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Forward-Looking Statements

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

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

Editorial Policy

The structure and background of the Mitsubishi Corporation Integrated Report 2022

At the beginning of the report, the Integrated Report 2022 is structured to focus on the Midterm Corporate Strategy 2024, newly announced in May 2022, as well as Message from the President and CEO. Then, Chapter 1 and after explain MC's value creation process with detailed information.

Chapter 1, "The Value Creation Story," provides an overview of the value creation process, the Six Capitals that serve as inputs to the process, and Materiality that guides the process. Chapter 2, "Value Creation by the Business Groups," introduces the specific initiatives of each Business Group. The introduction of the Business Groups was previously part of the reference materials at the end of the report, but it has moved forward to Chapter 2 because the Business Groups perform as an engine of the value creation process and we believe the Business Groups are an important element in providing a concrete image of the outcome we produce, the "value" in other words. The final section, Chapter 3, "Initiatives and Systems Supporting Sustainable Value Creation," describes how MC will adapt to changes in the business environment amid increasing uncertainty, and the systems that will support this adaptation.

The chapters and their components are deeply interrelated. Some sections are intentionally duplicated so that the reader can understand the contents even if he or she has only seen the pages of one chapter. Please also refer to the pages indicated in each article for further information.

In the preparation of this report, we have referred to the "International Integrated Reporting Framework" proposed by the IFRS Foundation and the "Guidance for Collaborative Value Creation" issued by the Ministry of Economy, Trade and Industry.

Financial Information

From the fiscal year ended March 31, 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 "Annual Financial Report" for detailed information for the fiscal year ended March 31, 2022.

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

Website Information

Mitsubishi Corporation Integrated Report 2022 (Online Version)

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

Sustainability Information

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

Evaluation by sources outside the Company



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Corporate Philosophy

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.)

Corporate Standards of Conduct

- 1 Aim of Corporate Business Activities

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

Mitsubishi Corporation will continue to develop its business activities in compliance with all relevant laws, international regulations and internal rules. The company will act responsibly and will respect the highest social standards.
- 3 Respect for Human Rights and Employees

Mitsubishi Corporation will respect human rights and will not engage in any discrimination. The company will preserve and improve its corporate strengths through the development of its employees, all the while respecting the character and individuality of each employee.
- 4 Information Security and Disclosure

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

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

As a responsible member of society, Mitsubishi Corporation will actively carry out philanthropic programs in an effort to promote the enrichment of society. Moreover, the company will support efforts of its employees to contribute to society.




Katsuya Nakanishi
Representative Director,
President and CEO

MC will capitalize on the entire Group's collective capabilities to create unique shared value while collaborating closely with stakeholders to address challenges facing society and industry.

MC's Value Creation

My name is Katsuya Nakanishi and I was appointed President and CEO of MC in April 2022.

Mitsubishi Corporation (MC) has a long history of contributing to economic development and improving quality of life for all by creating new businesses and overcoming challenges to capture the needs of the times, in line with its "Three Corporate Principles". The driving forces behind our value creation is the ability to respond appropriately to changes in the external environment, develop strong business relations across diverse industries and regions and leverage our industry knowledge and intelligence accumulated over many years. All this is underpinned by our integrated corporate strength.

Looking at the external environment, over the past several years, rising tension between the US and China has resulted in opposing national ideologies and a decoupling of economic activities, and we now see various disruptions shaking the international community, foremost of which is the situation between Russia and Ukraine. Growing geopolitical risks, including prolonged tensions between the US, Russia and China and the increasing polarization and fragmentation of the international community, which has led to political conflicts spilling over into economic activities. Consequently, the world economy is experiencing intense changes amid this ongoing uncertainty. In

addition, one of the outcomes of the COVID-19 pandemic was an acceleration of change in products and services, which we expected in the distant future. Advancements in technology and innovation are expected to result in cross-segment and cross-industry competition and fusion occurring in a discontinuous manner in the future. The operating environment surrounding MC is also undergoing substantial change, symbolized by the restructuring of the global supply chain, concerns over tightening supply-demand conditions for energy, food and other resources, and ensuing inflationary pressures and energy security issues.

Given these major changes, I feel keenly aware of the need for MC to address change and uncertainty with an even greater degree of foresight.

In May 2022, we released Midterm Corporate Strategy 2024—Creating MC Shared Value. This strategy capitalizes on our industry expertise and insight, global intelligence, transformative business portfolio, financial soundness and diverse workforce. It maximizes our collective capabilities organically linking these strengths to generate greater value in each of our businesses. This indicates that, despite the uncertain operating environment, we remain strongly committed to creating significant shared value by addressing societal challenges through our businesses.

Looking Back on Midterm Corporate Strategy 2021

Following Midterm Corporate Strategy 2021's goal of "Achieving growth through business management model," MC ushered in large-scale organizational reforms, and at the same time revamped its HR system for the first time in nearly two decades, the goal of which was to continuously produce highly skilled management professionals. As a result, MC worked on companywide and cross-functional initiatives including the development and promotion of management professionals, well-balanced compensation following a review of evaluation and remuneration systems, personnel assignments beyond fields of expertise and the establishment of companywide task forces.

As for our business portfolio, we made progress in the downstream and service businesses related to Energy Transformation (EX) and Digital Transformation (DX). These include our acquisition of Eneco, our investment in HERE International and our participation in a smart city project on the outskirts of Jakarta, as well as other activities in the energy/electricity sector. Additionally, we bolstered upstream businesses related to electrification, including the development of the Quellaveco copper mine in Peru and acquisition of interests in the Aurukun Bauxite Project in Australia.

In terms of the Value-Added Cyclical Growth Model, which we have established as our growth mechanism, we

Message from the President and CEO

made favorable progress in our asset replacement plans. This included reviewing low growth and low efficiency assets such as MC-UBSR, and transferring these to more suitable business owners. Moreover, we enhanced management of our asset replacement policy and efforts to turnaround loss-making companies as a response to reinforcing our business foundation following the COVID-19 pandemic.

In October 2021, we established the Roadmap to a Carbon Neutral Society. Under this Roadmap, we will halve our GHG emissions by the fiscal year ending March 31, 2031, and achieve net zero by 2050. We will also invest ¥2 trillion in EX-related fields by the fiscal year ending March 31, 2031. The Roadmap establishes “Integrated EX/DX initiatives to create the future through regional revitalization” as a companywide theme for business promotion. We have seen steady results so far, including winning bids for three offshore wind power projects in Japan utilizing the knowledge of Eneco and promotion of industry DX centered on MC Digital and Industry One.

Quantitatively speaking, in the fiscal year ended March 31, 2021, profitability took a substantial hit due to the COVID-19 pandemic, but consolidated net income for the following fiscal year, the final fiscal year of Midterm Corporate Strategy 2021, reached a record high of ¥937.5 billion. Furthermore, ROE stood at 15% as solid resource prices and a recovery in demand following the pandemic translated into steady profits in each business segment. With intense changes in the operating environment expected to continue, we recognize the need to steadily increase earnings regardless of fluctuations in resource prices, based on the tailwind of favorable market conditions in the fiscal year ended March 31, 2022.

One remaining issue concerns our businesses with low investment yield. The Value-Added Cyclical Growth Model is a continuous endeavor, and I believe that the key is to always maintain the mentality to look ahead to the future operating environment and take proactive steps to transform our business portfolio.

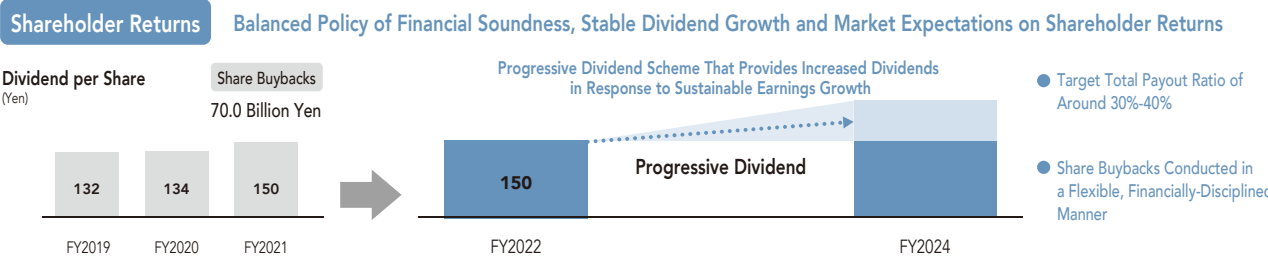
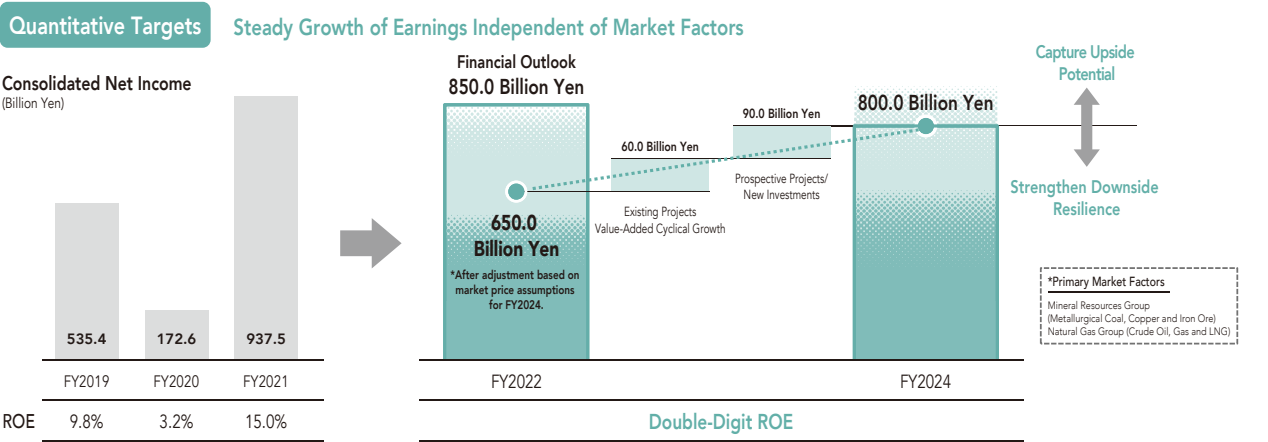
► For more information on review of Midterm Corporate Strategy 2021, see p.26-27

Creation of Midterm Corporate Strategy 2024—Creating MC Shared Value

“Creating MC Shared Value”, which we set forth in Midterm Corporate Strategy 2024, represents “the continuous creation of significant shared value by elevating the MC Group’s collective capabilities in order to address societal challenges.” Amid the various societal issues we face today such as decarbonization,

sustainable societies and lifestyles, innovation, and growing together with local communities, we will utilize our unique strengths to create MC Shared Value by addressing these issues.

► For more information on Midterm Corporate Strategy 2024, see p.12-19



Quantitative Targets and Shareholder Returns

Our quantitative targets include achieving a consolidated net income of ¥850 billion in the fiscal year ending March 31, 2023, and ¥800 billion in the fiscal year ending March 31, 2025. Given the major impact of market price volatility, our outlook for fiscal year ending March 31, 2025, is based on relatively conservative assumptions for resource prices. Applying the same resource price assumptions for fiscal year ending March 31, 2025, to the final year ending March 31, 2023, results in a profit outlook of ¥650 billion. Growth of existing projects, asset replacement based on the Value-Added Cyclical Growth Model, and new investments will be key in raising this profit from ¥650 billion (excluding resource price factors) to ¥800 billion in the fiscal year ending March 31, 2025. Steady growth in profits, excluding price factors due to market volatility, will allow us to keep ROE at double digits and raise it further.

In terms of shareholder returns, we will maintain a progressive dividend scheme that increases dividends in line with sustained profit growth while balancing financial soundness, stable dividend growth, and market expectations for returns, and will pursue a return policy targeting a total return ratio of approximately 30% to 40%.

Accelerating EX Investment

We anticipate investment over the three-year period of Midterm Corporate Strategy 2024 will total around ¥3 trillion. While maintaining and expanding the earnings base, we will earmark cash flows generated to investments in EX, DX, and growth initiatives. With regard to EX investment, we will speed up the roughly ¥2 trillion in new spending by the fiscal year ending March 31, 2031, laid out in our October 2021 Roadmap, planning to invest approximately ¥1.2 trillion by the fiscal year ending March 31, 2025.

These investments will be made largely across three fields; namely, renewable energy such as wind power which we are already working on in Europe and Japan, such as copper and other base and rare metals to support the quickening pace of electrification, and next-generation energy such as natural gas, hydrogen and other transition energy sources.

We will expand investments in renewable energy which is the gateway for initiatives that address the societal issue of decarbonization and we will tackle these issues through our collective capabilities to create pivotal new carbon neutral industries and promote decarbonization solutions.

Natural gas, which we position as a transition energy source, will continue to be a priority from the perspective of our social responsibility to provide stable energy supplies. We will continue efforts in this area while paying careful attention to the overall balance of Japan’s energy security.

Considerable time is required for business

development in energy and resources, which are representative sectors within EX. Recognizing future needs requires foresight spanning five to ten years into the future and also requires taking action ahead of others. It is for this reason that we intend to focus and accelerate investment in EX fields as a first priority. Through our business activities, we maintain contact points with various industries, and we have been involved for many years in the stable supply of resources and energy, and in building relevant supply systems on the ground. Utilizing our expertise and network of connections amassed through our broad business portfolio, we are committed to contributing to a balance between providing a stable supply and transitioning to a decarbonized society together with our trusted partners. Additionally, by moving ahead with EX investments in this manner, we will increase the ratio of EX investments in our business portfolio from 30% at present to approximately 40% by the end of the fiscal year ending March 31, 2025, and to approximately 50% beyond that.

Initiatives to Fully Capitalize on MC’s Unique Collective Capabilities

In the new Midterm Corporate Strategy, we introduced “Growth Strategies”, “Business Management”, Management Mechanisms”, “HR Policies” and “Sustainability policies” in order to create MC Shared Value.

Firstly, there are three growth strategies: “EX Strategy”, “DX Strategy”, and “Creating a New Future” by utilizing integrated EX/DX initiatives through to regional revitalization. “Creating a New Future” involves utilizing our strengths in local and renewable energy resources to create new carbon neutral industries and vibrant communities through solutions to community issues. I will explain this in further detail below.

As for Business Management, we accelerated our efforts toward a Value-Added Cyclical Growth Model and



Message from the President and CEO

introduced a business management mechanism based on asset replacement plans, Group ROE, and a cash flow management system in order to bolster each Business Group's autonomous management. We will improve Group ROE by having Business Groups aim for profit growth, while at the same time replacing low-yielding investments based on the asset replacement plan, and accelerating capital gains from the sale of assets whose value has peaked, which will in turn help to maintain and improve MC's own double-digit ROE. In addition, by introducing a cash flow management system, we will promote business portfolio transformation by setting aside a portion of the cash generated by each Business Group for companywide use and investment in companywide cross-functional projects. We will regularly conduct monitoring through "Value-Added Cyclical Growth Reviews" to enhance the effectiveness of these investments.

As for Management Mechanisms, we newly established the Industry DX Group, which is responsible for implementing our DX Strategy, and the Global Intelligence Committee, through which we will reflect changes in the external operating environment in our business strategy in a timelier manner. We will maximize our collective capabilities by increasing the resilience of "vertical" operations that enhance the ability of each Business Group to make forward progress, as well as by collaborating "horizontally" beyond industry borders. This cross-industry, companywide strategy will be promoted through the MC Shared Value Forum based on input from the Global Intelligence Committee.

Regarding HR Policies, we will ensure that all employees play an active role and grow both personally and professionally by fostering a corporate culture where our diverse and versatile talent pool takes pride in actively

fulfilling its responsibilities in a dynamic, spirited and vibrant manner. These policies will be implemented using a three-pronged approach consisting of "HR Strategy", "Strengthened Engagement", and "Data Utilization".

Looking at our Sustainability Policies, we updated our Materiality in response to changes in social and environmental challenges. By addressing societal issues including those reflected in our materiality, we will generate shared value through our business activities.

Creating a New Future and Regional Revitalization

We will create a new future by utilizing integrated EX/DX initiatives to promote regional revitalization as a specific measure for achieving growth.

First, I would like to share our thinking behind "Creating a New Future" within MC's growth strategy. Addressing the need for decarbonization solutions while maintaining industrial competitiveness is a shared issue facing all industries. Looking at Japan, the country has seen little in the way of GDP growth over the past three decades, and security issues are emerging such as a low self-sufficiency rate of energy and food and high dependence on foreign countries. I strongly feel that this urgent and fundamental issue must be addressed head on.

"Creating a New Future" represents a concept driven by renewable energy, one of our strengths. Renewable energy is the very source of energy that exists in local communities. We will work to create a future under the theme of "Regional Revitalization", whereby we will increase self-sufficiency through the use of these local energy sources, create new Carbon Neutral (CN) industries, strengthen local industries, and address local challenges

such as labor shortages due to a declining population.

The left side of the figure describes green electricity and green hydrogen derived from renewable energy. In addition to using this energy as electricity, we will aim to build manufacturing business using hydrogen as a raw material and establish the supply side as a new local industry. Capitalizing on our strength of close contacts with many different industries, we will work to identify needs and link them to real-world solutions.

The right side of the figure is about local communities. Firstly, renewable energy is a form of local infrastructure development itself, and renewable energy projects are expected to create jobs in the community by training personnel involved in the project and attracting other related industries. These efforts will contribute to improving the quality of life for local communities under the themes of "Collaborative Communities" and "Creating Vibrant Communities." Through DX, we will link various

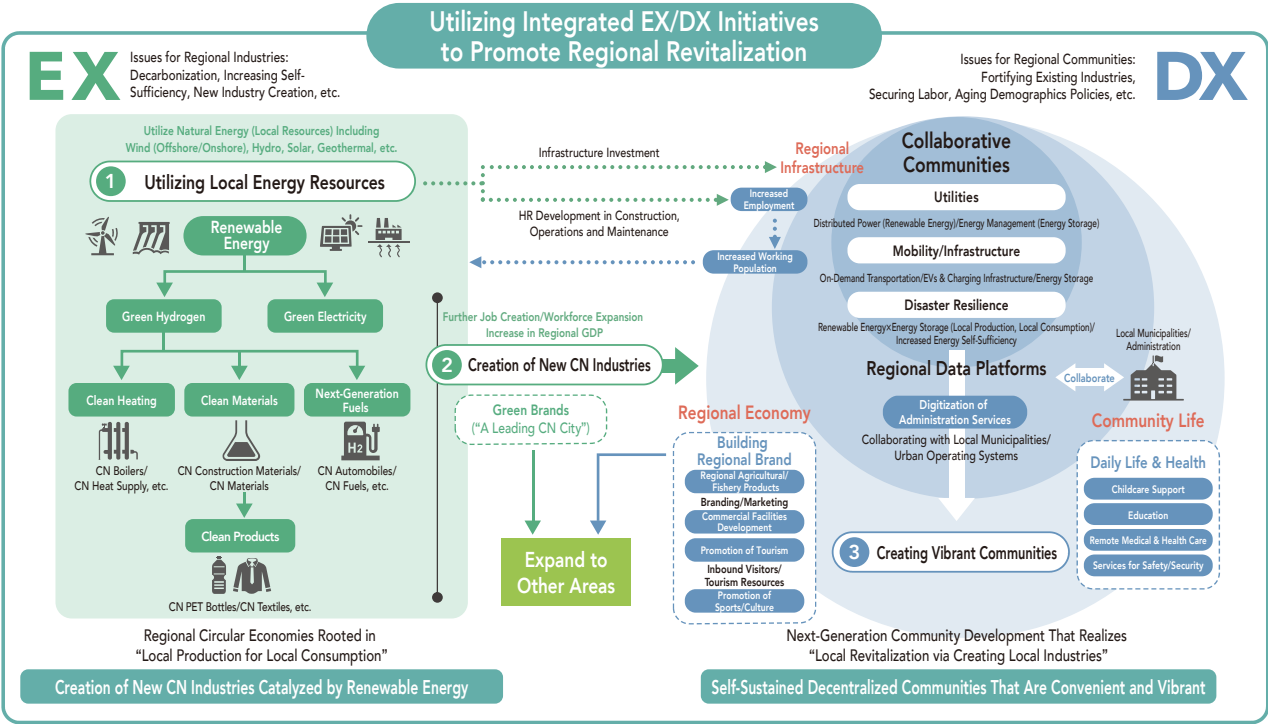
local data to develop new lifestyle-related services and businesses to enhance convenience for consumers.

Last year, we were appointed as a developer of an offshore wind power generation project, and we received letters from local residents describing their expectations of the MC Group. How can we connect with the community over a time horizon of 10-20 years, how can we meet their expectations, and what steps can we take together? I feel a keen sense of responsibility which goes hand in hand with our commitment to fully live up to community expectations. This is not something our company can achieve alone. It is a grand plan with a long-term horizon. We will work with government, local authorities and communities, and with partners who share the same vision to advance regional revitalization. By addressing a variety of societal challenges, we will contribute to the development of the industry as a whole and to the realization of a future society with rich local color.

In Closing

I believe that it is precisely in uncertain times like today, when it is difficult to foresee the future, that we can maximize our advantage by making the most of our diversity and collective capabilities. We find ourselves in a time where we have instant access to information from around the world thanks to the Internet and the spread of digitalization. Nevertheless, it remains important to gather the latest information from the frontlines of business, to capture it on a consolidated basis in a timely manner, to exercise the ability to discern authenticity, and to selectively apply it to management.

We will create our own unique shared value by responding to changes in the operating environment half a step ahead of our peers through our industrial expertise and global intelligence, and by linking various elements together to address challenges. As societal challenges become increasingly complex and diverse, we will respond to expectations by emphasizing communication with stakeholders including investors and shareholders, and by simultaneously generating economic, social and environmental value through our business.



My first overseas assignment was to Colombia in the early 1990s. At the time, the political situation there was unstable, and we faced challenges due to limitations placed on our business prospects, so we scrambled to gather information with the recognition that it would still be better to accumulate information even if we were not able to secure business. Looking back on it now, it was during this assignment in Colombia that I was able to experience first-hand how the MC Group's collective capabilities is supported by the "connection" of all the information collected with passion and intent by employees like myself scattered around the world.

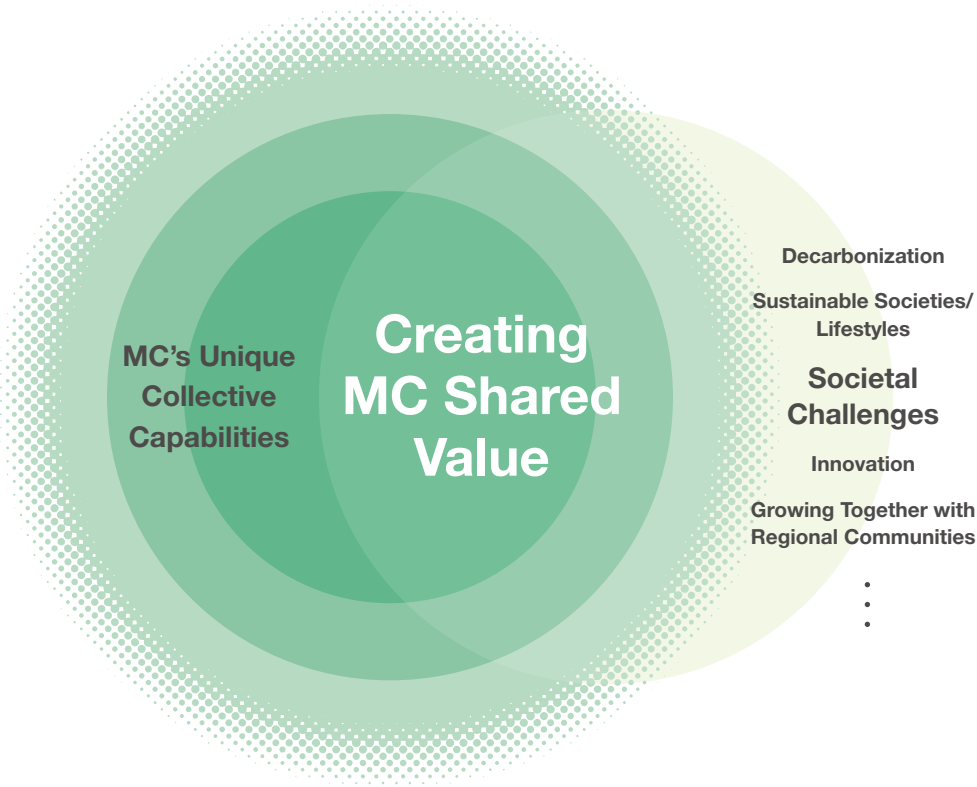
During the course of my career, I have always found it important to focus on results. Of course, results will not always be positive. The key is to never give up, no matter how far short we may fall of success. If we don't focus on the results of lessons learned, failure will only end in failure. Success requires us to continue tackling new challenges, even if it means working to transform failure into a success. The results achieved from this process will breed new confidence and result in a spirit of perseverance.



Creating MC Shared Value

Our Goals Under Midterm Corporate Strategy 2024: Creating MCSV

The continuous creation of significant shared value by elevating MC Group's collective capabilities in order to address societal challenges.



Outline of Midterm Corporate Strategy 2024

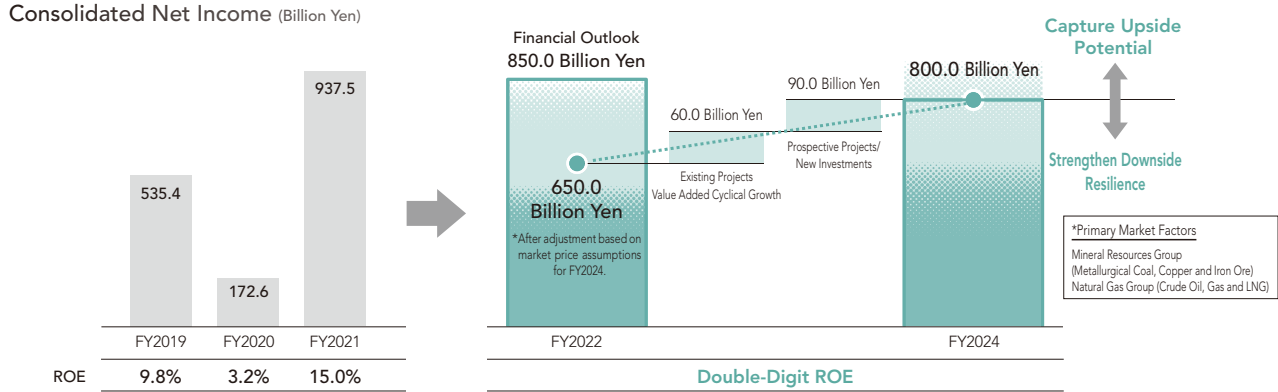
Our Goals Under Midterm Corporate Strategy 2024

Creating MC Shared Value

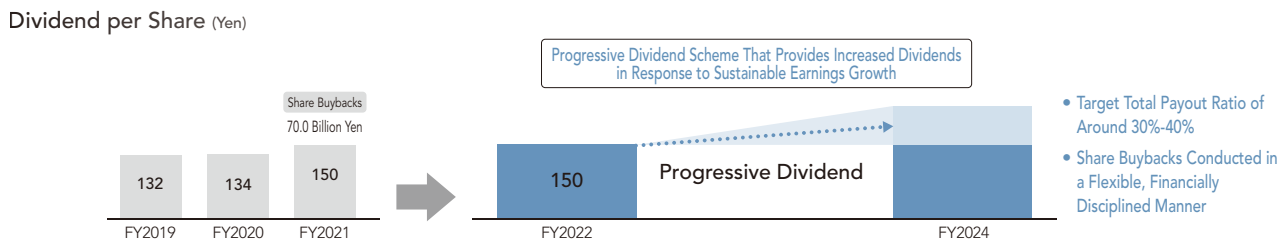
Quantitative Targets / Shareholder Returns	Steady growth of earnings independent of market factors. Shareholder returns through progressive dividends and flexible company share buybacks.	Cash flow management rooted in financial discipline and investment planning/business portfolio management focused on future growth.
1	Leading Transformations and Connecting to Growth	Growth Strategies <ul style="list-style-type: none">EX Strategy (Decarbonization Solution Provider)DX Strategy (Linking Digital Technologies with the Real World)Creating a New Future (Fostering New Industries/Regional Revitalization)
2	Connecting Our Business to the Future with Disciplined Growth	Business Management <ul style="list-style-type: none">Business Management Systems
3	Connecting Diverse Sources of Intelligence	Management Mechanisms <ul style="list-style-type: none">OrganizationMaximizing Our Collective Capabilities Through Cross Organizational InitiativesManagement Mechanisms for Maximizing Our Collective Capabilities
4	Creating a Vibrant Organization by Interconnecting a Versatile and Diverse Talent Pool	HR Policies <ul style="list-style-type: none">Policies for Maximizing the Value of Human Capital
5	Interconnecting with Diverse Stakeholders and Reinforcing Our Presence as a Trusted Member of Society	Sustainability Policies <ul style="list-style-type: none">MaterialityInitiatives Related to MC's Roadmap to a Carbon Neutral Society

Quantitative Targets / Shareholder Returns

Quantitative Targets Steady Growth of Earnings Independent of Market Factors

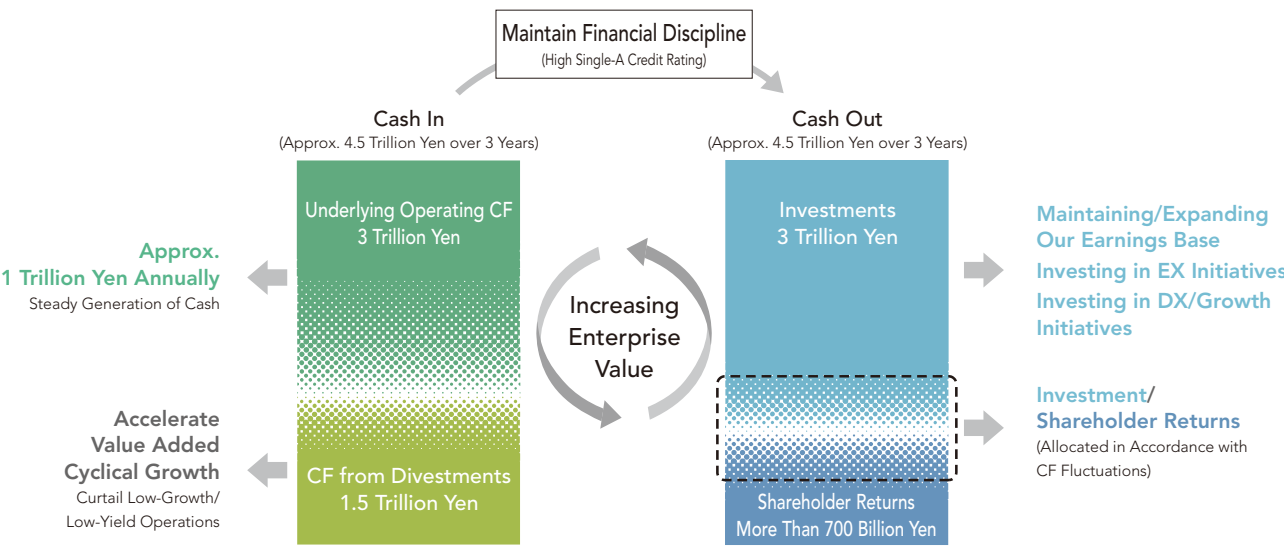


Shareholder Returns Balanced Policy of Financial Soundness, Stable Dividend Growth and Market Expectations on Shareholder Returns



Cash Flow (CF) / Capital Allocation

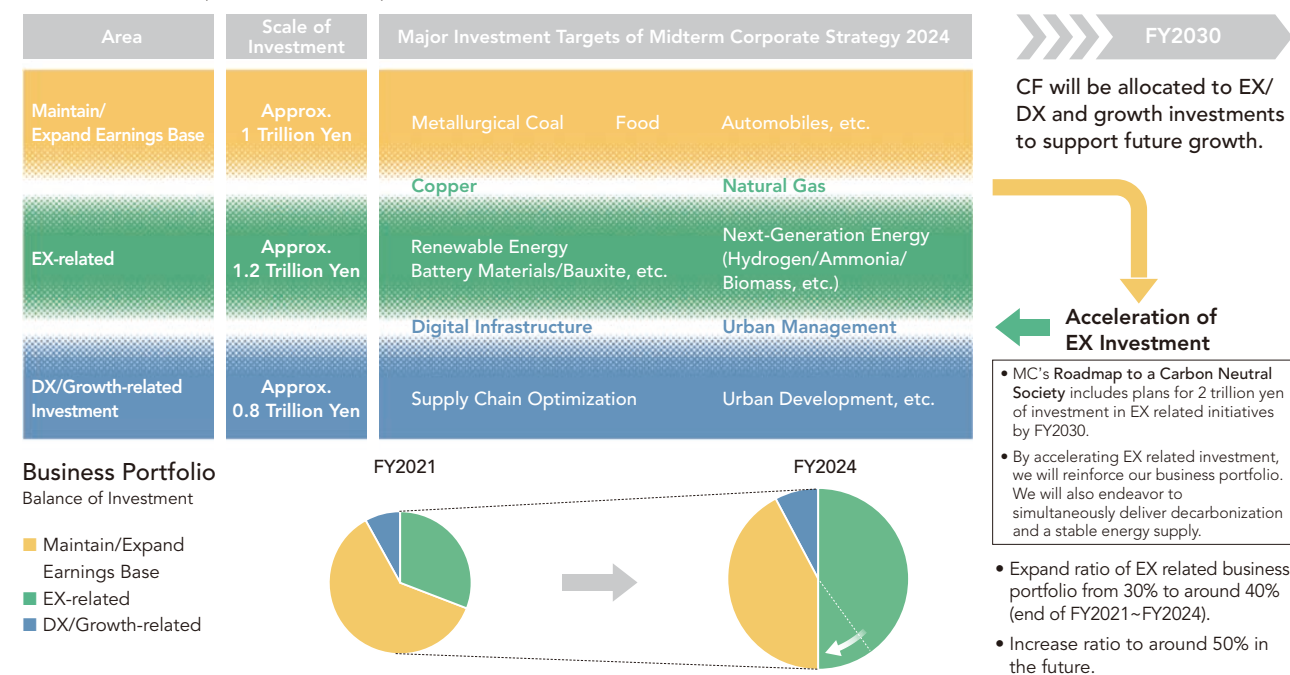
In order to increase enterprise value, we will strategically allocate CF into investments and shareholder returns, while maintaining financial discipline. We will also seek to lower our cost of capital by enhancing stakeholder confidence in our business operations through expanded disclosure and dialogues.



Investment Plan / Business Portfolio

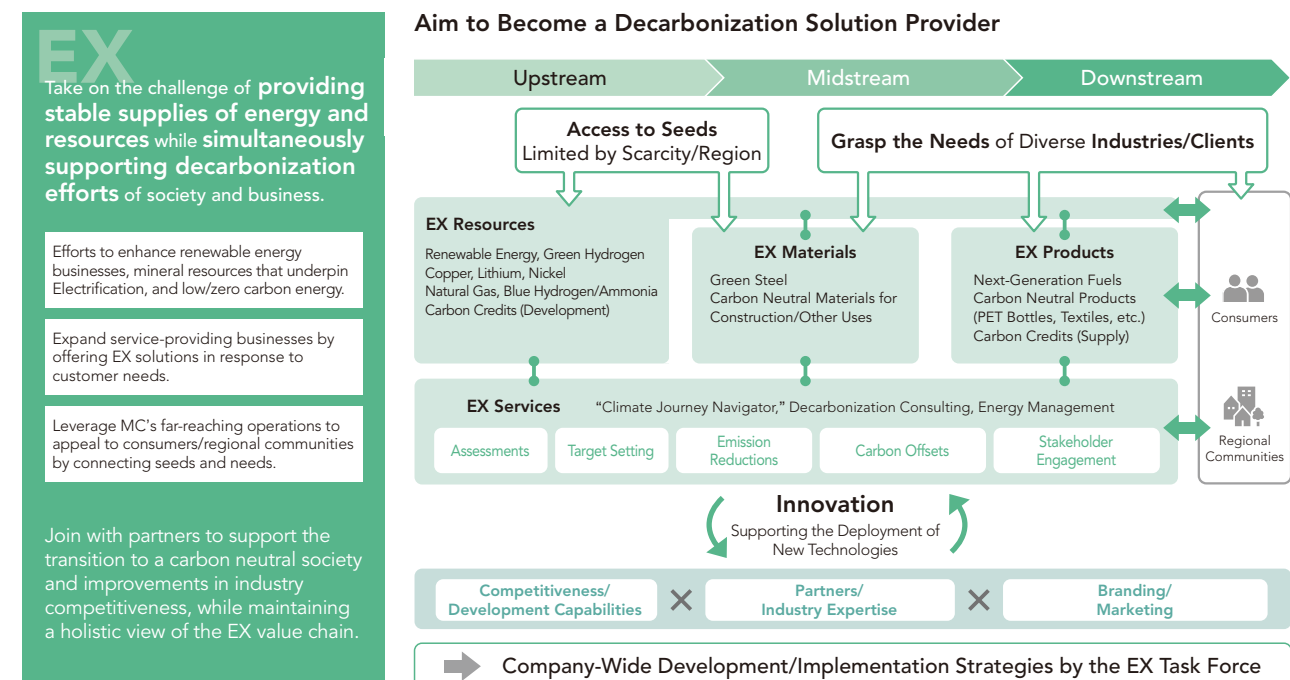
Investment of 3 trillion yen is planned during this midterm strategy; EX-related investments are to be accelerated. At the same time, we will steadily promote investment in maintaining/expanding our earnings base and in DX/growth related investment areas.

Investment Plan (FY2022-FY2024)



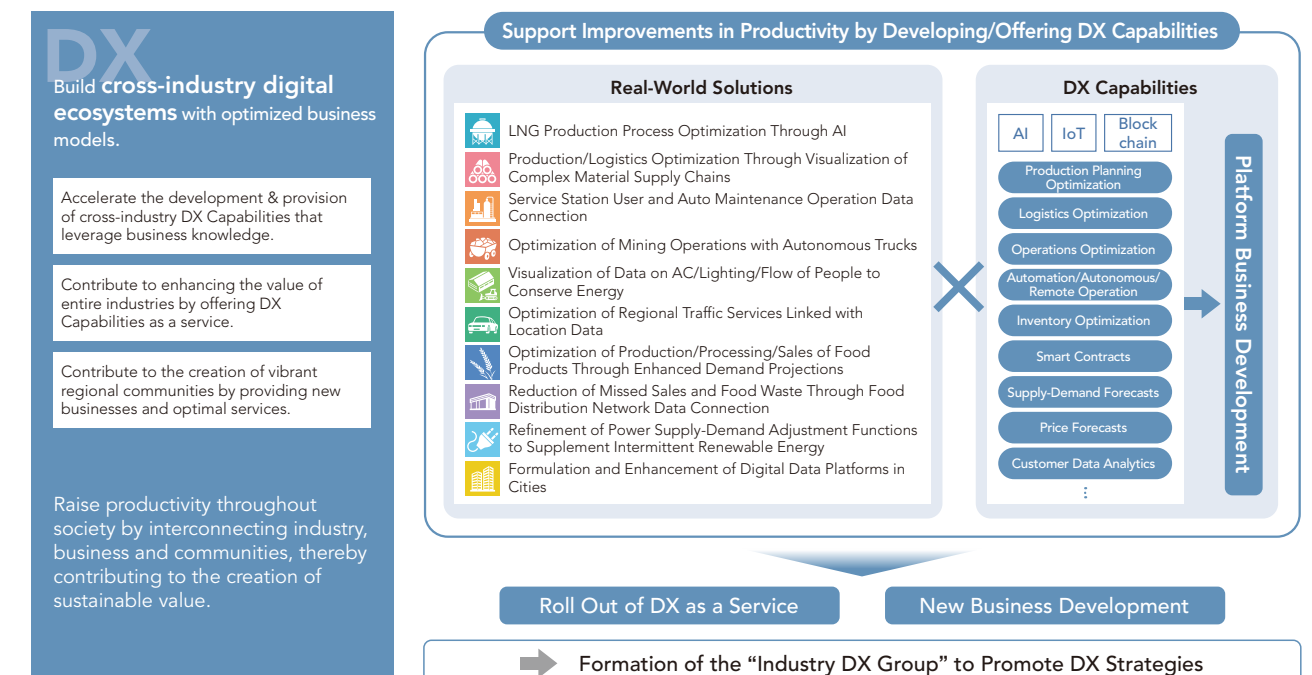
EX Strategy

- Promote low/zero carbon initiatives across the energy sector by connecting seeds (solutions) with needs related to EX Resources, Materials and Products.
- Provide solutions as EX Services while working closely with industry, consumers and regions to address emission reduction needs.



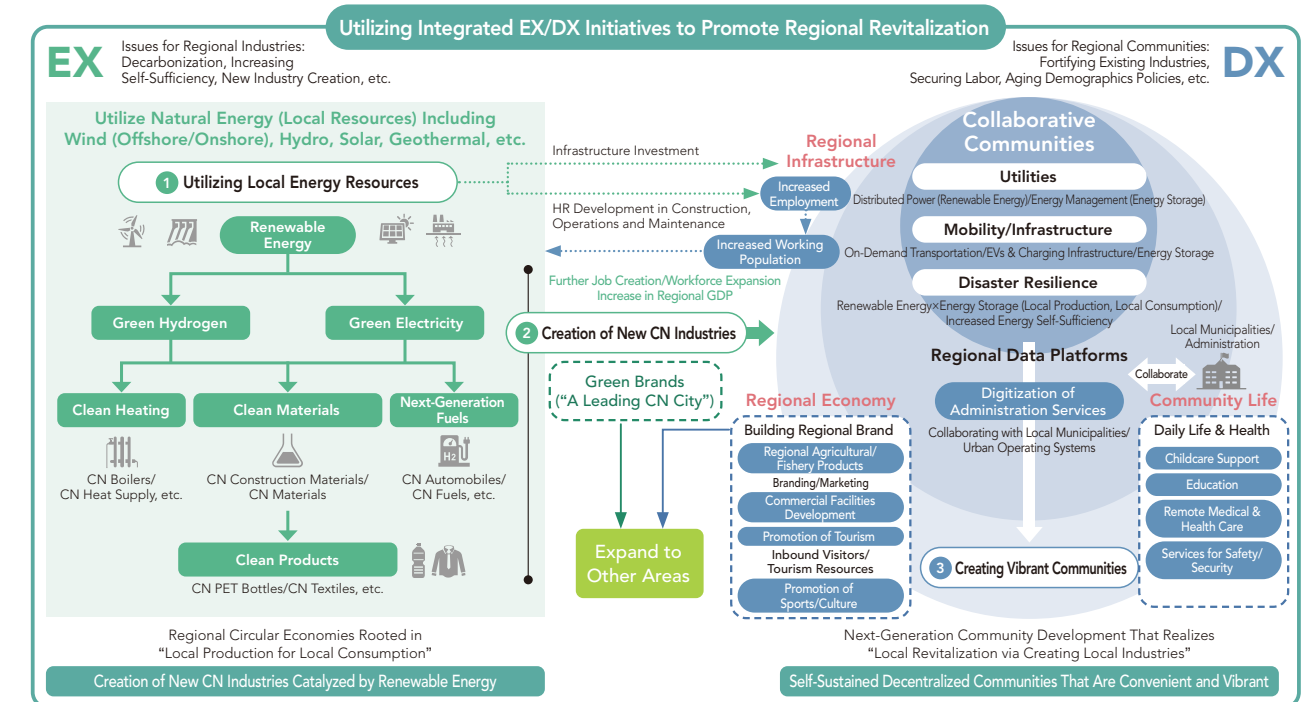
DX Strategy

- Broadly deploy MC's DX Capabilities across business operations in order to promote value enhancement through DX initiatives, targeting diverse, real-world businesses.
- Address societal challenges by linking digital technologies with the real world, thereby contributing to the development of industry and a future society with vibrant communities.



Creating a New Future (Fostering New Industries/Regional Revitalization)

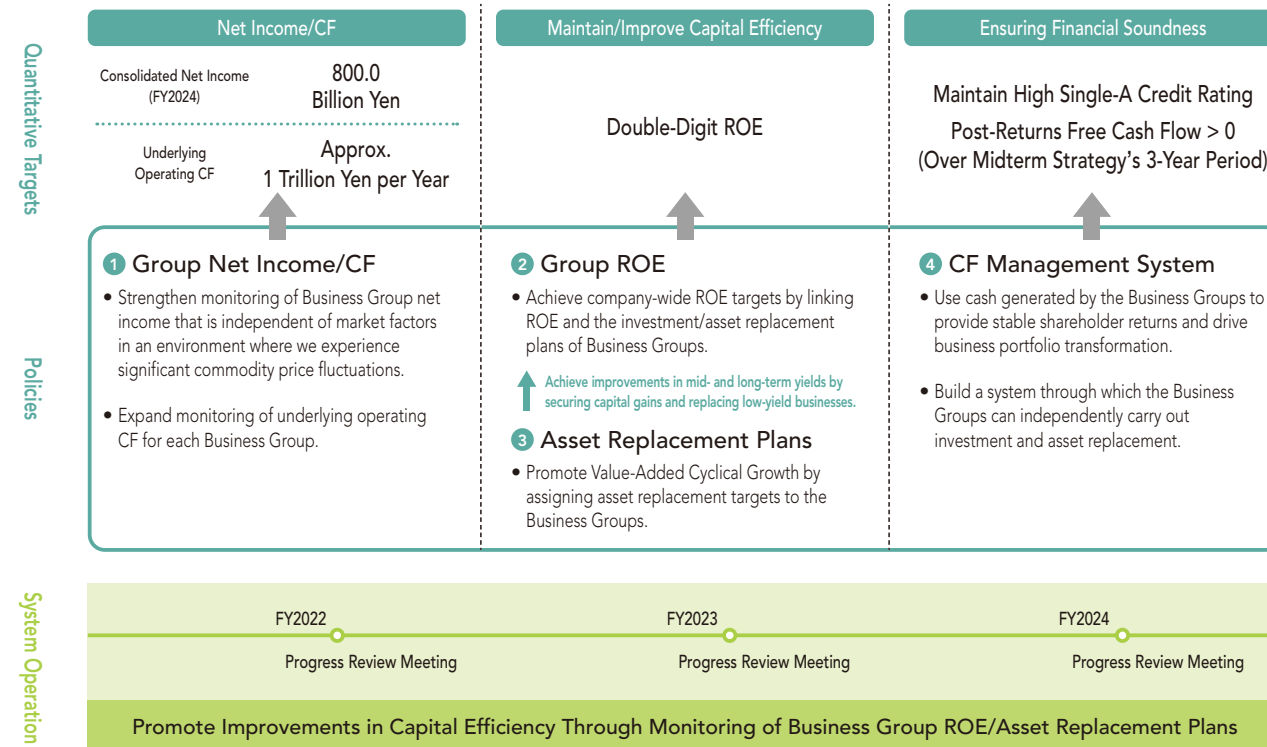
Work with partners and local municipalities to address challenges facing society and industry on the themes of (1) utilizing renewable energy and other local energy resources; (2) creating new "Carbon Neutral (CN)" industries; and (3) developing vibrant communities by helping to resolve regional issues.



Business Management Systems

2 Business Management

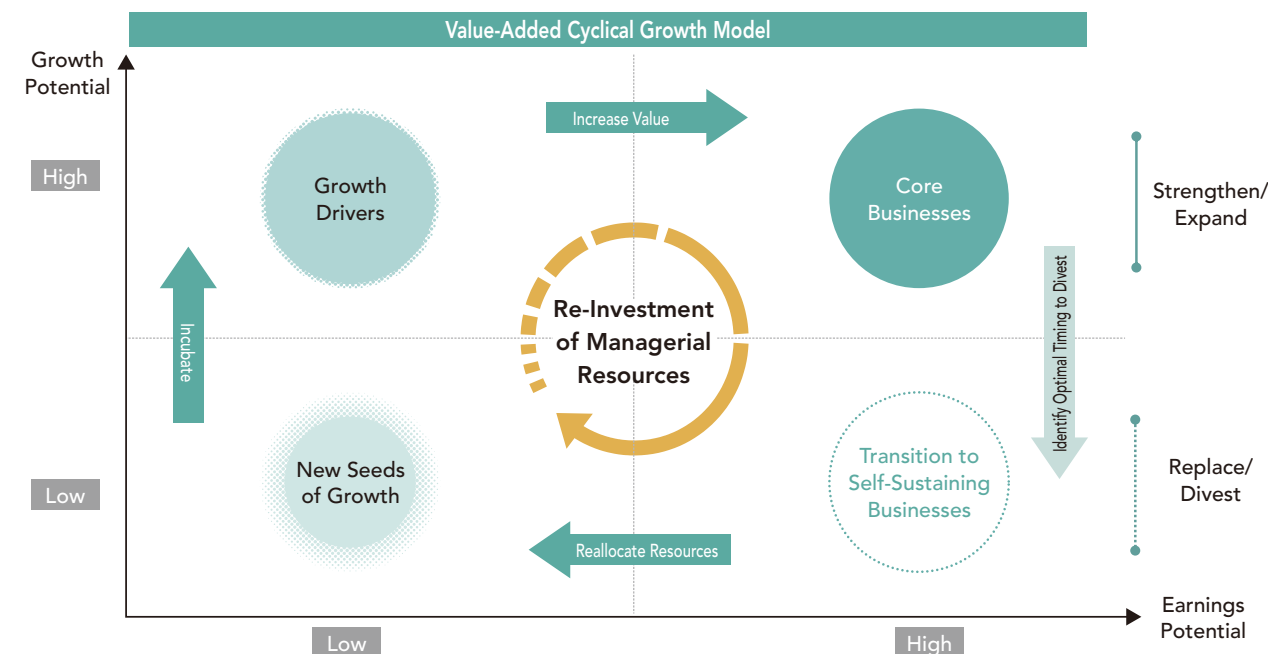
Establish management mechanisms to promote self-initiated strengthening of Business Group management with a view to achieving quantitative targets.



Business Management System: Value-Added Cyclical Growth Model

2 Business Management

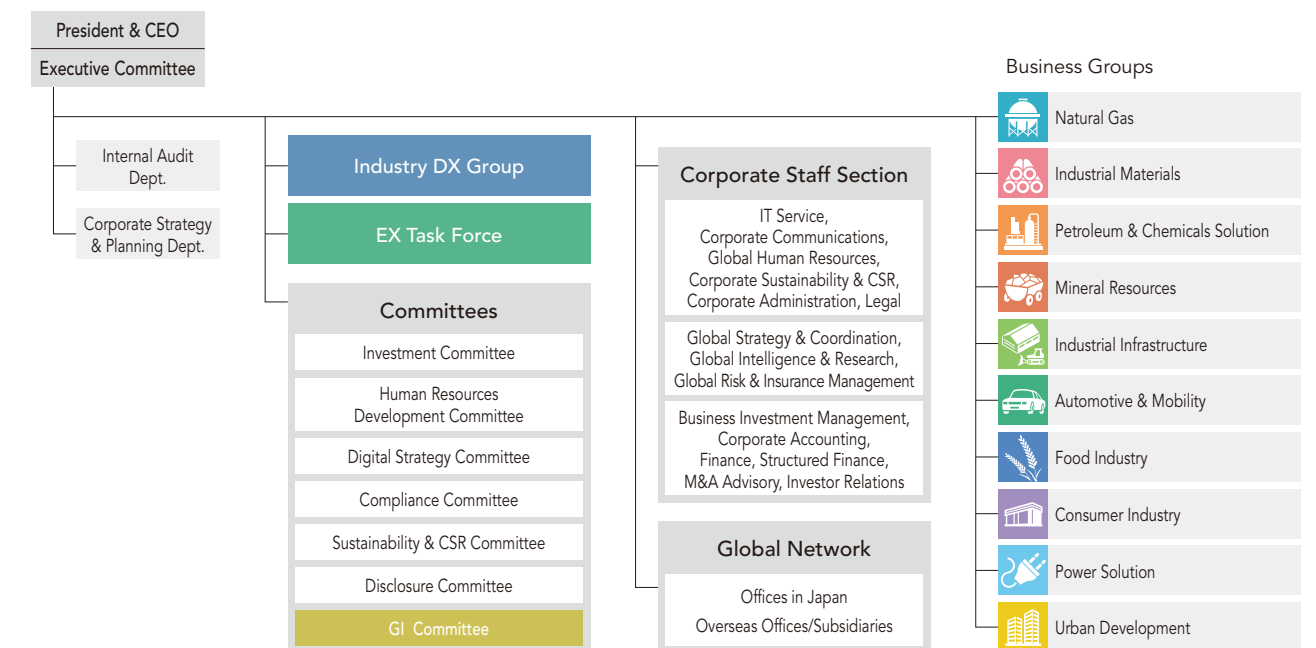
Respond to changes in the business environment by accelerating the application of the Value-Added Cyclical Growth Model and redirecting managerial resources to New Seeds of Growth and Growth Drivers.



Organization

3 Management Mechanisms

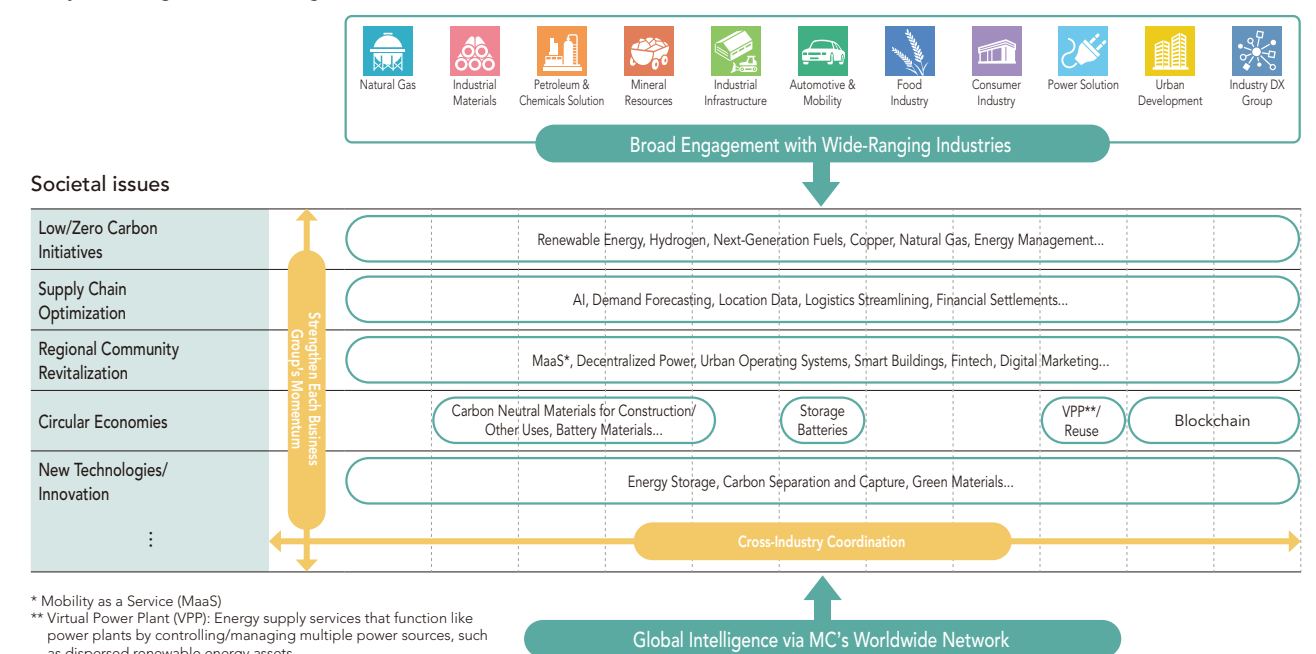
- Establish the Industry DX Group. Increase momentum in the DX area through coordination among Business Groups, MC offices/subsidiaries and the EX Task Force.
- Establish the Global Intelligence (GI) Committee as a subcommittee under the Executive Committee. Strengthen capacity to respond to rapidly-changing external environment.



Optimizing Collective Capabilities Through Cross-Organizational Initiatives

3 Management Mechanisms

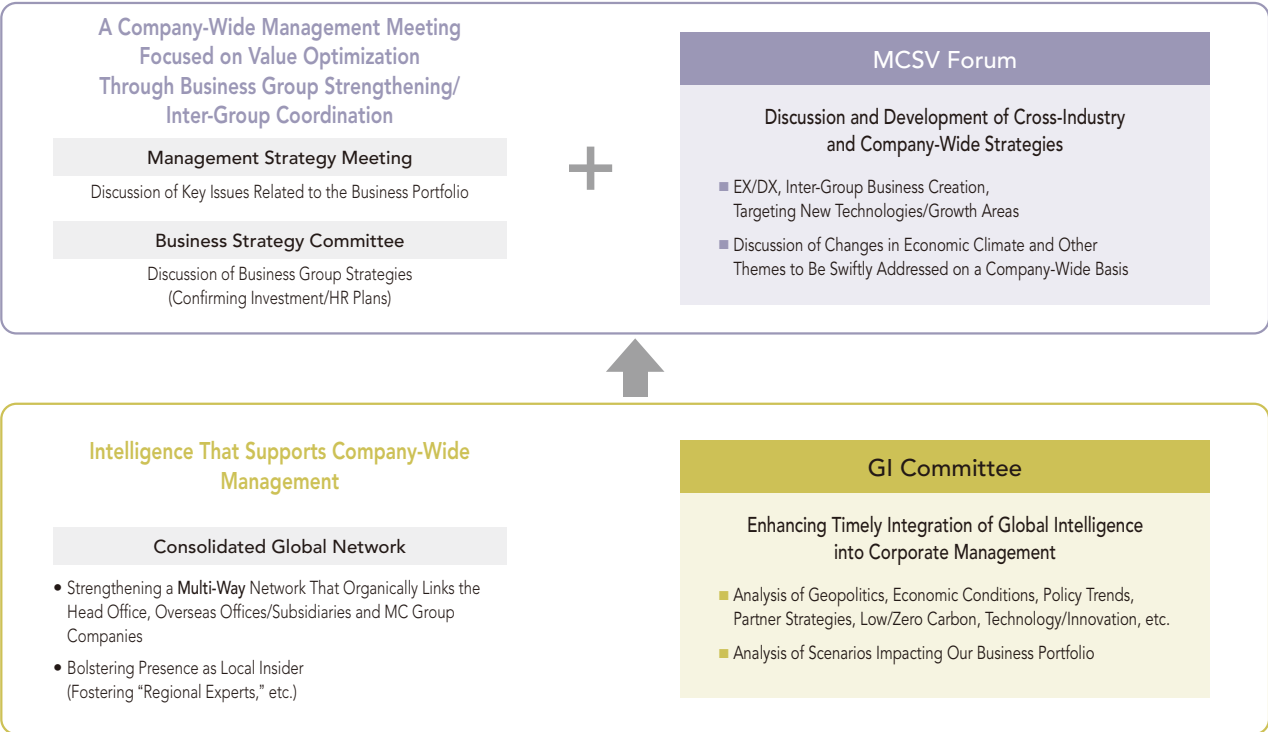
Bolster capacity for utilizing global intelligence to make timely responses and promote cross-industry initiatives to meet the challenges of a macro environment marked by geopolitical and other uncertainties, and a business environment subject to significant changes across industries.



Management Framework for Optimizing Collective Capabilities

3 Management Mechanisms

Address challenge of unpredictable changes occurring across industries by promoting cross-industry strategies on a company-wide basis through the MC Shared Value (MCSV) Forum while also incorporating input from the GI Committee.



Optimizing the Value of Human Capital

► Please refer to pages 38-45 for details on "Human Capital".

4 HR Policies

- Enable motivated professionals who take pride in actively fulfilling their responsibilities with a view toward creating MC Shared Value, while interconnecting with members of our diverse and versatile talent pool.
- Strive to optimize the value of our human capital by creating such a dynamic, spirited and vibrant organization.



Materiality

► Please refer to pages 46-47 for details on material issues.

5 Sustainability Policies

Creating MCSV by selecting a set of crucial societal issues as our unique definition of "materiality" that we will prioritize through our business activities.

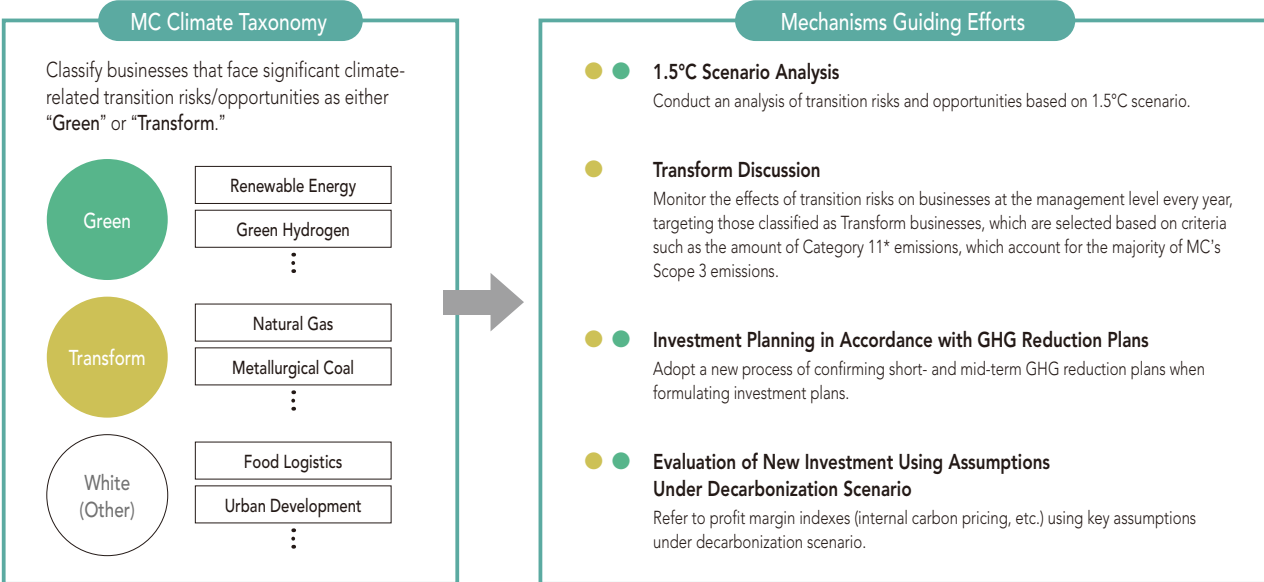
	Issues	Overview
Realizing a Carbon Neutral Society and Striving to Enrich Society Both Materially and Spiritually	Contributing to Decarbonized Societies	Contribute to the realization of decarbonized societies by striving to reduce greenhouse gas (GHG) emissions, while providing products and services that support decarbonization during the transition period.
	Conserving and Effectively Utilizing Natural Capital	Recognizing the Earth itself to be our most important stakeholder, strive to maintain biodiversity and conserve natural capital, and work to create circular economies while reducing our environmental footprint.
	Promoting Stable, Sustainable Societies and Lifestyles	Promote sustainable societies and lifestyles of the future through businesses in a diverse range of countries and industries, while fulfilling our responsibility to provide a stable supply of resources, raw materials, products, services, etc., in line with the needs of countries and customers.
	Utilizing Innovation to Address Societal Needs	Create businesses that help to address societal needs while working to spur major industry reforms that are supported by business innovation.
	Addressing Regional Issues and Growing Together with Local Communities	Strive to contribute to the development of economies and societies by addressing issues facing countries and regions, while seeking to grow together and collaborate with diverse stakeholders, regions and communities.
	Respecting Human Rights in Our Business Operations	Respect the human rights of all stakeholders involved in promoting our diverse operations worldwide, and pursue solutions for value chain-related issues, while considering the local conditions in each country.
Striving to Serve as a Platform for Generating Triple-Value Growth*	Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce	Recognizing that our human resources are the great assets of our businesses, foster a diverse and versatile talent pool that drives efforts to generate triple-value growth throughout our organization, and also seek to develop an organization where diverse human resources share common values and grow together while furthering their connections and inspiring one another to excel.
	Realizing a Highly Transparent and Flexible Organization	While swiftly responding to changes in the business environment, strive to realize effective governance on a global, consolidated basis and maintain/strengthen a sound organization that is transparent and flexible.

*Triple-value growth: the simultaneous generation of economic value, societal value, and environmental value

Initiatives Related to MC's "Roadmap to a Carbon Neutral Society"

5 Sustainability Policies

Adopt and promote mechanisms for simultaneously decarbonizing and reinforcing our portfolio by classifying each business based on climate-related transition risks and opportunities as part of our efforts to achieve the GHG reduction targets formulated last October in MC's Roadmap to a Carbon Neutral Society (halve by FY2030 and net zero by 2050).



* Scope 3 Category 11: GHG emissions from the use of sold products

Creating a New Future
(Fostering New Industries/Regional Revitalization)

Creating a New Future
(Fostering New Industries/Regional Revitalization)
MC's Initiatives and Progress

Creating a New Future (Fostering New Industries/Regional Revitalization) represents an integral part of Midterm Corporate Strategy 2024. Toward this end, MC seeks to work with partners and local authorities to address challenges facing society and industry on the themes of (1) utilizing renewable energy and other local energy resources; (2) creating new “Carbon Neutral (CN)” industries; and (3) developing vibrant communities by helping to resolve regional issues. This Special Feature section highlights MC's initiatives and progress.

Measures to build a national and regional supply chain for offshore wind power generation projects and grow together with communities to revitalize the local economy

Overview

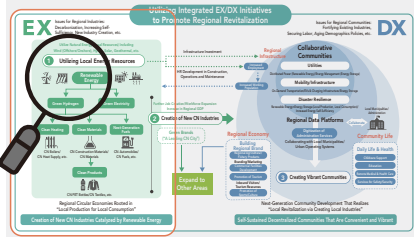
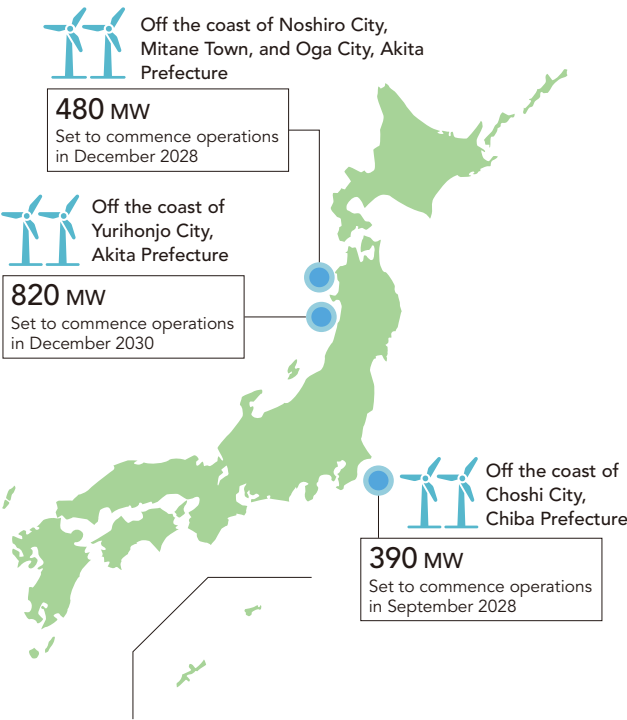
MC was appointed as an operator for an offshore wind power generation project in the following three areas, under the Act on Promoting the Utilization of Sea Areas

Our Objective

MC aims to contribute to the realization of carbon neutrality by 2050 through offshore wind power generation projects, which are expected to play a key role in the shift to renewable energy as a main power source. Specifically, one of the main aims is to contribute to the growth and competitiveness of the industry in Japan and to create employment opportunities and revitalize the domestic and regional economy by building a broad and robust national and regional supply chain. While sharing our vision of supporting the realization of carbon neutrality in Japan with the people of each region, we also hope to contribute to the growth and competitiveness of the domestic industrial base as a whole through the supply of competitive renewable energy.

We have also worked with consortium member companies and exchanged opinions with various stakeholders in each region to develop measures for mutual growth that will help revitalize the region based on local needs such as building a sustainable fishery support system, promoting local industry and creating jobs, and supporting the livelihood of residents. Going forward, the consortium will collaborate with partners including Amazon.com, Inc., NTT Anode Energy Corporation, and Kirin Holdings Company, Limited, in the execution of these measures.

for the Development of Marine Renewable Energy Power Generation Facilities, through a consortium represented by Mitsubishi Corporation Energy Solutions Ltd.



Initiatives to Build a National and Regional Supply Chain

Building a national and regional supply chain

In developing, constructing, and operating offshore wind power generation projects, we will cooperate with local governments and economic organizations, and work not only with prime contractors but also with local companies, ports, financial institutions and others to create new industries and employment.

Growing together with communities to revitalize the local economy

We seek to contribute to the entire community including the construction of a sustainable support system for the local fishing industry, creation of job opportunities and revival of local industries, and quality-of-life assistance for local residents.

Specific initiatives

- Over the course of our work to develop, construct and operate/manage these projects, we aim to build national and regional supply chains that will help to improve Japan's domestic production.
- By holding business matching events and human resource development programs on a continuous basis, we aim to improve collaboration with regional enterprises.

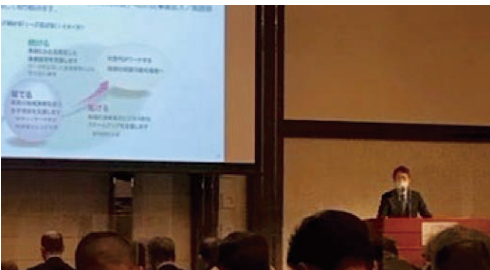
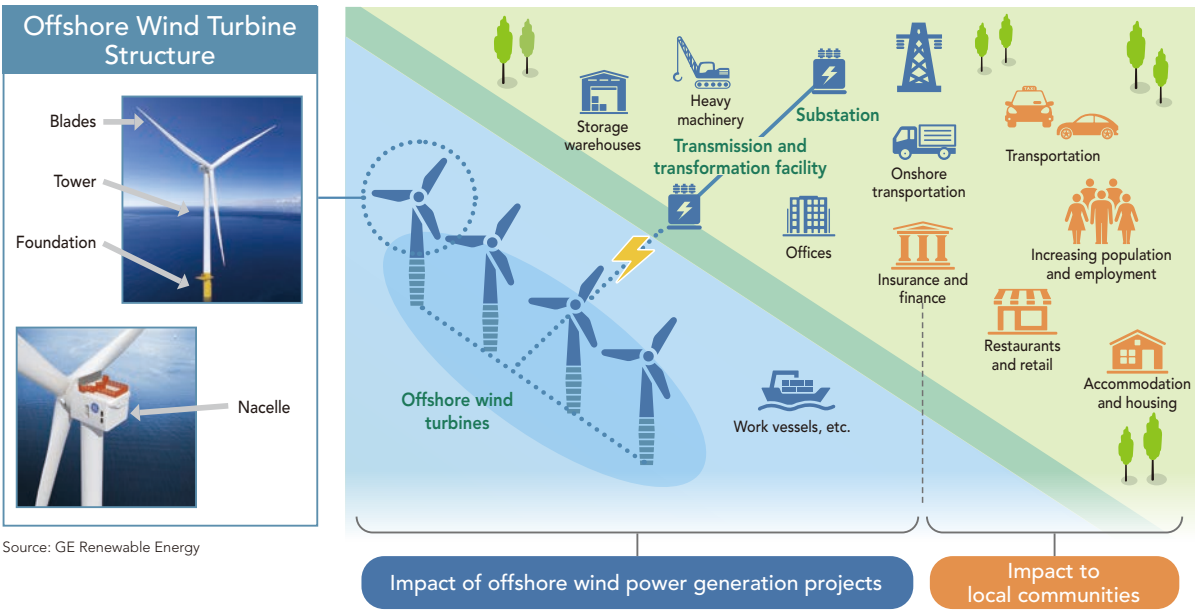
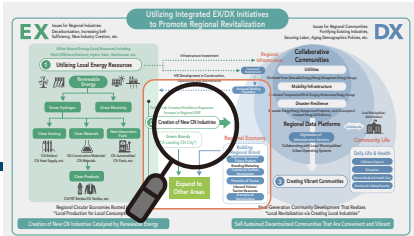


Photo taken at local business matching event

■ Concept Diagram



Phases	Detailed examples of building national and regional supply chains	Impact to local communities
Development	Various surveys and research vessels, etc.	
Construction	Procurement of facility and parts (assembly of nacelles, generators, transmission lines, transformers, etc.), construction, construction equipment, onshore and marine transportation	Security/transportation services (taxi, car rentals, etc.), restaurants, accommodations, housing, retail, real estate, insurance, finance (project financing) etc.
Operation and maintenance	Safety inspections, operation and maintenance of the offshore wind power generation facility, operation and arrangement of vessels (Crew Transfer Vessel), procurement of parts, operation of warehouses, etc.	



Creating a New Future (Fostering New Industries/Regional Revitalization)

MC's Initiatives and Progress

Participation in Breakthrough Energy Catalyst to accelerate social implementation of innovative decarbonization technologies

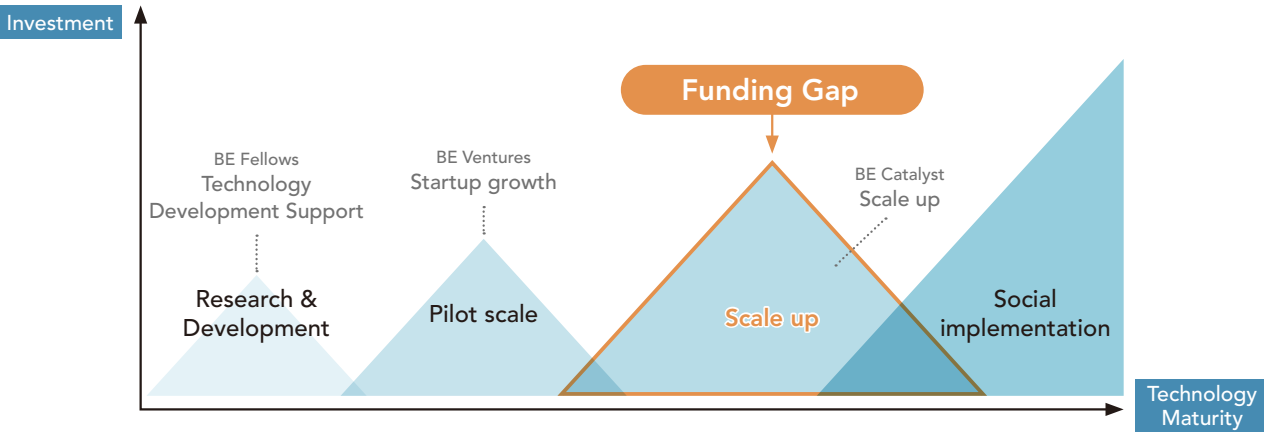
Overview

Speeding up social implementation of decarbonization businesses

MC has decided to invest in Breakthrough Energy Catalyst (BEC), a program dedicated to accelerating innovative decarbonization technologies. MC plans to invest \$100 million in BEC, and in doing so will become the first company headquartered in Asia to make a commitment of this scale to the fund. BEC was launched by Breakthrough Energy, which was founded by Bill Gates in 2015 and dedicated to investment and philanthropic activities concerning decarbonization. Its objective is to accelerate the social implementation of decarbonization technologies by investing in projects

using technologies that have been proven through research and development. In addition to funding from private companies and philanthropic organizations, BEC will become a “catalyst” that organically links private sector and philanthropic funding, as well as support for green product offtake and support from government agencies. Through this, BEC aims to contribute to scaling up innovative decarbonization technologies on the cusp of commercialization that will be necessary to realize a carbon-neutral society.

■ Overview of Breakthrough Energy



Breakthrough Energy overview

Year of Establishment	2015
Headquarters	Seattle, Washington, USA
Business	Founded by Bill Gates, Breakthrough Energy believes innovation is the answer to the climate crisis. With support from a global network of partners, Breakthrough Energy leads ground-breaking initiatives dedicated to funding, developing, commercializing, and scaling the decarbonization technologies that will be necessary to avoid a climate disaster.

Breakthrough Energy Catalyst overview

Year of Establishment	2021
Headquarters	Seattle, Washington, USA
Business	Breakthrough Energy Catalyst brings together governments, businesses, and innovators to move promising climate technologies – including clean hydrogen, direct air capture, long-duration energy storage, and sustainable aviation fuels – to global commercial scale, fast.

Our Objective

Realization of a carbon neutral society

In our “Roadmap to a Carbon Neutrality Society” in October 2021, MC formulated both its GHG emissions reduction targets and EX investment guidelines. As a company involved in resources, energy and many other businesses, MC is committed to the shared global challenge of achieving carbon neutrality.

In addition to our renewable energy business, we have begun to study the introduction of next-generation energy sources such as hydrogen, ammonia, and methanation. We recognize that the use of new technologies and innovation is essential for the transition to and realization of a carbon neutral society.

Supporting the development of innovative technologies

By participating in BEC, we intend to support the development of innovative technologies that support the realization of a carbon neutral society and further reducing environmental impact without compromising the security and convenience of people’s daily lives.

We will capitalize on our knowledge and network to collaborate with other participating companies active in various fields such as steel, aviation, finance, energy etc., and contribute to the transition to and realization of a carbon neutral society.

Key Areas

4 key areas

Currently, the key areas for BEC are (1) clean hydrogen, (2) long-duration energy storage, (3) sustainable aviation fuels and (4) direct air capture. In the future, we envisage that the scope will expand to include other technologies

important for the promotion of decarbonization. MC also considers these technologies vital to its own EX Strategy and Roadmap to a Carbon Neutral Society.

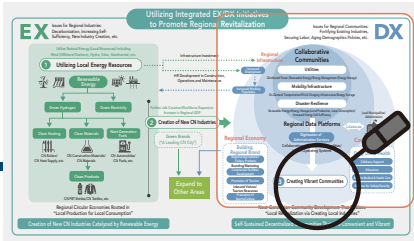
For details, please refer to the program's website below.
<https://www.breakthroughenergy.org/scaling-innovation/catalyst>

Fast paced social implementation through collaboration with partners

Decarbonization is an urgent issue that requires fast-paced initiatives on a global scale. To this end, MC believes it is important not only to develop completely new decarbonization technologies, but also to innovate at the scale-up stage, moving technologies that have already completed R&D to implementation as quickly as possible. In order to realize a carbon neutral society, MC is already promoting the development of EX-related businesses such as next-generation energy. In order to complement and further accelerate these initiatives, MC made the decision to participate in BEC, which is working to scale up innovative decarbonization technologies through public-private partnerships. In our role as the first Asian anchor partner to participate in BEC, we hope to actively contribute to the development of core decarbonization technologies supported through BEC in Asia, leading to the creation of businesses at scale.



Jun Nishizawa
Group CEO, Natural Gas Group



Creating a New Future (Fostering New Industries/Regional Revitalization)

MC's Initiatives and Progress

Establishment of new Industry DX Group

In addition to conducting EX and DX initiatives independently, MC plans to work on the creation of new industries and regional revitalization through integrated EX and DX leveraging our collective capabilities. MC has many physically based businesses that require DX-driven solutions. By providing DX functions to these businesses, we will optimize logistics and improve productivity, increase business value, and contribute to the development of the industry as a whole and the realization of vibrant local communities. In order to accelerate this DX strategy, we established the new Industry DX Group on July 1, 2022.

Shaping the future with digital by capitalizing on MC's collective capabilities



Takuya Hirakuri
CDO, (Concurrently) Head of Industry DX Group

By facing industry issues and societal challenges in earnest and resolving problems by fusing both physical and digital solutions, we hope to contribute to the development of all industries and the realization of a vibrant future rooted in local communities.

By developing cross-industry DX functions that leverage our broad business knowledge and then providing them as services, we will help to improve the value of industries themselves. Toward this end, we aim to improve the productivity of industry and society as a whole and create sustainable value by building a "cross-industry digital ecosystem" in which industries, companies, local communities and others can organically connect and coexist. We will shape the future with digital by capitalizing on our comprehensive capabilities.

Conclusion of partnership agreement on regional development with Kurashiki City

Under Midterm Corporate Strategy 2024 – Creating MC Shared Value – that was announced in May 2022, we will utilize integrated EX and DX initiatives to promote regional revitalization. MC is now working to revitalize regions and build independent, distributed communities that provide vibrant and convenient living environments.

MC and Kurashiki City partnership agreement on regional development

The authorities in Kurashiki City have been promoting a local development plan that seeks to enhance the municipality's functions in ways that will benefit both its residents and the natural environment, resulting in quality of life that is sustainably safe and eco-sensitive. The proactive plan involves local-industry work to revitalize existing sectors and create new ones, efforts to

meet the UN's sustainable development goals (SDGs), and the application of digital technologies to develop next-generation systems and infrastructure.

MC and Kurashiki City signed this collaborative research agreement that will explore a variety of cutting-edge advances designed to develop and revive local communities.

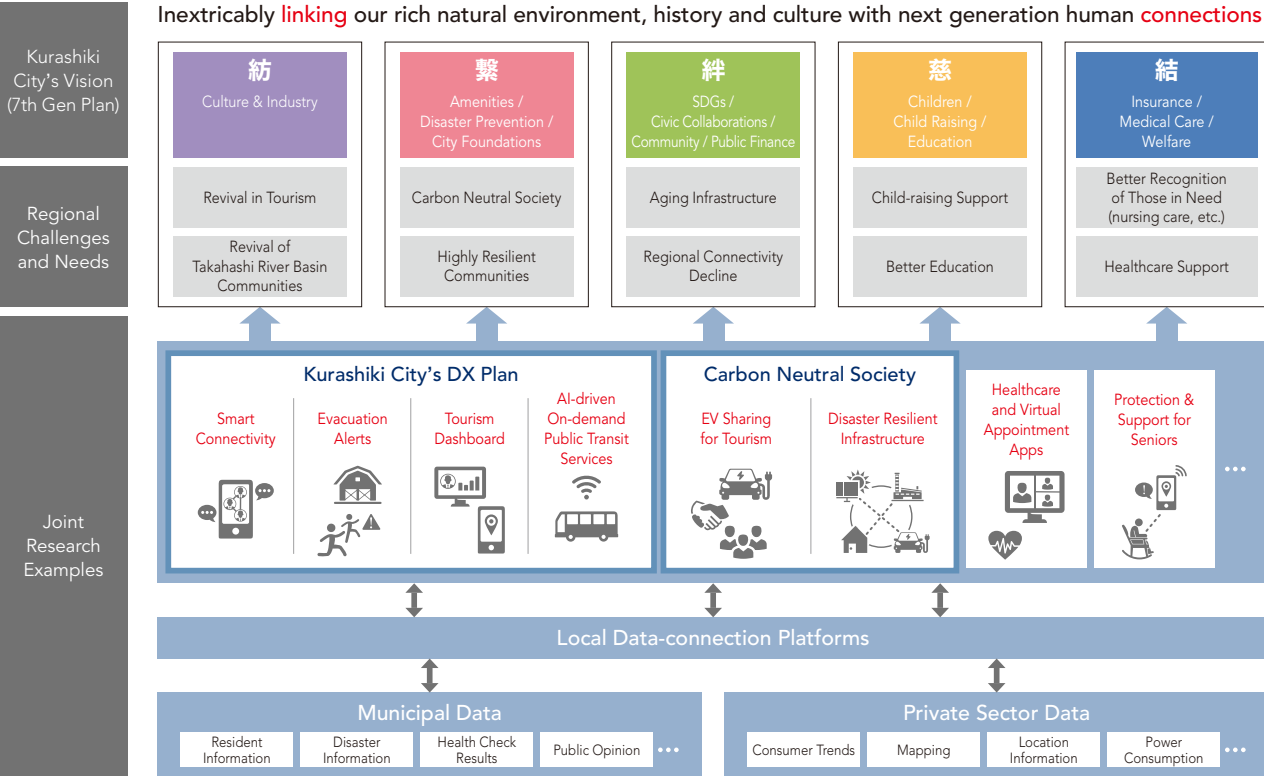
Scope of Our Collaboration

- 1. Revitalization of local industry through digitalization
- 2. Application of data-connection platforms aimed at realizing the vision of Digital Garden City Nation
- 3. Enhancement of public services through use of digital technologies in mobility, infrastructure and other sectors
- 4. Realization of a local sustainable energy society
- 5. Other local development and revitalization work



Signing of Regional Development Agreement

Specifics of Joint Research Initiative Between MC and Kurashiki City



Digital Development Department

DX service business DX business development

Our aim is to expand business as DX enablers while helping to promote the MC Group's DX initiatives and achieving results through the provision of DX functions. Based on these efforts, we will expand DX service businesses that lead to new business development opportunities and investments, and enhance the value of entire industries. We will also contribute to addressing societal challenges through commercialization of next-generation technologies and cross-industry collaboration schemes.

Industry Value Chain DX Department

Utilizing DX to develop efficient B2B operations businesses

Our aim is to develop solutions that help address operational challenges that industries and companies face, and to provide those solutions as a platform. We will also promote the development of, and collaborations with, partner companies that have the necessary technologies for achieving this aim. As a major target, we will first focus our efforts on developing businesses in the field of logistics and mobility.

Power & Community DX Department

Development of B2C customer base and regional revitalization businesses

Our department promotes the development and provision of retail services for consumers by generating synergy between MC Group's products and networks. We aim to add value by fusing physical and digital solutions and combining them with existing services such as electric power supply. We also strive to create independent, decentralized communities that both address regional challenges and revitalize the local economy by providing community-based services.

Service Industry DX Department

Utilizing DX to develop B2C service businesses

Leveraging touch points with local governments and residents, Service Industry DX Dept. develops digital services in the finance and real estate areas, including creation of new business model based on FinTech. We collaborate extensively with partners both within and outside the MC Group as we aim to create core businesses that will become pillars for the future growth of the MC Group.

Review of Midterm Corporate Strategy 2021 (3/2020-3/2022)

Financial Targets & Capital Policy

In the fiscal year ended March 31, 2022, consolidated net income totaled ¥937.5 billion, a new record high exceeding the ¥900 billion target set out in Midterm Corporate Strategy 2021. Strong resource prices and a rebound in demand following the COVID-19 pandemic enabled us to steadily turn profitable opportunities into earnings in each of our businesses, including automotive/mobility and salmon farming.

Looking at a breakdown of profits by segment type, business-related segments posted a steady increase in profits at ¥507.5 billion centered on automotive, LNG and food resources, while market-related segments accounted for ¥410.3 billion benefiting from high market prices while improving productivity in each project. Both figures represent record high amounts for each segment type. The initial plan for Midterm Corporate Strategy 2021 called for profits of ¥650 billion from business-related segments and ¥250 billion from market-related segments. Compared to the plan, market-related segments contributed significantly to these results.

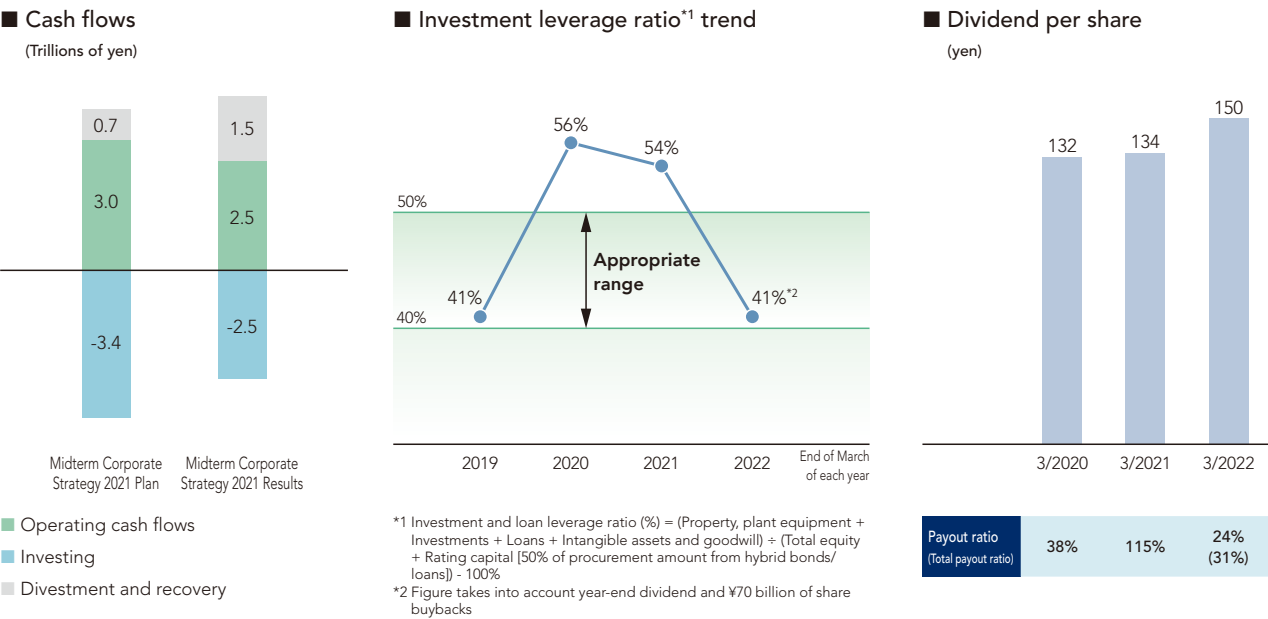
The shortfall in business-related segments is mainly due to the fact that increased profits from new investments did not materialize as planned due to the priority given to financial soundness amid the changing operating environment during Midterm Corporate Strategy 2021.

MC's financial results for the fiscal year ended March 31, 2021 deteriorated due to the worldwide spread of the COVID-19 pandemic, necessitating a swift response to changes in the operating environment and acceleration of asset replacement under the Value-Added Cyclical Growth Model.

Recovery of investments totaled ¥1.5 trillion compared to the initial plan of ¥0.7 trillion. Meanwhile, spending on investments totaled ¥2.5 trillion compared to the initial plan of ¥3.4 trillion due to efforts to carefully select and execute investments.

At 41%*, MC's investment and loan leverage ratio, a metric used to measure financial soundness, fell within the appropriate range of 40% to 50% thanks to the recovery in financial results during the fiscal year ended March 31, 2022, placing MC in an optimal position to launch a new Midterm Corporate Strategy. We also maintained the Progressive Dividend Scheme to which we committed in Midterm Corporate Strategy 2021 and sustained our promised progressive dividend even in an operating environment with substantially weakened financial results due to the pandemic. In response, many in the market have praised MC's ability to provide stable shareholder returns.

* Figure takes into account year-end dividend and ¥70 billion of share buybacks.



Business Portfolio

We strengthened downstream businesses in the “Services” and “Energy & Power Generation” sectors with the acquisition of Eneco, investment in HERE, and development of a smart city project on the outskirts of Jakarta. Additionally, we made solid progress in upstream businesses related to electrification, including development of the Quellaveco copper mine in Peru, which is on track to start production in

2022, and acquisition of interests in the Aurukun Bauxite Project in Australia. In this manner, we made investments in businesses that will form the core of EX/DX, which we have positioned as a growth strategy in our new Midterm Corporate Strategy. Moreover, we maintained a profitable business portfolio that is highly resilient to geopolitical risk and other changes in the operating environment.

Growth Mechanisms

Under the Value-Added Cyclical Growth Model, we have pursued asset replacement based on a careful review of low efficiency assets and businesses where growth is not expected even with MC's continued involvement. Examples include acquiring capital gains by improving business value, mainly from the sale of domestic and overseas power generation assets and real estate development projects. Additionally, in March 2022, we reached an agreement to transfer MC-UBSR, our real estate management company, and recovered more than ¥100 billion in the fiscal year ending March 31, 2023.

Furthermore, we have made progress within the early identification of ways to turn around or replace loss-making businesses. We also recognize that there are still many businesses that are profitable but have low investment yields. The new Midterm Corporate Strategy therefore contains policies for promoting further asset replacement.

DX/EX - a key issue for the future

As part of our efforts in DX, we established Industry One, a DX service company responsible for developing AI and algorithms, with the NTT Group and MC Digital. We also established Chubu Electric Power Miraiz Connect with the Chubu Electric Power Group as an initiative for advancing

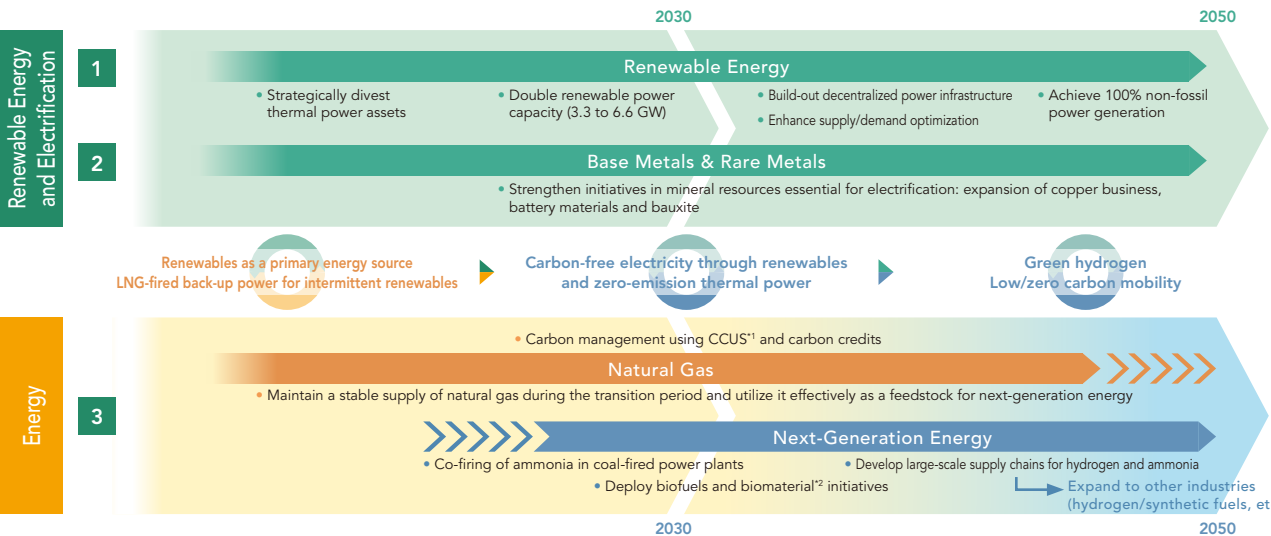
power and retail DX for developing customer services. We confirmed that there are a variety of DX-related needs on the physical frontline of our Business Groups, and we are now exploring around 80 DX projects through a companywide task force, with projects slated to begin in turn. Under the new Midterm Corporate Strategy, we have established a new Industry DX Group in an effort to further accelerate the execution of our DX Strategy.

As part of our EX efforts, in April 2020, MC established the Energy Committee, which consists of three Group CEOs responsible for our energy and power-related businesses—the Power Solution Group, the Natural Gas Group and the Petroleum & Chemicals Solution Group. The Committee held discussions on specific approaches to resolving the environmental issue of decarbonization, while maintaining stable supplies of energy and power required for industrial development. In October 2021, MC established the EX Task Force, comprising members from relevant Business Groups, to explore strategy related to next-generation energy, such as hydrogen, and carbon management. We are also making steady progress with specific projects, including winning the bid for three offshore wind power generation projects in Japan.

Roadmap to a Carbon Neutral Society

MC formulated the Roadmap to a Carbon Neutral Society in October 2021. The Roadmap centers around three core points: (1) halve GHG emissions by the fiscal year ending March 31,

2031 and achieve net zero by 2050; (2) invest approx. ¥2 trillion in EX by the fiscal year ending March 31, 2031; and (3) “Create a New Future” through integrated EX/DX initiatives.



^{*1} Carbon dioxide Capture, Utilization and Storage
^{*2} Sustainable fuels and materials made from biological resources
^{*3} Clean fuels produced with hydrogen and CO₂ from the atmosphere or industrial sources etc.

HR System Reforms

In April 2019, MC revised its HR System to center on 1) ensuring that employees gain the right experience to become management professionals earlier in their careers, 2) adoption of a more meritocratic approach to ensure that the right people are assigned to the right positions, and 3) utilization of management professionals more widely and effectively, aiming to ensure reciprocal growth between the

Company and its employees. Through these revisions, we have made progress in the development and appointment of management professionals, revisions to evaluation and compensation systems to realize more appropriate compensation, and the appointment of personnel companywide through cross-disciplinary assignments and companywide task forces.