthening of overseas operations

**Group-wide**
- Enhance talent development on a global basis and promote business incubation projects

### Risks and Opportunities Surrounding the Entire Group

- Mineral resources prices
- Demand outlook for mineral resources and steel products primarily in emerging markets
- Escalation of geopolitical risks
- Structural changes driven by technological innovation including AI and IoT

---

**Metals Group**

- Steel Business Div.  
  Metal One Dept.
- Mineral Resources Trading Div.  
  Rm Office, Triland Business Office
- Mineral Resources Investment Div.  

Metals Group CEO Office, Metals Group Administration Dept.
### Net Income*1 by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>¥ billion</th>
<th>¥560.2 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>44.6</td>
<td>44.2</td>
<td>20.3</td>
</tr>
</tbody>
</table>

### Share of Total Assets by Segment

As of March 31, 2018

<table>
<thead>
<tr>
<th>Segment</th>
<th>%</th>
<th>¥ trillion</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.5%</td>
<td>5.1%</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

### Gross Profit and Income from Equity Method Investment

<table>
<thead>
<tr>
<th>Gross Profit</th>
<th>Income from Equity Method Investment</th>
<th>¥ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>-278.9</td>
<td>139.1</td>
<td>414.8</td>
</tr>
<tr>
<td>16.3</td>
<td>2.7</td>
<td>33.5</td>
</tr>
</tbody>
</table>

### Total Assets and ROA*2

<table>
<thead>
<tr>
<th>Total Assets</th>
<th>ROA*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.3</td>
<td>17.3</td>
</tr>
<tr>
<td>18.3</td>
<td>3.6</td>
</tr>
<tr>
<td>2.7</td>
<td>3.7</td>
</tr>
<tr>
<td>4.1%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

### Assets

<table>
<thead>
<tr>
<th>¥ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,557.9</td>
</tr>
<tr>
<td>3,704.2</td>
</tr>
<tr>
<td>3,777.3</td>
</tr>
</tbody>
</table>

### Consolidated Net Income*1

<table>
<thead>
<tr>
<th>¥ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>-360.7</td>
</tr>
<tr>
<td>147.9</td>
</tr>
<tr>
<td>261.0</td>
</tr>
</tbody>
</table>

### Notes:

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Machinery Group

Progress on Midterm Corporate Strategy 2018

Shifted management resources to achieve sustainable growth and a strong portfolio

- Optimized portfolio by re-profiling assets
- Transformed the business model to harness the Group’s strengths

Future Growth and Priorities

- Improve the profitability of existing businesses
  Strive for sustained growth and further resilience in the automobile business in Asia

- Strengthen inter-business collaboration
  Work to strengthen inter-business collaboration based on industry- and region-wide perspectives

- Continue to implement business model transformation
  Drive business model transformation using cutting-edge technologies and other resources and capitalize on growth markets

- Improve the standing of our assets

Risks and Opportunities Surrounding the Entire Group

External Environment

- Factors that could affect growth
  Structural changes in emerging countries
  Structural changes in the automobile industry, driven by trends such as the CASE* concept
  * Connected, Autonomous, Shared/Services, and Electric
  Changes in lifestyles, including the sharing economy

- Factors that must be watched closely
  Escalation of economic and geopolitical risks
  Changes in the source of added value in the value chain
  Changes in the competitive environment due to the spread of AI, IoT and other such technologies

Internal Environment

- Shift toward business management
  Accelerate the development of management professionals to further enhance business sites
  Rigorously allocate management resources according to the business life cycle

- Stay on top of changes in the business environment
### Description of Business Activities: Business Groups

#### Net Income*1 by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>¥ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORPORATE VISION</td>
<td>91</td>
</tr>
<tr>
<td>FRONT LINES OF VALUE CREATION</td>
<td>91</td>
</tr>
<tr>
<td>FRAMEWORK SUPPORTING VALUE CREATION</td>
<td>91</td>
</tr>
</tbody>
</table>

#### Share of Total Assets by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORPORATE VISION</td>
<td>6.5%</td>
</tr>
<tr>
<td>FRONT LINES OF VALUE CREATION</td>
<td>5.1%</td>
</tr>
<tr>
<td>FRAMEWORK SUPPORTING VALUE CREATION</td>
<td>12.9%</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>23.6%</td>
</tr>
</tbody>
</table>

**As of March 31, 2018**

- **Total Assets**: ¥16.0 trillion
- **Net Income**: ¥85.2 billion

#### Gross Profit and Income from Equity Method Investment

- **Gross Profit**: ¥198.0 billion
- **Income from Equity Method Investment**: ¥25.1 billion
- **Total Assets**: ¥16.3 trillion
- **ROA**: 4.7%

#### Total Assets and ROA*2

<table>
<thead>
<tr>
<th>Segment</th>
<th>¥ trillion</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORPORATE VISION</td>
<td>91</td>
</tr>
<tr>
<td>FRONT LINES OF VALUE CREATION</td>
<td>91</td>
</tr>
<tr>
<td>FRAMEWORK SUPPORTING VALUE CREATION</td>
<td>91</td>
</tr>
</tbody>
</table>

#### Gross profit

- **CORPORATE VISION**: ¥195.6 billion

#### Income from equity method investment

- **FRONT LINES OF VALUE CREATION**: ¥28.8 billion

#### Net income*1

- **FRAMEWORK SUPPORTING VALUE CREATION**: ¥85.2 billion

#### Total assets

- **CORPORATE VISION**: ¥1.9 trillion

#### ROA*2

- **FRONT LINES OF VALUE CREATION**: 4.7%

#### No. of employees (Consolidated)*3

- **FRAMEWORK SUPPORTING VALUE CREATION**: 10,180

#### No. of employees (Parent company)*4

- **FRONT LINES OF VALUE CREATION**: 667

#### No. of consolidated subsidiaries and equity-method affiliates*4

- **FRAMEWORK SUPPORTING VALUE CREATION**: 161

---

*1 Net income (loss) refers to “Net income (loss) attributable to owners of the parent.”

*2 ROA is calculated by dividing net income (loss) by the average of total assets at the beginning and end of the fiscal year.

*3 Data as of March 31, 2018. The number of Corporate Staff Section employees not shown on this page was 3,469 on a consolidated basis and 1,400 on a parent company basis. Accordingly, the total number of employees was 77,476 on a consolidated basis and 6,129 on a parent company basis.

*4 Data as of March 31, 2018. Figures include companies consolidated by subsidiaries. Not shown on this page are 16 consolidated subsidiaries and equity-method affiliates belonging to the Corporate Staff Section and 46 overseas regional subsidiaries. Accordingly, the total number of consolidated subsidiaries and equity-method affiliates was 1,293.
Progress on Midterm Corporate Strategy 2018

Towards attaining sizable growth

- **Implemented a reorganization from four to three divisions**
  Shifting to an operational system to conceive and realize businesses by analyzing the entire value chain to identify opportunities to create value

- **Accelerated new businesses**
  Carried out investment projects to develop business in new fields while expanding existing businesses
  Promoted efficiency according to the life cycle of each business

- **Established trading arms in four major countries overseas**
  Spun off the chemicals business from overseas regional subsidiaries to strengthen the trading business and enhance agility and specialized expertise

Future Growth and Priorities

**Petrochemicals**
- Use competitiveness of raw materials to drive growth in businesses and expand into downstream businesses such as the mobility field

**Basic Chemicals**
- Capture further added value through value chain development

**Life Sciences**
- Strengthen and expand business domains in the fields of food and health

Risks and Opportunities Surrounding the Entire Group

Chemistry helps solve issues facing humanity and improve living standards by developing and manufacturing value-added materials and products from raw materials

[Diagram: Crude oil → Chemistry → Clothing, Food, Housing → Economic value, Environmental value, Societal value]

Three Forms of Value Generated by the Power of Chemistry

**The Chemicals Group will successfully maximize chemical value in MC’s fields of expertise, with the aim of building a business with a strong presence.**

- We will strive to expand business by leveraging our ability to adapt as we capture opportunities resulting from changes in the business environment, such as the Shale Revolution, transitions in the mobility industry and heightened environmental awareness
- We will create high-value-added businesses by organically connecting differentiated technologies and solving the structural imbalances occurring within the chemicals industry, between different industries and regions

Chemicals Group

- **Petrochemicals Div.**
  Petrochemicals Project Dept.,
  Basic Petrochemicals Dept.,
  Aromatic Chemicals Dept.,
  Plastics Dept.

- **Basic Chemicals Div.**
  Chlor-Alkali Dept., PVC Dept., Fertilizer Dept.,
  Methanol & Ethanol Dept.,
  Inorganic Chemicals Dept.

- **Life Sciences Div.**
  Bio-Fine Chemicals Dept.,
  Life Science Products Dept.
### Net Income*1 by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>16.3</th>
<th>17.3</th>
<th>18.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit (¥ billion)</td>
<td>112.6</td>
<td>113.0</td>
<td>116.2</td>
</tr>
<tr>
<td>Income from Equity Method Investment (¥ billion)</td>
<td>15.4</td>
<td>12.1</td>
<td>16.2</td>
</tr>
</tbody>
</table>

### Share of Total Assets by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>6.5%</th>
<th>5.1%</th>
<th>12.9%</th>
<th>23.6%</th>
<th>12.0%</th>
<th>6.2%</th>
<th>28.7%</th>
<th>5.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets ¥16.0 trillion</td>
<td>6.2% (1.0 trillion)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Gross Profit and Income from Equity Method Investment

- Gross profit: 116.2 billion
- Income from equity method investment: 16.2 billion

### Total Assets and ROA*2

- Total assets: 1.0 trillion
- ROA*2: 3.2%

### Assets

- Consolidated Net Income*1

<table>
<thead>
<tr>
<th>Segment</th>
<th>16.3</th>
<th>17.3</th>
<th>18.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets (¥ billion)</td>
<td>870.5</td>
<td>943.9</td>
<td>993.7</td>
</tr>
</tbody>
</table>

### Consolidated Net Income*1

<table>
<thead>
<tr>
<th>Segment</th>
<th>16.3</th>
<th>17.3</th>
<th>18.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>(¥ billion)</td>
<td>30.5</td>
<td>26.7</td>
<td>30.6</td>
</tr>
</tbody>
</table>

### Net Income*1 by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>44.6</th>
<th>44.2</th>
<th>20.3</th>
<th>261.0</th>
<th>85.2</th>
<th>30.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income*1 ¥560.2 billion</td>
<td>30.6 billion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### As of March 31, 2018

- Total Assets ¥16.0 trillion

### Notes

- *1 Net income (loss) refers to “Net income (loss) attributable to owners of the parent.”
- *2 ROA is calculated by dividing net income (loss) by the average of total assets at the beginning and end of the fiscal year.
- *3 Data as of March 31, 2018. The number of Corporate Staff Section employees not shown on this page was 3,469 on a consolidated basis and 1,400 on a parent company basis. Accordingly, the total number of employees was 77,476 on a consolidated basis and 6,129 on a parent company basis.
- *4 Data as of March 31, 2018. Figures include companies consolidated by subsidiaries. Not shown on this page are 16 consolidated subsidiaries and equity-method affiliates belonging to the Corporate Staff Section and 46 overseas regional subsidiaries. Accordingly, the total number of consolidated subsidiaries and equity-method affiliates was 1,293.
Progress on Midterm Corporate Strategy 2018

**Food Business**
- Expanded and enhanced the overseas meat business
- Enhanced productivity in the salmon farming business and raised profitability by strengthening sales capabilities

**Retail Business**
- Strengthened Lawson-related businesses
- Promoted cooperation with domestic supermarkets

**Healthcare Business**
- Promoted the launch of the overseas hospital business
- Entered the overseas medical devices and supplies distribution business

Future Growth and Priorities

- Shift to businesses that pursue value creation from the customer’s perspective and help solve environmental and societal issues
- Build a business basis that has a strong competitive edge in the global market
- Expand businesses closely attuned to regional communities in growth markets such as Myanmar and Indonesia

Risks and Opportunities Surrounding the Entire Group

- Decreased demand in line with the declining population, falling birthrate and aging of society in the Japanese market
- Growing demand in emerging countries, led by Asian and African nations, and ensuring stable food supplies
- Increasingly diverse and sophisticated consumer needs and stronger interest in food safety and reliability
- Intensifying competition among different industries due to the rise of platform operators, etc.
**Net Income** by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>¥ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>44.6</td>
<td>44.2</td>
</tr>
<tr>
<td>20.3</td>
<td>261.0</td>
</tr>
<tr>
<td>85.2</td>
<td>30.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74.7</strong></td>
</tr>
</tbody>
</table>

Year Ended March 2018
Net Income ¥560.2 billion

**Share of Total Assets by Segment**

<table>
<thead>
<tr>
<th>Segment</th>
<th>%</th>
<th>¥ trillion</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.5%</td>
<td>5.1%</td>
<td></td>
</tr>
<tr>
<td>12.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23.6%</td>
<td>12.0%</td>
<td></td>
</tr>
<tr>
<td>6.2%</td>
<td>28.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28.7%</strong></td>
<td></td>
</tr>
</tbody>
</table>

As of March 31, 2018
Total Assets ¥16.0 trillion

**Gross Profit and Income from Equity Method Investment**

- Gross Profit (¥ billion): 505.0, 473.2, 34.9, 23.6
- Income from Equity Method Investment (¥ billion): 16.3, 17.3, 18.3

**Total Assets and ROA**

- Total Assets (¥ trillion): 16.3, 17.3, 18.3
- ROA (%): 3.2, 2.3, 1.7

**Assets**

<table>
<thead>
<tr>
<th>Segment</th>
<th>¥ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,169.3</td>
<td>4,343.0</td>
</tr>
<tr>
<td>4,599.8</td>
<td>16.3</td>
</tr>
</tbody>
</table>

**Consolidated Net Income**

<table>
<thead>
<tr>
<th>Segment</th>
<th>¥ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>73.5</td>
<td>121.3</td>
</tr>
<tr>
<td>74.7</td>
<td>18.3</td>
</tr>
</tbody>
</table>

**Gross Profit**

971.8 billion

**Income from equity method investment**

23.6 billion

**Net income**

74.7 billion

**Total assets**

4.6 trillion

**ROA**

1.7%

**No. of employees (Consolidated)**

40,512

**No. of employees (Parent company)**

1,118

**No. of consolidated subsidiaries and equity-method affiliates**

261

---

*1 Net income (loss) refers to “Net income (loss) attributable to owners of the parent.”

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*4 Data as of March 31, 2018. Figures include companies consolidated by subsidiaries. Not shown on this page are 16 consolidated subsidiaries and equity-method affiliates belonging to the Corporate Staff Section and 46 overseas regional subsidiaries. Accordingly, the total number of consolidated subsidiaries and equity-method affiliates was 1,293.
Global Network
(As of October 1, 2018)
Number of Consolidated Subsidiaries and Equity-method Affiliates by Operating Segment
(As of March 31, 2018)

<table>
<thead>
<tr>
<th>Operating Segment</th>
<th>No. of Consolidated Subsidiaries and Equity-method Affiliates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Environmental &amp; Infrastructure Business Group</td>
<td>253</td>
</tr>
<tr>
<td>Industrial Finance, Logistics &amp; Development Group</td>
<td>210</td>
</tr>
<tr>
<td>Energy Business Group</td>
<td>94</td>
</tr>
<tr>
<td>Metals Group</td>
<td>177</td>
</tr>
<tr>
<td>Machinery Group</td>
<td>161</td>
</tr>
<tr>
<td>Chemicals Group</td>
<td>75</td>
</tr>
<tr>
<td>Living Essentials Group</td>
<td>261</td>
</tr>
<tr>
<td>Corporate Staff Section</td>
<td>16</td>
</tr>
<tr>
<td>Regional Subsidiaries</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,293</td>
</tr>
</tbody>
</table>

(Note 1) Number of employees at the parent company and all of its consolidated subsidiaries: 77,476
(Number of employees at the parent company alone: 6,129)

(Note 2) The number of companies subject to consolidation includes affiliates for which subsidiaries implement consolidated accounting procedures.
Members of the Board and Audit & Supervisory Board Members

(As of July 1, 2018)

**Members of the Board**

- **Ken Kobayashi**
  - 2016 Chairman of the Board (present position)
  - 2010 President and Chief Executive Officer
  - 1971 Joined MC

- **Takehiko Kakiuchi**
  - 2016 President and Chief Executive Officer (present position)
  - 1979 Joined MC

- **Kanji Nishiura**
  - 2018 Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, (Concurrently) Regional CEO, Asia & Oceania (present position)
  - 1980 Joined MC

- **Shuma Uchino**
  - 2018 Senior Audit & Supervisory Board Member (full-time) (present position)
  - 1978 Joined MC

- **Toshiko Oka**
  - 2016 Member of the Board, MC (present position)
  - 2013 Chairman of the Board, Mitsubishi Heavy Industries, Ltd. (present position)
  - 2008 President and CEO, Mitsubishi Heavy Industries, Ltd.
  - 1969 Joined Mitsubishi Heavy Industries, Ltd.

- **Akihiko Nishiyama**
  - 2018 Professor, Ritsumeikan University (present position)
  - 2015 Member of the Board, MC (present position)
  - 2013 Adjunct Professor, Hitotsubashi University (resigned in March 2018)
  - 2004 Professor, Dept. of International Liberal Arts, Tokyo Jogakkan College (resigned in March 2013)
  - 1975 Joined Tokyo Gas Co., Ltd. (resigned in March 2015)

- **Kazuyuki Masu**
  - 2017 Executive Vice President, Corporate Functional Officer, IT (present position)
  - 2016 Executive Vice President, Corporate Functional Officer, Chief Financial Officer
  - 1982 Joined MC

- **Hideaki Omiya**
  - 2016 Member of the Board, MC (present position)
  - 2013 Chairman of the Board, Mitsubishi Heavy Industries, Ltd. (present position)
  - 2008 President and CEO, Mitsubishi Heavy Industries, Ltd.
  - 1969 Joined Mitsubishi Heavy Industries, Ltd.

- **Toshiaki Saiki**
  - 2017 Member of the Board, MC (present position)
  - 2016 Retired from Ministry of Foreign Affairs of Japan
  - 1976 Joined Ministry of Foreign Affairs of Japan

- **Kazuyuki Masu**
  - 2017 Executive Vice President, Corporate Functional Officer, IT (present position)
  - 2016 Executive Vice President, Corporate Functional Officer, Chief Financial Officer
  - 1982 Joined MC

- **Akihiko Nishiyama**
  - 2018 Professor, Ritsumeikan University (present position)
  - 2015 Member of the Board, MC (present position)
  - 2013 Adjunct Professor, Hitotsubashi University (resigned in March 2018)
  - 2004 Professor, Dept. of International Liberal Arts, Tokyo Jogakkan College (resigned in March 2013)
  - 1975 Joined Tokyo Gas Co., Ltd. (resigned in March 2015)

- **Hideaki Omiya**
  - 2016 Member of the Board, MC (present position)
  - 2013 Chairman of the Board, Mitsubishi Heavy Industries, Ltd. (present position)
  - 2008 President and CEO, Mitsubishi Heavy Industries, Ltd.
  - 1969 Joined Mitsubishi Heavy Industries, Ltd.

- **Toshiko Oka**
  - 2016 Member of the Board, MC (present position)
  - 2016 CEO, Oka & Company Ltd. (present position)
  - 2005 President and Representative Director, ABeam M&A Consulting Ltd. (resigned in March 2016)
  - 2002 Principal, Deloitte Touche Ross Consulting Co., Ltd. (currently ABeam Consulting Ltd.) (resigned in August 2012)
  - 1986 Joined Deloitte Touche Ross Consulting Limited (currently ABeam Consulting Ltd.)

- **Akitaka Saiki**
  - 2017 Member of the Board, MC (present position)
  - 2016 Retired from Ministry of Foreign Affairs of Japan
  - 1976 Joined Ministry of Foreign Affairs of Japan

**Audit & Supervisory Board Members**

- **Shuma Uchino**
  - 2018 Senior Audit & Supervisory Board Member (full-time) (present position)
  - 1978 Joined MC

- **Hiroshi Kizaki**
  - 2015 Audit & Supervisory Board Member (full-time) (present position)
  - 1981 Joined MC

- **Tadashi Kunihiro**
  - 2012 Audit & Supervisory Board Member, MC (present position)
  - 1986 Admitted to the Japan Bar (Attorney-at-Law)

- **Ikue Nishikawa**
  - 2016 Audit & Supervisory Board Member, MC (present position)
  - 2012 Professor, Faculty of Business & Commerce of Keio University (resigned in March 2017)
  - 2007 Chairman, Accounting Standards Board of Japan (resigned in March 2014)
  - 1990 Representative Partner, KPMG Century Audit Corporation (currently Ernst & Young ShinNihon LLC) (resigned in July 2001)
  - 1974 Joined EIKO Certified Public Tax Accountant’s Corporation (currently Ernst & Young ShinNihon LLC)
Members of the Board

**Audit & Supervisory Board Members**

- **Yasuko Takayama**
  - 2016: Audit & Supervisory Board Member, MC (present position)
  - 2011: Audit & Supervisory Board Member, Shiseido Company, Limited (resigned in June 2015)
  - 1980: Joined Shiseido Company, Limited

- **Mitsumasa Icho**
  - 2018: Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan (Concurrently) General Manager, Kansai Branch (present position)
  - 1982: Joined MC

- **Tsuneyoshi Tatsuoka**
  - 2018: Member of the Board, MC (present position)
  - 2015: Retired from METI
  - 1980: Joined the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry (METI))

- **Iwao Toide**
  - 2018: Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability, AI/IIOT (present position)
  - 2017: Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability
  - 1981: Joined MC

- **Akira Murakoshi**
  - 2017: Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources (present position)
  - 1982: Joined MC

- **Masakazu Sakakida**
  - 2017: Executive Vice President, Corporate Functional Officer, Corporate Administration, Legal (Concurrently) Chief Compliance Officer, Emergency Crisis Management Headquarters (Japan & Overseas/New Infectious Diseases, Compliance) (present position)
  - 1981: Joined MC

- **Iwao Toide**
  - 2018: Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan (Concurrently) General Manager, Kansai Branch (present position)
  - 1982: Joined MC

*1 Indicates a Representative Director.

*2 Indicates the fulfillment of the conditions for Outside Directors as provided for in Article 2, Item 15 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors/Auditors as specified by Tokyo Stock Exchange, Inc. and other stock exchanges in Japan as well as selection criteria for Outside Directors specified by MC.

Please refer to “Independence of Outside Directors and Outside Audit & Supervisory Board Members” on the MC website for thoughts regarding independence in selection criteria for Outside Directors.
(http://www.mitsubishicorp.com/jp/en/about/governance/corporategovernance.html)

*3 Indicates the fulfillment of the conditions for Outside Audit & Supervisory Board Members as provided for in Article 2, Item 16 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors/Auditors as specified by Tokyo Stock Exchange, Inc. and other stock exchanges in Japan as well as selection criteria for Outside Audit & Supervisory Board Members specified by MC.

Please refer to “Independence of Outside Directors and Outside Audit & Supervisory Board Members” on the MC website for thoughts regarding independence in selection criteria for Outside Directors.
(http://www.mitsubishicorp.com/jp/en/about/governance/corporategovernance.html)
# Executive Officers

(As of July 1, 2018)

### President

Takehiko Kakiuchi*  
Group CEO, Machinery Group

### Executive Vice Presidents

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazushi Okawa</td>
<td>Group CEO, Machinery Group</td>
</tr>
<tr>
<td>Hiroshi Sakuma</td>
<td>Group CEO, Global Environmental &amp; Infrastructure Business Group</td>
</tr>
<tr>
<td>Kanji Nishura*</td>
<td>Corporate Functional Officer, Global Strategy &amp; Coordination, Global Research, International Economic Cooperation, Logistics Management (Concurrently) Regional CEO, Asia &amp; Oceania Person Responsible for Security Trade Control, Person Responsible for Trade Procedures Control</td>
</tr>
<tr>
<td>Hidemoto Mizuhara</td>
<td>Regional CEO, North America (Concurrently) President, Mitsubishi Corporation (Americas)</td>
</tr>
<tr>
<td>Kazuyuki Masu*</td>
<td>Corporate Functional Officer, Chief Financial Officer, IT</td>
</tr>
<tr>
<td>Takeshi Hagiwara</td>
<td>Group CEO, Chemicals Group</td>
</tr>
<tr>
<td>Shinya Yoshida</td>
<td>Group CEO, Industrial Finance, Logistics &amp; Development Group</td>
</tr>
<tr>
<td>Yutaka Kyoya</td>
<td>Group CEO, Living Essentials Group</td>
</tr>
<tr>
<td>Iwao Toide</td>
<td>Corporate Functional Officer, Business Investment Management, Corporate Sustainability, AI / IOT</td>
</tr>
<tr>
<td>Akira Murakoshi</td>
<td>Corporate Functional Officer, Corporate Communications, Human Resources</td>
</tr>
<tr>
<td>Masakazu Sakakida*</td>
<td>Corporate Functional Officer, Corporate Administration, Legal (Concurrently) Chief Compliance Officer, Officer, Emergency Crisis Management Headquarters (Japan &amp; Overseas / New Infectious Diseases, Compliance)</td>
</tr>
<tr>
<td>Mitsumasa Icho*</td>
<td>Corporate Functional Officer, Regional Strategy for Japan (Concurrently) General Manager, Kansai Branch</td>
</tr>
<tr>
<td>Norikazu Tanaka</td>
<td>Group CEO, Metals Group</td>
</tr>
<tr>
<td>Hidemori Takeoka</td>
<td>Group CEO, Energy Business Group</td>
</tr>
</tbody>
</table>

### Senior Vice Presidents

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Koichi Wada</td>
<td>General Manager, Nagoya Branch</td>
</tr>
<tr>
<td>Katsuhito Ito</td>
<td>President, Mitsubishi Corporation (Hong Kong) Ltd. (Concurrently) General Manager, Shenzhen Office, Mitsubishi Corporation (Hong Kong) Ltd.</td>
</tr>
<tr>
<td>Takajiro Ishikawa</td>
<td>Seconded to Mitsubishi Heavy Industries Ltd. (Seconded to Mitsubishi Heavy Industries America, Inc. (Senior Executive Vice President))</td>
</tr>
<tr>
<td>Yasuteru Hirai</td>
<td>Regional CEO, East Asia (Concurrently) President, Mitsubishi Corporation China Co., Ltd. (Concurrently) General Manager, Beijing Branch</td>
</tr>
<tr>
<td>Fuminori Hasegawa</td>
<td>Division COO, Energy Resources Div. (Asia Pacific)</td>
</tr>
<tr>
<td>Tetsuji Nakagawa</td>
<td>Division COO, Infrastructure Business Div.</td>
</tr>
<tr>
<td>Noriyuki Tsubonuma</td>
<td>Managing Director &amp; CEO, Mitsubishi Australia Limited (Concurrently) Deputy Regional CEO, Asia &amp; Oceania (Oceania)</td>
</tr>
<tr>
<td>Yasushi Okahisa</td>
<td>Special Appointments General Manager to Corporate Functional Officer</td>
</tr>
<tr>
<td>Tsunehiko Yanagihara</td>
<td>EVP, Mitsubishi Corporation (Americas) [Work location: Silicon Valley]</td>
</tr>
<tr>
<td>Masatsugu Kurahashi</td>
<td>Chief Regional Officer, Indonesia (Concurrently) President, PT, Mitsubishi Corporation Indonesia (Concurrently) General Manager, Surabaya Branch, PT, Mitsubishi Corporation Indonesia</td>
</tr>
<tr>
<td>Nodoka Yamasaki</td>
<td>Division COO, Living Essential Distribution Div.</td>
</tr>
<tr>
<td>Kotaro Tsukamoto</td>
<td>Division COO, Mineral Resources Investment Div. (Concurrently) General Manager, MDP Dept.</td>
</tr>
<tr>
<td>Jun Nishizawa</td>
<td>Division COO, Energy Resources Div. (Americas, Europe and ME)</td>
</tr>
<tr>
<td>Tatsuo Nakamura</td>
<td>Division COO, Automotive Business Div.</td>
</tr>
<tr>
<td>Osamu Takeuchi</td>
<td>Division COO, Petrochemicals Div. (Concurrently) General Manager, Petrochemicals Project Dept., Petrochemicals Div.</td>
</tr>
<tr>
<td>Kazunori Nishio</td>
<td>Division COO, Retail Div.</td>
</tr>
</tbody>
</table>

### Division COO

Koji Kishimoto  
Division COO, Life Sciences Div.

Eisuke Shiozaki  
Chairman & Managing Director, Mitsubishi Corporation India Private Ltd. (Concurrently) Deputy Regional CEO, Asia & Oceania (South Asia)

Yoshinori Katayama  
General Manager, Global Strategy & Coordination Dept.

Yoshifumi Hachiya  
General Manager, Business Investment Management Dept.

Hisashi Ishimaki  
Division COO, Ship & Aerospace Div.

Takuya Kuga  
Division COO, Real Estate Business Div.

Yasumasa Kashiwagi  
Division COO, Fresh Food Products Div.

Hiroki Haba  
General Manager, Houston Branch, Mitsubishi Corporation (Americas) (Concurrently) General Manager, Houston Branch, Mitsubishi International Corporation

Norio Saigusa  
President, Mitsubishi Company (Thailand), Ltd. (Concurrently) President, Thai-MC Company, Limited (Concurrently) General Manager, Vientiane Liaison Office

Yutaka Kashiwagi  
Division COO, Environmental Business Div.

Keiichi Shiobara  
Seconded to Mitsubishi Corporation RTM International Pte. Ltd. (Chairman & CEO) (Concurrently) Division COO, Mineral Resources Trading Div.

Takeshi Arakawa  
Division COO, Living Essential Consumer Products Div.

Shigeru Wakabayashi  
Division COO, Isuzu Business Div.

Koichi Seri  
Seconded to Mitsubishi Development Pty Ltd (Managing Director & CEO)

Yasuhiro Kawakami  
Seconded to Cemagroup AS (Chair of the Board)

Kenji Ota  
General Manager, Energy Business Group COO

Aiichiro Matsunaga  
Regional CEO, Latin America and the Caribbean (Concurrently) President, Mitsubishi Corporation do Brasil S.A. (Concurrently) General Manager, Asuncion Liaison Office

* Indicates a Representative Director.
General Information
(As of March 31, 2018)

Share Data
(1) Authorized share capital: 2,500,000,000 shares of common stock
(2) Number of shares issued and number of shareholders as of March 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>Number of shares issued</th>
<th>Number of shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of March 31, 2017</td>
<td>1,590,076,851</td>
<td>242,670</td>
</tr>
<tr>
<td>Change</td>
<td>–</td>
<td>(6,167)</td>
</tr>
<tr>
<td>As of March 31, 2018</td>
<td>1,590,076,851</td>
<td>236,503</td>
</tr>
</tbody>
</table>

Principal Shareholders

<table>
<thead>
<tr>
<th>Name of Shareholders</th>
<th>Number of shares (thousands)</th>
<th>Investment ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account)</td>
<td>131,442</td>
<td>8.28</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td>
<td>84,465</td>
<td>5.32</td>
</tr>
<tr>
<td>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</td>
<td>74,534</td>
<td>4.69</td>
</tr>
<tr>
<td>Meiji Yasuda Life Insurance Company</td>
<td>64,846</td>
<td>4.08</td>
</tr>
<tr>
<td>Ichigo Trust Pte. Ltd.</td>
<td>36,468</td>
<td>2.29</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)</td>
<td>32,276</td>
<td>2.03</td>
</tr>
<tr>
<td>STATE STREET BANK WEST CLIENT – TREATY 505234</td>
<td>27,545</td>
<td>1.73</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account 5)</td>
<td>26,412</td>
<td>1.66</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account 9)</td>
<td>22,288</td>
<td>1.40</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account 1)</td>
<td>19,610</td>
<td>1.23</td>
</tr>
</tbody>
</table>

Note: The investment ratio is computed by excluding 4,107,848 shares of treasury stock held by Mitsubishi Corporation and rounded to two decimal points.

Shareholder Composition
(Shareholding Ratio)

<table>
<thead>
<tr>
<th>Year ended March 2018</th>
<th>Public sector</th>
<th>Financial institutions</th>
<th>Securities companies</th>
<th>Other companies</th>
<th>Foreign companies, etc.</th>
<th>Individuals and others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40.5%</td>
<td>3.0%</td>
<td>7.5%</td>
<td>34.3%</td>
<td>14.7%</td>
<td></td>
</tr>
<tr>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended March 2013</th>
<th>Public sector</th>
<th>Financial institutions</th>
<th>Securities companies</th>
<th>Other companies</th>
<th>Foreign companies, etc.</th>
<th>Individuals and others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39.9%</td>
<td>3.3%</td>
<td>8.7%</td>
<td>27.9%</td>
<td>20.2%</td>
<td></td>
</tr>
<tr>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended March 2008</th>
<th>Public sector</th>
<th>Financial institutions</th>
<th>Securities companies</th>
<th>Other companies</th>
<th>Foreign companies, etc.</th>
<th>Individuals and others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39.1%</td>
<td>1.4%</td>
<td>11.4%</td>
<td>36.2%</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1 stock unit/100 shares)

<table>
<thead>
<tr>
<th>Year ended March 2018</th>
<th>Public sector</th>
<th>Financial institutions</th>
<th>Securities companies</th>
<th>Other companies</th>
<th>Foreign companies, etc.</th>
<th>Individuals and others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>6,430,461</td>
<td>479,045</td>
<td>1,184,453</td>
<td>5,458,427</td>
<td>2,343,766</td>
<td>15,896,154</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended March 2013</th>
<th>Public sector</th>
<th>Financial institutions</th>
<th>Securities companies</th>
<th>Other companies</th>
<th>Foreign companies, etc.</th>
<th>Individuals and others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>6,587,963</td>
<td>549,129</td>
<td>1,437,146</td>
<td>4,606,050</td>
<td>3,349,211</td>
<td>16,529,501</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended March 2008</th>
<th>Public sector</th>
<th>Financial institutions</th>
<th>Securities companies</th>
<th>Other companies</th>
<th>Foreign companies, etc.</th>
<th>Individuals and others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>6,617,712</td>
<td>231,971</td>
<td>1,922,466</td>
<td>6,135,926</td>
<td>2,029,270</td>
<td>16,937,347</td>
</tr>
</tbody>
</table>
Corporate Information
(As of March 31, 2018)

Mitsubishi Corporation
Date Established: July 1, 1954
(Date Registered: April 1, 1950)
Capital: ¥204,446,667,326
Shares of Common Stock Issued: 1,590,076,851
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:
Parent company: 6,129
Consolidated: 77,476
Independent Auditors:
Deloitte Touche Tohmatsu LLC/Tohmatsu Tax Co.
Number of Shareholders: 236,503
Stock Listings:
Tokyo, Nagoya
Transfer Agent for Shares and Special Accounts,
Account Management Institution:
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division
1-1, Nikkocho, Fuchu,
Tokyo, 183-0044, Japan
Telephone: 0120-232-711 (within Japan)

American Depositary Receipts:
Ratio (ADR:ORD): 1:2
Exchange: OTC (Over-the-Counter)
Symbol: MSBHY
CUSIP: 606769305
Depositary:
The Bank of New York Mellon
240 Greenwich Street, New York, NY 10286, U.S.A.
Telephone: (212) 680-6825
U.S. toll free: 888-269-2377
(888-BNY-ADRS)
URL: https://www.adrbnymellon.com
Contact:
Investor Relations Department, Mitsubishi Corporation
3-1, Marunouchi 2-chome, Chiyoda-ku,
Tokyo, 100-8086, Japan
Telephone: +81-3-3210-2121

Internet
Mitsubishi Corporation’s latest integrated reports, financial
reports and news releases are available on the Investor
Relations homepage.
URL: https://www.mitsubishicorp.com/jp/en/ir/

<Financial Section of Integrated Report 2018>
From the year ended March 2014, Mitsubishi Corporation has prepared its consolidated financial statements based on International Financial Reporting Standards (IFRS). Unless stated to the contrary, the information given in this integrated report is also based on IFRS. Please refer to “Financial Section of Integrated Report 2018” for detailed information for the year ended March 2018.

<Website Information>
Mitsubishi Corporation Integrated Report 2018 (Online Version)

<Sustainability Information>
URL: https://www.mitsubishicorp.com/jp/en/csr/
Publication of Mitsubishi Corporation Integrated Report 2018

In our policy entitled Midterm Corporate Strategy 2018—Evolving Our Business Model from Investing to Managing, which we formulated in May 2016, we at Mitsubishi Corporation (MC) described a policy of simultaneously generating three kinds of value through our businesses: economic value, environmental value and societal value. Since then, two and a half years have passed.

MC achieved all of the quantitative targets we had announced in Midterm Corporate Strategy 2018—Evolving Our Business Model from Investing to Managing by the fiscal year ended March 31, 2018. The systems introduced during this period are already making steady progress and delivering results. To accelerate our initiatives for further growth, we formulated a new management direction for the three years starting from the fiscal year ending March 31, 2020 and called it Midterm Corporate Strategy 2021—Achieving Growth Through Business Management Model. In this integrated report, we present our specific initiatives aimed at maximizing corporate value by focusing on the MC Group’s strengths and transcending business group boundaries to steadily develop new pillars of future growth.

Looking ahead, we will continue to do our utmost to ensure that our integrated report serves as an effective communication tool that positively contributes to constructive stakeholder dialogue. To do so, we will strive to improve the clarity of our reporting based on the valued feedback we receive from our stakeholders.

In the course of preparing this report, we have worked closely with each of our internal departments to provide a summary of our holistic perspective on the MC Group as a whole. In the process, we have referred to the reporting framework propounded by the International Integrated Reporting Council (IIRC) and other guidelines. We hereby affirm the legitimacy of both the preparation process and the content of disclosure with respect to this integrated report.

December 2018

Kazuyuki Masu*
Member of the Board, Executive Vice President
Corporate Functional Officer, Chief Financial Officer, IT
* Indicates a Representative Director.

Forward-Looking Statements

This integrated report contains forward-looking statements about Mitsubishi Corporation’s future 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.