

Integrated Report 2022

For the fiscal year ended March 31, 2022



Driving
MC Shared Value

Maximize the unique collective capabilities of the MC Group

Under Midterm Corporate Strategy 2024, MC will bring about unique shared value by addressing societal challenges through strengthening the collective capabilities of the MC Group.

Fostering and

Leading Transformations and
Connecting to Growth

Connecting Our Business to the
Future with Disciplined Growth

Connecting Diverse Sources of
Intelligence

Creating a Vibrant Organization by
Interconnecting a **Versatile and Diverse**
Talent Pool

Interconnecting with **Diverse**
Stakeholders and Reinforcing Our
Presence as a Trusted Member of Society





Leveraging Connections

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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.

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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



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



wbcSD



TCFD
Consortium

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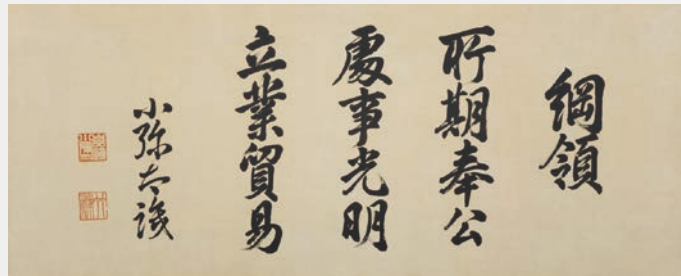
Corporate Philosophy

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.

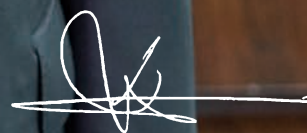
5 Consideration for Environmental Issues

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.

Message from the President and CEO



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.

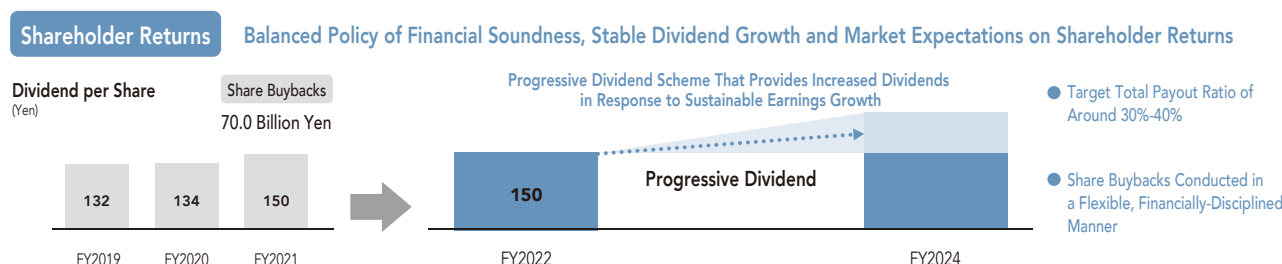
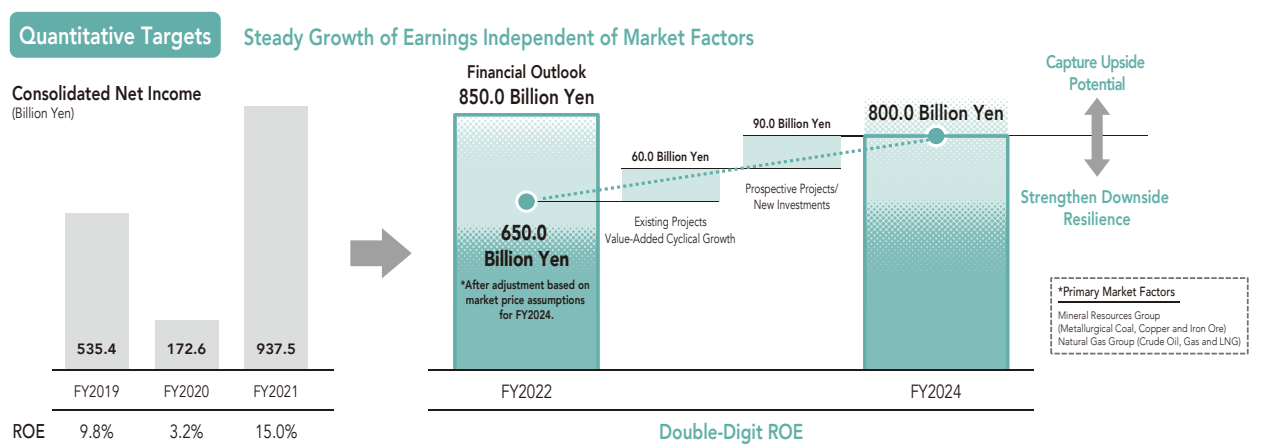
► For more information on review of Midterm Corporate Strategy 2021, see p.26-27

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 fiscal 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".

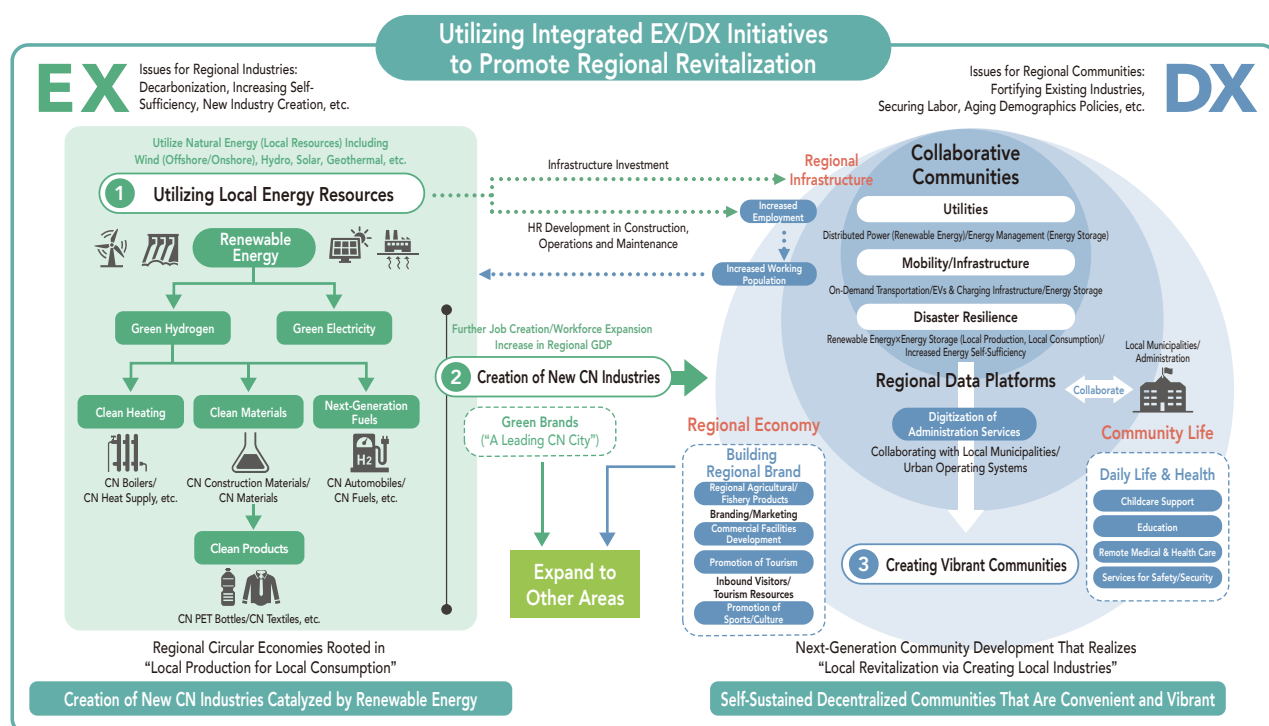
Looking at our Sustainability Policies, we updated our Materiality in response to changes in social and environmental challenges. By addressing societal issues including those reflected in our materiality, we will generate shared value through our business activities.

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.

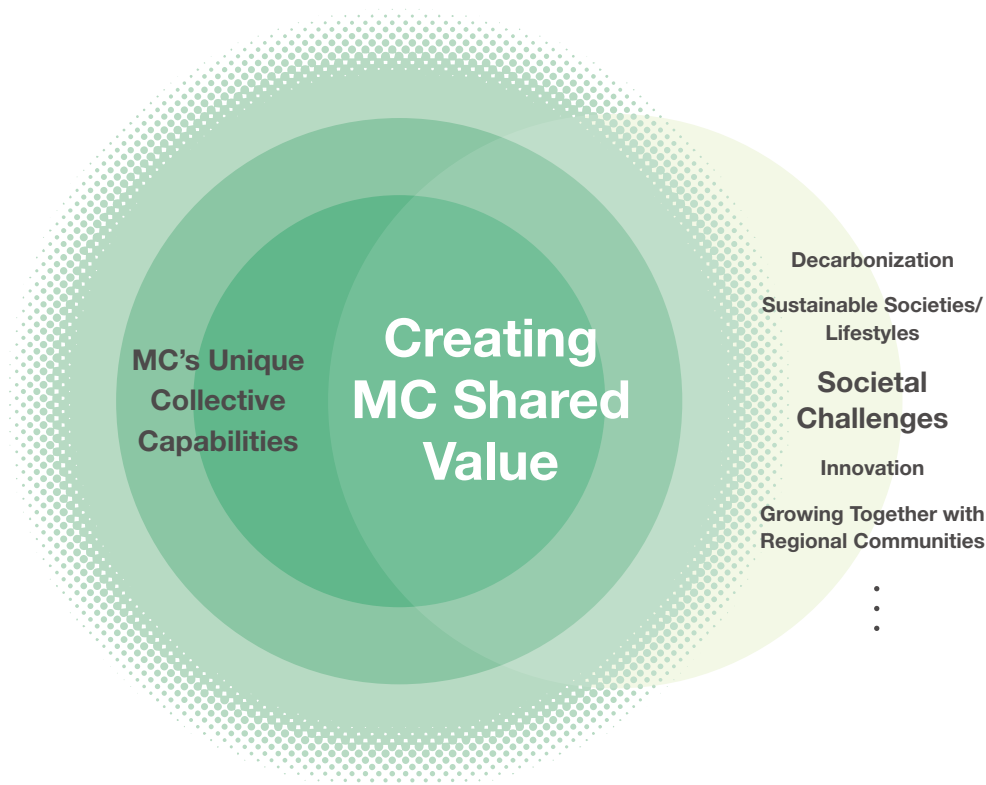
During the course of my career, I have always found it important to focus on results. Of course, results will not always be positive. The key is to never give up, no matter how far short we may fall of success. If we don't focus on the results of lessons learned, failure will only end in failure. Success 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.

Fostering and
Leveraging
Connections to
Maximize the
MC Group's
Unique
Collective
Capabilities

1 Leading Transformations and Connecting to Growth

Growth Strategies

- 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

- Business Management Systems

3 Connecting Diverse Sources of Intelligence

Management Mechanisms

- Organization
- Maximizing Our Collective Capabilities Through Cross Organizational Initiatives
- Management Mechanisms for Maximizing Our Collective Capabilities

4 Creating a Vibrant Organization by Interconnecting a Versatile and Diverse Talent Pool

HR Policies

- 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

- Materiality
- Initiatives Related to MC's Roadmap to a Carbon Neutral Society

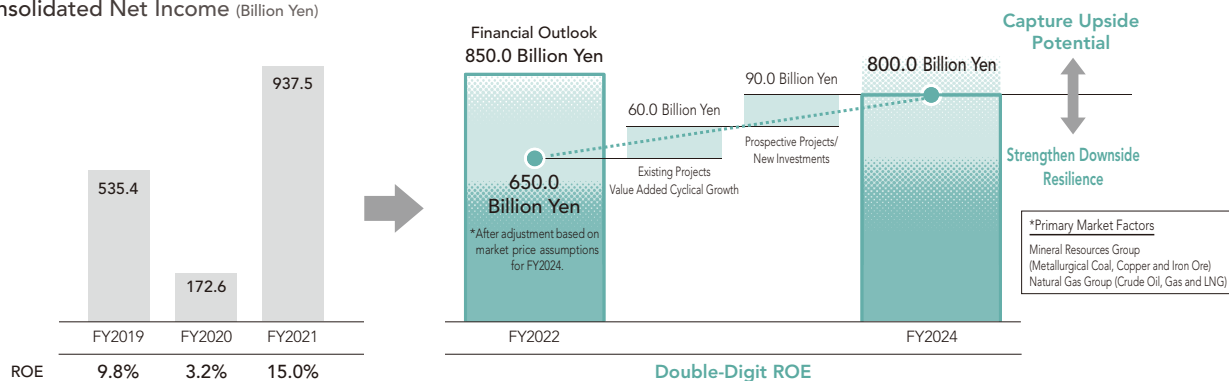
Quantitative Targets / Shareholder Returns

Quantitative Targets / Shareholder Returns

Quantitative Targets

Steady Growth of Earnings Independent of Market Factors

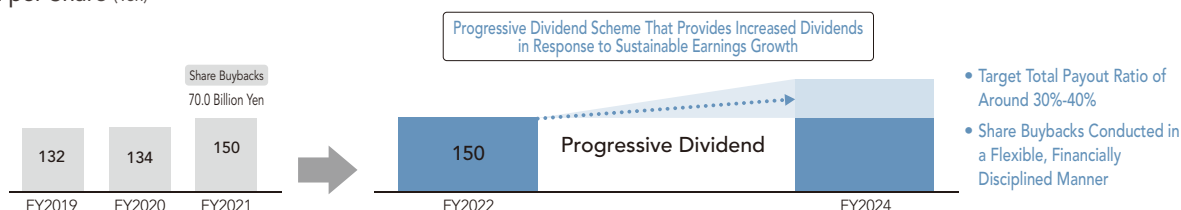
Consolidated Net Income (Billion Yen)



Shareholder Returns

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

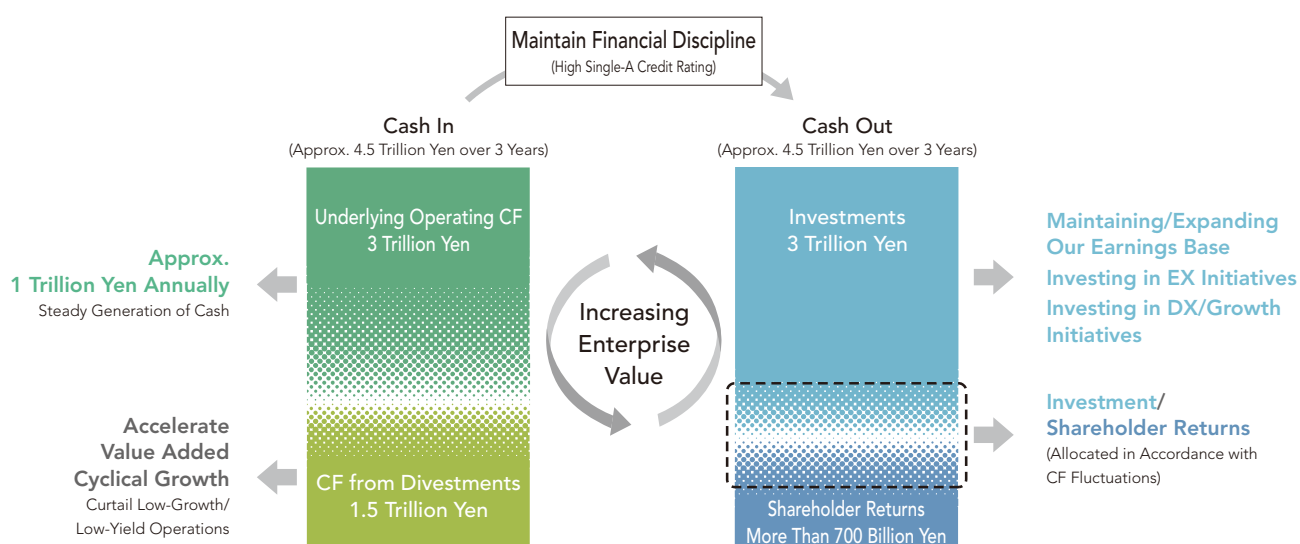
Dividend per Share (Yen)



Cash Flow (CF) / Capital Allocation

Quantitative Targets / Shareholder Returns

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

Quantitative Targets/
Shareholder Returns

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)

Area	Scale of Investment	Major Investment Targets of Midterm Corporate Strategy 2024
Maintain/ Expand Earnings Base	Approx. 1 Trillion Yen	Metallurgical Coal Food Automobiles, etc.
EX-related	Approx. 1.2 Trillion Yen	Copper Natural Gas Renewable Energy Next-Generation Energy Battery Materials/Bauxite, etc. (Hydrogen/Ammonia/ Biomass, etc.) Digital Infrastructure Urban Management
DX/Growth-related Investment	Approx. 0.8 Trillion Yen	Supply Chain Optimization Urban Development, etc.

FY2030

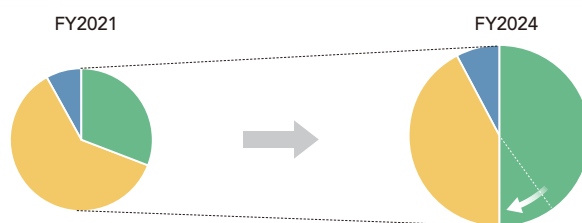
CF will be allocated to EX/
DX and growth investments
to support future growth.

Acceleration of
EX Investment

- MC's Roadmap to a Carbon Neutral Society includes plans for 2 trillion yen of investment in EX related initiatives by FY2030.
- By accelerating EX related investment, we will reinforce our business portfolio. We will also endeavor to simultaneously deliver decarbonization and a stable energy supply.

Business Portfolio Balance of Investment

- Maintain/Expand Earnings Base
- EX-related
- DX/Growth-related



- Expand ratio of EX related business portfolio from 30% to around 40% (end of FY2021~FY2024).
- Increase ratio to around 50% in the future.

EX Strategy

1 Growth Strategies

- 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.

EX

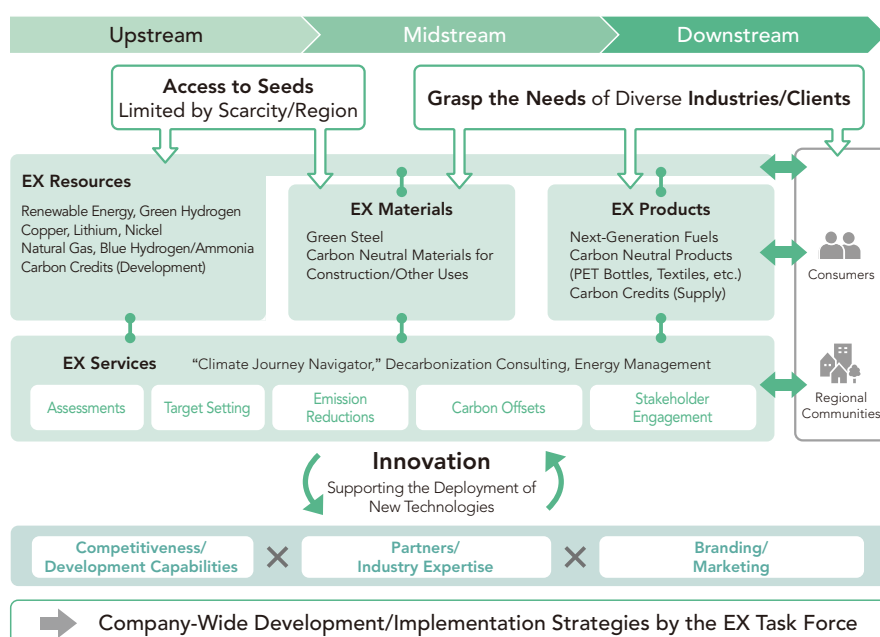
Take on the challenge of providing stable supplies of energy and resources while simultaneously supporting decarbonization efforts of society and business.

Efforts to enhance renewable energy businesses, mineral resources that underpin Electrification, and low/zero carbon energy.

Expand service-providing businesses by offering EX solutions in response to customer needs.

Join with partners to support the transition to a carbon neutral society and improvements in industry competitiveness, while maintaining a holistic view of the EX value chain.

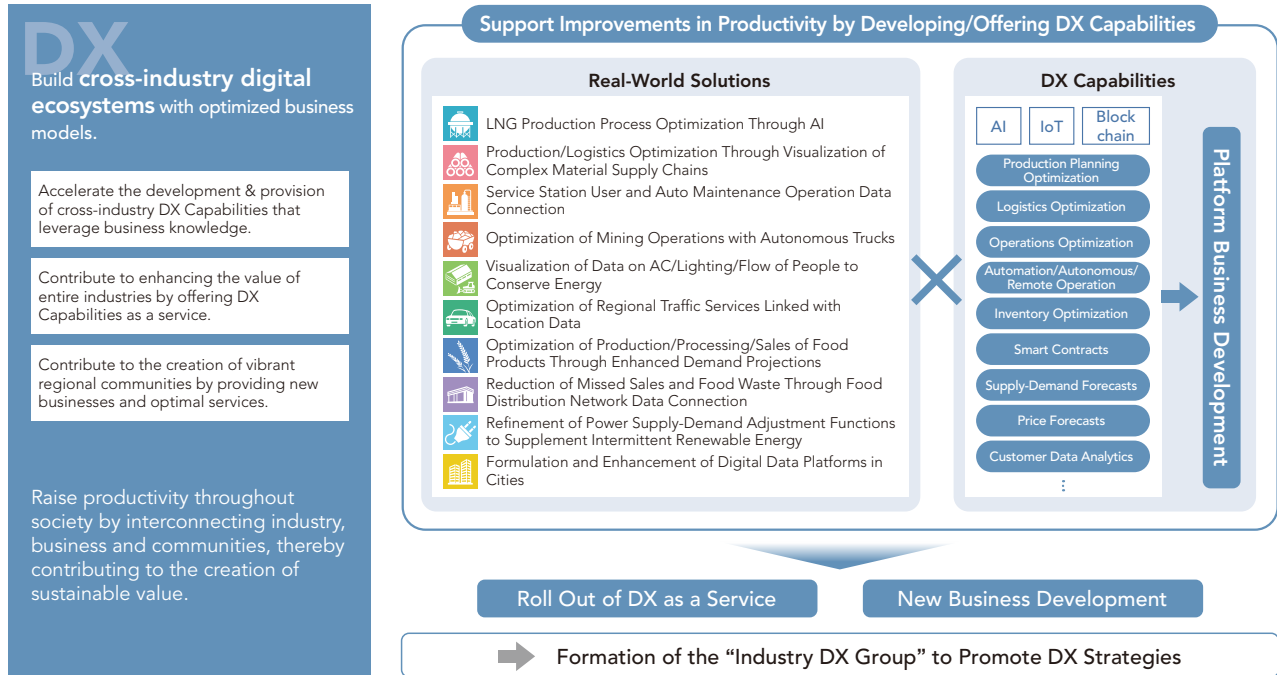
Aim to Become a Decarbonization Solution Provider



DX Strategy

1 Growth Strategies

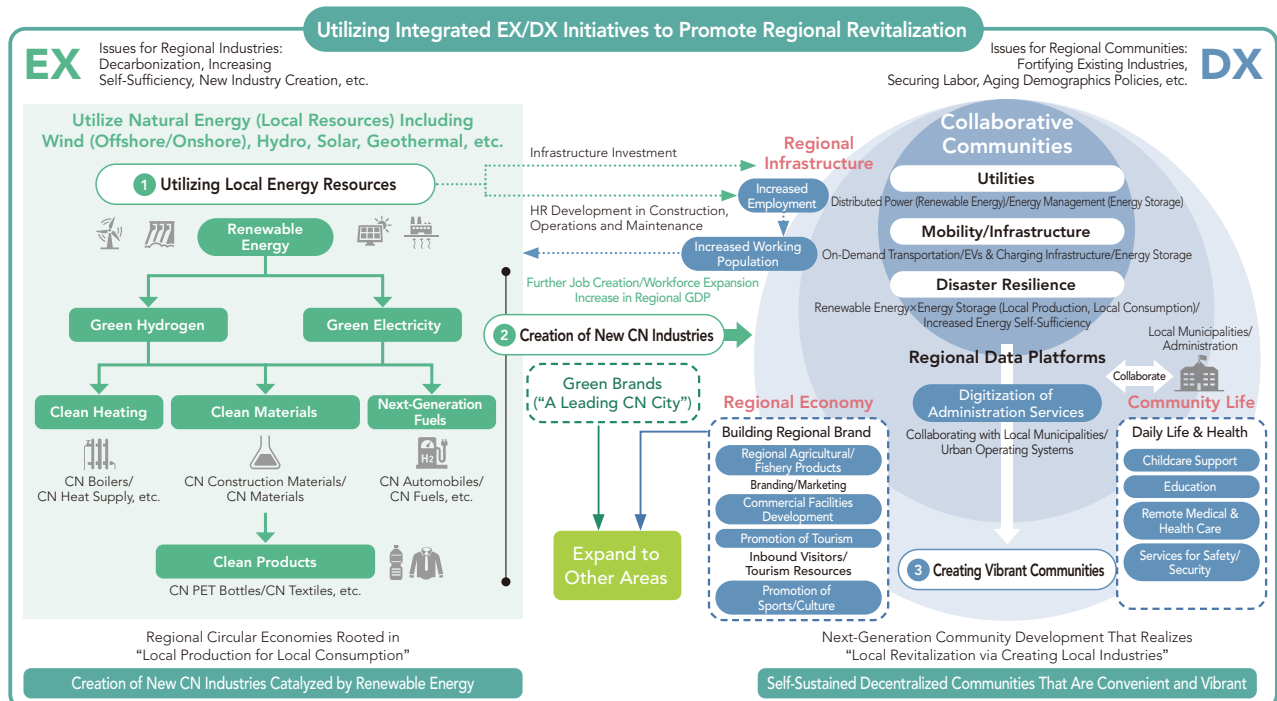
- Broadly deploy MC's DX Capabilities across business operations in order to promote value enhancement through DX initiatives, targeting diverse, real-world businesses.
- Address societal challenges by linking digital technologies with the real world, thereby contributing to the development of industry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



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

1 Growth Strategies

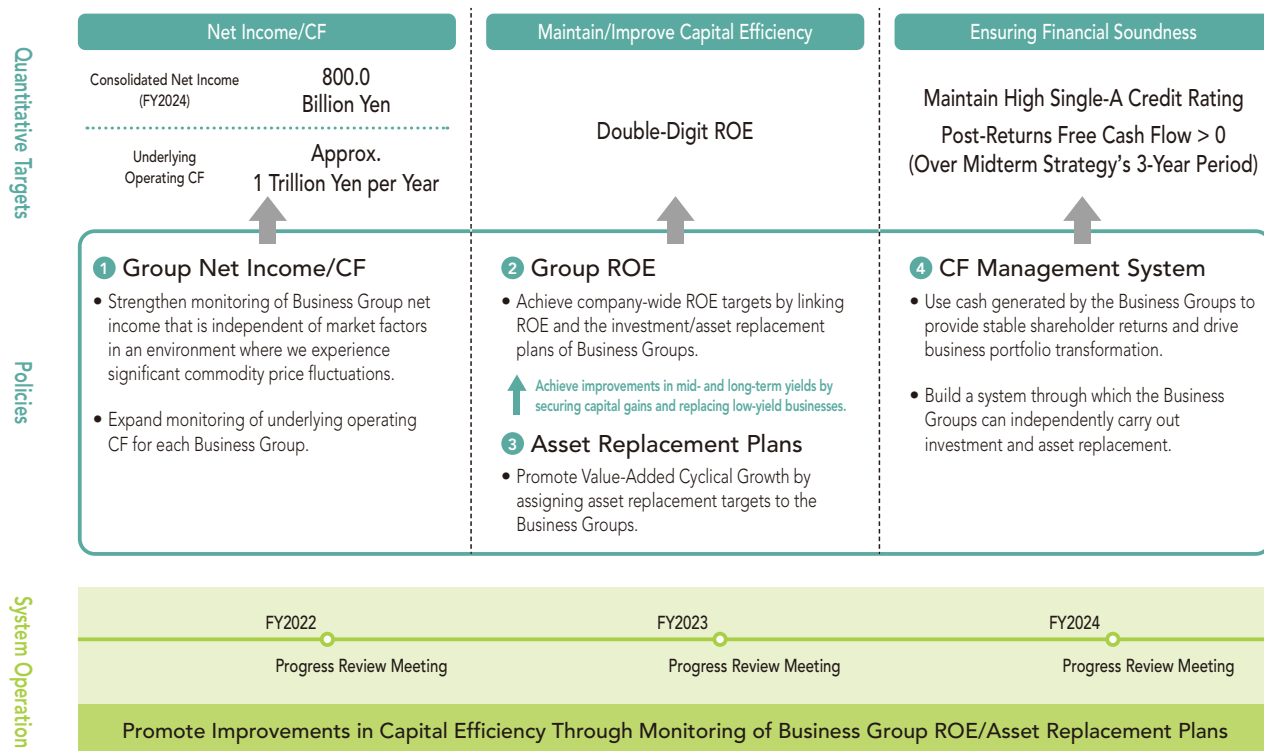
Work with partners and local municipalities to address challenges facing society and industry on the themes of (1) utilizing renewable energy and other local energy resources; (2) creating new "Carbon Neutral (CN)" industries; and (3) developing vibrant communities by helping to resolve regional issues.



Business Management Systems

2 Business Management

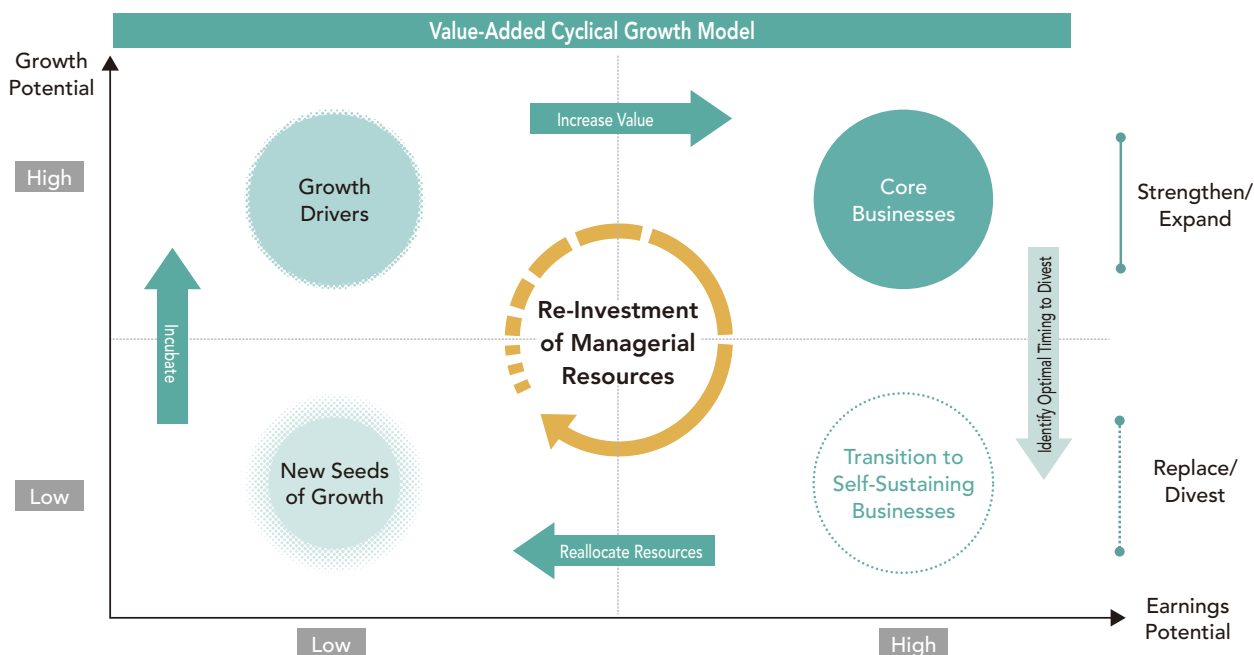
Establish management mechanisms to promote self-initiated strengthening of Business Group management with a view to achieving quantitative targets.



Business Management System: Value-Added Cyclical Growth Model

2 Business Management

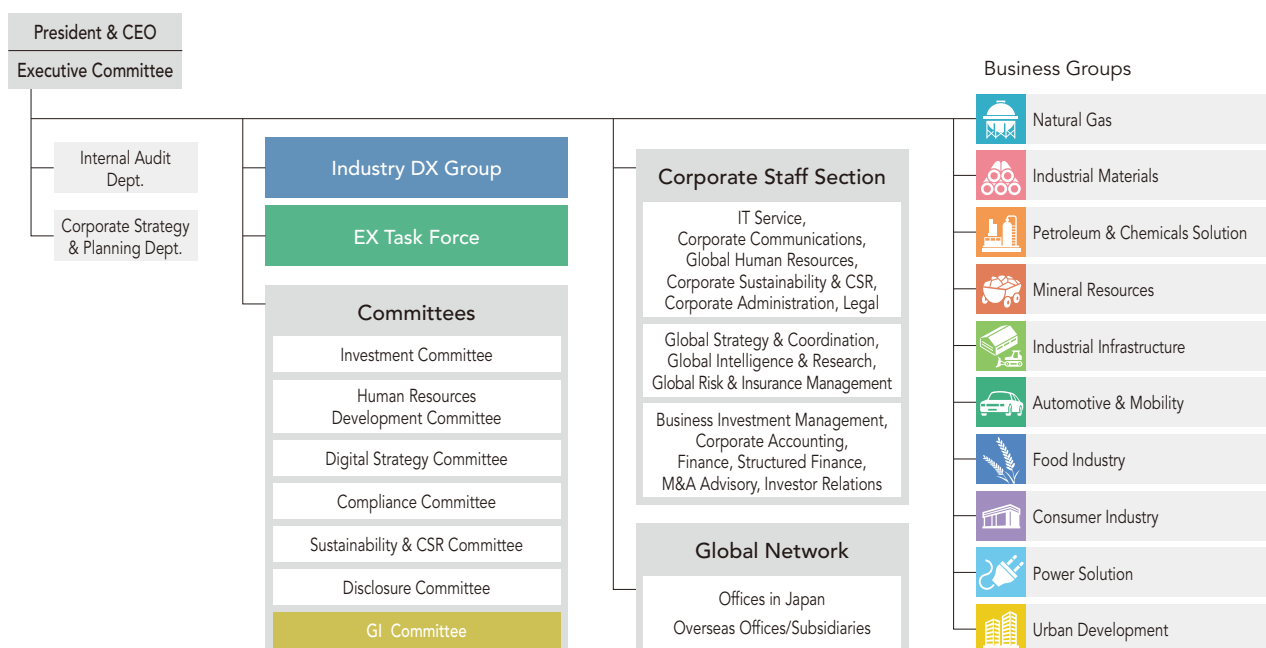
Respond to changes in the business environment by accelerating the application of the Value-Added Cyclical Growth Model and redirecting managerial resources to New Seeds of Growth and Growth Drivers.



Organization

3 Management Mechanisms

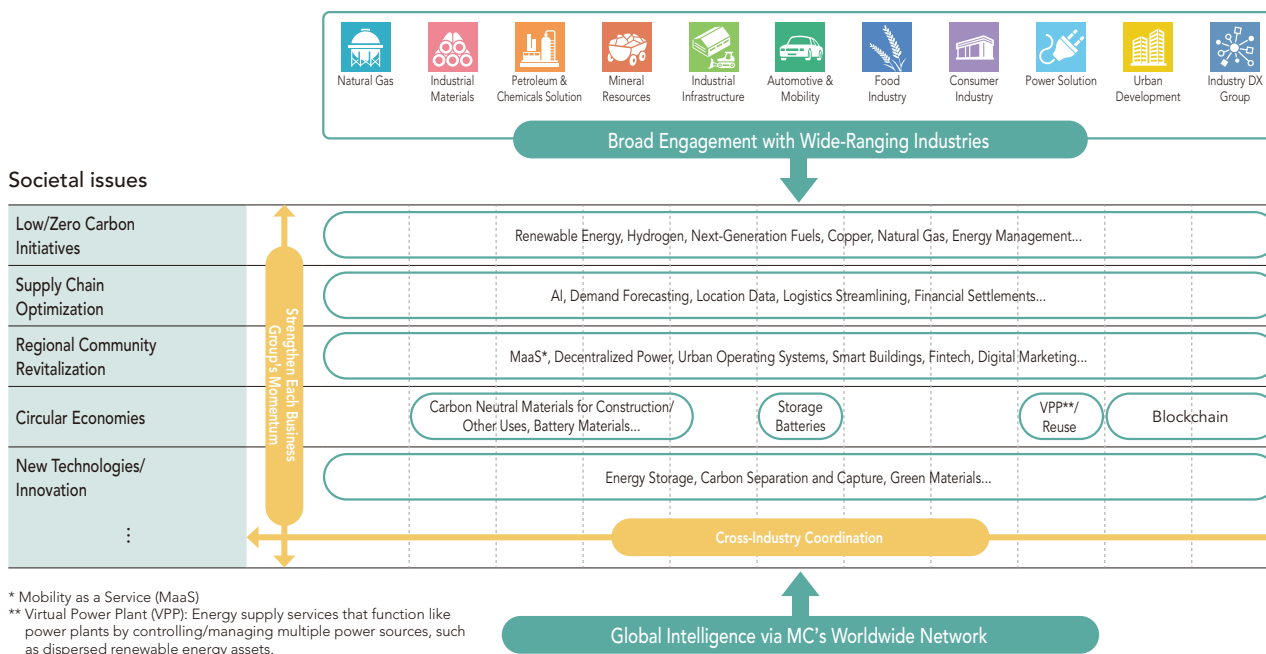
- Establish the Industry DX Group. Increase momentum in the DX area through coordination among Business Groups, MC offices/subsidiaries and the EX Task Force.
- Establish the Global Intelligence (GI) Committee as a subcommittee under the Executive Committee. Strengthen capacity to respond to rapidly-changing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



Optimizing Collective Capabilities Through Cross-Organizational Initiatives

3 Management Mechanisms

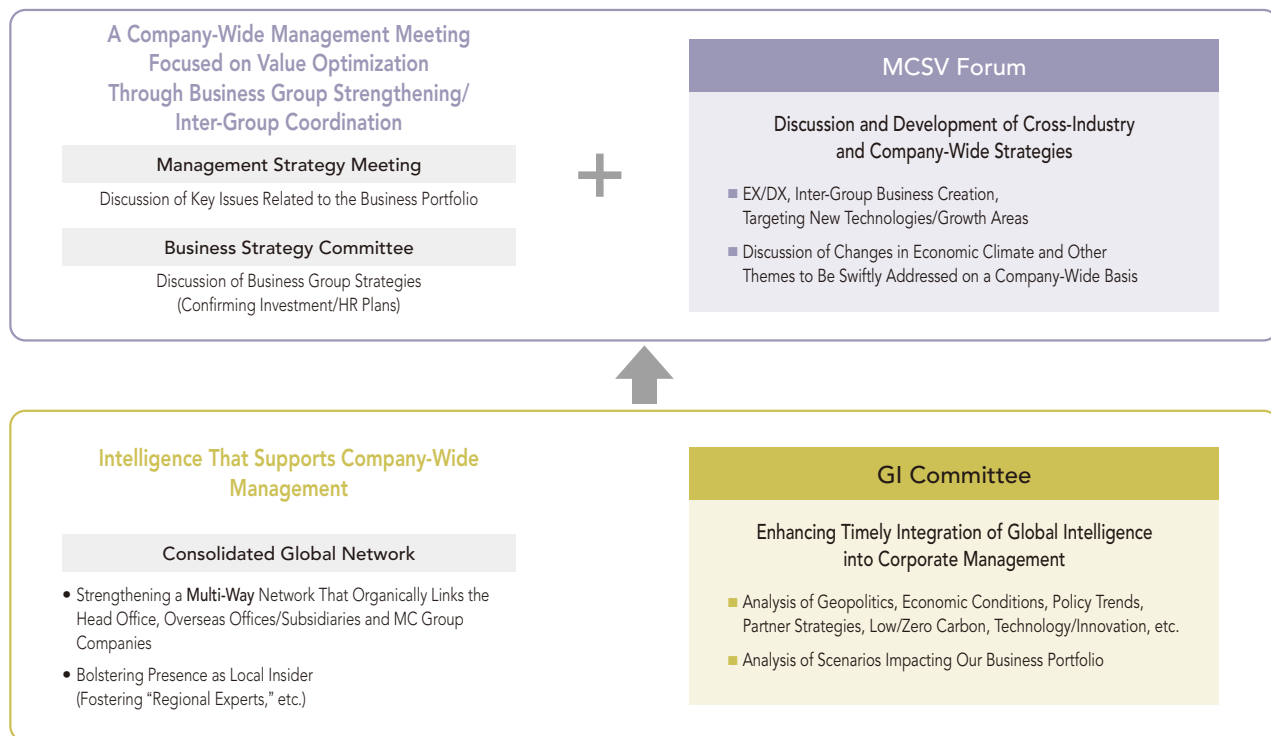
Bolster capacity for utilizing global intelligence to make timely responses and promote cross-industry initiatives to meet the challenges of a macro environment marked by geopolitical and other uncertainties, and a business environment subject to significant changes across industries.



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.

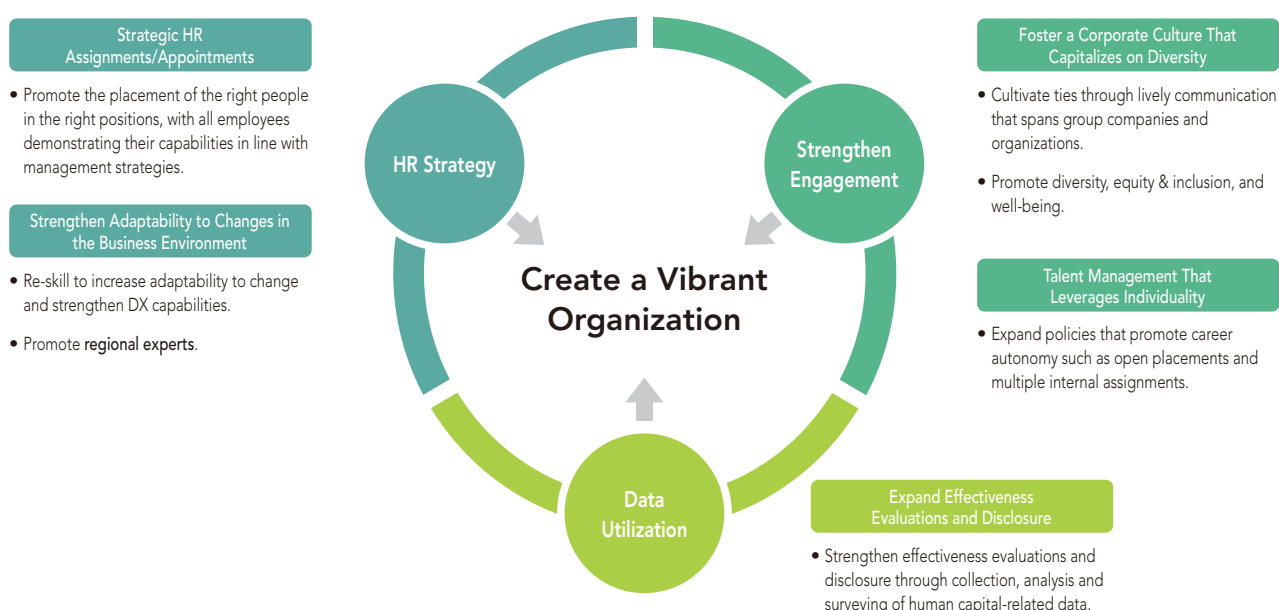


➤ Please refer to pages 38-45 for details on "Human Capital".

Optimizing the Value of 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.

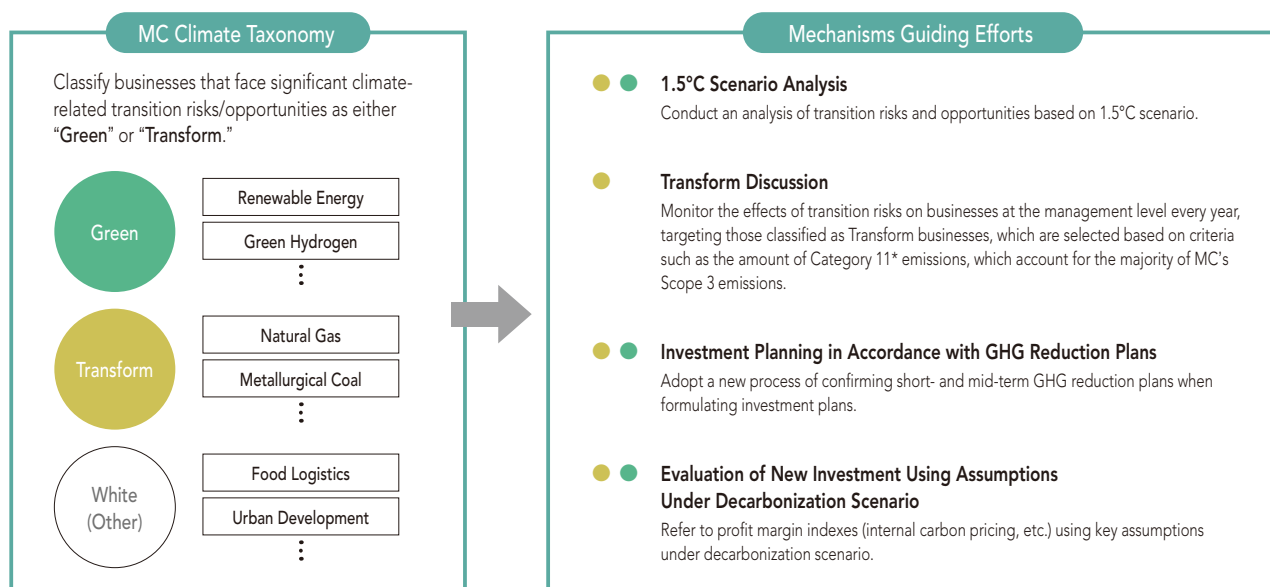
	Issues	Overview
Realizing a Carbon Neutral Society and Striving to Enrich Society Both Materially and Spiritually	 Contributing to Decarbonized Societies	Contribute to the realization of decarbonized societies by striving to reduce greenhouse gas (GHG) emissions, while providing products and services 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).



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

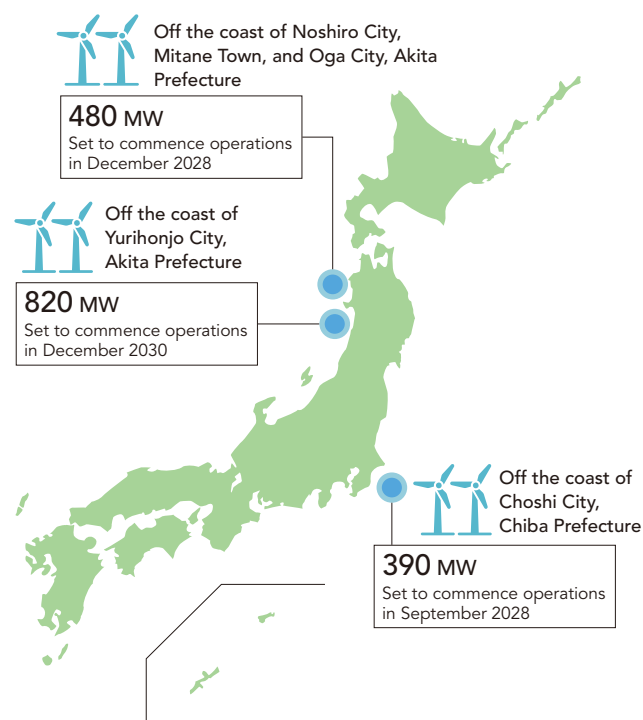
MC was appointed as an operator for an offshore wind power generation project in the following three areas, under the Act on Promoting the Utilization of Sea Areas

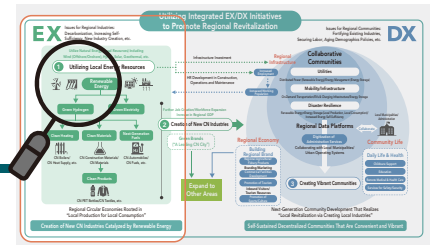
for the Development of Marine Renewable Energy Power Generation Facilities, through a consortium represented by Mitsubishi Corporation Energy Solutions Ltd.

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.





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.

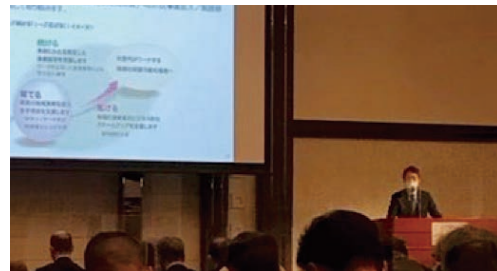
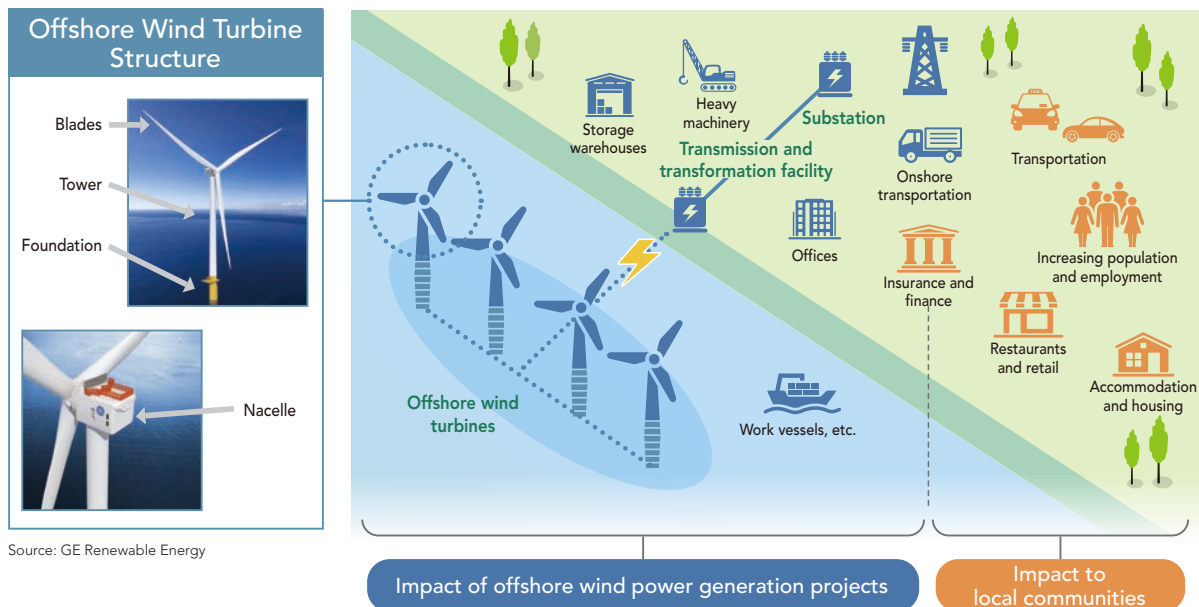


Photo taken at local business matching event

■ Concept Diagram



Source: GE Renewable Energy

Phases	Detailed examples of building national and regional supply chains
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
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.

Impact to local communities

Security/transportation services (taxi, car rentals, etc.), restaurants, accommodations, housing, retail, real estate, insurance, finance (project financing) 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.

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.

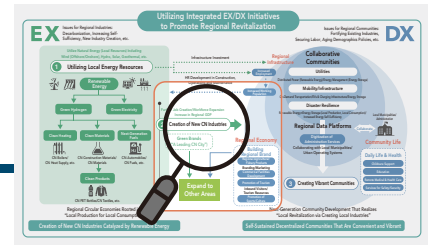
Key Areas

4 key areas

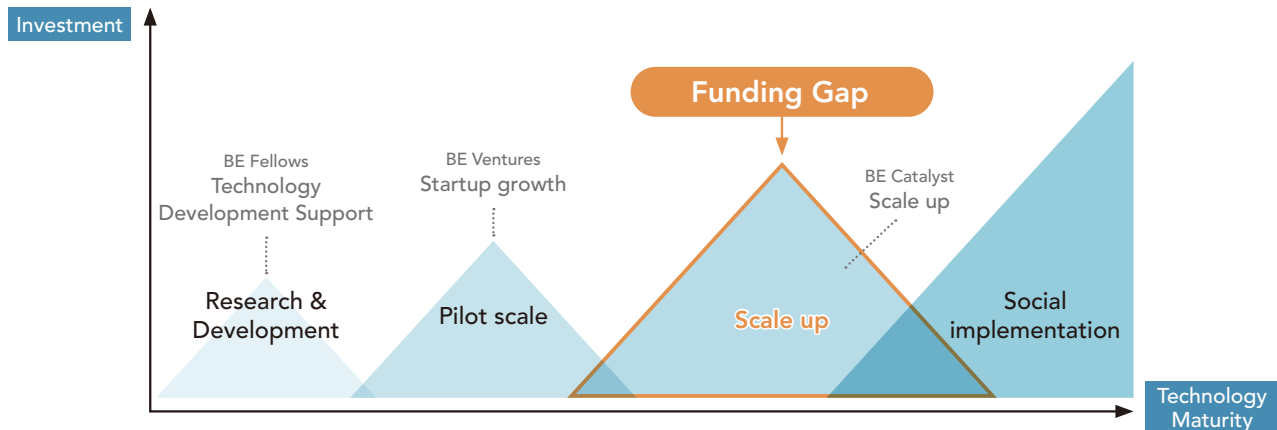
Currently, the key areas for BEC are (1) clean hydrogen, (2) long-duration energy storage, (3) sustainable aviation fuels and (4) direct air capture. In the future, we envisage that the scope will expand to include other technologies

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>



■ 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.

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.

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

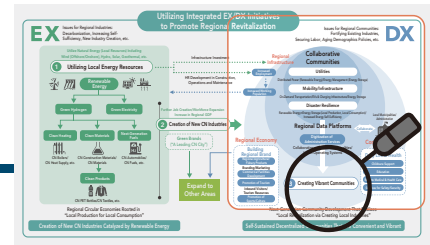
■ Development of B2C customer base and regional revitalization businesses

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.



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.

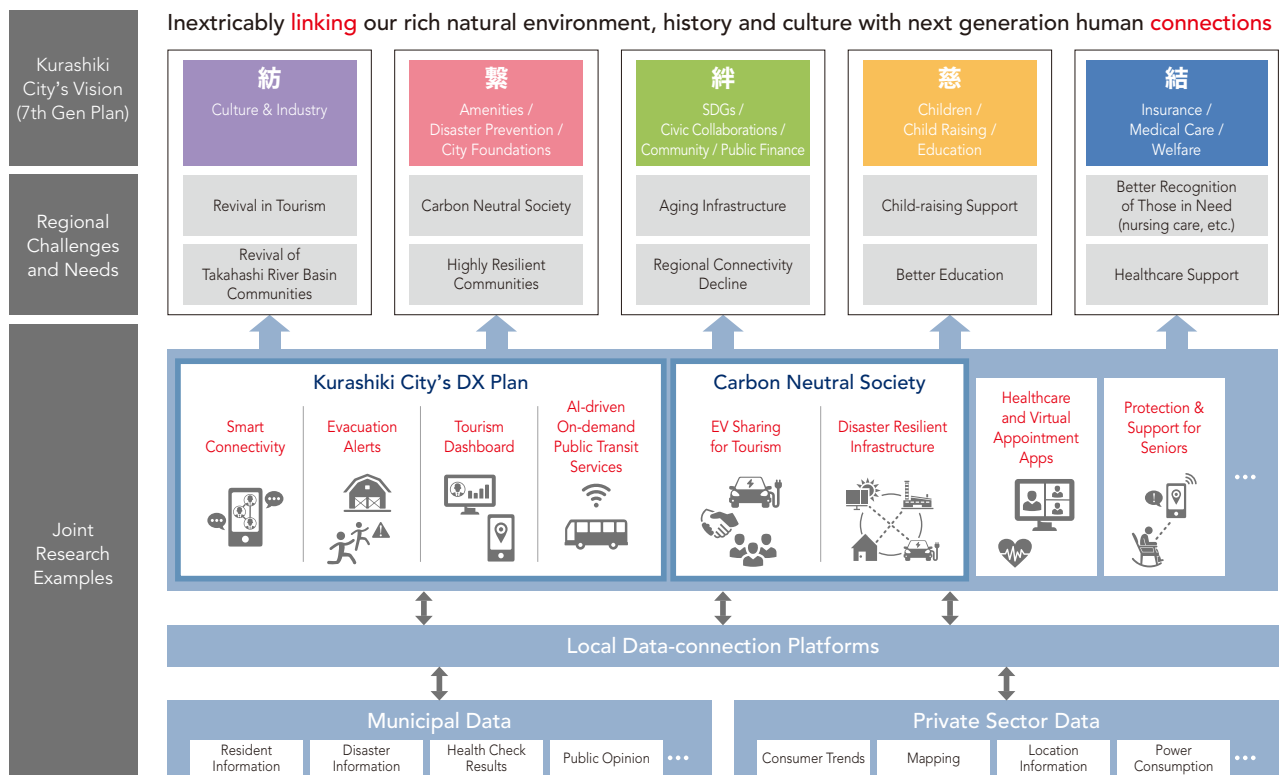
Scope of Our Collaboration

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



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.

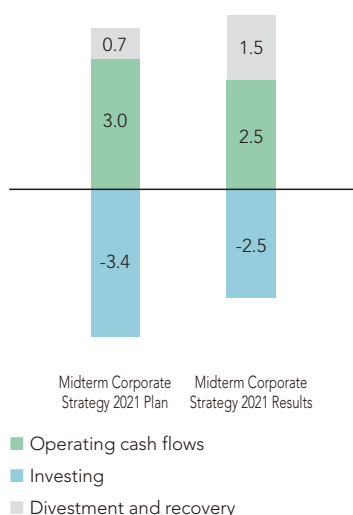
MC's financial results for the fiscal year ended March 31, 2021 deteriorated due to the worldwide spread of the COVID-19 pandemic, necessitating a swift response to changes in the operating environment and acceleration of asset replacement under the Value-Added Cyclical Growth Model.

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.

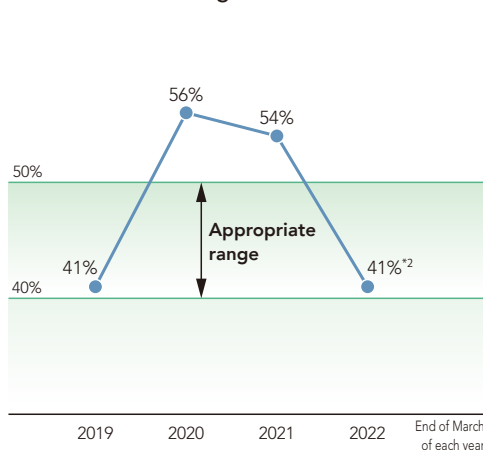
At 41%*, MC's investment and loan leverage ratio, a metric used to measure financial soundness, fell within the appropriate range of 40% to 50% thanks to the recovery in financial results during the fiscal year ended March 31, 2022, placing MC in an optimal position to launch a new Midterm Corporate 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.

■ Cash flows
(Trillions of yen)



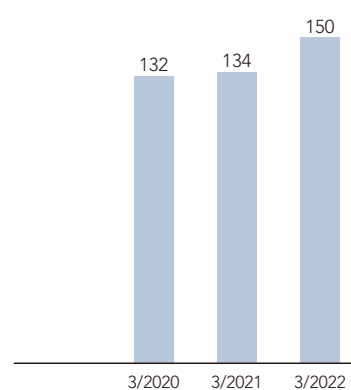
■ Investment leverage ratio*1 trend



*1 Investment and loan leverage ratio (%) = (Property, plant equipment + Investments + Loans + Intangible assets and goodwill) ÷ (Total equity + Rating capital [50% of procurement amount from hybrid bonds/loans]) - 100%

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

■ Dividend per share
(yen)



Payout ratio (Total payout ratio)	38%	115%	24% (31%)
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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

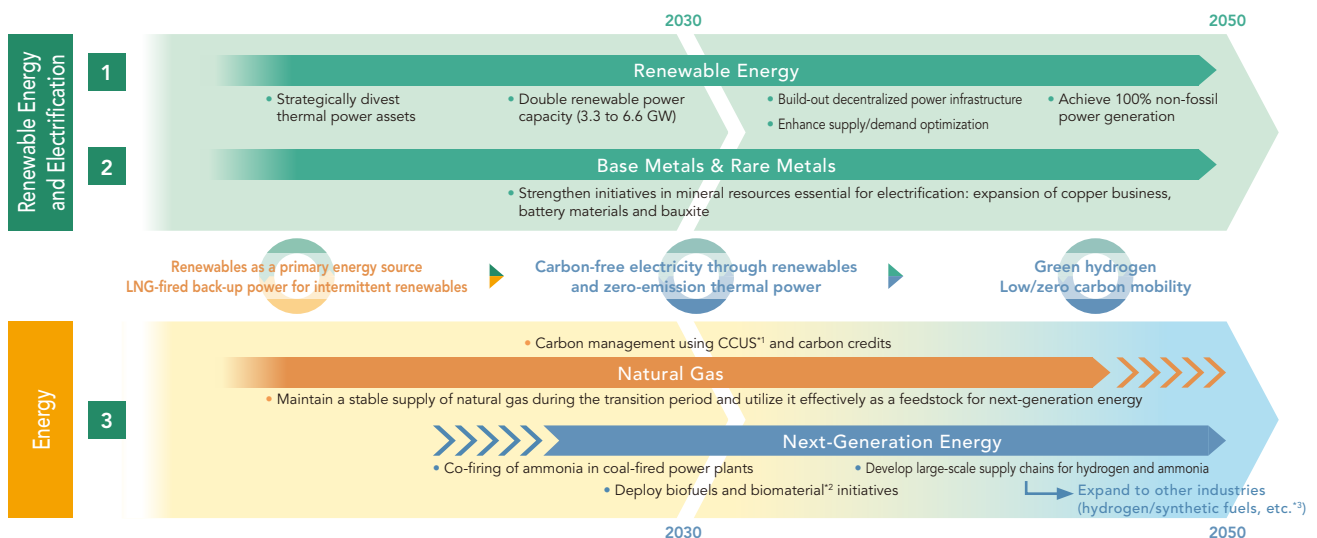
power and retail DX for developing customer services. We confirmed that there are a variety of DX-related needs on the physical frontline of our Business Groups, and we are now exploring around 80 DX projects through a companywide task force, with projects slated to begin in turn. Under the new Midterm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

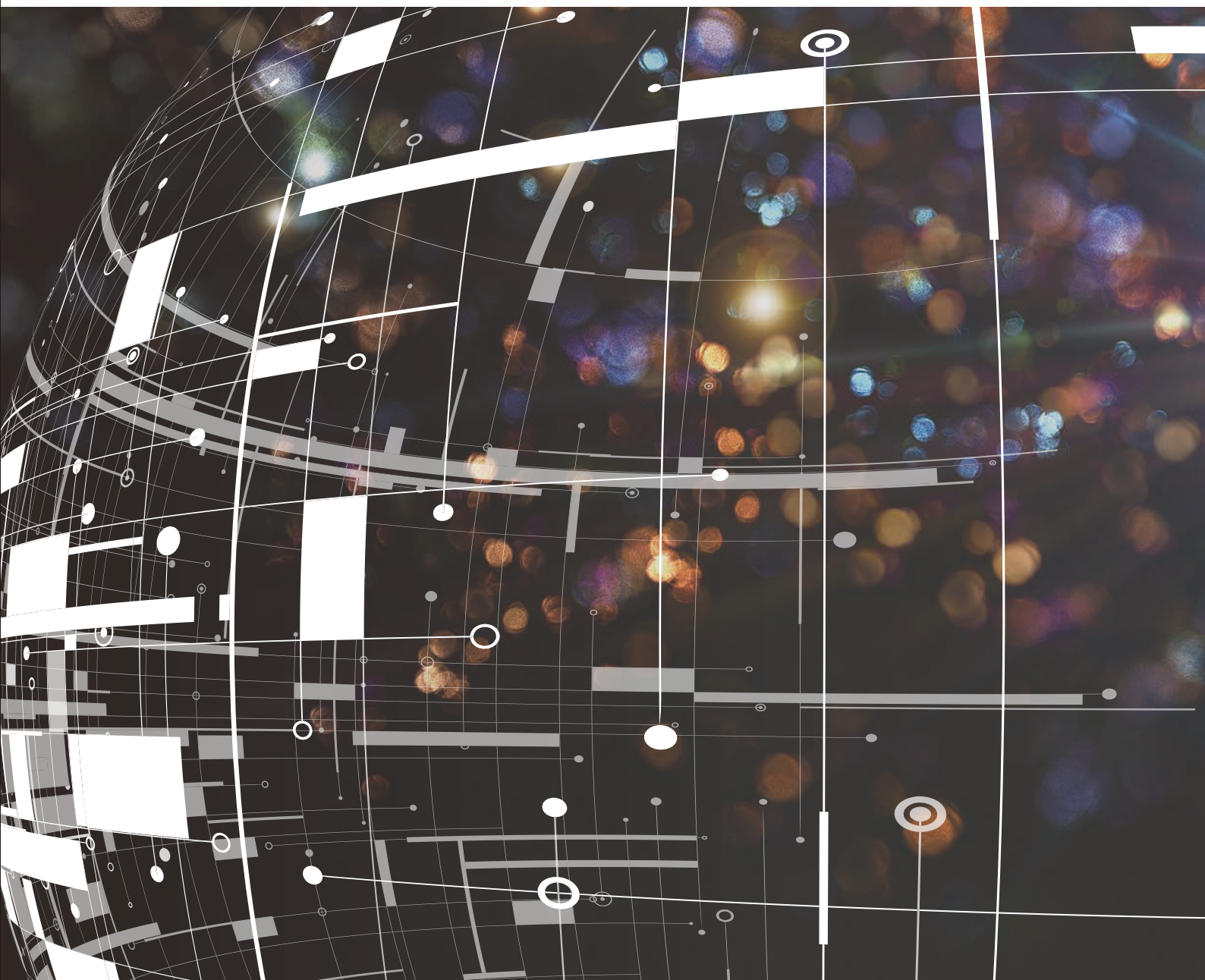
*2 Sustainable fuels and materials made from biological resources

*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.



The Value Creation Story

1

Along with an overview of the value creation process, the Six Capitals that serve as inputs to the process, and Materiality that guides the process are explained.



30 Path of Value Creation

32 Value Creation Process

34 The Six Capitals

34 Financial Capital

34 Human Capital

35 Business Assets

36 Intelligence and Industry Expertise

36 Social Capital

37 Environmental and Natural Capital

38 **Focus**

Human Capital—The Source of Value Creation

46 Materiality

48 **Focus**

Climate Change

—Materiality Forming the Basis of EX Strategy

52 Message from the CAO
(Chief Administrative Officer)

56 Message from the CFO

Path of Value Creation

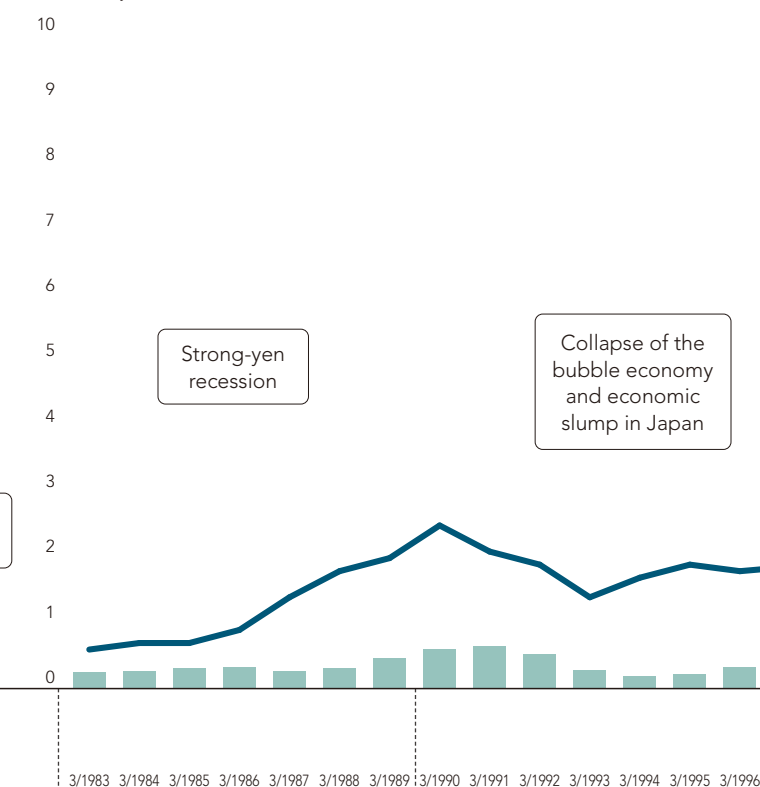
MC has pursued value creation, transforming its business models flexibly, in accordance with the changing business environment.

Transition of external environment and corporate value

Consolidated net income (Right axis)
Market capitalization (Left axis)

* Market capitalization is based on the average during the fiscal year

(Unit: trillion of yen)



Business-model transformation

Trading Phase

Trading Evolution Phase

1870

1970_s

1980_s

1990_s

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.

Major Events



Yataro Iwasaki,
Mitsubishi founder and the first President



Brunei LNG



Saudi Petrochemical Project

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

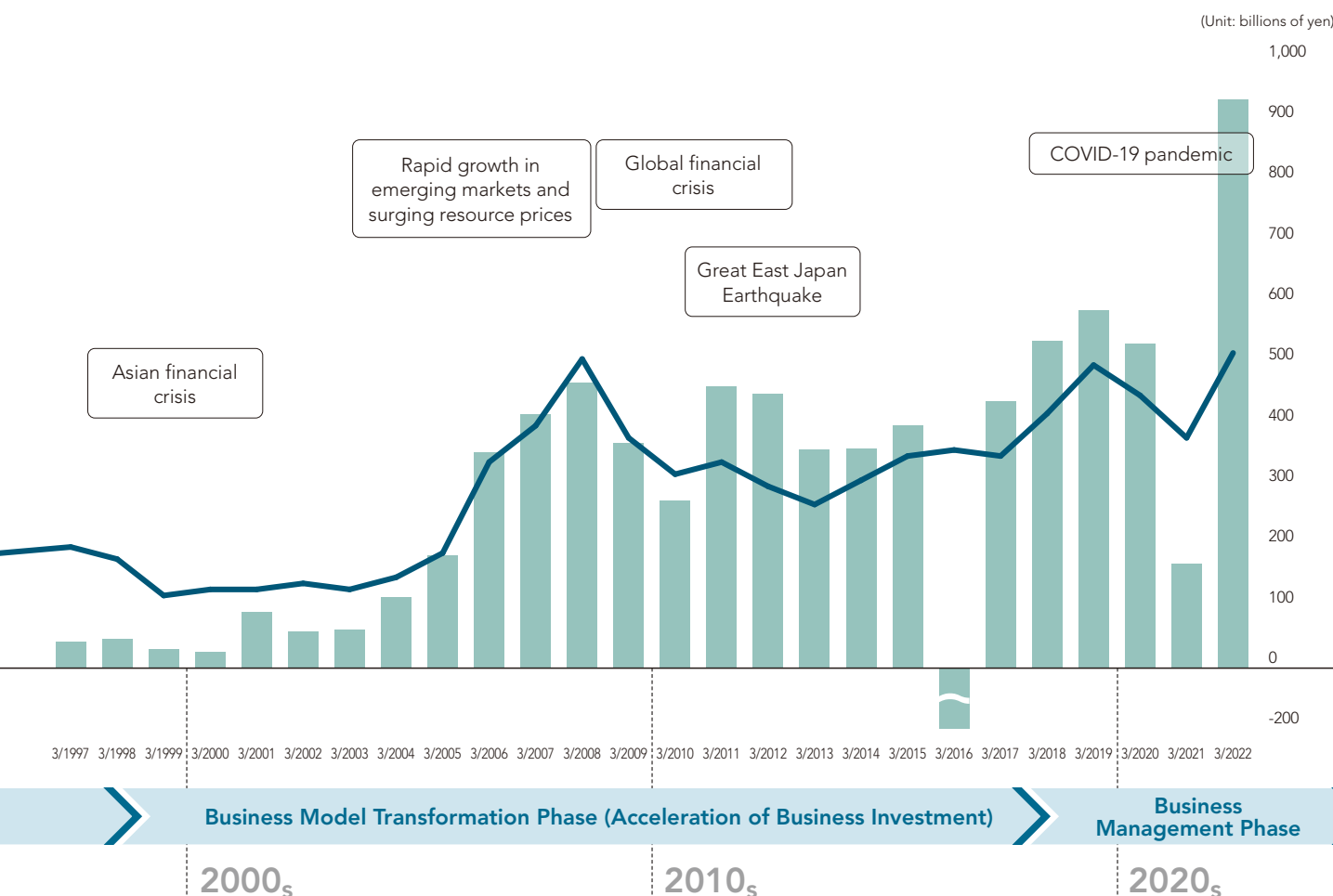
1981 MC signs joint venture contract with Saudi Petrochemical

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



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

After launching Midterm Corporate Strategy 2018, MC has sought further growth in “business management” model, in which it has deeply entered into investees’ business to create values directly and proactively, beyond the previous concept just expecting “returns” from investment. In Midterm Corporate Strategy 2021, MC also introduced the Value-Added Cyclical Growth Model, and proceeded to allocate management resources to businesses whose value could be expected to increase through our business management. In the current Midterm Corporate Strategy 2024, MC will further accelerate these initiatives while promoting EX and DX, and aim for creating a new future through regional revitalization by utilizing integrated EX /DX initiatives.



METOR, a methanol manufacturing and sales company



Metal One Corporation, an integrated steel trading company



Cermaq ASA



Eneco

- 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
- 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
- 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.
- 2021** MC appointed as an operator for an offshore wind power generation project of the three areas in Japan
- 2022** MC participates in Breakthrough Energy Catalyst

Value Creation Process

MC's businesses are underpinned by financial and other capitals which exist both internally and externally.

We invest the capitals into businesses to address social challenges through our businesses and continuously create significant shared value. The created shared value strengthens the capitals and becomes a source of further value creation. By repeating this cycle, we aim to achieve sustainable growth.

Materiality related to social challenges

P.46-47



Contributing to Decarbonized Societies

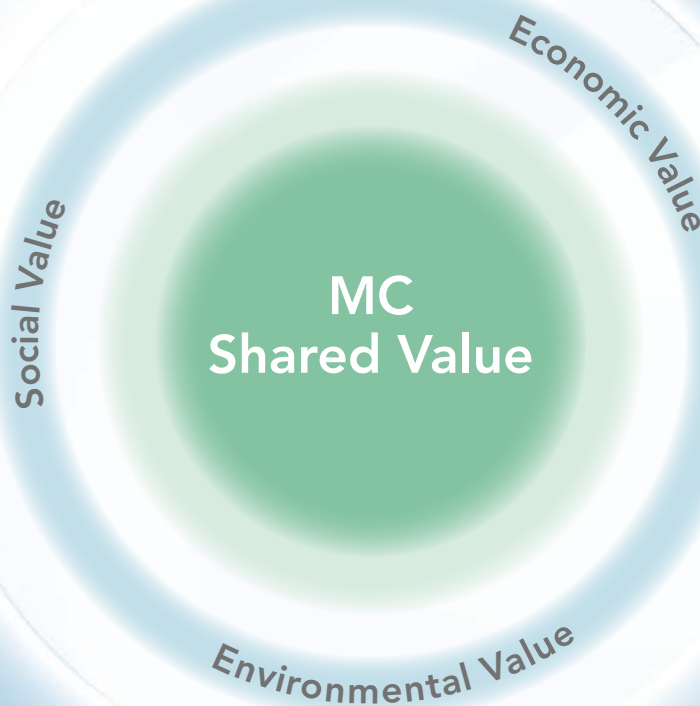


Promoting Stable, Sustainable Societies and Lifestyles



Conserving and Effectively Utilizing Natural Capital

③ Creating MC Shared Value (Outcome)



The Continuous

③ Creating MC Shared Value (Outcome)

Leveraging MC Group's unique collective capabilities, we will further accelerate addressing various social challenges through our business activities and continuously creating MC Shared Value.

Sustainability Promotion Framework

P.86-91

Corporate Governance

The Three Corporate



Utilizing Innovation to Address Societal Needs



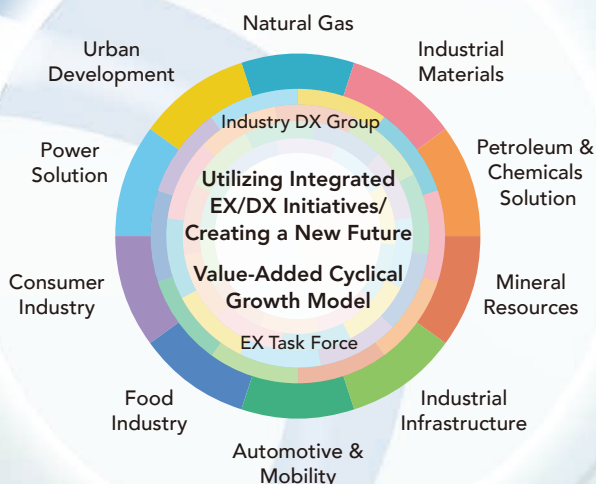
Respecting Human Rights in Our Business Operations



Addressing Regional Issues and Growing Together with Local Communities

② Business Group x Business Model (Engine)

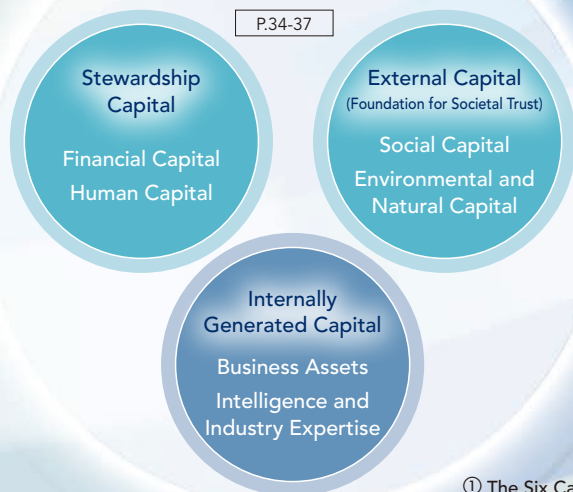
P.60-83



Creation of MCSV

① The Six Capitals (Inputs)

P.34-37



① The Six Capitals (Inputs)

External capital, which exists outside the company and underpins our management; stewardship capital, which the company acquires from external sources and assumes responsibility to increase its value; internally generated capital, which is created internally by the company using external capital and stewardship capital; these are the foundation of our business activities.

② Business Group x Business Model (Engine)

The 10 Business Groups engage in a wide range of businesses while maintaining broad contact with various industries. We aim to create value that transcends fields and industries based on the companywide theme of creating a new future through integrated EX and DX initiatives, while applying the Value-Added Cyclical Growth Model.



Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce

Risk Management

P.92-97



Realizing a Highly Transparent and Flexible Organization

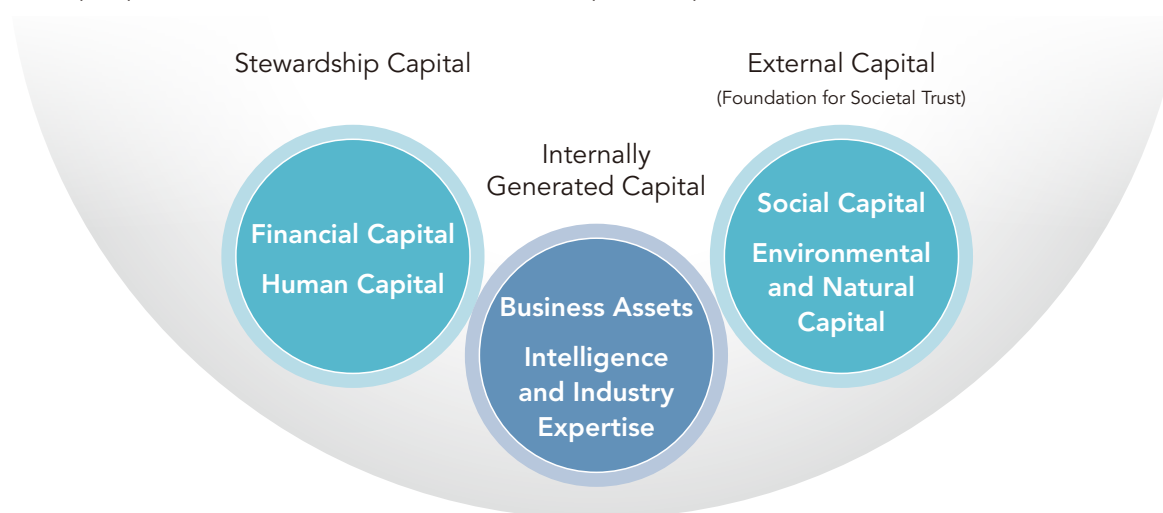
P.98-119

Principles

The Six Capitals

MC invests the financial and other capitals into its business operations to generate MC Shared Value (MCSV) by addressing societal challenges. The value created then flows back into the capitals, and the increased capitals lead to further value creation.

MC believes that the capitals, which form the foundation of its business operations, can largely be broken down into three types: (1) external capital, which exists outside the company and provides the foundation for societal trust required to carry out business operations; (2) stewardship capital, which the company acquires from external sources and assumes responsibility to increase its value, and (3) internally generated capital, which refers to tangible and intangible assets acquired and created internally by the company using external capital and stewardship capital. We have defined the following six types of capital categorized into each of the above types.



Stewardship Capital

Financial Capital

Receiving financial capital from its providers, increasing its value through business, and distributing the increased value is at the core of any company. In order to continuously increase the value of financial capital, capital efficiency must be improved while maintaining financial soundness. In Midterm Corporate Strategy 2024, we have set a target of double-digit ROE, which we will achieve through careful selection of quality investments and replacing assets using a Value-Added Cyclical Growth Model. With regard to the distribution of financial capital through shareholder returns, we will meet market expectations by combining flexible share buybacks while maintaining stable dividend growth through a progressive dividend scheme.

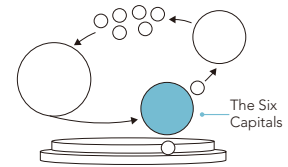
Equity capital	▶ ¥6,880.2 billion (FY2021)
Consolidated Net Income/ROE	▶ ¥937.5 billion / 15.0% (FY2021)
Total Payout Ratio	▶ Midterm Corporate Strategy 2021 (FY2019-FY2021 Cumulative) 42%

Human Capital ▶ Reference See pp. 38 - 45 for details on human capital.

Human capital is the source of all value creation at MC. Over the years, our diverse and versatile workforce has created value by addressing the various challenges of society, industry and customers and incorporating independent and global perspectives into business creation and execution.

It goes without saying that maximizing human capital requires the development and utilization of talent

coordinated with management strategies. In addition, it is important to continue enhancing engagement, because human capital is, by definition, the individual employee who dedicates his or her valuable time to work. In order to further enhance this time for each individual, it is critical to develop a comfortable work environment for employees as an organization which leads to further engagement.

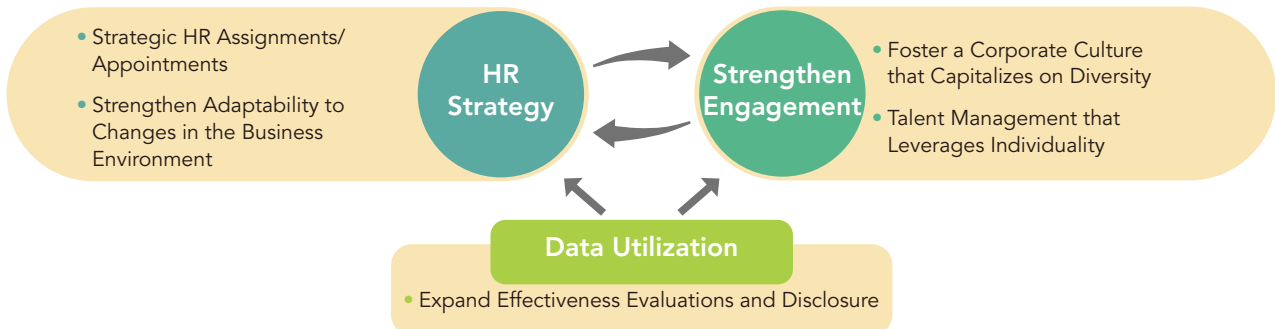


● HR Policies in Midterm Corporate Strategy 2024

In order to create MC Shared Value (MCSV) in the current environment of growing uncertainty, we must remain a vibrant organization that responds promptly to management strategies as well as changes in the operating environment, while also maximizing individual

capabilities and value. In the HR Policies of Midterm Corporate Strategy 2024, we have established three pillars: HR Strategy, Strengthen Engagement, and Data Utilization. We will continuously strengthen our vision of the ideal organization through strategy execution revolving around these three pillars.

Achieve a dynamic, spirited and vibrant organization



Internally Generated Capital

Business Assets

With its connections in all industries, MC has created new value with a large number of highly competitive and prominent assets in Japan and overseas, including LNG, metals, salmon and trout, and renewable energy.

● Mineral Resources

MC has a number of excellent assets that are among the world's best in terms of cost competitiveness and quality. In the copper business, we participate in the management of high-quality copper mines in South American countries such as Chile and Peru, and hold the largest interest in copper production in Japan. In response to the global shift towards decarbonization, the demand for copper, which is essential for electric vehicles (EVs) and offshore wind power, is rapidly increasing, and we are working hard to secure supply. In the metallurgical coal business, Mitsubishi Development Pty Ltd. (MDP) in Australia, which engages in the exploration, development, production and sale of metal resources, is partnered with BHP in the BMA metallurgical coal business, which holds approximately 30% of the world's maritime trade volume.

● LNG

We have LNG operations all over the world, including in North America, Southeast Asia, and Australia, and we maintain a market presence as the largest LNG operator (based on production share) in Japan. We are

responsible for providing a stable supply of energy while working to address environmental challenges such as climate change and air pollution.

● Salmon and Trout

In 2014, we acquired Cermaq, one of the world's leading salmon farming, processing and sales companies producing approximately 200,000 tons of salmon annually in Norway, Chile and Canada. This acquisition was made against a backdrop of growing demand for marine products driven by global population growth and an increasing interest in sustainable supply, focusing on the importance of supporting the sustainable growth of fisheries. With this acquisition, MC became the world's second largest producer of farmed salmon.

● Renewable energy

We are actively engaged in all aspects of renewable energy, from development to construction, financing, and operation. Within the renewable energy businesses, we have a strong track record in development, construction and operation, especially in the offshore wind power generation and undersea power transmission businesses. Including our equity share in Dutch integrated energy company Eneco, an investment we made in March 2020, we hold a renewable energy power generation capacity of approximately 3.5 million kW as of the end of March 2022.

Intelligence and Industry Expertise

As MC engages in a global network of business operations across all regions and industries, we have accumulated intangible assets such as “intelligence” and “industry expertise”.

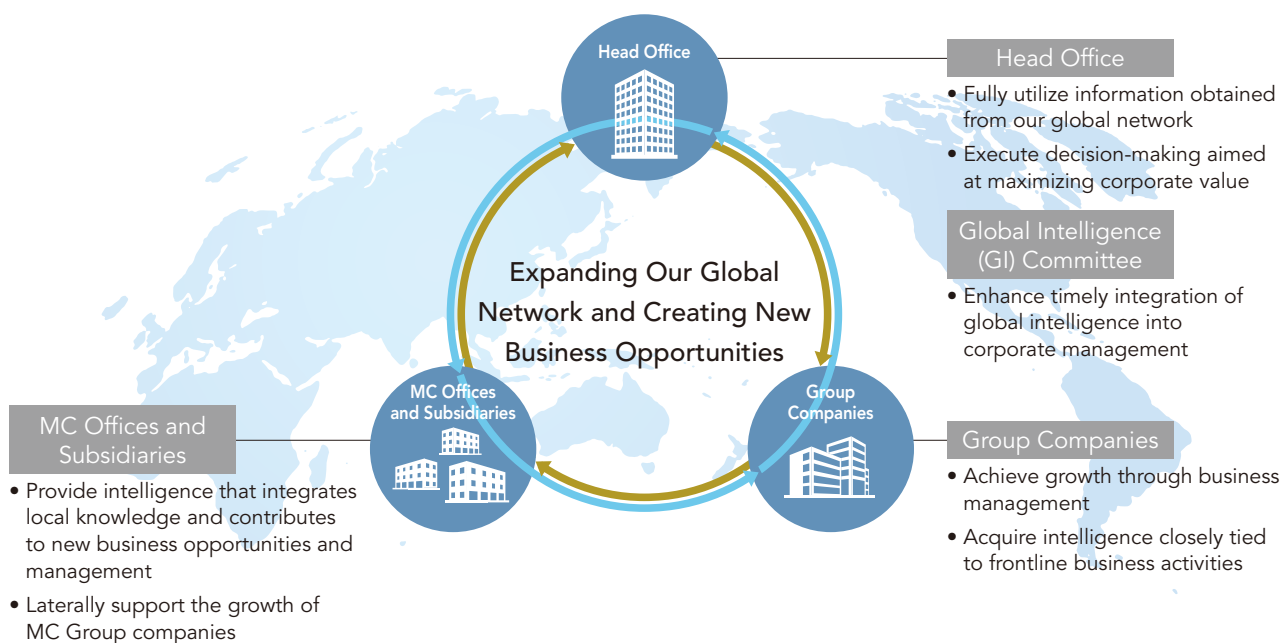
● Intelligence

Through the efficient and effective division of functions among our head office, global offices and subsidiaries, and group companies, we are constantly collaborating to enhance our ability to respond to change and generate the next source of significant growth. Through this global network developed over many years, we possess multifaceted intelligence and know-how in macroeconomics, industry and geopolitics. In order to connect this diverse intelligence and further strengthen our ability to respond to the external environment, we have newly established the Global Intelligence Committee

(GI Committee) in Midterm Corporate Strategy 2024. By incorporating the analysis of the GI Committee into the MC Shared Value Forum (MCSV Forum), which discusses and formulates cross-industry companywide strategies, we will strengthen the driving force of our Business Groups and collaboration across all industries.

● Industry Expertise

We have maintained connections with all industries for many years, and have accumulated industry expertise and know-how, by diving deep into each industry and developing a wide range of businesses. Each Business Group will strengthen the driving force of its business in each industry, and will work to provide new value by combining this physical frontline field of operations with digital technology, thereby further enhancing industry expertise.



External Capital (Foundation for Societal Trust)

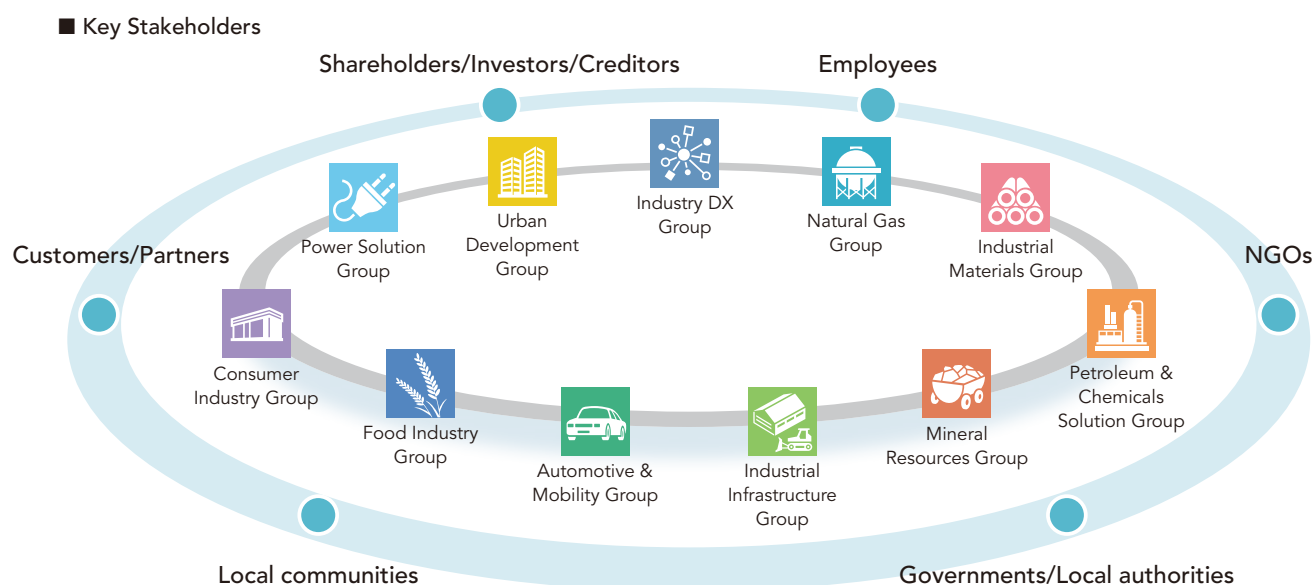
Social Capital

To implement our business operations, we need to ensure that their value and significance is widely recognized not only by our customers and partners, but also by stakeholders with whom have no direct contractual relationship. In addition to shareholders, investors, creditors, and employees, who provide the human capital, we regard our customers, partners, local communities, NGOs, governments and government agencies as our principal stakeholders, and we

continuously engage both pillars to ensure business continuity. Through this engagement and our connections with diverse stakeholders and by returning the generated value appropriately, we continue to promote the circulation of value throughout society as a whole.

● 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. This will be done by working with our customers and business partners to develop various businesses that could not have been realized alone. 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.

● Local Communities

MC believes in the importance of “Growing Together with Local Communities” and “Addressing the Needs of Society through Business Innovation” as well as 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, 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 dialogues 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.

● 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 government and public organizations through our involvement in business associations, public-private sector initiatives and other forums, with the aim of contributing to societal development.

● NGOs

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

Environmental and Natural Capital

As with social capital, consideration for the environment and nature is also an indispensable element in maintaining the foundation of societal trust critical to business continuity, and we recognize the Earth as our greatest stakeholder. In order to continuously create MCSV in accordance with the aims of Midterm Corporate Strategy 2024, we have identified the following as part of our Materiality, or important societal issues to be addressed through our business:

“Conserving and Effectively Utilizing Natural Capital”, in which we strive to maintain biodiversity and conserve natural capital while reducing our environmental footprint and realizing a circular economy, and “Contributing to Decarbonized Societies”, in which we provide products and services that contribute to decarbonization during the transition period. Using our Materiality as a guideline, we will continue to strengthen our efforts for sustainable growth.



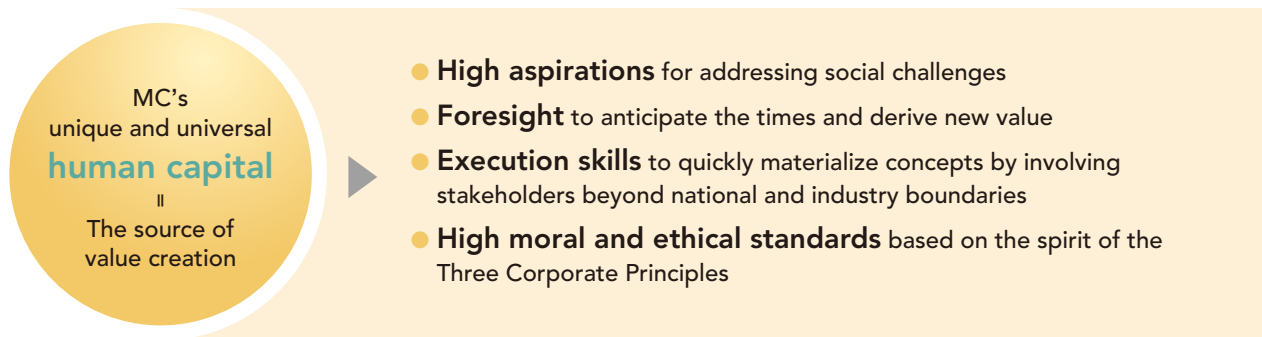
Maximizing the Value of Human Capital

Creating a Vibrant Organization by interconnecting with members of our diverse and versatile talent pool

MC's Approach to Human Capital

As a party to individual businesses and the industries on which they are built, MC has sincerely taken on the challenge to address societal challenges and achieve sustainable growth together with society through its business activities, while anticipating the needs of the

times. Recognizing these distinctive qualities of our business, we consider the diverse and versatile human resources that have supported our growth as a source of value creation, and will continue to actively invest in our human capital.



Maximizing the Value of Human Capital: Value Creation Process

MC will achieve value creation by maximizing the value of human capital through promotion of our HR policies linked to human capital investment and management strategies. One of MC's material issues is "Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce". Therefore, we will work to create an

organization in which a diverse and versatile workforce is the driving force behind the simultaneous realization of economic, societal, and environmental value and can connect and develop through shared values and mutual encouragement.

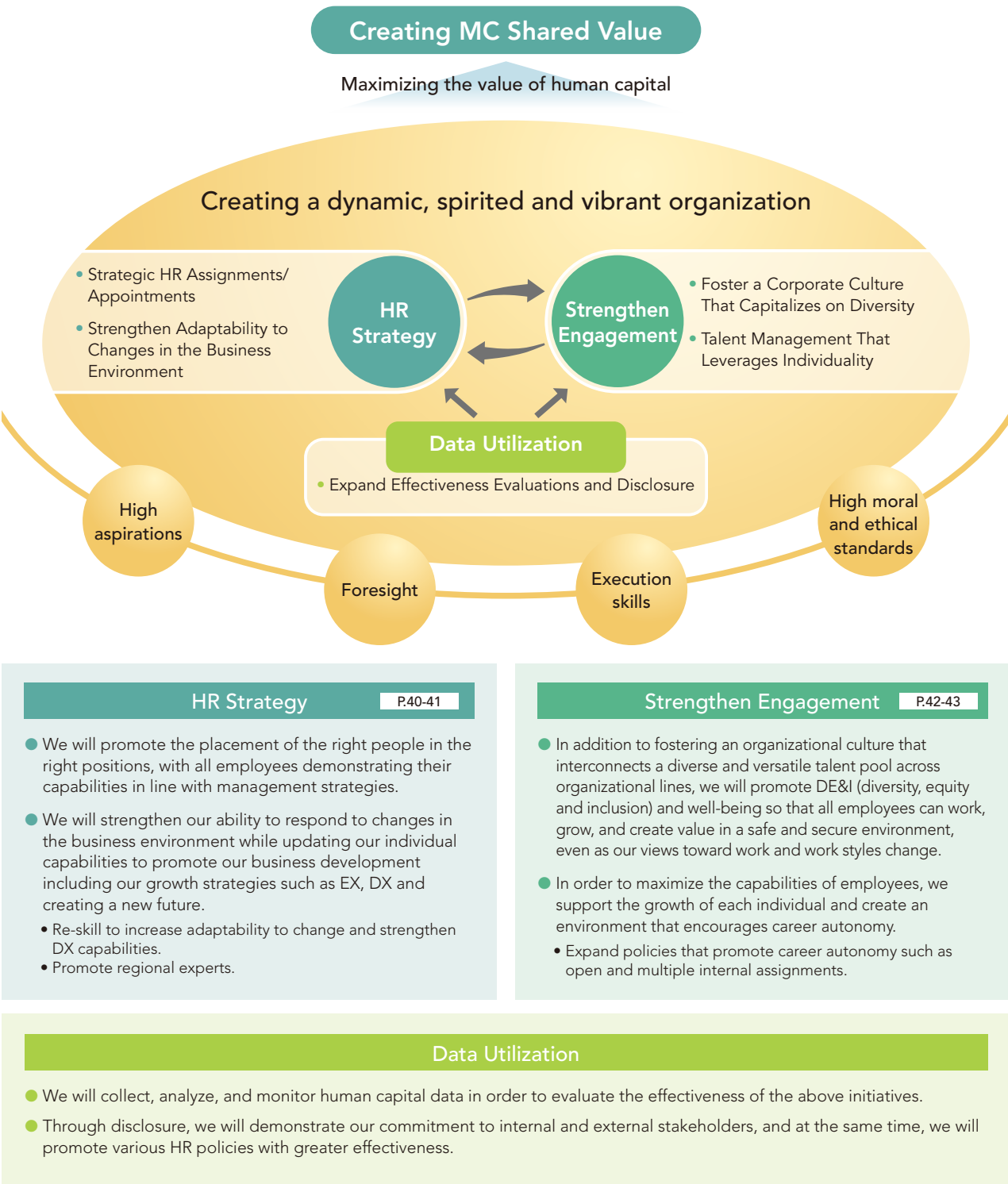


HR Policy under Midterm Corporate Strategy 2024

In recent years, societal challenges are becoming more diverse and complex than ever before. These include the transitioning to a decarbonized society, promoting sustainable societies and lifestyles, and growing together with local communities.

In order to create MC Shared Value, we must continue to be a dynamic, spirited and vibrant organization that responds promptly to such changes throughout the

world and in our management strategies, while connecting our versatile and diverse workforce that works with pride to address societal challenges. In terms of HR policy, we will create MC Shared Value by maximizing the value of human capital under the three pillars of HR Strategy, Strengthen Engagement, and Data Utilization, in order to sustain and fortify this ideal vision for the organization.



HR Strategy

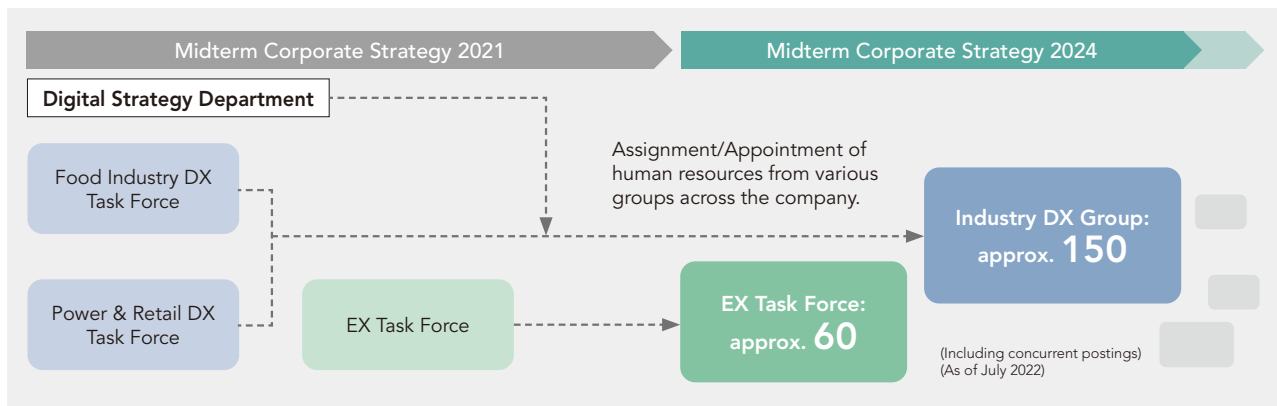
With the aim of implementing an HR strategy that responds promptly to management strategies, we will respond to rapid changes in the operating environment, promote the right people to the right positions and strengthen our ability to respond to changes in the environment so that all employees can demonstrate their capabilities.

Strategic HR Assignments/Appointments

Shifting human resources to focus areas and promoting the placement of the right people to the right positions

We will flexibly structure the organization in response to advancements in the Valued-Added Cyclical Growth Model and management strategies such as EX, DX and Creating a New Future, as well as dynamically shift and appoint human resources across organizations. Cross-organizational transfers increased significantly during the period of Midterm Corporate Strategy 2021. These included transfers

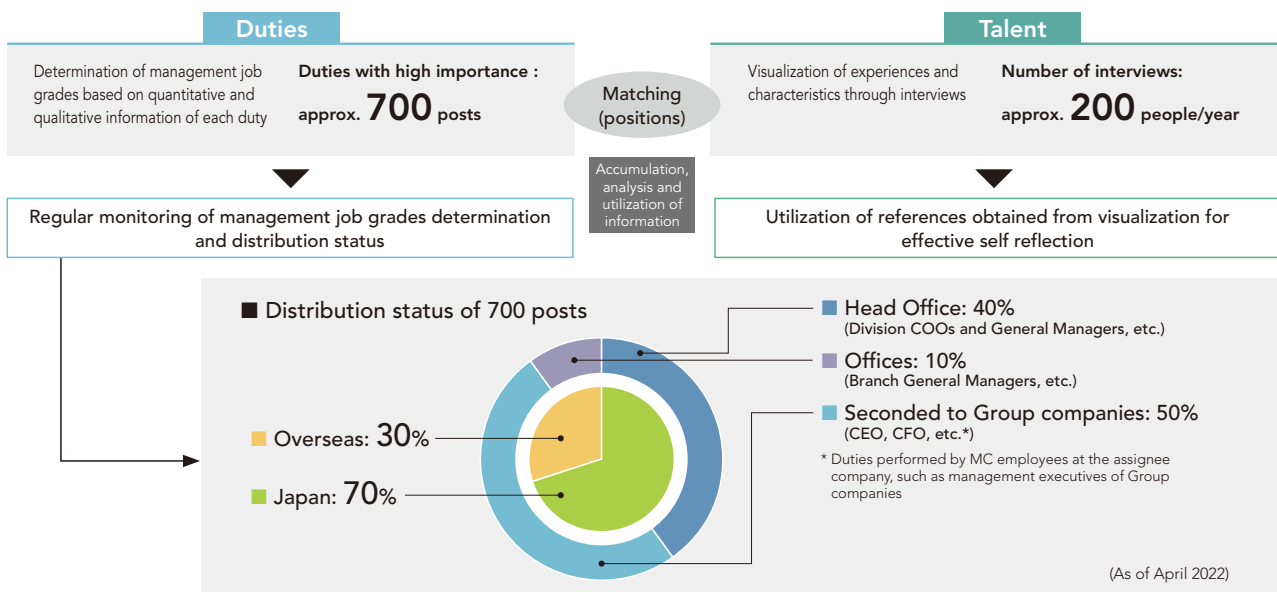
between corporate and Business Groups and the company-wide cross-functional Food Industry DX Task Force and Power & Retail DX Task Force. In Midterm Corporate Strategy 2024, we will promote collaboration broadly across organizations by allocating and appointing talent from various groups across the company, including the newly established Industry DX Group and the EX Task Force.



In order to further ensure the placement of the right people in the right positions, we will promote the visualization of positions of high importance and difficulty* on a consolidated basis and the human resources who are capable for such role (or position). Also, we will implement the visualization of

human resources for our HR subsidiaries to promote matching of human resources with abilities and motivation to proper duties regardless of age, gender, or other factors.

* Including Officers, Division COOs and General Managers of MC, heads of business sites in Japan and overseas, as well as management executives of MC Group Companies for which our employees are responsible



Strengthen Adaptability to Changes in the Business Environment

Reskilling to Adapt to Change: Leadership Development

Through a wide variety of HR development programs, we are working to update leadership skills in response to changes in the business environment. We will embrace HR diversity to make the most of our diverse and versatile talent pool, and strengthen growth support skills. We believe that employees in Team Leader positions, who serve as a nodal point between management and the workplace, play a particularly important role in realizing a “dynamic, spirited

and vibrant organization,” and we hold the MC Leadership Program for newly appointed Leaders across four sessions from April to December. We conduct coaching exercises to support the growth of team members while leveraging their individuality, and workshops to formulate action plans for the workplace based on the introspection of the results of 360-degree management reviews.

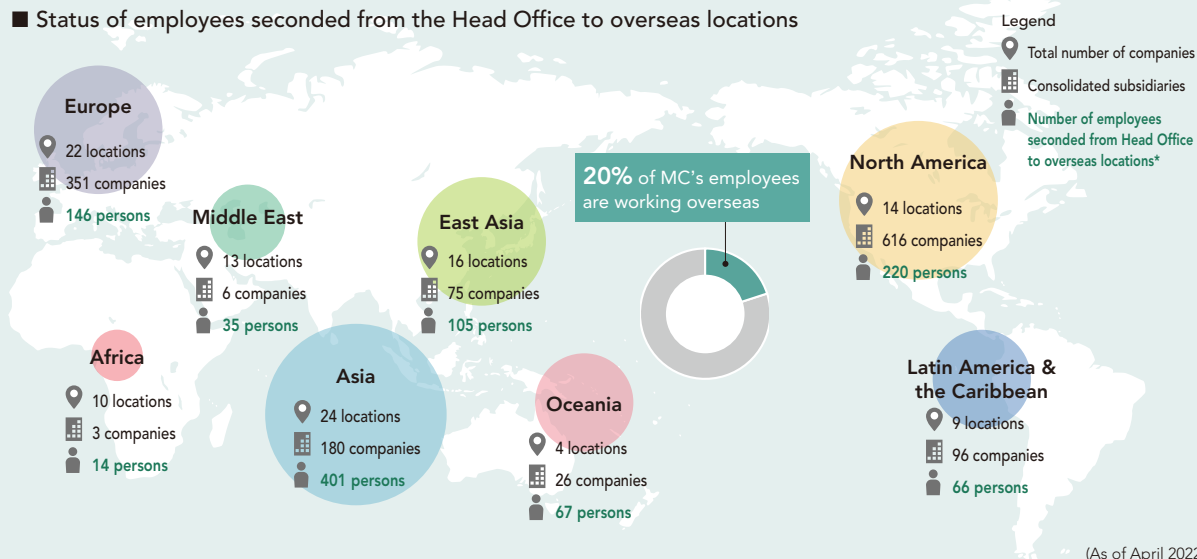


Regional Experts

The development of experts well-versed in each region as human resources who acquire “living” intelligence that contributes to MC’s business while building personal networks and relationships of trust with partners globally represents the foundation of our competitive advantages.

To this end, we will broadly select human resources who are highly knowledgeable of each country and region, and possess qualities such as language skills and expatriate work experience from within the company and appoint them to required posts, such as heads of local offices and operations, in order to strengthen regional intelligence.

■ Status of employees seconded from the Head Office to overseas locations



* Number of employees seconded from Head Office to overseas locations as of March 31, 2022

Strengthen Engagement

“Dynamic and spirited:” We aim to achieve high employee engagement, and towards this end, we will make improvements in terms of both people and organizations so that employees can work with peace of mind and feel attached to the organization and work.

Foster a Corporate Culture That Capitalizes on Diversity

Promoting Interconnections

We will encourage connections that transcend organizations, age groups, and job titles in order to foster a corporate culture that capitalizes on diversity. In order to promote active communication between executive management and employees, and interconnections between employees, we will expand dialogues and town hall meetings, as well as introduce and utilize IT infrastructure that encourages knowledge and information sharing.

Town Hall Meetings

We regularly hold town hall meetings and dialogues with the President and CEO at various opportunities in an effort to enhance communication with employees.

Results of the survey given to town hall meeting participants

* Ratio of affirmative responses from a four-step evaluation

“High engagement with work and the company” **95%**
“Increased comprehension level of management strategies” **100%**



Town hall meeting in progress

* Meetings are held with infection control measures in place

DE&I

We are promoting and strengthening initiatives to ensure that each of our diverse and versatile employees is accepted and able to flourish.

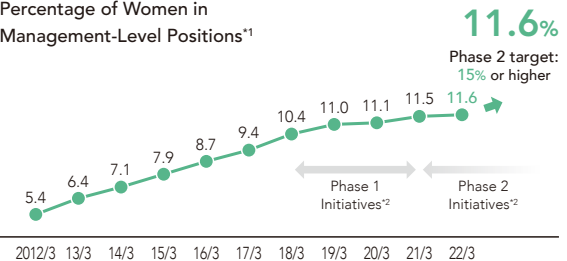
Supporting Women's Careers

We are expanding measures to support work-life balance beyond the level required by law to empower employees to autonomously develop their careers and to further maximize their abilities, even after life events, such as childbirth and child-rearing. Additionally, in order to increase the number of women in managerial positions (target of 15% or more by the fiscal year ending March 31, 2026) and to accelerate their appointment to key positions, we are promoting career support tailored to women such as a mentorship programs for women in managerial positions. We are also focusing on initiatives aimed at 100% utilization of childcare-related systems by men.

Encouraging the Appointment of a Diverse Talent Pool

We are working to maintain and increase diversity by appointing employees based on their abilities and performance, ensuring to assign the right person in the right position, regardless of age, gender or nationality or any other irrelevant factors.

Percentage of Women in Management-Level Positions*¹



*¹ Data as of April 1 each year

*² Action plan pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace

Percentage of men using childcare-related systems*

84% (Fiscal year ended March 31, 2022)
(29% taking childcare leave and 83% taking spousal childbirth leave)

* Percentage of men working at the Head Office or MC domestic offices and subsidiaries as of the end of the fiscal year whose spouse gave birth in the relevant fiscal year and who used childcare-related systems including childcare leave and spousal childbirth leave.

Percentage of foreign nationals in management-level positions (includes MC's overseas locations)

18% (As of April 2022)

Percentage of mid-career hires in management positions (MC non-consolidated basis)

10% (As of April 2022)

Strengthening and Monitoring Engagement

We make improvements by visualizing and monitoring the engagement status of employees and the degree of organizational vitality through regular Employee Awareness Surveys. In addition to MC (Head Office and facilities), group companies in Japan and overseas also participate in the survey (41 companies in Japan and 29 overseas participated in the fiscal year ended March 31, 2022).

Well-being

Based on the belief that a healthy mind and body determine the success of the individual, we have compiled a Health and Productivity Management Declaration. Under this, we are promoting health and productivity management that not only ensures the safety of the workplace, but also promotes the well-being of our diverse and versatile talent pool and ensures that they can make the most of their skills and personalities.



Health Promotion

MC has put into place a system in which employees who work in environments with different languages, cultures and medical standards, as well as their families can see in-house physicians at any time with health concerns. We encourage all employees to change their behavior to improve their health through the use of health apps as well as individual health guidance and nutrition guidance that is data driven based on diverse working environments, lifestyles, and health data.

Initiatives for Mental Health

We are promoting mental health initiatives with an emphasis on prevention and early intervention. Certified psychologists (3 full-

time and 1 part-time) regularly meet with employees individually where they receive a wide range of employee consultations. By collaborating with neurologists at the in-house clinic to create an environment that supports employees and the workplace, the number of consultations has increased, leading to the prevention and early detection of mental health challenges. We are also focusing on strengthening our support system. This entails remote counseling with employees seconded overseas, regular health monitoring for young employees, and line care training for managerial staff.

Ensuring Safety

Based on MC's Occupational Safety and Health Policy, we are promoting the development of safety and health (OSH) culture across the Group through the mitigation of occupational accidents among (1) our own employees and (2) contractor employees.

Lost time injuries frequency rate* is steadily declining (consolidated basis)

(1) **5.61** ▶ **4.16** ▶ **3.26**
(2) **2.16** ▶ **1.95** ▶ **1.14**

* Number of lost time injuries per 1 million hours (including injuries during commuting)

(Fiscal year ended March 31, 2020) (Fiscal year ended March 31, 2021) (Fiscal year ended March 31, 2022)

Talent Management That Leverages Individuality

Career autonomy

We respect the diverse work styles and values of individuals and are expanding our efforts to support career autonomy, to ensure that our diverse and versatile talent pool feels a sense of satisfaction and pride in their work, and to continue to grow and play an active role while making use of their abilities to the fullest.

Growth Dialogues

With the goal of increasing the effectiveness of employees' autonomous growth, we conduct annual reviews focusing on employee skill development and career building, and provide opportunities for dialogue with supervisors.

Level of increased motivation through Growth Dialogues with supervisors



Over 80% responded affirmatively

Feedback Supporting Growth

Prior to Growth Dialogues, employees who lead certain organizations undergo a 360-degree management review from their superiors, subordinates, and colleagues, while other employees receive team feedback from their

subordinates and colleagues. This provides opportunities for growth support leading to increased awareness and improvement of behavior.

Talent Review Program

MC has established a mechanism to encourage the development of employees' skills and careers through observation and assessment from multiple perspectives by sharing skill growth and career aspirations of employees confirmed through Growth Dialogues with a wider population.

Mechanisms that Encourage Career Autonomy

Based on individual career aspirations along with skills and qualities that employees want to develop in the future, we will promote open recruitment assignments to support the transfer of employees to positions they wish to take on and Dual Career initiatives that provide opportunities for skill acquisition and growth through in-house dual work. Additionally, we will implement a career development support program so that our employees can visualize their own skills, take inventory of their experiences, clarify their career vision, and establish a cycle for realizing it.

Engagement index in the Employee Awareness Surveys: **76%** (Fiscal year ended March 31, 2020; MC non-consolidated basis)

* Percentage of employees who answered affirmatively to the question regarding "Employee engagement (Do you work with enthusiasm and take pride in/admire your company?)" In the same survey, a positive response rate of 75% or more is recognized as a "clear strength".

HR Development and Initiatives to Promote EX and DX

Promoting EX

Expanding EX Education and Training Programs

Promoting EX requires each employee to understand the trend of decarbonization, risks and opportunities, and to recognize and envision how it relates to their own work. To that end, we are working to raise the level of EX-related knowledge, skills and mindset in order to develop human resources who can contribute to increasing corporate value through EX. Specifically, based on the three themes of

“proactive”, “defensive”, and “integrated initiatives with DX”, we are establishing training programs on EX-related themes within orientation training for newly hired employees, training for newly appointed managerial staff, and training for executive leadership (MC Leadership Program), regardless of Business Group or corporate department affiliation.

■ EX Education Themes



Proactive EX (business)

Seizing EX as an opportunity to develop and nurture new and **core businesses in a new era**.

(Industry-specific EX issues, latest EX technology trends, overview of MC's EX solutions, skill improvement in new business development, etc.)



Defensive EX (initiatives)

Identify short-, medium- and long-term risks and costs related to climate change and **strengthen business resilience**

(Impacts of related regulations and rules on MC, calculation of emissions, setting of targets, formulation of roadmaps, disclosure and stakeholder engagement, etc.)



Integrated EX and DX Initiatives

Lead industrial transformation while utilizing DX to accurately identify changes in the external environment

(EX-related digital tools and technologies, etc.)

Knowledge Sharing

MC used an online chat tool to form a decarbonization business promotion platform in which any employee can participate. Approximately 850 employees from various departments and facilities in Japan and overseas are participating, sharing their own information and know-how. Employees can also post the latest information from around the world and share examples of each group's initiatives on a daily basis. In addition, by investigating fields of high interest using questionnaires, holding study sessions, and creating a system that allows employees to immediately connect with in-house experts, we aim for this platform to serve as a stepping stone for the creation of new businesses.



Decarbonization Business Promotion Platform

■ Examples of information posted / Study session themes

- Renewable energy
- CCUS
- Hydrogen and ammonia
- Carbon credits
- Decarbonization/EX-related technologies
- Decarbonization/Ex-related external environment
- ESG investment, etc.

Active role of our diverse and versatile talent pool as seen in projects

Offshore wind power generation projects aiming to create a new future through integrated EX/DX initiatives

■ Focus on development of human resources in offshore wind power since 2012

In Europe, a leading region in offshore wind power, we have been engaging in the offshore wind power generation business for a decade together with Eneco, an integrated energy company in the Netherlands. During this time, **we have accumulated business knowledge and developed human resources across all phases of development, construction, and operation**. Our strength is our ability to complete projects independently by **utilizing the knowledge of our own people who have gained experience** in Europe through daily discussions with offshore wind power professionals at Eneco, which became an MC Group company in 2020.

■ Initiatives to create a new future by growing together with communities

In developing offshore wind power in Japan, even before the government's call for proposals began in November 2020, **we dispatched employees in charge of project implementation to Akita and Chiba Prefectures**, where offshore wind farms are to be constructed. Through discussions with local community members, we have been refining measures for mutual growth such as building a sustainable fishery support system, promoting local industry, creating jobs, and supporting the livelihood of residents. Going forward, we will promote regional revitalization and the creation of a new future by **executing these mutual growth measures together with partners and collaborators closely rooted in the community** over the long duration of these projects.

▶ Please refer to pages 20 to 25 for additional details of the special feature on Creating a New Future (Fostering New Industries/Regional Revitalization)

Keyword ▶



- Strategic HR Assignments/Appointments
- Strengthen Adaptability to Changes in the Business Environment



Initiative to revitalize human resources development in Akita Prefecture (Charitable lecture at Akita International University)

Promoting DX

DX Training for All Executives and Employees

To accelerate DX, we have defined the areas based on the “DX Talent Type” as shown in the figure below.

We have started offering the MC DX Advancement Program, an on-demand training program that allows each participant to acquire the IT/ digital skills required of “producers”, “business designers” and “architects” according to their individual level. All executives and employees have

begun taking this program in the fiscal year ending March 31, 2023. In addition to the above, we are working to develop human resources who will lead our DX projects through other training programs, including programming training for those in charge of DX promotion and new business launch, workshops on web service launch, courses for management, CDO training courses, and innovators’ Program.



* Companywide cross-functional DX consulting and services companies such as Industry One and MC Digital, etc.

MC Innovation Lab (MIL)

In April 2021, we launched MC Innovation Lab (“MIL”), a program for employees in charge of new businesses and digital businesses to develop web services while participating in lectures on programming and product creation for business development. The results were evaluated using a contest format, with some of these web services now moving toward commercialization. A total of approximately 90 employees, including from group companies, have participated in the past three sessions.



Masks were removed to take the photograph.

Active role of our diverse and versatile talent pool as seen in projects

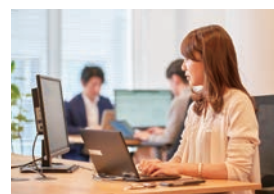
Industry One is working on industry DX by harnessing the collective capabilities of our talent pool

■ Accelerating DX covering industry as a whole

In 2021, we established Industry One through a joint investment with Nippon Telegraph and Telephone Corporation (NTT), our business partner for the promotion of industry DX. Industry One provides DX services by combining MC's strength of extensive industry knowledge and NTT's strength in ICT technology. **Seconded employees from MC and NTT with diverse experiences** are working together with **Industry One employees of varying backgrounds** to accelerate DX not only for group companies but also for Japanese industries as a whole, while collaborating with a wide range of partner companies.

■ Employees using career experience to tackle the challenge of DX promotion

One of the seconded employees from MC participated in the launch of Industry One and is now a manager at the company. This role was made possible by their previous experience in promoting DX in the food, apparel, and healthcare fields and also working on IT and digital human resource development. In order to **maximize the performance of Industry One as a whole by combining the skills of the company's diverse DX human resources**, we are actively playing a role of connecting management and employees in daily operations, focusing on **strengthening engagement** while working to improve the value of Industry One toward the realization of industry DX promotion.



Keyword ▶

Strengthen Engagement

- Foster a Corporate Culture That Capitalizes on Diversity
- Talent Management That Leverages Individuality

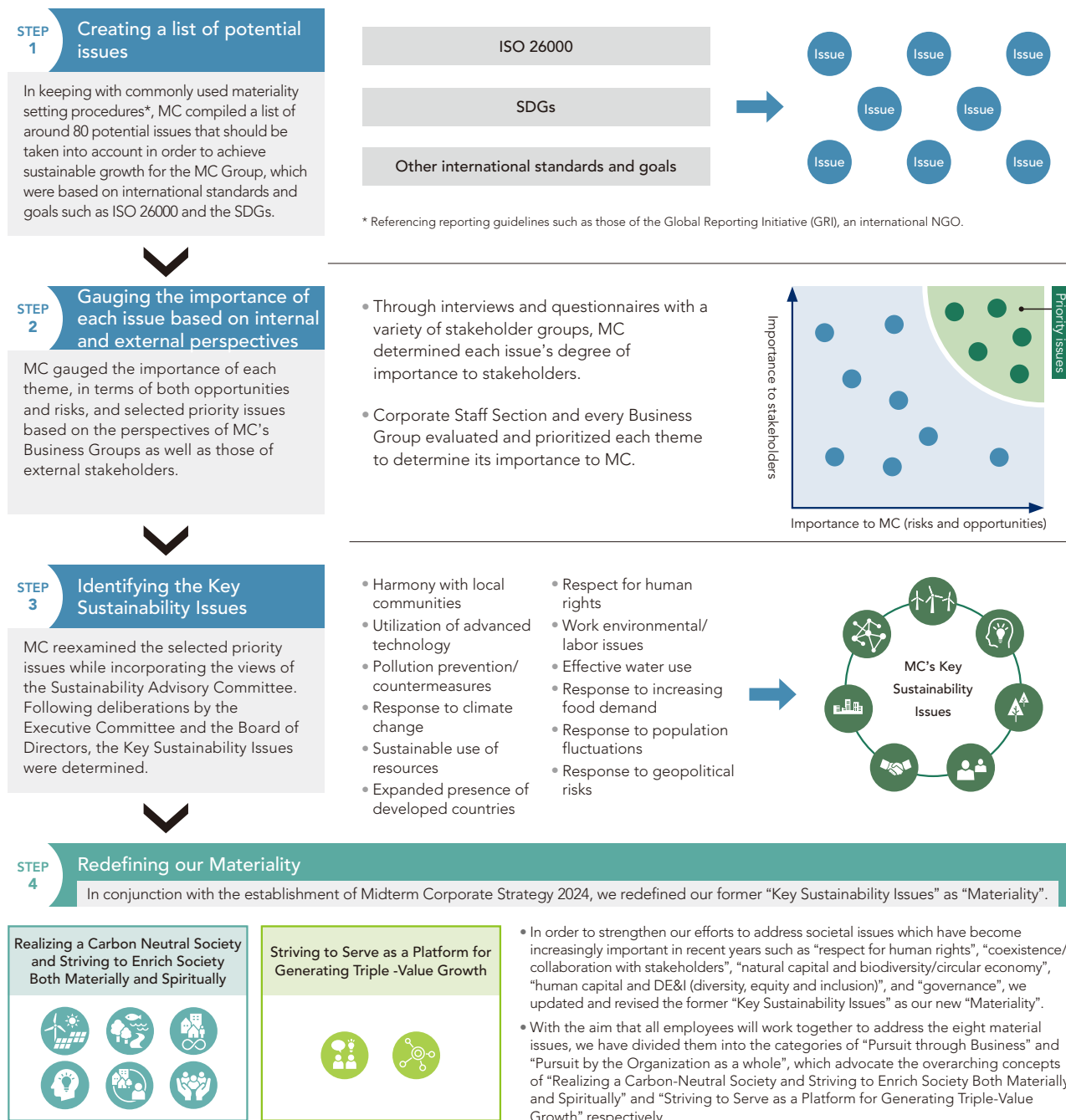
Overview of Materiality and Identification Process

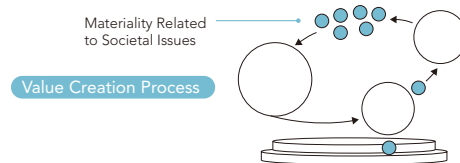
Based on the Three Corporate Principles, which have served as MC's core philosophy since its inception, MC identified a set of Key Sustainability Issues in 2016 as mileposts for proactively realizing "triple-value growth" through the simultaneous generation of economic, societal and environmental value. While responding to the requests of all stakeholders, MC has worked to address various societal issues through its business activities and has contributed towards the sustainable development of society as well as value creation.

Six years have passed since the Key Sustainability Issues were identified, and stakeholder expectations of

companies regarding issues such as climate change have grown even higher, while the issues that companies must address also continue to evolve. Against this backdrop, in order to further raise our corporate value over the medium to long term, we conducted a review of our Key Sustainability Issues from the perspective of their importance to our business activities. The revised "Materiality" was announced in Midterm Corporate Strategy 2024 as a set of crucial societal issues that we will prioritize through our business activities, towards the strategy's goal of continuous creation of MC Shared Value.

■ Identification Process of Materiality





Relevance of MC's Redefined Materiality to the SDGs

By leveraging its collective capabilities and engaging in a variety of businesses, our company will contribute to addressing a wide range of societal challenges and ensure sustainable growth. We have identified the SDGs* relevant to each material issue, and believe that promoting businesses based on our Materiality will also

help to achieve the Sustainable Development Goals (SDGs).

► Please refer to page 19 for an overview of MC's Materiality.



Please refer to pages 48 to 51 on climate change for MC's contributions to a decarbonized society.

Former Key Sustainability Issues	Themes	Relevant SDGs
Transitioning to a Low-Carbon Society Procuring and Supplying in a Sustainable Manner Tackling Evolving Regional Issues Addressing the Needs of Society through Business Innovation Conserving the Natural Environment Growing Together with Local Communities Fostering Our Employees' Maximum Potential	Realizing a Carbon Neutral Society and Striving to Enrich Society Both Materially and Spiritually Contributing to Decarbonized Societies Conserving and Effectively Utilizing Natural Capital Promoting Stable, Sustainable Societies and Lifestyles Utilizing Innovation to Address Societal Needs Addressing Regional Issues and Growing Together with Local Communities Respecting Human Rights in Our Business Operations Striving to Serve as a Platform for Generating Triple-Value Growth Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce Realizing a Highly Transparent and Flexible Organization	

..... Addition of new issues

* 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."

Setting Goals for 2030

In 2019, MC formulated individual business goals so that each Business Group could autonomously promote sustainability initiatives. In 2020, MC reviewed these individual business goals to make them more specific and quantifiable, taking into account the external

environment and societal demands. In 2022, these goals were aligned with the newly redefined Materiality. The main material issues and the corresponding business targets and main initiatives are as follows.

Contributing to decarbonized societies

- Promote the commercialization of CCUS and next-generation energy related projects.
- Establish ammonia fuel supply chains for power generation
- Promote initiatives around electric vessels (reducing environmental impact)
- 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.)

Conserving and Effectively Utilizing Natural Capital

- Develop the recycled PET and eco-friendly material manufacturing businesses to achieve low-carbon and circular plastics

Promoting Stable, Sustainable Societies and Lifestyles

- Contribute to providing a stable supply of energy by advancing natural gas/LNG businesses.
- Reduce food waste by 50% (compared to FY2018)

Addressing Regional Issues and Growing Together with Local Communities

- Promote natural gas/LNG businesses as an effective solution to reduce air pollution and GHG emissions
- Promote initiatives around autonomous ships (reducing crew stress and maritime accidents)
- Promotion of the sharing economy through the comprehensive rental business
- Develop the Mobility Services Business
- Realize and manage valuable integrated urban development projects with accessibility and environmental friendliness

Climate Change —Materiality Forming the Basis of EX Strategy



MC's Policies on Climate Change

Our planet and its ecosystems, human beings and corporate activities are highly vulnerable to climate change. At MC, our belief is that while climate change does pose significant threats, it also presents the MC Group with new business opportunities. Accordingly, MC has identified “Contributing to Decarbonized Societies,” which is part of its Materiality, as one of the key issues for management to address and respond to as MC strives to

achieve sustainable growth. MC aims to fulfill its mandate to meet the demand for energy, while at the same time helping to achieve international objectives, such as the UN Sustainable Development Goals (SDGs) and the Paris Agreement. To realize that aim, MC works in collaboration with a wide range of stakeholders, including governments, other businesses and industry associations.

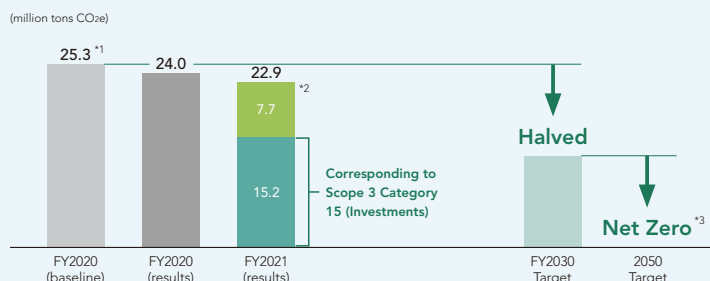
Initiatives to Achieve Net Zero by 2050

■ GHG Emissions Reduction Targets

In its Roadmap to a Carbon Neutral Society released in October 2021, MC has formulated medium- and long-term greenhouse gas (GHG) emissions reduction targets aligned with the Paris Agreement: to halve emissions by the fiscal year ending March 31, 2031 (fiscal year ended March 31, 2021 baseline) and to achieve net-zero emissions by 2050. To reach the target of halving emissions by the fiscal year ending March 31, 2031, we will utilize every means available, including replacing assets and switching operations to renewable energy and alternative fuels. Looking toward 2050, we will leverage our collective capabilities to drive industrial transformation as well as embrace new technologies and innovations to aim to achieve the goals of the Paris Agreement and net zero emissions.

In order to ensure the achievement of the reduction targets

for the fiscal year ending March 31, 2031, which are shown below, we believe it will be crucial to develop and improve our GHG emissions management processes, monitor progress in emissions reduction and disclose such efforts. Based on this approach, in the Midterm Corporate Strategy 2024, as described below, we established and announced new specific and effective processes for confirming short- and medium-term GHG reduction plans when formulating investment plans (“Investment Planning in Accordance with GHG Reduction Plans”). Furthermore, we will continue to appropriately disclose annual GHG emissions each year, as before, to inform stakeholders of our progress in reducing emissions toward the target for the fiscal year ending March 31, 2031. Our progress as of the end of the fiscal year ended March 31, 2022 is as follows.



^{*1} The figures on the left represent the Scope 1 and Scope 2 emissions of MC and its consolidated companies, including affiliates, based on the GHG Protocol's equity share approach. Furthermore, base year figures include emissions from thermal power generation and natural gas projects, which comprises (i) assumed peak emissions from pre-operational committed projects and (ii) projected full-capacity emissions for partially-operational projects.

^{*2} The figure, 7.7 million tons CO₂e, represents the Scope 1 and Scope 2 emissions of MC and its consolidated subsidiaries under the GHG Protocol's equity share approach. It would be equivalent to 8.3 million tons CO₂e under the GHG Protocol's financial control approach. For details, please refer to page 136.

^{*3} Any residual emissions, after reduction efforts have been made, will be neutralized using internationally-accepted offsetting methods including carbon removal. The specific reduction plan and measures for the GHG emissions reduction targets will be adjusted as required in line with progress of technological developments, economic viability and policy/ institutional support.

■ GHG Emissions (Scope 3)

MC's reduction targets and GHG emissions above include a portion of the Scope 1 and Scope 2 emissions of its affiliates on an equity share basis, corresponding to Scope 3 Category 15 (Investments) emissions. In addition, we recognize the importance of appropriately disclosing emission of Category 11

(Use of Sold Products), which account for the majority of MC's Scope 3 emissions. Looking towards such disclosure, we believe emissions should be calculated in manner that accurately reflects the actual circumstances of our business, and we will continue to diligently consider ways to disclose them.

■ Midterm Corporate Strategy 2024 / Adopt Mechanism for Initiatives to Achieve the GHG Reduction Targets

In order to achieve our GHG reduction targets in the Roadmap, in the Midterm Corporate Strategy 2024, we have adopted mechanisms for simultaneously decarbonizing and reinforcing our portfolio by classifying each business based on climate-related transition risks and opportunities. In addition to scenario analysis, which we have conducted for some time, we are introducing measures such as Transform

Discussion, Investment Planning in Accordance with GHG Reduction Plans, and Evaluation of New Investment Using Assumptions Under Decarbonization Scenario, and will promote various measures to fulfill our mandate to meet the demand for energy and achieve the international targets set forth in the Paris Agreement.

► Please refer to page 19 for more regarding Sustainability Initiatives in the Midterm Corporate Strategy 2024.

Disclosures in line with the TCFD Recommendations

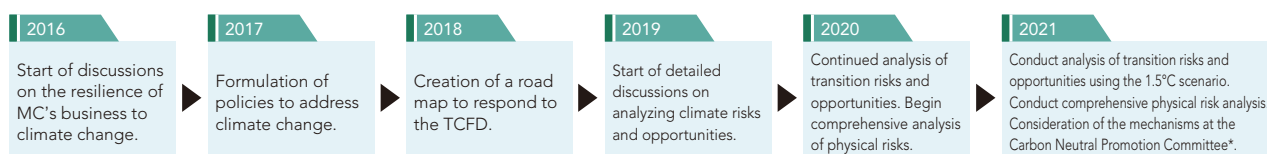
Governance

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.

We have appointed a number of directors and Audit & Supervisory Board members who are expected to contribute based on their experience, knowledge, and expertise in climate change-related matters (see Skills Matrix on pages 102 and 103 for details).

* Discussions focus on basic 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 GHG reduction targets (including status of reductions) are also discussed.

Initiatives to Date



* A companywide cross-functional meeting body tasked with examining and proposing mechanisms to be incorporated into the Midterm Corporate Strategy 2024 for simultaneously decarbonizing and reinforcing our portfolio.

Climate-Related Governance Framework

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	

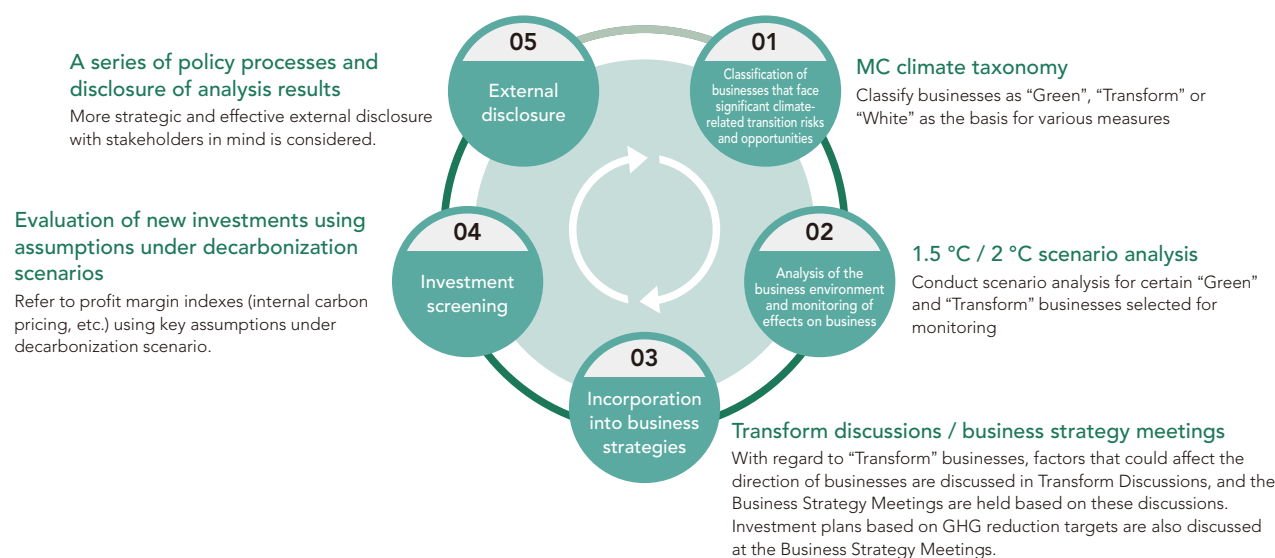
► Please refer to pages 86 to 91 for information on MC's Sustainability Promotion Framework.

Risk Management

Using the mechanisms introduced in the new Midterm Corporate Strategy for simultaneously decarbonizing and reinforcing our portfolio, as shown in the workflow below, we will conduct functional risk management, from identifying businesses with high climate change risks to

assessing the impacts on profitability of individual projects.

Additionally, based on our current sustainability-related governance system, we will build a system that ensures that the Board of Directors is appropriately involved.



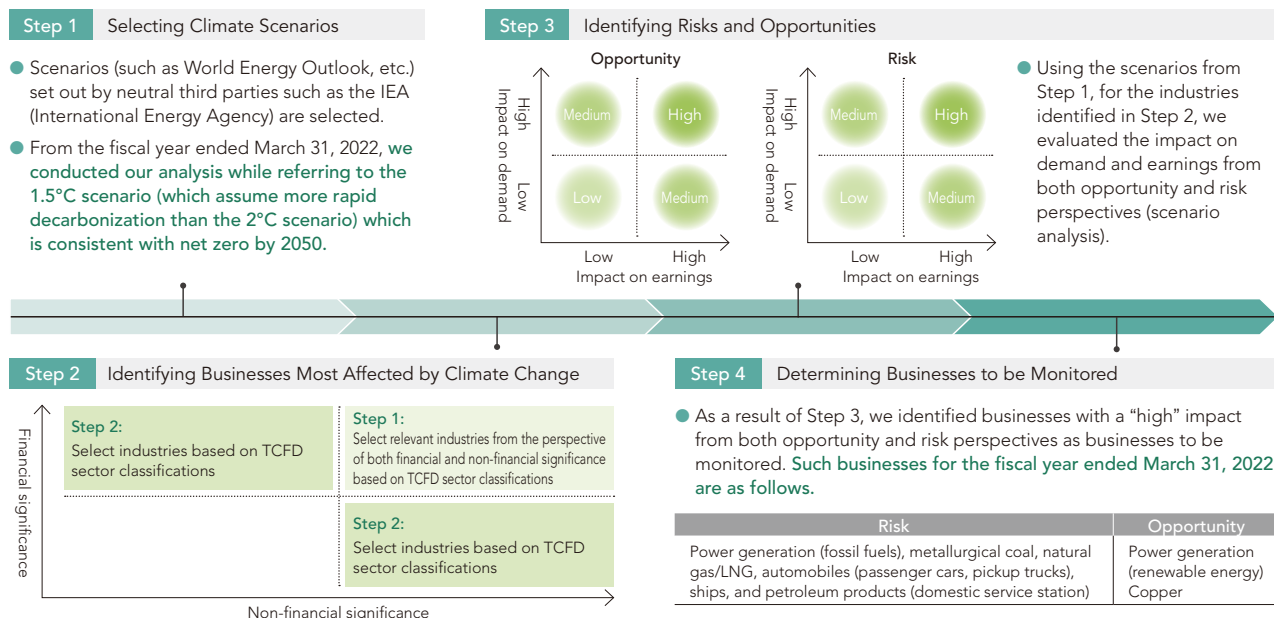
Climate Change—Materiality Forming the Basis of EX Strategy

Strategies

Transition Risks and Opportunities

Process for Determining Projects to be Monitored

In addition to 2°C scenarios, we conducted an analysis of climate-related transition risks and opportunities using the 1.5°C scenario assuming further decarbonization and incorporated these results into our business strategy.



- Industries in which MC is involved where financial and non-financial factors have significant impacts, as well as industries expected to be significantly affected by climate change according to the TCFD recommendations* are identified.

* Energy, transportation, materials and buildings, agriculture, etc.

Policies and Initiatives Based on Scenario Analysis

The results* of the scenario analyses for the major businesses selected for monitoring (risk perspective) through the process detailed above 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 IEA, and do not represent MC’s medium-to-long-term outlook.

	General awareness of the business environment under the 1.5°C scenario	Policies and initiatives based on the awareness of the business environment
Power Generation (Fossil Fuels)	<ul style="list-style-type: none"> The power sector will be the first to achieve net zero, and the share of electricity generated from fossil fuels is expected to decrease significantly. Significant changes in the power generation cost structure due to the tightening of regulations such as carbon taxes and an increase in capital investment as a measure to reduce GHG emissions are expected, and the competitiveness of power derived from fossil fuels is expected to decrease. 	<ul style="list-style-type: none"> We recognize the risk of stranded assets, the increasing difficulty of withdrawal, and the increasing risk of reputational damage associated with retained assets. We will not enter into any new coal-fired power generation businesses and will promote strategic divestment from existing thermal assets while paying close attention to factors that affect the difficulty of sale (M&A market trends, relationships with relevant countries, contractual restrictions, environmental regulations, etc.). Concurrently, we are considering switching to zero-emission thermal power for retained assets in the effort to achieve a 100% non-fossil power generation portfolio by 2050.
Metallurgical Coal	<ul style="list-style-type: none"> Steel demand will increase by 12% in 2050 compared to 2020. Advances will be made in electric furnace method and hydrogen reduction method, and it is expected that CCUS for blast furnaces will spread rapidly and the blast furnace method will continue in some regions. Although overall demand for metallurgical coal is expected to decrease toward 2050, it is anticipated that the reduction in demand for high-quality metallurgical coal, which contributes to a low carbonization, will be relatively low as a result of plans to decarbonize blast furnaces by further improving their efficiency and outfitting them with CCUS. 	<ul style="list-style-type: none"> Even under the 1.5°C scenario, needs for high-grade metallurgical coal, which contributes to low-carbonization of existing blast furnaces, is expected to exhibit a relative increase, and superiority of metallurgical coal business. It is anticipated that our metallurgical coal business, with its mainstay high-quality metallurgical coal products, will maintain its advantage to a certain extent. We will strive to strengthen the competitiveness of our metallurgical coal assets by assessing the progress of decarbonization in the steel industry and the external environment affecting the supply of metallurgical coal. We are working to reduce GHG emissions in the production process in our metallurgical coal business, and in collaboration with our partner BHP, supporting research that contribute to reducing emissions throughout the entire metallurgical coal value chain.
Natural Gas	<ul style="list-style-type: none"> Global natural gas demand is expected to decline by 6% by 2030 compared to 2018, while LNG trade volume is expected to increase by 16%. Thereafter, by 2040, natural gas demand and LNG trade volume are expected to decline by 46% and 33%, respectively, compared to 2018. The demand for hydrogen, a next-generation energy source that is expected to support decarbonized society, will increase, and the significance of natural gas as a raw material for blue hydrogen is expected to increase further in the future. Approximately half of the total demand for natural gas in 2050 will be directed to hydrogen production, and 40% of hydrogen demand will be sourced by natural gas. 	<ul style="list-style-type: none"> MC will fulfill its responsibility to provide a stable supply of LNG, an important energy source in the transition to a carbon neutral society, as well as aim to increase its profits from the LNG business by strengthening the foundations of existing businesses, steadily launching projects under construction, reinforcing our marketing functions, and participating in competitive new projects. We will pay attention to policies of various countries, such as the introduction of carbon taxes, and trends in technology development, such as CCUS, which may affect the competitiveness and profitability of our natural gas and LNG business. We will also strive to make our LNG value chain carbon neutral and conduct studies to develop business around production and supply of next-generation energy sources such as synthetic methane and blue hydrogen.

▶ Please refer to our Sustainability Website for more information about the scenario analyses, including the results of the analyses for the other businesses to be monitored.

<https://mitsubishicorp.disclosure.site/en/themes/113#915>

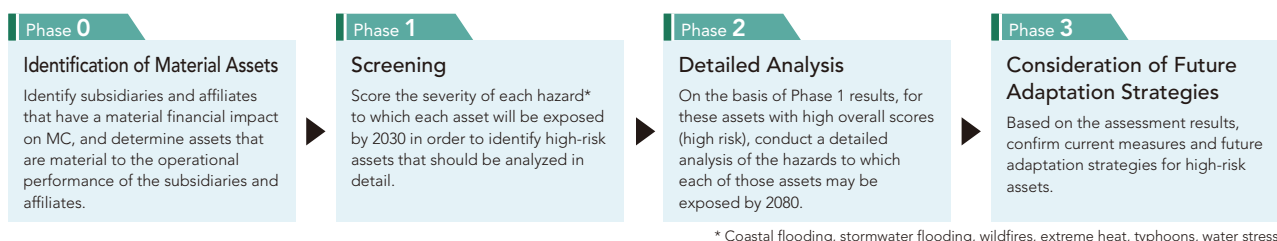
Incorporation into Business Strategy

For the eight businesses selected for monitoring (for both transition risks and opportunities) mentioned above, the results of the transition risk/opportunity analysis for each business, assuming the 1.5°C scenario as a decarbonization scenario, are incorporated into strategy when each Business Group formulates its own business strategy, for the purpose of optimizing our portfolio.

Physical Risks

Physical climate risks (e.g. floods, droughts and temperature increases) could affect the operations of some of the MC Group's businesses. In order to comprehensively understand the potential physical risks that climate change poses to the MC Group's business, MC has conducted a physical risk analysis according to the process below.

Comprehensive Analysis Process



Assessment Results

The current measures and future adaptation strategies for the two businesses with assets that are likely to be affected by the physical risks identified via the above process are as follows.

	Metallurgical coal business	Copper business
Assets subject to assessment	Mines and coal terminal owned by BHP Mitsubishi Alliance (BMA)*	Copper mines owned by Anglo American Sur, S.A.
Location	Australia	Chile
Type of hazard	Stormwater flooding	Drought
Current measures	Given that flooding due to heavy rain at mines has the potential to disrupt operations, the following measures have been implemented to improve resilience of the sites to flooding since the last flood events in 2011: <ul style="list-style-type: none"> • Implementation of water storage inventory procedure based on climate forecasts; • Utilization of the pits under care and maintenance for its water storage management; • Installation of floods levees to prevent flood water entering pits, pumping and water pipeline systems to move surplus water around and between mine sites and water storage locations, and additional excess water discharge infrastructure. 	While most of the water required for the operations is reused within the mine, a certain amount is lost due to evaporation and other factors, and this water must be replenished from external sources. Since in the drought condition, there is a possibility that sufficient water intake may not be possible which could affect operations, resilience measures are considered through increased procurement of industrial wastewater and treated sewage from third parties.
Future adaptation strategies	MC together with BMA will continue to enhance physical risk mitigation in response to climate change forecasts.	In addition to the current measures, further diversification of external water procurement is under consideration. Moreover, new technologies to further improve water reuse efficiency at the operations are also being considered.

* To address the risk of the storm surges, the latest port berth infrastructure installed has been designed to withstand a 1 in 1000 year wave event factoring in rises in sea levels and cyclone impacts due to climate change. An additional project is currently underway to upgrade an older berth to the same design standard.

Metrics and Targets

MC has set the following climate-related targets to capitalize on opportunities and mitigate risks on a consolidated basis. In addition, we manage progress toward achieving our GHG emissions reduction targets through annual disclosure of GHG emissions results.

Target 1	GHG Emissions Reduction Targets	<ul style="list-style-type: none"> ● Net zero GHG emissions by 2050, and a new FY2030 target with a detailed reduction plan. ● Emissions halved by FY2030 through portfolio replacement driven predominantly by divestment of thermal power assets.
Target 2	Non-Fossil %	<ul style="list-style-type: none"> ● Aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050.
Target 3	Renewable Energy	<ul style="list-style-type: none"> ● Doubling MC's renewable energy power generation capacity compared to the fiscal year ended March 31, 2020 levels by the fiscal year ending March 31, 2031.

Decarbonization Projects

MC considers transitioning to a low-carbon society to be one of the key issues for management to address and respond to. Through its businesses, MC is working to reduce and eliminate carbon in a variety of fields. In particular, under the name of Energy Transformation (EX), we are taking on the challenge of reforming the energy field with a view of a decarbonized society, and

evolving our energy-related business portfolio in the process. By addressing the common issue of decarbonization across all industries in this way, we aim to both meet environmental challenges and fulfill our social mission of providing a stable supply of energy, which will lead to the sustainable growth for MC over the medium- to long-term.

► For details on specific projects, please see the special feature section on the Midterm Corporate Strategy on pages 20 to 25 and our Sustainability Website. (See <https://mitsubishicorp.disclosure.site/en/themes/158>)

Message from the CAO (Chief Administrative Officer)

We will implement initiatives based on our redefined Materiality to maintain and enhance our corporate value over the medium to long term.



Yutaka Kashiwagi

Representative Director,
Executive Vice President, Corporate Functional Officer, IT, CAO,
Corporate Communications, Corporate Sustainability & CSR



As societal challenges that need to be addressed such as climate change and human rights issues become increasingly diverse and complex, it is essential for companies to address these issues through their core business activities. In response to drastic changes in the external environment, policies, laws, and regulations are being developed, international initiatives are being created, and the flow of private-sector funds and the behavior of investors are undergoing major changes. Specifically, in addition to addressing climate change, we are now in an era in which non-financial initiatives have a significant impact on corporate value, such as whether a governance structure is set in place to respond to a rapidly changing business environment and

whether employees, who are responsible for maintaining and improving competitiveness, are provided with appropriate training. We believe that insufficient commitment to sustainability is detrimental to a company, while the active pursuit of sustainability is essential for mid- to long-term growth. In addition, damage to ecosystem services and the natural environment, which are prerequisites for a company's existence, will directly affect company operations and indirectly affect its supply chain, posing a significant risk to the company. Therefore, we believe that working to address societal challenges constitutes both risk management as well as the pursuit of business opportunities.

Initiatives Based on Materiality (Management)

Based on our corporate philosophy, The Three Corporate Principles, we have been promoting our sustainability efforts by setting forth our commitment to creating sustainable corporate value in Midterm Corporate Strategy 2012, and simultaneously generating economic, societal, and environmental value in Midterm Corporate Strategy 2018. Also, in 2016 we identified our Key Sustainability Issues that must be proactively addressed to ensure sustainable growth. Meanwhile, six years have passed since the formulation of our Key Sustainability Issues, and expectations for companies, including measures to address climate change, have increased, while the societal challenges to be addressed have also changed. Midterm Corporate Strategy 2024, announced in May of this year, aims for the continuous creation of significant shared value, or “MCSV” in order to address societal challenges. In line with this, we have redefined our Key Sustainability Issues as eight material issues (Materiality), a set of crucial societal issues that we will prioritize through our business activities. This redefinition focused on three points: fulfilling our responsibility to provide a stable supply of energy to support the transition to a decarbonized society; promoting businesses that respect human rights as a company that helps to enrich society; and providing a solid foundation, including human resource and organizational development as the bedrock of these efforts.

Among the initiatives based on our Materiality, I will address in detail the following: ① Contributing to Decarbonized Societies, ② Addressing Regional Issues and Growing Together with Local Communities, and ③ Fostering Vibrant Workplaces that Maximize the Potential of a Diverse Workforce as representative examples.

► For more information on Materiality see p. 46-47.

① Contributing to Decarbonized Societies (related capital: environmental and natural capital)

MC has identified “Contributing to Decarbonized Societies” as a material issue for realizing a carbon neutral society. In October 2021, in our “Roadmap to a Carbon Neutral Society,” we have formulated medium- and long-term GHG emissions reduction targets aligned with the Paris Agreement: to halve emissions by FY2030 (FY2020 baseline) and to achieve net-zero emissions by 2050. In addition, in the Midterm Corporate Strategy 2024, we also laid out a range of measures toward achieving international objectives, such as those of the Sustainable Development Goals (SDGs) and the Paris

Agreement, while fulfilling our mandate to meet the demand for energy. Under the MC Climate Taxonomy concept, each of our businesses is classified based on climate-related transition risks and opportunities, and in accordance with such classification, the following four mechanisms are implemented: 1.5°C scenario analysis, Transform Discussion, Investment Planning in accordance with GHG Reduction Plans, and the Evaluation of New Investment Using Assumptions Under Decarbonization Scenario. By promoting these mechanisms, we aim to contribute to the realization of decarbonized societies through the steady decarbonization and strengthening resilience of our business portfolio and advancing EX (energy transformation) on a global scale.

In addition, since the realization of a carbon neutral society requires GHG reductions not only by MC but throughout the value chain as well, we are committed to becoming a decarbonization solution provider by understanding the emissions reduction needs of industries, consumers, and communities. We will also continue to diligently consider the calculation and disclosure of our Scope 3 emissions (Category 11 (use of sold products), which accounts for the majority of our Scope 3 emissions), which investors and other stakeholders are increasingly requesting us to disclose.

► For more information on climate change, see p. 48-51.

► For more information on environmental and natural capital, see p. 37.

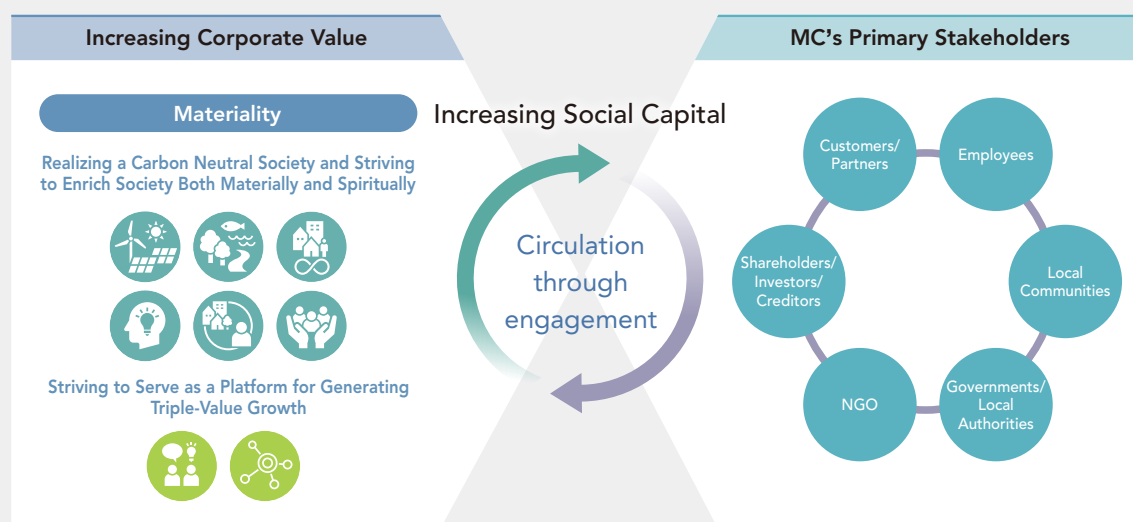
② Addressing Regional Issues and Growing Together with Local Communities (related capital: social capital)

Based on the recognition that building relationships with communities is essential for the successful execution of our business, we have also identified “Addressing Regional Issues and Growing Together with Local Communities” as another of our material issues. In addressing this issue, we conduct our business based on relationships of trust with diverse stakeholders, regions, and communities. Specifically, we strive to minimize negative impacts on local communities, including respecting the rights of indigenous peoples, in addition to sharing prosperity together with local communities through job creation, promoting community development, and procuring materials from local communities through our business.

► For more information on social capital, see p. 36-37.

Stakeholder Engagement

From the perspective of growing together and collaborating with diverse stakeholders, we believe it is vital to accurately grasp the demands and expectations of shareholders, investors, and other stakeholders through engagement and dialogue, and to reflect these in our Group management. MC has established a system to reflect stakeholder opinions onto company management by incorporating external perspectives at meetings of 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. We are committed to achieving sustainable growth through the collaboration of value by engaging our stakeholders.



③ Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce (related capital: human capital)

MC has achieved sustainable growth together with society through its business by anticipating the needs of the times and actively taking on the challenge of addressing societal challenges as a player in individual businesses and the industries built from them. What has supported this growth are human resources with high aspirations for addressing societal challenges, foresight to anticipate the times and derive new value, execution skills to quickly materialize concepts by involving stakeholders beyond national and industry boundaries, and high moral and ethical standards based on the spirit of the Three Corporate Principles. Our human resources have created value by conceiving and executing optimal solutions for a wide range of social, industrial, and customer issues from a proactive and global perspective. MC therefore views human resources as a source of value creation, or human capital, and has been and will continue to actively invest in them.

► For more information on human capital, see p. 38-45.

In order to continue creating the MCSV that we strive for, MC must continue to be a dynamic, spirited and vibrant organization with a diverse range of human resources, with diverse values and backgrounds, as well as a diverse range of experiences and abilities from many industries that meet with each other through organic connections. Therefore, we have defined one of our material issues as "Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce," and have established the three pillars that constitute our human resource policies: HR Strategy, Strengthen Engagement, and Data Utilization.

Human Resource Strategy

In an environment where single events can spread and influence each other instantly around the world, it is important for us to be a flexible organization that can respond immediately to societal challenges. We will dynamically shift and appoint human resources across the organization so that all personnel can fully demonstrate their accumulated knowledge and abilities in accordance with our management strategy. To this end, we must promote cross-industry initiatives more than ever to meet the needs of society. Having reorganized our Business Group structure has led to many proposals and ideas for collaboration

among the Business Groups that transcend organizational boundaries. And in the EX/DX area, we have formed a companywide task force to formulate strategies to more flexibly promote and utilize human resources. In order to further accelerate the efforts of the DX Task Force, we have reorganized it into an Industry DX Group composed of personnel from various groups, with the aim of providing DX functions to the Business Groups and developing new businesses that utilize DX functions. In this way, we will consider and implement the most appropriate organizational rearrangement and allocation of human resources so that we can immediately respond to management strategies to address societal challenges. We also need to update our capabilities in response to changes in the business environment. In particular, we will work on reskilling our human resources and organizations to strengthen their ability to respond to such changes so that they are able to take on and execute the EX, DX, and Creating a New Future strategies as set forth in Midterm Corporate Strategy 2024.

Strengthen Engagement

In order for all of our human resources to work in a safe and secure environment and to grow and create value, it is of utmost importance that they are highly engaged.

We will promote and create systems for diversity, equity & inclusion, and well-being, respect the diversifying work perspectives of individuals, and expand the talent management system to encourage career autonomy, thereby creating an environment in which each individual is able to address societal challenges with a greater sense of responsibility.

Data Utilization

We will collect, analyze, and monitor data related to HR policies, human resources, and organizations, and measure and evaluate their effectiveness. By enhancing the disclosure of such data and information, we will demonstrate our commitment to internal and external stakeholders, and at the same time, more effectively promote various HR policies.

Even as we continue to adapt to and take the lead amid changing times, the need for high aspirations, foresight, execution skills, and high moral and ethical standards will remain unchanged in the future. We will maximize the value of our human capital by developing a diverse and versatile workforce as the driving force behind the creation of MCSV throughout the organization, and by creating opportunities and workplaces where people can share values and grow through friendly competition while forging connections with each other.

In Conclusion

In this way, we will maintain and enhance our corporate value over the mid- to long term by utilizing our Materiality as a guideline for the creation of MC Shared Value, incorporate the issues into our business strategies and policies, and having each and every employee put them into practice within his or her own workplace.

Message

Since joining the company, I have worked in the energy-related business for around 20 years and in the environment-related business for around 10 years, always with the attitude of sincerely tackling the job in front of me wherever I am assigned. In 2019, as the General Manager of the GCEO Office of the Power Solutions Group, I witnessed the transformation of the electric power system based on renewable energy and digital technologies amid a period of transformation in the power business. Through my involvement in Eneco's management, I directly experienced the decarbonization movement that originated in Europe and realized firsthand how sustainability initiatives have a significant impact on business. In addition, in 2020, to foster a better corporate culture, we held a series of discussions with members across divisions, groups, and generations regarding the goals of the company. This experience led to a strong desire to develop an environment in which a diverse range of executives and employees can work dynamically, spiritedly and vibrantly, while connecting with each other through free and open discussions.

I assumed the position of CAO this year, and looking back, I believe that the numerous experiences described above have helped me recognize the importance of non-financial initiatives that are not directly expressed in financial statements. I believe that it is my mission to strengthen these efforts and to connect them to the mid- to long-term improvement of corporate value through sincere dialogue with stakeholders.



Appropriate capital allocation for sustainable enhancement of corporate value



Yuzo Nouchi

Representative Director, Executive Vice President,
Corporate Functional Officer, CFO



Reviewing the Final Year of Midterm Corporate Strategy 2021

Strong Financial Results with Record-High Net Income in the Final Year, Giving Midterm Corporate Strategy 2024 a Good Starter

Consolidated net income for the fiscal year ended March 31, 2022, was 937.5 billion yen, an increase of 764.9 billion yen from the previous fiscal year, a new record high. Seven of the ten segments showed new record high profits. This was, not only driven by the preferable performance of the

resource prices, but also a result of effort that each business segment, represented by automobile-related and salmon and trout farming businesses, has seized various opportunities under the global economic recovery and grown its profit steadily throughout the year. While standing at a record high, in preparation for growing uncertainty of our business environment, we have also recognized potential losses as much as possible in advance, reviewing assets' value more closely.

Although market conditions provided a tailwind in the fiscal year ended March 31, 2022, we made steady progress in strengthening the balance sheet and ensuring its soundness by liquidating unprofitable businesses and making provisions for losses, which has provided Midterm Corporate Strategy 2024 a good starter.

Reviewing Midterm Corporate Strategy 2021, to Develop Midterm Corporate Strategy 2024

Although consolidated net income for the fiscal year ended March 31, 2022, the final year of the previous Midterm Corporate Strategy, exceeded our target of 900 billion yen, new investments did not proceed as initially expected. This was due to the need to prioritize the maintenance and improvement of our financial soundness in response to major environmental changes caused by the spread of COVID-19. Investments were executed in diligently selected projects, resulting in an outlay of 2.5 trillion yen, compared to the initial plan of 3.4 trillion yen. Cash collection through divestments was

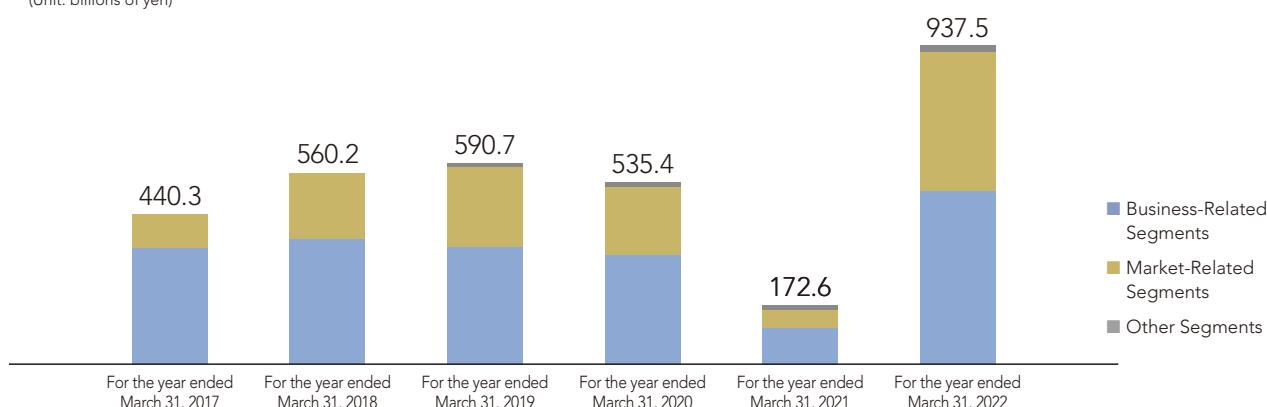
also accelerated and amounted to 1.5 trillion yen, compared to the initial plan of 0.7 trillion yen. As a result, as of the end of March 2022, Investment-Leverage Ratio, an indicator of financial soundness, improved to 41%*, where the appropriate range is supposed to be from 40% to 50%. We believe it's a level of financial soundness appropriate for the start of Midterm Corporate Strategy 2024.

Then, reviewing shareholder returns, under our Progressive Dividend Scheme, we paid per-share dividends of 132 yen, 134 yen, and 150 yen, respectively, for fiscal years ended March 31, 2020, 2021, and 2022. Combining the dividend and the 70 billion yen of share buyback announced in the final year of the plan, the total return for the three-year period reached 42%. While financial performance deteriorated significantly in the fiscal year ended March 31, 2021, we received significant positive feedback from the market for maintaining the Progressive Dividend Scheme as promised and sustaining the stock price. The Progressive Dividend Scheme is also reflected in the capital allocation policy of Midterm Corporate Strategy 2024.

* Including 70 billion yen of share buyback as decided in the last fiscal year

■ Trends in Consolidated Net Income

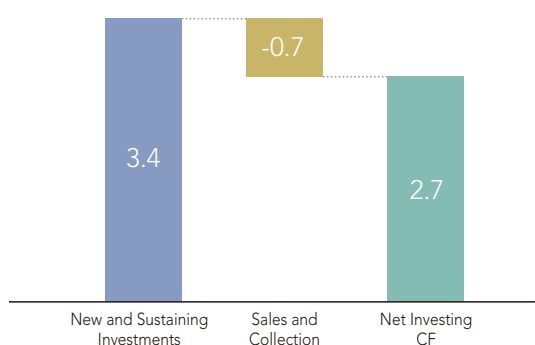
(Unit: billions of yen)



■ Investment Cash Flow (CF) in Midterm Corporate Strategy 2021

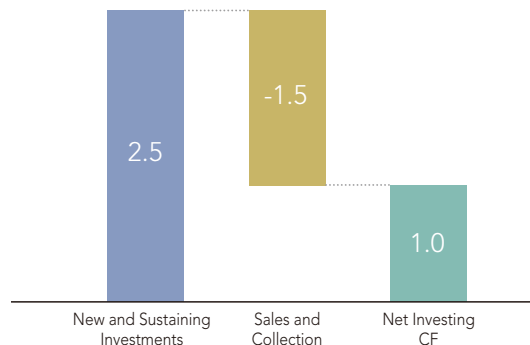
Plan

(Unit: trillions of yen)



Actual

(Unit: trillions of yen)



Toward Sustainable Growth of Total Shareholder Returns

Capital Allocation Balancing Financial Soundness and Improvement of Capital Efficiency is Key

As CFO, I believe one of my key responsibilities is to control cash flows (CF) and capital allocation. Simply put, this concerns investments and shareholders return. In order to sustainably increase total shareholder return (TSR), it is necessary to both maintain financial soundness and improve capital efficiency, and I believe that the well-balanced allocation of capital, such as investments, asset replacements and returns, is the means to achieve this.

Explaining with exact numbers, during Midterm Corporate Strategy 2024, out of the 4.5 trillion yen to be generated from operating CF and CF from divestment, we intend to invest 3 trillion yen in maintaining and expanding our earnings base as well as in EX, DX, and growth investment-related and other areas, while distributing at least 700 billion yen to shareholders.

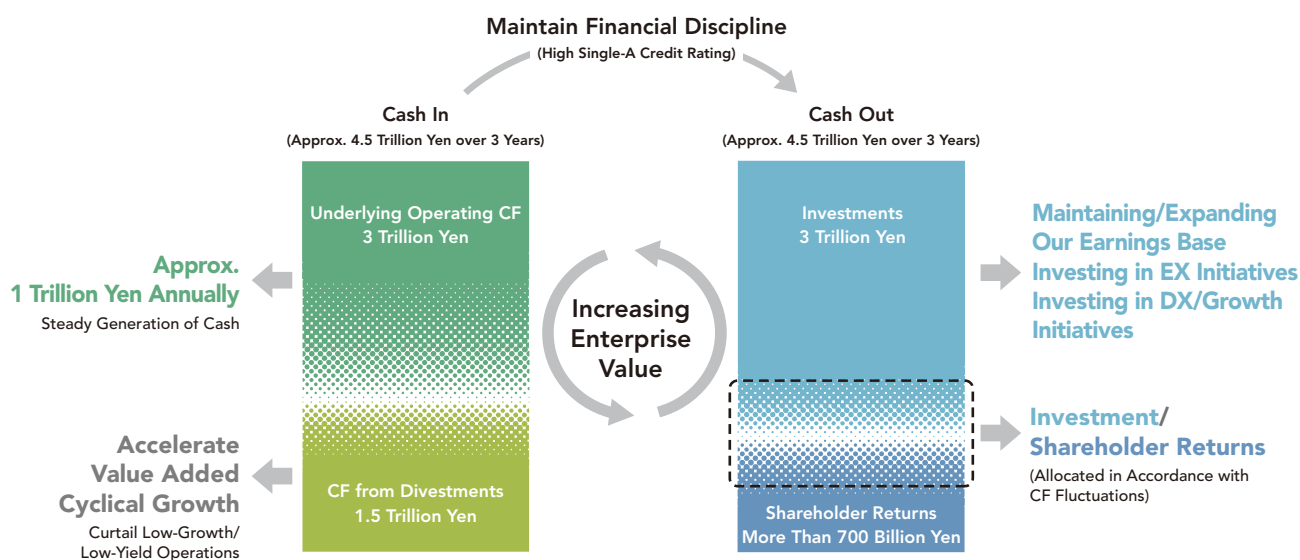
Regarding investment, our policy is to accelerate investment in EX-related fields, and although we have allocated 1.2 trillion yen out of a 3 trillion yen investment quota, this is by no means seeking for opportunities to fill out the given quota. The reality is far from it. 1.2 trillion yen is not sufficient to carry out all of the long-listed projects each business department wishes and registers. This means we need to carefully shortlist projects among the candidates, we then carefully

scrutinize each project by looking at ROIC and other factors, bracing our investment discipline. In addition, since some EX-related projects require a relatively longer time to be on revenue stream, we believe it is necessary to make well-balanced investments to maintain and expand the existing revenue and profit base, which can be expected to proceed cash in a relatively short time frame.

The shareholder return of 700 billion yen or more is calculated from a lower limit based on the dividend forecast of 150 yen for the fiscal year ending March 31, 2023, as the Progressive Dividend Scheme of increasing dividends in line with sustained profit growth will continue for the three years of Midterm Corporate Strategy 2024.

While increasing value and maximizing ROE is the top priority of a company, we will also emphasize dialogue with the market to ensure that we meet shareholder expectations in terms of shareholders return. The Progressive Dividend Scheme under Midterm Corporate Strategy 2021 has been well received, but it is difficult to always meet the market's expectations only with the Scheme, where a certain degree of fluctuation in business performance due to movements in commodity markets is expected. With this in mind, in Midterm Corporate Strategy 2024, we introduced a capital policy of maintaining progressive dividends while meeting market expectations in terms of total payout ratio, in combination with flexible company share buybacks.

■ Cash Flow (CF) and Capital Allocation



Creating MC Shared Value

In Midterm Corporate Strategy 2024, we set forth a policy of continuously creating MC Shared Value by elevating the MC Group's collective capabilities in order to address societal challenges. To some, addressing societal challenges may sound idealistic, but we are now in an era in which sustainable economic value cannot be realized without the accompanying societal and environmental value. It is the basic structure of business to create value first, then earn profits by providing value and that a business will not last if there is an imbalance in the value provided and the profits earned. I would say this

is what everyone understands firsthand. As the world becomes more complex, I understand that this structure is not limited to the relation between sellers and buyers, but has been extended to include a variety of stakeholders. We have firmly demonstrated our strengths through our connections with many stakeholders in areas that overlap with the needs of society, such as the supply of energy, metal resources, and food, as well as the overseas development of our business. We believe that we can continue to achieve sustainable growth together with society by addressing changing societal challenges.

Message



I have had a wide range of experiences since joining MC 35 years ago. My first job involved foreign exchange deals and my career has largely been centered on financial and accounting operations ever since. I've also had the opportunity to work abroad in Hong Kong and the US. I was assigned to new positions roughly every five years, and each time, I made a point of doing my best to tackle the new challenges before me. Looking back, I can see how the various stops along my career were interconnected. I feel like I was able to keep developing as a business professional by working hard to do what needed to be done with each new opportunity, and all of these experiences help to fuel my efforts today.

Over the past four years, I have been involved in companywide management as GM of MC's Corporate Accounting Department. This has given me a greater awareness of our various stakeholders, especially our shareholders, and the high expectations they have for the MC Group. While they hope to see these expectations materialize in different ways, such as through short-term dividends, long-term growth or the strengthening of our brand, the overarching objective comes down to increasing corporate value. I do not believe that the current share price fully reflects the intrinsic value of the company. While improving capital efficiency is essential, we are also aware of the challenges regarding the cost of equity. While there are various definitions of the capital cost, I feel, for example, that one of them, the inverse of price-to-earnings ratio (1/PER), is much higher than the cost of capital calculated by the Capital Asset Pricing Model and other theoretical methods. One of the reasons for this may be foreseeability of sustainable profit level.

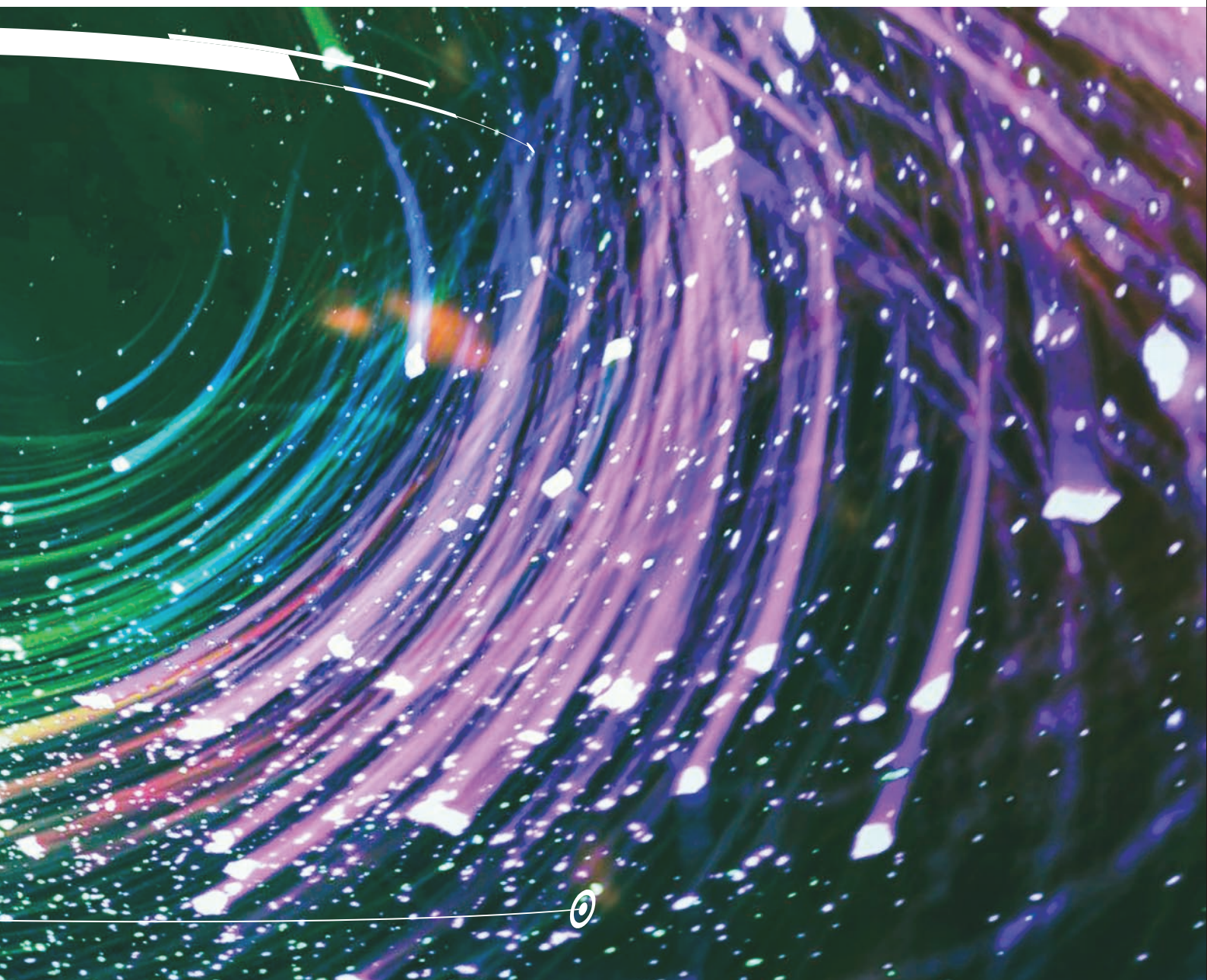
Our business model is often said to be difficult to understand, but through dialogue and communication with the stock market, we would like to explore effective ways to reduce the cost of equity.



Value Creation by the Business Groups

2

The specific initiatives of the Business Groups, as an engine of value creation, are explained.



62 Business Groups at a Glance

64 Business Groups × Business Models

64 Natural Gas Group

66 Industrial Materials Group

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70 Mineral Resources Group

72 Industrial Infrastructure Group

74 Automotive & Mobility Group

76 Food Industry Group

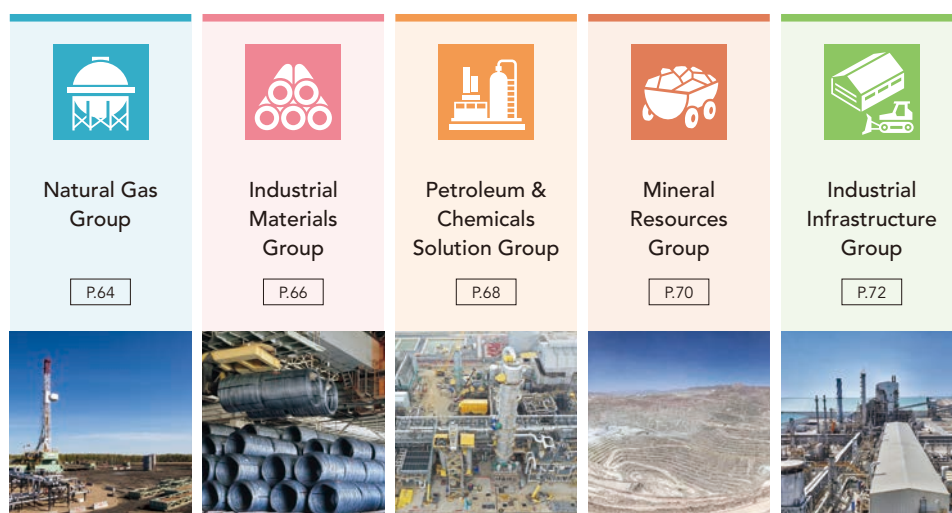
78 Consumer Industry Group

80 Power Solution Group

82 Urban Development Group

Business Groups at a Glance (Fiscal year ended March 31, 2022)

Business Groups



Net Income (loss)*

(Fiscal year ended March 31, 2020)	70.3	26.1	(12.0)	212.3	41.4
(Fiscal year ended March 31, 2021)	21.2	4.7	26.2	78.1	21.2
(Fiscal year ended March 31, 2022)	105.1	36.8	40.3	420.7	17.3
(Fiscal year ending March 31, 2023 (Forecast) as of May 2022)	120.0	33.0	41.0	331.0	25.0

Total Assets (Fiscal year ended March 31, 2022)

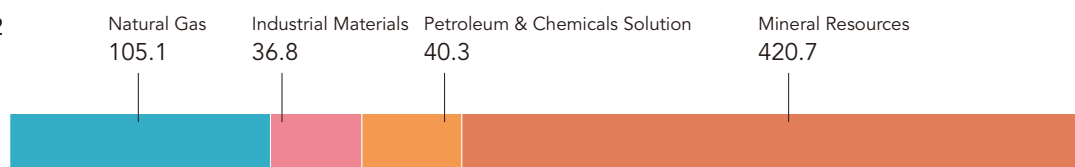
Total Assets (Fiscal year ended March 31, 2022)	2,016.0	1,355.0	1,243.0	4,554.7	1,129.9
Investment accounted for using the equity method	599.5	162.1	144.0	523.8	199.4
Property, plant, equipment and investment property	248.9	107.3	52.5	1,004.2	123.4
Intangible assets and goodwill	2.2	10.9	3.8	3.4	98.7
Other investments	364.0	52.3	95.7	413.9	52.6

Fiscal year ended March 31, 2022

Net Income*

¥937.5 billion

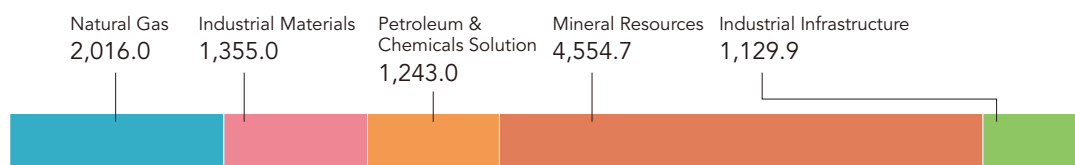
* Net income (loss) refers to "Net income (loss) attributable to owners of the parent."

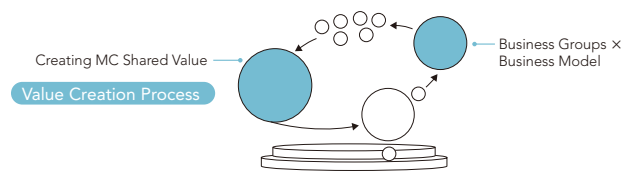












As of March 31, 2022

Total Assets

¥21,912.0 billion

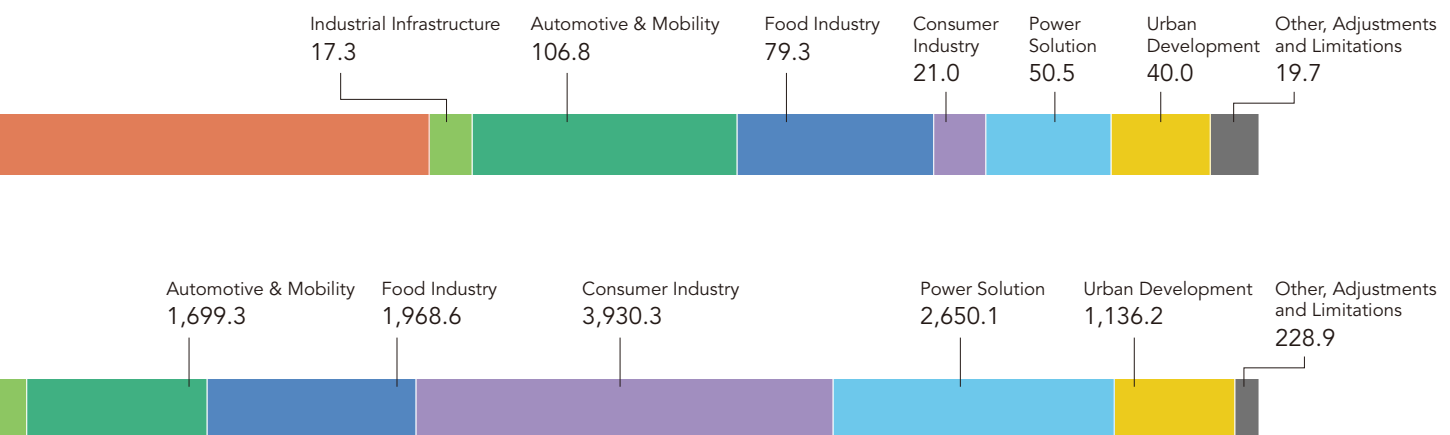




Automotive & Mobility Group	Food Industry Group	Consumer Industry Group	Power Solution Group	Urban Development Group	Other, Adjustments and Limitations	Total
P.74	P.76	P.78	P.80	P.82		
						
						

(Unit: billions of yen)

19.6	53.2	22.7	51.5	34.3	16.0	535.4
(28.1)	39.4	(73.2)	42.3	25.4	15.4	172.6
106.8	79.3	21.0	50.5	40.0	19.7	937.5
98.0	63.0	22.0	34.0	120.0	(37.0)	850.0
1,699.3	1,968.6	3,930.3	2,650.1	1,136.2	228.9	21,912.0
301.4	350.9	184.8	435.1	602.1	(0.2)	3,502.9
38.8	305.4	345.5	513.6	53.0	85.8	2,878.4
10.4	197.5	533.0	331.4	0.4	29.9	1,221.6
119.1	156.9	295.8	10.0	121.7	275.9	1,957.9



NATURAL GAS GROUP

Our Vision



Jun Nishizawa
Executive Vice President
Group CEO,
Natural Gas Group

西澤 淳

In the transition to a carbon neutral society, natural gas and LNG play an important role as a complement to renewable energy intermittency and as an energy source for sectors that are difficult to electrify.

Our Group will contribute to the realization of a carbon neutral society and sustainable economic development through the decarbonization of the LNG supply chain and providing a stable supply of LNG.

Materiality (Material Issues)

Related Material Issues



Contributing to Decarbonized Societies



Promoting Stable, Sustainable Societies and Lifestyles



Addressing Regional Issues and Growing Together with Local Communities

Relevance of Material Issues to the Business

Global energy demand is expected to increase due to population growth, economic development, and other factors. While the switch to renewable energy is expected to progress in the power sector in the future, dramatic technological innovation is essential to supplement all power with renewable energy sources in terms of intermittency, location and other factors. In addition, although it is expected that a certain degree of electrification will progress in the future, it is not expected that electricity will be able to replace all of the heat sources in factories and fuels for modes of transportation that currently use fossil fuels directly. Therefore, to meet the world's growing energy demand and at the same time realize a carbon-neutral society, it is essential to decarbonize fossil fuels.

The Group is committed to, fulfill its responsibility to provide a stable supply of natural gas and LNG, which have relatively low environmental impact among fossil fuels, and to reduce GHG emissions throughout the value chain via improvements in operational efficiency, CCUS and other methods.

In addition, there are regions of the world that depend on firewood, charcoal, coal, cattle manure, etc. for their energy sources, resulting in millions of deaths annually due to indoor air pollution. Through gas sales to emerging countries, we will also work to address such societal challenges.

*CCUS: Carbon Capture, Utilization and Storage

Group Strengths and Strategy

Group Strengths

- Market presence as the largest LNG player in Japan (based on production share)
- Supply capacity from our LNG facilities around the world, and marketing capabilities primarily through our subsidiary in Singapore
- Initiatives for low-carbon LNG value chain, next-generation energy derived from natural gas and LNG, CCUS, etc. for the transition to a carbon neutral society

Summary of Midterm Corporate Strategy 2021

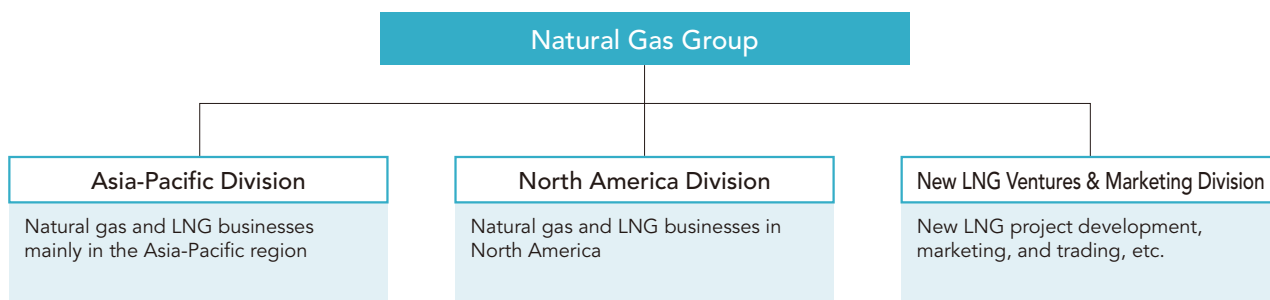
Strategies Under Midterm Corporate Strategy 2024

Forecast for Future Growth

In existing businesses, we continued to strengthen our earnings base through constant cost reductions and other measures. As for projects under construction, Cameron LNG started production, and construction of the Tangguh LNG (Expansion) and LNG Canada progressed toward the start of production. In parallel, we launched initiatives for next-generation energy, CCUS, and carbon credits for the transition to a carbon neutral society.

In addition to further strengthening the foundation of existing businesses and progressing construction for the successful start-up of the Tangguh LNG (Expansion) and LNG Canada, we will strengthen our LNG supply portfolio through participation in competitive new projects and enhance our LNG marketing capabilities through LNG cargo optimization functions and will strengthen our LNG business. We will also promote initiatives to reduce GHG emissions in existing projects, CCUS, carbon credit projects, etc., to realize a carbon neutral society.

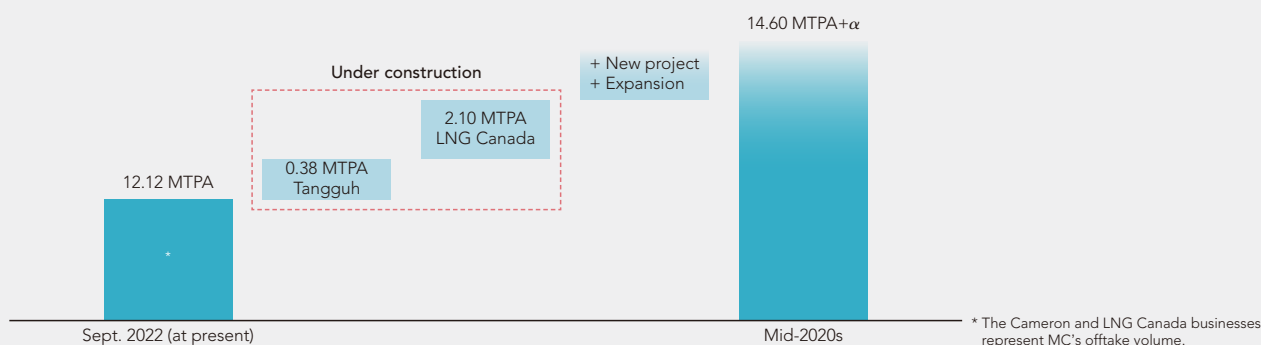
Demand for natural gas and LNG, which have comparatively lower environmental impact, is growing against a backdrop of increasing energy demand due to population and economic growth. Our Group aims to maintain and expand LNG production capacity share by building a competitive LNG supply portfolio, including expansion of existing assets, and strengthening LNG marketing capabilities. In addition, by promoting the decarbonization of the LNG supply chain, we will contribute to both a stable supply and sustainable economic development.



Major Growth Drivers

We have been involved in the LNG business since the 1960s and have increased our equity participation in LNG projects. Currently, we have equity interests in 12 projects in 8 countries around the world, with a total LNG production capacity share of 12.12 MTPA. The Tangguh LNG (Expansion) and LNG Canada projects under construction are expected to start production in 2023 and the mid-2020s, respectively, and it is expected that our total LNG capacity share will reach 14.60 MTPA by the mid-2020s. We will continue to expand our LNG production capacity share through participation in competitive new projects in the future.

Production Capacity Share and Projected Growth



Business Examples

Indonesia, Tangguh LNG (Expansion) project, CCUS business

In the Tangguh LNG project in which we participate with BP as the operator, we are undertaking a Carbon Capture Utilization and Storage (CCUS) project together with the other participating companies. This project will apply CCUS to gas fields under production to recover a cumulative total of approximately 25 million tons of CO₂ emitted from the project and approximately halve project emissions by injecting and storing it in existing gas fields, while at the same time improving production efficiency and increasing natural gas production. The development plan was approved by SKK Migas (Special Task Force for Upstream Oil and Gas Business Activities Republic of Indonesia) in 2021, and the natural gas production and CCUS operations are scheduled to commence in 2026, subject to the Front-End Engineering and Design (FEED) and a final investment decision to be made after mid-2022.



Map of the project



Liquefaction plant existing second system and expanded system under construction, LNG tanks, jetty, etc.

INDUSTRIAL MATERIALS GROUP



Our Vision



Kotaro Tsukamoto
Executive Vice President
Group CEO,
Industrial Materials Group

Our Group will take on the challenge of transforming the materials industry in response to the diversification of needs for materials and changes in industrial structure, and play our role in realizing a sustainable society.

Materiality (Material Issues)

Related Material Issues



Contributing to Decarbonized Societies



Promoting Stable, Sustainable Societies and Lifestyles

Relevance of Material Issues to the Business

In the materials industry, responding to decarbonization and the diversification of needs for materials, and ensuring stable procurement and supply of raw materials and products are urgent issues. The Group will contribute to the realization of a carbon-neutral society by working on functional materials that support the weight reduction and electrification of automobiles and mobility, and by strengthening our business in silica sand, a raw material used for solar panels. In addition, we will work to improve the efficiency and robustness of the materials supply chain by combining physical businesses, which are essential for the distribution of materials, with digital technology. Furthermore, we will leverage our existing businesses, industry expertise, and global network to shift from the conventional one-way economic model of mass production and mass consumption to a circular economy.

Group Strengths and Strategy

Group Strengths

- Industry knowledge and global network in the industries in which we operate, with a focus on the fields of automotive & mobility, and construction & infrastructure
- Manufacturing, processing, and distribution assets in the materials industry accumulated through business investment and trading
- Long-term partnerships with materials manufacturers in Japan and overseas

Summary of Midterm Corporate Strategy 2021

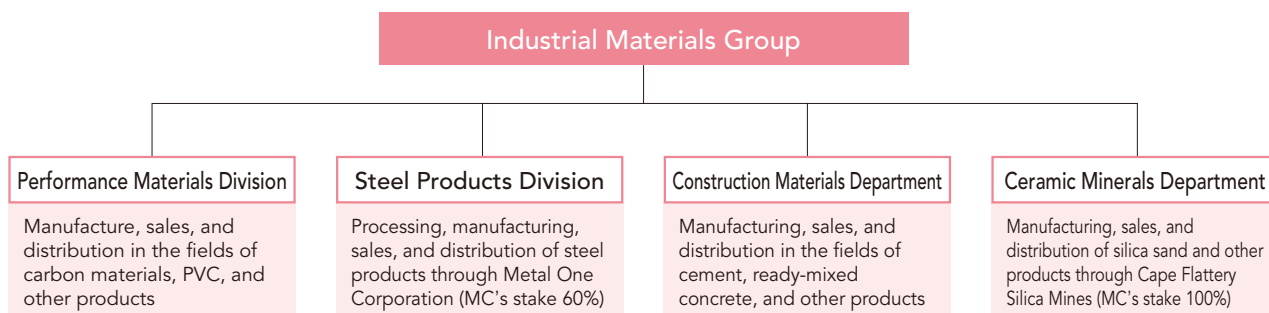
Amid drastic changes in the business environment due to the progress of decarbonization and the development of digital technology, we implemented a bold shift of management resources to fields and businesses with growth potential by contributing to addressing challenges in the industries in which we operate. As one result of this shift, we decided to make a full-scale entry into the functional materials manufacturing business (high-performance plastics, etc.), through which we can take advantage of the Group's comprehensive strengths, including its broad industrial knowledge and global network.

Strategies Under Midterm Corporate Strategy 2024

We will contribute to solving the challenges of the industries in which we operate by making the materials supply chain more efficient and robust through the use of digital technology, working on functional materials that support the weight reduction and electrification of automobiles and mobility for decarbonization, and addressing materials recycling to reduce environmental impact.

Forecast for Future Growth

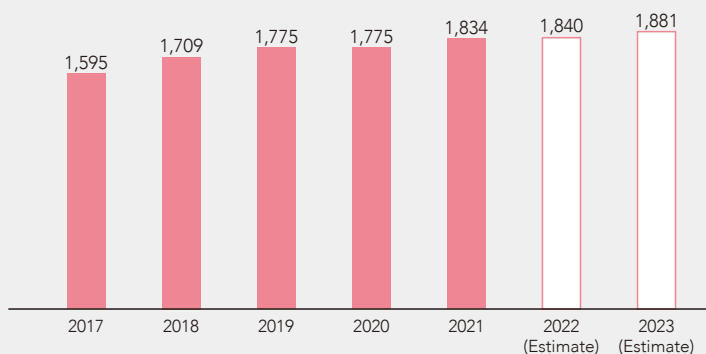
The materials industry needs to change faster than ever in line with the trend toward decarbonization and the diversification of needs for materials. We will realize our growth scenario in the materials business through the production and supply of materials essential for the realization of a carbon-neutral society, as well as through the use of digital technology to improve the efficiency and strength of the materials supply chain.



Major Growth Drivers

Changes in the world demand for steel

(Unit: million tons)



Source: World Steel Association

Metal One Corporation is a joint venture with Sojitz Corporation that is engaged in the processing, manufacturing, sales, and distribution of steel products.

The steel industry needs to undergo major changes in the future, including a shift in steelmaking processes from blast furnaces to electric arc furnaces against a backdrop of global decarbonization. Metal One has more than 120 physical business bases in Japan and overseas, and by leveraging the industry expertise obtained from those bases with digital technologies, contributes to solving industry challenges especially in the fields of automotive & mobility and construction & infrastructure. Also, it will aim to expand revenue by strengthening its overseas business in the United States and emerging countries, where demand for steel is expected to grow.

Business Examples

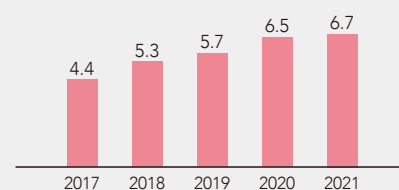
Cape Flattery Silica Mines Pty.,Ltd.

The world's largest silica sand producer in Australia (wholly owned by MC), which produces high-grade silica sand used as a raw material for solar panels, displays, and other products that contribute to EX. The Group has an integrated supply chain with a logistics and sales network that extends from the mines to the demand areas.



Demand for Imported Silica Sand in East Asia

(Unit: million tons)



Source: Trade statistics of countries in East Asia

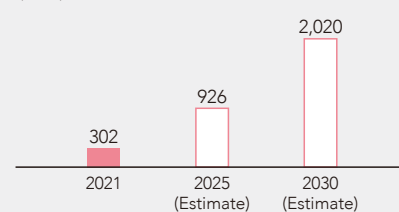
PMC Tech Co.,Ltd.

A coal-based needle coke manufacturing company in South Korea through a joint venture with POSCO Chemical Co., Ltd. and others. The company has a production and sales network in the markets that are expected to grow in line with the trend toward decarbonization, namely graphite electrodes for electric arc furnaces (steel product recycling), and needle coke as a raw material for lithium battery anode materials, an essential component for electric vehicles.



Market Projections for Automotive LiBs

(GWh)



Source: Arthur D. Little Japan

PETROLEUM & CHEMICALS SOLUTION GROUP



Our Vision



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

竹内 修身

Against a background of issues including climate change and marine plastics, the importance of transitioning to a decarbonized society and of reducing environmental impacts is growing day by day. Contributing to the achievement of a decarbonized society while steadily supplying the petroleum products and chemical materials indispensable to society and people's lives is our Group's most important theme. In the fields of energy and materials, we aim to be a Group that contributes to addressing societal challenges through the conception and execution of businesses that generate environmental and societal value in addition to economic value.

Materiality (Material Issues)

Related Material Issues



Contributing to Decarbonized Societies



Promoting Stable, Sustainable Societies and Lifestyles



Conserving and Effectively Utilizing Natural Capital

Relevance of Material Issues to the Business

Decarbonization is a top priority for the fuels and materials sectors which the Group operates. While supporting society by providing stable supplies during the transition period, our Group aims to realize a decarbonized and circular economy by commercializing the supply of fuels and materials with a low environmental impact, utilizing the knowledge and existing infrastructure developed through our business. In fuels for power generation, we will consider the commercialization of ammonia, an excellent means of transporting and storing hydrogen, as a key component in the practical implementation of hydrogen in society, which is expected to become widely used as a clean energy source.

In transportation, we will work toward the commercialization of sustainable aviation fuel (SAF), to reduce the carbon footprint of fuel for aviation which is considered to be difficult to electrify. In chemical materials, in addition to further strengthening our recycling business for plastics and other materials, we will work to build a bio-related business and a carbon recycling business that utilize CO₂ as a raw material, aiming to realize a circular economy and reduce CO₂ emissions on a large scale.

Group Strengths and Strategy

Group Strengths

- Broad customer portfolio, industry presence, and market intelligence gained through trading and manufacturing businesses
- Conception skills and execution skills for next-generation fuels and environmentally conscious chemical material businesses (product recycling, bio-related, and carbon recycling), aimed at creating a decarbonized society
- Capability to construct a fuel ammonia business based on a long track record in electric power fuel supply and operational experience in the ammonia production business

Summary of Midterm Corporate Strategy 2021

Strategies Under Midterm Corporate Strategy 2024

Forecast for Future Growth

We position the issues of adapting to next-generation energy (EX: energy transformation) and converting to lower-environmental-impact chemical materials that have equal functionality and that can be supplied as stably as existing products (MX: material transformation) as top-priority themes for our Group in the industries in which we operate. We have already started businesses in fuel ammonia, carbon recycling, bio-related, and product recycling. By strengthening and converting our core businesses, we will work toward quantitative and qualitative improvement of revenues and asset efficiency.

We will engage in a two-pronged strategy: "Reduce the environmental impact of existing operations while fulfilling our supply responsibilities and generating stable earnings" and "Present realistic, scaled solutions to the world in the areas of energy and materials to solve the challenges of decarbonization". In order to provide decarbonization solutions that meet customer needs, we will consider participating in EX/MX manufacturing businesses with a sense of scale and economic viability.

We will prioritize the following themes in formulating EX/MX projects. 1) Fuel ammonia: Establishing a low-carbon ammonia supply chain for power generation and expanding to other applications and industries. 2) Carbon recycled fuel and material business: Recycling CO₂ into a variety of carbon compounds. 3) Biofuels and materials business: Sustainable Bio-chemical business. 4) Product recycling business: Recycling of plastics in a way that contributes to a low-carbon, circular economy.

Petroleum & Chemicals Solution Group

Next-Generation Fuels & Petroleum Business Division

Petroleum product-related businesses and next-generation energy businesses such as fuel ammonia aimed at realizing a low-carbon society

Ecological Materials & Chemicals Business Division

Manufacturing and sales businesses for chemical materials and new businesses that contribute to addressing environmental challenges

Global Marketing Division

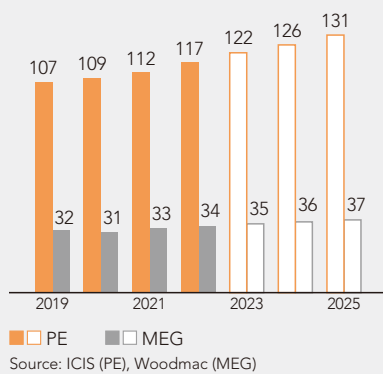
Trading business for chemical raw materials and products, and identification of "seeds of growth" for the development of new businesses

Major Growth Drivers

We will provide a stable supply of fuels and materials for which demand is strong, while implementing solutions that contribute to the realization of a decarbonized society.

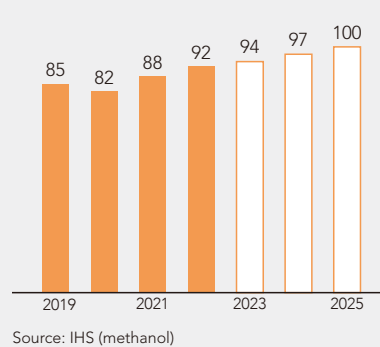
World-wide demand for PE/MEG

(unit: million metric tons)



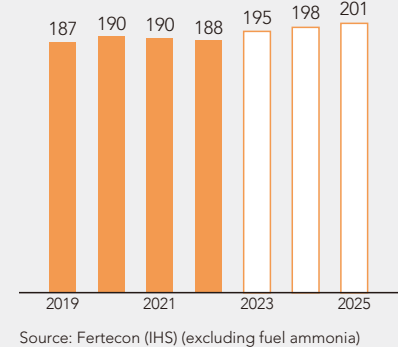
World-wide demand for methanol

(unit: million metric tons)



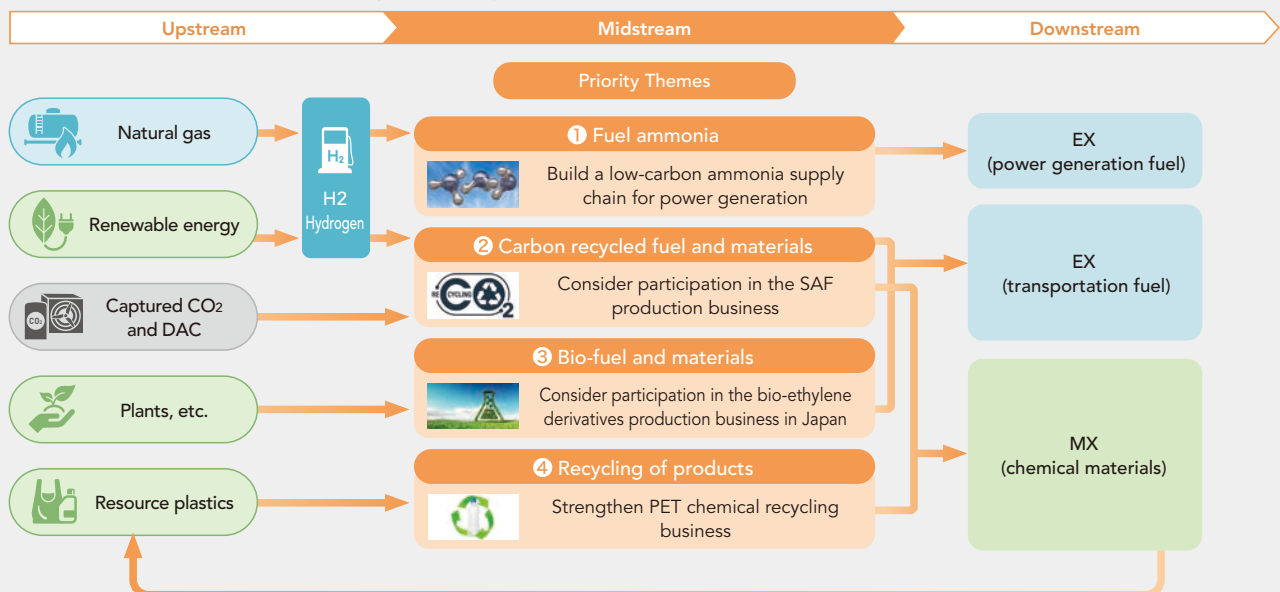
World-wide demand for ammonia

(unit: million metric tons)



Business Examples

In order to contribute to the decarbonization of fuels and materials, we will accelerate our efforts with a sense of scale and economic competitiveness based on the following four priority themes



MINERAL RESOURCES GROUP



Our Vision



Norikazu Tanaka

Director,
Executive Vice President
Group CEO,
Mineral Resources Group

Rick Tanaka

To date, our Group has transformed its business model numerous times in accordance with changes in the external business environment. We will further transform our businesses in response to major changes in the societal environment such as accelerating decarbonization, electrification, and the shift to a circular economy, and contribute to the promotion of the EX strategy through the supply of raw materials.

Materiality (Material Issues)

Related Material Issues



Contributing to Decarbonized Societies



Promoting Stable, Sustainable Societies and Lifestyles

Relevance of Material Issues to the Business

Electrification and the introduction of renewable energy are essential transitions to realize a carbon-neutral society, and demand for metal resources, such as copper, lithium and nickel (both raw materials for batteries), will increase dramatically. In the steel industry, while the transition to electric furnaces and hydrogen-based steelmaking will continue over the long term, low-carbon steelmaking using blast furnaces, which will remain the mainstream for the time being, will be an important issue.

As part of our efforts toward a decarbonized society, we will work to reduce CO₂ emissions at the mines we own and to fulfill our responsibility to provide a stable supply of high-quality metallurgical coal and iron ore that contributes to the low-carbonization of blast furnaces. At the same time, we will contribute to the promotion of EX from the viewpoint of raw material supply by shifting to a new portfolio based on the three societal issues of decarbonization, electrification, and circular economies.

The mineral resources business is a long-term undertaking. The concept of realizing triple-value growth through the simultaneous generation of economic, societal, and environmental value, and growing together with local communities and environmental conservation, has always been the foundation of our business, and therefore sustainability is an integral part of our business. We contribute to the realization of a sustainable society through the stable supply of metal resources that are indispensable for the shift to a decarbonized world.

Group Strengths and Strategy

Group Strengths

- Competitive cost advantage and the quality of our world-class assets
- Solid partnerships with major mining companies and other primary suppliers that leverage our presence in the industry built over many years
- Industry intelligence and presence as an industry player gained through a global customer base cultivated by our trading business, and using this as leverage to identify new quality investment opportunities
- Ability to adapt business models to changes in the external environment to foster growth

Summary of Midterm Corporate Strategy 2021

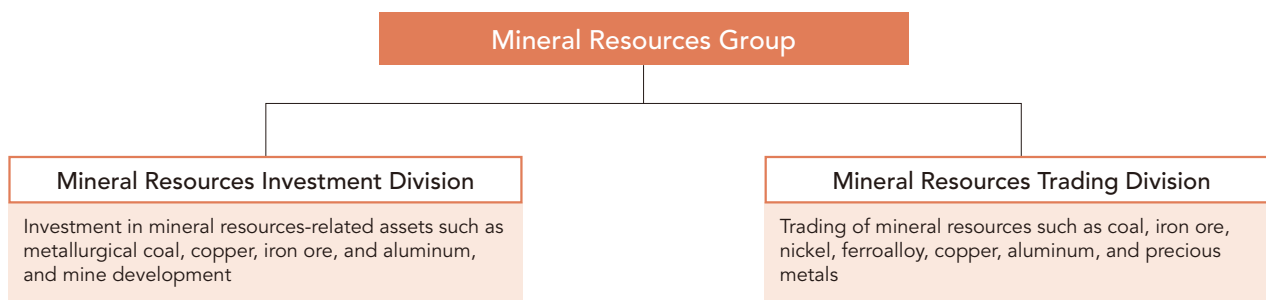
- We have completed the withdrawal of several assets to further refine our quality assets, which combine world-class cost competitiveness and quality, as well as to strengthen our metal resources investment portfolio in light of the external environment.
- As initiatives for growth, we participated in the development of Quellaveco (copper mine) and the Aurukun (bauxite mine) project.
- In trading, we achieved sustainable business growth by steadily developing new clients and strengthening our risk management system.

Strategies Under Midterm Corporate Strategy 2024

- To contribute to the decarbonization of the steel industry, we will pursue 1) the potential of direct reduced iron, which contributes to the expansion of electric furnaces, 2) the increased use of CCUS technology, 3) and precious metals essential for a hydrogen society, while at the same time achieving a stable supply of high-quality metallurgical coal and iron ore.
- As a material that supports electrification, we will work on internal growth opportunities for copper (maintaining and expanding production at existing assets), as well as take on the challenge of acquiring new prime assets and utilizing innovative copper recovery technologies. In addition, we will strengthen our efforts in next-generation resources such as lithium and nickel, raw materials for batteries, and bauxite, a raw material for aluminum.
- With an eye toward circular economies, we will work to utilize secondary resources in precious metals, lithium-ion batteries, and aluminum.

Forecast for Future Growth

- Based on the strong asset portfolio that we have refined to date, we will strengthen our efforts in metal resources, an essential component of decarbonization, by focusing on the three themes of decarbonization, electrification, and a circular economy as part of our EX strategy.

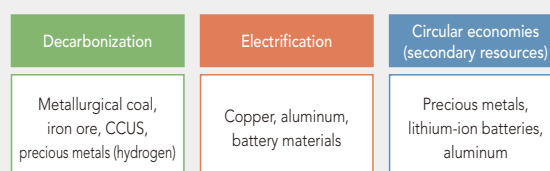


Major Growth Drivers

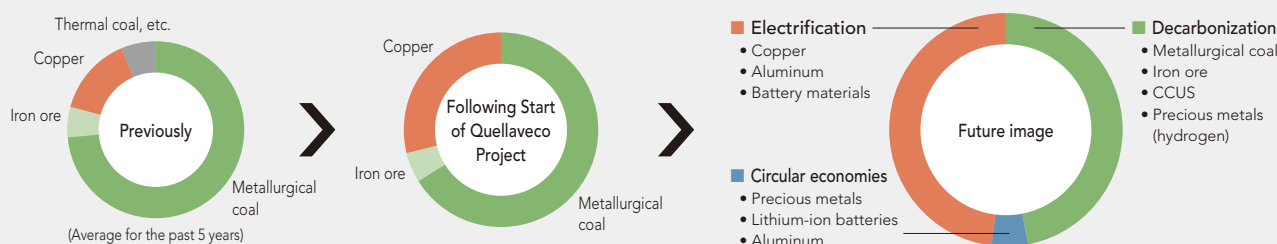
Group EX Strategy

Strengthen efforts in metal resources, an essential component of decarbonization, and begin the execution of specific projects

- Stable supply of high-quality metallurgical coal and iron ore. Pursue the potential of 1) direct reduced iron, which contributes to the expansion of electric furnaces, 2) the increased use of CCUS technology, and 3) the precious metals that are indispensable for a hydrogen society
- Expand our capability to supply next-generation resources essential for electrification
- Start work on secondary resources



Profit Structure (excluding trading)



Business Examples

Mitsubishi Development Pty Ltd. (MDP) which conducts exploration, development, production, and sale of mineral resources, jointly operates its metallurgical coal business, BMA, together with its partner, BHP. BMA operates one of the world's largest metallurgical coal operations, with an annual production volume of about 63 million tons and a share of approximately 30% of seaborne trade volume. In addition to producing high-quality metallurgical coal at its seven operating mines, BMA also maintains an integrated rail and port network, and is fulfilling its responsibility to provide a stable supply of high-quality metallurgical coal that contributes to low-carbon blast furnace steelmaking.

As the world transitions to a decarbonized society, we foresee potential impact on metallurgical coal demand as a result of the wider use of electric furnaces for steelmaking and the adoption of new technology. However, even in a business environment calculated based on decarbonization scenarios, we expect the demand for high-quality metallurgical coal to remain high.

Also, while staying aware of changes in the business environment, we will strive to reduce GHG emissions from BMA production processes. Furthermore, together with our metallurgical coal business partner BHP, we are working to support research that contributes to reducing emissions throughout the entire metallurgical coal value chain.



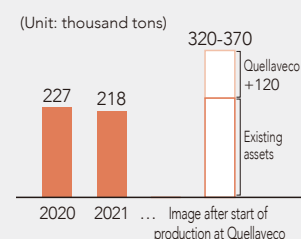
BMA (Australia)



Quellaveco Copper Project (Peru)

Quellaveco is a large copper mine in southern Peru, with reserves of approximately 8.9 million tons and an expected mine life of approximately 36 years, and is highly cost competitive. MC is developing the mine with partner Anglo American plc, and started copper concentrate production in 2022. Our equity production volume currently exceeds 200,000 tons per year, the largest for Japan, and is expected to increase approximately 1.5 times to around 320,000 to 370,000 tons after full-scale launch of the mine. We will continue our efforts to secure and provide a stable supply of copper, an essential component for the realization of a carbon neutral society, especially for the progress of electrification centered on renewable energy and the spread of EVs.

MC's Equity Production Volume and Projected Growth



INDUSTRIAL INFRASTRUCTURE GROUP



Our Vision



Koji Ota
Executive Vice President
Group CEO,
Industrial Infrastructure Group

Our Group operates diverse business models based on strong ties with various partners in a wide range of industries. We will refine our own functions and strengths, solve problems in the industries we serve, build and expand new industrial and social infrastructure platforms, and aim to create a prosperous future society.

Materiality (Material Issues)

Related Material Issues



Contributing to
Decarbonized
Societies



Promoting Stable,
Sustainable Societies
and Lifestyles



Utilizing Innovation to
Address Societal
Needs



Addressing Regional
Issues and Growing
Together with Local
Communities

Relevance of Material Issues to the Business

Responding to fast-paced changes in the external environment, including societal issues such as decarbonization and industry structural changes based on digitalization, is not only an urgent challenge for companies, but also a business opportunity. In particular, our Group, which serves a wide range of industries, is working to resolve issues in each industry by providing services and solutions that meet the needs of each, while leveraging our deep industrial knowledge and collective capabilities.

We are aiming to build a hydrogen supply chain for the next generation of energy, develop electric propulsion ships and autonomous operation support systems for next-generation shipping, promote the facility management business that adds value—such as labor and energy saving—to the operation and management of office and other buildings, and promote our comprehensive rental business to further the sharing economy. Through these efforts, we will work together with our customers to realize a sustainable society by contributing to the decarbonization of each industry and addressing regional and societal challenges, and by actively promoting the development of new businesses with adjacent industries.

Group Strengths and Strategy

Group Strengths



Summary of Midterm Corporate Strategy 2021



Strategies Under Midterm Corporate Strategy 2024



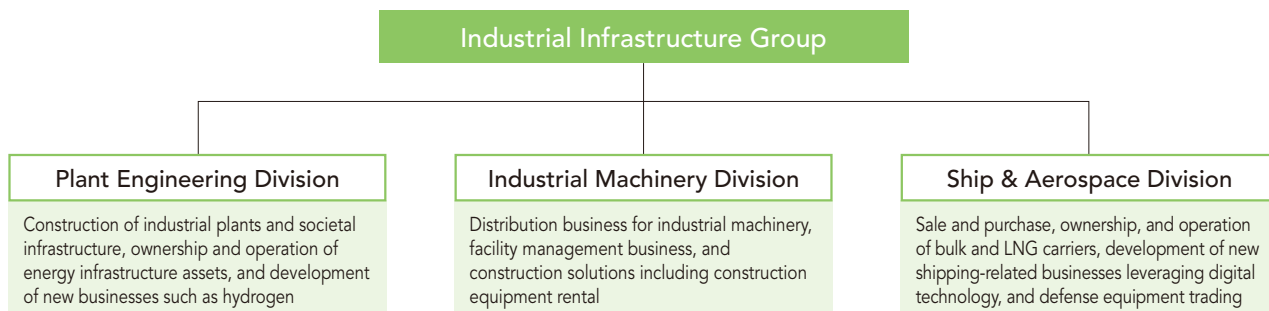
Forecast for Future Growth

- Connections with, and industry knowledge of, various industries such as manufacturing, construction, agriculture, shipping, transportation and power infrastructure, oil & gas, etc.
- A foundation for conceiving new businesses that leverage our ownership of numerous business models
- Strong partnerships in each business area cultivated through the provision of functions to key players in the industry

In existing businesses, we supported the revitalization of Chiyoda Corporation and implemented the optimization of the fleet size of owned bulk carriers. In new businesses, we entered the facility management business and worked to build a hydrogen value chain. We also made steady progress in strengthening our business portfolio across the entire Group's businesses.

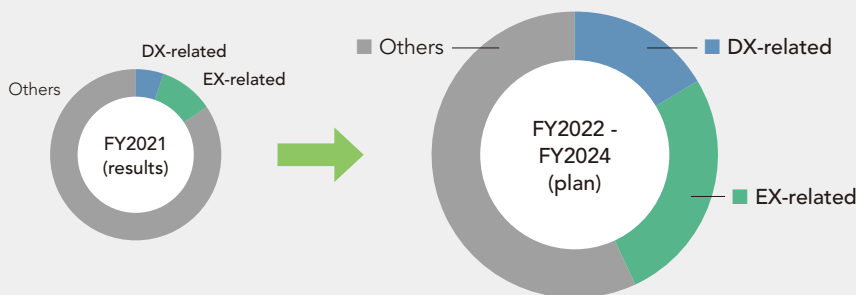
With the Value-Added Cyclical Growth Model in mind, we will promote the consolidation and re-profiling of management resources while refining functions and strengths that clearly differentiate us from competitors. In addition, we will work to complete the revitalization of Chiyoda Corporation, increase earnings in the facility management business, and materialize the autonomous vessel and maritime digital service businesses. We aim to achieve sustainable growth by continuing to develop businesses that have the potential to grow beyond the Group's framework, such as the hydrogen value chain development business and the construction solutions business.

We will strengthen collaboration beyond the framework of the Group and concentrate management resources in business areas that are expected to grow at a reasonable scale by 2030. We will create sustainable value with partners that go beyond the traditional industries in which we operate, while addressing societal challenges through decarbonization and innovation.



Major Growth Drivers

Breakdown of New Investments



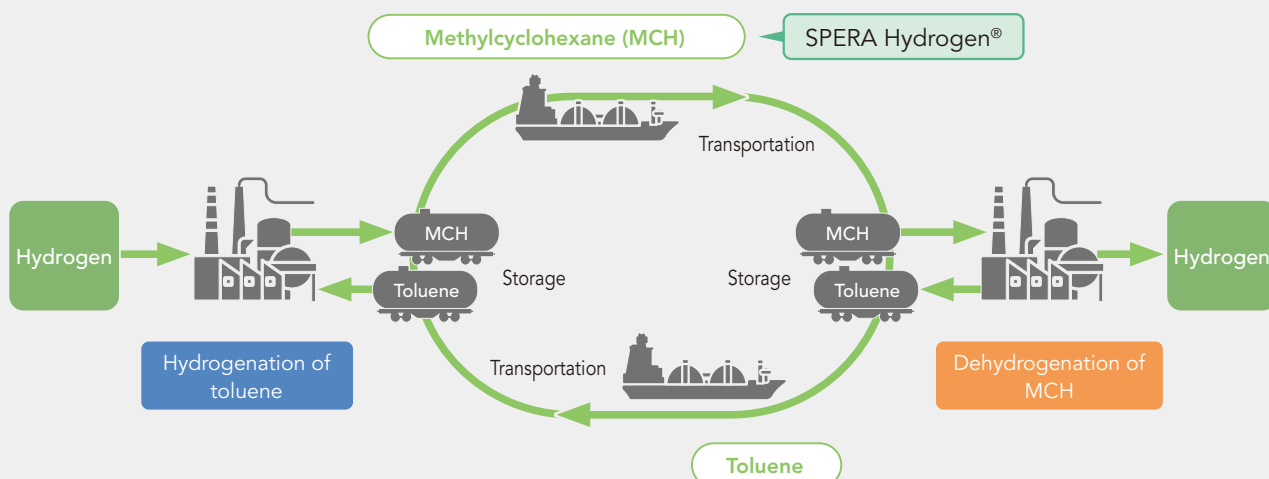
Our Group, which boasts extensive connections to various industries, also aims to promote DX and EX-related investments in each of our business areas in order to grow our business.

The main investment targets for DX include construction solutions, facility management, ships, and plant engineering, and for EX include hydrogen and other energy infrastructure, and next-generation fuel carriers. We will use DX and EX as tools to achieve growth by solving issues in each of the industries we serve.

Business Examples

Our Group is promoting the development of a hydrogen value chain to realize a decarbonized society. In 2020, our Group signed a memorandum of understanding with five local partners* in Singapore for mutual cooperation in realizing a sustainable hydrogen economy there, and in 2021, our Group reached an agreement with the Port of Rotterdam Authority and Koole Terminals to conduct a joint study on the establishment of an international supply chain with the Port of Rotterdam as a hydrogen import hub.

Chiyoda Corporation's hydrogen storage and transportation technology (SPERA Hydrogen®) is expected to play an important role in promoting these initiatives, and we are evaluating and studying the technical and commercial aspects with an eye to realizing a business in Japan for importing and using hydrogen derived from renewable energy.



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

AUTOMOTIVE & MOBILITY GROUP



Our Vision



Shigeru Wakabayashi
Executive Vice President,
Group CEO,
Automotive & Mobility Group

Our Group will build a business model that addresses challenges related to the movement of people and goods by leveraging our strong business and customer base built up over many years. Furthermore, by providing automotive and mobility services by utilizing integrated EX/DX, we will enrich the lives of our customers and contribute to the conservation of the global environment with the aim of realizing triple-value growth.

Materiality (Material Issues)

Related Material Issues



Contributing to Decarbonized Societies



Addressing Regional Issues and Growing Together with Local Communities

Relevance of Material Issues to the Business

In the automotive industry, structural changes are taking place as a result of the shift to low environmental impact vehicles in line with the progress of decarbonization, as well as changes in people's values regarding car ownership.

Within this changing external environment, our Group, as a strategic partner of the manufacturers with whom we collaborate, will contribute to the realization of decarbonized societies by helping to expand sales of environmentally friendly next-generation vehicles (including clean fuel). Furthermore, as part of our efforts toward decarbonization, we intend to promote the realization of a concept for EV fleet management that combines mobility business and EX, in cooperation with other Business Groups within the company, in order to take advantage of our collective capabilities.

In regional communities facing depopulation, there is a growing need for on-demand transportation services that allow for the streamlining of transportation, and more services utilizing digital technology. Our Group will ensure the sustainability of our business by further strengthening our business foundation, including the functions we have developed over many years and our ability to build community-based networks, as well as by working to address societal challenges through our mobility services business.

Group Strengths and Strategy

Group Strengths

- Strong, long-term partnerships with Mitsubishi Motors Corporation, Isuzu Motors Limited, and Mitsubishi Fuso Truck and Bus Corporation
- A strong automotive value chain platform for business and customers offering production, sales, automobile finance, after-sales service, and other capabilities developed both in the ASEAN region and in countries around the globe
- A wealth of knowledge and expertise based on an extensive global network

Summary of Midterm Corporate Strategy 2021

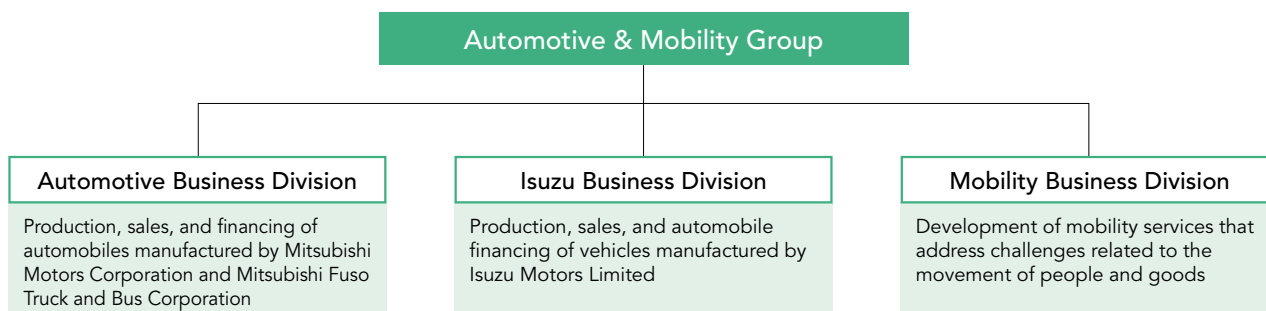
Strategies Under Midterm Corporate Strategy 2024

Forecast for Future Growth

In our automotive value chain business, we strengthened our sales capabilities by introducing new models and implementing digital marketing in the ASEAN region, while also building a framework for steadily increasing profit from business investees. Furthermore, we expanded our business domains in multi-brand downstream areas (fleet management, after-sales service, e-commerce, auctions, etc.) in emerging countries, including ASEAN countries. Moreover, we promoted domestic regional transportation DX through our on-demand bus business utilizing AI.

We aim to further strengthen the functions of the automotive value chain business, and expand and transform our business model into downstream areas, while also developing the mobility services business into a "Core Businesses." We will also utilize integrated EX/DX as a lever to enrich the lives and lifestyles of our customers and contribute to the conservation of the global environment through the spread of automotive and mobility services, thereby achieving triple-value growth.

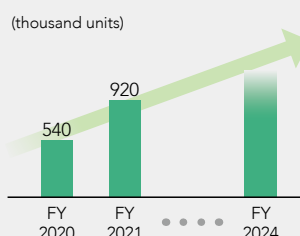
In an environment where the electrification of automobiles and the diversification of transportation fuels and energy sources are expected to advance in line with decarbonization, we will promote product planning in collaboration with our partner manufacturers and pursue business development utilizing our business and customer bases. In doing so, we will further evolve and deepen our value chain business. In addition, as people's awareness shifts from ownership to usage, we will continue to address challenges related to the movement of people and goods by continuously providing efficient and clean means of transportation, and will continue to realize triple-value growth.



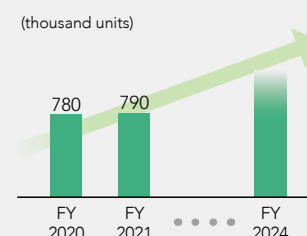
Major Growth Drivers

Our Group has over 50 years of experience in the automotive value chain business in Indonesia and Thailand. In the Indonesian and Thai markets, where demand is expected to recover and grow in the future, we will continue to engage in the sales and after-sales service business while leveraging our strong business foundation built up to date. We aim to further strengthen our customer base in areas such as finance and insurance services and business development, and expand and transform our business model in downstream areas in the automotive value chain business. We will also take the next step forward to achieve further growth by leveraging our customer base with a view to inter-group co-creation.

Indonesia Market Size



Thailand Market Size

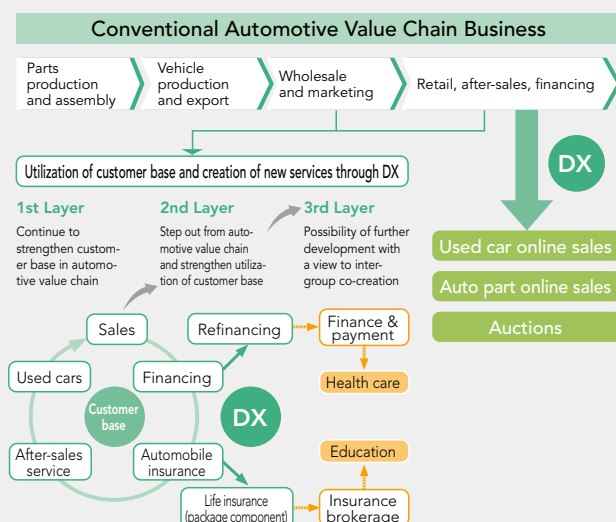


Source: Data from automobile industry associations in each country, etc.

Business Examples

DX Initiatives in the Automotive Value Chain Business

In the sales and after-sales field, which is the core of our automotive value chain business centering on the important markets of Indonesia and Thailand, we are leveraging our customer base built up through sales and marketing activities over many years in order to promote DX through various digital marketing measures and to create new services. In addition, to strengthen our downstream multi-brand business, we are building a business model centered on fleet management, maintenance, and used car e-commerce, and we are also operating an auction/matching site for used car sales.



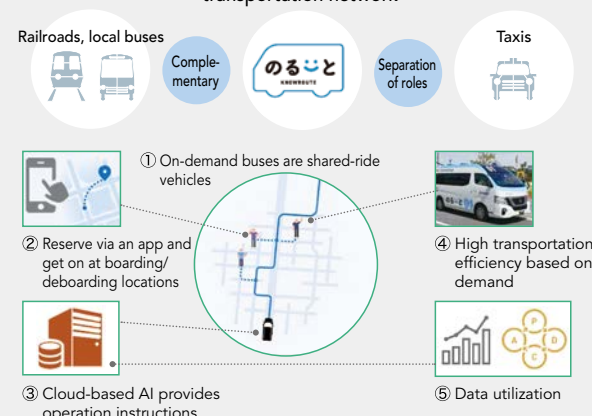
DX Initiatives in Mobility Services

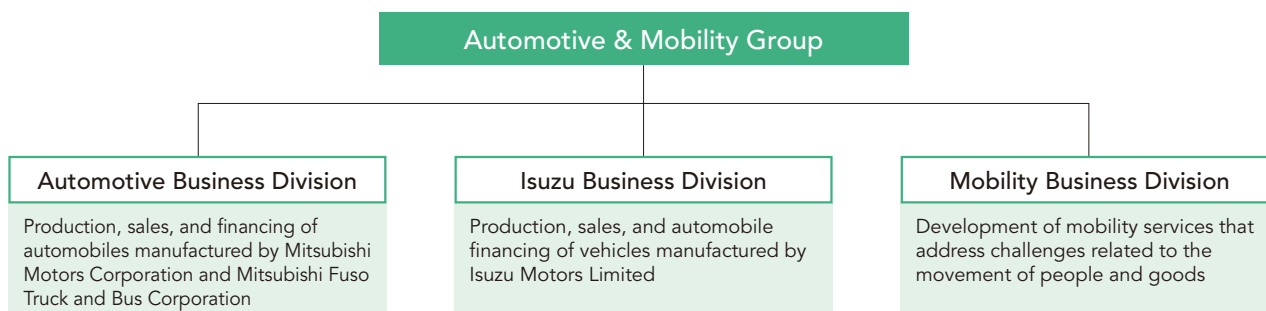
As the shift from “ownership” to “use” of cars continues, we are working to address challenged related to mobility faced by local communities and transportation operators while providing new means of transportation (Regional Transportation DX).

Starting in 2019, we have been operating the AI-based on-demand bus system Know-Route in collaboration with West Japan Railway Co. Rather than having a fixed timetable or route, flexible route setting and operation utilizing AI ensures both user convenience and operational efficiency.

From 2020, we will start providing the Know-Route system and expertise to various regions and transportation operators nationwide. We will encourage the expansion of the on-demand bus business and contribute to addressing regional transportation challenges.

Sharing roles with railroads, local buses, and cabs as part of a public transportation network

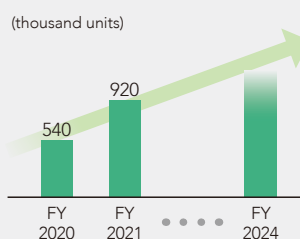




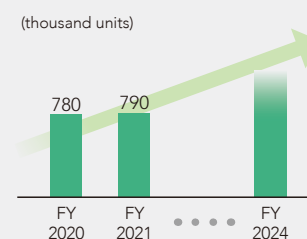
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Indonesia Market Size



Thailand Market Size

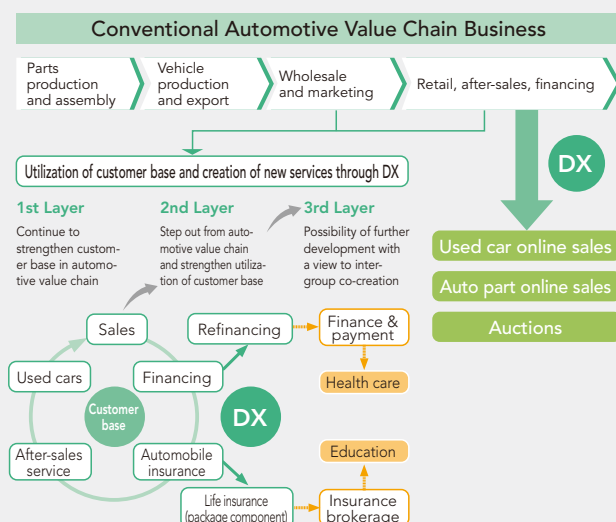


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Business Examples

DX Initiatives in the Automotive Value Chain Business

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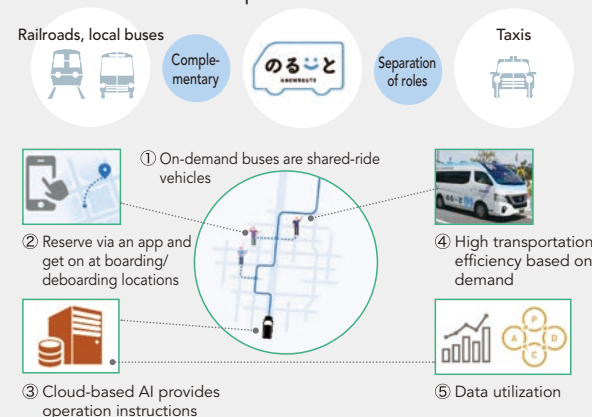
DX Initiatives in Mobility Services

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Sharing roles with railroads, local buses, and cabs as part of a public transportation network



FOOD INDUSTRY GROUP



Our Vision



Norio Saigusa
Executive Vice President
Group CEO,
Food Industry Group

Our Group works to contribute to addressing various environmental and societal challenges in our overall supply chain, while also establishing a stable and sustainable supply model. We strive to reliably supply products that fulfill consumer needs as we ensure safety and security for consumers, and deliver value that meets societal demands. We also set out to generate growth opportunities by expanding high-quality products and services into the global market.

Materiality (Material Issues)

Related Material Issues



Conserving and Effectively
Utilizing Natural Capital



Promoting Stable, Sustainable
Societies and Lifestyles



Respecting Human Rights in our
Business Operations

Relevance of Material Issues to the Business

While there are concerns of food shortages due to global population growth and increased consumption, there is also a growing focus on the environmental and societal challenges faced by the food system. We recognize that addressing societal challenges, such as the need for a stable food supply and a sustainable supply chain, is our Group mission as well as a growth opportunity.

Our Group, which is extensively involved in the food industry, generates food waste in the course of our business activities, and reducing this waste is one way that we will contribute to addressing the above-mentioned issues. We will strive to refine supply and demand forecasting through DX and leverage the functions and innovations of our group companies. Through these efforts, we will contribute to the realization of a sustainable, stable society and livelihoods by reducing food waste and promoting food recycling, such as utilizing food waste as a raw material for animal feed.

In addition, our Group handles commercial raw materials produced in a wide variety of countries and regions. We recognize that respect for human rights and the conservation and effective utilization of natural capital throughout our business activities, including the supply chain, are important issues. In order to confirm compliance with our Policy for Sustainable Supply Chain Management (which outlines MC's actions to address human rights, labor rights, and environmental issues in the supply chain), we conduct annual human rights and environmental due diligence on materials with high environmental and social risks. Through these investigations, we ascertain the actual status of these materials and take corrective actions and responses to issues that need to be addressed as we work to build a stable and sustainable supply model.

Group Strengths and Strategy

Group Strengths



Summary of Midterm Corporate Strategy 2021



Strategies Under Midterm Corporate Strategy 2024



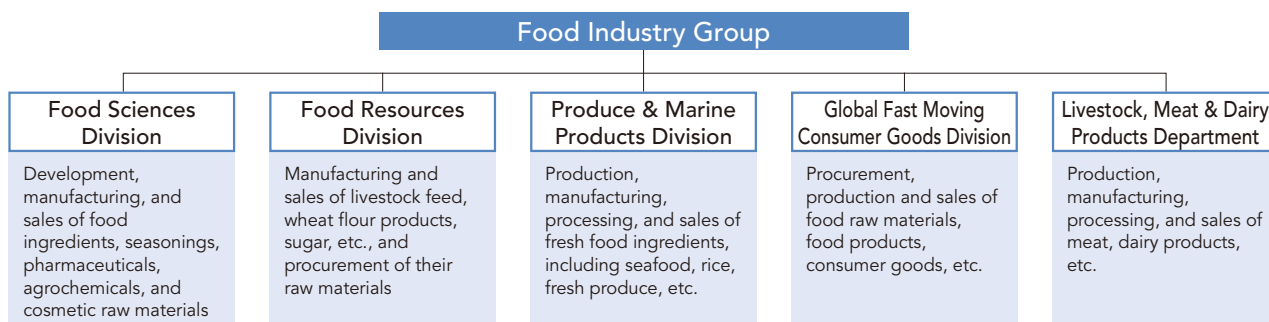
Forecast for Future Growth

- A large-scale business base for salmon and trout, which are excellent sources of high quality protein and for which suitable farming areas are limited
- A supply chain that contributes to the stable procurement of food, with grain feed and livestock operations at its core
- Food science technologies that contribute to quality of life for consumers through great taste and health

In the fiscal year ended March 31, 2021, we struggled due to the impact of the COVID-19 pandemic, as consumer behavior changed and demand declined, especially in the restaurant industry. However, we improved profitability in the fiscal year ended March 31, 2022 through in-house efforts such as improving production efficiency and strengthening sales capabilities, mainly in the salmon and trout farming business and grain, oilseeds, & feed materials business and the livestock business. In response to changes in consumer behavior, our Group also developed new initiatives such as efforts to develop, produce, and sell plant-based meat, mainly working with Itoham Yonekyu Holdings Inc. and Mitsubishi Corporation Life Sciences Limited.

We will achieve sustainable growth while working to address environmental and societal challenges in the food supply chain. We aim to improve the efficiency of the entire supply chain by utilizing digital technologies such as DX to forecast supply and demand, visualize operations, and improve logistics efficiency, while also contributing to the reduction of food waste and GHG emissions. In addition, we will strengthen a safe and stable supply chain and achieve a stable supply of food to Japan.

In addition to the world's growing population and expanding consumption, Japan's declining birthrate and aging population is expected to increase health-consciousness and a greater need for food products that environmental and societal challenges into consideration. We will seize these increases in food demand and changes in consumer trends as business opportunities and strive for sustainable growth by making full use of our global supply chain, which contributes to the stable supply of a wide variety of food products. We will also achieve further growth by implementing a Value-Added Cyclical Growth Model and by responding to new technologies.



Major Growth Drivers

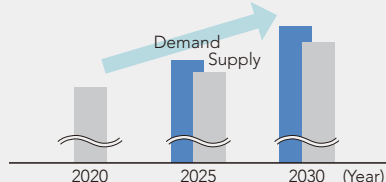
Strengthening Core Businesses

Salmon and Trout Farming Business

- We will strive to improve profitability by strengthening the production side, such as increasing productivity and production volume, and also the sales side, such as adding value and mitigating the risk of market fluctuations.
- We will also work on new technologies such as land-based aquaculture for salmon and trout, for which suitable farming areas are limited.

Global Salmon & Trout Supply-Demand Outlook

Widening supply-demand gap



* Indexed to 100 for the year 2020. Source: calculations based on Kontali Analyse AS data.



Grain, Oilseeds, & Feed Materials Business and Livestock Business

- In the livestock business, we will strive to execute both the raising of the top line by strengthening our profit structure and competitiveness by reforming our business structure.
- We will also strive to transform our business model by streamlining the entire supply chain through DX.

Identification of a Third Core Business

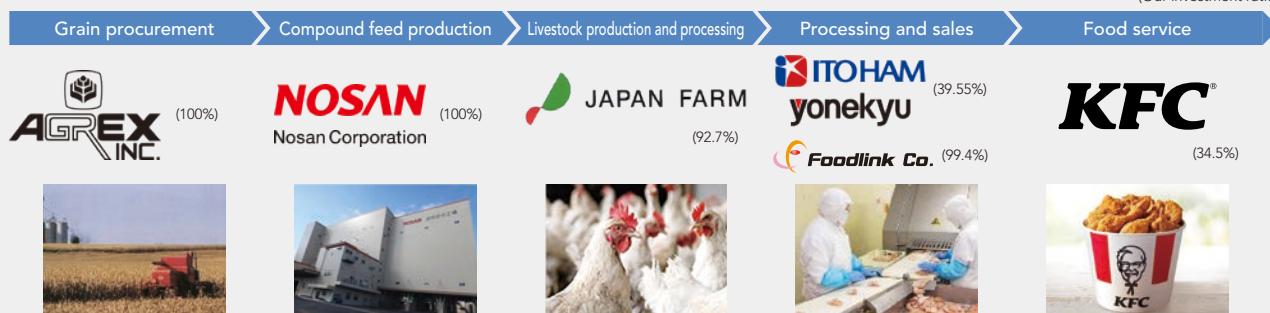
- Through the implementation of a value-added cyclical growth model, we will seek to identify new core businesses that will become new sources of revenue, while optimizing our portfolio.
- By incorporating new technologies in the food sector, we will also respond to disruptive/rapid growth areas caused by technological innovation.

Business Examples

Strengthening the supply chain in the grain, oilseeds, & feed materials business and the livestock business

- Our Group has established a vertically integrated supply chain business model—from raw material procurement and production of grain feed to production (livestock), manufacturing (meat processing), and retail (food service)—which enables us to stabilize earnings throughout the supply chain, even during periods of high volatility.
- In terms of raw material procurement, we are striving to strengthen our procurement network from major production areas as we also ensure to stabilize it. We will continue to strengthen our safe and stable supply chain to ensure a stable supply of grain to Japan.
- The Group will pursue the refinement of supply and demand forecasting by DX and the leveraging of functions and innovations of each group company. We will thereby contribute to the realization of a sustainable and stable society and livelihoods by reducing food waste and promoting food recycling, such as using food waste as a raw material for animal feed. In addition, by expanding the successful experiences and best practices developed by our Group to the industries in which we are involved, we will help to transform the business model of the food industry.

(Our investment ratio)



CONSUMER INDUSTRY GROUP



Our Vision



Kiyotaka Kikuchi
Executive Vice President
Group CEO,
Consumer Industry Group

K. Kikuchi

Our Group will promote supply chain optimization and new demand creation by connecting producers and consumers through the use of digital technology in the areas of retail, apparel and SPA (Specialty store retailer of private label apparel), healthcare, food distribution and logistics and tires for the automotive industry to achieve the sustainable development of local communities and increase convenience for consumers.

Materiality (Material Issues)

Related Material Issues



Promoting Stable, Sustainable
Societies and Lifestyles

Relevance of Material Issues to the Business

Our Group will reduce waste by optimizing the entire supply chain through the use of digital technology to improve sales forecasting and order accuracy, data linkage and sales promotion at retail stores, thereby enhancing the sustainability of society. As an example, we aim to reduce food waste generated by the Group by 50% compared to 2018 levels.

In addition, by utilizing the Group's broad connections with consumers, we will work to create demand and revitalize local economies by building mechanisms to address societal and environmental challenges raised by the SDGs and by engaging in communications that encourage consumer participation to bring about a high-quality, plentiful lifestyle together with consumers.

Group Strengths and Strategy

Group Strengths



Summary of Midterm Corporate Strategy 2021



Strategies Under Midterm Corporate Strategy 2024



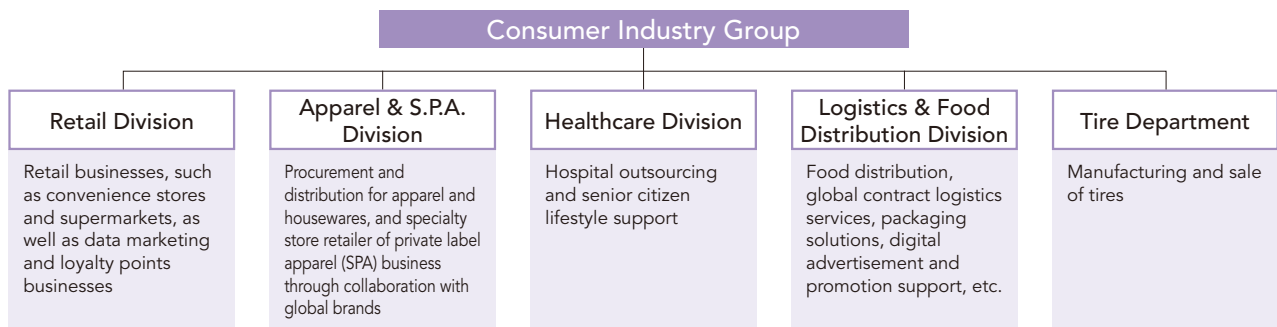
Forecast for Future Growth

- A system that provides unique and convenient goods and services based on a deep understanding of consumer needs through our wide range of contact with consumers centered on physical retail stores, and consumer data accessed through the membership base
- Knowledge and a presence built up through our industry-leading intermediary distribution business, and networks of regional manufacturers, retailers, and healthcare facilities
- Locally-rooted business knowledge cultivated through the expansion of a retail store network in China and Southeast Asia

Through collaboration with affiliates such as Lawson, Inc. and Loyalty Marketing, Inc. we promoted the creation of new consumption experiences that integrate the Internet and the real world. In the intermediary distribution business, including apparel and health care, we began to reform our business through DX and launched an AI-based demand forecasting system in cooperation with Mitsubishi Shokuhin Co. Ltd. In China, we continued to open convenience stores, expanding to more than 4,000 stores. However, some businesses were hit by the COVID-19 pandemic and are still in the process of recovery.

In order to respond to the needs of consumers in the "new normal", we will transform our existing businesses and further create value for consumers through the use of digital technology. Through DX, we will also address various societal challenges in the Japanese market, such as the declining birthrate, aging population, labor shortage, logistics crisis, and weakening of regional infrastructure. Overseas, we will capture market growth by expanding our convenience store, apparel, tire, and other businesses.

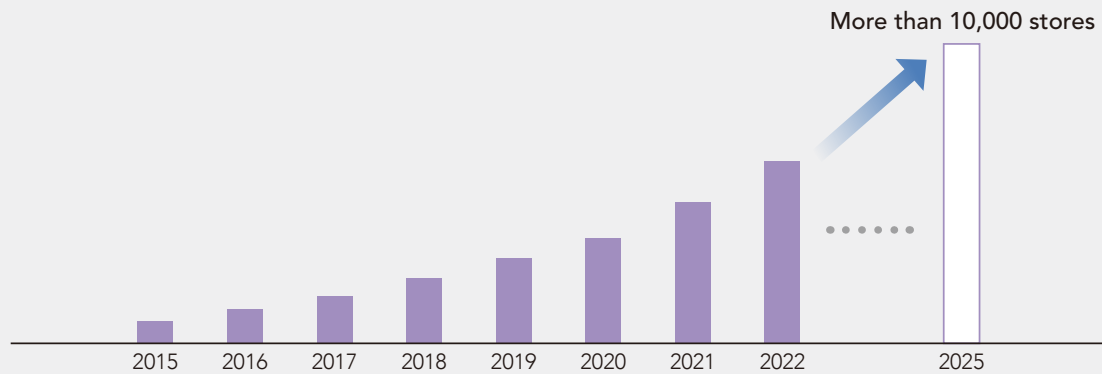
We will refine the uniqueness and convenience of the goods and services provided by each business, and aim to create a market-in business model that meets local needs. In Japan, we will contribute to the creation of attractive cities by continuously supplying goods and services that improve the quality of life in local communities by utilizing the Group's customer contacts and distribution network. Overseas, we will develop markets with partners who provide unique goods and services, aiming to win the support of local consumers.



Major Growth Drivers

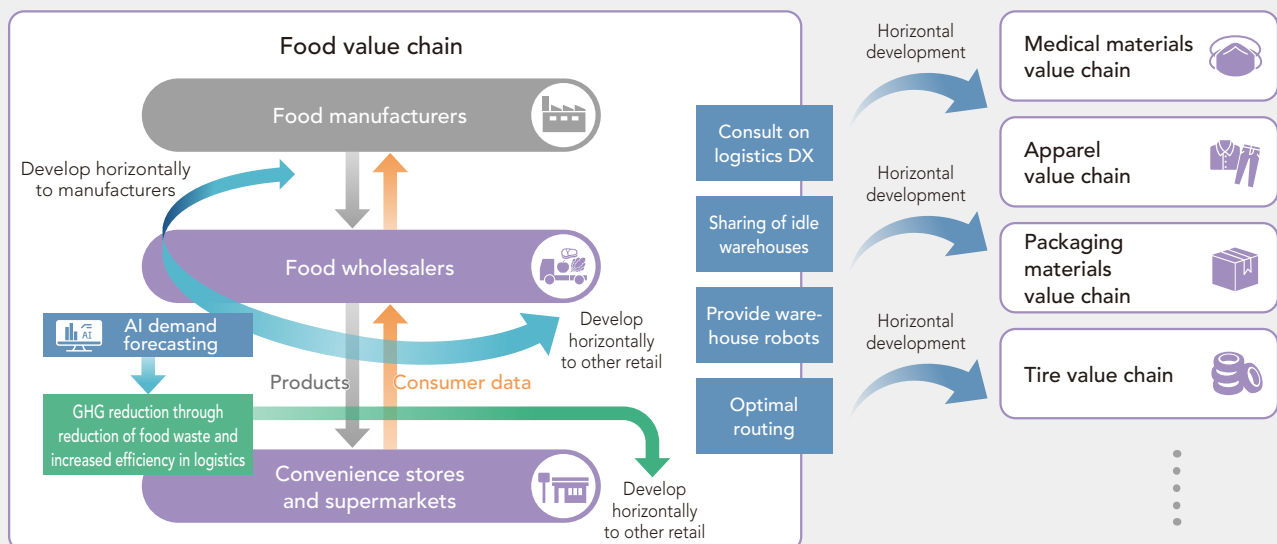
Number of overseas retail stores of affiliated companies

We aim to increase Group business profit by expanding business models and products overseas that feature Japanese competitiveness and uniqueness, and by gaining the support of local consumers.



Business Examples

Promote the provision of DX and EX solutions to address industry and societal challenges. We will expand the solutions established in one business channel horizontally to other business channels and industries to create a chain of transformation.



POWER SOLUTION GROUP



Our Vision



Aiichiro Matsunaga
Executive Vice President
Group CEO,
Power Solution Group

The power and water that our Group provides serve as the foundation of essential infrastructure for everyday life. We are helping to secure stable energy supplies by combining renewables and other clean sources with digital technology and a power supply and demand adjustment function. Our mission is to play our part to build sustainable, decarbonized societies and increase corporate value by providing new added value to our customers, as well as by conducting new initiatives in the field of hydrogen, a next-generation fuel.

Materiality (Material Issues)

Related Material Issues



Contributing to Decarbonized Societies



Addressing Regional Issues and Growing Together with Local Communities

Relevance of Material Issues to the Business

In the electric power business, along with the shift to renewable energy, the business structure is changing with the decentralization and digitalization of the power system. Our Group is working to improve the business value of the entire power value chain by integrating the supply side (power generation) and the demand side (retail sales), while optimizing our portfolio, with the goal of doubling renewable energy power generation capacity by FY2030 compared to FY2019 (from 3.3 GW to 6.6 GW). As the global trend toward decarbonization grows stronger, we intend to achieve decarbonization by strategically reducing existing thermal power generation capacity and switching to zero-emission thermal power that does not emit greenhouse gases, aiming to achieve a 100% non-fossil power generation portfolio by 2050. In addition, to leverage our collective capabilities, we will promote the regional revitalization through integrated EX/DX initiatives using local renewable energy resources in Japan through collaboration with other internal Business Groups.

Group Strengths and Strategy

Group Strengths

- Extensive track record of development, construction, and operation in the area of renewable power generation, especially offshore wind
- The knowledge provided by Eneco, a customer-focused integrated energy company that provides clean energy and related services based on a balanced portfolio that encompasses from power generation to retail
- Collective capabilities such as knowledge and networking in service development and partnerships which we leverage to promote DX initiatives that reflect the rapidly changing power business environment.

Summary of Midterm Corporate Strategy 2021

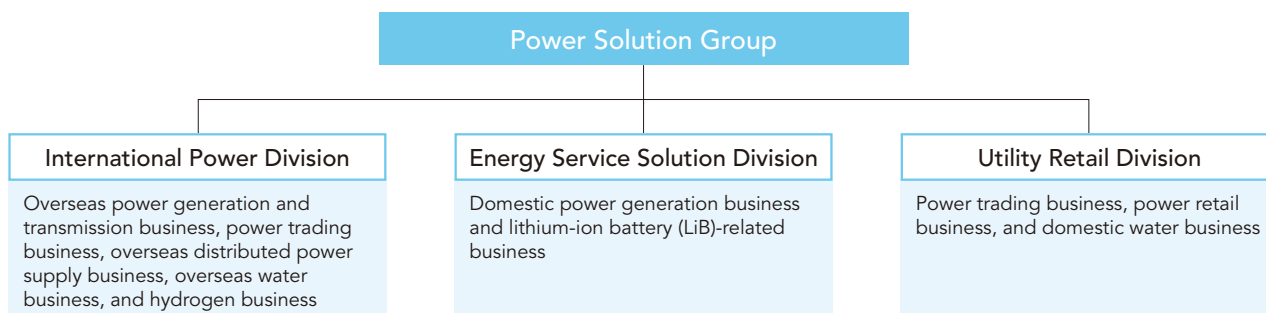
Strategies Under Midterm Corporate Strategy 2024

Forecast for Future Growth

On the upstream (supply) side, we expanded our power generation business in Japan and overseas, focusing on renewable energy, and our offshore transmission business supporting offshore wind power generation. On the downstream (demand) side, we developed our electricity retail business and new service business, and upon establishing Chubu Electric Power Miraiz Connect, Inc., we promoted the maximization of business value throughout the entire electric power value chain, including the launch of retail, life care, finance, and other services through digital marketing.

The Group “produces” (generates) renewable energy, “integrates” weather-dependent electricity (through a sophisticated balance of supply and demand), and “delivers” this integrated electricity and high added-value services. By strengthening each of these functions of the power value chain, we aim to expand our renewable energy business in Japan, where offshore wind power is expected to grow, and in Europe, where Eneco’s platform stands, as well as in the Americas, Asia, and other regions.

We will optimize our business portfolio by expanding renewable energy and promote the provision of high added-value services throughout the entire electric power value chain by strengthening supply and demand adjustment functions through DX. In addition, to take advantage of our collective capabilities, we will also build self-sustained decentralized communities and engage in the green hydrogen business, which is expected to become a next-generation energy source, through collaboration with other Business Groups.

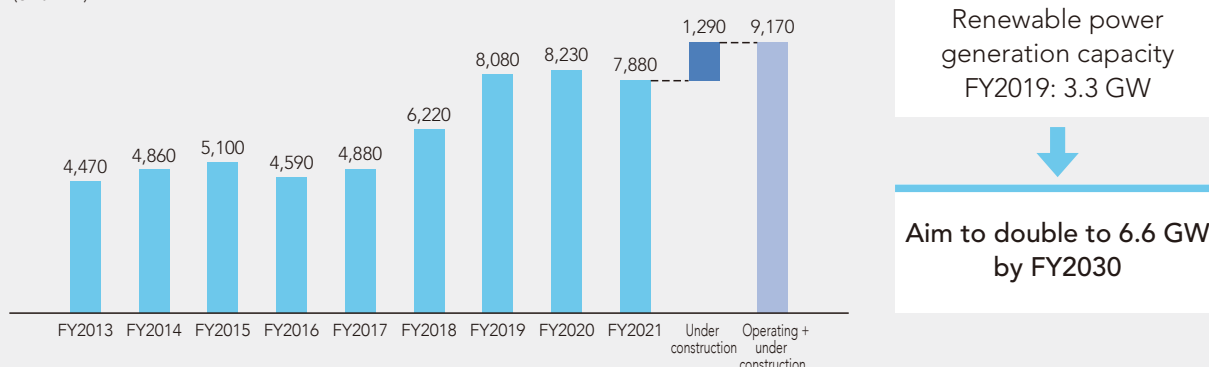


Major Growth Drivers

The Group has been expanding its net equity base generation capacity through power generation projects in Japan and overseas. Going forward, we will continue to expand renewable energy sources, aiming to double our renewable energy power generation capacity from 3.3 GW in FY2019 to 6.6 GW in FY2030, and promote the optimization of our portfolio.

Net Equity Base Generation Capacity

(Unit: MW)



Business Examples

Under the mission of “Everyone’s sustainable energy,” Eneco is promoting integrated EX/DX through its power generation business (generate), its power and gas trading business (integrate), and its power and gas retail business and district heat supply business (deliver) in Europe, with renewable energy as its core. In addition to strengthening the electric power value chain, the Group is also working on hydrogen, a next-generation fuel that contributes to the decarbonization of society, and the greening of heat sources to contribute to the realization of a sustainable society. The Group is also expanding this business model horizontally to other regions such as Japan and the Americas.

Expanding the electric power value chain starting from renewable energy



URBAN DEVELOPMENT GROUP



Our Vision



Takuya Kuga
Executive Vice President
Group CEO,
Urban Development Group

In line with our vision to “Create cities, create societies, create the future”, our mission is to establish high value-added, large-scale businesses by combining infrastructure and urban development, asset finance, and other businesses to meet societal and environmental needs, such as urbanization and lowering environmental impact. We aim to address societal and regional challenges through highly functional and attractive urban development that maximizes our collective capabilities.

Materiality (Material Issues)

Related Material Issues



Addressing Regional Issues and
Growing Together with Local
Communities

Relevance of Material Issues to the Business

The explosive expansion of the middle class and rapid urbanization, particularly in emerging economies, has increased the need for development and management of social infrastructure projects that take into account social and environmental value.

In the midst of such changes in the external environment, our Group aims for triple-value growth by promoting the development and management of large-scale, high-value-added urban development projects to sustainably create high-quality living, working, medical, educational, logistics, and transportation environments. In doing so, we will contribute to the economic growth of the countries in which we operate, while also helping to reduce environmental impacts. For example, in the urban development project in BSD City, Indonesia, which is currently underway, we have started proof-of-concept trials for the implementation of urban services such as urban portal/urban OS, autonomous driving, and digital marketing, and are working to improve urban convenience and reduce environmental impacts by materializing and implementing smart city-related technologies.

We will also work to address societal and regional challenges by collaborating with other Business Groups within the Company, such as initiatives to introduce self-sustained decentralized energy, electrification and efficiency of transportation, and decarbonization of industries.

Group Strengths and Strategy

Group Strengths

- Management of urban infrastructure projects based on many years of infrastructure-sector development expertise and industry networks
- Project management based on real estate knowledge, and business know-how grounded in proven track records in development
- Long-standing relationships of trust and networks with leading developers and companies in many regions, especially in ASEAN countries
- A finance business that leverages MC's long-term industry expertise and network gained through trading and business investment

Summary of Midterm Corporate Strategy 2021

Strategies Under Midterm Corporate Strategy 2024

Forecast for Future Growth

We participated in a large-scale urban development project covering over 100 hectares of land within BSD City in the suburbs of Jakarta, Indonesia, and launched urban facility management initiatives, such as the start of autonomous driving proof-of-concept trials in BSD City and in the Kamakura area in Japan. We also made steady progress in strengthening individual businesses, such as data centers, real estate development, corporate investment, and asset finance, which form the foundation of our operations for sustainable urban value enhancement.

From the perspective of cyclical growth, we will promote actions such as the movement of management resources into the development and management of urban development projects. Based on our expertise in digital infrastructure, real estate, and financial services, we will also promote initiatives to realize self-sustaining decentralized communities and smart cities in Japan and ASEAN countries. Additionally, we will focus on realizing a decarbonized society by promoting investment under the theme of energy transformation, promoting the introduction of electric vehicles, and providing related services.

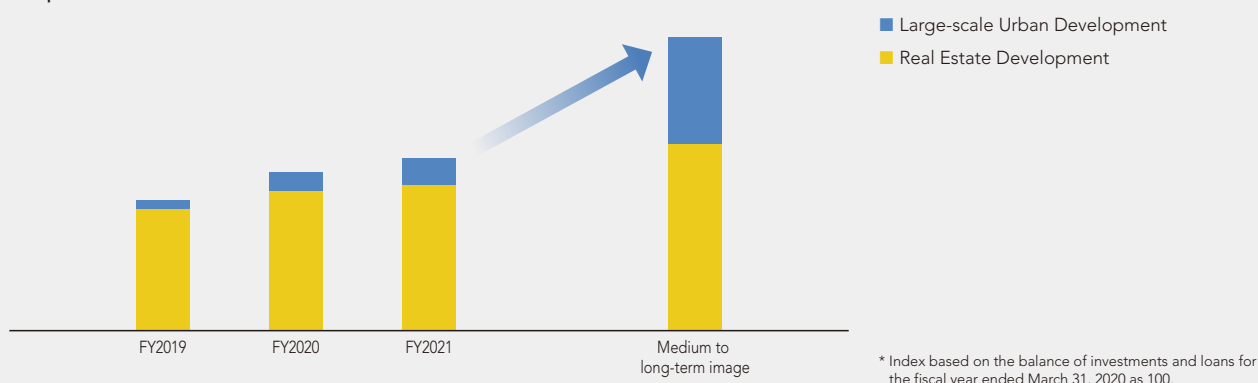
In response to societal and environmental challenges such as global urbanization and lowering environmental impact, we will maximize real estate development revenue by increasing urban value through the continuous promotion of the development and management of high-value-added urban development projects on a significant scale that achieves convenience and low environmental impact.



Major Growth Drivers

In addition to steady growth in development and management of real estate projects through asset replacement, we will accelerate our efforts in the development and management of large-scale, multi-use urban development projects, mainly in Japan and the ASEAN region.

Scope of Business Initiatives



Business Examples

Development and management of high-value-added urban development projects that achieve convenience and low environmental impact



Case study: Management of a smart city project in the Jakarta suburb of BSD, Indonesia

Together with Sinar Mas Land Ltd. (SML), one of the largest real estate developers in Indonesia, we started an autonomous electric vehicle proof-of-concept trial in BSD City, a suburb of Jakarta, Indonesia in May of this year. In the trial, autonomous electric vehicles will travel around the central area of the city to assess needs and other factors.

MC has signed a MOU with SML to enhance the urban value of the district and will also work on the construction of data linkage infrastructure for all of BSD City, as well as digital marketing, etc., to promote the transformation of BSD into a smart city.

By introducing digital technology, we will also contribute to addressing social and environmental challenges in Indonesia, such as by taking measures to alleviate traffic congestion.

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





Initiatives and Systems Supporting Sustainable Value Creation

3

With the increasing uncertainty of the business environment, this section describes how we will adapt to changes in the business environment, and the systems that will support this adaptation.



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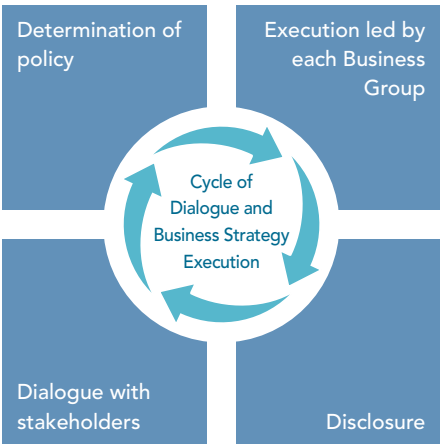
Sustainability Promotion Framework

Sustainability Initiatives

MC’s Three Corporate Principles call upon us to “strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.”

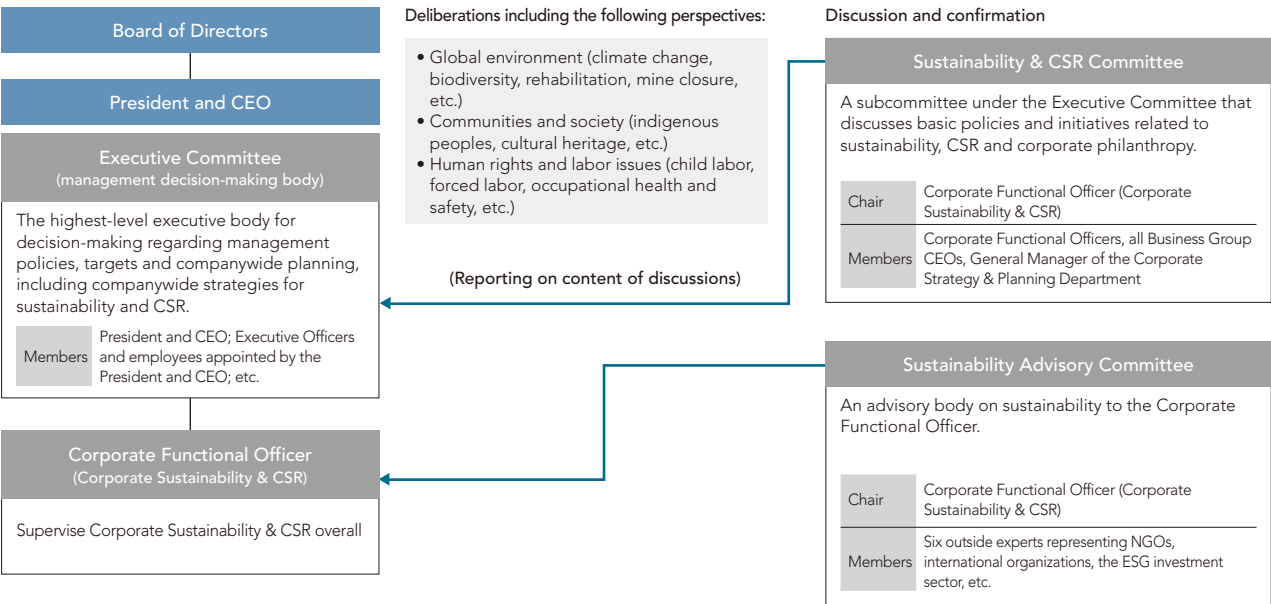
In recent years, expectations and demands for companies to address various societal challenges have been increasing. Guided by our Materiality, a set of crucial societal issues that we will prioritize through our business activities, we aim to continue to grow together with society by continuously creating MC Shared Value, as set forth in Midterm Corporate Strategy 2024.

Furthermore, in order to increase our corporate value in line with the ever-changing demands of society, we have established an effective promotion framework that recognizes the importance of dialogue with our stakeholders and a cycle of business strategy execution based on this dialogue.



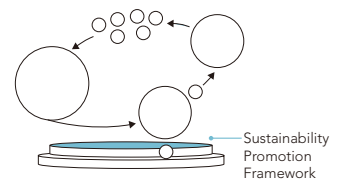
Companywide Sustainability Framework

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



(Please refer to p. 89 for details.)

Main Discussion Themes for the Sustainability & CSR Committee	
<ul style="list-style-type: none">Climate ChangeGHG emissions management and reductions (e.g. portfolio decarbonization and reinforcement mechanisms in Midterm Corporate Strategy 2024) EX-related initiatives: Please refer to p. 20-23 for details. Sustainability performance report for the fiscal year ended March 31, 2022: Please refer to p. 136 for details.	<ul style="list-style-type: none">Management of climate risks/opportunities: Please refer to p. 48-51 for details.Materiality: Please refer to p. 46-47 for details.Supply chain management: Please refer to p. 90-91 for details.Stakeholder engagement: Please refer to p. 36-37 for details.Corporate philanthropy activities



Promoting Sustainability Through Business

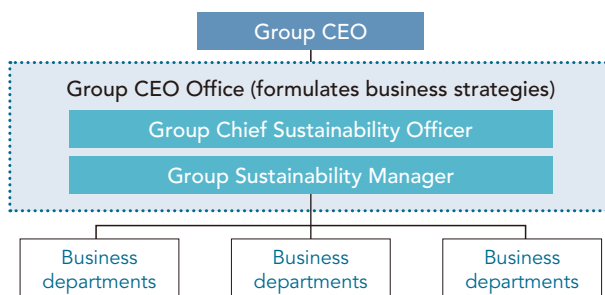
To continuously create societal value and environmental value through our business activities, we have established a framework through which not only Corporate Departments, but also Business Groups proactively promote sustainability.

Cycle for Integrating Sustainability into Business Strategy



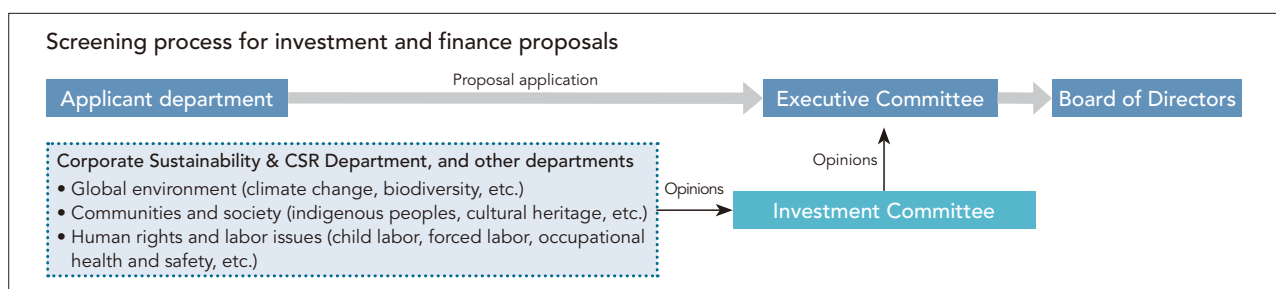
- Following deliberations by the Sustainability & CSR Committee, the President and each Group CEO will hold further Business Strategy Meetings to discuss future strategy.
- In these meetings, policies for businesses that are deemed to be most affected by climate change are checked against the results of a 1.5°C scenario analysis.

Sustainability Promotion Framework in Each Business Group



- To further promote Business Group initiatives, management personnel responsible for promoting business strategy in each Business Group have been appointed as Chief Sustainability Officers.
- To promote collaboration, MC holds meetings for Group Sustainability Managers as needed to share information and explain measures related to sustainability.

Incorporating Sustainability into Individual Projects



- **Framework for putting forward proposal applications**
MC confirms the significance of each business against our Materiality when screening investment and loan proposals. Environmental and social risks and opportunities (including scenario analysis and carbon pricing impact analysis) are mandatory checks.

- **System for Screening Proposals**
Within the Corporate Sustainability & CSR Department, dedicated staff are appointed for each Business Group and are tasked with providing support and checks on both environmental and social risks and opportunities for individual proposals based on the latest external trends, stakeholder demands, and international standards. In addition, by having the General Manager of the Corporate Sustainability & CSR Department serve as a member of the Investment Committee, MC has put in place a screening system to facilitate decision-making that takes into account specialized insight on environmental and social impacts.



Disclosure (Sustainability Website)

We believe that the cycle of disclosing our sustainability initiatives in a timely and appropriate manner based on the requests of our stakeholders, gaining their understanding, and reflecting their feedback on our initiatives is crucial. We will continue to proactively disclose sustainability-related information based on the recognition that this cycle contributes to enhancing our corporate value over the medium to long term.

In addition to this Integrated Report, we also publish a

Sustainability Website, which contains more detailed information. Referring to multiple ESG reporting guidelines, the Sustainability Website is organized according to ESG topics for ease of reference.

Furthermore, important disclosures are made on this website following 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.

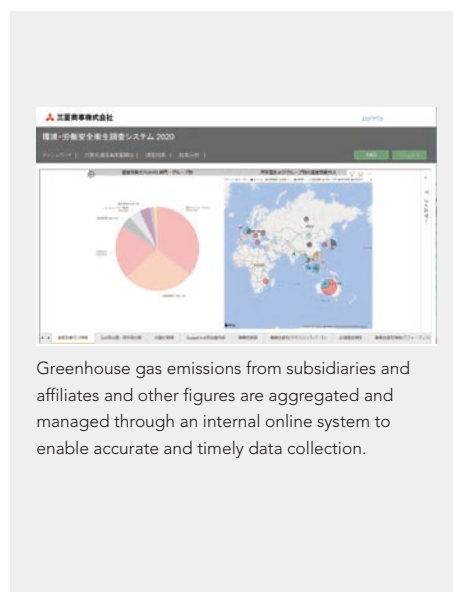
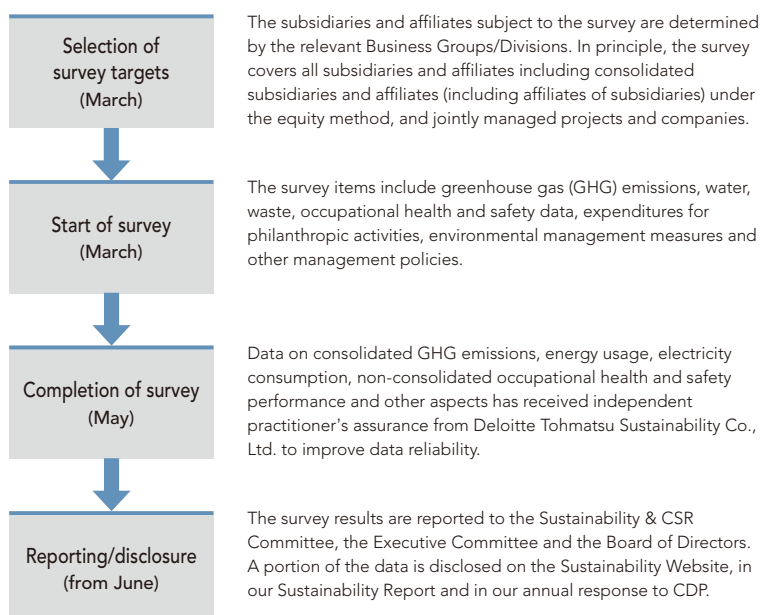
Sustainability Website Disclosures by ESG Category

Environment	Social	Governance
<ul style="list-style-type: none"> • Climate Change • Environmental Management • Water Resources • Biodiversity • Prevention of Pollution • Efficient Use of Resources 	<ul style="list-style-type: none"> • Human Rights • Labor Practices • Diversity Management • Occupational Health and Safety • Human Resource Development • Customer Responsibility • Community • Supply Chain Management 	<ul style="list-style-type: none"> • Board of Directors and Shares, etc. • Audit & Supervisory Board and Audit • Directors' and Audit & Supervisory Board Members' Remuneration, etc. • Compliance • Risk 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.





Dialogue with Stakeholders (Incorporating External Perspectives)

Dialogue with Stakeholders in the Fiscal Year Ended March 31, 2022

Number of discussions in the fiscal year ended March 31, 2022

- Discussions held directly with sustainability-related investors: approximately 35
- Discussions held directly with NGOs:
48 (Japan: 10, Europe: 18, The Americas: 20)

Through direct discussions with investors and NGOs, we have received valuable insight and opinions from the perspective of each regarding expectations in relation to our strategies toward the transition to a low-carbon/ decarbonized society and our policies for individual fossil fuel projects. We will reflect the suggestions we receive in our policy considerations, and disclose these policies in a timely and appropriate manner.

Sustainability Advisory Committee

MC has established the Sustainability Advisory Committee from 2008 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 2022, MC received feedback on the following topics:

Sustainability Advisory Committee Members

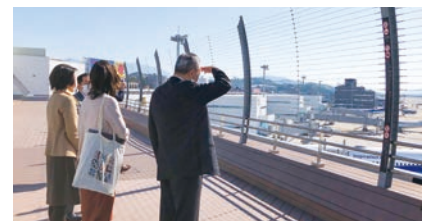
Eiichiro Adachi	Senior Counselor, The Japan Research Institute, Limited
Peter D. Pedersen	Professor, Graduate School of Leadership and Innovation, Shizenkan University
Takejiro Sueyoshi	Special Advisor to the UNEP FI in the Asia-Pacific Region
Masaru Arai	Chair, Japan Sustainable Investment Forum
Yasushi Hibi	Director Conservation International Japan
Miwa Yamada	Director-General Inter-disciplinary Studies Center Institute of Developing Economies Japan External Trade Organization (IDE-JETRO)

Main Discussion Topics at the May 2022 Meeting

- Materiality
- Responding to climate change
- Supply chain management
- Stakeholder engagement
- Corporate philanthropy activities (including recovery activities)

On-Site Observation Tour

In the fall of 2021, the Sustainability Advisory Committee visited business sites in Fukuoka and Oita. In Fukuoka, they visited Fukuoka International Airport Co., Ltd. and Next Mobility Co., Ltd., to observe how public transport can be used to create a sustainable society. In Oita, they visited Mitsubishi Shoji & Sun Co., Ltd. and the Taiyo Museum, which work to support the independence of people with impairments, and also participated in volunteer activities at the Oita International Wheelchair Marathon, one of the world's top para-sports events.



Fukuoka Airport On-site Observation Tour

Understanding the latest external trends

In order to keep abreast of the latest international environmental and social trends, we are a signatory of the UN Global Compact and are a member of organizations such as the World Business Council for

Sustainable Development (WBCSD). We have also established sustainability departments in regions such as Europe, the Americas, and Southeast Asia, with which we collaborate and gather information.



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 recognizes the importance of “Respecting Human Rights in Our Business Operations” as part of its Materiality.
- MC promotes fair and sound business activities based on its Three Corporate Principles, which have been the company’s corporate philosophy since its foundation, and clearly stipulates its respect for human rights in its Corporate Standards of Conduct, Social Charter, and Code of Conduct for Executives and Employees. In so doing, we make clear, both internally and externally, our commitment to cooperate with business partners to avoid complicity in human rights violations.
- MC also supports international norms such as the International Bill of Human Rights (Universal

Declaration of Human Rights and International Covenants on Human Rights), 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.

- MC conducts human rights and environmental due diligence based on the understanding of the importance of fulfilling our responsibility to identify, analyze and mitigate the negative impacts of our business on human rights and the environment.

Reference

Please refer to the Mitsubishi Corporation’s Corporate Standards of Conduct, the Mitsubishi Corporation Code of Conduct and the Mitsubishi Corporation Social Charter. FY2021 Modern Slavery Statement: <https://www.mitsubishicorp.com/jp/en/csr/modern-slavery-statement/pdf/fy2021.pdf>

Policy and Structure 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.

- | | |
|--|-----------------------------|
| (1) Forced Labor | (7) Working Hours |
| (2) Child Labor | (8) Suitable Remuneration |
| (3) Safe and Healthy Working Environments | (9) Anti-Corruption |
| (4) Freedom of Association and Collective Bargaining | (10) Environment |
| (5) Discrimination | (11) Information Disclosure |
| (6) Abuse and Harassment | |

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.

Reference

Please refer to the following website for further information. <https://mitsubishicorp.disclosure.site/en/themes/126#1147>

Basic Policy/Survey Results for Supply Chain Management



Supply Chain Management Initiatives

Human rights and environmental due diligence of MC's supply chain

In order to monitor compliance with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, MC has identified products with high environmental and social risk ("products to be monitored") in the fiscal year ended March 31, 2016, and the fiscal year ended March 31, 2021, with advice from

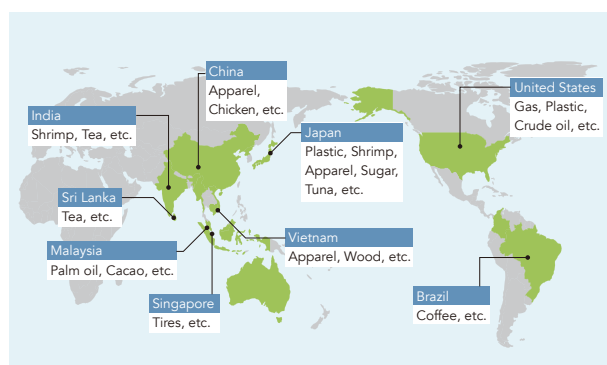
consultants and external advisors. MC conducts annual surveys of suppliers (Sustainable Supply Chain Survey), with a focus on those in industries where social risks including human rights and labor conditions, as well as environmental risks are considered higher.



Results of the Sustainable Supply Chain Survey

- In April 2021, MC conducted its annual survey for the fiscal year ended March 31, 2021, targeting 1001 supplier companies (up 236% from the previous fiscal year) in 40 countries and regions including China, Vietnam and Thailand.
- Based on the results of the survey, having taken steps to correct or improve any issues identified, MC re-evaluated its business relations with relevant suppliers.

Countries of the target suppliers



Target products and number of suppliers

Target products	FY2018 ^{*1}	FY2019 ^{*1}	FY2020 ^{*1}
Gas/LNG	—	—	115
Plastic (PP, PE, etc.)	—	—	50
Crude oil	—	—	6
Wood	—	—	2
Shrimp	20	19	84
Cacao	6	6	7
Coffee	20	22	35
Sugar	—	—	12
Chicken	18	15	17
Palm oil	8	8	8
Tuna	26	22	85
Apparel (Tier 1 & 2) ^{*2}	197	328	573
Tea	5	5	6
Tires	—	—	1
Total	300	425	1,001
(Number of responses)	(296)	(415)	(822)

^{*1} The survey is carried out in the following fiscal year based on the results of the current fiscal year.

^{*2} Tier 1 is a primary supplier that supplies directly to MC (or its Group companies), while Tier 2 is a secondary supplier that supplies directly to the primary supplier.

Communication and Engagement with Suppliers

In the fiscal year ended March 31, 2022, MC conducted an online meeting and interview with the management team and employees of the Fisheries Cooperative Association of Mitsuishima-cho, a supplier of tuna (located in Nagasaki Prefecture, Tsushima City) to one of MC's subsidiary companies, Toyo Reizo Co., Ltd.

The meeting provided an opportunity to deepen their understanding of sustainability and the importance of our company's initiatives.

Furthermore, by sharing the Policy for Sustainable Supply Chain Management in the terms and conditions of purchasing contracts, MC ensures its suppliers abide by the Policy.



Online interview

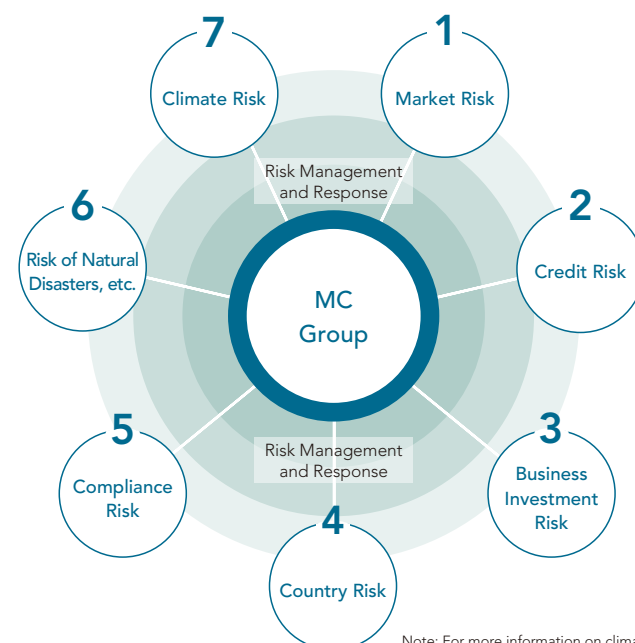
Previous reports URL <https://mitsubishicorp.disclosure.site/en/themes/155>

Risk Management

The MC Group's Risk Management Framework

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

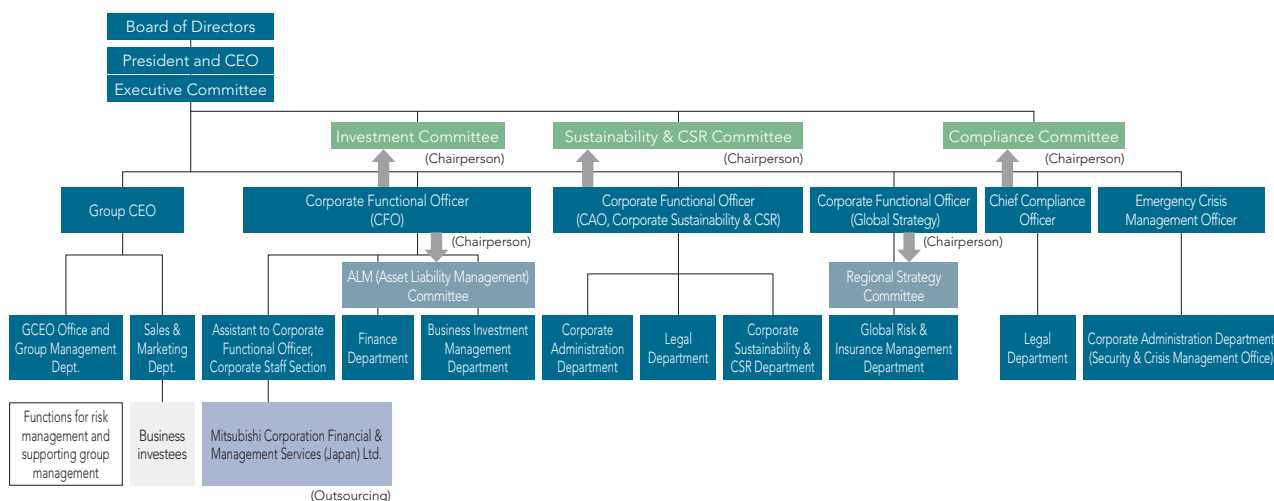
The Diverse Risks Surrounding the Company



Note: For more information on climate change risk, see p. 48-51.

Risk Management Framework and Organization Model

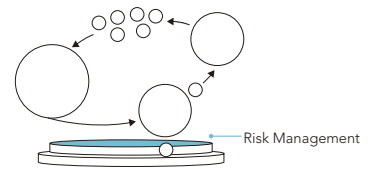
Business Groups and dedicated corporate departments that deal with specific risks collaborate on the development of operations and management frameworks that enable appropriate response to risk.



Supervising organization	Matters for supervision
Business Investment Management Department	Business investment risk and market risk (Investment Return Valuation System, new business investments, actions for existing business investees, transactions by business investees, granting loans/ guaranty, acquisition and disposal of fixed assets, etc.)
Global Risk & Insurance Management Department	Country risk
Finance Department	Credit risk, market risk (foreign exchange, interest rate, stock price, <i>mikoshi</i> *, acquisition and disposal of non-affiliated investments, etc.)
Mitsubishi Corporation Financial & Management Services (Japan) Ltd.	Credit risk (rating systems, conclusion of contracts, trade credits, bailment, payment extension, 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.

* The Structured Finance, M&A Advisory Dept. also manages foreign exchange *mikoshi*.



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

- The impacts on MC from specific market fluctuations are shown in the table below. Commodity market risks are also reflected in metallurgic coal, affecting the profit and loss of Mitsubishi Development Pty Ltd (MDP), an MC subsidiary.
- With regard to stock price risk, MC holds marketable stocks with a market value of approximately 1.01 trillion yen, and bears stock price fluctuation risk accordingly. The above amount includes a valuation gain of approximately 160 billion yen, and there is a risk that this valuation gain could decrease depending on stock price movements.

	Fiscal year ending March 31, 2023 assumptions behind results forecasts	Profit and loss impact on the fiscal year ending March 31, 2023 results forecast
Exchange rate (yen/US\$)	120.00	±4.0 billion yen (±1 yen/US\$) per year
Oil price (Dubai) (US\$/BBL)	91 (April–September 2022: 96)	±2.5 billion yen (±1 US\$/BBL) per year*1
Copper ore (US\$/MT) (US\$/lb)	8,818 [400]	±1.6 billion yen (±100 US\$/MT) per year*2 ±3.6 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	2.30	

*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

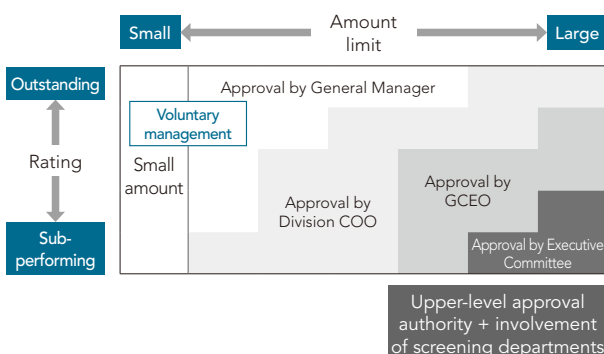
- A significant proportion of the interest-bearing liabilities held by MC corresponds to trade receivables and loans exposed to the effects of interest rate fluctuations. While the interest burden will increase if interest rates rise, income gained from these assets will also increase, offsetting the 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.

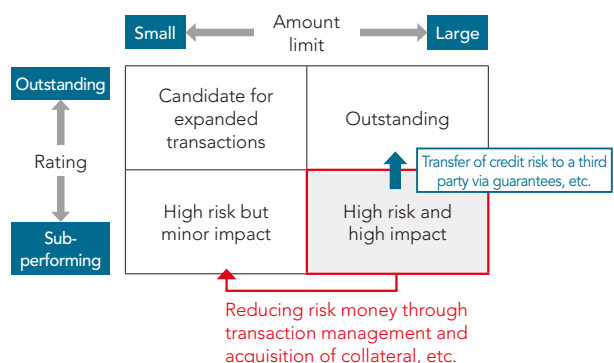
Individual Project Approval Authority

- 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.

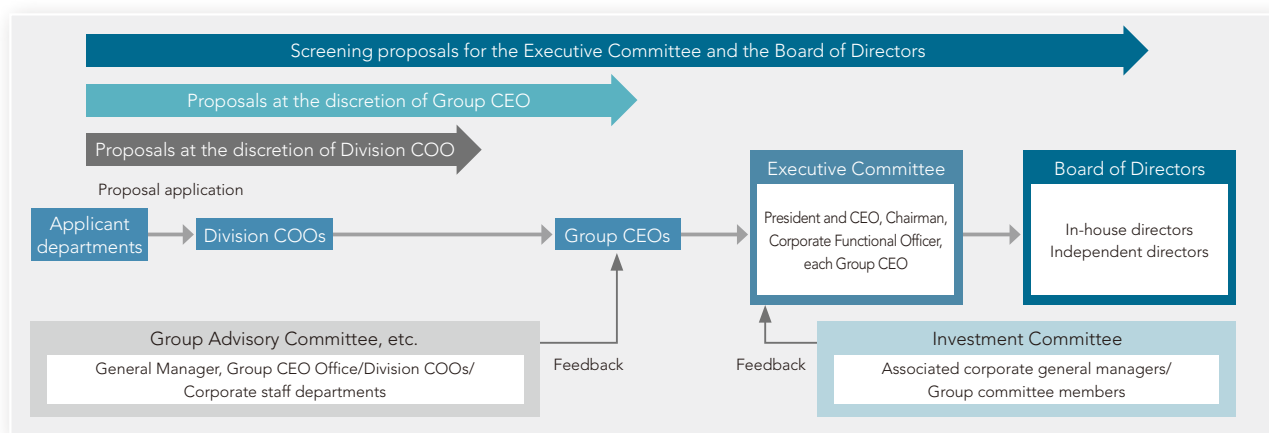


③ Responding to Business Investment Risk

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.

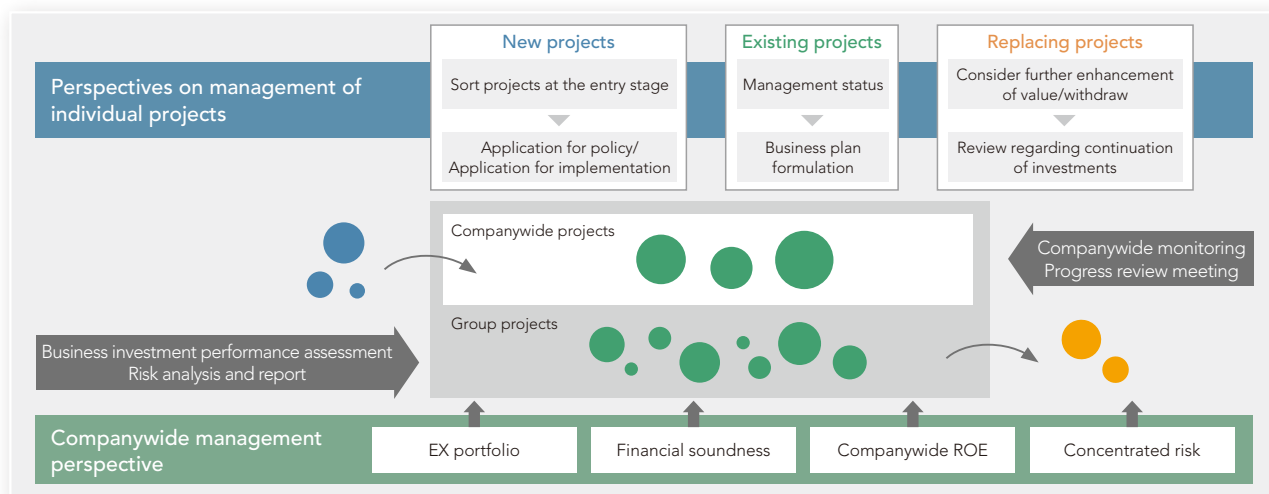
Management of individual projects	New projects	Application for policy/ Application for implementation	Narrow down new investment and finance proposals by comprehensively evaluating quantitative aspects in terms of the invested capital and its return determined on the basis of the characteristics of each 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 Executive Committee, 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/Progress review meeting	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, as well as timely replacement of projects



4 Responding to Country Risk

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

■ Regional Strategy Committee

- The Regional Strategy Committee is chaired by the Corporate Functional Officer (Global Strategy). Its responsibilities include assessing the risk situation in various countries and establishing and managing the 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.

■ Country Risk Countermeasure System

- 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.

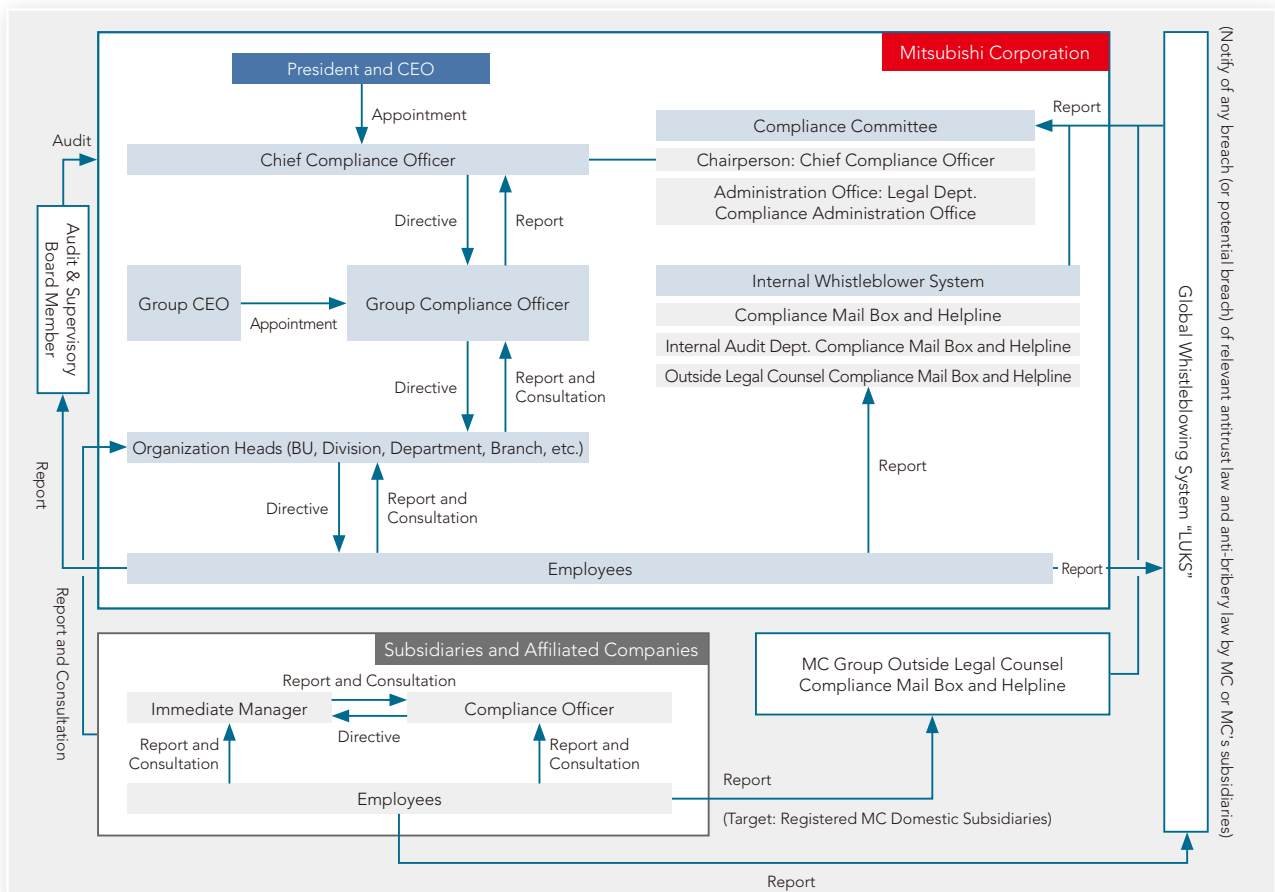
5 Responding to Compliance Risks

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.

The Chief Compliance Officer also serves as the chief executive officer for security trade control, trade procedures management, and sanctions management, strengthening the centralized management system for compliance, including trade compliance.

MC has also set up various whistleblowing helplines and is working to detect and prevent compliance issues at an early stage.

Compliance Framework



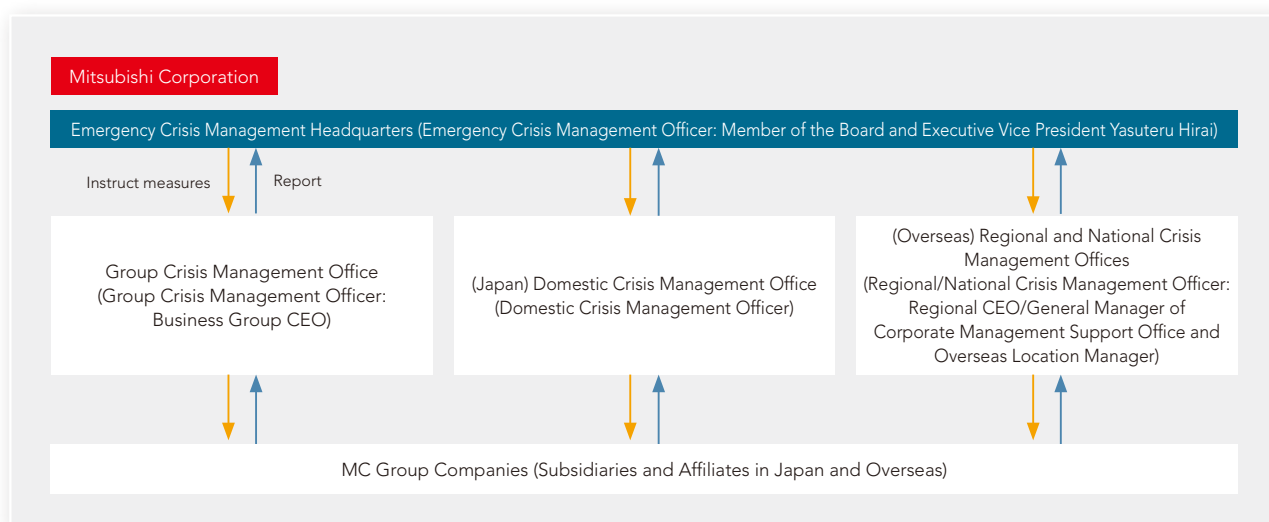
⑥ Responding to Risks from Natural Disasters and Other Types of Disasters

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.

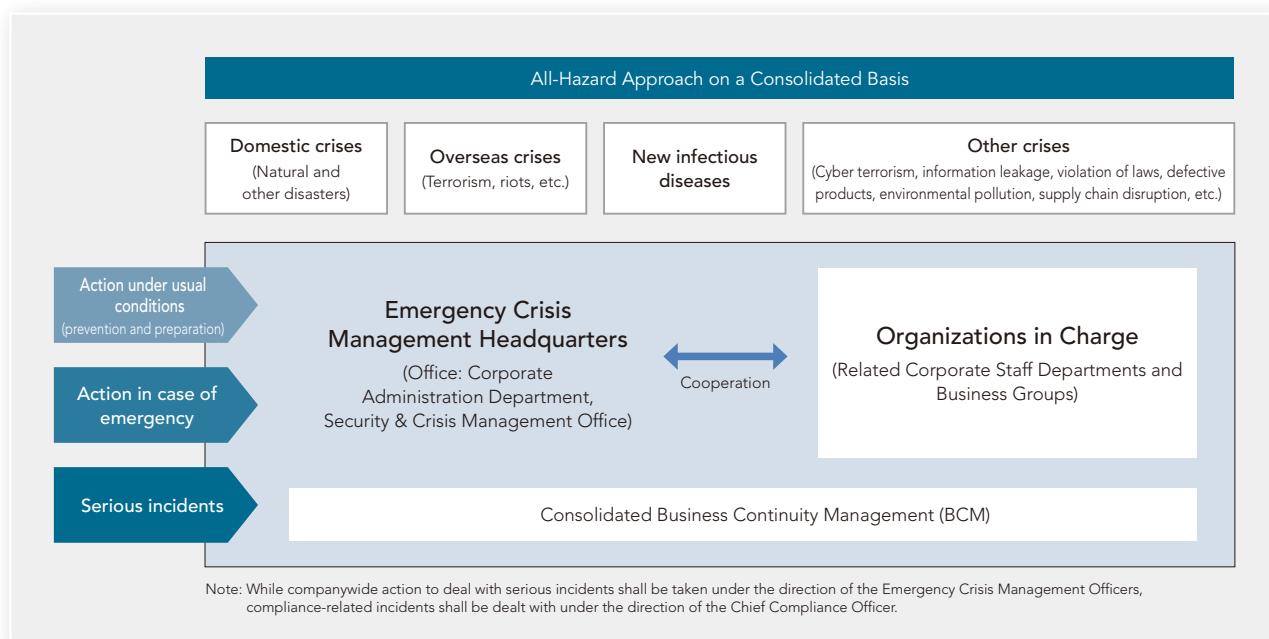


All-Hazard Approach

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.

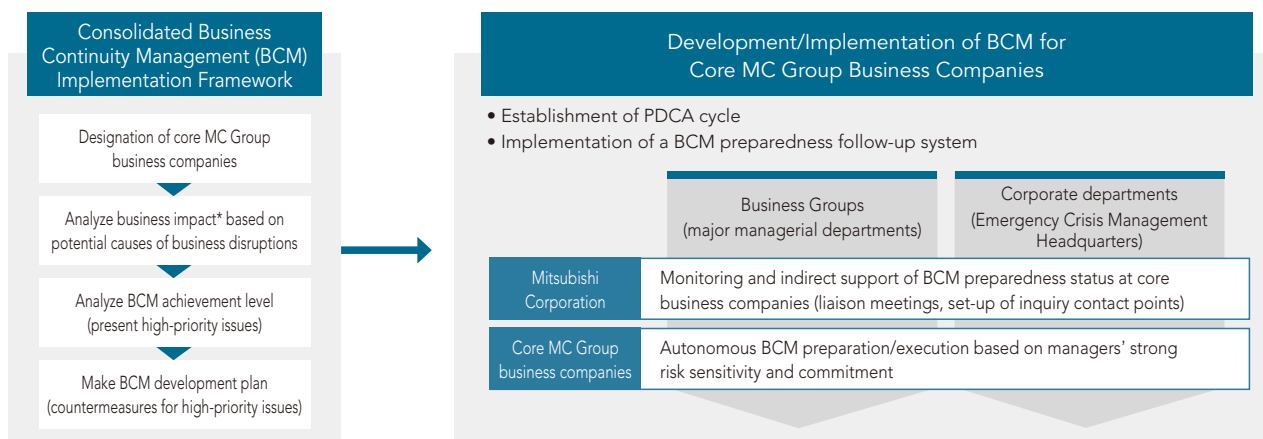
In particular, in the event of a serious incident impacting the lives and safety of our employees, as well as continuity of critical business operations, we will respond under the companywide direction of the Emergency Crisis Management Officer, while moving forward with our consolidated business continuity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



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 comprehensive management activities based on an all-hazard risk and impact analysis that takes into account the business characteristics (business type and location) of the operating company, which include the formulation of initial response and BCP, establishment of a structure, and implementation of an ongoing PDCA cycle through education and training.



* 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

Yasuteru Hirai

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



Q: How has the response to COVID-19 been strengthened?

With regard to COVID-19, there are risks such as the emergence of mutant strains, so we believe it is necessary to remain vigilant in our response. We have been working to ensure the safety of our employees, both in Japan and overseas, from the perspectives of preventing both employee infection and the spread of infection and appropriate business continuity. Our activities center on the Emergency Crisis Response Headquarters, which includes industrial physicians, while placing the highest priority on the safety of employees. And, in response to the status of infection, the requirements of the Japanese government and local authorities, as well as the situation and regulations in each country, we have been taking thorough infection control measures, implementing the necessary measures on a case-by-case basis, and confirming their safety to ensure appropriate business continuity. During this period, we believe that we have strengthened our response capabilities on a consolidated basis by reviewing our business structure, establishing backup systems, and revising our BCP and other response manuals to minimize business interruption and the impact on our business activities at our company and each of our group companies. With regard to our response to infectious diseases that

pose a new threat to our corporate activities, such as the global spread of monkeypox infection, we will take appropriate measures in a timely manner by utilizing the knowledge we have gained through our response to COVID-19.

Q: How do you respond when the security situation worsens overseas?

Because the global situation continues to be difficult to predict, it is becoming increasingly important to ensure thorough crisis management overseas to minimize the impact of conflicts, terrorism, demonstrations, riots, etc. in various parts of the world. We have a worldwide crisis management system centered on the Emergency Crisis Management Headquarters. In the event of an emergency, this Headquarters cooperates with the Japanese government and diplomatic missions abroad, as well as with related regions and offices, assesses the situation and implements the necessary measures to confirm and ensure the safety of employees, their families, and local staff. During normal times, we always strive to keep abreast of the political and security situation in cooperation with related regions and bases, and prepare for contingencies by conducting periodic inspections of safety measures, developing BCPs, and conducting drills and exercises on a consolidated basis.

Q: 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.

Corporate Governance: Highlights for the Fiscal Year Ended March 31, 2022

Materiality



Realizing a flexible, highly transparent organization



As Chairman of the Board of Directors, I will serve as a bridge between Independent Members of the Board and the executive side of management to achieve sustained enhancement of MC's corporate value through effective corporate governance, functioning as the foundation of the company.

Takehiko Kakiuchi
Chairman of the Board

Board of Directors and Board of Directors' Advisory Bodies

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 Independent Directors utilize their practical, objective, and professional perspectives to ensure appropriate decision-making and management oversight.

Record of Meetings Held in the
Fiscal Year Ended March 31, 2022



Meetings of the
Board of Directors



Meetings of the Governance,
Nomination & Compensation Committee



Meetings of Independent Directors and Independent
Audit & Supervisory Board Members

2021

Apr.

May

June

July

Aug.

Sep.

Support for Independent Members of the Board*

* Directors and Audit & Supervisory Board Members

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 Independent Directors and Independent 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.



■ Overview of sessions (Track records in the fiscal year ended March 31, 2022)

Frequency

Whenever the Regular Board of Director's Meetings are held (Total: 11 times)

Length of Meeting

2 to 3 hours for a meeting (total: 28 hours)

Meetings of Independent Directors and
Independent Audit & Supervisory Board Members

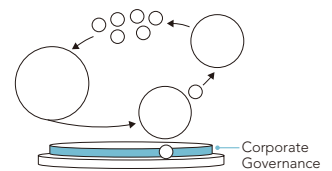
May

Sep.

Nov.

Feb.

Meetings are held at least once per quarter to provide a forum for free discussion among Independent Directors and Independent Audit & Supervisory Board Members on a wide range of topics. [P.111](#)



Governance, Nomination & Compensation Committee

Advisory body of the Board of Directors with a majority of Independent Directors. [P.106](#)

July Oct. Dec. Jan. Mar.

President's Performance Evaluation Committee

A subcommittee of the Governance, Nomination & Compensation Committee. [P.106](#)

May



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

International Advisory Committee

An advisory body to the Board of Directors made up of overseas experts. [P.107](#)



Oct.

Nov.

Dec.

2022

Jan.

Feb.

Mar.

Discussion between Independent Members of the Board and Officers and Employees

MC has set up dialogues with the Business Group CEOs and Business Division COOs, small-group opinion-exchange meetings with Executive Vice Presidents, and opportunities for dialogues with mid-level and young employees to strengthen contacts between Independent Members of the Board and officers and employees.

Dialogues with and Site Visits to Business Subsidiaries and Affiliates

Every year Independent Directors and Independent Audit & Supervisory Board Members participate in site visits to business subsidiaries and affiliates in Japan and overseas, and hold dialogues with their management.

■ Visits

March 2022	Visits to Mitsubishi Shoji & Sun Co., Ltd. and Fukuoka International Airport Co., Ltd.
March 2021	Dialogue with management executives at Mitsubishi Shokuhin Co., Ltd.
August 2019	Visits to Montney shale gas production and development site and LNG Canada project development site (Canada)
August 2018	Visit to Cermaq Group AS (Norway)/Offshore wind farm facility (North Sea)

Orientation upon Assumption of Office

To deepen understanding of MC, the entire Corporate Staff Section and Business Groups conduct orientation sessions for newly appointed Independent Directors and Independent Audit & Supervisory Board Members.

Overview of Corporate Governance

Approaches to Corporate Governance

- MC's Corporate Governance System Supporting Sustainable Growth

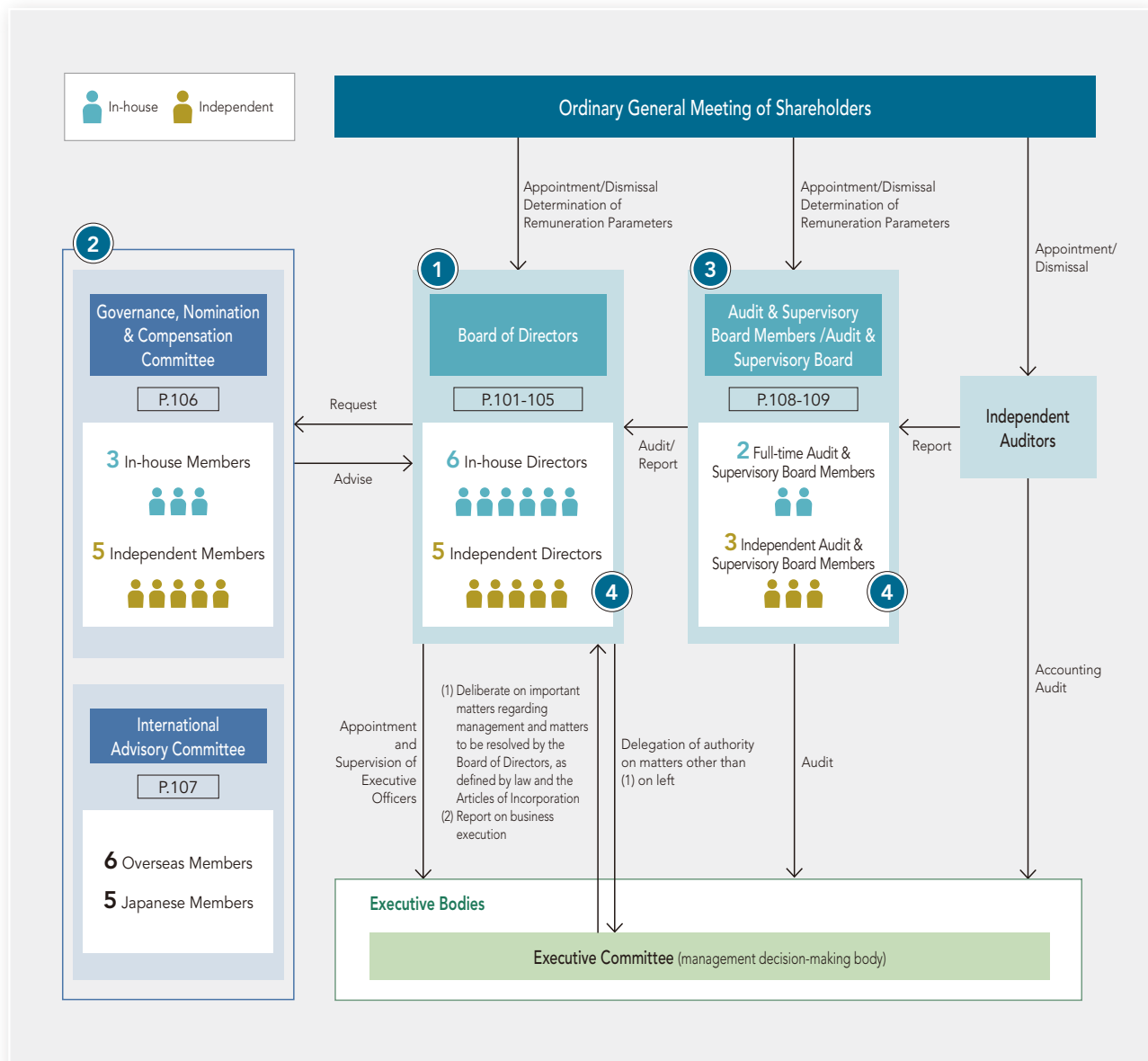
Basic Policy

With the Three Corporate Principles for a corporate philosophy MC strives to continuously raise corporate value through corporate activities rooted in the principles of fairness and integrity. 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 sees strengthening corporate governance on an ongoing basis as an important subject concerning management since it is the foundation for ensuring sound, transparent, and efficient management. Therefore, MC is working to put in place a corporate governance

system that is even more effective based on the Audit & Supervisory Board System. This includes strengthening management supervision through such measures as (i) appointing Independent Members of the Board who satisfy MC's Selection Criteria for Independent Directors and Independent Audit & Supervisory Board Members, and (ii) establishing advisory bodies to the Board of Directors where the majority are Independent Members of the Board 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, 2022)



1 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.

Board of Directors' Meetings and Other Deliberations for the Fiscal Year Ended March 31, 2022

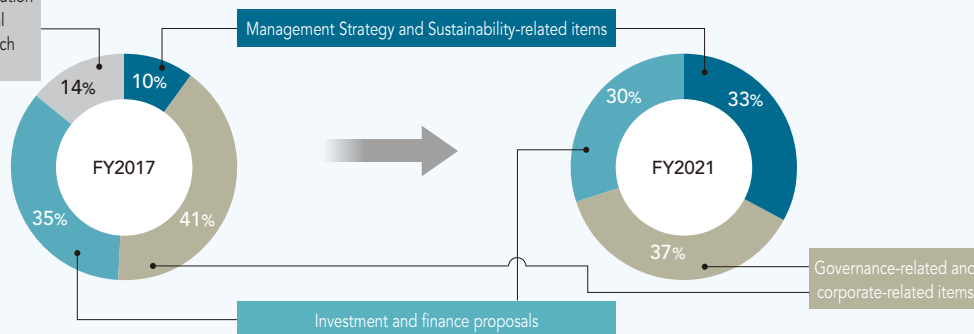
During the fiscal year ended March 31, 2022, Members of the Board reviewed Midterm Corporate Strategy 2021 throughout the year at the Board of Directors' meetings, and effectively used supplemental meetings. In addition, the Board of Directors was appropriately involved in and monitored the Midterm Corporate Strategy 2024 from the formulation stage by continuously exchanging opinions. The agenda items of the deliberations are as follows.

Theme	Agenda Items
Management Strategy and Sustainability-related items	<ul style="list-style-type: none"> • Business Strategy Committee report • The Roadmap to a Carbon Neutral Society. • EX and DX progress report • Sustainability-related measures
Governance-related and corporate-related items	<ul style="list-style-type: none"> • Business Execution reports (non-financial and financial risk management, human resources strategy, domestic development, regional strategy, discussion with shareholders and investors) • Governance, Nomination & Compensation Committee report • Evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2022 • Appointments of the Board of Directors and Audit & Supervisory Board Members, Appointments of the Chairman of the Board and the President, Appointments of Executive Officers • Remuneration for Directors and Audit & Supervisory Board Members • Financial Statements • Fundraising policy • Verification holding policy for listed share • Ordinary General Meeting of Shareholders related items • Compliance report • Internal control systems • Company indemnification agreements • Items related to directors and officers (D&O) liability insurance
Investment and finance proposals	<ul style="list-style-type: none"> • Related to the Tangguh LNG expansion project • Breakthrough Energy Catalyst • LNG Canada project • Mitsubishi Development Pty Ltd • Chiyoda Corporation • FPSO time chartering projects • Domestic offshore wind power generation business

Implemented outside of Board of Directors meetings from the fiscal year ended March 31, 2020

Exhaustive business execution reporting by conventional corporate officers and each Business Group CEO

Expanded deliberation time to fulfill the role and responsibilities of the Board of Directors, which is to provide the overall direction for management strategies, etc., and monitor their implementation



From the fiscal year ended March 31, 2019, the criteria for the submission and reporting of investment and loan proposals was, in principle, doubled, and further delegation of decision-making to the executive side will be implemented, with the Board of Directors focusing on important proposals for deliberation

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 Independent 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.
Independent Directors	Independent 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.

Skills Matrix of Directors and Audit & Supervisory Board Members

Directors and Audit & Supervisory Board Members are selected in light of their experience, knowledge, expertise and overall character. At the Board of Directors, these individuals deliberate based on diverse perspectives to ensure appropriate decision making and robust management supervision. The areas of experience, knowledge and expertise that each Director

and Audit & Supervisory Board Member possesses are shown below. The matrix on the next page shows the areas in which each Director and Audit & Supervisory Board Member has experience, knowledge or expertise.

Notes:

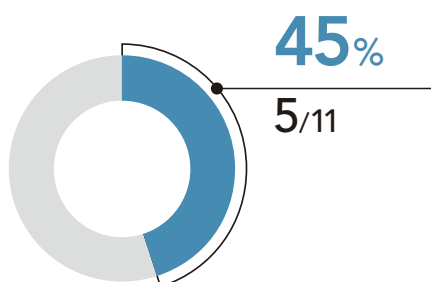
*The table below does not represent all the experience, knowledge or expertise of the Directors or Audit & Supervisory Board Members.

*The applicability of each skill area in the table below is judged based mainly on the individuals' experience in former positions, their current positions and their formal qualifications.

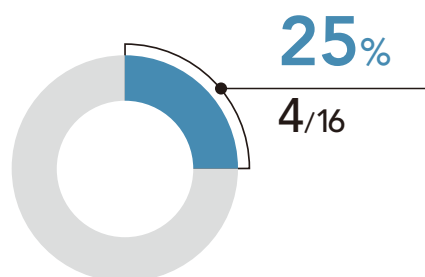
Skill Areas		Reasons for adoption
Basic Items	Business Management and Organizational Management	The Board of Directors must deliberate and make comprehensive decisions from an organizational management perspective. As such, business management or organizational management that is not skewed toward any individual specialty has been designated as a necessary area of experience.
	Risk Management	In order to make the company grow, it is important to establish and operate internal controls that comply with laws and regulations and the Articles of Incorporation and to enhance corporate value through appropriate and efficient business execution, as well as to manage various risks related to MC's business. Therefore, items that require a wide range of experience, insight and expertise covering all aspects of risk management have been selected. In addition, these items encompass the following elements, which are indicated in parentheses for the appropriate person(s). <ul style="list-style-type: none"> • (Legal) Management of overall corporate legal affairs • (Financial and Accounting) Management of overall financial affairs and accounting
Management Strategy	Innovation	In the Roadmap to a Carbon-Neutral Society, MC has declared the goal of net zero greenhouse gas (GHG) emissions by 2050, and have set forth "Creating the future through the integrated promotion of EX and DX" as a business promotion theme for the entire company. Accordingly, experience, insight, and other expertise, related to innovation, necessary for monitoring the progress of such transformation, are selected as important items.
	Energy	MC is taking on the challenge of achieving both a stable supply of energy and resources and the lowering of carbon and decarbonization of social and economic activities, and this refers to experience, insight, and expertise in energy-related innovations that are necessary to monitor the progress of these efforts.
	Digital	MC operates globally and reflects aims to create a cross-industry digital ecosystem with optimized business models, and this refers to the experience, insight, and expertise in digital-related innovation necessary to monitor the progress of this initiative.
	Global Intelligence	Since MC operates globally and reflects intelligence on geopolitics, economic conditions, policy trends, etc. in the management strategies in a timely manner, experience, insight and expertise in such matters have been selected as important items.
	Human Resource Strategy	The company's most valuable asset is human resources, and it is essential that MC continues to produce human resources with a management mindset and commitment to increasing the value of business. With a view toward creating MC Shared Value, which is one of the objectives of the Midterm Corporate Strategy, experience, insights and expertise, etc. of "human resource strategy" strives to optimize the value of our human capital have been selected as important factors. This includes strategies related to organizational structure and organization.
	Environment and Society	Since MC defines material issues as important social issues to be solved through business activities and aims to realize a carbon-neutral society and lifestyles that are rich both materially and spiritually, experience, insight, and expertise in environmental and social matters have been selected as important items to be considered.

Position	Name	Responsibilities/Main career experience	Gender	Area of experience, knowledge, expertise, etc.						
				Business management/ Organizational management	Risk management	Innovation		Global intelligence	Human resource strategy	Environment and Society
Director	In-house	Takehiko Kakiuchi	Chairman of the Board	●	●	●	●	●	●	●
		Katsuya Nakanishi	Director, President and CEO	●	●	●	●	●	●	●
		Norikazu Tanaka	Director, Executive Vice President, Group CEO, Mineral Resources Group, EX Task Force Leader	●	●	●		●		
		Yasuteru Hirai	Director, Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters	●	●			●		
		Yutaka Kashiwagi	Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR	●	● (Legal)				●	●
		Yuzo Nouchi	Director, Executive Vice President, Corporate Functional Officer, CFO	●	● (Finance/ Accounting)					
	Independent	Akitaka Saiki	Former Vice Minister, Ministry of Foreign Affairs of Japan	●	●			●		
		Tsuneyoshi Tatsuoka	Former Vice Minister, Ministry of Economy, Trade and Industry	●	●	●				●
		Shunichi Miyanaga	Chairman of the Board, Mitsubishi Heavy Industries, Ltd.	●	●	●		●		
		Sakie Akiyama	Former CEO, Saki Corporation	●	●		●			
		Mari Sagiya	Former Senior Vice President, IBM Japan	●	●		●		●	
Audit & Supervisory Board Member	In-house (full-time)	Hajime Hirano	Former Executive Vice President, Group CEO, Energy Business Group	●	●	●				
	Independent	Mitsumasa Icho	Former Executive Vice President, Group CEO, Urban Development Group	●	● (Finance/ Accounting)					
		Rieko Sato	Partner, ISHII LAW OFFICE	●	● (Legal) Attorney					
		Takeshi Nakao	CEO, PARTNERS HOLDINGS, Co. Ltd.	●	● (Finance/ Accounting) Certified public accountant					
		Mari Kogiso	CEO, SDG Impact Japan Inc.	●	●				●	●

Percentage of Independent Directors among Total Directors



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



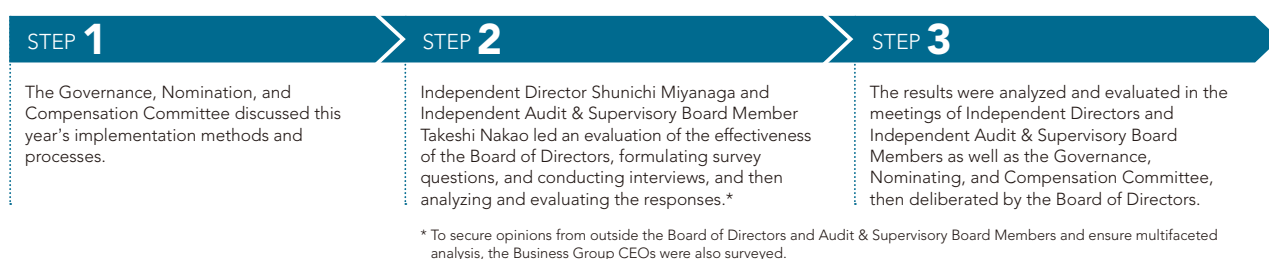
Evaluation of the Effectiveness of the Board of Directors

Through the process below, for the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2022, it was confirmed that the effectiveness of the Board of Directors is adequately ensured. The evaluation results and policy going forward are shown below.

Specific Process

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 Independent Directors and Independent Audit & Supervisory Board Members would be effective, so the same format as in the previous fiscal year was used for this fiscal year. In addition to Independent Directors and

Independent Audit & Supervisory Board members leading the evaluation, objective advice from external consultants was sought in formulating the questionnaires, gathering the results, and drafting a disclosure proposal, with the aim of ensuring objectiveness and neutrality of the process.



Questionnaire	The questionnaire covered the size and composition, operations, and agenda items of the Board of Directors; the support system for Independent Members of the Board; self-evaluation of individual involvement; the composition and operation of the Governance, Nomination & Compensation Committee; the operation of meetings of Independent Directors and Independent Audit & Supervisory Board Members; engagement with shareholders and investors; and medium- to long-term issues that pertain to corporate governance.
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Evaluation Results and Policy for the Fiscal Year Ending March 31, 2023

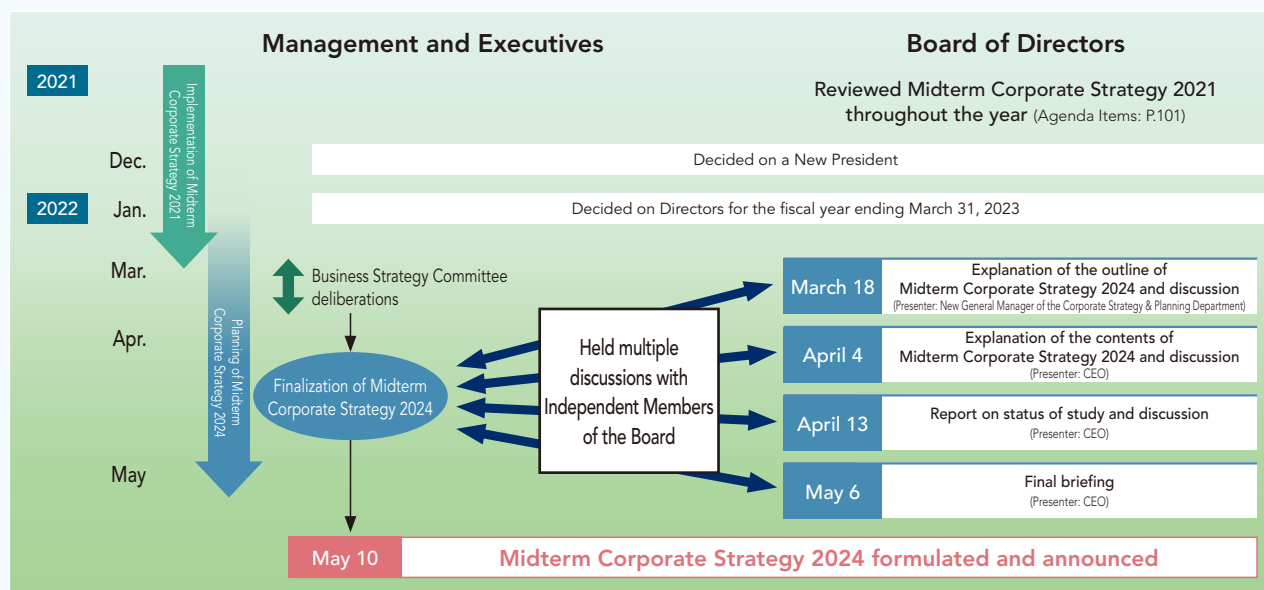
Fiscal Year Ended March 31, 2022		Evaluation Results and Issues to Consider	Fiscal Year Ending March 31, 2023
Issues Considered and Policy			Policy
Size/Composition <			

FOCUS

Review Midterm Corporate Strategy 2021 / Formulation for Midterm Corporate Strategy 2024

In the fiscal year ended March 31, 2022, Members of the Board reviewed Midterm Corporate Strategy 2021 throughout the year, using the Board of Directors' meetings and making supplementary use of other occasions. Subsequently, a new president was appointed in December 2021, and directors for the fiscal year ending 31 March, 2023, were decided on in January of this year. Under the

new upper management, business strategy meetings were held with companywide management and each Business Group to formulate business strategies. Based on this, the framework of Midterm Corporate Strategy 2024 was established, and after several exchanges of opinions with Independent Directors, it was resolved at the Board of Directors meeting in May, leading to its announcement.

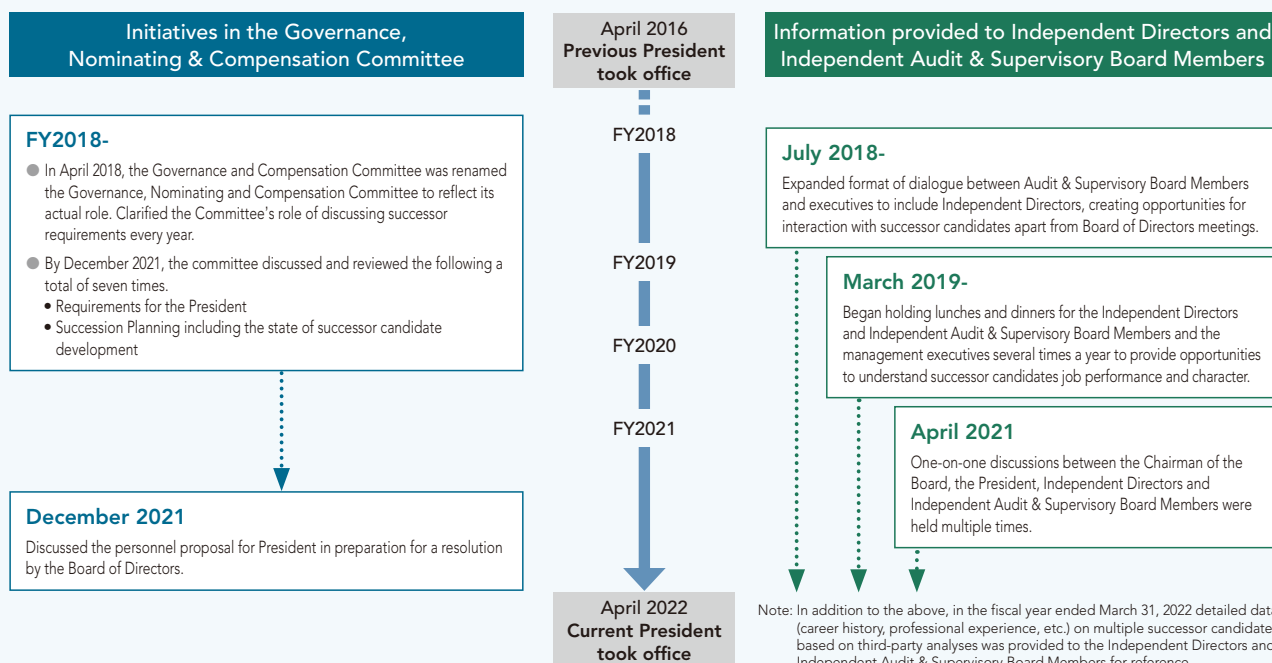


FOCUS

Successor Selection Process

Since Former President Kakiuchi took office in April 2016, the Governance, Nomination & Compensation Committee, an advisory committee to the Board of Directors, carefully implemented a successor selection process, including the discussion of the requirements for

the President. In addition, Independent Directors and Independent Audit & Supervisory Board Members and successor candidates engaged in thoroughgoing dialogue and discussion outside of committee meetings. This process led to the selection of President Nakanishi.



2 Board of Directors' Advisory Bodies

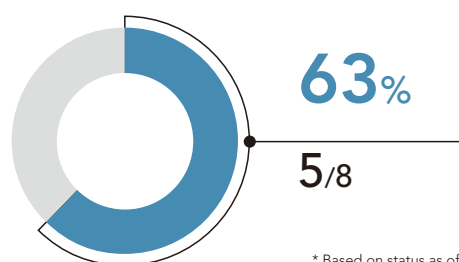
Governance, Nomination & Compensation Committee Convenes 3 times or more per year

The Committee, of which the majority is composed of Independent Directors, deliberates on matters related to governance, nominations, and compensation.

Composition of the Committee (*Committee Chairman)
(As of July 1, 2022)

Independent Members (5)	Independent Director	Akitaka Saiki
	Independent Director	Tsuneyoshi Tatsuoka
	Independent Director	Shunichi Miyanaga
	Independent Director	Sakie Akiyama
	Independent Director	Mari Sagiya
In-house Members (3)	Chairman of the Board	Takehiko Kakiuchi*
	Director, President and CEO	Katsuya Nakanishi
	Full-time Audit & Supervisory Board Member	Hajime Hirano

Number and Percentage of Independent Directors*



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

- Policies on securing conformity with the Revised Corporate Governance Code
- Requirements to be President and CEO, a succession plan, and personnel proposals 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 Independent Directors as the parent committee to deliberate the assessment of the President's performance. The President is not a member.

International Advisory Committee

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 June 30, 2022)

	Member	Nationality	Title	Principal area of specialization and background
	Ambassador Richard Armitage	United States of America	Former United States Deputy Secretary of State	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	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	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	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	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	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) (*Committee Chairman) (As of June 30, 2022)

Takehiko Kakiuchi *	Katsuya Nakanishi	Yasuteru Hirai	Akitaka Saiki	Tsuneyoshi Tatsuoka
Chairman of the Board	Director, President and CEO	Director, Executive Vice President	Independent Director	Independent Director

Main Topics

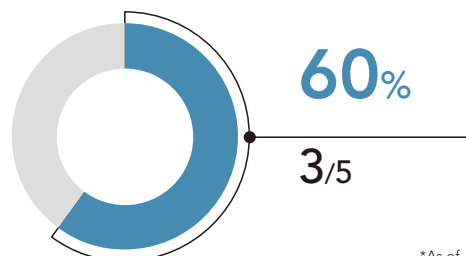
Impact of the COVID-19 pandemic on the situation in various countries	Europe, U.S., China, emerging countries
Geopolitical trends due to U.S.-China relations	Supply chain reorganization, the Taiwan issue
Global issues and trends	Climate change, digital currencies



3 Audit & Supervisory Board Members and Audit & Supervisory Board

The Audit & Supervisory Board comprises all of the Audit & Supervisory Board Members responsible for auditing the decision-making processes and management performance of Directors in compliance with the Companies Act and other laws and regulations as well as MC's Articles of Incorporation and internal rules and regulations. Full-time Audit & Supervisory Board Members and Independent Audit & Supervisory Board Members ensure the soundness of management by executing audits informed by abundant working experience at MC and by experience in their particular fields as well as a neutral and objective perspective, respectively. In addition to making resolutions on matters required by law and other important issues, the Audit & Supervisory Board strives to enhance information-sharing among the Members through briefings on key matters and reporting on the status of the auditing activities of each of the Members.

Percentage of Independent Audit & Supervisory Board Members*



*As of July 1, 2022

Audit Plans

Prior to each fiscal year, the Audit & Supervisory Board formulates audit plans with key areas. In the fiscal year ended March 31, 2022, the following four key audit areas were selected for the monitoring of specific progress in management and execution.

1 Reviewing Midterm Corporate Strategy 2021:

- Business model evolution through digital transformation (DX)
- Current status of business portfolio optimization
- Progress of asset optimization based on the Value-Added Cyclical Growth Model
- Implementation of the new HR system and efforts to develop management professionals

2 Enhancing MC Group Management:

- Division of roles between the Head Office and MC offices, subsidiaries, and Group companies, and their appropriate status
- Status of delegation of authority and development and implementation of management systems in accordance with actual conditions of Group companies

3 Energy Transformation (EX) and Sustainability Initiatives:

- Initiatives for EX
- Implementation of Mitsubishi Corporation Group decarbonization initiatives

4 Initiatives to Strengthen Corporate Governance:

- Enhancement of deliberations at the Board of Directors
- Ensuring the effectiveness of auditing and internal controls in light of new post-pandemic work styles

The first year of Midterm Corporate Strategy 2024 “Creation of MC Shared Value”

In the fiscal year ended March 31, 2022, the activities of Audit & Supervisory Board Members continued to be affected by the COVID-19 pandemic as in the previous fiscal year, but we had dialogues with executives using remote tools, if necessary, and made efforts to understand the situation appropriately. In addition, we reviewed the process of the new president and Midterm Corporate Strategy 2021. With respect to the process of formulating a new Midterm Corporate Strategy 2024 we paid special attention to strengthening cooperation with Independent Audit & Supervisory Board Members and Independent Directors.

In the fiscal year ending March 31, 2023, the first year of Midterm Corporate Strategy 2024, one of the priority audit items will be to monitor the progress of the strategy, which aims to create MC Shared Value, and we will continue to closely monitor the status of management execution in cooperation with the Independent Audit & Supervisory Board Members. In addition, we will enhance the effectiveness of the Audit & Supervisory Board through constant review.



Hajime Hirano
Full-time Audit &
Supervisory Board
Member



Mitsumasa Ichio
Full-time Audit &
Supervisory Board
Member

Main Activities of the Audit & Supervisory Board Members (Audit & Supervisory Board)

1 Dialogue with Executive Officers

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

Number of dialogues with CEOs and other Executive Officers*1

65

2 Attendance at Important Meetings

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

Number of important meetings attended*1

130

3 Onsite Audits and Observations

Amid ongoing restrictions on movement due to the COVID-19 pandemic, the Audit & Supervisory Board fulfilled its duties while adapting to the situation by enhancing onsite audits and observations in Japan, and introducing remote audits using a variety of tools. In the fiscal year ended March 31, 2022, the Audit & Supervisory Board Members met with the CEOs and executive officers of three MC Group companies in three locations overseas and 15 domestic MC Group companies, as well as the regional chiefs of 11 overseas and domestic offices. The Audit & Supervisory Board Members reported on the results of their onsite audits to the Chairman of the Board, the President and CEO, and the relevant executive officers.

Number of onsite audits and observations*1

29 companies/
locations

*1 Number for the fiscal year ended March 31, 2022



Onsite audit of
Fukuoka International
Airport Co., Ltd



Onsite audit of the
MC Tohoku Office

4 Reinforcement of Group Corporate Governance

In addition to dialogues with the CEOs and other executive officers of the MC Group companies, opportunities were arranged for the exchange of information every quarter with the Audit & Supervisory Board Members of 39 major Group companies in Japan. The Audit & Supervisory Board Members of the MC Group companies also arranged subcommittees to share information and exchange opinions. We also provided assistance in training for those who will be assigned to the MC Group companies as Full-time Audit & Supervisory Board Members. We will continue working to strengthen the Group Corporate Governance through regular monitoring.

5 Enhancing the Effectiveness of the Audit & Supervisory Board and its Members

To increase the effectiveness of the audits performed by Audit & Supervisory Board Members, in the year ended March 31, 2022, we further enhanced the reviews of the activities of the Audit & Supervisory Board conducted in previous years. Specifically, the secretariat held mid-year and year-end hearings with the Audit & Supervisory Board Members to identify insights about overall auditing activities and things to improve in the coming year. The results were shared and discussed at the Audit & Supervisory Board. At these hearings, the participants also discussed the progress of auditing in the key audit areas designated at the start of the fiscal year, and insights from these discussions were then fed back to executives. Through such new processes and other means, we sought to improve auditing methods.

Enhancement of Tripartite Audits

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

Collaboration with Independent Auditors and Evaluation of Independent Auditors

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

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

Collaboration with the Internal Audit Department

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

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

4 Independent Directors and Independent Audit & Supervisory Board Members

Independent Directors and Independent Audit & Supervisory Board Members are as follows (as of July 1, 2022).

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

Independent Directors



Akitaka Saiki

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

Number of years on Board of Directors: 5 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: 4 years

B 13/13 G 5/5

Having worked at Japan's Ministry of Economy, Trade and Industry, where he has long engaged in the field of public policies regarding economy and industry, Mr. Tatsuoka brings to MC's Board keen knowledge about the country's industrial sector as a whole along with contributing his deep insight into sustainability issues, including those related to environmental and energy policies.



Shunichi Miyanaga

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

Number of years on Board of Directors: 3 years

B 13/13 G 5/5

Mr. Miyanaga 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 as well as his keen insight into such technologies as decarbonization-related technologies.

Independent Audit & Supervisory Board Members



Rieko Sato

Main career Partner, ISHII LAW OFFICE
Number of years on Audit & Supervisory Board: 2 years

B 13/13 A 12/12

Ms. Sato possesses profound knowledge of corporate law practice (Companies Act, Financial Instruments & Exchange Act, compliance, etc.) based on her extensive experience as an attorney, as well as a management perspectives gained through extensive experience as an Independent Director and Independent Audit & Supervisory Board Member.



Takeshi Nakao

Main career CEO, PARTNERS HOLDINGS, Co. Ltd.

Number of years on Audit & Supervisory Board: 2 years

B 13/13 A 12/12

Mr. Nakao possesses profound knowledge of finance and accounting as a certified public accountant, as well as extensive insight gained through many years of experience in advisory work regarding M&A activity, corporate revitalization, and internal control.



Mari Kogiso

Main career CEO, SDG Impact Japan Inc.
Appointed June 2022

B – A –

Ms. Kogiso has long accumulated business experience in the financial industry, including operations at an international organization, while taking on diversity promotion and other sustainability-related initiatives at global companies and public interest incorporated foundations. She has handled the establishment and management of the ESG Impact Fund. Through these endeavors, she acquired in-depth insight into ESG and finance.

- B** Attendance at Board of Directors' meetings in the fiscal year ended March 31, 2022
G Attendance at Governance, Nomination & Compensation Committee meetings in the fiscal year ended March 31, 2022
A Attendance at Audit & Supervisory Board meetings in the fiscal year ended March 31, 2022



Sakie Akiyama

Main career Founder and Former CEO, Saki Corporation

Number of years on Board of Directors: 2 years

B 12/13 **G** 5/5

After working as an international business consultant, Ms. Akiyama founded a firm specializing in robotic inspection systems for the electronics assembly markets and developed it into a global enterprise. Ms. Akiyama brings to MC's board of directors her in-depth insight into the digital and IT spaces that was accumulated over the course of the above endeavors in addition to contributing a wealth of know-how in innovation.



Mari Sagiya

Main career Former Senior Vice President, IBM Japan

Appointed June 2022

B – **G** –

Ms. Sagiya has worked in top management at multiple global IT companies and has extensive expertise in leading corporate transformations. She brings to MC's Board of Directors a wealth of know-how in digital transformation (DX).

Meetings of Independent Directors and Independent 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, 2022)

- Approach to dialogue with management
- Midterm Corporate Strategy 2024
- Future issues and initiatives based on evaluation of the effectiveness of the Board of Directors

Comments from Newly Appointed Independent Members of the Board

Mari Sagiya Independent Director

Amid a rapidly changing external environment, in order to improve corporate value over the medium to long term, I believe that it will be even more important to continuously review and evolve governance, as seen in MC's initiatives to date. I have worked for several global IT companies, mainly in the areas of human resource development, marketing and digital transformation support to help solve business challenges facing clients across a wide range of industries. I will utilize this experience to contribute to MC's sustainable growth going forward.

Mari Kogiso Independent Audit & Supervisory Board Member

Companies are currently being called on to meet a wide range of demands from society—such as those related to climate change and other environmental issues, diversity, and respect for human rights—and then connecting action on those fronts to the enhancement of corporate value. Leveraging the knowledge and experience I cultivated at international institutions and in the social sector, I will offer various perspectives in an effort to contribute to the MC Group's governance and enhancement of its corporate value.

Special Feature: Dialogue with Two Independent Directors and an Independent Audit & Supervisory Board Member

As Independent Members
of the Board,
we will contribute to
MC's efforts to address
societal challenges based
on solid governance.



Independent Director Shunichi Miyanaga

Reflections on the Series of Processes for the Evaluation of the Effectiveness of the Board of Directors in the Fiscal Year Ended March 31, 2022

Miyanaga: At MC, the effectiveness of the Board of Directors is evaluated by Independent Directors and Independent Audit & Supervisory Board Members. Last year, Mr. Nakao and I took the lead in formulating the questions and analyzing and evaluating the responses. Looking back on the effectiveness evaluation process, I think that businesses such as MC's are unique to Japan. In addition, as Japan has moved from a period of rapid economic growth to a period of maturity, and from now on towards an era of uncertainty in which it will be difficult to predict how things will change, I believe that MC is currently in the most susceptible position to the various influences of the times. In light of this, we devised a series of processes to evaluate the effectiveness of MC's Board of Directors and devised our own approach to objectivity and neutrality.

Nakao: In addition to its large size, MC has a very diverse range of business areas. Because of this, to ensure that the supervisory function is properly executed, a considerable number of opportunities are provided for information gathering. I think this is a major characteristic of MC's governance. In addition to dialogues with the Group CEO of each Business Group, opportunities are provided for dialogues with each COO, and there are also opportunities

to hear the opinions of employees of various levels, including on-site inspections and dialogues with the MC Staff Union. I think that having Independent Members of the Board take the lead in verifying whether the Board is functioning adequately through information obtained through such dialogue is effective as a method of evaluating the effectiveness of the Board of Directors.

Miyanaga: During the effectiveness evaluation, we also asked the Group CEO of each Business Group for their input. I think this was a very valuable initiative, as it proved to be extremely helpful in understanding the actual situation on the business execution side. The previous fiscal year was the final year of Midterm Corporate Strategy 2021 as well as the year of the nomination of a new President, and we were able to have intensive discussions on these topics through the effectiveness evaluation process.

Review of Midterm Corporate Strategy 2021

Akiyama: The fiscal year ended March 31, 2022 was the final year of Midterm Corporate Strategy 2021, and we were able to close the year with outstanding financial results. One of the reasons for these outstanding financial results is the significant impact of external environmental factors. We can also say that not only did we achieve strong overall financial results, but also each Business Group achieved the



Independent Director **Sakie Akiyama**

Independent Audit & Supervisory Board Member **Takeshi Nakao**

* For detailed biographies, see Independent Directors and Independent Audit & Supervisory Board Structure on P.110-111

unprecedented figures, which reflect each of their respective improved capabilities as well as their firm commitment to optimizing their business portfolios under the overall policies of the previous corporate strategy. These policies have been carried over to the new midterm corporate strategy, and I expect further improvement without becoming complacent with these favorable results.

Miyanaga: Looking back on Midterm Corporate Strategy 2021, MC was able to achieve the targets in a numerical sense. Although external environmental factors such as high resource prices played a role, I believe that MC's approach of reorganizing its portfolio in a balanced and flexible manner without concern for immediate market conditions has generally worked well. Going forward, I feel that the time has come for us to consider the company's resilience, including how to respond flexibly to the external environment, in light of intensifying tensions between the US and China, the situation with Russia and Ukraine, and other setbacks in globalization that will occur in the future.

Nakao: I understand that former President Kakiuchi's goal was for each Business Group to continue to generate a certain level of profit without being affected by market conditions and to create new value by eliminating barriers between the Business Groups. It is noteworthy that in the fiscal year ended March 31, 2022, MC also made solid gains in areas other than natural resources. As we will continue to drive in this direction, I have the impression that the review

of Midterm Corporate Strategy 2021 is leading seamlessly to Midterm Corporate Strategy 2024.

Akiyama: Today, the business environment is changing extremely quickly, and the degree of change is also increasing. New technologies are influencing the speed and magnitude of this change, which is also contributing to the advancement of DX. In the past, MC's style has been to be an important player in large-scale business areas such as natural resources. People who are active in new and growing fields of technology, such as IT, are young and vibrant and are different types of business people from those that have been traditionally valued in Japan, so there may be a culture gap for people in a traditional large company like MC to communicate with them. However, despite its long tradition, MC is a company with a very high capacity for self-change. I believe that discussion and action will be important in terms of how we can incorporate new elements through dialogue with a diverse range of people.

Miyanaga: When I speak with younger employees at MC, I find that they are not only talented, but also that many have an awareness of what they can do and what kind of value they can create within a rapidly changing world, rather than simply being satisfied with being part of a large company with a long history. As Midterm Corporate Strategy 2024 calls for further advancement of EX and DX, I would like to see MC's employees tackling the EX and DX initiatives while taking advantage of the fact that we have the fortune of

Special Feature:

Dialogue with Two Independent Directors and an Independent Audit & Supervisory Board Member

facing a major turning point like this, one that may only occur once every 100 years, and having an active exchange of opinions between employees, regardless of their level of experience in the company.

Reflections on the Successor Selection Process

Miyanaga: We believe that involvement in the selection of a successor is one of the greatest responsibilities of Independent Directors. In conventional Japanese companies, the process of deciding on a successor was generally done through a process in which the current President consults with the Chairman and makes a proposal. However, due to demands for transparency in the selection process and other factors, MC also held vigorous discussions on the necessary requirements for the next president, mainly through the Governance, Nomination, and Compensation Committee. Considerable information about the candidates was provided, and each Independent Member of the Board was able to use this information to provide their opinions. I believe that the selection process was conducted in a manner that reflected the various perspectives and ideas of the Independent Members of the Board.

Akiyama: Being involved in the most important succession process for a company is a heavy responsibility for an Independent Director. The new process for selecting a successor has been transformed to further enhance existing efforts. The process provided various opportunities to meet with potential successors both within the Board of Directors, and also outside the Board. We continued to discuss succession requirements in the Governance, Nomination and Compensation Committee, in which Independent Directors make up the majority. As a result, I feel that the process of selecting a successor was given thorough and thoughtful consideration, and I was able to appreciate MC's capacity for self-improvement, which I mentioned previously.



I feel that this selection process has been transformed in a way that enhances existing efforts and has been given thorough and thoughtful consideration.

What kind of leader is MC looking for?

Miyanaga: Growing a company in times of rapid change requires not only the ability to weather change while minimizing damage, but a range of other abilities as well. It is essential for us to always keep in mind that even if things are going well now, it is impossible to predict what will happen next. We need to hone our ability to foresee situations, to be flexible in our organizations, to aim for a higher level, and to be able to motivate and encourage others while being strict with ourselves.

Akiyama: MC is a complex and challenging business entity that incorporates new elements in a wide range of business fields and seeks to create businesses that are aligned with the times. I believe the most important requirement for the top management of MC is the ability to gather the knowledge of the many, and then to make decisions and execute them based on that knowledge. I believe this is a crucial factor in ensuring the stable growth of MC.

Gathering the knowledge of many people requires a certain element of psychological safety. I think it is important that the company provides a foundation for communication that allows everyone to speak up and that top management has the ability to embrace any and all opinions.

Miyanaga: It is preferable that the leader himself/herself has had the experience of facing several difficult problems earlier in their careers and solving or overcoming some or all of them. Such experience will bring a certain gentleness in dealing with people when they are faced with various challenges and difficult problems. Having the ability to accept, rather than just be kind, naturally makes it easier to be more self-disciplined and persuasive when making decisions after listening to people's opinions. That power of persuasion does not come from harshness alone.

Nakao: As you both mentioned, harshness alone is not enough to attract people to follow you. The larger the organization, the more essential it is to gather information from the frontlines, on a daily basis, in order to make the right decisions. President Nakanishi does not just interact with top management, he also actively engages with staff at various levels, including young and mid-level employees, and I feel that he has a good understanding of the importance of the frontlines.

Formulation of Midterm Corporate Strategy 2024

Akiyama: President Nakanishi was appointed last December, and Midterm Corporate Strategy 2024 was released in May of this year. Despite the time constraints, President Nakanishi explained the draft at meetings of the Board of Directors and made use of other opportunities to capture the opinions of Independent Members of the Board and officers. These took place about four times before the final decision, and I believe that we were able to have quite

intensive discussions toward the finalization of Midterm Corporate Strategy 2024.

Nakao: In formulating Midterm Corporate Strategy 2024, based on the review of the previous midterm corporate strategy, we had requested more transparency in the process. Opportunities for explanation were established from the early draft stages, and through repeated exchanges, the President's thinking became clearer and the Independent Members of the Board were able to further their understanding. The fact that we were able to transform the process in this way was a very positive achievement.



The president's enthusiasm for change was evident in the transparency of the process used to formulate Midterm Corporate Strategy 2024 and in the many rounds of communication with Independent Members of the Board and officers.

Miyanaga: Thanks in part to President Nakanishi's proactive disclosure of information, I believe we were able to have productive discussions even within the limited time available. I feel that Midterm Corporate Strategy 2024 is mainly focused on EX, based on the Roadmap to a Carbon Neutral Society, announced earlier, and is also crafted with a view toward the formulation of future midterm corporate strategies.

What are the mid to long-term expectations for MC?

Nakao: As Group CEO of the Power Solution Group, Mr. Nakanishi initiated the acquisition of Eneco, an integrated energy company in Europe, and the successful bid for three offshore wind farms in Japan. In the Roadmap to a Carbon Neutral Society, announced in October 2021, MC set a goal of expanding EX-related investment to 2 trillion yen by the fiscal year ending March 31, 2031. I believe that Mr. Nakanishi's appointment as president is also a way of showing people inside and outside the company the strong

will that MC has to become a leader in a carbon neutral society. I hope that MC will continue to work on addressing various societal challenges by further improving its branding and pushing forward as a leading company for the realization of a carbon neutral society.

Akiyama: Three of the key priorities set forth in the Roadmap to a Carbon Neutral Society: Optimize supply chains; Enhance industry competitiveness and collaborate where appropriate; and Deliver data sharing and optimized services, can be summed up by the phrase: creating societal change. Generally speaking, DX means transforming the analog world into a digital one, but creating societal change is the very essence of DX. By leveraging MC's tremendous influence within and across various industries and regions, and by advancing the initiatives of Midterm Corporate Strategy 2024, I expect that we will be able to accomplish major societal change.

Miyanaga: With regard to EX, it is difficult to predict how far industrial and scientific technologies will evolve, and even if we can predict, to some extent, 10 years into the future, it is difficult to foresee 20 or 30 years into the future. Under such circumstances, I believe that one of MC's roles is to create business models that are able to respond to anything that may happen 30 years from now, and to search for better solutions to contribute to society. To this end, it is important to deepen our learning and hone our skills in EX-related fields, and to use this knowledge and information to collaborate outside the company. I believe that we, as Independent Members of the Board, have an important role in checking on the progress of these efforts. In addition, young people are essential for the company to keep up with the next generation of technology and change. I hope that the younger generation will be conscious that it is out of the principle of competition that good things are born, and I encourage them to work for change to achieve sustainable growth.



I believe that one of MC's roles is to create a business model that is able to respond to anything that may happen in the future, and to search for better solutions to contribute to society.

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 Independent 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 Independent Directors and Independent 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	Independent Directors	Audit & Supervisory Board Members
Base salary	Fixed: about 20–50%		Cash	<ul style="list-style-type: none">An amount determined by the Board of Directors according to position, paid monthly.	①	①	①	⑤
Annual deferral for retirement remuneration				<ul style="list-style-type: none">Fixed amount of annual deferral for retirement remuneration set aside each year; to be paid in full on 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*	Individual performance (single year)			<ul style="list-style-type: none">Payment amount determined for each Director and Executive Officer is 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)			<ul style="list-style-type: none">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].	②	—	—	—
Performance-linked bonus (medium- to long-term)*	Consolidated net income (medium- to long-term)			<ul style="list-style-type: none">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.	③	—	—	—
Stock-based remuneration linked to medium- to long-term share performances	Variable (medium to long term): about 25–45%	Shares (stock acquisition rights)	Share price/ growth rate in shares (medium- to long-term)	<ul style="list-style-type: none">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.	④	—	—	—

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

(Note 2) Remuneration items with an asterisk are subject to the clawback policy. See page 118 for details.

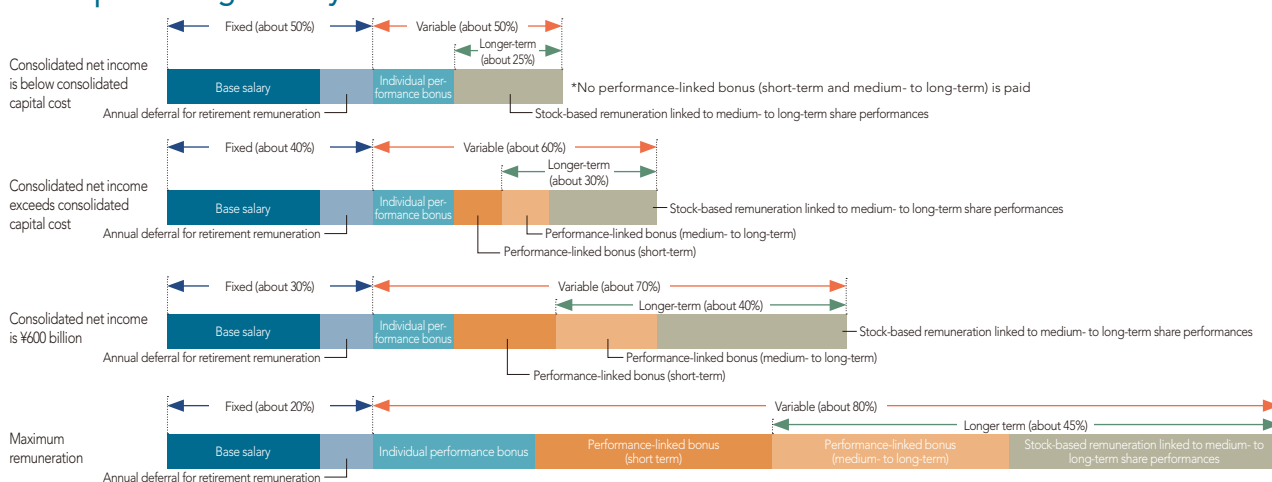
(Figures rounded down to nearest million yen)

	Item type	Item details	Total remuneration*2 (fiscal year ended March 2022)
①	Director remuneration*1	Base salary, annual deferral for retirement remuneration, and individual performance bonuses totaling up to ¥1.5 billion annually (for Independent Directors, base salary totaling up to ¥180 million per year)	¥1,021 million (of which, ¥150 million for Independent 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)	¥350 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)	¥350 million
④		Stock-based remuneration linked to medium- to long-term share performances up to ¥600 million annually (up to 400,000 shares annually)	¥353 million (197,450 shares)
⑤	Audit & Supervisory Board Member remuneration*1	Base salary for Audit & Supervisory Board Members totaling up to ¥250 million annually	¥237 million (of which, ¥63 million for Independent Audit & Supervisory Board Members)
Total			¥2,314 billion

*1 Approved at the Ordinary General Meeting of Shareholders held on June 21, 2019. The number of directors to whom the above amounts of director remuneration (excluding stock-based remuneration linked to medium- to long-term share performances) applied was 13 (including 5 Independent 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 independent members).

*2 Please see the last section on this page for details on remuneration of Directors and Audit & Supervisory Board Members.

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, 2022

(Unit: millions of yen)

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	1,926	8	689	5	73	5	109	5	350	5	350	5	353
Independent Directors	150	5	150	—	—	—	—	—	—	—	—	—	—

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	—	—	—	—	—	—	—	—	—	—
Independent Audit & Supervisory Board Members	63	3	63	—	—	—	—	—	—	—	—	—	—

(Figures rounded down to nearest million yen)

Notes:

- The above figures include 1 Director who retired and 1 Director who resigned during the fiscal year ended March 31, 2022. Furthermore, there were 11 Directors (including 5 Independent Directors) and 5 Audit & Supervisory Board Members (including 3 Independent Audit & Supervisory Board Members) as of March 31, 2022.
- The above figures of individual performance bonus represent the amounts recorded as provisions granted for the fiscal year ended March 31, 2022.
- The above figures for performance-linked bonus (short-term) are determined based on consolidated net income of ¥37.5 billion yen for the fiscal year ended March 31, 2022, 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 bonuses (medium- to long-term) are paid on an average of the consolidated net income for the fiscal years ended March 31, 2022 to 2024, but as this cannot be decided currently, the amounts shown are provisions for such bonuses as of the fiscal year ended March 31, 2022. The actual amounts paid for the fiscal year ended March 31, 2022 will be based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors, and the amount for the fiscal year ended March 31, 2022 will be disclosed in the FY2023 Business Report. The actual amount paid for the fiscal year ended March 31, 2020 was based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors. The amount was paid on the

- average of ¥48.5 billion yen in consolidated net income for the fiscal years ended March 31, 2020 to 2022, totaling 173 million yen for 7 Directors in the fiscal year ended March 31, 2020. The actual amount paid for the fiscal year ended March 31, 2021 will be paid on an average of the consolidated net income for the fiscal years ended March 31, 2021 to 2023, but as this cannot be decided currently, a total of 210 million yen for 5 Directors in the fiscal year ended March 31, 2021 was recorded as provisions in the fiscal year ended March 31, 2022 but was not included in the table. The actual amount paid for the fiscal year ended March 31, 2021 will be disclosed in the FY2022 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, 2022. 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, 2022 were as follows: The retirement bonus system, including executive pensions for Directors and Audit & Supervisory Board Members, was abolished at the close of the Ordinary General Meeting of Shareholders held on June 26, 2007.
MC paid 87 million yen to 53 Directors (Independent Directors were ineligible for payment). MC paid 3 million yen to 4 Audit & Supervisory Board Members (Independent Audit & Supervisory Board Members were ineligible for payment).

Calculation Method for Performance-Linked Remuneration (Fiscal Year Ending March 31, 2023)

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, 2023 - ¥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, 2023 - ¥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, 2023 is ¥520 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

Performance-linked bonus (medium- to long-term)

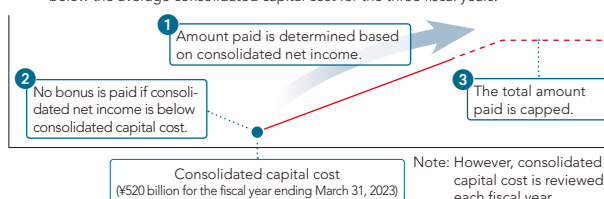
(1) Upper limit on total payment

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, 2023, March 31, 2024, and March 31, 2025 - ¥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, 2023, March 31, 2024, and March 31, 2025 - ¥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.



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).

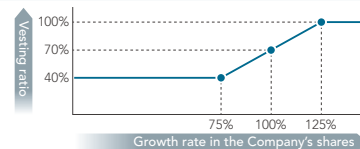
(2) Conditions for exercise of stock options

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

* 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, 2022) × vesting ratio		
	■ Stock options initially allocated by position		
	President and CEO	54,800 shares	(548 options)
	Executive Vice President	16,900 shares	(169 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.



■ Growth rate in the Company's shares

Growth rate in the Company's shares = the Company's TSR (three years) / TOPIX growth rate (three years)

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.

MC has adopted a clawback policy*, applicable to the individual performance bonus, performance-linked bonus (short-term) and performance-linked bonus (medium- to long-term) of Executive Directors, revising the regulations for executive officers by resolution at the

Board of Directors' Meeting held on February 18, 2022.

* In the event that an executive officer causes any loss or damage to the company from wilful misconduct or negligence, a serious violation of a delegation agreement, or a serious accounting error/ex-post revision of a financial report due to misconduct resolved by the Board of Directors, non-payment or reduction of the amount/reclaiming of the paid amount is possible by resolution of the Board of Directors.

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 Independent Directors sitting on the committee (see page 106). 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, WTW (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.

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 verification process described above, in the fiscal year ended March 31, 2022, shareholdings were reduced by just over 10% compared to the previous fiscal year as a result of selling shares with a market value of 57.9 billion yen. As of the fiscal year ended March 31, 2022, the total market value

was 437.4 billion yen (excluding deemed shareholdings). Past reduction results are as follows.

3/2020	3/2021	3/2022
¥73.0 billion	¥68.7 billion	¥57.9 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, 2022. 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.



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Directors and Audit & Supervisory Board Members (As of July 1, 2022)

Directors



Takehiko Kakiuchi

Chairman of the Board

2022 Chairman of the Board (present position)
2016 Director, President and CEO
1979 Joined MC



Katsuya Nakanishi

Representative Director, President and CEO

2022 Director, President and CEO (present position)
1985 Joined MC



Norikazu Tanaka

Director

2022 Director, Executive Vice President, Group CEO, Mineral Resources Group (Concurrently) Leader, EX Task Force (present position)
1982 Joined MC



Akitaka Saiki

Independent Director*1

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



Tsuneyoshi Tatsuoka

Independent Director*1

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



Shunichi Miyanaga

Independent Director*1

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

Audit & Supervisory Board Members



Hajime Hirano

Full-time Audit & Supervisory Board Member

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



Mitsumasa Icho

Full-time Audit & Supervisory Board Member

2022 Full-time Audit & Supervisory Board Member (present position)
1982 Joined MC



Rieko Sato

Independent Audit & Supervisory Board Member*2

2020 Independent 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



Yasuteru Hirai

Representative Director

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



Yutaka Kashiwagi

Representative Director

2022 Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR (present position)
2021 Director, Executive Vice President, Corporate Functional Officer, Business Development for Japan, General Manager, Kansai Branch
1986 Joined MC



Yuzo Nouchi

Representative Director

2022 Director, Executive Vice President, Corporate Functional Officer, CFO (present position)
1987 Joined MC



Sakie Akiyama

Independent Director*¹

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



Mari Sagiya

Independent Director*¹

2022 Independent Director, MC (present position)
2016 Executive Vice President, Chief Marketing Officer, Salesforce.com Co., Ltd. (currently Salesforce Japan Co., Ltd.) (resigned in August 2019)
2014 Executive Vice President, SAP Japan Co., Ltd. (resigned in December 2015)
2005 Senior Vice President, IBM Japan, Ltd. (resigned in July 2014)
1985 Joined IBM Japan, Ltd.

*¹ 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. as well as selection criteria for Independent Directors specified by Mitsubishi Corporation.



Takeshi Nakao

Independent Audit & Supervisory Board Member*²

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



Mari Kogiso

Independent Audit & Supervisory Board Member*²

2022 Independent Audit & Supervisory Board Member, MC (present position)
2021 Founder and CEO, SDG Impact Japan Inc. (present position)
2019 General Manager, CEO Office, FAST RETAILING CO., LTD. (resigned in December 2020)
1998 Joined World Bank (resigned in 2010)
1990 Joined Long-term Credit Bank of Japan

*² Indicates the fulfillment of the conditions for Outside Audit & Supervisory Board Member 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. as well as selection criteria for Independent Audit & Supervisory Board Members specified by Mitsubishi Corporation.

Please refer to "Selection Criteria for Independent Directors and Independent Audit & Supervisory Board Members" on the MC website for thoughts regarding independence in selection criteria for Independent Members of the Board.
(<https://www.mitsubishicorp.com/jp/en/about/governance/corporategovernance.html>)

Executive Officers (As of July 1, 2022)

President and Chief Executive Officer

Katsuya Nakanishi*

Executive Vice Presidents

Norikazu Tanaka*

Group CEO, Mineral Resources Group
(Concurrently) Leader, EX Task Force

Hidenori Takaoka

President, Mitsubishi Corporation
(Americas)

Kotaro Tsukamoto

Group CEO, Industrial Materials Group

Jun Nishizawa

Group CEO, Natural Gas Group

Norio Saigusa

Group CEO, Food Industry Group

Aiichiro Matsunaga

Group CEO, Power Solution Group

Yasuteru Hirai*

Corporate Functional Officer, Global Strategy
Chief Compliance Officer, Officer for
Emergency Crisis Management
Headquarters

Osamu Takeuchi

Group CEO, Petroleum & Chemicals
Solution Group

Yutaka Kashiwagi*

Corporate Functional Officer, IT, CAO,
Corporate Communications, Corporate
Sustainability & CSR

Kiyotaka Kikuchi

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

Takuya Kuga

Group CEO, Urban Development Group

Shigeru Wakabayashi

Group CEO, Automotive & Mobility
Group

Yuzo Nouchi*

Corporate Functional Officer, CFO

Koji Ota

Group CEO, Industrial Infrastructure
Group
(Concurrently) Division COO, Plant
Engineering Div.

Senior Vice Presidents

Hiroki Haba

Division COO, Next-Generation Fuels &
Petroleum 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

Masaru Saito

General Manager, Natural Gas Group
CEO Office
(Concurrently) Division COO, North
America Div.

Makoto Okawara

General Manager, Finance Dept.

Naoshi Ogikubo

General Manager, Urban Development
Group CEO Office

Yoshiyuki Nojima

General Manager, Corporate
Administration Dept.

Akihiko Takada

Managing Director, Mitsubishi
Corporation International (Europe) Plc.
(Concurrently) General Manager, London
Branch

Tetsuo Kawate

General Manager, Global Human
Resources Dept.

Kyoya Kondo

Division COO, Isuzu Business Div.

Yasuyuki Asakura

General Manager, Power Solution Group
CEO Office
(Concurrently) Division COO, Utility
Retail Div.

Ko Imamura

Seconded to Metal One Corporation
(President & CEO, Director)

Sadahiko Haneji

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

Tetsuya Shinohara

General Manager, Global Strategy &
Coordination Dept.

Shota Kondo

General Manager, Corporate Strategy &
Planning Dept.

Satoshi Koyama

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

Toshiaki Maekawa

Division COO, Automotive Business Div.

Hideyuki Hori

General Manager, Food Industry Group
CEO Office

Koji Ohno

Division COO, Steel Products Div.

Akifumi Suzuki

Division COO, Global Marketing Div.

Tetsu Funayama

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

Kazuaki Yamana

General Manager, Business Investment
Management Dept.

Kenji Kobayashi

Division COO, Asset Finance Div.

Juro Baba

Special Appointments General Manager
to Industrial Materials Group CEO

Ryosuke Tsugaru

Division COO, Asia-Pacific Div.

Ken Yamaguchi

Division COO, Food Science Div.

Satoshi Sato

Division COO, Industrial Machinery Div.

Takehiro Fujimura

General Manager, Internal Audit Dept.

Yuji Okafuji

Division COO, Energy Service Solution
Div.
(Concurrently) Seconded to Mitsubishi
Corporation Energy Solutions Ltd.
(Director, President and Chief Executive
Officer)

Takuya Hirakuri

CDO
(Concurrently) Head of Industry DX
Group
(Concurrently) General Manager, Service
Industry DX Dept.

* Indicates a Director.

Shareholder Information (As of March 31, 2022)

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, 2022

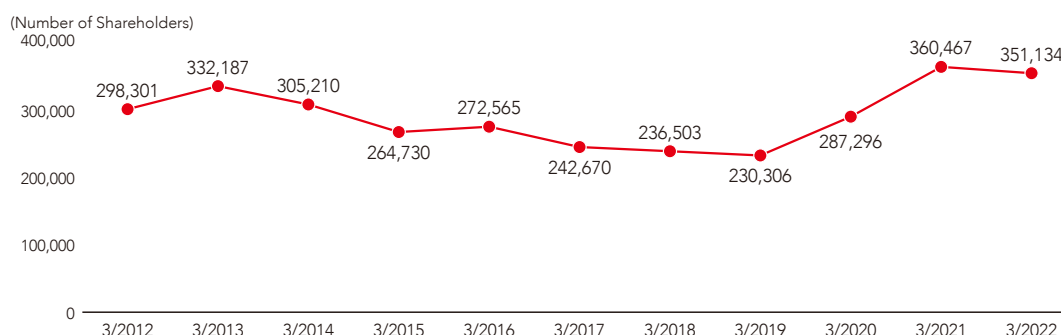
	Number of shares issued	Number of shareholders
As of March 31, 2021	1,485,723,351	360,467
Change	0	(9,333)
As of March 31, 2022	1,485,723,351	351,134

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)	251,409	16.98
Custody Bank of Japan, Ltd. (Trust Account)	91,884	6.20
EUROCLEAR BANK S.A./N.V.	77,540	5.23
Meiji Yasuda Life Insurance Company	58,361	3.94
Tokio Marine & Nichido Fire Insurance Co., Ltd.	50,913	3.44
The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)	32,276	2.18
JPMorgan Securities Japan Co., Ltd.	24,217	1.63
STATE STREET BANK WEST CLIENT – TREATY 505234	22,387	1.51
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation, Limited Account)	17,768	1.20
Mitsubishi Heavy Industries, Ltd.	16,643	1.12

Note: The investment ratio is computed by excluding 5,859,407 shares of treasury stock held by Mitsubishi Corporation and rounded to two decimal points.

Number of Shareholders



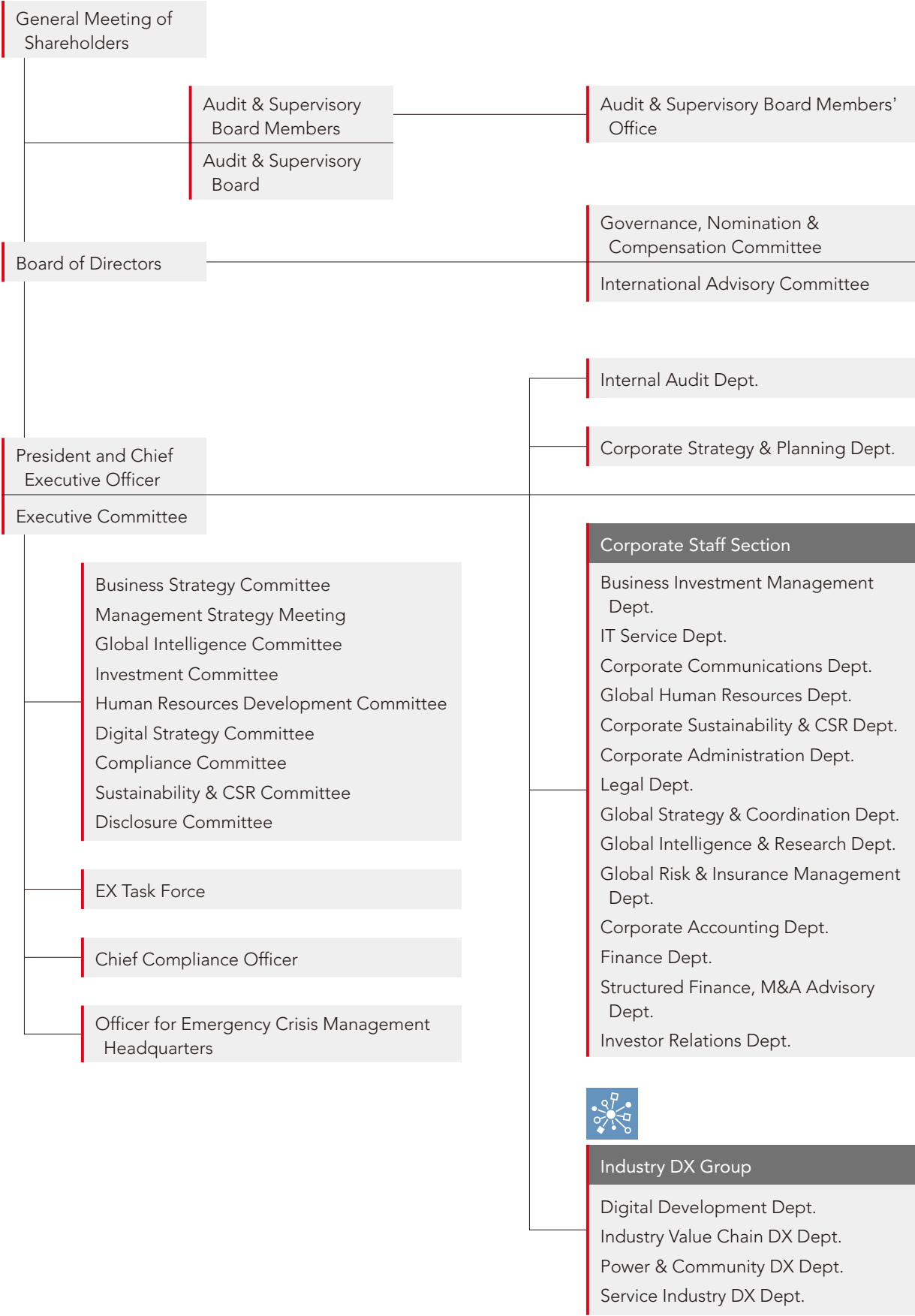
Shareholder Composition (Shareholding Ratio)

	Public sector	Financial institutions	Securities companies	Other companies	Foreign companies, etc.	Individuals and others
3/2022	0.0%	42.3%	5.3%	6.0%	28.0%	18.4%
3/2017	0.0%	41.0%	3.5%	7.8%	32.4%	15.2%
3/2012	0.0%	40.5%	3.7%	8.7%	30.1%	17.1%

	Public sector	Financial institutions	Securities companies	Other companies	Foreign companies, etc.	Individuals and others	Total
3/2022	2	6,276,235	781,341	897,534	4,164,694	2,728,984	14,848,790
3/2017	2	6,513,301	560,741	1,247,225	5,152,930	2,421,797	15,895,996
3/2012	2	6,686,931	618,395	1,437,020	4,967,640	2,819,477	16,529,465

(1 stock unit/100 shares)

Organizational Structure (As of July 1, 2022)



Note: Organizational Structure of the head office

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

Global Network (Countries and Regions) (As of April 1, 2022)

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

Tokyo

Network (Location of MC Operations)

Japan (Number of offices: 9)

Sapporo	Takamatsu
Sendai	Hiroshima
Nagoya	Fukuoka
Toyama	Naha
Osaka	

Overseas (Number of offices and subsidiaries: 112)

North America

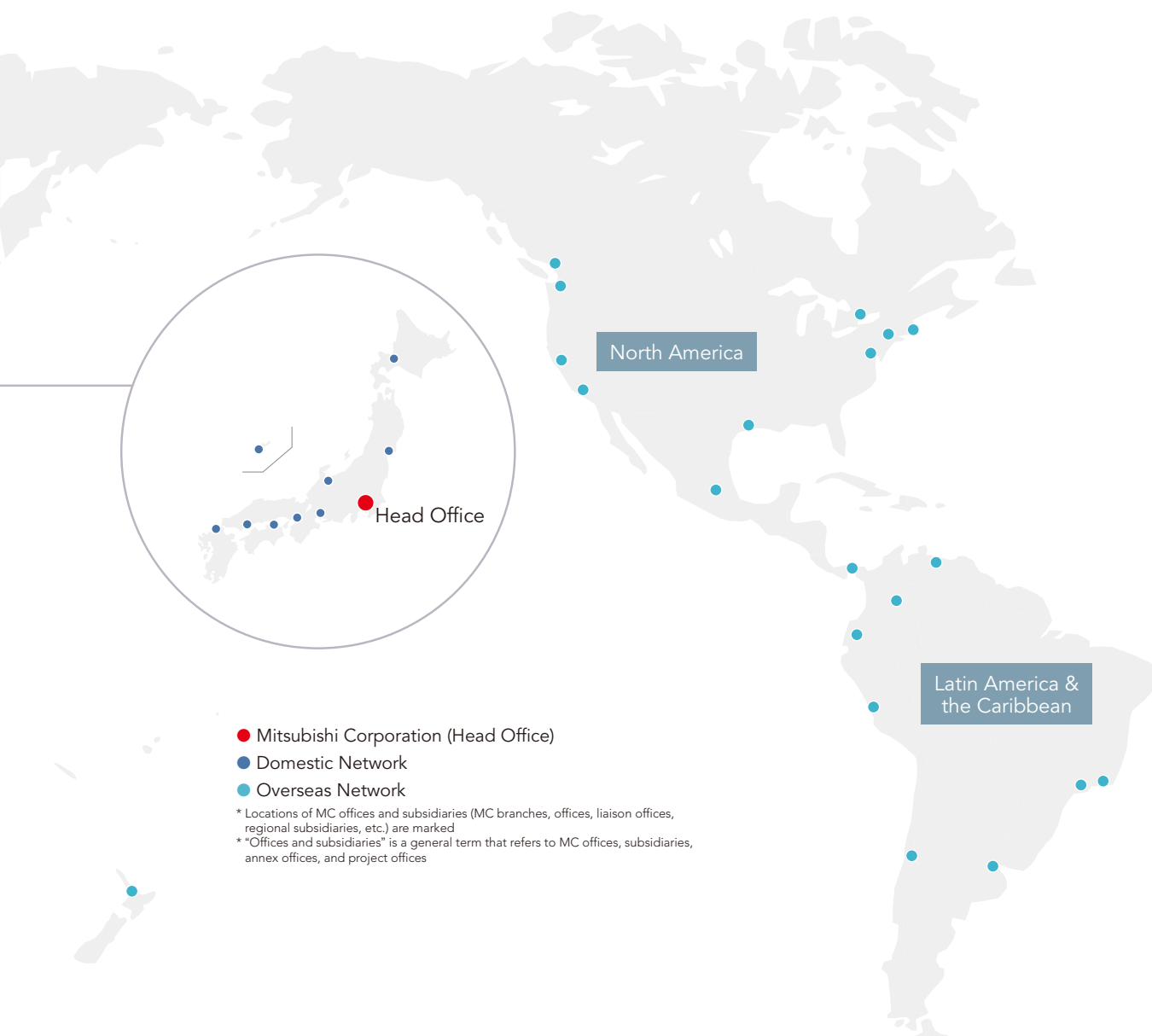
New York
Seattle
Silicon Valley
Los Angeles
Houston
Washington, D.C.
Boston
Vancouver
Toronto
Mexico City

Latin America & the Caribbean

Panama City
Quito
Lima
Bogotá
Santiago
Caracas
Buenos Aires
São Paulo
Rio de Janeiro

Europe

London	Athens
Madrid	Moscow
Paris	Vladivostok
Amsterdam	Kyiv
Düsseldorf	Almaty
Milan	Istanbul
Oslo	Ankara
Prague	Ashgabat
Stockholm	Tashkent
Warsaw	Tel Aviv
Belgrade	



Africa

Johannesburg
Dakar
Casablanca
Abidjan
Algiers
Lagos
Tunis
Nairobi
Addis Ababa
Dar es Salaam

Middle East

Dubai
Cairo
Amman
Riyadh
Al Khobar
Basra
Doha
Abu Dhabi
Muscat
Kuwait
Tehran

East Asia

Ulaanbaatar
Beijing
Guangzhou
Shenzhen
Wuhan
Xiamen
Qingdao
Shanghai
Dalian
Chengdu
Hong Kong
Taipei
Seoul

Asia

Karachi
Islamabad
Lahore
New Delhi
Mumbai
Kolkata
Chennai
Bangalore
Colombo
Dhaka
Yangon

Nay Pyi Taw
Bangkok
Kuala Lumpur
Singapore
Phnom Penh
Hanoi
Ho Chi Minh City
Jakarta
Bandar Seri Begawan
Manila

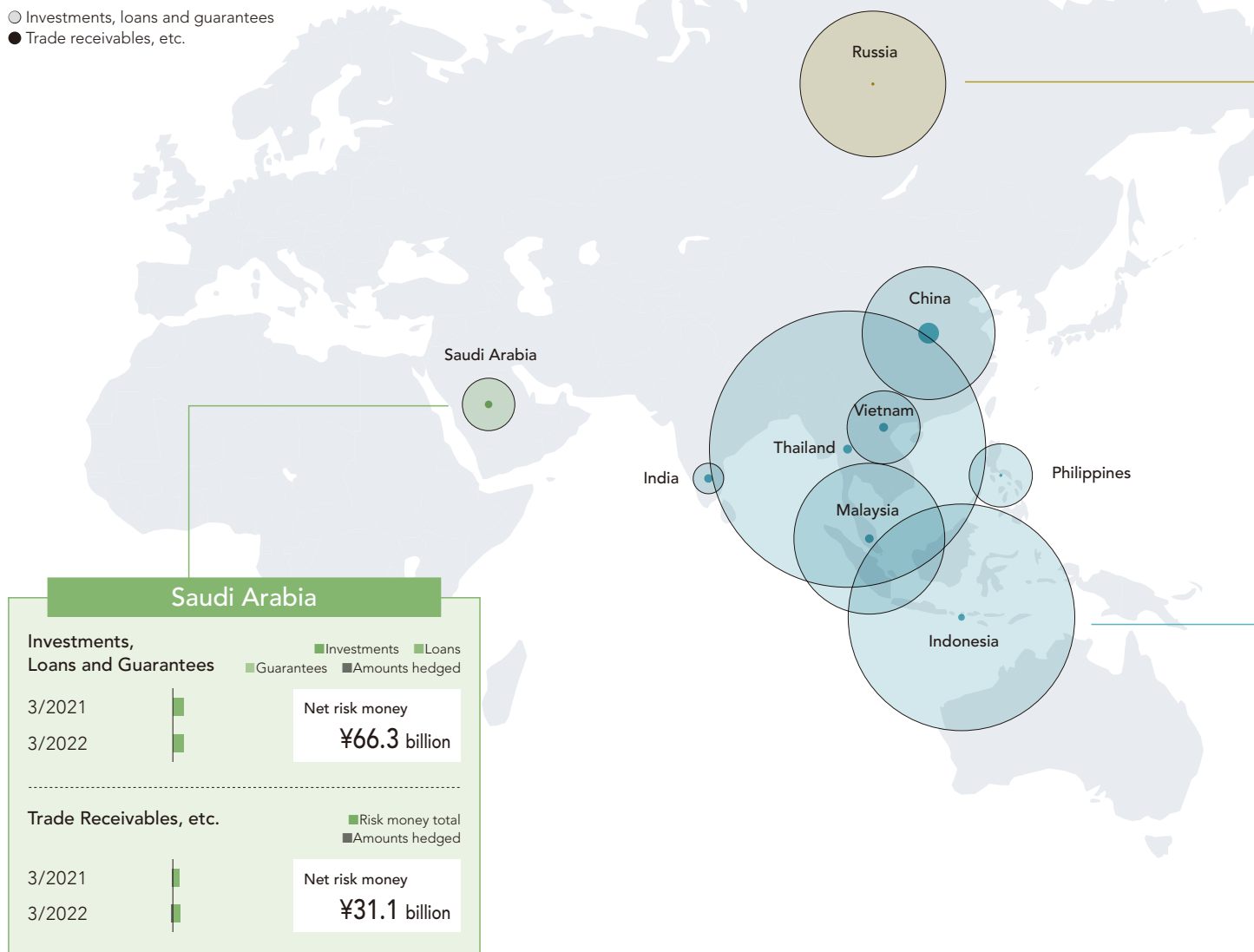
Oceania

Melbourne
Sydney
Perth
Auckland

Balance of Risk Money Outstanding in 13 Countries

Image of risk money balance on the map

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



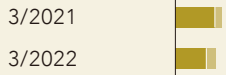
Investments, Loans and Guarantees*¹

(Unit: billions of yen)

	Investments* ²			Loans			Guarantees			Risk money total		
	3/2022	3/2021	change	3/2022	3/2021	change	3/2022	3/2021	change	3/2022	3/2021	change
Chile	571.3	484.7	+86.6	—	7.4	-7.4	92.4	85.7	+6.7	663.7	577.8	+85.9
Brazil	118.7	108.4	+10.3	21.9	23.5	-1.6	116.4	41.4	+75.0	257.0	173.3	+83.7
Peru	246.6	220.3	+26.3	215.8	120.6	+95.2	8.2	7.2	+1.0	470.6	348.1	+122.5
Mexico	40.7	41.5	-0.8	0.1	3.4	-3.3	25.0	12.1	+12.9	65.8	57.0	+8.8
4 countries total	977.3	854.9	+122.4	237.8	154.9	+82.9	242.0	146.4	+95.6	1,457.1	1,156.2	+300.9
Russia	167.8	214.3	-46.5	—	—	+0.0	49.5	35.2	+14.3	217.3	249.5	-32.2
1 country total	167.8	214.3	-46.5	—	—	+0.0	49.5	35.2	+14.3	217.3	249.5	-32.2
Saudi Arabia	67.0	67.3	-0.3	—	—	+0.0	—	—	+0.0	67.0	67.3	-0.3
1 country total	67.0	67.3	-0.3	—	—	+0.0	—	—	+0.0	67.0	67.3	-0.3
India	48.8	43.1	+5.7	3.0	3.0	+0.0	5.5	5.9	-0.4	57.3	52.0	+5.3
Indonesia	417.8	319.2	+98.6	14.1	18.8	-4.7	235.2	185.6	+49.6	667.1	523.6	+143.5
Thailand	205.6	223.0	-17.4	1.2	0.9	+0.3	239.4	201.7	+37.7	446.2	425.6	+20.6
China	110.8	117.9	-7.1	8.2	9.8	-1.6	83.5	61.7	+21.8	202.5	189.4	+13.1
Philippines	109.7	95.2	+14.5	—	—	+0.0	—	1.7	-1.7	109.7	96.9	+12.8
Vietnam	126.1	59.4	+66.7	—	—	+0.0	7.8	4.3	+3.5	133.9	63.7	+70.2
Malaysia	168.8	156.6	+12.2	—	—	+0.0	4.2	29.8	-25.6	173.0	186.4	-13.4
7 countries total	1,187.6	1,014.4	+173.2	26.5	32.5	-6.0	575.6	490.7	+84.9	1,789.7	1,537.6	+252.1
Total	2,399.7	2,150.9	+248.8	264.3	187.4	+76.9	867.1	672.3	+194.8	3,531.1	3,010.6	+520.5

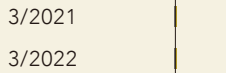
Russia

Investments, Loans and Guarantees



Net risk money
¥217.3 billion

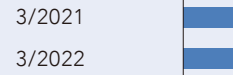
Trade Receivables, etc.



Net risk money
¥1.2 billion

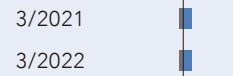
4 Latin American Countries Total

Investments, Loans and Guarantees



Net risk money
¥1,455.0 billion

Trade Receivables, etc.



Net risk money
¥22.9 billion

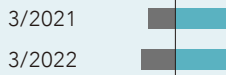
7 Asian Countries Total

Investments, Loans and Guarantees



Net risk money
¥1,585.2 billion

Trade Receivables, etc.



Net risk money
¥135.6 billion

Mexico

Peru

Brazil

Chile

*1 These countries are selected based on our internal country risk rating and total risk money balance, etc.

*2 The figures are adjusted for investees' net assets portion/fair value etc.

Trade Receivables, etc.*1

Amounts hedged			Net risk money			Risk money total			Amounts hedged			Net risk money		
3/2022	3/2021	change	3/2022	3/2021	change	3/2022	3/2021	change	3/2022	3/2021	change	3/2022	3/2021	change
—	0.7	-0.7	663.7	577.1	+86.6	2.0	7.5	-5.5	0.6	—	+0.6	1.4	7.5	-6.1
2.1	1.1	+1.0	254.9	172.2	+82.7	15.4	10.1	+5.3	3.3	2.9	+0.4	12.1	7.2	+4.9
—	—	+0.0	470.6	348.1	+122.5	1.3	2.3	-1.0	1.1	1.6	-0.5	0.2	0.7	-0.5
—	—	+0.0	65.8	57.0	+8.8	27.7	27.4	+0.3	18.5	18.2	+0.3	9.2	9.2	+0.0
2.1	1.8	+0.3	1,455.0	1,154.4	+300.6	46.4	47.3	-0.9	23.5	22.7	+0.8	22.9	24.6	-1.7
—	—	+0.0	217.3	249.5	-32.2	6.4	8.9	-2.5	5.2	8.5	-3.3	1.2	0.4	+0.8
—	—	+0.0	217.3	249.5	-32.2	6.4	8.9	-2.5	5.2	8.5	-3.3	1.2	0.4	+0.8
0.7	0.6	+0.1	66.3	66.7	-0.4	43.9	42.4	+1.5	12.8	6.1	+6.7	31.1	36.3	-5.2
0.7	0.6	+0.1	66.3	66.7	-0.4	43.9	42.4	+1.5	12.8	6.1	+6.7	31.1	36.3	-5.2
—	—	+0.0	57.3	52.0	+5.3	74.4	72.1	+2.3	58.5	43.9	+14.6	15.9	28.2	-12.3
197.1	192.4	+4.7	470.0	331.2	+138.8	64.5	41.5	+23.0	49.1	28.3	+20.8	15.4	13.2	+2.2
—	—	+0.0	446.2	425.6	+20.6	41.9	34.9	+7.0	12.1	11.3	+0.8	29.8	23.6	+6.2
0.1	—	+0.1	202.4	189.4	+13.0	75.2	74.5	+0.7	49.0	45.3	+3.7	26.2	29.2	-3.0
2.3	2.2	+0.1	107.4	94.7	+12.7	7.9	7.2	+0.7	2.9	3.2	-0.3	5.0	4.0	+1.0
5.0	0.4	+4.6	128.9	63.3	+65.6	14.4	22.1	-7.7	4.2	11.4	-7.2	10.2	10.7	-0.5
—	—	+0.0	173.0	186.4	-13.4	42.0	39.4	+2.6	8.9	5.4	+3.5	33.1	34.0	-0.9
204.5	195.0	+9.5	1,585.2	1,342.6	+242.6	320.3	291.7	+28.6	184.7	148.8	+35.9	135.6	142.9	-7.3
207.3	197.4	+9.9	3,323.8	2,813.2	+510.6	417.0	390.3	+26.7	226.2	186.1	+40.1	190.8	204.2	-13.4

Financial Highlights

Mitsubishi Corporation and Subsidiaries

Fiscal Years ended March 31

The consolidated financial information is prepared in accordance with International Financial Reporting Standards ("IFRS").

	2013.3	2014.3	2015.3	2016.3
Results of Operations:				
Revenues* ¹	¥ 6,009,887	¥ 7,635,168	¥ 7,669,489	¥ 6,925,582
Gross profit	1,054,933	1,186,005	1,209,894	1,098,877
Income from investments accounted for using the equity method	167,840	168,356	203,818	(175,389)
Net income (loss) attributable to owners of the parent	323,457	361,359	400,574	(149,395)
Financial Position at Year-End:				
Total assets	15,064,738	15,901,125	16,774,366	14,916,256
Working capital* ²	2,076,570	2,417,452	2,629,705	2,123,954
Borrowings (less current maturities)	4,498,683	4,693,855	4,835,117	4,560,258
Equity attributable to owners of the parent	4,517,107	5,067,666	5,570,477	4,592,516
Interest-Bearing Liabilities:				
Gross interest-bearing liabilities* ³	5,889,642	6,075,835	6,348,993	6,042,606
Net interest-bearing liabilities* ⁴	4,420,068	4,601,094	4,467,714	4,315,460
Cash Flows:				
Net cash provided by operating activities	453,327	381,576	798,264	700,105
Net cash used in investing activities	(791,026)	(300,502)	(154,852)	(503,854)
Free cash flow	(337,699)	81,074	643,412	196,251
Net cash provided by (used in) financing activities	388,366	(118,845)	(305,334)	(364,528)
Net cash flows	50,667	(37,771)	338,078	(168,277)
Per Share Information:				
Net income (loss) attributable to owners of the parent per share:				
Basic (yen, US dollars)	196.45	219.30	246.39	(93.68)
Diluted (yen, US dollars)	196.02	218.80	245.83	(93.68)
Cash dividends per share (yen, US dollars)	55.00	68.00	70.00	50.00
Equity per share attributable to owners of the parent (yen, US dollars)	2,742.36	3,074.03	3,437.75	2,898.23
Payout ratio* ⁵ (%)	25	25	28	—
Common Stock:				
Number of shares outstanding at year-end* ⁶ (thousands of shares)	1,647,158	1,648,541	1,620,384	1,584,595
Financial Measures:				
ROE* ⁷ (%)	7.8	7.5	7.5	(2.9)
ROA* ⁸ (%)	2.3	2.3	2.5	(0.9)
Net DER* ⁹ (times)	1.0	0.9	0.8	0.9
DOE* ¹⁰ (%)	2.2	2.3	2.1	1.6
Stock Price Information:				
Stock price (annual average) (yen, US dollars)	1,626	1,897	2,143	2,262
Price earnings ratio (PER)* ¹¹ (times)	8.31	8.68	8.69	(24.08)
Price book-value ratio (PBR)* ¹² (times)	0.6	0.6	0.6	0.8

Notes: 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. US dollar amounts are converted at the rate of U.S.\$1 = ¥120.0

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

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

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

*5 The payout ratio was calculated based on net income attributable to owners of the parent for the fiscal year before reclassification (this includes the restatement of results for the fiscal years

					(Unit: millions of yen)	(Unit: millions of US dollars)
2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2022.3
¥ 6,425,761	¥ 7,567,394	¥16,103,763	¥14,779,734	¥12,884,521	¥17,264,828	\$143,874
1,328,638	1,886,640	1,987,811	1,789,131	1,605,106	2,150,764	17,923
117,450	211,432	137,269	179,325	97,086	393,803	3,282
440,293	560,173	590,737	535,353	172,550	937,529	7,813
15,753,557	16,036,989	16,532,800	18,033,424	18,634,971	21,912,012	182,600
1,789,423	1,861,823	1,885,242	1,591,119	1,732,708	2,213,212	18,443
4,135,680	3,684,860	3,569,221	4,287,354	4,381,793	4,039,749	33,665
4,917,247	5,332,427	5,696,246	5,227,359	5,613,647	6,880,232	57,335
5,383,911	4,954,395	5,092,099	5,760,123	5,644,315	5,643,169	47,026
3,991,475	3,714,176	3,723,568	4,336,295	4,178,410	3,939,721	32,831
583,004	742,482	652,681	849,728	1,017,550	1,055,844	8,799
(179,585)	(317,583)	(273,687)	(500,727)	(357,297)	(167,550)	(1,396)
403,419	424,899	378,994	349,001	660,253	888,294	7,402
(752,162)	(554,328)	(227,480)	(156,629)	(691,184)	(693,396)	(5,778)
(348,743)	(129,429)	151,514	192,372	(30,931)	194,898	1,624
277.79	353.27	372.39	348.50	116.86	635.06	5.29
277.16	352.44	371.55	347.71	116.57	625.73	5.21
80.00	110.00	125.00	132.00	134.00	150.00	1.25
3,101.43	3,362.34	3,589.37	3,521.30	3,803.01	4,659.68	38.83
29	31	34	38	115	24	—
1,585,480	1,585,929	1,586,977	1,484,497	1,476,105	1,476,545	—
9.3	11.3	10.7	9.8	3.2	15.0	—
2.9	3.6	3.6	3.0	0.9	4.6	—
0.8	0.7	0.7	0.8	0.7	0.6	—
2.7	3.5	3.6	3.7	3.7	3.5	—
2,215	2,656	3,143	2,807	2,526	3,472	28.93
8.00	7.54	8.46	8.34	21.75	5.50	—
0.7	0.8	0.9	0.9	0.7	0.7	—

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

*6 Excluding treasury stock held by the Company.

*7 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.

*8 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.

*9 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.

*10 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.

*11 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.

*12 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.

Equity in Earnings of Subsidiaries and Affiliates

NATURAL GAS GROUP

	Ownership (%)	2020/3	2021/3	2022/3
(Unit: billions of yen)				
LNG Business				
Equity in earnings of subsidiaries and affiliates*	—	45.7	25.7	53.5
Dividend income (after tax)	—	47.0	18.2	39.2
Shale Gas Business				
Equity in earnings of the Shale gas business	—	(17.0)	(13.3)	1.7

* The figures exclude Industrial Infrastructure Group's LNG business related equity method income (fiscal year ended March 31, 2020: 0.3 billion yen, fiscal year ended March 31, 2021: 2.5 billion yen, fiscal year ended March 31, 2022: 3.9 billion yen).

INDUSTRIAL MATERIALS GROUP

	Ownership (%)	2020/3	2021/3	2022/3
(Unit: billions of yen)				
Cape Flattery Silica Mines Pty., Ltd. (Australia)	100.00	0.4	0.5	0.7
Mitsubishi International PolymerTrade Corporation (U.S.A.)	100.00	0.6	0.4	0.5
Metal One Corporation (Japan)	60.00	11.8	3.9	16.9

PETROLEUM & CHEMICALS SOLUTION GROUP

	Ownership (%)	2020/3	2021/3	2022/3
(Unit: billions of yen)				
Astomos Energy Corporation (Japan)	49.00	1.1	1.6	9.3
SPDC Ltd. (Japan)	33.34	2.7	1.1	3.4
CHUO KAGAKU CO., LTD. (Japan)	60.59	0.3	1.3	0.4
Mitsubishi Corporation Energy Co., Ltd. (Japan)* ¹	100.00	2.9	6.9	6.8
Mitsubishi Shoji Chemical Corporation (Japan)	100.00	1.4	1.3	2.8
Mitsubishi Corporation Plastics Ltd. (Japan)	100.00	2.6	2.6	3.1
Meiwa Corporation (Japan)	33.05	0.8	0.5	0.8
Overseas chemical trading business* ²	—	1.8	2.5	4.3
Basic chemicals related business companies* ³	—	3.7	0.1	(0.4)

*¹ The figures exclude the other business Group's equity in earnings (fiscal year ended March 31, 2020: -0.3 billion yen, fiscal year ended March 31, 2021: 0.1 billion yen, fiscal year ended March 31, 2022: -0.2 billion yen).

*² Total profits from chemical trading companies which have been spinned off in fiscal year ended March 31, 2019.

*³ Total profits and losses from basic chemicals business (Salt and Methanol).

MINERAL RESOURCES GROUP

	Ownership (%)	2020/3	2021/3	2022/3
(Unit: billions of yen)				
IRON ORE COMPANY OF CANADA (Canada)	26.18	16.1	17.6	31.1
M.C. INVERSIONES LIMITADA (Chile) [Iron Ore Business]	100.00	1.2	11.1	27.1
Mitsubishi Corporation R&M Japan Ltd. (Japan)	100.00	6.5	5.2	7.6
MITSUBISHI DEVELOPMENT PTY LTD (Australia)	100.00	118.7	10.9	270.6
Copper Business				
JECO CORPORATION (Japan)* ¹	70.00	10.5	11.9	23.6
JECO 2 LTD (U.K.)* ¹	50.00	2.2	2.8	5.6
MC COPPER HOLDINGS B.V. (Netherlands)	100.00	2.9	3.2	5.0
M.C. INVERSIONES LIMITADA (Chile)* ² [Copper Business]	100.00	(1.3)	2.9	20.4

In addition to the figures above, copper business also includes dividend income from Antamina mine (FY2019 0.5 billion yen, FY2020 12.6 billion yen, FY2021 17.8 billion yen).

*¹ Mitsubishi Corporation's net interest in Escondida copper mine is 8.25%, through both JECO CORPORATION and JECO 2 LTD.

*² The profit is being consolidated to 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. (The previous year's results are MC RESOURCE DEVELOPMENT LTD's equity in earnings)

INDUSTRIAL INFRASTRUCTURE GROUP

	Ownership (%)	2020/3	2021/3	2022/3
(Unit: billions of yen)				
MSK FARM MACHINERY CORPORATION (Japan)	100.00	1.1	1.3	1.2
Nikken Corporation (Japan)	100.00	7.4	4.0	3.6
Chiyoda Corporation (Japan)* ¹	33.45	4.1	2.7	(4.2)
Mitsubishi Corporation Technos (Japan)	100.00	1.5	0.6	1.2
Mitsubishi Corporation Machinery, Inc. (Japan)* ²	100.00	—	3.0	2.4
Other energy infrastructure related business companies	—	8.2	4.0	1.4
Commercial ships related business companies* ³	—	4.9	1.3	6.5
Gas carriers related business companies* ⁴	—	2.8	3.2	3.0

*¹ In addition to the figures above, there is a consolidated adjustment of 1.6 billion yen in fiscal year ended March 31, 2020, -0.4 billion yen in fiscal year ended March 31, 2021 and -2.5 billion yen in fiscal year ended March 31, 2022 to our equity in earnings due to adjustments of accounting differences, etc.

*² Transferred from Power Solution Group in fiscal year ended March 31, 2022. The figures exclude Urban Development Group's equity in earnings (fiscal year ended March 31, 2021: 0.9 billion yen, fiscal year ended March 31, 2022: 0.2 billion yen).

*³ Tax costs of the parent company are included.

*⁴ From the disclosure of fiscal year ended March 31, 2021, Marine related business companies have been transferred to Other energy infrastructure related business companies due to change in business segment.

AUTOMOTIVE & MOBILITY GROUP

	Ownership (%)	2020/3	2021/3	2022/3
(Unit: billions of yen)				
Automobile related business companies in Thailand & Indonesia	—	55.5	57.7	91.3
MITSUBISHI MOTORS CORPORATION*	20.01	(4.9)	(62.5)	14.8

* In addition to the figures above, there is a consolidated adjustment of 2.9 billion yen in fiscal year ended March 31, 2020, 9.2 billion yen in fiscal year ended March 31, 2021 and -0.6 billion yen in fiscal year ended March 31, 2022 to our equity in earnings 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 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

	Ownership (%)	2020/3	2021/3	2022/3
PT MITSUBISHI MOTORS KRAMA YUDHA SALES INDONESIA (Indonesia)	40.00	0.7	1.1	7.7
PT. KRAMA YUDHA TIGA BERLIAN MOTORS (Indonesia)	30.00	0.5	0.1	1.7
TRI PETCH ISUZU SALES CO., LTD. (Thailand)	88.73	28.8	36.1	47.7

FOOD INDUSTRY GROUP

	Ownership (%)	2020/3	(Unit: billions of yen)	
			2021/3	2022/3
Agrex, Inc. (U.S.A.)	100.00	0.2	0.8	0.6
Cermaq Group AS (Norway)	100.00	8.0	0.4	30.8
Indiana Packers Corporation (U.S.A.)	80.00	4.4	5.1	5.9
Olam Group Limited (Singapore)*	14.64	7.8	3.3	9.2
Princes Limited (U.K.)	100.00	2.7	4.8	2.6
TH Foods, Inc. (U.S.A.)	50.00	1.2	0.5	0.4
Mitsui DM Sugar Holdings Co., Ltd. (Japan)	20.00	—	—	0.2
Itoham Yonekyu Holdings Inc. (Japan)	39.55	4.4	7.9	7.6
Kadoya Sesame Mills, Inc. (Japan)	26.35	0.7	0.6	0.7
Japan Farm Holdings, Ltd. (Japan)	92.66	1.7	4.2	2.9
Toyo Reizo Co., Ltd. (Japan)	95.08	(0.3)	2.1	5.0
Nitto Fuji Flour Milling Co., Ltd. (Japan)	64.85	2.2	2.3	2.4
KFC Holdings Japan, Ltd. (Japan)	35.22	0.6	1.2	1.6
Nihon Shokuhin Kako Co., Ltd. (Japan)	59.82	0.2	0.8	0.8
Nosan Corporation (Japan)	100.00	2.5	3.0	1.3
Foodlink Corporation (Japan)	99.42	2.2	2.0	2.1
Mitsubishi Corporation Life Sciences Limited (Japan)	100.00	4.8	5.1	5.4

* The company's name as shown above has been changed from OLAM INTERNATIONAL LIMITED to OLAM GROUP LIMITED, a parent company of OLAM INTERNATIONAL LIMITED following the share exchange. Also, in addition to the figures above, there is a consolidated adjustment of -1.8 billion yen in fiscal year ended March 31, 2020, -5.3 billion yen in fiscal year ended March 31, 2021 and -1.1 billion yen in fiscal year ended March 31, 2022 to our equity in earnings due to adjustment of accounting differences, etc.

CONSUMER INDUSTRY GROUP

	Ownership (%)	2020/3	(Unit: billions of yen)	
			2021/3	2022/3
Toyo Tire Corporation (Japan)* ¹	20.02	4.9	2.3	8.3
MC Healthcare Holdings, Inc. (Japan)* ²	80.00	2.6	2.4	2.6
Nippon Care Supply Co., Ltd. (Japan)* ³	40.26	1.1	1.0	0.7
Life Corporation (Japan)	23.09	1.8	4.1	3.5
Lawson, Inc. (Japan)* ⁴	50.12	10.1	4.4	9.0
Mitsubishi Corporation Packaging Ltd. (Japan)	100.00	2.0	1.4	2.5
Mitsubishi Corporation Fashion Co., Ltd. (Japan)	100.00	3.1	2.1	1.7
Mitsubishi Corporation LT, Inc. (Japan)	100.00	1.5	0.7	1.9
Mitsubishi Shokuhin Co., Ltd (Japan)* ⁵	50.12	7.1	6.9	7.4

*¹ In addition to the figures above, there is a consolidated adjustment of -2.2 billion yen in fiscal year ended March 31, 2020, -1.5 billion yen in fiscal year ended March 31, 2021 and -1.4 billion yen in fiscal year ended March 31, 2022 to our equity in earnings due to adjustments of accounting differences, etc.

*² Changed name from MC Healthcare, Inc (Japan) in April 1, 2022

*³ Consolidation of profit/loss of Nippon Care Supply Co., Ltd had been based on voting rights of 74.78% until the second quarter of fiscal year ended March 31, 2021. Equity in earnings based on voting rights stood at 42.83% in the third quarter of the fiscal year ended March 31, 2021 and 40.26% in and after the fourth quarter of the fiscal year ended March 31, 2022.

*⁴ In addition to the figures above, there is a consolidated adjustment of -3.4 billion yen in fiscal year ended March 31, 2020, -6.2 billion yen and -83.6 billion yen of impairment losses on goodwill to Lawson and its intangible assets in fiscal year ended March 31, 2021 and -3.3 billion yen in fiscal year ended March 31, 2022 to our equity in earnings due to adjustments of accounting differences, etc.

*⁵ The equity in earnings based on voting rights decreased from 61.99% to 50.12% in fiscal year ended March 31, 2022 2Q.

POWER SOLUTION GROUP

	Ownership (%)	2020/3	(Unit: billions of yen)	
			2021/3	2022/3
N.V. Eneco (Netherlands)* ¹	80.00	—	13.2	20.0
Diamond Generating Asia, Limited (Hong Kong)* ^{2, 3}	100.00	11.8	7.3	1.7
DIAMOND GENERATING CORPORATION (U.S.A.)	100.00	12.1	3.1	6.9
DIAMOND GENERATING EUROPE LIMITED (U.K.)	100.00	6.8	6.2	28.8
DIAMOND TRANSMISSION CORPORATION (U.K.)* ⁴	100.00	8.3	7.8	(1.4)
Mitsubishi Corporation Energy Solutions Ltd. (Japan)* ⁵	100.00	4.2	13.8	15.6

*¹ On June 29, 2021, N.V. Eneco Beheer merged with Eneco Groep N.V. and changed its company name to N.V. Eneco. As a result of the DD&A on the assets measured at the fair value when acquiring Eneco Group and other adjustments, -7.0 and -2.0 billion yen of losses were recognized in fiscal year ended March 31, 2021 and fiscal year ended March 31, 2022 respectively through the consolidation process besides the numbers above. Our net earnings in equity after the consolidation adjustment includes Dutch/UK tax reform. (fiscal year ended March 31, 2021: Dutch -4.9 billion yen/ fiscal year ended March 31, 2022: UK -0.7/Dutch -1.2 billion yen)

*² The corresponding figure is the total of 11 companies, including companies which are administrated by Diamond Generating Asia, Limited.

*³ Tax costs of the parent company are included.

*⁴ The number for fiscal year ended March 31, 2022 includes -0.8 billion yen due to the UK tax reform.

*⁵ The company changed its name from Mitsubishi Corporation Power Ltd. on April 1, 2021.

URBAN DEVELOPMENT GROUP

	Ownership (%)	2020/3	(Unit: billions of yen)	
			2021/3	2022/3
Diamond Realty Investments, Inc. (U.S.A.)	100.00	6.7	4.5	20.8
MC Diamond Realty Investment Philippines, Inc. (Philippines)	100.00	0.4	1.2	0.3
Diamond Realty Management Inc. (Japan)	100.00	1.7	1.7	1.4
MC Aviation Partners Inc. (Japan)	100.00	1.5	(2.5)	(13.4)
Mitsubishi HC Capital Inc. (Japan)* ¹	18.00	15.1	10.8	16.6
Mitsubishi Auto Leasing Holdings Corporation (Japan)	50.00	1.3	1.8	2.3
Mitsubishi Corp.-UBS Realty Inc. (Japan)	51.00	2.2	2.7	2.5
Mitsubishi Corporation Urban Development, Inc. (Japan)	100.00	9.1	9.7	5.2
Fund related business companies in total* ^{2, 3}	—	6.8	9.0	17.3

*¹ Equity in Earnings are based on the results of Mitsubishi UFJ Lease & Finance Company Ltd. in fiscal year ended March 31, 2021 4Q, and are based on the results of Mitsubishi UFJ Lease & Finance Company Ltd. (January to March) plus the results of Mitsubishi HC Capital Inc. (April to December) in fiscal year ended March 31, 2022 4Q.

*² Tax costs of the parent company are included.

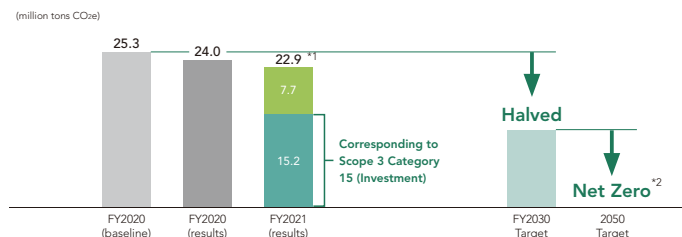
*³ From the disclosure of fiscal year ended March 31, 2021, the scope of this category is partially changed. The figure of fiscal year ended March 31, 2020 is also restated retroactively.

ESG Data

Environmental Data

MC announced a new greenhouse gas (GHG) reduction target for the fiscal year ended March 31, 2022, which includes emissions from affiliated companies, which are also highly important to the company's revenue base.

In accordance with this new target, major environmental data from the fiscal year ended March 31, 2022, are being calculated based on the equity share approach, which includes the GHG emissions of affiliated companies. (Figures up to the fiscal year ended March 31, 2021 are based on the previous control approach, which includes the MC and subsidiary companies. To compare with other companies that use the control approach, consolidated GHG emissions are also included based on Scope 1 and 2 (for MC and subsidiaries) and Scope 3 Category 15 (investment) (for affiliated companies).)*1, *2, *3



Environmental Performance (consolidated)

	3/2020	3/2021	Ref. 3/2021	3/2022	Ref. 3/2022
Calculation approach (location/market-based for Scope 2)	Control (Location)	Control (Location)	Equity (Market)	Equity (Market)	Control (Market)
GHG emissions (unit: thousand t-CO ₂ e)	9,437	9,185	24,016	22,852*	8,319
Scope 1 (including 6.5 gases)	6,884	6,774	21,829	21,046*	7,343
Scope 2	2,553	2,411	2,187	1,806*	975
Ref. Scope 3 (Category 15) (Unit: thousand t-CO ₂ e)	—	—	—	—	15,158
Energy consumption (unit: GJ)	106,075,971	103,990,961	—	310,173,320*	—
Electricity consumption (unit: MWh)	4,399,057	4,165,874	—	5,309,580*	—
GHG emissions per total assets (Unit: million t-CO ₂ e/trillion yen) ⁴	0.68	0.64	—	1.03	—

Period: Each fiscal year

Scope of aggregation:

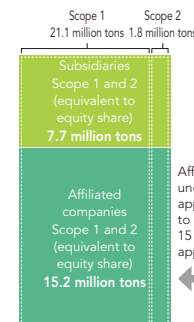
Control approach: MC, consolidated subsidiaries, and joint ventures

Equity share approach: MC, consolidated subsidiaries, affiliates, joint ventures, and joint operations

*1 The 22.9 million tons are Scope 1 and 2 emissions based on the equity share approach, and include amounts equivalent to our equity share of Scope 1 and 2 emissions of affiliated companies. Of the total, 7.7 million tons are Scope 1 and 2 emissions of subsidiaries and 15.2 million tons are Scope 1 and 2 emissions of affiliates. The 15.2 million tons of emissions of affiliates correspond to Scope 3 Category 15 (emissions from the operation of investments) when disclosure is made based on the control approach.

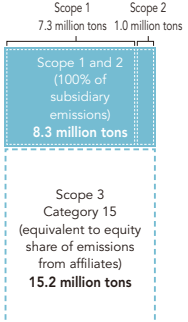
Equity share approach

22.9 million tons
Scope 1+2



Control approach

8.3 million tons
Scope 1+2



The Equity Share Approach and the Control Approach

The GHG Protocol is the international standard for calculating GHG emissions. There are two approaches: the control approach, which covers subsidiaries and calculates 100% of their emissions as the scope of financial or operational control, and the equity share approach, which covers all affiliated companies and calculates the equivalent of equity share in their emissions.

*2 For more information on GHG reduction targets, see p. 48.

Scope 1 Emissions (6.5 gases only)⁵

	3/2020	3/2021	3/2022
Total amount (Unit: thousand t-CO ₂ e)	878	848	2,096*
Carbon dioxide (CO ₂)	8	8	333*
Methane (CH ₄)	870	840	1,722*
Dinitrogen monoxide (N ₂ O)	0.3	0.4	40*
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 (non-consolidated)

	3/2020	3/2021	3/2022
GHG emissions (unit: thousand t-CO ₂ e)	11.1	9.3	3.4*
Energy consumption (unit: GJ)	207,159	177,178	175,679*
Electricity consumption (unit: MWh)	15,566	13,067	12,767*
CO ₂ emissions from logistics ⁶ (unit: thousand t-CO ₂)	40	26	24*
Paper consumption (unit: thousand sheets)	38,265	16,900	13,562*
Waste			
Emissions (unit: t)	506	411	431*
Recycling rate (unit: %)	98.5	98.9	98.6*
Water withdrawal (unit: thousand m ³)	38	25	27*

Period: Fiscal year (April 1 to March 31)

Scope of aggregation:

- GHG 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, Japan-based branches, offices, etc.
- Waste emissions and recycling rate, water withdrawal amount: Head Office and certain other offices in Tokyo

Emissions by Segment (Unit: thousand t-CO₂e)

	3/2020	3/2021	3/2022
Natural Gas Group	245	350	3,172
Industrial Materials Group	149	125	407
Petroleum & Chemicals Solution Group	165	123	1,222
Mineral Resources Group	2,872	2,782	3,201
Industrial Infrastructure Group	83	86	126
Automotive & Mobility Group	20	15	140
Food Industry Group	1,195	1,135	1,430
Consumer Industry Group	1,523	1,442	241
Power Solution Group	3,168	3,111	12,889
Urban Development Group	6	5	20
Corporate Staff Section	11	9	4

ESG data marked with an asterisk (★) for the fiscal year ended March 31, 2022 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd. For details, please see MC's website.

https://www.mitsubishicorp.com/ar2022/en/pdf/a_report2022_23.pdf



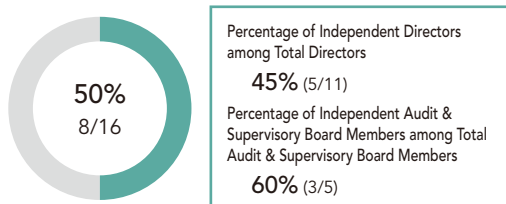
For more information on MC's ESG Data, please see our Sustainability Website.

<https://mitsubishicorp.disclosure.site/en>

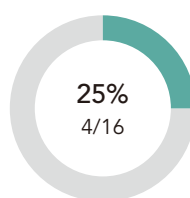


Governance Data

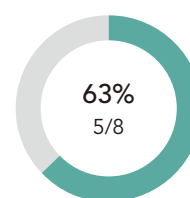
Percentage of Independent Members among Total Directors and Audit & Supervisory Board Members ^{*7} (Unit: %)



Percentage of Women among Total Directors and Audit & Supervisory Board Members ^{*7} (Unit: %)

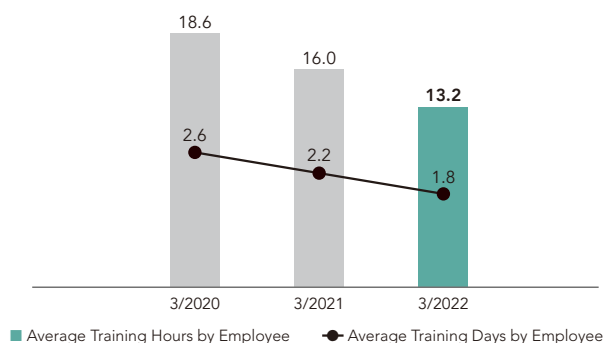


Percentage of Independent Directors among Governance, Nomination & Compensation Committee Members ^{*7} (Unit: %)



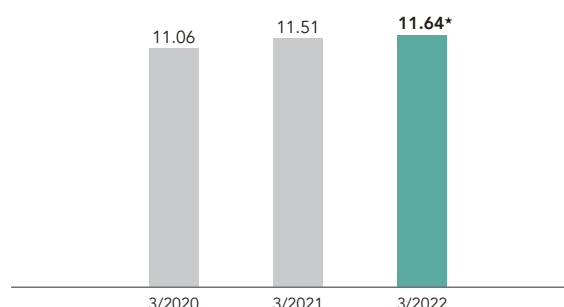
Social Data

Average Training Hours/Days by Employee ^{*8}



	3/2020	3/2021	3/2022
Total training hours (unit: hours)	110,000	92,000	74,000

Percentage of Women in Management Positions (non-consolidated) (Unit: %) ^{*9}



Employee Data (non-consolidated)

		3/2020	3/2021	3/2022
Number of employees (non-consolidated)	Male	4,356	4,241	4,141
	Female	1,526	1,484	1,430
	Total	5,882	5,725	5,571
Gender ratio in management positions (unit: %) ^{*10}	Male	88.94	88.49	88.36*
	Female	11.06	11.51	11.64*
Average years of service		18.4	18.4	18.5
Number of employees on overseas assignments (including global trainees) ^{*11}		1,174	1,074	1,045
Employment rate of persons with disabilities (unit: %) ^{*12}		2.90	2.53	2.45*
Number of employees who took maternity/paternity leave ^{*13}	Male	20	36	49
	Female	52	48	67
	Total	72	84	116
Number of employees who took family care leave ^{*13}	Male	0	1	0
	Female	1	0	0
	Total	1	1	0
Monthly average overtime hours (unit: hours/month) ^{*14}		25.1	27.2	30.4
Percentage of annual paid leave days taken (unit: %) ^{*15}		67	55	60
Level of employee satisfaction (unit: %) ^{*16}		76	—	—
Lost time injuries frequency rate ^{*17}	consolidated	5.61	4.16	3.26*
	non-consolidated	0.49	0.16	0.17*

^{*1} Effective from the fiscal year ended March 31, 2022, emissions from consolidated affiliates and joint operations were included in the calculations. Scope 1 and 2 include a portion of emissions of consolidated subsidiaries, affiliates, joint ventures, and joint operations on an equity share basis (the GHG Protocol's equity share approach).

^{*2} Effective from the fiscal year ended March 31, 2022, Scope 2 emissions were calculated on the GHG Protocol's market-based method. In addition, as a result of reviewing the range of each Scope in line with the GHG protocol, the emissions from franchises, previously included in Scope 1 and 2 emissions, are excluded.

^{*3} The following is used as the basis for calculation:

- Direct CO₂ emissions from fuel consumption: The Greenhouse Gas Protocol (GHG Protocol) "Emission Factors from Cross Sector Tools (Mar 2017)" (WRI/WBCSD)
- Greenhouse gas (6.5 gases) emissions other than energy-derived CO₂ associated with business activities: Greenhouse Gas Emissions Calculation and Reporting Manual (Ver 4.2) (July 2016, Ministry of the Environment and Ministry of Economy, Trade and Industry)
- Indirect CO₂ emissions from electricity consumption, etc.: Adjusted emission factor for each electric power company in Japan (revised in February 2022, Ministry of the Environment and Ministry of Economy, Trade and Industry) (Emission factors for electric power companies outside Japan are individually confirmed, if unavailable, emission factors by country for 2019 from IEA CO₂ Emissions from Fuel Combustion (2021 edition))

^{*4} Until the fiscal year ended March 31, 2021, MC had set a target to reduce GHG emissions per unit of total assets, and in the fiscal year ended March 31, 2022, this was replaced with a new target to reduce total emissions. The total assets used to calculate the basic unit differ from the total assets reported in MC's financial reports.

^{*5} 6.5 gas emissions are calculated targeting business activities that correspond to the main emission activities listed in the Greenhouse Gas Emission Calculation and Reporting Manual (Version 4.2) (July 2016, Ministry of the Environment and Ministry of Economy, Trade and Industry).

^{*6} In accordance with the Law Concerning the Rational Use of Energy (Energy Conservation Law), this covers items related to domestic transportation for which we are the shipper.

^{*7} Based on status as of July 1, 2022

^{*8} Average hours and days of training per employee are for training sponsored by the Head Office Global Human Resources Department only (excluding training for employees dispatched overseas).

One day is calculated as 7.25 hours of working time.

^{*9} As of April 1 of each calendar year

^{*10} As of April 1 of each calendar year

^{*11} 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.

^{*12} As of June 1 of each calendar year

^{*13} The number of employees who began taking this type of leave during each fiscal year

^{*14} Employees working at the Head Office and domestic branches (excluding managers, corporate advisers and contract employees)

^{*15} Employees working at the Head Office and domestic branches (excluding secondees from other companies)

^{*16} 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.

^{*17} 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 / Nationwide average at places of business: 2.09 (From 2021 survey on workplace accidents, Ministry of Health, Labour and Welfare of Japan)

Corporate Information (As of March 31, 2022)

Company Name	Mitsubishi Corporation (Securities code: 8058)
Date Established (Date Registered)	July 1, 1954 (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: 5,571 Consolidated: 80,728
Independent Auditors	Deloitte Touche Tohmatsu LLC
Number of Shareholders	351,134
Stock Listing	Tokyo
Transfer Agent for Shares and Special Accounts, Account Management Institution	Mitsubishi UFJ Trust and Banking Corporation
Contact Address	Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-1, Nikkocho, Fuchu, Tokyo, 183-0044, Japan Telephone: 0120-232-711 (within Japan)
Postal Contact Address	PO BOX 29 Shin Tokyo Post Office, Tokyo, 137-8081, Japan
Contact	Investor Relations Department, Mitsubishi Corporation 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8086, Japan Telephone: +81-3-3210-2121

Internet

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