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 Leveraging Connections

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
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.
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.


Website Information

Mitsubishi Corporation Integrated Report 2022 (Online Version)

Sustainability Information


Evaluation by sources outside the Company

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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 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.

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.

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 Shō Kōsha), based on the teachings of Koyata Iwasaki, the fourth president of Mitsubishi. We look to the Three Corporate Principles as the source of inspiration for our business activities and also for our initiatives to fulfill our responsibilities towards the global environment and society.

Corporate Responsibility to Society

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

Integrity and Fairness

“Shōkō Kenkyū”
Maintain principles of transparency and openness, conducting business with integrity and fairness.

Global Understanding through Business

“Mitsugō Rokubun”
Expand business, based on an all-encompassing global perspective.

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

The Three Corporate Principles

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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, we have established as our growth mechanism, we
Message from the President and CEO

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 company-wide 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.

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.

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, 2023, 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...
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 realizing long-term, challenging 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 or cross-industry 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 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 employees will share their thoughts and ideas. We will regularly conduct monitoring through “Value-Added Cyclical Growth Reviews” to enhance the effectiveness of these investments.

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 the 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 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 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.

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.

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 be 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.

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.

Message from the President and CEO
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

Creating MC Shared Value

Quantitative Targets

Steady Growth of Earnings Independent of Market Factors

Consolidated Net Income (Billion Yen)

12 13

2022 FY2023 FY2024

3.2% 3.2% 3.2%

Shareholder Returns

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

Dividend per Share (Yen)

Fiscal Year 2019

FY2019 FY2020 FY2021

132 134 150

Cash Flow (CF) / Capital Allocation

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

Cash In (Approx. 4.5 Trillion Yen over 3 Years)

Underlying Operating CF 3 Trillion Yen

Approx. 1 Trillion Yen Annually Steady Generation of Cash

Maintain Financial Discipline (High Single-A Credit Rating)

Investing in Internal Initiatives

CF from Divestments 1.5 Trillion Yen

Increasing Enterprise Value

Investments 3 Trillion Yen

Shareholder Returns More Than 700 Billion Yen

Maintaining/Expanding Our Earnings Base

Investing in EX Initiatives

Investment/Shareholder Returns (Allocated in Accordance with CF Fluctuations)
Investment Plan / Business Portfolio

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

Investment Plan (FY2022-FY2024)

- **Major Investment Targets of Midterm Corporate Strategy 2024**
  - EX-related: Approx. 1.2 trillion yen
  - DX/Growth-related Investment: Approx. 0.8 trillion yen

 specialties:

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

**EX Resources**
- Access to Seeds Limited by Scarcity/Region
- Grasp the Needs of Diverse Industries/Clients

**EX Materials**
- Green Seeds
- Carbon Neutral Materials for Continuation/Other USE

**EX Products**
- Next-Generation Energy (Hydrogen/Ammonia, Biomass, etc.)
- Next-Generation Energy (Hydrogen/Ammonia, Biomass, etc.)

**EX Services**
- Investments
- Target Setting
- Emission Reductions
- Carbon Offsets
- Stakeholder Engagement

**Innovation**
- Supporting the Deployment of New Technologies

**Company-Wide Development/Implementation Strategies by the EX Task Force**
- Competitiveness/Development Capabilities
- Pattern Industry Expertise
- Broader Marketing

DX Strategy

- **DX**
  - Promote low/zero carbon initiatives across the energy sector by connecting seeds (solutions) with needs related to EX.
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**EX Strategy**

- **DX Strategy**
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**Midterm Corporate Strategy 2024**

### Business Management Systems

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

- **Group Net Income/CF**
  - Strengthen monitoring of Business Group net income that is independent of market factors in an environment where we experience significant commodity price fluctuations.
  - Expand monitoring of underlying operating CF for each Business Group.

- **Group ROE**
  - Achieve company-wide ROE targets by linking ROE and the investment/asset replacement plans of Business Groups.
  - Achieve improvements in market and long-term profitability by securing capital gains and replacing low-yield businesses.

- **Asset Replacement Plans**
  - Promote Value-Added Cyclical Growth by assigning asset replacement targets to the Business Groups.

- **CF Management System**
  - Use cash generated by the Business Groups to provide stable dividend/dividend and drive business portfolio transformation.
  - Build a system through which the Business Groups can independently carry out investment and asset replacement.

**Quantitative Targets**

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<tr>
<th>FY2022</th>
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<td>Progress Review Meeting</td>
<td>Progress Review Meeting</td>
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**Appropriations**

- Promote improvements in Capital Efficiency through Monitoring of Business Group ROE/Asset Replacement Plans

### Organization

- 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.

**Potential Growth**

- **Quantitative Targets**
  - Policies: System Operation
  - • Expand monitoring of underlying operating CF for each Business Group.

- **Policies**
  - • Strengthen monitoring of Business Group net income that is independent of market factors in an environment where we experience significant commodity price fluctuations.

### Business Management System: Value-Added Cyclical Growth Model

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.

**Value-Added Cyclical Growth Model**

- **Growth Potential**
  - High

- **Growth Drivers**
  - Increase value

- **Core Businesses**
  - Strengthen/Expand

- **Re-Investment of Managerial Resources**
  - Transition to Self-Sustaining Businesses

- **New Seeds of Growth**
  - Replace/Divest

- **Earnings Potential**
  - Low

### Optimizing Collective Capabilities Through Cross-Organizational Initiatives

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.

**Global Network**

- Offices in Japan Overseas Offices/Subsidiaries

**Corporate Staff Section**

- IT Service, Corporate Communications, Global Human Resources, Corporate Sustainability & CSR, Corporate Administration, Legal

**Global Strategy & Coordination**

- Business Management, Corporate Accounting, Finance, Structured Finance, M&A Advisory, Investor Relations

**Global Intelligence via MC’s Worldwide Network**

- Broad Engagement with Wide-Ranging Industries

**Societal issues**

- Low/Zero Carbon Initiatives

- Supply Chain Optimization
- A, Natural Resources, Location Data, Logistics Overview, Physical Settlements

- Regional Community Revitalization
- Map*, Decentralized Power, Urban Operating Systems, Smart Buildings, Enrich, Digital Marketing

- Circular Economy

- New Technology Innovation
- Blockchain

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*Mitsubishi Corporation*
Management Framework for Optimizing Collective Capabilities

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.

A Company-Wide Management Meeting
Focused on Value Optimization
Through Business Group Strengthening/
Inter-Group Coordination

Management Strategy Meeting
Discussion of Key Issues Related to the Business Portfolio

Business Strategy Committee
Discussion of Business Group Strategies
(Confirming Investment/HR Plans)

MC CSV Forum
Discussion and Development of Cross-Industry
and Company-wide Strategies

- EXID, Inter-Group Business Creation,
Targeting New Technologies/Unknown Areas
- Discussion of Changes in Economic Climate and Other
Themes to Be Swiftly Addressed on a Company-Wide Basis

GI Committee
Enhancing Timely Integration of Global Intelligence
into Corporate Management

- Analyses of Geopolitics, Economic Conditions, Policy Trends,
Partnership Strategies, Low/Zero Carbon, Technology/Innovation, etc.
- Analyses of Scenarios Impacting Our Business Portfolio

Optimizing the Value of Human Capital

- 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.

Strategic HR Assignments/Appointments
- Promote the placement of the right people in the right position, with all employees demonstrating their capabilities in line with management strategies.
- Strengthen Adaptable to Changes in the Business Environment
- readily react to changes in the business environment and strengthen D&I capabilities.
- Promote regional experts.

Create a Vibrant Organization

Talent Management That Leverages Individuality
- Expand positions that promote career autonomy such as open placements and multiple internal assignments.

Support/Development: Executive and Outsiders
- Strengthen effectiveness evaluations and disclosure through collection, analysis, and surveying of human capital-related data.

Strategic Engagement
- Foster a Corporate Culture That Cultivates Diversity
- Cultivate ties through likely communications that expand group companies and organizations.
- Promote diversity, equity & inclusion, and well-being.

Human Resources

Materiality

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

<table>
<thead>
<tr>
<th>Issues</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributing to Decarbonized Societies</td>
<td>Contribute to the realization of decarbonized societies by restraining greenhouse gas (GHG) emissions, while providing products and services that support decarbonization during the transition period.</td>
</tr>
<tr>
<td>Conserving and Effectively Utilizing Natural Capital</td>
<td>Recognize the Earth itself as our most important stakeholder, strive to maintain biodiversity and conserve natural capital, and work to create circular economies while reducing our environmental footprint.</td>
</tr>
<tr>
<td>Promoting Stable, Sustainable Societies and Livelihoods</td>
<td>Promote sustainable societies and lifestyles of the future through businesses in diverse regions 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.</td>
</tr>
<tr>
<td>Utilizing Innovation to Address Societal Needs</td>
<td>Create businesses that help to address societal needs while working to spur major industry reforms that are supported by business innovation.</td>
</tr>
<tr>
<td>Addressing Regional Issues and Growing Together with Local Communities</td>
<td>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.</td>
</tr>
<tr>
<td>Respecting Human Rights in Our Business Operations</td>
<td>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.</td>
</tr>
<tr>
<td>Strengthening Visible Workplaces That Maximize the Potential of a Diverse Workforce</td>
<td>Recognize 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 through 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.</td>
</tr>
<tr>
<td>Realizing a Highly Transparent and Flexible Organization</td>
<td>While swiftly responding to changes in the business environment, strive to realize effective governance on a global, connected basis and maintain/strive for a responsible organization transparent and flexible.</td>
</tr>
</tbody>
</table>

Initiatives Related to MC’s “Roadmap to a Carbon Neutral Society”

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).

MC Climate Taxonomy

- Classify businesses that face significant climate-related transition risks/opportunities as either “Green” or “Transform.”

Mechanisms Guiding Efforts

- 1.5°C Scenario Analysis
  Conduct an analysis of transition risks and opportunities based on 1.5°C scenario.

- Transform Discussion
  Monitor the effects of transition risks on businesses at the management level every year, targeting those classified as Transform businesses, which are selected based on criteria such as the amount of Category 11* emissions, which account for the majority of MC’s Scope 3 emissions.

- Investment Planning in Accordance with GHG Reduction Plans
  Adopt a new process of confirming short- and mid-term GHG reduction plans when formulating investment plans.

- Evaluation of New Investment Using Assumptions Under Decarbonization Scenario
  Refer to profit margin index (internal carbon pricing, etc.) using key assumptions under decarbonization scenarios.

* Scope 3 Category 11: GHG emissions from the use of solid products.
Creating a New Future (Fostering New Industries/Regional Revitalization)

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.

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

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.

Concept Diagram

<table>
<thead>
<tr>
<th>Status</th>
<th>Detailed examples of building national and regional supply chains</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development</td>
<td>Procurement of facility and parts (assembly of nacelles, generators, transmission lines, transformers, etc.), construction, construction equipment, onshore and marine transportation</td>
</tr>
<tr>
<td>Construction</td>
<td>Safety inspections, operation and maintenance of the offshore wind power generation facility, operation and arrangement of vessels (Crest Transfer Vessel), procurement of parts, operation of warehouses, etc.</td>
</tr>
<tr>
<td>Operation and maintenance</td>
<td></td>
</tr>
</tbody>
</table>

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

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.

Key Areas

4 key areas

Currently, the key areas for BEC are (1) clean hydrogen, (2) long-duration energy storage, (3) sustainable aviation fuels and (4) direct air capture. In the future, we envisage that the scope will expand to include other technologies important for the promotion of decarbonization. MC also considers these technologies vital to its own EX Strategy and Roadmap to a Carbon Neutral Society.

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

Fast paced social implementation through collaboration with partners

Decarbonization is an urgent issue that requires fast-paced initiatives on a global scale. To this end, MC believes it is important not only to develop completely new decarbonization technologies, but also to innovate at the scale-up stage, moving technologies that have already completed R&D to implementation as quickly as possible.

In order to realize a carbon neutral society, MC is already promoting the development of EX-related businesses such as next-generation energy. In order to complement and further accelerate these initiatives, MC made the decision to participate in BEC, which is working to scale up innovative decarbonization technologies through public-private partnerships.

In our role as the first Asian anchor partner to participate in BEC, we hope to actively contribute to the development of core decarbonization technologies supported through BEC in Asia, leading to the creation of businesses at scale.
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

By facing industry issues and societal challenges in earnest and resolving problems by fusing both physical and digital solutions, we hope to contribute to the development of all industries and the realization of a vibrant future rooted in local communities. By developing cross-industry DX functions that leverage our broad business knowledge and then providing them as services, we will help to improve the value of industries themselves. Toward this end, we aim to improve the productivity of industry and society as a whole and create sustainable value by building a “cross-industry digital ecosystem” in which industries, companies, local communities and others can organically connect and coexist. We will shape the future with digital by capitalizing on our comprehensive capabilities.

Conclusion of partnership agreement on regional development with Kurashiki City

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

MC and Kurashiki City partnership agreement on regional development

The authorities in Kurashiki City have been promoting a local development plan that seeks to enhance the municipality’s functions in ways that will benefit both its residents and the natural environment, resulting in quality of life that is sustainable 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 revitalize 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

Specifics of Joint Research Initiative Between MC and Kurashiki City

Inextricably linking our rich natural environment, history and culture with next generation human connections

Takuyo Hirakuri
CDO (Concurrently) Head of Industry DX Group

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 need 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.

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.

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.

Service Industry DX Department

- Utilizing DX to develop B2C service businesses

Leveraging touch points with local governments and residents, our 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.

Financial Targets & Capital Policy

In the fiscal year ended March 31, 2022, consolidated net income totaled ¥373.5 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 benefitting 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 prior decline in MC’s financial results for the fiscal year ended March 31, 2020. Restructuring within the operating environment undertaken during the fiscal year ended March 31, 2022, accelerated the execution of the EX/DX 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 weaker financial results due to the pandemic. In response, many in the market have praised MC’s ability to provide stable shareholder returns.

Divestment and recovery

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 weaker financial results due to the pandemic. In response, many in the market have praised MC’s ability to provide stable shareholder returns.

Investment leverage ratio

The investment and loan leverage ratio is a key indicator of financial soundness. When the ratio is within the appropriate range of 40% to 50%, it indicates that the company has a strong financial position and can effectively manage its debt obligations. In contrast, a ratio that exceeds 50% may indicate that the company is taking on too much debt, which could lead to financial instability.

MC’s investment and loan leverage ratio is currently at 41%, which is within the appropriate range of 40% to 50%. This indicates that MC has a strong financial position and can effectively manage its debt obligations. Additionally, the ratio has decreased compared to the initial plan of 50%, which shows that MC has successfully managed its debt obligations.

Dividend per share

The dividend per share is another key indicator of financial performance. It is calculated by dividing the total dividends paid out to shareholders by the number of shares outstanding. A higher dividend per share indicates that the company is able to generate sufficient revenue to distribute dividends to shareholders.

MC has maintained a stable dividend policy, with the dividend per share remaining consistent at ¥1.50 throughout the fiscal years 2019 to 2022. This indicates that MC is able to generate sufficient revenue to distribute dividends to shareholders.

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 create a new future through integrated EX/DX initiatives; and (3) create a new future through integrated EX/DX initiatives.

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 in 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.

HR System Reforms

In April 2019, MC revised its HR System to center on: 1) ensuring that employees gain the right experience to be management professionals; 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 revisions to evaluation and compensation systems to realize more appropriate management professionals. Revisions to evaluation and compensation systems to realize more appropriate management professionals, and the appointment of personnel companywide through cross-disciplinary assignments and companywide task forces.
The Value Creation Story

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.
Path of Value Creation

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

Trading Phase

From its founding until the 1980s, MC was primarily involved in the trading and distribution business. The Company supported a wide range of industries by serving as an intermediary, connecting suppliers and buyers across international borders in order to respond to market changes and customer needs. Given the underlying expansion of trading volumes for numerous industries throughout Japan’s period of rapid economic growth up to the 1980s, MC, with trading commissions as its primary revenue source, saw its financial performance steadily improve.

Trading Evolution Phase

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

Business Model Transformation Phase (Acceleration of Business Investment)

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

Business Management Phase

After launching Midterm Corporate Strategy 2018, MC has sought further growth in “business management” model, in which it has deeply entered into investors’ 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.

Major Events

1870 Original Mitsubishi organization founded
1954 New MC founded (historic re-merge)
1970 MC becomes Japan’s first trading company to take part in oilfield wholesale
1974 MC signs construction contract for the international airport at Mombasa, Kenya

1989 MC acquires Prince Limited, a UK-based food and drink company
1992 MC establishes Metalor de Oriente, METOR, S.A. (METOR), a methanol manufacturing and sales company in Venezuela

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 Lawon, Inc. becomes a subsidiary
2020 Eneco becomes a subsidiary
2021 MC establishes Industry One, Inc., a new DX joint venture, with NTT
2024 MC establishes Chubu Electric Power Miraiz Co., Inc., a joint venture, with Chubu Electric Power Miraiz Co., Inc.
2017 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
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.

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.

The Six Capitals (Inputs)
- Financial Capital
- Human Capital
- External Capital
  - Foundation for Societal Trust
- Social Capital
  - Environmental and Natural Capital
- Intellectually Generated Capital
  - Business Assets
  - Intelligence and Industry Expertise

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.

The Value Creation Story

The Continuous Creation of MCSV

Value Creation Process

Materiality related to social challenges
- Contributing to Decarbonized Societies
- Utilizing Innovation to Address Societal Needs
- Conserving and Effectively Utilizing Natural Capital
- Addressing Regional Issues and Growing Together with Local Communities
- Conserving and Sustainable Societies and Lifestyles
- Respecting Human Rights in Our Business Operations
- Creating MCSV
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**
  - 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.

- **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.

- **Financial Capital**
  - **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%

- **Business Assets**
  - **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 1.5 million kW as of the end of March 2022.
The Six Capitals

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.

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.

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 we 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.

- **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.
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.

Creating MC Shared Value
Maximizing the value of human capital
## HR Strategy

With the aim of implementing an HR strategy that responds promptly to management strategies, we will respond to 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 Value-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.

- **Strategic HR Assignments/Appointments**
  - **Assignment/Appointment of human resources from various groups across the company.**
  - **Industry DX Group:** approx. 150 people
  - **EX Task Force:** approx. 60 people (including concurrent postings as of July 2022)

In order to further ensure the placement of the right people in the right positions, we will promote the visualization of human resources who are capable for such roles (or positions). 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.

### Duties

<table>
<thead>
<tr>
<th>Duties with high importance</th>
<th>Number of interviews: approx. 200 people/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilization of references obtained from visualization for effective self reflection</td>
<td>Approx. 100 people/year</td>
</tr>
<tr>
<td>Identification of management job grades based on quantitative and qualitative information of each duty</td>
<td>Approx. 700 posts</td>
</tr>
<tr>
<td>Regular monitoring of management job grades determination and distribution status</td>
<td>Monitoring of management job grades and distribution status</td>
</tr>
</tbody>
</table>

### Talent

- **Visualization of experiences and characteristics through interviews:**
  - Approx. 130 people/year

### Regional Experts

- **Europe**
  - 27 locations
  - 251 companies
  - 165 employees
- **Middle East**
  - 13 locations
  - 8 companies
  - 36 employees
- **East Asia**
  - 24 locations
  - 160 companies
  - 411 employees
- **Latin America & the Caribbean**
  - 14 locations
  - 43 companies
  - 294 employees
- **Europe**
  - 14 locations
  - 43 companies
  - 294 employees

### MC Leadership Program

- **Training for newly promoted managers**
  - 10 managers
- **Program for newly appointed Leaders across four sessions**
  - Approx. 140 people

### Instructor Training

- **Program for newly appointed Leaders across four sessions**
  - Approx. 140 people
- **Instructor Training**
  - Approx. 30 people

### MC Executives* Program

- **Program for newly appointed Leaders across four sessions**
  - Approx. 1,200 people
- **MC Executives* Program**
  - Present the vision and lead with gain empathy

### 360-degree management review

- **360-degree management review**
  - approx. 1,200 people

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

- **Total number of companies**
  - 616 companies
- **Head Office**
  - 220 persons
- **General Managers/Group Company Section Heads**
  - 105 persons
- **MC Executives* Program**
  - 105 persons
- **General Managers**
  - 140 persons

### Regional Distribution

- **Head Office**
  - 40% (Executive COOs and General Managers, etc.)
- **Offices**
  - 10% (Branch General Managers, etc.)
- **Seconded to Group companies**
  - 50% (EXD, COO, etc.)

*Includes EXP and COO.

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**Notes:**

- 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.
- In this regard, we will broaden selection of human resources who are highly knowledgeable of each country and region, and possess qualities such as language skills and adaptability work experience from within the company and appoint them to required posts, such as heads of local offices and organizations, in order to strengthen regional intelligence.

---

**Legend:**

- **Total number of companies**
- **Consolidated subsidiaries**
- **Number of employees seconded from Head Office to overseas location**

---

*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.

DEI

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 childcare. 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), we are working toward the establishment of a company-wide childcare system that encourages employees to take child-rearing leave and maximize their abilities.

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.

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 professional growth and career development.

Feedback Supporting Growth

Prior to Growth Dialogues, employees who lead certain organizations undergo a 360-degree management review and are expanding our efforts to support career autonomy, 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.
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 act on 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 Initiatives**
  Seeing EX as an opportunity to develop and nurture new and core businesses in a new era.

- **Defensive EX Initiatives**
  Identifying short-, medium- and long-term risks and costs related to climate change and strengthening business resilience.

- **Integrated EX and DX Initiatives**
  Using industrial transformation while utilizing DX to accurately identify changes in the external environment.

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 connecting 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.

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 IIT 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.

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 context 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.

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 to vary 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.

DX Talent Type

- **Main Roles**
  - **Leaders**
    - Leads development of a digital business concept and driving the overall DX project.
  - **DX Enabler**
    - Supports DX-related initiatives with DX know-how.
  - **DX Enabler+ Outsourcing Experts**
    - Collaborates closely rooted in the community while working to improve the value of Industry One toward the realization of industry DX promotion.

![Image of Industry One team members](image)

Diffusion of Dexter (DX) is a business that connects with in-house experts, we aim for this platform to serve as a stepping stone for the creation of new businesses. Organic growth and nurturing new and core businesses in a new era.

![Image of DX initiatives](image)
Materiality

We will promote initiatives based on our Materiality (material issues) when investing the Six Capitals into business and generating shared value through our business.

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 these, the corporation continues to generate 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

1. Creating a list of potential issues

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

2. Geaging the importance of each issue based on internal and external perspectives

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

3. Identifying the Key Sustainability Issues

   MC reassessed the selected priority issues while incorporating the views of the Sustainability Advisory Committee. Following deliberations by the Executive Committee and the Board of Directors, the Key Sustainability Issues were determined.

4. Redefining Materiality

   In conjunction with the establishment of Midterm Corporate Strategy 2024, we redefined our former "Key Sustainability Issues" as "Materiality".

   - In order to strengthen our efforts to address societal issues which have become increasingly important in recent years such as "human rights," "social issues," "climate and environmental issues," "human capital and ESG (human capital, environment and inclusiveness)," and "growth," we updated and revised the former "Key Sustainability Issues" as our new "Materiality." With the aim that all employees will work together to address the eight material issues, we have divided them into the categories of "Pursued through Business" and "Pursued by the Organization as a whole," which describes the overarching concepts of "Realizing a Carbon-Neutral Society and Striving to Enrich Society, Both Materially and Spiritually" and "Striving to Serve as a Platform for Generating Triple-Value Growth" respectively.

   - Through interviews and questionnaires with a variety of stakeholder groups, MC determined each issue’s degree of importance to stakeholders.

   - Corporate Staff Section and every Business Group evaluated and prioritized each theme to determine its importance to MC.

   - MC compiled a list of external stakeholders.

   - Based on the perspectives of MC, 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.

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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 poses 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. 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 at 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.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions (million tons CO2e)</td>
<td>25.3</td>
<td>24.0</td>
<td>22.7</td>
<td>19.2</td>
<td>18.3</td>
<td>16.0</td>
</tr>
</tbody>
</table>

*3 The figure on the left represents the Scope 1 and Scope 2 emissions of MC and its consolidated companies, excluding affiliates based on the S&P 500’s equity share approach. Furthermore, these figures 0.01% or less include emissions from thermal power generation activities (excluding power purchases, which are considered Scope 3 emissions) and non-combustion process emissions in power generation activities. The figure on the right presents the emission intensity (Scope 1 and Scope 2 emissions divided by net sales), which is used in the S&P 500’s equity share approach.

*2 The figure, 7.7 million tons CO2e, represents the Scope 1 and Scope 2 emissions (Scope 3 emissions not included) of MC and its subsidiaries under the GHG Protocol for the fiscal year ended March 31, 2020.

*1 The scope of calculation (Scope 1 and Scope 2 emissions) is based on the GHG Protocol’s equity share approach. It includes emission intensity from non-operational scopes of the company’s Scope 1 and Scope 2 emissions.

- 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 (Investment 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 disclosures, we believe emissions should be calculated in a 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

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.

- 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.

MC climate taxonomy

1.5°C / 2°C scenario analysis

Our climate change-related scenario analysis framework is based on the 1.5°C and 2°C scenarios published by the Intergovernmental Panel on Climate Change (IPCC). The framework is designed to align with the Paris Agreement and the Sustainable Development Goals (SDGs).

1.5°C scenario analysis focuses on the following areas to assess the impact of climate change on businesses:

- Impact on profitability and financial performance
- Impact on operational and supply chain risks
- Impact on operational strategies and business models
- Impact on market and customer behavior
- Impact on regulatory and policy changes

2°C scenario analysis focuses on the following areas to assess the impact of climate change on businesses:

- Impact on profitability and financial performance
- Impact on operational and supply chain risks
- Impact on operational strategies and business models
- Impact on market and customer behavior
- Impact on regulatory and policy changes
- Impact on technological developments and innovation

The 1.5°C scenario analysis is conducted in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The 2°C scenario analysis is conducted in accordance with the recommendations of the Intergovernmental Panel on Climate Change (IPCC).

- Evaluation of new investments using assumptions under decarbonization scenarios

A series of policy processes and disclosure of analysis results

More strategic and effective external disclosure with stakeholders in mind is considered.

Evaluation of new investments using assumptions under decarbonization scenarios

- Refer to profit margins indices (internal carbon pricing, etc.) using key assumptions under decarbonization scenarios.

- The evaluation of new investments is conducted by considering the following factors:
  - Impact on profitability and financial performance
  - Impact on operational and supply chain risks
  - Impact on operational strategies and business models
  - Impact on market and customer behavior
  - Impact on regulatory and policy changes
  - Impact on technological developments and innovation

- Incorporation into business strategies

Transform discussions / business strategy meetings

With regard to “Transform” businesses, factors that could affect the direction of businesses are discussed in Transform Discussions, and the Business Strategy Meetings are held based on these discussions. Investment plans based on GHG reduction targets are also discussed at the Business Strategy Meetings.
**Strategies**

Process for Determining Projects to be Monitored

In addition to 2°C scenarios and opportunities, 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.

![Selecting Climate Scenarios](https://mitsubishicorp.disclosure.site/en/themes/113#915)

**Phase 1**

- **Identifying Business Scenarios**
  - As a result of Step 2, we identified businesses with a high impact from both opportunity and risk perspectives as businesses to be monitored.

**Phase 2**

- **Determining Businesses to be Monitored**
  - Such businesses for the fiscal year ended March 31, 2022 are as follows.

**Phase 3**

- **Identifying Risks and Opportunities**
  - Using the scenarios from Step 1, for the identified businesses, we evaluated the impact on demand and earnings from both opportunity and risk perspectives (scenario analysis).

**Policies and Initiatives Based on Scenario Analysis**

The results of the scenario analysis for the major businesses selected for monitoring (risk/strategy) through the process detailed above are as follows.

- **Power Generation (Fossil Fuels)**
  - Generating business is a high-risk business, and as the electricity generated from fossil fuels is expected to decrease, the demand for natural gas for power generation is expected to increase.
  - Significant changes in the power generation business and power generation business will be made in the future.

- **Renewable Energy**
  - Although renewable energy is expected to decrease, we will continue to enhance physical risk mitigation in response to climate change forecasts.

**Metrics and Targets**

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

**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**

**Phase 0**

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

**Phase 1**

- **Screening**
  - Scoring the severity of each asset* to which each asset will be exposed by 2080 in order to identify high-risk assets that should be analyzed in detail.

**Phase 2**

- **Detailed Analysis**
  - Scoring the severity of each asset* to which each asset will be exposed by 2080 in order to identify high-risk assets that should be analyzed in detail.

**Phase 3**

- **Consideration of Future Adaptation Strategies**
  - Based on the analysis results, confirm current measures and future adaptation strategies for high-risk assets.

**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.

**Decarbonization Projects**

MC considers transitioning to a low-carbon society to be one of the key issues for management 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 (ET), 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 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.

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*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.

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 2019. 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 “MCOV” 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.
Message from the CAO (Chief Administrative Officer)

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.

Increasing Corporate Value

Materiality

Realizing a Carbon Neutral Society and Striving to Serve as a Platform for Generating Triple Value Growth

Increasing Social Capital

Circulation through engagement

MC's Primary Stakeholders

Customers/ Partners

Employees

Shareholders/ Investors

Governments/ Authorities

NGO

Local Communities

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, 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.

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.

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 personnel from various groups, and the 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.

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 GCED 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 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.

For more information on human capital, see p. 38-45.
Message from the CFO

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

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.
Message from the CFO

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 shorten 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 shareholder returns. 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

<table>
<thead>
<tr>
<th>Cash Flow (CF) and Capital Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash In</strong> (Approx. 4.5 Trillion Yen over 3 Years)</td>
</tr>
<tr>
<td>Underlying Operating CF 3 Trillion Yen</td>
</tr>
<tr>
<td>Investments 3 Trillion Yen</td>
</tr>
<tr>
<td>Maintaining/Expanding Our Earnings Base</td>
</tr>
<tr>
<td>Maintaining in EX Initiatives</td>
</tr>
<tr>
<td>Maintaining in DX/Growth Initiatives</td>
</tr>
<tr>
<td><strong>Cash Out</strong> (Approx. 4.5 Trillion Yen over 3 Years)</td>
</tr>
<tr>
<td>CF from Divestments 1.5 Trillion Yen</td>
</tr>
<tr>
<td>Shareholder Returns More Than 700 Billion Yen</td>
</tr>
<tr>
<td>Investment/Shareholder Returns (Allocated in Accordance with CF Fluctuations)</td>
</tr>
</tbody>
</table>

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

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

Business Groups at a Glance

Business Groups × Business Models

- Natural Gas Group
- Industrial Materials Group
- Petroleum & Chemicals Solution Group
- Mineral Resources Group

- Industrial Infrastructure Group
- Automotive & Mobility Group
- Food Industry Group
- Consumer Industry Group
- Power Solution Group
- Urban Development Group
## Business Groups at a Glance (Fiscal year ended March 31, 2022)

### Business Groups

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

### Net Income (loss)*

<table>
<thead>
<tr>
<th>Business Groups</th>
<th>Fiscal year ended March 31, 2020</th>
<th>Fiscal year ended March 31, 2021</th>
<th>Fiscal year ended March 31, 2022</th>
<th>Forecast as of May 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas Group</td>
<td>70.3</td>
<td>21.2</td>
<td>105.1</td>
<td>120.0</td>
</tr>
<tr>
<td>Industrial Materials Group</td>
<td>26.1</td>
<td>4.7</td>
<td>36.8</td>
<td>33.0</td>
</tr>
<tr>
<td>Petroleum &amp; Chemicals Solution Group</td>
<td>(12.0)</td>
<td>26.2</td>
<td>40.3</td>
<td>41.0</td>
</tr>
<tr>
<td>Mineral Resources Group</td>
<td>212.3</td>
<td>78.1</td>
<td>420.7</td>
<td>331.0</td>
</tr>
<tr>
<td>Industrial Infrastructure Group</td>
<td>41.4</td>
<td>21.2</td>
<td>17.3</td>
<td>25.0</td>
</tr>
<tr>
<td>Automotive &amp; Mobility Group</td>
<td>19.6</td>
<td>(28.1)</td>
<td>106.8</td>
<td>98.0</td>
</tr>
<tr>
<td>Food Industry Group</td>
<td>53.2</td>
<td>39.4</td>
<td>79.3</td>
<td>63.0</td>
</tr>
<tr>
<td>Consumer Industry Group</td>
<td>22.7</td>
<td>(7.2)</td>
<td>21.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Power Solution Group</td>
<td>51.5</td>
<td>42.3</td>
<td>50.5</td>
<td>34.0</td>
</tr>
<tr>
<td>Urban Development Group</td>
<td>34.3</td>
<td>25.4</td>
<td>40.0</td>
<td>120.0</td>
</tr>
<tr>
<td>Other, Adjustments and Limitations</td>
<td>16.0</td>
<td>15.4</td>
<td>19.7</td>
<td>(37.0)</td>
</tr>
</tbody>
</table>

#### Total

<table>
<thead>
<tr>
<th>(Unit: billions of yen)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year ended March 31, 2020</td>
<td>70.3</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2021</td>
<td>21.2</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2022</td>
<td>105.1</td>
</tr>
<tr>
<td>Forecast as of May 2022</td>
<td>120.0</td>
</tr>
</tbody>
</table>

### Total Assets (Fiscal year ended March 31, 2022)

- Natural Gas Group: 2,016.0 billion
- Industrial Materials Group: 1,355.0 billion
- Petroleum & Chemicals Solution Group: 1,243.0 billion
- Mineral Resources Group: 4,554.7 billion
- Industrial Infrastructure Group: 1,129.9 billion
- Automotive & Mobility Group: 1,064.8 billion
- Food Industry Group: 79.3 billion
- Consumer Industry Group: 21.0 billion
- Power Solution Group: 50.5 billion
- Urban Development Group: 40.0 billion
- Other, Adjustments and Limitations: 19.7 billion

### Fiscal year ended March 31, 2022

#### Net Income*

- Natural Gas Group: ¥105.1 billion
- Industrial Materials Group: ¥36.8 billion
- Petroleum & Chemicals Solution Group: ¥40.3 billion
- Mineral Resources Group: ¥420.7 billion
- Industrial Infrastructure Group: ¥17.3 billion
- Automotive & Mobility Group: ¥106.8 billion
- Food Industry Group: ¥79.3 billion
- Consumer Industry Group: ¥21.0 billion
- Power Solution Group: ¥50.5 billion
- Urban Development Group: ¥40.0 billion
- Other, Adjustments and Limitations: ¥19.7 billion

#### Total Assets

- Natural Gas Group: ¥2,016.0 billion
- Industrial Materials Group: ¥1,355.0 billion
- Petroleum & Chemicals Solution Group: ¥1,243.0 billion
- Mineral Resources Group: ¥4,554.7 billion
- Industrial Infrastructure Group: ¥1,129.9 billion
- Automotive & Mobility Group: ¥1,699.3 billion
- Food Industry Group: ¥1,968.6 billion
- Consumer Industry Group: ¥3,930.3 billion
- Power Solution Group: ¥2,450.1 billion
- Urban Development Group: ¥1,136.2 billion
- Other, Adjustments and Limitations: ¥228.9 billion

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

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[Value Creation by the Business Groups]

- Value Creation Process

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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.

**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

- **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.

**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.
INDUSTRIAL MATERIALS GROUP

Our Vision

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.

Group Strengths and Strategy

- 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

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.

Materiality (Material Issues)

Related Material Issues

- Contributing to Decarbonized Societies
- Promoting Stable, Sustainable Societies and Lifestyles

Group Strengths and Strategy

- Summary of Midterm Corporate Strategy 2021
- Strategies Under Midterm Corporate Strategy 2024
- Forecast for Future Growth

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 logistics and sales network that extends from the mines to the demand areas.

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.
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.

**Our Vision**

Osamu Takeuchi
Executive Vice President
Petroleum & Chemicals Solution Group

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 businesses such as fuel ammonia and next-generation energy businesses, 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.

**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**

<table>
<thead>
<tr>
<th>Year</th>
<th>PE (unit: million metric tons)</th>
<th>MEG (unit: million metric tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>117</td>
<td>122</td>
</tr>
<tr>
<td>2021</td>
<td>112</td>
<td>122</td>
</tr>
<tr>
<td>2023</td>
<td>122</td>
<td>122</td>
</tr>
<tr>
<td>2025</td>
<td>131</td>
<td>131</td>
</tr>
</tbody>
</table>

Source: IHS (methanol) Source: Fertecon (IHS) (excluding fuel ammonia)

**World-wide demand for methanol**

<table>
<thead>
<tr>
<th>Year</th>
<th>(unit: million metric tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>85</td>
</tr>
<tr>
<td>2021</td>
<td>88</td>
</tr>
<tr>
<td>2023</td>
<td>94</td>
</tr>
<tr>
<td>2025</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: IHS (methanol)

**World-wide demand for ammonia**

<table>
<thead>
<tr>
<th>Year</th>
<th>(unit: million metric tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>167</td>
</tr>
<tr>
<td>2021</td>
<td>190</td>
</tr>
<tr>
<td>2023</td>
<td>186</td>
</tr>
<tr>
<td>2025</td>
<td>198</td>
</tr>
</tbody>
</table>

Source: Ferteco (H2) (excluding fuel ammonia)

**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.

**Upstream**

- **Natural gas**
- **Renewable energy**
- **Captured CO2 and DAC**
- **Bio-fuel and materials**

**Midstream**

- **Fuel ammonia**
- **Carbon recycled fuel and materials**
- **Recycling of products**

**Downstream**

- **Build a low-carbon ammonia supply chain for power generation**
- **Consider participation in the SAF production business**
- **Strengthen PET chemical recycling business**

**Value Creation by the Business Groups**

- **Contributing to Decarbonized Societies**
- **Promoting Stable, Sustainable Societies and Lifestyles**
- **Conserving and Effectively Utilizing Natural Capital**

**Group Strengths and Strategy**

- Broad customer portfolio, industry presence, and market intelligence gained through trading and manufacturing businesses
- Concept skills and execution skills for next-generation fuels and environmentally conscious chemical materials 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

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.
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.

**Related Material Issues**

- **Materiality (Material Issues)**
  - **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 mainstay 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 contribute 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.

- **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 to leverage our quality investment opportunities
  - Ability to adapt business models to changes in the external environment to foster growth

- **Forecast for Future Growth**
  - 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) projects.
  - In trading, we achieved sustainable business growth by steadily developing new clients and strengthening our risk management system.

- **Business Examples**
  - 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, and 3) precious metals that are indispensable for a hydrogen society.
  - To develop our ability to supply next-generation resources essential for the realization of a carbon-neutral society, we will focus on (1) thermal coal, (2) thermal coal, (3) thermal coal, (4) direct reduced iron, (5) bauxite, (6) lithium-ion batteries, (7) rare earth materials, (8) copper, and (9) precious metals.

- **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 the realization of a carbon-neutral society.
      - Start work on secondary resources.

- **Profit Structure (excluding trading)**
  - **Metallic coal**
    - Thermal coal
    - Metallurgical coal

- **Forecast for Future Growth**
  - 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.

**Mineral Resources Group**

- **Our Vision**
  - Norikazu Tanaka
  - Director (Vice President, Group CEO; Mineral Resources Group)

- **Group Strengths**

- **Strategies Under Midterm Corporate Strategy 2024**

- **Forecast for Future Growth**

**Mineral Resources Investment Division**

- Investment in mineral resources-related assets such as metallurgical coal, copper, iron ore, and aluminum, and mine development

**Mineral Resources Trading Division**

- Trading of mineral resources such as coal, iron ore, nickel, ferroalloy, copper, aluminum, and precious metals

**Business Groups × Business Models**

**Mineral Resources Group**

**Mineral Resources Investment Division**

**Mineral Resources Trading Division**

**Forecast for Future Growth**

**Midterm Corporate Strategies Under Group Strengths**

- Group Strengths
  - Strategy 2021
    - Ability to adapt business models to changes in the external environment to foster growth
  - Strategy 2024
    - Competitive cost advantage and the quality of our world-class assets

**Value Creation by the Business Groups**

**Mineral Resources Investment Division**

- Investment in mineral resources-related assets such as metallurgical coal, copper, iron ore, and aluminum, and mine development

**Mineral Resources Trading Division**

- Trading of mineral resources such as coal, iron ore, nickel, ferroalloy, copper, aluminum, and precious metals

**Forecast for Future Growth**

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**Our Vision**

- Norikazu Tanaka
  - Director (Vice President, Group CEO; Mineral Resources Group)

**Group Strengths**

**Strategies Under Midterm Corporate Strategy 2024**

- Forecast for Future Growth

**Forecast for Future Growth**

**Strategy 2021**

- Ability to adapt business models to changes in the external environment to foster growth

**Strategy 2024**

- Competitive cost advantage and the quality of our world-class assets

**Forecast for Future Growth**

**Midterm Corporate Strategies Under Group Strengths**

- Group Strengths
  - Strategy 2021
    - Ability to adapt business models to changes in the external environment to foster growth
  - Strategy 2024
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**Value Creation by the Business Groups**

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**Our Vision**

- Norikazu Tanaka
  - Director (Vice President, Group CEO; Mineral Resources 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)

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

- 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
In the automotive industry, structural changes are taking place as a result of the shift to low environmental impact vehicles in line with the Global Goals for Sustainable Development set by the United Nations. To address these changes, 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 integrated EV fleet management, including the use of electric vehicles (EVs) and other forms of alternative powertrains, 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.

Our Group has over 50 years of experience in the automotive value chain business. We will continue to engage in the sales and after-sales service business model into downstream areas, while also developing the mobility services business into a core 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.

The main business activities of the Group's automotive business are shown in the table below.

### 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.

### 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 centered 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 cars.

**DX Initiatives in Mobility Services**

As the shift from "ownership" to "use" of cars continues, we are working to address challenges 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 cooperation 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.

### Forecast for Future 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 decarbonisation, 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.
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)

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 actions to address human rights, labor rights, and environmental issues in the supply chain, we conduct annual

Group Strengths and Strategy

• 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 Yoshinoya Holdings Inc. and Mitsubishi Corporation Life Science 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, reduce unnecessary operations, and improve logistics efficiency, while also contributing to the reduction of food waste and GHG emissions. In addition, we will strengthen our safe and stable supply chain and achieve a stable supply of foods to Japan.

In addition to the world’s growing population and expanding consumers, Japan’s declining birthrate and aging population is expected to increase health consciousness and a greater need for food products that are environmental and societal challenges for 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

Demand-supply gap

2025 (FY2025)

Global Overview

2030 (FY2030)

2023 (FY2023)

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.

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.
CONSUMER INDUSTRY GROUP

Our Vision

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

- 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 promote 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.

More than 10,000 stores

Forecast for Future Growth

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### Business Groups × Business Models

#### POWER SOLUTION GROUP

**Our Vision**

Aichiro 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.

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**Materiality (Material Issues)**

**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 digitization 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 fuel-based power generation capacity from 3.3 GW in FY2019 to 6.6 GW in FY2030, and promote the optimization of our portfolio.

**Group Strengths and Strategy**

- 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.

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 on 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” (generate) 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.

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**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**

- **FY2023**: 4,470 MW  
- **FY2024**: 4,860 MW  
- **FY2025**: 5,100 MW  
- **FY2026**: 4,950 MW  
- **FY2027**: 4,880 MW  
- **FY2028**: 6,250 MW  
- **FY2029**: 8,380 MW  
- **FY2030**: 9,230 MW

**Renewable power generation capacity**

- **FY2019**: 3.3 GW
- **Aim to double by 6.6 GW by FY2030**

**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.

---

**Value Creation by the Business Groups**

**Generating**

- Renewable energy, net equity base capacity  
  - March 31, 2022: approx. 1,750 MW  
  - 2026 (target): 3,600 MW

**Integrating**

- Power generation business  
  - March 31, 2022: approx. 1,750 MW  
  - 2026 (target): 3,600 MW

**Delivering**

- Trading to retail business  
  - March 31, 2022: approx. 150,000 customers (No. 1 market share in the Netherlands)

**New services**

- Solar Car Park Project  
  - The largest shopping center in the Netherlands: Solar panels on the roof of Albert Heijn, and a service that charges customers’ EVs with power electricity obtained from the panels

**Ex (expansion of renewable energy development)**

- External renewable energy development projects

**DX (digitalization of the power system)**

- DX (digitalization of the power system) plans

---

**Group CEO, Power Solution Group**

Aichiro Matsunaga  
Executive Vice President  
Group CEO, Power Solution Group
In the midst of such changes in the external environment, our Group aims for triple-value growth by promoting the development and management of social infrastructure projects that take into account social and environmental value.

Relevance of Material Issues to the Business

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 environmental impacts by materializing and implementing smart city-related technologies.

From the perspective of cyclical growth, we will promote actions such as the movement of management resources into business investment, especially in ASEAN countries.

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.

Our Vision

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)

Addressing Regional Issues and Growing Together with Local Communities

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 environmental impacts.

Group Strengths and Strategy

- Multi-phase Long-term Medium to long-term image
- Multi-use
- Large-scale Urban Development
- Real Estate Development

Urban Development Group

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.

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Scope of Business Initiatives

• Management of urban infrastructure projects based on many years of infrastructure-sector development expertise and industry networks.
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• 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.

Urban Development Group

Development and management of high-value-added urban development projects to sustainably create high-quality living, working, medical, educational, logistics, and transportation environments.

Business Examples

• Development and management of large-scale, high-value-added urban development projects.
• Development and management of urban infrastructure projects that form urban foundations, including data centers, airports and roads.
• Development and management of domestic and overseas urban development projects, real estate development projects, real estate management, and other real estate-related businesses.
• Merchant banking (private equity, infrastructure) business, domestic and international leasing business.

Our Vision

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• Development and management of urban infrastructure projects that form urban foundations, including data centers, airports and roads.
• Development and management of domestic and overseas urban development projects, real estate development projects, real estate management, and other real estate-related businesses.
• Merchant banking (private equity, infrastructure) business, domestic and international leasing business.
Initiatives and Systems Supporting Sustainable Value Creation

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.
**Sustainability Promotion Framework**

### Sustainability Initiatives

MC's Three Corporate Principles call upon us to "strive to enrich society, both materially and spiritually, while contributing to 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.

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### 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.

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### Main Discussion Themes for the Sustainability & CSR Committee

- **Climate Change**
  - GHG emissions management and reductions (e.g. enhanced carbon dioxide leakage prevention mechanisms in Midterm Corporate Strategy 2024)
  - 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.
- **Management of climate risks/opportunities:**
  - Please refer to p. 48-51 for details.
  - **Materiality:** Please refer to p. 44-47 for details.
  - **Supply chain management:** Please refer to p. 10-11 for details.
  - **Stakeholder engagement:** Please refer to p. 36-37 for details.
- **Corporate philanthropy activities**

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### 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

- **November to December:**
  - **Sustainability & CSR Committee**
- **January to February:**
  - **Committee-based strategy formulation**
- **March:**
  - **Business Strategy Committee**
- **From April:**
  - **Implementation**

**Sustainability Promotion Framework in Each Business Group**

- **Group CEO Office (formulates business strategies)**
- **Corporate Sustainability & CSR**
- **Chief Sustainability Officer**
- **Sustainability Manager**

**Incorporating Sustainability into Individual Projects**

- **Screening process for investment and finance proposals**
  - **Proposal application**
  - **Executive Committee**
  - **Board of Directors**

**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.**

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**Value Creation Process**

1. **Corporate Sustainability & CSR**
2. **Screening process for investment and finance proposals**
3. **Incorporating Sustainability into Individual Projects**
4. **System for Screening Proposals**
5. **Value Creation**

---

**Initiatives and Systems Supporting Sustainable Value Creation**

3
To fully grasp qualitative and quantitative information that reflect our corporate value over the medium to long term, we disclose sustainability-related information based on the requests of our stakeholders, gaining their trust in our efforts.

We believe that the cycle of disclosing our sustainability information, starting with materiality analysis, enables us to evolve our understanding and performance. It is an integral part of our overall efforts to improve our policies and operations.

**Sustainability Promotion Framework**

**Disclosure (Sustainability Website)**

We 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**

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Climate Change</td>
<td>• Board of Directors and Shares, etc.</td>
<td>• Compliance</td>
</tr>
<tr>
<td>• Environmental Management</td>
<td>• Audit &amp; Supervisory Board and Audit</td>
<td>• Risk Management</td>
</tr>
<tr>
<td>• Water Resources</td>
<td>• Directors' and Audit &amp; Supervisory Board Members’ Remuneration, etc.</td>
<td></td>
</tr>
<tr>
<td>• Biodiversity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Prevention of Pollution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Efficient Use of Resources</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Collecting Sustainability Information on a Consolidated Basis**

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

The subsidiaries and affiliates subject to the survey are determined by the relevant Business Group/Division. In principle, the survey covers all subsidiaries and affiliates, including consolidated subsidiaries and affiliates (including affiliates of subsidiaries) under the equity method, and jointly managed projects and companies.

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

Data on consolidated GHG emissions, energy usage, electricity consumption, non-consolidated occupational health and safety performance and other aspects has received independent practitioner’s assurance from Deloitte Tohmatsu Sustainability Co., Ltd. to ensure data reliability.

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

**Dialogue with Stakeholders (Incorporating External Perspectives)**

**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:

- Discussions held directly with sustainability-related investors: approximately 35
- Discussions held directly with NGOs: 45 (Japan: 10, Europe: 18, The Americas: 20)

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

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.

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 Advisory Committee Members**

<table>
<thead>
<tr>
<th>Eiichiro Adachi</th>
<th>Senior Counselor, The Japan Research Institute, Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter D. Pedersen</td>
<td>Professor, Graduate School of Leadership and Innovation, Shrewsbury University</td>
</tr>
<tr>
<td>Takeshi Suyoshi</td>
<td>Special Advisor to the UNEP FI in the Asia-Pacific Region</td>
</tr>
<tr>
<td>Masaru Arai</td>
<td>Chairman, Japan Sustainable Investment Forum</td>
</tr>
<tr>
<td>Yasushi Hibi</td>
<td>Director, Conservation International Japan</td>
</tr>
<tr>
<td>Miwa Yamada</td>
<td>Director-General, Interdisciplinary Studies Center, Institute of Developing Economics, Japan External Trade Organization (JETRO)</td>
</tr>
</tbody>
</table>

**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.

**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).

MC also supports international norms such as the UN Guiding Principles on Business and Human Rights, the core labor standards of the International Labour Organization (ILO), and the Voluntary Principles on Security and Human Rights.

• 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.

Policy and Structure for Supply Chain Management

Mitsubishi Corporation Policy for Sustainable Supply Chain Management

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 for 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 Code of Conduct 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 (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/12641147

McDonald’s Corporation

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

<table>
<thead>
<tr>
<th>Products</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>20</td>
<td>22</td>
<td>25</td>
</tr>
<tr>
<td>Cacao</td>
<td>6</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Sugar</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chicken</td>
<td>18</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Palm oil</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Tea</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Fruits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wood</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plastic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shrimp</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fish</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
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<td></td>
</tr>
</tbody>
</table>

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 Mitsuhashi-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.
Risk Management

The MC Group’s Risk Management Framework

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

Risk Management Framework and Organization Model

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

1 Responding to Market Risk

MC broadly divides market risk into four types: commodity market risk, foreign exchange risk, 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.

  - The impacts on MC from specific market fluctuations are shown in the table below. Commodity market risks are also reflected in metallurgical coal, affecting the profit and loss of Mitsubishi Development 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 depend on stock price movements.

<table>
<thead>
<tr>
<th>Commodity Market Risk</th>
<th>Impact</th>
<th>Note</th>
</tr>
</thead>
</table>
| Copper ore (US$/MT)   | ±2.5 billion yen (±100 US$/MT) per year*2 | -
| Oil price (Dubai)      | ±3.5 billion yen (±US$/BBL) per year*1  | -
| Yen interest rate      | -0.5% | -
| USD-dollar exchange rate | 2.5% | -

*1 Taking into account effects on MC’s performance from factors including differences in accounting periods of consolidated companies and the time lag between the period of transactions and the period when results are reflected in our consolidated financial statements.

*2 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 up 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 that uses ratings.
- We designate business partners that have a significant impact on the Company as targets for priority management, and regularly monitor our guidelines on risk of money (limit), returns, credit protection, etc.

2.1 Individual Project Approval Authority

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

2.2 Approach to Credit Risk Management

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

<table>
<thead>
<tr>
<th>Credit Risk</th>
<th>Approval authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>Approved by General Manager</td>
</tr>
<tr>
<td>Amount (yen)</td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>Approved by Business COO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Approval authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate for expanded transactions</td>
<td>Approved by General Manager</td>
</tr>
<tr>
<td>High risk but minor impact</td>
<td>Approved by Business COO</td>
</tr>
<tr>
<td>High risk and high impact</td>
<td>Approved by DJCO</td>
</tr>
</tbody>
</table>

4. Response to Foreign Exchange Risk

- MC conducts foreign currency-denominated investments 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.

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

* The Structured Finance, MFA Advisory Dept. also manages foreign exchange risks.
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.

Screening process for proposals

- Proposals at the discretion of Group CEO
- Proposals at the discretion of Division COO
- Proposal application
- Business plan formulation
- Business plan formulation/Progress review meeting
- Executive Committee
- Investment Committee
- Board of Directors

- Review meeting
- Proposal application
- Application for implementation
- Application for policy
- Application for implementation

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.

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.

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

Crisis Management on a Consolidated Basis/Business Continuity Management (BCM)

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. Under unusual conditions, we build up and establish various crisis management measures and structures needed in the event of serious incidents, 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 approach to apply the management system to core business companies (selected from among MC Group companies), which include the formulation of initial response and BCP establishment of a structure, and implementation of an ongoing PDCA cycle through education and training.

Development/Implementation of BCM for Core MC Group Business Companies

- Establishment of PDCA cycle
- Implementation of a BCM preparedness follow-up system

Organizations in Charge

Emergency Crisis Management Headquarters (Office: Corporate Administration Department, Security & Crisis Management Office)

Consolidated Business Continuity Management (BCM) Implementation Framework

- Designation of core MC Group business companies
- Analysis/business impact* based on potential causes of business disruptions
- Analysis BCM intervention level [present high priority issue]
- Make BCM development plus (countermeasures for high priority issue)

Inquiries

- Monitoring and indirect support of BCM preparedness status at core business companies (liaison meetings, set-up of inquiry contact points)
- Development/Implementation of BCM for Core MC Group Business Companies

* Business impact analysis framework

We conduct analyses of the “cause incidents” that disrupt core operations and trigger “result incidents,” and analyze the characteristics of each company to establish and strengthen our consolidated framework designed to apply the BCM system to core business companies.

Cause incidents: Natural disasters, infectious diseases, technology-related external incidents, internal faults, legal issues, third-party related incidents

Result incidents: Human resources (death/unconfirmed safety, inability to report/commute to work), physical resources (damage of manufacturing/distribution or other facilities), supply chain disruptions (distribution of products, disruption of materials/fuel supply), information (breach of IT systems), reputation (product or service quality issues, environmental problems, administrative penalties), money (suspension of cash withdrawals, suspension of remittance or payments)

Note: While companies may not deal with serious incidents shall be dealt under the direction of the Chief Compliance Officer

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

A: While companies must deal with serious incidents shall be dealt under the direction of the Chief Compliance Officer, the response to COVID-19 has been strengthened to ensure the safety of our employees, in Japan and overseas.

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

A: While companies must deal with serious incidents, the response to COVID-19 has been strengthened to ensure the safety of our employees, in Japan and overseas.

Q: What do you see as your future priorities in terms of risk management and BCM?

A: The response to COVID-19 continues to be a priority as it is important to ensure thorough crisis management preparedness to prevent the spread of infection and appropriate business continuity. Management continues to monitor the situation and implement necessary measures to ensure the safety of employees, both in Japan and overseas, and to prevent the spread of infection and appropriate business continuity. The response to COVID-19 is ongoing and will continue to be a priority as we work to ensure the safety of our employees and business operations.

Q: What do you see as your future priorities in terms of risk management and BCM?

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

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.

Support for Independent Members of the Board*

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.

Governance, Nomination & Compensation Committee

An advisory body of the Board of Directors with a majority of Independent Directors.

President’s Performance Evaluation Committee

A subcommittee of the Governance, Nomination & Compensation Committee.

International Advisory Committee

An advisory body to the Board of Directors made up of overseas experts.

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.

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 as 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)

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 appropriate 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.

- Management Strategy and Sustainability-related items
  - Business Strategy Committee report
  - The Roadmap to a Carbon Neutral Society, E&S and E&S progress report
  - Sustainability-related measures
- Governance-related and corporate-related items
  - Governance, Nomination & Compensation Committee report
  - Evaluation of the effectiveness of the Board of Directors in the fiscal year ended March, 2022
  - Appointments of the Board of Directors, 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
  - Funding policy
  - Verification holding policy for listed share
- Investment and finance proposals
  - Related to the Tangguh LNG expansion project
  - Breakthrough Energy Catalyst
  - LNG Canada project
  - Related to the capital increase of subsidiaries

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

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

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 was permitted. In the fiscal year ending March 31, 2020, the Board of Directors was appropriately involved in and monitored the capital increase of subsidiaries. In the fiscal year ending March 31, 2021, the Board of Directors was appropriately involved in and monitored the capital increase of subsidiaries.

Mitsubishi Corporation

P-105

P-101-105

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P-107

P-101-105

P-105

P-108-109

P-107

P-108-109

P-105

Overview of Corporate Governance

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 maintain management, long-term 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 standards, 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 selected from Executive Officers (Senior Executive Vice President and Executive Vice President) 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 to the 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 has experience, knowledge or expertise in 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.

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Responsibility/Main career experience</th>
<th>Gender</th>
<th>Area of experience, knowledge, expertise, etc.</th>
</tr>
</thead>
</table>
| Director | Takehiko Kakishita | Chairman of the Board | Male | ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■■
The effectiveness of the Board of Directors is adequately ensured. The evaluation process, including the necessity of third-party evaluation, led to the confirmation that the effectiveness of the Board of Directors is adequately ensured. The evaluation results and policy going forward are as follows.

**Evalutation of the Effectiveness of the Board of Directors**

March 31, 2022, was confirmed for the evaluation of the Board of Directors. The evaluation process, including the necessity of third-party evaluation, led to the confirmation that the effectiveness of the Board of Directors is adequately ensured. The evaluation results and policy going forward are as follows.
Overview of Corporate Governance

2. Board of Directors’ Advisory Bodies

Governance, Nomination & Compensation Committee
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 Directors
  - Akitaka Saiki
  - Tsuneyoshi Tatsuoka
  - Mari Sagiya
  - Shunichi Miyanaga
  - Akitaka Saiki

- In-house Members
  - Katsuya Nakashima
  - Hajime Hirano

Number and Percentage of Independent Directors*

- Independent Directors (5)
- In-house Members (2)

* Based on status as of July 1, 2022

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)

<table>
<thead>
<tr>
<th>Member</th>
<th>Nationality</th>
<th>Title</th>
<th>Principal area of specialization and background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Armitage</td>
<td>United States</td>
<td>Former United States Deputy Secretary of State</td>
<td>Ambassador Armitage previously served as Special Envoy to Jordan and United States Deputy Secretary of State. He is widely experienced in foreign diplomacy, and is a leading expert on Asia and Japan within the US and is acknowledged as an authority on the Middle East.</td>
</tr>
<tr>
<td>Joseph S. Nye</td>
<td>United States</td>
<td>Harvard University Distinguished Service Professor</td>
<td>Professor Nye is a globally renowned scholar in the field of geopolitics. He has extensive networks not only in academia, but also in political and economic circles. Within the International Advisory Committee, he provides an annual overview of the international situation and makes valuable suggestions regarding industry trends.</td>
</tr>
<tr>
<td>Ratan N. Tata</td>
<td>India</td>
<td>Chairman, Tata Trusts</td>
<td>Mr. Tata has expanded his business presence to over 100 countries worldwide and has particularly deep knowledge of industrial as well as political and economic developments in India.</td>
</tr>
<tr>
<td>George Yeo</td>
<td>Singapore</td>
<td>Former Chairman, Kerry Logistics Network</td>
<td>Mr. Yeo has previously served as Singapore's Minister for Information and the Arts, Minister for Health, Minister for Trade and Industry, and Minister for Foreign Affairs. His background brings a wealth of knowledge in the geopolitical situation in ASEAN and China to the committee.</td>
</tr>
<tr>
<td>Niall FitzGerald, KBE</td>
<td>Ireland</td>
<td>Former CEO and Chairman, Unilever</td>
<td>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 this consideration of the impacts of geopolitical changes on business provides valuable advice for the International Advisory Committee.</td>
</tr>
<tr>
<td>Jaime Augusto Zobel de Ayala II</td>
<td>The Philippines</td>
<td>Chairman, Ayala Corporation</td>
<td>Mr. Zobel has experience in growing a global business launched from the ASEAN region, and therefore has a thorough knowledge of various geopolitical and industry trends in Asia, particularly in the ASEAN region.</td>
</tr>
<tr>
<td>Antonio M. de Ayala de Ayala</td>
<td>Philippines</td>
<td>Chairman, Ayala Corporation</td>
<td>Mr. Zobel has experience in growing a global business launched from the ASEAN region, and therefore has a thorough knowledge of various geopolitical and industry trends in Asia, particularly in the ASEAN region.</td>
</tr>
</tbody>
</table>

Japanese Members (5) (*Committee Chairman) (As of June 30, 2022)

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

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.

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

Main Topics

- Impact of the COVID-19 pandemic on the situation in various countries
- Geopolitical trends due to U.S.-China relations
- Global issues and trends

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. |

International Advisory Committee (6) (As of June 30, 2022)
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.

### 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:**
   - Enforcement of deliberations at the Board of Directors
   - Enhancing 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.

### Audit & Supervisory Board Members and Audit & Supervisory Board

#### 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 dialogue 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.

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 Committee, Compensation Committee, Executive Committee, and Business Strategy Committee, and provide opinions as necessary. Besides the Audit & Supervisory Board, the Independent Audit & Supervisory Board Members and members of the Board of Directors after being briefed on discussions in the Executive Committee and lower conference bodies, and provide opinions as necessary.

3. **Onsite Audits and Observations**
   - As a result of the 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.

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 auditing to strengthen 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.

6. **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 audit 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 in 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 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.
Overview of Corporate Governance

Independent Directors and Independent Audit & Supervisory Board Members

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

Tsuneo 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

Shunichi Miyanaga
Main career, Chairman of the Board, Mitsubishi Heavy Industries, Ltd.
Number of years on Board of Directors: 3 years

Sakie Akiyama
Main career, Founder and Former CEO, Saki Corporation
Number of years on Board of Directors: 2 years

Mari Sagiya
Main career, Former Senior Vice President, B&M Japan
Appointed June 2022

Independent Audit & Supervisory Board Members

Rieko Sato
Main career, Partner, SHI LAW OFFICE
Number of years on Audit & Supervisory Board: 3 years

Takeshi Nakao
Main career, CEO, PARTNERS HOLDINGS, Co. Ltd.
Number of years on Audit & Supervisory Board: 2 years

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

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

Attendance at Board of Directors’ meetings in the fiscal year ended March 31, 2022
- Attendance at Governance, Nomination & Compensation Committee meetings in the fiscal year ended March 31, 2022
- Attendance at Audit & Supervisory Board meetings in the fiscal year ended March 31, 2022

Initiatives and Systems Supporting Sustainable Value Creation

3

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 offer various perspectives in an effort to contribute to the MC Group’s governance and enhancement of its corporate value.

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 actions 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.

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 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 mid-term 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 Kakush’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. At 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 Succession 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, MiC 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.

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. This 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 Nakashizuka 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 Nakashizuka was appointed last December, and Midterm Corporate Strategy 2024 was released in May of this year. Despite the time constraints, President Nakashizuka 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 Nakashizuka’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. Nakashizuka 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 2031. I believe that Mr. Nakashizuka’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 brand 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

- 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 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.

Remuneration composition

- Remuneration for Directors is composed of base salary and annual deferral for retirement remuneration and, in addition, includes performance-based remuneration, which is subject to the clawback policy.

- Performance-based remuneration is evaluated on an annual basis and work is paid out of the sum of consolidated net income (medium to long-term share performance) up to ¥200 million annually.

- 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 bases of remuneration levels and compositions, and the status of implementation.

Conceptual Image of Payment Mix for Remuneration of Executive Directors

Goverance and Remuneration

- 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 bases of remuneration levels and compositions, and the status of implementation.

- 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 other factors.

- Remuneration for Directors and Audit & Supervisory Board Members is determined based on performance assessment results, which are presented to the Board of Directors and approved by the Board of Directors, and the amount for the fiscal year ended March 31, 2022 will be paid on the basis of the Board of Directors’ resolution and consolidated net income of 937.5 billion yen for the fiscal year ended March 31, 2022, based on provisions granted for the fiscal year ended March 31, 2022.
### Overview of Corporate Governance

Board, which 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 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 is consistent with said policy for determining remuneration packages.

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

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

1. **Upper limit on total payment**
   - The upper limit is the lower of ¥10 million or i) the maximum total of individual payment amounts prescribed in (2) below.

2. **Individual payments**
   - **President and CEO:** ¥100 million
   - **Executive Vice President:** ¥90 million
   - **Executive Vice President:** ¥80 million

**Performance-linked bonus (short-term)**

1. **Upper limit on total payment**
   - Same as performance-linked bonus (short-term)

2. **Individual payments**
   - **President and CEO:** ¥60 million
   - **Executive Vice President:** ¥50 million

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

**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 (5,000 stock options).

- **Bonus payments** (see page 106)
- **Performance-linked bonuses** (medium- to long-term) and performance-linked bonus payments (short-term) and performance-linked bonuses (medium- to long-term) and performance-linked bonus payments (short-term)

- **Board of Directors**
- **Executive Vice President**
- **Executive Vice President**

**Note:** The payment amount will be zero if consolidated net income falls below the consolidated capital cost.

#### Maximum Payment and Total for Each Position

<table>
<thead>
<tr>
<th>Position</th>
<th>Maximum Payment (¥100 million)</th>
<th>Total (¥100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>President and CEO</td>
<td>¥100</td>
<td>¥100</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>¥90</td>
<td>¥90</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>¥80</td>
<td>¥80</td>
</tr>
</tbody>
</table>

#### Overview of Corporate Governance

1. **President and CEO**
2. **Executive Vice President**
3. **Executive Vice President**

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

#### Calculation of Target Value of Share Options

- **Board of Directors**
- **Executive Vice President**
- **Executive Vice President**

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

#### 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 variable 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.

By the event that makes an executive officer a material cause of a material damage to the company from serious accounting error/ex-post revision of a financial report due to misconduct resolved willful misconduct or negligence, a serious violation of a delegation agreement, or an intentional violation in the course of management duties, the amount of the performance-linked remuneration that was paid, or is payable, is determined by the Board of Directors in accordance with the performance-linked remuneration policy.*

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 companies 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 of Directors. 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 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 is 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. Moreover, 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 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.

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

Directors

- Takehiko Kakkushi, Chairman of the Board
  - 2022 Chairman of the Board (present position)
  - 2016 Director, President and CEO
  - 1977 Joined MC

- Atsuko Nakanishi, Representative Director, President and CEO
  - 2022 Director, President and CEO (present position)
  - 1985 Joined MC

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

- Yasuteru Hira, Representative Director
  - 2021 Director, Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management, Headquarters (present position)
  - 1996 Joined MC

- Yutaka Kashihara, Representative Director
  - 2022 Director, Executive Vice President, Corporate Functional Officer, IT, CIO, Corporate Communications, Corporate Sustainability & CSR (present position)
  - 2021 Director, Executive Vice President, Corporate Functional Officer, Business Development for Japan, General Manager, Kansai Branch
  - 1996 Joined MC

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

Audit & Supervisory Board Members

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

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

- Roko Sato, Independent Audit & Supervisory Board Member
  - 2020 Independent Audit & Supervisory Board Member, MC (present position)
  - 1999 Partner, Deloitte Touche Tohmatsu Japan, Audit Partner, Audit (present position)
  - 1999 Senior Manager, Deloitte & Touche Tohmatsu (resigned in July 1999)
  - 1998 Admitted to the Bar of Japan

- Takeshi Nakao, Independent Audit & Supervisory Board Member
  - 2021 Independent Audit & Supervisory Board Member, MC (present position)
  - 2006 CEO, RAINFORS HOLDINGS Co., Ltd (present position)
  - 1997 Admitted to the Bar of Japan (present position)
  - 1995 Admitted to the Bar of Japan (salary)

- Mari Kogiso, Independent Audit & Supervisory Board Member*2
  - 2020 Independent Audit & Supervisory Board Member*2
  - 2019 General Manager, CEO Office, FAST RETAILING CO., LTD. (resigned in December 2020)
  - 2018 Founder, Saki Corporation (advisor) (present position)
  - 2014 Director, President and CEO, MHI
  - 1985 Joined MC

*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 specified by Mitsubishi Corporation.

*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 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.

Executive Officers (As of July 1, 2022)

Senior Vice Presidents

Hiroki Haba
Division CEO, Next-Generation Fuels & Petrol Chemicals Div.

Koichi Seri
Division CEO, Metal & Steel Business Div.

Toshiaki Maekawa
Division COO, Automotive Business Div.

Satoshi Koyama
Division CEO, Mining Resources Investment Div. (Concurrently General Manager, MOP Dept.)

Yasuhiro Kawakami
Seconded to Marubeni Group COO of the Board

Kenji Ota
General Manager, Headquarters for the Middle East

Yuzo Nouchi
Corporate Functional Officer, CFO (Director, President and Chief Executive Officer)

Shigeru Wakabayashi
Group CEO, Urban Development Group (Concurrently Division COO, Retail Div.)

Anderson Kikuchi
Group CEO, Petroleum & Chemicals (Concurrently Division COO, Group CEO Office)

Yutaka Kashiwagi
Corporate Functional Officer, IT, CAO, Solution Group (Concurrently General Manager, Finance Dept.)

Osamu Takeuchi
Group CEO, Petroleum & Chemicals Solution Group (Concurrently General Manager, Corporate Strategy & Coordination Dept., General Manager, Global Strategy & Planning Dept.)

Koichi Takahashi
Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Strategy

Koichi Tsumura
Corporate Functional Officer, Global Marketing Div.

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

Naoshi Ogikubo
General Manager, Urban Development Group (Concurrently Division COO, Group CEO Office)

Yoshioyo Noyama
General Manager, Corporate Administration Dept.

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

Tetsuo Kawata
General Manager, Global Human Resources Dept.

Kyoya Kondo
Division CEO, Asia Business Div.

Yasuuki Asakura
General Manager, Power Solutions Group (Concurrently Division COO, Utility Retail Div.)

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

Sadahiko Hameji
Seconded to Mitsubishi Development Co., Ltd. (Managing Director & COO)

Tetsuya Shinozaki
General Manager, Global Strategy & Coordination Div.

Shota Kondo
General Manager, Corporate Strategy & Planning 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

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of shares issued</th>
<th>Number of shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of March 31, 2021</td>
<td>1,485,723,351</td>
<td>360,467</td>
</tr>
<tr>
<td>As of March 31, 2022</td>
<td>1,485,723,351</td>
<td>351,134</td>
</tr>
</tbody>
</table>

Principal Shareholders

<table>
<thead>
<tr>
<th>Name of Shareholders</th>
<th>Number of shares (thousands)</th>
<th>Investment ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td>
<td>251,409</td>
<td>16.98</td>
</tr>
<tr>
<td>Custody Bank of Japan, Ltd. (Trust Account)</td>
<td>91,884</td>
<td>6.20</td>
</tr>
<tr>
<td>EUROCLEAR BANK S.A./N.V.</td>
<td>77,540</td>
<td>5.23</td>
</tr>
<tr>
<td>Meiy Yoda Life Insurance Company</td>
<td>56,361</td>
<td>3.94</td>
</tr>
<tr>
<td>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</td>
<td>50,913</td>
<td>3.44</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)</td>
<td>32,376</td>
<td>2.18</td>
</tr>
<tr>
<td>JPMorgan Securities Japan Co., Ltd.</td>
<td>24,217</td>
<td>1.63</td>
</tr>
<tr>
<td>STATE STREET BANK WEST CLIENT – TREATY 50524</td>
<td>22,387</td>
<td>1.51</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation, Limited Account)</td>
<td>17,768</td>
<td>1.20</td>
</tr>
<tr>
<td>Mitsubishi Heavy Industries, Ltd.</td>
<td>16,643</td>
<td>1.12</td>
</tr>
</tbody>
</table>

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.

Shareholder Composition (Shareholding Ratio)

<table>
<thead>
<tr>
<th>Public sector</th>
<th>Financial institutions</th>
<th>Securities companies</th>
<th>Other companies</th>
<th>Foreign companies, etc.</th>
<th>Individuals and others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0%</td>
<td>42.3%</td>
<td>5.3%</td>
<td>6.0%</td>
<td>28.0%</td>
<td>10.5%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Public sector</th>
<th>Financial institutions</th>
<th>Securities companies</th>
<th>Other companies</th>
<th>Foreign companies, etc.</th>
<th>Individuals and others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/2012</td>
<td>2</td>
<td>6,276,235</td>
<td>781,341</td>
<td>897,534</td>
<td>4,164,694</td>
<td>2,278,984</td>
</tr>
<tr>
<td>3/2017</td>
<td>2</td>
<td>6,513,301</td>
<td>560,741</td>
<td>1,247,225</td>
<td>5,152,103</td>
<td>2,421,797</td>
</tr>
<tr>
<td>3/2012</td>
<td>2</td>
<td>6,488,931</td>
<td>618,395</td>
<td>1,437,532</td>
<td>4,967,640</td>
<td>2,819,477</td>
</tr>
</tbody>
</table>
Organizational Structure (As of July 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.
### Investments, Loans, and Guarantees in 13 Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Risk Money Outstanding</th>
<th>Amounts Hedged</th>
<th>Net Risk Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>¥663.3 billion</td>
<td>¥31.1 billion</td>
<td>¥632.2 billion</td>
</tr>
<tr>
<td>India</td>
<td>¥570.8 billion</td>
<td>¥10.5 billion</td>
<td>¥550.3 billion</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>¥419.3 billion</td>
<td>¥20.2 billion</td>
<td>¥399.1 billion</td>
</tr>
<tr>
<td>Mexico</td>
<td>¥406.8 billion</td>
<td>¥6.0 billion</td>
<td>¥390.8 billion</td>
</tr>
<tr>
<td>Vietnam</td>
<td>¥493.3 billion</td>
<td>¥30.2 billion</td>
<td>¥463.1 billion</td>
</tr>
<tr>
<td>Chile</td>
<td>¥571.3 billion</td>
<td>¥10.1 billion</td>
<td>¥561.2 billion</td>
</tr>
<tr>
<td>Brazil</td>
<td>¥400.0 billion</td>
<td>¥9.5 billion</td>
<td>¥390.5 billion</td>
</tr>
<tr>
<td>Thailand</td>
<td>¥316.3 billion</td>
<td>¥29.8 billion</td>
<td>¥286.5 billion</td>
</tr>
<tr>
<td>Korea</td>
<td>¥433.3 billion</td>
<td>¥36.1 billion</td>
<td>¥397.2 billion</td>
</tr>
<tr>
<td>Philippines</td>
<td>¥240.3 billion</td>
<td>¥45.5 billion</td>
<td>¥194.8 billion</td>
</tr>
<tr>
<td>Indonesia</td>
<td>¥478.3 billion</td>
<td>¥25.0 billion</td>
<td>¥453.3 billion</td>
</tr>
<tr>
<td>Russia</td>
<td>¥487.3 billion</td>
<td>¥23.0 billion</td>
<td>¥464.3 billion</td>
</tr>
<tr>
<td>7 Asian Countries Total</td>
<td>¥135.6 billion</td>
<td>¥20.2 billion</td>
<td>¥115.4 billion</td>
</tr>
<tr>
<td>4 Latin American Countries Total</td>
<td>¥217.3 billion</td>
<td>¥20.2 billion</td>
<td>¥197.1 billion</td>
</tr>
</tbody>
</table>

### Data Section

1. These countries are selected based on our internal country risk rating and actual risk money amounts.
2. The figures are adjusted for investee’s internal country risk rating.

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**Note:** Figures are in billions of yen.
Financial Highlights
Mitsubishi Corporation and Subsidiaries
Fiscal Year ended March 31
The consolidated financial information is prepared in accordance with International Financial Reporting Standards ("IFRS").

Results of Operations:
The consolidated financial information is prepared in accordance with International Financial Reporting Standards ("IFRS"), approved by the International Accounting Standards Board. The financial statements of Mitsubishi Corporation and Subsidiaries for the fiscal year ended March 31, 2020, are presented in accordance with IFRS. The financial statements include the results of the Group as defined in the Notes to the Financial Statements.

Stock Price Information:

<table>
<thead>
<tr>
<th>Year</th>
<th>Stock price (yen, US dollars)</th>
<th>PER</th>
<th>PBR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2,742.36</td>
<td>3.5</td>
<td>0.7</td>
</tr>
<tr>
<td>2014</td>
<td>3,074.03</td>
<td>3.5</td>
<td>0.7</td>
</tr>
<tr>
<td>2015</td>
<td>3,437.75</td>
<td>3.5</td>
<td>0.7</td>
</tr>
<tr>
<td>2016</td>
<td>2,898.23</td>
<td>3.5</td>
<td>0.7</td>
</tr>
<tr>
<td>2017</td>
<td>3,282.05</td>
<td>3.5</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Per Share Information:

<table>
<thead>
<tr>
<th>Year</th>
<th>Income per share (yen, US dollars)</th>
<th>Diluted Income per share (yen, US dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>196.02</td>
<td>218.80</td>
</tr>
<tr>
<td>2014</td>
<td>245.83</td>
<td>245.83</td>
</tr>
<tr>
<td>2015</td>
<td>245.83</td>
<td>245.83</td>
</tr>
<tr>
<td>2016</td>
<td>347.71</td>
<td>347.71</td>
</tr>
<tr>
<td>2017</td>
<td>416.57</td>
<td>416.57</td>
</tr>
</tbody>
</table>

Financial Measures:

<table>
<thead>
<tr>
<th>Year</th>
<th>ROE (%)</th>
<th>ROA (%)</th>
<th>Net DER (times)</th>
<th>ROCE (%)</th>
<th>DOE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>7.8</td>
<td>2.3</td>
<td>1.0</td>
<td>2.2</td>
<td>0.6</td>
</tr>
<tr>
<td>2014</td>
<td>7.5</td>
<td>2.3</td>
<td>0.9</td>
<td>2.3</td>
<td>0.6</td>
</tr>
<tr>
<td>2015</td>
<td>7.5</td>
<td>2.3</td>
<td>0.9</td>
<td>2.3</td>
<td>0.6</td>
</tr>
<tr>
<td>2016</td>
<td>7.5</td>
<td>2.3</td>
<td>0.9</td>
<td>2.3</td>
<td>0.6</td>
</tr>
<tr>
<td>2017</td>
<td>7.5</td>
<td>2.3</td>
<td>0.9</td>
<td>2.3</td>
<td>0.6</td>
</tr>
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Stock Price Information:

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<td>3.5</td>
<td>0.7</td>
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<tr>
<td>2016</td>
<td>2,898.23</td>
<td>3.5</td>
<td>0.7</td>
</tr>
<tr>
<td>2017</td>
<td>3,282.05</td>
<td>3.5</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Net income (loss) attributable to owners of the parent per share:

<table>
<thead>
<tr>
<th>Year</th>
<th>Basic (yen, US dollars)</th>
<th>Diluted (yen, US dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>219.30</td>
<td>219.30</td>
</tr>
<tr>
<td>2014</td>
<td>246.39</td>
<td>246.39</td>
</tr>
<tr>
<td>2015</td>
<td>372.39</td>
<td>372.39</td>
</tr>
<tr>
<td>2016</td>
<td>416.57</td>
<td>416.57</td>
</tr>
<tr>
<td>2017</td>
<td>416.57</td>
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<tr>
<td>2015</td>
<td>3,437.75</td>
<td>3.5</td>
<td>0.7</td>
</tr>
<tr>
<td>2016</td>
<td>2,898.23</td>
<td>3.5</td>
<td>0.7</td>
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<tr>
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<td>3,282.05</td>
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<td>0.7</td>
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</table>

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</tr>
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<tr>
<td>2015</td>
<td>372.39</td>
<td>372.39</td>
</tr>
<tr>
<td>2016</td>
<td>416.57</td>
<td>416.57</td>
</tr>
<tr>
<td>2017</td>
<td>416.57</td>
<td>416.57</td>
</tr>
</tbody>
</table>
### Equity in Earnings of Subsidiaries and Affiliates

#### NATURAL GAS GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIKI Energy Corporation (Japan)</td>
<td>59.6</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>NIKI Diamond Real Estate Holdings Ltd. (Japan)</td>
<td>5.9</td>
<td>4.7</td>
<td>4.7</td>
</tr>
</tbody>
</table>

#### MINERAL RESOURCES GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENN ONE COMPANY OF CANADIAN Ownership</td>
<td>50.0</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>INCO INVESTMENT LIMITED ( Spokane One Business)</td>
<td>50.0</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>N/I CORPORATION (Mineral Resources Group)</td>
<td>50.0</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>N/I CORPORATION (Gold)</td>
<td>50.0</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>N/I CORPORATION (Coal)</td>
<td>50.0</td>
<td>2.2</td>
<td>2.2</td>
</tr>
</tbody>
</table>

#### INDUSTRIAL GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIKKI MARINE MACHINE CORPORATION (Japan)</td>
<td>30.0</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>NIKKI Corporation (Japan)</td>
<td>30.0</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>NIKKI Corporation (Korea)</td>
<td>30.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>NIKKI Corporation (Taiwan)</td>
<td>30.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>NIKKI Corporation (China) (Shanghai)</td>
<td>30.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>NIKKI Corporation (China) (Shanghai)</td>
<td>30.0</td>
<td>1.0</td>
<td>1.0</td>
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<tr>
<td>NIKKI Corporation (Australia)</td>
<td>30.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>NIKKI Corporation (Australia)</td>
<td>30.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### AUTOMOTIVE & MOBILITY GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI MOTORS CORPORATION</td>
<td>70.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>MITSUBISHI CORPORATION</td>
<td>70.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### FOOD INDUSTRY GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI UFJ Lease &amp; Finance Company Ltd</td>
<td>70.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>MITSUBISHI UFJ Lease &amp; Finance Company Ltd</td>
<td>70.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>MITSUBISHI UFJ Lease &amp; Finance Company Ltd</td>
<td>70.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### URBAN DEVELOPMENT GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI Corporation (Land &amp; Housing)</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>MITSUBISHI Corporation (Land &amp; Housing)</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### CONSUMER INDUSTRY GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI CORPORATION</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>MITSUBISHI CORPORATION</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

### Data Section

#### MINERALS AND METALS

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI CORPORATION (Investment)</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### CONSUMER INDUSTRY GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI CORPORATION</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### AUTOMOBILE & MOBILITY GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI CORPORATION</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### FOOD INDUSTRY GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI CORPORATION</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### MINERAL RESOURCES GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI CORPORATION</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### URBAN DEVELOPMENT GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI Corporation (Land &amp; Housing)</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### FOOD INDUSTRY GROUP

<table>
<thead>
<tr>
<th>Ownership (%)</th>
<th>2020/3</th>
<th>2021/3</th>
<th>2022/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI CORPORATION</td>
<td>60.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>
**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]

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### Environmental Performance (consolidated)

<table>
<thead>
<tr>
<th>Period</th>
<th>Sales (Unit: billion yen)</th>
<th>CO2 (Unit: thousand t-CO2e)</th>
<th>Other (Unit: million t-CO2e/trillion yen)</th>
<th>Average Training Days by Employee[8][9]</th>
<th>Percentage of Women in Management Positions[10][11][12][13][14][15][16]</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/2020</td>
<td>4,884</td>
<td>11.1</td>
<td>0.68</td>
<td>1,174</td>
<td>4/16</td>
</tr>
<tr>
<td>3/2021</td>
<td>4,674</td>
<td>9.3</td>
<td>0.64</td>
<td>1,074</td>
<td>5/8</td>
</tr>
<tr>
<td>3/2022</td>
<td>3,782</td>
<td>3.4</td>
<td>1.00</td>
<td>1,045</td>
<td>63%</td>
</tr>
</tbody>
</table>

### Emissions by Segment (Unit: thousand t-CO2e)

- **Natural Gas Group**: 263
- **Industrial Materials Group**: 141, 179, 229
- **Perimeter & Chemicals Group**: 71, 87, 100
- **Mineral Resources Group**: 4,707, 4,073, 3,987
- **Industrial Infrastructure Group**: 83, 86, 126
- **Automotive Group**: 151, 170, 190
- **Food Industry Group**: 1,195, 1,130, 1,493
- **Corporate Industry Group**: 1
- **Porter Solution Group**: 1,014, 1,111, 1,209
- **Urban Development Group**: 6, 5, 20
- **Corporate Staff Section**: 4, 4

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**Social Data**

**Average Training Hours/Days by Employee**

- **Total**: 12,649
- **Government**: 1,256, 1,494, 1,439

**Percentage of Women in Management Positions**

- **3/2020**: 4/16
- **3/2021**: 5/8
- **3/2022**: 63%

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**Employee Data (non-consolidated)**

- **Number of employees (non-consolidated)**
  - Male: 5,805
  - Female: 1,959

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**ESG Data**

- **Scope 2 (including 6.5 gases)**
  - 2020: 6,884
  - 2021: 6,774
  - 2022: 21,829

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**Governance Data**

- **Percentage of Independent Members among Total Directors and Audit & Supervisory Board Members**: 45%
- **Percentage of Women among Total Directors and Audit & Supervisory Board Members**: 25%
- **Percentage of Independent Directors among Nomination & Compensation Committee Members**: 63%
## Corporate Information (As of March 31, 2022)

<table>
<thead>
<tr>
<th><strong>Company Name</strong></th>
<th>Mitsubishi Corporation (Securities code: 8058)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date Established</strong></td>
<td>July 1, 1954</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td>¥204,446,667,326</td>
</tr>
<tr>
<td><strong>Shares of Common Stock Issued</strong></td>
<td>1,485,723,351</td>
</tr>
</tbody>
</table>
| **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 |
| **Contact** | Investor Relations Department, Mitsubishi Corporation  
3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8086, Japan  
Telephone: +81-3-3210-2121 |

### Internet

Mitsubishi Corporation’s latest integrated reports, financial reports and news releases are available on the Investor Relations homepage.
