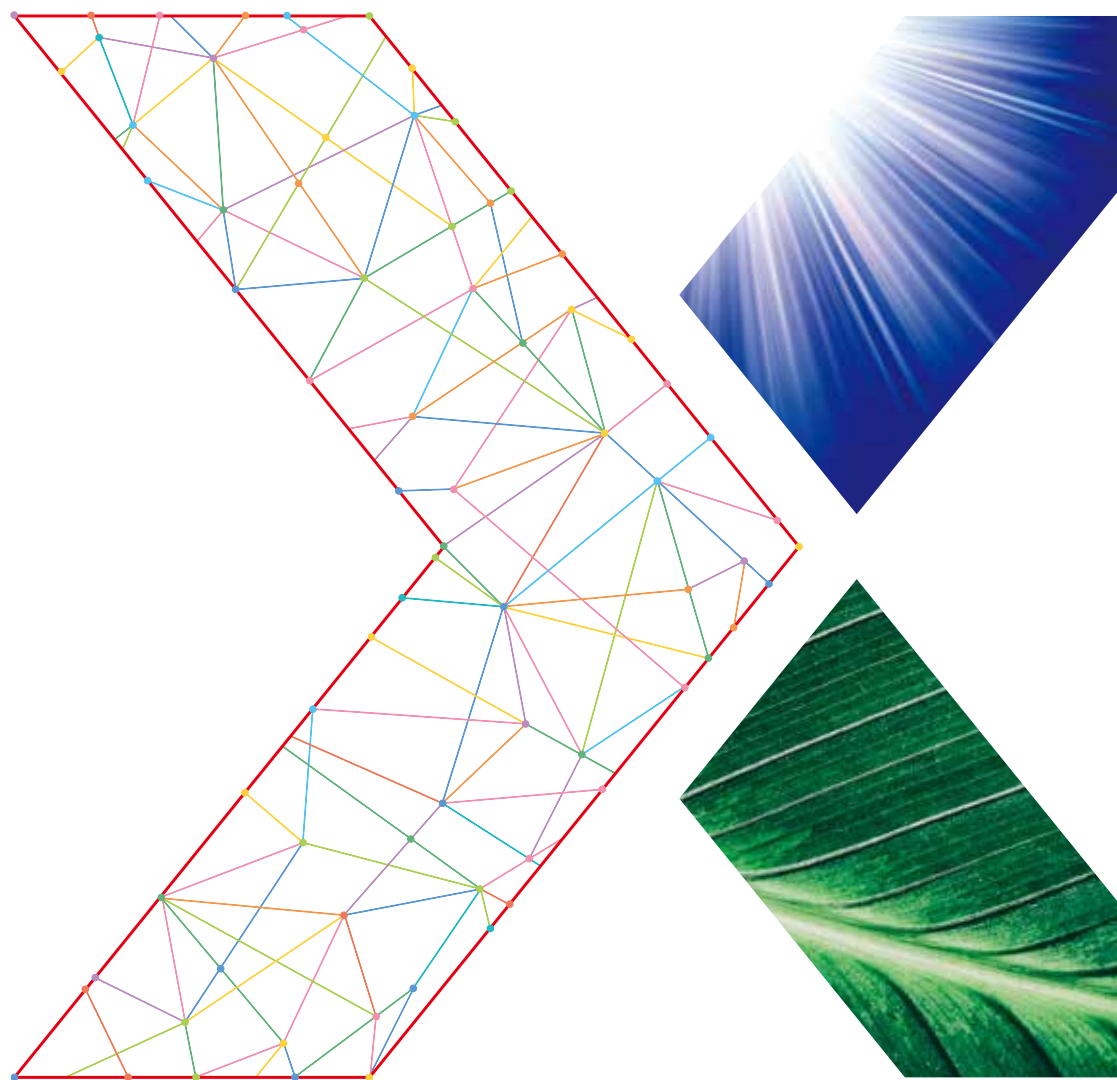


Integrated Report 2021

For the year ended March 31, 2021

Transforming Our Path



MC'S TRANSFORMATION

How will we adapt to a changing world?

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

Our Path

The start of a new business management model >>

Midterm Corporate Strategy 2018

Evolving Our Business Model from Investing to Managing

Basic Policy

Leverage our ingenuity to create new business models and generate value for societies, thereby developing the highest level of management expertise

Management Objectives

- Rebalancing of resource and non-resource businesses
- Cash-flow-focused management
- Further evolution from investment to managing
- Lifecycle-based portfolio re-profiling



Midterm Corporate Strategy 2021

Achieving Growth Through Business Management Model

Basic Policy

Achieve growth premised on triple-value growth through our business management model, while adapting to changing geopolitical dynamics, the transition to a digital age, and low-carbon/decarbonized societies

Management Objectives

- Business portfolio
- Growth mechanisms
- HR system reforms
- Capital policy



Progress toward
Midterm Corporate
Strategies
P.26

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.

Pushing Ourselves

Accelerating the transition to a business management model >>

MC'S TRANSFORMATION

What transformations are needed to address the challenges of society?

Throughout its history, MC has leveraged its collective capabilities, foresight and execution skills to promote business activities in line with its guiding philosophy, the Three Corporate Principles.

By simultaneously generating economic, societal and environmental value in addressing the needs of society through our business, we create corporate value while helping to build sustainable societies.

Our Value Creation

DX Digital Transformation

In today's modern era, with the pace of digitalization accelerating, the transformation of traditional business models is being demanded across every industry. Against this backdrop, MC specified the strengthening of its digital strategies as one of the main themes of Midterm Corporate Strategy 2021, resulting in the implementation of over 70 DX-related projects in the fiscal year ended March 31, 2021. By combining our industrial expertise with digital technologies in projects that span multiple industries, we aim to address the needs of society through business model transformation.

EX Energy Transformation

With Europe leading the way in global decarbonization efforts, Japan also aims to achieve carbon neutrality and a decarbonized society by 2050. The MC Group has been deeply involved in securing a stable supply of energy for Japan, which has limited natural resources. As a company that has always worked to fulfill its social mission in this area, we must adapt to current trends with a heightened sense of responsibility and determination. We will actively pursue EX with the aim of meeting the challenge of addressing environmental issues while also fulfilling our social mission to ensure a stable supply of energy.

Pushing Boundaries

Trust »

Strong competitive edge »

Anticipated societal shifts »

Solutions to key issues »

Value provision »

Corporate Philosophy

The Three Corporate Principles

Corporate Responsibility to Society

Integrity and Fairness

Global Understanding Through Business

P.14

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

P.20

P.22

Environment Surrounding MC

Geopolitical Risks

Digitalization

Transitioning to a Low-Carbon/Decarbonized Society

Efforts to Address key Issues for the Future

DX
Industrial structure reform

EX
Energy sector reform

Special Feature:
MC's Value Creation
P.36

Corporate Vision

Economic value

Societal value

Environmental value

Simultaneous generation of all three values

ACHIEVING GROWTH THROUGH BUSINESS MANAGEMENT MODEL


Takehiko Kakiuchi
Member of the Board, President and CEO

In addition to increasing geopolitical risks, we are seeing accelerating global shifts toward digitalization and a low-carbon/decarbonized society. In this changing environment, MC will continue to work under its corporate philosophy, the Three Corporate Principles, to drive digital transformation (DX) and energy transformation (EX), which we see as key issues for the future, across the MC Group. We recognize DX and EX as being essential to our ability to achieve sustainable growth through the simultaneous generation of economic, societal and environmental value in ways that fulfill the needs of society.

MC will demonstrate its adaptability by effectively responding to three major shifts in its external environment—geopolitical risks, digitalization and the transition to a low-carbon/decarbonized society.

The impact of the COVID-19 pandemic since last year has further accelerated the pace of change globally, including in terms of the political and economic situation, technological advances and societal values. Among these, I would like to share our perspective regarding three shifts that will have a major impact on our business environment.

Geopolitical Risks

The most important issue from a geopolitical perspective is the hegemonic struggle between the US and China. Differences between the ideologies and value systems of these two countries have become more pronounced with the rise of state capitalist countries, including China, within the existing framework of globalism based on democracy and capitalism. Politics and economics, which were traditionally seen as separate spheres, have become increasingly intertwined, leading to concerns that an escalation of political disputes could result in economic disruption and decoupling. As a company engaged in business activities worldwide, we must thoroughly analyze geopolitical risks and exercise caution when determining where to situate our manufacturing and sales facilities.

Digitalization

Also referred to as the Fourth Industrial Revolution, advanced digitalization based on the use of AI/IoT technologies is driving the transformation of traditional business models across every industry. In order to accurately identify issues and locate profit pools in each industry, we must adopt a big picture approach to our

business activities. Over many years, MC has become deeply involved in a wide variety of industries. I believe that by combining the industrial knowledge gained through that experience with our digital expertise, we can play a pioneering role in the development of DX concepts that have the potential to transform entire industries.

Transitioning to a Low-Carbon/ Decarbonized Society

With Europe leading the way in global decarbonization efforts, Japan is also aiming to achieve a carbon neutral, decarbonized society by 2050. MC views this transition to a low-carbon/decarbonized society as an irreversible trend. Achieving this goal over the next three decades will require perseverance as well as numerous innovations. Since MC is involved in a variety of industries including the energy business, we have been and will continue to contribute toward realizing the necessary transformations for society.

➡ Responding to Climate Risk P. 58

Since becoming President and CEO, I have been consistently telling employees that the most important priority for MC is to strengthen our adaptability. The COVID-19 pandemic that began last year quickly grew to become a global crisis of historic significance, and I believe it has also highlighted some fundamental challenges that need to be addressed. The intelligence and knowledge gained by each and every one of our officers and employees through business management will enable us to demonstrate our adaptability, so that we can appropriately respond to this era of rapid transformation.

We will further accelerate our efforts to strengthen our business portfolio, promote our cyclical growth mechanism and implement HR reforms as set forth in Midterm Corporate Strategy 2021.

The MC Group's consolidated net income for the fiscal year ended March 31, 2021 was 172.6 billion yen. We are deeply concerned by this extremely disappointing result, which fell short of our earnings forecast. This result was primarily attributable to large impacts to a number of key business areas, including mineral resources, natural gas, automobiles and retail. We see this situation as a crucial moment when our business management is being put to the test. However, thanks to the rebalancing of market-related and business-related segments based on the lessons learned after we posted a consolidated loss for the fiscal year ended March 31, 2016, we have built up sufficient resilience to avoid booking a deficit for the MC Group as a whole, even when significant fluctuations occur in the commodity market.

We have been making a number of efforts under Midterm Corporate Strategy 2021—Achieving Growth Through Business Management Model. Our automobile business in Thailand, which has established deep roots in the country over many years, achieved profit growth despite the COVID-19 pandemic by carrying out sales promotion activities and introducing new models. We are also laying foundations for future growth. For example, in the fiscal year ended March 31, 2020, we acquired the European integrated energy company Eneco, which is expected to make a steady contribution to the MC Group's profits. While the economic environment is currently

heading toward a gradual recovery, we believe this is no time for complacency, and we are determined to further enhance our business portfolio.

Expanding Our Portfolio in Downstream and Services Sector Businesses

MC's business portfolio is managed across 12 segments consisting of upstream, midstream, and downstream areas in four fields: Living, Mobility & Infrastructure, Energy & Power Generation, and Services (IT, Logistics, Finance, etc.).

MC has consistently performed strongly in the upstream areas and has also built up a presence across midstream industries. However, we recognized that our initiatives in downstream areas, which are closest to customers, had been inadequate. Over the past two years, we have made progress on several initiatives in downstream areas. These include the acquisition of Eneco, which has a customer base consisting of over 6 million households, primarily in the Netherlands, as well as the launch of smart-city developments in BSD City in suburban Jakarta, Indonesia, and the formation of a partnership to start evaluation of urban management. We are also enhancing our services sector business by investing in location-based services company HERE Technologies, and I believe that we have achieved our original goal of strengthening our business portfolio.

Establishing Cyclical Growth Mechanisms

To achieve sustainable growth while also adapting to changes in our business environment, we need to proceed with strategic asset replacement while also establishing cyclical growth mechanisms. We will work to establish Growth Drivers and Core Businesses by discovering New Seeds of Growth and addressing management issues in Group companies. There will also be cases in which further involvement by MC is unlikely to deliver growth.

We need to create an ecosystem based on a virtuous growth cycle, in which the task of taking such companies into their next growth phase can be handed over to suitable partners. In this context, capital gains resulting

from sales, mergers or other actions will also help to maintain and improve our ROE. To establish these growth mechanisms, we need each company to become self-sufficient. From a capital perspective, we are linked to our subsidiaries as the parent company, but these companies also need to be committed to operating independently and driving their own growth as self-sufficient entities.

I would also like to ask each of our MC Group employees to think about the future of their companies, and build them into places where they can be proud to work.

Fostering Reciprocal Growth Between the Company and Its Employees Through HR System Reforms

We believe that the growth of our employees is linked to the development of the MC Group. Two years ago, as part of the HR system reforms implemented under Midterm Corporate Strategy 2021, we introduced a system that allows employees to be selected for important management positions regardless of their years of service, age or gender. Since then, the number of employees in their 30s with

management responsibilities has increased by approximately 1.5 times the level in April 2019. We are steadily working to establish meritocratic systems to ensure that the right people are assigned to the right positions, including by supporting women's careers. The recent changes in our business environment cannot be easily addressed by individual Business Groups alone. In most cases, finding solutions is only possible by combining our insights and coordinating on a cross-group level. We will enhance our talent management approach to ensure that assignments and compensation match ability. To achieve this, we will enable all employees to accumulate diverse experiences while being evaluated from multiple perspectives, so that management personnel can be promoted companywide across Business Group lines. We will link the growth of individual employees to the growth and success of the MC Group by consistently assigning the right people to the right positions.

We will also pursue other cross-group initiatives, such as the activities of the Industrial DX Task Force. We have made considerable efforts to engage our employees through companywide messages and in-person dialogues to promote the concepts behind Midterm Corporate Strategy 2021.

➡ **Progress toward Midterm Corporate Strategies P. 26**

MC is pursuing its own unique DX and EX strategies that integrate DX initiatives, which are based on its knowledge and networks spanning a wide range of industries, with EX initiatives designed to combine sustainable improvement in industry competitiveness with solutions to environmental issues.

DX Initiatives Using Industrial Knowledge to Minimize Various Forms of Waste

Our approach to DX calls for initiatives based on our unique strengths, including our network spanning a wide range of industries. MC is currently implementing over 70 DX projects with the aim of transforming entire industries by combining the industrial knowledge we have gained through practical business development across virtually every industry, from manufacturing and logistics to wholesaling and retail, with our digital know-how. A specific example of this approach is our involvement with DX initiatives in food distribution through Industry One, Inc., a joint venture company established by MC and Nippon Telegraph and Telephone Corporation (NTT) in June 2021. As part of this initiative, in 2019 we formed a business partnership with NTT in the field of industrial DX, with the

aim of contributing to the transformation of Japanese industry by combining MC's industrial knowledge with NTT's advanced information and communications technology. By integrating data related to the distribution of food from manufacturers to retailers, and introducing an ordering system based on sophisticated demand forecasting through the use of AI, this project will minimize food loss, which has occurred in the past due to long-term storage, while improving inventory turnover rates and vehicle loading rates. Going forward, it will be possible to apply these concepts not only to food distribution, but to all industries.

Another example of our DX initiatives is Chubu Electric Power Miraiz Connect Co., Inc., which was established as a joint venture between MC and Chubu Electric Power to promote DX in the power retail business. Chubu Electric Power Miraiz Connect is able to provide optimized services by combining a highly localized customer base with marketing activities based on digital technologies. Chubu Electric



Power's future growth and success depends directly on the prosperity of its service area. We will collaborate with them on an in-depth exploration of concepts that will help to enhance convenience for residents in their service area.

➡ **MC's Industrial DX Initiatives P. 36**

EX Initiatives
Our Dual Responsibilities of Ensuring Stable Energy Supplies While Addressing Environmental Issues

In the field of EX, MC will promote initiatives based on three perspectives: "Avoid" greenhouse gas (GHG) emissions through new development of renewable energy and other facilities and businesses; "Reduce" GHG emissions from existing facilities and projects; and "Remove" or neutralize any remaining GHG emissions. Through these initiatives, we aim to achieve sustainable improvement in competitiveness in various industries while working to find solutions to environmental issues. First, in the "Avoid" category, we aim to double our renewable power generation capacity by 2030 through the development of new offshore wind power generation and other projects. Second, in the "Reduce" category, we aim to divest our thermal power generation businesses and shift to low-carbon/zero-emission thermal power generation systems, while also switching to renewable energy sources. MC has set a goal to achieve 100% non-fossil fuel generation by 2050. During this transitional phase, we will also focus our efforts toward the creation of supply chains for next-generation energy sources in readiness for a shift to ammonia and ultimately hydrogen. Finally, in the "Remove" category, we aim to apply methods such as carbon capture and utilization/storage technology (CCU/S).

We see the realization of a low-carbon/decarbonized society as a goal that will require concerted efforts by society

as a whole over the medium to long term. In the previous fiscal year, we formed an in-house Energy Committee consisting of three Group CEOs as a forum for continuing discussions about specific approaches that will allow us to address the environmental challenge of decarbonization while still ensuring stable supplies of the energy and power needed for industrial development. Each country and region has a unique perspective regarding energy security based on its specific circumstances. The most important goal of EX is to achieve a steady transition to a low-carbon/decarbonized society through comprehensive approaches that take timelines and regional characteristics into consideration. MC will actively develop new renewable energy businesses, while also continuing to fulfill its responsibilities as a long-standing member of the energy industry by ensuring stable supplies of energy and power. By approaching these efforts with a heightened sense of responsibility and commitment, and by working to realize a scenario calling for the phased reduction of CO₂ emissions, we are targeting a carbon-neutral society by 2050. I am also hopeful that we can contribute to decarbonization in other Asian countries by exporting business models that have succeeded in driving emission reductions in Japan.

➡ **MC's EX Initiatives P. 38**

DX and EX initiatives can yield wide-ranging benefits. For example, a DX initiative seeking to improve the efficiency of manufacturing and logistics by monitoring retail demand will also help to reduce vehicle CO₂ emissions and cut food loss, which amounts to one trillion yen per year. I believe that we can create an integrated DX/EX strategy that reflects the unique capabilities of MC by not only adapting to digitalization and the shift to a low-carbon/decarbonized society, but also by viewing these changes as a business opportunity and further developing concepts regarding the kinds of services and value that we can provide to customers.

Under the Three Corporate Principles, MC will respond to societal needs and achieve sustainable growth together with society through the simultaneous generation of triple-value growth.

The Three Corporate Principles and the Simultaneous Generation of Triple-Value Growth

Our Three Corporate Principles originated with the emergence of a new era in Japan after its turbulent transition from the Edo Period to the Meiji Restoration. Set

out as values to be handed down to future generations, the Three Corporate Principles constitute the guiding philosophy for all of MC's business activities. We are working to realize the simultaneous generation of economic, societal and environmental value based on the Three Corporate Principles. Fulfilling our responsibility for the stable supply of energy and power will lead to the

realization of societal value, while our contributions toward a low-carbon/decarbonized society will lead to the realization of environmental value. Furthermore, enhancing societal and environmental value will lead to the creation of economic value.

The Three Corporate Principles, the first of which is *Shoki Hoko* ("Corporate Responsibility to Society"), have guided MC on its path to achieve growth together with society as it endeavors to create new value in a changing world by participating in numerous industries that each present their own unique challenges. We will continue to achieve sustainable growth by responding to the needs of society.

➡ **Corporate Philosophy and Vision P. 14**

Cross-Group Collaboration that Further Advances Our Strong Collective Capabilities

To shift toward digitalization and the realization of a low-carbon/decarbonized society, MC sees DX and EX as significant challenges in terms of encouraging changes in value systems and lifestyles. To achieve DX, we need to envision the process from the perspective of the dynamic

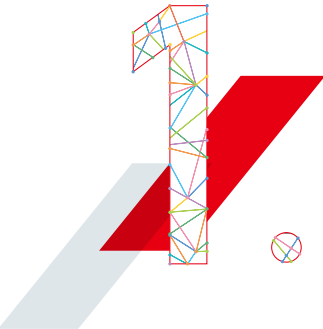
changes that result from cross-group collaboration. Moreover, EX is obviously a concept that cannot be considered solely in terms of a single company or specific products, such as power or natural gas. Collaboration across Business Groups is therefore becoming an increasingly important factor when considering how we should change our business portfolio going forward, as well as our approach to emission reductions. We believe that all officers and employees across every Business Group need to think about these issues together, and we are working to raise awareness of these concepts accordingly.

Moving Forward

I would like to conclude this message by reiterating that despite the challenging business environment, MC will continue to do everything in its power to drive structural reforms in various industries and contribute to the realization of a low-carbon/decarbonized society. We will also work to fully meet the expectations of all of our stakeholders by achieving growth over the medium to long term under our business management model, while also addressing social and environmental issues through our business activities.

After joining the company, I was assigned to the Feed, Meat & Livestock Department. In the 1960s, the Japanese livestock industry had only just begun to evolve into an industry in the real sense of the term. When I joined, MC was establishing a company based on the concept of raising chickens and pigs for the Japanese market. Feed materials were mainly purchased from the US and transported by ship, so we needed to develop port facilities to unload the feed, as well as large silos and compound feed manufacturing facilities. The new company decided to distribute chicken meat nationwide from the outset. This was an ambitious concept that had never been attempted in Japan before. Our fundamental goal was to take on the challenge of responding to society's needs. It was wonderfully exciting to be directly involved in a process that transformed industrial structures and societal norms. Through this experience, I learned that activities with societal value also produce economic value. From an early age, I was in an environment that facilitated my awareness of such values and concepts.





MC’s Sustainable Value Creation Story

14	Corporate Philosophy and Vision
16	Path of Value Creation
18	MC’s Value Creation Story
20	The Strengths of MC: Collective Capabilities
22	The Strengths of MC: Foresight and Execution Skills
26	Progress toward Midterm Corporate Strategies
30	Message from the CFO
32	Investment and Capital Strategy in Midterm Corporate Strategy 2021
34	Key Sustainability Issues (Materiality)
36	Special Feature: MC’s Value Creation



Management Platform Supporting Value Creation

46	Sustainability Promotion Framework
50	Supply Chain Management
52	Risk Management
62	Stakeholder Engagement
64	Employees
66	Special Feature: Interview with Female Managers
68	Corporate Governance/Highlights for the Year Ended March 31, 2021
72	Special Feature: Dialogue with an Outside Director and Outside Audit & Supervisory Board Member
74	Overview of Corporate Governance
74	MC’s Basic Policy on Corporate Governance
75	Board of Directors
76	Board of Directors’ Advisory Bodies
78	Audit & Supervisory Board Members/Audit & Supervisory Board
80	Outside Directors and Outside Audit & Supervisory Board Members
82	Stance on Acquisition, Holding and Reduction in Listed Stocks/ Reduction in Holdings of Listed Stocks
82	Overview of Remuneration Package



Reference Information

88	Members of the Board and Audit & Supervisory Board Members	106	Food Industry Group
90	Executive Officers	108	Consumer Industry Group
91	Organizational Structure	110	Power Solution Group
92	Business Groups at a Glance	112	Urban Development Group
94	Description of Business Activities: Business Groups	114	Global Network (Countries and Regions)
94	Natural Gas Group	116	Balance of Risk Money Outstanding in 12 Countries
96	Industrial Materials Group	118	Financial Highlights
98	Petroleum & Chemicals Solution Group	120	ESG Data
100	Mineral Resources Group	122	Corporate Information
102	Industrial Infrastructure Group	123	Shareholder Information
104	Automotive & Mobility Group		

Publication of Mitsubishi Corporation Integrated Report 2021

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.

MC achieved all of the quantitative targets we had announced in Midterm Corporate Strategy 2018—Evolving Our Business Model from Investing to Managing by the fiscal year ended March 31, 2018.

The systems introduced during this period are already making steady progress and delivering results. To accelerate our initiatives for further growth, we formulated as our management direction the Midterm Corporate Strategy

2021—Achieving Growth Through Business Management Model, which is in the execution stage with the final year of the plan being the fiscal year ending March 31, 2022. In this integrated report, we present our specific initiatives aimed at maximizing corporate value by focusing on the MC Group’s strengths and transcending Business Group boundaries to steadily develop new pillars of future growth.

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

In the course of preparing this report, we

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

August 2021

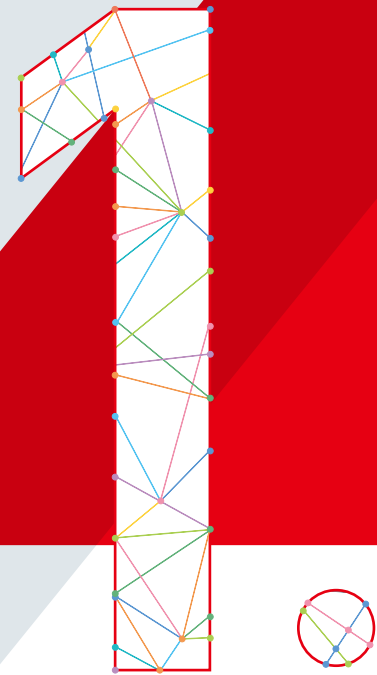
Kazuyuki Masu

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

Forward-Looking Statements

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

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



VALUE CREATION

MC's Sustainable Value Creation Story

Contents

14	Corporate Philosophy and Vision	30	Message from the CFO
16	Path of Value Creation	32	Investment and Capital Strategy in Midterm Corporate Strategy 2021
18	MC's Value Creation Story	34	Key Sustainability Issues (Materiality)
20	The Strengths of MC: Collective Capabilities	36	Special Feature: MC's Value Creation
22	The Strengths of MC: Foresight and Execution Skills		
26	Progress toward Midterm Corporate Strategies		

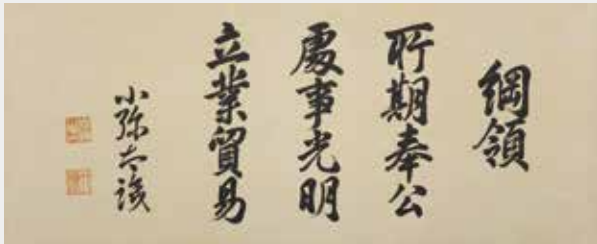


Corporate Philosophy

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.

The Three Corporate Principles



Corporate Responsibility to Society

"Shoki Hoko"

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

Integrity and Fairness

"Shoji Komei"

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

Global Understanding Through Business

"Ritsugyo Boeki"

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

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

MC Group Corporate Vision

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.

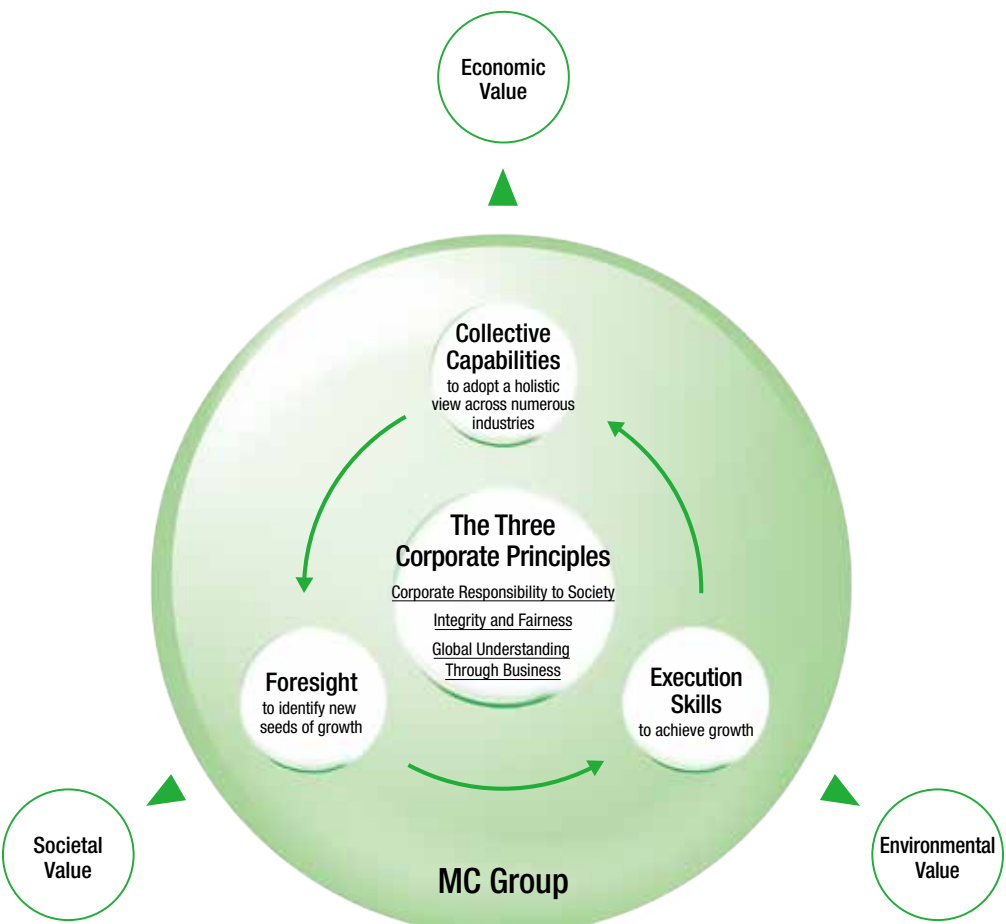
MC optimizes its portfolio by dynamically allocating management resources based on its level of engagement in each business. Sizeable growth investments are companywide commitments to develop next-generation earnings drivers. The Group is also dedicated to training highly ethical management professionals 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.

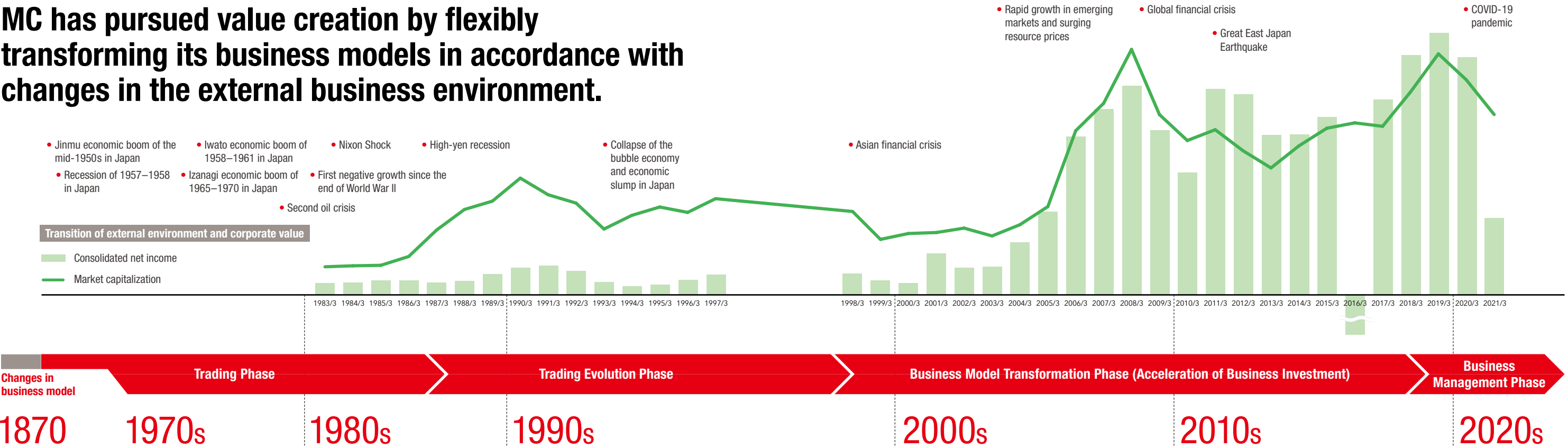
Achieving Sustainable Growth for the MC Group and Society

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.

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



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 customer needs. Given the underlying expansion of trading volumes for numerous industries throughout Japan's period of rapid economic growth up to the 1980s, MC, with trading commissions as its primary revenue source, saw its financial performance steadily improve.

Trading Evolution Phase

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

Business Model Transformation Phase (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 toward a model of business management to actively generate value and drive growth. Furthermore, MC is focusing on promoting DX and EX to address the needs of society and create new business opportunities.

Major Events



Yataro Iwasaki, Mitsubishi founder and the first President



Brunei LNG



Saudi Petrochemical Project



METOR, a methanol manufacturing and sales company



Metal One Corporation, an integrated steel trading company



Cermag ASA



Eneco

- 1870 Original Mitsubishi organization founded
- 1954 New MC founded (historic re-merger)
- 1957 MC becomes Japan's first trading company to take part in petroleum wholesale
- 1969 MC founds Brunei LNG
- 1974 MC signs construction contract for the international airport at Mombasa, Kenya

- 1981 MC signs joint venture contract with Saudi Petrochemical
- 1985 MC partners with Mitsui & Co., Ltd. in Northwest Australian LNG development project
- 1989 MC acquires Princes Limited, a UK-based food and drink company
- 1992 MC establishes Metanol de Oriente, METOR, S.A. (METOR), a methanol manufacturing and sales company in Venezuela
- 1992 MC joins the Sakhalin offshore oil and LNG development project

- 2000 MC signs a capital and business alliance agreement with Lawson, Inc.
- 2001 MC establishes BHP Billiton Mitsubishi Alliance (BMA), a joint venture with global mining giant BHP Billiton
- 2003 MC launches Metal One Corporation, an integrated steel trading company
- 2009 MC partners with Spanish company ACCIONA S.A., a leader in renewable energy
- 2010 MC invests in the shale gas business in Canada
- 2011 Mitsubishi Shokuhin established
- 2012 MC invests in Brazilian grain company, Los Grobo Ceagro do Brasil S.A. (Ceagro)

- 2014 Cermaq ASA becomes a subsidiary
- 2017 Lawson, Inc. becomes a subsidiary
- 2020 Eneco becomes a subsidiary
- 2020 MC invests in HERE Technologies
- 2021 MC establishes Industry One, Inc., a new DX joint venture, with NTT
- 2021 MC establishes Chubu Electric Power Miraiz Connect Co., Inc., a joint venture, with Chubu Electric Power Miraiz Co., Inc.

MC's Value Creation Story

The External Environment Surrounding MC

Since 2020, the global COVID-19 pandemic has caused significant disruption to social and economic activities. Meanwhile, the adaptability of the MC Group has been further put to the test by other megatrends including geopolitical conflict and societal digitalization, as well as accelerating momentum toward transitioning to a low-carbon/decarbonized society.

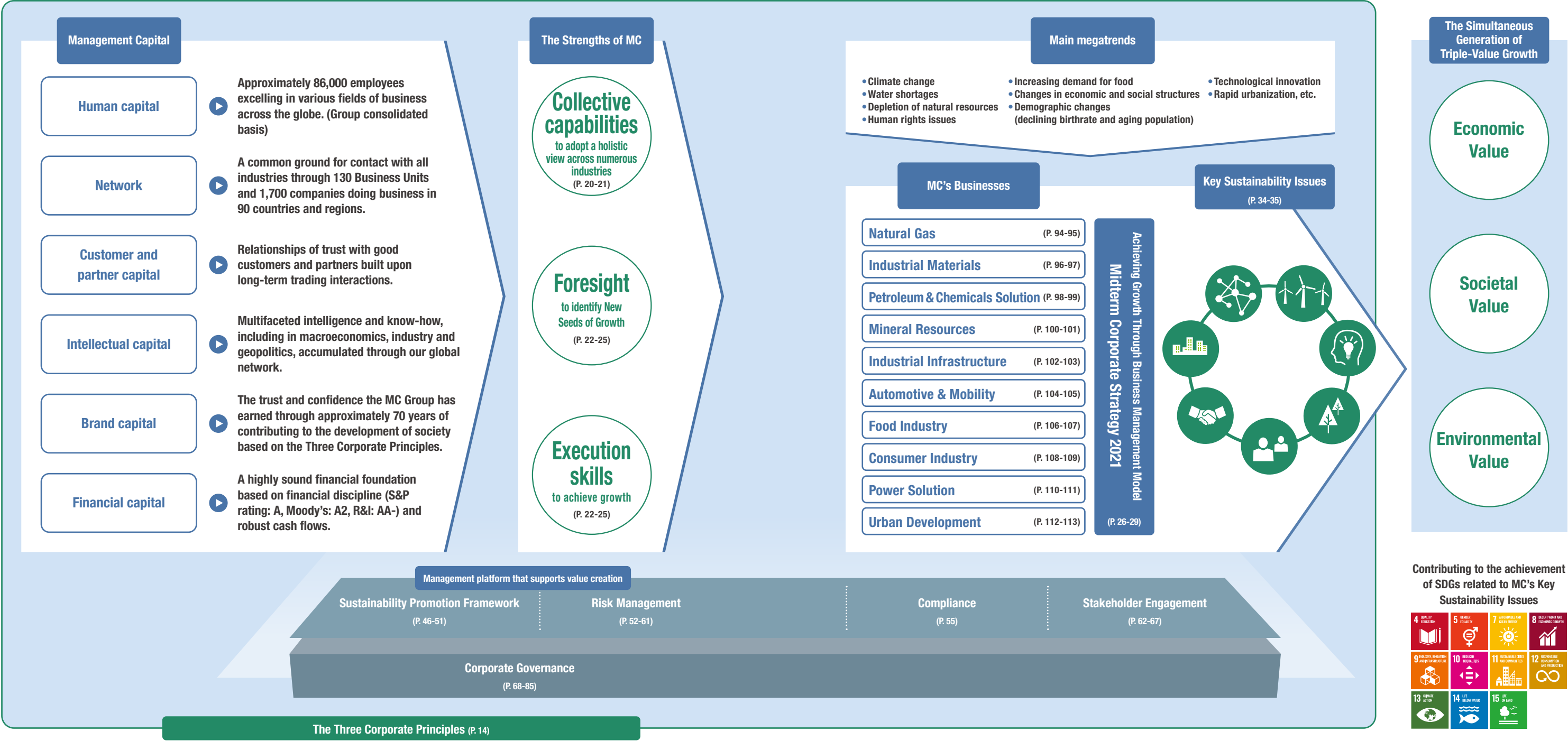
Amid these circumstances, we will act in accordance with the Three Corporate Principles, which have served as MC's guiding philosophy since its founding, to stay on top of global trends and to offer solutions to societal issues and needs by uncovering new business opportunities.

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

Based on the Three Corporate Principles, 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. By flexibly adapting its business model in response to changes in the external environment and striving to create value, MC has grown together with 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 our three core strengths: the collective capabilities to adopt a holistic view across numerous industries, the foresight to identify New Seeds of Growth, and the execution skills to achieve that growth.



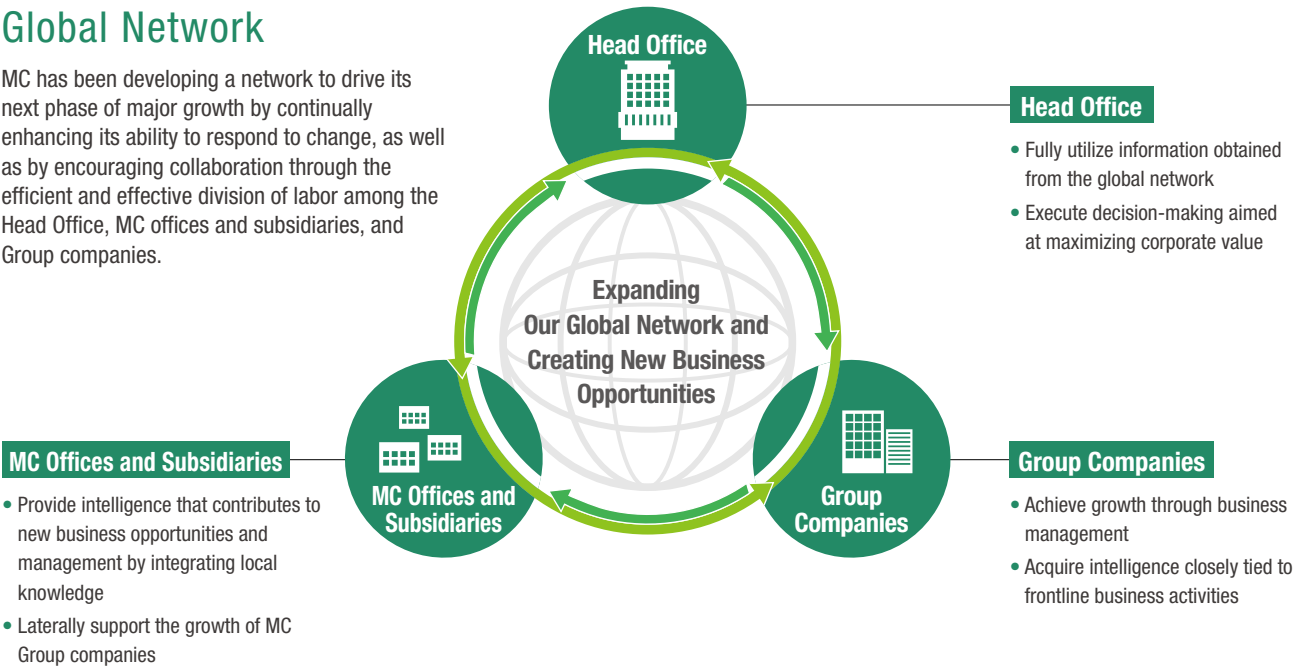
The Strengths of MC

Collective Capabilities

Global Partnerships that Facilitate Business Development in Diverse Industries

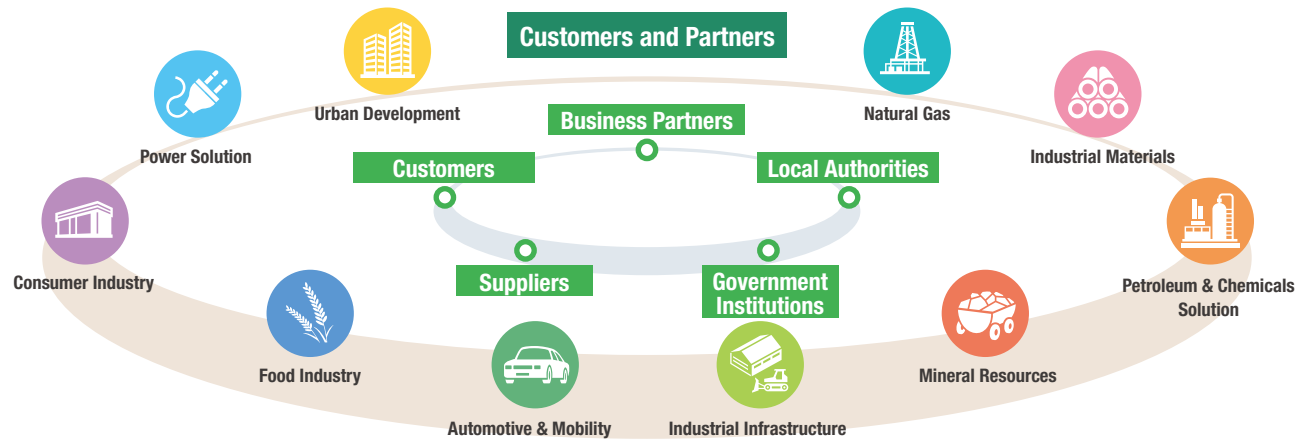
Global Network

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.



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.

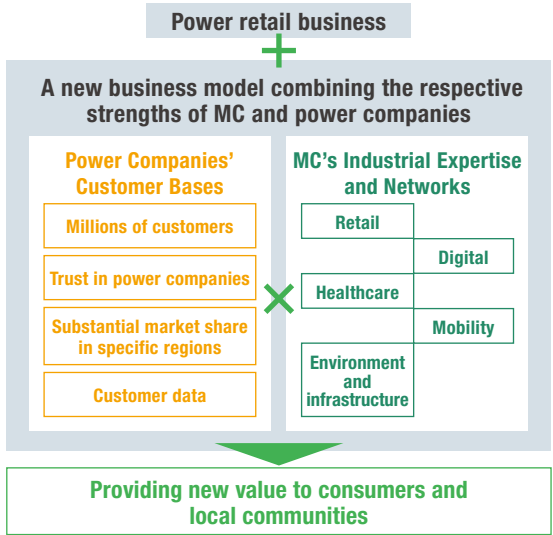


FOCUS Collective Capabilities Spanning the MC Group — DX Initiatives in the Power Solution and Consumer Industry Groups

Demonstrating the Collective Capabilities of MC

- In order to promote digital transformation (DX) strategies that reflect the dynamically-changing power market environment, MC is making efforts to leverage its collective capabilities across Business Groups, including the Power Solution, Consumer Industry, Urban Development and Automotive & Mobility groups.
- By combining the customer bases of utility companies with the MC Group's services and networks, we aim to transform our energy retail business into a comprehensive service offering that incorporates a broad range of services that support the everyday lives of consumers.
- We provide services that support local communities, together with energy transformation (EX) initiatives toward a decarbonized society.

Aiming for a Comprehensive Service Offering Through Partnerships with Power Companies



Message from a Group CEO

Power companies often hold a substantial share of regional markets, having earned the trust of their local communities. By working together with these companies to uncover potential consumer needs and to formulate cross-industry strategies, we will leverage our respective strengths to drive innovation and create new businesses. I believe that this approach to DX is something that can only be achieved by the MC Group, given our ability to adopt a holistic view across virtually every industry through our vast business network.

Katsuya Nakanishi

Executive Vice President
Group CEO,
Power Solution Group



TOPIC Power and Retail DX: Establishment of Chubu Electric Power Miraiz Connect, Inc.

Driven by a mission to develop lifelong customer connections, Chubu Electric Power Miraiz Connect, Inc. is contributing to Japan's regional and societal development by offering services that strengthen family bonds across generations and link how people live, form communities and engage in business.

The company builds upon the customer base of Chubu Electric Power Miraiz Co., Inc., which has earned the trust of local communities through its connections with individual households, and combines it with the MC Group's extensive industry networks as well as retail and marketing expertise gained through its involvement in the operations of Lawson convenience stores, supermarkets and Loyalty Marketing, Inc. By integrating these respective strengths with the latest digital technologies, Chubu Electric Power Miraiz Connect is able to anticipate a wide variety of customer needs, in relation to both everyday life as well as major life events, to provide tailored services on a one-to-one basis.

Profile of Chubu Electric Power Miraiz Connect, Inc.

- Chubu Electric Power Miraiz Connect, Inc. was established in April 2021 (Chubu Electric Power Miraiz Co., Inc. 51%, MC 49%).
- In addition to life-planning and insurance sales services for each life stage, Chubu Electric Power Miraiz Connect offers community-focused internet retail services, as well as senior monitoring services that utilize power usage data and IoT technologies. It also plans to introduce business process outsourcing (BPO) services, including welfare services, for local small- and medium-sized enterprises.
- Chubu Electric Power Miraiz Connect leverages the MC Group's expertise and networks (through Lawson convenience stores, Loyalty Marketing, Inc. (Ponta), supermarkets, etc.) in service development and partnering.



The Strengths of MC

Foresight and Execution Skills

Growth Driven by Management-Minded Professionals Who are Committed to Increasing Corporate value

People are MC's greatest asset and the source of its competitiveness. Since its founding, MC has successfully weathered various crises and environmental changes by adapting its business models, thanks to the ability of employees to identify global changes. Without employee growth, there can be no sustainable development for MC. With this in mind, we began implementing HR system reforms in April 2019 as part of Midterm Corporate Strategy 2021 (details on the page to the right). Two years later, these reforms are gradually starting to yield tangible results. One such result is the progress made toward flexible promotions based on duties performed. MC has over 130 Business Units and approximately 1,700 Group companies. As the scale and missions of these organizations and companies evolve, the types of people needed to manage them also change. We have taken steps to ensure that capable and highly motivated people are promoted, regardless of age, gender or other attributes, based on their performance assessments and suitability for management tasks. This policy is resulting in further active contributions from female and younger employees. We have also made improvements in terms of diversity and career mobility as a result of cross-organizational initiatives, such as the work of the Industrial DX Task Force, and increased cross-organizational transfers. We are also adjusting remuneration according to each employee's tasks and performance. This policy is helping to motivate people and encourage contribution. As a result of these initiatives, we are seeing the formation of a virtual cycle in which the Company's growth and success creates more opportunities for employees to achieve growth and advance their careers.

We have also established a culture that supports self-growth by enhancing and expanding talent management and training programs. In the fiscal year ending March 31, 2022, we will launch a new training program to accelerate digital transformation (DX). We will also continue to support employee growth and skill improvement through both on- and off-the-job (OFF-JT) training. In order for our diverse professionals to be able to fully demonstrate their capabilities and continuously create corporate value, measures to develop employees and enhance working environments will be essential on a global, consolidated basis. We will further expand our focus to include initiatives to promote new ways of working, including health management, support for women's careers and improvements in productivity and efficiency. The world is moving at an accelerating pace toward digitalization and the creation of a low-carbon/ decarbonized society. Companies, together with their employees, must continue to change, grow and enhance their adaptability. However, the Three Corporate Principles, which are rooted in the minds of all of our officers and employees, will remain unchanged as our universal approach. Each of MC's officers and employees will apply their foresight and execution skills, as well as other aspects connected to the Three Corporate Principles such as integrity and fairness, to improve the corporate value of every MC Group company. Furthermore, by contributing broadly to society through earnest engagement across a wide array of industries, we aim to achieve sustainable growth together with society.



Akira Murakoshi
Member of the Board,
Executive Vice President, Corporate Functional Officer,
CDO, CAO, Corporate Communications, Corporate Sustainability & CSR

HR System Reforms under Midterm Corporate Strategy 2021

Under Midterm Corporate Strategy 2021, we will create the necessary mechanisms to achieve our ideal business portfolio, as well as the necessary systems to nurture businesses with the potential to grow into Core Businesses. Developing human resources capable of driving this growth is our most important management priority. In order to respond quickly to developments worldwide, we will continue to promote our business management model, which aims to ensure reciprocal growth between the Company and its employees, by becoming an organization that aggregates the knowledge of its employees working across virtually every industry, and one that brings together and utilizes its diverse talent base.

The Necessary Attributes for MC Employees

In promoting our business management model, our corporate growth is driven by employees who have high moral and ethical standards and who possess the foresight to identify New Seeds of Growth and the execution skills to achieve growth.

Management-minded professionals who are committed to increasing corporate value

Foresight	Determine the true nature of one's own business and function, anticipate changes in the internal and external environments and develop forward-looking strategies
Execution skills	With teamwork as a prerequisite, demonstrate leadership and the ability to develop talent, drive the organization forward and see efforts through to the end
High moral and ethical standards	Maintain highly ethical standards and earn the respect of all stakeholders

HR System Reforms—Four Key Policies

- 1. Support employees' self-growth and company growth**
 - We will achieve high levels of growth by enabling every employee to achieve self-growth on the path toward becoming management professionals.
 - With "supporting growth" set out as one of the most important objectives for managers, we provide development opportunities for employees and support growth.
- 2. Ensure employees gain the right experience earlier**
 - We enable employees to achieve growth and succeed by gaining the right experience in a stepwise fashion.
 - We will promote cross-organizational transfers and placements.
- 3. Ensure meritocratic systems so that the right people are assigned to the right positions**
 - We will enhance talent management through multifaceted evaluation and monitoring systems. We will ensure that the right people are assigned to the right positions, regardless of age, gender or other attributes.
- 4. Utilize management professionals throughout the MC Group and realize more appropriate benefits**
 - We will place people with management potential in appropriate positions, promote them to management posts with high levels of importance and difficulty, and utilize them companywide across organizational boundaries.
 - We will ensure that the structure and level of remuneration is appropriate for the job requirements and results, while ensuring that employees take responsibility for results.

Develop and Utilize Management Professionals in a Stepwise Fashion



Progress in HR System Reforms

To achieve our four key objectives as well as to develop and utilize employees at an early stage in their careers, MC is advancing the following initiatives.

Assigning the right people to the right positions by promoting management professionals according to work responsibilities and realizing more appropriate benefits

We are conducting assessments of work responsibilities and talent, and we have placed about 700 people (as of April 2021), into important management positions such as officers, Division COOs and General Managers of MC as well as management executives of MC Group companies, regardless of age or gender.

(See pages 65-67 for information on supporting women's careers at MC.)

Balanced Compensation Structure and Share-Based Compensation Plan

We have shifted our compensation structure for employees meeting a certain level of ability and responsibilities to a structure based on job evaluation. The higher the degree of involvement in managerial duties, the higher the proportion of variable remuneration. We have also introduced a share-based compensation plan to promote reciprocal growth between MC and its employees in the medium to long term.

Developing management professionals and supporting growth through the expansion of talent management

We promote the self-growth of employees by conducting dialogues which provide opportunities for insights in response to self-review and feedback from colleagues including 360-degree management reviews.

In addition, through a multifaceted evaluation and observation system, we take a skills and experience inventory of every employee, which helps in deciding transfers and placements in the wider workforce.

Through this system, we will support the growth of every employee, and by accumulating diverse experiences through a system of transfers and placements where the right people are assigned to the right positions, we will develop talent with high management capabilities at an early stage.

Growth Dialogues

Growth dialogues were adopted as a system to encourage employees' self-growth and to promote support for that growth from superiors and colleagues. Conducted separately from performance evaluations, employees receive feedback from their colleagues about their strengths and weaknesses before engaging in one-on-one dialogues with their managers, who focus on reviewing their skills and career development. Employees' requests regarding their careers are also considered in transfers and placements.

Career Challenge Program

This program allows employees to request transfers outside of their organizations. For employees who want to steer their own career and take on new challenges, we offer opportunities for growth in a variety of forms.

HR development programs to nurture management capabilities

We plan and implement our HR resources development programs with 3 key policies: 1) Encouraging employees' self-growth with further focus on management professionals, 2) Providing trainings to strengthen leadership and HR development capabilities for management positions, and 3) Setting up a learning mechanism to enhance employees' autonomous growth, while reviewing them every year.



Innovators' Program

Run by MC, this program invites professors from the Stanford d.School as lecturers 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.

(Photo: Innovators' Program conducted in Silicon Valley in the fiscal year ended March 31, 2020)

DX Acceleration Program

To accelerate the development of DX project managers, starting in the fiscal year ending March 31, 2022, we will conduct a program aimed at the early achievement of DX projects currently at the conceptualization stage and intensively strengthen DX project management capabilities. This program invites outside experts who are currently active and at the forefront of their industries to serve as lecturers and instructors.



MC conducts regular, ongoing reviews and discussions about HR systems and important HR-related issues in forums such as the Human Resource Development (HRD) Committee, set up under the Executive Committee. We also conduct opinion exchanges with internal and external stakeholders through business execution reports in Board of Directors' meetings, dialogues with Audit & Supervisory Board Members, labor management meetings with the staff union, among others.

My Story of Growth

Messages from employees who continue to take on challenges in the field



Taking on the rewarding challenge of leading an organization to leave an impact on society

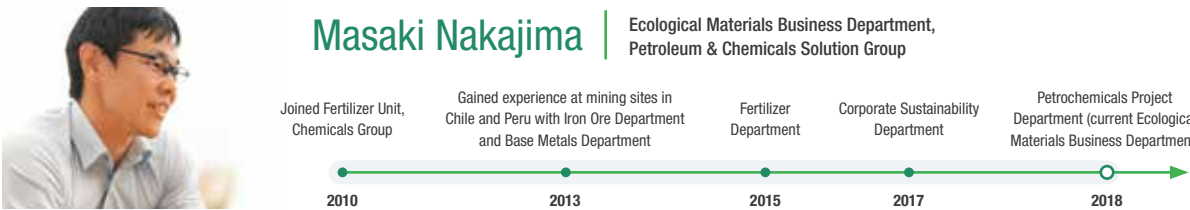
Early in my career, I was transferred to a long-established food wholesaler where I visited sites all over Japan, shadowing the president and learning the ropes of management firsthand. I remember thinking that top management was difficult, but the job seemed rewarding as it involves leading an organization to leave an impact on society. I knew that I wanted to take on that challenge myself in the future. Next, I was put on a team to develop new business in emerging countries in Asia, with a focus on India

and Pakistan. Seeing those growth markets with my own eyes, I realized I wanted to do a job that can enrich people's lives in the growing middle class.

My wish came true, and I am now the CO-COO of the Indonesian subsidiary of Fast Retailing Co., Ltd., which owns UNIQLO. Indonesia was hit hard by the COVID-19 pandemic and UNIQLO, too, experienced temporary store closures during lockdowns. Amid this, we thought hard each day to find ways to contribute

to the lives of people in Indonesia, such as by proposing leisurewear and other products to match lifestyle changes and meet customer needs, as well as donating over 1.8 million masks and protective clothing items to healthcare workers as a corporate philanthropy initiative.

Management is a daily battle against difficulties, but we will move forward under the belief that we can overcome any challenges if we work together as a team.



Striving to build a recycled plastics business using diverse experiences as a source of growth

Since joining the company, I have had diverse experiences spanning different organizations. In the chemicals field, I started with the trading of raw materials in fertilizers, became involved in large-scale investment project development and also a withdrawal project and experienced the challenges involved in project execution. In the mineral resources field, I gained firsthand experience of iron ore and copper at mining sites in Chile and Peru, and learned approaches to both operation management and business investment. Along with comprehensive

experience in business life cycles, in the Corporate Sustainability Department, I learned how to incorporate the concept of sustainability into company policies and actual operations. I feel that I can draw upon these experiences and put them to good use when problems arise in business development.

Currently, I am working to build new business models in the recycling field within the petrochemical value chain, an area where climate change, marine plastics and other issues are demanding transformation. In the future, I want to make use of my diverse

experience to take on the challenges of managing a company and to contribute to further value creation.



Thai Shinkong Industry Corporation Ltd. (TSIC) PET manufacturing plant, which increased capital in 2020 (See page 99 for information on the Chemical Recycling Business)

Demonstrating adaptability to changes in the business environment, and executing management strategies from a long-term perspective

Midterm Corporate Strategy 2018Evolving Our Business Model from Investing to Managing

Leverage our ingenuity to create new business models and generate value for societies, thereby developing the highest level of management expertise.

Awareness of Issues

Management Platform Reform

- Due to the deterioration in the market for natural resources, MC rebalanced its portfolio based on the fiscal year ended March 31, 2016, in which the Company recorded the first consolidated net loss since its founding
- In a rapidly changing business environment, focused on managing cash flow to maintain business stability amid economic uncertainty

Stable Shareholder Returns

- Recorded a consolidated net loss for the fiscal year ended March 31, 2016. Maintained a dividend of 50 yen per share (base portion). Necessity of stable shareholder returns based on ability to create cash flow

Acceleration of Asset Replacement and Shift to a Business Model Aimed at New Growth

Rebalancing of Resources and Non-Resources

Exposure of market-related segments: business-related segments = 3:7

Replace “resources/non-resources,” with “market-related segments/business-related segments” based on risk sensitivity to market conditions

Achieve optimum balance by maintaining a constant investment balance for market-related segments

- For market-related segments (mainly resources), continue to invest in prime assets while maintaining investment balance, thereby optimizing portfolio quality
- For business-related segments (mainly non-resources), re-profile portfolios but increase their size by investing in growing businesses where we can proactively demonstrate our strengths and functions

Cash-Flow-Focused Management

- Controlling interest-bearing debt by managing investments and shareholder returns within our total cash flow
- To flexibly control cash flow, have corporate and Business Groups focus on managing cash flow to make steady progress toward autonomous Group management

Further Evolution from Investing to Managing

Lifecycle-Based Portfolio Re-Profiling

Shareholder Returns Policy

Introduce a progressive dividend scheme, which increases in line with sustainable earnings growth, as a base, and flexibly buy back our stock when necessary

Review

Financial soundness improved under the stabilization of business performance through the rebalancing of market-related and business-related segments, and through the promotion of asset replacement based on strict investment discipline. Ordinary profits accumulated for both the business-related and market-related segments, hitting record highs. In addition to the continuation of dividend increases in line with profit growth based on a progressive dividend scheme, we carried out share buybacks (300 billion yen) to boost capital efficiency based on cash flow, investment leverage and other circumstances over the course of three years.

Awareness of Issues

- Building our envisioned business portfolio, adapted to changes in the external environment
- Building growth mechanisms that demonstrate our strengths and improve business value in line with business stage
- Deepening our business management model through early-stage HR development of highly skilled management professionals

Midterm Corporate Strategy 2021Achieving Growth Through Business Management Model

Achieve growth premised on triple-value growth through our business management model, while adapting to rapidly changing developments including geopolitical shifts, digitalization and the transition to a low-carbon/decarbonized society

Outline of Midterm Corporate Strategy 2021

Progress for the fiscal year ended March 31, 2021

Business Portfolio

- Portfolio-based decision-making (strengthening of downstream and services sector businesses)

DX/EX progress in downstream areas, Energy & Power Generation segment and services segment

- Enhanced downstream businesses, including by acquiring Eneco (a European integrated energy company with a customer base of 6 million households primarily in the Netherlands) as well as by participating in BSD City district smart-city development in suburban Jakarta, Indonesia, and forming a partnership to start evaluation of urban city management
- Strengthened the Energy & Power Generation sector business through acquisitions including development rights for a large-scale offshore wind farm in the Netherlands following the acquisition of Eneco
- Enhanced the services sector business through the conclusion of an investment agreement with the world’s leading location-based service company HERE Technologies

Upstream activities connected to the progress of electrification

- Development of the Quellaveco copper project in Peru, is on track to start production in 2022
- Acquired a 30% stake in the Aurukun Bauxite Project in Australia. Bauxite is a raw material source for lightweight, highly recyclable aluminum

Growth Mechanisms

- Enhancement of new business concepts and digital strategies
- Value-Added Cyclical Growth Model & improved ROE

Progress of DX/EX initiatives to address key issues for the future

- Business partnership with the NTT Group in DX. Established Industry One, Inc. to deliver DX solutions for industry
- Established Chubu Electric Power Miraiz Connect Co., Inc. with the Chubu Electric Power Group to promote power and retail DX initiatives
- Currently considering and advancing over 70 DX projects companywide, through actions including the formation of a companywide industrial DX Task Force
- For EX, aiming to improve the sustainable competitiveness of industry while addressing environmental issues
- Aim to double renewable power generation capacity by the fiscal year ending March 31, 2031 relative to the fiscal year ended March 31, 2020 and achieve 100% non-fossil fuel generation by 2050

Progress in asset replacement under the Value-Added Cyclical Growth Model

- Implemented asset replacements of power generation and real estate development assets after improving their business value
- Evaluated a companywide list of loss-making companies and strengthened turnaround and replacement policies

HR System Reforms

- HR system reform aiming for the continuous development of highly skilled management professionals
- Fully introduced evaluation and compensation systems to ensure reciprocal growth between the Company and its employees

Revised the HR system in April 2019 to:

(1) ensure that employees gain the right experience to become management professionals earlier in their careers; (2) be more meritocratic to ensure that the right people are assigned to the right positions; and (3) utilize management professionals more widely and effectively throughout the MC Group

- Efforts to place the right people at the right positions; assignment of management professionals to positions well aligned with their expertise
- Fair treatment of employees appropriate to their duties through well-balanced evaluation and compensation systems
- HR development for management professionals and growth support through reinforced talent management

Financial Targets & Capital Policy

Shareholder Returns Policy

Consolidated net income for the fiscal year ended March 31, 2020: ¥535.4 billion; Consolidated net income for the fiscal year ended March 31, 2021: ¥172.6 billion

Forecast of consolidated net income for the fiscal year ending March 31, 2022: ¥380 billion

Continued progressive dividends under a capital policy based on financial discipline*

- Dividends in the fiscal year ended March 31, 2020: ¥132 per share; dividends in the fiscal year ended March 31, 2021: ¥134 per share; dividends forecast for the fiscal year ending March 31, 2022: ¥134 per share

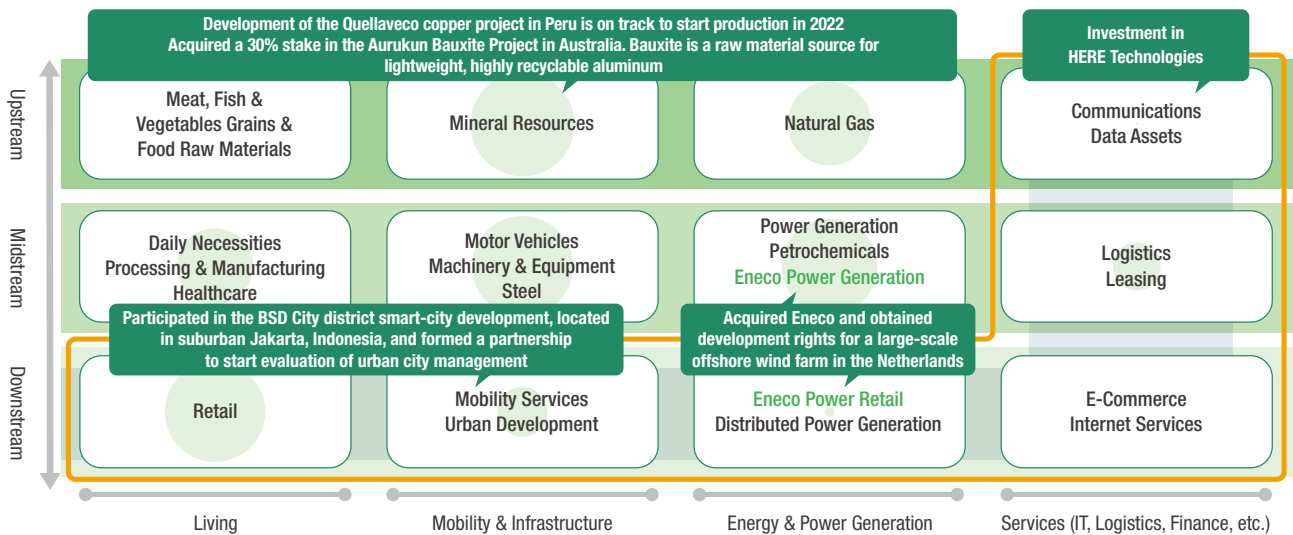
*While maintaining cash flow management, we will work to make a clean break from “market-follower” investment practice by investing as necessary, regardless of the Group’s business performance

Changes in the external environment recognized in the fiscal year ended March 31, 2021

- Vaccination against COVID-19 has started in earnest worldwide, and the economic environment is on track for a gradual recovery. Digitalization has progressed further due to changes in lifestyles brought on by the COVID-19 pandemic
- Governments around the world have declared targets to achieve net-zero GHG emissions, and the shift toward a low/zero carbon society has accelerated
- Geopolitical uncertainty centered around the hegemonic confrontation between the US and China has increased

01 Business Portfolio

- DX/EX progress in downstream areas, Energy & Power Generation segment and services segment
- Upstream activities connected to the progress of electrification



02 Growth Mechanisms: Enhancement of New Business Concepts and Digital Strategies

Progress of DX/EX initiatives to address key issues for the future

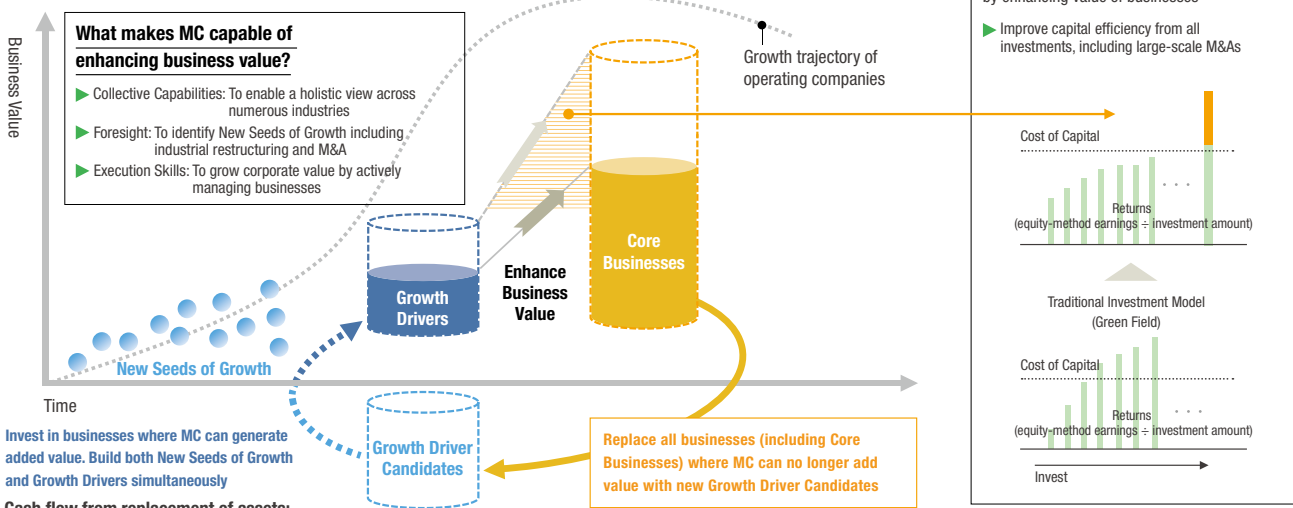
- Formed a business partnership with NTT Corporation and set up a companywide Industrial DX Task Force. As part of this initiative, established Industry One, Inc. as a DX services company to steadily promote industrial DX
- Established Chubu Electric Power Miraiz Connect Co., Inc. with the Chubu Electric Power Group to promote power and retail DX initiatives
- Aim to double renewable power generation capacity by the fiscal year ending March 31, 2031 relative to the fiscal year ended March 31, 2020 and achieve 100% non-fossil fuel generation by 2050

DX Actions
<ul style="list-style-type: none">Promote DX in a way that is unique to the MC Group by leveraging our knowledge and networks across a wide range of industries.Promote DX together with EX to reduce food loss and CO₂ emissions through greater logistics efficiency
Promote Industrial DX
<ul style="list-style-type: none">Established Industry One with the NTT Group MC and NTT aim to provide DX solutions for Japanese industry by leveraging respective strengths of industrial knowledge and ICT technology expertise
Promote Power and Retail DX
<ul style="list-style-type: none">Established Chubu Electric Power Miraiz Connect Co., Inc. with the Chubu Electric Power Group The company provides solutions for the daily needs and events of a diverse customer base by integrating strong community connections and digital marketing expertise (More than 70 other DX projects are underway in addition to the above)

EX Actions
<ul style="list-style-type: none">MC will present its unique optimal solution within the fiscal year ending March 31, 2022 targeting a carbon-neutral society by 2050We aim to achieve a balance between improving the sustainable competitiveness of industry and addressing environmental issues through initiatives from the following three perspectives:
Avoid Newly develop renewable energy, as well as other facilities and businesses that avoid generating greenhouse gas (GHG) emissions
Strengthen efforts in renewable energy projects such as offshore wind and hydroelectric power generation
Reduce Reduce of GHG emissions from existing facilities and projects, including thermal power
Set thermal power divestment targets
Contribute to stable energy supplies and the transition to low/zero-emission thermal power
Remove Neutralize remaining GHG emissions
Strengthen carbon neutrality initiatives through carbon capture and utilization/storage (CCU/CCS), etc.

03 Growth Mechanisms: Asset Replacement under a Value-Added Cyclical Growth Model

- Implemented asset replacements of power generation and real estate development assets after improving their business value
- Evaluated a companywide list of loss-making companies and strengthened turnaround and replacement policies



Cash flow from replacement of assets:

Execute divestment and recovery totaling approximately 2.5 trillion yen over 5 years. Execute total of approximately 1 trillion yen over 2 years during the period of Midterm Corporate Strategy 2021, compared to the initial assumption of 0.7 trillion yen over 3 years.

	(Unit: billions of yen)	Main examples of divestment/recovery
2017/3	390.0	LNG-related/Fund-related
2018/3	478.4	Aircraft leasing-related/Ship-related/Real estate-related
2019/3	622.1	Thermal coal-related/Aircraft leasing-related/Ship-related
2020/3	550.7	Thermal coal-related/Power generation-related/Real estate-related
2021/3	446.1	Power generation-related/Real estate-related/North American shale gas business

04 HR System Reforms

- Efforts to place the right people at the right positions; assignment of management professionals to positions well aligned with their expertise
- Fair treatment of employees appropriate to their duties through well-balanced evaluation and compensation systems
- Progress in HR development in the area of management and growth support through the enhancement of talent management

Ideal Employees		
Management-minded employees committed to enhancing business value		
Foresight	Execution skills	High moral and ethical standards
Four Key Policies		
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 management professionals throughout the MC Group and realize more appropriate benefits	

Specific Initiatives

- As a result of efforts to place the right people at the right positions, increased the number of younger employees promoted to management positions by 50% from April 2019
- Shifted the evaluation and compensation systems for management positions to structures based on roles and achievements, and expanded the proportion of variable remuneration and conduct fairer evaluations
- Conducted growth dialogues for all employees, and considered transfers and placements from a wide group based on diverse evaluation and observation mechanisms by superiors, colleagues, subordinates, etc.
- Introduced new HR development programs such as the Innovators' Program and DX Acceleration Program
- Promoted the development of vibrant workplaces that can encourage the engagement of our diverse pool of talent (employee health and productivity management and supporting women's careers)

In addition to HR system reforms, formed a companywide Industrial DX Task Force to promote collaboration across organizational boundaries.

Note: The members removed their face masks only when this picture was taken.

Realizing stable returns through investments, asset replacement and progressive dividends while maintaining financial discipline



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



A review of the fiscal year ended March 31, 2021 and a look toward the final year of Midterm Corporate Strategy 2021.

A Steady Recovery on the Heels of an Extremely Harsh Financial Result

MC's consolidated net income for the fiscal year ended March 31, 2021 was an extremely harsh result of 172.6 billion yen, a decrease of 362.8 billion yen from the previous fiscal year. Against a backdrop framed by the impact of the COVID-19 pandemic and falling resource prices, our performance was negatively affected by several factors: a steep drop in profitability starting with the Australian metallurgical coal business, one of MC's strengths, and extending to the LNG- and automotive-related businesses; a rebound in one-off gains recorded in the previous fiscal year in connection with the restructuring of the Chilean copper business; and impairment losses on goodwill to Lawson, Inc. and its intangible assets recorded in the latest full fiscal year.

We take these harsh results very seriously and will apply the lessons learned to future initiatives. Meanwhile, we must also correctly acknowledge factors including that: (1) operating income exclusive of transient income such as impairment losses was maintained at a scale of 300 billion yen despite the challenging business environment; (2) even with the impact of the COVID-19 pandemic, businesses including meat and petroleum, as well as the Thailand automotive business, buoyed earnings with year-on-year profit growth; and (3) certain mineral resources businesses such as copper and iron ore have started to grow their profits through initiatives to restore and lift market conditions.

In addition, in the fourth quarter of the fiscal year ended March 31, 2021, operating income—which excludes transient gains and losses—was 122.6 billion yen for the three-month period. Even when factors such as seasonal effects and the divesting of power generation assets are excluded, this still amounts to roughly 100 billion yen, representing a steady recovery in consolidated net income for the quarter.

Cash Flows Continue to Evolve Steadily

While consolidated net income declined sharply by 362.8 billion yen compared with the previous fiscal year, cash flow from operations was 625.2 billion yen, a decrease of only 46.9 billion yen from the previous fiscal year. Among the factors behind the decrease in consolidated net income were non-cash-related losses, which included the impairment charges for Lawson. Meanwhile, the inclusion of Eneco in consolidated financial reporting started to generate a positive contribution to cash flow. Cash flow for investment consisted of 803.4 billion yen in outflow, including an equity investment in HERE Technologies as well as capital investments in the European renewable energy businesses and LNG-related businesses. Meanwhile, MC took steps to maintain financial discipline such as proceeding with divestment of strategic shareholdings and selling off properties in the North American real estate business. This resulted in the recovery of 446.1 billion yen, yielding a net outflow of 357.3 billion yen. Consequently, even while consolidated net income

fell, once cash flow from operations and cash flow for investment were taken into account, free cash flow after adjustment was 267.9 billion yen.

Anticipating a Certain Level of Resilience even in a Declining Resource Price Scenario

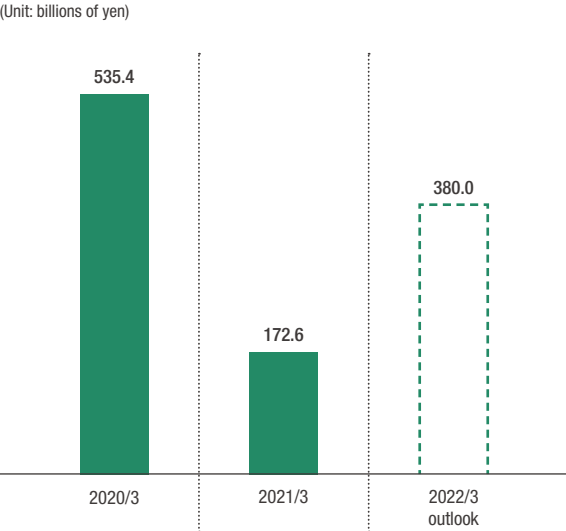
Our earnings outlook for the fiscal year ending March 31, 2022, predicts a year-on-year increase of 207.4 billion yen to 380.0 billion yen. Although this outlook anticipates increased income for eight Business Groups, we recognize that we are still in a recovery period. Against this backdrop of continued uncertainty in the external environment, we have set an outlook that anticipates a certain level of resiliency even if resource prices decline.

Nevertheless, our first quarter results show a consolidated net income of 187.6 billion yen, which represents a 49% attainment of the full-year earnings forecast of 380.0 billion yen. This result was achieved due to improvements in our operating environment. As economic activity resumes worldwide, this has led to a recovery in demand for the automobile-related business and higher prices for mineral resources such as copper and iron ore, which has contributed to steady profits in these businesses. Based on these results, our full-year earnings will likely exceed the 380.0 billion yen forecast. However, in estimating how far it will exceed this figure, factors including the impact of the recent resurgence of the COVID-19 pandemic, especially in Southeast Asia, and highly volatile resource prices must also be analyzed carefully. We plan to continue assessing the situation through the second quarter.

Also, looking to the fiscal year ending March 31, 2023 and beyond, we see many investments that are expected to start contributing to profits. Among MC's larger projects in particular, the Quellaveco copper mine in Peru plans to enter production during the fiscal year ending March 31, 2023, and LNG Canada is slated to start operations in the latter half of this decade. Moreover, there are numerous other projects that could have a significant impact on our performance. Among these are the expansion of the data center business, the release of new car models in the ASEAN region by Mitsubishi Motors Corporation, and the Tangguh LNG extension. In order for these investments to continue contributing toward steady profits, we will promote each of them with careful consideration.

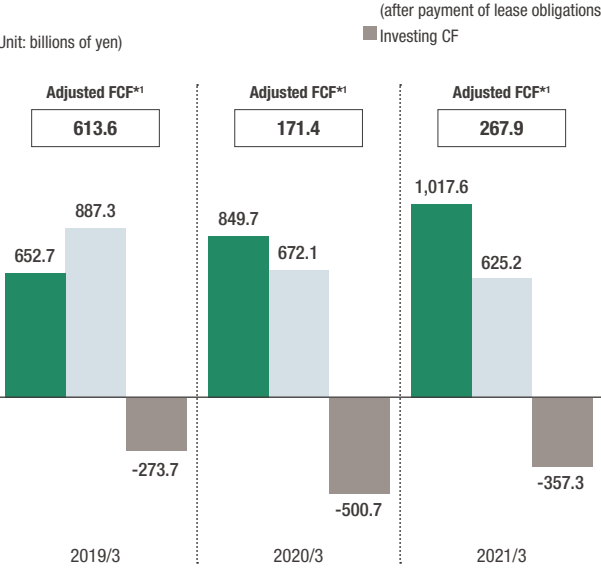
Furthermore, while the consolidated net income target of 900 billion yen for the fiscal year ending March 31, 2022, presented in Midterm Corporate Strategy 2021, was predicated on certain assumptions, it will be difficult to meet the target this year—a matter which we take seriously. Besides factors such as highly volatile resource prices and the impact of the COVID-19 pandemic, one of the key differences is the effect of having placed priority on maintaining financial discipline in light of these changing conditions. While strengthening our foundation by reducing costs and thoroughly reorganizing loss-making companies, we will work to transform our business in response to changing business conditions in order to generate new value. Along with this, we will move forward with the Value-Added Cyclical Growth Model presented in the Midterm Corporate Strategy 2021, which we are confident will deliver results.

Trends in Consolidated Net Income and Outlook for the Fiscal Year Ending March 31, 2022



*1 Adjusted Free Cash Flows: Total of underlying operating cash flows (after repayments of lease liabilities) and investing CF
*2 Underlying operating cash flows (after repayments of lease liabilities): Operating cash flows excluding changes in working capitals (= Net income (including non-controlling interests) – DD&A – profits and losses related to investing activities – equity in earnings of affiliated companies not recovered through dividends – allowance for bad debt, etc. – deferred tax) while including repayments of lease liabilities

Cash Flow Trends



Investment and Capital Strategy in Midterm Corporate Strategy 2021

Q With the second year of Midterm Corporate Strategy 2021 having come to an end, how would you evaluate the progress of the Value-Added Cyclical Growth Model presented in the strategy?

A. The Value-Added Cyclical Growth Model is continuing to permeate within the Company, and we have replaced assets of about 1 trillion yen over two years, including capital gains.

In the past, the term “investment for growth” was used, with the notion that if you do not invest, you will not grow, and that if you do invest, you will make a profit. However, since two years ago, we have been communicating internally to fundamentally change this way of thinking. Against this backdrop, we have been seeing an increase in “brown field” projects. “Green field” projects, through which businesses are cultivated from scratch, can have large yields when successful, and expanding investment and achieving growth have been seen as two sides of the same coin. However today, as the market matures and liquidity increases, these types of projects are decreasing. Instead, “brown field” projects are on the rise, and while their risk levels are comparatively low because they involve entering the market after the business has progressed up to a certain point, they also require payment of a reasonable premium for entry, which lowers the investment yield. To compensate for this decrease, earning capital gains through divestment becomes the key to success. In other words, at the stage where there is low potential for further growth from our involvement in a particular business, even if it is profitable, we will divest and recover our investment funds to reinvest new growth sectors. Within this cycle, what is important is to steadily accumulate capital gains.

In order to promote this value-added cycle, in addition to having each Business Group set divestment targets, we have compiled a list of projects with slower growth trajectories as candidates for divestment and requested the Business Groups to determine which ones to sell in order to achieve those targets. This policy is permeating widely, and we have carried out asset replacements amounting to approximately 1 trillion yen over two years, including capital gains.

By proceeding with asset replacement and further promoting the Value-Added Cyclical Growth Model, we will continuously make investments and return capital to shareholders while maintaining financial soundness.

Q In light of the results for the fiscal year ended March 31, 2021, will MC be changing its capital allocation or investment strategy?

A. Our basic policy remains unchanged, and we are strengthening cash flow management based on rigorous financial discipline.

Since our current management system was put in place in the fiscal year ended March 31, 2017, we have adhered to a basic policy of paying progressive dividends within the scope of adjusted free cash flow and have not raised interest-bearing liabilities. To ensure financial soundness, we set 40–50% as the appropriate range for the investment leverage ratio (ratio of total capital covered by investment balance), but at the end of the fiscal year ended March 31, 2021, this ratio had risen above the appropriate range to 54%. This was mainly a result of an investment balance that grew quite large due to large-scale investments such as the acquisition of Eneco, followed by a significant decrease in consolidated net income, leading to a decline in capital augmentation. As a result of restrictions on net investment, through continued promotion of proactive asset replacement and a recovery in consolidated net income, we are endeavoring to restore the leverage ratio to its appropriate range by the end of the fiscal year ending March 31, 2022. Moreover, with restrictions in place on net investment, we are seeking for the necessary funds for investment to be generated through revenues from the sale of existing assets. As such, from a financial discipline perspective, we are supporting the promotion of the Value-Added Cyclical Growth Model.

In addition, although MC is focusing on digital transformation (DX) and energy transformation (EX) as key issues for the future, this will not involve directing extreme amounts of funding toward specific areas. It could be said that one of MC’s strengths is that it develops businesses across a diverse range of industries, providing opportunities to discover New Seeds of Growth in a wide variety of fields. The key to whether we succeed or fail will be how well we can carefully select the best projects from among these, we will execute investments as a result of this selection process. Without changing our capital allocation or investment strategy, we will continue to move forward based on rigorous financial discipline.

Q In recent years, impairments have continued in business-related segments. What do you view to be the cause of this?

A. Investment timing is one major element. We are taking care to not simply follow investment trends.

Looking back at our recent investments, we see large impairment charges incurred for investments outside of the resource area, and we take this very seriously. The timing of the investment is one of the biggest factors. In other words, I believe this stems from investing when earnings are climbing. The biggest takeaway here is that although in the resources segment investment decisions were made based on reflections of past performance, in the end this was not achieved in the business-related segment. Capitalizing on this finding, I think it is important not only to make investments based on trends, but also to bear this in mind.

In the past, we practiced decentralized management, whereby in order to accelerate asset replacement, we set up a scheme to manage the cash flow of our Business Groups. This meant we had a structure in which the more profits our Business Groups earned, the more investments they could make. In actuality, it was a system that encouraged simply following trends. Striking the right balance between centralized and decentralized management is a difficult challenge with no absolute solution. In our current Midterm Corporate Strategy, rather than assign an investment limit to each Business Group in accordance with the cash flow it has earned, decisions on large-scale investments such as Eneco are made within a companywide investment discipline.

Q The fiscal year ended March 31, 2021 saw a substantial year-on-year decline in profits. Please tell us about your action plan toward earnings recovery.

A. By thoroughly reorganizing loss-making companies, we will work to strengthen our foothold.

As earnings deteriorated during the fiscal year ended March 31, 2021, we began reorganizing loss-making companies as a measure toward future earnings recovery. As we move to reorganize these companies, one-time losses will be incurred such as those on sale of assets and reserve provisions. If we only look at net income for a single fiscal year, there will be cases where the one-time losses outweigh the positive effect of the operating deficit disappearing. Measuring the effect may be difficult at times, but the point of our efforts will be to avoid carrying deficits into the future. Among the loss-making companies, two-thirds have already decided on an action plan. For the remaining one-third, we must urgently determine a path forward, reduce the amount of future losses and build a solid foundation for future growth.

Q Are there any changes to your policy on shareholder returns, particularly dividends?

A. We plan to maintain the progressive dividend scheme, and for the fiscal year ending March 31, 2022, we are planning on dividends of 134 yen per share, the same as the year before.

For the fiscal year ending March 31, 2022, we are planning on dividends of 134 yen per share, the same as the year before. Although we saw a significant drop in profits for the year, cash flows have been on the rise, and we have also been able to maintain our financial soundness. In line with the commitment we made in our current Midterm Corporate Strategy, without cutting dividends, we will maintain our “progressive dividend scheme.” Moreover, the earnings outlook for the fiscal year ending March 31, 2022 will continue to be considered through the second quarter to determine the extent to which we expect profits to increase. Looking ahead, in order to meet the expectations of our shareholders, we will examine our dividend policy with an eye on changes in the internal and external environments.

Regarding share buybacks, while giving consideration to investment leverage, no changes will be made to our policy, but we will consider flexible response measures if leverage falls below an appropriate level.

In terms of the next Midterm Corporate Strategy, which will start from the fiscal year ending March 31, 2023, although we can make no concrete assurances at this time, we will put emphasis on dialogue with shareholders and investors.



By steadily reorganizing loss-making companies, we aim to increase their ROE through the continued promotion of our Value-Added Cyclical Growth Model while thoroughly solidifying our footing. In addition, it will be essential to reduce capital costs in response to the expectations of capital market participants in order to improve the confidence they place in us. To achieve this, we will strive to gain the understanding and support for our business and management policies by engaging with our shareholders and investors and enhancing our disclosure materials. At the same time, we will be able to gain an accurate grasp of the expectations and demands of the capital market toward MC, which we will apply to the formulation of our next Midterm Corporate Strategy.

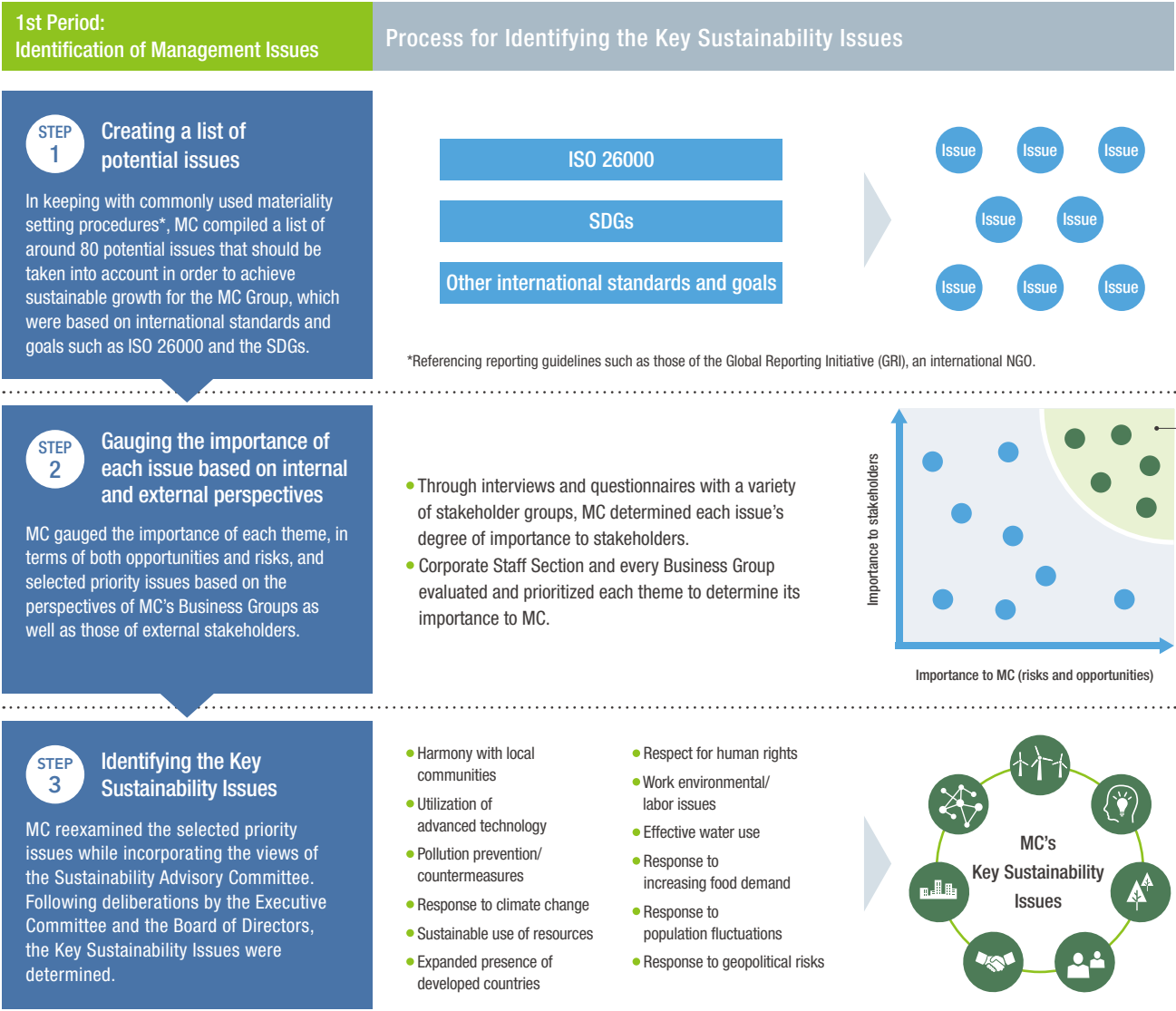
Key Sustainability Issues (Materiality)

Overview and Identification Process of Key Sustainability Issues (Materiality)

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

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

*The SDGs are a set of 17 global goals adopted at the UN summit held in September 2015 as the core of “The 2030 Agenda for Sustainable Development.”



























2nd Period:
Incorporation into Business Strategy

Holding of Sustainability Dialogues and Meetings of the Sustainability & CSR Committee

MC holds Sustainability Dialogues followed by regular meetings of the Sustainability & CSR Committee to incorporate the Key Sustainability Issues 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.

Key Sustainability Issues (Materiality)


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

3rd Period:
Strengthening of Initiatives Through Goal Setting


Setting Goals for 2030

In 2019, MC formulated individual business goals so that each Business Group could autonomously promote initiatives around the Key Sustainability Issues. In 2020, MC reviewed these individual business goals to make them more specific and quantifiable,


taking into account the external environment and societal demands. The goals following the review and the main initiatives associated with them are as follows:

 **Transitioning to a Low-Carbon Society**

- Aim to double renewable power generation capacity by the fiscal year ending March 2031 compared to the fiscal year ended March 2020 (from 3.3 GW to 6.6 GW). (In addition, aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050.)
- Establish ammonia fuel supply chains for power generation
- Promote the commercialization of CCUS and hydrogen-related projects
- Promote initiatives around electric vessels (reducing environmental impact)

 **Procuring and Supplying in a Sustainable Manner**

- Reduce food waste by 50% (compared to the fiscal year ended March 31, 2019)
- Develop the recycled PET and eco-friendly material manufacturing businesses to achieve low-carbon and circular plastics

 **Tackling Evolving Regional Issues**

- Advance coal/oil to gas projects as a pragmatic solution to reduce air pollution and transition to a low-carbon society (changeover from coal/oil to natural gas)
- Promote initiatives around autonomous ships (reducing crew stress and maritime accidents)
- Develop the Mobility Services Business
- Realize and manage valuable integrated urban development projects with accessibility and environmental friendliness

MC will continue striving for sustainable growth from a long-term perspective.



MC's Industrial DX Initiatives

Our vision for industrial DX

The MC Group is active across a wide range of businesses, with operations spanning the entire supply chain at the upstream, midstream and downstream levels, providing connections with customers in virtually every industry. Our earnings are generated by the approximately 1,700 companies that comprise the consolidated MC Group, each of which plays a leading role in the business. For this reason, our commitment to industrial digital transformation (DX) must not only apply to the relevant business interests within the parent company, but also extend to our wider business networks through our support to the independent DX initiatives being promoted by players in each industry. Our vision is to create a shared digital platform that can provide solutions to accelerate DX across a variety of sectors in order to support industrial growth and address societal issues.

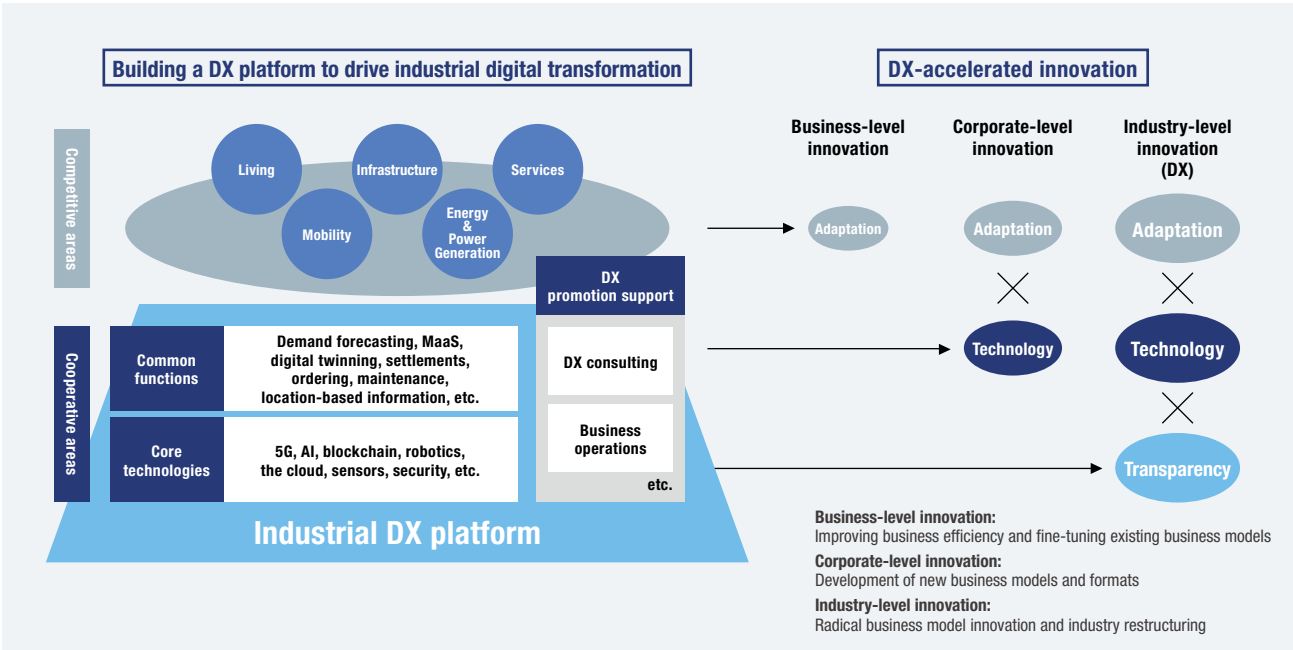
DIGITAL TRANSFORMATION

A DX promotion system to drive business model transformation across diverse industries

Through industrial DX, we aim to provide new value by combining our wide-ranging industrial knowledge with digital technologies. Even as a global integrated business enterprise, the MC Group needs to possess core technological capabilities in order to increase competitiveness. Accordingly, we established MC Digital, Inc. in September 2019 with the aim of enhancing our internal capabilities to drive DX. Through this company, which brings together leading data scientists, design specialists and IT engineers, MC is implementing measures to promote industrial DX.

In December 2019, MC concluded a business partnership with

Nippon Telegraph and Telephone Corporation (NTT). This partnership was established with the goal of creating new value by combining MC's strong industrial expertise with the digital capabilities of NTT. In May 2020, MC and NTT jointly invested in HERE International B. V., the world's leading location-based service company, and in June 2021, they established Industry One, Inc., a joint venture company specializing in DX services. Through Industry One, MC aims to support the development of industries and businesses in Japan as a transformation partner by providing a comprehensive range of services from DX platform creation to the establishment of digital businesses.



CASE Addressing Societal Issues with Industrial DX

— Creating a Food Distribution DX Platform

Contributing to the Food Distribution Field and Offering New Value

Kiyotaka Kikuchi

Executive Vice President
Group CEO,
Consumer Industry Group



MC has been active in the food distribution sector for over 50 years, and today works with thousands of suppliers and business partners. Together with our partners, we have for some time been adapting and implementing digitalization measures in preparation for the creation of a platform. At present, the environment surrounding food distribution is affected by various societal issues, including food loss and a shrinking labor pool. One of the challenges facing the food distribution industry in Japan is the problem of food loss, which costs an estimated one trillion yen annually. Most of this food loss occurs during the distribution process, primarily due to product expiration as a result of over-production or excess inventory.

One possible solution to this problem might be the use of point of sale (POS) data from retail operations, which are the closest touchpoints with consumers, as the basis for sophisticated demand forecasting by food wholesalers and manufacturers. This could help reduce food loss and improve the efficiency of food distribution activities.

MC and Nippon Telegraph and Telephone Corporation (NTT) have collaborated to create a platform that uses digital technology to seamlessly integrate data scattered within and among companies, together with weather forecasts and other external data.

Using this platform as a foundation, we are currently developing our own demand forecasting AI in collaboration with MC Digital, Inc. During proof-of-concept (PoC) inventory-reduction trials with Mitsubishi Shokuhin Co., Ltd., this AI system successfully reduced the amount of inventory held at distribution centers by around 30% on average, and by as much as 40% in some cases, while also cutting down on the rate of product shortages.

This system will initially be provided to Lawson, Inc. distribution centers operated by Mitsubishi Shokuhin, and it will then be progressively rolled out in collaboration with Mitsubishi Shokuhin to other companies. Through these initiatives, we hope to simultaneously generate economic, societal and environmental value by reducing CO₂ emissions associated with food loss and shipping, while also working to address other social and environmental issues, such as labor shortages.

Our future plans include further collaborative initiatives with our external partners, such as Toshiba TEC Corporation and Fujitsu Limited. In addition, MC, NTT and Industry One, Inc. are planning to conduct a PoC study on smart contracts later this year. We will continue to announce more initiatives designed to expand DX services not only in the food distribution sector, but throughout Japanese industry as a whole.

Transforming Food Distribution Through DX

CURRENT SITUATION Accumulation of excess inventory throughout supply networks



MC's goals	Medium- to long-term goals
<ul style="list-style-type: none">● Analysis of all commercial distribution data through a single system● Forecast of supply and demand balances to prevent excess inventories and product shortages	<ul style="list-style-type: none">● Elimination of waste across the entire industry, and addressing societal issues such as food loss● Utilization of joint distribution beyond the MC Group



ENERGY
TRANSFORMATION

MC's EX Initiatives

Our vision for EX

The global shift toward a low-carbon/decarbonized society is accelerating, as evidenced in 2021 by developments such as the discussions during the Leaders Summit on Climate in April and the G7 summit in June. In Japan, which has limited natural resources, MC has long fulfilled a societal mission to provide a stable supply of energy through its deep involvement as a supplier of LNG, metallurgical coal and other resources. As such, we need to adapt to this transition with a heightened sense of responsibility and determination. We will evolve our business portfolio by taking on the challenge of energy system innovation, striving to both meet environmental challenges and fulfill our societal mission of providing a stable supply of energy. By actively pursuing energy transformation (EX) initiatives, we will work toward the ambitious goal of achieving a decarbonized society. In 2020, MC established the Energy Committee, which consists of three Group CEOs responsible for its energy and power-related businesses—the Power Solution Group, the Natural Gas Group and the Petroleum & Chemicals Solution Group—together with the Corporate Strategy & Planning Department.

Energy Committee Initiatives, Messages from the Three Group CEOs

Background and Role of the Energy Committee

The transition to a decarbonized society is anticipated to move forward with a focus on intensive electrification and emissions reductions in the energy and power generation sector.

Adapting and developing initiatives in response to this global shift has become a common priority across all industries. In May 2020, MC established the Energy Committee as a forum for discussing medium- to long-term portfolio strategies and optimal approaches with a focus on the energy and power generation sector. Topics discussed by the committee, which is led by the three Group CEOs responsible for MC's energy and power-related businesses, together with the Corporate Strategy & Planning Department, include the alignment of perspectives on the business environment and the development of business strategies based on these perspectives. The results of these deliberations are reported to MC executive management members.

Energy Committee Initiatives

The theme selected for the Energy Committee's deliberations is the anticipated paradigm shift in the energy and power generation sector amid the transition to a carbon-neutral society. Since its establishment, the committee has worked to verify hypotheses relating to this theme, examined portfolio and business strategies, and engaged in intensive dialogue and debate about the order of priorities for implementing measures. In the fiscal year ended March 31, 2021, the committee held meetings approximately twice a month.

Key verification themes

- 1 Synergies between the LNG business and power generation business
- 2 Changes in power infrastructure due to renewable energy being adopted as a main power source
- 3 MC's unique approach to power retailing
- 4 Synergies through the integrated promotion of power generation and power retailing

- 5 Next-generation energy initiatives
 - ➡ In September 2020, the Next-Generation Energy Subcommittee was established with members from six related groups

MC informed the Outside Directors and Outside Audit & Supervisory Board Members in July 2020, and held a joint meeting with the Sustainability & CSR Committee in December. Our policy is to continue discussions at this committee while further strengthening cooperation with relevant parties. MC will present its unique optimal solution within the fiscal year ending March 31, 2022 targeting a carbon-neutral society by 2050.

» Developing Renewable Energy as a Main Power Source

Renewable Energy Generation Business and Next-Generation Energy System Initiatives

Toward the realization of a decarbonized society, MC aims to double its renewable power generation capacity from 3.3 GW in the fiscal year ended March 31, 2020 to 6.6 GW by the fiscal year ending March 31, 2031. This shift toward using renewable energy as a primary power source is accelerating efforts to introduce various types of renewable power systems, from large-capacity offshore wind farms to small, decentralized solar power facilities. Renewable energy is the ultimate zero-cost, distributed power supply. We believe that by making full use of these characteristics, we can achieve progress toward the shift to local production for local consumption, as well as the development of community-based power infrastructure. However, it will also be necessary to upgrade our function to balance supply and demand to compensate for the intermittent nature of renewable energy. In addition to providing power adjustment based on conventional gas-fired power generation, MC is also taking on the challenge of creating new systems for the supply and demand of power that make use of digital

Katsuya Nakanishi

Executive Vice President
Group CEO, Power Solution Group



technology and artificial intelligence in power generation forecasting, virtual power plant (VPP) technologies, as well as utilization of battery storage and electric vehicles (EV).

100% Non-Fossil Fuel Ratio

Looking ahead to 2050, we will actively promote the greening of our power generation portfolio by adopting renewable energy supplies and zero-emission thermal power generation. Our aim is to achieve a 100% non-fossil fuel ratio in our power generation business.

» Natural Gas: A Pragmatic Solution

Switching from Coal and Oil to Natural Gas

With the growing use of renewable energy as part of decarbonization efforts, balancing supply and demand with gas-fired power generation will become increasingly important. The MC Group is a leading supplier of LNG, which has the lowest greenhouse gas (GHG) emissions of any fossil fuel during combustion. LNG will play a vital transitional role as the power sector decarbonizes.

In addition, shifting from coal and oil to natural gas as an energy source would be an effective and pragmatic solution to the issue of growing energy needs, particularly in Asia. This approach would balance economic growth with the need to address environmental concerns in emerging economies, where air pollution, among others, is a major problem.

Natural gas is also used as a raw material in the production of blue hydrogen and blue ammonia, which are both seen as next-generation energy sources, so we are confident that natural gas will continue to be a valuable energy resource in the future.

Jun Nishizawa

Executive Vice President
Group CEO, Natural Gas Group



Reducing LNG Emissions

While LNG emits less GHG than any other fossil fuel when combusted, further improvements in its environmental performance will be needed amid the shift toward decarbonization. In addition to reducing CO₂ emissions across our LNG supply chain, we will also need to make further mitigation actions toward achieving net-zero emissions through carbon management businesses including carbon capture and utilization and storage (CCUS).

» Building Supply Chains to Meet the Needs of Future Generations

Decarbonizing Energy

Realizing the vision of a hydrogen-based society will require the decarbonization of energy itself. We are carrying out wide-ranging analyses and studies about various options, including green hydrogen produced with renewable energy. Still, for the time being, we believe that blue hydrogen combined with carbon capture and storage (CCS) is the most promising candidate.

Building a Blue Ammonia Value Chain

MC has long regarded ammonia as a promising hydrogen carrier and is developing an ammonia business. We also possess industrial knowledge and global networks in such areas as natural gas and CCUS. MC aims to build a competitive blue ammonia value chain as a step toward decarbonizing industry as a whole.

Osamu Takeuchi

Executive Vice President
Group CEO, Petroleum & Chemicals Solution Group



In addition to developing zero-emission thermal power generation that is fueled by hydrogen and ammonia, we believe it is our mission to expand the utilization of these technologies into new fields, such as mobility and raw materials, through the development of the necessary societal systems, including infrastructure.

MC's EX Initiatives

Avoid

Newly develop renewable energy, as well as other facilities and businesses that avoid generating GHG emissions

Strengthen efforts in renewable energy power generation, with an aim to double renewable power generation capacity from 3.3 GW in the fiscal year ended March 31, 2020 to 6.6 GW by the fiscal year ending March 31, 2031.

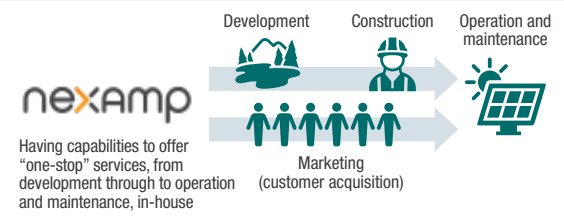
Expansion of Our Renewable Energy Business Through the Acquisition of Eneco

- In March 2020, MC acquired Eneco, which had 1.6 GW of renewable power generation capacity as of March 2021.
- Eneco's first project since its acquisition by MC was the development of the Hollandse Kust Noord offshore wind farm in the Netherlands as a joint venture with a resource major. Eneco won the contract for this project in July 2020. This was followed in February 2021 by the signing of a long-term contract to supply power to Amazon data centers.
- MC has positioned Eneco as the core platform for its European energy business. Through Eneco, we will accelerate our efforts in the field of renewable power generation, while also making an active contribution to decarbonization by exporting Eneco's expertise to other regions, including Japan.



Expanding the Distributed Solar Power Generation Business

- In 2016, MC invested in Nexamp, a business engaged in distributed solar power generation projects in the US, and in 2018, Nexamp became an MC subsidiary.
- Since MC became a shareholder, Nexamp has steadily acquired new assets and has grown to become a leading company in the US community solar industry. Nexamp has over 2 GW of capacity in its total asset portfolio including development pipeline, projects under construction and in operation.



Solar power generation business that coexists with nature (using sheep for weeding)

Reduce

Reduce GHG emissions from existing facilities and projects, including thermal power

MC will strive to reduce GHG emissions at its existing facilities and businesses by divesting from thermal power generation, or alternatively by transitioning them to zero-emission systems that do not emit CO₂ during power generation. We will also focus on the early societal adoption of zero-emission thermal power generation by establishing next-generation value chains that include ammonia and hydrogen.

Divestment from Thermal Power Generation

- MC aims to achieve a 100% non-fossil fuel ratio by 2050 in its power generation business by reducing its existing thermal power capacity and switching to zero-emission thermal power.

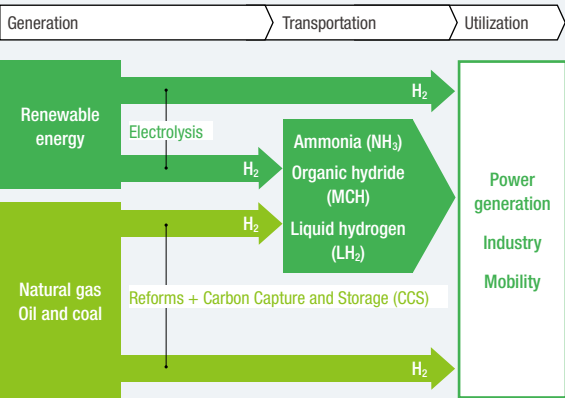
Policy on Coal-Fired Power Generation

- MC will not enter into any new projects in this area, with the exception of any projects for which orders have already been accepted.
- We plan to complete our exit from coal-fired power generation projects by 2050.

Converting from Coal and Oil to Natural Gas

- We regard natural gas as a vital energy source during the transition to a low-carbon/decarbonized society. To provide the energy required for economic development, particularly in emerging economies in Asia, we will leverage our LNG assets, which have a smaller environmental footprint compared to any other fossil fuel, to fulfill our responsibility to provide a reliable and stable supply of energy.
- MC aims to reduce GHG emissions on a global scale by stimulating demand for LNG in emerging Asian economies, and by leading the transition from coal and oil to natural gas (LNG).

Ammonia and Hydrogen Value Chains



MC will present its unique optimal solution within the fiscal year ending March 31, 2022 targeting a carbon-neutral society by 2050. We will aim to achieve a balance between improving the sustainable competitiveness of industry and addressing environmental issues through initiatives from three perspectives.

Remove

Neutralize remaining GHG emissions

MC will use CCU/CCS and other technologies to neutralize any GHG emissions that remain even after efforts to avoid and reduce emissions.

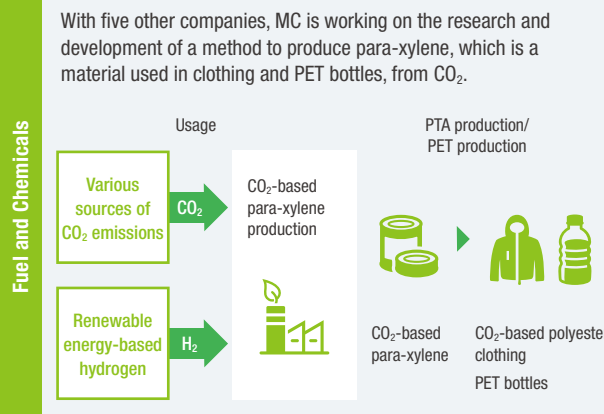
- We will promote the commercialization of CCUS by establishing a cross-group task force and liaison committee.

CCU

Construction Materials

As a suitable CO₂ reduction method is required for each construction material, such as ready-mixed concrete, MC aims for the maximum reduction in CO₂ by approaching each product with a combination of various technologies and collaborations with corporations.

- CO₂-SUICOM
- Blue Planet Systems Corporation
- CarbonCure Technologies Inc.



CCS

- In December 2020, MC began exploring possible collaborations with Australian company Santos Limited in the fields of carbon-neutral LNG and CCS.
- We began a joint study on CCS for the production of clean fuel ammonia with PT Panca Amara Utama, an ammonia manufacturer in which MC has an investment.

Carbon Credit Development and Sales

- In May 2021, MC commenced a joint study with South Pole, one of the world's largest carbon credit developers, regarding generating and marketing carbon credits derived from carbon removal technologies such as CCUS.

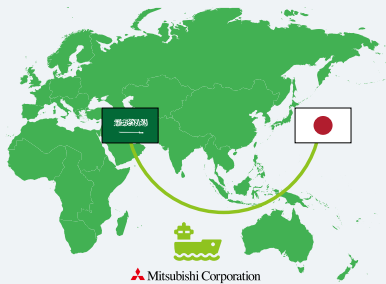
Building Hydrogen and Ammonia Value Chains

1. Production

- MC will explore practical approaches to the production and supply of CO₂-free blue ammonia and blue hydrogen through the combination of natural gas and CCUS.
- We will carry out studies with our partners on blue ammonia production, particularly in North America, the Middle East and Southeast Asia.

2. Transport/Utilization (ammonia)

- In collaboration with the Institute of Energy Economics, Japan and Saudi Aramco, MC participated in a supply chain trial run in which blue ammonia produced in Saudi Arabia was successfully transported to Japan.



- We will use our connections with the power industry to implement studies on the use of ammonia co-firing and other technologies.

3. Transport (hydrogen)

- The demonstration project for a hydrogen supply chain system based on Chiyoda Corporation's large-scale hydrogen storage and transportation technology (SPERA Hydrogen), which involved the construction of a hydrogenation facility at the Brunei LNG plant, as well as a dehydrogenation plant at a coastal site in Kawasaki City, was successfully completed. We aim to realize a commercial-scale project by the mid-2020s.



Hydrogenation facility in Brunei Darussalam



Dehydrogenation plant in Kawasaki City

- MC is collaborating with Chiyoda Corporation and five private Singaporean companies on a study regarding the creation of a sustainable hydrogen economy in Singapore (see page 103).

MC's EX Initiatives

Past MC Initiatives toward a Low-Carbon/Decarbonized Society

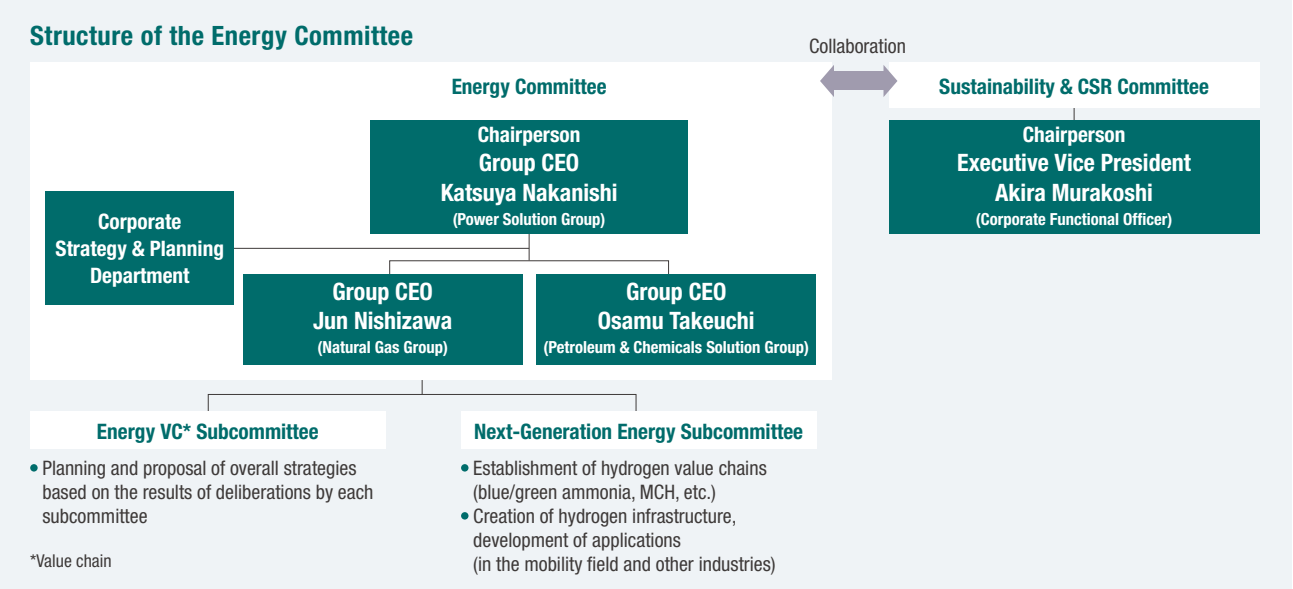
Moves by the international community to mitigate global warming have accelerated since the Paris Agreement entered the implementation phase in 2020. Like Europe, Japan has set a goal of achieving carbon neutrality by 2050.

Even before this global shift, MC has worked to fulfill its responsibility to the global environment and society through business activities based on the spirit of the Three Corporate Principles, which form the basis of its corporate philosophy. The MC Group strives to achieve sustainable growth through the simultaneous generation of economic, societal and environmental value.

We have been involved in the offshore wind power generation business since the early 2010s, when the industry was still in its

infancy. These pioneering efforts allowed us to establish a solid foundation in the renewable energy business. MC was the first to import LNG into Japan in 1969, and became an active player in the LNG business in 1972. Since then, we have helped to accelerate progress toward a low-carbon society by expanding our LNG business and ensuring a stable supply of this fuel, which has a lower environmental impact than other fossil fuels. Other areas in which we are contributing to the realization of a low-carbon/decarbonized society include lithium-ion batteries and the battery storage business.

MC will continue to provide a stable supply of energy and work toward the realization of a low-carbon/decarbonized society by actively promoting EX initiatives.



Initiatives Toward a Low-Carbon/Decarbonized Society		2019		2020		2021	
<h3>Expanding Renewable Energy Generation</h3> <p>MC's involvement in the renewable energy business began with its participation in geothermal and onshore wind power projects in 1987. We play a proactive role in every aspect of these projects, including development, construction, financing and operation. In March 2020, we acquired Eneco as part of the continuing expansion of our renewable energy business.</p>	<div>2009–2010</div> <ul style="list-style-type: none">Entered the onshore wind power generation business in the US (two projects)	<div>2011</div> <ul style="list-style-type: none">Entered the concentrated solar power (CSP) generation business in SpainEntered the offshore power transmission business in the UK	<div>2012</div> <ul style="list-style-type: none">Entered the offshore power transmission business in GermanyEntered the onshore wind power generation business in FranceBegan participating in the onshore wind power business in MexicoEntered the solar power generation business in Canada	<div>2013</div> <ul style="list-style-type: none">Entered the offshore wind power generation business in the NetherlandsBegan participating in solar power generation businesses in France and ItalyEstablished a collaborative agreement and strategic partnership with Eneco	<div>2016</div> <ul style="list-style-type: none">Began participating in Belgium's largest new offshore wind farm projectInvested in a US-based distributed solar power generation company	<div>2018</div> <ul style="list-style-type: none">Began participating in a new offshore wind farm project in the UK	<div>2020</div> <ul style="list-style-type: none">Acquired Eneco, an integrated energy company based in the Netherlands
	<div>2021</div> <ul style="list-style-type: none">Invested in the Monsoon Wind Farm, an onshore wind power generation facility in Laos						
<h3>Withdrawal of Upstream Crude Oil Assets and Expansion of LNG Business</h3> <p>We have almost completed our withdrawal of the oil and gas exploration and production (E&P) assets that are not linked to our LNG business. Since arranging the first shipment of LNG to Japan over 50 years ago in 1969, MC has contributed to the stable supply of energy by expanding its LNG portfolio, which has a lower impact on the environment than other fossil fuels.</p>	<div>2011</div> <ul style="list-style-type: none">Made a final investment decision regarding the Donggi-Senoro LNG project in Indonesia, the first all-Asian project of its kind without the participation of resource majors	<div>2016</div> <ul style="list-style-type: none">Made a final investment decision regarding the Tangguh LNG project in Indonesia	<div>2017</div> <ul style="list-style-type: none">Divested a natural gas exploration and development asset in Papua New Guinea, and assets in Gabon (two blocks) (E&P business)	<div>2018</div> <ul style="list-style-type: none">Made a final investment decision regarding the LNG Canada projectBegan participating in an LNG import terminal business in Bangladesh	<div>2019</div> <ul style="list-style-type: none">Divested assets in the Kangean region, Angola and the Kimberley (E&P businesses)Commenced commercial production at the Cameron LNG project in the US		
<h3>Other Activities (Batteries, EVs, Etc.)</h3> <p>MC is using its extensive industrial connections to drive initiatives toward the realization of a low-carbon/decarbonized society in various business areas, including lithium-ion batteries, battery storage, EVs and CCUS projects.</p>	<div>2007</div> <ul style="list-style-type: none">Expanded into the vehicle lithium-ion battery manufacturing businessIn 2009, started full-scale production of the i-MiEV, the world's first mass-produced EV	<div>2016</div> <ul style="list-style-type: none">Acquired an equity interest in ElectroRoute, an Irish electric power trading company	<div>2017</div> <ul style="list-style-type: none">Launched services based on the Europe's largest battery energy storage system (BESS)	<div>2018</div> <ul style="list-style-type: none">Entered the power retailing and virtual power plant (VPP) business via Lawson storesInvested in Boston Energy, an electric power trading company in the US	<div>2019</div> <ul style="list-style-type: none">Established a joint venture to promote the development and adoption of zero-emission electric vesselsInstalled a utility-scale rooftop photovoltaic system and battery energy storage system reusing EV batteriesInvested in Bboxx, a company specializing in distributed power business in off-grid areasInvested in the OVO Group, a UK-based innovative energy service provider	<div>2020</div> <ul style="list-style-type: none">Expanded into the chemical recycling business (manufacturing business utilizing recycled PET)Initiated "Technology Development for Para-xylene Production from CO₂" (CCU)Commenced R&D on use of CO₂ in concrete and CO2-SUICOM (CCU)Established a partnership agreement with Blue Planet Systems Corporation (CCU)Began collaborating with NTT Anode Energy Corporation in the energy sectorCommenced collaboration with five private Singaporean companies and Chiyoda Corporation aimed at sustainable importation and commercial utilization of hydrogen in Singapore	<div>2021</div> <ul style="list-style-type: none">Invested in CarbonCure and formed a business partnership (CCU)Signed an MOU concerning a joint study on the use of CCS for the production of clean ammonia fuel in IndonesiaCommenced collaboration with South Pole to generate and sell carbon credits from carbon removal technologies such as CCUS



SUSTAINABILITY

Management Platform Supporting Value Creation

Contents

46	Sustainability Promotion Framework	74	Overview of Corporate Governance
50	Supply Chain Management	74	MC's Basic Policy on Corporate Governance
52	Risk Management	75	Board of Directors
62	Stakeholder Engagement	76	Board of Directors' Advisory Bodies
64	Employees	78	Audit & Supervisory Board Members/ Audit & Supervisory Board
66	Special Feature: Interview with Female Managers	80	Outside Directors and Outside Audit & Supervisory Board Members
68	Corporate Governance/ Highlights for the Year Ended March 31, 2021	82	Stance on Acquisition, Holding and Reduction in Listed Stocks/ Reduction in Holdings of Listed Stocks
72	Special Feature: Dialogue with an Outside Director and Outside Audit & Supervisory Board Member	82	Overview of Remuneration Package

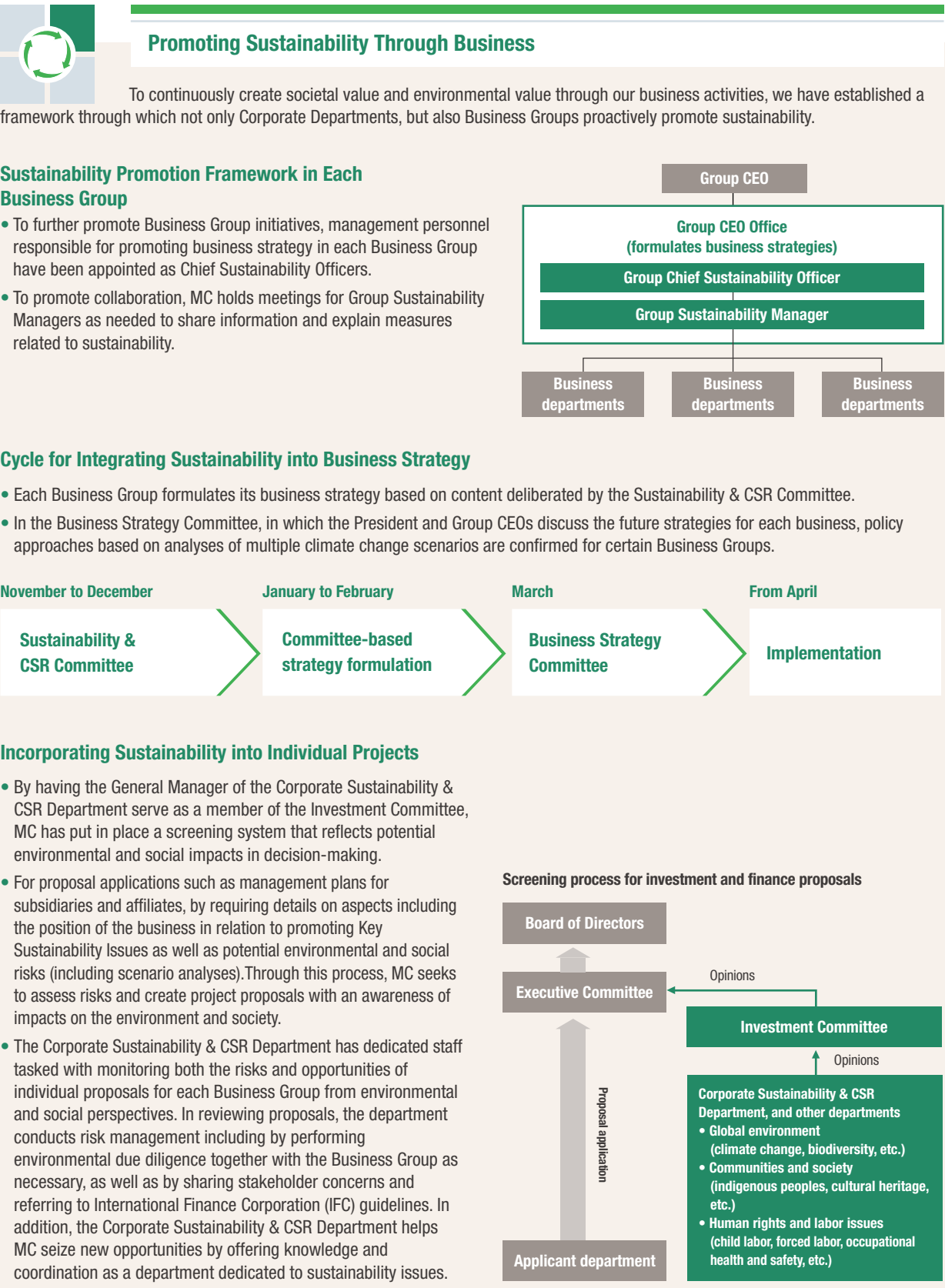
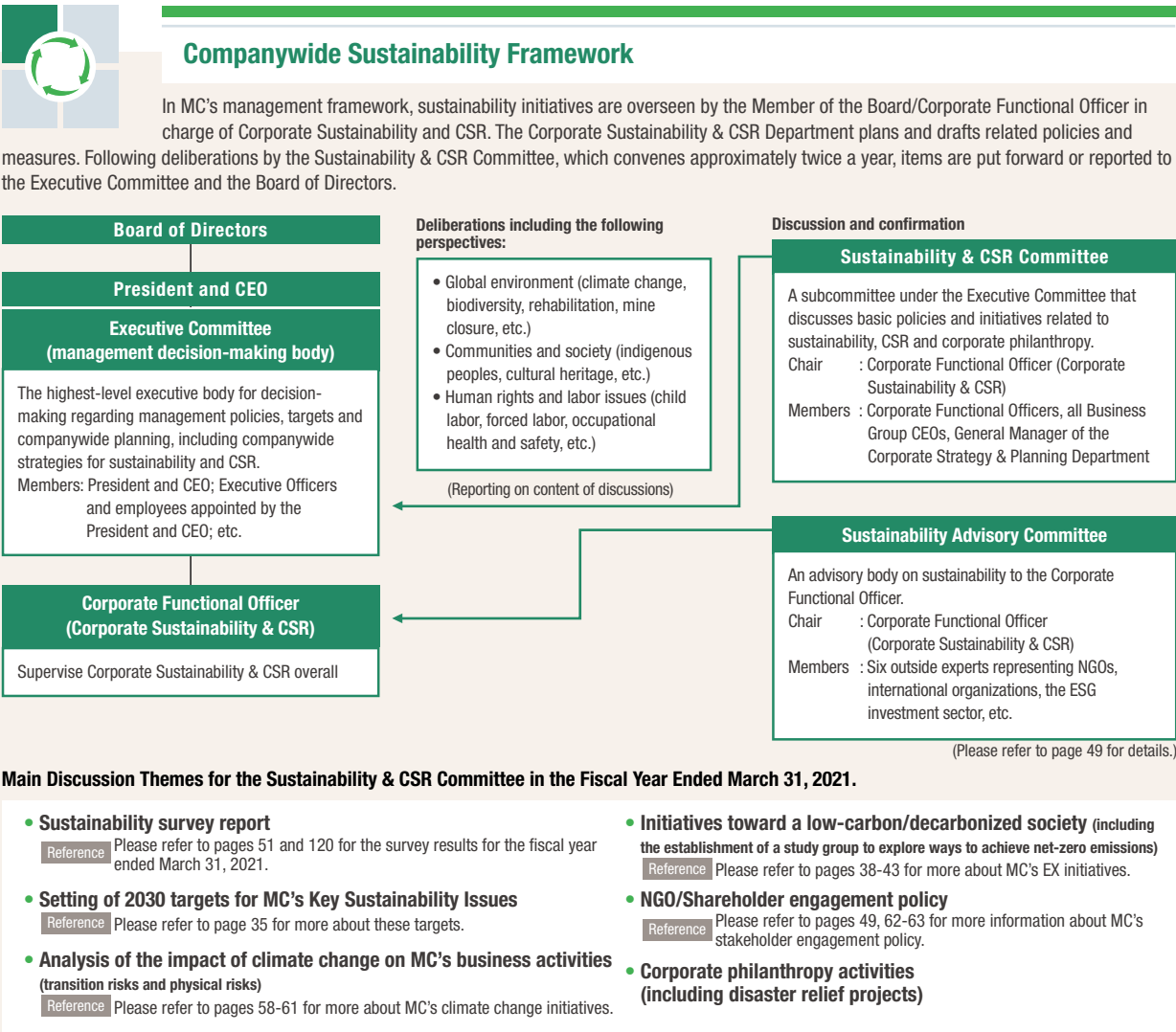
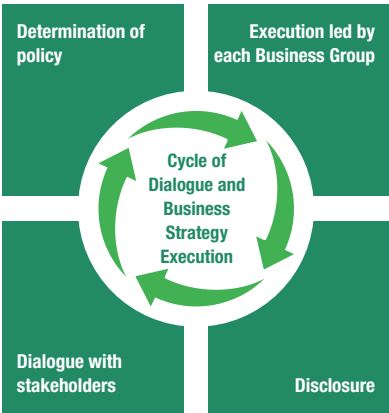


Sustainability Initiatives

The Three Corporate Principles, which have served as MC’s corporate philosophy since its inception, exhort us to "strive to enrich society, both materially and spiritually, 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.





Disclosure (Sustainability Website)

MC’s approach to the disclosure of sustainability-related information is guided by a recognition that corporate value can be enhanced from a medium- to long-term perspective through a continuous cycle of stakeholder dialogue and strategy execution. Based on requests from investors and other stakeholders, we provide details on how our sustainability initiatives contribute to corporate value creation in the medium to long term through timely and accurate disclosures. The feedback we receive in response to these disclosures is consistently captured and reflected in our initiatives.

In March 2021, MC launched the Sustainability Website as a new platform for ESG disclosures with the aim of centralizing ESG-related information disclosed separately through such channels as the Integrated Report and the ESG Data Book, and of responding in a timely manner to the increasingly complex requirements of ESG evaluation bodies and disclosure standards.

The website is primarily aimed at stakeholders who have a strong interest in ESG investment. Referring to multiple ESG reporting guidelines, it has been organized according to ESG topic for easier reference as listed below.

Furthermore, disclosures are made through the Sustainability Website after approval by the Corporate Functional Officer in charge of Corporate Sustainability & CSR and after reporting to the Disclosure Committee, a subcommittee of the Executive Committee.

Sustainability Website Disclosures by ESG Category

Environment	Social	Governance
<ul style="list-style-type: none">Climate ChangeEnvironmental ManagementWater ResourcesBiodiversityPrevention of PollutionEfficient Use of Resources	<ul style="list-style-type: none">Human RightsLabor PracticesDiversity ManagementOccupational Health and SafetyHuman Resource DevelopmentCustomer ResponsibilityCommunitySupply Chain Management	<ul style="list-style-type: none">Board of Directors and Shares, etc.Audit & Supervisory Board and AuditDirectors’ and Audit & Supervisory Board Members’ Remuneration, etc.ComplianceRisk Management

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)

Start of survey (March)

Completion of survey (May)

Reporting/disclosure (from June)

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.

The survey items include greenhouse gas emissions, water, waste, occupational health and safety data, expenditures for philanthropic activities, environmental management measures and other management policies.

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.

The survey results are reported to the Sustainability & CSR Committee, the Executive Committee and the Board of Directors. A portion of the data is disclosed on the Sustainability Website, in our Sustainability Report and in our annual response to CDP.

Greenhouse gas emissions from subsidiaries and affiliates and other figures are aggregated and managed through an internal online system to enable accurate and timely data collection.



Dialogue with Stakeholders (Incorporating External Perspectives)

MC places great importance on its ability to identify and appropriately address the ever-changing demands of society. We engage in direct dialogue with investors including shareholders and NGOs, and hold discussions with local communities on individual projects. In addition, we carry out supply chain surveys as part of our supply chain management. We see constructive dialogue with all of our stakeholders and the reflection of input from that dialogue in our policies and actions as being vital to the achievement of sustainable medium- to long-term improvement in our corporate value.

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). In addition, the Sustainability Advisory Committee, which we established in 2008, is working to incorporate external perspectives into our sustainability activities. The committee meets twice a year to provide advice and recommendations.

Dialogue with Stakeholders in the Fiscal Year Ended March 31, 2021

In the fiscal year ended March 31, 2021, MC held approximately 30 direct dialogues with shareholders on the topic of sustainability. We also conducted 70 direct dialogues with NGOs, including two in Japan, 48 in Europe and 20 in Americas. These meetings provided valuable insights into stakeholders’ perspectives, including expectations in relation to our strategies toward the transition to a low-carbon/ decarbonized society, as well as policies around individual fossil fuel projects. MC will firmly consider the suggestions we have received and will strive to provide timely and appropriate disclosure of the response measures and policies we formulate.

Sustainability Advisory Committee

MC has established the Sustainability Advisory Committee which consists of six outside experts representing the perspectives of MC’s diverse stakeholders including NGOs, international agencies and the ESG investment sector, as an advisory body to the Corporate Functional Officer (Corporate Sustainability & CSR). MC conveys its thinking on sustainability policies to committee members and, with the aim of improving stakeholder engagement, receives advice and recommendations from them. Moreover, MC conducts tours of business sites for committee members in order to deepen their understanding of MC’s businesses. At the Sustainability Advisory Committee meeting held in May 2021, MC received feedback on the following topics:

Sustainability Advisory Committee Members

Eiichiro Adachi Counselor, Head of ESG Research Center	Masaru Arai Chair, Japan Sustainable Investment Forum
Peter D. Pedersen Professor Graduate School of Leadership and innovation, Shizenkan University	Yasushi Hibi Vice President, Regional Climate Lead Conservation International Japan
Takejiro Sueyoshi Special Advisor to the UNEP FI in the Asia-Pacific Region	Miwa Yamada Director, Law and Institution Studies Group, Inter-disciplinary Studies Center (IDE-JETRO)

Main Discussion Topics

- MC’s Key Sustainability Issues
- Responding to climate change
- Supply chain management
- Stakeholder engagement
- Corporate philanthropy activities (including recovery activities)
- Consideration of important policies for the future

On-Site Observation Tour

In the fall of 2020, MC conducted a site visit to imperfect Inc.,* in Omotesando, Tokyo. During the visit, Sustainability Advisory Committee members learned about the role imperfect’s activities play and the challenges faced in promoting sustainable activities to support livelihoods and conserve the environment.

*imperfect Inc. sells products that combine ingredients such as nuts, cacao and coffee produced through initiatives with high environmental and societal value, based on MC’s commitment to “address societal issues related to food and agriculture through business practices.”



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. MC stipulates its respect for human rights in its Corporate Standards of Conduct and Social Charter. MC's Code of Conduct for executives and employees states that MC will “respect human rights; will not engage in discrimination on the basis of race, ethnicity, creed, religion, or any other grounds; will not tolerate harassment; will respect the cultures, customs, and languages of other countries and regions” both inside and outside MC. MC also supports international norms such as the UN Guiding Principles on Business and Human Rights, the core labor standards of the International Labour Organization (ILO), and the Voluntary Principles on Security and Human Rights. Furthermore, 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. 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.

Reference Please refer to the Mitsubishi Corporation's Corporate Standards of Conduct, the Mitsubishi Corporation Code of Conduct and the Mitsubishi Corporation Social Charter. FY2020 Modern Slavery Statement: https://www.mitsubishicorp.com/jp/en/csr/management/pdf/modern_slavery_statement.pdf

Policy and Structure for Supply Chain Management

Policy

For MC, as a global company involved in businesses across a wide range of products and services, ensuring sustainable supply chains is a key issue. MC has established its approach into a supply chain policy. Furthermore, MC has formulated individual guidelines for certain products that require specific individualized initiatives.

Structure

Basic policies and survey results for supply chain management, are determined by the Executive Committee based on deliberations by the Sustainability Advisory Committee and the Sustainability & CSR Committee, and are also reported to the Board of Directors.

Basic Policy/Survey Results for Supply Chain Management



Mitsubishi Corporation Policy for Sustainable Supply Chain Management

Basic Policy

Since its foundation, MC has adhered to the Three Corporate Principles which have guided its corporate philosophy and which place considerable emphasis on the importance of its corporate social responsibilities. Moreover, our Corporate Standards of Conduct outline our commitment to comply with all relevant laws and international regulations and to act responsibly with respect to the highest social standards. Our Corporate Standards of Conduct further elaborate on our commitment to preserving the global environment and pursuing sustainable development through all aspects of our business activities.

1. Policy

For MC, as a global company involved in businesses across a wide range of products and services, ensuring sustainable supply chains is a key issue. MC has established the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, which outlines MC's actions to address human rights, labor rights and environmental issues in the supply chain. This policy serves to convey MC's fundamental perspective to all its suppliers.

2. Monitoring

MC conducts regular surveys to suppliers to monitor the status of their compliance with the Basic Policy and to strengthen communication with suppliers. Furthermore, MC visits suppliers to confirm the status of their activities when it determines that site visits are necessary based on the regions where suppliers are active and their business activities.

3. Response to Compliance Violations

If a violation of the Basic Policy is confirmed, MC will demand that the relevant supplier implement corrective measures and will provide guidance and assistance to the supplier as necessary. If MC determines that the supplier is unlikely to implement corrective measures even after providing continuous guidance and assistance, MC will re-evaluate its business relationship with the relevant supplier.

- (1) Forced Labor

(2) Child Labor

(3) Safe and Healthy Working Environments

(4) Freedom of Association and Collective Bargaining
- (5) Discrimination

(6) Abuse and Harassment

(7) Working Hours

(8) Suitable Remuneration
- (9) Anti-Corruption

(10) Environment

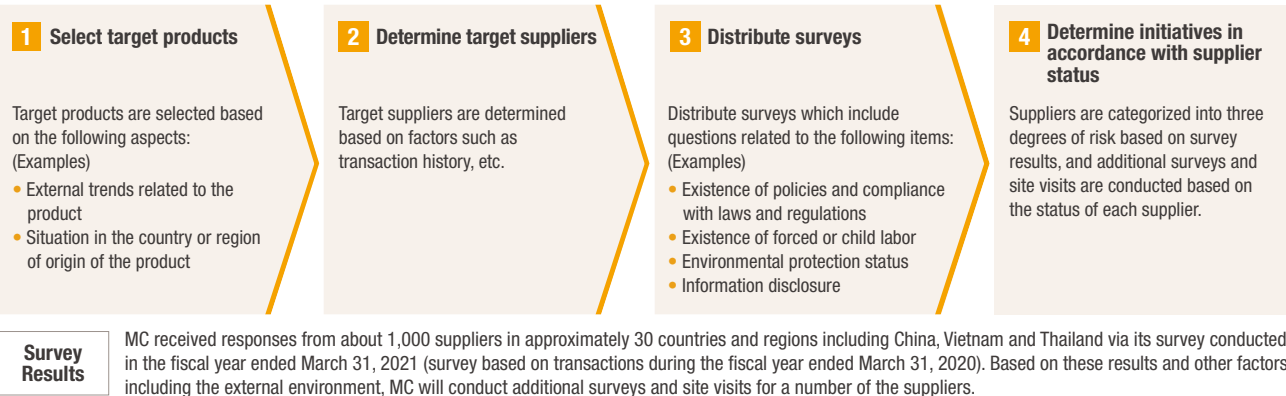
(11) Information Disclosure

URL <https://mitsubishicorp.disclosure.site/en/themes/126#1147>

Supply Chain Management Initiatives

Our Approach to Supply Chain Management

MC regularly conducts surveys of suppliers, with a focus on those in industries where environmental and social risks are considered higher such as marine/agricultural products and apparel, in order to monitor their compliance with MC's Policy for Sustainable Supply Chain Management. MC determines the target products and suppliers to be surveyed, and conduct post-survey follow-up in line with the approach outlined below.



Communication with Suppliers

In the fiscal year ended March 31, 2021, MC employees visited a garment factory in Japan, which supplies apparel products to MC's subsidiary Mitsubishi Corporation Fashion Co., Ltd., and conducted interviews with employees and company management.

Working in partnership with suppliers, MC will continue to promote sustainable operations throughout its supply chains.



Garment factory site visit

URL <https://mitsubishicorp.disclosure.site/en/themes/126#1147>



Employee Training

Many employees at MC have the opportunity to undertake trading activities such as purchasing and sales, or to support such activities at some time in their careers. For this reason, MC strives to deepen the knowledge of all employees as buyers by explaining MC's corporate

philosophy, including respect for human rights in the supply chain. MC also integrates the relevant supply chain policy into buyer training such as programs geared toward specific levels of management including those for new employees as well as training on trading practices.

Communication with Stakeholders

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

In addition to questionnaire surveys, MC regularly conducts site visits to its suppliers (including its subsidiaries and affiliates) worldwide. (Past visits have included shrimp hatcheries and processing companies, coffee milling plants and farms, tea producers, garment factories, pangasius aquaculture and processing plants, chicken processing plants, etc.). Through the site visits and interviews with management and employees, MC confirms that its suppliers understand, embrace and abide by its Policy for Sustainable Supply Chain Management. MC also shares best practice examples in relation

Past site visit report archive <https://mitsubishicorp.disclosure.site/en/themes/155>

to sustainability policies and initiatives to achieve two-way communication with our suppliers. MC will continue communicating with our suppliers to ensure that our supply chains operate sustainably.

Examples of items revised based on comments from stakeholders:

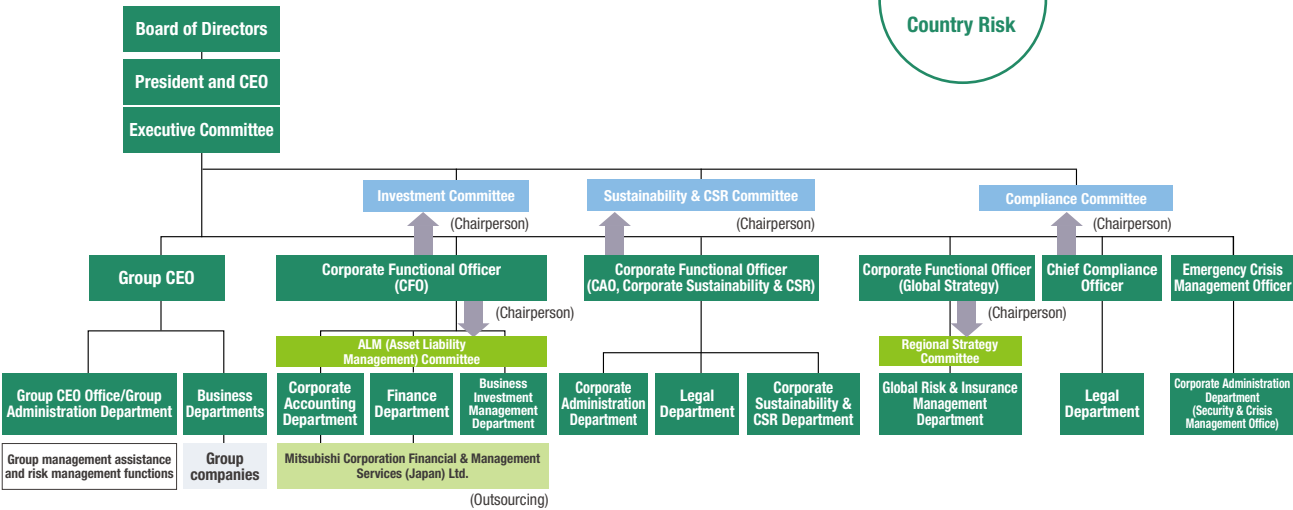
- Began regularly obtaining suppliers' agreement with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management
- Added more target products to the survey
- Developed an online system aimed at improving convenience and accessibility for suppliers answering the survey

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.

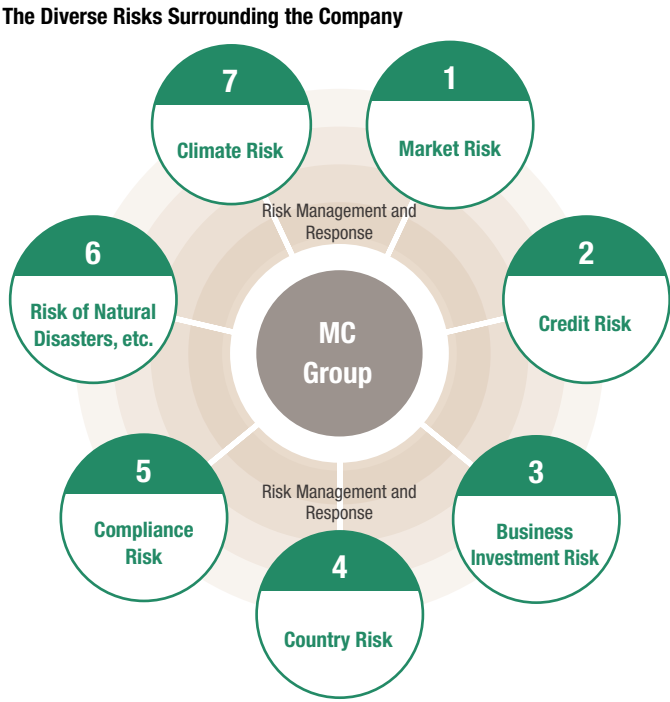
Risk Management Framework and Organization Model

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.



Supervising organization	Matters for supervision
Business Investment Management Department	Business investment risk (investment asset evaluation systems, new business investment, actions involving existing subsidiaries and affiliates, actions by subsidiaries and affiliates)
Global Risk & Insurance Management Department	Country risk
Corporate Accounting Department (Risk Management Team)	Credit risk and market risk (rating systems, accrual (other than foreign exchange accrual), granting loans/guaranty, acquisition/disposal of non-affiliated investments, acquisition/disposal of fixed assets)
Mitsubishi Corporation Financial & Management Services (Japan) Ltd.	Credit risk (contracts, transaction credits, deposition, payment extension)
Finance Department	Market risk (foreign exchange risk, interest rate risk, stock price risk, etc.)
Legal Department	Compliance risk (litigation/government investigations, laws and regulations, scandals/compliance issues)
Corporate Sustainability & CSR Department	Climate risk, etc.
Corporate Administration Department (Security & Crisis Management Office)	Risk of natural disasters, etc. (risks related to employee safety, including natural disasters, terrorism, new infectious diseases, and business continuity risks)

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



1 Responding to Market Risk

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

Financial Impacts of Commodity Market Conditions/Exchange Rates/Interest Rates/Stock Price Risks	Fiscal year ending March 31, 2022 Assumptions behind results forecasts	Profit and loss impact on the fiscal year ending March 31, 2022 results forecast
Exchange rate (yen/US\$)	108.00	±1.5 billion yen (±1 yen/US\$) per year
Oil price (Dubai) (US\$/BBL) (US\$/BBL)	54 (April-September 2021: 57)	±2.5 billion yen (±1 US\$/BBL) per year ^{*1}
Copper ore (US\$/MT) (US\$/lb)	7,826 [355]	±1.3 billion yen (±100 US\$/MT) per year ^{*2} ±2.8 billion yen (±10 US\$/lb) per year
Yen interest rate (%) TIBOR 3M	0.10	The impact of rising interest rates is largely offset by profits on transactions and investments. If interest rates rise sharply, however, profit and loss will be temporarily affected.
US dollar interest rate (%) LIBOR 3M	0.30	

^{*1} Taking into account effects on MC's performance from factors including differences in accounting periods of consolidated companies and the time lag before oil prices are reflected in LNG selling prices, the oil price shown is from six months earlier (October–September average for the whole year). However, as there are impacts not only from oil price fluctuations, but also from factors such as dividend payout ratios, foreign exchange rates and production/sales volumes, the profit impact is not determined by oil prices alone.
^{*2} However, as there are impacts not only from copper price fluctuations but also from factors such as ore grade, production/operational status and reinvestment plans, the profit impact is not determined by copper prices alone.

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. However, there is no guarantee that MC can fully avoid foreign exchange risk.
- In addition, hedging is used as required for some foreign currency-denominated investments to companies that are included in the consolidation. However, there is a risk that other investments will make reductions in equity capital due to exchange differences on translating foreign companies.

Response to Interest Rate Risk

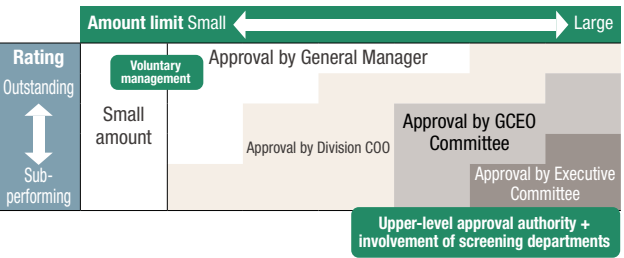
- A significant proportion of the interest-bearing liabilities held by MC corresponds to trade receivables and loans exposed to the effects of interest rate fluctuations. While the interest burden will increase if interest rates rise, income gained from these assets will also increase, offsetting the risk of interest rate fluctuations.
- However, if interest rates rise rapidly, the interest burden could increase beforehand, temporarily impairing MC's business performance.

2 Responding to Credit Risk

- MC sets upper limits on credit extended 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 (limit), returns, credit protection, etc.

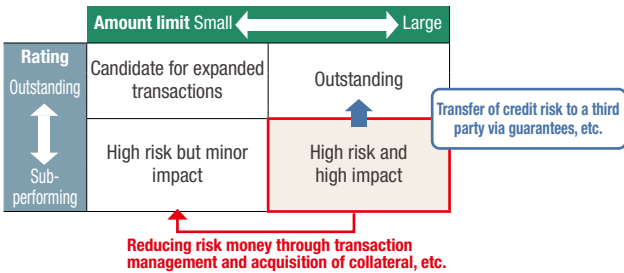
Individual Project Approval Authority

- Approval authority is categorized according to amount limits and ratings.



Approach to Credit Risk Management

- Estimating appropriate credit costs and promoting improvements in the quality of loans through a reserve system that uses ratings.

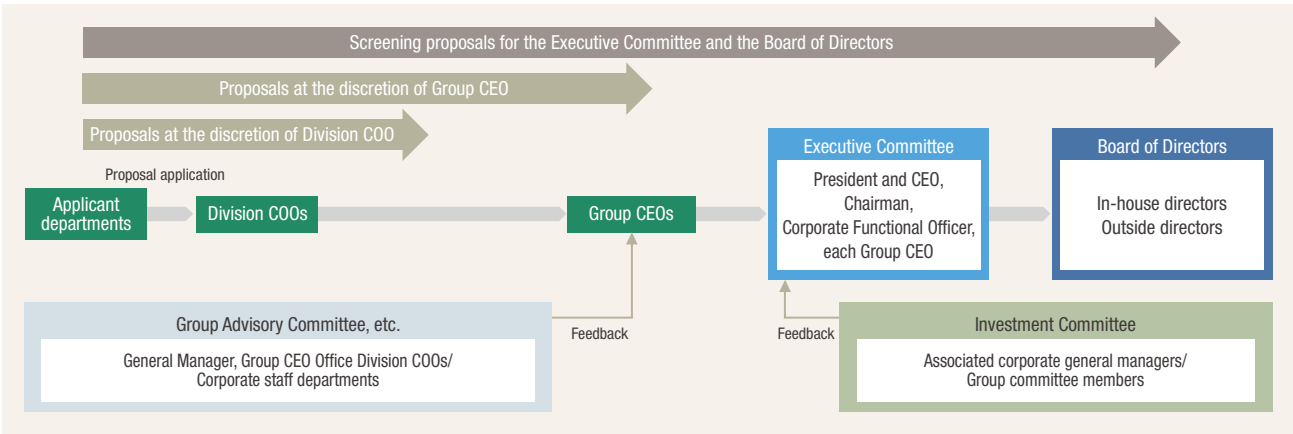


3 Responding to Business Investment Risk

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

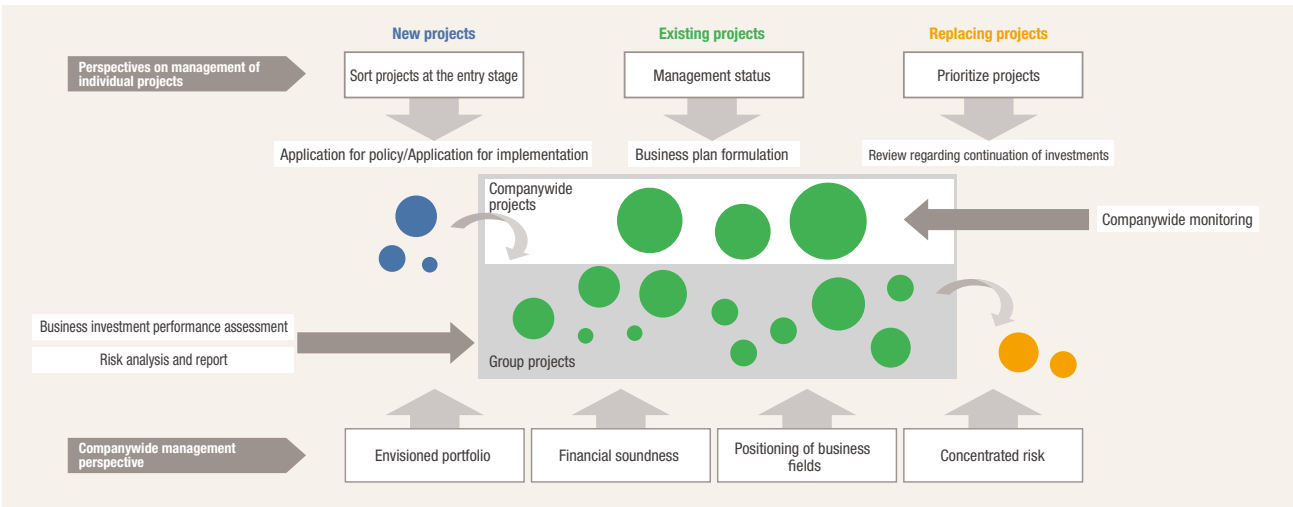
Management of individual projects	New projects	Application for policy/ Application for implementation	Narrow down new investment and finance proposals by comprehensively evaluating quantitative aspects in terms of the invested capital and its return determined on the basis of the characteristics of each business, in addition to evaluation of qualitative aspects, including consistency with the business strategy of each Business Group, as well as risk locations and countermeasures
	Existing projects	Business plan formulation	Once a year, review subsidiaries and affiliates' management issues and initiatives as well as MC's functions and business life cycle
	Replacement projects	Review regarding continuation of investments	Conduct qualitative and quantitative evaluations of new investment and finance proposals based on the priority order of Business Group strategies and promote a healthy business metabolism

Screening process for proposals



MC delegates authority according to the financial scale of each Business Group, while the Investment Committee discusses all new investment and finance proposals as well as sales and withdrawal proposals prior to deliberation by the Executive Committee and the Board of Directors. The Corporate Functional Officer (CFO) serves as the chairman of the Investment Committee. To make full use of the knowledge of each Business Group and the expert viewpoints of each corporate department, the Company selects representatives from among associated corporate general managers and within each Business Group to serve as committee members and comprehensively consider proposals, including non-financial aspects.

Companywide management	Overall portfolio	Business investment performance assessment/ Risk analysis and report	Analysis results on the risk/return of business investments, companywide risks and risk tolerance are reported to the managers, and the risk report is utilized to ascertain the overall status of the businesses and determine policies for capital allocation.
	Companywide monitoring	Business plan formulation	Business plans for select subsidiaries and affiliates are reported to the Executive Committee. This information is used in processes that promote business growth and value creation, including the monitoring of business management effectiveness, and the discussion of medium- to long-term growth strategies.



4 Responding to Country Risk

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

Regional Strategy Committee		Country Risk Countermeasure System
Chairperson	Corporate Functional Officer (Global Strategy)	
Members	General Manager, Audit & Supervisory Board Members Office; General Manager, Global Risk & Insurance Management Department; related corporate general managers; Business Group CEO Office general managers, etc.	

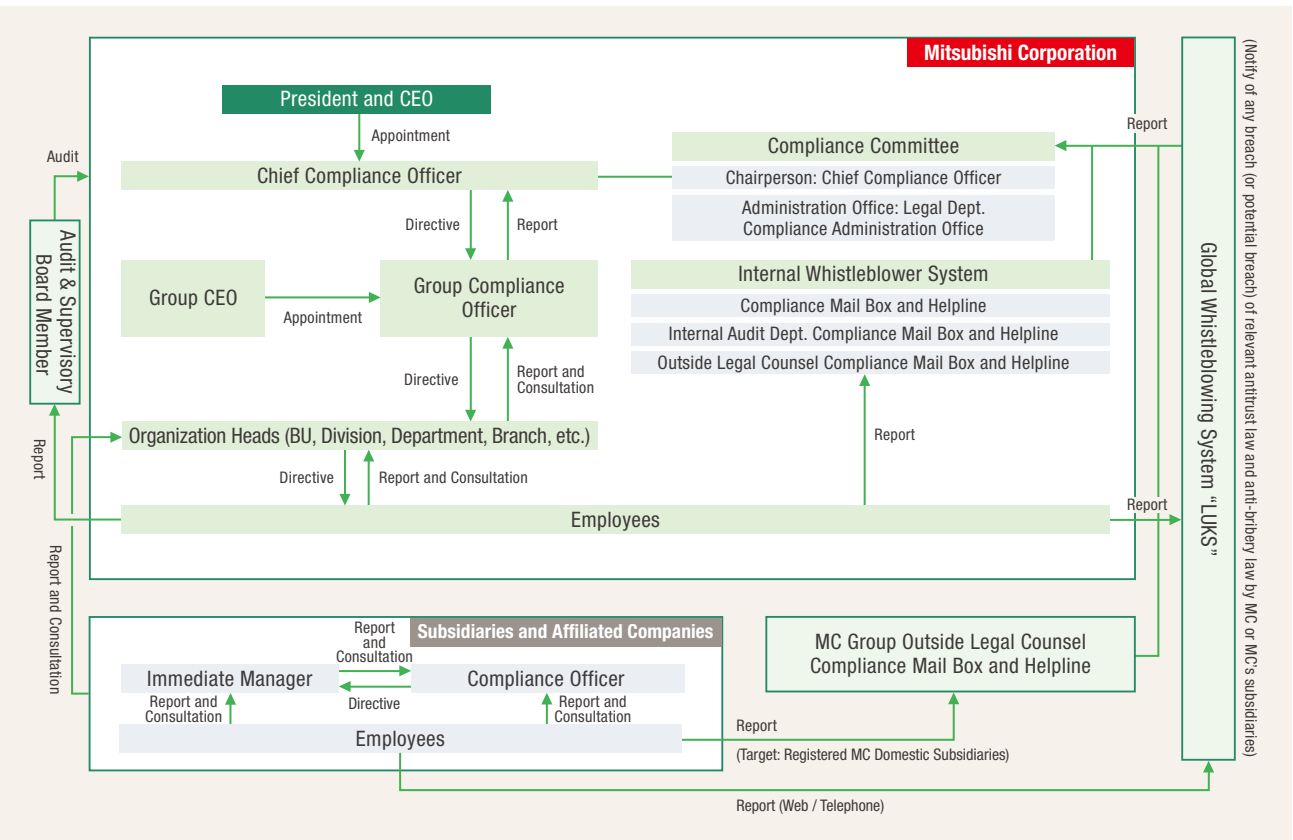
- Under the country risk countermeasure system, MC controls the accumulation of risk through methods such as setting categories and ceilings based on the credit ratings of each country.
- In addition to risk management through the country risk countermeasure system, MC closely monitors the impact of global economic trends and shifts in international affairs on the political and economic situation of each country in order to flexibly respond to risks based on the current international situation.

5 Responding to Compliance Risks

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.

Compliance Framework

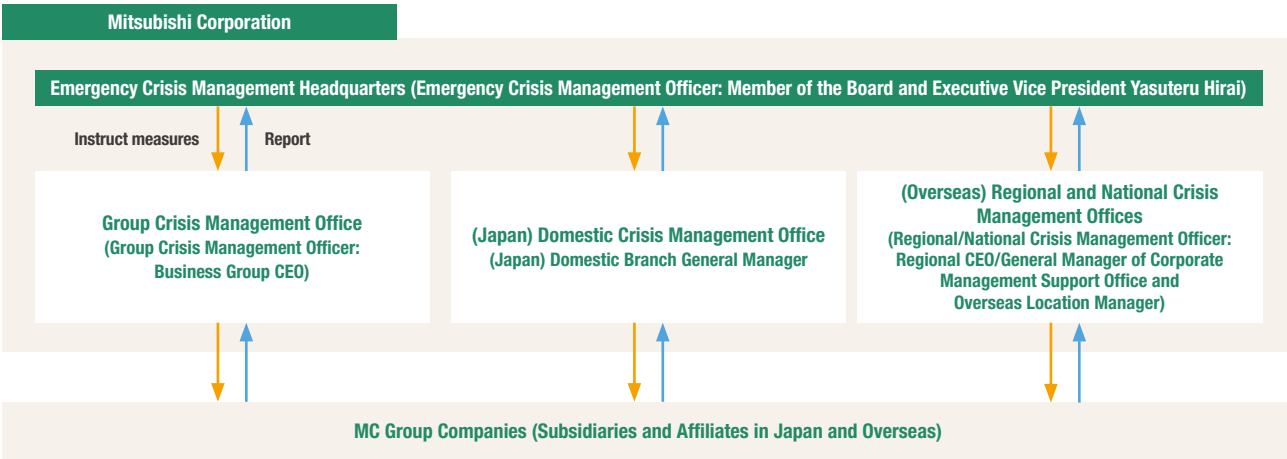


6 Responding to Risks from Natural Disasters and Other Types of Disasters

Crisis management on a consolidated basis/business continuity management (BCM)

Crisis Management Structure on a Consolidated Basis

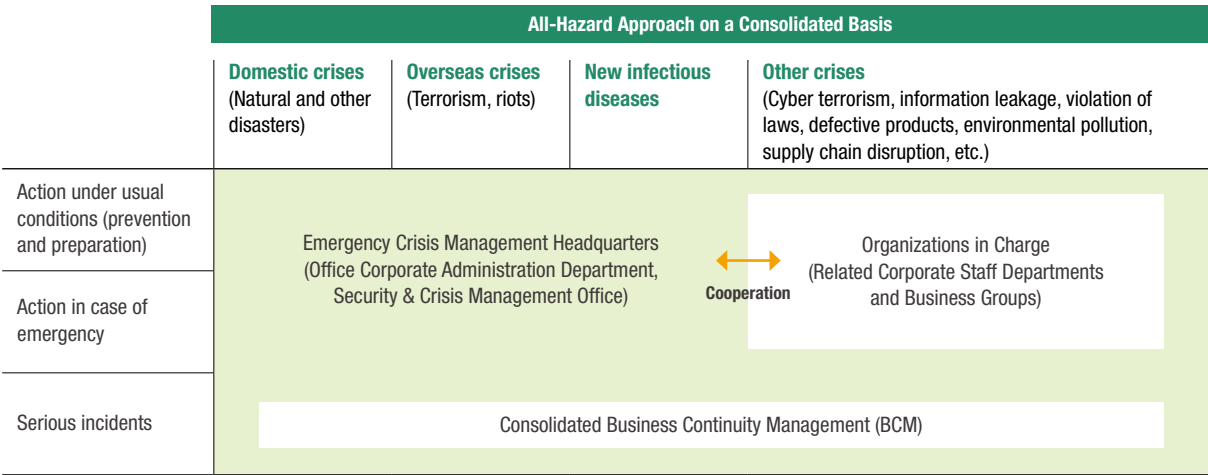
MC has built up a structure for securing the lives and safety of employees and their families as we respond on a consolidated basis to all crises that impact our profit and business continuity (all-hazard approach) by linking together each Business Group and Regional and National Crisis Management Offices under the management and supervision of the Emergency Crisis Management Officer.



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, new 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.

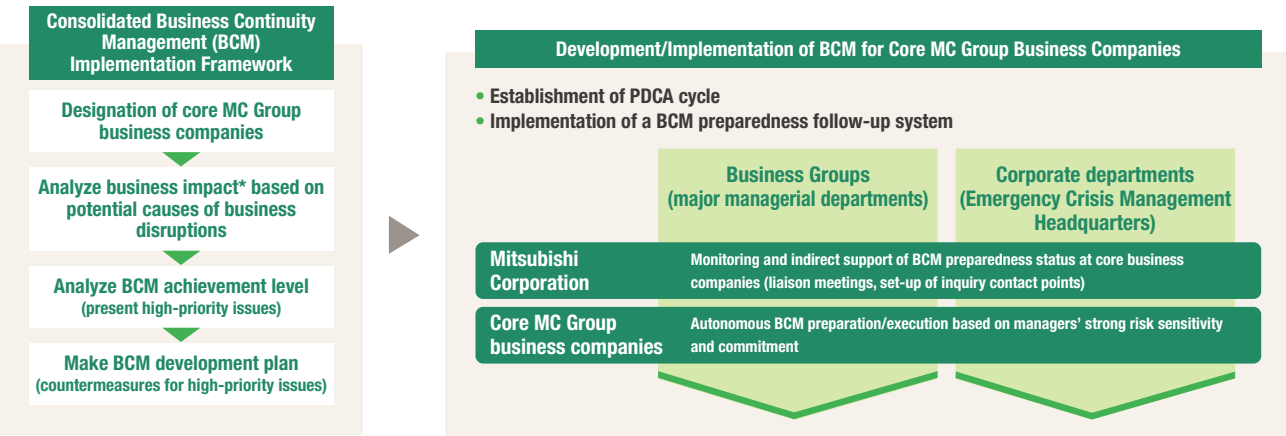


Note: While companywide action to deal with serious incidents shall be taken under the direction of the Emergency Crisis Management Officers, compliance-related incidents shall be dealt with under the direction of the Chief Compliance Officers.

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 PDCA 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.



* Business impact analysis framework

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.

- Cause incidents: Natural disasters, infectious diseases, technology-related, external incidents, internal faults, legal issues, third-party related
- Result incidents: Human resources (death/unconfirmed safety, inability to report/commute to work), physical resources (damage of manufacturing/distribution or other facilities), supply chains (disruption of distribution channels, disruption of material/fuel supply), information (breakdown of IT systems or damage to electronic data, data manipulation/alteration, information leakage), reputation (product or service quality issues, environmental problems, administrative penalties), money (suspension of cash withdrawals, suspension of remittance or payments)

Specific Crisis Response Measures and Identifying Future Issues

What is the status of your COVID-19 response?
Governments around the world are implementing a variety of COVID-19 countermeasures, including vaccination programs. Despite these efforts, the disease remains a major threat to the lives and safety of our employees, as well as our business continuity, due to the emergence of new COVID-19 variants. From the early stages of the global COVID-19 pandemic, we have been promptly implementing necessary countermeasures with the aim of safeguarding employees from infection, preventing the spread of the virus and appropriately ensuring business continuity. The Emergency Crisis Management Headquarters, in which industrial physicians participate, is spearheading these endeavors. In Japan we have introduced teleworking, implemented thorough infection prevention measures at business sites, limited business travel and group dining and taken other actions in response to infection trends and requests from both national and local governments. At our overseas business sites, we have assessed the status of the pandemic and local medical services in each country and taken appropriate actions, including to promptly ensure the shift to teleworking, and the evacuation of employees and their families. We strive to appropriately secure business continuity by making decisions on when employees should return to each country based on careful assessments of the safety in each area.

How will MC respond to worsening security situations in overseas countries?
MC has built a global crisis management structure centered on the companywide Emergency Crisis Management Headquarters. In the event of an emergency, this structure will work with the relevant regional organizations and offices to monitor the situation and implement any measures necessary to verify and ensure the safety of all MC employees and their families as well as local staff, in cooperation with the Japanese government and its overseas diplomatic missions.
Under normal circumstances, we are constantly working with the relevant regional organizations and offices to prepare for emergencies on a consolidated basis by both monitoring the political and security situation and carrying out various actions, such as regular inspections of safety measures, BCP development and training exercises.

What do you see as your future priorities in terms of risk management and BCM?
MC faces an increasingly diverse range of risks in its business environment, including COVID-19, worsening security situations in overseas countries and cyber incidents. We must continually strengthen our ability to respond to all types of risks. We will further strengthen and enhance our business continuity preparedness at the consolidated level based on an all-hazard approach to apply the lessons learned and experience gained from each crisis.

Yasuteru Hirai
Emergency Crisis Management Officer
Member of the Board,
Executive Vice President

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 makes full use of its knowledge of the energy industry as well as its core strengths—collective capabilities, foresight and execution skills—to implement initiatives that transcend industries. MC will contribute toward the achievement of international goals such as those expressed through the SDGs and the Paris Agreement by working closely with each company in the MC Group and collaborating 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*, which has proposed disclosure guidelines, and we are working to enhance the disclosure of information in accordance with those guidelines.

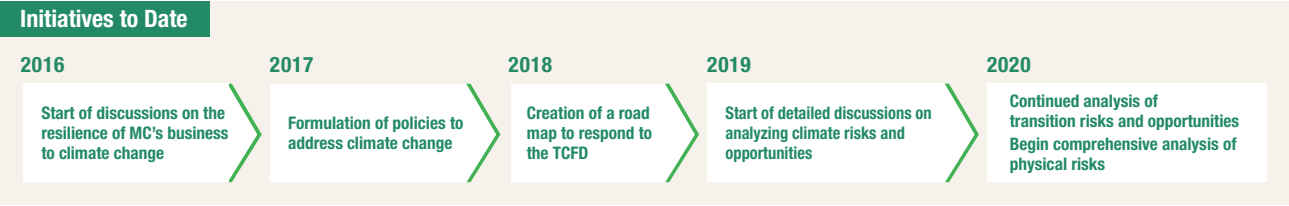
*Task Force on Climate-related Financial Disclosures. This task force established by the Financial Stability Board (FSB) proposes items that companies should disclose to markets. The General Manager of MC's Corporate Sustainability & CSR Department is a member of this task force.



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. 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 scenario analysis) and greenhouse gas reduction targets (including the status of reductions) are also discussed.



Climate-Related Governance Framework

	Role	Frequency
Board of Directors	Supervises MC's climate-related actions and initiatives	Convenes approx. twice per year
Executive Committee	Makes decisions regarding MC's basic policy on climate change as well as important matters pertaining to climate change	Convenes approx. twice per year
Sustainability & CSR Committee (reports directly to the Executive Committee)	Deliberates on MC's basic policy on climate change and important matters therein, and reports findings to the Executive Committee	Convenes approx. twice per year
Sustainability Advisory Committee	Offers advice and recommendations regarding MC's basic policy on climate change and important matters therein	Convenes approx. twice per year
Officer in Charge	Corporate Functional Officer (Corporate Sustainability & CSR)	
Department in Charge	Corporate Sustainability & CSR Department	

Reference Please refer to pages 46–51 for information on MC's Sustainability Promotion Framework.

Risk Management

Key climate risks and opportunities are assessed through internal and external surveys which are then evaluated and identified by the Sustainability & CSR Committee in which all Business Group CEOs participate in discussions.

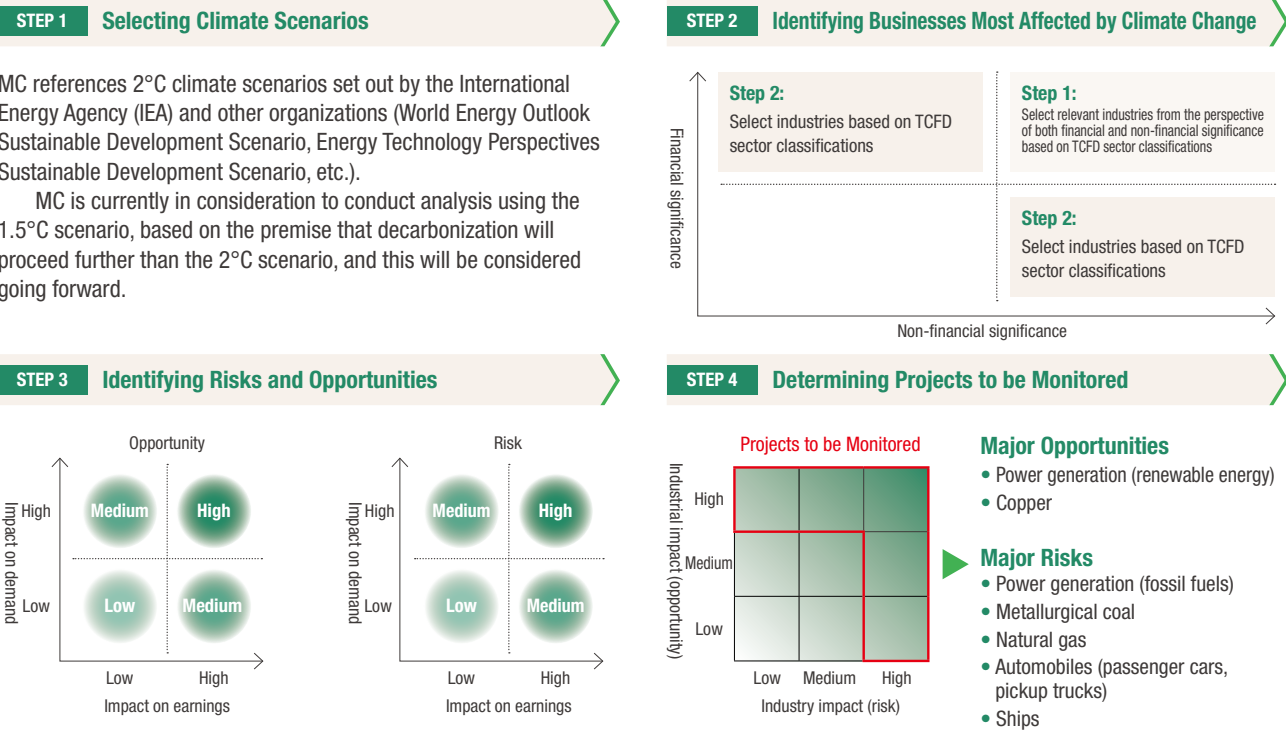
These risks and opportunities are managed under the above Governance Framework.



Strategies

Transition Risks and Opportunities

Process for Determining Projects to be Monitored



Reference Please refer to the Sustainability Website for details: <https://mitsubishicorp.disclosure.site/en/themes/113#915>

Policies and Initiatives Based on Scenario Analysis

The policies and initiatives based on the results of scenario analyses for the projects to be monitored (high risk) as determined by the above process are as follows.

*Scenarios are based on past data and are not forecasts. Instead, they are virtual models based on possible outcomes with high levels of uncertainty. The scenarios and business environment written here represent MC's understanding of the main scenarios disclosed by international organizations such as the International Energy Agency (IEA), and do not represent MC's medium- to long-term outlook.

Power Generation (Fossil Fuels)

As the global trend toward carbon reduction/decarbonization becomes more pronounced, MC recognizes that the resulting decline in cost competitiveness due to restrictions and tighter regulations on fossil fuel-based power generation businesses could make it difficult to withdraw from existing projects in the future.

Accordingly, MC has disclosed specific policies in relation to coal-fired power generation businesses. In the gas-fired power generation business as well, by conducting a risk analysis based on the impacts of climate change, MC aims to achieve a 100% non-fossil power generation portfolio by 2050.

*Policy on Coal-Fired Power Generation Businesses (IPP and EPC)

Independent Power Producer (IPP) Business for Coal-Fired Power Generation

- As of April 2020, MC's coal-fired power generation capacity (for businesses in which MC serves the role of Independent Power Producer, or "IPP"), including projects under development and construction, is approximately 2.2 GW on an equity share basis (roughly 20% of MC's total capacity as of the same date).
- MC has adopted a policy to reduce its equity share to approximately one-third by 2030 (compared to 2020 levels) by not entering into any new coal-fired power generation businesses, with the Vung Ang II project in Vietnam being the last, and to exit all existing coal-fired power generation projects by 2050. Furthermore, we will work to reduce CO₂ emissions in our thermal power generation business by taking steps such as converting to alternative fuel sources. We will subsequently aim to achieve a 100% non-fossil power generation portfolio by 2050 by 1) decarbonizing our thermal power generation business by switching to zero-emission thermal power and 2) further expanding our renewable energy business.

Engineering, Procurement and Construction (EPC) Business for Coal-Fired Power Plants

- MC will not enter into any new EPC businesses for coal-fired power plants, with the Quang Trach 1 project in Vietnam being the last. However, MC will continue to provide after-sales services for installed plants in cases such as when MC has a contractual obligation with the relevant power generation company, or when it is requested to do so by the power generation company or equipment manufacturer.
- MC will continue additional construction work and equipment replacement to reduce the environmental impact of existing coal-fired power plants, while assessing the effectiveness of such measures, as an initiative linked to the transition to a low-carbon/decarbonized society.

Metallurgical Coal

MC recognizes its metallurgical coal business will be affected by a number of factors in the future, including the growing use of new steel production techniques with reduced greenhouse gas emissions, as well as the electric furnace method. Introduction of carbon pricing will also affect our metallurgical coal business. However, MC expects to maintain its advantage to a certain extent due to the increase in need for high-grade metallurgical coal against the backdrop of increased efficiency	in steelmaking using the blast furnace method. MC will continuously monitor and analyze issues including the progress of new technologies (new steelmaking methods, CCUS), electric furnaces and national policies, which could have an impact on metallurgical coal demand, and work to strengthen the competitiveness of its metallurgical coal assets. At the same time, MC will work to reduce greenhouse gas emissions throughout the entire metallurgical coal value chain.
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Natural Gas

While global demand for natural gas is expected to start declining after 2030, demand in the Asia-Pacific region is predicted to increase significantly through to 2040. By carefully selecting highly cost-competitive projects, MC expects to maintain a competitive advantage in its natural gas business. As the transition to a low-carbon/ decarbonized society continues, MC has positioned natural gas as a vital energy source and intends to expand its revenue base in this area by reinforcing the	foundations of its existing operations, while also developing demand in emerging markets, with a particular emphasis on Asia. At the same time, MC will continue to monitor international policy developments, such as the introduction of carbon taxes, which could be a factor that affects business profitability. MC will also continue to pay close attention to technological developments, such as CCUS, and work to implement and consider initiatives transitioning to carbon-neutral natural gas in various fields.
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Automobiles (passenger cars, pickup trucks)

While MC anticipates modest growth in overall demand for automobiles, automobile ownership and running costs are also expected to rise as manufacturers come under increasing pressure from tax and regulation systems related to the environment. There is also likely to be an accelerating shift toward electric vehicles (EVs), however, the pace of that shift differs depending on the income level, infrastructure conditions and energy/industrial policies of each country. In the ASEAN region, which MC has positioned as a key market, the demand for automobile internal combustion engines is still high for the time being.	MC will continue to be deeply involved in that region at each stage of the value chain, including production, distribution, financing, and after-sales services, as well as work to encourage the adoption of EVs, while also closely monitoring trends in tax systems and policies in each country in which it operates. MC will also maintain the sustainability of its businesses by helping to address societal issues through its mobility service business, as well as by further strengthening its functions and community-based networks built up over many years.
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Ships

The transition to next-generation energy sources, such as biofuels, hydrogen and ammonia, is expected to accelerate in response to the tightening of existing regulations and the introduction of new rules. However, because the full-scale global switch to new fuels and development of the necessary supply infrastructure will likely only begin to accelerate after 2030, the cost borne by MC for the	replacement of existing vessels is expected to be very limited. There is also limited risk to MC since the additional costs associated with the fuel required for operation is expected to remain incumbent on the shipper/operator. By developing and introducing advanced vessels, MC will make its business more sustainable and add value to the coastal shipping industry.
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Reference	Please refer to our Sustainability Website for more information about the scenario analyses, including the results of the analyses for the other projects to be monitored: https://mitsubishicorp.disclosure.site/en/themes/113#915
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Incorporation into Business Strategy

The five businesses discussed above are seen as having high transition risks. MC takes these risks into consideration and reflects them in its business strategies.

Reference	Please refer to the Sustainability Website for information about our low-carbon/decarbonization business: https://mitsubishicorp.disclosure.site/en/themes/113#919
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Physical Risks

Physical climate risks (e.g., floods, droughts and water shortages, sea temperature and sea-level rises) could affect the operations of some of the MC Group's businesses. Countermeasures are being implemented at the business level, taking into account the characteristics of each business. Specifically, MC is taking the following actions for its metallurgical coal, copper and salmon farming businesses, which are considered to have particularly high exposure to physical climate risks among MC's businesses.

Selected businesses	Physical risks	Measures against physical risks
Metallurgical coal business	Storm surge and flooding	Factoring in sea-level rises due to climate change and cyclones, latest port infrastructure has been designed assuming a one in a thousand-year occurrence of high waves. For coal mines, water storage levels are monitored and balanced to meet water demand while having storage capacity to provide resistance to flooding. Further enhancement to provide resilience to flooding includes installation of flood levees and pipes between the mines, as well as additional excess water discharge infrastructure and installation of extensive dewatering pumps.
Copper business	Water shortages and droughts	MC is making efforts to reduce its dependency on freshwater intakes from rivers or groundwater supplies through measures such as investing in desalination plants and improving water reuse efficiency.
Salmon farming business	Rising sea temperatures	To manage the risk of rising sea temperatures, MC 1) monitors water temperature and quality data, 2) conducts operations in areas that are more resilient to rises in sea temperature, and 3) conducts research about measures to deal with problems associated with rising sea temperature, such as diseases.

In order to comprehensively understand the potential physical risks that climate change poses to the MC Group's business, MC has started an assessment based on the following process. MC will disclose the results of the assessment upon completion.

Process

MC has a large global portfolio of companies with diverse and widespread assets. To determine which of the MC Group's assets are potentially most exposed to the physical impacts of climate change, MC is undertaking the following systematic process:



Incorporation into Business Strategy

The above assessment will allow MC to identify assets that are most exposed to climate hazards and will enable MC to prioritize adaptation measures and incorporate them into business strategy.

Reference	Please refer to the Sustainability Website for details on the assessment process: https://mitsubishicorp.disclosure.site/en/themes/113#915
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Metrics and Targets

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

Aim to double renewable power generation capacity by the fiscal year ending March 2031 compared to the fiscal year ended March 2020.	Aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil ratio in MC's power generation business by 2050
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MC has set a target of reducing greenhouse gas emissions per unit of total assets^{*3} by 25% by 2030^{*4}, however MC is currently considering a review of this goal in order to reinforce its low-carbon/decarbonization efforts.

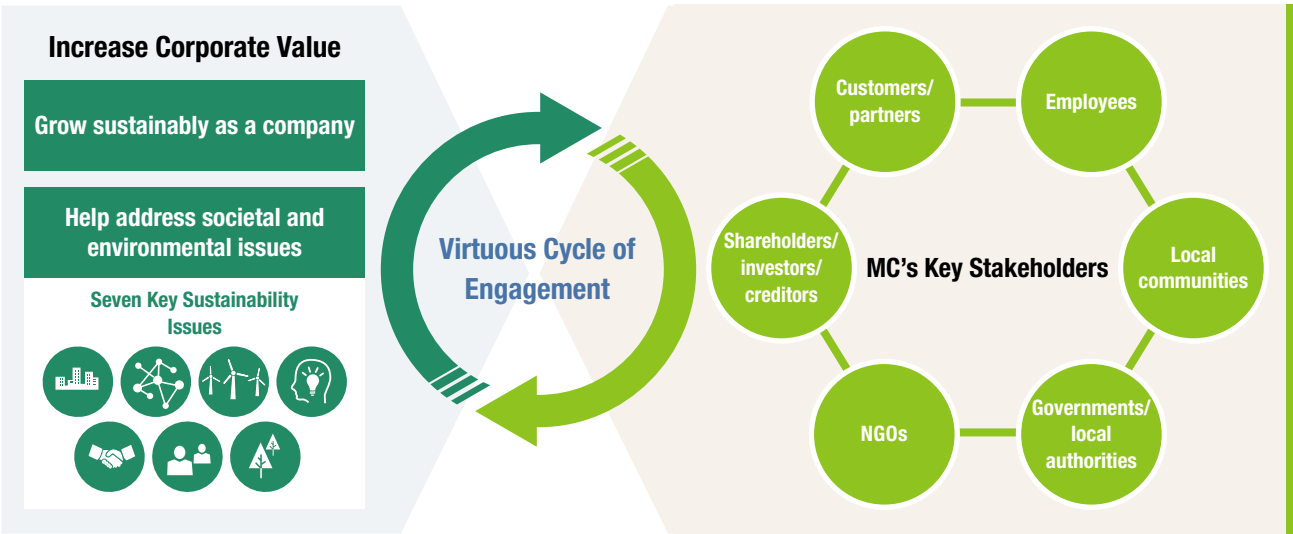
^{*3} The total assets used for per unit calculations are different from the total assets reported in MC's financial reports.
^{*4} Compared with levels in the fiscal year ended March 31, 2017. Consolidated greenhouse gas emissions (parent company plus subsidiaries).

MC's response to CDP Climate Change can be viewed via this link	https://mitsubishicorp.disclosure.site/en/themes/134
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Targeting Sustainable Growth Through Stakeholder Engagement

With the Three Corporate Principles as its core philosophy, MC has continued to grow together with society by addressing societal issues. The MC Group seeks to increase its corporate value in the medium to long term against a global backdrop of rising uncertainty and unpredictability, including geopolitical and economic shifts, changes in industrial landscapes driven by technological innovation, and evolving societal values. To this end, we believe it is vital to accurately grasp the demands and expectations of our diverse stakeholders through engagement and dialogue, and to reflect these in our Group management.

MC has established a system to reflect stakeholder opinions into company management by incorporating external perspectives into the Board of Directors and its advisory bodies (the Governance, Nomination & Compensation Committee and the International Advisory Committee) as well as the Sustainability Advisory Committee. With these and other initiatives to engage with its various stakeholders, MC aims to achieve sustainable, triple-value growth and to provide solutions to societal and environmental issues through its business activities.



Evaluation by Society

MC actively discloses information related to its efforts to generate sustainable corporate value to a variety of stakeholders worldwide. We emphasize environmental, social and governance (ESG) indices and the level of recognition from external stakeholders as indicators for measuring the results of these efforts.



*MC's inclusion in the MSCI Indices and use of MSCI logos, trademarks, service marks or index names does not constitute sponsorship, endorsement or promotion of MC by MSCI or its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI, and the names and logos of MSCI's indexes, are trademarks or service marks of MSCI or its affiliates.

Engaging with the Global Community Through External Organizations

MC is a signatory of the UN Global Compact and is a member of organizations such as the World Business Council for Sustainable Development (WBCSD), the TCFD Consortium, the World Economic Forum and the Japan Business Federation.



Customers and Partners

MC will contribute to the development of societies and economies by providing a stable supply of products and services that meet the needs of customers and business partners across a wide range of business areas, from upstream raw material procurement to downstream retail, and by working with its customers and business partners to develop various businesses that it could not have realized on its own. Moreover, as a company that handles a diverse range of products and services worldwide, MC is working to achieve a sustainable supply chain as a key issue*.

Examples of Engagement

- Producing websites and corporate brochures in multiple languages
- Receiving and responding to opinions and questions
- Supply chain surveys and collaboration with external parties regarding the supply chain (responding to issues with Cermaq Group AS, Lawson, Inc., Princes Limited, Olam International Limited and MC FOODS Ltd.)

*See pages 50-51 for more information on MC's supply chain initiatives.

Employees

In response to the further diversification and globalization of its businesses, MC is working to develop human resources and support their success on a global, consolidated basis. This is to establish vibrant workplaces where MC's diverse group of employees, regardless of gender, nationality or other attributes, are able to demonstrate their unique abilities to the fullest.

Examples of Engagement

- Human resource development* (enhanced talent management, group-wide training initiatives, etc.)
- Health and productivity management, diversity management* (including supporting health with internal medical clinics and career support for female employees)
- Conducting regular Employee Awareness Surveys (total of 32,000 survey responses on a global, consolidated basis for the fiscal year ended March 31, 2020)
- Dialogue with the MC Staff Union, and information dissemination through MC's intranet and internal magazine

*See pages 22-25 for human resource development initiatives, and pages 64-67 for health and productivity management and diversity management initiatives.

Shareholders, Investors and Creditors

MC strives to gain understanding and support of its business and management strategy through the timely and appropriate disclosure of information and enhancement of disclosure materials, as well as through briefings and individual meetings. At the same time, MC works to maximize corporate value by reflecting in its management the opinions and demands of shareholders and investors obtained through dialogue with them.

Examples of Engagement

- Meetings with institutional investors and analysts: approx. 20 times (CEO/ CFO); approx. 400 times (IR); approx. 30 times (ESG)
- Communication with shareholders at the Ordinary General Meeting of Shareholders
- Publication of business reports, integrated reports, sustainability reports, investors' notes
- Quarterly financial results briefings: 4 times annually
- Business briefing sessions: 2 times (the fiscal year ended March 31, 2021)
- Online seminars with individual investors: 3 times (the fiscal year ended March 31, 2021)

Local Communities

MC believes in the importance of "Growing Together with Local Communities" and "Addressing the Needs of Society through Business Innovation," and recognizes the value of building relationships with communities for the success of its businesses. Furthermore, by growing together with communities through job creation, promoting community development and procuring raw materials from local communities, MC also strives to minimize negative impacts on local communities, including by respecting the rights of indigenous peoples. Particularly for large-scale projects where the understanding and cooperation of local communities is crucial, we hold public hearings and dialogue with local residents as needed. Growing together with local communities is equally as important as advancing our businesses and generating financial return. This represents the true spirit of MC, which seeks to simultaneously generate economic, environmental and societal value.

Examples of Engagement

- Implementing a local purchasing program for mining operations to procure certain goods and services from local small- and medium-sized enterprises
- Implementing various initiatives in our silica sand operations such as prioritizing employment of indigenous peoples, subsidizing the cost of work training, providing scholarships and supporting local infrastructure development
- Support activities through foundations and funds

Reference <https://mitsubishicorp.disclosure.site/en/themes/125>

NGOs

We recognize NGOs as key stakeholders that function as representatives for the planet and its citizens, and we seriously consider the opinions and requests raised through our robust communication on a day-to-day basis and use them to improve our initiatives. Moreover, we are promoting collaborations with NGOs to address environmental and societal issues.

Examples of Engagement

- Meetings with NGOs: Japan (2); Europe (48); the Americas (20) (e.g. about coal-fired power generation business and climate initiatives)
- CSR activities related to biodiversity (tropical forest regeneration, global coral reef conservation); fisheries improvement and wildlife management initiatives in the Amazon river basin through foundations set up by MC in Europe and the Americas; supporting NGOs working toward sustainable cacao farming in Côte d'Ivoire.
- Receiving the advice and recommendations of NGO representatives on MC's Sustainability Advisory Committee into business initiatives

Governments and Local Authorities

To achieve improvements and provide solutions to societal issues through our global business operations, we engage in collaboration, joint initiatives and dialogue with public sector bodies through our involvement in business associations, public-private initiatives and other forums, with the aim of contributing to societal development.

Examples of Engagement

- Business association activities: Dialogues with public sector bodies through the Japan Business Federation (Keidanren), the Japan Chamber of Commerce and Industry, the Tokyo Chamber of Commerce and Industry, the Japan Association of Corporate Executives, the Japan Foreign Trade Council, Inc., etc.
- Public-private initiatives with public institutions: •Collaborations with and utilization of Japanese government ministries (Ministry of Foreign Affairs, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, etc.), the Japan International Cooperation Agency and Multilateral Development Banks (workshops and seminars hosted by the Ministry of Economy, Trade and Industry and the Ministry of the Environment covering utilization of TCFD guidelines, the greater adoption of renewable energy and other topics; Fuel Ammonia Council, etc.) •Discussions held at the Ministerial Meeting on Strategy relating Infrastructure Export and Economic Cooperation led by the Japanese government (51 times since its launch in 2013)

Initiatives to Support the Active Role of Diverse Human Resources

People are MC’s greatest asset. To continue creating sustainable corporate value, the MC Group must adapt to the growing diversification and globalization of its business activities by ensuring that its diverse group of employees, regardless of age, gender, nationality or other attributes, are able to demonstrate their unique abilities to the fullest extent possible.

The importance that we place on ensuring the mental and physical health of our employees, as well as on creating environments that embrace diversity, is reflected in our health promotion and diversity management initiatives.

Health and Productivity Management

MC recognizes that the success of each employee depends on their physical and mental wellbeing. Therefore, we consider the health of our employees to be a key management priority that will lead to further value creation and sustainable growth.

Our health promotion measures have received external recognition, and we have been included in the “Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500),” a list of 500 companies recognized for excellence in their health and productivity initiatives every year since 2018.

Going forward, MC will strive to achieve higher productivity and continue creating value by not only working to prevent health issues, but also by providing health support to help employees lead active lives and reach their full potential.

Specific Initiatives

Extensive health management and support via in-house medical clinics
Health management support for employees and their families during overseas appointments
Visualization and improvement of lifestyle habits using a health app
Improvement of health awareness and motivation through seminars
Mental health measures
Support for employees balancing work and medical treatment, and for those returning to work after leave due to health issues
Initiatives that allow each organization and individual to pursue and realize autonomous and flexible work styles
Countermeasures for infectious diseases

Message from the Head Occupational Physician

Recognizing that working overseas for extended periods can have an impact on one’s health due to differences in language, culture, medical systems and other environmental factors, the MC Head Office medical clinic is equipped to handle health-related inquiries from employees and their family members should they feel unwell while overseas. We also conduct a survey to monitor the health and working environments of employees on overseas appointments. Additional support is provided by the Global Human Resources Department, the Mental Health Support Desk and in-house medical clinics.

In addition, our physicians and nutritionists encourage lifestyle changes by providing health and nutritional guidance based on their knowledge of diverse working environments, lifestyle trends and employee health data. In 2020, we introduced a health app that helps users to visualize and improve their lifestyle habits. Over 90% of the people who used the app reported an improvement in their understanding of good lifestyle habits, and 60% said that their health awareness had improved. There has also been an overall improvement in the BMIs of those examined at the in-house medical clinics.

Going forward, MC will continue to enhance its medium- to long-term health support measures, such as by providing health guidance to younger employees and working to raise the awareness of healthy employees who have normal checkup results on how to structure their lifestyles to maintain their health.



Seigo Ito
Clinic Director

Work Styles and Health Management in Environments with COVID-19 Prevention Measures

Having established infection prevention measures, MC established a hybrid working style that combines teleworking and on-site work according to the characteristics of each job, business environment and industry, with the aim of maximizing productivity. Environmental changes often lead to physical and mental stress, and so our health management support includes consultation sessions and seminars on wellness, targeting both individuals as well as those who are managing subordinates.

In addition to carrying out yearly stress checks, we have established an early detection system for health fluctuations based on regular monitoring of the status of employees undergoing on-site professional training.

Diversity Management

We believe that the significance of diversity management at the MC Group lies in building a strong organization with the flexibility to adapt to changing business environments.

In sharing the spirit of its guiding philosophy, the Three Corporate Principles, the MC Group aims to:

- Recruit and apply its broad professional expertise without discrimination
- Benefit from workforce diversity by embracing and applying different perspectives and ideas to its management practices, business creations and regional developments.
- Improve organizational performance by ensuring an inclusive professional work environment that maximizes the abilities of a diverse workforce.



Initiatives to Support Women’s Careers

For many years we have supported the development and continuation of women’s careers by enhancing and expanding systems to support those who need to balance work responsibilities with family obligations, so that they can continue to pursue careers with MC. Going forward, we will further enhance our career support systems to create work environments where female employees can independently build their careers and play a more active role in the workplace.

Phase 2: Initiatives Based on Supporting Women’s Careers (Plan Period: April 1, 2021 to March 31, 2026)

In Phase 2, we will implement measures focusing on the following two goals based on a review of progress and the effectiveness of actions in Phase 1.

Target 1 Encourage more high-level appointments of female employees and raise the percentage of women in management-level positions above 15%.

Background and Goals

- By expanding its systems to promote a healthy work-life balance and taking special career-support measures for its female professionals, MC has boosted the percentage of women in management-level positions.
- MC plans to further accelerate its appointment of women to executive positions

Examples of Initiatives

- Expansion of the mentorship program for working women.
- Instructing the Women’s Career Managers to analyze and address any separate issues that may exist companywide and within their respective departments.
- Career support through training programs and networking opportunities that are specifically designed for working women.

Percentage of Women in Management-Level Positions
(as of April 1 each year)

Phase 2 target: **15% or higher**

Period	Percentage (%)
2012/3	5.4
2013/3	6.4
2014/3	7.1
2015/3	7.9
2016/3	8.7
2017/3	9.4
2018/3	10.4
2019/3	11.0
2020/3	11.1
2021/3	11.5

Target 2 Ensure that all eligible male employees take their full paternity leave.

Background and Goals

- Through Phase 1 initiatives, more working fathers at MC have been taking paternity leave and doing so for longer periods.
- MC will raise awareness of paternity leave and make it easier for male employees with newborns to use it.

Examples of Initiatives

- Establishment of a consultation desk for male employees.
- Promote the idea that male employees should in principle take paternity leave when their spouses give birth.
- Encourage male employees to use paternity leave through roundtable discussions with those who already have, internal promotion activities, and the provision of guidance to individuals and their supervisors.

MC Enhancing Its Organizational Potential by
Promoting Diversity Management

We interviewed two female executives who reflected back on their careers to share their thoughts on management and advice for junior colleagues.

Learning and Maturing Through Business

Egawa Throughout my time at MC, I have been involved in launching LNG projects, and more than half of my career has been spent overseas, including in North America and Southeast Asia, where cultures and personal values differ from those I had experienced in Japan. In some of these regions, progress toward social advancement for women has been limited due to cultural traditions, and at times I was left guessing what matters I should bring to the attention of my male managers. By repeating a process of trial and error to communicate thoroughly and establish relationships that allow for frank, one-to-one discussions, I believe I built up the ability to get my point across when breakthroughs are necessary at work.

Naka I have been involved in power plant asset management for many years. Looking back, what I most often recall are the difficulties as well as the joys I experienced when I was seconded to another company. Since this company was in the start-up phase, not only was I carrying out duties as a line manager, but I was also actively involved in setting up corporate functions such as general administration and accounting. Out of these, I found recruiting staff to be especially difficult. First of all, we needed to develop HR systems, and after recruiting staff, we faced conflicts between our diverse group of employees, among other HR-related issues. It was difficult to monitor the overall situation while keeping the organization running smoothly, but it was a rewarding experience unique to a management role. New business proposals also presented some difficulties, and although I was almost at a loss after a series of failed proposals, I continued meeting with our partner companies to identify their concerns and refined the plans with my team members and power plant staff. When we finally came to an agreement on a new business that reduced both costs as well as environmental impacts, I was delighted with the team effort. This experience also changed my own personal values, and ever since, I have felt a responsibility to provide new value to our customers at hand.

Egawa A lot can be learned from creating a team that works toward a single goal. Joining a bidding team for an LNG project in Canada definitely left an impression on me. I suddenly needed to travel to Canada in the middle of winter, where I would endure four months of harsh conditions, including -30°C temperatures. While there, after negotiating a deal with a bidding team that included lawyers and experts, we put together a number of contracts with the help of the Head Office and managed to win the tender. While not limited to this job, I was lucky enough to have a manager who shared his thoughts frankly even when handling difficult situations such as responding to issues at the company where we were seconded or the often-intimidating sales environment. Being exposed to this type of work ethic throughout my career has been an invaluable asset for me.



Note: The members removed their face masks only when this picture was taken.

Tetsuko Egawa

General Manager, Brunei Natural Gas Dept.,
Natural Gas Group

Yuko Naka

General Manager, Energy Service DX Office,
Power Solution Group (Concurrently)
Power & Retail DX Task Force

Approaches to Organizational Leadership

Naka The Power & Retail DX Task Force is also working on initiatives in new areas, such as data matching. Our project teams include employees from other Business Groups and organizations, so I try to be flexible when managing our organization. In addition to providing guidance to the teams, I strive to manage their efforts while respecting the independence and characteristics of each member. Mutual understanding is essential when working with new people, so it is important to take the time to carefully listen to team members.

Egawa Until March 2021, I was seconded to a company as a line manager, but aligning with the structure and startup nature of the company, I took on the role of “player-coach,” playing an active role while also coaching the younger employees. Since April, I have been appointed as the General Manager of the Brunei Natural Gas Department, so I modified my management style. Essentially, I respect practical boundaries with the two team leaders and get involved when decisions are necessary. I am now in charge of an LNG project that has been supplying customers in Japan for over 50 years. Having been assigned to this department as the project reaches its final stage, I believe I have an important role to play in terms of determining future strategies on the basis of economic viability as well as societal and environmental value.

Naka Through the mentorship program*, I was able to discuss my concerns about management-related issues with an executive who had experienced similar problems, and I was relieved to know this was a path everyone goes down. I benefited from the valuable advice my mentor provided based on personal experiences.

Egawa Indeed. The mentorship program was an excellent opportunity to obtain advice from different perspectives. My mentor also helped me to build up confidence by encouraging me to challenge myself, and I believe we both learned something from the experience. For my mentor, the lesson was a better understanding of women’s mindsets when they are in management positions and how they approach their work.

*A program in which executives from other departments act as mentors and engage in regular dialogue to support career development for women.

Advice for Junior Employees

Egawa My impression is that the working environment at MC has changed significantly compared to when I first joined the Company. The necessary systems are now in place to provide more options for women who want to advance their careers while maintaining a balance with childcare needs. With a little support, women can achieve career growth by seizing the opportunities provided by MC. Because of this, I will do my best to encourage my subordinates and serve as a role model for them. The ability to make good decisions comes from accumulating diverse experiences, and once you acquire this skill, you are ready to take on more responsibility. My message to my junior colleagues is that you can make decisions and offer opinions based on your experiences and career, irrespective of gender.

Naka There are circumstances where not only female employees, but also male employees have to deal with various situations such as caring for children and other family members when their spouses also work. I encourage my male colleagues to take paternity leave, and I even talk about my own family situation at times. Moving forward, I believe it is important for every employee to adopt a mindset of contributing to MC while respecting each other’s individual circumstances. To achieve a balance between work and childcare, we need to recognize the value of real-time communication with our colleagues. Furthermore, managers can achieve work-life balance by overseeing the key aspects of their work while delegating other tasks to colleagues and subordinates. These are all connected, and I believe they are beneficial for MC and its employees. Everyone should take on challenges with a positive attitude, and not shy away from being seconded or assigned to management positions.



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

Ken Kobayashi
Chairman of the Board




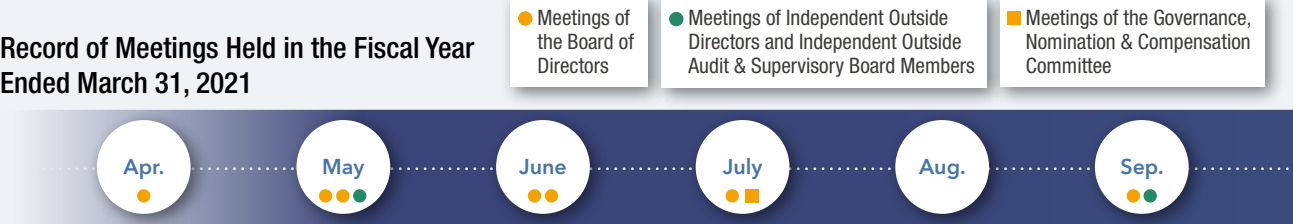
Board of Directors

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.

Governance, Nomination & 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 (▶ P. 76).





Briefing Sessions Before Board of Directors' Meetings

Prior to each Board of Directors' meeting, opportunities are created for the management executives of the Corporate Staff Section and Business Groups to provide explanatory summaries of the agenda items for which they are responsible to Outside Directors and Outside Audit & Supervisory Board Members in order to facilitate substantive deliberations at the meetings. The sessions are also utilized to appropriately share timely information that helps enhance deliberations. A total of 32 hours of briefing were held in the fiscal year ended March 31, 2021.

Meetings of Independent Outside 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 (▶ P. 81).



Note: The members removed their face masks only when this picture was taken, and ensured proper distance between their seats during the meeting.

President's Performance Evaluation Committee

A subcommittee of the Governance, Nomination & Compensation Committee (▶ P. 76).

International Advisory Committee

An advisory body to the Board of Directors made up of overseas experts (▶ P. 77).



Note: Picture was taken at the latest in-person committee meeting. Advice and recommendations of committee members were obtained remotely during fiscal year ended March 31, 2021.

2021

Opportunities to Provide Information and Engage in Dialogue

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 when they assume office (a total of 29 sessions during the fiscal year ended March 31, 2021).

Dialogues and Interactions with Management Executives

Opportunities are created to engage in dialogue and interact with current management executives and next-term management executive candidates.

Dialogues with Mid-Level and Junior Employees

Opportunities are provided to gather information from the front lines via dialogues with mid-level and junior employees.

Dialogues and 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 business subsidiaries and affiliates sites, and hold dialogues with the management of business subsidiaries and affiliates.

In August 2019, site visits were made to the Montney 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.

In March 2021, discussion was held with management executives at Mitsubishi Shokuhin Co., Ltd., and opinions were exchanged about the business environment and DX initiatives in the food distribution business.

* A joint venture business owned by five companies: MC, Royal Dutch Shell plc, and state-operated energy enterprises from Malaysia, China, and South Korea. The business intends to export and sell LNG to East Asia countries, including Japan.

Visits to Business Subsidiaries and Affiliates (Past Three Fiscal Years)

Month	Activity
March 2021	Dialogue with management executives at Mitsubishi Shokuhin Co., Ltd.
August 2019	Montney shale gas production and development site and LNG Canada project development site (Canada)
August 2018	Cermaq Group AS (Norway)/Offshore wind farm facility (North Sea)
April 2018	Large mixed-use redevelopment project / The Mandalay International Airport (Myanmar)



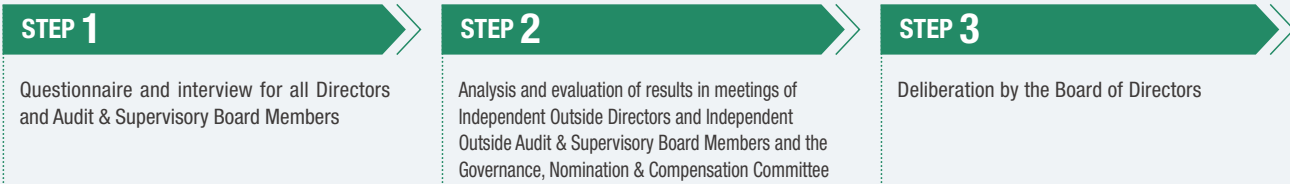
LNG Canada project development site (August 2019)

Evaluation of the Effectiveness of the Board of Directors

In the fiscal year ended March 31, 2021, following deliberations by the Governance, Nomination & Compensation Committee in October*, Independent Outside Director Mr. Tatsuoka and Audit & Supervisory Board Member Ms. Sato led an evaluation of the effectiveness of the Board of Directors, formulating questions and conducting interviews, and then analyzing and evaluating the responses. This year, their multifaceted analysis included a survey of Business Group CEOs.

* After thoroughly reviewing the fairness of the evaluation process, including the necessity of third-party evaluation, it was determined that a self-evaluation process led by Outside Board members is the most effective, so the same format as in the previous fiscal year was used for this fiscal year. In addition to Independent Outside Board members leading the evaluation, the objective advice from external consultants was sought in (i) formulating the questionnaires, (ii) gathering the results and (iii) drafting a disclosure proposal, with the aim of ensuring objectiveness and neutrality of the process.

Specific Process



Questionnaire

The questionnaire covered the size and composition, operations, and agenda items of the Board of Directors; the support system for Outside Board members; self-evaluation of individual involvement; the composition and operation of the Governance, Nomination & Compensation Committee; the operation of meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members; engagement with shareholders and investors; and medium- to long-term issues that pertain to corporate governance.

	Issue in the Fiscal Year Ended March 31, 2021	Initiatives in the Fiscal Year Ended March 31, 2021	Evaluation	Issues and Policy Going Forward
Size/composition		Reduced the number of In-house Directors by two (Outside Directors now make up 45% of the Board of Directors)	The current size and composition of the Board of Directors are appropriate	Continue to consider the necessity of changes in light of changes in the internal and external environment
Agenda items	Deepening the deliberations by the Board of Directors to further enhance monitoring function	Enhanced deliberations of MC's vision (key items of the Midterm Corporate Strategy, companywide initiatives, etc.) as well as structures supporting MC's vision (financial and non-financial risk management, regional strategy, domestic development, etc.)	Enhancing the deliberations of companywide management has increased the effectiveness of the Board of Directors	Further enhance deliberations of items that are important on a companywide basis (business strategy oriented toward a low-carbon society, the business portfolio, etc.). Review the current Midterm Corporate Strategy and the process for formulating the next strategy
	Further enhancing the management of major business subsidiaries and affiliates	Enhanced deliberations of investment management systems and investment efficiency in each segment. The Board of Directors also followed up on individual new investments (Eneco Groep N.V. and HERE International B.V.) made in the previous year	Sufficient analysis and reporting are being carried out to confirm the status of investment management systems, which is an important issue for MC given the large number of its subsidiaries and affiliates	In addition to the issues at the left, enhance the monitoring efficacy of investment management systems, including those by which MC confirms the status of initiatives at individual companies
Succession planning		Governance, Nomination & Compensation Committee reviewed the requirements for the President and CEO on an ongoing basis and discussed the specifics of the process for selecting the next president. Increased contacts between the Outside Directors and Outside Audit & Supervisory Board Members and the management executives to improve information provision	The Governance, Nomination & Compensation Committee conducted sufficient deliberation on succession planning, and dialogue with successor candidates has been fruitful	Confirm specific processes, including those for continuing appropriate information provision to the Governance, Nomination & Compensation Committee members
Support system	Optimizing information provided to Outside Directors and Outside Audit & Supervisory Board Members	Further enhanced explanations of each Business Group's strategies. Held dialogues with the management of major business subsidiaries and affiliates	The requests of Outside Directors and Outside Audit & Supervisory Board Members are receiving due attention	Continue timely and appropriate information provision to contribute to the effectiveness of the deliberations of the Board of Directors

Governance Reform at MC

–Building a More Effective Board of Directors–

Based on inputs including the results of the annual evaluation of the effectiveness of the Board of Directors, the Company's In-house and Outside Directors and Audit & Supervisory Board Members worked together to have active discussions through the Board of Directors and Governance, Nomination & Compensation Committee to further improve monitoring functions for the Board of Directors.

Review of the rules and operations of the Board of Directors

Fiscal year ended March 31, 2018

Deliberations

Fiscal year ended March 31, 2019

Execution

The following directions were confirmed though evaluation of the effectiveness of the Board of Directors and by the Governance, Nomination & Compensation Committee.

- Narrowing of investment and finance proposals; focus by the Board of Directors on deliberating companywide strategy and key projects
- Enhancement of monitoring functions for Corporate Staff Section and Business Groups management and for business subsidiaries and affiliates

1. Revision of rules for the Board of Directors

Monetary threshold standards for investment and finance proposals were doubled in principle, decision-making was further delegated to the executive side, and focus was placed on deliberations on management strategy and key projects.

2. Monitoring of business subsidiaries and affiliates

In line with the deepening of consolidated management, deliberations on strategy and governance of major business subsidiaries and affiliates of each Business Group were expanded.

3. Enhancement of briefing sessions before Board of Directors' meetings

Prior to Board of Directors' meetings, executives of the Corporate Staff Section and Business Groups hold briefing sessions for Outside Directors and Outside Audit & Supervisory Board Members to carefully explain strategic positioning and key points of projects, for an average of 3 hours each time. (Annual total hours for briefings increased from 5.5 hours in the fiscal year ended March 31, 2018 to 27 hours in the fiscal year ended March 31, 2019.) This has led to further enhancement of deliberations on the Board of Directors' meetings.

Changes in the ratios of agenda items at Board of Directors' meetings

The ratio of deliberations on investment and finance proposals has decreased, while the ratio of deliberations on MC's vision and structures supporting MC's vision has increased.

Fiscal year ended March 31, 2018

35% Investment and finance proposals

7% MC's vision (progress of key items in the Midterm Corporate Strategy, etc.)

Fiscal year ended March 31, 2019

21%

10%

Fiscal year ended March 31, 2021

18%

29%

15% Structures supporting MC's vision (assurance of feasibility)

Policy measures in the Corporate Staff Section, etc.

Conventional management status reports by individuals in the Corporate Staff Section and Business Groups

*From the fiscal year ended March 31, 2021, conventional Corporate Staff Section and Business Group-specific management status reports are conducted outside of Board of Directors' meetings.

Further enhancement of the content of deliberations at Board of Directors' meetings

Fiscal year ended March 31, 2020

Deliberations

Fiscal year ended March 31, 2021

Execution

The following directions were confirmed though evaluation of the effectiveness of the Board of Directors and by the Governance, Nomination & Compensation Committee.

- Conventional reporting on management strategy and progress by the Corporate Staff Section and Business Groups would be performed at venues other than Board of Directors' meetings. Time freed up by this will be used for business execution reporting under a new framework.
- Specifically, to further improve monitoring functions for a framework that supports major directions such as companywide strategy and appropriate risk-taking, agenda items regarding MC's vision and structures supporting MC's vision would be expanded.

Contents of agenda items (see page 75 for the overall record of deliberations in Board of Directors' meetings for the fiscal year ended March 31, 2021)

MC's vision (progress of key items in the Midterm Corporate Strategy)	Triple-value growth through business management models	Business portfolio	• Reports on the Business Strategy Committee deliberations
		Growth mechanisms	• Status of progress of power and retail DX • Status of progress of food distribution DX
		HR policy	• Progress in the new HR system and measures
Structures supporting MC's vision (assurance of feasibility)	Regional Strategy		• Progress report on regional strategy (site-related measures, market development measures, etc.)
	Domestic development		• Progress report on domestic development
	Risk management		• Non-financial risk management • Financial risk management
	Management of executed individual investment and finance proposals (monitoring of newly invested proposals in the next fiscal year)		• Status of HERE Technologies business investment and collaboration • Eneco management status

70

MITSUBISHI CORPORATION

MITSUBISHI CORPORATION

71

02 Management Platform Supporting Value Creation

MC is committed to further enhancement of
the effectiveness of the Board of Directors
through the continual improvement of
governance

Tsuneyoshi
Tatsuoka

Independent Outside Director

Rieko
Sato

Independent Outside Audit &
Supervisory Board Member

Note: The members removed their face masks only when this picture was taken.

Mr. Tatsuoka and Ms. Sato coordinated the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2021. In the following dialogue, they share their views about MC's corporate governance.

Stimulating discussion by
introducing different perspectives

Tatsuoka I joined the Ministry of International Trade and Industry (now the Ministry of Economy, Trade and Industry) after the peak of Japan's high economic growth, so I have witnessed, from a governmental standpoint, the transitioning of the Japanese economy over the past 30 to 40 years. I have worked in fields relevant to MC's business domains, ranging from energy-related matters, such as oil decentralization and the power market liberalization, to various manufacturing industries, including automobiles, materials and machinery. I have also been involved in governance reform and organizational management. Throughout my entire career, rather than focusing on one particular field, I have been involved in various aspects of the economy and business, which allows me to apply my experience to wide-ranging discussions in various MC forums, including MC's Board of Directors.



Sato Like Mr. Tatsuoka, I am involved in a wide range of industries, including retail and manufacturing, food, pharmaceuticals and construction as well as trading companies, through my work as an attorney at a firm specializing in corporate legal affairs. During my time at the firm, and after studying in the US I was appointed as an independent outside audit & supervisory board

member at a food manufacturer in 2004. Since then, I have served as an outside director and audit & supervisory board member for various companies. Through this experience, I have learned about the specific factors influencing the industries in which I have been involved, problems affecting individual companies and the types of information used to make management decisions. I have also witnessed firsthand the changes that have occurred in boards of directors. I believe that my role is to speak up if I feel that there is a sense of discomfort, whether from an outside perspective or from the viewpoint of shareholders. **Tatsuoka** The ability to incorporate views based on differing backgrounds and experience and a variety of perspectives is very useful for management. Broadly speaking, the main purpose of corporate governance is to find ways to achieve sustainable improvement in corporate value. In my view, the most important way to do this is by achieving a good balance between risk and the pursuit of opportunities, while taking into account the perspectives of outside Board members.

A corporate culture that welcomes opinion from
outside Board members

Tatsuoka MC is involved in a wide variety of industries using various business models, so it would be difficult to understand every facet of its activities. However, the governance reforms implemented by MC over the past few years have steadily improved and expanded the provision of information available to help outside officers understand the company's activities. We now have numerous opportunities to obtain information on which to base our decisions, including extensive briefing sessions before Board of Directors' meetings. In addition, Outside Directors are able to attend discussions between Audit & Supervisory

Board Members and various Business Group executives, such as Business Group CEOs, and there are also opportunities for us to learn more about corporate culture and employee mindsets through interactions with mid-level and junior employees. I have also found that my opinion is always seriously considered. The earnestness and broad-mindedness with which people listen to the views of outside officers seem to be integral parts of MC's corporate culture, and this is important from the perspective of corporate governance.

Sato As an Audit & Supervisory Board Member, I believe the atmosphere at Board of Directors' meetings is one where everyone can speak freely. In addition, any information requested is provided promptly. My impression is that executives are always receptive to input and open-minded in their interactions with outside officers.

Tatsuoka As in the previous two years, the evaluation of the effectiveness of the Board of Directors for the fiscal year ended March 31, 2021 was coordinated by outside officers. This time the process was handled by Ms. Sato and myself. The fact that such a task was assigned to outside officers is another manifestation of the attitudes that we have been talking about. It is also worth noting that some of the topics raised as part of information sharing in Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members and other forums were also discussed during meetings of the Board of Directors.

Sato One of the important themes this year is reviewing the Midterm Corporate Strategy 2021, which will be completed in the fiscal year ending March 31, 2022. I think it is important for the Board of Directors to share future issues based on internal and external environments by monitoring the progress of important items in this Midterm Corporate Strategy through business execution reports.

Tatsuoka I agree. One of the key themes will be the review of the Midterm Corporate Strategy 2021. However, in addition to looking back, we also need to build a shared understanding about future challenges. I believe there is still room for further fine-tuning of the reforms that have been implemented across MC.

Digital transformation (DX) and energy transformation (EX) initiatives are currently seen as the most important priorities, but MC also needs to offer a vision for the future beyond those changes so that it can move forward to the next stage.

Constant reform from
a medium- to long-term perspective

Tatsuoka Looking back over the three years that I have spent as an Independent Outside Director at MC, I see clear evidence of improvement in the MC's corporate governance, which I find very encouraging. MC has advocated for enhancing monitoring functions, and that is currently being administered and implemented in ways best suited to the current state of MC. Specifically, MC raised the monetary threshold standards for items on agendas for Board of Directors' meetings. In the past, the majority of agenda items were related to individual investment proposals, but now more time is allocated to themes that are important from the perspective of companywide management, such as DX and EX, financial and non-financial risk management as well as sustainability. In addition, the improvement and expansion of briefing sessions have made it possible for the Board to start discussing core issues immediately. Within the Governance, Nomination & Compensation Committee, members can speak freely and hold discussions. It operates according to a fair and transparent process, where even details relating to compensation are disclosed. In the past, it was as if the Board was talking about ways to plant and nurture individual trees, but the focus has shifted toward ways to grow larger trees and even entire forests. I see this as key to a hybrid approach to business, and believe that such an approach, which contrasts with the management style of leaving everything to the executive organization and simply overseeing personnel matters and strategies, is well suited to this company. However, the external environment is changing at an unprecedented rate, and the corporate governance of MC will also need to constantly evolve.

Sato I have been an Independent Outside Audit & Supervisory Board Member at MC for over a year, and while I think the way topics are selected for discussion at Board of Directors' meetings is appropriate for MC, I also feel the scope of debate could be expanded further in this time of dramatic change. For example, I would like to see more in-depth deliberations about asset replacement through DX and EX, as well as roadmaps for those processes. Similarly, I also look forward to having more thorough discussions about shareholder returns and capital policy from the perspective of shareholders and investors. In addition, I believe there should be continuing discussions about optimal governance system based on the company's current situation and external environment.

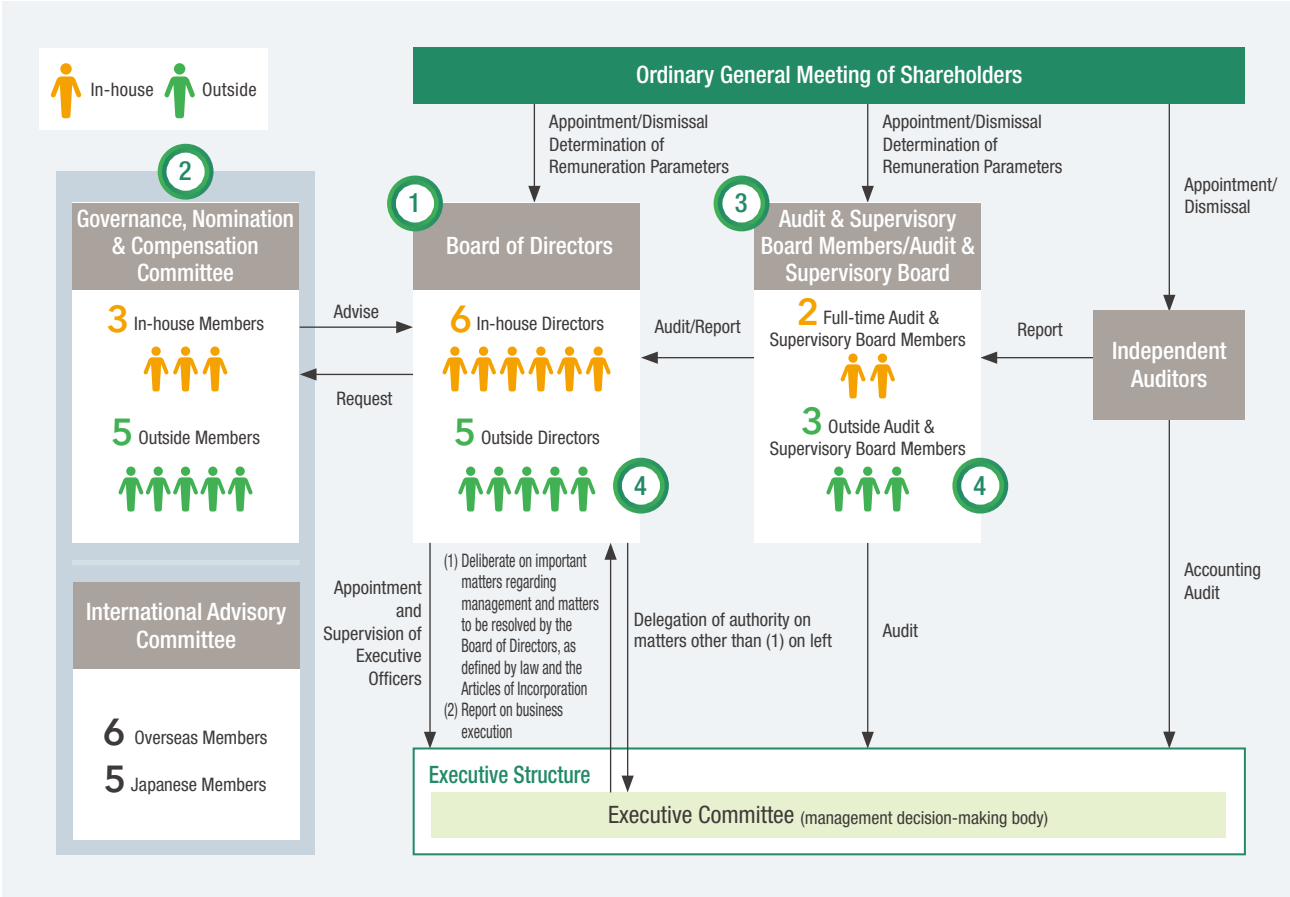


MC’s Basic Policy on Corporate Governance

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

Corporate Governance Framework (As of July 1, 2021)



1 Board of Directors

Check! > P.75

2 Board of Directors' Advisory Bodies

Check! > P.76-77

3 Audit & Supervisory Board Members/Audit & Supervisory Board

Check! > P.78-79

1 Board of Directors

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

Composition and size	The composition and size of the Board of Directors is appropriately determined to help it maintain transparent, fair, timely and decisive decision-making and carry out effective oversight, with one third or more being made up of Outside Directors.
Appointment policy	To ensure decision-making and management oversight are appropriate for MC, which is involved in diverse businesses and industries in a wide range of fields, and from the perspective of ensuring diverse standpoints, several Directors are appointed from both within and outside MC with the depth of experience and high levels of knowledge and expertise needed for fulfilling their duties.
In-house Directors	In addition to the Chairman of the Board and the President and CEO, MC's In-house Directors are elected from Executive Officers (Senior Executive Vice Presidents and Executive Vice Presidents) responsible for companywide management so that they can fully leverage their abundant business experience to ensure appropriate decision-making and robust management supervision by the Board of Directors.
Outside Directors	Outside Directors are appointed from those who possess a practical perspective of highly experienced company officers and those who possess an objective and professional perspective with a deep insight on global dynamics and socio-economic trends. These individuals thus contribute to appropriate decision-making and robust management supervision by the Board of Directors as they bring diverse perspectives into its deliberations.
Appointment process	In line with policies described above, the President and CEO proposes a list of nominated Directors, which is then deliberated at the Governance, Nomination & Compensation Committee and resolved by the Board of Directors before being presented at the Ordinary General Meeting of Shareholders.

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 strategies 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.

Agenda of the Board of Directors in the Fiscal Year Ended March 31, 2021

Theme	Main resolutions and matters reported	
Management strategy-related items	<ul style="list-style-type: none">Business Strategy Committee reportBusiness Execution reports (non-financial and financial risk management, human resources policy, domestic development, regional strategy, power and retail DX, food distribution DX)	
Corporate-related items	<ul style="list-style-type: none">Appointments of the Board of Directors and Audit & Supervisory Board Members/ Appointments of Executive OfficersRemuneration for Directors and Audit & Supervisory Board MembersFinancial Statements	<ul style="list-style-type: none">Fundraising policyVerification holding policy for listed shareSustainability and social contribution-related policiesCompliance reportInternal control systemsConsolidated business continuity management (BCM) measures
Investment and finance proposals	<ul style="list-style-type: none">Chiyoda CorporationMitsubishi Motors CorporationMitsubishi HC Capital Inc.	<ul style="list-style-type: none">Vung Ang 2 ProjectConfirmation of business status for Eneco Groep N.V. and HERE International B.V.* <p>* New investments are monitored by the Board of Directors in the following fiscal year</p>
Other	<ul style="list-style-type: none">Ordinary General Meeting of Shareholders-related itemsGovernance, Nomination & Compensation Committee report	<ul style="list-style-type: none">Evaluation of the effectiveness of the Board of DirectorsState of response to COVID-19

2 Board of Directors' Advisory Bodies

Governance, Nomination & Compensation Committee

Convenes 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 (*Committee Chairman) (As of July 1, 2021)

Outside Members (5)		
Akihiko Nishiyama Outside Director	Akitaka Saiki Outside Director	Tsuneyoshi Tatsuoka Outside Director
Shunichi Miyanaga Outside Director	Sakie Akiyama Outside Director	
In-house Members (3)		
Ken Kobayashi* Chairman of the Board	Takehiko Kakiuchi Member of the Board, President and CEO	Shuma Uchino Full-time Audit & Supervisory Board Member



Note: The members removed their face masks only when this picture was taken, and ensured proper distance between their seats during the meeting.

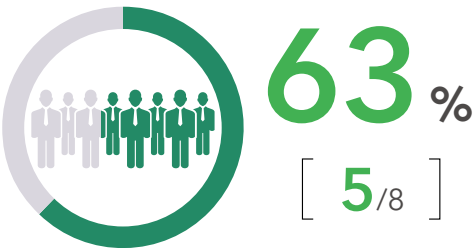
Main Discussion Themes

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
Review of the remuneration package including the policy for setting remuneration and appropriateness of remuneration levels as well as composition	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 & 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.

Number and Percentage of Outside Directors*



* Based on status as of July 1, 2021

International Advisory Committee

Convenes 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, 2021)

	Member	Nationality	Title	Years served	Principal area of specialization and background
	Ambassador Richard Armitage	United States of America	Former United States Deputy Secretary of State	5 years	Ambassador Armitage previously served as Special Emissary to Jordan and United States Deputy Secretary of State. He is widely experienced in foreign diplomacy, is a leading expert on Asia and Japan within the US and is acknowledged as an authority on the Middle East.
	Professor Joseph S. Nye	United States of America	Harvard University Distinguished Service Professor	13 years	Professor Nye is a globally renowned scholar in the field of geopolitics. He has extensive networks not only in academia, but also in political and economic circles. Within the International Advisory Committee, he provides an annual overview of the international situation and makes valuable suggestions regarding industry trends.
	Mr. Ratan N. Tata	India	Chairman, Tata Trusts	21 years	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.
	Mr. George Yeo	Singapore	Former Chairman, Kerry Logistics Network	8 years	Mr. Yeo has previously served as Singapore's Minister for Information and the Arts, Minister for Health, Minister for Trade and Industry, and Minister for Foreign Affairs. His background brings a wealth of knowledge in the geopolitical situation in ASEAN and China to the committee.
	Mr. Niall FitzGerald, KBE	Ireland	Former CEO and Chairman, Unilever	8 years	Mr. FitzGerald, KBE has served as Chairman of several major companies such as Reuters and Unilever, as well as the British Museum. He has an outstanding knowledge of both geopolitics and industry, and his consideration of the impacts of geopolitical changes on business provides valuable advice for the International Advisory Committee.
	Mr. Jaime Augusto Zobel de Ayala II	The Philippines	Chairman, Ayala Corporation	21 years	Mr. Zobel has experience in growing a global business launched from the ASEAN region, and therefore has a thorough knowledge of various geopolitical and industry trends in Asia, particularly in the ASEAN region.

Japanese Members (5) (As of July 1, 2021)

Chairman of IAC

Ken Kobayashi

Chairman of the Board

Takehiko Kakiuchi

President and CEO

Yasuteru Hirai

Member of the Board,
Executive Vice President

Akitaka Saiki

Outside Director

Tsuneyoshi Tatsuoka

Outside Director

Main discussion themes

State of the Global Economy	Trade tensions, trends in emerging countries, country-based outlook
Geopolitics	Bilateral relations, world order, global risks
Innovation	Digitalization-driven changes in industry and society around the world

Note: Photo was taken at the latest in-person committee meeting. Advice and recommendations of committee members were obtained remotely during fiscal year ended March 31, 2021.

4 Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors and Outside Audit & Supervisory Board Members are as follows (as of July 1, 2021).

Independent Outside Directors



Akihiko Nishiyama

Main career: Professor, Ritsumeikan University

Number of years on Board of Directors: 6 years

B 13/13
G 5/5

Mr. Nishiyama has an extensive and varied career that includes both entrepreneurial and management experience, work on think-tank surveys and university-level business studies, all of which have equipped him with broad expertise in organizational reforms, HR development and business management.



Akitaka Saiki

Main career: Former Vice-Minister of Foreign Affairs, Ministry of Foreign Affairs of Japan

Number of years on Board of Directors: 4 years

B 13/13
G 5/5

Mr. Saiki worked with Japan's Ministry of Foreign Affairs and this has given him sensitive insight into geopolitics. He also possesses keen expertise in country risk and a broad network of contacts in that area.



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: 3 years

B 13/13
G 5/5

Mr. Tatsuoka worked at Japan's Ministry of Economy, Trade and Industry, and brings to MC's Board extensive know-how with respect to strategies in resources, energy, manufacturing and other industries; insight into the economic policies and trends adopted both in and outside of Japan; and extensive knowledge of sustainability measures.



Shunichi Miyanaga

Main career: Chairman of the Board, Mitsubishi Heavy Industries, Ltd.

Number of years on Board of Directors: 2 years

B 13/13
G 5/5

Mr. Miyanaga possesses deep knowledge in the tech sectors and has spent many years at the helm of a listed manufacturing conglomerate that is engaged in businesses all over the world. He brings to MC's Board global management experience and practical insight.



Sakie Akiyama

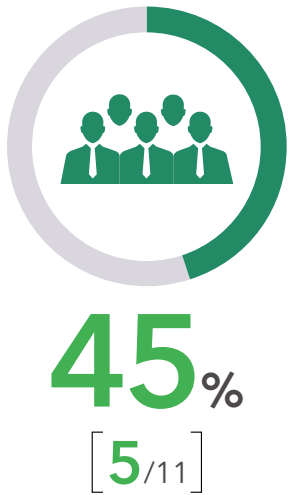
Main career: Founder and CEO, Saki Corporation

Number of years on Board of Directors: 1 year

B 9/9*
G 5/5*

Ms. Akiyama possesses extensive expertise in the digital and IT spaces having worked as an international business consultant and is the founder of Saki Corporation, a firm that specializes in robotic inspection systems for the electronics assembly markets. She brings to MC's Board a wealth of know-how in innovation and its role in growing global enterprises.

Ratio of Independent Outside Directors to Directors



■ Member of the Governance, Nomination & Compensation Committee
■ Member of the International Advisory Committee

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: 5 years

B 13/13
A 12/12

Ms. Takayama possesses extensive experience in branding strategy, marketing and sustainability gained at a B2C company, having held key positions including Full-time Audit & Supervisory Board Member at Shiseido Company, Limited, in addition to management perspectives nurtured through extensive experience as an Outside Director and Outside Audit & Supervisory Board Member.



Rieko Sato

Main career: Partner, ISHII LAW OFFICE

Number of years on Audit & Supervisory Board: 1 year

B 8/9*
A 9/9*

Ms. Sato possesses extensive knowledge of corporate law (Companies Act, Financial Instruments & Exchange Act, compliance, etc.), having worked as an attorney for many years, and management perspectives gained through extensive experience as an Outside Director and Outside Audit & Supervisory Board Member.



Takeshi Nakao

Main career: CEO, PARTNERS HOLDINGS, Co. Ltd.

Number of years on Audit & Supervisory Board: 1 year

B 9/9*
A 9/9*

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 on M&A deals, corporate revitalization and internal control.

- B Attendance at Board of Directors' meetings in the fiscal year ended March 31, 2021
G Attendance at Governance, Nomination & Compensation Committee meetings in the fiscal year ended March 31, 2021
A Attendance at Audit & Supervisory Board meetings in the fiscal year ended March 31, 2021

* Indicating attendance after appointment as Outside Director and Outside Audit & Supervisory Board Member on June 19, 2020.

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

MC facilitates the exchange of information and sharing of ideas from an independent and objective standpoint in order to sustain growth and enhance corporate value over the medium and long term. These discussions are reported to the Board of Directors as necessary.

■ Main Discussion Themes (Fiscal Year Ended March 31, 2021)

- The Corporate Governance Framework of MC
- Succession planning
- Future issues and initiatives based on evaluation of the effectiveness of the Board of Directors



Note: The members removed their face masks only when this picture was taken, and ensured proper distance between their seats during the meeting.

Stance on Acquisition, Holding and Reduction in Listed Stocks/ Reduction in Holdings of Listed Stocks

■ Stance on acquisition, holding and reduction in listed stocks

MC may acquire and hold shares acquired for other than pure investment as a means of creating business opportunities and building, maintaining and strengthening business and partner relationships. When acquiring these shares, MC confirms the necessity of its acquisition based on the significance and economic rationale of the purchase in accordance with internal company rules. Also, MC periodically reviews the rationality of continuing to hold the shares and promotes reducing holdings of stocks with decreased significance.

■ Verification policy for holding individual shares

The Board of Directors verifies all of the listed shares (excluding pure investment) held by MC from the perspectives of both economic rationale and qualitative significance of holding them every year.

The economic rationale is confirmed by whether or not the related earnings from each stock, such as dividends and related business profits on transactions, exceed MC's target capital cost (weighted average cost of capital) for the market price of each individual share. The qualitative significance is confirmed by the achievement or status of progress of the expected purpose for holding the stock, etc.

■ Reduction in holdings of listed stocks

Based on the results of the above verification, in the fiscal year ended March 31, 2021, we sold 68.7 billion yen, a decrease of slightly less than 20% compared to the previous fiscal year. As of the fiscal year ended March 31, 2021, the total market value was 448.9 billion yen (excluding deemed shareholdings). Past reduction results are as follows.

2019/3	2020/3	2021/3
¥82.3 billion	¥73.0 billion	¥68.7 billion
(Excluding market value basis and deemed shareholdings)		

■ Matters verified by the Board of Directors

Verification was conducted by the Board of Directors for all listed shares held by MC as of March 31, 2021. As a result of verification from the perspectives of both economic rationale and qualitative significance of holding them, numerous shares were identified as candidates for reduction due to a decreased importance of the expected purpose and significance for holding them, etc.

Overview of Remuneration Package

■ Basic Approach

Remuneration levels	<ul style="list-style-type: none">Remuneration levels are set based on the functions and roles of the Directors and Audit & Supervisory Board Members, and the Company's level of performance and others.Remuneration levels are globally competitive and based on performance targets to motivate career growth in human resources who will be responsible for the next generation of management and to further raise organizational vitality.
Remuneration composition	<ul style="list-style-type: none">Remuneration for Directors is designed for greater focus on increasing medium- and long-term corporate value by more closely linking remuneration to medium- to long-term corporate value and fiscal year earnings, as well as the creation of stock remuneration with stronger ties to shareholder value, in addition to cash compensation. From this perspective, consolidated net income (single year and medium to long term), the share price and growth rates in shares (medium to long term) are adopted as key performance indicators.To ensure the independence of the Chairman of the Board and Outside Directors, who undertake functions of management oversight, and Audit & Supervisory Board Members, who undertake audits, the Company only pays them fixed monthly remuneration.
Governance of remuneration	<ul style="list-style-type: none">The Governance, Nomination & Compensation Committee, where a majority of the members are Outside Directors and Outside Audit & Supervisory Board Members, continuously deliberates and monitors methods for deciding remuneration packages, the fairness of remuneration levels and compositions, and the status of implementation.

■ Remuneration Package for Directors and Audit & Supervisory Board Members

Remuneration item/Composition		Key performance indicator (KPI)	Form of payment	Remuneration details	Executive Directors	Chairman of the Board	Outside Directors	Audit & Supervisory Board Members
Base salary	Fixed: about 20–50%		Cash	· An amount determined by the Board of Directors according to position, paid monthly.	1	1	1	5
Annual deferral for retirement remuneration				· Fixed amount of annual deferral for retirement remuneration set aside each year; to be paid in full retirement, with Board of Directors' approval of payment amounts. · By resolution of the Board of Directors, non-payment or reduction of the amount is possible in the event of a serious violation of a delegation agreement, etc.	1	—	—	—
Individual performance bonus	Variable (single year): about 25–35%	Individual performance (single year)		· Payment amount determined for each Director and Executive Officer based on performance assessments by the President, with the authority delegated by the Board of Directors. · The assessment on the President's performance is determined by the President's Performance Evaluation Committee. · Performance assessment results are reported to the Board of Directors and Governance, Nomination & Compensation Committee.	1	—	—	—
Performance-linked bonus (short term)		Consolidated net income (single year)		· The amount paid is determined in line with consolidated net income in the relevant fiscal year [average of three fiscal years in the case of medium to long term], based on formulas resolved by the Board of Directors following deliberation by the Governance, Nomination & Compensation Committee. · The amount is adjusted in line with performance if consolidated net income [average over the relevant fiscal year and subsequent two fiscal years in the case of medium to long term] exceeds the level of earnings that leads to enhanced corporate value (consolidated capital cost) [average over the three years in the case of medium to long term]. · No bonus is paid if the amount is below consolidated capital cost [average of three fiscal years in the case of medium to long term] for the relevant business year. · The total amount to be paid is capped.	2	—	—	—
Performance-linked bonus (medium to long term)		Consolidated net income (medium to long term)	Shares (stock acquisition rights)	· Stock options as remuneration are granted from the perspective of aligning Directors' interests with those of shareholders and providing incentives to enhance corporate value and to increase the Company's share price over the medium to long term. · The Board of Directors determines the number of shares allocated to each person. · No allocated stock options can be exercised for a three-year performance period. Based on a formula decided by the Board of Directors following deliberation by the Governance, Nomination & Compensation Committee, the number of stock options that can be exercised at the end of this period varies according to the share growth rate (calculated as Total Shareholder Return (TSR) divided by the TOPIX benchmark growth rate over the same period). · The basic policy is that Directors are obliged to hold any shares while in office. Sales of such shares are restricted until their aggregate market value exceeds approximately 300% of the base salary of each position.	3	—	—	—
Stock-based remuneration linked to medium- to long-term share performances	Variable (medium to long term): about 25–45%	Share price/ growth rate in shares (medium to long term)			4	—	—	—

Note: 1 to 5 in the table indicate the number of limits on remuneration that correspond to each remuneration item. See the next table for details.

(Figures rounded down to nearest million yen)			
	Item type	Item details	Total remuneration*2 (fiscal year ended March 2021)
1	Director remuneration*1	Base salary, annual deferral for retirement remuneration, and individual performance bonused totaling up to ¥1.5 billion annually (for Outside Directors, base salary totaling up to ¥180 million per year)	¥1,106 billion (of which, ¥149 million for Outside Directors)
2		Performance-linked bonus (short term) up to 0.06% of consolidated net income (attributable to owners of the Company) for the relevant fiscal year (annual amount)	¥0 million
3		Performance-linked bonus (medium to long term) up to 0.06% of the average of consolidated net income (attributable to owners of the Company) for the relevant fiscal year and subsequent two fiscal years (annual amount)	¥0 million
4		Stock-based remuneration linked to medium- to long-term share performances up to ¥600 million annually (up to 400,000 shares annually)	¥308 million (268,100 shares)
5	Audit & Supervisory Board Member remuneration*1	Base salary for Audit & Supervisory Board Members totaling up to ¥250 million annually	¥238 million (of which, ¥63 million for Outside Audit & Supervisory Board Members)
Total			¥1,653 billion

*1 Approved at the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2019. The number of directors to whom the above amounts of director remuneration (excluding stock-based remuneration linked to medium- to long-term share performance) applied was 13 (including 5 Outside Directors); the number of directors to whom the above amount of stock-based remuneration linked to medium- to long-term share performance applied was 7; and the number of Audit & Supervisory Board Members to whom the above amount of Audit & Supervisory Board Member remuneration applied was 5 (including 3 outside members).

*2 Please see page 85 for details on remuneration of Directors and Audit & Supervisory Board Members.

■ Calculation Method for Performance-Linked Remuneration (Fiscal Year Ending March 31, 2022)

Performance-linked bonus (short term)

(1) Upper limit on total payment

The upper limit is the lower of i) ¥600 million or ii) the maximum total of individual payment amounts prescribed in (2) below

(2) Individual payments

President and CEO	(consolidated net income [attributable to owners of MC] in the fiscal year ending March 31, 2022 - ¥440 billion) × 0.025% + 0.35 (¥100 million)
Executive Vice President	(consolidated net income [attributable to owners of MC] in the fiscal year ending March 31, 2022 - ¥440 billion) × 0.0075% + 0.105 (¥100 million)

Note: The payment amount will be zero if consolidated net income is lower than the consolidated capital cost. Consolidated capital cost for the fiscal year ending March 31, 2022 is ¥440 billion.

Maximum Payment and Total for Each Position

Position	Maximum payment amount	Number of persons	Total
President and CEO	¥175 million	1	¥175 million
Executive Vice President	¥52.5 million	4	¥210 million
Total		5	¥385 million

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

(1) Upper limit on total payment

The upper limit is ¥600 million. However, the upper limit on total number of shares per year is 400,000 shares (4,000 stock options).

* Market Conditions

■ Number of stock options that can be exercised by each position

Number of stock options initially allocated for the position (based on positions as of April 1, 2021) × vesting ratio

■ Stock options initially allocated by position

President and CEO	100,500 shares (1,005 options)
Executive Vice President	27,700 shares (277 options)

■ Vesting ratio

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

Performance-linked bonus (medium to long term)

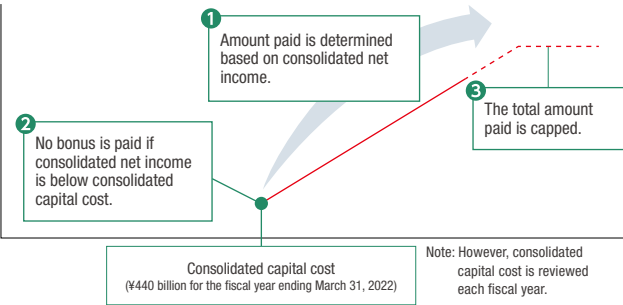
(1) Upper limit on total payment

Same as performance-linked bonus (short term)

(2) Individual payments

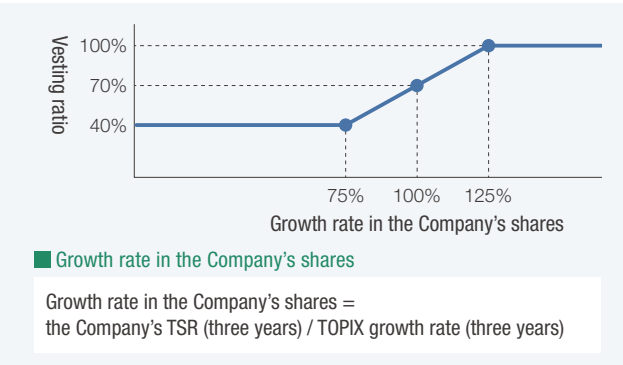
President and CEO	(Average consolidated net income [attributable to owners of MC] for the three fiscal years ending March 31, 2022, March 31, 2023, and March 31, 2024 - ¥440 billion) × 0.025% + 0.35 (¥100 million)
Executive Vice President	(Average consolidated net income [attributable to owners of MC] for the three fiscal years ending March 31 2022, March 31, 2023, and March 31, 2024 - ¥440 billion) × 0.0075% + 0.105 (¥100 million)

Note: The payment amount will be zero if the average of consolidated net income falls below the average consolidated capital cost for the three fiscal years.



(2) Conditions for exercise of stock options

Some or all stock options may be exercised depending on the stock growth rate (market conditions*).



■ Governance of Remuneration

The Governance, Nomination & Compensation Committee deliberates and the Board of Directors 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 on June 21, 2019. Base salary and annual deferral for retirement remuneration, forms of fixed remuneration, are paid in amounts determined by the Board of Directors. As for variable remuneration, payments of performance-linked bonuses (short term), performance-linked bonuses (medium to long term) and stock-based remuneration linked to medium- to long-term share performances are determined, while reflecting key performance indicators (KPIs), based on a formula set by the Board of Directors

following deliberation by the Governance, Nomination & Compensation Committee.

The payment amounts of individual performance bonuses paid to Directors based on their individual performance assessment, including qualitative assessment, are determined and paid on an individual basis, reflecting the President's yearly performance assessment of each Director for the relevant fiscal year (the Board of Directors delegates authority to the President for deciding the individual payment amounts).

Performance evaluations of Executive Directors comprehensively take into account their contributions to the organizations and businesses they oversee; their contributions to management of the entire Company, Corporate Staff Section, Business Groups and offices; the achievement of triple-value growth and the state of sustainability initiatives from an ESG perspective.

The annual assessment on the President's performance is decided by the

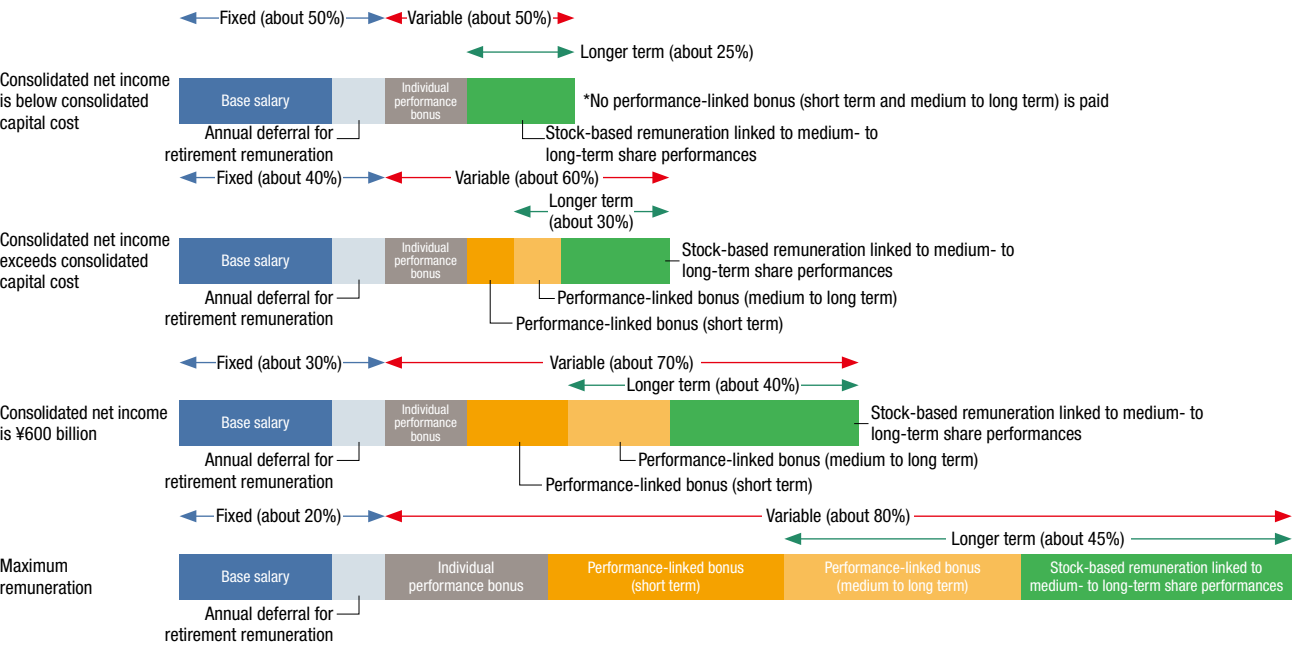
President's Performance Evaluation Committee, which is delegated this authority by the Board of Directors (and is a subcommittee of the Governance, Nomination & Compensation Committee). The subcommittee is comprised of the Chairman of the Board, who also serves as the chair of the Governance, Nomination & Compensation Committee, and Outside Directors sitting on the committee (see page 76). Results of the performance assessment are reported to the Board of Directors and the Governance, Nomination & Compensation Committee to ensure objectivity, fairness and transparency.

Based on the policy for determining remuneration packages (including methods for calculating performance-linked remuneration) that was approved at the ordinary meeting of the Board of Directors held on May 17, 2019, and the extraordinary meeting of the Board of Directors held on June 21, 2019, each year, the Governance, Nomination

& Compensation Committee deliberates and the Board of Directors makes a resolution determining that the total amount of director remuneration packages and methods for deciding payments to individual directors are consistent with said policy for determining remuneration packages.

Each year, the Governance, Nomination & Compensation Committee deliberates and evaluates the fairness of remuneration levels and composition based on compensation data provided by an external consulting firm (Willis Towers Watson). Total and individual amounts of remuneration paid to Audit & Supervisory Board Members are determined following deliberations by the Audit & Supervisory Board within the scope of remuneration for Audit & Supervisory Board Members approved at the Ordinary General Meeting of Shareholders held on June 21, 2019.

■ Conceptual Image of Payment Mix for Remuneration of Executive Directors



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

■ Directors' and Audit & Supervisory Board Members' Remuneration:

Total Amounts and Number of Eligible Persons in the Fiscal Year Ended March 31, 2021

Title	Total remuneration	Base salary		Annual deferral for retirement remuneration		Individual performance bonus		Performance-linked bonus (short term)		Performance-linked bonus (medium to long term)		Stock-based remuneration linked to medium- to long-term share performances	
		Eligible persons	Total	Eligible persons	Total	Eligible persons	Total	Eligible persons	Total	Eligible persons	Total	Eligible persons	Total
In-house Directors	1,265	8	735	6	80	5	140	5	0	5	0	6	308
Outside Directors	149	6	149	—	—	—	—	—	—	—	—	—	—

Title	Total remuneration	Base salary		Annual deferral for retirement remuneration		Individual performance bonus		Performance-linked bonus (short term)		Performance-linked bonus (medium to long term)		Stock-based remuneration linked to medium- to long-term share performances	
		Eligible persons	Total	Eligible persons	Total	Eligible persons	Total	Eligible persons	Total	Eligible persons	Total	Eligible persons	Total
Full-time Audit & Supervisory Board Members	174	2	174	—	—	—	—	—	—	—	—	—	—
Outside Audit & Supervisory Board Members	63	5	63	—	—	—	—	—	—	—	—	—	—

(Figures rounded down to nearest million yen)

Notes:

- The above figures include 3 Directors and 2 Audit & Supervisory Board Members who retired during the fiscal year ended March 31, 2021. Furthermore, there were 11 Directors (including 5 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members) as of March 31, 2021.
- The above amounts of individual performance bonus represent the amounts provided for in the fiscal year ended March 31, 2021.
- The above figures for performance-linked bonus (short term) is determined based on consolidated net income of 172.6 billion yen for the fiscal year ended March 31, 2021, based on a formula confirmed in advance by the Governance, Nomination & Compensation Committee and resolved by the Board of Directors.
- The above amounts for performance-linked bonus (medium to long-term) is paid on an average of the consolidated net income for the fiscal years ended March 31, 2020 to 2022 and the fiscal years ended March 31, 2021 to 2023, but as this cannot be decided currently, the amount shown is as of the fiscal year ended March 31, 2021. The actual amount paid will be based on a formula confirmed in advance by the Governance, Nomination & Compensation Committee and resolved by the Board of Directors, and the amount for the fiscal year ended March 31, 2020/2021 disclosed in the Fiscal 2022/2023 Business Report.

- The above figures for stock-based remuneration linked to medium- and long-term share performances (stock options with market conditions) is the amount recorded as an expense granted for the fiscal year ended March 31, 2021. In regard to stock-based remuneration linked to medium- and long-term share performances, the number of exercisable shares will be determined according to the growth rate in MC's shares over three years from being granted, based on a formula confirmed in advance by the Governance, Nomination & Compensation Committee and resolved by the Board of Directors.
- In addition to the above, MC paid executive pensions to retired Directors and Audit & Supervisory Board Members. The amounts paid in the fiscal year ended March 31, 2021 were as follows:
The retirement bonus system, including executive pensions for Directors and Audit & Supervisory Board Members, was abolished at the close of the 2007 Ordinary General Meeting of Shareholders.
MC paid 107 million yen to 63 Directors (Outside Directors were ineligible for payment).
MC paid 4 million yen to 7 Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment).

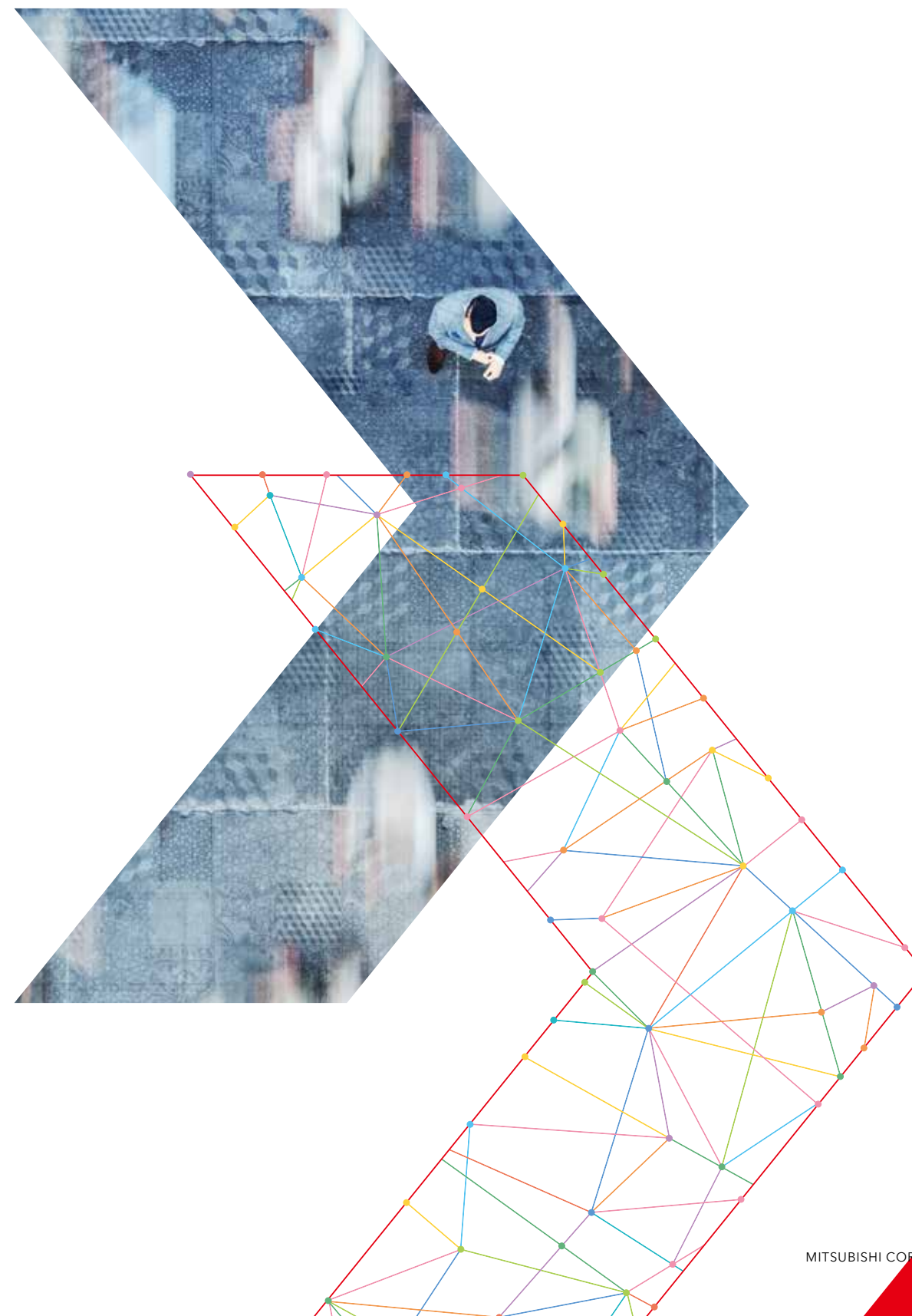


DETAILED FACTS

Reference Information

Contents

88	Members of the Board and Audit & Supervisory Board Members	106	Food Industry Group
90	Executive Officers	108	Consumer Industry Group
91	Organizational Structure	110	Power Solution Group
92	Business Groups at a Glance	112	Urban Development Group
94	Description of Business Activities: Business Groups	114	Global Network (Countries and Regions)
94	Natural Gas Group	116	Balance of Risk Money Outstanding in 12 Countries
96	Industrial Materials Group	118	Financial Highlights
98	Petroleum & Chemicals Solution Group	120	ESG Data
100	Mineral Resources Group	122	Corporate Information
102	Industrial Infrastructure Group	123	Shareholder Information
104	Automotive & Mobility Group		



Members of the Board and Audit & Supervisory Board Members (As of July 1, 2021)

Members of the Board



Ken Kobayashi

2016 Chairman of the Board (present position)
2010 Member of the Board, President and CEO
1971 Joined MC



Takehiko Kakiuchi*1

2016 Member of the Board, President and CEO (present position)
1979 Joined MC



Kazuyuki Masu*1

2019 Member of the Board, Executive Vice President, Corporate Functional Officer, CFO (present position)
2017 Member of the Board, Executive Vice President, Corporate Functional Officer, CFO, IT
2016 Member of the Board, Executive Vice President, Corporate Functional Officer, CFO
1982 Joined MC



Akira Murakoshi*1

2021 Member of the Board, Executive Vice President, Corporate Functional Officer, CD0, CAO, Corporate Communications, Corporate Sustainability & CSR (present position)
2020 Member of the Board, Executive Vice President, Corporate Functional Officer, CD0, Human Resources, Global Strategy
2017 Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources
1982 Joined MC



Yasuteru Hirai*1

2021 Member of the Board, Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (present position)
1984 Joined MC



Yutaka Kashiwagi

2021 Member of the Board, Executive Vice President, Corporate Functional Officer, Business Development for Japan, General Manager, Kansai Branch (present position)
1986 Joined MC



Akihiko Nishiyama*2

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



Akitaka Saiki*2

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



Tsuneyoshi Tatsuoka*2

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



Shunichi Miyanaga*2

2019 Member of the Board, MC (present position) Chairman of the Board, MHI (present position)
2014 Member of the Board, President and CEO, MHI
2013 Member of the Board, President, MHI
1972 Joined Mitsubishi Heavy Industries, Ltd. ("MHI")



Sakie Akiyama*2

2020 Member of the Board, MC (present position)
2018 Founder, Saki Corporation (present position)
1994 Founder and CEO, Saki Corporation
1987 Joined Arthur Andersen & Co. (currently Accenture PLC) (resigned in April 1991)

*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. (<https://www.mitsubishicorp.com/jp/en/about/governance/corporategovernance.html>)

Audit & Supervisory Board Members



Shuma Uchino

2019 Full-time Audit & Supervisory Board Member (present position)
2018 Senior Audit & Supervisory Board Member (full-time)
1978 Joined MC



Hajime Hirano

2019 Full-time Audit & Supervisory Board Member (present position)
1979 Joined MC



Yasuko Takayama*3

2016 Audit & Supervisory Board Member, MC (present position)
2011 Full-time Audit & Supervisory Board Member, Shiseido Company, Limited (resigned in June 2015)
1980 Joined Shiseido Company, Limited



Rieko Sato*3

2020 Audit & Supervisory Board Member, MC (present position)
1998 Partner, ISHII LAW OFFICE (present position)
1989 Shearman & Sterling LLP (resigned in July 1990)
1984 Admitted to the Bar of Japan



Takeshi Nakao*3

2020 Audit & Supervisory Board Member, MC (present position)
2006 CEO, PARTNERS HOLDINGS, Co. Ltd. (present position)
1993 Admitted to Certified Public Accountant (CPA) of Japan
1989 Joined KPMG Minato Audit Corporation (currently KPMG AZSA LLC) (resigned in March 1996)

*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. (<https://www.mitsubishicorp.com/jp/en/about/governance/corporategovernance.html>)

Executive Officers (As of July 1, 2021)

President

Takehiko Kakiuchi*

Executive Vice Presidents

- Kazuyuki Masu***
Corporate Functional Officer,
CFO

Iwao Toide
Group CEO, Automotive & Mobility Group

Akira Murakoshi*
Corporate Functional Officer, CDO, CAO,
Corporate Communications,
Corporate Sustainability & CSR

Mitsumasa Icho
Group CEO, Urban Development Group

Norikazu Tanaka
Group CEO, Mineral Resources Group

Hidehiko Takaoka
President, Mitsubishi Corporation (Americas)

Kotaro Tsukamoto
Group CEO, Industrial Materials Group

Katsuya Nakanishi
Group CEO, Power Solution Group

Jun Nishizawa
Group CEO, Natural Gas Group

Norio Saigusa
Group CEO, Food Industry Group

Aiichiro Matsunaga
Group CEO,
Industrial Infrastructure Group

Yasuteru Hirai*
Corporate Functional Officer,
Global Strategy
(Concurrently) Chief Compliance Officer,
Officer for Emergency Crisis Management Headquarters

Osamu Takeuchi
Group CEO,
Petroleum & Chemicals Solution Group

Yutaka Kashiwagi*
Corporate Functional Officer,
Business Development for Japan
(Concurrently) General Manager, Kansai Branch

Kiyotaka Kikuchi
Group CEO,
Consumer Industry Group
(Concurrently) Division COO, Retail Div.

Senior Vice Presidents

- Tatsuo Nakamura**
Division COO, Automotive Business Div.

Koji Kishimoto
Division COO, Food Sciences Div.

Eisuke Shiozaki
General Manager,
Industrial Materials Group CEO Office

Yoshinori Katayama
Managing Director,
Mitsubishi Corporation International (Europe) Plc.
(Concurrently) General Manager,
Corporate Management Support Office (EMEA)

Yoshifumi Hachiya
General Manager,
Business Investment Management Dept.

Hisashi Ishimaki
General Manager,
Automotive & Mobility Group CEO Office

Takuya Kuga
General Manager,
Urban Development Group CEO Office

Yasumasa Kashiwagi
Division COO, Produce & Marine Products Div.

Hiroki Haba
Division COO,
Next-Generation Fuels & Petroleum Business Div.

Keiichi Shiobara
General Manager,
Mineral Resources Group CEO Office

Shigeru Wakabayashi
Division COO, Isuzu Business Div.

Koichi Seri
Division COO, Mineral Resources Trading Div.

Yasuhiro Kawakami
Seconded to Cermaq Group AS (Chair of the Board)

Kenji Ota
General Manager, Headquarters for the Middle East

Yuzo Nouchi
General Manager, Corporate Accounting Dept.

Masaru Saito
Division COO, North America Div.

Koji Ota
Division COO, Plant Engineering Div.
- Makoto Okawara**
General Manager, Finance Dept.

Naoshi Ogikubo
Division COO, Urban Development Div.

Yoshiyuki Nojima
General Manager, Corporate Administration Dept.

Akihiko Takada
Division COO, Asia-Pacific Div.

Tetsuo Kawate
General Manager, Global Human Resources Dept.

Kyoya Kondo
Division COO, Mobility Business Div.

Yasuyuki Asakura
General Manager, Power Solution Group CEO Office

Ko Imamura
Seconded to Metal One Corporation
(Senior Executive Vice President)

Sadahiko Haneji
Seconded to Mitsubishi Development Pty Ltd
(Managing Director & CEO)

Tetsuya Shinohara
General Manager, Global Strategy and Regional
Management Dept.

Shota Kondo
General Manager, Natural Gas Group CEO Office

Satoshi Koyama
Division COO, Mineral Resources Investment Div.
(Concurrently) General Manager, MDP Dept.

Toshiaki Maekawa
Seconded to Tri Petch Isuzu Sales Co., Ltd.
(President Director)
(Concurrently) Seconded to
Tri Petch Isuzu Leasing Co., Ltd. (Vice Chairman, Director)

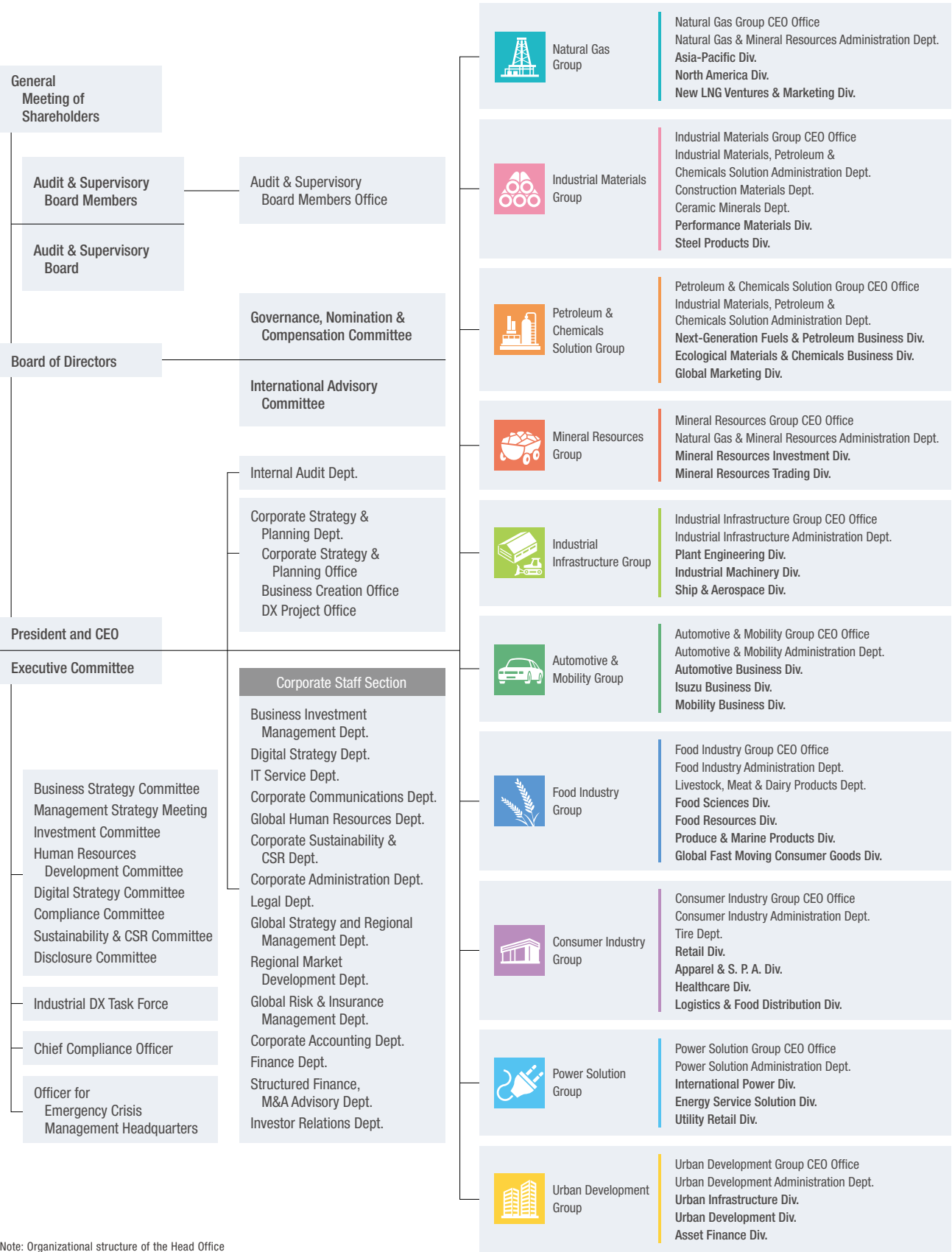
Hideyuki Hori
General Manager, Corporate Strategy & Planning Dept.

Koji Ohno
Division COO, Steel Products Div.

Akifumi Suzuki
Division COO, Global Marketing Div.





















*Indicates a Director.

Organizational Structure (As of July 1, 2021)

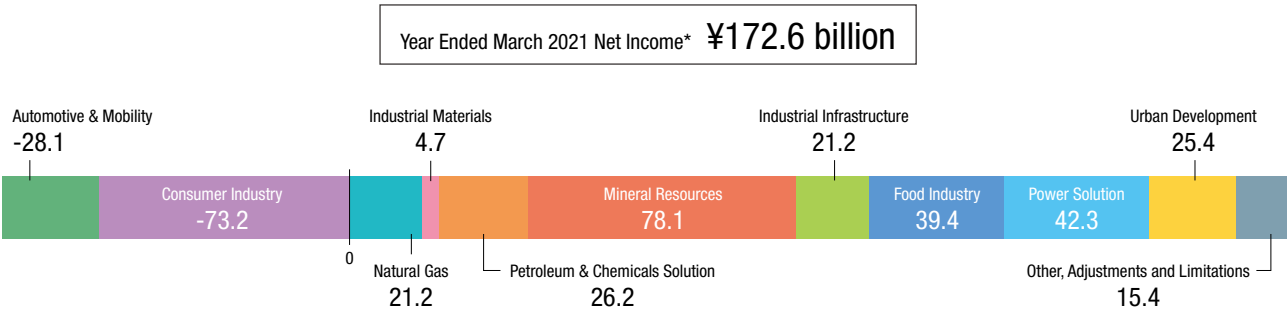


Note: Organizational structure of the Head Office

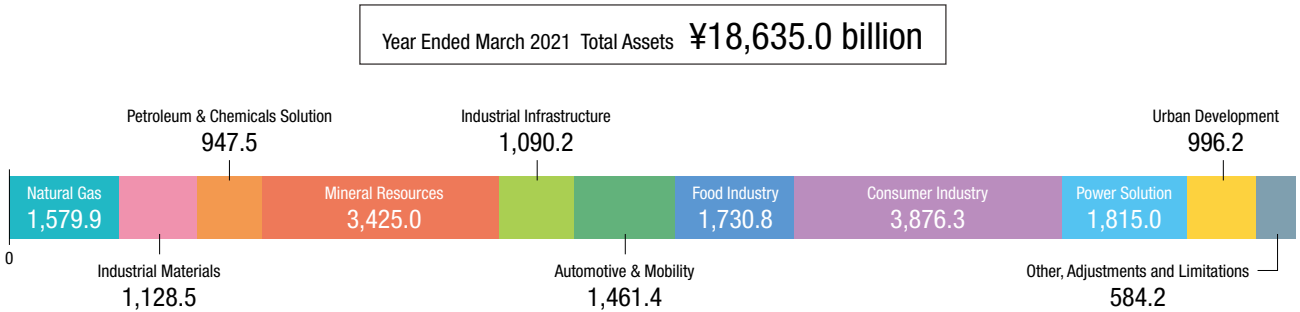
Business Groups at a Glance (Year ended March 2021)

Business Groups	 Natural Gas Group	 Industrial Materials Group	 Petroleum & Chemicals Solution 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	Total
												
Divisions	<ul style="list-style-type: none">● Asia-Pacific Div.● North America Div.● New LNG Ventures & Marketing Div.	<ul style="list-style-type: none">● Performance Materials Div.● Steel Products Div.	<ul style="list-style-type: none">● Next-Generation Fuels & Petroleum Business Div.● Ecological Materials & Chemicals Business Div.● Global Marketing Div.	<ul style="list-style-type: none">● Mineral Resources Investment Div.● Mineral Resources Trading Div.	<ul style="list-style-type: none">● Plant Engineering Div.● Industrial Machinery Div.● Ship & Aerospace Div.	<ul style="list-style-type: none">● Automotive Business Div.● Isuzu Business Div.● Mobility Business Div.	<ul style="list-style-type: none">● Food Sciences Div.● Food Resources Div.● Produce & Marine Products Div.● Global Fast Moving Consumer Goods Div.	<ul style="list-style-type: none">● Retail Div.● Apparel & S.P.A. Div.● Healthcare Div.● Logistics & Food Distribution Div.	<ul style="list-style-type: none">● International Power Div.● Energy Services Solution Div.● Utility Retail Div.	<ul style="list-style-type: none">● Urban Infrastructure Div.● Urban Development Div.● Asset Finance Div.		

(Unit: billions of yen)												
Net Income (loss)*	21.2	4.7	26.2	78.1	21.2	-28.1	39.4	-73.2	42.3	25.4	15.4	172.6
Total Assets	1,579.9	1,128.5	947.5	3,425.0	1,090.2	1,461.4	1,730.8	3,876.3	1,815.0	996.2	584.2	18,635.0
Investment accounted for using the equity method	580.5	136.5	139.3	475.2	206.2	263.4	318.8	174.0	369.3	562.9	64.4	3,290.5
Property, plant, equipment and investment property	171.2	107.7	57.4	846.7	127.6	34.2	298.1	327.2	493.1	55.5	86.9	2,605.6
Intangible assets and goodwill	2.4	11.5	3.3	2.2	129.8	12.2	181.9	539.4	330.9	1.7	33.2	1,248.5
Other investments	376.1	77.0	94.4	337.0	46.1	104.6	135.7	317.1	16.6	121.0	190.4	1,816.0
ROA	1%	0%	3%	2%	2%	-2%	2%	-2%	2%	3%	—	1%



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



Description of Business Activities: Business Groups

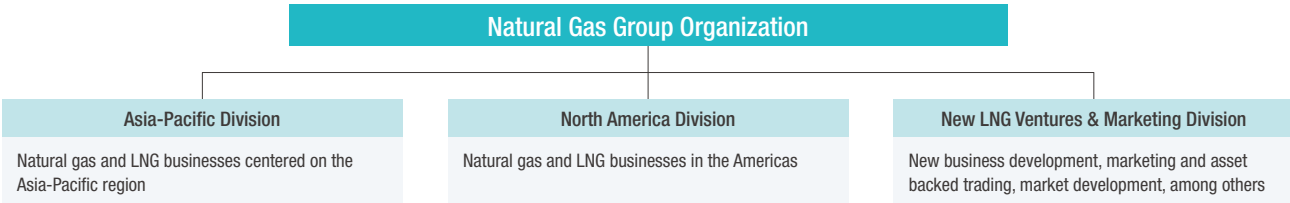
NATURAL GAS GROUP

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 economic growth. Our goal is to achieve economical, societal, and environmental value through stable supply of LNG by recognizing it as an energy resource that realizes both economic growth and environmental preservation.

Jun Nishizawa
Executive Vice President
Group CEO, Natural Gas Group

西澤 淳



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none">Future decline in demand for natural gas due to low-carbon societiesDecline in market competitiveness of natural gas due to tighter regulations for industries against a backdrop of low-carbon societiesExhaustion of fossil fuel resources including natural gas	<ul style="list-style-type: none">Increase in demand for natural gas due to the switching from coal and petroleum and the need to compensate for the intermittent nature* of renewable energyIncrease in operational efficiency and profitability due to innovations in technologyUtilization of natural gas for the development of next-generation energy sources (blue hydrogen, blue ammonia, etc.) <p>*The output of power generation based on naturally derived renewable energy can fluctuate with unpredictable weather and other factors, thus other power sources are essential to make up for this uncertainty.</p>

Strengths of the Natural Gas Group

- Market presence as the largest LNG player in Japan (based on production share)
- Supply capacity from our LNG facilities around the world, and market development capability as well as supply and demand balancing capability focused on our subsidiary in Singapore
- Development of hydrogen from natural gas and CCUS technologies, as part of our efforts to achieve low-carbon societies

Elements of the Midterm Corporate Strategy 2021

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

Progress for the fiscal year ended March 31, 2021

- Strengthen profit base of existing businesses by reduction of costs.
- Completed construction of the Cameron LNG trains 1/2/3 and all started production in the fiscal year ended March 31, 2021. Construction progressed at Indonesia Tangguh (Expansion) and LNG Canada projects with production beginning in 2022 and in the mid-2020s, respectively.
- In order to further expand our profit base, we conducted studies on participation in new LNG projects, and development of emerging LNG markets.
- Established the Natural Gas/Hydrogen Business Development Office and the Carbon Capture & Storage Project Unit, and began full-scale studies aimed at shifting to the decarbonization of natural gas.

EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
LNG business						
1 LNG business-related equity method income*	—	37.8	42.8	61.9	45.7	25.7
LNG business-related dividend income (after tax)	—	34.6	43.1	55.3	47.0	18.2
2 Shale gas business						
Shale gas business-related consolidated net income	—	-15.1	-15.5	-10.5	-17.0	-13.3

*In addition to the LNG business-related equity method income listed above, the Industrial Infrastructure Group's equity method income amounted to 0.3 billion yen (fiscal year ended March 31, 2019), 0.3 billion yen (fiscal year ended March 31, 2020) and 2.5 billion yen (fiscal year ended March 31, 2021).

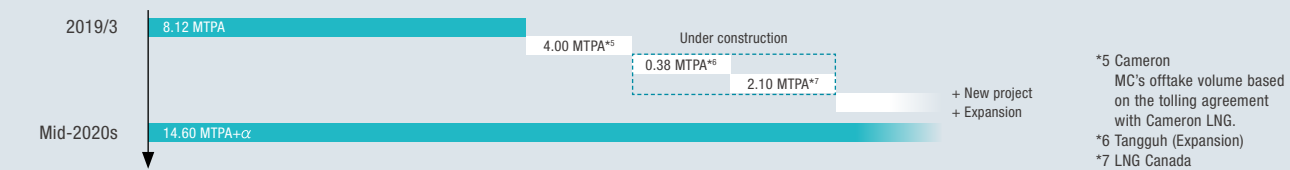
INVOLVEMENT IN LNG PROJECTS

Existing Projects in Production									
Project	Beginning of production	Annual production capacity (million ton)			Buyer	Seller	Shareholding	MC's participation (years)	Business segment*
		Total	MC's share						
Brunei	1972	7.2	1.8	25%	JERA, Tokyo Gas, Osaka Gas, etc.	Brunei LNG	Brunei gov. (50%), Shell (25%), MC (25%)	1969	A B C D
Malaysia I (Satu)	1983	8.4	0.42	5%	JERA, Tokyo Gas, Saibu Gas, etc.	Malaysia LNG	Petronas (90%), Sarawak gov. (5%), MC (5%)	1978	A B C
Malaysia II (Dua)	1995	9.6	0.96	10%	Tohoku Electric, Tokyo Gas, Shizuoka Gas, Sendai City Gas, ENEOS Holdings etc.	Malaysia LNG	Petronas (80%), Sarawak gov. (10%), MC (10%)	1992	A B C D
Malaysia III (Tiga)	2003	7.7	0.31	4%	Tokyo Gas, Osaka Gas, Toho Gas, JAPEX, Korea Gas, Shanghai LNG etc.	Malaysia LNG Tiga	Petronas (60%), Sarawak gov. (25%), ENEOS Holdings (10%), DGN [MC/JAPEX = 80:20] (5%)	2000	A B C D
North West Shelf	1989	16.9	1.41	8.33%	JERA, Tokyo Gas, Shizuoka Gas, Toho Gas, Kansai Electric, Osaka Gas, Chugoku Electric, Kyushu Electric, Guangdong Dapeng LNG	NWS JV	Shell, BP, BHP, Chevron, Woodside, MIMI [MC/Mitsui & Co. = 50:50], 1/6 respectively	1985	A B C D
Oman	2000	7.1	0.20	2.77%	Osaka Gas, Korea Gas, Itochu Corporation, BP, etc.	Oman LNG	Oman gov. (51%), Shell (30%), Total (5.54%), MC (2.77%), etc.	1993	A B C D
Qalhat	2005	3.3	0.13	4%	Osaka Gas, Mitsui & Co., Union Fenosa Gas, etc.	Qalhat LNG	Oman gov. (46.8%), Oman LNG (36.8%), Union Fenosa Gas (7.4%), Osaka Gas (3%), MC (3%) etc.	2006	A B C D
Russia Sakhalin 2	Oil: 2008 (year-round production), LNG: 2009	9.6	0.96	10%	JERA, Tokyo Gas, Kyushu Electric, Toho Gas, Hiroshima Gas, Tohoku Electric, Saibu Gas, Osaka Gas, Korea Gas, Shell, Gazprom, etc.	Sakhalin Energy	Gazprom (50% +1 share), Shell (27.5% – 1 share), Mitsui & Co. (12.5%), MC (10%)	1994 (pSA conclusion)	A B C D
Indonesia Tangguh	2009	7.6	0.75	9.92%	Tohoku Electric, Kansai Electric, SK E&S, POSCO, Fujian LNG, Semptra Energy, etc.	Tangguh JV	BP (40.2%), MI Berau [MC/INPEX = 56:44] (16.3%), KG Berau [MIBJ (MC/INPEX = 56:44) (16.5%), Mitsui & Co. (20.1%), JX Nippon Oil & Gas Exploration (14.2%), JOGMEC (49.2%)] (8.6%), etc. (★)	2001	A B C D
Indonesia Donggi-Senoro	2015	2.0	0.9	44.90%	JERA, Korea Gas, Kyushu Electric, etc.	PT. Donggi-Senoro LNG	Sulawesi LNG Development Limited [MC/Korea Gas = 75:25] (59.9%), PT Pertamina Hulu Energi (29%), PT Medco LNG Indonesia (11.1%)	2007	A B C D
Wheatstone	2017	8.9	0.28	3.17%	Chevron, KUFPEC, Woodside, Kyushu Electric, PEW, etc.	Equity Lifting ^{*2}	Chevron (64.136%), KUFPEC (13.4%), Woodside (13%), Kyushu Electric (1.464%), PEW (8%; of which MC holds 39.7%)	2012	A B C D
Cameron	2019	12.0	4.0 ^{*3}	33.3% ^{*3}	MC, Mitsui & Co., Total (Toller)	Tolling ^{*2}	Semptra Energy (50.2%), Japan LNG Investment [MC/NYK = 70:30] (16.6%), Mitsui & Co. (16.6%), Total (16.6%)	2012	A B C D
	Total	100.3	12.12						

Projects Under Construction									
Project	Beginning of production	Annual production capacity (million ton)			Buyer	Seller	Shareholding	MC's participation (years)	Business Segment*
		Total	MC's share						
Indonesia Tangguh (Expansion)	2022	3.8	0.38	9.92%	PLN, Kansai Electric	Tangguh JV	Same as (★)	2001	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
LNG Canada	Mid-2020s	14.0	2.1**	15%**	Shell, Petronas, PetroChina, MC, Korea Gas	Equity Lifting**	Shell (40%), Petronas (25%), PetroChina (15%), Diamond LNG Canada Partnership (MC/Toho Gas = 96.7:3.3) (15%), Korea Gas (5%)	2010	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
	Total	17.8	2.48						

*1 Business segment A : Investment in exploration & development (upstream), B : Investment in liquefaction plant, C : Marketing and/or import agent, D : Shipping
*2 LNG is procured and sold by each company according to the ratio of interest (Equity Lifting Model) / equity in the liquefaction contract (Tolling Model).
*3 MC's offtake volume based on the tolling agreement with Cameron LNG (3 trains in total).
*4 MC's offtake volume based on the ratio of interest (2 trains in total).

PRODUCTION SHARE CAPACITY AND PROJECTED GROWTH





INDUSTRIAL MATERIALS GROUP

OUR VISION

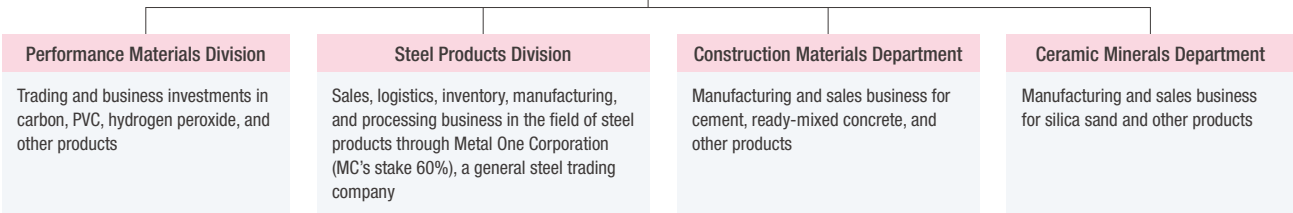
Our Group aims to create a sustainable society through innovative transformation in the material industries.

Kotaro Tsukamoto

Executive Vice President
Group CEO, Industrial Materials Group



Industrial Materials Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none">Decline of existing business models due to innovation in digital technologies, etc.Deterioration of supply and demand for handled materials due to tighter regulations for industries against a background of low-carbon/decarbonized societies	<ul style="list-style-type: none">Increase in demand for silica sand, etc. in conjunction with the expansion of renewable energyIncrease in demand for carbon materials, etc. in conjunction with the spread of electric furnaces for steelmaking and electric vehicles (EV)Increase in new business opportunities originating in materials due to higher environmental valueInnovation in the materials industry through the use of digital technologies

Strengths of the Industrial Materials Group

- Long-existing relationships with highly competitive materials manufacturers
- Global knowledge and network in the materials industry, accumulated through entry into the manufacturing and logistics businesses
- High market share in the Japanese steel processing and distribution industry through Metal One Corporation, with a sales network of over 140 offices and subsidiaries in Japan and overseas

Elements of the Midterm 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.

Progress for the fiscal year ended March 31, 2021

- Steadily promoting a bold shift in management resources to business fields that can demonstrate independence and are expected to grow
- Considering and promoting higher efficiency and functionality by using digital technology for the globally expanding materials production and distribution platforms
- Expanding MC's stock of functions to solve common issues facing the materials industry, such as lighter loads, recycling and reducing environmental impact

EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

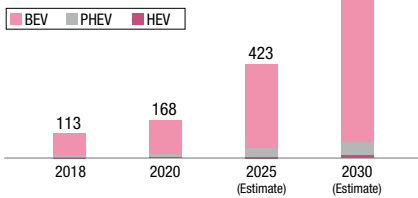
	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 Metal One Corporation*	60.00	13.5	14.0	15.3	11.8	3.9
2 Mitsubishi International PolymerTrade Corporation (US)	100.00	0.5	0.7	0.7	0.6	0.4
3 CAPE FLATTERY SILICA MINES PTY. LTD. (Australia)	100.00	0.9	0.4	0.7	0.4	0.5

*Equity in earnings of Metal One Corporation has been calculated in accordance with J-GAAP through the fiscal year ended March 31, 2017 and IFRS since the fiscal year ended March 31, 2018.

PERFORMANCE MATERIALS DIVISION

Market Projections for Automotive LiBs

(Unit: GWh)



Source: Yano Research Institute Ltd., "Global Automotive Lithium-ion Battery Market: Key Research Findings 2021" (released March 16, 2021)

PMC Tech Co., Ltd.

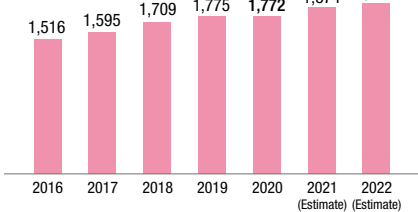
PMC Tech is a joint venture of Posco Chemical Co., Ltd., Mitsubishi Chemical Corporation, and MC for the manufacturing and sale of coal-based needle coke, a raw material used in graphite electrodes and lithium-ion battery (LiB) anodes. The aim of this business is to capture the growth of revenue and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



STEEL PRODUCTS DIVISION

Changes in the Demand for Steel

(Unit: million tons)



Source: World Steel Association

Metal One Corporation

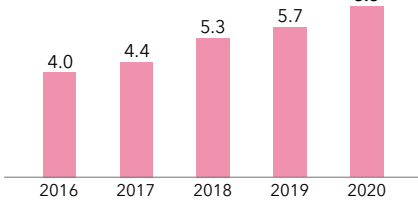
Metal One (a joint venture of MC and Sojitz Corporation) processes, distributes, and sells steel products and has over 140 bases worldwide. In response to the projected growing demand for steel based on population growth and economic growth in emerging markets, Metal One seeks to expand revenue by reinforcing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



CERAMIC MINERALS DEPARTMENT

Demand for Imported Silica Sand in Asia

(Unit: million tons)



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. Its annual shipment volume has the top share of seaborne trade within Asia. Looking toward the future, the company seeks to boost profits in these markets with high growth potential through sales of glass for solar power generation.





PETROLEUM & CHEMICALS SOLUTION GROUP

> OUR VISION

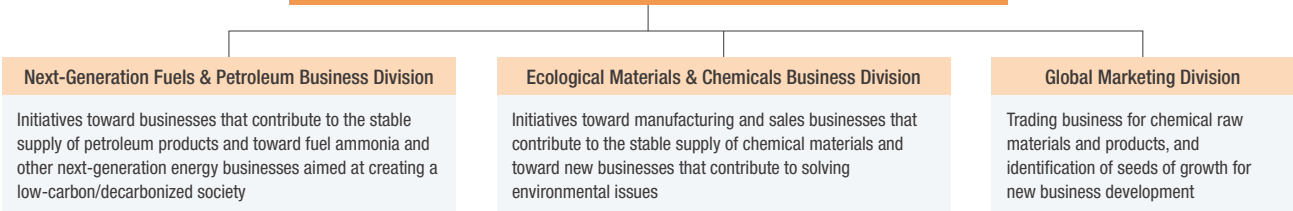
Against a background of issues including climate change and marine plastics, the importance of transitioning to a low-carbon/decarbonized society and of reducing environmental footprints is growing day by day. Contributing to the achievement of a low-carbon/decarbonized society while steadily supplying the petroleum products and chemical materials indispensable to society and people's lives is a major theme that our Group has identified. In the fields of energy and materials, we aim to be a group that contributes to solving social issues through the conception and execution of business that is accompanied by environmental and societal value as well as economic value.

Osamu Takeuchi
Executive Vice President
Group CEO, Petroleum & Chemicals
Solution Group

竹内 修身



Petroleum & Chemicals Solution Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none">Structural changes in the energy industry and transition to alternative fuels against the backdrop of climate change issuesDecrease in the market value of fossil-derived chemical materials and a transition to substitute materials	<ul style="list-style-type: none">Progress in the utilization of fuel ammonia and hydrogen in a low-carbon/decarbonized societyLow-carbon in existing chemical materials production and expansion of the recycling businessGrowth in new chemical materials markets using bio-derived materials and CO₂ as raw materials



> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 Astomos Energy Corporation	49.00	1.7	3.0	-0.8	1.1	1.6
2 SPDC Ltd.	33.34	8.9	12.0	11.8	2.7	1.1
3 Mitsubishi Corporation Energy Co., Ltd.*	100.00	2.4	2.8	2.0	2.9	6.9
4 Mitsubishi Shoji Chemical Corporation	100.00	1.3	1.6	1.7	1.4	1.3
5 Mitsubishi Corporation Plastics Ltd.	100.00	1.9	2.5	3.0	2.6	2.6

*Name changed from MITSUBISHI SHOJI SEKIYU, CO., LTD. from the fiscal year ended March 31, 2016. The figures exclude the other Business Groups' equity in earnings (fiscal year ended March 31, 2020: -0.3 billion yen; fiscal year ended March 31, 2021: 0.1 billion yen).
Note: Equity in earnings of affiliated companies at each company listed above is also included.

> BUSINESS OVERVIEW OF THE PETROLEUM & CHEMICALS SOLUTION GROUP

Fuel Ammonia Business

We will consider and develop a fuel ammonia business aimed at creating a low-carbon/decarbonized society. Ammonia is attracting attention as a next-generation clean energy source that does not emit CO₂ during combustion. As a first step, we will accelerate efforts related to the production, transport, and storage of blue ammonia, manufactured through the combination of fossil resource-based conventional production methods with carbon capture and storage (CCS) and enhanced oil recovery (EOR). As the second step, we will also consider the societal implementation of ammonia and hydrogen as well as business development of green ammonia based on renewable energy.



Chemical Recycling Business (Renewable PET Materials Production Business)

We will enter the chemical recycling business through the acquisition of a third-party allotment of shares (MC's shareholding from 3.85% to 34%) in Thai Shinkong Industry Corporation Ltd. (TSIC), which produces and sells PET resins for beverage bottles in Thailand. PET is a mono-material boasting excellent transparency 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. In response to greater environmental awareness about plastics and demands for a transition to circular economies worldwide, TSIC is expanding PET resin production capacity and also plans to produce recycled PET resins by adopting chemical recycling technologies, with commercial production scheduled to begin in the first half of 2022.

We will deploy human resources to management positions in TSIC to contribute to the company's business management and will help realize a circular economy through sales of recycled PET resin that faces growing market demand.



CGCL (Methanol Production and Sales Business)

Caribbean Gas Chemical Limited (CGCL), established in 2013 in Trinidad and Tobago, completed construction in June 2020, and started commercial operation in December 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. Methanol is used in a wide range of applications, including adhesives, agricultural chemicals, coatings, synthetic resins, and raw materials for synthetic fibers, and faces growing demand worldwide. It can be manufactured using CO₂ as a raw material, and in recent years has become a promising raw material for environmentally considerate fuels and chemical materials.

Engaging in stable operation with experienced business partners, we will establish business dominance through its sales capabilities in global markets.





MINERAL RESOURCES GROUP

> OUR VISION

Our Group has transformed its business model in accordance with changes in the external business environment. We will further transform our businesses to support the industry from a stance of supplying raw materials while also looking ahead to societal trends such as decarbonization, electrification, and the shift to a circular economy.

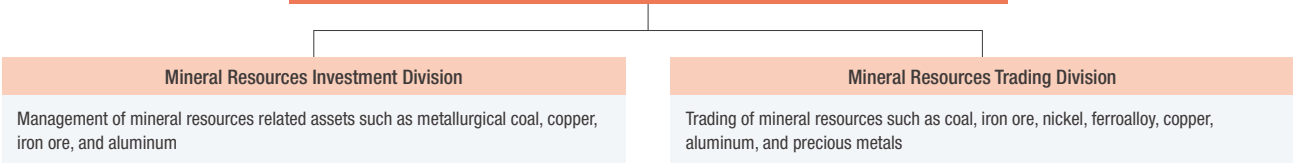
Norikazu Tanaka

Executive Vice President
Group CEO,
Mineral Resources Group

Norikazu Tanaka

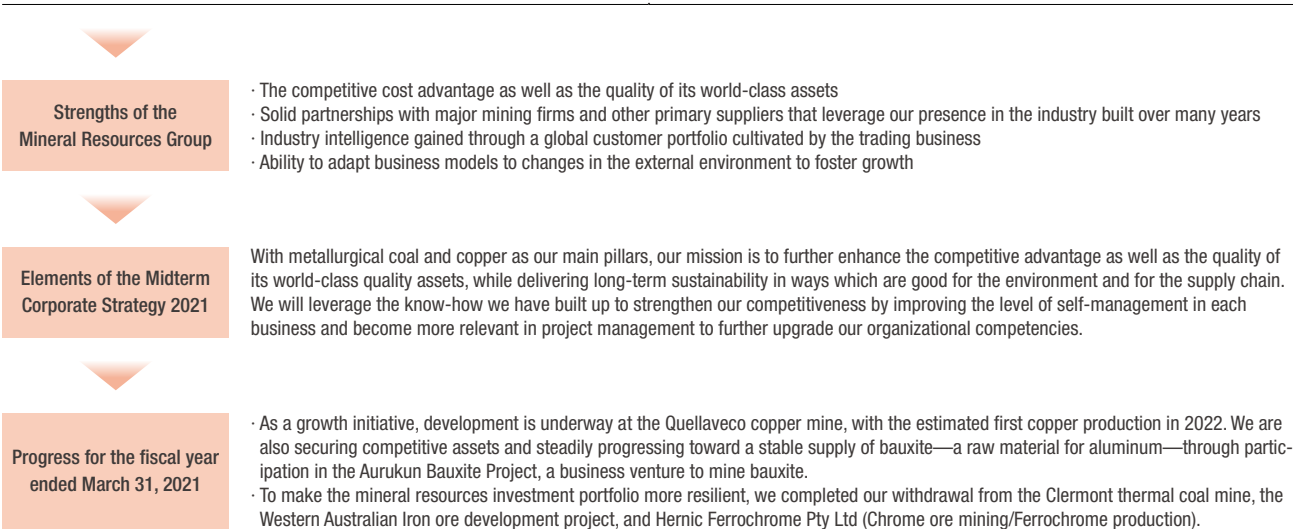


Mineral Resources Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
● Reduced demand for metallurgical coal due to a greater proportion of steel production coming from methods with low greenhouse gas emissions	● Increased demand for copper associated with the expanding use of electric vehicles (EV) and the adoption of renewable energy generation facilities



> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
Metallurgical Coal Business						
1 MITSUBISHI DEVELOPMENT PTY LTD (Australia)	100.00	127.1	198.0	246.9	118.7	10.9
Copper Business						
2 JECO CORPORATION*1	70.00	3.5	14.8	16.1	10.5	11.9
3 JECO 2 LTD (UK)*1	50.00	0.5	3.0	3.3	2.2	2.8
4 MC COPPER HOLDINGS B.V. (Netherlands)*2	100.00	2.4	3.8	2.6	2.9	3.2
5 M.C. INVERSIONES LIMITADA (Chile)*3	100.00	-8.4	3.5	1.4	-1.3	2.9
Copper Business (dividend income)						
6 Antamina (Peru)	10.00	9.2	12.8	8.6	5.0	12.6

*1 Investment company for Escondida copper mine in Chile. (MC's indirect shareholding in Escondida copper mine is 8.25%, through both JECO CORPORATION and JECO 2 LTD.)

*2 Investment company for Los Pelambres copper mine in Chile. (MC's shareholding in Los Pelambres through indirect investment: 5%)

*3 The profit is consolidated with MC RESOURCE DEVELOPMENT LTD. until the second quarter of the fiscal year ended March 31, 2021, but shares were transferred to M.C. Inversiones Limitada in August 2020 (Equity gains and losses of MC RESOURCE DEVELOPMENT LTD. are before the fiscal year ended March 31, 2020)

> METALLURGICAL COAL BUSINESS



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 30% 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.

As the world transitions to a low-carbon/decarbonized society, we foresee potential impact on metallurgical coal demand as a result of wider use of electric furnaces for steelmaking and the adoption of new technology. However, in a business environment derived from the 2°C scenario*, we expect the superiority of high-quality metallurgical coal in particular will increase and for BMA to preserve its high competitive edge. While staying aware of changes in the business environment, we strive to reduce the greenhouse gases emitted from BMA production processes. We will also take actions with a joint venture partner BHP, a world-leading resources company, to support research that contributes to reducing emissions throughout the entire metallurgical coal value chain.

*IEA Sustainable Development Scenario: In this scenario, the GHG emission volumes 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."

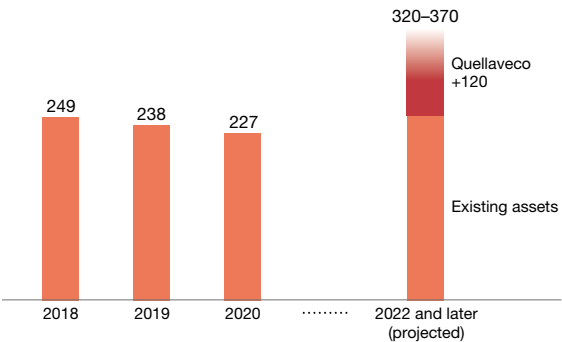
> COPPER BUSINESS



A World-Class Copper Project

Quellaveco, which has an anticipated mine life of 30 years, is one of the world's largest new copper mines and has a high cost competitiveness. The mine contains approximately 7.5 million tons (content metal basis) of copper in ore reserves. MC has been working with partner Anglo American plc to develop the site, with the estimated first copper production in 2022. When production starts at Quellaveco, we expect our production volume to reach approximately 320 to 370 thousand tons. Going forward, as electrification progresses, MC will continue to contribute to the stable supply of copper to support the growth of the global economy.

MC's Production Share and Projected Growth (Unit: thousand tons)





INDUSTRIAL INFRASTRUCTURE GROUP

> OUR VISION

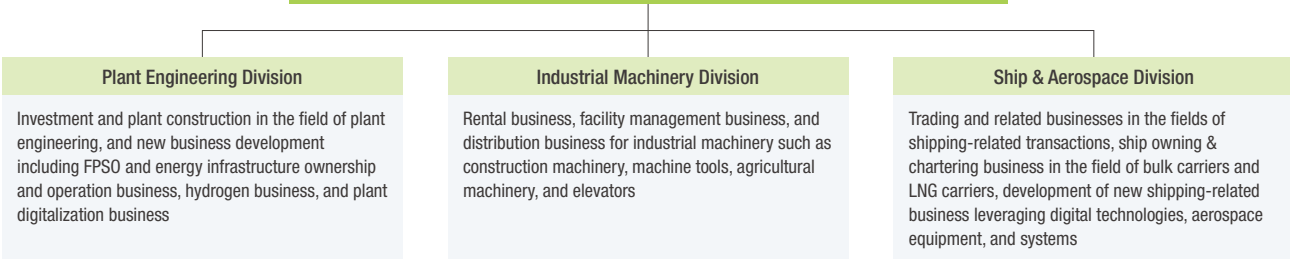
Our Group operates diverse business models based on strong ties with various partners in a wide range of industries. We aim to achieve sustainable growth together with customers by offering solutions, including those related to digitalization and mitigation of environmental impact, to meet our customers' needs in various industries, and by building and expanding new industrial and social infrastructure platforms.

Aiichiro Matsunaga

Executive Vice President
Group CEO,
Industrial Infrastructure Group



Industrial Infrastructure Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none">● Necessity of innovation in existing businesses through the expansion of digital technologies, and its acceleration● Decline in demand for fossil fuel-related plants due to low-carbon/decarbonized societies	<ul style="list-style-type: none">● Increasing needs related to reducing workforce and greater efficiency in light of a shortage of human resources in each industry● Increasing opportunities for innovation in business, including switching to sharing businesses● Provision of digital solutions based on industry and customer needs● Creation of new businesses in areas such as hydrogen, ammonia, and carbon cycling

Strengths of the Industrial Infrastructure Group

- A foundation for conceiving new businesses that leverage our ownership of numerous business models
- Extensive connections with a broad range of industries contributing to new initiatives that go beyond the framework of existing businesses
- Strong relationships of trust with excellent partners in different areas of business

Elements of the Midterm 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.

Progress for the fiscal year ended March 31, 2021

Existing businesses:

- **Plant Engineering Division:** We have created new business to steadily support the revitalization of Chiyoda Corporation by reinforcing its corporate and risk management structure, and worked to create new businesses related to EX and DX.
- **Industrial Machinery Division:** We have further strengthened and upgraded the rental business and the distribution business for industrial machinery.
- **Ship & Aerospace Division:** We have stabilized the ship owning & chartering business.

New business: Leveraging our contact points with diverse industries, we have developed a facility management business, solutions-oriented business leveraging digital technologies, and other businesses in response to a broad range of customer needs. We have also assessed trends in low-carbon/decarbonized societies to advance initiatives in the hydrogen business, the electric vessel business, and other businesses.

> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 Chiyoda Corporation*	33.57	-13.1	2.1	-53.7	4.1	2.7
2 NIKKEN CORPORATION	100.00	5.6	5.0	5.1	7.4	4.0
3 Mitsubishi Corporation Technos	100.00	1.3	1.1	1.7	1.5	0.6
4 MSK Farm Machinery Corporation	100.00	0.9	1.0	0.9	1.1	1.3

*From the fiscal year ended March 31, 2018, 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, 2018.

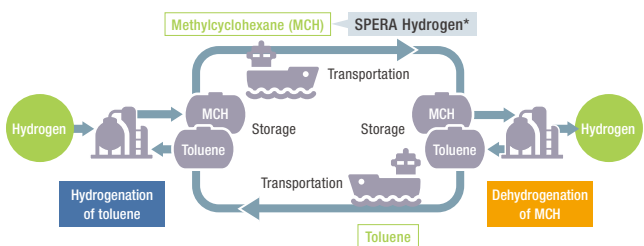
> BUSINESS OVERVIEW OF THE INDUSTRIAL INFRASTRUCTURE GROUP

Achieving a Sustainable Hydrogen Economy in Singapore

In 2020, MC entered into a memorandum of understanding with five local companies* in Singapore and with our affiliate Chiyoda Corporation on the joint development of a sustainable hydrogen economy in Singapore.

The seven companies are now evaluating the technical and commercial feasibility of hydrogen, in which Chiyoda's SPERA Hydrogen technology could play an important role. In business involving the hydrogen supply chain, we will provide steady assistance for Chiyoda's revitalization, will jointly promote the business not only as a pillar of growth strategy, but also as an area of focus for our Company, and will work toward preserving the natural environment and developing sustainable societies by expanding the business globally from its start in Singapore.

*City Gas Pte Ltd, Jurong Port Pte Ltd, PSA Corporation Limited, Sembcorp Industries Ltd., Singapore LNG Corporation Pte Ltd



Promotion of the Facility Management Business

In 2020, MC formed a capital and business alliance with SOHGO SECURITY SERVICES CO., LTD. (ALSOK) and Network Corporation (NWC) to launch a facility management (FM)* business. This partnership combines MC's collective capabilities with ALSOK's FM operational prowess and NWC's IoT technologies to provide high value-added management services that enable the "smart" evolution of buildings and other facilities as well as greater maintenance optimization, energy conservation, and automation. Through this business, MC will address DX challenges in the FM market, which is suffering from labor shortages, and help solve social and environmental issues.

*Facility management: Comprehensive management of land, buildings, structures, and other equipment or property, encompassing facility planning, operations, and utilization.



Social and Industrial Digital Infrastructure Business in Turkey

Together with Calik Holding (CH), a leading Turkish conglomerate, we are accelerating our efforts at leveraging digital technologies for new projects that will serve as social and industrial infrastructure. As part of this initiative, in 2020 we launched Workindo.com featuring a matching service between construction companies and workers, as a means of boosting DX in the Turkish construction industry. Moreover, in collaboration with Hitachi Europe Limited (a European subsidiary of Hitachi, Ltd.) and Aktif Bank (a core group company of the CH conglomerate), we are performing a feasibility study to assess the effectiveness and potential applications of a biometric authentication platform in Turkey. Through these efforts, we are working to create new infrastructure businesses that will contribute to the resolution of issues in society and in our related industries.





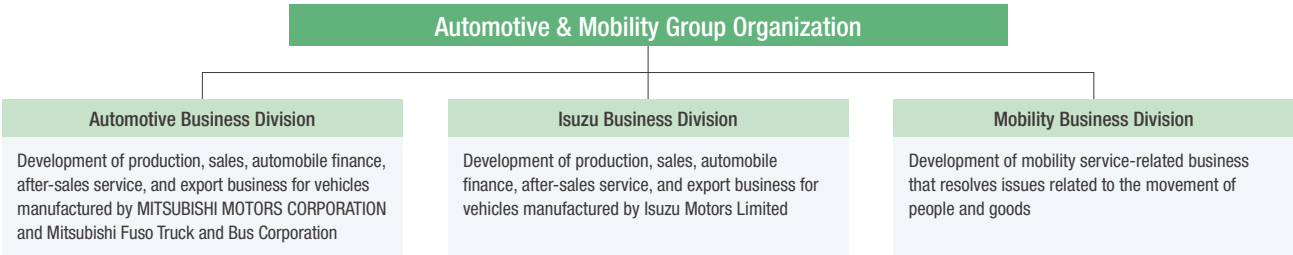
AUTOMOTIVE & MOBILITY GROUP

OUR VISION

Our Group will strengthen the business platform we have built up over many years in the automotive value chain business, while also taking on challenges in the mobility service business by leveraging our expertise and know-how in this area. We aim to generate economic value, societal value, and environmental value simultaneously by addressing issues related to the transport of people and goods and using digital technology to provide automotive and mobility services that will contribute to the development of a low-carbon/decarbonized society.



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



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none">Decreased demand for internal combustion engine vehicles due to progress toward the achievement of a low-carbon/decarbonized societySlow growth in automobile demand due to the growing adoption of technologies such as CASE*¹ and MaaS*²Upward trend in vehicle ownership and operation costs due to changes in various national tax systems and regulations as part of the transition to a low-carbon/decarbonized societyIncrease in research and development expenses and capital expenditures due to advances in AI/IoT technologies	<ul style="list-style-type: none">Expansion of a market for motorization due to growth of automobile demand and growth of the middle class in emerging countriesExpansion of demand for vehicles with low environmental impactExpansion of mobility service-related business due to changes in the external environment and the role of vehicles in society

*¹ Connected, Autonomous, Shared & Services, and Electric
*² Mobility as a Service

Strengths of the Automotive & Mobility Group

- Strong, long-term partnerships with MITSUBISHI MOTORS CORPORATION, Mitsubishi Fuso Truck and Bus Corporation, and Isuzu Motors Limited
- An automotive value chain business platform offering production, sales, automobile finance, after-sales service, and other capabilities developed both in the ASEAN region and on a global scale
- A wealth of knowledge and expertise based on an extensive global network

Elements of the Midterm Corporate Strategy 2021

In anticipation of further growth centered on our key market, the ASEAN region, we will strengthen our value chain business, including areas such as production, sales, 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.

Progress for the fiscal year ended March 31, 2021

- In the automotive value chain business, we launched the MITSUBISHI MOTORS CORPORATION MPV Xpander Cross in Vietnam, and introduced the new Isuzu Motors Limited D-MAX pickup truck into Australia. We used online events and digital marketing activities to improve sales.
- 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 have begun deploying Know-Route, an AI-based on-demand bus system, in multiple locations, and, at the same time, are selling the system to other companies. We have also established a capital and business alliance with Denno Kotsu, Inc.

EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 Automobile-related business companies in Thailand & Indonesia* ¹	—	42.6	61.2	68.3	55.5	57.7
2 MITSUBISHI MOTORS CORPORATION* ²	20.02	—	—	26.6	-4.9	-62.5

*¹ Excluding gains/losses related to the restructuring of automotive production and distribution business in Indonesia (fiscal year ended March 31, 2018: -2.6 billion yen; fiscal year ended March 31, 2019: -0.9 billion yen) from the above figures and the below partial breakdown.

*² There is a consolidated adjustment of 3.2 billion yen in the fiscal year ended March 31, 2019, 2.9 billion yen in the fiscal year ended March 31, 2020, and 9.2 billion yen in the fiscal year ended March 31, 2021 to our equity in earnings under IFRS due to amortization of assets evaluated at fair value at the time of acquisition, etc. Besides these adjustments, there is a consolidated adjustment of -34.2 billion yen in the fiscal year ended March 31, 2020 due to impairment losses on investment to MITSUBISHI MOTORS CORPORATION.

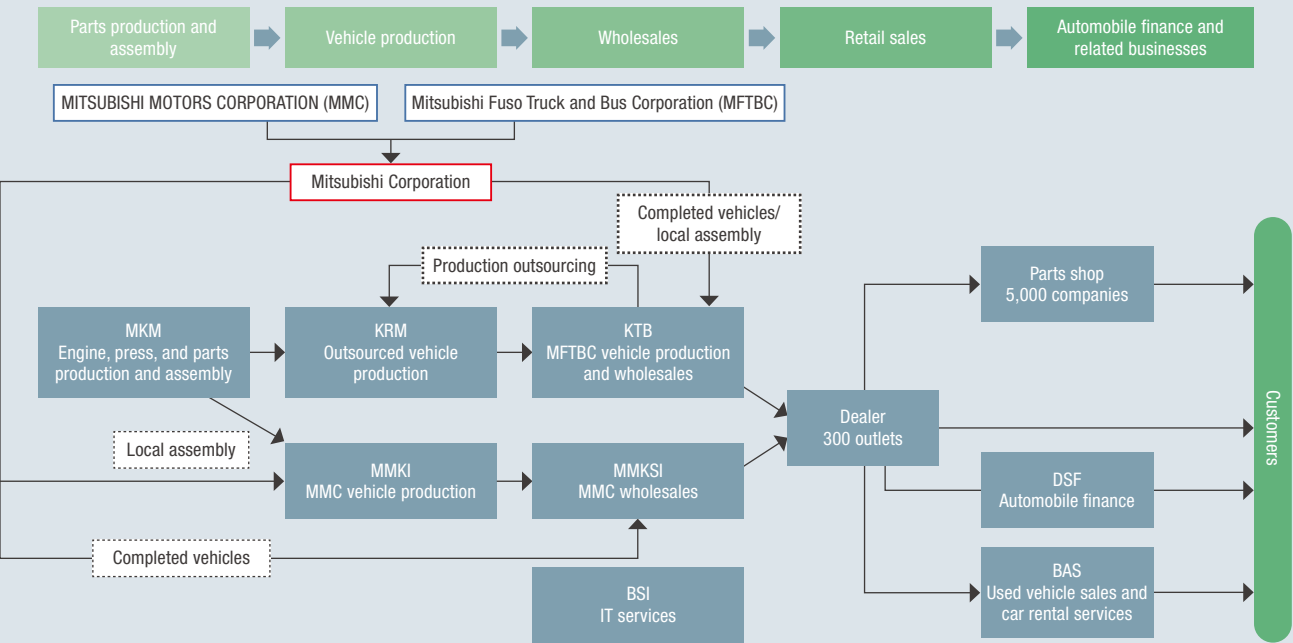
Partial Breakdown of Automobile-Related Business in Thailand & Indonesia

3 PT MITSUBISHI MOTORS KRAMA YUDHA SALES INDONESIA (Indonesia)	40.00	—	2.3	2.6	0.7	1.1
4 PT. KRAMA YUDHA TIGA BERLIAN MOTORS (Indonesia)	30.00	1.1	1.9	-0.1* ³	0.5	0.1
5 TRI PETCH ISUZU SALES CO., LTD. (Thailand)	88.73	23.2	26.4	32.1	28.8	36.1

*³ Includes -0.9 billion yen in losses related to the restructuring of automotive production and distribution business in Indonesia.

VALUE CHAIN OF THE AUTOMOTIVE BUSINESS IN INDONESIA

In Indonesia, which is a key market, we are deeply involved in the entire value chain (upstream—midstream—downstream). MC has years of experience in sales and marketing activities, which make up the central core of the value chain. This has given us a firm grasp of customer needs, and we bolster our product and branding capabilities by incorporating that feedback in our products and services.



SOLVING LOCAL TRANSPORTATION ISSUES WITH A NEW BUSINESS MODEL: KNOW-ROUTE AND DENNO KOTSU

In 2019, Next Mobility Co., Ltd. was established as a joint venture between MC and Nishi-Nippon Railroad Co., Ltd. In addition to operating the AI-based on-demand bus system, Know-Route, Next Mobility is also developing business activities aimed at providing local public transportation solutions to transport companies and local governments throughout Japan. We have also entered into a capital and business alliance with Denno Kotsu, Inc., which is working to solve challenges in the taxi industry. Denno Kotsu is developing digital services for taxi operators, with a particular focus on cloud-based vehicle dispatch systems and call center operations. The aim of Denno Kotsu is to find solutions to the problems relating to mobility that are affecting local communities and transport companies.



Know-Route, an AI-based on-demand bus system



FOOD INDUSTRY GROUP

> OUR VISION

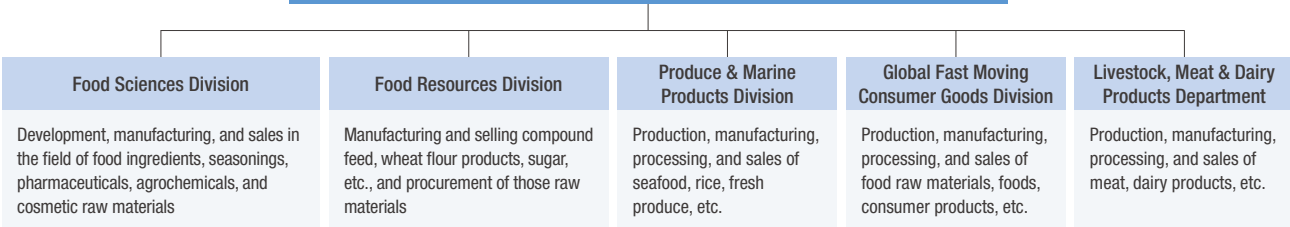
Our Group works to establish a stable and sustainable business model that contributes to the resolution of various societal challenges surrounding supply chains. From raw materials to processed foods, our stable business platform handles various products that fulfill consumers' need, while we aim to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

Norio Saigusa

Executive Vice President
Group CEO,
Food Industry Group

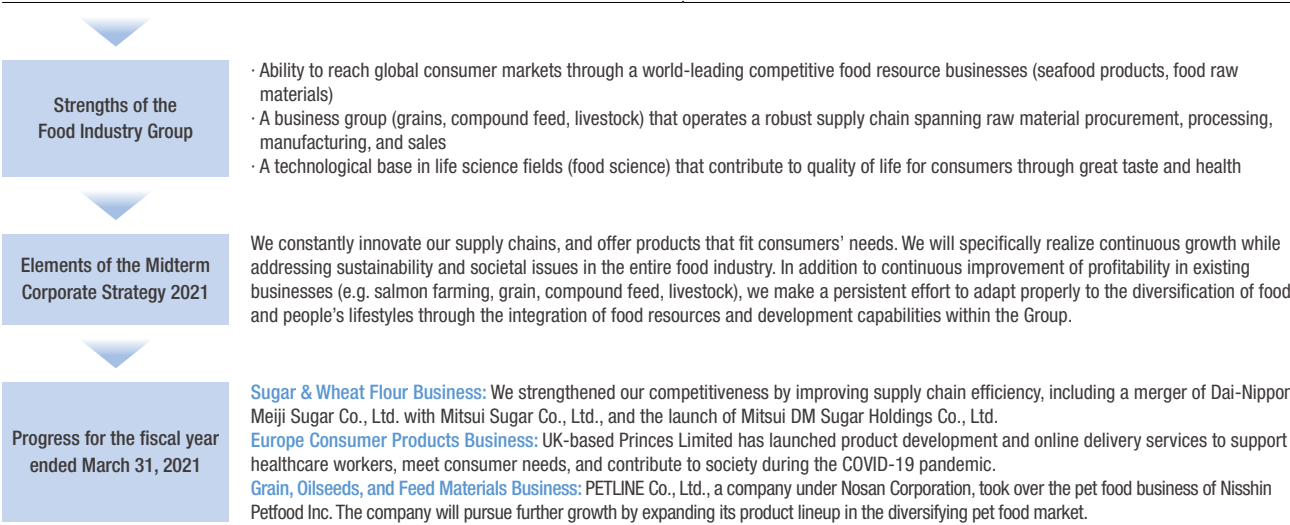


Food Industry Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none">Decline in agricultural, livestock, and dairy production volume due to climate change in production areas and increase in natural disastersImpact on the aquaculture business (production volume decline, increased feed prices, damage to equipment, etc.) due to rising sea levels and ocean temperaturesDecrease of supply volumes and procurement difficulties due to depletion of natural resources and tightening of resource conservation regulationsHeightened demand for building supply chains that take social and environmental issues into consideration	<ul style="list-style-type: none">Improvement of efficiency in the primary industry through the utilization of digital dataDevelopment 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 society and environment into considerationDiversified consumer needs, including heightened demand for ethical and certified products



> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 CERMAQ GROUP AS (Norway) *1	100.00	15.1	21.8	16.6	8.0	0.4
2 Mitsubishi Corporation Life Sciences Limited	100.00	3.9	4.9	5.1	4.8	5.1
3 OLAM INTERNATIONAL LIMITED (Singapore)*2	17.36	5.5	9.0	5.0	7.8	3.3
4 ITOHAM YONEKYU HOLDINGS INC.	39.55	6.7	5.9	4.8	4.4	7.9
5 INDIANA PACKERS CORPORATION (US)	80.00	4.8	5.5	-0.8	4.4	5.1

*1 The disclosed data excludes temporary profits/losses from the integration of the Chile salmon business in the fiscal year ended March 31, 2017.

*2 There is a consolidated adjustment of -2.5 billion yen in the fiscal year ended March 31, 2017, -1.1 billion yen in the fiscal year ended March 31, 2018, -2.8 billion yen in the fiscal year ended March 31, 2019, -1.8 billion yen in the fiscal year ended March 31, 2020, and -4.5 billion yen in the fiscal year ended March 31, 2021 to our equity in earnings under IFRS due to amortization of assets evaluated at fair value at the time of acquisition, adjustments of accounting differences, etc. In addition to these adjustments, there is a consolidated adjustment of -27.8 billion yen in the fiscal year ended March 31, 2019 related to impairment losses on investment in the company, and -0.8 billion yen in the fiscal year ended March 31, 2021 due to an adjustment of +0.8 billion yen as a material matter occurring outside the period in the fiscal year ended March 31, 2020.

> BUSINESS OVERVIEW OF THE FOOD INDUSTRY GROUP

NEW INITIATIVES IN THE GROUP

Food Brand Business Built on Consideration for Sustainability: imperfect Inc.

imperfect Inc., a wholly owned subsidiary of MC, aims to solve social issues related to food and agriculture around the world through its businesses. These include the sale of products made by combining materials produced through initiatives that provide significant societal and environmental value.

In addition, imperfect devotes a portion of its revenues to activities conducted under its "Do well by doing good." banner, which allow consumers to take part in initiatives to support farmers and environmental conservation. Through these activities, imperfect seeks to contribute to the realization of a sustainable society.



Building a New Business Model in the Field of Agricultural Production (WaterCell Inc.)

agri-note is the main service of WaterCell Inc., an IT venture in which MC is an investor. This cloud application system for the management of agriculture is a digital solution that centrally manages a set of records for tasks such as sowing, fertilization, pesticide spraying, as well as development status, harvesting, and shipping. The system also factors in the cost of each process.

Through digitalization, the venture aims to improve profitability and efficiency in Japanese agriculture.



Initiatives in the Meat Substitute Business

Amid diversifying consumer values and increasing awareness of health and sustainability, there is a growing need for meat substitutes (cultured and plant-based meat). While exploring the commercialization of cultured meat through partnerships with startups, we are undertaking the development and production of plant-based meat within Itoham Yonekyu Holdings Inc., Princes Limited, and Mitsubishi Corporation Life Sciences Limited. Leveraging new technologies, we are tackling the challenges of reducing environmental impact and meeting the growing global demand for protein.





CONSUMER INDUSTRY GROUP

> OUR VISION

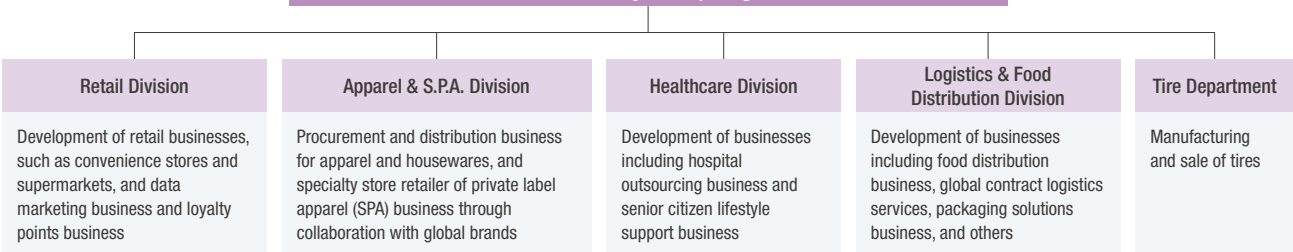
Taking advantage of our extensive contact area on the ground and on the Internet, we are working to deepen our understanding of regional consumers through consumer data, and to maximize customer lifetime value as well as revitalize regional economic zones. In the intermediary distribution business, we aim to utilize industrial data and our broad network of manufacturers and retailers to transform business models by creating demand and efficiency improvements.

Kiyotaka Kikuchi
Executive Vice President
Group CEO,
Consumer Industry Group

K. Kikuchi



Consumer Industry Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none">● Increase in CO₂ emissions and food loss due to inefficient supply chains● Shortage of labor due to a declining population● Diversification and fragmentation of consumers' needs as digital technologies become more advanced● Decrease in domestic demand due to demographic aging	<ul style="list-style-type: none">● Reduction of CO₂ emissions and food loss through utilizing digital technologies to optimize supply chains and enhancing competitiveness by streamlining operations● Development of materials with low environmental impact and development of demand for new services● Creation of new consumer value to meet the diversification of needs and changes in purchasing behavior● Increase in demand for products and services for senior citizens● Capturing of new demand due to growth in emerging countries and the modernization of retail market

Strengths of the Consumer Industry Group	<ul style="list-style-type: none">· Mechanisms to accurately understand consumers' needs and to provide goods, services and information based on consumer data and our extensive contact area with consumers, particularly through physical stores· Knowledge and a presence built up through our industry-leading intermediary distribution business, and networks of regional manufacturers, retailers, and healthcare facilities· Development of the largest network of Japanese convenience stores in China, and a business platform with local roots
Elements of the Midterm Corporate Strategy 2021	We will promote the digital transformation (DX) of each business, and will build a business model aligned with the diverse societal issues appearing in mature markets, including demographic aging, labor shortages, logistics crises, and the weakening foundations of regional communities.
Progress for the fiscal year ended March 31, 2020	<ul style="list-style-type: none">· In December 2019, we formed an agreement with KDDI CORPORATION, Loyalty Marketing, Inc., and Lawson, Inc. on an initiative aimed at creating a new consumption experience that fuses the Internet with the real world. In May 2020, au WALLET points (issued by KDDI CORPORATION) was integrated with Ponta points.· In December 2020, we reached an agreement on a capital and business alliance with SOHGO SECURITY SERVICES CO., LTD. (ALSOK) and Nippon Care Supply Co., Ltd. regarding family care and senior citizen lifestyle support business.· We worked toward efficiency and optimization through DX in the intermediary distribution business, including food distribution, and verified the effectiveness of demand forecasting systems through AI.

> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 LAWSON, INC.*1	50.12	12.2	13.4	12.8	10.1	4.4
2 Mitsubishi Shokuhin Co., Ltd.	61.99	7.7	6.7	7.4	7.1	6.9
3 Mitsubishi Corporation LT, Inc.	100.00	5.3	1.8	3.7	1.5	0.7
4 Mitsubishi Corporation Fashion Co., Ltd.	100.00	3.2	2.4	2.5	3.1	2.1
5 MC Healthcare, Inc.	80.00	2.5	2.7	2.4	2.6	2.4
6 Nippon Care Supply Co., Ltd.*2	42.83	0.8	1.1	1.1	1.1	1.0
7 Life Corporation	23.21	1.9	1.5	1.7	1.8	4.1

*1 Ownership ratio was 33.5% through the fiscal year ended March 31, 2017. Equity gains and losses recorded in MC's overall consolidated financial results include consolidated adjustments of +0.2 billion yen for the fiscal year ended March 31, 2017, -4.1 billion yen for the fiscal year ended March 31, 2018, -4.0 billion yen for the fiscal year ended March 31, 2019, -3.4 billion yen for the fiscal year ended March 31, 2020, and -6.2 billion yen for the fiscal year ended March 31, 2021, with adjustments for amortization of assets valued at their fair value at the time of acquisition and differences in accounting standards, etc. In addition to these adjustments, there was a consolidated adjustment of -83.6 billion yen due to impairment losses on goodwill to the company and intangible assets.

*2 Consolidation of profit/loss of Nippon Care Supply Co., Ltd. is based on voting rights of 74.78% until the second quarter of the fiscal year ended March 31, 2021. Equity in earnings based on voting rights 42.83% starts from the third quarter of the fiscal year ended March 31, 2021.

> BUSINESS OVERVIEW OF THE CONSUMER INDUSTRY GROUP

Data Marketing Business

The Ponta point service operated by Loyalty Marketing, Inc. exceeded 100 million members (as of March 2021) following integration with au WALLET points issued by KDDI CORPORATION in May 2020.

Through this membership base, we will deepen our understanding through consumer data and will offer optimal information, goods, and services by linking with information held by regional retail companies and infrastructure companies.

We will also promote cooperation with external media, with the aim of building a retail and distribution platform that offers higher utility value for consumers through a fusion of the real and digital worlds.



New Initiatives by the Healthcare Division

1. Capital and business alliance with SOHGO SECURITY SERVICES CO., LTD. (ALSOK)

In December 2020, we reached an agreement with ALSOK and Nippon Care Supply Co., Ltd. to form a capital and business alliance in the fields of long-term care and assisted living for seniors. By bringing together knowledge and our network of companies, we will enhance assisted living services for long-term care providers and for those who need long-term care including senior citizens, to offer means by which the latter groups can live in their communities with safety, security, and convenience.



Monitoring and long-term care for senior citizens

2. Establishment of Whitehealthcare Inc.

In July 2020, we established Whitehealthcare Inc. as a joint venture with Tokio Marine Holdings, Inc. (60% held by MC, 40% held by Tokio Marine Holdings, Inc.). Against the backdrop of rising medical expenses due to the aging of society and an increase in lifestyle-related diseases, we aim for the improvement of overall health and the reduction of medical costs through a preventive solutions business for consumers (insured persons, etc.) and the company health insurance, which is the core of the public health insurance system.



Whitehealthcare Inc. (established in July 2020)



POWER SOLUTION GROUP

OUR VISION

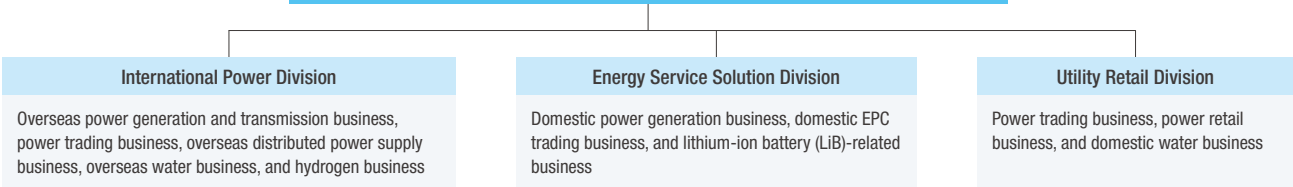
The electricity and water that our Group deals with are the foundations for one of the most important infrastructures. Our Group is helping to secure stable energy supplies by combining renewables and other clean sources with digital technology and a function to balance supply and demand. Our mission is to play its part to build sustainable, low-carbon/decarbonized societies and increase corporate value by providing new added value to our customers, and by conducting new initiatives in the field of hydrogen, a next-generation fuel.

Katsuya Nakanishi

Executive Vice President
Group CEO,
Power Solution Group



Power Solution Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none">Major changes in cost structures and power generation systems in the electric power business as part of the transition to low-carbon/decarbonized societies, accelerating efforts to reduce greenhouse gas emissions, including changes to regulations, measures, and loan policies, and a decline in the profitability of thermal power generation using fossil fuelsChanges in regulations and policies in each country in regards to the power business	<ul style="list-style-type: none">Growth in business opportunities in renewable energy and distributed power supplyNew business opportunities due to the growing deployment of renewable energy and structural changes in the electric power business, such as the decentralization of power supply systemsGrowing adoption of battery storage and related services, along with growth in the VPP* business, etc.Expanded use of next-generation energy sources, such as hydrogenIncreased opportunities to enter new domains of the electric power business due to changes in regulations and policies in various countries <p><small>*Virtual Power Plant (VPP): Serves the function of a power generating station by controlling energy resources such as the facilities of different power consumers, power generating units directly connected to electric power systems, and accumulation equipment.</small></p>

Strengths of the Power Solution Group

- Extensive track record in terms of development, construction, and operation in the area of renewable energy power generation, especially offshore wind power and offshore transmission business
- The knowledge provided by Eneco, a customer-focused integrated energy company that provides clean energy and related services based on a well-balanced portfolio that encompasses everything from power generation through to retail
- The ability to implement DX initiatives that reflect the rapidly changing electric power business environment, thanks to comprehensive strengths in developing services and partnerships that include knowledge and networking

Elements of the Midterm Corporate Strategy 2021

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.

Progress for the fiscal year ended March 31, 2021

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

- On the supply side, we undertook stable business expansion of the domestic and overseas power generation businesses centered on renewable energy and an offshore transmission business to support offshore wind power.
- On the demand side, we established Chubu Electric Power Miraiz Connect, Inc. to expand our electric power retailing and new service activities. The new company will also utilize digital marketing in order to provide various services, including retailing, assisted living, and finance.
- We enhanced our renewable energy development activities through Eneco, which has an integrated business portfolio encompassing both upstream and downstream activities.

EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 ENECO GROEP N.V. (Netherlands)*1	80.00	—	—	—	—	13.2
2 DIAMOND GENERATING ASIA, LIMITED (Hong Kong)*2,3	100.00	6.5	10.8	6.5	11.8	7.3
3 DIAMOND GENERATING CORPORATION (US)	100.00	7.4	22.3	1.1	12.1	3.1
4 DIAMOND GENERATING EUROPE LIMITED (UK)	100.00	2.7	3.4	21.7	6.8	6.2
5 DIAMOND TRANSMISSION CORPORATION (UK)	100.00	6.0	4.1	2.9	8.3	7.8
6 Mitsubishi Corporation Power Ltd.*4	100.00	3.8	7.2	5.3	4.2	13.8

*1 On June 29, 2021, N.V. Eneco Beheer merged with Eneco Group N.V. and changed the name of the business to N.V. Eneco. We invested in Eneco through Diamond Chubu Europe B.V., a joint venture with Chubu Electric Power Co., Inc. A loss of 7 billion yen, including consolidation adjustments, was recorded in the fiscal year ended March 31, 2021, in part because of the amortization of assets evaluated at fair value at the time of acquisition. There were also losses totaling 4.9 billion yen due to the reversal of tax effects following changes to the tax system in the Netherlands. Equity earnings excluding this factor amounted to 11.1 billion yen.

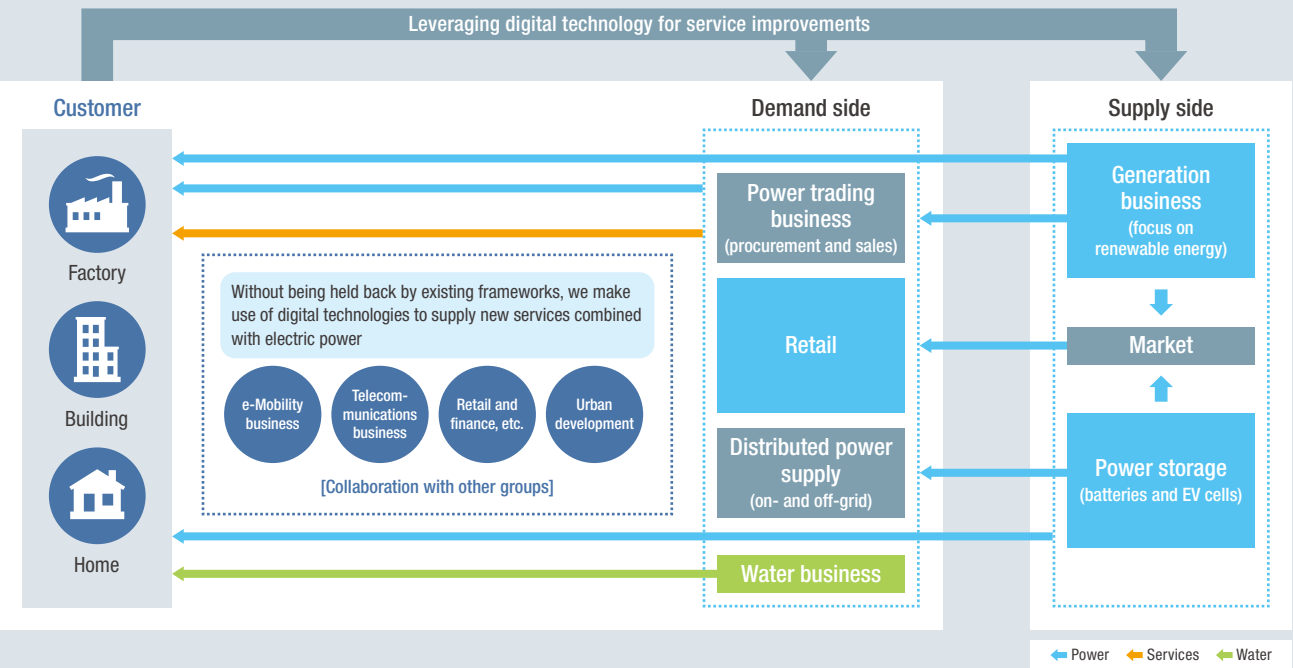
*2 The corresponding figure is the total of nine companies, including companies which are administrated by DIAMOND GENERATING ASIA, LIMITED.

*3 From the disclosure from the fiscal year ended March 31, 2020, tax effects of the parent company are included. The figure from the fiscal year ended March 31, 2019 is also restated retroactively.

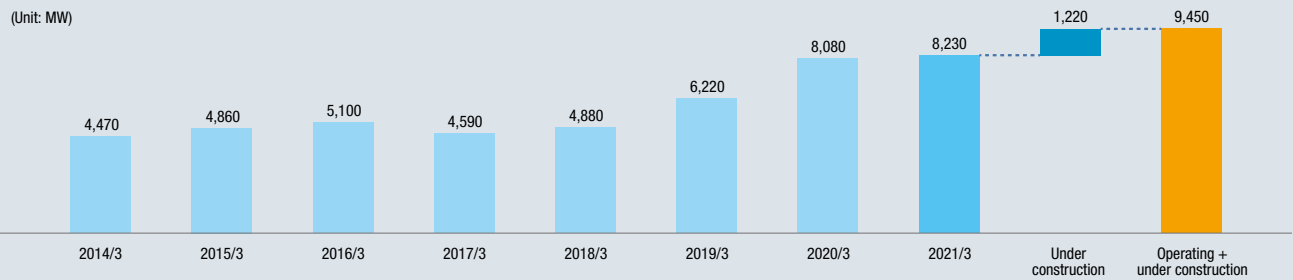
*4 On April 1, 2021, the name of the business changed to Mitsubishi Corporations Energy Solutions Ltd.

BUSINESS MODEL OF THE POWER SOLUTION GROUP

Our Company's traditional electric power business is on the supply side centered on generation and transmission. Now, however, through business expansion on the demand side, including a power trading business and a retail business with a customer base, we endeavor to lift corporate value across the entire value chain, including the supply side.



NET EQUITY BASE GENERATION CAPACITY (as of fiscal year ended March 31, 2021)





URBAN DEVELOPMENT GROUP

> OUR VISION

Our mission is to establish high value-added, large-scale businesses by combining urban and infrastructure development, asset finance and other businesses to meet societal and environmental needs, such as urbanization and being environmentally friendly. We will create long-term community value through engagement in long-term town management and proactive participation in large-scale, multi-use development projects.

Mitsumasa Icho

Executive Vice President
Group CEO, Urban Development Group

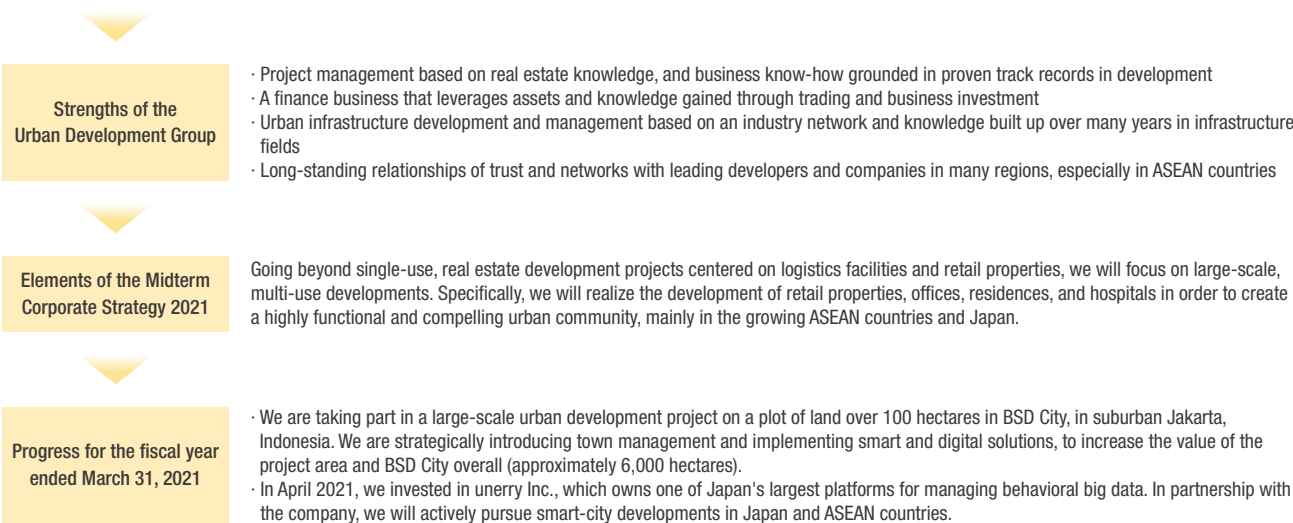


Urban Development Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none">● Negative effects on existing businesses associated with demographic trends and progress of urbanization● Rising costs due to increasing traffic, air pollution, etc.● Increase in costs to meet growing needs for products that are environmentally friendly	<ul style="list-style-type: none">● Increase in worldwide urban development needs driven by the progress of urbanization worldwide● Rise in infrastructure and peripheral service demands due to high population growth rates and economic development, especially in emerging countries● Shift to provide new services and contents through digital technologies● Increased demand for urban development and management to solve social and environmental issues due to the shift toward low-carbon/decarbonized societies and the diversification of consumer needs



> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)						
	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 Mitsubishi UFJ Lease & Finance Company Ltd.*1	24.98	10.7	12.6	12.1	15.1	10.8
2 DIAMOND REALTY INVESTMENTS, INC. (USA)	100.00	1.5	3.4	5.5	6.7	4.5
3 MC Aviation Partners Inc.	100.00	4.5	4.4	1.8	1.5	-2.5
4 Mitsubishi Corporation Urban Development, Inc.	100.00	7.4	3.8	3.6	9.1	9.7
5 Fund related business companies*2, 3	—	4.1	6.7	3.7	6.8	9.0

*1 On April 1, 2021, Mitsubishi UFJ Lease & Finance Company Ltd. merged with Hitachi Capital Corporation and changed the business name to Mitsubishi HC Capital Inc.
*2 From the fiscal year ended March 31, 2019, figures have been adjusted to include certain tax effects accounted for by the parent company and certain consolidated adjustments implemented by the Company (major transactions during the cut-off period reflected in financial results of individual businesses).
*3 From the disclosure of the fiscal year ended March 31, 2021, the scope of this category is partially changed. The figure of the fiscal year ended March 31, 2020 is also restated retroactively.

> OVERVIEW OF URBAN DEVELOPMENT

From Single Property Development to Area Development

Main Services and Content

Retail Mobility Entertainment Renewable energy Electronic payments Security

Office buildings, commercial complexes, housing, hotels, schools, hospitals, etc.

Component of Urban Development

Concepts

Large scale

Long term

Multi use

Multi-phase development

MC aims to develop high quality urban areas and enhance sustainable urban value.

- Promote and participate in highly functional and attractive urban development from the initial phase of development
- Create sustainable value by taking a hands-on approach in developing and managing urban areas
- Maximize use of extensive MC Group expertise and networks to enhance urban services and content

Project Overview: Smart, Sustainable, Transit-Oriented Developments (TODs) in BSD City, Greater Jakarta, Indonesia

Mitbana Pte Ltd, a joint venture company between MC and Surbana Jurong Private Limited (a wholly owned subsidiary of Temasek Holdings, a government-affiliated investment company in Singapore), has formed a partnership with leading Indonesian property developer Sinarmas Land Ltd. to advance a large-scale urban development project in BSD City. Over 100 hectares of greenfield land will be transformed into Indonesia's first TOD* smart city, comprising residential units, commercial properties, living amenities, and public transport hubs. This project also tries to alleviate traffic congestion, a social issue in the country, by adopting digital technologies, and seeks to contribute to solve social and/or environmental issues.

*Urban development founded around public transportation, aiming to create a society that is not dependent on automobiles

> MAIN BUSINESSES

Real Estate Development and Asset Management Business

MC engages in various real estate development businesses for retail properties, logistics facilities, residential properties, and other uses in Japan, Asia, and North America. MC is also involved in real estate fund management businesses in Japan and North America.

MCUD Kawasaki I (Logistics Facility)

Airport Operation Business

MC has been participating in the business of airport operation since 2015, following the privatization trend of airport operations. Since airports are the entrances to countries and regions, participation in the operation of airports helps resolve issues directly faced by each region and contributes to economic and societal growth.

New Ulaanbaatar International Airport operation business

Data Center Operation Business

MC Digital Realty, Inc. was established as a joint venture in 2017 with Digital Realty Trust, Inc., the world's largest business operator of data centers. This company aims to leverage the demand for data centers in Japan to become one of the country's top business operators for data centers.

Osaka Data Center Campus (KIX11)

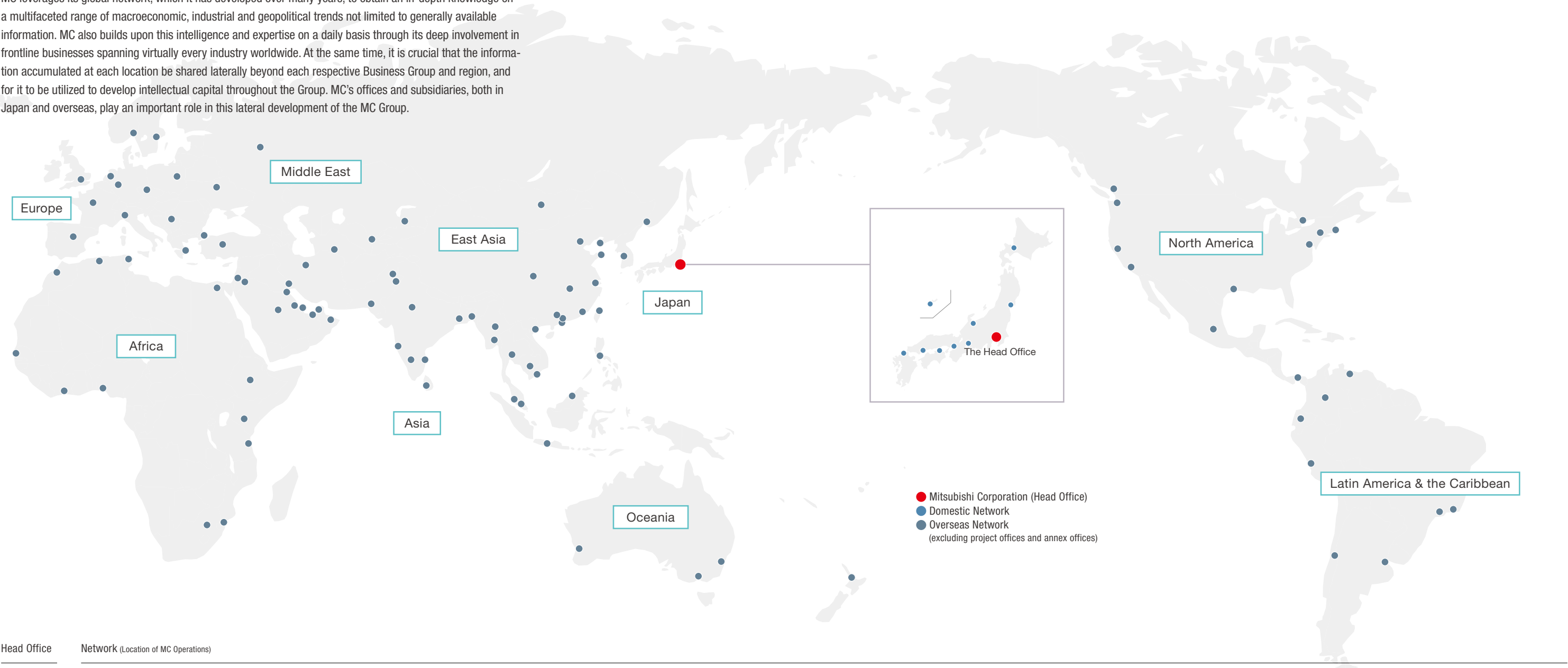
Leasing Business

As leasing demand continues to grow globally, MC takes advantage of access and networks to a broad range of industrial fields unique to a general trading company through alliances and cooperation with influential partners to expand the leasing business.

Comprehensive Leasing Business

Global Network (Countries and Regions) (As of April 1, 2021)

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.

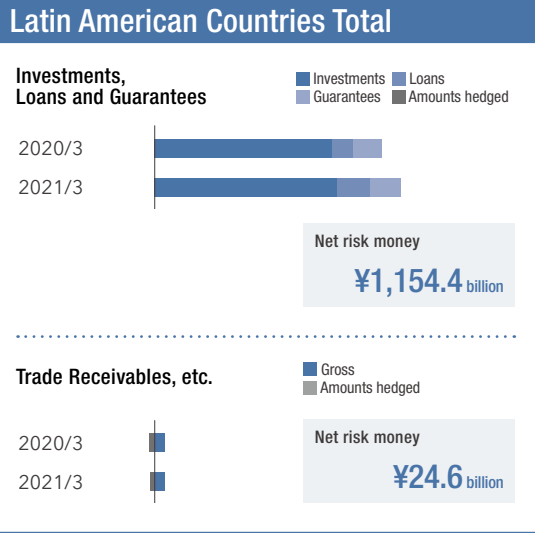
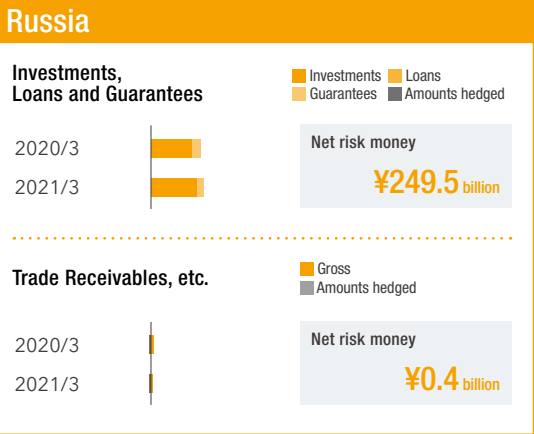
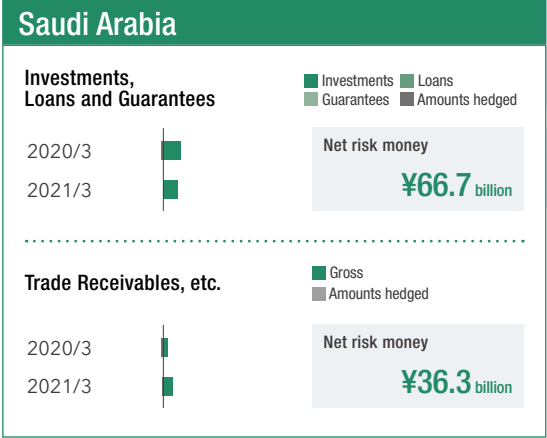


Head Office	Network (Location of MC Operations)																	
Tokyo	Japan (Number of offices: 9)		Overseas (Number of offices and subsidiaries: 112)															
	Sapporo	Takamatsu	North America		Latin America & the Caribbean		Europe		Africa		Middle East		East Asia		Asia		Oceania	
	Sendai	Hiroshima	New York		Panama City		London	Athens	Johannesburg		Dubai		Ulaanbaatar		Karachi		Nay Pyi Taw	Melbourne
	Nagoya	Fukuoka	Seattle				Madrid	Moscow	Dakar		Cairo		Beijing		Islamabad		Kuala Lumpur	Sydney
	Toyama	Naha	Silicon Valley		Quito		Paris	Vladivostok	Casablanca		Amman		Guangzhou		Lahore			Perth
	Osaka		Los Angeles		Lima		Amsterdam	Kiev	Abidjan		Riyadh		Shenzhen		New Delhi		Singapore	Auckland
			Houston		Bogotá		Düsseldorf	Almaty	Algiers		Al Khobar		Wuhan		Mumbai		Phnom Penh	
			Washington, D.C.		Santiago		Milan	Istanbul	Lagos		Basra		Xiamen		Kolkata		Hanoi	
			Boston		Caracas		Oslo	Ankara	Tunis		Doha		Qingdao		Chennai		Ho Chi Minh City	
			Vancouver		Buenos Aires		Prague	Ashgabat	Maputo		Abu Dhabi		Shanghai		Bangalore		Jakarta	
			Toronto		São Paulo		Stockholm	Tashkent	Nairobi		Muscat		Dalian		Colombo		Bandar Seri Begawan	
			Mexico City		Rio de Janeiro		Warsaw	Tel Aviv	Addis Ababa		Kuwait		Chengdu		Dhaka		Manila	
							Belgrade		Dar es Salaam		Tehran		Hong Kong		Yangon			
													Taipei					
													Seoul					

Balance of Risk Money Outstanding in 12 Countries

Image of risk money balance on the map

- Investments, loans and guarantees
- Trade receivables, etc.



Investments, Loans and Guarantees*1, 2

(Unit: billions of yen)

	Investments*3			Loans			Guarantees			Risk money total			Amounts hedged			Net risk money		
	2021/3	2020/3	change	2021/3	2020/3	change	2021/3	2020/3	change	2021/3	2020/3	change	2021/3	2020/3	change	2021/3	2020/3	change
Mexico	41.5	37.4	+4.1	3.4	3.4	+0.0	12.1	18.6	-6.5	57.0	59.4	-2.4	—	—	+0.0	57.0	59.4	-2.4
Chile	484.7	450.7	+34.0	7.4	6.7	+0.7	85.7	74.1	+11.6	577.8	531.5	+46.3	0.7	3.3	-2.6	577.1	528.2	+48.9
Brazil	108.4	120.8	-12.4	23.5	23.1	+0.4	41.4	33.2	+8.2	173.3	177.1	-3.8	1.1	—	+1.1	172.2	177.1	-4.9
Peru	220.3	224.1	-3.8	120.6	65.7	+54.9	7.2	8.2	-1.0	348.1	298.0	+50.1	—	—	+0.0	348.1	298.0	+50.1
4 countries total	854.9	833.0	+21.9	154.9	98.9	+56.0	146.4	134.1	+12.3	1,156.2	1,066.0	+90.2	1.8	3.3	-1.5	1,154.4	1,062.7	+91.7
Russia	214.3	191.8	+22.5	—	—	+0.0	35.2	39.6	-4.4	249.5	231.4	+18.1	—	—	+0.0	249.5	231.4	+18.1
1 country total	214.3	191.8	+22.5	—	—	+0.0	35.2	39.6	-4.4	249.5	231.4	+18.1	—	—	+0.0	249.5	231.4	+18.1
Saudi Arabia	67.3	80.0	-12.7	—	—	+0.0	—	—	+0.0	67.3	80.0	-12.7	0.6	9.0	-8.4	66.7	71.0	-4.3
1 country total	67.3	80.0	-12.7	—	—	+0.0	—	—	+0.0	67.3	80.0	-12.7	0.6	9.0	-8.4	66.7	71.0	-4.3
India	43.1	45.6	-2.5	3.0	3.0	+0.0	5.9	5.5	+0.4	52.0	54.1	-2.1	—	—	+0.0	52.0	54.1	-2.1
Indonesia	319.2	320.9	-1.7	18.8	20.1	-1.3	185.6	233.8	-48.2	523.6	574.8	-51.2	192.4	217.1	-24.7	331.2	357.7	-26.5
Thailand	223.0	232.8	-9.8	0.9	1.0	-0.1	201.7	154.7	+47.0	425.6	388.5	+37.1	—	—	+0.0	425.6	388.5	+37.1
China	117.9	151.1	-33.2	9.8	7.9	+1.9	61.7	48.0	+13.7	189.4	207.0	-17.6	—	—	+0.0	189.4	207.0	-17.6
Philippines	95.2	66.2	+29.0	—	—	+0.0	1.7	0.7	+1.0	96.9	66.9	+30.0	2.2	1.9	+0.3	94.7	65.0	+29.7
Malaysia	156.6	180.0	-23.4	—	—	+0.0	29.8	56.9	-27.1	186.4	236.9	-50.5	—	—	+0.0	186.4	236.9	-50.5
6 countries total	955.0	996.6	-41.6	32.5	32.0	+0.5	486.4	499.6	-13.2	1,473.9	1,528.2	-54.3	194.6	219.0	-24.4	1,279.3	1,309.2	-29.9
Total	2,091.5	2,101.4	-9.9	187.4	130.9	+56.5	668.0	673.3	-5.3	2,946.9	2,905.6	+41.3	197.0	231.3	-34.3	2,749.9	2,674.3	+75.6

Trade Receivables, etc.*1

Gross			Amounts hedged			Net risk money		
2021/3	2020/3	change	2021/3	2020/3	change	2021/3	2020/3	change
27.4	24.7	+2.7	18.2	17.5	+0.7	9.2	7.2	+2.0
7.5	10.7	-3.2	—	—	+0.0	7.5	10.7	-3.2
10.1	9.5	+0.6	2.9	4.4	-1.5	7.2	5.1	+2.1
2.3	2.6	-0.3	1.6	2.4	-0.8	0.7	0.2	+0.5
47.3	47.5	-0.2	22.7	24.3	-1.6	24.6	23.2	+1.4
8.9	10.7	-1.8	8.5	8.9	-0.4	0.4	1.8	-1.4
8.9	10.7	-1.8	8.5	8.9	-0.4	0.4	1.8	-1.4
42.4	23.5	+18.9	6.1	8.3	-2.2	36.3	15.2	+21.1
42.4	23.5	+18.9	6.1	8.3	-2.2	36.3	15.2	+21.1
72.1	62.0	+10.1	43.9	29.3	+14.6	28.2	32.7	-4.5
41.5	52.9	-11.4	28.3	39.9	-11.6	13.2	13.0	+0.2
34.9	28.1	+6.8	11.3	10.0	+1.3	23.6	18.1	+5.5
74.5	59.2	+15.3	45.3	38.0	+7.3	29.2	21.2	+8.0
7.2	6.1	+1.1	3.2	4.3	-1.1	4.0	1.8	+2.2
39.4	19.6	+19.8	5.4	2.9	+2.5	34.0	16.7	+17.3
269.6	227.9	+41.7	137.4	124.4	+13.0	132.2	103.5	+28.7
368.2	309.6	+58.6	174.7	165.9	+8.8	193.5	143.7	+49.8

*1 These countries are selected based on our internal country risk rating and total risk money balance.
*2 As of fiscal year end
*3 The figures are adjusted for investees' net assets holdings/fair value etc.

Financial Highlights

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

	(Unit: millions of yen)												(Unit: millions of US dollars)
	2011/3 (US GAAP)	2012/3 (US GAAP)	2013/3 (US GAAP)	2013/3 (IFRS)	2014/3 (IFRS)	2015/3 (IFRS)	2016/3 (IFRS)	2017/3 (IFRS)	2018/3 (IFRS)	2019/3 (IFRS)	2020/3 (IFRS)	2021/3 (IFRS)	2021/3 (IFRS)
Results of Operations:													
Revenues* ¹	¥ 5,206,873	¥ 5,565,832	¥ 5,968,774	¥ 6,009,887	¥ 7,635,168	¥ 7,669,489	¥ 6,925,582	¥ 6,425,761	¥ 7,567,394	¥16,103,763	¥14,779,734	¥12,884,521	\$116,077
Gross profit	1,149,902	1,127,860	1,029,657	1,054,933	1,186,005	1,209,894	1,098,877	1,328,638	1,886,640	1,987,811	1,789,131	1,605,106	14,460
Income from investments accounted for using the equity method	167,002	192,418	164,274	167,840	168,356	203,818	(175,389)	117,450	211,432	137,269	179,325	97,086	875
Net income (loss) attributable to owners of the parent* ²	464,543	452,344	360,028	323,457	361,359	400,574	(149,395)	440,293	560,173	590,737	535,353	172,550	1,555
Financial Position at Year-End:													
Total assets	11,272,775	12,588,320	14,410,665	15,064,738	15,901,125	16,774,366	14,916,256	15,753,557	16,036,989	16,532,800	18,033,424	18,634,971	167,883
Working capital* ³	2,012,098	1,709,310	2,098,147	2,076,570	2,417,452	2,629,705	2,123,954	1,789,423	1,861,823	1,885,242	1,591,119	1,732,708	15,610
Borrowings (less current maturities)* ²	3,188,749	3,760,101	4,498,683	4,498,683	4,693,855	4,835,117	4,560,258	4,135,680	3,684,860	3,569,221	4,287,354	4,381,793	39,476
Equity attributable to owners of the parent* ²	3,233,342	3,507,818	4,179,698	4,517,107	5,067,666	5,570,477	4,592,516	4,917,247	5,332,427	5,696,246	5,227,359	5,613,647	50,573
Interest-Bearing Liabilities:													
Gross interest-bearing liabilities* ⁴	4,257,563	5,016,383	5,805,238	5,889,642	6,075,835	6,348,993	6,042,606	5,383,911	4,954,395	5,092,099	5,760,123	5,644,315	50,850
Net interest-bearing liabilities* ⁵	2,947,308	3,647,408	4,335,829	4,420,068	4,601,094	4,467,714	4,315,460	3,991,475	3,714,176	3,723,568	4,336,295	4,178,410	37,643
Cash Flows:													
Net cash provided by operating activities	331,204	550,694	403,313	453,327	381,576	798,264	700,105	583,004	742,482	652,681	849,728	1,017,550	9,167
Net cash used in investing activities	(262,601)	(1,100,913)	(752,477)	(791,026)	(300,502)	(154,852)	(503,854)	(179,585)	(317,583)	(273,687)	(500,727)	(357,297)	(3,219)
Free cash flow	68,603	(550,219)	(349,164)	(337,699)	81,074	643,412	196,251	403,419	424,899	378,994	349,001	660,253	5,948
Net cash provided by (used in) financing activities	76,749	599,059	401,687	388,366	(118,845)	(305,334)	(364,528)	(752,162)	(554,328)	(227,480)	(156,629)	(691,184)	(6,227)
Net cash flows	145,352	48,840	52,523	50,667	(37,771)	338,078	(168,277)	(348,743)	(129,429)	151,514	192,372	(30,931)	(279)
Per Share Information:													
Net income (loss) attributable to owners of the parent per share:													
Basic (yen, US dollars)	282.62	274.91	218.66	196.45	219.30	246.39	(93.68)	277.79	353.27	372.39	348.50	116.86	1.05
Diluted (yen, US dollars)	281.87	274.30	218.18	196.02	218.80	245.83	(93.68)	277.16	352.44	371.55	347.71	116.57	1.05
Cash dividends per share (yen, US dollars)	65.00	65.00	55.00	55.00	68.00	70.00	50.00	80.00	110.00	125.00	132.00	134.00	1.21
Equity per share attributable to owners of the parent (yen, US dollars)	1,966.66	2,130.89	2,537.52	2,742.36	3,074.03	3,437.75	2,898.23	3,101.43	3,362.34	3,589.37	3,521.30	3,803.01	34.26
Payout ratio* ⁶ (%)	23	24	25	25	25	28	—	29	31	34	38	115	—
Common Stock:													
Number of shares outstanding at year-end* ⁷ (thousands of shares)	1,644,074	1,646,173	1,647,158	1,647,158	1,648,541	1,620,384	1,584,595	1,585,480	1,585,929	1,586,977	1,484,497	1,476,105	—
Financial Measures:													
ROE* ⁸ (%)	15.1	13.4	9.4	7.8	7.5	7.5	(2.9)	9.3	11.3	10.7	9.8	3.2	—
ROA* ⁹ (%)	4.2	3.8	2.7	2.3	2.3	2.5	(0.9)	2.9	3.6	3.6	3.0	0.9	—
Net DER* ¹⁰ (times)	0.9	1.0	1.0	1.0	0.9	0.8	0.9	0.8	0.7	0.7	0.8	0.7	—
DOE* ¹¹ (%)	3.5	3.2	2.4	2.2	2.3	2.1	1.6	2.7	3.5	3.6	3.7	3.7	—
Stock Price Information:													
Stock price (annual average) (yen, US dollars)	2,102	1,840	1,626	1,626	1,897	2,143	2,262	2,215	2,656	3,143	2,807	2,526	22.75
Price earnings ratio (PER)* ¹² (times)	7.68	6.73	7.47	8.31	8.68	8.69	(24.08)	8.00	7.54	8.46	8.34	21.75	—
Price book-value ratio (PBR)* ¹³ (times)	1.1	0.9	0.6	0.6	0.6	0.6	0.8	0.7	0.8	0.9	0.9	0.7	—

Notes:

1. The US dollar amounts represent translations, for convenience, of yen amounts at the rate of ¥111.0=\$1.00

2. Figures for the fiscal year ended March 31, 2011, have been adjusted retrospectively to reflect the impact of changes in the fiscal year end of consolidated subsidiaries.

3. The application of IFRS 16 "Leases" from the start of the fiscal year ended March 31, 2020, increased total assets due to an increase in right-of-use assets included in calculations. In addition, lease payments have been reclassified from net cash provided by operating activities to net cash provided by financing activities.

*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 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.

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

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

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

*6 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, 2013 and March 31, 2014 due to the change from US GAAP to IFRS).

*7 Excluding treasury stock held by the Company.

*8 ROE is calculated by dividing net income (loss) attributable to owners of the parent by the average of equity attributable to owners of the parent at the beginning and end of the fiscal year.

*9 ROA is calculated by dividing net income (loss) attributable to owners of the parent by the average of total assets at the beginning and end of the fiscal year.

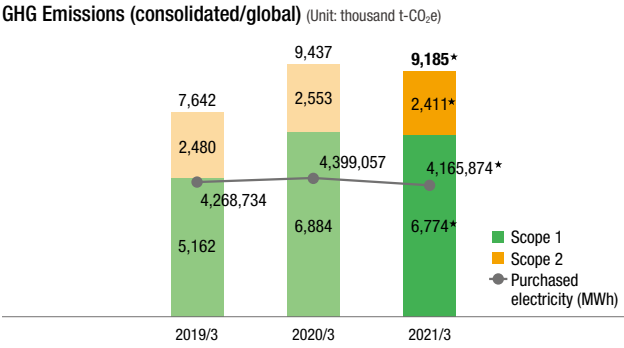
*10 Net DER is calculated by dividing net interest-bearing liabilities by equity attributable to owners of the parent at the end of the fiscal year.

*11 DOE is calculated by dividing cash dividends per share by equity per share attributable to owners of the parent at the beginning and end of the fiscal year.

*12 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 net income (loss) attributable to owners of the parent.

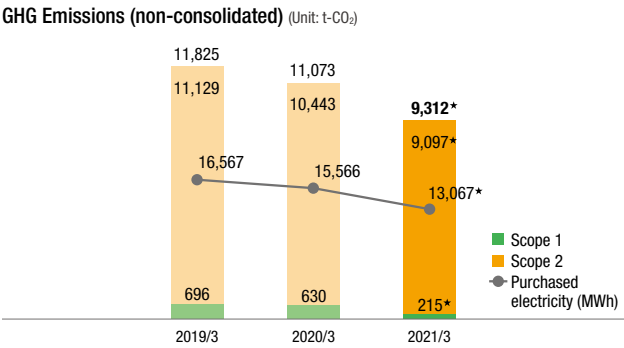
*13 PBR is calculated by dividing market capitalization, as determined by multiplying the average share price during the fiscal year by the number of shares issued at the fiscal year-end (including treasury stock held by the Company), by equity attributable to owners of the parent.

Environmental Data



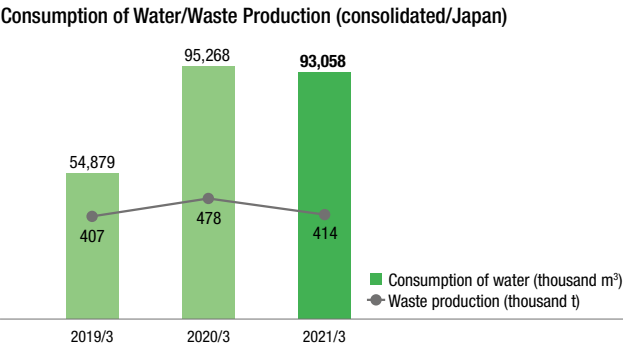
Emissions by Segment (Unit: thousand t-CO₂e)

	2019/3	2020/3	2021/3
Natural Gas Group	263	245	350
Industrial Materials Group	130	149	125
Petroleum & Chemicals Solution Group	223	165	123
Mineral Resources Group	2,940	2,872	2,782
Industrial Infrastructure Group	14	83	86
Automotive & Mobility Group	16	20	15
Food Industry Group	1,160	1,195	1,135
Consumer Industry Group	1,392	1,523	1,442
Power Solution Group	1,485	3,168	3,111
Urban Development Group	7	6	5
Corporate Staff Section	12	11	9



Scope 1: Direct CO₂ emissions from fuel consumption + emissions of greenhouse gases (6.5 gases) from business activities other than CO₂ from energy sources

Scope 2: Indirect CO₂ emissions from electricity consumption, etc.



Environmental Performance (non-consolidated)

	2019/3	2020/3	2021/3
CO ₂ emissions* ¹ * ² (unit: thousand t-CO ₂)	11.8	11.1	9.3*
Energy consumption* ² (unit: GJ)	221,302	207,159	177,178*
Electricity consumption (unit: MWh)	16,567	15,566	13,067*
CO ₂ emissions from logistics* ³ (unit: thousand t-CO ₂)	45	40	26*
Paper consumption* ⁴ (unit: thousand sheets)	46,510	38,265	16,900*
Waste production (unit: kg)	600,254	506,403	410,912*
Waste recycling rate (unit: %)	98.6	98.5	98.9*
Water consumption (unit: thousand m ³)	42	38	25*

Period: Fiscal year (April 1 to March 31)

Scope of aggregation (non-consolidated):

- CO₂ emissions, energy consumption, electricity consumption and CO₂ emissions from logistics: Head Office domestic branches and offices training centers and other facilities
- Paper consumption: Head Office and all six Japan-based branches and the office under each branch's jurisdiction
- Waste production, waste recycling rate and water consumption: Mitsubishi Shoji Building, Marunouchi Park Building and certain other offices in Tokyo

Scope 1 Emissions (6.5 gases only)*¹*²

	2019/3	2020/3	2021/3
Total amount (Unit: thousand t-CO ₂ e)	967	878	848*
Carbon dioxide (CO ₂)	47	8	8*
Methane (CH ₄)	920	870	840*
Dinitrogen monoxide (N ₂ O)	0.01	0.3	0.4*
Hydrofluorocarbons (HFCs)	0	0	0*
Perfluorocarbons (PFCs)	0	0	0*
Sulphur hexafluoride (SF ₆)	0	0	0*
Nitrogen trifluoride (NF ₃)	N/A	N/A	N/A

Environmental Performance (consolidated)

	2019/3	2020/3	2021/3
CO ₂ emissions* ¹ * ² (unit: thousand t-CO ₂ e)	7,642	9,437	9,185*
CO ₂ emissions per total assets* ¹ * ² * ⁵ (unit: million t-CO ₂ e/trillion yen)	0.57	0.66	0.64
Components			
Scope 1 emissions (excluding 6.5 gases)* ¹ * ² (unit: thousand t-CO ₂)	4,195	6,006	5,925*
Scope 1 emissions (6.5 gases only)* ¹ * ² (unit: thousand t-CO ₂ e)	967	878	848*
Scope 2 emissions* ¹ * ² (unit: thousand t-CO ₂)	2,480	2,553	2,411*
Energy consumption* ¹ * ² (unit: GJ)	71,669,148	106,075,971	103,990,961*
Electricity consumption* ¹ * ² (unit: MWh)	4,268,734	4,399,057	4,165,874*

Period: Fiscal year

Scope of aggregation (consolidated):

- CO₂ emissions, emissions of 6.5 gases, energy consumption, electricity consumption: parent company and consolidated subsidiaries

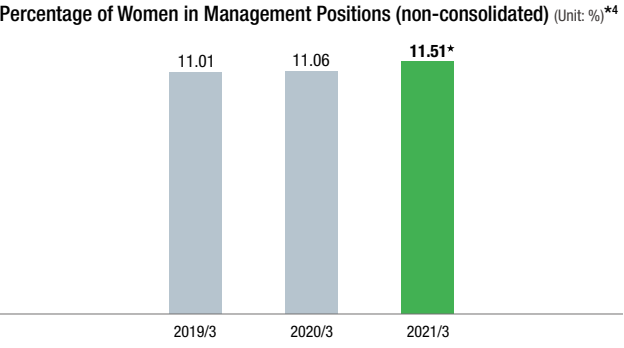
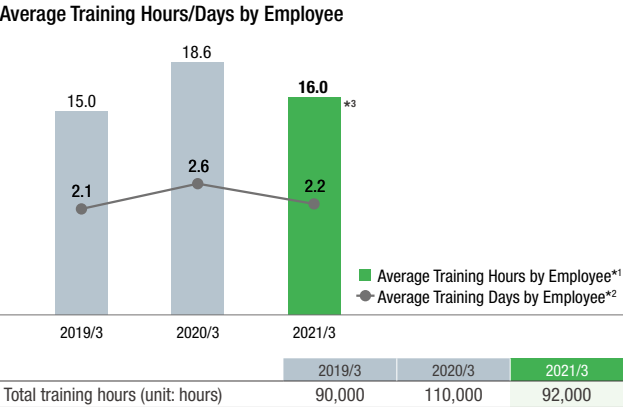
ESG data marked with an asterisk (★) for the fiscal year ended March 31, 2021 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd. For details, please see MC's website.
https://www.mitsubishicorp.com/ar2021/en/pdf/a_report2021_22.pdf



For more information on MC's ESG Data, please see our Sustainability Website.
<https://mitsubishicorp.disclosure.site/en>



Social Data



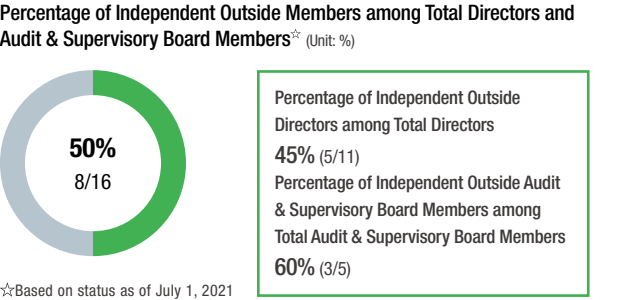
*⁴ As of April 1 of each calendar year

*¹ This number is the annual total training hours divided by the non-consolidated number of employees for an average number of hours per employee (excluding assigned overseas training).

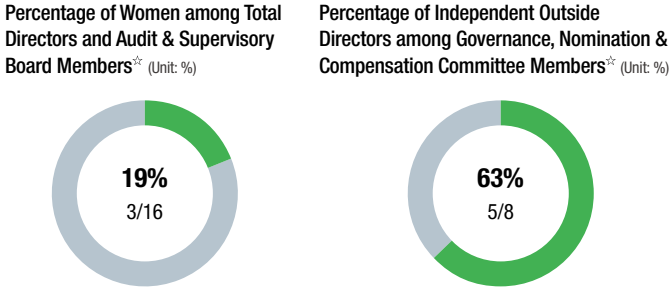
*² One day is calculated as 7.25 hours of working time.

*³ An employee who enters the company as a new graduate, spends their career at the company until retirement, and undergoes all standard training (including assigned overseas training) is estimated to spend an average 62 hours/8.6 days in training annually.

Governance Data



☆Based on status as of July 1, 2021



Employee Data (non-consolidated)

		2019/3	2020/3	2021/3
Number of employees (non-consolidated)	Male	4,437	4,356	4,241
	Female	1,579	1,526	1,484
	Total	6,016	5,882	5,725
Gender ratio in management positions (unit: %)* ⁶	Male	88.99	88.94	88.49*
	Female	11.01	11.06	11.51*
Average years of service		18.4	18.4	18.4
Number of employees on overseas assignments (including global trainees)* ⁷		1,261	1,174	1,074
Employment rate of persons with disabilities (unit: %)* ⁸		2.69	2.90	2.53*
Number of employees who took maternity/paternity leave* ⁹	Male	13	20	36
	Female	45	52	48
	Total	58	72	84
Number of employees who took family care leave* ⁹	Male	0	0	1
	Female	4	1	0
	Total	4	1	1
Monthly average overtime hours (unit: hours/month)* ¹⁰		25.7	25.1	27.2
Percentage of annual paid leave days taken (unit: %)* ¹¹		67	67	55
Level of employee satisfaction (unit: %)* ¹²		—	76	—
Lost time injuries frequency rate (frequency rate of injuries)* ¹³		0.47	0.49	0.16*

*¹ Effective from the fiscal year ended March 31, 2017, emissions from projects with high communality, including power generation and heat generation (utility business), as well as joint operations (jointly managed projects), were included in the calculations. Furthermore, while emissions from franchises are generally not included in Scope 1 and 2 emissions, MC includes such emissions in cases where it is deemed appropriate for such emissions to be managed as part of MC's emissions, taking into account the relationship with the relevant company.

*² The following metrics were adopted as the basis for calculating greenhouse gas emissions.

- Direct CO₂ emissions from fuel consumption
 - The Greenhouse Gas Protocol (GHG Protocol) "Emission Factors from Cross Sector Tools (March 2017)" (WRI/WBCSD)
- Emissions of greenhouse gases from business activities other than CO₂ from energy sources (6.5 gases)
 - Greenhouse Gas Emission Calculation and Reporting Manual (Version 4.2) (July 2016, Ministry of the Environment and Ministry of Economy, Trade and Industry)
- Indirect CO₂ emissions from electricity consumption, etc.
 - IEA CO₂ Emissions from Fuel Combustion (2016 edition), CO₂ emissions per kWh from electricity generation of the fiscal year ended March 31, 2014

*³ Data collected in compliance with the Act on Rational Use of Energy in Japan. Logistics figures cover domestic (Japan) transport where MC is the cargo owner.

*⁴ Copy paper (calculated as A4 size) consumption

*⁵ MC adopted a policy that aims to reduce greenhouse gas (GHG) emissions per total assets by 25% compared to fiscal year ended March 31, 2017 levels by 2030. The total assets used for this target represent the numerical values within the emissions reporting calculation range, which differ from the total assets reported in MC's financial reports.

*⁶ As of April 1 of each calendar year

*⁷ The Global Trainee System is an overseas assignment system aimed at young employees in order to respond to the global development of MC's business portfolio and strengthen the global competitiveness of MC's human resources.

*⁸ As of June 1 of each calendar year

*⁹ The number of employees who began taking this type of leave during each fiscal year

*¹⁰ Employees working at the Head Office and domestic branches (excluding managers, corporate advisers and contract employees)

*¹¹ Employees working at the Head Office and domestic branches (excluding secondees from other companies)

*¹² Employee awareness surveys are taken every three years. The last survey was taken in the fiscal year ended March 31, 2020 to obtain a snapshot of employee motivation and organizational vitality. The findings are used to improve management and other aspects of operations. Employee satisfaction figures represent the ratio of staff members responding positively to questions about employee engagement (Do you work with enthusiasm and take pride in/admire your company?) in the survey.

*¹³ Calculated based on standards set by the Ministry of Health, Labour and Welfare of Japan. Employees at the Head Office and domestic branches (excluding corporate advisers and contract employees) (Reference) Lost time injuries frequency rate (frequency rate of injuries) / Nationwide average at places of business: 1.95 (From 2020 survey on workplace accidents, Ministry of Health, Labour and Welfare of Japan)

Corporate Information (As of March 31, 2021)

Mitsubishi Corporation (Securities code: 8058)

Date Established: July 1, 1954
(Date Registered: April 1, 1950)

Capital: ¥204,446,667,326

Shares of Common Stock Issued: 1,485,723,351

Head Office:
Mitsubishi Shoji Building
3-1, Marunouchi 2-chome, Chiyoda-ku,
Tokyo, 100-8086, Japan
(Registered address of the Company)
Telephone: +81-3-3210-2121
Marunouchi Park Building
6-1, Marunouchi 2-chome, Chiyoda-ku,
Tokyo, 100-8086, Japan

Number of Employees:
Parent company: 5,725
Consolidated: 82,997

Independent Auditors:
Deloitte Touche Tohmatsu LLC

Number of Shareholders: 360,467

Stock Listings:

Tokyo

Transfer Agent for Shares and Special Accounts,
Account Management Institution:
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division
1-1, Nikkocho, Fuchu,
Tokyo, 183-0044, Japan
Telephone: 0120-232-711 (within Japan)

Contact:
Investor Relations Department, Mitsubishi Corporation
3-1, Marunouchi 2-chome, Chiyoda-ku,
Tokyo, 100-8086, Japan
Telephone: +81-3-3210-2121

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

Financial Section of Integrated Report 2021
From the fiscal 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 2021” for detailed information for the fiscal year ended March 2021.

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

Website Information
Mitsubishi Corporation Integrated Report 2021 (Online Version)
URL: <https://www.mitsubishicorp.com/ar2021/en/>

Sustainability Information
URL: <https://www.mitsubishicorp.com/jp/en/csr/>



2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



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Shareholder Information (As of March 31, 2021)

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, 2021

	Number of shares issued	Number of shareholders
As of March 31, 2020	1,590,076,851	287,296
Change	(104,353,500)	73,171
As of March 31, 2021	1,485,723,351	360,467

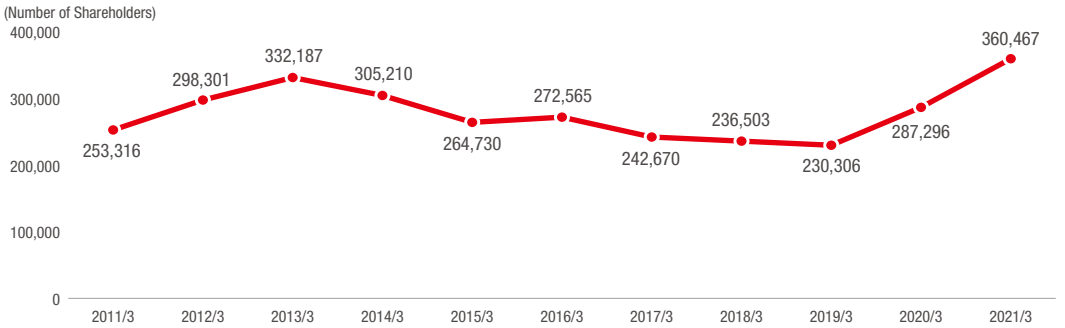
Note: The number of shares of common stock issued decreased due to cancellation of treasury stocks on May 29, 2020.

Principal Shareholders

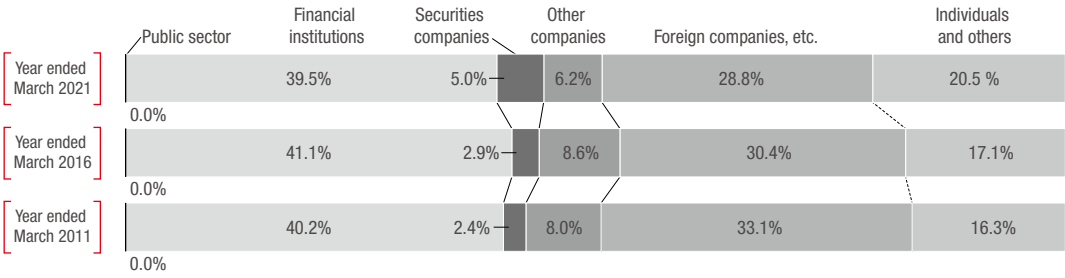
Name of Shareholders	Shareholding (Rounded down to the nearest thousand shares)	
	Number of shares (thousands)	Investment ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	118,378	8.00
Custody Bank of Japan, Ltd. (Trust Account)	79,530	5.37
BNYM AS AGT/CLTS NON TREATY JASDEC	78,969	5.33
Meiji Yasuda Life Insurance Company	64,846	4.38
Tokio Marine & Nichido Fire Insurance Co., Ltd.	55,900	3.77
The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)	32,276	2.18
STATE STREET BANK WEST CLIENT – TREATY 505234	20,360	1.37
Custody Bank of Japan, Ltd. (Trust Account 5)	18,387	1.24
JPMorgan Securities Japan Co., Ltd.	18,142	1.22
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation, Limited Account)	17,768	1.20

Note: The investment ratio is computed by excluding 6,205,325 shares of treasury stock held by Mitsubishi Corporation and rounded to two decimal points.

Number of Shareholders



Shareholder Composition (Shareholding Ratio)



	Public sector	Financial institutions	Securities companies	Other companies	Foreign companies, etc.	Individuals and others	Total
Year ended March 2021	6	5,862,262	744,964	925,029	4,274,474	3,043,182	14,849,917
Year ended March 2016	52	6,536,212	453,725	1,362,038	4,829,496	2,714,274	15,895,797
Year ended March 2011	2	6,819,371	413,464	1,354,221	5,611,341	2,768,740	16,967,139

(1 stock unit/100 shares)

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