The True Value of Mitsubishi Corporation

Realizing Unseen Potential

Since its founding years, Mitsubishi Corporation (MC) has contributed to industrial development through trading and investment activities founded on the Three Corporate Principles: Corporate Responsibility to Society, Integrity and Fairness, and Global Understanding Through Business.

Taking on Business Management Across a Wide Range of Industries

The MC Group has the ability to access virtually every industry through its more than 130 Business Units and a global network of around 1,400 companies located in approximately 90 countries and regions worldwide, in other words, the collective capabilities to adopt a holistic view across numerous industries.
Management Professionals Across Virtually Every Industry Worldwide

MC has continued to adapt its business model to respond to the needs of society. The driving force behind our success is our highly ethical management professionals who have the foresight to identify New Seeds of Growth and the execution skills to achieve that growth. MC will continue to accelerate the development of its management professionals by actively providing opportunities for personal growth, aiming to further strengthen the link between professional growth and company development.

Diverse Management Professionals

In accordance with its corporate philosophy, the Three Corporate Principles, MC aims to leverage its collective capabilities, foresight and execution skills in order to simultaneously generate economic, societal and environmental value.
In our policy entitled Midterm Corporate Strategy 2016—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 triple-value growth through our businesses: economic value, societal value and environmental value. MC achieved all of the quantitative targets we had announced in Midterm Corporate Strategy 2016—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.

September 2019

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

Forward-Looking Statements

This integrated report contains forward-looking statements about Mitsubishi Corporation’s future plans, strategies, beliefs and performances 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.
The MC Group aims to deliver sustainable growth by adapting to changes in the business environment and fulfilling societal needs with due consideration for the United Nations’ Sustainable Development Goals (SDGs). To achieve this aim, the MC Group shall rely on its three core strengths: the collective capabilities to adopt a holistic view across numerous industries, the foresight to identify new seeds of growth and the execution skills to achieve growth.

Achieving Sustainable Growth for the MC Group and Society

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

Consolidated Growth Strategy

The MC Group includes approximately 1,400 companies, and as it works to raise its consolidated earnings for the group as a whole, it remains equally committed to growing each enterprise’s own corporate value, while simultaneously generating economic, societal and environmental value. By leveraging the collective capabilities found throughout its network of Group companies and over 130 Business Units, MC shall continue to innovate and inspire global industries.

MC optimizes 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 Group is also dedicated to training highly ethical management professionals who have the foresight to identify new seeds of growth and the execution skills to achieve that growth.

Regardless of how the world evolves, there will always be opportunities to deliver goods and services that meet societal needs and improve quality of life. The realization of these opportunities forms the very foundation of MC’s consolidated growth strategy.
MC has pursued the creation of value by flexibly transforming its business models in accordance with changes in the external business environment.

Path of Value Creation

Trading Phase

From its founding until the 1980s, MC was primarily involved in the trading and distribution business. The Company supported a wide range of industries by serving as an intermediary, connecting supplies and buyers across national 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. MC founds Brunei LNG

Trading Evolution Phase

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 was that such intermediaries were unnecessary. Under these circumstances, MC decided to step out from its role as an intermediary 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.

Business Model Transformation Phase

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 31, 2016. Since then, MC has worked to rationalize its resources and non-resources businesses and has emphasized cash flow in management. Under Midterm Corporate Strategy 2021, MC is currently endeavoring to shift its business model from one that looks to investment as a source of growth to a model of “managing” businesses by becoming more deeply involved in operations and leveraging MC’s unique management capabilities to actively generate value and drive growth.

Major Events

1870
Original Mitsubishi organization founded

1917
MC becomes Japan’s first trading company to take part in petroleum wholesales

1953
MC joins the Sakhalin offshore oil and LNG development project

1970
MC signs joint venture contract with Saudi Petrochemical

1974
MC joins the construction contract for the international airport at Mombasa, Kenya

2001
MC signs a capital and business alliance agreement with Lawson, Inc.

2003
MC establishes BHP Billiton Mitsubishi Alliance (BMA), a joint venture with global mining giant BHP Billiton

2005
MC launches Metal One Corporation, an integrated steel trading company

2011
MC invests in Brazilian grain company, Los Grobo Ceagro do Brasil S.A. (Ceagro)

2012
MC invests in an industrial park development project in Myanmar

2013
Cermag ASA becomes a subsidiary

2016
Mitsubishi Shokuhin established

2018
Lawson, Inc. becomes a subsidiary

2019
Cermaq ASA becomes a subsidiary

2020
MC signs a capital and business alliance agreement with Lawson, Inc.

2021
MC establishes BHP Billiton Mitsubishi Alliance (BMA), a joint venture with global mining giant BHP Billiton

2022
MC invests in Brazilian grain company, Los Grobo Ceagro do Brasil S.A. (Ceagro)

2023
MC invests in an industrial park development project in Myanmar

2024
Cermag ASA becomes a subsidiary

2025
Lawson, Inc. becomes a subsidiary
Growth Mechanism

Transforming Our Business Model by Identifying New Seeds of Growth

MC has continued to expand its business in response to changes in the social environment and customer needs by undertaking a transformation from its past role as an intermediary, connecting suppliers and buyers, to becoming involved in minority investments and now to a business management model.

The businesses we now refer to as our Core Businesses (ALIS, mineral resources, automotive, food, retail, and power) all started out as New Seeds of Growth, and they have reached their current business scale through several transformations of their business models.

In addition to our Core Businesses, we have over 130 Business Units that are also New Seeds of Growth. We will continue to construct a cyclical growth model that increases corporate value by identifying New Seeds of Growth and enhancing them to become Growth Drivers and Core Businesses through our collective capabilities, foresight and execution skills. In the following section, we introduce some examples in which our Company identified New Seeds of Growth and went on to develop them into businesses.

Growth Mechanism

Copper Business

Copper is a material used in the electric power and automotive fields. MC’s copper business began with imports that increased in line with Japan’s rapid economic growth, and in the 1980s, MC made minority investments in some Latin American copper mines. Through these investments, MC secured a stable supply of resources from invested mines, while it also accumulated a wealth of knowledge related to the copper business. Through leveraging this expertise, MC was able to reformulate its copper business towards a business management model in 2011 by acquiring an interest in Anglo American Sur in Chile to capture copper demand growth in emerging markets. The following year, MC acquired an 18.1% interest in the Quellaveco copper project in Peru, one of the world’s largest undeveloped copper deposits. Then, in 2018, MC raised its interest in this project to 40% through additional investment, started development for operations and dispatched core management personnel. MC is now focusing on enhancing the value of its copper business, which together with metallurgical coal projects, forms the core of its mineral resources business.

Changes in Business Model

Trading phase

Securing of reliable resources

Revenue growth

Minority investments in copper mines

Copper imports

[1980s–2010s]

Business investment phase

[2010s–]

Business management phase

Transfer to business management model through participation in Anglo American Sur and Quellaveco

Global demand expansion

Enhancing management function

Power Business

MC’s power business has undergone dynamic transitions in conjunction with global trends of deregulation and liberalization. Starting with sales of power generation-related equipment, MC expanded the scope of its business activities towards turnkey contract orders. Following the liberalization of the US power market in the late 1980s, MC entered the independent power producer (IPP) business, later expanding into Asia, Europe and Japan. In the 2000s, MC extended its business lines to include initiatives towards a low-carbon society by participating in European offshore wind and power transmission projects. Today, power system reforms have been progressing in each country in line with developments in renewable energy, distributed power supplies and information technology. Accordingly, MC is pursuing new service businesses targeting downstream power users through active management participation in power storage, distributed power generation and power trading businesses.

Changes in Business Model

Trading phase

Trading of power generation-related equipment

Enhancing the turnkey business

[1980s]

Business model transformation phase

Full-fledged entry into the US IPP business

[1990s–2010s]

Business management phase

Full-fledged participation and planning in production projects

[2015–]

Expanding business areas through management participation in the power services sector, etc.

Power market liberalization starting with deregulation in the US

Developing digital technologies to promote the use of renewable energy

Salmon Business

MC’s salmon-related business began in the 1950s with the export of canned red salmon. By aligning itself with changes in Japanese dietary preferences, MC continued to expand this business through the import and sale of salmon and other products. However, following a surge in the production of farmed seafood, market prices stabilized at a low level, and obtaining profits from conventional trading became progressively more difficult. Having anticipated this change, MC was able to achieve stable, continuous growth by adding a new capability to its business model through investment in a seafood processing company in Thailand. In the 2010s, growth in emerging markets has driven increased demand for marine products, which in turn has caused long-term market prices to reverse course and rise again. After seeing the advantages of farmed salmon from the perspective of environmental impact and other attributes, MC seized the opportunity to enter the salmon farming business. In 2014, MC made Cermaq Group AS, the world’s second largest salmon farmer by volume (at the time), a wholly-owned subsidiary, and is progressing with proactive business management.

Changes in Business Model

Trading phase

Import and export of canned and processed goods

[1980s–2010s]

Business model transformation phase

Invested in the processing business via a minority investment

[2010s–]

Business management phase

From oval to formed salmon

Global demand expansion

MC’s Value Creation

Reference Information

01

02

03

04

MITSUBISHI CORPORATION

MITSUBISHI CORPORATION

12

13
Midterm Corporate Strategy 2021

—Achieving Growth Through Business Management Model

MC’s new midterm corporate strategy, which was formulated in November 2018, 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.

Simultaneously generating economic, societal and environmental value through our businesses

01 Outline of Midterm Corporate Strategy 2021

1. Business Portfolio
   - Portfolio-Based Decision-Making
   - Strategy Creation through Multi-Dimensional Portfolio Analyses

2. Growth Mechanisms
   - Value-Added Cyclical Growth Model & Improved ROE
   - Enhancement of New Business Concepts & Digital Strategies

3. HR System Reforms
   - Continuous Development of Highly Skilled Management Professionals
   - Redesigned Evaluation and Compensation Systems to Ensure Reciprocal Growth Between the Company and Employees

4. Financial Targets & Capital Policy
   - Financial Discipline and Extension of Progressive Dividend Scheme
   - Financial Target for the Fiscal Year Ending March 31, 2022: ¥900 billion

02 Portfolio Strategies Aimed at Stimulating Further Growth

By strengthening our operations in the Services sector and downstream businesses, we will endeavor to stimulate more growth in what is currently a very stable business portfolio.

03 Value-Added Cyclical Growth Model & Improved ROE

We will identify New Seeds of Growth and nurture them into Growth Drivers and Core Businesses by enhancing their value. In this new cyclical growth model, even Core Businesses will be replaced with new Growth Driver Candidates if MC can no longer add value to them. This will have the added benefit of improving MC’s ROE.

04 Enhancement of New Business Concepts & Digital Strategies

The Group Business Creation GM and Digital Strategy GM will work with the Business Creation Office and Digital Strategy Department to develop new business models.

Invest in businesses where MC can generate added value. Build both New Seeds of Growth and Growth Drivers simultaneously.

MC will identify New Seeds of Growth and nurture them into Growth Drivers and Core Businesses by enhancing their value.

Enhance value of current businesses and business investments.

Assess how concepts/models can be leveraged to break into larger, more sophisticated business models.

Combine multiple concepts into larger, more sophisticated business models.

Work with Business Groups to stimulate more growth in what is currently a very stable business portfolio.

Generate sufficient returns as capital gains by enhancing the value of businesses.

Improve capital efficiency from all investments, including large-scale M&As.

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Companyside Identification and Incubation of New Seeds of Growth

Corporate Strategy & Planning Department

Business Creation Office

Chief Digital Officer

Digital Strategy Department

Controller

Formalization of Core Technologies

Telecommunications/ Startups

Academic Institutions, etc.

Recruitment and Training of IT Professionals

Digital Transformation

Collaboration

Digital Infrastructure

Sharing

Next-Gen Materials

B2C Branding

OMs for Business Creation

Planning & Execution of Industry-Wide Business Concepts/Models

OMs for Digital Strategy

M&As. Investments, including large-scale M&As.

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05 Missions of the New Business Groups

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 into industries where MC’s redefined position could leverage new business opportunities. Each Business Group’s mission was formulated based on the Three Corporate Principles and MC's pledge to generate triple-value growth.

**Natural Gas**

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.

**Industrial Materials**

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 by providing solutions to the industries in which it operates and focus resources in areas where the Company can leverage its strengths and capabilities.

**Petroleum & Chemicals**

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.

**Mineral Resources**

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.

**Industrial Infrastructure**

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 these industries.

**Automotive & Mobility**

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.

**Food Industry**

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.

**Consumer Industry**

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.

**Power Solution**

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.

**Urban Development**

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.

06 HR System Reforms

We will be revising MC’s HR system to: (1) Ensure that employees gain the right experience to become management professionals earlier in their careers; (2) Be more meritocratic to ensure that the right people are assigned to the right positions; and (3) Utilize management talent more widely and effectively throughout the MC Group. Our aim is to continuously produce highly skilled management professionals capable of excelling in different fields, and to foster reciprocal growth between the company and its employees.

07 Financial Targets & Capital Policy

By continuously growing MC’s Business-Related Segments and making it more competitive in Market-Related Segments, we will aim for an even higher double-digit ROE. We will extend the current progressive dividend scheme, and aim to increase MC’s dividend payout ratio to 35% in the future.

**Financial Target**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends (billion yen)</th>
<th>Dividend Payout Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/3</td>
<td>110.8</td>
<td>35%</td>
</tr>
<tr>
<td>2018/3</td>
<td>125.4</td>
<td>35%</td>
</tr>
<tr>
<td>2019/3</td>
<td>129.8</td>
<td>35%</td>
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<tr>
<td>2020/3</td>
<td>134.2</td>
<td>35%</td>
</tr>
<tr>
<td>2021/3</td>
<td>139.3</td>
<td>35%</td>
</tr>
</tbody>
</table>

We will increase MC’s shareholder returns by flexibility buying back the Company’s shares in a financially disciplined manner (e.g. paying due consideration to our optimal investment leverage ratio range).

**Capital Policy**

- **Investment Plan**
  - Invest in necessary regardless of Business Group performance
  - Change from “market follow” investment practice
  - More emphasis on asset returns in business-related cash-transparent-related segments (at least 15%)

- **Dividend Plan**
  - Change from “market follow” cash dividends
  - Assign dividend target to each Business Group
Message from the President and CEO

Achieving Growth through Business Management Model

With business models continuing to evolve across a wide range of industries, MC launched Midterm Corporate Strategy 2021, a plan aimed at achieving triple-value growth through a business management model.

Here, I will explain the background behind this strategy, as well as my thoughts on MC’s management professionals, who are the driving force behind our Company.

Takahiko Kakiuchi
Member of the Board, President and CEO
Message from the President and CEO

Q What is your vision for MC?

Since its inception, MC has developed its business based on its corporate philosophy, the Three Corporate Principles (Corporate Responsibility to Society, Integrity and Fairness, and Global Understanding Through Business). Furthermore, our current corporate vision is to simultaneously generate not only economic value, but societal value and environmental value as well. MC continues to adapt its management policies in order to respond to changes in the external environment, to meet the needs of society and to achieve sustainable growth together with society. We hope to be recognized as a positive force in the development of industry as a whole, further enhancing our corporate value and allowing us to pass on the rewards to our shareholders, creditors and other stakeholders.

Still, business model innovation taking place across countless industries, I think it is important for us to take this opportunity, as we respond to these changes, to consider what MC’s function and presence should be as a company.

Q So what exactly does MC do as a company?

For many years, MC has been known to its shareholders, creditors and other stakeholders as a sogo shosha, a category of company unique to Japan, also referred to as a general trading company. Although it is true that our business started out in trading, where we bought and sold various products and raw materials, there was a limit to how much growth we could achieve in the commission-based trading business, and the function of trading itself was becoming obsolete. As such, we began a number of project investments that would form the core of our business. At the start, the purpose of these investments was primarily to facilitate our trading operations. Since then, MC has gradually moved away from a simple investment model and has shifted toward a business management model, becoming deeply involved in the management of investee companies and helping to innovate and inspire global industries. Building upon these changes to its business model, MC has successfully developed its current set of Core Businesses:

LNG, mineral resources, automotive, food, retail and power. However, the current conditions for these Core Businesses cannot stay the same forever.

In that respect, through the activities of its more than 130 Business Units, MC possesses the collective capabilities to adopt a holistic view across numerous industries. Within these Business Units, we are confident that we will find the New Seeds of Growth for our Company.

We will achieve business growth by nurturing these New Seeds of Growth into Growth Drivers, and then into Core Businesses. In some cases, even for a Core Business, when further growth has become difficult despite MC’s continued involvement, we will entrust the business to the most appropriate third party. I believe that achieving growth through this ongoing replacement cycle ecosystem is the ideal growth mechanism for our Company.

Q What does MC look for in its management professionals?

Our people are our greatest asset and are everything to us. When I welcome new employees, I tell them, “No matter what department you are assigned to, I would like you first to diligently tackle the work that is in front of you.” Rather than being assigned to departments that are generating stable earnings, some of you will be sent to departments that struggle on a daily basis as they work to reform existing businesses and discover New Seeds of Growth. It is in these situations where we will encourage industrial restructuring. I would like MC to become a company that is able to contribute to society as a leader for these kinds of industrial structure reforms.

I hope that our shareholders, creditors and other stakeholders will set aside their preconceptions about sogo shosha to see us for who we really are.

Q What is your vision for MC?

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Message from the President and CEO

“the right answer” to problems, but rather those who can assert and tackle issues on their own. This is because there are no “right answers” for MC’s future business. We must discover what the issues are and work out solutions on our own. Moreover, we will never know if the answers we come up with are actually the right ones.

More specifically, looking at each project on an individual basis will no longer be sufficient for our business going forward. For example, on the ground in the field of urban development, MC is engaging in initiatives that cut across multiple Business Units for projects such as railways, airports, office buildings and hospitals. Other examples include creating complex business models by combining mobility services and retail with gas and electricity businesses. The sort of thinking that sees tomorrow as an extension of business as usual will not create new value.

This is precisely why I am looking to hire employees who are eager to take on new challenges from the starting line, realize innovation and bring their ideas to fruition.

Q What is the intent behind MC’s bold HR system reforms?

If MC does not provide its employees with the opportunities to experience professional growth, then talented people will start to leave. Previously, it was assumed that it would take about 20 years to train a management professional fully. Our new HR system reforms will enable people to become professionals in their specific fields in about 10 years. We will then have them build upon their managerial capabilities while utilizing their expertise in various fields. To accomplish this, I believe that continuing to provide opportunities for employees to gain business management experience and grow as management professionals is a duty of the Company, as well as one of our roles as managers. Accordingly, in implementing our HR system, we will carefully consider how we balance the number of available growth opportunities with the number of employees. At the same time, when provided with an opportunity, employees must also take the initiative to do their part in carrying out their duties and contributing to the growth of the Company.”

“If you do what you think is right with all your might, all are sure to understand.” I want all of our employees to take this message to heart and immerse themselves in their work in order to grow as management professionals.

MC does not have a parent company, and its founder is no longer at the helm. That is why it is so important to foster reciprocal growth between the Company and its employees. At the same time, when provided with an opportunity, employees must also take the initiative to do their part in carrying out their duties and contributing to the growth of the Company.

Q What are MC’s ambitions for the first year of Midterm Corporate Strategy 2021?

Under Midterm Corporate Strategy 2018, which was announced in 2016, MC achieved record earnings for two consecutive years by stabilizing business performance through the rebalancing of market-related segments and business-related segments, promoting asset replacement based on a strict investment discipline and strengthening its capacity to generate cash through fiscal improvements. While working toward stable shareholder returns through the introduction of a progressive dividend scheme, we will return surplus cash generated through the replacement of assets and the improvement of earning power, in the form of a share buyback.

Under Midterm Corporate Strategy 2021, which we established in November 2016, we will tackle the theme of how our Company will respond to increasingly rapid change. Looking at the current state of the global economy, technological innovation has become an engine for economic growth, and a wave of digitalization is bringing about change across every industry. In recognition that we are truly in the midst of the Fourth Industrial Revolution, we have indicated the reforms and growth strategies that we should undertake through Midterm Corporate Strategy 2021.

Continuing to place people at its core, MC aims to achieve sustainable growth by simultaneously generating triple-value growth.

MC, with its previous organizational structure, experienced systemic fatigue in addressing this issue. Although the vertical, industry-specific groups were effective in implementing their own strategies, discussions were invariably limited to each of their own industries, and new ideas did not easily come about. Since different industries are beginning to fuse together through digital technology, MC restructured all of its Business Groups in order to break down the walls between them. In this way, we will ensure earnings growth through a Value-Added Cyclical Growth Model, with the aim of achieving sustained growth in the medium to long term. The fiscal year ending March 31, 2020 is the first year of Midterm Corporate Strategy 2021 as well as the first under our new organizational structure and HR system. I would like to make this year one in which our people grow, and that growth connects to the development of the Company and to the simultaneous generation of triple-value growth.
Achieving Record-Breaking Profits for Two Consecutive Years under Midterm Corporate Strategy 2018

In the fiscal year ended March 31, 2019, the final year of Midterm Corporate Strategy 2018, MC’s consolidated net income increased by 30.5 billion yen from the previous year to 590.7 billion yen. Due to factors such as the recording of additional significant losses, MC was unable to achieve its full-year earnings target of 640 billion yen reported in November 2018. However, the steady operating income from our business-related segments together with the strong momentum of our market-related segments continued to buoy our performance, enabling us to achieve record profits for the second consecutive year.

Deciding a Share Buyback of 300 Billion Yen to Improve Capital Efficiency

With regard to cash flows, the total underlying operating cash flows and investing cash flows amounted to 669.6 billion yen. For underlying operating cash flows, MC set an ambitious target under Midterm Corporate Strategy 2018 for 2.5 trillion yen over three years. The underlying operating cash flows and investing cash flows amounted to a cumulative total of 1.7 trillion yen and, even after deducting cash dividends from the same period, MC generated cash flows of 1.1 trillion yen.

In compliance with its shareholder returns policy of progressive dividends in line with sustained profit growth, MC paid dividends of 125 yen per share for the fiscal year ended March 31, 2019, an increase of 15 yen per share over the previous year.

In consideration of the cash flows during the period of Midterm Corporate Strategy 2018 and the appropriate capital standards, and with the aim of improving capital efficiency, MC has resolved to buy back shares worth 300 billion yen between May 2019 and May 2020.

At a purchase price of 3,000 yen per share, this amounts to 6.3% of MC’s outstanding shares. All repurchased shares will be canceled, excluding 5 million shares to be delivered upon the exercising of stock options.

Raising Group-Wide Strengths in Midterm Corporate Strategy 2021

The fiscal year ending March 31, 2020 is the first year of Midterm Corporate Strategy 2021, and with MC moving to a new 10-group structure as of April 2019, this is also the first year for the new organization. With regard to the earnings outlook for this fiscal year, MC expects to achieve record profits for the third consecutive year amounting to 600 billion yen, a 10 billion yen increase over the previous fiscal year.

Moreover, we plan to continue our progressive dividend scheme during the current strategy period. Despite uncertainties in the external environment due to US-China trade frictions and other factors, we will endeavor to secure our standing, steadily achieve our business targets and realize further growth.

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

Consolidated Net Income for the Fiscal Year Ended March 31, 2019 and Estimate for the Fiscal Year Ending March 31, 2020

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Business-related segments</th>
<th>Market-related segments</th>
<th>Other</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>366.2</td>
<td>346.2</td>
<td>-22.4</td>
<td>590.7</td>
</tr>
<tr>
<td>2019/3</td>
<td>346.2</td>
<td>346.2</td>
<td>195.0</td>
<td>600.0</td>
</tr>
<tr>
<td>2020/3</td>
<td>(Estimate)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Consolidated net income after deducting changes in assets and liabilities. (Consolidated net income excluding non-controlling interests) - DD&A - profits and losses related to investing activities - equity in earnings of affiliated companies not recovered through dividends - allowance for bad debt, etc. - deferred tax

Cash Flow

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Free CF</th>
<th>Operating cash flows</th>
<th>Investing cash flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/3</td>
<td>523.9</td>
<td>363.0</td>
<td></td>
</tr>
<tr>
<td>2018/3</td>
<td>403.4</td>
<td>703.5</td>
<td></td>
</tr>
<tr>
<td>2019/3</td>
<td>424.9</td>
<td>742.5</td>
<td></td>
</tr>
<tr>
<td>2020/3</td>
<td>379.0</td>
<td>652.7</td>
<td></td>
</tr>
</tbody>
</table>

* Operating cash flows after deducting changes in assets and liabilities
Investment Strategy for Sustained Improvement in ROE

In Midterm Corporate Strategy 2021, MC expressed its intention to generate sufficient returns as capital gains by enhancing the value of businesses in order to maintain and improve its double-digit ROE. This section covers MC’s understanding of the issues surrounding its new management policy as well as the policies to address them.

Midterm Corporate Strategy 2021 clarified MC’s stance of generating sufficient returns from capital gains as asset divestment. How does this differ from MC’s investment policy in the past?

In the past, our Company has tended to hold on to an investment once it was made. However, business investment risk has increased as the scale of our business has grown, and the “green field” projects of the past, in which MC launched and developed completely new businesses, have decreased. Therefore, almost all of our investments are now in “brown field” projects. Although entering business at a later point reduces risks, the associated premiums also lower the return on investment. Thus, it is important to increase capital gains to offset the reduction in yield due to premiums. While MC has placed priority on the launch of new projects in the past, the capital gains from divestment have been viewed only as temporary contributions to profits. As such, we carry out actual business with suppliers and customers through our Group companies, and we make investments in order to expand and grow these businesses. Accordingly, we do not make investment decisions on the basis of whether we will earn capital gains on the investment in the short term. Rather, we place emphasis on whether we can contribute to the mutual enhancement of medium- to long-term corporate value by participating in management, specifically in business fields in which we have expertise thanks to the business relationships and networks that we have built up over the years. The intent of MC’s management policy to generate returns on capital gains under Midterm Corporate Strategy 2021 is to demonstrate, internally and externally, our policy that, when there is no longer any way for MC to contribute further to the growth of the project through our participation in management, we will transfer businesses to other parties at a stage of high asset value and thereby generate returns from capital gains as a result. Therefore, we can say our intent is not to make capital gains alone as the chief objective of investment.

Midterm Corporate Strategy 2021 forecasts investment surplus funds of about 3 trillion yen during the period of the plan. In what kinds of sectors does MC plan to invest 3 trillion yen?

First, it is true the 3 trillion yen represents our investment amount rather than profits. Although we bear absolute responsibilities for earnings targets and other matters, I feel that near-sighted policies may not even be able to be awarded the fruits of their labor during their terms of office. However, if management executives think only of obtaining benefits during their terms, I believe there could be a tendency toward short-sighted policies. Although we bear absolute responsibilities for earnings targets and other matters, I feel that our Company has a culture that allows us to deliberate and undertake measures that require time for results to appear, such as our recent investment policy changes. If there are issues that must be overcome to grow sustainably, even if there is a possibility that results will not be seen during their term of office, our management executives will take the lead to address these issues and convey this to their successors. I believe that this is the kind of spirit that has been handed down continuously since the founding of our Company.

As the scale of MC’s business grows and investment risk also increases, investments in brown field projects are accelerating.

What is the difference between MC’s investment policy and that of a private equity fund?

A private equity fund, upon recovering its invested capital, makes a sale to capture capital gains. By contrast, MC does not perform short-term asset divestment. This is because we carry out actual business with suppliers and customers through our Group companies, and we make investments in order to expand and grow these businesses. Accordingly, we do not make investment decisions on the basis of whether we will earn capital gains on the investment in the short term. Rather, we place emphasis on whether we can contribute to the mutual enhancement of medium- to long-term corporate value by participating in management, specifically in business fields in which we have expertise thanks to the business relationships and networks that we have built up over the years. The intent of MC’s management policy to generate returns on capital gains under Midterm Corporate Strategy 2021 is to demonstrate, internally and externally, our policy to address them.

What is MC’s investment criteria for further improvement in its double-digit ROE?

Actually, we use metrics for project evaluation such as internal rate of returns (IRR), but because the business domains we engage in span a wide range, we have set investment criteria that take into account the risks for each project. Since risks and required yield differ by project, it is necessary to make a decision on each individually. About 20 years ago, MC allocated capital to each business and monitored whether reasonable levels of returns were obtained. However, the task of appointing capital to over 100 businesses was, in itself, extremely labor intensive. In addition, because we deliberated on every project under companywide, uniform criteria, we became unable to make fair decisions given that the level of risk differs by business. This dilemma led us to our current operational policy.

The management policy under Midterm Corporate Strategy 2021 seeks to change the investment policy within the three-year strategy period, but it seems that it will take time for this to be adopted fully throughout the company. In the end, who will benefit from the results?

As pointed out, we believe that it will likely take some time for the results of these measures to become apparent. The current management executives may not even be able to be awarded the fruits of their labor during their terms of office. However, if management executives think only of obtaining benefits during their terms, I believe there could be a tendency toward short-sighted policies. Although we bear absolute responsibilities for earnings targets and other matters, I feel that our Company has a culture that allows us to deliberate and undertake measures that require time for results to appear, such as our recent investment policy changes.
MC’s Value Creation

Contents

30 The Sustainable Growth that MC Seeks
32 The Strengths of MC Collective Capabilities
34 The Strengths of MC Foresight and Execution Skills
38 Framework Supporting Value Creation
    38 Risk Management
    40 Compliance
    42 Sustainability Promotion Framework
The External Environment Surrounding MC’s Sustainable Growth

In order for a company to sustain medium- to long-term growth, its business must be sustainable. To this end, companies must not only pursue economic value, but also contribute towards the resolution of societal and environmental issues on a global basis.

In recent years, we have seen developments such as the Sustainable Development Goals (SDGs), the Paris Agreement and the Task Force on Climate-related Financial Disclosures (TCFD), as well as changes in the external environment including the expansion of ESG investing, stricter laws and regulations, and evolving consumer preferences. These trends are only expected to accelerate in days to come.

Identification of Key Sustainability Issues

Since its foundation, MC has held the Three Corporate Principles as its corporate philosophy in conducting business.

The MC Group relies on its three core strengths: the collective capabilities to adopt a holistic view across numerous industries, the foresight to identify New Seeds of Growth and the execution skills to achieve that growth. By identifying key social and environmental issues and transforming the needs of society into business opportunities, we have succeeded in raising our corporate value through the simultaneous generation of economic, societal and environmental value through our business activities. It is MC’s belief that out of numerous social and environmental issues, the issues that management should address are those around which shareholders and other stakeholders hold high expectations of MC, as well as those which working towards resolutions connects to MC’s growth. Based on this concept, in the fiscal year ended March 2017, MC identified a set of Key Sustainability Issues, which were deliberated and approved by the Board of Directors. By fully utilizing our strengths of collective capabilities, foresight, and execution skills to focus on tackling these Key Sustainability Issues, we aim to simultaneously generate triple-value growth and to ensure sustainable growth for our Company.

The Three Corporate Principles

1. Fostering Our Employees’ Maximum Potential
2. Procuring and Supplying in a Sustainable Manner
3. Fostering Our Employees’ Maximum Potential
4. Tackling Evolving Regional Issues
5. Growing Together with Local Communities
6. Conserving the Natural Environment
7. Addressing the Needs of Society through Business Innovation
8. Transitioning to a Low-Carbon Society
Global Network

MC has been developing a network to drive its next phase of major growth by continually enhancing its ability to respond to change, as well as by encouraging collaboration through the efficient and effective division of labor among MC offices and subsidiaries, Group companies and the Head Office.

- **Head Office**
  - Fully utilize information obtained from the global network
  - Execute decision-making aimed at maximizing corporate value
- **MC Offices and Subsidiaries**
  - Provide intelligence that contributes to new business opportunities and management by integrating local knowledge
  - Laterally support the growth of Group companies
- **Group Companies**
  - Achieve growth through business management
  - Acquire intelligence closely tied to frontline business activities

The MC Group operates in a rapidly changing business environment, both at home and overseas. Recent developments have dramatically changed the playing field, and we must now take stock of factors such as heightened geopolitical risk and an increasingly borderless global society and market.

In response to these complex and rapid changes, and in order to accelerate the implementation of MC’s business management model, the Regional CEO operating structure across seven key overseas regions was abolished from the fiscal year ending March 31, 2020. The new structure is designed to promote regional strategies that optimize direct collaboration throughout our global network including approximately 1,400 companies in 90 countries and regions around the world. MC will leverage its global network under this reorganized structure to gather and communicate relevant, real-time business intelligence.

This enhanced global network will be used to identify New Seeds of Growth and new business opportunities, as well as to bolster risk management and ultimately support the expansion of the MC Group. Corporate Management Support Offices have also been newly established in New York, London, and Singapore to shore up MC Group. Corporate Management Support Offices have also been newly established in New York, London, and Singapore to shore up the growth and independence of MC’s operating companies.

In this manner, the MC Group aims to maximize its business value by enhancing its global network and taking full advantage of the MC Group’s collective global abilities, including its good relationships with customers and partners around the world.

**Worldwide Partnerships that Facilitate Business Development in Diverse Industries**

**Head Office**

- Expanding the global network and creating new business opportunities

**MC Offices and Subsidiaries**

- Full use of information obtained from the global network
- Execute decision-making aimed at maximizing corporate value

**Group Companies**

- Achieve growth through business management
- Acquire intelligence closely tied to frontline business activities

**The Strengths of MC**

**Collective Capabilities**

**Worldwide Partnerships that Facilitate Business Development in Diverse Industries**

**Global Network**

MC has been developing a network to drive its next phase of major growth by continually enhancing its ability to respond to change, as well as by encouraging collaboration through the efficient and effective division of labor among MC offices and subsidiaries, Group companies and the Head Office.

**Head Office**

- Fully utilize information obtained from the global network
- Execute decision-making aimed at maximizing corporate value

**MC Offices and Subsidiaries**

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

**Group Companies**

- Achieve growth through business management
- Acquire intelligence closely tied to frontline business activities

**Good Relationships with Customers and Partners Worldwide that MC has Cultivated over the Years**

MC has long contributed to the development of societies and economies by working with its customers and partners all over the world to develop various businesses that it could not have realized on its own. These good relationships are built up day by day as our irreplaceable assets that span the past, present and future.

**Message from Serge Pun, Chairman of SPA Group**

After Myanmar’s democratization in 2011, Myanmar has embarked on a journey of political and economic restructuring. In March 2016, the NLD government was established and has been working hard on strengthening the country’s foundation and enhancing economic growth. Myanmar’s stability seems to be secure after the election in 2020, and we expect Myanmar’s economic growth to continue further.

The first milestone of the mutual relationship between SPA and MC was two decades ago when SPA was appointed as a distributor of Mitsubishi Electric elevators/escalators in Myanmar. Since then, we have been working closely to advance our business together and have built a strong foundation based on trust and mutual understanding. We have established medium- and long-term partnerships and created business opportunities in key sectors of the Myanmar economy where we see tremendous growth potential, particularly in the real estate, airport, automotive and elevator industries.

Our latest milestone is the ongoing construction of the Yoma Central Project, which began construction in December 2016. Yoma Central is a large-scale, mixed-use redevelopment project in central Yangon, Myanmar’s largest commercial city, which will transform the landscape of the downtown area.

We look forward to deepening the relationship between both companies, and together contribute to the further development of Myanmar as a nation.
MC has worked to create value by adapting its business model in response to changes in the external environment. Currently, we are confronting a number of significant shifts in our business environment, including industry-spanning business model transformations and changes to the geopolitical landscape, at a level that can truly be described as the Fourth Industrial Revolution. As the speed of external change accelerates and societal demands upon our Company continue to evolve significantly, our employees possessing the following capabilities and attributes will be responsible for ensuring our sustained growth.

### The Three Core Strengths Required of Our Employees

**Foresight**
- Determine the true nature of one’s own business and function, anticipate changes in the internal and external environment, and develop forward-looking strategies.

**Execution Skills**
- With teamwork as a prerequisite, demonstrate leadership and the ability to develop talent, drive the organization forward and see efforts through to the end.

**High moral and ethical standards**
- Maintain highly ethical standards and earn the respect of all stakeholders.

### Message from the Corporate Functional Officer of Corporate Communications, Human Resources

People are MC’s greatest asset. This has always been the case and it will surely continue to be so. Furthermore, our business is undergoing significant changes. No longer limited to trading, our corporate structure has shifted from investment to a business management model where growth is achieved by having employees take on assignments in Group companies and proactively generate value from the front lines of the business. Midterm Corporate Strategy 2021 aims to accelerate this trend in order to seek further growth. I believe that the driving force behind this growth will be the professionals who are equipped with the aforementioned capabilities and attributes, who have a passion for increasing corporate value with a management-focused mindset—in other words, management professionals. In April 2019, we revised our HR system with the aim of continuously developing management professionals. In April 2019, we revised our HR system with the aim of establishing vibrant workplaces, we continue our efforts to pursue new working styles that can encourage the engagement of our diverse pool of talent, support women’s careers, and advance productivity and efficiency.

### HR Development Policies at Mitsubishi Corporation

MC develops professionals who are capable of transcending fields and taking the lead of larger organizations and projects to deliver results. Through the management of people, organizations and projects, MC further develops employees into management professionals who can deliver results. Within a certain amount of time after joining the Company, MC gives employees the chance to accumulate a variety of in-depth experience in Group companies and other frontline locations, while interacting with internal and external stakeholders directly, for early development into frontline professionals.

### HR Development Program Structure

MC’s off-the-job training (OFF-JT) is designed to equip employees with the necessary knowledge and competencies to sharpen the abovementioned traits at each of their Job Grades and at the right stages of their careers. Furthermore, to promote employees’ self-growth, MC is providing them with more opportunities for proactive learning and self-improvement.

MC’s HR training programs support the career development of all employees throughout the MC Group, including those at MC’s parent company, its overseas offices and its Group companies in Japan and around the world.
MITSUBISHI CORPORATION

Development and Utilization of Human Resources

MC, in line with its human resources development policy introduced in the previous section, promotes the development and utilization of its human resources. Below are some testimonials from employees at different stages of their careers.

Frontline Professional Development

After joining MC, the first priority for each employee is to learn the basics of business and gain a variety of experiences by meeting face-to-face with internal and external stakeholders through assignments on the front lines of the business. As part of this approach, MC has implemented the Global Trainee Program that allows all employees to gain overseas experience through assignments in MC’s overseas network and Group companies, usually prior to their eighth year on the job.

Gaining a Variety of Experience in Challenging Environments

When I joined MC, I engaged in the food product intermediary distribution business for three and a half years. After that, I was transferred as a trainee to Princess Ltd. (UK), which is MC’s wholly owned subsidiary that manufactures food products and soft drinks. During my assignment, I was able to cultivate a better understanding of the structure of the manufacturing business and its front line through training opportunities in several departments related to production management and marketing, as well as at manufacturing plants. After returning to Japan, I got another chance to gain experience in the field of retail business by transferring to a retail company in which MC has invested. Working in diverse business environments from a young age is very challenging because it requires a high level of adaptability and courage, but I feel that there are also many learnings that lead to personal growth.

Practical Application of Management Experience

MC provides opportunities to the right individuals, based on ability and aptitude, to gain practical management experience from an early stage. With the goal of bolstering skills that contribute to enhancing corporate value, MC offers several development programs, including Executive Education in Overseas Business Schools, Joint Programs and Online Business School courses.

Valuable Lessons Gained as a Manager through Project Implementation

During my first 15 years after joining MC, I was involved in the construction equipment business. In 2011, during an assignment in Indonesia, I realized there was a demand for rental services for construction equipment with safety guaranteed. Accordingly, I became involved as a senior director in establishing the first construction equipment rental company in Indonesia founded on overseas capital. Before launching the business, we faced a variety of obstacles such as currency restrictions and competition in acquiring licenses, but through these experiences, I learned the importance of person-to-person relationships when starting a new business. I am now involved in managing a company in Thailand in which MC has invested, and I hope to continue to grow as a management professional based on the experiences gained in Indonesia.

Application as Management Professionals

Employees who have gained a variety of practical management experience will be entrusted with the management of larger projects and other entities. By utilizing the foresight, execution skills and high ethical standards they have accumulated, these employees will be able to spearhead new businesses and business expansions, and will receive performance-based remuneration accordingly. This policy, which will be applied laterally throughout the MC Group, calls for companies to utilize these highly skilled management professionals who will be able to contribute far beyond their field of expertise.

Further Growth as a Manager through the Accumulation of Management Experience

I am currently serving as CEO of Colalplus, Inc., a flat-rolled steel processing company based in the US, and this is my third appointment to an upper management position. The first was at an American startup company, where 25 employees worked together day after day trying to expand the business. The next was in Brazil, jointly managing a company together with the largest player in the industry, where I learned the importance of being patient and involving others in order to identify key issues from an industry-wide perspective. By building upon these types of practical management experiences, I believe I can continue to develop as a management professional, and by utilizing the skills I have accumulated, I will continue to contribute toward raising MC’s corporate value.

Diversity Management

MC believes it is important to create vibrant workplaces where individual employees can embrace diversity and make meaningful use of their talents, as well as to promote the development and utilization of employees on a global, consolidated basis. Led by the Diversity Office within the Global Human Resources Department, MC is implementing a system that encourages diverse human resources to play an active role, and is also pursuing various initiatives that focus on nurturing a corporate culture that embraces diversity.

Flexible Career Development in Accordance with Changing Lifestyles

I left my job when my husband was assigned to work abroad, but thanks to MC’s re-employment system, I returned to work in Tokyo and the following year, I was assigned to work in Singapore and joined my husband with our two children. After a stint with MC HR-related subsidiary Human Link Asia Pte. Ltd., I entered my current role as the Deputy Department Head of General Affairs and HR at MC’s Singapore Branch. Balancing work and parental responsibilities can be challenging, but with support from the company, my coworkers and my family, I enjoy a fulfilling career. I am encouraged by the number of working mothers in Singapore as well as the number of female colleagues taking up the challenge of working abroad at MC.
Framework Supporting Value Creation

Risk Management

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>System for Management of Individual Projects</th>
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</thead>
<tbody>
<tr>
<td>New projects</td>
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<tr>
<td>Application for policy/</td>
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<tr>
<td>Application for implementation</td>
</tr>
<tr>
<td>Existing projects</td>
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<tr>
<td>Business plan formulation</td>
</tr>
<tr>
<td>Re-profiling projects</td>
</tr>
<tr>
<td>Review regarding continuation of investments</td>
</tr>
</tbody>
</table>

Screening Process for Proposals

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<tr>
<th>Screening Process for Proposals</th>
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<tbody>
<tr>
<td>Proposal application</td>
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<tr>
<td>Proposal at the discretion of Group CEO</td>
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<tr>
<td>Proposal at the discretion of Group COO</td>
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<td>Proposal at the discretion of Group Officers</td>
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<tr>
<td>Group COO</td>
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<tr>
<td>Executive Committee</td>
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<tr>
<td>President and CEO</td>
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<tr>
<td>Chairman of the Board</td>
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<tr>
<td>Corporate Functional Officers</td>
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<tr>
<td>Each Group CEO</td>
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<tr>
<td>Board of Directors</td>
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<td>In-house Directors</td>
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<tr>
<td>Outside Directors</td>
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<tr>
<td>Full-Time Audit &amp;</td>
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<tr>
<td>Supervisory Board Members</td>
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<td>Corporate Audit &amp;</td>
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<tr>
<td>Supervisory Board Members</td>
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<tr>
<td>Group Advisory Committee, etc.</td>
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<tr>
<td>General Manager</td>
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<tr>
<td>Group COO Office</td>
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<tr>
<td>Division COOs</td>
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<tr>
<td>Corporate staff departments</td>
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<tr>
<td>Re-profiling Committee</td>
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<tr>
<td>Associated Corporate</td>
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<tr>
<td>General Managers</td>
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<tr>
<td>Group committee members</td>
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</tbody>
</table>

MC delegates authority according to the financial scale of each Business Group, while the Investment Committee discusses all new investment and finance proposals as well as 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 CDO 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, the Company selects 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.

Companywide Management System

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<tr>
<th>Companywide Management System</th>
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<tbody>
<tr>
<td>New projects</td>
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<td>Existing projects</td>
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<tr>
<td>Re-profiling projects</td>
</tr>
</tbody>
</table>

Message from the Corporate Functional Officer

In addition to making investment decisions for new projects, MC is working to ensure the sustainable growth of its business portfolio through initiatives including strategy discussions about the medium- to long-term growth of the companies in which it invests, the establishment of appropriate KPIs and the replacement of underperforming businesses.

The Investment Committee, currently under my leadership, will thoroughly discuss issues that have been identified through a careful, qualitative and quantitative analysis of these initiatives, and will undertake high-quality decision-making in order to increase the corporate value of the entire MC Group.
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 Internal Rules and Regulations

The Three Corporate Principles

* "Shiki Hoke"*: Corporate Responsibility to Society
* "Shoji Komei"*: Integrity and Fairness = Compliance
* "Ritsuuyo Boeki"*: Global Understanding through Business

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.

Compliance Framework

Group Initiatives for Strengthening Compliance

| Top message | Communication of MC Group compliance policies |
| Reinforcement of systems | Compliance-related support and coordination for subsidiaries and overseas offices |
| Knowledge and awareness-raising | Compliance Mailbox and Helpline* |
| Improvement and Promotion of Internal Whistleblower Systems |  |

MC has developed and overspread 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 includes training employees who manage the whistleblower systems, raising awareness of the systems throughout the Group and gathering feedback through employee awareness surveys in order to make improvements.

In handling reported matters, MC protects the rights of whistleblowers and strictly prohibits any disadvantageous treatment of people involved in the incident.

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.

In order to raise awareness and increase knowledge of compliance for executive officers as well as for each individual MC Group employee, MC has continued to run a variety of programs 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.

Masakazu Sakakida
Member of the Board, Executive Vice President, Corporate Financial Officer, Corporate Sustainability & CSR, Corporate Administration, Legal, Compliance & Chief Compliance Officer

Sustainability Promotion Framework

Simultaneous generation of economic, societal, and environmental value is essential for the MC Group’s growth. From this perspective, in 2016 MC identified a set of Key Sustainability Issues (Materiality) as mileposts for proactively realizing the simultaneous generation of triple-value growth, and as management issues for ensuring sustainable growth (including in financial terms) for the MC Group.

We believe that our measures to address the Key Sustainability Issues will also help to achieve the Sustainable Development Goals (SDGs) related to each key issue. MC recognizes the role that companies are expected to play in order to achieve the SDGs. With this in mind, MC will make every effort to help make progress on the Goals.

For detailed information on areas marked with this symbol, please refer to the ESG Data Book on MC's website (https://www.mitsubishicorp.com/en/library/esi/).

Key Sustainability Issues (Materiality)

- Transferring to a Low-Carbon Society
- Procuring and Supplying in a Sustainable Manner
- Tackling Evolving Regional Issues
- Addressing the Needs of Society through Business Innovation
- Conserving the Natural Environment
- Growing Together with Local Communities
- Fostering Our Employees’ Maximum Potential

Past Initiatives to Address the Key Sustainability Issues

- Identification of management issues
- Implementation into business strategy
- Strengthening of initiatives through pay setting

- 1st Period: 2016 onward
- 2nd Period: 2017 to 2018
- 3rd Period: 2019 onward

- Since 2016, we have been strengthening our initiatives, and in 2019, we set goals around the Key Sustainability Issues. While monitoring the status of our initiatives in relation to these goals, we will further ensure the realization of triple-value growth.
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.

### Addressing Climate Change

#### Governance

- As one important management issue, the Executive Committee determines basic policies and other important matters, and reports these 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.
- Specifically, discussions focus on (1) policies around climate-related initiatives through business and (2) policies for addressing the TCFD and others. In addition, the key issues of (1) methods to evaluate climate change risks and opportunities (including scenario analysis) and (2) GHG reduction targets (including the status of reductions) are also discussed.

#### Strategies

- MC considers the various opportunities and risks associated with climate change to be an important perspective in determining business strategies.

**Scenario Analysis**

- Based on the demand outlook (expressed in five years) for various scenarios (based on the World Energy Outlook and Energy Technology Perspectives of the IEA*2, etc.) in the main business sectors that could be affected by climate change, MC is formulating an awareness of the business environment along with related policies and initiatives.
- Moreover, after identifying businesses of major financial and non-financial importance according to each scenario, MC is performing a climate change opportunity and risk analysis for each element in the value chain.

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

#### 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*2.

**Initiatives to Date**

- Start of discussions on the relevance of MC’s business to climate change
- Formulation of policies to address climate change
- Creation of a road map to respond to the TCFD
- Start of detailed discussions on analyzing climate change opportunities and risks

**Assessment and Visualization**

- Surveys conducted for self-assessment
- Analysis of results and feedback
- Development and deployment of “Enhanced Reporting System”
- Reporting to the Board of Directors on climate-related risks

**Management**

- Management of risk opportunities and risks identified by the Committee through survey analysis
-实施
- Refined assessment in strategic business areas through the Sustainability Promotion Framework
- Manage risks of individual businesses through inherited management and risk lowering

#### Raw Materials

- Reduce risk of raw material sources and market instability

- Manufacturing & Procurement

- Reduce the risks of raw material sources and market instability

- Risks of raw material price and supply

- Manufacturing & Procurement

- Reduce the risks of raw material sources and market instability

- Trucking & Shipping

- Reduce the risks of raw material sources and market instability

- Reduce risks of raw material sources and market instability

- Risk analysis of special raw materials

- Manufacturing & Procurement

- Reduce the risks of raw material sources and market instability

- Reduce risks of raw material sources and market instability

### MC will procure and supply in a sustainable manner.

#### Policy and Management Framework for Supply Chain Management

**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. For products that require specific, individualized initiatives, we plan to formulate guidelines in line with those specific attributes.**

### Supply Chain Management Initiatives

**Our Approach to Supply Chain Management**

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. We determine the target products and suppliers to be surveyed, and conduct post-survey follow-up in line with the approach outlined below.

1. Select target products
2. Determine target suppliers
3. Distribute surveys
4. Determine initiatives according to supplier status

**Survey Results**

MC received responses from about 300 suppliers in approximately 30 countries and regions including China, Vietnam and Thailand via its survey conducted in the fiscal year ending March 31, 2020. Surveyed based on transactions during the fiscal year ended March 31, 2019. Based on these results and other factors including the external environment, MC will conduct additional surveys and site visits for a number of suppliers.

**Communication with Stakeholders**

We believe that it is important to consider reviewing our supply chain management as needed through dialogues with stakeholders. For the fiscal year ending March 31, 2020, we conducted surveys as shown in the table to the right, drawing on comments from stakeholders. Through these initiatives, we believe we can further energize communication with suppliers and ensure that our supply chains are more sustainable than ever.

**Communication with Suppliers**

Visit to B. Foods Product International in Thailand (Chicken Processing Plant)

In the fiscal year ended March 31, 2019, MC visited the Business site of B. Foods Product International in Thailand, from which MC Group company Foodlink Corporation procures chicken and processed chicken products, and conducted interviews with management team members and employees. MC confirmed that B. Foods Product International has a system for internally communicating the management’s stance on engaging in business with consideration for society and the environment, as well as undertaking workplace initiatives based on the sustainability policies formulated by the Betagro Group, to which the company belongs.
Corporate Governance

Contents

48 Enhancing Governance to Contribute to Sustainable Growth
52 Strengthening of Corporate Governance
60 Overview of New Remuneration Package
Enhancing Governance to Contribute to Sustainable Growth

By improving the quality of the information and support MC provides to Outside Directors and Outside Audit & Supervisory Board Members necessary for them to fulfill their duties, including briefing sessions before the Board of Directors’ meetings, site visits to business investors, dialogues and other interactions with officers and employees, MC aims to enhance the corporate governance practices that contribute to the sustained growth of MC.

Governance, Nomination and Compensation Committee

This committee is an advisory body to the Board of Directors. The majority of its members are Outside Directors and Outside Audit & Supervisory Board Members. The committee meets about three times a year to discuss the following governance, nomination, and compensation related matters:

- **Topics for discussion**
  - Governance: Evaluation of the effectiveness of the Board of Directors ([+ page 50]), revision to rules for the Board of Directors, and policy measures to enhance governance, etc.
  - Nomination: Composition of the Board of Directors and the Audit & Supervisory Board, succession planning, the process for selection and dismissal of the President and CEO, etc.
  - Compensation: Revision to the remuneration system for Directors, Audit & Supervisory Board Members and Executive Officers, and our vision for the governance of remuneration, etc.

**Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members**

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 31, 2019, MC invited institutional investors as guest speakers to discuss recent 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.

**Informal Meetings of the Board of Directors**

To further enhance the effectiveness of management supervision functions, MC also holds informal meetings of the Board of Directors as necessary, as a forum for the discussion among Directors and Audit & Supervisory Board Members.

**Briefing Sessions before Board of Directors’ meetings**

Prior to each Board of Directors’ meeting, we secure an opportunity for management executives of the Corporate Staff Section and Business Groups to explain overviews and points regarding topics under their charge by using the materials of the Board of Directors’ meetings, and to respond to questions or comments from Outside Directors and Outside Audit & Supervisory Board Members. To make discussions in the Board of Directors’ meetings substantial, each one is conducted thoroughly over the course of three hours on average. Moreover, in order to appropriately monitor the process of discussion on the executive side, we also explain the overviews and points of discussions in the Executive Committee (a management decision-making body).

**Site Visits to Business Investors**

For further understanding of the MC Group’s wide range of businesses, every year Outside Directors and Outside Audit & Supervisory Board Members participate in visits to MC Group companies and other sites, and hold dialogues with the management of Group companies and others.

In August 2019, in deepening understanding of the natural gas value chain in Canada, Outside Directors and Outside Audit & Supervisory Board Members visited the Mountain shale gas production and development site, which we operate with Encana Corporation of Canada, as well as a visit to an under-construction LNG Canada project development site with an annual production capacity of 14 million tons in the city of Kitimat. They also visited a business development site where the Silicon Valley Branch of Mitsubishi Corporation (Americas) operates with a partner company.

**General Meeting of Shareholders**

Since we consider the General Meeting of Shareholders a valuable opportunity for dialogue with shareholders, we made efforts to achieve dialogue with a sense of unity in the meeting, by changing the venue layout and other means.

- **Date:** June 21, 2019
- **Date of sending notices of convocation:** May 28
- **Web disclosure dates:** Japanese and English, May 17
- **Meeting time:** 2 hours and 4 minutes
- **Number of shareholders in attendance:** 889
- **Stances:** 15 shareholders, 13 questions
- **Ratios of voting rights exercised:** 81.71%
- **Approval ratio:** Over 90% of all proposals

**Visit to Overseas Business Investors (Past Two Years)**

- **August 2018:** Conmy Group AS (Norway)/Offshore wind farm facility (North Sea)
- **April 2018:** Large mixed-use redevelopment project/This Mandalay International Airport (Burrpam)
- **September 2017:** WDP (Australia)

* A joint venture business owned by five companies: Mitsubishi Corporation, Royal Dutch Shell plc, and state-owned energy enterprises from Malaysia, China, and South Korea. The company intends to export LNG to East Asian countries, including Japan.
Evaluation of the Effectiveness of the Board of Directors

MC undertakes an evaluation of the Board of Directors every year in order to continuously enhance the effectiveness of corporate governance. Based on the fiscal year ended March 31, 2019, MC adopted a self-evaluation process in line with the evaluation theme of “review after reforming the rules and operating processes of the Board of Directors.” While obtaining advice from a third-party evaluation organization, Toshiko Oka and Aki Nishikawa, who serve as an Independent Outside Director and an Independent Outside Audit & Supervisory Board Member, respectively, took the lead in formulating questions as well as analyzing and evaluating the results. The outline and the results of the evaluation are as follows.

Process

**STEP 1**
The process and theme of the evaluation of the Board of Directors for the fiscal year ended March 31, 2019 were deliberated in the Governance, Nomination and Compensation Committee.

**STEP 2**
The questions concerned the evaluations of measures undertaken in the fiscal year ended March 31, 2019, the size, composition, operations, agenda items, the oversight and audit functions and support systems of the Board of Directors; the status of individual Director involvement, the composition and operation of the Governance, Nomination and Compensation Committee, and dialogue with shareholders and investors, among other matters.

**STEP 3**
The results of the questionnaires and interviews were compiled and deliberated with future policies in the Governance, Nomination and Compensation Committee.

**STEP 4**
Based on the result of discussions in the Governance, Nomination and Compensation Committee, the Board of Directors analyzed the findings and shared future policies.

Evaluation Results and Future Priorities
- The evaluation confirmed that MC’s hybrid model of corporate governance based on the Audit & Supervisory Board System has been functioning properly. The hybrid model makes use of the Governance, Nomination and Compensation Committee, which comprises a majority of Outside Directors and Outside Audit & Supervisory Board Members. Confirmation was obtained primarily through evaluations of the Board of Directors and the Governance, Nomination and Compensation Committee, and self-evaluations by Audit & Supervisory Board Members regarding the roles of the Audit & Supervisory Board Members in the Board of Directors.
- The evaluation highlighted the role to be visited by business investors, which are implemented from the standpoint of enhancing the sharing of information, as these visits led to an increased understanding of the businesses and helped to foster communication among the Outside Directors and Outside Audit & Supervisory Board Members.
- The evaluation determined that the reforms of the Board of Directors implemented as key initiatives in the fiscal year ended March 31, 2019 under the management of company-wide and Business Group strategies by enhancing the content of reports by the Board of Directors also deliberates on corporate strategy and important matters.
- The evaluation proposed a number of measures to be undertaken going forward. From the standpoint of further enhancing monitoring activities and supporting efforts to achieve the goals laid out in Mitsubishi Corporate Strategy 2021, these measures included further upgrading and expanding the monitoring of major business investors, enhancing feedback on deliberations in management meetings, and expanding follow-up activities on important matters. The evaluation also confirmed that MC will continue to consider ways to involve the Outside Directors and Outside Audit & Supervisory Board Members in the successor development and selection process for the President and CEO.

Comments from the Outside Director and Outside Audit & Supervisory Board Member

**Toshiko Oka**
Independent Outside Director

Through questionnaires and hearings aimed at each Director and an Independent Outside Audit & Supervisory Board Member, respectively, took the lead in formulating questions as well as analyzing and evaluating the results of the Board of Directors. The feedback provided for Outside Directors and Outside Audit & Supervisory Board Members concerning internal management meetings, and expansion of our monitoring of key business investors. We intend to continuously enhance the effectiveness of the Board of Directors.

**Aki Nishikawa**
Independent Outside Audit & Supervisory Board Member

In principle, the Board has doubled the current level of mandatory threshold standards for investments and loans of MC and the MC Group, and delegates more decision-making authority to the executive side; thus, the Board focuses more on deliberation for management strategy and important matters.

Reform of the Board of Directors as Seen Quantitatively

Based on the results of the evaluation of the effectiveness of the Board of Directors conducted in the fiscal year ended March 31, 2018 under the theme of “further enhancement of the functions of the Board of Directors,” we performed a reform of the Board of Directors in May 2018. Relevant performance in the fiscal year ended March 31, 2019 was as follows. It was quantitatively confirmed that the measures under the aforementioned reform led to the further enhancement of the Board of Directors, such as the enhancement of briefing sessions led to a significant increase in the percentage of time spent on discussions in the Board of Directors’ meetings, and accordingly opportunities for statements by Outside Directors and Outside Audit & Supervisory Board Members have increased.

<table>
<thead>
<tr>
<th>Performance in the Fiscal Year Ended March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time spent on discussions in the Board of Directors’ meetings</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2019</td>
</tr>
<tr>
<td>Time spent on documents</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2019</td>
</tr>
<tr>
<td>Time spent on discussions</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2018</td>
</tr>
<tr>
<td>Time spent on documents</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2019</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Highlights of Reforms to the Board of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Enhance monitoring</td>
</tr>
<tr>
<td>Enhancing contents of the business executive reports from the Corporate Staff Section and Business Groups at the Board of Directors’ meetings. Furthermore, as consolidated management deepens, the Board of Directors also deliberates on the strategies and governance of the major business investors of each Business Group.</td>
</tr>
<tr>
<td>2) Revisions to rules for the Board of Directors</td>
</tr>
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<td>In principle, the Board has doubled the current level of mandatory threshold standards for investments and loans of MC and the MC Group, and delegates more decision-making authority to the executive side; thus, the Board focuses more on deliberation for management strategy and important matters.</td>
</tr>
<tr>
<td>3) Improve and streamline the operating processes of the Board of Directors by enhancing briefing sessions for the Board members and others.</td>
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Reform of the Board of Directors

**FOCUS**

Enhancing contents of the business executive reports from the Corporate Staff Section and Business Groups at the Board of Directors’ meetings. Furthermore, as consolidated management deepens, the Board of Directors also deliberates on the strategies and governance of the major business investors of each Business Group.

Enhancing monitoring

- Enhancing contents of the business executive reports from the Corporate Staff Section and Business Groups at the Board of Directors’ meetings. Furthermore, as consolidated management deepens, the Board of Directors also deliberates on the strategies and governance of the major business investors of each Business Group.

Revisions to rules for the Board of Directors

- In principle, the Board has doubled the current level of mandatory threshold standards for investments and loans of MC and the MC Group, and delegates more decision-making authority to the executive side; thus, the Board focuses more on deliberation for management strategy and important matters.

Improving and streamlining the operating processes of the Board of Directors by enhancing briefing sessions for the Board members and others.

- For the management strategy and business executive reports of the Corporate Staff Sections and the Business Groups, the management executives of those sections and the Board explain the strategic positioning and important points in advance.
Strengthening of Corporate Governance

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.

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 companywide 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.

Matters Deliberated by the Board of Directors

In order to lead MC’s sustainable growth and increase medium- to long-term corporate value, the Board of Directors deliberates on important management issues, such as management strategies, and supervises 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 ESG (Environment, Social, and Governance) perspectives. 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 by the President, as the Chief Executive Officer, and the Executive Committee (meets twice monthly), as a management decision-making body responsible for business execution.

Furthermore, 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.

Number and Percentage of Independent Outside Directors*

* Based on the status as of July 1, 2019

38% 5/13
Strengthening of Corporate Governance

2 Board of Directors’ Advisory Bodies

Governance, Nomination and Compensation Committee

The International Advisory Committee fulfills a highly crucial role in various regions and exchange opinions on these matters. The committee reports on the political and economic conditions of corporate strategies as it develops its business globally. Furthermore, 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 discussing various topics introduced by keynote speakers, with Group executives actively participating in sessions related to their businesses.

Number and Percentage of Outside Members*

<table>
<thead>
<tr>
<th>Member</th>
<th>Nationality</th>
<th>Title</th>
<th>Years served</th>
<th>Principal areas of specialization and background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambassador Richard Armitage</td>
<td>United States of America</td>
<td>Former United States Deputy Secretary of State</td>
<td>3 years</td>
<td>Ambassador Armitage previously served as Special Envoy to Jordan and United States Deputy Secretary of State. He is widely experienced in foreign diplomacy, in a leading expert on Asia and Japan within the US and is acknowledged as an authority on the Middle East.</td>
</tr>
<tr>
<td>Professor Joseph E. Nye</td>
<td>United States of America</td>
<td>Harvard University Distinguished Service Professor</td>
<td>11 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>19 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>Former Chairman, Kerry Logistics Network</td>
<td>6 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>6 years</td>
<td>Mr. FitzGerald, KBE has served as Chairman of several major companies such as Hoddes 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>19 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 (5)

Chairman of IAC

Ken Kobayashi
Chairman of the Board
Taketoshi Kakuichi
President and CEO
Kenji Nishiura
Member of the Board, Executive Vice President
Akitaka Suki
Outside Director
Tsuneo Tadakusa
Outside Director

Composition of the Committee

(*Committee Chairman) (As of July 1, 2019)

Japanese Members (5)

Chairman of IAC

Ken Kobayashi
Chairman of the Board
Taketoshi Kakuichi
President and CEO
Kenji Nishiura
Member of the Board, Executive Vice President
Akitaka Suki
Outside Director
Tsuneo Tadakusa
Outside Director

Main Discussion Themes

Composition of the Board of Directors and Audit & Supervisory Board, policy on appointment of and proposals for appointment of Directors and Audit & Supervisory Board Members

Review of the remuneration package including the policy for setting remuneration and appropriateness of remuneration levels and composition

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 Directors as the parent committee to deliberate the assessment of the President’s performance.

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 related to their businesses.
The Audit & Supervisory Board comprises all of the Audit & Supervisory Board Members responsible for auditing the decision-making processes and management performances of Directors according to the Companies Act and other laws and regulations. MC’s Articles of Incorporation and internal rules and regulations. Full-time Audit & Supervisory Board Members ensure the soundness of management by conducting audits from a perspective based on abundant working experience at MC, and Outside Audit & Supervisory Board Members ensure it from various experiences in their respective specialized field and a neutral and objective perspective. In addition, the Audit & Supervisory Board resolves matters required by law and other important issues, and strives to enhance information sharing among members through briefings on key matters, and through status reports on the auditing activities of each member.

Audit Plans

The Audit & Supervisory Board formulates an audit plan prior to the start of each audit year and sets priority audit items for that year. In the fiscal year ended March 31, 2019, the following four key audit items were monitored for specific progress in management and execution.

1. Wrapping up Midterm Corporate Strategy 2018, and activities for further growth:
   - Achieving an optimal balance through replacement of assets
   - Construction of Core Businesses
   - Innovation leveraging AI and IoT

2. Shifting toward a business management model on a consolidated basis:
   - Delegation of authority and development of a management system for autonomous management
   - Initiatives aimed at the development of management professionals
   - Review of officers, corporate policy formulation, and construction of a new office network
   - Initiatives to strengthen crisis management adaptability

3. Strengthening Corporate Governance

MC’s business domains are extremely broad, spanning a diverse range in many countries. Accordingly, the understanding of these broad businesses is a prerequisite for fulfilling our duties as Audit & Supervisory Board Members. Therefore, in addition to Full-time Audit & Supervisory Board Members, Outside Audit & Supervisory Board Members actively visit business sites through opportunities for on-site audits and observations. We are also working to enrich the provision of information to Outside Audit & Supervisory Board Members by expanding advance briefings for important projects and opportunities for dialogues with Executive Officers. Through such initiatives, we receive active input from Outside Audit & Supervisory Board Members in the Board of Directors’ meetings and other venues. Looking ahead, we will continue to enhance the provision of information to Outside Audit & Supervisory Board Members and raise the quality of our corporate governance by strengthening cooperation with accounting auditors, the Internal Audit Department, and Outside Directors.

Collaboration with outside auditors/evaluation of accounting auditors

We work toward collaboration with accounting auditors through their outline briefings on audit plans at the beginning of terms, audit reports for quarterly results (i.e., quarterly reviews), and by holding monthly meetings. We also make use of on-site audits and observations in order to exchange opinions with the accounting auditors in charge of Group companies in Japan and overseas.

Regarding accounting auditor evaluations, we accumulate evaluation data during the fiscal year from quarterly reviews, monthly meetings, etc., and hold an accounting auditor evaluation conference at the end of the fiscal year. As a result, we evaluate that current accounting auditors are performing proper audits as professionals in the fiscal year ended March 31, 2019, and Audit & Supervisory Board made decisions on reappointment of the current accounting auditors for the next fiscal year.

Collaboration with the Internal Audit Department

We emphasize cooperation between the Audit & Supervisory Board (hereafter referred to as “Audit Board”) and the Internal Audit Department. Every month, the Full-time Audit & Supervisory Board Members hold regular meetings and exchange opinions with the General Manager of the Internal Audit Department and Legal Department by receiving reports on audit results from the General Manager of the Audit Department and reports on litigation and compliance cases from the General Manager of the Legal Department to exchange opinions. Every quarter, the General Manager of the Internal Audit Department also reports audit results at the Audit & Supervisory Board as well as reporting to the President and CEO.

In addition, Full-time Audit & Supervisory Board Members attend the internal auditor liaison meetings of 50 major Group companies in Japan held by the Internal Audit Department to collect and exchange information.

Collaboration with Group companies

In addition to dialogues with CEOs and other executive officers of MC Group companies, once every quarter meetings are held with the Audit & Supervisory Board Members of 37 major Group companies in Japan, to share information about audit-related activities.

Collaboration with Outside Directors

Outside Directors are invited to take part in dialogues between Audit & Supervisory Board Members and CEOs of MC Group companies, in addition to dialogues with CEOs and other executive officers of MC Group companies. We also strengthen collaboration among Outside Directors and the Audit & Supervisory Board Members by holding Independent Outside Director and Independent Outside Audit & Supervisory Board Member meetings.

Enhancement of Three-Way Audits

Collaboration with Group companies

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Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Independent Director</th>
<th>Main career</th>
<th>Corporate management</th>
<th>Global development</th>
<th>Socio-economic Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akiko Nishiyama</td>
<td>66</td>
<td></td>
<td>Professor, Ritsumeikan University</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toshiko Oka</td>
<td>55</td>
<td></td>
<td>CEO, Oka &amp; Company Ltd. Business consultant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Akita Saiki</td>
<td>66</td>
<td></td>
<td>Former Vice-Minister of Foreign Affairs, Ministry of Foreign Affairs of Japan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tsubuyoshi Tatsukawa</td>
<td>61</td>
<td></td>
<td>Former Vice-Minister of Economy, Trade and Industry, Ministry of Economy, Trade and Industry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shunichi Miyama</td>
<td>71</td>
<td></td>
<td>Chairman of the Board, Mitsubishi Heavy Industries, Ltd.</td>
<td></td>
<td></td>
<td></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>
<th>Socio-economic Trends</th>
<th>Legal affairs</th>
<th>Finance and accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tadashi Kunihiro</td>
<td>63</td>
<td></td>
<td>Attorney at T. Kunihiro &amp; Co., Attorneys-at-Law</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ikuo Nishihata</td>
<td>68</td>
<td></td>
<td>Former Professor, Faculty of Business &amp; Commerce of Keio University, Certified Public Accountant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yasuko Takeyama</td>
<td>61</td>
<td></td>
<td>Former Audit &amp; Supervisory Board Member, Waseda Company, Limited</td>
<td></td>
<td></td>
<td></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 consultation with the Governance, Nomination and Compensation Committee, which is composed of a majority of Outside Directors and Outside Audit & Supervisory Board Members. Each of the Two Outside Directors and three Outside Audit & Supervisory Board Members satisfies the requirements for Independent Directors and Independent Audit & Supervisory Board Members as stipulated by Japanese stock exchanges such as the Tokyo Stock Exchange, Inc., and fulfills the requirements for Independent Directors and Independent Audit & Supervisory Board Members as specified by stock exchanges in Japan such as the Tokyo Stock Exchange, Inc., and meets the conditions for Independent Directors and Independent Audit & Supervisory Board Members as set forth by Japanese stock exchanges. (Mitsubishi Corporation's Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members).

Selection Criteria for Outside Directors

1. Outside Directors are selected from among individuals who have an eye for practicality 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 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 tasks, attention is given to maintain their independence*; individuals incapable of preserving this independence 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 holding a 10% or more of the voting rights, or a member of business personnel of such a shareholder*1.

4. Independent for the purpose of Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members.

5. A representation or partner of Mitsubishi Corporation's independent auditors.

6. A person having an organizational structure that has received donations exceeding a certain amount from Mitsubishi Corporation.

7. A person who has been appointed as an Outside Director or Outside Audit & Supervisory Board Member of Mitsubishi Corporation for more than eight years.

8. A member of business personnel referred to in a managing director, corporate officer, Executive Officer, or other employee of a company.

9. Credits exceeding the threshold set by Mitsubishi Corporation refer to credits to which Mitsubishi Corporation owns an amount exceeding 1% of Mitsubishi Corporation's consolidated total assets. (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 a shareholder*5). (2) A member of business personnel of a creditor of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation*5. (3) A member of business personnel of a supplier or a customer of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation*5. (4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving costs or other financial benefits from Mitsubishi Corporation, either directly or indirectly or Mitsubishi Corporation's Board of Directors or Audit & Supervisory Board Members' remuneration, where the amount exceeds ¥10 million per fiscal year.

10. If a person is still judged to be effectively independent despite one or more of the above items (1) to (5), applying, Mitsubishi Corporation will explain and disclose the reason at the time of their appointment as an Outside Director or Outside Audit & Supervisory Board Member.
Overview of New Remuneration Package

In line with the Basic Policy on Corporate Governance, MC has established a remuneration package for Directors and Audit & Supervisory Board Members 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. The basic approaches behind the package are as follows.

### Basic Approach to the Package

#### Remuneration limits
- Levels of remuneration are set based on the functions and roles of the Directors and Audit & Supervisory Board Members, the MC's performance level and otherwise.
- Based on performance targets, MC makes remuneration levels globally competitive to foster a desire for growth among human resources who will be responsible for the next generation of management and to improve organizational vitality.

#### Remuneration composition
- To strengthen the performance-linked component of remuneration for Executive Directors (Directors for business execution, excluding Chairman of the Board and Outside Directors, henceforth the same), remuneration shall not only be related on the relevant single-year’s business results, but also in line with medium- to long-term corporate value. Remuneration composition shall be commensurate with the enhancement of medium- to long-term corporate value based on a new stock-based component (with market conditions that)

#### Governance of remuneration
- The policy for determining both the remuneration for Directors and Audit & Supervisory Board Members and the appropriateness of remuneration levels and composition, the Governance, Nomination and Compensation Committee®, which comprises a majority of Outside Directors and Outside Audit & Supervisory Board Members, shall engage in discussion of and monitor the status of the remuneration package on an ongoing basis.

---

### Remuneration Package for Directors and Audit & Supervisory Board Members (as of Fiscal Year Ending March 31, 2023)

<table>
<thead>
<tr>
<th>Element</th>
<th>Formula</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance-linked bonus</td>
<td>( \text{Average closing price for shares of the Company’s common stock on the Tokyo Stock Exchange} \times 0.025 \times \text{consolidated capital cost for the fiscal year ending March 31, 2020} \times 0.8 )</td>
<td>The calculation formula for the fiscal year ending March 31, 2020 will be reviewed every fiscal year.</td>
</tr>
<tr>
<td>Individual payments</td>
<td>( \left( \frac{\text{company’s TSR}}{\text{TOPIX benchmark growth rate over the same three-year period}} \right) + 0.105 )</td>
<td>The specific calculation formula for each position is as follows (rounded to the nearest ¥100,000).</td>
</tr>
<tr>
<td>Vesting ratio</td>
<td>( 0% ) to ( 75% )</td>
<td>The upper limit will be ¥400,000 shares of common stock (4,000 units of stock acquisition rights).</td>
</tr>
<tr>
<td>Initial amount of stock acquisition rights</td>
<td>( \frac{\text{company’s TSR} - 75%}{100%} )</td>
<td>The total amount to be paid is capped.</td>
</tr>
<tr>
<td>C: Average closing price for shares of the Company’s common stock on the Tokyo Stock Exchange</td>
<td></td>
<td>The calculation formula for the fiscal year ending March 31, 2020 will be reviewed every fiscal year.</td>
</tr>
</tbody>
</table>

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### Calculation Method for Performance-Linked Remuneration

#### Performance-linked bonus (fiscal year ending March 31, 2020)

**1. Performance-linked bonus (short term)**
- Details of the calculation formula are as follows.
- The upper limit will be the lesser of ¥5,000 million or 6% of the maximum total of individual payment amounts prescribed in (2) below.
- The amount paid will be calculated in line with consolidated net income in the relevant fiscal year and the accumulated amount is calculated and paid out in full upon retirement.

**2. Performance-linked bonus (medium to long term)**
- The payment amount will be calculated by replacing the above performance-linked bonus (short term) calculation formula with the formula below. (Upper limits on total payment amounts and the maximum payment amount with respect to each Executive Officer position as of eligible Executive Directors, given the composition of Directors as of June 31, 2019, are identical to those for performance-linked bonuses (short term).)
- The total amount to be paid is capped.

---

### Stock-based remuneration linked to medium- to long-term share performances

- The stock-based remuneration linked to medium- to long-term share performances is as follows:
- The stock-based remuneration linked to medium- to long-term share performances shall be determined by the formula below.
- The number of stock acquisition rights that can be exercised by each position will be determined by the following formula.
- The total amount to be paid is capped.

---

### Remuneration Package for Outside Directors and Audit & Supervisory Board Members

<table>
<thead>
<tr>
<th>Element</th>
<th>Formula</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
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<td>( \frac{\text{company’s TSR}}{\text{TOPIX benchmark growth rate over the same three-year period}} \times 0.105 )</td>
<td>The calculation formula for the fiscal year ending March 31, 2020 will be reviewed every fiscal year.</td>
</tr>
<tr>
<td>Individual payments</td>
<td>( \left( \frac{\text{company’s TSR}}{\text{TOPIX benchmark growth rate over the same three-year period}} \right) + 0.105 )</td>
<td>The specific calculation formula for each position is as follows (rounded to the nearest ¥100,000).</td>
</tr>
<tr>
<td>Vesting ratio</td>
<td>( 0% ) to ( 75% )</td>
<td>The total amount to be paid is capped.</td>
</tr>
</tbody>
</table>

---

### Performance-linked bonus (fiscal year ending March 31, 2020)

**1. Performance-linked bonus (short term)**
- Details of the calculation formula are as follows.
- The upper limit will be the lesser of ¥5,000 million or 6% of the maximum total of individual payment amounts prescribed in (2) below.
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- The total amount to be paid is capped.

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- The number of stock acquisition rights that can be exercised by each position will be determined by the following formula.
- The total amount to be paid is capped.
Overview of New Remuneration Package

- **Conceputal Image of Payment Mix for Remuneration of Executive Directors**

- **The Process for Setting Remuneration for Directors and Audit & Supervisory Board Members**

- **Directors’ and Audit & Supervisory Board Members’ Remuneration:**

  - **Total Amounts and Number of Eligible Persons in the Fiscal Year Ended March 31, 2019** (Unit: millions of yen)

  - **In-house Directors:**
    - Total: 1,450
    - Base salary: 9
    - Long-term share performance bonus: 7
    - Individual performance bonus: 7
    - Fixed remuneration: 186
    - Average remuneration: 7
    - Long-term share performance bonus

  - **Outside Directors:**
    - Total: 120
    - Base salary: 120
    - Long-term share performance bonus: —
    - Individual performance bonus: —
    - Fixed remuneration: —
    - Average remuneration: —

  - **In-house Audit & Supervisory Board Members:**
    - Total: 140
    - Base salary: 3
    - Long-term share performance bonus: —
    - Individual performance bonus: —
    - Fixed remuneration: 38
    - Average remuneration: 38

  - **Outside Audit & Supervisory Board Members:**
    - Total: 30
    - Base salary: 3
    - Long-term share performance bonus: —
    - Individual performance bonus: —
    - Fixed remuneration: 39
    - Average remuneration: 39

  **Note:** The proportions shown above are based on certain values for consolidated earnings and the share price, and are for illustrative purposes only. The actual mix will vary depending on changes in Mitsubishi Corporation’s consolidated financial results and stock-related conditions.

Deliberation Process Regarding the Revision of Remuneration Package for Executive Directors

- **October 2018**
  - **Governance, Nomination and Compensation Committee**
    - **Note:** MC resolved to revise the remuneration package for Executive Directors after continual deliberations by the Board of Directors and the Governance, Nomination and Compensation Committee. The specific review process is as follows.

  - **November 2018**
    - **Board of Directors’ meeting**
      - The results of the Governance, Nomination and Compensation Committee deliberations were reported.

  - **February 2019**
    - **Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members**
      - The basic approach to revisions of remuneration package was confirmed.
      - Revised remuneration levels and composition, and remuneration governance-related issues were deliberated.

  - **March 2019**
    - **Board of Directors’ Meeting**
      - The specific remuneration levels and composition were confirmed.
      - Specific proposals for broadening of composition and calculation formulae (including related conditions) for variable remuneration were deliberated.
      - Proposed disclosures related to the revised remuneration package were deliberated.

  - **April 2019**
    - **Board of Directors’ Meeting**
      - The results of the Governance, Nomination and Compensation Committee deliberations were reported.

  - **May 2019**
    - **Board of Directors’ Meeting**
      - The proposed revisions to remuneration package were approved.

  - **June 2019**
    - **Ordinary General Meeting of Shareholders**
      - Based on the revisions to remuneration package, resolutions were approved at the Ordinary General Meeting of Shareholders regarding revisions to the remuneration limits for Directors and the remuneration linked to medium- to long-term share performances.

- **Toshiko Ikra**
  - Independent Outside Director

- **Akihiko Nishiyama**
  - Independent Outside Director

- **Akiko Oka**
  - Independent Outside Director

- **MITSUBISHI CORPORATION**
Realizing Growth Potential

Reference Information

Contents
66 Members of the Board and Audit & Supervisory Board Members
68 Executive Officers
69 Organizational Structure
70 Business Groups at a Glance
72 Description of Business Activities: Business Groups
72 Natural Gas Group
74 Industrial Materials Group
76 Petroleum & Chemicals Group
78 Mineral Resources Group
80 Industrial Infrastructure Group
82 Automotive & Mobility Group
84 Food Industry Group
86 Consumer Industry Group
88 Power Solution Group
90 Urban Development Group
92 Global Network
94 Balance of Risk Money Outstanding in 12 Countries
96 Financial Highlights
98 ESG Data
100 Corporate Information
101 Shareholder Information
Members of the Board and Audit & Supervisory Board Members (As of July 1, 2019)

Members of the Board

Ken Kobayashi*1
President and Chief Executive Officer
1977 Joined MC

Takehiko Kakuchi**
President and Chief Executive Officer (present position)
1974 Joined MC

Kanjiru Ishihara**
Executive Vice President, Corporate Functional Officer, Global Strategy Executive Officer, Global Research, International Business and Logistics Management
Concurrent Regional CEO, Asia & Oceania
1966 Joined MC

Kazuyuki Masu**
Executive Vice President, Corporate Functional Officer (present position)
2012 Chairman
2017 Executive Vice President, Corporate Functional Officer
2016 Executive Vice President, Corporate Functional Officer
2015 Executive Vice President, Corporate Functional Officer
2013 Executive Vice President, Corporate Functional Officer
2010 Executive Vice President, Corporate Functional Officer
2003 Executive Vice President, Corporate Functional Officer
1994 Executive Vice President, Corporate Functional Officer
1989 Executive Vice President, Corporate Functional Officer
1988 Executive Vice President, Corporate Functional Officer
1982 Executive Vice President, Corporate Functional Officer

Shinya Yoshida**
Executive Vice President, Corporate Functional Officer (present position)
2016 Executive Vice President, Corporate Functional Officer
2012 Executive Vice President, Corporate Functional Officer
2007 Executive Vice President, Corporate Functional Officer
2005 Executive Vice President, Corporate Functional Officer
1993 Executive Vice President, Corporate Functional Officer
1991 Executive Vice President, Corporate Functional Officer

Akira Murakoshi
2017 Executive Vice President, Corporate Functional Officer
2016 Executive Vice President, Corporate Functional Officer
2014 Executive Vice President, Corporate Functional Officer
2013 Executive Vice President, Corporate Functional Officer
2012 Executive Vice President, Corporate Functional Officer
2007 Executive Vice President, Corporate Functional Officer
2002 Executive Vice President, Corporate Functional Officer
1995 Executive Vice President, Corporate Functional Officer
1991 Executive Vice President, Corporate Functional Officer
1988 Executive Vice President, Corporate Functional Officer

Masakazu Sakakida**
Chief Executive Officer (present position)
2016 Chairman
2014 Chairman
2010 Chairman
2006 Chairman
2003 Chairman
2000 Chairman
1996 Chairman
1993 Chairman
1990 Chairman

Hidenori Takaoka
2016 Executive Vice President, Corporate Functional Officer
2015 Executive Vice President, Corporate Functional Officer
2014 Executive Vice President, Corporate Functional Officer
2013 Executive Vice President, Corporate Functional Officer
2012 Executive Vice President, Corporate Functional Officer
2011 Executive Vice President, Corporate Functional Officer
2009 Executive Vice President, Corporate Functional Officer
2008 Executive Vice President, Corporate Functional Officer
2006 Executive Vice President, Corporate Functional Officer
2005 Executive Vice President, Corporate Functional Officer
2001 Executive Vice President, Corporate Functional Officer
1999 Executive Vice President, Corporate Functional Officer
1995 Executive Vice President, Corporate Functional Officer
1993 Executive Vice President, Corporate Functional Officer
1989 Executive Vice President, Corporate Functional Officer
1985 Executive Vice President, Corporate Functional Officer

Audit & Supervisory Board Members

Akihiko Nishiyama**
Professor, Ritsumeikan University
Akihiko Nishiyama*2
2016 Chairman of the Board
2015 Member of the Board
2010 President and Chief Executive Officer
1978 Joined MC

Shuma Uchino**
2019 Full-time Audit & Supervisory Board Member

Toshiko Oka**
2018 Professor, Tokyo Jogakkan College
Dept. of International Liberal Arts,
Hitotsubashi University
2015 Member of the Board
2010 President and Chief Executive Officer
1971 Joined MC

Akihiko Nishiyama**
2016 Professor, Shibaura Institute of Technology
2015 Professor, Ritsumeikan University
2013 Adjunct Professor
Waseda University (present position)
1988 Director
Society for the Promotion of International Law, Arts, and Science (resigned in March 2003)
1987 Director, Tokyo Jogakkan Co., Ltd.
1983 Director, Tokyo Jogakkan Co., Ltd.

Hajime Hirano
Full-time Audit & Supervisory Board Member
1974 Joined MC

Tadashi Kunihiro*3
2010 Admitted to the Japan Bar
2005 Chairman
2000 Chairman
1995 Chairman
1990 Chairman
1983 Chairman
1979 Chairman

Ikru Nishikawa**
2016 Audit & Supervisory Board Member
2013 Professor, Faculty of Business & Economics, Kobe University
Concurrent Regional CEO, Asia & Oceania
2010 Audit & Supervisory Board Member
2006 Audit & Supervisory Board Member
2003 Audit & Supervisory Board Member
1995 Audit & Supervisory Board Member
1990 Audit & Supervisory Board Member
1988 Audit & Supervisory Board Member
1985 Audit & Supervisory Board Member

Shinichi Miyanaga**
2019 Member of the Board
2018 Member of the Board
2014 Member of the Board
1998 Member of the Board
1993 Member of the Board
1989 Member of the Board
1982 Member of the Board

Yasuko Takaya**
2016 Audit & Supervisory Board Member
2011 Audit & Supervisory Board Member
2007 Audit & Supervisory Board Member
2003 Audit & Supervisory Board Member
1998 Audit & Supervisory Board Member
1993 Audit & Supervisory Board Member
1989 Audit & Supervisory Board Member

*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 the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan as well as selection criteria for Outside Directors specified by MC.

*3 Indicates the fulfillment of the conditions for Outside Directors or for Outside Audit & Supervisory Board Members 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 the 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.

Executive Officers (As of July 1, 2019)

Senior Vice Presidents

Yasutaka Hirai
President, Mitsubishi Corporation (Dalian Co., Ltd. 
(Concurrently) General Manager, Beijing Branch, 
Mitsubishi Corporation (Dalian Co., Ltd.)

Koichi Haba
Division CEO, Food Products Div.

Yutaka Kashiwagi
Division CEO, Petroleum Div.

Kenichi Shibata
Seconded to Mitsubishi Corporation RR
International Pte. Ltd. (Chairman & CEO (Concurrently))
Division CEO, Mineral Resources Trading Div.

Takashi Ando
Division CEO, Consumer Products Div.

Shigeru Wakabayashi
Division CEO, Heavy Industries Div.

Koichi Sawai
Division CEO, Mineral Resources Investment Div. 
(Concurrently) Senior Vice President, Global Strategy

Katsuya Nakanishi
Group CEO, Industrial Materials Group

Haruhiko Matsumoto
Corporate Strategy & Planning Office

Takeshi Kaga
Group CEO, Urban Infrastructure Div.

Yasumasa Kashiwagi
Division CEO, Food Products Div.

Kazunori Nishio
Division CEO, Industrial Energy Div.

Koji Kishimoto
Division CEO, Food Sciences Div.

Eluke Shihoko
Division CEO, Retail Div.

Yasunori Katayama
General Manager, Global Strategy and Regional Management Dept.

Yoshimi Hachiya
General Manager, Business Investment Management Department

Hisaaki Ishimaki
General Manager, Automotive & Mobility Group CEO Office

Takuya Kuga
Division CEO, Urban Infrastructure Div.

MC’s Vision

MC’s Value Creation

Corporate Governance

Reference Information

President

Takehiko Kikuchi

Executive Vice Presidents

Kenji Nishimura
Corporate Functional Officer, Global Strategy

Hidekazu Muzhara
President, Mitsubishi Corporation (Vietnam) 
(Concurrently) General Manager, Corporate Management Support Office 
(Concurrently) General Manager, Legal and Compliance Office

Kazuyuki Masu
Corporate Functional Officer, CIO

Takeshi Hagiwara
Group CEO, Petrochemicals Group

Shinya Yoshida
Corporate Functional Officer, General Manager, Kansai Branch

Yutaka Kyoya
Group CEO, Consumer Industry Group

Yutaka Kikuchi
Group CEO, Food Industry Group

Kanji Nishiura
Group CEO, Natural Gas Group

Tsunehiko Yanagihara
Group CEO, Power Solution Group

Yosuke Yamazaki
Group CEO, Automotive Business Div.

Osamu Takeuchi
Group CEO, Petrochemicals Div.

Kazunori Nishio
Group CEO, Industrial Energy Div.

Koji Kishimoto
Division CEO, Food Sciences Div.

Eluke Shihoko
Division CEO, Retail Div.

Yasunori Katayama
General Manager, Global Strategy and Regional Management Dept.

Yoshimi Hachiya
General Manager, Business Investment Management Department

Hisaaki Ishimaki
General Manager, Automotive & Mobility Group CEO Office

Takuya Kuga
Division CEO, Urban Infrastructure Div.

President and CEO

Yasumasa Kashiwagi
Division CEO, Food Products Div.

Hiroshi Haba
Division CEO, Petroleum Div.

Yutaka Kashiwagi
General Manager, Power Solution Group CEO Office

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

Takashi Ando
Division CEO, Consumer Products Div.

Shigeru Wakabayashi
Division CEO, Heavy Industries Div.

Koichi Sawai
Division CEO, Mineral Resources Investment Div. 
(Concurrently) Senior Vice President, Global Strategy

Katsuya Nakanishi
Group CEO, Industrial Materials Group

Haruhiko Matsumoto
Corporate Strategy & Planning Office

Takeshi Kaga
Group CEO, Urban Infrastructure Div.

Yasumasa Kashiwagi
Division CEO, Food Products Div.

Kazunori Nishio
Division CEO, Industrial Energy Div.

Koji Kishimoto
Division CEO, Food Sciences Div.

Eluke Shihoko
Division CEO, Retail Div.

Yasunori Katayama
General Manager, Global Strategy and Regional Management Dept.

Yoshimi Hachiya
General Manager, Business Investment Management Department

Hisaaki Ishimaki
General Manager, Automotive & Mobility Group CEO Office

Takuya Kuga
Division CEO, Urban Infrastructure Div.

President and CEO

Yasumasa Kashiwagi
Division CEO, Food Products Div.

Hiroshi Haba
Division CEO, Petroleum Div.

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Hisaaki Ishimaki
General Manager, Automotive & Mobility Group CEO Office

Takuya Kuga
Division CEO, Urban Infrastructure Div.

Organizational Structure (As of September 1, 2019)
## Business Groups at a Glance (Year ended March 2019)

### Business Groups

<table>
<thead>
<tr>
<th>Group</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas Group</td>
<td><img src="image1.png" alt="Natural Gas Group" /></td>
</tr>
<tr>
<td>Industrial Materials Group</td>
<td><img src="image2.png" alt="Industrial Materials Group" /></td>
</tr>
<tr>
<td>Petroleum &amp; Chemicals Group</td>
<td><img src="image3.png" alt="Petroleum &amp; Chemicals Group" /></td>
</tr>
<tr>
<td>Mineral Resources Group</td>
<td><img src="image4.png" alt="Mineral Resources Group" /></td>
</tr>
<tr>
<td>Industrial Infrastructure Group</td>
<td><img src="image5.png" alt="Industrial Infrastructure Group" /></td>
</tr>
<tr>
<td>Automotive &amp; Mobility Group</td>
<td><img src="image6.png" alt="Automotive &amp; Mobility Group" /></td>
</tr>
<tr>
<td>Food Industry Group</td>
<td><img src="image7.png" alt="Food Industry Group" /></td>
</tr>
<tr>
<td>Consumer Industry Group</td>
<td><img src="image8.png" alt="Consumer Industry Group" /></td>
</tr>
<tr>
<td>Power Solution Group</td>
<td><img src="image9.png" alt="Power Solution Group" /></td>
</tr>
<tr>
<td>Urban Development Group</td>
<td><img src="image10.png" alt="Urban Development Group" /></td>
</tr>
<tr>
<td>Other, Adjustments and Limitations</td>
<td><img src="image11.png" alt="Other, Adjustments and Limitations" /></td>
</tr>
</tbody>
</table>

### Divisions

<table>
<thead>
<tr>
<th>Division</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas Div. (Asia Pacific)</td>
<td><img src="image12.png" alt="Natural Gas Div. (Asia Pacific)" /></td>
</tr>
<tr>
<td>Natural Gas Div. (Americas, Europe, and ME)</td>
<td><img src="image13.png" alt="Natural Gas Div. (Americas, Europe, and ME)" /></td>
</tr>
<tr>
<td>Carbon Div.</td>
<td><img src="image14.png" alt="Carbon Div." /></td>
</tr>
<tr>
<td>Steel Business Div.</td>
<td><img src="image15.png" alt="Steel Business Div." /></td>
</tr>
<tr>
<td>Petroleum Div.</td>
<td><img src="image16.png" alt="Petroleum Div." /></td>
</tr>
<tr>
<td>Petrochemicals Div.</td>
<td><img src="image17.png" alt="Petrochemicals Div." /></td>
</tr>
<tr>
<td>Mineral Resources Investment Div.</td>
<td><img src="image18.png" alt="Mineral Resources Investment Div." /></td>
</tr>
<tr>
<td>Mineral Resources Trading Div.</td>
<td><img src="image19.png" alt="Mineral Resources Trading Div." /></td>
</tr>
<tr>
<td>Plant Engineering Div.</td>
<td><img src="image20.png" alt="Plant Engineering Div." /></td>
</tr>
<tr>
<td>Industrial Machinery Div.</td>
<td><img src="image21.png" alt="Industrial Machinery Div." /></td>
</tr>
<tr>
<td>Ship &amp; Aerospace Div.</td>
<td><img src="image22.png" alt="Ship &amp; Aerospace Div." /></td>
</tr>
<tr>
<td>Automotive Business Div.</td>
<td><img src="image23.png" alt="Automotive Business Div." /></td>
</tr>
<tr>
<td>Food Sciences Div.</td>
<td><img src="image24.png" alt="Food Sciences Div." /></td>
</tr>
<tr>
<td>Food Resources Div.</td>
<td><img src="image25.png" alt="Food Resources Div." /></td>
</tr>
<tr>
<td>Fresh Food Products Div.</td>
<td><img src="image26.png" alt="Fresh Food Products Div." /></td>
</tr>
<tr>
<td>Consumer Products Div.</td>
<td><img src="image27.png" alt="Consumer Products Div." /></td>
</tr>
<tr>
<td>Logistics Business Div.</td>
<td><img src="image28.png" alt="Logistics Business Div." /></td>
</tr>
<tr>
<td>Environmental Business Div.</td>
<td><img src="image29.png" alt="Environmental Business Div." /></td>
</tr>
<tr>
<td>New Energy &amp; Power Solutions Div.</td>
<td><img src="image30.png" alt="New Energy &amp; Power Solutions Div." /></td>
</tr>
<tr>
<td>Asset Finance Div.</td>
<td><img src="image31.png" alt="Asset Finance Div." /></td>
</tr>
</tbody>
</table>

### Net Income (loss)*

<table>
<thead>
<tr>
<th>Business Group</th>
<th>Net Income (loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>¥89.4 billion</td>
</tr>
<tr>
<td>Industrial Materials</td>
<td>¥35.3 billion</td>
</tr>
<tr>
<td>Petroleum &amp; Chemicals</td>
<td>¥35.8 billion</td>
</tr>
<tr>
<td>Mineral Resources</td>
<td>¥252.5 billion</td>
</tr>
<tr>
<td>Industrial Infrastructure</td>
<td>¥-40.4 billion</td>
</tr>
<tr>
<td>Automotive &amp; Mobility</td>
<td>¥97.2 billion</td>
</tr>
<tr>
<td>Food Industry</td>
<td>¥9.9 billion</td>
</tr>
<tr>
<td>Consumer Industry</td>
<td>¥31.5 billion</td>
</tr>
<tr>
<td>Power Solution</td>
<td>¥33.1 billion</td>
</tr>
<tr>
<td>Urban Development</td>
<td>¥32.4 billion</td>
</tr>
<tr>
<td>Other, Adjustments and Limitations</td>
<td>¥14.0 billion</td>
</tr>
</tbody>
</table>

### Total Assets

<table>
<thead>
<tr>
<th>Business Group</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>¥1,537.0 billion</td>
</tr>
<tr>
<td>Industrial Materials</td>
<td>¥1,451.5 billion</td>
</tr>
<tr>
<td>Petroleum &amp; Chemicals</td>
<td>¥1,317.9 billion</td>
</tr>
<tr>
<td>Mineral Resources</td>
<td>¥2,812.5 billion</td>
</tr>
<tr>
<td>Industrial Infrastructure</td>
<td>¥685.8 billion</td>
</tr>
<tr>
<td>Automotive &amp; Mobility</td>
<td>¥1,524.4 billion</td>
</tr>
<tr>
<td>Food Industry</td>
<td>¥1,719.9 billion</td>
</tr>
<tr>
<td>Consumer Industry</td>
<td>¥3,423.6 billion</td>
</tr>
<tr>
<td>Power Solution</td>
<td>¥723.3 billion</td>
</tr>
<tr>
<td>Urban Development</td>
<td>¥875.3 billion</td>
</tr>
<tr>
<td>Other, Adjustments and Limitations</td>
<td>¥461.6 billion</td>
</tr>
</tbody>
</table>

### Other Information

- **Net Income (loss)** refers to “Net income (loss) attributable to owners of the parent.”
- **ROA (Return on Assets)**
  - Industrial Infrastructure: 6%
  - Petroleum & Chemicals: 9.9%
  - Food Industry: 9.9%
  - Automotive & Mobility: 9.9%
  - Power Solutions: 9.9%
  - Urban Development: 9.9%
  - Other, Adjustments and Limitations: 9.9%

### Year Ended March 2019

- **Net Income (loss)**: ¥590.7 billion
- **Total Assets**: ¥16,532.8 billion

---

*Net Income (loss) refers to “Net income (loss) attributable to owners of the parent.”*
In addition to the LNG business-related equity method income listed above, the Industrial Infrastructure Group’s equity method income amounted to 0.3 billion yen (fiscal year ended March 31, 2018) and 0.1 billion yen (fiscal year ended March 31, 2019).

We also recognize climate change as one of the Group’s most important issues, and will work to reduce CO2 emissions while promoting a stable supply of environmentally low-impact LNG.

Demand for natural gas (LNG), which has a low impact on the environment, is increasing due to growing global interest in environmental initiatives as well as rising energy demand mainly in Asia. Our goal is to achieve economic, societal, and environmental value through stable supply of natural gas and other energy resources by leveraging our 50 years of expertise in the LNG business.

In addition to strengthening the existing businesses and completing the projects under construction in a timely manner, we aim to expand earnings in the LNG business by participating in competitive new projects, strengthening sales capabilities, and developing new markets. We also recognize climate change as one of the Group’s most important issues, and will work to reduce CO2 emissions while promoting a stable supply of environmentally low-impact LNG.

## GOALS AND STRATEGIES OF MIDTERM CORPORATE STRATEGY 2021

In addition to strengthening the existing businesses and completing the projects under construction in a timely manner, we aim to expand earnings in the LNG business by participating in competitive new projects, strengthening sales capabilities, and developing new markets. We also recognize climate change as one of the Group’s most important issues, and will work to reduce CO2 emissions while promoting a stable supply of environmentally low-impact LNG.

### Equity in Earnings from Major Group Companies

**Natural Gas and LNG businesses in the Asia-Pacific region**
- **Natural Gas Division (Asia Pacific)**
- **Natural Gas Group Organization**

**Natural Gas and LNG businesses in the Americas, Europe, Russia and the Middle East**
- **Natural Gas Division (Americas, Europe and ME)**

### LNG business

<table>
<thead>
<tr>
<th>Year</th>
<th>LNG business-related equity method income 1</th>
<th>LNG business-related dividend income (after tax) 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. In addition to the LNG business-related equity method income listed above, the Industrial Infrastructure Group’s equity method income amounted to 0.3 billion yen (fiscal year ended March 31, 2018) and 0.1 billion yen (fiscal year ended March 31, 2019).

### Projects Under Construction

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Partners</th>
<th>Ownership</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Business Segment
2. Investment in expansion & development (upstream)
3. Investment in liquefaction plant
4. Marketing and/or import agent
5. Shipping
6. The first liquefaction train started production in May 2019.
7. MC’s LNG offshore volumes based on the tolling agreement between Cameron LNG and MC.
8. Each participant in a project is the affiliate and sales income of which is based on the respective equity ratio of the project.

### Natural Gas Group Organization

#### Natural Gas Division (Asia Pacific)

- Natural gas and LNG businesses in the Asia-Pacific region

#### Natural Gas Division (Americas, Europe and ME)

- Natural gas and LNG businesses in the Americas, Europe, Russia and the Middle East
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 it can leverage its strengths and capabilities. Automotive & Mobility, as well as Construction & Infrastructure. With 85% of our Group profits covering these sectors, we are taking advantage of the know-how and experience that we have built up through them to strengthen our profit base.

GOALS AND STRATEGIES OF MIDTERM CORPORATE STRATEGY 2021

Our Group aims to create sustainable society through innovative transformation in the material industries.

Kotaro Tsukamoto
Executive Vice President
Group CEO, Industrials Materials Group

Industrial Materials Group Organization

- **Carbon Division**
  Trading and investment in the field of carbon materials and products

- **Steel Business Division**
  Sales, logistics, inventory, manufacturing, and processing businesses in the field of steel products through Metal One Corporation (our stake 60%), a general steel trading company

- **Performance Materials Division**
  Trading and investment in the field of carbon fiber, polyvinyl chloride resin, silica sand, and other products

Equity in Earnings from Major Group Companies

<table>
<thead>
<tr>
<th>Major Group Company</th>
<th>2018/3</th>
<th>2019/3</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal One Corporation</td>
<td>80.80</td>
<td>13.6</td>
<td>15.0</td>
<td>13.5</td>
<td>14.0</td>
</tr>
<tr>
<td>Mitsubishi International/PolymerTrade Corporation</td>
<td>100.00</td>
<td>6.0</td>
<td>6.5</td>
<td>6.1</td>
<td>6.1</td>
</tr>
<tr>
<td>MC Carbon Co., Ltd.</td>
<td>150.80</td>
<td>9.2</td>
<td>11.1</td>
<td>11.1</td>
<td>9.2</td>
</tr>
</tbody>
</table>
| *Equity in earnings of Metal One Corporation has been calculated in accordance with J-GAAP through the year ended March 31, 2017 and IFRS since the year ended March 31, 2018.*

MATERIALS AND FUNCTIONS HANDLED BY THE INDUSTRIAL MATERIALS GROUP

The Industrial Materials Group engages in product sales, business development and investments in the automotive & mobility, construction and infrastructure sectors, where we handle a wide variety of materials such as carbon, steel products, and many other performance materials.

<table>
<thead>
<tr>
<th>Materials</th>
<th>Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>Silica sand</td>
<td>Processing</td>
</tr>
<tr>
<td>Steel products</td>
<td>Logistics</td>
</tr>
<tr>
<td>Polyvinyl chloride resin</td>
<td>Sales</td>
</tr>
<tr>
<td>Cement, ready-mixed concrete</td>
<td></td>
</tr>
<tr>
<td>Carbon fiber</td>
<td></td>
</tr>
</tbody>
</table>

Industries in which it operates

- Construction and infrastructure
- Automotive and mobility

Equity in Earnings from Major Group Companies:

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2015/3</th>
<th>2016/3</th>
<th>2017/3</th>
<th>2018/3</th>
<th>2019/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Metal One Corporation*</td>
<td>60.00</td>
<td>13.6</td>
<td>15.0</td>
<td>13.5</td>
<td>14.0</td>
</tr>
<tr>
<td>2 Mitsubishi International/PolymerTrade Corporation</td>
<td>100.00</td>
<td>0.5</td>
<td>0.6</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>3 MC Carbon Co., Ltd.</td>
<td>100.00</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
</tr>
</tbody>
</table>

*Equity in earnings of Metal One Corporation has been calculated in accordance with J-GAAP through the year ended March 31, 2017 and IFRS since the year ended March 31, 2018.
The transition to a low-carbon society and growing attention to environmental initiatives, which will affect the future business value in the petroleum and chemicals industries, are two of our most important challenges. Our Group aims to contribute to resolving these challenges by creating and growing businesses that generate triple-value growth simultaneously.

To achieve our vision, we will select and focus on projects that allow us to demonstrate MC’s strengths and functions. We will also work to expand earnings by further strengthening our existing businesses, which have either adapted to changes in the external environment, or have evolved internally through business model transformations. We will also undertake the uncovering of New Goods of Growth, under the central theme of transitioning to a low-carbon society.

### Equity in Earnings from Major Group Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>2019/3</th>
<th>2018/3</th>
<th>2017/3</th>
<th>2016/3</th>
<th>2015/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aramco Energy Corporation</td>
<td>48.89</td>
<td>4.84</td>
<td>1.04</td>
<td>1.76</td>
<td>3.10</td>
</tr>
<tr>
<td>PDVSA C.A.</td>
<td>32.24</td>
<td>11.51</td>
<td>13.41</td>
<td>6.90</td>
<td>12.05</td>
</tr>
<tr>
<td>Mitsubishi Corporation (China) Ltd.</td>
<td>15.58</td>
<td>2.67</td>
<td>2.1</td>
<td>2.4</td>
<td>2.90</td>
</tr>
<tr>
<td>Mitsubishi Ship Chemical Corporation</td>
<td>11.05</td>
<td>1.33</td>
<td>1.53</td>
<td>1.68</td>
<td>1.72</td>
</tr>
<tr>
<td>Mitsubishi Corporation (Philippines)</td>
<td>11.05</td>
<td>1.74</td>
<td>1.48</td>
<td>1.90</td>
<td>2.00</td>
</tr>
</tbody>
</table>

Note: Equity in earnings of affiliated companies at each company listed above is also included.
MINERAL RESOURCES GROUP

Our Group has transformed its business model from trading to minority investment, and now to a business management model in accordance with changes in the external business environment. From now, as the next stage, we aim to become an influencer by moving our business toward the center of the industry.

Norikazu Tanaka
Executive Vice President
Group CEO, Mineral Resources Group

MINERAL RESOURCES

GOALS AND STRATEGIES OF MIDTERM CORPORATE STRATEGY 2021

With metallurgical coal and copper as our main pillars, our mission is to further enhance the competitive advantage as well as the quality of its world class assets, while delivering long-term sustainability in ways which are good for the environment and for the supply chain. We will leverage the know-how we have built up to strengthen our competitiveness by improving the level of self-management in each business and become more relevant in project management to further upgrade our organizational competencies.

One of the World's Largest Suppliers of Metallurgical Coal

Mitsubishi Development Pty Ltd (MDP) jointly operates its metallurgical coal business through BMA, together with its partner. BMA produces about 65 million tons per year and has a market share of approximately 10% in the global seaborne market. BMA produces high-quality and cost-competitive metallurgical coal at all seven operating mines, together with a rail network and port terminal.

A World-Class Copper Project

Quellaveco, which has an anticipated mine life of 30 years, is one of the world's largest undeveloped copper deposits and has high cost competitiveness. The mine contains approximately 7.5 million tons (content metal basis) of copper in ore reserves. Development of the project commenced in August 2018, with the estimated first copper production in 2022.
INDUSTRIAL INFRASTRUCTURE

GLOBAL EXPANSION OF THE INDUSTRIAL INFRASTRUCTURE GROUP

Support for Renewal of Chiyoda Corporation

In 2008, we undertook a capital increase through third-party allotment implemented by the Chiyoda Corporation, made the company an equity-method affiliate, and provided management support and sales support to the company.

In response to recorded losses primary due to a significant increase in construction costs in fiscal 2018, Chiyoda Corporation approached our Company with a request to strengthen its financial position. In May 2019, we made the decision to provide support for the renewal of Chiyoda Corporation. By combining the business management model that is our strength with the proven technological capabilities that are the strength of the Chiyoda Corporation, we will make every effort to bring about the renewal of the company.

Overview of MC's Support Package

- Extended financial support of ¥160 billion in aggregate via:
  - Third-party allotment (preferred shares): ¥70 billion
  - Provision of senior loan: ¥90 billion

Corporate support

- Strengthen corporate and risk management structures

Finance

- Upon request, dispatch MC's management professionals, ranging from top management team to frontline project managers

Construction Equipment Rental Business

NIKKEN CORPORATION, a wholly owned subsidiary of MC, engages in rental business with a focus on construction equipment involving equipment for events, machinery for railways, and more. The Company is expanding its business opportunities beyond the construction market into non-construction markets as well.

With a lineup of over one million products in approximately 4,000 categories, NIKKEN CORPORATION is fulfilling its role as a comprehensive service provider in the rental business with a focus on construction equipment.

Industrial Infrastructure Group Organization

Plant Engineering Division

- Investment in plant construction in the field of industrial infrastructure and engineering, and management and operation in the field of energy infrastructure

Industrial Machinery Division

- Rental business and distribution business for industrial machinery such as construction machinery, mining machinery, machine tool, agricultural machinery, and elevators

Ship & Aerospace Division

- Trading and related businesses in the field of ships, marine machinery, aerospace equipment and systems, ship owning & chartering business for LNG carriers

Support to the Group

- Third-party allotment (preferred shares): ¥70 billion
- Provision of senior loan: ¥90 billion

MC's Vision

Our Group operates diverse business models based on strong ties with various partners in a wide range of industries. We aim to become the comprehensive industrial infrastructure provider who achieves sustainable growth together with customers by offering services and solutions, including those related to digitization and mitigation of environmental impact, to meet our customers' needs in various industries.

Equity in Earnings from Major Group Companies

(Unit: billions of yen)

<table>
<thead>
<tr>
<th>Company</th>
<th>2018 fiscal year</th>
<th>2017 fiscal year</th>
<th>2016 fiscal year</th>
<th>2015 fiscal year</th>
<th>2014 fiscal year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chiyoda Corporation</td>
<td>33.57</td>
<td>4.5</td>
<td>3.7</td>
<td>15.1</td>
<td>2.1</td>
</tr>
<tr>
<td>NIKKEN CORPORATION</td>
<td>190.80</td>
<td>84.1</td>
<td>46.6</td>
<td>5.58</td>
<td>5.0</td>
</tr>
<tr>
<td>Mitsubishi Corporation Europe</td>
<td>81.00</td>
<td>12.2</td>
<td>12.3</td>
<td>12.7</td>
<td>12.7</td>
</tr>
<tr>
<td>Mitsubishi Heavy Industries International Corporation</td>
<td>93.00</td>
<td>0.6</td>
<td>0.4</td>
<td>0.9</td>
<td>1.0</td>
</tr>
</tbody>
</table>

*From the fiscal year ended March 31, 2016, figures have been adjusted to include certain consolidated adjustments implemented by the Company prior to transactions during the six-month period reflected in financial results for the fiscal year ended March 31, 2016 in terms of individual businesses’ results.

MC's Value Creation

- Chiyoda Corporation
  - Plant engineering (Japan)
  - Marine machinery, aerospace equipment and systems
  - Ship owning & chartering business
- MITSUBISHI CORP.
  - Machinery (Japan)
  - Marine machinery, aerospace equipment and systems

MC's Corporate Governance

- MITSUBISHI CORPORATION
  - Chiyoda Corporation
    - Plant engineering (Japan)
    - Marine machinery, aerospace equipment and systems
    - Ship owning & chartering business
  - MITSUBISHI ELECTRIC CORPORATION
    - Manufacturing
    - Marketing and sales
  - MITSUBISHI HEAVY INDUSTRIES CORPORATION
    - Ship owning & chartering business (Japan)
  - MITSUBISHI CHEMICALS CORPORATION
    - Marine machinery, aerospace equipment and systems
  - MITSUBISHI MACHINERY SYSTEMS CORPORATION
    - Manufacturing
    - Marketing and sales

Mitsubishi Corporation Technos

- 100.00%
- 1.2%
- 1.2%
- 1.1%
- 1.7%

MSK Farm Machinery Corporation

- 100.00%
- 0.6%
- 0.4%
- 0.9%
- 0.9%

Chiyoda Corporation

- Plant engineering (Japan)
- Marine machinery, aerospace equipment and systems

MITSUBISHI CORPORATION

Support Overview of the Industrial Infrastructure Group

- In the fields of plant engineering, industrial machinery, and ship and aerospace, we will further grow our existing businesses while actively undertaking new business development in adjacent industries. We have set support for the renewal of the Chiyoda Corporation as our greatest mission, and will back up the company in terms of execution skills through our risk management capabilities and our management professionals, which will contribute to its renewal.

- In response to recorded losses primarily due to a significant increase in construction costs in fiscal 2018, Chiyoda Corporation approached our Company with a request to strengthen its financial position. In May 2019, we made the decision to provide support for the renewal of Chiyoda Corporation. By combining the business management model that is our strength with the proven technological capabilities that are the strength of the Chiyoda Corporation, we will make every effort to bring about the renewal of the company.

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**AUTOMOTIVE & MOBILITY GROUP**

Our Group will take on challenges in the mobility services business by leveraging its expertise and know-how in the automotive value chain business, as well as strengthening our business platform, and aiming to simultaneously generate economic value, societal value, and environmental value by addressing issues related to mobility such as traffic congestion, traffic accidents, an aging society, and a shortage of drivers.

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**GOALS AND STRATEGIES OF MIDTERM CORPORATE STRATEGY 2021**

In anticipation of further growth centered on our key market, the ASEAN region, we will strengthen our value chain business, including areas such as production, distribution, automobile finance, and after-sales service, as well as focus on expanding our downstream business areas. Furthermore, we will utilize the business infrastructure we have developed and work toward solving people-and-goods related mobility issues faster and on a larger scale through the mobility services business.

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**VALUE CHAIN OF THE AUTOMOTIVE BUSINESS**

- **MMKI**
- **MKM**
- **KTB**

**GLOBAL EXPANSION OF THE AUTOMOTIVE & MOBILITY GROUP**

**Thailand Business**

We began importing and selling Isuzu Motors vehicles in Thailand in 1957. In 1974, we established Tri Petch Isuzu Sales (TIS) as a distributor to handle overall sales of Isuzu Motors vehicles in Thailand. 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 wide-ranging operations, including sales, automobile financing, and after-sales services, and has built Isuzu into a leading brand in the commercial vehicle market.

**Indonesia Business**

In 1970, PT Krama Yudha Tiga Berlian Motors (KTB) was established in Indonesia as the general agent for sales and imports of Mitsubishi Motors and Mitsubishi Fuso products, and has been developing the automotive business for around half a century. In April 2017, KTB business was restructured and divided by brands, so as to establish a stable value chain in terms of production, sales, automobile finance, after-sales services, and used vehicle sales, centered on PT. Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) and KTB, which handle Mitsubishi Motors products and Mitsubishi Fuso products, respectively.

**OUR VISION**

Iwao Toide
Executive Vice President
Group CEO, Automotive & Mobility Group

**Owner Information**

1. Automotive-related business companies in Thailand & Indonesia
   - 10.0%
   - 10.0%
   - 10.0%
   - 10.0%
   - 10.0%

2. Mitsubishi Motors Corporation
   - 20.0%
   - 20.0%
   - 20.0%
   - 20.0%
   - 20.0%

**Ownership (%)**

- **MMKI**
- **MKM**
- **KTB**

**Equity in Earnings from Major Group Companies**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Ownership (%)</th>
<th>2019/3</th>
<th>2018/3</th>
<th>2017/3</th>
<th>2016/3</th>
<th>2015/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Automotive-related business companies in Thailand &amp; Indonesia</td>
<td>—</td>
<td>34.6</td>
<td>40.1</td>
<td>44.2</td>
<td>61.2</td>
<td>66.1</td>
</tr>
<tr>
<td>2. Mitsubishi Motors Corporation</td>
<td>20.0</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>28.6</td>
</tr>
<tr>
<td>3. PT MITSUBISHI MOTORS KRAMA YUDHA SALES INDONESIA (Indonesia)</td>
<td>40.0</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2.3</td>
</tr>
<tr>
<td>4. PT KRAMA YUDHA TIGA BERLIAN MOTORS (Indonesia)</td>
<td>35.30</td>
<td>1.4</td>
<td>0.6</td>
<td>1.1</td>
<td>1.9</td>
<td>0.0</td>
</tr>
<tr>
<td>5. TRIB PETCH ISUZU SALES CO., LTD (Thailand)</td>
<td>68.73</td>
<td>23.3</td>
<td>30.6</td>
<td>23.2</td>
<td>36.4</td>
<td>33.3</td>
</tr>
</tbody>
</table>

* Excluding gain/losses related to the restructuring of automotive production and distribution business in Indonesia (fiscal year ended March 31, 2019: 2.6 billion yen; fiscal year ended March 31, 2018: 2.6 billion yen)

**GOALS AND STRATEGIES OF MIDTERM CORPORATE STRATEGY 2021**

In Indonesia, which is a key market, we are deeply involved in the entire value chain (upstream–midstream–downstream). 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, and we bolster our product and branding capabilities by incorporating that feedback in our products and services.

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**GLOBAL EXPANSION OF THE AUTOMOTIVE & MOBILITY GROUP**

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FOOD INDUSTRY GROUP

FOOD INDUSTRY

Our Group works to establish a stable and sustainable business model that contributes to the resolution of various societal challenges surrounding supply chains. Through our stable business platform for various products, from raw materials to processed foods or whatever consumers’ needs, we aim to ensure safety and security for people, and to create value that meets societal needs accordingly. We also set out to seize growth opportunities by expanding high-quality products and services into the global market.

GOALS AND STRATEGIES OF MUTTERM CORPORATION STRATEGIC PLAN 2021

We constantly innovate our supply chains, and offer products that fit consumers’ needs. We will specifically realize continuous growth while addressing sustainability and societal issues in the entire food industry. In addition to continuous improvement of profitability in existing businesses (e.g., salmon farming, food materials), we make a persistent effort to adapt properly to the diversification of food and people’s lifestyles through the integration of food resources and development capabilities within the Group.

Food Industry Group Organization

Food Sciences Division
Developing, manufacturing, and selling in the fields of food ingredients, seasonings, pharmaceutically, agrochemicals, and cosmetic raw materials

Food Resources Division
Production, procurement, processing, and sales of fish, meat, rice, vegetables, dairy products, etc.

Fresh Foods Products Division
Production, processing, and sales of fish, meat, rice, vegetables, dairy products, etc.

Consumer Products Division
Manufacturing and sales business related to consumer goods such as food products and daily necessities

Equity in Earnings from Major Group Companies

(Units: Billion yen)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>2021/3</th>
<th>2022/3</th>
<th>2023/3</th>
<th>2024/3</th>
<th>2025/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. COMBAI GROUP (Buenos Aires)</td>
<td>100.00</td>
<td>-3.5</td>
<td>-7.2</td>
<td>15.1</td>
<td>21.8</td>
</tr>
<tr>
<td>2. Mitsubishi Corporation Life Sciences</td>
<td>100.00</td>
<td>-3.9</td>
<td>-4.1</td>
<td>3.5</td>
<td>4.6</td>
</tr>
<tr>
<td>3. SLAME INTERNATIONAL LIMITED (Singapore)*2</td>
<td>17.42</td>
<td>0</td>
<td>-1.5</td>
<td>3.5</td>
<td>9.0</td>
</tr>
<tr>
<td>4. STEHAM TAYLOR HOLDINGS INC.*1</td>
<td>35.94</td>
<td>4.1</td>
<td>6.8</td>
<td>6.7</td>
<td>5.9</td>
</tr>
<tr>
<td>5. WIFFA PACKERS CORPORATION (UK)</td>
<td>80.90</td>
<td>3.6</td>
<td>2.4</td>
<td>4.8</td>
<td>5.5</td>
</tr>
</tbody>
</table>

*1 Includes total equity in earnings of Southern Cross Seafoods (Chile) through the fiscal year ended March 31, 2016. After the disclosure data includes temporary pre-tax losses from the integration of the Chile salmon business the fiscal year ended March 31, 2017.

*2 Until the fiscal year ended March 31, 2016 to our equity in earnings until IFRS are due to be amortized and revalued at the time of acquisition, depreciation of accounting differences, etc. besides these adjustments, there is a cumulative adjustment of 27.2 billion yen in the fiscal year ended March 31, 2016 due to an impairment loss (equity method).

Business Model of the Food Industry Group

Through organizational restructuring, individual food sector businesses are now concentrated within the Group, which now offers a diverse range of food-related products globally, including food resources, fresh foods, consumer products, and food ingredients.
We will continue to work on important issues in the consumer society by building a "next-generation consumer platform," and keep expanding its contact with consumers through the integration of the real and digital business models. We will establish a cyclical growth model by not only strengthening our Core Businesses, but also discovering New Seeds of Growth.

We will promote the digital transformation of each business, and will build a business model aligned with the diverse societal issues appearing in mature markets, including demographic aging, labor shortages, logistics crises, and the weakening foundations of regional communities. We will also undertake the challenge of promoting business models developed in Japan, where such issues are advanced, horizontally into overseas markets.

The Ponta point service operated by Loyalty Marketing, Inc. lets users earn points at multiple participating shops using a single card. By analyzing and leveraging customer data from members of Ponta, one of Japan’s largest services in terms of member numbers, we provide marketing services that accurately capture the needs of consumers.

Conclusion of Capital and Business Alliance with TOYO TIRE
In November 2018, MC concluded a capital alliance agreement with TOYO TIRE (formerly Toys Tires & Rubber Co., Ltd.), based on the agreement, in February 2019 MC increased its holdings of the company’s shares from 3.05% to 20.00%. Through this alliance, MC will expand its cooperative relationship with TOYO TIRE, one that has been in the making for over a half century of transactions and overseas joint venture business developments. Together, the companies will create a new business model that will leverage their collective capabilities. MC also aims to raise the corporate value of TOYO TIRE by providing new products and services that meet the needs of the digital age and are in line with revolutions in the mobility sector.
“The electricity” that our Group deals with is one of the most important infrastructures. Not only is our Group helping to secure stable energy supplies by combining renewables and other clean sources with digital technologies, but it is also playing its part to build sustainable societies and increase corporate value by providing added value such as a function of balancing supply and demand to our customers.

GLOBAL EXPANSION OF THE POWER SOLUTION GROUP

BUSINESS MODEL OF THE POWER SOLUTION GROUP

Our Company’s traditional electric power business is on the supply side centered on generation and transmission. Now, however, through business expansion on the demand side, including a power trading business and a retail business with a customer base, we endeavor to lift corporate value across the entire value chain including the supply side.
Our mission is to establish high-value-added, large-scale businesses by combining urban and infrastructure development, asset finance and other businesses to meet societal and environmental needs, such as urbanization and lower environmental impacts. As a master developer, we aim to engage in long-term ownership and urban management to achieve sustainable growth in urban value by taking responsibility from land banking to master plans, business plans, negotiation with governments and private businesses, and town management.

GOALS AND STRATEGIES OF MIDTERM CORPORATE STRATEGY 2021

Going beyond conventional real estate development such as residential and commercial facilities, we will shift toward “area development” of large-scale, complex applications. In area development projects, we will develop transportation infrastructure such as railways and roads, and utilities such as electric power and sewer systems, while taking part in urban master planning from the initial stages to develop commercial facilities, offices, residences, and hospitals, among others, in order to achieve highly functional and compelling urban development.

OUR VISION

The Manor Central Park Project in Vietnam

Yoma Central Project in Myanmar

Mitsumasa Ichio

Group CDO, Urban Development Group

Apartment development (Japan)

MITBANA will invest US$500 million in projects with a total project cost of US$2.5 billion over the next five years, and will undertake urban development that includes lifestyle infrastructure, traffic infrastructure, and other urban infrastructure development that leverages the parent companies’ expertise in Myanmar and Vietnam, as well as in the Philippines and Indonesia. In the future, MITBANA will leverage third-party funds and additional self-financing to expand its business to urban development of an even larger scale.

For Economic Development in Emerging Countries

With beginnings in the development of public housing projects and industrial parks in Singapore, SJ’s expertise and track record in developing projects in about 40 countries worldwide, combined with Mitsubishi Corporation’s comprehensive strengths and real estate development know-how, will contribute to the further development of emerging countries’ economies by procuring high-quality and locally optimized urban functions.

GOALS AND STRATEGIES OF MIDTERM CORPORATE STRATEGY 2021

Over many years, Mitsubishi Corporation has built a wide-ranging real estate development business, real estate management business, and various infrastructure businesses in Japan and overseas. In the future, we will engage in the large-scale urban development business, with a focus on ASEAN and other Asian countries.

GLOBAL EXPANSION OF THE URBAN DEVELOPMENT GROUP

Establishment of a Joint Venture in Singapore

Last year, Mitsubishi Corporation established the joint venture MITBANA with Surbana Jurong (SJ), a wholly owned subsidiary of Singapore government-related investment firm Temasek Holdings, and is accelerating urban development in Asian countries.

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MC leverages its global network, which it has developed over many years, to obtain an in-depth knowledge of a multifaceted range of macroeconomic, industrial and geopolitical trends not limited to generally available information. MC also builds upon this intelligence and expertise on a daily basis through its global network, which it has developed over many years, to obtain an in-depth knowledge on a multifaceted range of macroeconomic, industrial and geopolitical trends not limited to generally available information.

Developments that Transcend Regions and Groups

Open Innovation Across Regions: Promotion of On-Demand Bus Business

Cross-regional collaboration has begun to bear fruit through the open innovation platform called M-Lab, promoted by Mitsubishi Corporation (Americas) Silicon Valley Branch. As one example, the Automotive & Mobility Group has established a partnership with Canada-based Spare Labs Inc. in collaboration with Mt lab member Mitsubishi Canada Limited and the Silicon Valley Branch. A demonstration project for the Al-based on-demand buses developed by Spare Labs commenced in Fukuoka City, Japan in April 2019. In April 2019, MCA established its Boston Branch as a new base of intelligence in North America. In contrast with the software focus of Silicon Valley, Boston’s strength is in hardware, and it is an ideal place to promote open innovation activities in locations along the East Coast, including New York and Toronto. From these two bases that complement each other, we hope to capture the innovation taking place in North America and connect it to initiatives that transcend regions and business groups.

The Japanese domestic market faces a variety of challenges, including a declining birthrate, an aging population, a shortage of human resources and widening gaps between large cities and rural areas. We currently have nine offices throughout Japan, and with each location forming a hub that connects the MC Group companies in their respective regions, we are working to contribute to solving local issues through the creation of new businesses.

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Balance of Risk Money Outstanding in 12 Countries

**Russia**

<table>
<thead>
<tr>
<th>2019/3</th>
<th>2018/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>AMOUNTS HEDGED</td>
</tr>
<tr>
<td>₹237.9 billion</td>
<td>₹78.0 billion</td>
</tr>
</tbody>
</table>

**Latin American Countries Total**

<table>
<thead>
<tr>
<th>2019/3</th>
<th>2018/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>AMOUNTS HEDGED</td>
</tr>
<tr>
<td>₹1,043.1 billion</td>
<td>₹81.9 billion</td>
</tr>
</tbody>
</table>

**Asian Countries Total**

<table>
<thead>
<tr>
<th>2019/3</th>
<th>2018/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>AMOUNTS HEDGED</td>
</tr>
<tr>
<td>₹1,437.2 billion</td>
<td>₹81.9 billion</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>2019/3</th>
<th>2018/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>AMOUNTS HEDGED</td>
</tr>
<tr>
<td>₹203.4 billion</td>
<td>₹81.9 billion</td>
</tr>
</tbody>
</table>

---

**Image of risk money balance on the map**

**MC's Vision**

**MC's Value Creation**

**Corporate Governance**

**Reference Information**

---

**Investments, Loans and Guarantees**

- Balance of Risk Money Outstanding in 12 Countries

---

**Trade Receivables, etc.**

- Trade Receivables, etc.

---

**Country Total**

- 1 country total
- 2 country total
- 4 countries total
- 8 countries total
- 11 countries total
- 12 countries total

---

**Notes**

1) These countries are selected based on our internal country risk rating and total risk.

2) These figures are disclosed once a year. Definite figures for the fiscal year ended March 31, 2019, will be disclosed in the annual report to be released in May 2019.

3) The figures are adjusted for intercorporate net assets and intercorporate equity.
Financial Highlights

Mitsubishi Corporation and Subsidiaries

Year ended March 31

The consolidated financial information is prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE (%)</td>
<td>10.4</td>
<td>15.1</td>
<td>13.4</td>
<td>9.4</td>
<td>7.8</td>
<td>7.5</td>
<td>7.5</td>
<td>(2.9)</td>
<td>9.3</td>
</tr>
<tr>
<td>Net DER (times)</td>
<td>1.0</td>
<td>0.9</td>
<td>1.0</td>
<td>1.0</td>
<td>0.8</td>
<td>0.8</td>
<td>0.9</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>ROIC (%)</td>
<td>2.4</td>
<td>3.5</td>
<td>3.2</td>
<td>2.4</td>
<td>2.2</td>
<td>2.3</td>
<td>2.1</td>
<td>1.6</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Stock Price Information:

- Price earnings ratio (PER) (times): 12.11, 2012/3, 7.49, 2013/3, 6.73, 2014/3, 7.47
- Price book value ratio (PBR) (times): 1.1, 2012/3, 1.1, 2013/3, 0.9, 2014/3, 0.6

- P BR is calculated 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 equity attributable to owners of the parent.
- P ER is calculated 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 equity attributable to owners of the parent.
- ROE is calculated by dividing net income 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.
- ROIC is calculated by dividing cash dividends per share by equity per share attributable to owners of the parent at the beginning of the fiscal year and at the end of the fiscal year.
- DER is calculated by dividing earnings before interest and taxes by equity attributable to owners of the parent.
- ROIC is calculated by dividing net income attributable to owners of the parent by average 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.
- PER is calculated by dividing net income attributable to owners of the parent by average total assets at the beginning and end of the fiscal year.
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Environmental Data

**GHG Emissions (non-consolidated) (unit: t-CO2)**

<table>
<thead>
<tr>
<th></th>
<th>2017/3</th>
<th>2018/3</th>
<th>2019/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1*: Direct CO2 emissions from fuel consumption</td>
<td>18,777</td>
<td>16,503</td>
<td>20,057</td>
</tr>
<tr>
<td>Scope 2: Indirect CO2 emissions from electricity consumption</td>
<td>24,724</td>
<td>25,506</td>
<td>31,056</td>
</tr>
<tr>
<td>Total Emissions</td>
<td>43,501</td>
<td>42,009</td>
<td>51,113</td>
</tr>
</tbody>
</table>

**ESG Data**

**Environmental Performance (non-consolidated)**

<table>
<thead>
<tr>
<th>Component</th>
<th>2017/3</th>
<th>2018/3</th>
<th>2019/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste recycling rate (unit: %) <strong>4</strong></td>
<td>98.4</td>
<td>98.5</td>
<td>98.6**</td>
</tr>
<tr>
<td>Paper consumption<strong>4</strong> (unit: thousand sheets)</td>
<td>55,908</td>
<td>51,196</td>
<td>46,510**</td>
</tr>
<tr>
<td>Energy consumption<strong>2</strong> (unit: GJ)</td>
<td>346,170</td>
<td>305,339</td>
<td>221,302**</td>
</tr>
<tr>
<td>CO2 emissions<strong>1</strong> (unit: thousand t-CO2)</td>
<td>18.8</td>
<td>16.5</td>
<td>11.8**</td>
</tr>
<tr>
<td>Scope 1 emissions (including 6.5 gases) <strong>1</strong></td>
<td>4.839</td>
<td>4.517</td>
<td>4.706**</td>
</tr>
<tr>
<td>Scope 2 emissions (including 6.5 gases) <strong>1</strong></td>
<td>1.553</td>
<td>1.239</td>
<td>1.405**</td>
</tr>
</tbody>
</table>

**GHG Emissions (consolidated/global) (unit: thousand t-CO2)**

<table>
<thead>
<tr>
<th></th>
<th>2017/3</th>
<th>2018/3</th>
<th>2019/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1: Direct CO2 emissions from fuel consumption</td>
<td>6,102</td>
<td>5,754</td>
<td>5,214</td>
</tr>
<tr>
<td>Scope 2: Indirect CO2 emissions from electricity consumption</td>
<td>4,819</td>
<td>4,648</td>
<td>4,648**</td>
</tr>
<tr>
<td>Total Emissions</td>
<td>10,921</td>
<td>10,398</td>
<td>9,862 **</td>
</tr>
</tbody>
</table>

**Waste (consolidated/Japan) (unit: thousand t)**

<table>
<thead>
<tr>
<th></th>
<th>2017/3</th>
<th>2018/3</th>
<th>2019/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste (consolidated/Japan)</td>
<td>182,184</td>
<td>193,238</td>
<td>198,470</td>
</tr>
</tbody>
</table>

**Social Data**

**Number of Employees (consolidated)**

<table>
<thead>
<tr>
<th></th>
<th>2017/3</th>
<th>2018/3</th>
<th>2019/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>47,984</td>
<td>48,200</td>
<td>48,286</td>
</tr>
<tr>
<td>Male</td>
<td>28,619</td>
<td>29,083</td>
<td>29,103</td>
</tr>
<tr>
<td>Female</td>
<td>19,365</td>
<td>19,117</td>
<td>19,183</td>
</tr>
</tbody>
</table>

**Percentage of Women in Management Positions (non-consolidated) (unit %)**

<table>
<thead>
<tr>
<th></th>
<th>2017/3</th>
<th>2018/3</th>
<th>2019/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>10.38</td>
<td>11.01**</td>
<td>11.01**</td>
</tr>
</tbody>
</table>

**Employee Data (non-consolidated)**

**Ratio of Independent Outside Directors to Directors**

- Male: 2
- Female: 5
- Total: 8

**Ratio of Outside Members to Governance, Nomination and Compensation Committee Members**

- Male: 3
- Female: 2
- Total: 5

**GHG Emissions (non-consolidated)**

<table>
<thead>
<tr>
<th></th>
<th>2017/3</th>
<th>2018/3</th>
<th>2019/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption (unit: GJ) <strong>1</strong></td>
<td>103,184</td>
<td>92,184</td>
<td>84,335</td>
</tr>
<tr>
<td>CO2 emissions (unit: thousand t-CO2)</td>
<td>10,019</td>
<td>8,851</td>
<td>7,242</td>
</tr>
</tbody>
</table>

**Lost time injuries frequency rate (frequency rate of work injury due to accident)**

- 2017/3: 0.45
- 2018/3: 0.46
- 2019/3: 0.47

**Lack of interest in injury rate (frequency rate of work injury due to lack of interest)**

- 2017/3: 0.92
- 2018/3: 0.93
- 2019/3: 0.94

**Percentage of women in management positions (non-consolidated)**

- 2017/3: 10.38%
- 2018/3: 11.01%
- 2019/3: 11.01%

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*1 Direct CO2 emissions from fuel consumption
*2 Indirect CO2 emissions from electricity consumption
*3 Emissions of greenhouse gas (excluding 6.5 gases)
*4 Copy paper (calculated as A4 size)
*5 Energy efficiency
*6 Employee satisfaction
*7 Number of employees who took family care leave
*8 Global Trainee System
*9 Maternity and paternity leave
*10 Monthly average overtime hours
*11 Employees working at the Head Office and domestic branches (excluding secondees from other companies)
*12 Level of employee satisfaction
*13 Employee Data from the 2019 survey on workplace accidents

**Key Reference**


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**Emission Data (non-consolidated)**

- **Waste recycling rate**
- **Paper consumption**
- **Energy consumption**
- **CO2 emissions**

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**ESG Data Marked with an Asterisk (*) for the Year Ended March 31, 2019** has been adjusted in order to make a fair comparison with the previous year. For details, please see our ESG Data Book.
Mitsubishi Corporation (Securities code: 8058)

Date Established: July 1, 1954
Date Registered: April 1, 1950
Capital: ¥204,446,667,326

Shares of Common Stock Issued: 1,590,076,851
Capital: ¥204,446,667,326 (Date Registered: April 1, 1950)

Consolidated: 79,994
Parent company: 6,016
Number of Employees: 100,8086

Independent Auditors: Deloitte Touche Tohmatsu LLC

Stock Listings: Tokyo, Nagoya

Transfer Agent for Shares and Special Accounts, Mitsubishi UFJ Trust and Banking Corporation

Account Management Institution: Mitsubishi UFJ Trust and Banking Corporation

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/<

Shareholder Information (As of March 31, 2019)

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, 2019

As of March 31, 2018
Number of shares issued: 1,580,076,851
Number of shareholders: 258,030

As of March 31, 2019
Number of shares issued: 1,590,076,851
Number of shareholders: 258,306

Change
— 0.0%
6,000
0.0%

Principal Shareholders

{Table of Shareholding Ratio, Shareholder Information}

Investment ratio is computed by excluding 3,060,037 shares of treasury stock held by Mitsubishi Corporation and rounded to two decimal points.

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Number of Shareholders

Year ended March 2009
538
281,707
200,000
300,000
400,000

Year ended March 2014
2
381,034
253,316
332,187
298,301
305,210
332,187
298,301
253,316
281,707

Year ended March 2019
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332,187
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