To meet the needs of society, the Mitsubishi Corporation (MC) Group seeks to achieve growth together with society through a business management model that relies on 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.

**Business Management Model**

Through its more than 130 Business Units and a global network of around 1,700 companies in 90 countries and regions, the MC Group has access to virtually every industry worldwide. Capitalizing on its collective capabilities to adopt a holistic view across numerous industries, it is shifting away from a mindset that looks simply to invest in past sources of growth. By leveraging its strengths to become more deeply involved in business management, the MC Group seeks to create new value by transforming its businesses, as well as to raise corporate value by reforming its business structures through consolidation and other means.

**Management Professionals**

The key to achieving this shift from a business investment model to a business management model will be in developing and producing an even larger number of highly skilled management professionals who are able to respond flexibly to the changing business environment and who proactively engage in managing businesses. MC will pursue companywide initiatives to develop its management professionals, and through the businesses they create, MC will in turn be contributing to both society and the growth of the company. We are working to enhance the corporate value of the MC Group by achieving this virtuous growth cycle.

**Approximate Number of Group Companies:**

1,700

The MC Group aims to create sustainable corporate value while simultaneously generating economic value, societal value and environmental value through its businesses.

**Forging a new path with business management.**
Companywide Initiatives

Alongside shifts in the geopolitical landscape, advances in digital technology and the emergence of platform companies are ushering in a business model transformation known as the Fourth Industrial Revolution. Given these changes to the external environment, MC adopts a holistic view across numerous industries to pursue a business portfolio strategy that examines the next business fields to enter and the fields for asset replacement companywide, deliberately rotating businesses through a series of project cycles inherent to the Company as part of a Value-Added Cyclical Growth Model. Furthermore, in order to adapt quickly to changes in the environment, MC is implementing a number of HR system reforms. These include ensuring that employees gain the right experience to become management professionals earlier in their careers, being more meritocratic to ensure that the right people are assigned to the right positions and utilizing management talent more widely and effectively throughout the MC Group.

Creating the Next Industry

Reciprocal Growth Between the Company and Employees

The MC Group 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. The MC Group 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.

Value Creation Beyond Business Group Walls

The MC Group takes a holistic view across numerous industries based on a framework that focuses on the main themes of Midterm Corporate Strategy 2021: portfolio management, HR development and digital strategies. Aiming to identify New Seeds of Growth that may have been previously overlooked through a traditional mindset, including industrial restructuring and technological innovation, MC and each of its Business Groups are working to jointly identify projects and respond to the rapid progression of industrial digitalization (DX). Currently, various ideas are under discussion that transcend the walls between Business Groups, and these have already produced numerous candidates for investment projects. We will carefully examine these candidates and then seize the opportunity at the appropriate time to execute them.
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Publication of Mitsubishi Corporation Integrated Report 2020

In Midterm Corporate Strategy 2018—Evolving Our Business Model from Investing to Managing, formulated in May 2016, Mitsubishi Corporation (MC) described a policy of simultaneously generating triple-value growth through our businesses: economic value, societal value and environmental value. 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 ended March 31, 2020 called 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 transversing Business Group boundaries to steadily develop new frontiers 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 the preparation process and the accuracy of the content of disclosure with respect to this integrated report.

September 2020
Kazuyuki Masu
Member of the Board, Executive Vice President, Corporate Functional Officer, Chief Financial Officer
Our Direction

MC's Vision
Since its founding years, Mitsubishi Corporation has embraced the spirit of the Three Corporate Principles as its corporate philosophy.

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

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

Integrity and Fairness
"Shobi Komei"
Maintain principles of transparency and openness, conducting business with integrity and fairness.

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

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

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.

Regardless of how our 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.

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

Adaptability
The MC Group prides itself on adapting to our ever-evolving world by anticipating and responding to changes including geopolitical shifts, economic transformation, technology-driven industrial developments and changes in societal values.

Consolidated Growth Strategy
The MC Group includes approximately 1,700 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 our 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.

Achieving Sustainable Growth for the MC Group and Society

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

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

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Maintain principles of transparency and openness, conducting business with integrity and fairness.

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Expand business, based on an all-encompassing global perspective.

(The modern day interpretation of the Three Corporate Principles, as agreed on at the Mitsubishi Kinyokai meeting of the companies that constitute the so-called Mitsubishi group in January 2001.)
MC has pursued value creation by flexibly transforming its business models in accordance with changes in the external business environment.

**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 suppliers and buyers across international borders in order to respond to market changes and customers' needs. Over the underlying expansion of trading volumes for numerous industries throughout Japan's period of rapid economic growth up to the 1980s. MC, with trading commissions as its primary revenue source, saw its financial performance steadily improve.

- In the mid-1980s, a strong yen pushed Japan into a recession, which was followed by the economic bubble and its subsequent collapse. During this period, the business environment surrounding MC shifted dramatically, and 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.

**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 MC shifted dramatically, and 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 (Acceleration of Business Investment)**

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

**Business Management Phase**

- Due to a shift in the market environment for natural resources, MC recorded its first ever net loss for the fiscal year ended March 31, 2016. Since then, MC has worked to rebalance 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.
Achieving Growth

Through Business Management Model

While business models across a wide range of industries are changing due to digitization, geopolitical uncertainty continues, and the social and economic outlook is becoming increasingly unclear due to the spread of COVID-19. Even in this difficult external environment, I believe that steadily implementing Midterm Corporate Strategy 2021 will lead to medium- and long-term growth for the MC Group. Here, I would mainly like to discuss our response to the external environment and my thoughts on human resources in terms of the progress made towards this strategy.

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

Introduction
Firstly, I would like to convey my deepest sympathy to all those affected by COVID-19 and express my heartfelt respect and gratitude to the medical practitioners and other key workers who are serving society across various settings. The MC Group will come together to combat this crisis, aiming to meet the expectations of our stakeholders and to achieve sustainable growth.

Q What are your thoughts in view of the difficult external environment, including the impact of COVID-19 and the global economic downturn?

A Heightening geopolitical risk, notably US-China tensions and changes to the external environment stemming from digitization, have been further accelerated by the COVID-19 pandemic. MC will weather this crisis by demonstrating our unique adaptability.

COVID-19 has brought serious stagnation in social and economic activity, and the rapid decrease in demand and plummeting crude oil prices are inflicting damage on the world economy exceeding that caused by the global financial crisis of 2008 and the Great East Japan Earthquake of 2011. At the same time, a geopolitical issue, namely the struggle for supremacy between two global superpowers, the United States and China, and a societal issue, namely the transition to a digital society, have also come to the forefront. Energy-related sectors, growing social and environmental awareness surrounding the transition to a low-carbon/decarbonized society has become an irreversible tide, and companies are expected to pursue future-fit businesses as responsible corporate citizens.

The external environment facing the MC Group is fraught with grave uncertainties. In August 2020, MC disclosed its full-year earnings forecast for the fiscal year ending March 31, 2021. It is a matter of urgent importance for all officers and employees to confront the current harsh reality and to fortify our existing businesses with a sense of crisis as our business management is put to the test.

For unprofitable or low-profit businesses to which MC can no longer add value through its involvement, we will consider options including mergers with other companies or divestment. Meanwhile, as a result of the decisive strategic asset replacement that was carried out following the posting of a consolidated loss for the fiscal year ended March 31, 2016, our business portfolio has become more resilient to external impacts. Even in the current situation, the foundation of our business portfolio strategy and financial soundness will remain unshaken. Looking ahead to the medium- to long-term growth of MC, we will buck up to implement the initiatives set out in Midterm Corporate Strategy 2021 without deviation. Assuming the availability of a COVID-19 vaccine, the world economy is expected to head toward genuine recovery in 2021 at the earliest, and our basic scenario envisions the global economy following a U-shaped recovery. With the outlook so uncertain, we will combine the insights of MC’s management professionals on the front lines of our business to consider countermeasures based on a variety of scenarios, including worst-case conditions. Even amid the current unprecedented turmoil, we will keep our eyes squarely on the future and weather this crisis by demonstrating our unique adaptability.

A Industrial structure reform through digital transformation and energy sector reform through energy transformation.

I am convinced that the challenges that MC should tackle head-on are, first, industrial structure reform through digital transformation (DX) and, second, energy sector reform through energy transformation (EX), working towards the transition to a low-carbon/decarbonized society.

I should note that we have begun using the term EX internally to refer to how we will take on the challenge of transforming the energy sector in line with the transition to a low-carbon/decarbonized society, placing it at the same level of priority as DX. Since before the COVID-19 pandemic began, Japan has lagged behind other advanced countries in digitization of both society and industry. We need to recognize that the industrial structure reform through DX, whether we welcome it or not, is now unavoidable across every industry. Businesses that cannot keep pace with this inevitable reform will undoubtedly be eliminated. This is precisely why I think the role expected of MC is not to resist the changes brought on by technological innovation, but instead to move quickly to lead the way in our industry and, in some cases, adapt our industrial structures. To that end, in April of this year we launched the Industrial DX Task Force as a companywide initiative to envision and promote what can be accomplished by looking across a wide range of business sectors, as opposed to an extension of our existing business operations.

Although at first we will proceed with DX on a B-to-B basis, eventually we will take a B-to-B-to-C approach to link DX to consumers. Ultimately, people consume electricity, resources and food, and people’s sensitivities, behaviors and desires are intertwined with consumption. By analyzing these factors and connecting them with consumption data digitally, we will likely be able to use algorithms to quantify consumer needs all the way to the most upstream businesses. I think that we will be fully able to demonstrate our strengths as a company with a holistic view across numerous industries by integrating people’s consumption with industrial activities.

On the subject of EX, the greatest issue for MC is how to develop our energy-related business portfolio, which holds substantial weight in our overall portfolio, as we usher in a low-carbon/decarbonized society. Eneco, which we acquired at the end of the previous fiscal year, is a European integrated energy company that has been actively engaged in renewable energy projects. A joint venture between Eneco and a major resources company was awarded the tender for an offshore wind-power project in the Netherlands this July as the first project under this new organizational structure, and Eneco is accelerating its forward-looking initiatives.

MC is deeply involved in the energy and power generation sector, engaging in businesses ranging from the stable supply of LNG to power generation particularly in Japan, which lacks certain natural resources. In light of the reality Japan currently faces, and assuming technological innovation in preparation for the realization of a low-carbon/decarbonized society over the next three decades, we would like to propose an optimal solution through our unique business activities during the fiscal year ending March 31, 2022. I am convinced that this will enable MC to lead the way in world-class EX.

MC’s greatest strength is its involvement in virtually every industry worldwide through its more than 1,700 Group companies. This leads to business intelligence built on mutual trust, based on our strong connections with influential partners, both internal and external. With this intelligence as the focal point, we will formulate new businesses and seek to realize industrial structure reform through DX and energy sector reform through EX. In this way, MC’s role should be to proactively seek solutions to problems that industries are facing.

We will formulate new businesses and carry out reforms through DX and EX, while responding to geopolitical risks based on our business intelligence.
Message from the President and CEO

Q In these changing times, could you explain what the MC Group’s vision and mission are?

A The MC Group has held the Three Corporate Principles as its corporate philosophy since the beginning, and aims to respond to the changing business environment and meet societal needs in order to achieve sustainable growth together with society through the simultaneous generation of economic, societal and environmental value.

Although the MC Group has faced various crises since its founding, under our corporate philosophy, the Three Corporate Principles (Corporate Responsibility to Society, Integrity and Fairness, and Global Understanding Through Business), we have continued to grow together with society by identifying changes in the world and endeavoring to provide solutions accordingly.

Different times call for different actions, and what is most important is how we read the present situation and what challenges we undertake as we keep a close eye on future developments.

In particular, with regard to environmental issues, the transition to a low-carbon/sustainable society has been accelerating in recent years. I believe that by pursuing energy sector reform through EX, we will promote the spirit of Corporate Responsibility to Society set out in the Three Corporate Principles by striving to create a physically and spiritually fulfilling society and helping to conserve our irreplaceable global environment.

The MC Group has articulated a corporate vision of pursuing sustainable growth by simultaneously generating economic value, societal value and environmental value. Since its founding years, MC has been a company that has passed down and embodied the spirit of contributing to the sustainable development of society. Under Midterm Corporate Strategy 2021 as well, we aim to create sustainable corporate value through the generation of triple-value growth.

Q As MC pursues the simultaneous generation of triple-value growth, what are your thoughts on the Group’s employees and management professionals?

A Employees are our most important asset. Employee growth and company development will progress hand in hand.

MC has more than 130 Business Units, and the seeds for next-generation businesses lie dormant in each of them. Discovering these New Seeds of Growth and cultivating them into Growth Drivers and Core Businesses is a growth mechanism unique to MC. The traits required to accomplish this are the foresight to consider the optimal structure of an industry as a whole and the execution skills to achieve that growth by obtaining the understanding and support of others. While applying this type of personal magnetism and industry knowledge grounded in an understanding of the business, I would like every employee to continue pursuing initiatives to improve front-line operations and, eventually, to reform industrial structures with new perspectives uncollected by existing frameworks.

As the MC Group has focused on growth, the internal structures and business processes of companies in our portfolio are constantly improving. At the same time, the responsibilities for employees are also evolving, and our mission is to encourage employees to continue to grow in their respective fields with management responsibilities.

Q What is your current assessment of Midterm Corporate Strategy 2021, and what future direction will MC take?

A We are steadily advancing strategies such as expanding downstream and sector businesses in our portfolio, transitioning to the implementation stage of DX and introducing a new HR system, and we will accelerate these initiatives going forward.

Since I became President and CEO in 2016, we have reviewed the asset weight of the businesses in our portfolio that are most susceptible to fluctuations in resource prices, such as mineral resources and share gas, and we have implemented asset reshuffling and optimization aimed at achieving an optimal balance of market-related segments and business-related segments. In addition, we have extensively considered new initiatives, such as strengthening our downstream and services sector businesses.

As part of this effort, we acquired the integrated energy company Eneco in March of this year after obtaining preferential negotiating rights last November. Eneco is a business operator on the cutting edge of renewable energy that will become a strategic base for MC’s renewable energy businesses in Europe. We are formulating a growth plan to apply Eneco’s knowledge, which will become increasingly in demand going forward, not only in the European region, but also globally.

In December of last year, we agreed to form a business partnership with NTT Corporation to establish an Industrial DX Platform. Furthermore, in May of this year, the two companies acquired an equity stake in HERE Technologies, based in the Netherlands. In this way, we have been making strategic moves to promote DX.

In any given business, there are producers and distributors, and the value they add in the process is ultimately passed on to consumers. Together with NTT, we will endeavor to generate added value through data utilization, starting with the food distribution industry. For instance, food companies devote themselves to making delicious products, and this should be their field of competition with other companies. However, in reality, they are involved in a wide range of business processes, including distribution and other incidental operations. To boost the international competitiveness of an industry, we believe it is important to create an environment that enables focused input of corporate management resources in the competitive arena. Conversely, in other non-competitive areas, we should build a platform through digital innovation to improve efficiency and optimize processes.

MC plays the role of intermediary in the food distribution industry, and we have established and nurtured relationships with numerous manufacturers and wholesalers. We feel that one of the roles expected of us is to utilize the data we have accumulated, as well as our networks, to carry out structural reform by leveraging efficiency improvements in transportation, warehousing and other aspects of food distribution. Improving logistics efficiency and warehouse operations is mainly carried out on a conventional scale, and this is where the benefits of developing a common platform could be enormous. Now is the time to find optimal solutions by collecting and analyzing data across numerous businesses and by utilizing AI. We will start by implementing this plan within the MC Group to confirm the merits. Ultimately, involving companies from within and outside the food distribution industry with similar needs will increase efficiencies and promote benefits of scale. Moreover, improving these types of cross-industry operations through DX will also lead to solutions for social and environmental problems, such as reductions in food loss and carbon emissions.

Besides food distribution, MC is involved in virtually every industry in Japan. By identifying and solving issues, we will work tirelessly to accomplish industrial structure reforms that can boost our competitiveness.

Once again, I would like to request the understanding of our stakeholders that, despite the difficult business environment amid the global economic downturn, the MC Group will pool its resources to address social and environmental challenges in order to achieve sustainable growth.

As MC continues to grow, we will seek to fulfill our corporate responsibility to society and work to conserve our irreplaceable global environment.

MTS-161216-0012
Changes in the External Environment

- Global economic downturn amid the spread of the COVID-19 pandemic. Double shock impacting both supply and demand caused a sudden drop in oil prices and contraction of economic activities.
- Potential for the ideals of globalization to shift from the conventional pursuit of higher efficiency amid increased geopolitical uncertainty, with the US and China competing for global dominance and the rise in nationalism in various countries.
- Digital transformation (DX) is expected to expand beyond borders and industries, as well as to become an essential element of infrastructure supporting flexible and mutual cooperation, due to factors including technological advances and shifts in people’s values.

- Transitioned digital transformation (DX) initiatives from the concept to execution stage
- Pursued industrial digital transformation by forming a company-wide Industrial DX Task Force and through a business partnership with NTT Corporation

GIFs for Digital Strategy

Planning & Execution of Industry-Wide Business Concepts/Models

- Natural Gas
- Industrial Materials
- Petrochemicals & Resources
- Industrial Infrastructure
- Automotive & Mobility
- Food Industry
- Consumer Industry
- Power Solutions
- Urban Development

Digital Infrastructure

- Artifical Intelligence
- Navi-Gen Materiales
- IIC Branding

Next-Generation Manufacturing Technologies

- Mobile
- Data Assets
- Platform Businesses
- FinTech
- Analytics


- Work with Business Groups to identify new seeds of growth and plan/organize new businesses
- Combine multiple concepts into larger, more sophisticated business models
- Assess how concepts/models can be leveraged to break into next generation growth sectors
- Enhance value of existing businesses and replace those that have peaked

Digital Transformation

- Industrial DX Task Force
- NTT Business Partnership
- DX Project Promotion

Digital Strategy Department

- Investment Agreement with HERE Technologies
- Tech Companies/Startups
- Alliances and Investments
- Critical and Core Technologies
- Academic Institutes, etc.
- Recruitment and Training of IT Professionals

Building a DX Platform for Industrial Structure Innovation

- Concluded a business partnership with NTT in December 2019 to promote industrial DX, and joint investment with NTT in HERE Technologies, which is the world’s leading company in the location-based services field
- Aiming to build industrial DX platforms across corporate boundaries through digitalization functions that contribute to greater industrial efficiency and higher added value
- Start of initiatives in the food distribution and industrial material logistics fields, for which MC has a certain level of business foundation and accumulated expertise

In the food distribution field, retail businesses aim to leverage sales data and other information to dramatically reduce waste from inventory and retail shops by incorporating demand forecasts using AI. These businesses are also taking advantage of the latest technologies to encourage the integration of product codes that differ between companies, as well as to vastly reduce labor costs resulting from conversion work and other tasks. These innovations will contribute to the optimization of the entire value chain. The industrial material logistics field is suffering from an extreme shortage of labor. Distribution warehouses will strive toward labor savings and full automation. Leveraging HERE’s location-based technologies and solutions, MC will connect real infrastructure into digital data to further new business creation such as efficient staging and the optimization of urban transport.

MC will accelerate the promotion of DX across industries through the organic integration of ICT technologies from NTT Corporation with its industrial expertise and foresight. MC will also engage in broad collaboration with other corporations and startups worldwide.

03 HR System Reforms

- Ongoing execution of measures that contribute to the continuous development of highly skilled management professionals
- Fully introduced evaluation and compensation systems to ensure reciprocal growth between the company and its employees
- Started operation of a new HR system based on the four key policies below.

1) Support employees’ self-growth and company growth
2) Ensure employees gain the right experience earlier
3) Ensure meritocratic systems so that the right people are assigned to the right positions
4) Utilize highly-skilled management talent throughout the MC Group and realize more appropriate benefits

Improve Level of Skill and Career Development Through Growth Dialogues

Growth dialogues were adopted as a system to encourage employees’ self-growth and the support for that growth from superiors and colleagues. Separate from performance evaluations, employees focus on reviewing their skills and career development with superiors to effectively insight their growth as employees.

Employees receive feedback from their colleagues about their strengths and weaknesses before talking with managers, and also undergo a 360-degree management review. Observations from many different people stimulate change and encourage each employee to develop their skills.

04 Financial Targets & Capital Policy

- Consolidated net income for the fiscal year ending March 31, 2020: ¥535.4 billion; financial forecast for the fiscal year ending March 31, 2021: ¥200 billion due to the effects of COVID-19
- Continued progressive dividends under a capital policy based on financial discipline
- Dividends in the fiscal ended March 31, 2020: ¥132; dividends forecast for the fiscal year ending March 31, 2021: ¥134

Change in Dividends Per Share

<table>
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<tr>
<th>Fiscal Year</th>
<th>Interim Dividends</th>
<th>Year-end Dividends</th>
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<tr>
<td>2018/3</td>
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<tr>
<td>2019/3</td>
<td>¥110</td>
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Midterm Corporate Strategy 2021 Period

<table>
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<th>Fiscal Year</th>
<th>Interim Dividends</th>
<th>Year-end Dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021/3</td>
<td>¥134 (Planned)</td>
<td>¥134</td>
</tr>
</tbody>
</table>

134 (Planned)
Enhancing shareholder returns by transforming our business portfolio while maintaining financial discipline and a progressive dividend scheme

Over a year has passed since the publication of Midterm Corporate Strategy 2021, and we have made steady progress toward replacing assets while executing new investments in line with the original plan. This has enabled us to make headway on transforming our business portfolio to preserve our financial discipline. However, due to the unprecedented threat of the COVID-19 pandemic, also known as the “Corona Shock,” the fiscal year ending March 31, 2021 got off to an unusually severe start with the first quarter financial results showing losses in three Business Groups. The outlook remains unclear as to when the COVID-19 pandemic will subside, and the business environment is far from normal. Under these circumstances, all MC Group employees must work together with a sense of crisis to steadily implement the management policies laid out in Midterm Corporate Strategy 2021 in order to overcome this difficult situation.

Kazuyuki Masu
Member of the Board, Executive Vice President
Corporate Functional Officer, Chief Financial Officer
A look back at the fiscal year ended March 31, 2020, the first year of Midterm Corporate Strategy 2021, and a look ahead to the fiscal year ending March 31, 2021.

Financial Performance in the Fiscal Year Ended March 31, 2020—Offsetting Lower Profits with Asset Replacement

The MC Group’s consolidated net income for the fiscal year ended March 31, 2020 was 535.4 billion yen, a decrease of 55.3 billion yen from the previous fiscal year. Profits fell in reflection of depressed market conditions and a severe business environment influenced by US-China trade frictions and the global economic downturn. However, in addition to a bounce back from the large losses reported in the previous fiscal year, the decline in profits was partially offset by divestment gains in conjunction with a restructuring of our Chilean copper business as well as accelerated asset replacement. Amid this difficult business environment, we took several impairment charges, which were reflected in our financial results along with the steady implementation of asset replacements outlined in Midterm Corporate Strategy 2021. However, despite the current background of weakening resource prices, impairment losses in the resource segment have not been relatively large. The major factors behind this have been provisions to allowances taken in the fiscal year ended March 31, 2016, a deficit year, and the fact that MC has mostly withdrawn from upstream crude oil development projects. We believe this is a result of initiatives to increase our resilience against a deteriorating business environment driven by the replenishment of our business portfolios.

Portofolio Transformation through Large-Scale Investments in Fields in the L-Shaped Portion Presented in Midterm Corporate Strategy 2021

Regarding cash flow, cash flow from operations was 672.1 billion yen as a result of operating revenues and dividend income. Cash flow for investment was 500.7 billion yen due to large-scale new investments such as the acquisition of Eneco, while cash flows were generated by divestments from asset replacement. As a result, free cash flow after adjustment was 171.4 billion yen. While cash flow from operations is down due to the impact of COVID-19, we must face this tough business environment with tenacity by maintaining our financial discipline and by keeping a strong grip on MC’s financial soundness.

Cash Flow Trends

<table>
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<tr>
<th>Fiscal Year</th>
<th>Operating CF</th>
<th>Investing CF</th>
<th>investing CF</th>
<th>Total CF</th>
<th>Adjusted FCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/3</td>
<td>703.5 billion yen</td>
<td>857.9 billion yen</td>
<td>1.6 billion yen</td>
<td>1,550.0 billion yen</td>
<td>849.3 billion yen</td>
</tr>
<tr>
<td>2018/3</td>
<td>742.5 billion yen</td>
<td>540.2 billion yen</td>
<td>1.6 billion yen</td>
<td>1,384.3 billion yen</td>
<td>717.1 billion yen</td>
</tr>
<tr>
<td>2019/3</td>
<td>553.7 billion yen</td>
<td>898.6 billion yen</td>
<td>1.6 billion yen</td>
<td>1,503.9 billion yen</td>
<td>672.1 billion yen</td>
</tr>
<tr>
<td>2020/3</td>
<td>445.1 billion yen</td>
<td>652.7 billion yen</td>
<td>1.6 billion yen</td>
<td>1,155.4 billion yen</td>
<td>500.7 billion yen</td>
</tr>
</tbody>
</table>

*1 Operating cash flows after deducting change in working capital (consolidated net income including non-controlling interests) – DDSA – profits and losses related to investing activities – equity in earnings of affiliated companies not recovered through dividends – allowances for real estate, etc. – (deferred tax).

*2 As a result of the adoption of IFRS 16 “Leases,” the payment of lease obligations (17.0 billion yen in the fiscal year ended March 31, 2020) is not included.

*3 Operating cash flows after deducting change in working capital (consolidated net income including non-controlling interests) – DDSA – profits and losses related to investing activities – equity in earnings of affiliated companies not recovered through dividends – allowances for real estate, etc. – (deferred tax).
The first year of Midterm Corporate Strategy 2021 has ended amid a severe business environment with a slowing global economy and widespread COVID-19 infections. We take this as an opportunity to update our explanation of MC’s investment and capital strategy.

Q. The first year of Midterm Corporate Strategy 2021 is now over. What are your thoughts on the significant changes in the external environment since the strategy was drafted?

A. Our basic policy has not changed. While MC continues to both maintain positive free cash flow after dividends and preserve its financial soundness without increasing its interest-bearing liabilities, it also strives for improved ROE under a business management model by achieving growth in its existing businesses and by executing new investments for future growth. As a result of the worsening business environment centered around COVID-19, things have not gone as we had initially assumed. However, we are quickening the pace of asset replacement based on our Value-Added Cyclical Growth Model, which will be able to make up for some of the decline in underlying operating cash flows. By carrying out large-scale investments including the Eneco acquisition, we had large cash outflows in the fiscal year ended March 31, 2020, but these had already been incorporated into our plans. Since our current management system went into effect in the fiscal year ended March 31, 2017, we have consistently shown positive free cash flow after dividends are paid (after deducting for working capital effects). We have a basic policy of not increasing interest-bearing liabilities and will also preserve our financial discipline in the future because of this policy.

Q. The dividend payout ratio is on an upward trend. How do you view your shareholder returns policy in the future?

A. We will continue our progressive dividend scheme. As stated in Midterm Corporate Strategy 2021, MC expects to continue paying progressively higher dividends, and in this way will enhance its shareholder returns. Profits have fallen due to the impact of the global economic downturn amid the COVID-19 pandemic, but this only includes non-cash flow items. Underlying operating cash flow has not declined as much as profits, so we do not foresee any barriers to continuing our progressive dividend scheme. For share buybacks on the other hand, we aim to continue our capital controls and position them as a capital policy to be implemented dynamically. Specifically, we have adopted an approach based on providing capital coverage for risk assets using the investment leverage ratio as a management indicator. However, in a situation where investment is constrained for a long period and excess capital is generated, capital compression through share buybacks could become an option.

Q. Given the impacts of COVID-19, the soundness of MC’s financial foundation will likely take on more importance than before. What on your thoughts on MC’s financial foundation and financial discipline?

A. Due to our strict scrutiny of investments and divestment of assets, we are exercising rigorous control over cash flow and are maintaining our financial discipline. Even before COVID-19, the business environment became more severe, and ever since Midterm Corporate Strategy 2021 was drafted, the idea was not to put the full amount of underlying operating cash flows to use. Rather, we envisioned that the projected underlying cash flows would not be sufficient for executing all of the investment projects we had planned. Consequently, when investment projects are carried out, we incorporate a mechanism for requiring divestment of other assets. In fact, we are seeing not only withdrawal proposals but also forward-looking projects that are producing capital gains, so the mechanism is functioning effectively throughout the Company. We intend to preserve a stable balance sheet thanks to MC’s rigorous cash flow management. The result is a stricter investment policy to select projects with the highest potential to contribute to growth, while at the same time responding effectively to downward pressure from rating agencies amid the severe business environment.

Q. What do you take into account when making an investment? In the current investment environment, buying opportunities are showing up and contrarian investments are also an option. How do you perceive the current conditions?

A. For both market follower and contrarian investments, high-quality projects will be examined and considered for execution. On the topic of market follower investing or contrarian investing—that is, investing in line with rising or falling trends in stock prices—it is a common belief in our industry that MC only deals with market follower investments. That said, simply setting contrarian investing as the companywide management policy invites the risk of making decisions on price alone and buying what is cheap regardless of the field of business. What we are thinking about most is reflecting on the past and changing our culture of favoring market follower investments. Assuming there are investment opportunities for high-quality projects that fit within our optimal business portfolio, we should scrutinize them carefully and then consider making the investment.

Q. Please tell us about your future growth strategy and your investment strategy to raise corporate value.

A. We aim to improve ROE through our Value-Added Cyclical Growth Model. As our growth strategy, we intend to focus investment in the fields in the L-shaped portion of the business portfolio matrix presented in Midterm Corporate Strategy 2021. By expanding into downstream fields with our upstream-heavy portfolio, I believe we can build a well-balanced portfolio that covers the full range from upstream to downstream. For this reason, we have undertaken large-scale investments to transform our business portfolio, including the acquisition of Eneco and our involvement in HERE Technologies. Our goal of increasing ROE has not changed from when Midterm Corporate Strategy 2021 was first laid out, so we will move ahead with the Value-Added Cyclical Growth Model to achieve this goal. We have also set the investment leverage ratio as a management indicator, and we plan to exercise control over our capital by flexibly making stock repurchases with any excess capital. Looking at individual businesses, we see that there may be some very low-risk businesses as well as some very high-risk ones, such as those in the resource area. As a result, instead of asking that all businesses provide the same ROE and yield, we demand a high yield and a high internal rate of return (IRR) for high-risk businesses, whereas a lower IRR would be acceptable in a low-risk business. With regard to how to aggregate this, we have considered moving to become a highly stable, low-risk entity, but should resource prices recover, we would not be able to enjoy the benefits. In the past, profits skyrocketed when resource prices went up, and this has certainly been the source of funds for further investments. MC is not biased in one direction or another, and even if these measures are sometimes seen as being done by halves, the appeal is that we can enjoy the benefits of both. Finally, regarding the falling cost of capital, I believe it will be essential to improve the confidence placed in us by those in the capital markets. To that end, through measures such as investor engagement and enhanced disclosures, we will strive to gain the understanding and support for our businesses and management policies.
Risk Management

The MC Group’s Risk Management Framework

As the MC Group expands its diverse range of businesses globally, it faces a variety of risks. To maintain our financial soundness and improve our sustainable corporate value, it is crucial that we appropriately manage and respond to various risks. This section explains the MC Group’s Risk Management Framework and related response measures.

Risk Management Framework and Organization Model

Business Groups and dedicated corporate departments that deal with specific risks collaborate on the development of operations and management frameworks that enable appropriate response to risk.

1. Responding to Market Risk

MC broadly divides market risk into four types: commodity market risk, foreign exchange risk, stock price risk and interest rate risk. This section explains the impact of these risks on our business as well as our status in managing these risks.


- The impacts on MC from specific market fluctuations are shown in the table below.
- Commodity market risks are also present in metallurgical coal, affecting the profit and loss of Mitsubishi Development Pty Ltd (MOP), an MC subsidiary.
- With regard to stock price risk, MC holds marketable stocks with a market value of approximately 850 billion yen and bears stock price fluctuation risk accordingly. The above amount includes a valuation gain of approximately 50 billion yen, and there is a risk that this valuation gain could decrease depending on stock price movements.

Response to Foreign Exchange Risk

- MC conducts foreign currency-denominated settlements in import/export and trade transactions with foreign countries, resulting in exposure to the risk of exchange rate fluctuations. In response, we employ hedging measures such as forward exchange contracts.
- With regard to foreign currency-denominated investments in consolidated companies, we address foreign exchange risk through hedging operations to control the risk of impairment to equity capital.

Response to Interest Rate Risk

- As of the end of the fiscal year ended March 31, 2020, total interest-bearing liabilities (excluding lease obligations) were 5.7601 trillion yen, which, with partial exception, is subject to floating interest rates. Accordingly, there is a risk of the interest burden increasing during periods of higher interest rates.
- To manage interest rate risk, MC has established the ALM (Asset Liability Management) Committee to monitor interest rates and other market trends closely, and to respond to market risks quickly. The ALM Committee formulates financing measures and manages risks from interest rate fluctuations.
- In addition to interest rate movements, MC also performs macro analyses of investment projects and examinations of capital policies, as well as discussion and verification of foreign exchange markets. MC makes use of these in examining parameters for companywide business management.

Response to Total Risk

- In response to the impact of a variety of risks, MC has established the Compliance Committee and Country Risk Committee to monitor key risk indicators and to respond to changes in risk parameters.
- The Compliance Committee is composed of representatives from the Group CEO, Group Management, Group Financial & Management Services, Compliance Officer, and Corporate Sustainability & CSR Department, with the Corporate Functional Officer (Chairperson) serving as Chairperson.
- The Country Risk Committee is composed of representatives from the Group CEO, Group Management, Global Risk & Insurance Management Services, and Corporate Sustainability & CSR Department, with the Corporate Functional Officer (Chairperson) serving as Chairperson.

Board of Directors
- President and CEO
- Executive Committee
- Corporate Financial Officer (CFO)

Group Management
- CEO
- Executive Vice President
- Group Management, Financial & Management Services

Group companies
- Mitsubishi Corporation
- Mitsubishi Corporation Financial & Management Services

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02 MC’s Value Creation
03 Corporate Governance
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Note: The above list excludes those items that are related to major risks and those that are explained separately.

Supervising organization

<table>
<thead>
<tr>
<th>Role</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Investment Department</td>
<td>Business Investment risk (investment asset evaluation systems, new business investment, actions involving existing subsidiaries and affiliates, actions by subsidiaries and affiliates)</td>
</tr>
<tr>
<td>Global Risk &amp; Insurance Management Department</td>
<td>Country risk</td>
</tr>
<tr>
<td>Corporate Accounting Department (Risk Management Team)</td>
<td>Credit risk and market risk (rating systems, accrual (other than foreign exchange accrual), loans/ guarantees, acquisition/disposal of general investments, acquisition/disposal of fixed assets)</td>
</tr>
<tr>
<td>Mitsubishi Corporation Financial &amp; Management Services</td>
<td>Credit risk (contracts, transaction credits, disposition, postponement of approval)</td>
</tr>
<tr>
<td>Finance Department</td>
<td>Market risk (foreign exchange risk, interest rate risk, etc.)</td>
</tr>
<tr>
<td>Legal Department</td>
<td>Compliance risk (litigation/government investigations, laws and regulations, scandals/compliance issues)</td>
</tr>
<tr>
<td>Corporate Sustainability &amp; CSR Department</td>
<td>Climate risk</td>
</tr>
<tr>
<td>Corporate Administration Department</td>
<td>Risk of natural disasters, etc.</td>
</tr>
</tbody>
</table>

Note: The above list excludes those items that are related to major risks and those that are explained separately.

Reference Information

01 MITSUBISHI CORPORATION
02 MITSUBISHI CORPORATION
2. Responding to Credit Risk

- MC sets upper limits on credit extend to third parties in order to manage the contract and credit risk involved in transaction credit, loans/guarantees and investments in unlisted companies. In addition, each business partner is assigned a business partner rating based on an in-house rating system.
- We designate business partners that have a significant impact on the Company as targets for priority management, and regularly monitor our guidelines on risk money (framework), returns, credit protection, etc.

3. Responding to Business Investment Risk

To manage business investment risk properly, MC has established a screening process to review and make decisions on new, existing, and re-prioritizing each type of projects.

4. Responding to Country Risk

MC has established a Country Risk Committee and a country risk countermeasure structure to properly ascertain and manage country risk. We also enact appropriate risk hedging measures, such as insuring projects.

5. Responding to Compliance Risks

MC broadly divides compliance risks into three types: risks related to litigation/government investigations, risks related to laws and regulations, and risks related to scandals/compliance issues.

Based on internal rules and regulations related to compliance, MC has established a Compliance Framework and provides support for a Compliance Risk Management Framework on a consolidated basis. Compliance-related measures are enacted through discussions by the Compliance Committee, and these measures are reported to the Board of Directors annually in June.

MC has also set up various whistleblowing helplines and is working to detect and prevent compliance issues at an early stage.
MC has built up a structure for securing the lives and safety of employees and their families as we respond on a consolidated basis to all crises that impact our profit and business continuity (all-hazard approach) by linking together each Business Group and Regional and National Crisis Management Offices under the management and supervision of the Emergency Crisis Management Officer. We conduct analyses of the "cause incidents" that disrupt core operations and trigger "result incidents," while taking into consideration the characteristics of operations at each company.

All-Hazard Approach
Based on the all-hazard approach, MC has built up an internal structure that anticipates all kinds of risks, such as major natural disasters, acts of terrorism, riots, emerging infectious diseases, supply chain disruptions, legal transgressions, and cyber incidents, etc. Under usual conditions, we build up and establish various crisis management measures and structures needed in the event that a crisis does occur, so that we can ensure the safety and ascertain the status of all concerned as part of our initial response, and then act promptly to maintain and recover the infrastructure necessary for business continuity.

In particular, in the event of a serious incident impacting the lives and safety of our employees, as well as continuity of critical business operations, we will respond under the companywide direction of the Emergency Crisis Management Officer, while moving forward with our consolidated Business Continuity Management (BCM) process established for major crises.

Business Continuity Management (BCM) on a Consolidated Basis
In 2018, MC adopted “Business Continuity Management (BCM)” for its core business companies (selected from among MC Group companies) to establish and strengthen our consolidated framework designed to equip us with the business continuity capabilities needed to respond appropriately to major crisis situations.

BCM refers to the comprehensive management and implementation of a continuous POGA cycle, including the formulation of a first response and Business Continuity Plan (BCP) based on risk/impact analysis of each crisis, the establishment of appropriate systems, and education/training. It takes into account the specific local conditions, operational circumstances and business characteristics of operational companies.

Emergency Crisis Management Headquarters (Emergency Crisis Management Officer: Member of the Board and Executive Vice President Masakazu Sakakida)

Instruct measures
Report
Group Crisis Management Office
(Japan) Domestic Crisis Management Office
(Japan) Domestic Branch General Manager
(Overseas) Regional and National Crisis Management Offices
(Regional/National Crisis Management Officer: Regional CEO/General Manager of Corporate Management Support Office, and Overseas Location Manager)

MC Group Companies (Subsidiaries and Affiliates in Japan and Overseas)

All-Hazard Approach on a Consolidated Basis
Domestic crises (Natural and other disasters)
Overseas crises (Terroism, riot)
New infectious diseases
Other crises (Cyber threats, information leakage, violation of laws, defective products, environmental pollution, supply chain disruptions, etc.)

Action under usual conditions (prevention and preparation)
Action in case of emergency
Serious incidents

Consolidated Business Continuity Management (BCM)

Organizations in Change
(Related Corporate Staff Departments and Business Groups)

Development/Implementation of BCM for Core MC Group Business Companies

• Establishment of POGA cycle
• Implementation of a BCM preparedness follow-up system

Core MC Group business companies

Emergency Crisis Management Headquarters (Emergency Crisis Management Officer: Member of the Board and Executive Vice President Masakazu Sakakida)

Mitsubishi Corporation

Monitoring and direct support of BCP preparedness status of core business companies (liaison meetings, set-up of inquiry contact points)

Corporate departments

Mitsubishi Corporation

Memberships and direct support of BCP preparedness status of core business companies (liaison meetings, set-up of inquiry contact points)

Risk Management

CRMC Organization

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Risks under usual conditions
Risks under emergency conditions

MITSUBISHI CORPORATION

Q: Tell us about your response to COVID-19 up to this point.

From the early stages in January 2020, our Emergency Crisis Management Headquarters, with the help of occupational physicians, was closely scrutinizing the situation both domestically and overseas. We promptly took necessary measures that focused on preventing employee infections and halting the spread of infection, in tandem with maintaining appropriate business continuity.

In Japan, we led other companies by shifting to a system in late February of working from home in principle. In addition, under the official emergency declaration in April and May, we adopted a general approach that placed the priority on the safety of employees, encouraging self-restraint in business travel and group dining while thoroughly implementing working from home for all operations—except those essential to maintenance of the corporation. These efforts exceeded those required by government and local administrative authorities: reduction of opportunities for physical contact by 80%, and reduction in number of workplace attendances by 70%, so I think that we responded well to this emergency.

Following the lifting of the emergency declaration, we began a phased easing of restrictions. Starting in July, we adopted a provisional policy for coping with COVID-19, taking ample countermeasures against infection while increasing productivity. We promoted creative business activities and operations by shifting to this new phase aimed at establishing a work structure that optimally combines workplace attendance and working from home for each organization.

Of course, if the situation with infections worsens drastically in the future, we will take measures as necessary in light of the policies of government and local administrative authorities.

Q: Tell us about the responses at your overseas locations and Group companies.

Overseas as well, we have scrutinized the circumstances in each country concerning the spread of infection and healthcare, promptly taking such measures as removing employees and their families from a given country or shifting office operations to work-from-home arrangements. Depending on the country, there are cases in which infections are on the way to being controlled, and the various restrictions have begun to ease back. MC will, however, continue to sufficiently confirm the safety of the situation in each country as we work on appropriate business continuity.

Q: What future crisis management and BCM issues are you aware of?

Regarding the MC Group BCM policy that we adopted in 2018, we are further strengthening and enhancing our capabilities for business continuity on a consolidated basis, while reconfirming the status of our critical business companies’ structures—both domestic and overseas—in light of the impact of the recent COVID-19 pandemic and our response to it.

Masakazu Sakakida
Emergency Crisis Management Officer
Mitsubishi Corporation
7. Responding to Climate Risk

Policy

Climate change is one of the key issues for management to address as MC strives to achieve sustainable growth. MC aims to fulfill its mandate to meet the demand for energy while contributing toward the achievement of international goals such as those expressed through the SDGs and the Paris Agreement. 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, and we are working to enhance the disclosure of information in accordance with these guidelines.

Governance

As an important management issue, the Executive Committee determines the basic policies and other important matters regarding climate change, and reports these to the Board of Directors on an annual basis. In addition to seeking advice and recommendations from the external experts of the Sustainability Advisory Committee, the Sustainability & CSR Committee discusses matters thoroughly before they are brought to the Executive Committee.

Discussions focus on policies regarding climate change, such as climate-related initiatives through business and policies for addressing the TCFD. Other important matters such as methods to evaluate climate risks and opportunities (including the scenario analysis) and greenhouse gas reduction targets (including the status of reductions) are also discussed.

Climate-Related Governance Framework

<table>
<thead>
<tr>
<th>Initiative to Date</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of discussions on the resilience of MC's business to climate change</td>
<td></td>
<td></td>
<td>Creation of a roadmap to respond to the TCFD</td>
<td>Start of detailed discussions on analyzing climate risks and opportunities</td>
</tr>
</tbody>
</table>

References
\[Please refer to page 40-44 for information on MC's Sustainability Promotion Framework.\]

Incorporation into Business Strategy

In relation to the four businesses above, MC considers the 2ºC scenario as a low-carbon scenario when establishing business strategies, and incorporates it into the strategies.

References
\[Please refer to page 18 of ESG Data Book 2019 for information on MC's environmental business.\]

Strategies

**Transition Risks and Opportunities**

**Scenario Analysis**

**STEP 1** Selecting climate scenarios

**STEP 2** Identification of businesses most affected by climate change

**STEP 3** Identifying risks and opportunities

**STEP 4** Determining businesses to be monitored

**Results of the 2ºC Scenario Analysis**

**Power Generation (Fossil-Fuel)**

Business opportunities for fossil-fuel power generation are expected to decline. Based on this outlook, MC will strive to reduce its coal-fired power generation capacity or a net equity basis. In addition, MC has adopted a policy not to enter into any new coal-fired power generation businesses.

**Metallurgical Coal**

While the expansion of the electric furnaces method and the proliferation of new technologies are predicted to affect the demand for metallurgical coal, a cost-competitiveness and quality standpoint, MC expects to respond to the market by adapting its metallurgical coal business to the new environment.

**Natural Gas**

Although global gas demand is expected to maintain the same level after 2030, MC expects to be able to keep its businesses highly competitive through such measures as selecting fuel and launching new competitive projects to meet demand increases.

**Automobiles (Passenger cars/Trucks)**

Although the shift from internal combustion engine vehicles to electric vehicles is expected to progress, MC believes that internal combustion engine vehicles will be the primary vehicle in the long term. MC will monitor trends in each country and contribute towards the proliferation of plug-in hybrid and electric vehicles.

**Incorporation into Business Strategy**

In relation to the four businesses above, MC considers the 2ºC scenario as a low-carbon scenario when establishing business strategies, and incorporates it into the strategies.

References
\[Please refer to page 23 of ESG Data Book 2019 for details on the scenario analysis including the results for other businesses selected for monitoring.\]

**Physical Risks**

MC is taking the following actions for businesses that are considered to have particularly high exposure to physical climate risks.

<table>
<thead>
<tr>
<th>Selected Businesses</th>
<th>Physical Risks</th>
<th>Measures against Physical Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Generation (Fossil-Fuel)</td>
<td>Large-scale cyclones and floods</td>
<td>Taking into account sea-level rise due to climate change, port infrastructure has been designed assuming once-in-a-millennium wave heights. For the coal mines, water storage standards are reviewed based on the mining plan of each operation, and resistance to heavy rainfall has been enhanced through measures including installation of water pipes and drainage facilities between the reservoirs and mines.</td>
</tr>
<tr>
<td>Metallurgical Coal business</td>
<td>Water shortage and drought</td>
<td>MC is making efforts to reduce its dependency on fresh water intakes from rivers or groundwater supplies through measures such as investing in desalination plants and improving water reuse efficiency.</td>
</tr>
<tr>
<td>Copper business</td>
<td>Rising sea temperatures</td>
<td>To manage the risk of rising sea temperatures, MC’s mines monitor water temperature as it conducts operations in areas that are more prone to rising sea temperatures, and it conducts research on measures to deal with problems associated with rising sea temperatures, such as diseases.</td>
</tr>
</tbody>
</table>

**Metrics and Targets**

MC has set the following climate-related targets to capitalize on opportunities and mitigate risks on a consolidated basis.

Reference
\[Please refer to page 42 of ESG Data Book 2019 for details on measures against physical climate risks.\]

| Aim to reduce emissions per total assets* by 20% by 2030 | By 2030, to achieve at least 20% renewable energy in MC’s power generation business (based on generation amount). |

Reference
\[Footnote: *1: Total assets used for this target represent the numerical values within the company's financial reports, which differ from the assets calculated by the TCFD.\]

Reference
\[Footnote: *2: Compared to fiscal year ended March 2017 levels. Concentrations are given as emissions on a consolidated basis (MC on a non-consolidated basis when applicable).\]

Reference
\[Footnote: *3:  Compared to fiscal year ended March 2017 levels. Greenhouse gas emissions are expressed on a consolidated basis (MC on a non-consolidated basis when applicable).\]

Reference
\[Please refer to page 18 of ESG Data Book 2019 for information on MC’s environmental business.\]
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<th>Page</th>
<th>Section</th>
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<td>The Sustainable Growth that MC Seeks</td>
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<td>40</td>
<td>The Strengths of MC: Collective Capabilities</td>
</tr>
<tr>
<td>42</td>
<td>The Strengths of MC: Foresight and Execution Skills</td>
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<td>46</td>
<td>Framework Supporting Value Creation</td>
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<td>46</td>
<td>Overview and Identification Process of Key Sustainability Issues (Materiality)</td>
</tr>
<tr>
<td>48</td>
<td>Sustainability Initiatives</td>
</tr>
<tr>
<td>50</td>
<td>Supply Chain Management</td>
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</tbody>
</table>
The External Environment surrounding MC’s Sustainable Growth

In 2020, the global outbreak of COVID-19 created unprecedented disruption, and the uncertain outlook for the external environment persists. Even before the pandemic, global shifts such as heightened US-China tensions and a wave of digitalization were already ushering in a new era. As economies and societies worldwide continue this transformation, MC and its Group companies must utilize their collective capabilities to respond. In recent years in particular, we have seen developments such as the Sustainable Development Goals (SDGs), the Paris Agreement and the Task Force on Climate-related Financial Disclosures (TCFD). In addition, movements toward low-carbon and decarbonized societies, the expansion of ESG investing, stricter laws and regulations, and the need for a sustainable recovery from COVID-19 are leading to a wider recognition that sustainable corporate growth is tied to the simultaneous generation of not only economic value, but also societal value and environmental value.

Amid these circumstances, we will act in accordance with the Three Corporate Principles, which have served as MC’s guiding philosophy since its founding, to stay on top of global trends and to offer solutions to societal issues and needs by uncovering new business opportunities.

Toward Value Creation through the Simultaneous Generation of Triple-Value Growth

Based on the Three Corporate Principles, which have served as MC’s guiding philosophy since its founding, MC has continued to pass down the ideals of promoting integrity and fairness through its global business and contributing to the sustainable development of society. We will continue to work to simultaneously generate triple-value growth, to contribute to the achievement of the SDGs and to raise corporate value by addressing our Key Sustainability Issues, which are issues for management to address to promote sustainable growth. To accomplish these goals, we will leverage the diverse and capable management capital of the entire MC Group by applying the three core strengths of 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.

Management Capital

- Human capital
- Network
- Customer and partner capital
- Intellectual capital
- Financial capital

The Strengths of MC

- Collective capabilities to adopt a holistic view across numerous industries
- Foresight to identify New Seeds of Growth
- Execution skills to achieve growth

MC’s Businesses

- Natural Gas
- Industrial Materials
- Petroleum & Chemicals
- Mineral Resources
- Industrial Infrastructure
- Automotive & Mobility
- Food Industry
- Consumer Industry
- Power Solution
- Urban Development

Key Sustainability Issues

- Contributing to the achievement of SDGs related to MC’s Key Sustainability Issues

Environmental Value

Economic Value

Societal Value

Three Corporate Principles (P.46)
**The Strengths of MC**

**Global 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 the Head Office, MC offices and subsidiaries and Group companies.

- **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

**Customers and Partners in a Wide Range of Industries**

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.

**Collective Capabilities**

**Executing Decision-Making Aimed at Maximizing Corporate Value**

- Execute decision-making aimed at maximizing corporate value

**Providing Location Data to Manufacturers of Automobiles and Car Navigation Systems**

- Established record as a supplier of location information (high share in embedded navigation systems)
- Established record of offering services that use location information
- Established record of offering world's largest-scale maps

**Message from Edzard Overbeek, CEO of HERE Technologies**

Aided by connectivity, location data plays an important role in today’s world, helping to save resources, times and lives as well as improve asset management. We’ve gone beyond navigating from point A to point B. Location intelligence today is about shaping better real-world outcomes. Positioning ourselves as an open and accessible location platform, we’re reinventing the concept of maps by unlocking the power of location intelligence to develop solutions for the challenges of tomorrow, such as urban congestion, last-mile delivery and 5G network planning.

Through this alliance with the MC Group, with its ties spanning diverse industries and regions, we look forward to having the chance to expand our activities, especially in Japan and throughout the Asia Pacific. We are on track to deliver the first solutions for fleet management and last-mile delivery in Japan using the HERE platform. We will continue to pioneer innovative use-cases to solve real-world issues.

"A single arrow is easily broken, but not ten in a bundle." As this Japanese proverb suggests, there is much to be gained by working together. We are eager to pursue far-reaching collaborations with MC Group companies around the globe. Because it’s only together that we move the world forward.

**Collective Capabilities Enabling a Capital and Business Alliance with a Digital Transformation Partner**

- In May 2020, MC and Nippon Telegraph and Telephone Corporation (NTT) completed joint investment in HERE Technologies (HERE).
- By combining MC’s knowledge and network built from a wide range of industries, NTT’s strengths in technology, and HERE’s cutting-edge location data services, the companies aim for transformation via a business model that functions across industries, and to achieve solutions to societal issues.

**HERE Technologies**

- Established: 1985 in Silicon Valley
- Shareholders: A mix of auto manufacturers, suppliers and technology companies, comprised of Audi, BMW, Daimler, Continental, Daimler, Intel and Pioneer
- Core business: Provide location data to manufacturers of automobiles and car navigation systems
- Scope of operations: 300 countries/regions worldwide
- Workforce: Approximately 5,000 employees, mainly based in the US, Germany, the Netherlands and India

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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 capabilities and attributes shown on the opposite page, 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 these types of management professionals in order to foster reciprocal growth between the Company and its employees. Even under this new system, our fundamental philosophy of empowering highly capable and motivated employees to be able to make active contributions regardless of gender, age, nationality or other attributes, and of appropriately rewarding such efforts is maintained. We also share this philosophy on a global, consolidated basis. 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.

Message from Corporate Functional Officer (CDO, Human Resources, Global Strategy)

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.

MC Off-the-Job Training (OFF-JT)
Specific Examples of Training Programs

Global Trainee Program

In principle, this program’s purpose is to provide all employees with overseas experience within their first eight years with MC to keep pace with the advancing globalization of MC’s business. Focusing on international on-the-job training (OJT), this program includes assignments to overseas business schools and assignments for culture and language training. Approximately 100 employees take part in the program every year.

Innovators’ Program

Run by MC with the support of professors from Stanford University, this program is held in Silicon Valley and aims to nurture the conception skills necessary to grow business value. It is a good platform for learning about design thinking and other thought processes that inspire innovation, as well as the background and mechanisms behind the rapid growth of Silicon Valley enterprises.

Diversity Management

MC believes it is important to create vibrant workplaces where each and every employee can embrace diversity and make meaningful use of his or her respective talents, as well as to promote the development of and utilization of employees on a global, consolidated basis. Led by the Diversity Office within the Global Human Resource 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.

Building a Corporate Culture that Embraces Diversity

We hold training sessions and seminars as an initiative to nurture a culture that embraces diversity. In the fiscal year ended March 31, 2020, we held a virtual reality (VR) seminar on the theme of unconscious biases, and seminars for leaders on work styles and management.

Supporting Women’s Careers

MC has in place a support system for balancing work and childcare, such as setting up a childcare concierge in-house, providing a daycare center to support a smooth return from maternity leave, and implementing a childcare service to coincide with long school holidays. We are also working on career support measures, such as the introduction of a re-employment system for those who had previously left the Company due to their spouses’ job transfers, the setting up of career support through representatives appointed from each division and group, and support when assigned overseas accompanied only by children.
Incorporation into Issue

While monitoring the status of our initiatives in relation to these goals, we will further ensure the generation of triple-value growth.

Since 2016, we have been strengthening our initiatives, and in 2019, we set goals around the Key Sustainability Issues.

Key Sustainability Issues (Materiality)

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

Past Initiatives to Address the Key Sustainability Issues

| 1st Period: 2016 onward                                                                 | Identification of Management Issues                                                                                      |
|                                                                                      | Deliberations held by the Board of Directors and the Sustainability Advisory Committee.                             |
|                                                                                      | MC identified the Key Sustainability Issues and positioned them as management issues.                              |

| 2nd Period: 2017 to 2018                                                             | Incorporation into Business Strategy                                                                                  |
|                                                                                      | Holding of Sustainability Dialogues and meetings of the Sustainability & CSR Committee.                           |
|                                                                                      | MC held dialogues and exchanged ideas on how each Business Group can tackle the Key Sustainability Issues.       |

| 3rd Period: 2019 onward                                                               | Strengthening of Initiatives Through Goal Setting                                                                        |
|                                                                                      | Setting goals for 2020                                                                                                 |
|                                                                                      | MC further strengthened its initiatives by setting goals related in the business of each Business Group and by  |
|                                                                                      | continually monitoring and reviewing these goals.                                                                      |

1st Period: Identification of Management Issues

Creating a list of potential issues

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

Cauting the importance of each issue based on internal and external perspectives

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

Identifying the Key Sustainability Issues

MC reviewed the selected priority issues and incorporating the views of the Sustainability Advisory Committee. Following deliberations by the Executive Committee and the Board of Directors, the key sustainability issues were determined.

<table>
<thead>
<tr>
<th>Priority Issue</th>
<th>Importance to stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harmony with local communities</td>
<td>MC's Vision</td>
</tr>
<tr>
<td>Utilization of advanced technology</td>
<td>01MC's Vision</td>
</tr>
<tr>
<td>Pollution prevention/countermeasures</td>
<td>02MC's Vision</td>
</tr>
<tr>
<td>Response to climate change</td>
<td>03Corporate Governance</td>
</tr>
<tr>
<td>Sustainable use of resources</td>
<td>04Reference Information</td>
</tr>
<tr>
<td>Expanded presence of developed countries</td>
<td></td>
</tr>
</tbody>
</table>

2nd Period: Incorporation into Business Strategy

Holding of Sustainability Dialogues and Sustainability & CSR Committee Meetings

In the fiscal year ended March 31, 2018, MC held Sustainability Dialogues followed by regular meetings of the Sustainability & CSR Committee, and the purpose of incorporating the seven Key Sustainability Issues (formulated in the fiscal year ended March 31, 2017) into its business strategy. Participants discuss changes in the external environment surrounding each issue and examine how value creation by each business contributes to the growth of the MC Group overall. Additionally, ideas are exchanged on how to drive initiatives at the front lines of our business.

<table>
<thead>
<tr>
<th>Setting Goals for 2030</th>
<th>3rd Period: Strengthening Initiatives Through Goal Setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the fiscal year ended March 31, 2020, MC formulated individual business goals so that each Business Group could autonomously promote initiatives for the Key Sustainability Issues. Specifically, MC has set targets related to fields including renewable energy, plug-in hybrid and electric vehicles, carbon capture and storage technologies, food waste reduction and waste reuse, issues involving plastics, convenient transportation services and high value-added multipurpose urban development, and is advancing initiatives in line with these targets which contribute to our long-term sustainable growth.</td>
<td></td>
</tr>
</tbody>
</table>
Sustainability Initiatives

The Three Corporate Principles, which have served as MC’s corporate philosophy since its inception, extol us to “strive to enrich society, both materially and spiritually through business, while contributing towards the preservation of the global environment.” Recognizing that social and environmental issues represent both risks that must be addressed and new business opportunities, we believe that creating not only economic value but also societal value and environmental value is essential for the sustainable growth of MC.

MC defines sustainability initiatives as the creation of societal value and environmental value through business activities. By distinguishing this from corporate philanthropy activities (CSR) such as charitable donations, we are further strengthening initiatives to achieve triple-value growth through our business.

Furthermore, to meet the ever-changing demands of society, we believe it is important to maintain a cycle of dialogue with stakeholders combined with the drafting and execution of related measures.

Companywide Sustainability Measures

In MC’s management framework, sustainability initiatives are overseen by the Member of the Board/Corporate Functional Officer in charge of Corporate Sustainability and CSR. The Corporate Sustainability & CSR Department plans and drafts related policies and measures. Following deliberations by the Sustainability & CSR Committee, which convenes approximately twice a year, items are put forward or reported to the Executive Committee and the Board of Directors.

**Initiatives Incorporating Outside Perspectives**

To incorporate outside perspectives into its sustainability measures, MC has established the Sustainability Advisory Committee consisting of outside experts from NGOs, international organizations, and the ESG investment sector, etc. In addition, we engage in dialogues with stakeholders including investors and NGOs. Moreover, to better understand global environmental and societal trends, MC has established sustainability departments in Europe, the Americas, Southeast Asia and other regions to share and coordinate information. We are also a signatory of the UN Global Compact and are a member of organizations such as the World Business Council for Sustainable Development (WBCSD).

**Promoting Sustainability Through Business**

To continuously create societal value and environmental value through our business activities, we have established a framework through which not only Corporate Departments, but also Business Groups proactively promote sustainability.

**Incorporation into Business Group Strategies**

- We have established a framework that incorporates companywide sustainability perspectives into business strategy. The Sustainability & CSR Committee, chaired by the Corporate Functional Officer (Corporate Sustainability & CSR) and attended by all Group CEOs and Corporate Functional Officers, thoroughly discusses basic policies and key matters related to sustainability. In Business Strategy Meetings, in which the President and Group CEOs discuss the future strategies for each business, policy approaches based on 2°C scenario analyses are confirmed for certain business Groups.
- In addition, to further promote Business Group initiatives, management personnel responsible for promoting business strategy in each Business Group have been appointed as Chief Sustainability Officer.
- To promote collaboration, MC holds meetings for Group Sustainability Managers as needed to share information and explain measures related to sustainability.

**Cycle for Integrating Sustainability into Business Strategy**

- **November to December**
  - **Sustainability & CSR Committee**
  - **Committee-based strategy formulation**

- **January to February**
  - **March**
  - **Corporate Strategy & Planning Department**
  - **Executive Committee**
  - **Board of Directors**
  - **Screening process for investment and finance proposals**

**Risk Management for Individual Projects**

- **Within the Corporate Sustainability & CSR Department**, individual staff are tasked with evaluating and supporting individual investment and finance proposals for each Business Group from environmental and social perspectives.
- By having the General Manager of the Corporate Sustainability & CSR Department serve as a member of the Investment Committee, MC has put in place a screening system that reflects potential environmental and social impacts in decision-making.
- For proposal applications such as management plans for subsidiaries and affiliates, by requiring details on aspects including the position of the business in relation to promoting Key Sustainability Issues as well as potential environmental and social risks (including 2°C scenario analyses), MC seeks to assess risks and create project proposals with an awareness of impacts on the environment and society.
Supply Chain Management

Basic Approach on Human Rights (Including Response to International Norms)

MC believes that respect for human rights is fundamental to doing business globally. The Universal Declaration of Human Rights is proclaimed as "a common standard of achievement for all peoples and all nations." to respect and ensure human rights and dignity. It was adopted at the third UN General Assembly on December 10, 1948. MC supports this declaration and makes its stance clear both internally and externally by stipulating its respect for human rights in its Corporate Standards of Conduct and Social Charter. Furthermore, MC's Code of Conduct for all officers and employees states that the MC will respect human rights; will not engage in discrimination based on race, ethnicity, creed, religion, or other grounds; will not tolerate harassment; will respect the cultures, customs, and languages of other countries and regions. MC also supports international norms such as the UN Guiding Principles on Business and Human Rights, the core labor standards of the International Labor Organization (ILO), and the Voluntary Principles on Security and Human Rights. In the UK, the government established the UK Modern Slavery Act (MSA), which requires certain companies to disclose actions taken to mitigate modern slavery in their supply chains. In response to this legislation, MC publishes a statement annually. Furthermore, the Mitsubishi Corporation Policy for Sustainable Supply Chain Management includes clauses covering the prohibition of forced labor and child labor. MC expects its suppliers to understand, embrace, and abide by this policy.

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. Separate guidelines are also formulated for products that require specific individualized initiatives.

Supply Chain Management Initiatives

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 to our suppliers that operate in higher risk industries where environmental and social considerations are particularly relevant, 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**
   - Target products are selected based on the following aspects (examples):
     - External threats related to the product
     - Situations in the country or region of origin of the product

2. **Determine target suppliers**
   - Target suppliers are determined based on factors such as transaction history, etc.

3. **Distribute surveys**
   - Distribute surveys which include questions related to the following issues:
     - Compliance with laws and regulations
     - Existence of forced or child labor
     - Environmental conservation status
     - Initiatives for information disclosure

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

5. **Results**
   - MC received responses from about 450 suppliers in approximately 30 countries and regions including China, Vietnam, and Thailand via a survey conducted in the fiscal year ended March 31, 2020. Survey results were also obtained through interviews with management and employees, CM confirms that its suppliers understand, embrace, and abide by its Policy for Sustainable Supply Chain Management.

References


Collecting Sustainability Information on a Consolidated Basis

To fully grasp qualitative and quantitative information around corporate sustainability, MC annually conducts environmental and occupational health and safety surveys targeting all subsidiaries and affiliates on a global, consolidated basis. The aggregated results are reported to management and are used as basic materials when considering sustainability initiatives and other measures.

- **Selection of survey targets (March)**
  - The subsidiaries and affiliates subject to the survey are determined by the relevant Business Groups/Divisions. In principle, the survey covers all subsidiaries and affiliates including consolidated subsidiaries, affiliates (including affiliates of subsidiaries) under the equity method, and jointly managed projects and companies.

- **Start of survey (March)**
  - The survey items include greenhouse gas emissions (Scope 1, Scope 2), water use, occupational health and safety data, expenditures for philanthropic activities, environmental management measures, and other management policies.

- **Completion of survey (May)**
  - Data on consolidated greenhouse gas emissions, energy usage, electricity consumption, non-consolidated occupational health and safety performance and other aspects has received independent practitioner’s assurance from Deloitte Tohmatsu Sustainability Co., Ltd. to improve data reliability.

Through dialogue with stakeholders, we exchange opinions on supply chain management and perform reviews as necessary to make improvements. The table to the right shows the type of reviews that we have conducted to date, drawing on comments from stakeholders.

Examples of Items Revised based on Comments from Stakeholders:

- Began regularly obtaining suppliers’ agreement with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management
- Added more target products to the survey
- Developed an online system aimed at improving convenience and accessibility for suppliers answering the survey


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Our Foundation

Corporate Governance

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Record of Meetings Held in the Fiscal Year Ended March 31, 2020

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

**Goverance, Nomination and Compensation Committee**
The committee meets at least three times a year and a majority of its members are Outside Directors and Outside Audit & Supervisory Board Members. It deliberates on matters related to governance, nomination and compensation (page 60).

**Presidents Performance Evaluation Committee**
Subcommittee to the Governance, Nomination and Compensation Committee (page 60).

**International Advisory Committee**
An advisory body to the Board of Directors made up of overseas experts (page 61).

**Orientation upon Assumption of Office**
To deepen understanding of MC, all Business Groups and the Corporate Staff Section conduct orientation sessions for newly appointed Outside Directors and Outside Audit & Supervisory Board Members.

**Dialogue and Interactions with Officers and Employees**
Opportunities are provided for Outside Directors and Outside Audit & Supervisory Board Members to engage in dialogue with Group CEOs, Division COOs, candidates for next-term management executives, mid-level employees and junior employees.

**Site Visits to Business Subsidiaries and Affiliates**
For further understanding of the MC Group's wide range of businesses, every year Outside Directors and Outside Audit & Supervisory Board Members participate in site visits to Group companies and other sites, and hold dialogue with the management of Group companies and others.

**Meetings of Independent Directors and Independent Outside Audit & Supervisory Board Members**
Meetings are held at least once per quarter to provide a forum for free discussion among Outside Directors and Outside Audit & Supervisory Board Members on a wide range of themes (page 65).

**Informal Meetings of the Board of Directors**
Informal meetings of the Board of Directors are held as necessary with all Directors and Audit & Supervisory Board Members to provide a forum for free discussion outside of Board of Directors’ meetings.

**Visits to Overseas Business Subsidiaries and Affiliates (Past Three Years)**
- **August 2018** Cermaq Group AS (Norway)/Offshore wind farm facility in the United Kingdom
- **September 2018** Large mixed-use redevelopment project / The Mandalay International Airport (Myanmar)
- **October 2018** Australian coal project (Australia)
- **November 2018** LNG Canada project development site (Canada)
- **December 2018** Monitoring shale gas production and development site in Canada and to the LNG Canada project development site. Through meetings with the local state government, city mayors and tribal leaders, Outside Directors and Outside Audit & Supervisory Board Members confirmed the state of initiatives aimed at simultaneously generating economic, societal and environmental value while taking into account local stakeholders and the natural environment. They also visited a business development site where the Silicon Valley Branch of Mitsubishi Corporation (Americas) operates with a partner company.

* A joint venture business owned by the companies, MC, Royal Dutch Shell plc, and state-operated energy enterprises from Malaysia, China, and South Korea.

**Visits to Overseas Business Subsidiaries and Affiliates**

**Results for the Fiscal Year Ended March 31, 2020**
- **April 2018** Large mixed-use redevelopment project / The Mandalay International Airport (Myanmar)

Ken Kobayashi
Chairman of the Board

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**Highlights for the Year Ended March 31, 2020**

The Chairman of the Board plans and leads various initiatives to help realize more effective corporate governance that contributes to MC’s sustained growth and the enhancement of medium- to long-term corporate value.

MITSUBISHI CORPORATION
Evaluation of the Effectiveness of the Board of Directors

The Governance, Nomination and Compensation Committee held deliberations in October 2019, and, in the fiscal year ended March 31, 2020, Mr. Akitaka Saiki and Mr. Tadashi Kunihiro who serve as Independent Outside Director and Independent Outside Audit & Supervisory Board Member, respectively, took the lead in formulating deliberations. The results were analyzed and assessed by the Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members and the Governance, Nomination and Compensation Committee. The evaluations were led by Outside Directors and Outside Audit & Supervisory Board Members in order to maintain objectivity and neutrality.

Specific Process

**STEP 1**
Questionnaires and interviews involving all Directors and Audit & Supervisory Board Members were conducted.

Responses to issues identified in the previous year’s evaluation; evaluation of measures undertaken in the fiscal year ended March 31, 2020; the composition, operation, agenda items, and the oversight and audit functions provided by Audit & Supervisory Board Members, and support system of the Board of Directors; the status of individual Director involvement; the composition and operation of the Governance, Nomination and Compensation Committee, and dialogues with shareholders and investors, among other matters.

**STEP 2**
The results were analyzed and assessed by the Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members, and the Chairman and the President were also meaningful, and we will continue to do so. In future meetings of the Board of Directors, we hope to engage in more active exchanges of opinions on the direction of the company, themes spanning the medium to long term, and company initiatives.

**STEP 3**
Deliberations were held by the Board of Directors.

Exchanges of ideas between Outside Directors and Outside Audit & Supervisory Board Members. Through these initiatives, communication among Directors and executives and Outside Directors and Outside Audit & Supervisory Board Members, and further exchanges of ideas and opinions were enhanced, and relationships were further strengthened.

Initiatives in the Fiscal Year Ended March 31, 2020

- Presentations on major business subsidiaries and affiliates as a part of reports by directors of the status of their division business operations reports, regular monitoring on important matters, and site visits of important overseas projects.
- Enhancement of summaries of deliberations for the Board of Directors, and attendance at boardings by executives and employees involved in the deliberation
- Ensuring feedback on deliberations in management meetings.

Based on the results of the evaluation, I felt that MC’s governance structure, particularly the role of Outside Directors and Outside Audit & Supervisory Board Members, has been strengthening and transitioning toward a monitoring model. As an Outside Audit & Supervisory Board Member, I place importance on the monitoring of the company’s major policies, corporate culture, and governance, and, in order to establish an even more solid governance structure.

Evaluation of the Fiscal Year Ended March 31, 2020 and New Issues

- Sufficient follow-up was conducted on important matters. In addition, site visits were further expanded by setting up multiple opportunities, including overseas.
- Further enlargement of deliberation meetings was appropriately provided. It was confirmed that feedback on key points of detail should be provided in more detail going forward.
- More opportunities were created for dialogue focused on succession planning between management executives and Outside Directors and Independent Audit & Supervisory Board Members, and further enhancements were made to meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members. Through these initiatives, communication among Directors and Audit & Supervisory Board Members was enhanced and relationships were further strengthened.
- Deeper deliberations by the Board of Directors to further enhance monitoring and enhance progress reports for important items in medium-term management strategy, strategic planning of company initiatives, etc.
- Further enhancement of major business subsidiaries and affiliates (conduct regular comprehensive monitoring).
- Optimize information provided to Outside Directors and Outside Audit & Supervisory Board Members (provide the appropriate and well-balanced amount of information for each measure).

Issues in the Fiscal Year Ended March 31, 2019

- Further expanding the monitoring of major business subsidiaries and affiliates, and expanding follow-up on important matters.
- Enhancing feedback on deliberations in management meetings.

For the year ended March 31, 2020, Mr. Akitaka Saiki and Mr. Tadashi Kunihiro who serve as Independent Outside Director and Independent Outside Audit & Supervisory Board Member, respectively, took the lead in formulating deliberations. The evaluations were led by Outside Directors and Outside Audit & Supervisory Board Members in order to maintain objectivity and neutrality.

**FOCUS**
Enhance Deliberations by the Board of Directors to Further Strengthen Monitoring

Based on the opinions of the evaluation of the effectiveness of the Board of Directors and the principles of the Corporate Governance Code, the Board of Directors will further shift toward the monitoring of the company’s vision and structures supporting that vision. In order to further improve monitoring functions, the Board of Directors will expand its deliberations on the following matters.

- Matters for reporting other than Fins.
- Matters for decision-making by the Board of Directors (Corporate Governance Code).
- Matters for reporting excluding business associates reports.
- Matters for reporting excluding business associates reports.

**Before (results from Jan. to Dec. 2019)**

**After**

- Concluded comprehensive business operations reports by Corporate Functional Officers and Business Group CEOs.
- Work to enhance deliberations on the matters below using spare time.

**FOCUS**
Enhance Deliberations by the Board of Directors to Further Strengthen Monitoring

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- Matters for reporting other than Fins.
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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 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 Outside Audit & Supervisory Board Members who satisfy the conditions for Independent Directors or Outside Audit & Supervisory Board Members who satisfy the conditions for Independent Directors or Outside Audit & Supervisory Board Members who satisfy the conditions for Independent Directors or

Overview of Corporate Governance

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MC’s Vision

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.

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MC’s Value Creation

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Corporate Governance Framework

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Agenda of the Board of Directors in the Fiscal Year Ended March 31, 2020

<table>
<thead>
<tr>
<th>Theme</th>
<th>Main resolutions and matters reported</th>
</tr>
</thead>
</table>
| Management strategy-related items | • Management Strategy Meeting report  
• Business Strategy Meeting report  
• Business Execution Reports (conventional format; 16 times) |
| Corporate-related items | • Appointments of the Board & Audit & Supervisory Board Members/ApPOINTMENTS OF EXECUTIVE OFFICERS  
• Revision of the remuneration system for Executive Directors  
• Financial Statements  
• Acquisition and cancellation of treasury shares  
• Funding policy  
• Verification holding policy for listed shares  
• Sustainability-related policies  
• Compliance policy  
• Internal control systems |
| Investment and finance proposals | • Acquisition of Enex shares  
• Acquisition of JXEN shares  
• Additional acquisition of Chiyoda Corporation shares and loan/guarantee  
• Withdrawal from PDS and reorganization of overseas crude oil business |
| Other                   | • General Meeting of Shareholders-related items  
• Governance, Nomination and Compensation Committee report  
• Independent Advisory Committee report  
• Evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2020  
• State of response to COVID-19 |

Matters Deliberated by the Board of Directors

The Board of Directors deliberates on important management issues, and supervises business execution through reports on priority matters in Midterm Corporate Strategy, the business strategy of Business Groups, and so on. In addition, matters requiring resolution in accordance with laws and regulations, and investment and finance proposals exceeding a monetary threshold standard set by MC are deliberated and resolved with an emphasis not only on the economic aspects, but also on ESG perspectives. MC has also constructed appropriate internal control systems, and checks their operational status every year in order to work toward their continuous improvement and strengthening.

Business execution other than these matters for resolution by the Board of Directors is entrusted to Executive Officers by appointing the President as the Chief Executive Officer responsible for business execution, and the Executive Committee (meets twice monthly) as a management decision-making body.
Overview of Corporate Governance

Board of Directors’ Advisory Bodies

Governance, Nomination and Compensation Committee
Convened three times or more per year

The committee meets at least three times a year and a majority of its members are Outside Directors. It deliberates on matters related to governance, nomination, and compensation.

Composition of the Committee

Chairman (As of July 1, 2020)

Ken Kobayashi

Outside Directors

Akihiko Nishiyama

Tsuneyoshi Tatsuoka

Shunichi Miyanaga

Sakae Akiyama

Akihiko Nishiyama

Shuma Uchino

Supervisory Board Members

Chairman of the Board

President and CEO

Full-time Audit & Supervisory Board Member

Takahiko Kakiuchi

Kumaichi Sueoka

International Advisory Committee
Convened one time per year

The committee comprises overseas experts of various backgrounds, including politics, business, government and academia, and provides recommendations and advice from an international perspective.

International Advisory Committee (6) (As of July 1, 2020)

<table>
<thead>
<tr>
<th>Member</th>
<th>Nationality</th>
<th>Title</th>
<th>Years served</th>
<th>Principal area of specialization and background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambassador Richard Armitage</td>
<td>United States of America</td>
<td>Former United States Deputy Secretary of State</td>
<td>4 years</td>
<td>Ambassador Armitage previously served as Special Envoy to Jordan and United States Deputy Secretary of State. He is a widely experienced foreign diplomat, in a leading expert in Asia and Japan within the US and is acknowledged as an authority on the Middle East.</td>
</tr>
<tr>
<td>Professor Joseph S. Nye</td>
<td>United States of America</td>
<td>Harvard University, Distinguished Service Professor</td>
<td>12 years</td>
<td>Professor Nye is a globally renowned scholar in the field of geopolitics. He has extensive experience not only in academia, but also in political and economic circles. Within the International Advisory Committee, he provides annual overviews 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 Consultancy</td>
<td>20 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, Keppel Logistics Network</td>
<td>7 years</td>
<td>Mr. Yeo, 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>7 years</td>
<td>Mr. FitzGerald, KBE served as Chairman of several major companies such as Unilever 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>20 years</td>
<td>Mr. Zobel has experience in growing a global business launched from the ASEAN region, and brings in a thorough knowledge of various geopolitical and industry trends in Asia, particularly in the ASEAN region.</td>
</tr>
</tbody>
</table>

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

Requirements for the President and CEO and basic policies concerning the appointment and dismissal of the President and CEO, as well as a personnel proposal for the President and CEO

Remuneration system
(Policy for setting remuneration, appropriateness of remuneration levels and composition, etc.)

Evaluation of the effectiveness of the Board of Directors

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. The President is not a member.
The Audit & Supervisory Board comprises all of the Audit & Supervisory Board Members responsible for auditing the decision-making processes and management performances of Directors in compliance with the Companies Act, and other laws and regulations as well as Mitsubishi Corporation’s Articles of Incorporation and internal rules/regulations. Full-time Audit & Supervisory Board Members ensure the soundness of the management by executing audits from a perspective based on abundant working experience at the Company, while Outside Audit & Supervisory Board Members execute audits with a background of abundant working experience in their particular fields as well as neutral and objective perspectives. In addition to resolutions of matters required by law and other important issues, the Audit & Supervisory Board strives to enhance information-sharing among the members through briefings on key matters and reporting the status of auditing activities for each of the members.

### Audit Plans

Prior to each fiscal year, the Audit & Supervisory Board formulates audit plans with key areas. In the fiscal year ended March 31, 2020, the following three key audit areas were selected for the monitoring of specific progress in management and execution.

1. **Progress in the First Year of Midterm Corporate Strategy 2021:**
   - Revitalization of the organization in conjunction with Business Group restructuring
   - Execution of the mission for each new Business Group
   - Increased understanding of the new HR system and implementation of initiatives toward its purpose

2. **Enhancing MG Group Management:**
   - Delegation of authority and development/implementation of governing structure for self-sustaining management
   - Decentralization of roles between MG representative offices and MG Group companies with consideration of regional characteristics

3. **Initiatives to Strengthen Corporate Governance:**
   - Further enhancement of deliberations at Board of Directors' meetings
   - Thorough enforcement of compliance on a consolidated basis
   - Development of an internal control system on a consolidated basis

### Toward Sustainable Growth for MC

In the fiscal year ended March 31, 2020, the first year of Midterm Corporate Strategy 2021, the MG Group undertook major reforms including the reorganization of Business Groups, initiatives for creating new businesses in digital transformation and HR system restructuring. As Audit & Supervisory Board Members, we have actively visited MG offices and MG Group companies in Japan as well as overseas to understand their circumstances. We will continue striving to collect a wide range of information while strengthening cooperation with Outside Directors and Outside Audit & Supervisory Board Members.

### Main Activities of the Audit & Supervisory Board and its Members

#### Dialogue with Executive Officers

Opportunities are created for all Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, to engage in dialogue with the Chairman of the Board, the President and CEO, Corporate Functional Officers, Business Group CEOs, Business Division COOs, Administrative Department General Managers, and the General Managers of the Corporate Staff Section.

#### Attendance at Important Meetings

Besides the Audit & Supervisory Board, the Full-time Audit & Supervisory Board Members attend meetings of major internal management bodies, including Board of Directors, Governance, Nomination and Compensation Committee, Executive Committee, Business Strategy Committee, and Management Strategy Meeting, and provide necessary opinions. Besides the Audit & Supervisory Board, the Outside Audit & Supervisory Board Members attend meetings of the Board of Directors after being briefed of discussions in the Executive Committee and lower conference bodies, and provide necessary opinions.

#### On-Site Audits and Visits

Through on-site audits and visits in the fiscal year ended March 31, 2020, the Audit & Supervisory Board Members met with the CEOs and executive officers of 49 companies in 12 countries overseas and 10 domestic MG Group companies, as well as the regional chiefs of 28 overseas and domestic offices. The Audit & Supervisory Board Members reported on the results of their on-site audits to the Chairman of the Board, the President and CEO, and relevant executive officers.

#### Enhancements of Group Corporate Governance

In addition to dialogues with the CEOs and other executive officers of the MG Group companies, opportunities are arranged for the exchange of information every quarter with the Audit & Supervisory Board Members of 39 major Group companies in Japan. We also provide assistance in training for those who will be assigned to MG Group companies as full-time audit and supervisory board members. We will continue working to strengthen the Group corporate governance through regular monitoring.

#### Collaboration with Outside Directors

Outside Directors are invited to dialogue between Audit & Supervisory Board Members and executive officers, and to briefing sessions on important matters to be discussed at the Board of Directors. We are maintaining close alignment with Outside Audit & Supervisory Board Members as well as Outside Directors through exchanging opinions at various occasions including meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members.

#### Enhancement of Tripartite Audits

Audit & Supervisory Board Members strive to further strengthen cooperation with accounting auditors and the Internal Audit Department in order to assess the Company’s situation with the aim of improving the effectiveness of audits.

#### Collaboration with Accounting Auditors and Evaluation of Accounting Auditors

We work with accounting auditors through their outline briefings on accounting audit plans, audit reports for quarterly results and monthly meetings. During on-site audits and visits, we also exchange opinions with the accounting auditors of MG Group companies in Japan and overseas.

With regard to performance evaluations of accounting auditors, we keep track of evaluation data during the fiscal year from regular audit reports and other sources, and hold an accounting auditor evaluation conference at the end of the fiscal year. As a result, we have concluded that the current accounting auditors performed appropriate audits in a professional manner, and accordingly, the Audit & Supervisory Board resolved to reappoint the accounting auditors.

#### Collaboration with the Internal Audit Department

The Internal Audit Department and Full-time Audit & Supervisory Board Members hold monthly meetings where exchange of opinions on matters requiring concerns reporting on internal audit results. Also at Audit & Supervisory Board Meetings, the Internal Audit Department reports their quarterly audit results that are also reported to the President and CEO.

In addition, Audit & Supervisory Board Members attend the internal auditor liaison meetings of 49 major MG Group companies in Japan held by the Internal Audit Department, while the General Manager of the Internal Audit Department attends liaison meetings held by the Audit & Supervisory Board Members with the audit and supervisory board members of the MG Group companies mentioned above, and all parties collect audit information and exchange opinions.
Overview of Corporate Governance

Outside Directors and Outside Audit & Supervisory Board Members
Outside Directors and Outside Audit & Supervisory Board Members are as follows (as of July 1, 2020).

Independent Outside Directors

Shunichi Miyanaga
Main career: Chairman of the Board, Mitsubishi Heavy Industries, Ltd.
Number of years on Board of Directors: 1 year
Boarded on his deep knowledge of the technology sector. Mr. Miyanaga has many years of experience as Member of the Board, President and CEO of a comprehensive manufacturing listed company that conducts business around the world and has global business management experience.

Akitaka Saiki
Main career: Former Vice-Minister of Foreign Affairs, Ministry of Foreign Affairs of Japan
Number of years on Board of Directors: 3 years
Mr. Saiki has served in a succession of key posts at the Ministry of Foreign Affairs of Japan. He possesses profound knowledge of geopolitics developed through foreign diplomacy, as well as important insight into various foreign country risks and an extensive personal network for dealing with these.

Tsuneyoshi Tatsuoka
Main career: Former Vice-Minister of Economy, Trade and Industry, Ministry of Economy, Trade and Industry of Japan
Number of years on Board of Directors: 2 years
Mr. Tatsuoka has served in a succession of key posts at the Ministry of Economy, Trade and Industry of Japan. He possesses profound knowledge of industrial policy in natural resources and energy, and manufacturing, and domestic and global economic policies and trends, as well as deep insight on sustainability gained through these experiences.

Sakie Akiyama
Main career: Founder and CEO, Saki Corporation
Appointed June 2020
Ms. Akiyama worked as an international management consultant, and based on her deep knowledge in the digital and IT sectors, she started an industrial inspection robotics firm and gained deep insight on innovation that has helped the company grow into a global company.

Independent Outside Audit & Supervisory Board Members

Yasuko Takayama
Main career: Former Audit & Supervisory Board Member, Shiseido Company, Limited
Number of years on Audit & Supervisory Board: 4 years
Ms. Takayama has served in key positions including Full-time Audit & Supervisory Board Member at Shiseido Company, Limited. She possesses profound knowledge of corporate strategy, marketing, and sustainability gained from B-to-B companies, and management perspectives nurtured through extensive experience as an Outside Director and Outside Audit & Supervisory Board Member.

Rieko Sato
Main career: Partner, ISHI LAW OFFICE
Appointed June 2020
Ms. Sato possesses profound knowledge of corporate law practice (Companies Act, Financial Instruments & Exchange Act, companies, etc.) based on her extensive experience as an attorney, as well as a management perspectives gained through extensive experience as an Outside Director and Outside Audit & Supervisory Board Member.

Takeshi Nakao
Main career: CEO, PARTNERS HOLDING, Co., Ltd.
Appointed June 2020
Mr. Nakao possesses profound knowledge of finance and accounting as a certified public accountant, as well as extensive insight gained through many years of experience in advisory work regarding M&A activity, corporate revitalization, and internal control.

Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members
MC endeavors to enhance cooperation among Independent Outside Directors and Independent Outside Audit & Supervisory Board Members by providing opportunities for free discussion about a wide range of themes related to the Company’s business management and corporate governance, and these discussions are reported to the Board of Directors as necessary.

Main Discussion Themes (Fiscal Year Ended March 31, 2020)

• Planned agenda items of the Governance, Nomination and Compensation Committee
• Enhancement of MC governance and further contribution to be provided by Outside Directors and Outside Audit & Supervisory Board Members
• Future issues based on evaluation of the effectiveness of the Board of Directors

Board of Directors
Convened 14 times; all Outside Directors and Outside Audit & Supervisory Board Members attended 14 times
Attendance rate: 100%
Convened 4 times; all Committee Members attended 4 times
Attendance rate: 100%

International Advisory Committee
Convened once; all Committee Members attended
Attendance rate: 100%

Audit & Supervisory Board
Convened 12 times; all Outside Audit & Supervisory Board Members attended 12 times
Attendance rate: 100%
Convened 4 times; all Committee Members attended 4 times
Attendance rate: 100%

Ratio of Independent Outside Directors to Directors*

* Based on the status as of July 1, 2020

MC’s Vision
MC’s Value Creation
Corporate Governance
Reference Information
Selection Criteria for Outside Directors

To make the function of Outside Directors and Outside Audit & Supervisory Board Members stronger and more transparent, MC has set forth Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members as follows, after deliberation by the Governance, Nomination and Compensation Committee, which is composed with a majority of Outside Directors and Outside Audit & Supervisory Board Members.

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

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

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

Overview of Remuneration Package

| Remuneration Package for Directors and Audit & Supervisory Board Members |
|---|---|---|---|
| Variables | Base salary | Annual deferred for retirement remuneration | Individual performance bonus |
| | | | Individual performance (single year) |
| | 0% | | |

Selection criteria for Outside Directors

1. Outside Audit & Supervisory Board Members are selected from among individuals who possess a wealth of knowledge and experience across various fields that is helpful in performing audits. Neutral and objective auditing, in turn, will ensure sound management.

2. To enable Outside Audit & Supervisory Board Members to fulfill their appointed task, attention is given to maintain their independence; individuals incapable of preserving this independence will not be selected to serve as Outside Audit & Supervisory Board Members.

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

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

<table>
<thead>
<tr>
<th></th>
<th>A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from MC, other than Directors’ or Audit &amp; Supervisory Board Members’ remuneration, where the amount exceeds ¥10 million per fiscal year.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A member of business personnel of a supplier or a customer of MC exceeding the threshold set by MC.</td>
</tr>
<tr>
<td></td>
<td>A member of business personnel of a provider of professional services to MC exceeding the threshold set by MC.</td>
</tr>
<tr>
<td></td>
<td>A member of business personnel of a supplier or a customer exceeding the threshold set by MC.</td>
</tr>
<tr>
<td></td>
<td>A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from MC, other than Directors’ or Audit &amp; Supervisory Board Members’ remuneration, where the amount exceeds ¥10 million per fiscal year.</td>
</tr>
<tr>
<td></td>
<td>A representative or partner of MC’s independent auditor.</td>
</tr>
<tr>
<td></td>
<td>A person belonging to an organization that has received donations exceeding a certain amount from MC.</td>
</tr>
<tr>
<td></td>
<td>A person who has been appointed as an Outside Director or Outside Audit &amp; Supervisory Board Member of MC for more than eight years.</td>
</tr>
</tbody>
</table>

Overview of Remuneration Package

| Basic Approach to the Package |
|---|---|---|---|---|
| Remuneration levels | Levels of remuneration are set based on the functions and roles of the Directors and Audit & Supervisory Board Members, MC’s performance level and other factors. |
| | 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 criteria

- Remuneration for Executive Directors (Directors for business execution, excluding Chairman of the Board and Outside Directors, hereafter the name is linked to medium- to long-term corporate value and shareholder value, and designed for greater focus on increasing medium-term corporate value.

Selection of remuneration

- The remuneration structure and its promotion are continually discussed and monitored by the Governance, Nomination and Compensation Committee, in a majority of which is Outside Directors and Outside Audit & Supervisory Board Members.

Remuneration Package for Directors and Audit & Supervisory Board Members

- The remuneration package and its promotion are continually discussed and monitored by the Governance, Nomination and Compensation Committee, in a majority of which is Outside Directors and Outside Audit & Supervisory Board Members.

- 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.

- The remuneration package and its promotion are continually discussed and monitored by the Governance, Nomination and Compensation Committee, in a majority of which is Outside Directors and Outside Audit & Supervisory Board Members.
Overview of Corporate Governance

MITSUBISHI CORPORATION

Performance-linked bonus (short term)

The annual amount for stock-based remuneration linked to medium- to long-term share performances shall be no more than 0.06% of the average consolidated net income attributable to owners of the Company’s shares for the three fiscal years ending March 31, 2021. The amount is capped at ¥600 billion per year (with regard to number of shares, limited to 400,000 shares per year).

The annual amount for performance-linked bonus (medium to long term) shall be up to 0.06% of the average of individual payment amounts prescribed in (2) below.

Note:   However, consolidated capital cost is reviewed at the close of the 2007 Ordinary General Meeting of Shareholders. The number of exercisable shares will be determined based on the average consolidated capital cost for the three fiscal years.

The total amount and individual payment amounts for Audit & Supervisory Board Members are determined within the upper limits decided by resolution of the Ordinary General Meeting of Shareholders, held in 2019, subject to discussions by the Audit & Supervisory Board Members.

The Board of Directors and the Governance, Nomination and Compensation Committee decides and decides the policy for setting Directors’ remuneration and the remuneration amount (actual payment amount).

The total remuneration amount (actual payment amount) and individual payment amounts for Directors, excluding individual performance bonuses, are determined by a resolution of the Board of Directors within the upper limits for each type of remuneration decided by resolution of the Ordinary General Meeting of Shareholders held in 2019. The payment amounts of individual performance bonuses paid to Directors based on their individual performance assessment, including qualitative assessment, shall be determined and paid on an individual basis after the President’s performance assessment of each Director for the relevant fiscal year. The assessment is conducted by the President delegated authority to the President for deciding the individual payment amounts. The assessment on the President’s performance is deliberated/determined by the President’s Performance Evaluation Committee, a subcommittee to the Governance, Nomination and Compensation Committee. The subcommittee is comprised of the Chairman, who also serves as the Chairman of the Governance, Nomination and Compensation Committee, and Outside Directors sitting on the committee. Results of the performance assessment are reported to the Board of Directors to ensure objectivity, fairness, and transparency.

The total remuneration amount and individual payment amounts for Directors and Audit & Supervisory Board Members are determined within the upper limits decided by resolution of the Ordinary General Meeting of Shareholders, held in 2019, subject to discussions by the 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, 2020

Mitsubishi Corporation paid 12 million yen to 7 Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment).

Mitsubishi Corporation paid 6 million yen to 7 Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment).

6.  In addition to the above, Mitsubishi Corporation paid executive pensions to retired Directors and Audit & Supervisory Board Members.

The total remuneration amount and individual payment amounts for Directors and Audit & Supervisory Board Members are determined within the upper limits decided by resolution of the Ordinary General Meeting of Shareholders, held in 2019, subject to discussions by the Audit & Supervisory Board Members.

Conceptual Image of Payment Mix for Remuneration of Executive Directors

Consolidated net income in basic consolidated capital cost

- Fixed (about 5%)
- Variable (about 50%)
- Performance-linked bonus (short term)
- Performance-linked bonus (medium to long term)
- Annual deferral for retirement remuneration

Consolidated net income exceeds basic consolidated capital cost

- Fixed (about 45%)
- Variable (about 30%)
- Performance-linked bonus (medium to long term)
- Annual deferral for retirement remuneration

Note:   The payment amount will be determined on the basis of the consolidated net income attributable to owners of the Company’s shares for the three fiscal years ended March 31, 2020. The payment amount will be determined on the basis of the annual consolidated capital cost for the fiscal year ending March 31, 2020.

The total remuneration amount and individual payment amounts for Directors and Audit & Supervisory Board Members are determined within the upper limits decided by resolution of the Ordinary General Meeting of Shareholders, held in 2019, subject to discussions by the Audit & Supervisory Board Members.

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

Stock-Based Remuneration Linked to Medium- to Long-Term Share Performances

The total annual amount for stock-based remuneration linked to medium- to long-term share performances shall be no more than 0.06% of the average of individual payment amounts prescribed in (2) below. The annual amounts for performance-linked bonus (medium to long term) shall be up to 0.06% of the average of individual payment amounts prescribed in (2) below. The total amount is capped at ¥600 billion per year (with regard to number of shares, limited to 400,000 shares per year).

Note:   Years in parentheses indicate fiscal year ended March 31.

President and CEO ¥175 million 1 ¥175 million
Executive Vice President ¥52.5 million 4 ¥210 million

Stock options initially allocated by position

The vesting ratio varies, as shown right, depending on the growth rate in the Company’s shares over the three-year period from the allocation date.

For the fiscal year ended March 31, 2020, based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee, the number of exercisable shares will be determined based on the average consolidated capital cost for the fiscal year ending March 31, 2020. Furthermore, there were 13 Directors (including 5 Outside Directors) and 5 Audit & Supervisory Board Members as of March 31, 2020.

The total remuneration amount and individual payment amounts for Directors and Audit & Supervisory Board Members are determined within the upper limits decided by resolution of the Ordinary General Meeting of Shareholders, held in 2019, subject to discussions by the Audit & Supervisory Board Members.

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, 2020

Note:   Years in parentheses indicate fiscal year ended March 31.

1. Performance-linked bonus (short term) is paid on an average of the consolidated net income attributable to owners of the Company’s shares for the three fiscal years ending March 31, 2021, March 31, 2022, and March 31, 2023. The amount is capped at ¥600 billion per year (with regard to number of shares, limited to 400,000 shares per year).

2. Performance-linked bonus (medium to long term) is paid on an average of the consolidated net income attributable to owners of the Company’s shares for the three fiscal years ending March 31, 2021, March 31, 2022, and March 31, 2023. The amount is capped at ¥600 billion per year (with regard to number of shares, limited to 400,000 shares per year).
Our Outline

Reference Information

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Members of the Board and Audit & Supervisory Board Members (As of July 1, 2020)

**Ken Kobayashi**
- 2016 Director of the Board (present position)
- 2016 Member of the Board, President and CEO (present position)
- 1971 Joined MC

**Takehiko Kikuchi**
- 2016 Member of the Board, President and CEO (present position)
- 1974 Joined MC

**Kazuyuki Masu**
- 2016 Member of the Board, Executive Vice President, Corporate Functional Officer (Chairman of the Board, CIO, present position)
- 2017 Member of the Board, Executive Vice President, Corporate Functional Officer (Chairman of the Board, CIO, present position)
- 2017 Member of the Board, Executive Vice President, Corporate Functional Officer (Chairman of the Board, CIO, present position)
- 1982 Joined MC

**Shinya Yoshida**
- 2020 Member of the Board, Executive Vice President, Corporate Functional Officer (Chairman of the Board, CIO, present position)
- 2020 Member of the Board, Executive Vice President, Corporate Functional Officer (Chairman of the Board, CIO, present position)
- 2020 Member of the Board, Executive Vice President, Corporate Functional Officer (Chairman of the Board, CIO, present position)
- 1982 Joined MC

**Akira Murakoshi**
- 2016 Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Corporate Sustainability & CSR, Corporate Administration, Legal, Corporate Governance, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (Present position)
- 2016 Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal, Corporate Governance, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (Present position)
- 2017 Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal, Corporate Governance, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (Present position)
- 1980 Joined MC

**Masakazu Sakakida**
- 2016 Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Corporate Sustainability & CSR, Corporate Administration, Legal, Corporate Governance, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (Present position)
- 1980 Joined MC

**Hajime Hirano**
- 2016 Member of the Board, President and CEO (present position)
- 2016 Member of the Board, President and CEO (present position)
- 1976 Joined Ministry of Foreign Affairs of Japan
- 2016 Retired from Ministry of Foreign Affairs of Japan
- 2017 Member of the Board, Executive Vice President (Present position)
- 1980 Joined the Ministry of Foreign Affairs of Japan (Resigned in March 2018)
- 2013 Adjunct Professor, Tokyo Jogakkan College Dept. of International Liberal Arts
- 2015 Member of the Board, Executive Vice President, Corporate Functional Officer (Resigned in March 2018)
- 1979 Join MC

**Tsuneyoshi Tatsukawa**
- 2016 Member of the Board, President and CEO (present position)
- 2016 Member of the Board, President and CEO (present position)
- 1980 Joined Shiseido Company, Limited
- 1998 Partner, ISHII LAW OFFICE
- 1994 Founder and CEO, Saki Corporation
- 1989 Joined KPMG Minato Audit Corporation
- 1993 Admitted to Certified Public Accountant
- 2020 Audit & Supervisory Board Member

**Shunichi Miyanaga**
- 2016 Member of the Board, President and CEO (present position)
- 2013 Member of the Board, President and CEO (present position)
- 2012 Member of the Board, President and CEO (present position)
- 1972 Joined Mitsubishi-Kyoei Insurance, Ltd. (‘98)

**Sakie Akiyama**
- 2016 Member of the Board, President and CEO (present position)
- 1994 Founder and CEO, Saki Corporation
- 1981 Joined MC

**Shinya Yoshida**
- 2020 Member of the Board, Executive Vice President, Business Development for Japan (Concurrent)
- 2020 Member of the Board, Executive Vice President, Business Development for Japan (Concurrent)
- 2020 Member of the Board, Executive Vice President, Business Development for Japan (Concurrent)
- 1982 Joined MC

**Takashi Nakao**
- 2008 Advisor to the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Corporate Sustainability & CSR, Corporate Administration, Legal, Corporate Governance, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (Present position)
- 1980 Joined MC

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

Please refer to “Independence of Outside Directors and Outside Audit & Supervisory Board Members” on the MC website for thoughts regarding independence in selection criteria for Outside Directors.


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

Please refer to “Independence of Outside Directors and Outside Audit & Supervisory Board Members” on the MC website for thoughts regarding independence in selection criteria for Outside Audit & Supervisory Board Members.

Executive Officers (As of July 1, 2020)

President
Takehiko Kakiuchi*  Corporate Governor, Officer, DGS

Executive Vice Presidents
Kazuyuki Masu*  Corporate Governor, Office, DGS
Takeishi Hagihara  Group CEO, Petroleum & Chemicals Group
Shinya Yoshida*  Corporate Governance, Officer, Office, Chair Branch
Yutaka Kyuya  Group CEO, Consumer Industry Group
Iwao Toide  Group CEO, Automotive & Mobility Group
Akira Murakoshi*  Corporate Financial Office, CBO, Human Resources, Global Strategy
Masakazu Sakakibara*  Corporate Communications, Corporate Sustainability & CSR, Corporate Administration, Legal, Compliance/Chief Compliance Officer, Office for Emergency Crisis Management Headquarters
Mitsumasa Icho  Group CEO, Urban Development Group
Norikazu Tanaka  Group CEO, Mineral Resources Group
Hidenori Takao  President, Mitsubishi Corporation (Americas) (Concurrently, General Manager, Corporate Management Support Office)
Kotaro Tsukamoto  Group CEO, Industrial Infrastructure Group
Katuyoshi Nakashima  Group CEO, Power Solutions Group
Jun Nishizawa  Group CEO, Nihon Gas Group
Norio Saiwaga  Group CEO, Food Industry Group
Aisichiro Matsunaga  Group CEO, Industrial Infrastructure Group
Yasuteru Hirai  President, Mitsubishi Corporation China Co., Ltd. (Concurrently, General Manager, Beijing Branch, Mitsubishi Corporation China Co., Ltd)

Senior Vice Presidents
Tsunehiko Yanagihara  EVP (Mitsubishi Corporation Americas) [Head office: Silicon Valley] (Concurrently, General Manager, Silicon Valley Branch, Mitsubishi Corporation Americas)
Nodoka Yamasaki  Division CEO, Healthcare Divs.
Tatsuo Nakamura  Division CEO, Automotive Business Divs.
Osamu Takeuchi  General Manager, Petroleum & Chemicals Group CEO Office
Kazunori Nishio  Division CEO, Retail Div
Koji Kishimoto  Division CEO, Food Science Divs.
Eiuke Shiozaki  Division CEO, Carbon Div
Yoshinori Katayama  Managing Director, Mitsubishi Corporation International Co., Ltd. (Europe, Asia, Africa, Middle East)
Yoshifumi Hachiyama  General Manager, Buiness Investment Management Dept
Hisashi Ishimaki  General Manager, Automation & Mobility Group CEO Office
Takuya Kuga  General Manager, Urban Development Group CEO Office
Yasumasa Kashiwagi  Division CEO, Fresh Food Products Div
Hiroki Haba  Division CEO, Finance Divs.
Yutaka Kashiwagi  General Manager, Power Solutions Group CEO Office
Koichi Shihara  Division CEO, Marine Resources Trading Div
Takeshi Arakawa  Division CEO, Consumer Products Divs.
Shigeru Wakabayashi  Division CEO, India Business Divs.
Koichi Seri  Division CEO, Mineral Resources Investment Div (Concurrently, General Manager, MFG Dept.
Yasuhiro Kawakami  Seconded to Cermaq Group AS (Chair of the Board)
Kenji Ota  General Manager, Government for the Middle East
Yuzo Nouchi  General Manager, Corporate Accounting Dept.
Masanori Saito  Division CEO, North America Div
Koji Ota  Division CEO, Plant Engineering Div
Makoto Oikawa  General Manager, Finance Dept.
Kiyotaka Kikuchi  General Manager, Executive Industry Group CEO Office
Naohiro Ogikubo  Division CEO, Urban Development Div
Yoshiyuki Nojima  General Manager, Legal Dept.
Akiko Takada  Division CEO, Asia-Pacific Div
Tetsuo Kawate  General Manager, Global Human Resource Dept
Kyoya Kondo  Division CEO, Mobility Business Div
Yasuuki Asakura  Division CEO, International Power Div
Ko Imanura  Division CEO, Performance Materials Div
Sadahiko Haneji  General Director, Mitsubishi Development Plc Ltd (Managing Director & CEO)

Corporate Staff Section
Business Investment Management Dept.
Digital Strategy Dept.
IT Service Dept.
Corporate Communications Dept.
Global Human Resources Dept.
Corporate Sustainability & CSR Dept.
Corporate Administration Dept.
Legal Dept.
Global Strategy and Regional Management Dept.
Regional Market Development Dept.
Global Risk & Insurance Management Dept.
Corporate Accounting Dept.
Finance Dept.
Structured Finance, M&A Advisor Dept.
Investor Relations Dept.

Organizational Structure (As of July 1, 2020)

President and CEO

Note: Organizational structure of the Head Office

Board of Directors

International Advisory Committee

Goverance, Nomination & Compensation Committee

General Meeting of Shareholders

Audit & Supervisory Board Members

Audit & Supervisory Board

President and CEO

Executive Committee

Corporate Staff Section

Business Investment Management Dept.
Digital Strategy Dept.
IT Service Dept.
Corporate Communications Dept.
Global Human Resources Dept.
Corporate Sustainability & CSR Dept.
Corporate Administration Dept.
Legal Dept.
Global Strategy and Regional Management Dept.
Regional Market Development Dept.
Global Risk & Insurance Management Dept.
Corporate Accounting Dept.
Finance Dept.
Structured Finance, M&A Advisor Dept.
Investor Relations Dept.

National Gas Group

National Gas Group CEO Office
National Gas & Mineral Resources Administration Dept.
Asia-Pacific Div.
North America Div.
New LNG Ventures & Marketing Div.

Industrial Materials Group

Industrial Materials Group CEO Office
Industrial Materials, Petroleum & Chemicals Administration Dept.
Carbon Div.
Steel Business Div.
Performance Materials Div.

Petroleum & Chemicals Group

Petroleum & Chemicals Group CEO Office
Industrial Materials, Petroleum & Chemicals Administration Dept.
Petroleum Div.
Petroleum Chemicals Div.
Basic Chemicals Div.

Mineral Resources Group

Mineral Resources Group CEO Office
Natural Gas & Mineral Resources Administration Dept.
Mineral Resources Investment Div.
Mineral Resources Trading Div.

Industrial Infrastructure Group

Industrial Infrastructure Group CEO Office
Industrial Infrastructure Administration Dept.
Plant Engineering Div.
Industrial Machinery Div.
Ship & Aviation Div.

Automotive & Mobility Group

Automotive & Mobility Group CEO Office
Automotive & Mobility Administration Dept.
Automotive Business Div.
Inova Business Div.
Motorcycle Business Div.

Food Industry Group

Food Industry Group CEO Office
Food Industry Administration Dept.
Food Science Div.
Food Resources Div.
Food Products Div.
Consumer Products Div.

Consumer Industry Group

Consumer Industry Group CEO Office
Consumer Industry Administration Dept.
Retail Div.
 Apparel & S.P.A. Div.
Healthcare Div.
Logistics & Food Distribution Div.

Power Solutions Group

Power Solutions Group CEO Office
Power Solutions Administration Dept.
International Power Div.
Energy Services Solution Div.

Urban Development Group

Urban Development Group CEO Office
Urban Development Administration Dept.
Urban Infrastructure Div.
Urban Development Div.
Asset Finance Div.
Business Groups at a Glance (Year ended March 2020)

**Business Groups**
- Natural Gas Group
- Industrial Materials Group
- Petroleum & Chemicals Group
- Mineral Resources Group
- Industrial Infrastructure Group
- Automotive & Mobility Group
- Food Industry Group
- Consumer Industry Group
- Power Solution Group
- Urban Development Group
- Other, Adjustments and Limitations

**Divisions**
- Asia-Pacific Div.
- North America Div.
- New LNG Ventures & Marketing Div.
- Carbon Div.
- Steel Business Div.
- Performance Materials Div.
- Basic chemicals Div.
- Petrochemicals Div.
- Basic Chemicals Div.
- Plant Engineering Div.
- Industrial Machinery Div.
- Ship & Aerospace Div.
- Automotive Business Div.
- Isuzu Business Div.
- Mobility Business Div.
- Fresh Food Products Div.
- Consumer Products Div.
- International Power Div.
- Urban Infrastructure Div.

**Net Income (loss)**
- Natural Gas: 70.3
- Industrial Materials: 26.1
- Petroleum & Chemicals: -12.0
- Mineral Resources: 212.3
- Industrial Infrastructure: 41.4
- Automotive & Mobility: 19.6
- Food Industry: 53.2
- Consumer Industry: 22.7
- Power Solution: 51.5
- Urban Development: 34.3
- Other, Adjustments and Limitations: 16.0
- Total: 535.4

**Total Assets**
- Natural Gas: 1,519.8
- Industrial Materials: 1,274.0
- Petroleum & Chemicals: 892.8
- Mineral Resources: 3,005.7
- Industrial Infrastructure: 1,184.6
- Automotive & Mobility: 1,511.1
- Food Industry: 1,599.2
- Consumer Industry: 4,130.9
- Power Solution: 1,638.8
- Urban Development: 901.0
- Other, Adjustments and Limitations: 391.8
- Total: 18,049.7

**ROA**
- Natural Gas: 5%
- Industrial Materials: 2%
- Petroleum & Chemicals: -1%
- Mineral Resources: 7%
- Industrial Infrastructure: 3%
- Automotive & Mobility: 1%
- Food Industry: 3%
- Consumer Industry: 1%
- Power Solution: 3%
- Urban Development: 4%
- Other, Adjustments and Limitations: —
- Total: 3%

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*Net income (loss) refers to "Net income (loss) attributable to owners of the parent."*
NATURAL GAS

NATURAL GAS GROUP

OUR VISION

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 increasing energy demand created by population growth. Our goal is to achieve economical, 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.

Jun Nishizawa
Executive Vice President
Group CEO, Natural Gas Group

Risks and Opportunities in Light of Changes in the External Environment

- Transition to renewable energy
- Understanding profitability due to the introduction of carbon taxes
- Exhaustion of fossil fuel resources including natural gas
- Increase in demand for natural gas due to the switching from coal and the need to compensate for the intermittent nature of renewable energy
- Increase in recoverable reserves due to innovations in technology

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.

Enhanced profitability in existing businesses by reduction of recurring costs. The Cameron LNG trains 1/2/3 started production in May/December 2019 and May 2020 respectively. Construction progressed at 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.

Elements of the Medium Corporate Strategy 2021

Progress for the fiscal year ended March 31, 2020

> EQUIITY IN EARNINGS FROM MAJOR GROUP COMPANIES

<table>
<thead>
<tr>
<th>Year-end</th>
<th>2019/3</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
<th>2023/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from equity-related earnings (after tax)</td>
<td>¥35.4bn</td>
<td>¥37.0bn</td>
<td>¥38.3bn</td>
<td>¥41.7bn</td>
<td>¥47.0bn</td>
</tr>
<tr>
<td>Income from equity-method earnings</td>
<td>—</td>
<td>¥3.6bn</td>
<td>¥3.8bn</td>
<td>¥4.2bn</td>
<td>¥6.1bn</td>
</tr>
<tr>
<td>Total</td>
<td>¥35.4bn</td>
<td>¥40.6bn</td>
<td>¥42.1bn</td>
<td>¥45.9bn</td>
<td>¥53.1bn</td>
</tr>
</tbody>
</table>

*1: MC's share of the total

> INVESTMENT IN LNG PROJECTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Project</th>
<th>StartYear</th>
<th>Completion Year</th>
<th>Expected Capacity (MTPA)</th>
<th>Buyer Seller Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Venture</td>
<td>Cameron LNG</td>
<td>2019</td>
<td>2023</td>
<td>4.8</td>
<td>MC (49%) + ExxonMobil (51%)</td>
</tr>
<tr>
<td>Expansion</td>
<td>Cameron LNG</td>
<td>2024</td>
<td>2026</td>
<td>0.3</td>
<td>MC (49%) + ExxonMobil (51%)</td>
</tr>
</tbody>
</table>

> PRODUCTION SHARE CAPACITY AND PROJECTED GROWTH

<table>
<thead>
<tr>
<th>Year-end</th>
<th>Total Capacity</th>
<th>Under construction</th>
<th>Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>29.0 MTPA</td>
<td>1.0 MTPA</td>
<td>1.6 MTPA</td>
</tr>
<tr>
<td>2020/3</td>
<td>31.6 MTPA</td>
<td>1.2 MTPA</td>
<td>2.0 MTPA</td>
</tr>
<tr>
<td>2022/3</td>
<td>38.4 MTPA</td>
<td>1.4 MTPA</td>
<td>2.5 MTPA</td>
</tr>
</tbody>
</table>

*1: MC's share of the total
*2: Expansion

MITSUBISHI CORPORATION
**INDUSTRIAL MATERIALS**

**INDUSTRIAL MATERIALS GROUP**

**OUR VISION**

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

Kotaro Tsukamoto
Executive Vice President
Group CEO, Industrial Materials Group

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**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 (MC's stake 60%), a general steel trading company

**Performance Materials Division**
Trading and business investment in the field of silica sand, cement and ready-mixed concrete, polyvinyl chloride resin, and other products

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**Risks and Opportunities in Light of Changes in the External Environment**

**Risks**
- Decrease in demand and supply for steel products due to tighter regulations for industries that emit CO₂

**Opportunities**
- Increase in demand for carbon products in conjunction with the spread of electric furnaces for steelmaking and electric vehicles (EVs)
- Innovation in the materials industry through the use of digital technologies

---

**Elements of the Mettoms Corporate Strategy 2021**

Against a backdrop of an increasingly competitive environment, diversifying material 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.

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**Program for the fiscal year ended March 31, 2020**

As we move toward a business model that works across industries, we are shifting management resources to business fields that have independence and are expected to grow, as well as expanding MC's stock of functions.

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**EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Metal One Corporation*</td>
<td>88.06</td>
<td>16.0</td>
<td>3.5</td>
<td>14.0</td>
<td>15.5</td>
</tr>
<tr>
<td>Mitsubishi International Polyurethane Corporation</td>
<td>100.0</td>
<td>13.0</td>
<td>15.0</td>
<td>10.0</td>
<td>9.0</td>
</tr>
<tr>
<td>CAPE FLATTERY SILICA MINES</td>
<td>100.0</td>
<td>0.6</td>
<td>0.7</td>
<td>0.7</td>
<td>0.6</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.

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**CARBON BUSINESS**

**Market Projections for Automotive LiBs (unit: GWh)**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEV</td>
<td>61</td>
<td>146</td>
<td>346</td>
</tr>
<tr>
<td>PHEV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEV</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Arthur D. Little

**PMC Tech Co., Ltd.**

PMC Tech is a joint venture of Posco Chemical, Mitsubishi Chemical Corporation, and MC for the manufacturing and sale of coal-based needle coke. The aim of this business is to capture the growth of revenue and the increased market for graphite electrode and lithium-ion batteries (LiB) together with the medium- to long-term trend toward the adoption of electric furnaces for steelmaking and EVs.

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**STEEL BUSINESS**

**Changes in the Demand for Steel (unit: million tons)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,499</td>
<td>1,516</td>
<td>1,506</td>
<td>1,710</td>
<td>1,775</td>
<td>1,664</td>
<td>1,717</td>
</tr>
</tbody>
</table>

Source: World Steel Association

**Metal One Corporation**

Metal One is a joint venture of MC and Sojitz, processes, distributes, and sells steel products and has over 140 bases worldwide. In response to the projected stable demand for steel based on population growth and economic growth in emerging markets, Metal One seeks to expand revenue by reinforcing overseas business.

---

**PERFORMANCE MATERIALS BUSINESS**

**Demand for Imported Silica Sand in Asia (unit: million tons)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.0</td>
<td>4.4</td>
<td>5.3</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Source: Trade Statistics of countries in Asia

Cape Flattery Silica Mines Pty., Ltd.

Cape Flattery operates the world's largest reserves of silica sand and manufactures as well as sells high-quality silica sand as a raw material for glass. In regard to annual shipment volume, Cape Flattery's reserves have the top share of sandbars trade within Asia, which is the largest region. Looking toward the future, the company seeks to achieve business expansion in these markets with high-growth potential while continuing to ensure safe operation.

---

[Image: Description of Business Activities: Business Groups]
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.

**OUR VISION**

Takeshi Hagiwara
Executive Vice President, Group CEO, Petroleum & Chemicals Group

In addition to the industry challenges of building low-carbon, recycle-oriented business models and responding to the adoption of next-generation energy, the top priorities of the Group also include stronger businesses in downstream and service segments that help realize the position of the Group, as well as value creation through digital transformation (DX). The transforming and strengthening of core businesses and the creation of new businesses will enhance MC revenues in quantity and quality.

Elements of the Midterm Corporate Strategy 2021

Progress for the fiscal year ended March 31, 2020

As an initiative to achieve low-carbon, recycling-oriented business models, MC joined a PET chemical recycling business in the polyester supply chain, which is a strength of the Group. In the future, MC will strengthen initiatives for procuring and supplying in a sustainable manner, which is one of the Key Sustainability Issues, by supporting the changing needs for plastics and creating and developing businesses with the aim of fostering triple-value growth. MC has also begun to expand support for the adoption of next-generation energy such as CO2-free ammonia, which could become a part of next-generation energy.

Risks and Opportunities in Light of Changes in the External Environment

- **Risks**
  - Higher environmental awareness concerning plastics
  - Stricter regulations and acceleration of withdrawal trend for industries that are using fossil fuels
  - Decline in the demand for gasoline due to advancement in CASE* vehicles, a declining population, and other such factors

- **Opportunities**
  - Increase in demand for recycled plastics
  - Adoption of next-generation energy
  - Development of e-commerce/networking businesses that utilize service stations

**BUSINESS OVERVIEW OF THE PETROLEUM & CHEMICALS GROUP**

Car Frontier Co., Ltd. (Automotive Maintenance E-commerce/Networking Business)

Car Frontier is a subsidiary of Mitsubishi Corporation Energy that plans, develops, and operates multiple e-commerce services to connect drivers with retailers, such as gas stations and auto shops, through web services. The company provides new services with a high level of convenience to drivers to realize a better lifestyle for car-owners. In the spring of 2020, the tire e-commerce service “TIREHOO,” which provides users complete web services from purchasing tires to booking installations, split off as BEAD Inc. AUTOBACS (BEAD CO., LTD.) also invested in and jointly operates this company. In the future, Car Frontier will build cross-industry maintenance platforms and expand its business, such as vehicle inspections and oil changes, centered on the “timy” car maintenance and booking service application.

**EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES**

<table>
<thead>
<tr>
<th>Company: <em>Other affiliated companies at each company listed above is also included.</em></th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
<th>2019/20</th>
<th>2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astomos Energy Corporation</td>
<td>100.00</td>
<td>1.8</td>
<td>1.7</td>
<td>3.0</td>
<td>-0.8</td>
</tr>
<tr>
<td>CPG Ltd.</td>
<td>50.74</td>
<td>3.2</td>
<td>0.0</td>
<td>0.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Mitsubishi Corporation Energy Co., Ltd.*</td>
<td>100.00</td>
<td>2.1</td>
<td>2.4</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Mitsubishi Group Chemical Corporation</td>
<td>100.00</td>
<td>1.3</td>
<td>1.3</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Mitsubishi Corporation Plastics Ltd.</td>
<td>100.00</td>
<td>1.6</td>
<td>1.9</td>
<td>2.5</td>
<td>3.0</td>
</tr>
</tbody>
</table>

*Name changed from MITSUBISHI SHOJI SEKIYU, CO., LTD. from the fiscal year ended March 31, 2016.

**PETROLEUM DIVISION**

Renewable Materials Business (PET Chemical Recycling Business)

MC acquired a third-party allotment of shares in Thai Shinko Industry Corporation Ltd. (TSIC), which produces PET resin for beverage bottles in Thailand, and increased its subscription share to 34%. PET is a mono-material boasting excellent transparency, glossiness, and barrier properties. Highly recyclable due to well-established collection and recycling facilities, PET has a wide range of applications, including in both beverage and food containers as well as textiles used in clothing. With greater environmental awareness about plastics and pressure to transition to circular economies worldwide, TSIC is expanding its production capacity and also plans to produce recycled PET resins by adopting chemical recycling technologies. MC deployed management executives to TSIC to contribute to its business management and to help realize a circular economy through sales of recycled PET resins that meet the growing needs of the market.

**BASIC CHEMICALS DIVISION**

GSSL (Methanol Production and Sales Business)

Caribbean Gas Chemical Limited (CGCL), established in 2013 in Trinidad and Tobago, completed construction in June 2020 and is set to start commercial operation in the third quarter of fiscal year 2020. The company has production capabilities with the ability to produce 1 million tons of methanol and 20 thousand tons of dimethyl ether each year, and uses the abundant natural gas reserves of Trinidad and Tobago as raw materials. Methanol is used for a wide range of applications, such as adhesives, agricultural chemicals, coatings, synthetic resins, and raw materials for synthetic fibers, and demand worldwide is growing. Dimethyl ether is also a next-generation clean energy gaining traction as a diesel fuel alternative for automobiles and power generation. The extensive plant construction and operation track record of MC partners are expected to provide stable operation and will solidify MC’s business dominance in methanol sales capacities, which account for a 10% share of the global market.
MINERAL RESOURCES

MINERAL RESOURCES GROUP

OUR VISION

Our Group has transformed its business model from trading to minority investment, and now to a businesses 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
Group CEO, Mineral Resources Group

Mineral Resources Group Organization

Mineral Resources Investment Division
Management of mineral resources related assets such as metallurgical coal, copper, iron ore, and aluminium

Mineral Resources Trading Division
Trading of mineral resources such as coal, iron ore, nickel, ferroalloy, copper, aluminium, and precious metals

Risks and Opportunities in Light of Changes in the External Environment

<table>
<thead>
<tr>
<th>Risk</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced demand for metallurgical coal due to a greater proportion of steel production coming from methods with low greenhouse gas emissions</td>
<td>Increased demand for copper associated with the expanding use of electric vehicles (EV) and the adoption of renewable energy generation facilities</td>
</tr>
</tbody>
</table>

Elements of the Midterm Corporate Strategy 2021

As a growth initiative, development is underway at the Quellaveco copper mine. To make the mineral resources investment portfolio more resilient, in the fiscal year ended March 31, 2020, we completed our withdrawal from the Clermont thermal coal mine, the Western Australian iron ore development project, and Hernic Ferrochrome Pty Ltd (Chrome ore mining/Ferrochrome production).

Our degree of involvement at the management level in each joint venture is enhanced by reinforcing the management platform and competitiveness. The mine contains approximately 7.5 million tons of copper and 250,000 ounces of gold. Development of the project commenced in August 2018, with the estimated first copper production in 2022. When production starts at Quellaveco, we expect our copper production volume to reach approximately 320 to 370 thousand tons.

As the world transitions to a low-carbon society, we foresee potential impact on metallurgical coal demand as a result of valor use of electric furnaces for smelting and the adoption of new technology. However, even for a business environment derived from the 2°C scenario*, we expect BMA will preserve its competitiveness. While staying aware of changes in the business environment, we seek to remain competitive through cost reductions and to maintain our dominant qualities. We are also taking actions to reduce greenhouse gas emissions and support related research.

*At Sustainable Development Scenario. In this scenario, the GHG emission outcomes for each industry are calculated in order to satisfy the Paris Agreement’s target of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels.”

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 its seven operating mines, together with a rail network and port terminal.

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 quality 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.
Industrial Infrastructure Group Organization

Plant Engineering Division
Investment and plant construction in the field of industrial infrastructure and engineering, and covering and operation in the fields of FPSO and energy infrastructure.

Industrial Machinery Division
Development of rental business and distribution business for industrial machinery such as construction machinery, agricultural machinery, machine tools, and elevators.

Ship & Aerospace Division
Trading and related businesses in the field of ships, marine machinery, aerospace equipment, and options. Ship owning & chartering business in the field of bulk carriers and LNG carriers.

Risks and Opportunities in Light of Changes in the External Environment

<table>
<thead>
<tr>
<th>Risks</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elimination of certain operators and restructuring of industries in each industrial field Province of digital technologies</td>
<td>Increasing risks related to reducing workforce and greater efficiency in light of a shortage of human resources in each industry</td>
</tr>
<tr>
<td>Necessity of innovation in existing businesses through the expansion of digital technologies</td>
<td>Capturing customer needs from an abundant customer base with a broad area of direct contact in diverse industries</td>
</tr>
<tr>
<td>Offering digital solutions based on a partnership strategy</td>
<td></td>
</tr>
</tbody>
</table>

Elements of the MitMorn Corporate Strategy 2021

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 revitalization 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 revitalization.

Existing businesses: Plant Engineering Division
We have created new business while also dispatching MC professionals to steadily support the revitalization of Chiyoda Corporation by reinforcing its corporate and risk management structure. In Japan and overseas, we have strengthened and upgraded the rental business and built up the distribution business for industrial machinery.

Progress for the fiscal year ended March 31, 2020

New business: Leverage contact points with diverse industries, we are launching initiatives for the facility management business, electric vessel business, and digital solutions business in response to a broad range of customer needs.

Equity in Earnings from Major Group Companies

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chiyoda Corporation*</td>
<td>33.32</td>
<td>9.7</td>
<td>15.1</td>
<td>2.1</td>
<td>-35.7</td>
</tr>
<tr>
<td>NIPPON CORPORATION</td>
<td>10.00</td>
<td>5.0</td>
<td>5.0</td>
<td>2.3</td>
<td>7.8</td>
</tr>
<tr>
<td>Mitsubishi Corporation</td>
<td>100.00</td>
<td>1.2</td>
<td>1.2</td>
<td>1.1</td>
<td>1.7</td>
</tr>
<tr>
<td>NIKKEN Techno Machinery Corporation</td>
<td>100.00</td>
<td>0.4</td>
<td>0.9</td>
<td>1.0</td>
<td>0.9</td>
</tr>
</tbody>
</table>

*From the fiscal year ended March 31, 2019, figures have been adjusted to include certain consolidated adjustments regarding significant transactions during the lag period which is reflected in individual financial results of the company for the fiscal year ended March 31, 2019.

Business Overview of the Industrial Infrastructure Group

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. Subsequently, in May 2019, we made the decision to respond to Chiyoda Corporation’s request to strengthen its financial position by providing support for revitalization. Later that year in September, Chiyoda Corporation became a subsidiary in terms of financial accounting. We are advancing initiatives that solidify Chiyoda Corporation’s underlying revitalization and growth that include dispatching MC professionals to bolster the corporate and risk management structure, combining the business management model that we are working with the technological capabilities of Chiyoda Corporation, and achieving steady progress and improved profitability on project-based work currently under execution.

Mitsubishi Corporation Technos
Establishment of the Tokyo Customer Experience Center
In October 2019, the Tokyo Customer Experience Center (Tokyo CEC), was opened by Mitsubishi Corporation Technos, a company that handles machine tools, plant equipment, and other industrial machinery that supports manufacturing in Japan and overseas. Through an alliance with the US General Electric Company (GE), a company with a proven track record in 3D printers, Tokyo CEC offers sales and maintenance of metal 3D printers and contract manufacturing of metal dies and other components. Tokyo CEC was established as both a showroom for these products and a lab facility. By leveraging a customer network of over 4,000 Japanese companies, Mitsubishi Corporation Technos is furthering the adoption of metal 3D printing in Japan in pursuit of a manufacturing revolution.

Floating Production Storage and Offloading (FPSO) Business in Brazil
In December 2019, MC entered into a joint venture with SBM Offshore N.V. (SBM), a global leader in the FPSO sector, for the charter, operation, and maintenance of an FPSO system that was ordered by Petroleo Brasileiro S.A., the Brazilian national oil company in June 2019 (shaking hands of the Jr. SBM 44.5% MC 20% and NYK Line 15.5%). The FPSO project is scheduled to commence operations offshore Brazil in 2023.

The project will be MC’s 19th joint FPSO project with SBM and the first Brazil FPSO project in six years. MC plans to continue expanding its FPSO and other offshore business around the world.

© Kuniaki Nakamura
AUTOMOTIVE & MOBILITY

OUR VISION

Our Group will take on challenges in the mobility service-related business by leveraging 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.

AUTOMOTIVE & MOBILITY GROUP

Risk Factors and Opportunities in the Automotive & Mobility Business (as of Fiscal 2020)

- Increased costs for owning and using a vehicle due to changes in various national tax systems and regulations, etc.
- Shifting of demand for automobiles due to a change in vehicle ownership to usage
- Emergence of new manufacturers, as well as increasing competition in cost and in CASE* technologies and AI
- Increase in research and development expenses and in capital expenditures

- Expansion of a market for electric vehicles and vehicles with low environmental impact
- Expansion of mobility service-related business through increased use of public transportation, streamlining of logistics, etc.
- New business creation through CASE* initiatives and AI/IT, etc.

Risks and Opportunities in Light of Changes in the Internal Environment

In anticipation of further growth centred as 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 service-related business.

In the automobile value chain business, we strengthened our business in the key ASEAN market by expanding exports of the Mitsubishi Motors Corporation MPV Xpander from Indonesia, and by introducing the new Isuzu Motors D-MAX pickup truck into Thailand. In downstream areas, we expanded our business domains through capital participation in fleet management, after-sales service for multiple brands, and e-commerce business in locations including ASEAN countries, India, and Russia.

In the mobility service-related business, we established a new division for strengthening our promotion framework, committed to capital participation in MooveOut, the AI-based on-demand bus system in the city of Fukui, Japan.

EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

<table>
<thead>
<tr>
<th>Company</th>
<th>2016/3</th>
<th>2017/3</th>
<th>2018/3</th>
<th>2019/3</th>
<th>2020/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI MOTORS CORPORATION*1</td>
<td>30.37</td>
<td>30.37</td>
<td>30.37</td>
<td>30.37</td>
<td>30.37</td>
</tr>
<tr>
<td>MITSUBISHI MOTORS CORPORATION*2</td>
<td>10.79</td>
<td>10.79</td>
<td>10.79</td>
<td>10.79</td>
<td>10.79</td>
</tr>
<tr>
<td>MITSUBISHI MOTORS CORPORATION (Indonesia)</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>PT. KRAMA YUDHA SALES INDONESIA (Indonesia)</td>
<td>1.23</td>
<td>1.23</td>
<td>1.23</td>
<td>1.23</td>
<td>1.23</td>
</tr>
</tbody>
</table>

*1 Excluding goodwill related to the acquisition of automotive production and distribution business in Indonesia (fiscal year ended March 31, 2016: -1.6 billion yen, fiscal year ended March 31, 2019: -0.8 billion yen) from the above figures and the below partial breakdown.
*2 There is a consolidated adjustment to our equity in earnings under IFRS due to amortization of assets evaluated at fair value at the time of acquisition, etc. (fiscal year ended March 31, 2020: 3.2 billion yen, fiscal year ended March 31, 2020: 3.2 billion yen) due to impairment losses on investment in Mitsubishi Motors Corporation.

In anticipation of further growth centered in the key ASEAN 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 service-related business.

In the automobile value chain business, we strengthened our business in the key ASEAN market by expanding exports of the Mitsubishi Motors Corporation MPV Xpander from Indonesia, and by introducing the new Isuzu Motors D-MAX pickup truck into Thailand. In downstream areas, we expanded our business domains through capital participation in fleet management, after-sales service for multiple brands, and e-commerce business in locations including ASEAN countries, India, and Russia.

In the mobility service-related business, we established a new division for strengthening our promotion framework, committed to capital participation in MooveOut, the AI-based on-demand bus system in the city of Fukui, Japan.

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 within 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 finance, and after-sales services, and has built Isuzu into a leading brand in the commercial vehicle market.

SALES START IN THAILAND FOR ALL-NEW ISUZU D-MAX PICKUP TRUCK

Sales of the All New Isuzu D-MAX, a new pickup truck and the first model change in Thailand in eight years, started in October 2019 through Tri Petch Isuzu Sales Co., Ltd., the sole distributor and importer for Isuzu Motors Limited in Thailand, and in which MC holds an 88.73% share. MC will continue to expand business in Thailand, where demand for pickups is projected to continue to be strong, and to contribute to Thailand’s economic development.
FOOD INDUSTRY

FOOD INDUSTRY GROUP

OUR VISION

Nori Saigusa
Executive Vice President, Group CEO, Food Industry Group

Our Group works to establish a stable and sustainable business model that contributes to the resolution of various societal challenges surrounding supply chains. From raw materials to processed foods, our stable business platform handles various products that fulfill consumers’ needs, while we aim to ensure safety and security for consumers, 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.

Risks and Opportunities in Light of Changes in the External Environment

- Decline in agricultural, livestock, and dairy production volume due to climate change in production areas and increase in natural disasters
- Impact on the aquaculture business (production volume decline, increased feed prices, damage to equipment, etc.) due to rising sea levels and ocean temperatures
- Decrease of supply volumes and procurement difficulties due to depletion of natural resources and tightening of resource conservation regulations
- Heightened need for building supply chains that take human rights and environmental issues into consideration

- Improvement of efficiency in the primary industry through the utilization of digital data
- Development of new aquaculture methods that are less affected by the environment (e.g., land-based farming)
- Enhancement of a sustainable procurement network that takes the environment and society into consideration
- Heightened need for building supply chains that take human rights and environmental issues into consideration

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 Business Vision: Modernization of Group companies’ strengths, such as establishment of new joint venture between Mitsubishi Corporation Life Sciences and ITOHAM FOODS Inc.

Salmon Farming Business: Promotion of initiatives to boost profitability through improvement of productivity, including obtaining approval for a proof-of-concept test of new aquaculture technology using image analysis to identify and manage fish specimens.

Livestock feed manufacturer Nisshin Corporation seeks to contribute to the creation of a circular society through initiatives to make livestock feed from reused waste items (animal feed, by-products, etc.) generated during the commercial food distribution process in Japan.

In August 2019, in cooperation with LAWSON, Inc., Mitsubishi Shokuhin Kosei-Kogyo Co., Ltd., and Nisshin Corporation, we conducted proof-of-concept trial in which we collected waste food from stores in LAWSON, Inc., and reprocessed it into feed. We are now considering the full-scale implementation of reprocessing into feed.

We launched the food brand “imperfect” and opened its flagship store, “imperfect Directeeds.” This business will contribute to the resolution of societal issues related to food and agriculture by offering food created with consideration of supply chain sustainability issues.

We will use this “imperfect Directeeds” as a hub for communication about the background stories behind food products, such as support for farmers and consideration for environmental protection, while engaging in “Do well by doing good” activities for society with consumers.

Food Science Business: Modernization of Group companies’ strengths, such as establishment of new joint venture between Mitsubishi Corporation Life Sciences and ITOHAM FOODS Inc.

Livestock feed manufacturer Nisshin Corporation seeks to contribute to the creation of a circular society through initiatives to make livestock feed from reused waste items (animal feed, by-products, etc.) generated during the commercial food distribution process in Japan. In August 2019, in cooperation with LAWSON, Inc., Mitsubishi Shokuhin Kosei-Kogyo Co., Ltd., and Nisshin Corporation, we conducted proof-of-concept trial in which we collected waste food from stores in LAWSON, Inc., and reprocessed it into feed. We are now considering the full-scale implementation of reprocessing into feed.

Providing Sustainable Food: Salmon Farming Business

The operations are environment friendly and have low CO2 emissions, and the salmon, which are high feed-efficiency fish, are a sustainable food item.

With the population of the globe expected to further increase, the Group will produce foods with high nutritional value to contribute to global stabilization of food supplies.

ENVIRONMENT AND SUSTAINABILITY INITIATIVES IN THE GROUP

Food Brand Business Built on Consideration for Sustainability—“imperfect” Business

We launched the food brand “imperfect” and opened its flagship store, “imperfect Directeeds.” This business will contribute to the resolution of societal issues related to food and agriculture by offering food created with consideration of supply chain sustainability issues.

We will use this “imperfect Directeeds” as a hub for communication about the background stories behind food products, such as support for farmers and consideration for environmental protection, while engaging in “Do well by doing good” activities for society with consumers.

Business Overview of the Food Industry Group

Equity in Earnings from Major Group Companies

<table>
<thead>
<tr>
<th>Company/Parent (consolidated)</th>
<th>2020 (BNJ)</th>
<th>2019 (BNJ)</th>
<th>2018 (BNJ)</th>
<th>2017 (BNJ)</th>
<th>2016 (BNJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi Corporation</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Mitsubishi Corporation Life Sciences Limited</td>
<td>4.1</td>
<td>3.0</td>
<td>4.0</td>
<td>5.1</td>
<td>4.8</td>
</tr>
<tr>
<td>C limb International Limited (Singapore)</td>
<td>17.46</td>
<td>15.5</td>
<td>5.0</td>
<td>5.0</td>
<td>7.6</td>
</tr>
<tr>
<td>Itoham Foods Holdings Inc.</td>
<td>38.69</td>
<td>38.69</td>
<td>38.69</td>
<td>38.69</td>
<td>38.69</td>
</tr>
<tr>
<td>Indian Packers Corporation (Pvt) Ltd</td>
<td>80.00</td>
<td>2.4</td>
<td>4.6</td>
<td>5.5</td>
<td>-0.8</td>
</tr>
</tbody>
</table>

*1 Includes total equity in earnings of Starbucks Coffee Japan Co., Ltd. through the fiscal year ended March 31, 2016. Also, the disclosed data excludes temporary profits/losses from the integration of the Caffeine Division in the fiscal year ended March 31, 2017.

*2 Includes 0.2 billion yen in the fiscal year ended March 31, 2017, 1.1 billion yen in the fiscal year ended March 31, 2018, 0.3 billion yen in the fiscal year ended March 31, 2019, and 0.8 billion yen in the fiscal year ended March 31, 2020 in our equity in earnings under IFRS due to amortization of assets recorded at fair value at the time of acquisition, adjustments of accounting differences, etc. In addition to these adjustments, there is a consolidated adjustment of 0.7 billion yen in the fiscal year ended March 31, 2019 related to impairment loss on investment in OLAM, and a +0.8 billion yen adjustment in the fiscal year ended March 31, 2020 as a material matter occurring outside the period and disclosed by the company.

*3 Until the fiscal year ended March 31, 2016, the equity in earnings of both the former Itoham Foods, Inc. and the former Yonekyu Corporation were included.

Producing Sustainable Food: Salmon Farming Business

The operations are environment friendly and have low CO2 emissions, and the salmon, which are high feed-efficiency fish, are a sustainable food item.

With the population of the globe expected to further increase, the Group will produce foods with high nutritional value to contribute to global stabilization of food supplies.

Contributing to a Circular Society Through the Use of Waste: Feed Manufacturing Business

Livestock feed manufacturer Nisshin Corporation seeks to contribute to the creation of a circular society through initiatives to make livestock feed from reused waste items (animal feed, by-products, etc.) generated during the commercial food distribution process in Japan.

In August 2019, in cooperation with LAWSON, Inc., Mitsubishi Shokuhin Kosei-Kogyo Co., Ltd., and Nisshin Corporation, we conducted proof-of-concept trial in which we collected waste food from stores in LAWSON, Inc., and reprocessed it into feed. We are now considering the full-scale implementation of reprocessing into feed.

Food Business Vision: Modernization of Group companies’ strengths, such as establishment of new joint venture between Mitsubishi Corporation Life Sciences and ITOHAM FOODS Inc.

Salmon Farming Business: Promotion of initiatives to boost profitability through improvement of productivity, including obtaining approval for a proof-of-concept test of new aquaculture technology using image analysis to identify and manage fish specimens.

Food Materials Business: Start of initiatives to address diversification in food and changes in consumer lifestyles, such as the launch of a new food brand (details on the page opposite).
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 discovering New Seeds of Growth, as well as by strengthening our Core Businesses through the promotion of ESG management rooted in the creation of data value and of corporate management personnel.

**Risks and Opportunities in Light of Changes in the External Environment**

<table>
<thead>
<tr>
<th>Risks</th>
<th>New Initiatives with Lawson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in CO2 emissions and food loss due to inefficient supply chains</td>
<td>We are using technology to seek out customer convenience and solutions to societal issues while providing new consumer experience at offline points of contact in approximately 14,500 (as of July 2020) Lawson stores.</td>
</tr>
<tr>
<td>Social and environmental risks including those related to the human rights of workers involved in supply chains</td>
<td>1. Implementation of SHARING services (product returns, shipping and receiving for individual transactions). SHARING services were adopted to reduce workloads for store staff, effectively utilize idle space in the existing distribution network, and increase consumer convenience through contactless deliveries. Currently, in about 2,000 stores in the Tokyo metropolitan area, the services are scheduled for expansion to 3,000 stores in areas outside Tokyo as well.</td>
</tr>
<tr>
<td>Diversification of consumer needs in developed countries</td>
<td>2. Efforts with &quot;need&quot;. We welcomed need, the worldwide design house funded with investment from the Tsukumo Funai Venture Company system within MCG Group, as our creative partner to renew private brands. We have already started with the store's logo and packaging for merchandise offered under its private brand (100 items).</td>
</tr>
<tr>
<td>Increase in demand due to masked fragmentation; increase in domestic demand due to demographic aging</td>
<td>3. Introduction of self-checkout. Introducing self-checkout systems as part of efforts to reduce workforce and workload through digital technology. By enabling customers to conduct cashless transactions on their own without making contact with store staff, these systems also serve as part of efforts to prevent the spread of COVID-19, and have been introduced in approximately 9,000 stores (as of July 2020).</td>
</tr>
</tbody>
</table>

**New Initiatives with Lawson**

We are using technology to seek out customer convenience and solutions to societal issues while providing new consumer experience at offline points of contact in approximately 14,500 (as of July 2020) Lawson stores.

1. Implementation of SHARING services (product returns, shipping and receiving for individual transactions). SHARING services were adopted to reduce workloads for store staff, effectively utilize idle space in the existing distribution network, and increase consumer convenience through contactless deliveries. Currently, in about 2,000 stores in the Tokyo metropolitan area, the services are scheduled for expansion to 3,000 stores in areas outside Tokyo as well.

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The electricity that our Group deals with is the foundation of 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 to balance supply and demand for our customers.

The following initiatives are undertaken for the entire electric power value chain from upstream (supply side) to downstream (demand side).

In order not to limit those services to sales of electric power, we make use of digital technologies to supply new services combined with electric power. Through the electricity used regularly by each household and customer, we aim to provide new services that fit the customer's mindset while not limiting those services to sales of electric power.

Through the electricity used regularly by each household and customer, we aim to provide new services that fit the customer's mindset while not limiting those services to sales of electric power. Moreover, in addition to the traditional offering of power generation and transmission (“supply side” of the business), we are engaged in downstream services (“demand side” of the business) including power storage, distributed power supply, and power trading, and seek to maximize our corporate value covering everything from upstream to downstream.

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Urban Development Group Organization

- **Domestic and overseas water supply, railway, port terminal and airport operation, data center and digital infrastructure businesses**
- **Domestic and overseas urban development, real estate development, real estate fund management, and other real estate-related businesses**
- **Private equity, and a domestic and overseas leasing service, including auto and aircraft leasing**

**Risks and Opportunities in Light of Changes in the External Environment**

**Note**
- Response to changes in demographic trends and progress of urbanization
- Increase of traffic, air pollution, and a growing need to reduce environmental footprints
- Conformity with local communities

**Opportunities**
- Increase in worldwide urban development needs driven by the progress of urbanization worldwide
- Increase in infrastructure and peripheral service demands due to high population growth rates and economic development, especially in emerging nations
- Shift to provide new services and contents through digital technologies

**Elements of the 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, multi-use developments. 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 the initial stage of the master planning process to develop commercial facilities, offices, residences, and hospitals in order to create a highly functional and compelling urban community, mainly in the growing ASIAN countries and Japan.*

**Progress for the fiscal year ended March 31, 2023**

*Commenced our first large-scale urban development project in Indonesia. MC continues to look into subsequent projects mainly in ASIAN countries and plans to make further investments in the urban development and infrastructure development sector during the term of the Midterm Corporate Strategy 2021.

*Engage in town management to enhance usability, comfort, and safety to attract people and businesses, improving the appeal of the area, and establish a cycle to attract potential new customers to create sustainable growth in community value.*
MC leverages 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. MC also builds upon this intelligence and expertise on a daily basis through its deep involvement in frontline businesses spanning virtually every industry worldwide. At the same time, it is crucial that the information accumulated at each location be shared laterally beyond each respective Business Group and region, and for it to be utilized to develop intellectual capital throughout the Group. MC’s offices and subsidiaries, both in Japan and overseas, play an important role in this lateral development of the MC Group.
## Investments, Loans, and Guarantees

<table>
<thead>
<tr>
<th>Country</th>
<th>Investments</th>
<th>Loans</th>
<th>Guarantees</th>
<th>Amounts hedged</th>
<th>Gross Amounts hedged</th>
<th>Net risk money</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mexico</strong></td>
<td>37.4 34.6</td>
<td>3.4</td>
<td>3.4</td>
<td>+3.4</td>
<td>18.6 28.0 7.6</td>
<td>59.4 40.6 15.2</td>
</tr>
<tr>
<td><strong>Pakistan</strong></td>
<td>40.4 34.8</td>
<td>5.6</td>
<td>5.6</td>
<td>+5.6</td>
<td>18.6 28.0 7.6</td>
<td>59.4 40.6 15.2</td>
</tr>
<tr>
<td><strong>Russia</strong></td>
<td>123.8 103.3</td>
<td>10.5</td>
<td>10.5</td>
<td>+10.5</td>
<td>40.4 34.8 5.6</td>
<td>177.1 159.0 18.1</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td>45.6 42.4</td>
<td>3.2</td>
<td>3.2</td>
<td>+3.2</td>
<td>18.6 28.0 7.6</td>
<td>59.4 40.6 15.2</td>
</tr>
<tr>
<td><strong>Thailand</strong></td>
<td>36.9 34.2</td>
<td>2.7</td>
<td>2.7</td>
<td>+2.7</td>
<td>18.6 28.0 7.6</td>
<td>59.4 40.6 15.2</td>
</tr>
<tr>
<td><strong>Philippines</strong></td>
<td>65.8 58.9</td>
<td>7.9</td>
<td>7.9</td>
<td>+7.9</td>
<td>18.6 28.0 7.6</td>
<td>59.4 40.6 15.2</td>
</tr>
<tr>
<td><strong>Vietnam</strong></td>
<td>189.1 178.7</td>
<td>-7.4</td>
<td>-7.4</td>
<td>-7.4</td>
<td>18.6 28.0 7.6</td>
<td>59.4 40.6 15.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>996.6 1,150.3</td>
<td>-150.7</td>
<td>150.7</td>
<td>-150.7</td>
<td>32.0 46.6 -14.6</td>
<td>1,352.8 1,384.0 -31.2</td>
</tr>
</tbody>
</table>

### Investments

- **Russia**
  - Amounts hedged: 231.4 billion
  - Net risk money: 231.4 billion

- **India**
  - Amounts hedged: 103.5 billion
  - Net risk money: 103.5 billion

### Latin American Countries Total

- **Mexico**
  - Amounts hedged: 1,062.7 billion
  - Net risk money: 1,062.7 billion

- **Brazil**
  - Amounts hedged: 23.2 billion
  - Net risk money: 23.2 billion

---

*The figures are adjusted for investees' net assets holdings/fair value etc. Note: These countries are selected based on our internal country risk rating and total risk money balance.
**Results of Operations:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues**</th>
<th>$'000,000</th>
<th>Gross profit</th>
<th>Net income (loss) attributable to owners of the parent**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/3</td>
<td>5,206,873</td>
<td>3,966,774</td>
<td>2,009,887</td>
<td>3,651,156</td>
</tr>
<tr>
<td>2014/3</td>
<td>5,565,832</td>
<td>4,086,627</td>
<td>2,051,003</td>
<td>3,740,757</td>
</tr>
<tr>
<td>2015/3</td>
<td>5,988,774</td>
<td>4,309,353</td>
<td>2,069,421</td>
<td>3,950,394</td>
</tr>
<tr>
<td>2016/3</td>
<td>6,098,887</td>
<td>4,414,070</td>
<td>2,056,817</td>
<td>4,061,087</td>
</tr>
<tr>
<td>2017/3</td>
<td>6,325,152</td>
<td>4,510,661</td>
<td>2,004,491</td>
<td>4,195,607</td>
</tr>
<tr>
<td>2018/3</td>
<td>6,425,761</td>
<td>4,545,358</td>
<td>1,980,403</td>
<td>4,259,884</td>
</tr>
<tr>
<td>2019/3</td>
<td>7,067,394</td>
<td>5,120,015</td>
<td>1,947,384</td>
<td>4,643,794</td>
</tr>
<tr>
<td>2020/3</td>
<td>10,103,763</td>
<td>6,458,794</td>
<td>1,758,979</td>
<td>5,147,734</td>
</tr>
<tr>
<td>2021/3</td>
<td>14,779,734</td>
<td>7,867,415</td>
<td>1,596,851</td>
<td>5,775,284</td>
</tr>
</tbody>
</table>

**Note:**
1. The dollar amounts represent translations, for convenience, of yen amounts at the rate of ¥109.0=$1.00

---

**Financial Position at Year-End:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of shares outstanding*7</th>
<th>Financial position at year-end</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/3</td>
<td>1,644,074</td>
<td>Net cash flows</td>
</tr>
<tr>
<td>2014/3</td>
<td>1,646,173</td>
<td>Net cash provided by operating activities</td>
</tr>
<tr>
<td>2015/3</td>
<td>1,647,158</td>
<td>145,352</td>
</tr>
<tr>
<td>2016/3</td>
<td>1,647,158</td>
<td>48,840</td>
</tr>
<tr>
<td>2017/3</td>
<td>1,648,541</td>
<td>52,523</td>
</tr>
<tr>
<td>2018/3</td>
<td>1,620,384</td>
<td>14,677</td>
</tr>
<tr>
<td>2019/3</td>
<td>1,584,595</td>
<td>361,359</td>
</tr>
<tr>
<td>2020/3</td>
<td>1,585,480</td>
<td>400,574</td>
</tr>
<tr>
<td>2021/3</td>
<td>1,585,929</td>
<td>415,362</td>
</tr>
</tbody>
</table>

**Note:**
1. In the fiscal year ended March 31, 2019, revenues exceeded the results of the previous fiscal year. This was mainly due to the application of IFRS 15 “Revenue from Contracts with Customers,” which led to an increase of transactions wherein the identified performance obligation of the Company is the transfer of goods as principal and therefore revenue is recognized in the gross of consideration.
2. Net cash flows was reclassified from net cash provided by operating activities to net cash provided by financing activities.
3. Working capital consists of all current assets and liabilities, including cash and short-term debt.
4. Net income (loss) attributable to owners of the parent corresponds to net income (loss) attributable to Mitsubishi Corporation under US GAAP. Borrowings (less current maturities) correspond to long-term debt, less current maturities under US GAAP. Equity attributable to owners of the parent corresponds to total Mitsubishi Corporation shareholders’ equity under US GAAP.
5. 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.
6. Payout ratio was calculated based on net income attributable to owners of the parent for the fiscal year before reclassification (this includes the restatement of results for the fiscal years ended March 31, 2012 and March 31, 2013 due to the change from US GAAP to IFRS) and the number of issued and outstanding share of the Company.
7. The payout ratio was calculated based on net income attributable to owners of the parent for the fiscal year before reclassification (this includes the restatement of results for the fiscal years ended March 31, 2012 and March 31, 2013 due to the change from US GAAP to IFRS) and the number of issued and outstanding share of the Company.
8. Work capital consists of current assets and liabilities, excluding cash and short-term debt.
9. ROA is calculated by dividing net income attributable to owners of the parent by the average of total assets at the beginning and end of the fiscal year.
10. Revenue from Contracts with Customers, which led to an increase of transactions wherein the identified performance obligation of the Company is the transfer of goods as principal and therefore revenue is recognized in the gross of consideration.
11. Net income (loss) attributable to owners of the parent corresponds to net income (loss) attributable to Mitsubishi Corporation under US GAAP. Borrowings (less current maturities) correspond to long-term debt, less current maturities under US GAAP. Equity attributable to owners of the parent corresponds to total Mitsubishi Corporation shareholders’ equity under US GAAP.
12. Price earnings ratio (PER) is calculated by dividing market capitalization, as determined by multiplying the average share price during the fiscal year by the number of shares issued at the fiscal year-end (including treasury stock held by the Company), by equity attributable to owners of the parent.
ESG Data

Environmental Data

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Industrial Group</th>
<th>Mineral Resources Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>7,083</td>
<td>82,268</td>
<td>89,851</td>
</tr>
<tr>
<td>2019/3</td>
<td>7,062</td>
<td>86,378</td>
<td>93,440</td>
</tr>
<tr>
<td>2020/3</td>
<td>7,043</td>
<td>91,268</td>
<td>98,311</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>15,683</td>
</tr>
<tr>
<td>2019/3</td>
<td>15,782</td>
</tr>
<tr>
<td>2020/3</td>
<td>15,682</td>
</tr>
</tbody>
</table>

Consumption of Water/Waste Production (consolidated/japan)

<table>
<thead>
<tr>
<th>Year</th>
<th>Waste production (thousand t)</th>
<th>Waste recycling rate (%)</th>
<th>Water consumption (unit: thousand m3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>60,264</td>
<td>98.5*</td>
<td>2,554</td>
</tr>
<tr>
<td>2019/3</td>
<td>66,268</td>
<td>98.6*</td>
<td>2,875</td>
</tr>
<tr>
<td>2020/3</td>
<td>67,464</td>
<td>98.5*</td>
<td>2,921</td>
</tr>
</tbody>
</table>

Environmental Performance (non-consolidated)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018/3</th>
<th>2019/3</th>
<th>2020/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 emissions (unit: thousand t-CO2)</td>
<td>16.5</td>
<td>11.8</td>
<td>11.1</td>
</tr>
<tr>
<td>Energy consumption (unit: GJ)</td>
<td>305,339</td>
<td>221,302</td>
<td>207,159</td>
</tr>
<tr>
<td>Paper consumption (unit: thousand sheets)</td>
<td>51,196</td>
<td>46,510</td>
<td>38,265</td>
</tr>
</tbody>
</table>

ESG Data


- CO2 emissions from fuel consumption
- CO2 emissions from electricity consumption, electricity generation at head office, domestic branches and offices, training centers and other facilities
- Paper consumption
- Water consumption
- Energy consumption
- CO2 emissions from logistics

**Scope 1 emissions**: CO2 emissions from fuel consumption, electricity consumption at the head office, domestic branches and offices, training centers and other facilities.

**Scope 2**: Indirect CO2 emissions from electricity consumption, electricity generation at the head office, domestic branches and offices, training centers and other facilities.

**Scope 3**: CO2 emissions from logistics

**Scope 4**: Indirect CO2 emissions from electricity consumption, electricity generation at the head office, domestic branches and offices, training centers and other facilities.

Social Data

Average Training Hours/Days by Employee

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>45.25</td>
<td>44.60</td>
</tr>
<tr>
<td>2019/3</td>
<td>45.70</td>
<td>46.09</td>
</tr>
<tr>
<td>2020/3</td>
<td>46.07</td>
<td>46.06</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>2019/3</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>2020/3</td>
<td>46</td>
<td>54</td>
</tr>
</tbody>
</table>

Goverance Data

Percentage of Independent Outside Members among Total Directors and Audit & Supervisory Board Members

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2019/3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>2020/3</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Percentage of Women among Total Directors and Audit & Supervisory Board Members

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2019/3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2020/3</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Percentage of Independent Outside Directors among Governance, Nomination & Compensation Committee Members

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2019/3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2020/3</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Employee Data (non-consolidated)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018/3</th>
<th>2019/3</th>
<th>2020/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees (non-consolidated)</td>
<td>45,525</td>
<td>45,604</td>
<td>45,604</td>
</tr>
<tr>
<td>General ratio in management positions (unit: %)</td>
<td>8.67</td>
<td>8.67</td>
<td>8.67</td>
</tr>
<tr>
<td>Percentage of women on the management board (unit: %)</td>
<td>99</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td>Gender ratio in management positions (unit: %)</td>
<td>60</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Female</td>
<td>10.38</td>
<td>11.01</td>
<td>11.06</td>
</tr>
<tr>
<td>Male</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Benefits in the annual training hours/day calculated by the non-consolidated number of employees for an average number of hours per employee excluding assigned overseas training.

* One day is calculated as 7.25 hours of working time.

For more information on MC’s ESG Data, please see our ESG Data Book. https://www.mitsubishicorp.com/jp/en/ir/library/esg/
Corporate Information (As of March 31, 2020)

Mitsubishi Corporation (Securities code: 8058)

Date Established: July 1, 1954
(Data Registered: April 1, 1958)
Capital: ¥204,446,667,326
Shares of Common Stock Issued: 1,590,076,851

Head Office:
Mitsubishi Shoji Building
3-1, Marunouchi 2-chome, Chiyoda-ku,
Tokyo, 100-8086, Japan
(Registered address of the Company)
Telephone: +81-3-3210-2121

Number of Employees:
Parent company: 5,882
Consolidated: 86,098

Independent Auditors:
Deloitte Touche Tohmatsu LLC

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

Stock Listings:
Tokyo
Transfer Agent for Shares and Special Accounts,
Account Management Institution:
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division
1-1, Nihonbashi, Fucha,
Tokyo, 103-0044, Japan
Telephone: 03-252-711 (within Japan)

Contact:
Investor Relations Department, Mitsubishi Corporation
3-1, Marunouchi 2-chome, Chiyoda-ku,
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Telephone: +81-3-3210-2121

Shareholder Information (As of March 31, 2020)

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, 2020

<table>
<thead>
<tr>
<th>As of March 31, 2019</th>
<th>Number of shares issued</th>
<th>Number of shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As of March 31, 2020</td>
<td>1,590,076,851</td>
<td>287,296</td>
</tr>
</tbody>
</table>

Principal Shareholders

<table>
<thead>
<tr>
<th>Shareholding Ratio</th>
<th>Number of shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders</td>
<td></td>
</tr>
</tbody>
</table>

Financial Section of Integrated Report 2020
From the year ended March 2014, Mitsubishi Corporation has prepared its consolidated financial statements based on International Financial Reporting Standards (IFRS). Unless stated to the contrary, the information given in this integrated report is also based on IFRS. Please refer to “Financial Section of Integrated Report 2020" for detailed information for the year ended March 2020.
URL: https://www.mitsubishicorp.com/jp/en/ir/library/afir/

Website Information
Mitsubishi Corporation Integrated Report 2020 (Online Version)
URL: https://www.mitsubishicorp.com/ar2020/en/

Sustainability Information
URL: https://www.mitsubishicorp.com/jp/en/cs/

Financial Section of Integrated Report 2020
From the year ended March 2014, Mitsubishi Corporation has prepared its consolidated financial statements based on International Financial Reporting Standards (IFRS). Unless stated to the contrary, the information given in this integrated report is also based on IFRS. Please refer to “Financial Section of Integrated Report 2020" for detailed information for the year ended March 2020.
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Website Information
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Sustainability Information
URL: https://www.mitsubishicorp.com/jp/en/cs/