

## Integrated Report 2023

For the fiscal year ended March 31, 2023



***Combining  
Excellence***





## ***Connecting Our Strengths***

Mitsubishi Corporation (MC) creates new value with its stakeholders by connecting people, businesses where its strengths lie, and intelligence.

## ***Staying Ahead of the Curve***

Even in times of high uncertainty, MC will remain half a step or even one step ahead and respond to changes, making full use of its unique intelligence.





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Forward-Looking Statements

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

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



The Structure and Background of Mitsubishi Corporation's Integrated Report 2023

In Integrated Report 2023, following our value creation process detailed in Integrated Report 2022, we explain our unique value creation achieved by connecting our various strengths. The report focuses on the strengths of our businesses that we have cultivated and the interconnections “between businesses” and “between people that we value.”

At the beginning of the report, in addition to a message from MC's President and CEO, we include an interview with him that lays out his leadership style and thoughts on management.

Section 1, “The Value Creation Story,” provides an overview of the value creation process, the Six Capitals that serve as inputs to the process, and our Materiality that guides this process. For the 2023 edition, we will specifically focus on the business assets of the Six Capitals and explain in detail the strengths of MC's businesses cultivated throughout our history and the initiatives introduced to create new value by combining these assets. Section 2, “Midterm Corporate Strategy,” describes the progress of Midterm Corporate Strategy 2024 and initiatives related to energy transformation (EX), digital transformation (DX), and Creating a New Future, as well as explaining the path to creating MC Shared Value (MCSV) by addressing societal challenges. Furthermore, the featured discussion will present MC's response to the request from the Tokyo Stock Exchange in March 2023, as well as our approach to dialogue with investors and other stakeholders. Section 3, “Value Creation by the Business Groups,” introduces each Business Group's specific initiatives. The final section, Section 4, “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.

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 of Japan.

Scope of Reporting  
Period: Fiscal year ended March 31, 2023 (April 1, 2022–March 31, 2023). However, some activities after April 2023 are included.  
Organizations: Mitsubishi Corporation and Mitsubishi Corporation Group

Financial Information

From the fiscal year ended March 31, 2014, MC has prepared its consolidated financial statements based on the IFRS. Unless stated to the contrary, the information given in this integrated report is based on the IFRS.  
Please refer to the “Annual Financial Report” for detailed information for the fiscal year ended March 31, 2023.

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

Website

Mitsubishi Corporation Integrated Report 2023  
URL: <https://www.mitsubishicorp.com/ar2023/en/>

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

External Evaluations



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Corporate Philosophy

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

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

The Three Corporate Principles

**Corporate Responsibility to Society**  
“Shoki Hoko”  
Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

**Integrity and Fairness**  
“Shoji Komei”  
Maintain principles of transparency and openness, conducting business with integrity and fairness.

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

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

Corporate Standards of Conduct

- 1

**Aim of Corporate Business Activities**

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

**Fairness and Integrity in Corporate Business Activities**

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

**Respect for Human Rights and Employees**

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

**Information Security and Disclosure**

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

**Consideration for Environmental Issues**

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

**Contribution to Society**

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





**We aim to create value unique to MC that uses our collective capabilities while focusing on diverse “interconnections.”**

A stylized signature of Katsuya Nakanishi in black ink.

Katsuya Nakanishi  
Representative Director,  
President and CEO

## Challenges Faced by MC Based on an Awareness of Our External Environment

The global supply chain, which had been expected to normalize during the recovery from the COVID-19 pandemic, was further exposed to vulnerabilities following Russia's aggression against Ukraine. Amid historic inflation, Western countries shifted gears toward monetary tightening, while the foreign exchange market also experienced significant changes. We must now be increasingly aware of the impact of these changes on both the real economy and the global financial landscape. Relations between the United States and China also remain unpredictable, and the impact of the downturn in China's real estate market forces us to expect low growth for the foreseeable future.

Despite the highly uncertain nature of our current business environment, led by the Three Corporate Principles as our corporate philosophy since our founding, as we have done in the past, we will capitalize on our collective capabilities, including our accumulated intelligence and industry knowledge in line with the changes and issues faced by society in each era, and constantly push forward to create value by addressing these challenges. I myself plan to maintain a constant state of preparedness that envisions a range of possibilities. While connecting the high-quality information that we obtain from our offices throughout the world and utilizing the multifaceted intelligence unique to MC that it creates, I aim to foresee half a step or even one step ahead and to be strongly aware of our response to future changes.

For example, regarding decarbonization, with the passing of the Inflation Reduction Act in the United States, we expect decarbonization projects and technological innovation to progress at an accelerated pace. Even in Europe, while initiatives may be forced to slow down temporarily given the current challenging conditions, based on the clear agenda of balancing decarbonization while decreasing its dependence from Russian energy, there will likely be no change in the long-term goal of a transition to green energy. China's response to the transition to electric vehicles is also eye-opening.

I believe that the trend toward decarbonization taking place in all industries throughout the world is irreversible, however, the path and timeline to reach decarbonization differs by country and region. Given this circumstance, I am convinced that decarbonization represents a great opportunity for us, given our diverse portfolio and active involvement in a wide range of businesses related to low carbonization and decarbonization.

Turning our eyes to Japan, in the past 30 years Japanese companies have transferred earnings made overseas back to Japan, however, those funds have not always been well used for domestic growth investment, leading instead to low growth in the long term for the Japanese economy. However, given Japan's stable political situation and public security, as well as technological capabilities on a global basis, it has definite potential to once again follow an economic growth track.

What is important here is the fact that we are indeed a global company and a Japanese company at the same time. If Japan loses its national strength, its presence will decline comparatively on a global basis. This means that the presence of Japanese companies will also decline. This is exactly why I believe that we should contribute to bolstering Japan's national strength. Effective and meaningful ways for us to do so include fostering new industries and taking part in creating a new future through regional revitalization.

Based on this understanding, in our Midterm Corporate Strategy 2024 announced in May 2022, we set “Integrated EX/DX initiatives to Create a New Future” as one of our growth strategies, which we are working diligently to execute. My goal is for us to realize our three agendas of achieving a carbon-neutral society, providing a reliable supply of energy, and maintaining and enhancing industry competitiveness. I hope that the realization of these goals will contribute to a tangible recovery in the Japanese economy through the creation of MC Shared Value (“MCSV”), while also leading to our own growth.

## Progress in Our Midterm Corporate Strategy 2024

More than a year has passed since the announcement of our Midterm Corporate Strategy 2024, and I feel a strong sense of the progress that we have made. Here, I would like to introduce specific examples of this progress in various areas.

### Quantitative Targets and Shareholder Returns

Our consolidated net income in the fiscal year ended March 31, 2023 marked an all-time high of 1.1807 trillion yen. In addition to benefitting from the tailwind of resource prices, this result was driven by the recording of a gain on sale of a real estate asset management company as part of our Value-Added Cyclical Growth Model, even while properly making provisions for losses which were of concern. For the fiscal years ending March 31, 2024 and 2025, we expect a relative decline in earnings compared to the fiscal year ended March 31, 2023 due to declining resource prices, however, we still expect to achieve relatively

high profit levels from growth in existing projects starting with the non-resource fields and from gains on sales with the continuous promotion of our Value- Added Cyclical Growth Model.

In terms of shareholder returns, at the time of the announcement of our Midterm Corporate Strategy 2024, we set a goal of a total payout in the range of approximately 30% to 40% including both dividends and share buybacks. However, while considering the suggestions received from dialogue with investors in the stock market and the standpoint of increasing the predictability of shareholder returns, we revised our policy from the fiscal year ending March 31, 2024 onward with a goal of approximately 40% total payout ratio. Regarding dividends, based on the premise of sustaining our progressive dividends, we increased our dividends per share for the fiscal year ending March 31, 2024 to 200 yen. Furthermore, considering our cash flow trend, in May 2023 we announced an additional 200 billion yen in share buybacks. From the



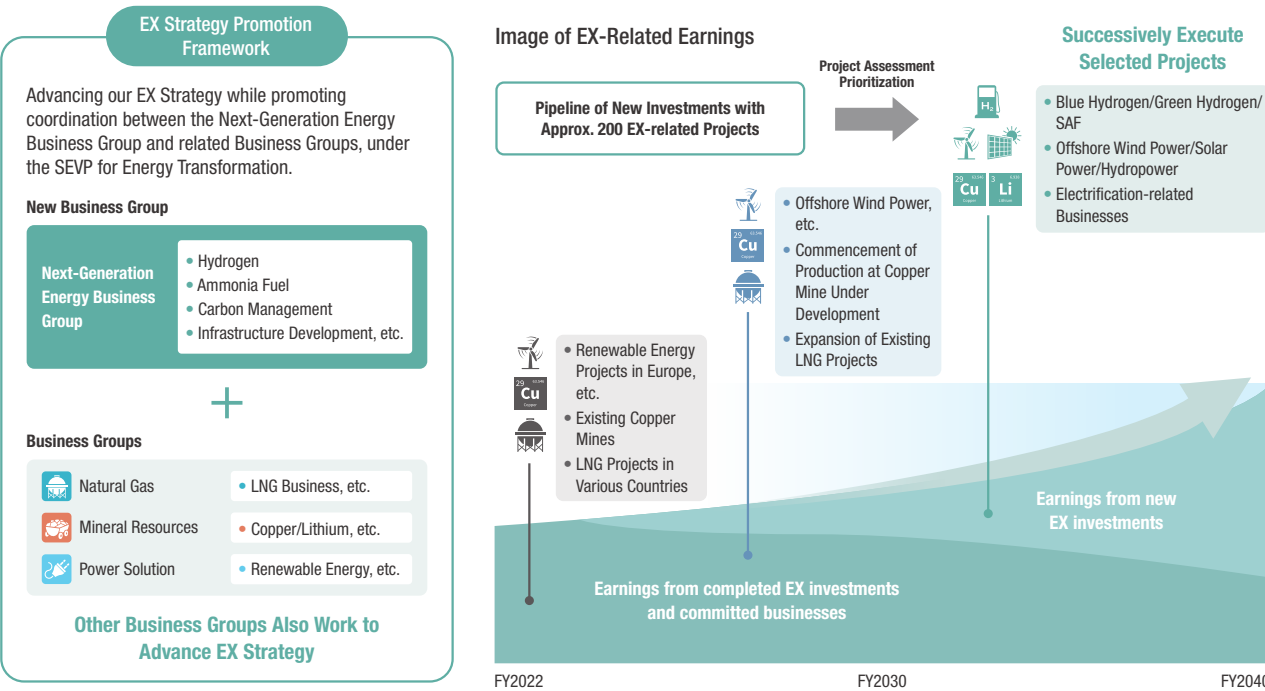
Message from the President and CEO

fiscal year ending March 31, 2024 onward, we will continue to evaluate balanced and flexible shareholder returns.

Progress in Our EX Strategy

In our Energy Transformation (EX) Strategy, one of our growth strategies in our Midterm Corporate Strategy 2024, we deepened our discussions among EX Task Force and other relevant Business Groups. From an initial long list of more than 200 potential project candidates, we evaluated which projects to prioritize over the coming three years, and our short list is now mostly completed. Naturally, management is constantly reviewing our strategy considering the policy trends of each region, but we expect to move forward with investments based on our

short list. EX-related investment includes initiatives with long timelines, however, we will work to secure sufficient profitability by building an EX value chain that connects diverse businesses and through a combination of stable earnings and capital gains born from forward-looking investments that utilize our business knowledge cultivated over many years. In the energy sector, surging resource prices in recent years have exposed various imbalances among different countries. Based on our long history and track records of contributions in ensuring reliable supply in the resource and energy field, I feel a sense of mission and responsibility in pursuing our EX initiatives, which I believe are indispensable in mounting a recovery in the strength of the economy of Japan, which has extremely low energy self-sufficiency.



Progress in Our DX Strategy

Regarding our Digital Transformation (DX) Strategy, through coordination between the Industry Digital Transformation Group, formed in 2022, and each Business Group, we are advancing multiple projects aimed at optimizing logistics and increasing productivity. In 2022, we produced concrete results including beginning to install food distribution DX in Mitsubishi Shokuhin distribution centers.

One of our growth strategies in our Midterm Corporate Strategy 2024 is to promote the integration of EX and DX, and DX is an essential means of supporting EX. For example, the renewable energy business being promoted by MC is affected by the weather, so optimization using DX is important. We also see the use of DX as the key to the EV fleet management business. Starting with examples like these, we are integrating DX with our EX Strategy.

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

We see fostering new industries and regional revitalization as key to creating a new future and are moving forward with initiatives in these areas. We have made progress coordinating with different companies, educational and research institutions, and local municipalities, starting with our support for the establishment of the “Kyoto University-Mitsubishi Corporation Startup Catapult” program to support entrepreneurship led by Kyoto University. While the goal of this initiative is to contribute to the recovery of Japan’s national strength through fostering new industries, I believe that this initiative will also contribute to increase MC’s intelligence with respect to technological innovation and industrial structural changes. Boosting our intelligence on the possibility of industry reforms prompted by technological innovation and

the further evolution of digital technology is an extremely important approach in considering new business strategies in the future. Technological innovation and industrial structural changes are occurring faster than forecasted in a discontinuous manner. This trend includes changes in the structure of the automotive industry caused by the spread of EVs, changes in the energy services field with the inclusion of renewable energy, and reforms in the logistics, healthcare, and financial fields driven by digital technology. We aim to use our industry intelligence in response to these trends, create visions for our businesses, and connect those visions to reality.

Since we announced our Midterm Corporate Strategy 2024, we have exchanged opinions with many local municipalities throughout Japan. In addition to concluding new cooperative agreements with several of these local municipalities, in October 2022, MC established the joint venture ATLAND Corp. with Maruha Nichiro Corporation in Nyuzen, Toyama Prefecture to pursue a land-based salmon aquaculture business. By building a sustainable, stable, and efficient land-based salmon production system using digital technology, we aim to realize a business model based on local production and consumption.

Promoting the Value-Added Cyclical Growth Model

We are accelerating Value-Added Cyclical Growth Model initiative, which is listed as one of our growth mechanisms in the Midterm Corporate Strategy 2024. In October 2022, we performed a full review and identified potential targets for replacement. Then, Business Groups selected the individual replacement targets and have now moved forward with actual replacements. In addition to proactively replacing businesses contributing to earnings within our portfolio, including the sale of MC-UBSR in 2022 and the sale of a Food Industry Group affiliate in 2023, to pursue further growth, we have made progress in reducing the number of low-yield businesses. Additionally, not limited to divestiture projects, we worked to thoroughly eliminate unnecessary works to improve productivity through a top-down review and to respond to changes in the business environment. Moreover, we worked tirelessly to strengthen our portfolio by steadily implementing sustaining investment and boosting the competitiveness of existing businesses through increased profitability.

▶ Please also see P.58 for details on progress in our Midterm Corporate Strategy 2024.

Policies for Maximizing the Value of Human Capital

I would also like to share my thoughts on human capital, one of our most important forms of capital in MC’s value creation. Human capital and diversity, equity, and inclusion (DE&I) are terms that we hear more and more these days and we have always viewed human capital as an essential source of all our value creation. It is a topic that I constantly consider. To maximize the value of our human capital, strengthening employee engagement is essential, and we are strongly aware of DE&I as one of the means of doing so. In our current world, in which the barriers to enter an industry are getting lower, companies with greater diversity are winning, and promoting DE&I is becoming more important than ever in companies’ competitive strategies. Based on this belief, in our Midterm Corporate Strategy 2024, we have set forth the goals of “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.” Since I became President

and CEO, I have endeavored to provide as many opportunities for dialogue with our employees as possible, starting with the President and CEO’s Town Hall Meeting launched in the fiscal year ended March 31, 2023. I can sense that these opportunities have led to our diverse and versatile employees approaching their work with a high sense of morale. I feel strongly that accepting human resources with diverse values equally as expressed in the spirit of the Three Corporate Principles is extremely important in being an organization in which every individual can work in a dynamic, spirited and vibrant way, and that this will lead to further growth for MC. Based on this belief, as the person responsible for promoting DE&I, I wanted to take even more action, and decided to launch the DE&I Working Group. I also believe that the awareness of many of our employees are changing because of these initiatives.

▶ Please also see P.39 for details on the town hall meetings.  
▶ Please also see P.44 for details on the DE&I Working Group.

Stakeholder Engagement

Lastly, I would like to share something that left a strong impression on me since becoming President and CEO. We have created numerous opportunities for dialogue with various stakeholders including shareholders, investors, and the media, and through these dialogues, I could directly feel that expectations for MC were greater than I anticipated. We take the opinions of our stakeholders into consideration in our corporate management, and as a concrete example

of our response to these opinions, in 2023 we created a new position of Chief Stakeholder Engagement Officer (CSEO) to further strengthen dialogue with a wide range of stakeholders. The CSEO and I plan to lead even more proactive dialogues with our stakeholders, and while considering their opinions, we will aim for sustainable growth through the creation of MCSV.





Katsuya Nakanishi

Masako Shindo

Representative Director, President and CEO

Interviewer

Approaching work with humility, positivity, and enthusiasm—this is my style.

— Thank you for your time today. I hope to discuss with you in detail on behalf of the readers of Mitsubishi Corporation's Integrated Report 2023 about the thoughts behind the Midterm Corporate Strategy 2024 as well as your leadership style and management philosophy.

Thank you for taking the time to speak with me today.

**Q** To begin with, the Midterm Corporate Strategy 2024 describes many types of “interconnections” including “Connecting Our Business to the Future with Disciplined Growth,” “Connecting Diverse Sources of Intelligence,” and “Interconnecting a Versatile and Diverse Talent Pool.” What kind of interconnections are you especially focused on?

Based on my personal experience, I am focused on interconnections with people. In my current work, there are some results that I have managed to produce thanks to the relationships of trust that I have built with certain people over decades. This is why I believe interconnections with people are so important to me.

As one example, MC promotes regional revitalization as one of

its growth strategies. In the process of regional revitalization, interconnections with the people in communities are extremely important. An electric power business, for example, operates for more than 30 years in general, which builds on an extremely long relationship with people of communities. The people living in areas with which we have recently been strengthening our relationships have great expectations for MC. By building new businesses and contributing to regional economies communities, I hope to respond to the expectations of these communities.

I also always consider what kind of legacy we will pass on to the next generation. For example, I feel a sense of responsibility for what kind of company we want to become in 2050 when the new employees that join the Company this year take over company management.

**Q** It is understandable that interconnections with people are the foundation of business. As the President and CEO managing MC, which is active in diverse operations worldwide, what focal points and roles are you particularly aware of?

As we just spoke about, I focus on dialogues with our employees



as well as external partners. My focus in these dialogues is to take as much time as needed for thorough discussion. Rather than a one-sided conversation, I put my emphasis on listening carefully to our employees and partners to better understand their concerns. This then allows us to look for optimal solutions. As tangible opportunities for this kind of dialogue, we have regularly held town hall meetings with our employees, monthly business meals with our mid-level and younger employees and engaging in dialogues with our new employees.

— I see that you spend a lot of time engaged in employee dialogue even with your busy schedule. However, I imagine that it must be difficult for you to gather honest opinions from your employees.

There are certainly times when it is difficult. For example, when I eat at the same table with employees, initially it is hard to gather their honest opinions. Despite this, I try to remain diligent and continue our conversations. Even though it is difficult, we would learn even less without these talks. Even under such a circumstance, generally speaking, younger employees have no problem asking honest questions. When I had conversations with our new employees, they asked a variety of questions and I answered them very openly. This dynamic led many from outside of the Company who was listening to the conversations to notice what an open and “free” culture MC has, as they said it is not typical for employees to be able to ask the President and CEO such questions.

Moreover, as a company engaged in diverse operations, another thing that is naturally important to me is to possess knowledge on a diverse range of topics. Of course, I read many books, but because live information is important, I learn a lot from my conversations with people. I have also learned a lot through my meetings with the people leading each industry. Of course, we have many experts in each field within our Company, so I also emphasize talking with our employees as well as on-site visits. Some people believe that the role of the President and CEO sits at

the very top of the organization. However, I work with the mindset that I support the entire Mitsubishi Corporation Group from the bottom up. Because I support the entire organization, I am required to have knowledge on a broad spectrum of issues and must constantly learn.

**Q** What is your personal leadership style and management philosophy in managing MC?

I am not sure if it as grandiose as a management philosophy, but I believe that it is important to approach things in an honest, straight forward manner. I exercise leadership in our business by treating issues that surround us as if they were my own and then by engaging in communication and exercising intelligence as we pursue the next step. During this process, I work to maintain an awareness of humility, positivity, and enthusiasm. This is my style.

— I can really feel your enthusiasm for your role as President and CEO of MC through this interview.

I feel a strong sense of purpose in my work. Times are changing, starting with initiatives such as decarbonization. In this sense, we live in very interesting times, and I am confident that they represent a large opportunity for growth not only for myself, but also for MC.

— Thank you for speaking with me today.

It was my pleasure.



Interviewer

Masako Shindo

Masako Shindo joined TBS in 1994 and was responsible for such programs as “Tetsuya Tsukushi News 23” and “The Evening News.” She left TBS in March 2001. Thereafter, in addition to working as a moderator, writer, and narrator, she was a successful interviewer, speaking with hundreds of industry leaders. She also produced recitals in Suntory Hall in 2018 and Toppan Hall in 2021. She currently acts as the moderator for “Gacchiri Monday!!,” which airs every Sunday at 7:30 AM JST.



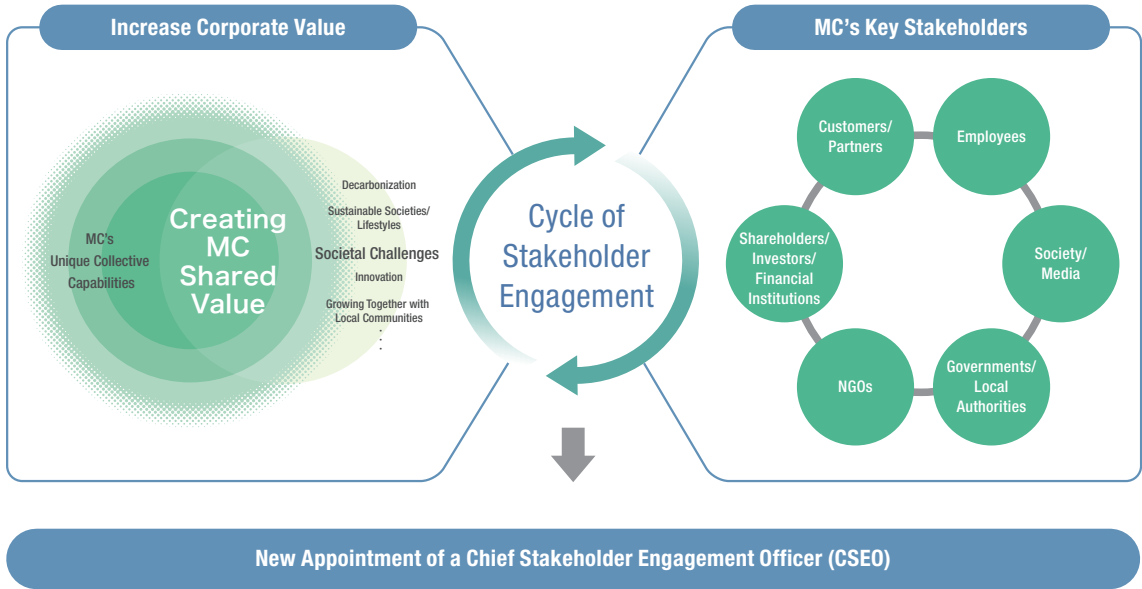
Expanding our dialogues and disclosures in various fields based on input from our stakeholders.



Kenji Kobayashi  
Senior Vice President  
Corporate Functional Officer,  
Chief Stakeholder Engagement Officer (CSEO)



Stakeholder Engagement



Contributing to the Continuous Creation of MCSV by Strengthening Stakeholder Engagement

As a company that has continued to grow in step with society by developing business in response to the needs of the changing times, it is vital for MC to collaborate and grow together with its diverse stakeholders. MC will target sustainable growth through the creation of MC Shared Value (MCSV) by engaging in active stakeholder dialogues and incorporating third-party perspectives into our growth strategies.

With this in mind, MC newly established the position of Chief Stakeholder Engagement Officer (CSEO) in 2023, a post that I currently hold. My main role is to minimize conflicts among stakeholders with different levels of interest and requirements, such as shareholders, investors, NGOs, and the media. To take on this challenge, I will repeatedly engage in interactive exchanges with our increasingly diverse stakeholders, while seeking to present clear explanations of financial and non-financial information in a comprehensive and easy-to-understand manner.

Expanding Dialogues with Stakeholders

As mentioned above, the CSEO function will actively engage in dialogues with various stakeholders on a regular basis. In addition to quarterly investor meetings following the announcements of financial results, we hold dialogues with various stakeholders, including shareholders and investors, and take these

opportunities to talk about MC's medium- to long-term growth story. We engage in dialogues not just in Japan, but also globally in North America, Europe, and Asia. Moreover, we held our Company's first MCSV Creation Forum ~ESG Briefing~ in 2023. We will continue to hold future forums from various perspectives and actively expand opportunities for dialogues with stakeholders.

Expanding Disclosures Based on Stakeholder Demands

In response to disclosure requests from stakeholders, from this year, we have expanded our disclosures in the area of climate change. Specifically, we have decided to be highly transparent with our disclosure of Scope 3 Category 11 emissions. Although standards and rules for disclosure of Scope 3 Category 11 emissions have yet to be established, I expect that by taking the initiative in disclosing this information, it will promote dialogues with our business partners, stimulate discussions in industry, and advance rule creation and the development of a "common language." Furthermore, we have decided to newly disclose "avoided emissions" as a quantitative indicator to measure the degree of contribution we are making to GHG emissions reductions, as well as the extent to which we are capturing business opportunities in the transition to a decarbonized society. Specific projects that show how we are contributing to emissions reductions include those in the offshore wind power generation business and copper projects that support

electrification. We have disclosed details on "avoided emissions" on our sustainability website along with specific calculation formulae, and we are gradually expanding its scope. Based on the valuable feedback received from stakeholders from

recent dialogues, I recognize the need to expand disclosure of MC's more specific medium- to long-term growth prospects, including EX investment. Going forward, I intend to expand dialogues and disclosures in various fields.

Message



Since joining MC, I have been involved in finance-related businesses, and, in the midst of constant change, I feel as though I have been required to focus my time on being selective and focused. Most recently, as Division COO of the Asset Finance Division, I focused on the global asset finance business and the private equity business, which supports the enhancement of corporate value, while at the same time exiting from the aircraft leasing, brokerage, fund of funds, and LP investment businesses, thereby practicing cyclical management in line with the external environment. I once shared with the Asset Finance Division employees at the time Peter Drucker's words, "An organization is not, like an animal, an end in itself, and successful by the mere act of perpetuating the species. An organization is an organ of society and fulfills itself by the contribution it makes to the outside environment." I feel that the newly established CSEO, to which I have been appointed, is the very position that will embody these words throughout MC. As the CSEO, I intend to incorporate the voices of society's stakeholders into management, and contribute to society through the continuous creation of MCSV as a company.





# 01

## The Value Creation Story

This section provides an overview of the value creation process and the Six Capitals that serve as inputs to the process. We will also focus on the business assets of the Six Capitals and explain the strengths of MC's businesses.

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20	Social Capital				
21	Environmental and Natural Capital				



# Value Creation Process

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

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

## Materiality related to societal challenges

P.48-49



Contributing to Decarbonized Societies



Promoting Stable, Sustainable Societies and Lifestyles



Conserving and Effectively Utilizing Natural Capital



Utilizing Innovation to Address Societal Needs



Respecting Human Rights in Our Business Operations

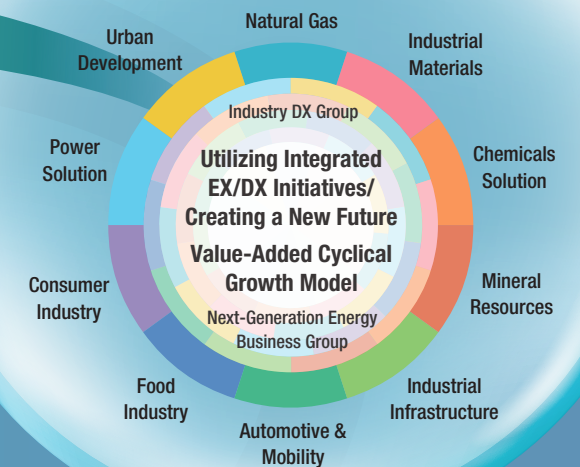


Addressing Regional Issues and Growing Together with Local Communities

## 2. Business Groups x Business Models x Strategies (Engine)

Business Group pages P.74-97

Special Feature: History and Strengths of Core Businesses P.22-35



## 3. Creating MC Shared Value (Outcome)

Economic Value

MC Shared Value

Environmental Value

Social Value

## The Continuous Creation of MCSV

## 1. The Six Capitals (Inputs)

P.18-21

Stewardship Capital

Financial Capital  
Human Capital

External Capital  
(Foundation for Societal Trust)

Social Capital  
Environmental and Natural Capital

Internally Generated Capital

Business Assets  
Intelligence and Industry Expertise



Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce

## 2. Business Groups x Business Models x Strategies (Engine)

The 12 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.

## Risks and Opportunities

See each Business Group's page

P.79-97

3. Creating MC Shared Value (Outcome)  
Leveraging MC Group's unique collective capabilities, we will further accelerate addressing various societal challenges through our business activities and continuously creating MC Shared Value.

## 1. The Six Capitals (Inputs)

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

Sustainability Promotion Framework P.100-105

Risk Management P.124-129

Corporate Governance

P.106-123



Realizing a Highly Transparent and Flexible Organization

## The Three Corporate Principles

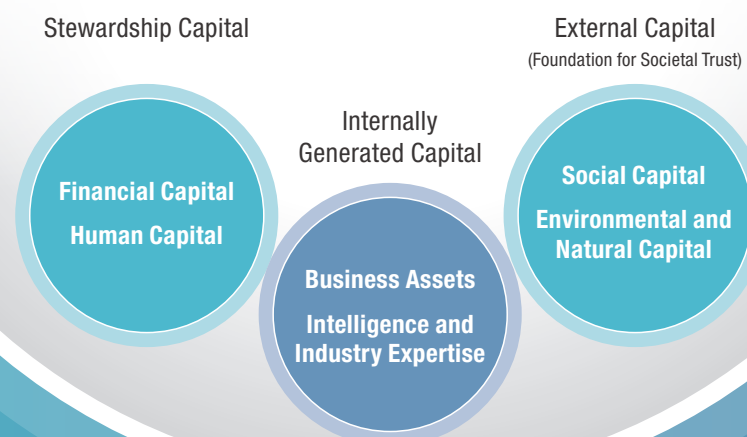




## Capitals

MC invests the 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.



## 02. Human Capital

MC has achieved sustainable growth together with society through its business activities by anticipating the needs of the times and actively attempting to address societal challenges. What has supported this growth are human resources who, through various experiences unique to our Company, combine high aspirations for addressing societal issues, the foresight to anticipate the times and create new value, execution skills to quickly materialize concepts by involving a diverse range of stakeholders, and high moral and ethical standards linked to the spirit of the Three Corporate Principles. We consider human resources, our greatest asset, to be “human capital” which is the source of value creation, and we have been and will continue to actively invest in them.

### HR Policies in Midterm Corporate Strategy 2024

In order to create MCSV in the current environment of growing uncertainty, we must remain a vibrant organization that responds promptly to management strategies as well as changes in the operating environment, while also maximizing individual capabilities and value. In the HR Policies of Midterm Corporate Strategy 2024, we have established three pillars: HR Strategy, Strengthen Engagement, and Data Utilization. We will continuously strengthen our ideal vision for the organization through strategy execution revolving around these three pillars.



## Stewardship Capital

### 01. Financial Capital

At the core of any company is receiving financial capital from its providers, increasing its value through business, and distributing the increased value. 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 the Value-Added Cyclical Growth Model. With regard to the distribution of financial capital through shareholder returns, we will meet market expectations by combining flexible share buybacks while maintaining stable dividend growth through a progressive dividend scheme.

Equity Capital	¥8,071.0 billion (FY2022)
Consolidated Net Income/ROE	¥1,180.7 billion/ 15.8% (FY2022)
Total Payout Ratio	Midterm Corporate Strategy 2024 (FY2022 Cumulative) 53%

## Internally Generated Capital

### 03. Business Assets

By changing its earnings model flexibly in accordance with the changing business environment, MC has been able to create and grow highly competitive and prominent business assets, including mineral resources, LNG, salmon farming, and automobiles. We will combine these diverse and strong business assets with our connections in many industries to overcome societal challenges through our business and create new value.





04. Intelligence and Industry Expertise

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

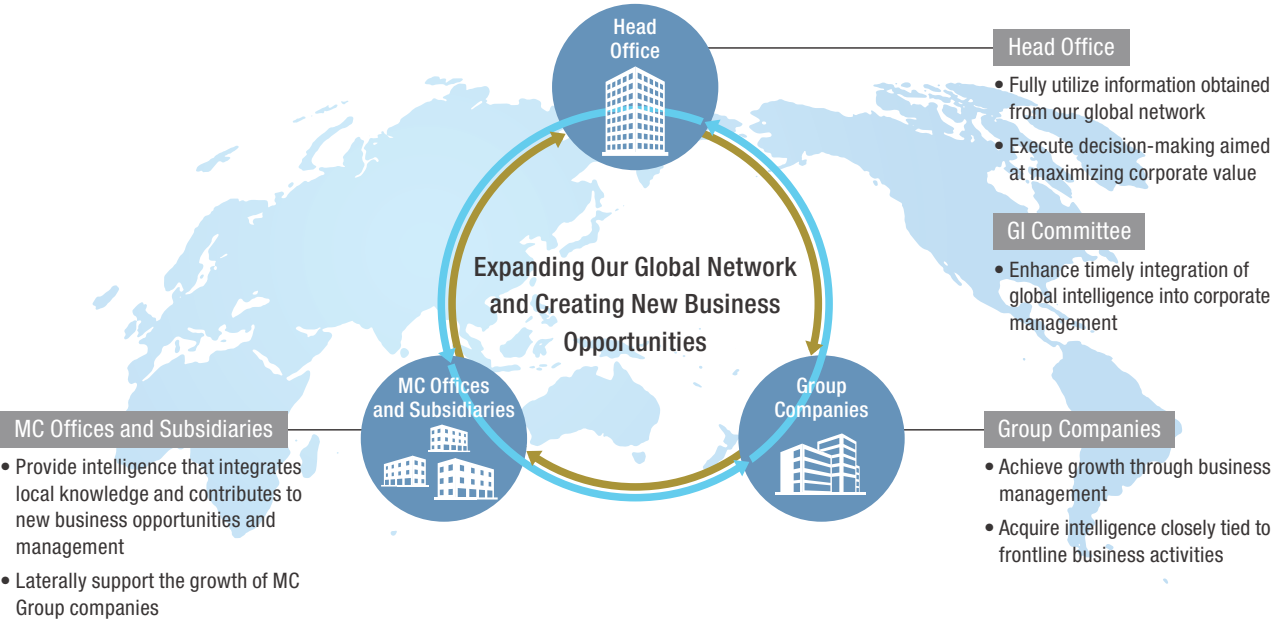
Intelligence

Through the efficient and effective division of functions among our head office, global offices, 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 (GI) Committee in Midterm Corporate Strategy 2024. By incorporating the analysis of the GI Committee into the MC Shared Value Forum

(MCSV Forum), which discusses and formulates cross-industry companywide strategies, we will strengthen the driving force of our Business Groups and collaboration across all industries.

Industry Expertise

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



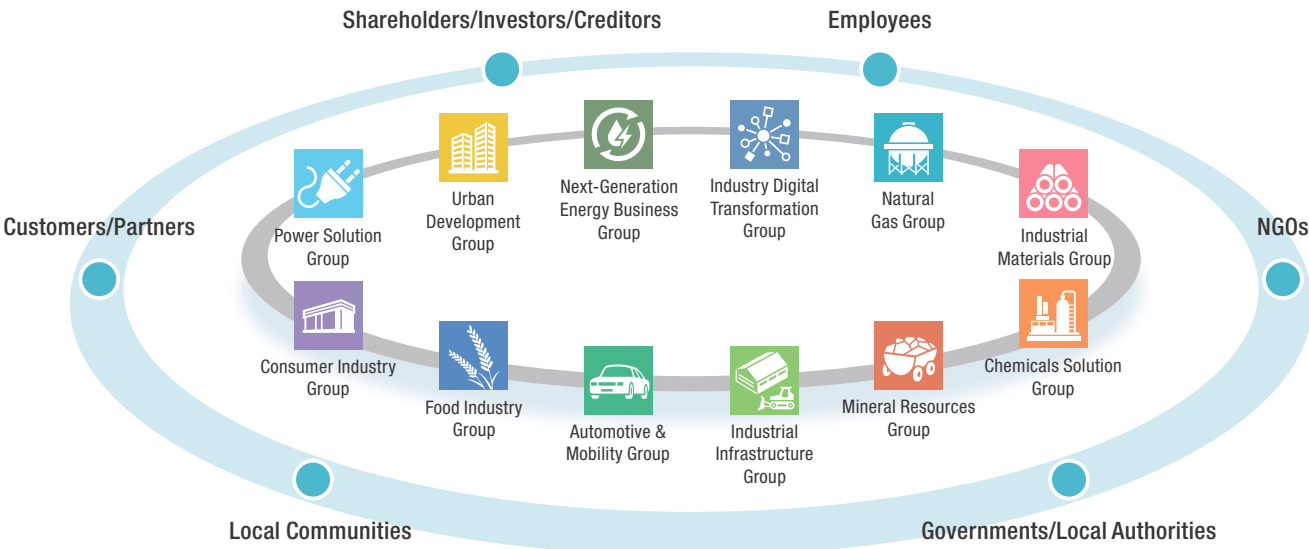
External Capital (Foundation for Societal Trust)

05. Social Capital

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

governments and local authorities 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.

Key Stakeholders



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 each business area, from upstream raw material procurement to downstream retail. This will be done by working with our customers and business partners to develop various businesses that could not have been realized alone. Moreover, as a company that handles a diverse range of products and services worldwide, MC is working to achieve a sustainable supply chain as a key issue.

Local Communities

MC believes in the importance of “Addressing Regional Issues and Growing Together with Local Communities” as well as the value of building relationships with communities for the success of its businesses. Furthermore, by growing together with communities through job creation, promoting community development, and procuring raw materials from local communities, MC also strives to minimize negative impacts, including by respecting the rights of indigenous peoples. Particularly for large-scale projects where the understanding and cooperation of local communities is crucial, we

hold public hearings and dialogues with local residents as needed. Growing together with local communities is equally as important as advancing our businesses and generating financial returns. This represents the true spirit of MC, which seeks to simultaneously generate economic, environmental, and societal value.

Governments and Local Authorities

To achieve improvements and provide solutions to societal issues through our global business operations, we engage in collaboration, joint initiatives, and dialogue with government and local authorities 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.

06. Environmental and Natural Capital

As with social capital, consideration for the environment and nature is also an indispensable element in maintaining the foundation for the 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 challenges to be addressed through our business

activities: “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.

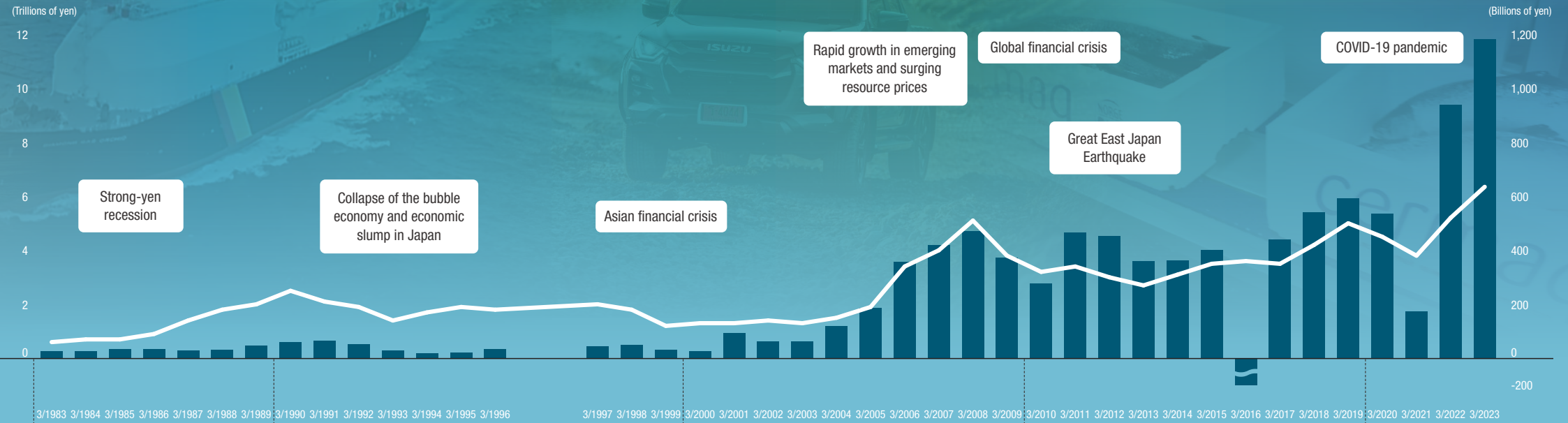


## Special Feature: History and Strengths of Core Businesses

MC has pursued value creation by flexibly transforming its earning methods (business models) in accordance with the changing environment.

Transition of external environment and corporate value

Second oil crisis



1870s

1970s

1980s

1990s

2000s

2010s

2020s

### Transformation of earning methods (business models) in each business area

Earning methods (Business models)

Intermediary services



Brunei LNG (LNG business)



Tri Petch Isuzu Sales (Automotive & mobility business)

Enhancement of intermediary capabilities

Business investment/management



BMA (Mineral resources business)



Eneco (Integrated energy business)



Cermaq (Salmon business)

### Business model transformation

Trading Phase

Trading Evolution Phase

Business Investment Phase (Business Model Transformation Phase)

Business Management 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.

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

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.

After launching Midterm Corporate Strategy 2018, MC has sought further growth in the business management model, where we have deeply entered into investees' businesses to directly and proactively create value, beyond the previous concept of just expecting returns from investments. In Midterm Corporate Strategy 2021, we 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, we 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.

1870 Original Mitsubishi organization founded

1954 New MC founded (historic re-merger)

1957 MC becomes Japan's first trading company to take part in petroleum wholesale

1969 MC establishes Brunei LNG

1974 MC signs construction contracts for the international airport at Mombasa, Kenya

1974 MC establishes Tri Petch Isuzu Sales

1981 MC signs joint venture contract of SPDC Ltd.

1985 MC partners with Mitsui & Co., Ltd. in the North West Shelf project in Australia

1992 MC establishes Metanol de Oriente, METOR, S.A. (METOR), a methanol manufacturing and sales company in Venezuela

1992 MC joins the Sakhalin 2 project

2000 MC signs a capital and business alliance agreement with Lawson, Inc.

2001 MC establishes BHP Billiton Mitsubishi Alliance (BMA), a joint venture with global mining giant BHP Billiton

2010 MC invests in the shale gas business in Canada

2011 Mitsubishi Shokuhin Co., Ltd. established

2014 Cermaq ASA becomes a subsidiary

2017 Lawson, Inc. becomes a subsidiary

2020 Eneco becomes a subsidiary

2021 MC establishes Industry One, Inc., a new DX joint venture, with NTT

2021 MC establishes Chubu Electric Power Miraiz Connect, Inc., a joint venture, with Chubu Electric Power Miraiz Co., Inc.

2021 MC appointed as an operator for three offshore wind power generation projects in Japan (two in Akita Prefecture and one in Chiba Prefecture)

2022 MC participates in the Breakthrough Energy Catalyst platform



# Mineral Resources Business

Our mineral resources business is a core asset and an essential part of MC's business activities. The mineral resources business has continually evolved its business models in step with changes in the business environment. We are working to build prime assets with world-class competitive cost advantages and quality, especially in the areas of metallurgical coal and copper.

It will be an increasingly important priority to establish a sustainable supply scheme for key essential resources, such as steel and copper, as society works to transition to carbon neutrality by 2050. We will continue to fulfill our mission to supply essential resources to those who need them through trading, resource investments, and business development. In this section, we will describe MC's initiatives in this area, including the history and strengths of our mineral resources business, as well as our plans for future development.

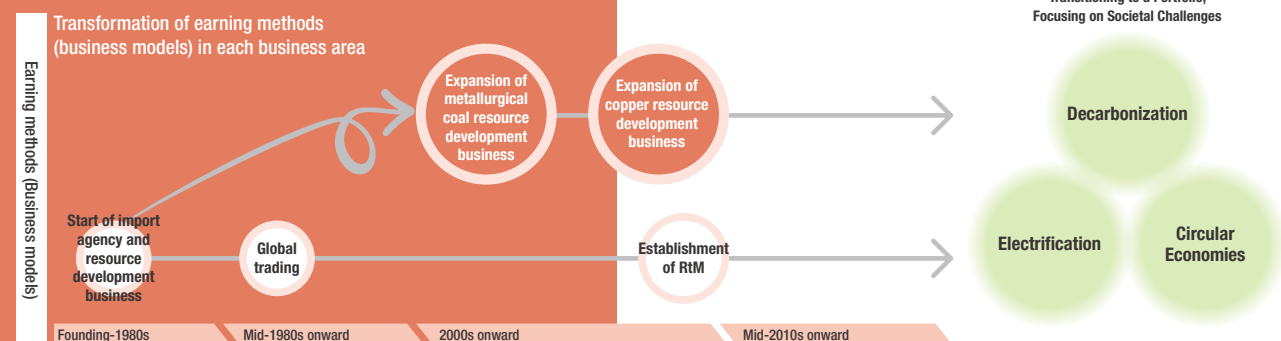
## Consolidated Net Income

FY2021: ¥420.7 billion

FY2022: ¥439.3 billion

Share of consolidated net income (FY2022)

## Business Model Transformation



## Main Value Chains of the Mineral Resources Business



## Business Environment Shift an Opportunity for a Major Transition to Upstream Resource Development Investment

Between the post-war reconstruction period and the dawn of Japan's era of rapid economic growth, MC took on the responsibility of importing the raw materials, such as metallurgical coal and iron ore, needed for the production of various industrial products in Japan. The demand for resources continued to expand in step with the development of Japan's manufacturing industries during the era of rapid economic growth. MC began to explore opportunities for investment in upstream assets to ensure reliable procurement of resources, and in 1968 we became involved in the mining of metallurgical coal (which is used in steelmaking) in Australia. When Japan's economic growth started to slow in the mid-1970s, we began to shift our focus to global trading and resource investment with the aim of harnessing growth not only in Japan, but also overseas. In 2001, we expanded our stake in the Australian metallurgical coal business to 50% and established a new company, BHP Billiton Mitsubishi Alliance (now BHP Mitsubishi Alliance, or BMA), as a 50:50 joint venture with BHP Billiton (now BHP), the world's largest resource company. BMA has now grown into a major source of earnings for MC, generating average yearly net income of 200 billion yen over the past five years based on MC's equity stake.

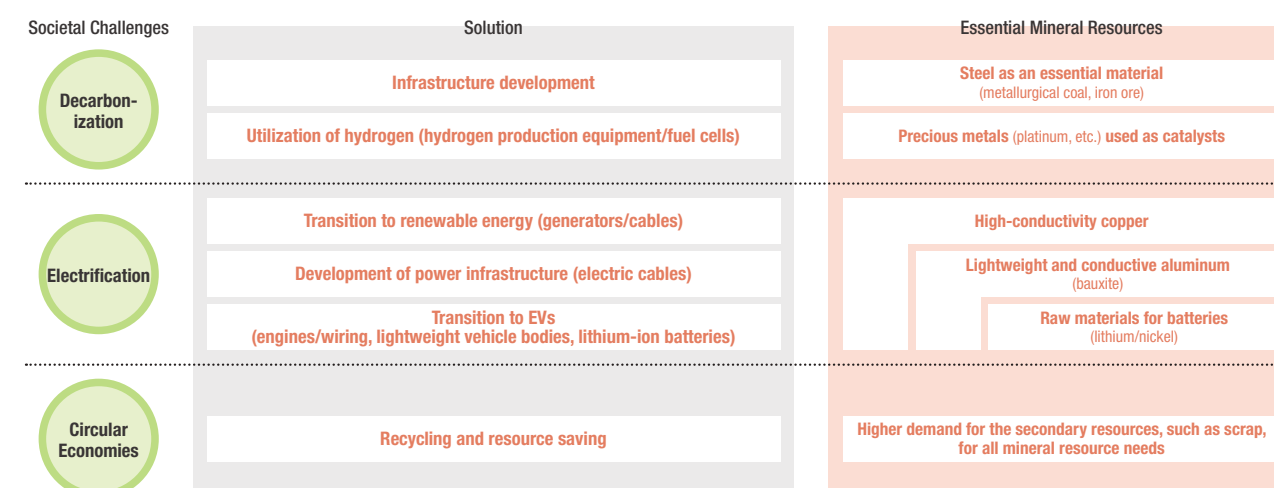
## Focusing on the Copper Business as a Second Core Business

Our next step was to apply the business model that had brought us success in the metallurgical coal business to other areas. We began to build a presence in the copper mining industry, starting in 1988 with an investment in Escondida, the world's largest copper mine. This early response to the growing demand for copper enabled us to acquire interests in high-quality assets that rarely come onto the market today. Since then, we have continued to build one of the world's leading copper asset portfolios in terms of both cost-competitiveness and

output. The biggest copper mine that we have developed in recent years is Quellaveco. Together with our partner, the resource company Anglo American plc, a leading global mining major company - we overcame numerous unexpected challenges during the COVID-19 pandemic and completed the construction of the mine on schedule over the course of approximately four years, with production commencing in 2022. Our copper equity production volume is now the largest of any Japanese company. We anticipate further expansion after the start of full-scale production at Quellaveco, and our world ranking is expected to rise to around 13th.

## Transitioning to a Portfolio Centered on Societal Challenges

One of the biggest social priorities today is the development of measures to combat climate change. In our mineral resources business, we are responding to this issue by transitioning away from our traditional product-centered business portfolio with the aim of achieving new growth based on a portfolio centered on societal challenges. Specifically, we have divided our business activities into three categories—decarbonization, electrification, and circular economies—and are now working to address societal challenges in each of these areas through the sustainable supply of essential materials.



## Trading Business

Our trading business, the origin of our mineral resources business, has achieved growth by adapting to changing needs. We have leveraged the added value gained through this business, including industry intelligence, our market presence, and the discovery of prime investment opportunities, to strengthen our other business operations.

### Resource to Market (RtM) Business

Our trading business began with import agency business for customers in Japan. In 2013, we established Mitsubishi Corporation RtM International (RtMI) trading subsidiary in Singapore, a hub for information and human resources, in order to pursue medium- to long-term growth.

In the decade since then, RtMI has continually expanded and enhanced its trading capabilities and global customer base in collaboration with our major trading hubs in Tokyo, New York, London, and Shanghai. It has grown into a business with a substantial presence in the mineral resource trading field.

While initiatives toward the realization of a carbon-neutral society by 2050 are accelerating, we are also seeing rapid changes in the business environment, including the escalation of geopolitical risks. We will continue to achieve sustainable growth in this environment by fulfilling our mission to supply essential resources to those who need them, listening to our stakeholders, providing sustainable value, and adapting to a changing business environment.



RtMI office



Special Feature: History and Strengths of Core Businesses

Metallurgical Coal Business

Strengths

In 2001, MC established BMA in partnership with BHP Billiton (now BHP). In addition to operating seven coal mines\*, BMA also owns and operates cargo trains, shipping terminals, and airports. The metallurgical coal that it produces has world-class competitive cost advantages and quality. With an annual output of approximately 60 million tons, BMA is the world's largest metallurgical coal company and accounts for around 30% of seaborne trade in this resource. With reserves of approximately 11 billion tons, BMA is estimated to have sufficient resources for over 60 years of mining operations.

Consideration for local biodiversity, environments, and communities is an essential aspect of resource development. BMA closely monitors its operations and works to achieve harmonious coexistence with the natural environment and local communities. BMA minimizes the impact

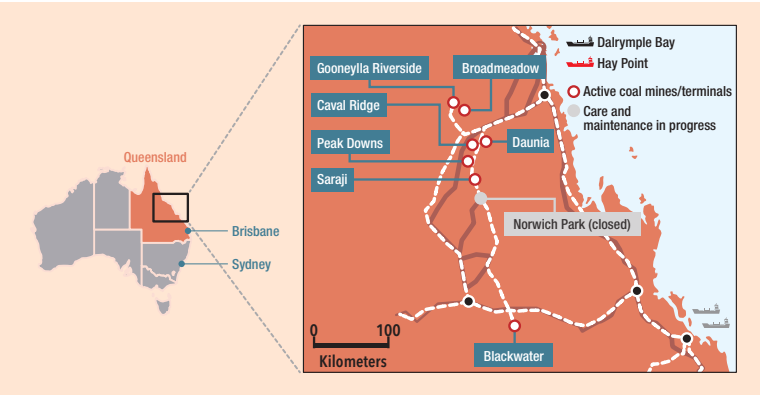
of its activities on local environments and communities by formulating and reviewing plans for the eventual closure and rehabilitation of its mines, taking into consideration both social needs and environmental regulatory requirements.

As part of its efforts to enhance the productivity and safety of its mining operations, BMA has established the Integrated Remote Operations Centre (IROC) and is actively introducing digitally-controlled autonomous heavy mining vehicles.



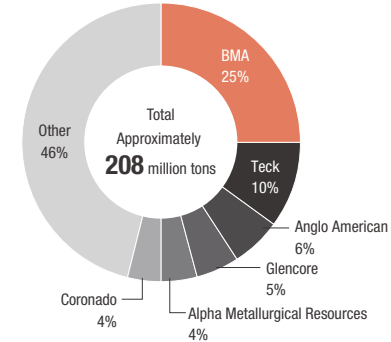
Integrated Remote Operations Centre (IROC)

Map of BMA Coal Mines



\* In October 2023, Mitsubishi announced its plan to divest the Blackwater and Daunia mines. The divestment is expected to occur in JFY2024.

Metallurgical Coal Seaborne Trade Volume in 2022



BMA has by far the biggest share of the seaborne trade in metallurgical coal.

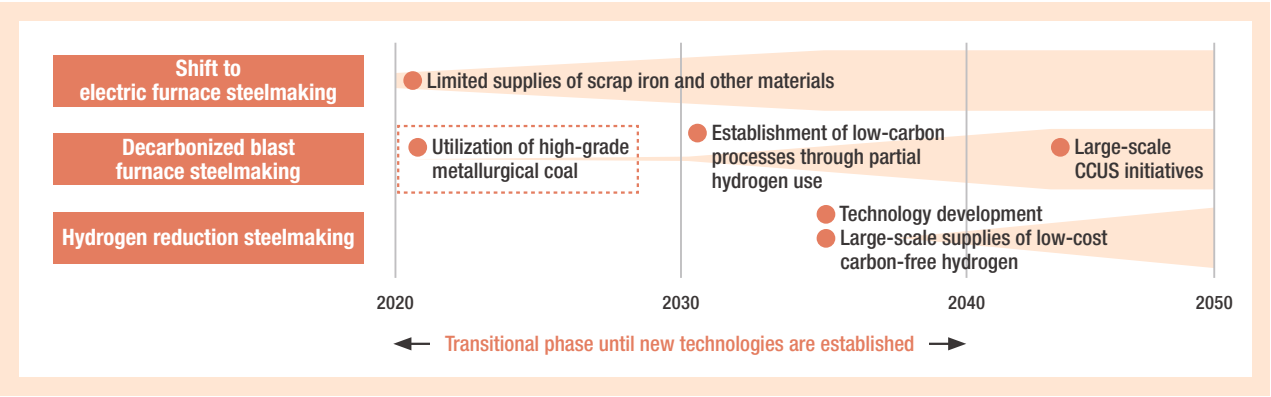
Source: Wood Mackenzie's Coal Supply Data Tool (2022)

Future Outlook

As a basic material, steel is essential to economic growth in every country around the globe. It is also a vital material for the development of the infrastructure needed to create a carbon-neutral society. We therefore anticipate continuing growth in demand. The steel industry is working toward decarbonized steel production through the increased use of hydrogen to reduce iron ore use, as well as the growing adoption of electric furnaces for steelmaking that can produce steel from scrap iron. However, the adoption of these methods on a commercial scale

will take a considerable period of time, and reduction in blast furnaces with metallurgical coke as the reducing agent is likely to remain the primary steelmaking method in the interim. We expect this situation to heighten the importance of high-grade metallurgical coal as a material that helps to reduce CO<sub>2</sub> emissions while maintaining blast furnace production efficiency. BMA will continue to contribute to the reduction of CO<sub>2</sub> emissions from steelmaking processes by producing world-class high-grade metallurgical coal and reliably supplying this resource to users.

The Outlook for Decarbonizing Steelmaking Processes



Copper Business

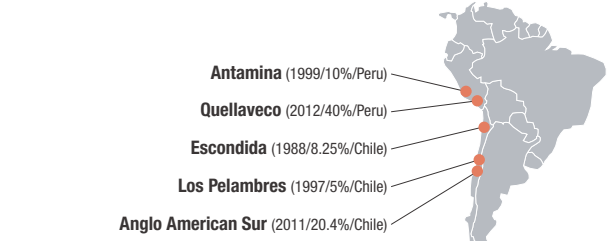
Strengths

Our copper business has achieved steady growth since we first began investing in copper mines in the 1980s. We currently own five copper mines located in the South American countries of Chile and Peru. These mines are high-quality assets with substantial resources and reserves. At present, our copper equity production volume is 250,000 tons per year, positioning ourselves as the largest production company among Japanese companies. This figure will rise even further once full-scale production begins at the Quellaveco copper mine. We aim to increase our copper production to around 400,000 tons per year.



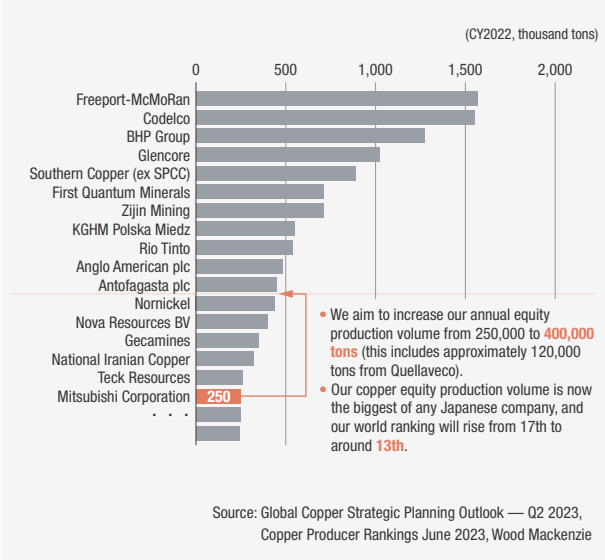
Quellaveco copper mine

Our Copper Assets (Year of Investment/Shareholding/Country)



Project	Investment partner
Antamina	BHP (33.75%)/Glencore (33.75%)/Teck (22.5%)
Quellaveco	Anglo American (60%)
Escondida	BHP (57.5%)/Rio Tinto (30%)/JX Metals (3%)/Mitsubishi Materials (1.25%)
Los Pelambres	Antofagasta (60%)/JX Metals (15.8%)/Mitsubishi Materials (10%)/Marubeni (9.2%)
Anglo American Sur	Anglo American (50.06%)/Codelco (19.99%)/Mitsui & Co. (9.51%)

Copper Producer Ranking



Future Outlook

Copper is an essential material used to produce lifeblood of industry, such as electrical wiring and IT networks. Demand for copper is expected to increase even further in the medium- to long-term future because of the shift to renewable electricity, especially wind and solar power, and the increased use of electric vehicles (EVs). However, a variety of issues are emerging, including a decline in ore grades at existing copper mines, as well as the increasing difficulty of resource development due to fluctuating political situations and stricter criteria to

acquire environmental permits as well as social acceptance in unstable producer nations. As a result, access to reliable supplies of this resource has become a vital priority. To ensure the growth of our copper business, we prioritize maintaining and expanding productions from our existing projects, purchasing additional exposures in existing projects and acquiring new assets, as well as leveraging new technologies to collect copper contents.

In 2023, we began work toward the development of a new project—the Marimaca copper mine—in Chile.

VOICE

MC Employees on the Frontlines of Business

In July 2022, we commenced production of copper concentrate at the Quellaveco copper mine. Construction and development of the mine were completed on schedule and within budget, despite the unprecedented difficulties caused by the COVID-19 pandemic. This success can be attributed to the behind-the-scenes efforts of the MC employees seconded to the Quellaveco Project, who worked together with our partner, Anglo American on the frontline, to complete construction and start-up of the operations at the mine. Leveraging skills acquired through their work in MC, especially the experiences developed through business management in various countries and commodity categories, these MC employees contributed from a shareholder's perspective to allocate management resources to realize the overall success of this mega project that spends around 5 million US dollars per day. Our employees also demonstrated a role model to motivate people, such as by sharing vision and goals of the project as well as building teams on the ground, which are vital to move people in the reality.



Seconded MC employees (Left) Former Head of CEO Office (Right) Former Head of GM Office At the Quellaveco copper mine site during its development



## LNG Business

The history of our LNG business has been a continuous challenge of entering unknown territory. The growth of our energy business was driven primarily by oil imports and sales, but in the postwar era we began to focus on liquefied natural gas (LNG). Since the 1960s, we leveraged the customer relationships and networks developed through the oil business to create and expand our LNG business. In this section, we will look at the history of MC's LNG business, our strengths in this area, and our future development plans.

### Consolidated Net Income

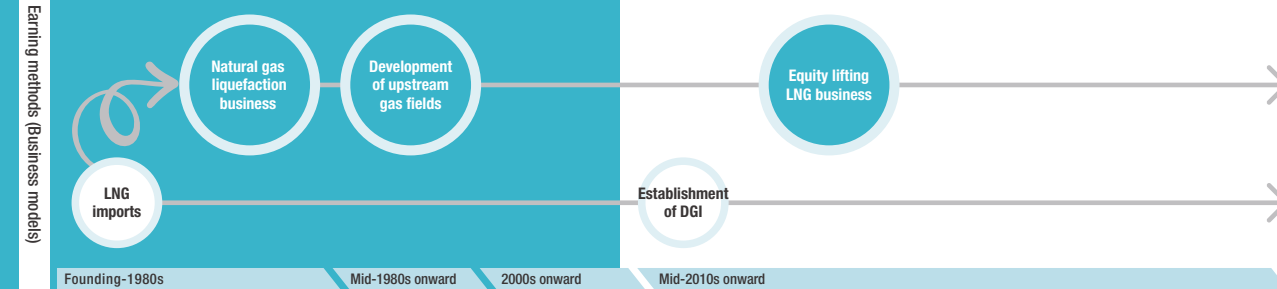
FY2021: ¥105.1 billion

FY2022: ¥170.6 billion

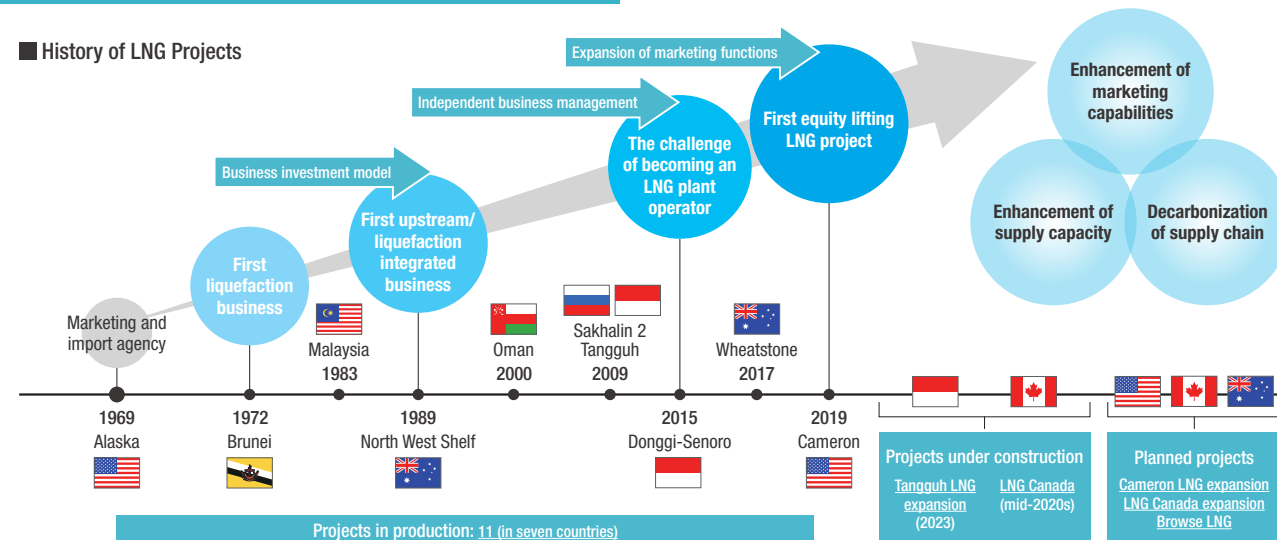
Share of consolidated net income (FY2022)

### Business Model Transformation

Transformation of earning methods (business models) in each business area



### History of LNG Projects



### Diversifying Business Activities across Value Chains

In the 1960s, we introduced LNG into Japan for the first time with the start of imports from Alaska. Our function was far more complicated than to simply move products from one place to another. Instead, we advanced the project through tenaciously negotiating long-term contracts with American and European companies as sellers, and with Japanese power and gas companies as buyers to reach a long-term sale and purchase agreement. The arrival of the first LNG carrier ship at Yokohama in November 1969 marked the start of our LNG business.

In 1972, we had a breakthrough in our business through our participation in the Brunei LNG Project. This was a massive project involving a total investment of over 45 billion yen. We joined the project on an equal footing concept with one of the world's oil majors. Our equity share was 45%, while Shell held 45%, and the Brunei government 10%. Since the 1980s onward, we have continued to invest in LNG liquefaction plants around the globe in response to social requirement for a shift to clean energy and increasing demand for LNG, especially in Japan.

Starting with the North West Shelf Project in Australia, we have also expanded our value chains to encompass not only gas liquefaction and transportation, but also upstream gas development and production. With the Donggi-Senoro Project in Indonesia, we have taken on the new challenge of becoming an LNG plant operator. This has allowed us to obtain a wide range of expertise, while also taking a more proactive role in business management. In addition, MC is participating in the Cameron LNG Project in the U.S. state of Louisiana, which involves converting an existing LNG import terminal as an LNG export terminal.

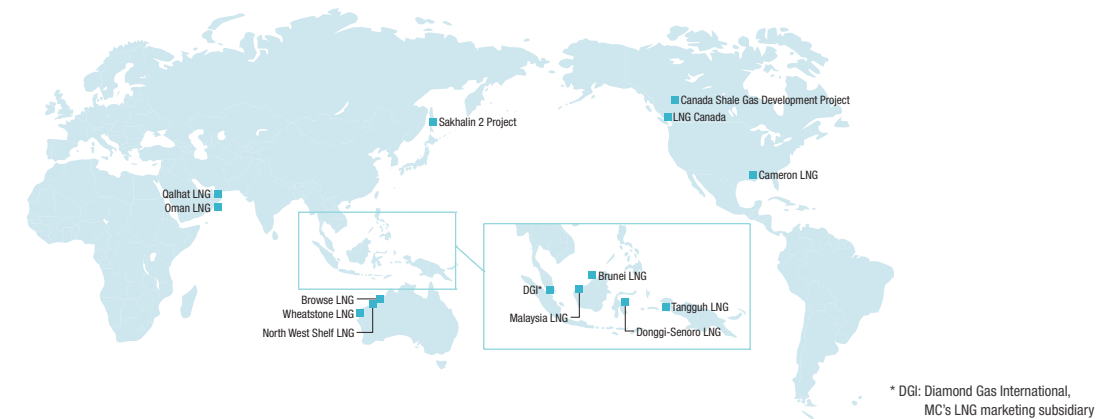
The project liquefies natural gas procured from North American markets, and MC offtakes around 4 million tons per year, which is

equivalent to one-third of the total output. The gas is being exported to users throughout the world, including Japan.

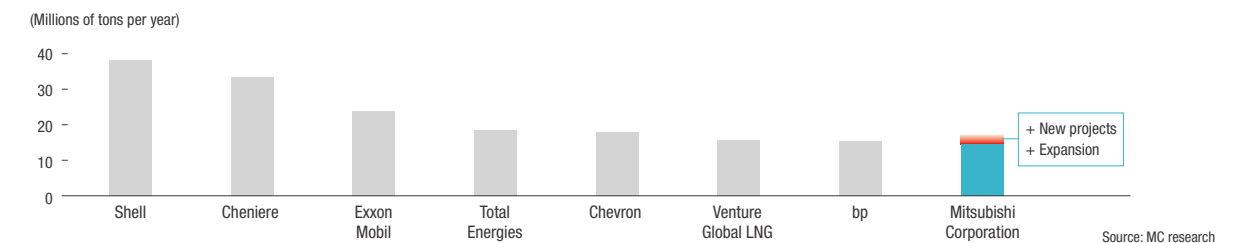
### Strengths of the LNG Business

The LNG projects in which we are participating in various parts of world account for approximately 25% of global LNG imports. Our equity production capacity follows the oil majors, such as Shell plc and Exxon Mobil Corporation. Our market share and market presence in this area are especially high when compared with the various other products we handle. These achievements can be attributed to our success in building

strong relationships of trust with all stakeholders, including users, gas-producing countries, and business partners. In addition, access to high-quality information through the networks that we have built helps us to conceive and realize new business projects. This virtuous cycle is a key strength for MC and is one of the factors that have enabled us to build a deep presence across the entire LNG supply chain.



### Total LNG Equity Production Capacity (Private Companies/Based on a Projected 2025 Cross-Section)

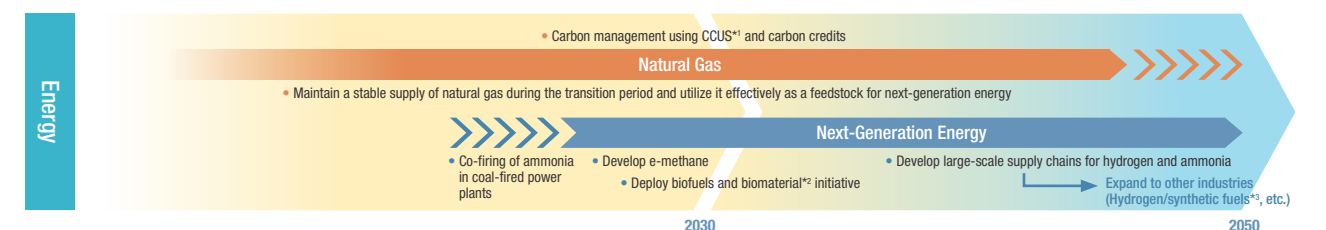


### The Future of the LNG Business

MC views natural gas and LNG, which have limited environmental impact, as essential sources of energy during the transition toward a carbon-neutral society. In addition to our initiatives to ensure reliable supplies of energy, we are also working to develop decarbonized LNG

supply chains. We are also collaborating closely with the Next-Generation Energy Business Group on initiatives to reduce GHG emissions across the entire LNG value chain through the use of CCUS, carbon credits, and other methods. See pages 60-63 for additional information about our next-generation energy initiatives.

### Roadmap to a Carbon-Neutral Society



\*1 Carbon Capture Utilization and Storage

\*2 Sustainable fuels and materials made from biological resources

\*3 Clean fuels produced with hydrogen and CO<sub>2</sub> from the atmosphere or industrial sources, etc.



# Automotive & Mobility Business

In the late 1950s, our automotive and mobility business began making major inroads into the emerging economies of Asia. By collaborating with Japanese automobile manufacturers and taking a proactive approach to sales and production activities, we have built a locally-based automotive value chain that encompasses both upstream and downstream activities, and established the automotive and mobility business as one of our Core Businesses. In this section, we will outline our activities in this area, including the history and strengths of our automotive and mobility business, as well as our plans for future development.

## Consolidated Net Income

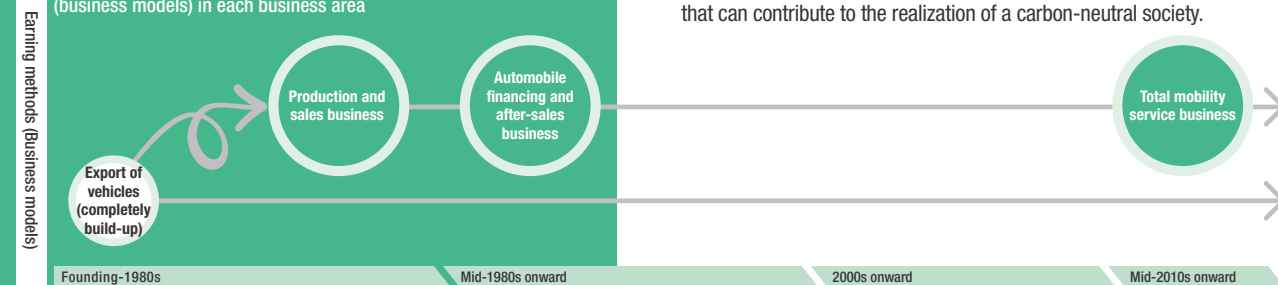
FY2021: ¥106.8 billion

FY2022: ¥127.5 billion

Share of consolidated net income (FY2022)

## Business Model Transformation

Transformation of earning methods (business models) in each business area



## Business Model Transformation

### Lateral Expansion of Value Chain, Entry into New Business Fields

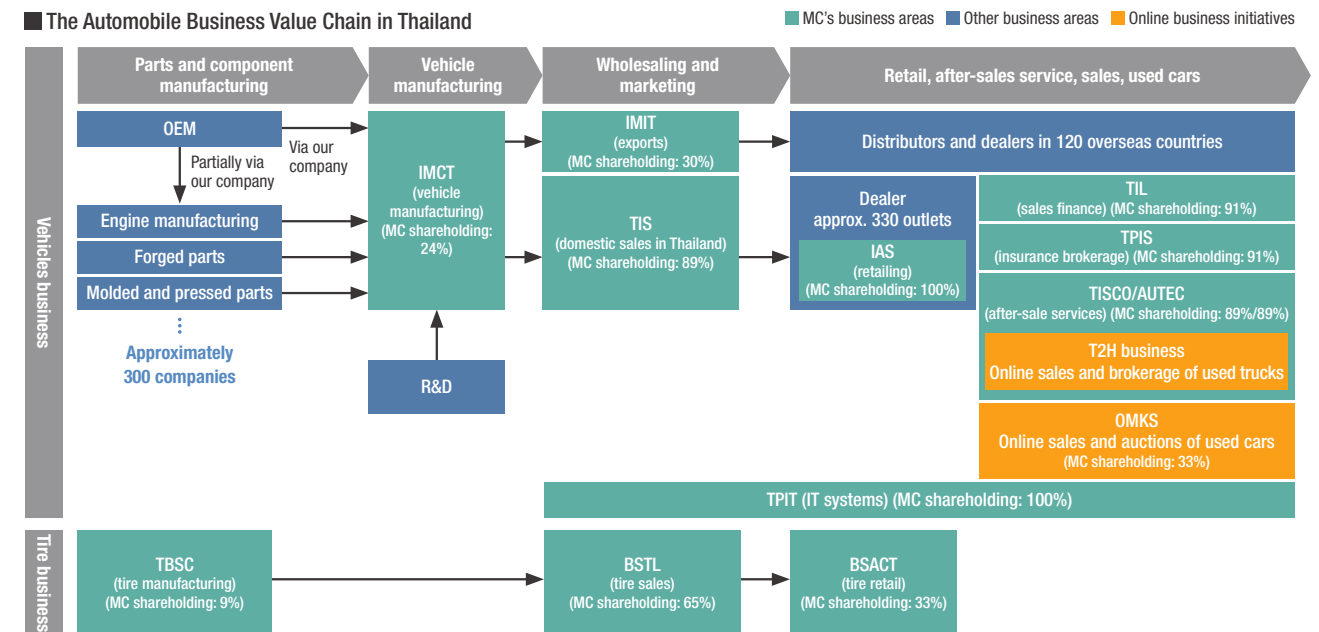
MC first became involved in the automotive and mobility business as an exporter of vehicles (completely build-up). The impetus for the subsequent change in our business model was the development of the automobile business in Thailand. In 1957, MC launched a business in Thailand importing and selling trucks in partnership with Isuzu Motors Limited. In response to an approach from the Thai government, which was eager to develop an automobile manufacturing industry in Thailand, we began to establish assembly plants and build a supply chain for the production and sale of automobiles. We also worked to expand after-sales services and automobile finance services, leading to the creation of a locally-based value chain capable of satisfying customer needs. As a result, Isuzu has become a byword for pickup trucks in Thailand.

In 1970, we partnered with Mitsubishi Motors Corporation, from which Mitsubishi Fuso Truck and Bus Corporation spun off later, to establish an automobile production and sales company in Indonesia. Since the 1970s, we have expanded our business network in Indonesia to include not only vehicle production and sales and after-sales services, but also automobile finance and used car sales. As in Thailand, we have established a strong, locally-based value chain in Indonesia. Thanks to these efforts, our businesses in Thailand and Indonesia have become Core Businesses for our automotive and mobility business. Going forward, we intend to use the value chain that we have developed in Thailand and Indonesia as a blueprint for expansion into other markets around the world, including other Southeast Asian countries and emerging countries, as well as Australia, Europe, and the Americas. In addition, we plan to use our automotive and mobility business as a foundation for collaboration with our other business operations as we strive to create new businesses that can contribute to the realization of a carbon-neutral society.

We have built a value chain with deep local roots by developing business operations that span both upstream and downstream activities, including the manufacturing operations of components and build-up vehicles, wholesaling and retailing in domestic markets, automobile finance, after-sales services, automobile insurance, and

overseas exports and sales. As a result, we have been able to establish an unmatched reputation for reliability among local users. This reputation is a key source of strength for our automotive and mobility business, which has become a Core Business for MC.

## The Automobile Business Value Chain in Thailand



## Isuzu Motors Thai Automobile Market Share

### Shares of pickup truck market (CY2022)

Isuzu	45.2%	MMC	5.6%
Toyota	38.1%	Nissan	1.4%
Ford	8.7%		

### Shares of commercial vehicle market (CY2022)

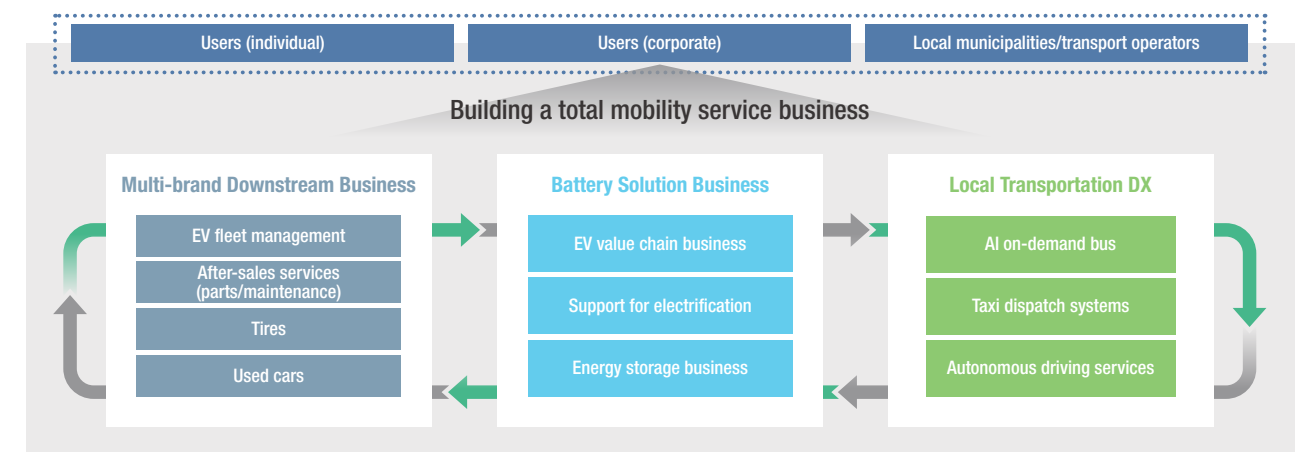
Isuzu	49.7%
Hino	43.1%
Others	7.2%

Total demand in the Thai automobile market in CY2022 was 828,000 vehicles. This included 388,000 pickup trucks (46.9%) and 33,000 commercial vehicles (4.0%).

## Working Toward Building a Total Mobility Service Business

As we approach an era of electrification, we are working to build a total mobility service business in countries and regions in which we have strong business foundations, including Japan. To achieve this goal, we are leveraging the integrated knowledge of mobility and energy that is one of the strengths of the Automotive & Mobility Group. We will work to

accelerate our business development activities by implementing approaches that combine EX and DX through mutual collaboration between our Multi-brand Downstream Business, Battery Solution Business, and Local Transportation DX activities.



## Building Strong Businesses through the Creation of a Locally-Based Value Chain

The Isuzu business in Thailand began back in 1957 as importer of heavy-duty trucks manufactured by Isuzu Motors. As noted above, in 1963, MC built an automobile assembling plant and set about vehicle production in Thailand in response to an approach from the Thai government. Isuzu Motors Limited. invested in this assembling plant and established Isuzu Motors Co., (Thailand) Ltd. (IMCT). In 1974, we spun off the automobile sales unit of Mitsubishi Company (Thailand) Ltd. to create the MC investee TIS.

TIS has developed a business with deep roots in the Thai market. Thailand poses unique challenges, such as extremely rough and muddy rural roads, drivers who need to travel over 100,000 kilometers every year and are therefore concerned about fuel efficiency, and a need for

vehicles that can operate for over a decade with minor repairs. In addition to its sales network, TIS has also enhanced and expanded its after-sales service and parts supply system to ensure that repair services are available anytime, anywhere. It has also worked with the manufacturer to introduce products that anticipate customer's needs and reflect market requirements. By building a value chain with deep local roots and taking a market-in perspective, TIS determined that Thai customers wanted highly versatile pickup trucks with superior fuel efficiency, reliability, and durability. Since then, it has tirelessly focused on customer's needs to become a pioneer in the pickup segment; TIS was the one who launched Space Cab or first pickup with automatic transmission. These efforts pushed up the pickup trucks as best-seller in Thailand market. The Isuzu pickup emerged as the leading brand as Thailand began to achieve rapid economic growth in the 1980s.

## Tri Petch Isuzu Sales Co., Ltd. (TIS)



## Salmon Business

One area in which we have traditionally excelled is the marine products business. We have helped to support the Japanese diet through our extensive involvement in activities ranging from fish harvesting to wholesaling, in partnership with fishing and seafood processing companies and logistics firms. A particular priority is our salmon business, through which we are working to ensure a stable supply of high-quality goods at a time when global demand for marine products is expanding. In this section, we will look at the history and strengths of MC's salmon business, as well as our future development plans.

### Consolidated Net Income (Cermaq)

FY2021: ¥30.8 billion

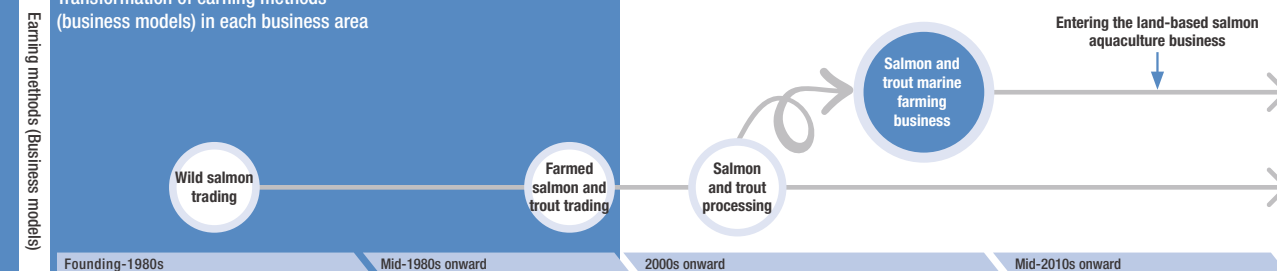
FY2022: ¥30.8 billion

Share of consolidated net income (FY2022)

### Business Model Transformation

Transformation of earning methods (business models) in each business area

Earning methods (business models)



## Business Model Transformation

### Expansion from Trading to Processing in Response to Market Changes

MC's salmon farming business began with exports of canned salmon. As Japan entered an era of rapid economic growth, we expanded the business to include the importation of wild salmon. We also strengthened our sales capabilities in Japan through the establishment of a sales subsidiary specializing in marine products, as well as the acquisition of a major processing company.

In the 1990s, farmed salmon and trout production began to exceed the amounts harvested from the wild, and there was also a decline in the market prices of wild salmon and trout. We adapted to these changes by transitioning to handling farmed salmon and trout, which could be stably supplied. In addition, we successfully stabilized our income in this area by expanding into the processing business in collaboration with a seafood processing company in Thailand.

### Combining Production, Processing, and Sales to Create a Global Supply Chain

In the late 2000s, the market price of farmed salmon and trout, which are high-quality sources of protein, began to increase due to changes in the business environment, including growing global demand in emerging economies, as well as heightened health awareness in Europe and the United States. MC saw this growth in demand as an opportunity and decided to enter the upstream area of farming. In 2011, we established a farming business in Chile, South America, with an annual production capacity of around 1,000 tons. The subsequent acquisition of a leading Chilean company immediately expanded our annual

production to 30,000 tons. We now had a supply chain encompassing production, processing, and sales. In November 2014, we acquired the Norwegian company Cermaq, which at the time was ranked third in the world in terms of market share, as a wholly-owned subsidiary. This brought our annual production of farmed salmon and trout to a total of

## Our Advantages in the Salmon Farming Business

### Scarcity of Suitable Production Areas, Steady Growth in Demand

Salmon can only be produced in calm waters, such as coves, fjords, and bays, with temperatures of 6-16°C. The scarcity of such locations around the world limits opportunities for new players to move into the farming business. MC has built a strong market presence by engaging in farming activities at three major facilities located in Chile, Norway, and Canada, which are among the few areas in the world where suitable conditions can be found.

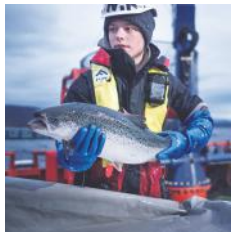
Consumers are becoming more health-conscious, and there is also

180,000 tons. Cermaq has production facilities not only in Norway, but also Canada and Chile, as well as sales channels to both European and North American markets. Through these moves, we have succeeded in building a global supply chain that combines production, processing, and sales operations across Europe, North America, Chile, and Asia.

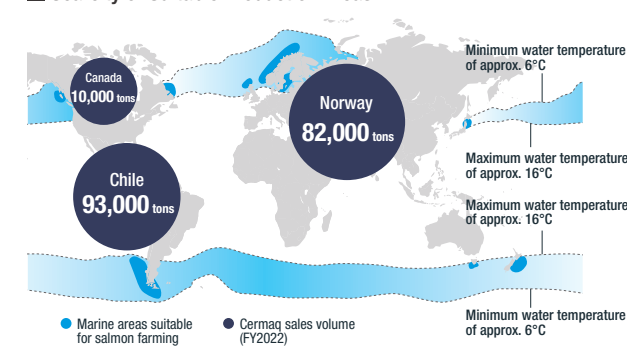
growing concern regarding sustainability. Factors such as these are expected to drive continuing strong growth in demand for salmon and trout as high-quality, sustainable sources of protein. We therefore believe that latent demand for these products will continue to exceed supply.

### World-Class Profitability

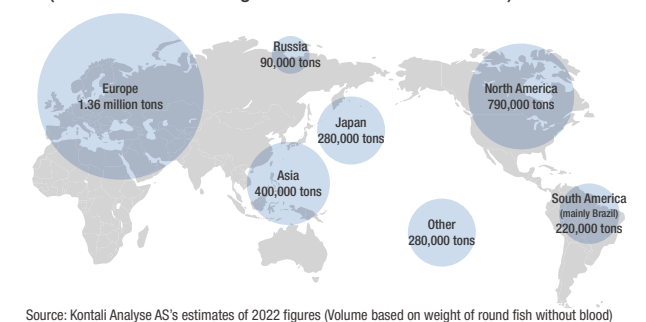
Since becoming a wholly-owned subsidiary of MC, Cermaq has consistently maintained world-class profitability by continually implementing measures designed to improve its production efficiency, profitability, and sales.



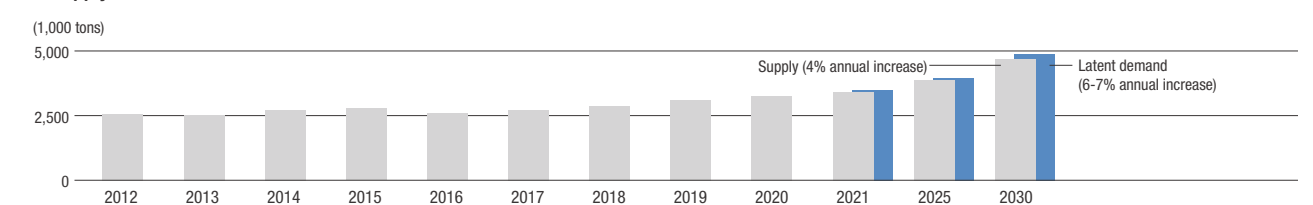
### Scarcity of Suitable Production Areas



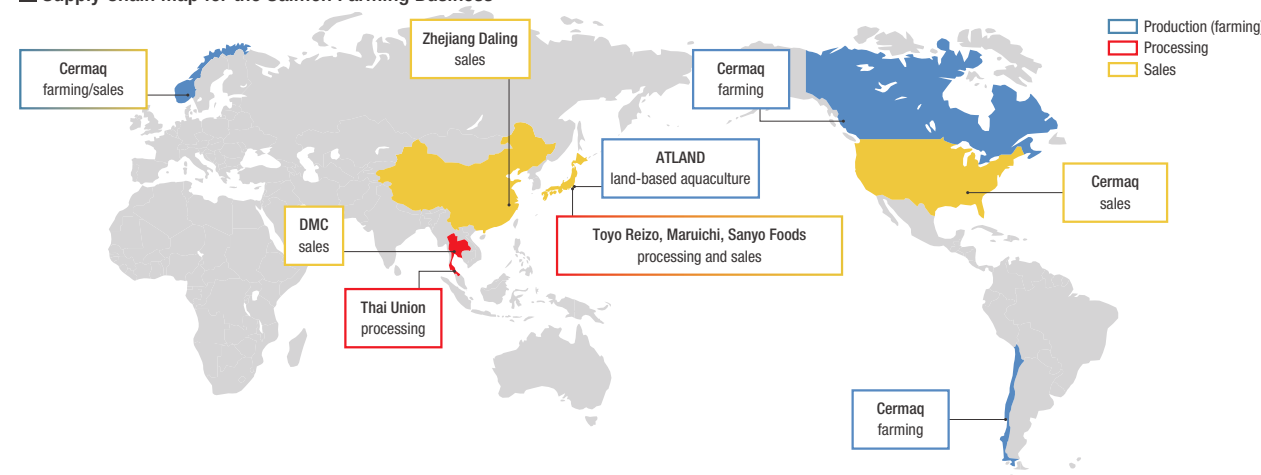
### Farmed Salmon and Trout Market Size by Region (Volume based on weight of round fish without blood)



### Supply and Demand Forecast



### Supply Chain Map for the Salmon Farming Business



## The Future of the Salmon Farming Business

### Expanding Existing Farming Businesses and Enhancing Profitability

We will continue to expand the production capacity of our salmon farming business, while also striving to stably supply products in response to growing demand. At the same time, we will use digital technology and other methods to reduce environmental impacts, enhance productivity, and reduce costs.

### Creating a New Future and Revitalizing Regions through Land-Based Aquaculture Activities

In October 2022, MC and Maruha Nichiro Corporation established ATLAND Corp. (ATLAND). ATLAND is a land-based salmon aquaculture company based Nyuzen, Toyama Prefecture. Given the constraints

placed on marine aquaculture operations due to the limited availability of suitable production areas, it is believed that the land-based aquaculture business has the potential for further growth. We view the establishment of ATLAND as an opportunity to develop a sustainable, stable, and efficient land-based salmon production system through the use of digital technologies, and establish a local-production-for-local-consumption business model. We also intend to further strengthen the foundations of our salmon farming business by creating synergies through collaboration and information exchanges between ATLAND and Cermaq.





## Creating MC Shared Value by combining our strong businesses to establish new earning methods and new businesses

MC's strength is that it has a diverse and resilient business portfolio as a result of constantly transforming ideas and perspectives in response to changes in the environment and flexibly changing its earning methods (business models) in each business area. Currently, the environment in Japan and overseas is changing rapidly, with the polarization and fragmentation of the international community, the growing geopolitical risks, the declining birthrate and aging of Japanese society, etc., making it increasingly difficult to address societal challenges. It is precisely because of these tough conditions that we will create new earning methods (business models) and new businesses by combining our strong businesses that have grown amid these significant transformations. Through this new combination, we will help address societal challenges and create MC Shared Value (MCSV).



## Combine Strong Businesses, Build Future Growth Drivers

In Midterm Corporate Strategy 2024, MC presents “Integrated EX/DX initiatives to Create a New Future.” We will combine our strong businesses to build future Core Businesses and strive to address societal challenges including realizing a carbon-neutral society, providing a stable supply of energy, and maintaining and enhancing industry competitiveness.



We aim to maximize the value of human capital by creating a dynamic, spirited and vibrant organization.



Yutaka Kashiwagi  
Representative Director, Executive Vice President,  
Corporate Functional Officer IT, CAO,  
Chief Compliance Officer, Officer for  
Emergency Crisis Management Headquarters



HR Policy under Midterm Corporate Strategy 2024



Execution of HR Policies in Midterm Corporate Strategy 2024

Our most powerful asset and most vital management resource is our human capital. To continue creating MC Shared Value (MCSV) in a rapidly changing business environment, we must remain a dynamic, spirited and vibrant organization in which human capital, which is the source of all value creation, can work to overcome challenges with a sense of motivation and pride. We have been working to achieve this goal over the past 18 months through initiatives aimed at realizing the goals of Midterm Corporate Strategy 2024 that are based around three pillars. The first two pillars are “HR Strategy” and “Strengthen Engagement,” while the third, which supports the other two, is “Data Utilization.”

In terms of the first pillar, HR Strategy, we have prioritized the enhancement of our ability to respond promptly to management strategies. We have taken a flexible approach to the achievement of this goal, including through the establishment of the Industry Digital Transformation Group and the Next-Generation Energy Business Group, while also dynamically repositioning human resources through cross-organizational transfers and concurrent postings. We have also enhanced our ability to adapt to change by strengthening the leadership skills of the people responsible for leading initiatives to improve business value. At the same time, we have also implemented reskilling programs to better equip all officers and employees to address current needs, including DX skills training to facilitate the

integrated promotion of DX and EX.

The focus of the second pillar, Strengthen Engagement, is the realization of the full benefits of measures designed to maximize the capabilities of our organization and human resources by fostering an organizational culture in which a diverse and versatile talent pool can thrive. We have continually held town hall meetings between management and employees based on our belief that human resource networking across different organizations, age groups, and seniority levels leads to the creation of new value. MC also respects the values and aspirations of its employees in relation to their careers and work. We have expanded our open recruitment and reassignment policy and established a new sabbatical leave system so that our employees can gain greater motivation by making autonomous choices. In addition, our health management initiatives include the expansion of support for health promotion activities and initiatives that utilize our integrated strengths to promote well-being through collaborative efforts between the Industry Digital Transformation Group, the Healthcare Department, and medical clinics.

For the third pillar, Data Utilization, we are exploring effective approaches based on the collection and analysis of data about organizations, human capital, and policies, in order to promote and enhance the formulation and implementation of these strategies. In addition, we are demonstrating our commitment to our internal and external stakeholders through the disclosure of quantitative and qualitative data.

KPIs for Maximizing the Value of Human Capital

We have set targets for our efforts to maximize the value of our human capital in the form of KPIs that are closely connected with our management strategies. MC sees engagement as the most important theme for ensuring that our diverse human resources can flourish. Our KPIs for our organizational strength in this area are positive response rates of at least 65% every year for both “employee engagement” and “employee enablement” in the Employee Awareness Survey. Both of these indicators reflect various influences and interrelated factors, and there is no silver bullet that will dramatically improve our performance in these areas. Going forward, we will continue to implement policies and measures in response to changes verified and analyzed using a variety of methods.

Further Promoting the Active Role of Our Diverse and Versatile Talent Pool

MC regards diversity as essential to the achievement of continued improvement in its corporate value. We have enhanced our systems that support employees through various life events, and in March 2023 launched the DE&I Working Group to consider what steps are needed to ensure that our diverse and versatile talent pool can play an even more active role. The DE&I Working Group, which reports directly to the

President and CEO, is made up of people from a wide range of backgrounds. Their recommendations will be reflected in our ongoing efforts to promote career advancement for women and various other DE&I initiatives.

We are also currently working to create business environments in which our diverse human resources can focus on value creation activities. To achieve this goal, we are implementing business process reforms designed to improve efficiency and productivity. We have also launched new initiatives to enable our diverse human resources to contribute and achieve success in our organization, including the diversification of our recruitment methods. For example, we now hire graduates who have spent a few years working for other companies before seeking new opportunities. We will continue to prioritize practical and agile approaches as we adapt to accelerating change both within and beyond MC.

At the same time, we recognize that the single most important factor affecting the implementation and assimilation of these initiatives is communication. We will continue to use a variety of opportunities for dialogue to seek as much input as possible from our employees both in Japan and overseas, and to reflect their diverse views in our activities. Our goal is to cultivate a more robust organizational culture that enables each MC employee to work in a dynamic and spirited fashion while feeling a sense of commitment to their organization and work.



# Focus: Human Capital

Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce

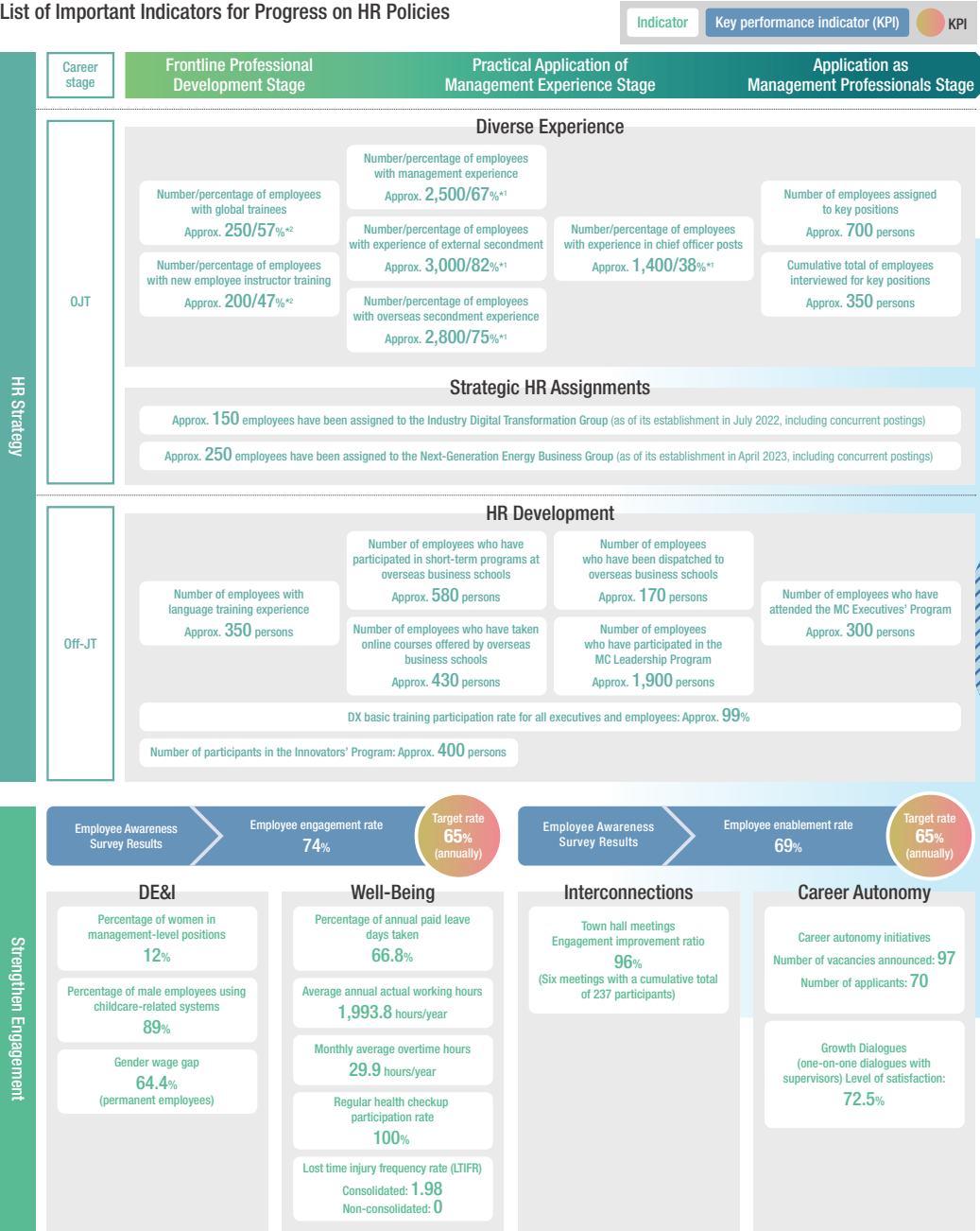


## Maximizing the Value of Human Capital —Creating a Vibrant Organization by Interconnecting a Diverse & Versatile Talent Pool

### Progress on HR Policies Aimed at Maximizing the Value of Human Capital

To ensure that we can continue to realize MC Shared Value (MCSV) creation in an extremely unpredictable business environment, we are working under Midterm Corporate Strategy 2024 to implement human resource initiatives designed to maximize the value of our human capital through a dynamic, spirited and vibrant organization. In line with our HR Strategy pillar, we are strategically developing the next generation of leaders by pursuing initiatives aimed at providing our employees with a range of experiences and training opportunities that are unique to MC. We are also working in accordance with the Strengthen Engagement pillar by implementing initiatives aimed at cultivating a strong organizational culture in which our diverse and versatile talent pool will be highly engaged and can work together across organizational lines to play an active role in our activities. In addition, we have listed and visualized important indicators to track progress on these measures. This information is also being used as reference data for deliberations about strategies and policies.

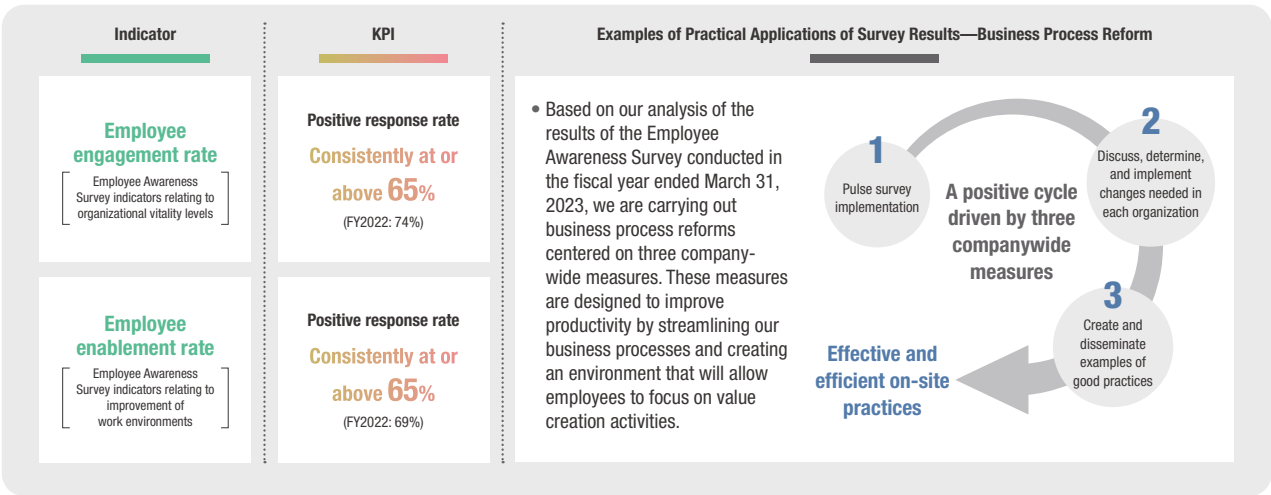
#### List of Important Indicators for Progress on HR Policies



Note: All figures are based on data that was current as of April 1, 2023.  
 \*1 All employees in managerial positions or higher as of April 1, 2023  
 \*2 General employees who have been promoted to managerial positions in the past three years as of April 1, 2023

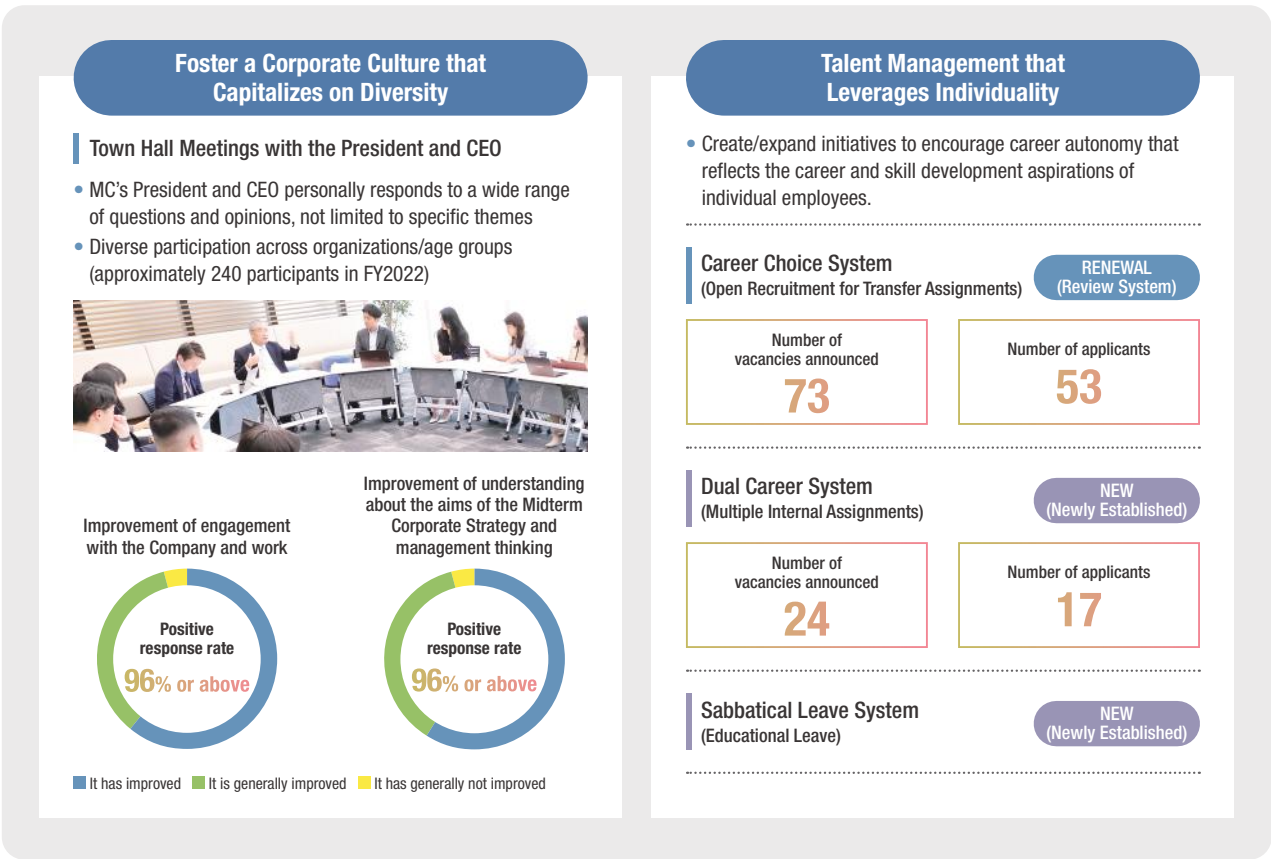
### Employee Engagement—KPIs Relating to the Success of a Diverse Workforce

We see employee engagement as the most important factor in our efforts to develop a dynamic spirited, and vibrant talent pool and organization through HR policies linked to our management strategies. We have therefore increased the frequency of Employee Awareness Surveys from once every three years to annually and also established quantitative KPIs. Employees receive feedback about the survey results so that they can use this information to make improvements in their own organizations. At the management level, we analyze and discuss these survey results, identify issues that need to be addressed on a companywide level, and reflect our findings in policies.



### Initiatives to Strengthen Engagement

We are working to foster a corporate culture that capitalizes on diversity by encouraging communication across organizational, occupational, and generational lines. We are also creating an environment in which people in our diverse and versatile talent pool can realize their full potential and develop their own careers. Through these efforts, we aim to enhance employee engagement and contribute to MC's sustainable growth.







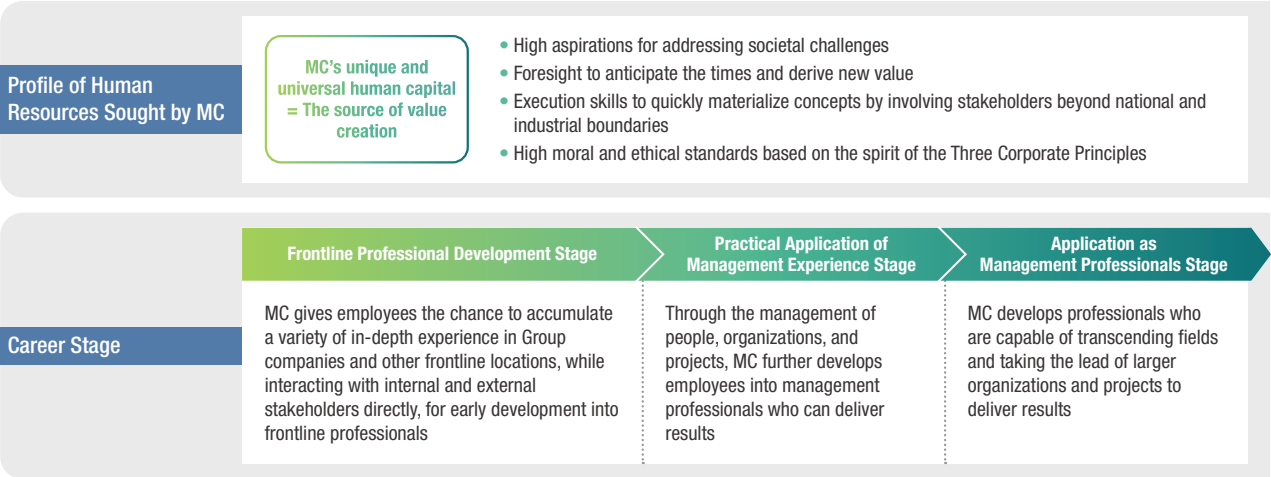
# Next-Generation Leaders to Ensure MC's Future

—Strategic Development through Diverse Experiences



## MC's Basic Policy on HR Development

The individuals that make up our diverse and versatile talent pool consistently use their foresight, their aspirations, and their ability to anticipate future needs to tackle the challenge of finding solutions to societal challenges. We believe that this talent pool is our greatest asset and the very source of value creation at MC.



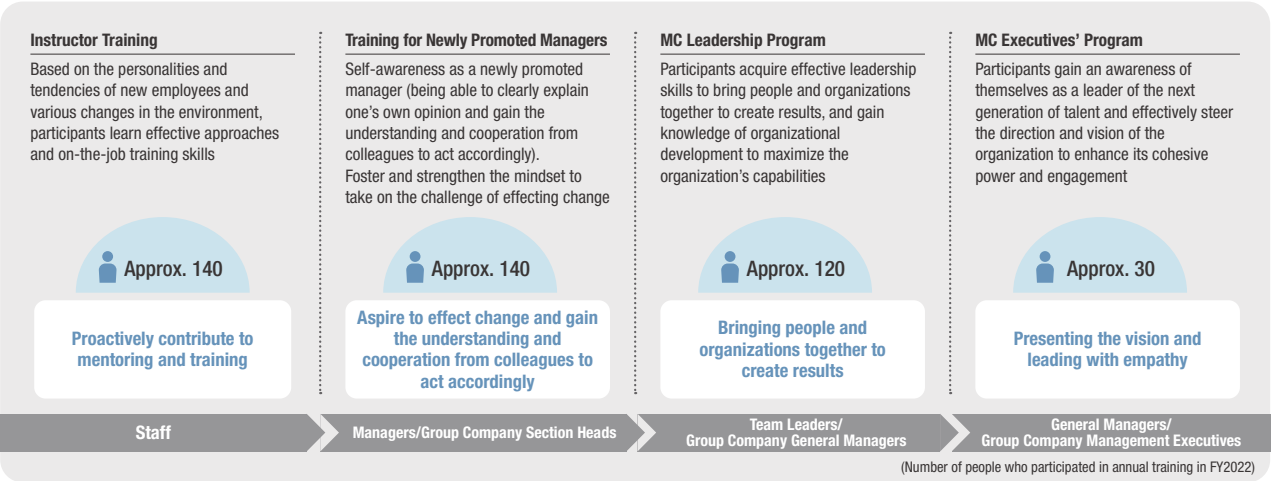
We continue to produce human resources with a management mindset and a commitment to increasing the value of the business by providing employees with opportunities to accumulate a variety of experience in stages through both on-the-job training (OJT) and off-the-job training (Off-JT) according to their career stage.

Specifically, we ensure that employees can steadily gain experience according to their career stage and gain the qualities that they will need to support the future success of MC, including leadership development and global experience. We also take steps to strengthen adaptability to changes in the business environment, including reskilling.

## Leadership Development

We have introduced measures focused on the phased development of the leadership qualities needed to drive value creation under our business management model. Examples of the management skills that we seek to develop include the ability to support the growth of subordinates and utilize our diverse and versatile talent pool.

### Training Structure for the Phased Development of Leadership Qualities



## Global Experience

As we continue to expand our business activities around the world, we are working to enhance the global competitiveness of our human capital by providing opportunities for employees to gain overseas work experience. In addition, we ensure that employees acquire advanced management skills and have opportunities to build global human networks by sending them to attend courses at overseas business schools according to their career stage.

Practical Application of Management Experience Stage

Overseas Business School Alumni

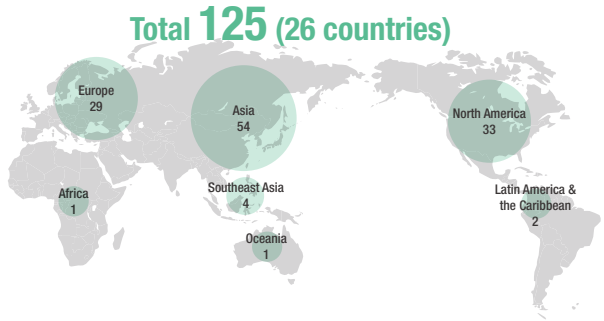
Eriko Matsumoto

General Manager, Business Promotion Dept., Head of Business Development and Pharmaceutical Business Unit and Manager, Pharmaceutical Business Unit Manager

The dream that inspired me when I went to study at business school in the United States was starting a business from the ground up. After learning about entrepreneurship, I gained experience in business development by investing in and collaborating with venture companies and startups that I had discovered myself. I am now seconded to MC Healthcare, Inc.\*, where I have used what I learned to propose the creation of Cotocellar, a web platform for matching the needs of hospitals with DX products. As General Manager of the Business Promotion Department, I am involved in new business development activities. I aim to build Cotocellar into a key source of income while also using my leadership skills to create medical business models for each region.

\* MC Healthcare, Inc. provides management and purchasing support for medical materials and pharmaceuticals, etc.

### Number of Participants in the Global Trainee Program (FY2020–FY2022)



### Overseas Business School-Related Systems

	Target group	Overview	Number of people/year
Dispatch to overseas MBA programs	Open recruitment	Participation in MBA programs at leading schools in Europe and North America	5–10 persons
Use of short-term online programs	For newly promoted managers	All newly promoted managers are given opportunities to attend online single-subject programs offered by overseas business schools	Over 100 persons
Dispatch to short-term programs	For top management	We send top management staff to attend short programs through which they can acquire comprehensive knowledge of management skills, such as administration and leadership, while also building global networks	Approx. 50 persons

## Strengthening Adaptability in a Changing Business Environment—DX Training

We have introduced a range of measures to ensure that individual employees can utilize their core strengths, expertise, and DX knowledge and skills in cross-organizational initiatives. These measures include on-demand courses that are available to all MC employees, as well as six-month advanced training programs with practical content for those in charge of DX projects, new business launches, and related activities.

Frontline Professional Development Stage

Winner of the 2nd MIL Innovation Award

Naofumi Matsuzaki

Strategy and Planning Office, Logistics & Food Distribution Div., Consumer Industry Group

I joined the MC Innovation Lab (MIL) program because whenever I spoke with the executives and engineers of startup companies, I got the sense that I was being left behind in terms of my technical knowledge and skills. Initially, it was very challenging to develop an original app with zero programming experience, but I ended up winning the program's top award. My sense of accomplishment at that time was comparable to how people must feel after completing a full marathon. I am now engaged in strategic planning and new business development activities as a member of my division's Strategy and Planning Office. My work involves evaluating companies and businesses from a more in-depth perspective, including technical aspects and usability.

Number of employees who have completed training for DX/new business creation

Approx. 90 persons

MIL MC INNOVATION LAB





# Frontline Value Creation Leaders

## —Matching Talent to Business Strategies through Talent Visualization

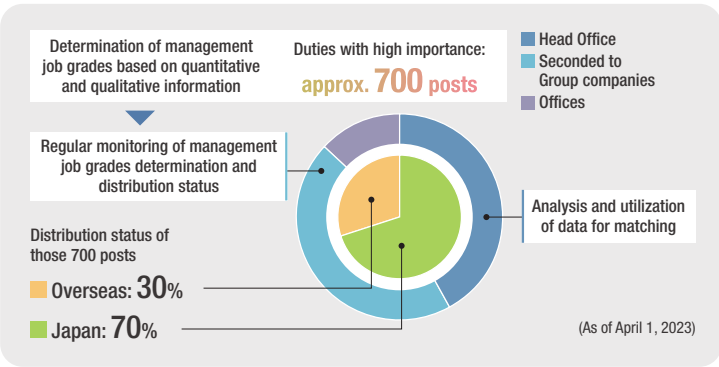


### Contributing to Value Enhancement through Business Management Backed by High Aspirations

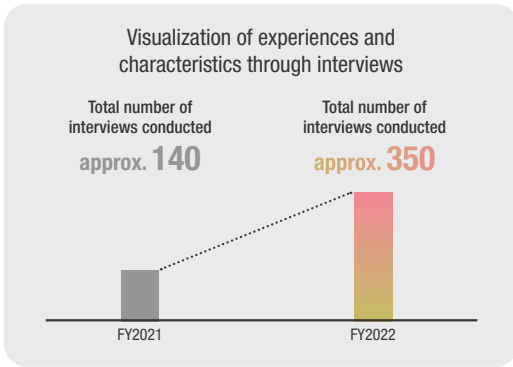
Approximately 700 people with a wide-range of experiences made possible by MC hold key positions and perform vital roles\* on a consolidated basis. Through those roles, which include business management activities in various regions and at sites and Group Companies in Japan and overseas, these people contribute to the realization of management strategies, such as the Value-Added Cyclical Growth Model and the integration of EX and DX initiatives. We have prioritized the visualization of these extremely important and challenging duties and the talent needed to perform them as the basis for a matching process designed to promote the placement of the right people to the right positions.

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

#### Visualization of Duties

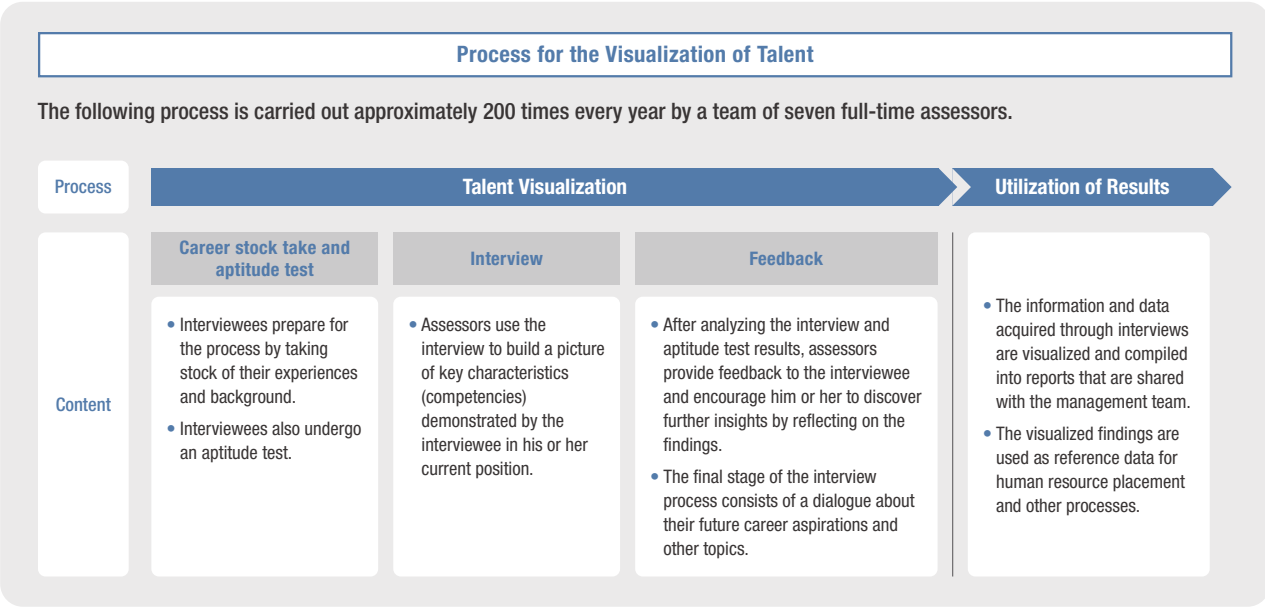


#### Visualization of Talent



### Optimizing Human Resource Placement through Talent Visualization

We have equipped an HR subsidiary with the capacity to visualize the talent required for key positions and created a team of seven full-time assessors with backgrounds at MC to drive the visualization process. These assessors carry out individual interviews and provide interviewees with personalized feedback and dialogue based on various data, such as aptitude test results. To date, approximately 350 interviews have been completed. We will continue to pursue this process with the aim of matching people with tasks based on their abilities and motivation, regardless of age or gender. The resulting data resources will also be analyzed and used to develop the next-generation of leaders as well.



#### Application as Management Professionals

An interview with a Manager in a key position

### Overcoming challenges and creating cross-industry and cross-segment value by building “interconnections”

Toshiaki Nobuhara

General Manager,  
Hydrogen Business Development Office,  
Next-Generation Energy Business Group  
General Manager, International Utility Dept.,  
International Power Div., Power Solution Group



#### Key Career Experience

	Frontline Professional Development Stage	Practical Application of Management Experience Stage	Application as Management Professionals Stage
Work experience (key activities)	<b>Trading</b> Export of power generation and transmission equipment Export of plants under EPC agreements	<b>Business Investment/ Business Management</b> Undersea power transmission business Offshore wind power generation	<b>New Business Development</b> Hydrogen Methanation Nuclear fusion
Overseas/ leadership experience	Experience as a project administration office manager in Saudi Arabia	Experience as a project manager (at an undersea power transmission business) and director of an affiliated company (at an offshore wind business) in the UK (London)	Experience as a cross-organizational manager at the Head Office

#### Realizing Bigger Ideas through Vertical and Horizontal Networking

I currently hold positions in two separate organizations. My most important role in this context is to create new value through networking.

My approach to organizational management in the Hydrogen Business Development Office of the Next-Generation Energy Business Group, which was recently established in FY2023, focuses on building organic interconnections among people gathered from a wide range of fields, including natural gas, industrial infrastructure, and power solution. Synergies are achieved by bringing together the passion and individuality of people with advanced expertise and extensive experience in their respective fields to generate a kind of “next-generation energy.” Another advantage resulting from my dual roles in both this new organization and in an organization that has evolved a business model based on our long tradition and involvement in the power sector, is that I am able to guide our efforts toward bigger concepts and new forms of convergence by bringing together human resources and intelligence from both of these organizations.

#### A Track Record of Overcoming Challenges through Networking

Looking back over my own experiences, I realize that the connections that I forged with various people within and beyond MC provided the driving force that has enabled me to withstand various pressures, overcome difficulties, and achieve successes without fear of failure. Those experiences made me who I am today. In my third year with MC, I was assigned my first overseas position as manager of the administration office for a power plant

construction project in Saudi Arabia. I still consider the experience of working alongside external partners and internal stakeholders to overcome challenges as one of my foundational experiences.

Later, when I was placed in charge of an offshore wind power development project in the UK, I faced challenges that included Brexit and the COVID-19 pandemic. Despite these issues, we completed the project through collaboration with both internal and external stakeholders. In fact, I still keep in touch with those involved in the project, whom I see as comrades who helped me to overcome various challenges.

Even today, my interconnections continue to expand, such as through my network with the gas industry as I engage in the development of our methanation business in North America.

#### Contributing to the Creation of MCSV

Going forward, I will continue to place a high value on my connections with various stakeholders. I am determined to play a central role in our efforts to create new cross-segment and cross-industry value.





DE&I as an Engine for Value Creation  
— Creating a Spirited and Vibrant Organization —

MC established the Diversity, Equity, and Inclusion (DE&I) Working Group (DWG) as a step toward the realization of our vision as an organization in which diverse and versatile human resources can play a wider and more active role. We recently held a roundtable discussion with three members of the DWG, as well as an Independent Director and Independent Audit & Supervisory Board Member, both of whom are acting as advisors to the DWG. The discussion centered on MC's vision for its DE&I initiatives.

Note: The content of this section is based on a roundtable discussion held in July 2023.

Hiroaki Hayashi

Structured Finance, M&A Advisory Dept.  
Corporate Staff Section  
DWG Member

Yuko Kagawa

Global Consumer Products Dept.  
Food Industry Group  
DWG Member



Mari Sagiya

Independent Director  
DWG Advisor

Mari Kogiso

Independent Audit &  
Supervisory Board Member  
DWG Advisor

Satoshi Sato

Senior Vice President  
Industrial Machinery Div.  
Industrial Infrastructure Group  
DWG Leader

Establishment of the DWG

**Sato:** One of the themes of our Midterm Corporate Strategy 2024 is “optimizing the value of human capital.” MC has been working to ensure diversity and inclusion for some time. We recognize the effective utilization of human capital as a vital management priority, and in March 2023 we established the DWG as a cross-organizational team with the mission of considering the measures needed to support more participation by diverse and versatile human capital. My observations within the division to which I am assigned suggest that there has been an increase in the percentage of employees dealing with diverse circumstances, and for that reason I feel a personal sense of responsibility toward these initiatives.

**Hayashi:** I am an example of an employee balancing work and

personal circumstances, since I took childcare leave after becoming a parent and am juggling my work and childcare responsibilities. Since returning to work after childcare leave, I have been able to achieve a balance between my work and childcare responsibilities by utilizing the daycare facility service provided by the Company when returning from childcare leave, and adjusting my work hours. I attribute my success in achieving this balance to these systems, and to the understanding of those around me. Before joining MC as a mid-career hire, I saw it as an organization with robust decision-making processes. Based on my experiences since then, I have come to appreciate that MC has many people with extremely flexible minds, and that we are an organization in which people accept and support each other and work together as a group, regardless of any differences in our experiences and backgrounds. I never really had the opportunity to express these



It is not enough to create comfortable working environments for employees. DE&I must lead to new business creation and improvements in business performance.

—Mari Kogiso

Ms. Kogiso is the CEO of SDG Impact Japan Inc. Previously, she gained practical experience at The Long-Term Credit Bank of Japan, Ltd. and the World Bank before serving as the global head of diversity and human rights at FAST RETAILING CO., LTD.

thoughts in the past, so when I was approached about becoming a DWG member, I accepted the offer out of a desire to express my gratitude and give something back to those around me.

**Kagawa:** To be honest, when I was approached about joining the DWG, my initial thought was that I couldn't handle the task, since I was already extremely busy. In addition to being responsible for a business affected by time zone differences, I also had childcare responsibilities and was struggling to find a balance with the limited time available to me. However, after learning the reasons for the establishment of the DWG, I saw that many aspects of its work overlapped with my own issues and decided that working as a member of this team would help me find solutions to my personal challenges. I therefore decided to accept the offer in the end.

**Sagiya:** Soon after the DWG was established, its members provided a report about the reasons for its creation to the Independent Members of the Board. That was when I learned that the President and CEO had taken personal responsibility for the initiative, the purpose of which was to provide management with recommendations about policy administration and other matters. This was when I realized that MC was truly committed to the process. When I looked at the issues identified in the documentation, I saw that the challenges faced by employees were being reported very frankly and openly. Knowing that this information would be shared with the President and CEO, I realized that MC had been even more successful than I had thought with regard to developing a corporate culture of openness and good communication.

**Kogiso:** The Independent Members of the Board became very enthusiastic about the initiative after receiving reports about the DWG's activities and reading the various comments that they contained. I felt that MC had the potential to become an even better Company by adopting DE&I perspectives at a time when society is becoming increasingly focused on human capital. I also recognized the significance of creating a forum in which people from different generations and with different attributes could come together to discuss DE&I issues and build a consensus on the characteristics of a corporate environment in which people would feel motivated about their work.

Activities of the DWG

**Sato:** It was decided that the DWG would be active over a period of approximately six months, which would be divided into two phases. In the first phase, DWG members would identify current DE&I issues and develop a vision through debate and discussion. In the second phase, the DWG would provide recommendations to the Company in the form of a roadmap outlining the measures needed to address the issues identified. For the first phase, the DWG was divided into three discussion groups. The first discussed the need for DE&I activities. The second looked at related systems and structures and considered whether they were being utilized effectively. The third focused on the organizations and people needed to link these systems and structures.

**Kagawa:** I was part of the group that discussed the need for DE&I. It was clear that MC understood this need as a company, so our first step was to ascertain whether employees also understood this need. When we conducted an internal survey about this issue, most MC employees agreed that DE&I was necessary, but not many responded positively when asked if they had personally experienced diversity's strengths. This suggested that employees understood the need for DE&I on an intellectual level, but few seemed to see it as a high priority. We need to ensure that all MC employees understand the linkage between corporate strategy and DE&I, in the sense that evolution and transformation of existing businesses and new business creation are only possible when people can pool diverse knowledge to generate ideas and innovations. Ultimately, I believe that we must pursue an approach that will link this concept to behavioral change by embedding it into our corporate culture as something that all employees understand on an emotional as well as intellectual level.

**Kogiso:** I think that people prefer to belong to a homogeneous group. As long as they're in their comfort zone as part of a group of people with similar characteristics, people feel that everything is going well. However, it is said that groups that are not entirely homogeneous actually produce superior results. I believe that it is not enough for companies to create comfortable working environments for their employees. They also need to link their HR strategies with their corporate strategies in ways that lead to new business creation and improvements in business performance. I see DE&I as a concept with extremely profound implications for people. The question of why these things are necessary is a fundamental aspect of our work.

**Sato:** Approximately 90% of all MC employees submitted responses to the survey mentioned by Ms. Kagawa. The most noticeable feature of the survey results was the fact that responses from younger employees



I want us to demonstrate how DE&I is linked to where MC is heading, and create behavioral change by ensuring employees understand deeply the necessity for DE&I.

—Yuko Kagawa



I look forward to a movement to be formed to proceed DE&I within the Company, triggered by sharing the ideals discussed in DWG.



Mari Sagiya

Ms. Sagiya has held senior management positions at multiple global IT companies, including an executive role at IBM Japan, Ltd. She has also been involved in initiatives aimed at empowering women within these companies.

tended to show greater divergence in inverse proportion to the percentage of positive responses from management-level employees. For some questions, the level of divergence approached 30%, which I saw as indicative of significant variations in perceptions of DE&I. While carrying out the survey, we also conducted individual interviews. Whenever someone told us that they had an excellent manager, we met with that person and carried out 360-degree interviews that included both their superiors and subordinates. The DWG sub-group focused on systems and structures, and also conducted a survey that interviewed people about issues with current systems.

**Hayashi:** I agree. I was part of the group that discussed system operations. To deepen our understanding of how employees view systems from the perspective of their individual mindsets, we interviewed employees responsible for operating these systems, as well as those with experience using them. We also spoke to people, including some from other companies, who could serve as role models in relation to system operations. At the same time, members of our group refreshed their knowledge about systems. As someone with experience of using systems, this revision process confirmed to me that MC's systems are well designed. However, when we actually interviewed internally, we found that each Business Group had different ideas about how systems should be operated, and that values varied according to age. In the past, systems were operated on the basis that people with special circumstances should receive consideration. I've come to the conclusion that we need to shift to a perspective of how to operate systems on the assumption that everyone has their own circumstances.

**Sato:** As we worked through various issues, all three sub-groups encountered cases that led to the identification of similar issues. I saw this development as evidence that the activities of the DWG were organically linked. I was in the group that looked at organizations and individuals. As we conducted interviews, we discovered teams made up of employees with diverse backgrounds that could serve as role models for the achievement of excellent results. I felt that we could create better organizations by spreading these best practices throughout MC. Another important perspective was whether superiors and subordinates were able to build relationships in which all parties could express their thoughts and ideas. We discussed whether there was room for improvement in

MC's organizational culture in relation to this perspective.

**Sagiya:** I was a member of a diversity working group at another company for which I worked previously, and I'd like to speak briefly about that experience. The company concerned was a global IT company with a reputation for being progressive when it came to diversity, but we actually spent much of our time talking about the necessity of DE&I. The company's management philosophy included a long-standing commitment to DE&I as the natural state of things. However, it was decided to create a forum in which people could freely share their views about whether the company had really achieved DE&I in ways that reflected the present state of the world. The results of these discussions mirrored Ms. Kogiso's earlier comment, as we concluded that in an era when companies are making new transformations part of their medium- to long-term management policies, corporate growth is not possible unless people from all backgrounds can sit together at the same table and express their views on an equal footing. After these discussions, we frankly presented the views of all concerned, regardless of their seniority level in the company. The company's management recognized that they needed to change their values and courses of action, while employees realized that they needed to speak their minds. The formation of our own consensus about the need for change is vital, and communication itself can be a driving force for that. I am looking forward to a movement to be formed to proceed DE&I within the Company, triggered by sharing the ideals discussed in DWG.

**Kogiso:** I think the basic idea behind Ms. Sagiya's comments is that people are not really contributing unless they speak their minds, regardless of their position. I see this as the core focus of DE&I. I think the mindset that expressing your opinions is itself a form of contribution that will be extremely important in the future as diverse people work together to create value by leveraging DE&I.

Spreading the DE&I Message

**Sato:** I have found my work as a member of the DWG continually stimulating and enlightening, and I feel that it has changed me on a fundamental level. Even in day-to-day work-related conversations with employees or people outside of the Company, I am sometimes surprised to realize that the topic has shifted to DE&I. In fact, everyone seems to be getting more engaged in conversations about DE&I. My impression is that many people view DE&I as something that is important to them on a personal level, including not only people coping with a variety of circumstances, but also people of my generation, who are less burdened with childcare and other responsibilities. Ideally, I believe that discussing DE&I themes should become the norm for



It is ideal for DE&I to spread naturally without having to explain its necessity.

Satoshi Sato

people at all seniority levels, so that they come to adopt DE&I concepts, and the philosophy can spread naturally without the need to explain the necessity of it. To help achieve this goal, I would like to contribute to the spread of DE&I, including the ideas that we developed through our DWG activities, within MC, including the management organization.

**Hayashi:** I already knew what the term "DE&I" meant before I participated in DWG activities. However, those activities have given me the opportunity to listen to input from a wide range of people, and I am now able to talk about DE&I concepts in terms that reflect my own personal experiences. One comment that left a particularly strong impression on me was that "one's personal life and career are two sides of the same coin." Most people are likely to encounter challenging situations as they go through life, but still have to develop their careers while coping with those challenges. This is the core idea behind DE&I, and I believe that the long-term goal of the DWG should be to bring about changes in our basic thinking.

**Kagawa:** I want everyone to have a sense of ownership toward these activities. Our efforts shouldn't be limited to a small group of people. Instead, everyone should approach DE&I activities as a way to build their careers as they progress through life. That will require long-term initiatives rather than temporary measures. We are still in the initial phase of our activities, but I hope that all 16 DWG members will work toward the creation of mechanisms that will sustain these initiatives over the next 10 or 20 years. I have two daughters, and when they enter the workforce 20 years from now, I want it to be in a world in which people can realize their full potential by challenging the limits of their own abilities. I also want MC to contribute value toward the creation of that society. That is my motivation. I feel like I've changed since joining the DWG, and now think more about the kind of future that I'd like to see, and what I can do now to help realize that future. I also sense that the other DWG members, including those who had no previous experience in the DE&I field, have changed as a result of what



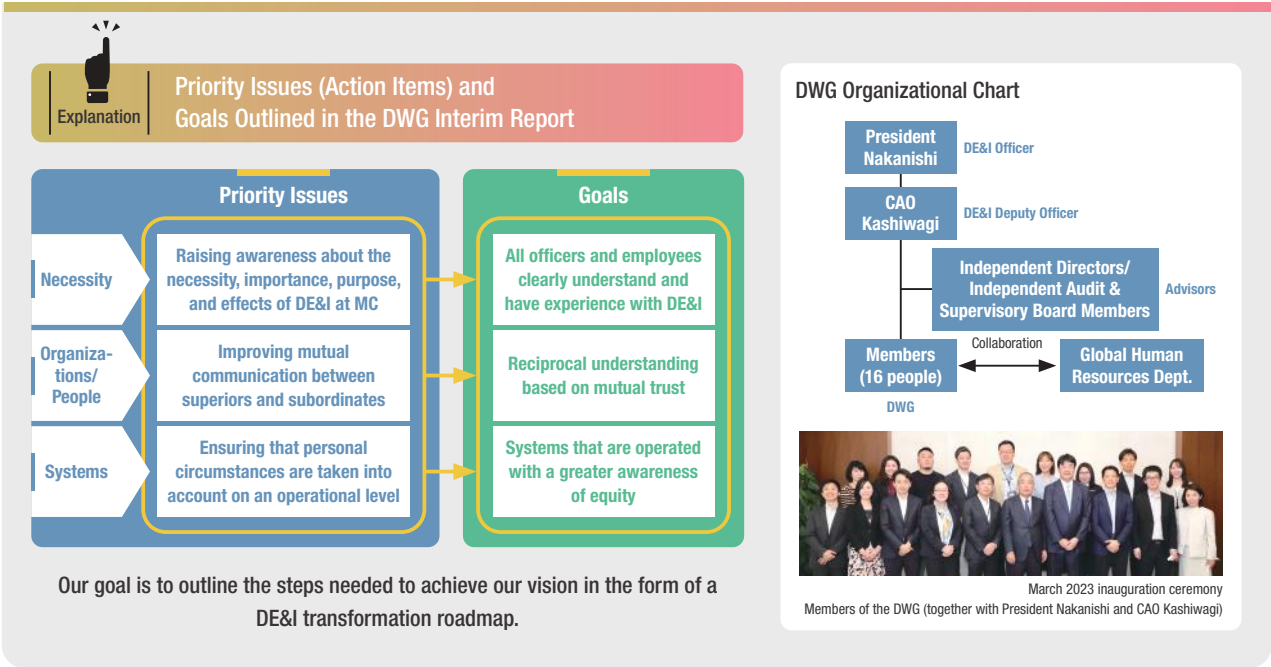
We need to think about how to operate systems on the assumption that everyone has their own circumstances.

Hiroaki Hayashi

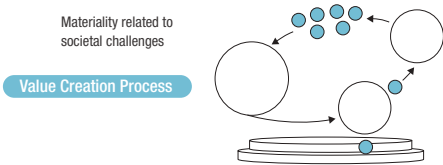
they have learned and discussed. If we could increase the number of people who have had this experience throughout the Company, I believe that MC could become an even better organization. I look forward to working together to build a brighter future.

**Kogiso:** DE&I concepts are often discussed in other forums, including at the Board of Directors. I believe that different companies will have different DE&I visions. Through these discussions, you have sought to identify the approach to DE&I that will best enable individual MC employees to play active roles and realize the collective capabilities of the Company. I believe that your work will be a driving force for the improvement of corporate value.

**Sagiya:** I sense that MC's management team really cares about the employees, and that MC compares favorably with other companies in this regard. For their part, MC employees have a strong sense of engagement and are deeply committed to the Company. You have all expressed your true thoughts through your DWG activities, and you have presented the results of your work objectively. I am sure that other employees will be very interested in your work. Indeed, some members of MC's management team are actively expressing their views about human capital. I hope that the activities of the DWG will inspire many more people to lend their support and help to accelerate future initiatives.







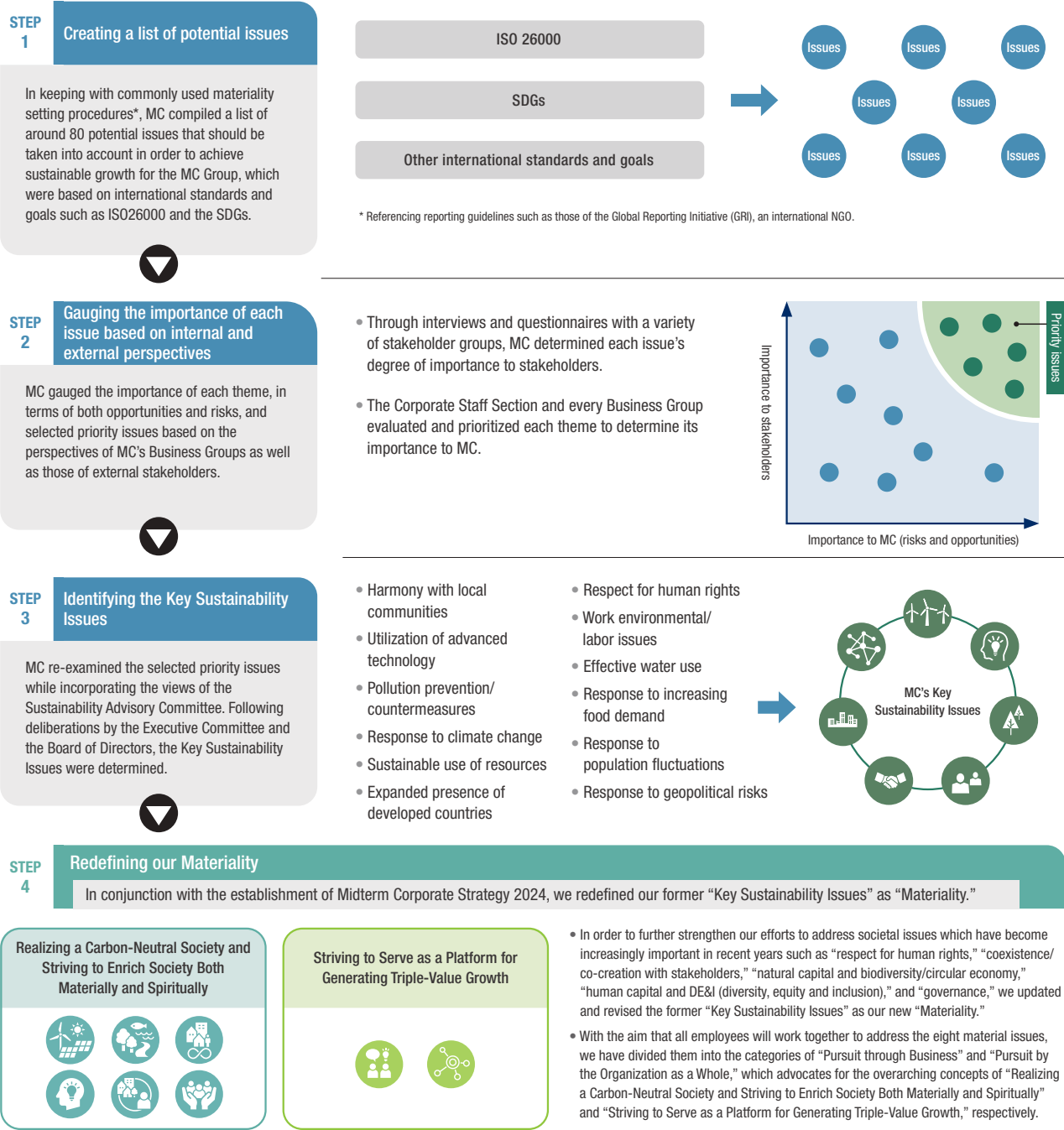
Overview of Materiality and Identification Process

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

After reaching the seven-year point since the establishment of

the Key Sustainability Issues, stakeholder expectations of companies regarding issues such as climate change have grown even higher, and the issues that companies must address have evolved. 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, toward the strategy’s goal of continuous creation of MCSV.

Materiality Identification Process



MC’s Materiality

MC regards its Materiality as a guideline for the continuous creation of significant MCSV, as we aim to create this value by strengthening the MC Group’s collective capabilities to address societal challenges.

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

Representative Action Plans for Each Material Issue

To effectively achieve the creation of MCSV, each Section/Business Group establishes “Action Plans,” which serve as mid term plans related to the relevant material issues for each business or initiative, and tracks their progress through annual reviews. MC has thereby established a mechanism to confirm how our Materiality serves our business strategies, initiatives and organizational management that lead to the creation of MCSV.

Materiality	Typical Action Plans	Relevant SDGs*
Contributing to Decarbonized Societies	• Doubling Renewable Energy Power Generation Capacity • Implementation of Next-Generation Energy Supply Chains • Supply of Mineral Resources to Promote an Electrified Society • CCUS Initiatives	7, 9, 13
Conserving and Effectively Utilizing Natural Capital	• Promotion of a Circular Economy • Assessment of Environmental Dependencies and Impacts	6, 7, 12, 14, 15
Promoting Stable, Sustainable Societies and Lifestyles	• Fulfilling Our Responsibility for Ensuring a Stable Energy Supply to Support the Transition Period • Ensuring a Stable Supply of High-Quality Metallurgical Coal • Sustainable Food Supply	2, 3, 6, 7, 8, 9, 12, 14, 16
Utilizing Innovation to Address Societal Needs	• Building a Cross-Industry Digital Ecosystem • Reduction of Food Waste • Providing Solutions for Wasteful, Inconsistent, and Burdensome Practices by Optimizing the Entire Supply Chain through Digital Technology • Contributing to the Realization of a Carbon-Neutral Society through Technological Innovation	7, 9, 13
Addressing Regional Issues and Growing Together with Local Communities	• Creating Self-Sustained Decentralized Communities • Development and Management of Smart Cities • Providing Solutions for Regional Transportation Challenges through On-Demand Mobility Services	4, 6, 7, 9, 11
Respecting Human Rights in Our Business Operations	• Implementing Human Rights Due Diligence for Business Activities • Ensuring the Safety of Employees	1, 8, 10, 16
Fostering Vibrant Workplaces that Maximize the Potential of a Diverse Workforce	• HR Strategy • Strengthen Engagement • Data Utilization	5, 8, 10
Realizing a Highly Transparent and Flexible Organization	• Incorporating Global Intelligence into Management • Flexible Organizational Restructuring • Transparent and Effective Operation of the Board of Directors	5, 16, 17

\* The 17 global development goals adopted as a global agenda at the UN summit held in September 2015, forming the core of “The 2030 Agenda for Sustainable Development.”



# Climate Change

## Our Approach

At MC, we believe that while climate change poses significant business risks, it also presents us with new business opportunities for innovation, disruption, and growth. Accordingly, MC has set “Contributing to Decarbonized Societies” as one of its material issues as we strive to achieve sustainable growth.

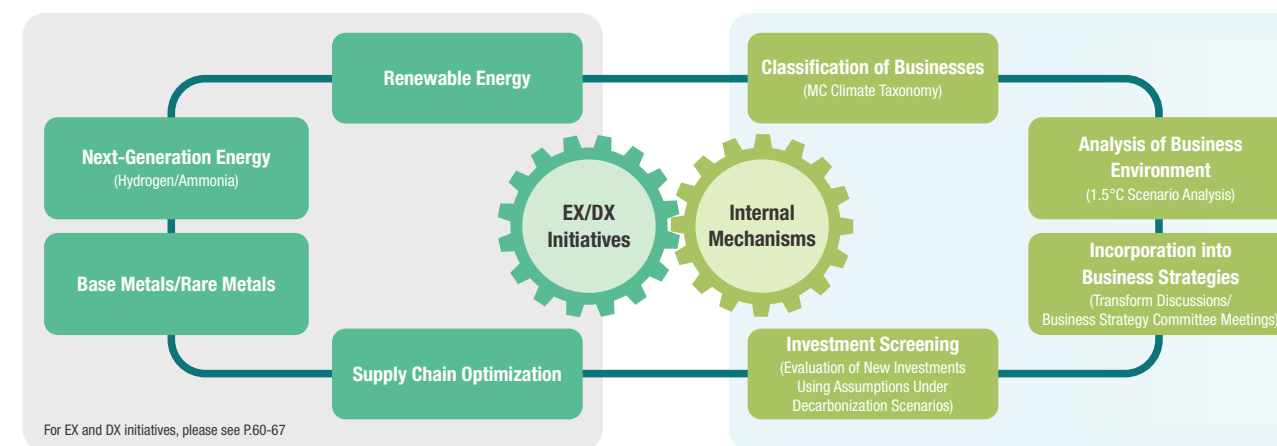
In shifting to a decarbonized society, it is necessary to formulate specific policies that take into account the actual conditions (energy and power mix, geographical conditions and constraints, stage of economic development, population, etc.) that differ from country to country and region to region, and to steadily implement them one by one. Through our global network of offices, subsidiaries and Group Companies, we work with a wide range of stakeholders around the world each day in developing our business.

MC will promote the decarbonization and reinforcement of its portfolio to create MC Shared Value (MCSV). We will achieve this through various EX- and DX-related initiatives, the growth strategy under Midterm Corporate Strategy 2024, and the internal mechanisms to realize a Carbon-Neutral Society, which were also announced in Midterm Corporate Strategy 2024.

### Reference

MC expressed its support for TCFD recommendations in 2018 and is promoting disclosures in line with its guidelines. See below for an overview of our response to the TCFD recommendations.

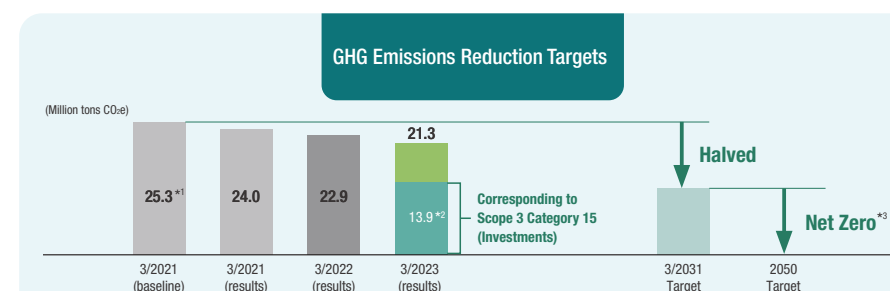
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## Roadmap to a Carbon-Neutral Society

In October 2021, MC formulated its Roadmap to a Carbon-Neutral Society in which we declared our goal of halving GHG emissions by FY2030 from a FY2020 baseline and achieving net zero emissions by 2050. We are currently working toward achieving these goals. As an active player in a variety of industries including resources and

energy, we have formulated a number of goals and action plans, including to invest 2 trillion yen in EX-related initiatives by FY2030, in order to fulfill our responsibility to provide a stable supply of energy while striving to achieve a carbon-neutral society.



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

<sup>\*2</sup> 13.9 million tons would be equivalent to Scope 3 Category 15 (Investments) under the GHG Protocol's financial control approach.

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

### Other Targets to Achieve a Carbon-Neutral Society

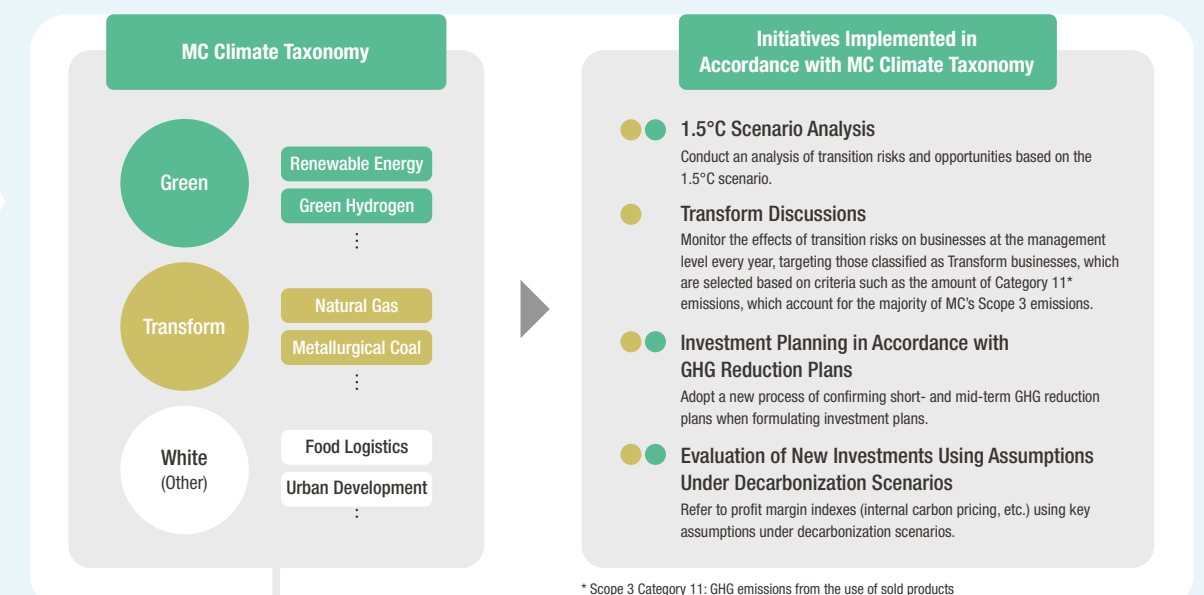
- **Non-Fossil % in Power Generation Business:**  
Aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050.
- **Renewable Energy Power Generation Capacity:**  
Doubling MC's renewable energy power generation capacity compared to FY2019 levels by FY2030.

## Introducing Mechanisms for Simultaneously Decarbonizing and Reinforcing Our Portfolio

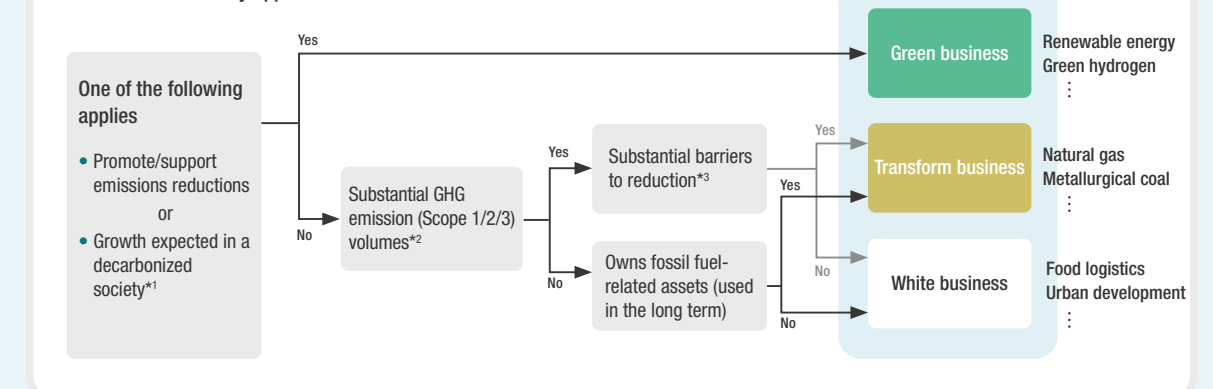
In order to achieve the GHG reduction targets, outlined in “The Roadmap to a Carbon-Neutral Society,” we have introduced mechanisms for simultaneously decarbonizing and reinforcing our portfolio in Midterm Corporate Strategy 2024.

The basis for this mechanism is our “MC Climate Taxonomy,” a new business classification system implemented in FY2022. MC Climate Taxonomy, which covers all of our approximately 130 business units, classifies each into 3 categories: Green (businesses with significant climate-related transition opportunities), Transform (businesses with significant climate-related transition risks), and White (Other).

For businesses classified as Green or Transform, appropriate governance and risk management systems have been adopted to carry out evaluations using assumptions under decarbonization scenarios when screening individual investment proposals, confirm GHG reduction plans when formulating investment plans, and confirm that our business is aligned with a 2050 net zero scenario in terms of both individual projects and companywide business strategy. Please see the next page for the current progress of FY2022 initiatives.



### MC Climate Taxonomy Approach



<sup>\*1</sup> Businesses where demand in 2050 under the 2°C scenario will increase by 20% or more compared to the current business

<sup>\*2</sup> We first identified industries with high GHG emissions based on the EU Taxonomy. All other businesses are also classified into this category if they have exceptionally high emissions compared to other industries, based on internal Scope 1 data and external Scope 3 Category 11 data.

<sup>\*3</sup> Determined based on Scope 1 and Scope 3 Category 11 emissions



FY2022 Initiatives to Address Climate Change

Governance Process

MC's basic policy on climate change and important matters therein are deliberated and decided upon by the Executive Committee. As stipulated in the regulations governing MC's Board of Directors, the Executive Committee reports its findings regularly to the Board of Directors. This governance system enables the Board of Directors to provide appropriate oversight.

In FY2022, the content and frequency of deliberations by the Board of Directors on sustainability-related measures was expanded.

The Board of Directors	Supervises MC's climate-related actions and initiatives	Convenes approx. three times a year
Executive Committee	Makes decisions regarding MC's basic policy on climate change/Makes decisions regarding important matters pertaining to climate change	Convenes approx. twice a year
Sustainability & CSR Committee (reports directly to Executive Committee)	Deliberates MC's basic policy on climate change and important matters therein, and reports findings to the Executive Committee	Convenes approx. twice a year
Sustainability Advisory Committee	Offers advice and recommendations regarding MC's basic policy on climate change and important matters therein	Convenes approx. twice per year
Officer in Charge	Kenji Kobayashi (Senior Vice President, Corporate Functional Officer, CSE0)	
Department in Charge	Sustainability Department	

Example of a Specific Matter Discussed: Policy for Sustainability-Related Measures and Activities (July 2022 and January 2023 regular meetings of the Board of Directors)

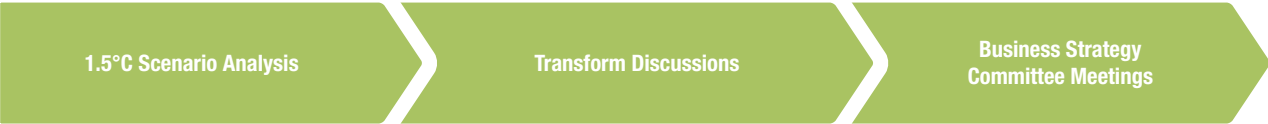
The Board of Directors mainly discussed the disclosure policy for Scope 3 Category 11 Emissions (Use of Sold Products). The Independent Directors and Independent Audit & Supervisory Board Members (the "Independent Members of the Board") agreed to the disclosure of MC's Scope 3 Category 11 emissions in a highly transparent manner, even though internationally unified calculation methods have yet to be established, and commented on the importance of working toward decarbonization at the societal level by leveraging MC's collective capabilities to address societal challenges.

Progress on Internal Mechanisms

Incorporating 1.5°C Scenario Analysis into Strategy

In FY2022, MC collaborated with a third-party organization to create a customized 1.5°C scenario while aligning key assumptions with the International Energy Agency's Net Zero Emissions by 2050 Scenario (IEA NZE) wherever possible, thus allowing for a detailed level of granularity on topics like demand by region and product. Based on this scenario, MC then conducted and disclosed the results of a detailed scenario analysis for three businesses: Natural Gas/LNG, Metallurgical Coal, and Renewable Energy, which includes quantitative aspects that take into account factors such as the specific characteristics of MC's businesses and regional strategy.

After identifying climate change-related risks and understanding the current status and trends in the Natural Gas/LNG and Metallurgical Coal businesses (which were subject to the same 1.5°C scenario analysis), MC then held "Transform Discussions" to deliberate the impact of those risks on business strategy. Furthermore, through the subsequent meetings of the Business Strategy Committee, the results of these Transform Discussions were utilized to advance deliberations and develop business strategies that take into account the relevant climate change risks.



Evaluation of New Investments Using Assumptions Under Decarbonization Scenarios

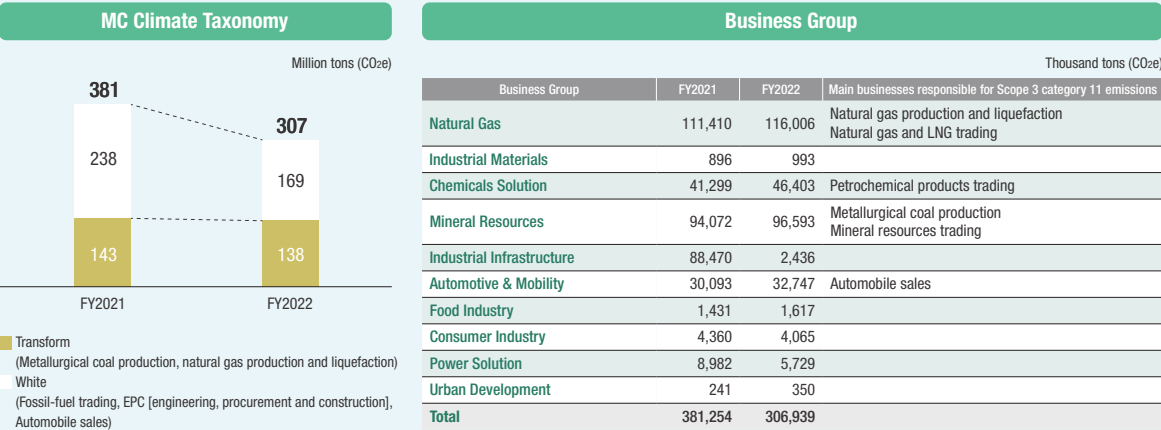
Since August 2022, when screening new investment proposals for "Transform" and "Green" businesses, which MC identifies as having significant climate change transition risks and opportunities\*, MC has been conducting profitability assessments using key assumptions (internal carbon pricing, etc.) under the 1.5°C scenario. The results of these assessments are referred to in making investment decisions.

\* Risks/opportunities faced by businesses if climate action progresses and the world transitions to one in which the global average temperature increase is limited to 2°C or 1.5°C above pre-industrial levels

Disclosure of New Metrics

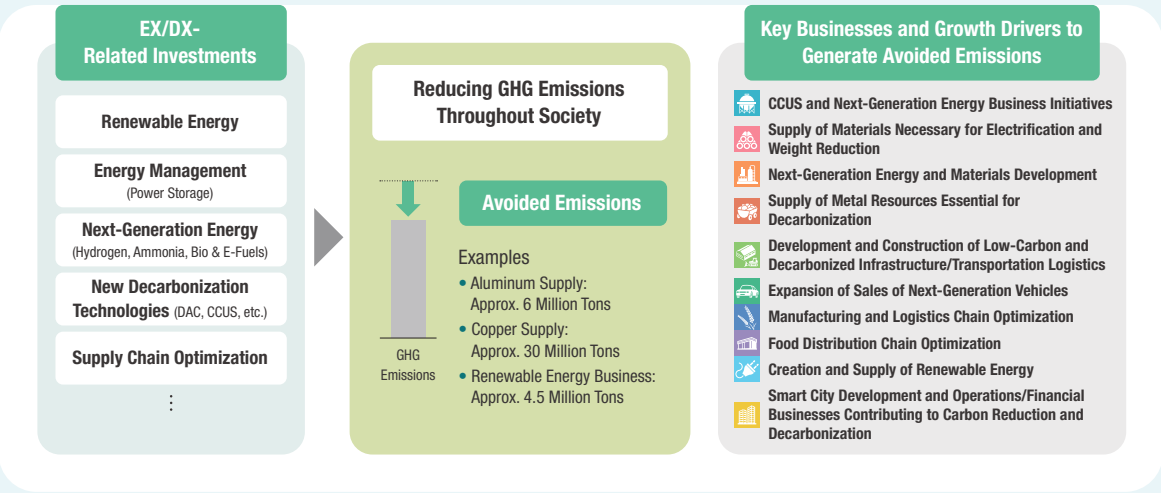
Scope 3 Category 11 Emissions (Use of Sold Products)

Based on dialogues with stakeholders, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions (Use of Sold Products), and we have started to disclose this figure from FY2022 (FY2021 results were disclosed in February 2023, FY2022 results were disclosed in July 2023). Since Scope 3 emissions, including Category 11, are generated by other companies, MC will need to work with a wide range of partners throughout its supply chains to tackle the societal challenge of reducing Scope 3 emissions. MC will address this challenge through its Integrated EX/DX initiatives (e.g., development and supply of renewable and next-generation energy, next-generation climate technology investments through Breakthrough Energy Catalyst, etc.) and will collaborate with various stakeholders to achieve the decarbonization of societal and economic activities.



Disclosure of Avoided Emissions

At the end of February 2023, MC disclosed avoided emissions as a quantitative indicator of progress made under the EX Strategy. This represents the quantified contribution to the reduction of GHG emissions achieved by providing low-emission products or services compared to how much would be emitted if those products and services were not provided. They indicate the degree of contribution MC is making to GHG emissions reductions as well as the extent to which we are able to capture business opportunities in the transition to a decarbonized society. While continuing to foster relationships with our partners, customers, and other stakeholders, based on the goal of addressing societal challenges and creating MCSV through our business, we will continue to vigorously promote our EX Strategy, co-create businesses that generate avoided emissions, and contribute to the realization of a carbon-neutral society.





## Biodiversity and Environmental Conservation Initiatives



Conserving and  
Effectively Utilizing  
Natural Capital

### Our Policy on Biodiversity

As stated in our Environmental Charter, MC recognizes the critical importance of natural capital, including biodiversity, and is committed to maintaining, protecting, and restoring it. We have positioned “Conserving and Effectively Utilizing Natural Capital,” including consideration of biodiversity, as part of our Materiality, which are issues for management to address in order for MC to achieve sustainable growth. Based on these policies and materiality analysis, MC analyzes its nature-related dependencies and impacts using the TNFD framework and strives to minimize negative impacts on its natural capital from its business activities. Natural capital issues are taken into account when reviewing and making decisions on loan and investment proposals.

Forests are regarded as one of the most important types of natural capital because of their vital role in preserving biodiversity as well as capturing and storing GHGs. Therefore, MC is working to reduce the deforestation impact of its activities to zero, including through the establishment of individual guidelines for each of the forest risk commodities we handle (palm oil, paper and wood) with the aim of ensuring that procurement of these commodities is not connected to deforestation.

In addition, we are engaged in environmental conservation projects such as the Global Coral Reef Conservation Project, the Forest Conservation Project, and the Rangeland Restoration Project as part of our initiatives to conserve biodiversity.

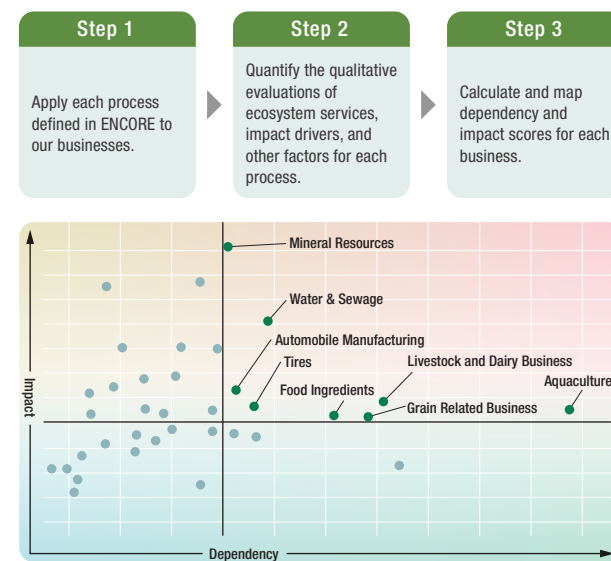
### Identifying and Responding to Dependencies and Impacts on Nature Using the TNFD Beta Framework

MC conducted a trial analysis based on the beta version of the TNFD framework in FY2022, ahead of the release of the final framework. When conducting analyses under the TNFD framework, it is necessary to obtain detailed information on the natural environments surrounding each business site. We therefore split the analysis process into two phases. In Phase 1, we identified businesses with high levels of dependence and impact on nature, which allowed us to single out those businesses that needed to be analyzed in further detail. In Phase 2, the businesses selected during Phase 1 were analyzed on an individual basis.

#### Phase 1 Portfolio Analysis

We used ENCORE\*, a tool recommended by the TNFD, to map the overall levels of dependence and impact on nature for each business. Both the analysis methods and the results obtained are described below. Please note that Phase 1 of the analysis did not take into account the location of each business or any environmental initiatives.

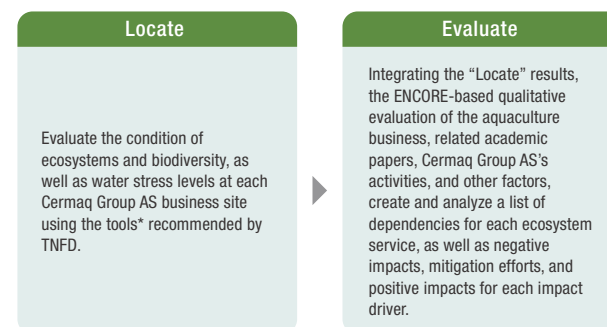
\*A tool jointly developed by the UN Environment Programme and various international financial industry groups.



By using ENCORE to calculate the averages of environmental dependency and impact on nature across all processes, we were able to identify eight businesses with scores in these areas that were higher than the averages. The business with the highest dependence on nature was in the aquaculture business, while the business with the greatest environmental impacts was active in the mineral resources business.

#### Phase 2 Individual Business Analysis

Of the companies identified in Phase 1, we chose to analyze our salmon and trout farming business, Cermaq Group AS, which had the highest level of dependence on nature. This analysis was conducted in accordance with the TNFD's Locate, Evaluate, Assess, and Prepare (LEAP) process. We began by focusing on the Locate and Evaluate steps of the process in an effort to gain a better understanding of Cermaq Group AS's levels of dependence and impact on nature.



\* Integrated Biodiversity Assessment Tool (IBAT) developed by organizations including the International Union for the Conservation of Nature (IUCN), and water stress assessment tools such as Aqeduct developed by the World Resources Institute (WRI)

The results obtained from this analysis allowed us to clarify some of Cermaq Group AS's interactions with the environment, as well as its dependencies and impacts on nature. Going forward, we will work with Cermaq Group AS to analyze business risks and opportunities and consider responses to those risks and opportunities.

### Environmental Conservation Projects

#### Global Coral Reef Conservation Project

In FY2005, MC started the Global Coral Reef Conservation Project in Okinawa with the goal of conserving coral reefs around the world. Today, the project is developing research for coral reef conservation from many different aspects in Okinawa as well as in Australia. In Japan, the Project is directed by Professor Yoshimi Suzuki from Shizuoka University's Graduate School of Science and Technology, one of the country's foremost authorities on coral research. The Project's research focuses on the coral bleaching phenomenon and is conducted at Sesoko Station, which is operated by the University of the Ryukyus in Motobu, Okinawa. In addition, Professor Suzuki's scientific paper summarizing his research received acclaim from many peers, and also received the Best Paper Award by the International Coral Reef Society. In FY2011, the Australian Institute of Marine Science began conducting research on coral reef diseases in the Great Barrier Reef. In particular, the project assesses the role of light, temperature, and water quality on the progression of black band disease, as well as any seasonal dynamics that may exist.



#### Forest Conservation Project: Mitsubishi Corporation Thousand Year Forest

MC carries out a forest conservation project in Aki City, Kochi Prefecture, the birthplace of Mitsubishi founder Yataro Iwasaki. MC entered into a forest conservation agreement with Aki, Kochi Prefecture and the Kochi Tobu Forestry Association with the aim of conserving natural environments in Japan, and collaborations have been ongoing since 2009. The area has been named the “Mitsubishi Corporation Thousand Year Forest” (also known as Yataro's Forest) and consists of a 263-hectare expanse of forest, 143 hectares of which are owned by MC. Aside from conducting forest conservation activities to improve functions that serve the public interest such as watersource conservation, the area is also being used as a place for carrying out environmental education and volunteer activities for MC employees. In March 2020, MC concluded an agreement with the Shikoku Regional Forest Office, Aki City, and the Kochi Tobu Forestry Association to introduce management in the Becchaku area of Yataro's Forestry in line with the Shikoku Regional Forest Office's policy of establishing “green corridors,” in an effort to conserve biodiversity.



© Kochi Tobu Forestry Association

#### Natural Climate Solutions Project: Rangeland Restoration Project

In FY2022, MC launched Natural Climate Solutions (NCS) as a new initiative designed to address climate change by leveraging nature. There are various methods for NCS, and MC will focus on methods of preventing degradation and decline in rangelands, with the goal of preserving the amount of CO<sub>2</sub> absorbed by plants, and to prevent CO<sub>2</sub> stored in soil and vegetation from being released into the atmosphere. The activities will be carried out near Durban, South Africa, where the population is rapidly growing. Due to the increase in grazing caused by an increase in population, the amount of rangeland consisting of grasses and shrubs has begun to decrease. As a result, there are concerns about the decline in the amount of CO<sub>2</sub> absorbed and that the CO<sub>2</sub> stored in the soil will be released. In this project, MC will work together with Conservation International, an environmental NGO, to conserve rangeland in cooperation with local communities. At the same time, the project aims to improve the living standards of local residents by improving the quality of livestock farming and conserving water resources.



© Conservation International/Tessa Mildenhall



# 02

## Midterm Corporate Strategy

This section describes the progress of Midterm Corporate Strategy 2024 and initiatives related to EX, DX, and Creating a New Future, as well as explaining the path to creating MCSV.

*MC Shared Value*

- 58 Midterm Corporate Strategy 2024
- 60 Special Feature: MC's EX and DX Strategy
- 68 Message from the CFO
- 72 Featured Discussion:  
Management with an Awareness of Capital Cost  
and Share Price



Midterm Corporate Strategy 2024

Progress of Midterm Corporate Strategy 2024

As stated in the Midterm Corporate Strategy announced in May 2022, MC has introduced various measures for the “continuous creation of MC Shared Value, by elevating the MC Group’s collective capabilities in order to address societal challenges.” In the fiscal year ended March 31, 2023, we steadily promoted initiatives related to EX, DX, and Creating a New Future; implementation of the Value-Added Cyclical Growth Model; and establishment of a new organizational structure. We also enhanced shareholder returns based on our strong business performance, which benefited from factors such as rising resource prices.

Our Goals Under Midterm Corporate Strategy 2024

Quantitative Targets/  
Shareholder Returns

- Steady growth of earnings independent of market factors. Shareholder returns through progressive dividends and flexible company share buybacks
- Cash flow management rooted in financial discipline and investment planning/business portfolio management focused on future growth

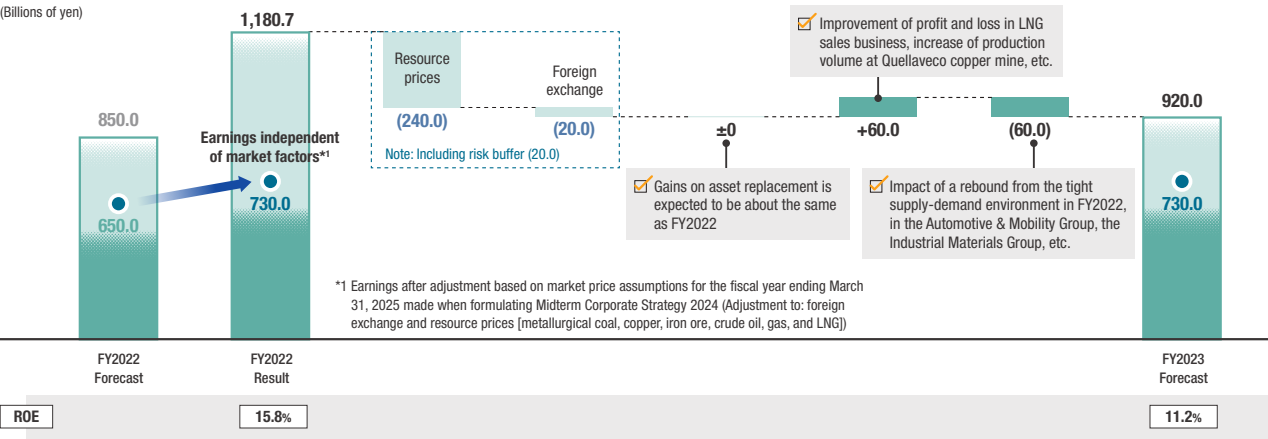
Creating MC Shared Value

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

1	Leading Transformations and Connecting to Growth	Growth Strategies	<ul style="list-style-type: none"><li>EX Strategy (Decarbonization Solution Provider)</li><li>DX Strategy (Linking Digital Technologies with the Real World)</li><li>Creating a New Future (Fostering New Industries/Regional Revitalization)</li></ul>
2	Connecting Our Business to the Future with Disciplined Growth	Business Management	<ul style="list-style-type: none"><li>Business Management Systems</li></ul>
3	Connecting Diverse Sources of Intelligence	Management Mechanisms	<ul style="list-style-type: none"><li>Organization</li><li>Maximizing Our Collective Capabilities Through Cross-Organizational Initiatives</li><li>Management Mechanisms for Maximizing Our Collective Capabilities</li></ul>
4	Creating a Vibrant Organization by Interconnecting a Versatile and Diverse Talent Pool	HR Policies	<ul style="list-style-type: none"><li>Policies for Maximizing the Value of Human Capital</li></ul>
5	Interconnecting with Diverse Stakeholders and Reinforcing Our Presence as a Trusted Member of Society	Sustainability Policies	<ul style="list-style-type: none"><li>Materiality</li><li>Initiatives Related to MC's Roadmap to a Carbon-Neutral Society</li></ul>

Quantitative Targets/Shareholder Returns

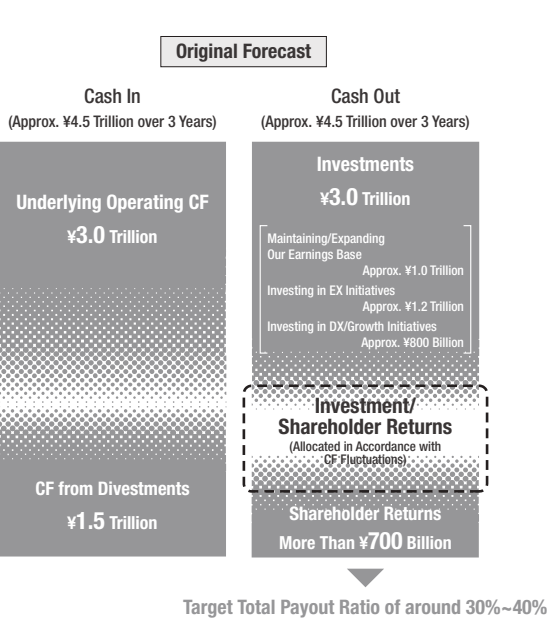
Financial Outlook



Net income in FY2022 reached a record high of 1,180.7 billion yen, up from 937.5 billion yen in FY2021, mainly due to rising resource prices and gains on the sale of a real estate asset management company as an example of implementation of the Value-Added Cyclical Growth Model. As a result, ROE was 15.8%. In FY2023, net income is expected to fall to 920.0 billion yen, mainly due to a drop in resource prices and other factors. However, we forecast an ROE of 11.2%, therefore expecting to continue our target of double-digit ROE. Furthermore, we expect earnings independent of market factors (earnings based on net income adjusted to market price assumptions for FY2024 made when formulating Midterm Corporate Strategy 2024) for FY2023 to be 730.0 billion yen.

Cash Flow (CF) Allocation

In conjunction with the release of the financial results for the fiscal year ended March 31, 2023, MC announced the latest CF allocation forecast for Midterm Corporate Strategy 2024, in response to an upturn in underlying operating CF in the fiscal year ended March 31, 2023. The updated forecast for underlying operating CF is 3.0–3.5 trillion yen an increase of up to 0.5 trillion yen from the original forecast. We also see a possibility that CF from divestments will exceed 1.5 trillion yen. We expect to enhance shareholder returns to at least 1.5 trillion yen in total over the three years of Midterm Corporate Strategy 2024, which includes the additional returns made when we announced the financial results for the fiscal year ended March 31, 2023. In addition, we plan to proactively allocate investments at every opportunity, not limiting ourselves to the 3 trillion yen set at the time of formulating Midterm Corporate Strategy 2024.

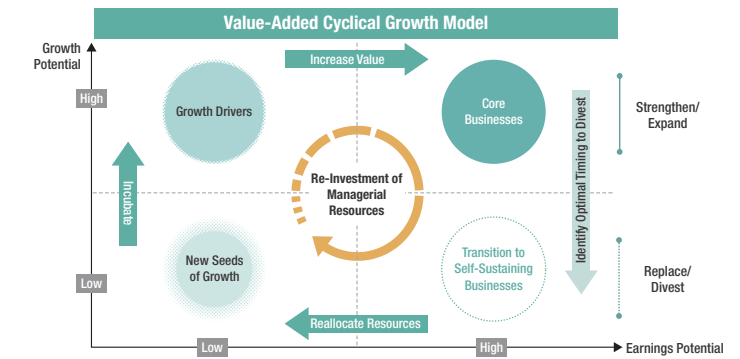


1 Growth Strategies

MC has implemented various investments and strategies related to EX, DX, and Creating a New Future. See the major initiatives related to EX, DX, and Creating a New Future on P. 60-67 for main examples.

2 Business Management

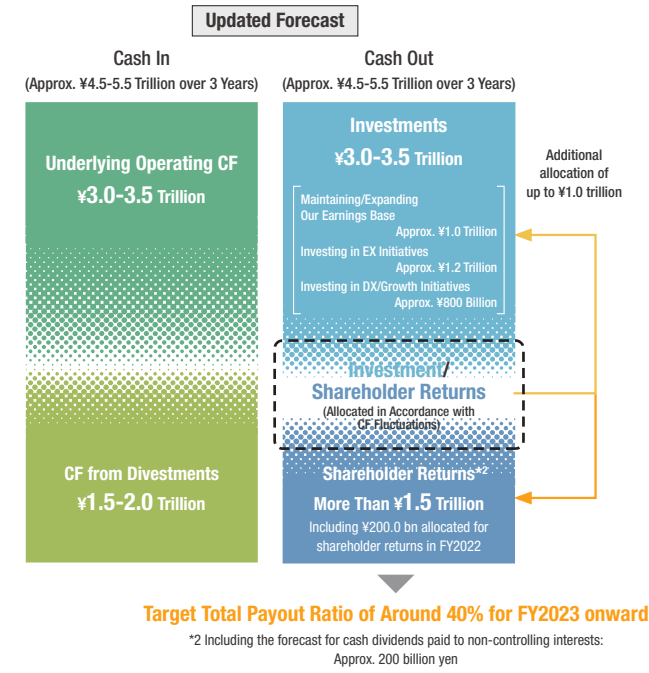
MC has accelerated the application of the Value-Added Cyclical Growth Model, in which we will identify New Seeds of Growth and nurture them into Growth Drivers and Core Businesses by enhancing their value. We will replace businesses with new Growth Driver Candidates if MC can no longer add value to them, even if they are Core Businesses. In October 2022, we conducted a full review to identify candidates for replacement, and the Business Groups are gradually replacing those businesses selected for replacement as planned. See “Message from the CFO” on P. 68-71 for details.



Shareholder Returns

MC is aiming for a balanced policy of financial soundness, stable dividend growth, and market expectations on shareholder returns. Our policy is to flexibly combine share buybacks with progressive dividends in response to sustainable earnings growth as the basis for shareholder returns. We initially set the target total payout ratio, including dividends and share buybacks, at around 30-40%. Then, from the viewpoint of improving the predictability of returns, we have changed to a policy of around 40% for the fiscal year ending March 31, 2024 onward. We have also raised our dividend per share forecast to 200 yen for FY2023, on the assumption that progressive dividends will continue. In light of CF trends and other factors, we announced an additional return of 200 billion yen at the time we released our financial results for FY2022. We will continue to consider balanced shareholder returns in FY2023 and beyond.

See “Message from the CFO” on P. 68-71 for details on Quantitative Targets/Shareholder Returns.



3 Management Mechanisms

- In the fiscal year ended March 31, 2023, the Global Intelligence (GI) Committee, which we established to strengthen our ability to respond to the external environment, and the MC Shared Value (MCSV) Forum, which discusses and formulates cross-industry companywide strategies, each met three times, respectively. The results of these discussions are utilized in companywide management and strategies.
- In April 2023, to reinforce the realization of the EX Strategy, MC established the Next-Generation Energy Business Group. This Group consists of approximately 260 employees, many of those from the former EX Task Force, which formulated the EX Strategy, and including those who concurrently hold positions from among five other related Groups. See P. 63 for details.

4 HR Policies

See P. 38-43 for details on HR Policies.

5 Sustainability Policies

MC took the initiative ahead of other companies in disclosing Scope 3 Category 11 emissions, and we adopted and implemented mechanisms for simultaneously achieving decarbonization and reinforcing our portfolio based on the MC Climate Taxonomy (Classification of Businesses). See P. 100-105 for details on Sustainability Policies.



# EX

## 01 EX Strategy Promotion

MC is promoting our EX Strategy with the goal of both balancing a stable supply of energy and resources with decarbonization of social and economic activities to realize a carbon-neutral society. In implementing our EX Strategy, during the term of our Midterm Corporate Strategy 2024, we are investing around 1.2 trillion yen into EX-related fields, aiming for a total investment of around 2 trillion yen by 2030. Through close coordination among each Business Group and the newly established Next-Generation Energy Business Group, we are envisioning and implementing a wide range of initiatives starting with building an EX-related supply chain.

### Message from the Senior Vice President



Norikazu Tanaka  
Representative Director  
Senior Executive Vice President  
Energy Transformation

during the Midterm Corporate Strategy 2024 period, in April 2023 we evolved the EX Task Force into the Next-Generation Energy Business Group, forming a strong foundation to promote EX initiatives. These efforts demonstrate the Company's level of commitment to EX.

### The Roles of the Senior Executive Vice President in Charge of EX

The CEO of each Business Group and the Head of the Next-Generation Energy Business Group oversee the promotion and management of individual EX-related projects. My role is to lead our companywide EX Strategy, including investment efficiency, by checking whether the creation of MC's desired EX portfolio is progressing according to plans from a companywide management perspective and by working with the CEO of each Business Group.

### Passing on a Series of "Small Successes" to the Next Generation

Although some say that we are close to the arrival of a decarbonized society, the reality is that much remains unsure and no definite scenario has been envisioned for 2050. At the same time, technological innovation is progressing very rapidly. Given this type of environment, it is important that we prepare rigorously for a wide range of possibilities so that we can build a business that will be a growth driver for EX no matter the scenario. Moreover, to achieve ambitious targets, it is important that we first accumulate "small successes." As discussions with our partners progress and development decisions approach for certain projects, we can feel we are surely marching toward tangible outcomes. However, during this process, it is important that we set targets in each field, and by achieving those targets, that we continuously produce clear success cases. This is a process that is not limited to EX and one that we have implemented over the course of our corporate history.

### Progress in EX

The relevant Business Groups, who have got together and launched the EX Task Force in October 2021, have since held discussions around a wide range of perspectives on the policies that MC should adopt to realize a decarbonized society. At the time of my appointment as the EX Task Force Leader in April 2022, there were already more than 200 potential projects being discussed by our Business Groups. I could truly feel that each Business Group had made EX their own issue. The mission of MC's EX is to balance reliable energy supply with the realization of a carbon-neutral society. The prioritization of fields and projects that we will pursue in the three years of the Midterm Corporate Strategy 2024 have been already selected, and our short listing is mostly complete.

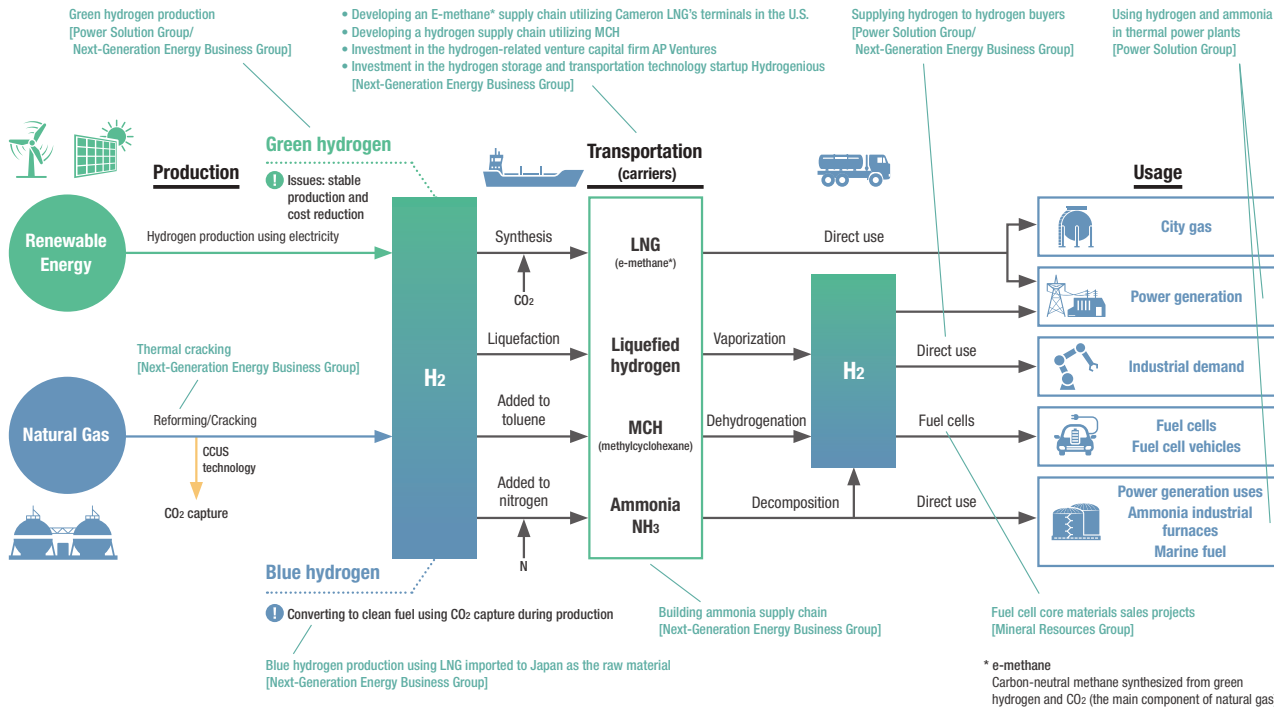
EX includes not only renewable energy and next-generation energy such as hydrogen, ammonia, and sustainable aviation fuel (SAF), but also transition fuels such as natural gas and mineral resource products such as copper, nickel, and lithium that support electrification. It is essential to take on the challenge in a wide range of fields, instead of focusing on a specific area, in order to achieve reliable supply of energy with the transition to a decarbonized society. To make tangible progress in creating new businesses

## 1 Building a Next-Generation Energy Supply Chain

To build a next-generation energy supply chain centered on hydrogen and ammonia, we are working to connect our mainstay renewable energy business and natural gas business and to pursue business development from multiple angles in the areas of production, transportation (carriers), and usage.

As one example, on June 6, 2023, MC and our subsidiary, the Dutch integrated energy company Eneco, established the joint venture Eneco Diamond Hydrogen to develop associated renewable energy in Europe and to produce

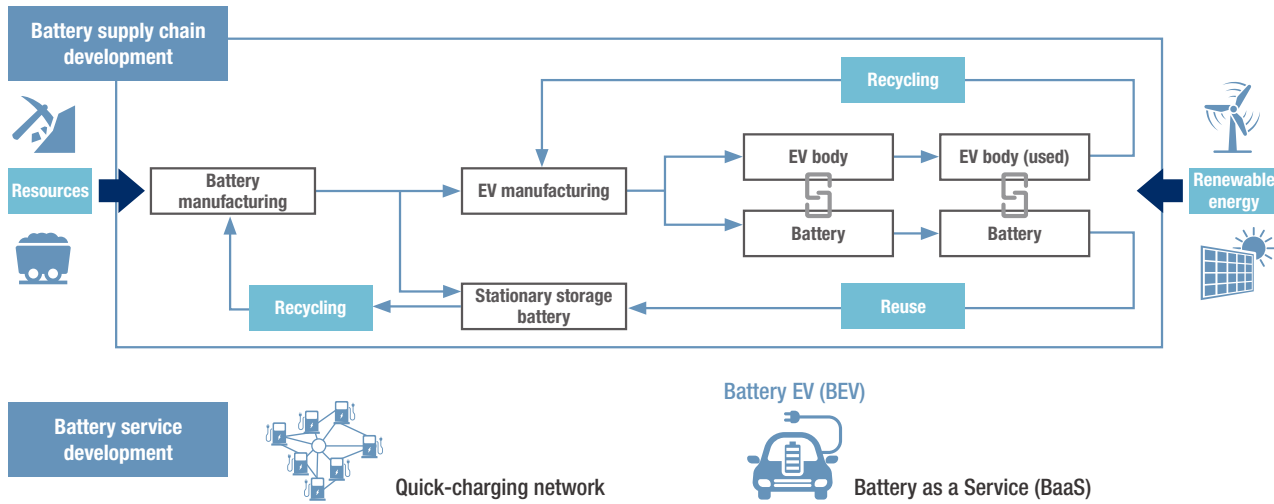
and sell green hydrogen. Using the knowledge and experience in renewable energy development that Eneco has developed over many years and MC's vast network that spans a wealth of industries including oil refining, chemicals, steel, marine transport, and other industries, Eneco Diamond Hydrogen will pursue renewable energy development and the production and sales of green hydrogen in the European region based in the Netherlands.



## 2 Building a Battery Solutions Supply Chain

The move toward electrification and decarbonization in the mobility sector to realize a carbon-neutral society is an irreversible trend. In an environment that is experiencing the discontinuous integration of energy, mobility, resources, and services across industries, we are pursuing business development with EV batteries, the central node that connects these industries. MC is working to

build a cross-industry business model that accumulates our knowledge and connects these diverse industries. These efforts include securing copper and scarce resources such as lithium and nickel, building mechanisms to recycle resources, maximizing battery value through sophisticated battery management, and coordinating with power networks.



### 1. Building an EX Supply Chain

In our EX Strategy, we aim to connect MC's mainstay businesses and coordinate with our partners to create new value by building an EX-related supply chain starting with a next-generation energy supply chain and a battery solutions supply chain.



2. Latest Initiatives

01 Awarded Hollandse Kust West Site VI Offshore Wind in the Netherlands

In MC's power business, we select and make investment decisions on projects based on the rich experience and network that we have accumulated over the course of many years in the industry. We have also cultivated our project development capabilities while appropriately controlling business risk from the initial development stages. As an example, MC was a forerunner in the offshore wind power generation business and undersea power transmission business in the early 2010s during the early days of the two markets. We dispatched MC employees to the project companies to assist in development, construction, and operational risk management in the everyday on-site operations, boosting the stability and profitability of the projects. In addition to the long-term ownership of these excellent projects, at the stage in which the business risk diminishes, we will work to recover our capital flexibly by transferring partial investment stakes to third-party partners. We will then invest this capital along with the human resources who have acquired on-site experience in the next prime projects. By combining multiple options in this way, we hope to expand our renewable energy business portfolio through the creation of a positive development cycle.

Against this backdrop, in December 2022, through MC's subsidiary Eneco, MC and Shell have been successful in the tender for the Hollandse Kust West Site VI offshore wind farm (HKW, 760MW capacity) located approximately 50km off the northwest coast of the Netherlands. This will be Eneco's fifth offshore wind project in the country, bringing its total offshore wide power generation capacity in the Netherlands to 2,500MW. This also increases MC's renewable energy power generation capacity from 3,430MW to 3,670MW (as of the end of December 2022). HKW is scheduled to begin commercial

operations in 2026 and will supply approximately 3% of Dutch electricity demand, making a large contribution to the decarbonization policies being promoted by the Dutch government. While offshore wind power generation will play a central role in the future expansion of renewable energy, it must be promoted in harmony with the environment, including marine ecosystems. In the course of this project, we have evaluated both the dependence and impact on the natural environment and coordinated with diverse stakeholders. We plan to minimize our environmental impact and manage the project in a way that contributes to our materiality of "conserving and effectively utilizing natural capital." As such, we believe that this project will contribute to the continued expansion of offshore wind power generation.



02 Launch of the Marunouchi Climate Tech Growth Fund L.P.



In April 2023, through Marunouchi Innovation Partners Co., Ltd. (MIP), MC launched the Marunouchi Climate Tech Growth Fund L.P. (the Fund) to invest primarily in companies dedicated to decarbonization through the development of climate tech. As of its initial closing, the Fund, including the related investment vehicles for overseas investors, has raised 400 million US dollars of capital commitments from investors. MIP plans to raise new investment through additional rounds of funding and to increase the size of the Fund to 800 million to one billion US dollars by its final closing.

The field of climate tech has raised expectations with respect to accelerated development and application of a wide range of cutting-edge, net-zero technologies and solutions. With more funding crucial to meeting those expectations, the demand for climate tech investments is likely to grow over the medium to long term. With the Fund prioritizing investments aimed at spurring growth in companies dedicated to climate tech solutions, MC and MIP plan to leverage this opportunity to help commercialize, scale up, and rollout those entities' cutting-edge technologies. As a result, the Fund should not only help to boost those entities' corporate value, but also support decarbonization and the realization of a carbon-neutral society.

3. Establishment of the Next-Generation Energy Business Group

The Next-Generation Energy Business Group was established in April 2023 to advance EX initiatives, which is one of the main pillars of MC's growth strategy in Midterm Corporate Strategy 2024. The Group is responsible for discovering low-carbon/carbon-free technologies and implementing them in society, as well as building supply chains for next-generation energy that has low environmental impact. In order to

provide stable supplies of energy and resources while simultaneously supporting the decarbonization of social and economic activities, we will help realize a carbon-neutral society by promoting a broad range of initiatives in EX-related value chains, from upstream to downstream, while leveraging MC's broad industrial network as a *sogo shosha*.



Masaru Saito  
Executive Vice President  
Next-Generation Energy Business  
(Concurrently) Head of Next-Generation Energy Business Group

Bringing Together MC's Knowledge to Shift to EX Implementation Stage

I would like to continue the stable supply of existing energy while implementing the transition to next-generation energy in stages. Thus far, we have devised our EX strategy through our EX Task Force. However, to shift to implementing our strategy, we brought together the knowledge of the people spread throughout our Business Groups to form the Next-Generation Energy Business Group. Because the contact points of the next-generation energy sector are extremely broad, we need specialists with diverse experience to connect organically to pursue project development. In addition to aiming to establish a next-generation energy business quickly, while coordinating with each Business Group, we will contribute to addressing societal and industrial challenges, starting with the creation of new carbon-neutral industries. While there are issues that we must overcome, all the members of the relevant departments will come together and move forward toward the realization of a carbon-neutral society.

LPG & Petroleum Feedstock Business Department

■ LPG, crude oil, petroleum feedstock  
Provides stable supplies of energy and petrochemical feedstock while simultaneously supporting decarbonization efforts through our businesses and transactions related to LPG, naphtha, and crude oil.

New Power Generation Fuels Business Department

■ Fuel ammonia, wood pellets  
To promote the use of fuel ammonia, develops projects around the world with the aim of constructing large-scale and stable supply chains.

Biofuel & E-fuel Business Department

■ Sustainable aviation fuel (SAF), low-carbon methanol, low-carbon ethanol  
Develops businesses related to the entire supply chain of biofuels and synthetic fuels derived from clean hydrogen, with a focus on SAF.

Refinery Business Department

■ Petroleum products  
Promotes petroleum products business in Japan, Asia, and the US. While continuing to fulfill our responsibility to provide a stable supply of liquid fuels, we work to solve industrial issues during the transition to a carbon-neutral society.

Hydrogen Infrastructure Development Department

■ Hydrogen-related infrastructure  
Contributes to the realization of a carbon-neutral society by utilizing various hydrogen carriers to build an international hydrogen supply chain business, which is essential for a hydrogen society.

Hydrogen Business Development Office, Carbon Management Office, New Technologies Office

■ Next-generation energy (hydrogen, etc.), carbon credits, CCUS  
Contributes to realizing a carbon-neutral society by adopting a multifaceted approach to initiatives related to hydrogen, e-methane, carbon credits, etc.

■ Relevance of Material Issues to the Business

Focused Material Issues		Details/Action Plans
	Contributing to Decarbonized Societies	<p><b>Decarbonization of society through the development and supply of next-generation energy</b></p> <ul style="list-style-type: none"><li>Promoting the development of a supply chain for the societal implementation of hydrogen/ammonia</li><li>Promoting business for the societal implementation of SAF</li><li>Developing biofuels and synthetic fuels such as e-methane and e-methanol</li></ul> <p><b>Contributing to GHG reduction through the promotion of the carbon management business</b></p> <ul style="list-style-type: none"><li>Developing CCUS and carbon credit-related business</li><li>Providing consulting services for customer decarbonization.</li></ul>
	Promoting Stable, Sustainable Societies and Lifestyles	
	Utilizing Innovation to Address Societal Needs	



# DX

## 02 Implementation of DX Strategy

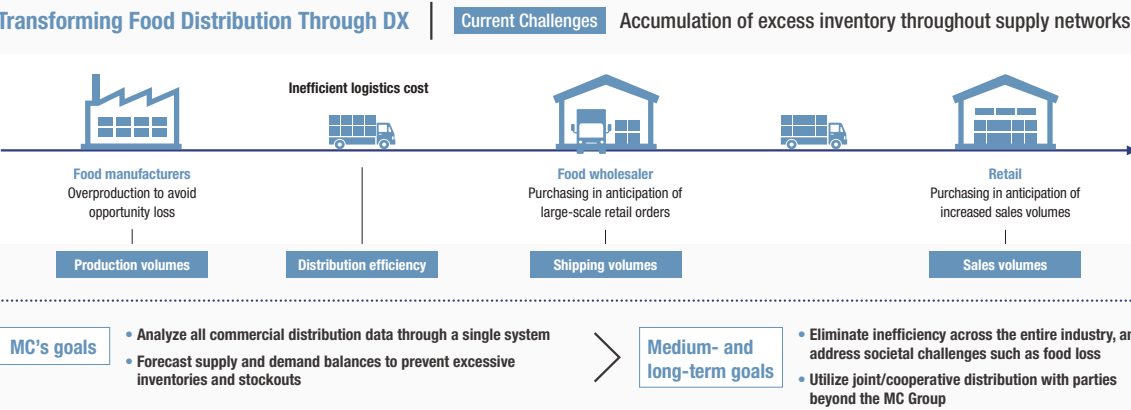
MC is engaged in a wide range of businesses, therefore we have numerous contact points at the frontlines of businesses with challenges in need for DX solution. Through close coordination with Groups, the Industry Digital Transformation Group aims to integrate MC's existing business with digital technology to enhance our business value. Furthermore, DX plays an important role not only in our existing businesses, but also in promoting EX. MC is committed to creating a new future, by promoting DX and EX in parallel.

### 1. Latest Initiatives

#### 01 Launch of Food Distribution DX at Mitsubishi Shokuhin Distribution Centers

Together with Industry One, Inc., MC is working to reduce inventory at our distribution centers by linking retail and wholesale data. More specifically, by collecting data including retail and intermediary distribution data and analyzing it with AI developed by MC Digital, Inc., we are working to reduce both inventory and food loss and to streamline ordering and warehouse operations.

In our verification testing performed together with Mitsubishi Shokuhin Co., Ltd. covering around 6,000 products, in addition to reducing inventory at our distribution centers by an average of around 30%, we succeeded in lowering the overall rate of out-of-stock items. Given these results, we began installing this system at the distribution centers operated by Mitsubishi Shokuhin Co., Ltd. for Lawson, Inc. in 2022 and have been steadily rolling it out since.



#### 02 Expanding the Data Center Solutions Business



MC is engaged in the data center business through its joint venture MC Digital Realty, Inc., formed with major US data center provider Digital Realty Trust, that provides digital infrastructure helping enable digital transformation strategies of enterprises and customers.

Given the explosive increase in data processing volumes in Japan with the spread of AI/IoT and cloud services, and the further expansion of video streaming and e-commerce, a continuous increase in data center demand in Japan led by major cloud service providers is highly expected.

With the completion of a new data center in Osaka in February 2023, MC reached operating assets of 200 billion yen (power capacity of 130MW). MC will continue to carry out new development based on customers' needs, aiming to expand its business scale further.

### 2. Welcoming One Year Since the Establishment of the Industry Digital Transformation Group

July 2023 marked the one-year anniversary of the establishment of the Industry Digital Transformation Group. Through gaining insights on the challenges and the need for optimization tools in a wide range of industries and businesses and in all sectors including upstream, midstream, and downstream, we are continuously developing and trialing solutions based on digital technology. MC has many business

frontlines in need for DX-driven solutions. By providing DX functions to these businesses, we aim to achieve optimization of logistics and productivity improvement, which we believe will increase business value, and contribute to the development of the industry as a whole and the realization of vibrant local communities.



**Takuya Hirakuri**  
Senior Vice President  
CDO, (Concurrently) Head of Industry  
Digital Transformation Group

#### Challenging Ourselves to Create New Business Models that Go Beyond Existing Industrial Boundaries

With the Group's mission "Shaping the Future with Digital," members from eleven Business Groups gathered and are working together to advance three initiatives: 1) an "Enabler Business" that provides capabilities to realize DX both inside and outside of the Company, 2) the creation of new businesses through industrial restructuring with the usage of DX, and 3) the revitalization of regional and local communities using digital technology. In November 2022, we established the Choshi Branch and the Akita Branch as the frontlines of our regional revitalization initiative. We are challenging ourselves not only to accelerate the creation of MC Shared Value (MCSV) using digital technology, but also to create new business models that go beyond existing industrial boundaries.

#### Digital Business Development Department

■ DX service business/DX business development

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

#### Power & Community DX Department

■ Development of B2C customer base/Regional revitalization initiative

Develops and provides retail services to household customers by leveraging MC Group's wide range of products and networks. We aim to add value by fusing physical and digital solutions and combining them with existing services such as provision of electric power. 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

Aims to develop solutions and services that help to address business- and management-related challenges that industries and companies are facing, and to provide them as a platform. To achieve this, we will strive to promote collaboration with companies that have the necessary technologies through partnerships. In the meantime, we will focus on developing businesses in the fields of logistics, mobility, and data services.

#### Service Industry DX Department

■ Utilizing DX to develop B2C service businesses

Develops FinTech business and digital services in areas such as finance, healthcare and real estate, leveraging touch points with local municipalities and residents. We collaborate extensively with partners both within and outside the MC Group and aim to realize businesses that will become pillars for the future growth of the MC Group.

#### ■ Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
Contributing to Decarbonized Societies	<b>Commercializing next-generation technologies and co-creating cross-industry business through the DX enabler business</b> <ul style="list-style-type: none"><li>Promoting DX projects of Business Groups, create MCSV based on DX, and examine commercialization of next-generation technologies</li></ul>
Utilizing Innovation to Address Societal Needs	<b>Improving efficiency and sophistication of business operations and public services through digital technologies</b> <ul style="list-style-type: none"><li>Providing optimization and visualization services to logistics and regional public transportation sector</li></ul> <b>Developing and providing lifestyle services</b> <ul style="list-style-type: none"><li>Lifestyle services offered by Chubu Electric Power Miraiz Connect, Inc. and home repair and improvement services by HomeServe Japan Corporation</li></ul>
Addressing Regional Issues and Growing Together with Local Communities	<b>Creating self-sustained decentralized local communities</b> <ul style="list-style-type: none"><li>Supporting local governments in their efforts for regional revitalization, DX, and decarbonization of the area</li></ul>



# EX DX

## 03 Creating a New Future through Integrated EX/DX Initiatives

In the Midterm Corporate Strategy 2024, under the idea of “creating a new future,” MC stated that it will work with partners and local municipalities to address societal and industrial challenges on the themes of utilizing renewable energy and other local energy resources, creating new carbon-neutral industries, and developing vibrant communities by helping address regional challenges. Under these circumstances, we visualize creating a new future as “fostering new industries x regional revitalization.” In other words, by fostering new industries as a starting point and combining them with regional revitalization, we are creating a new future. Efforts in fostering new industries and strengthening cooperation with local municipalities are currently progressing, including the following examples. We will further accelerate our efforts by accumulating successful case studies.

### Latest Initiatives

## 01 Providing Next-Generation Transportation Services to Solve Regional Transportation Issues



MC has been operating the AI-driven on-demand bus service “KnowRoute” in collaboration with Nishi-Nippon Railroad Co., Ltd., in Fukuoka Prefecture. The on-demand buses have no fixed schedule or routes. The buses operate by AI setting and updating the optimal route in real time according to the user’s current location and destination. We are currently working throughout Japan to spread the use of on-demand buses by providing consistent support and expertise, ranging from planning to system provision and improvement measures.

We conducted a trial of KnowRoute in Shiojiri City, Nagano Prefecture, in the fiscal years ended March 31, 2021 and 2022. Having looked at usage rates and listened to requests from users for a full rollout of the service, we began full-scale operation of KnowRoute as an official service. The buses have now become a fixture in the local community.

In February 2023, we established A-Drive Inc. with Aisan Technology Co., Ltd. In anticipation of the driverless vehicle era, we have begun supporting the transition to autonomous driving services in Japan.

We will utilize our wide network and customer base to provide sustainable, safe, and convenient next-generation transportation services to communities across Japan facing various transportation challenges.

## 02 Supporting the Establishment of Kyoto University-Mitsubishi Corporation Startup Catapult

MC has decided to make a donation of 600 million yen to Kyoto University in April 2023 to support the establishment of “Kyoto University-Mitsubishi Corporation Startup Catapult,” a program to support startups that implement research findings from Kyoto University. We will promote the development and commercialization of Kyoto University’s technological capabilities and research findings in a wide range of fields to address various societal and industrial challenges.

As societal challenges such as climate change and the spread of infectious diseases become more diverse and complex, there is a growing need to commercialize R&D technologies and know-how possessed by educational institutions, etc., and to steadily implement them in society. Kyoto University has been conducting highly specialized research in a wide range of fields for many years and is continuously working to expand its support for business startups. In support of our philosophy, we have decided to make a donation to the startup support program, established by Kyoto University’s Office of Society-Academia Collaboration for Innovation.

We will shortly start accepting applications for specific projects and, after they are reviewed within Kyoto University, provide support for starting businesses for the projects in question.



Mr. Katsuya Nakanishi, Representative Director, President and CEO of MC (left) with Mr. Nagahiro Minato, President of Kyoto University (right)

## 03 Concluded a Partnership Agreement with Yatsushiro City, Kyushu Electric Power Co., Inc., and NTT Anode Energy Corporation to Expedite Carbon Neutrality in Yatsushiro City

MC has concluded a partnership agreement with Yatsushiro City (Kumamoto Prefecture), Kyushu Electric Power Co., Inc., and NTT Anode Energy Corporation to strengthen mutual collaboration among the four parties and accelerate specific efforts to grow the use of renewable energy, thereby helping to expedite Yatsushiro City’s transition to carbon-neutrality. The four parties will work together to address the following.

### Agreements and Areas of Collaboration

1. Leveraging of private services to promote the citywide use of renewable energy.
2. Encouragement of private homes, businesses, public facilities, and other properties to switch to renewable energy.
3. Promotion of local-production-for-local-consumption renewable-energy model and revitalization of the local economy.
4. Leveraging renewable energy to make Yatsushiro a more resilient city that is less vulnerable to natural disasters.
5. Other work designed to encourage decarbonization, including energy conservation and electrification initiatives, and PR work to raise awareness.

### Initiatives in the Whole City Area

After concluding the partnership agreement, the four parties will consider and implement the following initiatives, all of which are designed to help expedite Yatsushiro City’s transition to carbon-neutrality, also considering the possibility of accessing the government’s decarbonization funds and subsidies.

### 1. Installing Renewable Energy Facilities, etc., in Public Buildings

**Overview**  
Installation of solar photovoltaic power generation systems in City Hall, branch offices, community centers, and other public buildings

**Party of Interest**  
Yatsushiro City



### 2. Promoting Home Rooftop Solar Panels

**Overview**  
Continuation and further expansion of support for installation of rooftop photovoltaic power generation systems and batteries for homes

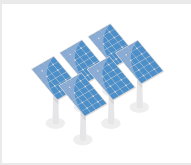
**Party of Interest**  
Yatsushiro City



### 3. Supporting Introduction of Renewable Energy Facilities to Private Businesses

**Overview**  
Support to help local private businesses adopt renewable energy

**Parties of Interest**  
Yatsushiro City, Kyushu Electric Power, NTT Anode Energy, and MC



### 4. Expand Introduction of EVs in Official Vehicles, etc.

**Overview**  
Replacement of official vehicles with EVs and other initiatives designed to help spread their use and grow the city’s charging infrastructure

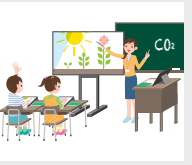
**Parties of Interest**  
Yatsushiro City, Kyushu Electric Power, NTT Anode Energy, and MC



### 5. Raising Public Awareness About Carbon-Neutrality

**Overview**  
Organization of events to raise public awareness of the need to decarbonize their lifestyles and make greater use of renewable energy

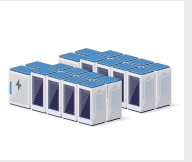
**Parties of Interest**  
Yatsushiro City, Kyushu Electric Power, NTT Anode Energy, and MC



### 6. Installing Grid-Scale Battery Storage Systems

**Overview**  
Study of potential introduction of grid-scale battery storage systems and consideration commercialization

**Parties of Interest**  
NTT Anode Energy, and MC



### 7. Establishing a New Local Power Retailer and Power Distribution Business

**Overview**  
Study on the establishment of a new local power retail company and launch of a local power distribution business dedicated to the area’s decarbonization and energy self-sufficiency

**Parties of Interest**  
Yatsushiro City, NTT Anode Energy, and MC





Forging ahead with the sustainable enhancement of corporate value through appropriate capital allocation and promotion of the Value-Added Cyclical Growth Model

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



Summary of Results for the Fiscal Year Ended March 31, 2023, and Forecasts for the Fiscal Year Ending March 31, 2024

In the fiscal year ended March 31, 2023, multiple factors, including the prolonged conflict between Russia and Ukraine, as well as financial instability in both Europe and the United States, had a disruptive effect on the global state of affairs. Our activities amid this environment yielded consolidated net income of 1,180.7 billion yen, an increase of 243.2 billion yen from the previous fiscal year. Even after making appropriate allocation for potential losses by reviewing assets' value, we significantly surpassed the record set in the previous fiscal year and achieved profit in excess of 1 trillion yen for the first time in our history. By segment, seven of our 10 Business Groups set new record-high profits. In addition to the tailwind of high resource prices on the performance of the Mineral Resources Group and the Natural Gas Group, these results can also be attributed to the steady accumulation of earnings by other Business Groups, including the Urban Development Group, which recorded a gain on the sale of real estate management company (MC-UBSR) in line with the Value-Added Cyclical Growth

Model, as well as to the Industrial Materials Group and the Automotive & Mobility Group.

In the fiscal year ending March 31, 2024, we anticipate a return to normality after an overheating trend across the entire economy, led by resource prices and foreign exchange. On this basis, we are predicting that our consolidated net income will decline by 260.7 billion yen to 920 billion yen from the previous fiscal year. Even in such an environment, we expect our performance to remain firm, in part because of increasing production volumes at the Quellaveco copper project.

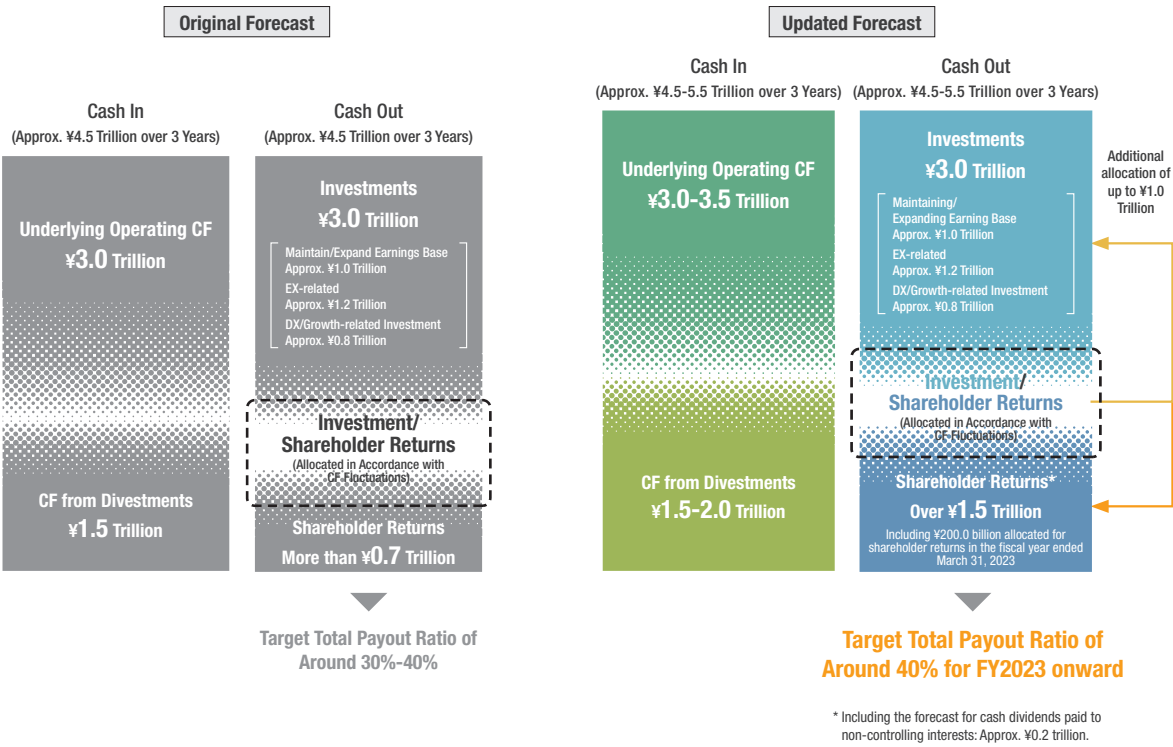
In addition, in terms of capital gains from the implementation of the Value-Added Cyclical Growth Model, we are working to divest multiple projects in the Power Solution Group and the Food Industry Group, etc., in the fiscal year ending March 31, 2024. Thanks to these efforts, we expect to achieve returns similar to those achieved through the divestment of MC-UBSR in the previous fiscal year.

Toward Appropriate Capital Allocation—Review of the Cash Flow Allocation Plan in Midterm Corporate Strategy 2024

When we announced our financial results for the fiscal year ended March 31, 2023, we also updated our cash flow allocation plan for the three years covered by Midterm Corporate Strategy 2024, in part to reflect progress achieved in that fiscal year. We expect our strong performance in the fiscal year ended March 31, 2023 and other factors to lift our underlying operating cash flow (CF) by up to half a trillion yen, from 3 trillion yen to 3.5 trillion yen. We are making steady progress with the Value-Added Cyclical Growth Model, and it now appears that we will be able to recover

investments worth in excess of 1.5 trillion yen through divestments. When we formulated Midterm Corporate Strategy 2024, we projected investment totaling 3 trillion yen. We will seize opportunities by using our robust cash generation capacity to support the proactive allocation of funds. Of course, we will never relax our investment discipline, and will continue to select investments based on strict criteria. We are anticipating at least 1.5 trillion yen in total shareholder returns, including additional returns, over the three-year period.

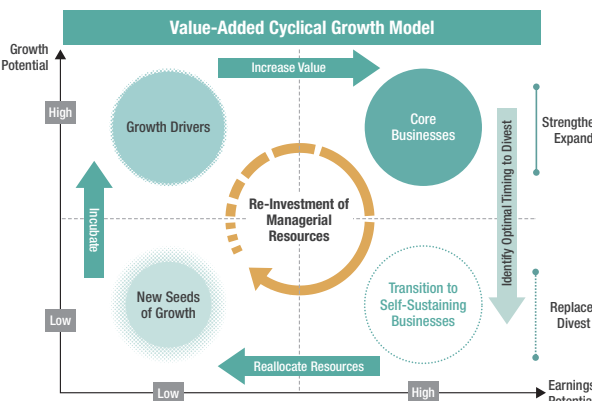
CF and Capital Allocation



Promotion of the Value-Added Cyclical Growth Model

We are accelerating the application of the Value-Added Cyclical Growth Model to enhance our corporate value.

Responding to changes in the business environment, we are aggressively replacing even businesses that contribute to earnings within our portfolio to promote the re-investment of managerial resources to pursue further growth. We are also steadily achieving divestments of substantial assets. For example, in the first quarter of the fiscal year ended March 31, 2023, we





recorded gains of 84.1 billion yen on the divestment of the real estate management company MC-UBSR, and in the first quarter of the fiscal year ending March 31, 2024, we recorded gains of 36.9 billion yen on the divestment of a Food Industry Group affiliated company.

In addition, our approach to asset replacement, which is a key component of this process, is to list candidates for replacement based on the ROIC and growth potential of the businesses concerned, and to encourage autonomous asset replacement by allocating targets to each Business Group. Our policy is to enhance capital efficiency by securing capital gains and replacing low-yield businesses. We will use Value-Added Cyclical Growth Reviews to monitor the progress of asset replacement activities for each Business Group. Candidates for replacement were identified during the first full review carried out

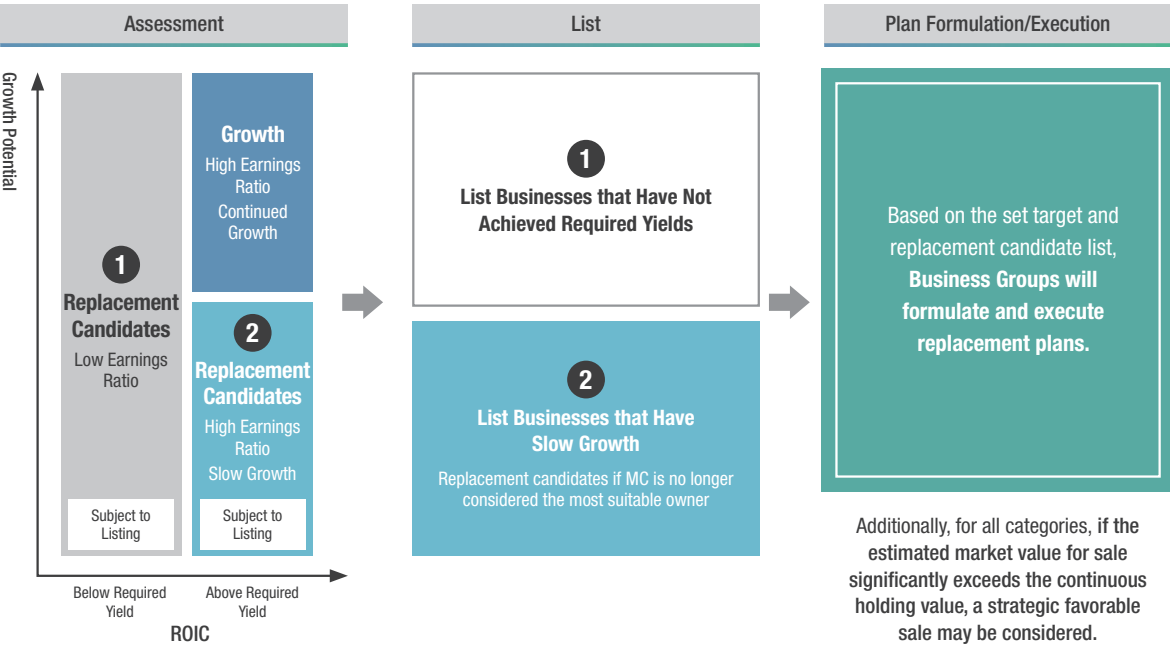
in October of last year, and we are now gradually replacing companies selected by the Business Groups under their replacement policies. After formulating schedules and methods for the replacement of individual companies during the review process, we regularly monitor progress as part of an intensive process designed to enhance asset efficiency. The replacement plan will be implemented over the three-year period covered by Midterm Corporate Strategy 2024. To ensure the steady execution of the plan, we will monitor progress through annual Value-Added Cyclical Growth Reviews, as well as monthly follow-up reviews by a newly established dedicated team. I have noticed a change in perceptions regarding asset efficiency within the Company since the announcement of Midterm Corporate Strategy 2024. As CFO, I will continue working to achieve solid improvements in our capital efficiency through asset replacement.

size of fluctuations in our business performance. Our target total payout ratio under this policy was 30-40% of yearly earnings. While this policy was well received by the stock market, some shareholders were not fully satisfied with the breadth of the 30-40% range. By newly setting the target to 40%, instead of the previous range of 30-40%, we believe that we have enhanced the predictability of our shareholder returns from the perspective of the stock market.

In accordance with the shareholder return policy described above, we decided to increase the dividend per share for the fiscal year ending March 31, 2024 by 20 yen from the previous fiscal year to 200 yen. We are aware that this increase is significantly higher than stock market expectations. However, after analyzing multiple scenarios that took into account various factors, including fluctuations in resource prices, and verifying the

firmness of our profit level, we made the decision to raise the dividend after determining that we could maintain the progressive dividend system even in situations where the dividend per share was equal to the 200 yen level. In May 2023, we decided to buy back shares worth 100 billion yen on the basis of the projected final results for the fiscal year ending March 31, 2024. If dividends and share buybacks are taken into account, we have already offered shareholder returns equivalent to a total payout ratio of 40% based on our forecast of 920 billion yen for the fiscal year ending March 31, 2024. However, we have no intention of limiting ourselves to this target, and will instead continue to take a flexible approach by considering additional returns like those provided at the end of the fiscal year ended March 31, 2023, to reflect CF trends and other factors.

■ Asset Replacement Process



We must always consider multiple scenarios and try to predict what might happen. We also need to remain alert to potential changes and must think carefully about their implications.



Enhancing Shareholder Returns

With regard to shareholder returns in the fiscal year ended March 31, 2023, we decided to provide additional returns in the form of 200 billion yen in share buybacks when we released our yearly financial results in May 2023, besides the approximately 430 billion yen, consisting of a dividend per share of 180 yen and 170 billion yen in share buybacks, which we had announced before. This decision, which reflected our strong business performance, financial soundness, CF trends, and other factors, increased total shareholder returns in the fiscal year ended March 31, 2023, including additional returns, to approximately 630 billion yen. The total payout ratio based on our results for the year was 53%,

which significantly exceeded market expectations.

When we announced Midterm Corporate Strategy 2024, our target total payout ratio was 30-40% of yearly earnings. In May 2023 we revised this target to around 40% for the fiscal years ending March 31, 2024 and March 31, 2025. This decision was prompted by the heightened probability of achieving our CF forecast following the completion of the first year of Midterm Corporate Strategy 2024, and by our dialogue with the stock market. Under Midterm Corporate Strategy 2024, we based our policy on shareholder returns primarily on progressive dividends, while at the same time carrying out share buybacks linked to the

My Role as CFO

In recent times, we have experienced numerous developments that would have been unimaginable a few years ago, including the COVID-19 pandemic, the conflict between Russia and Ukraine, and global inflation. While it is impossible to make exact predictions about the future, when we look back on various unexpected events, we find that most of them are, in fact, closely related to one another. Even when situations appear to be smooth sailing, we must always consider multiple scenarios and try to predict what could happen. We also need to remain alert to potential changes and must think carefully about their implications.

One of my most important responsibilities as CFO is, of course, the appropriate allocation of capital in order to maintain

financial soundness and improve capital efficiency, so that we can achieve sustainable improvements in total shareholder returns (TSR). When we announced our financial results for the fiscal year ended March 31, 2023 in May 2023, we also updated our three-year CF forecast for Midterm Corporate Strategy 2024. With both underlying operating CF and CF from divestments reaching record levels, our CF allocation options have expanded, further heightening the importance of our capital allocation activities. Given the increasing unpredictability of the macro environment, we will allocate capital appropriately to investments, asset replacement, and shareholder returns in accordance with Midterm Corporate Strategy 2024, while also remaining focused on forecasting and addressing potential future changes.



Featured Discussion



Kenji Kobayashi  
Senior Vice President  
Corporate Functional Officer,  
CSEO

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

Tsuneyoshi Tatsuoka  
Independent Director

Management with an Awareness of Capital Cost and Share Price

The Chief Financial Officer (CFO) and Chief Stakeholder Engagement Officer (CSEO), representing the executive side of management, and an Independent Director discuss MC’s response to the request from the Tokyo Stock Exchange (TSE) in March 2023 and our appeal to stakeholders.

**Q** In March 2023, the TSE requested listed companies to take action to implement management that is conscious of cost of equity and stock price. What actions will MC take?

**Nouchi:** We had already been taking action under the Midterm Corporate Strategy 2024 framework before the TSE’s request. One of the quantitative targets of Midterm Corporate Strategy 2024 is double-digit ROE, and our analysis indicates that if we can stably maintain double-digit ROE through the promotion of business management systems, then ROE can exceed the cost of equity as required by the stock market. We believe that explaining this to the market will become very important since market trust and expectations for maintaining and improving ROE over the medium to long term will lead to forming a fair share price.

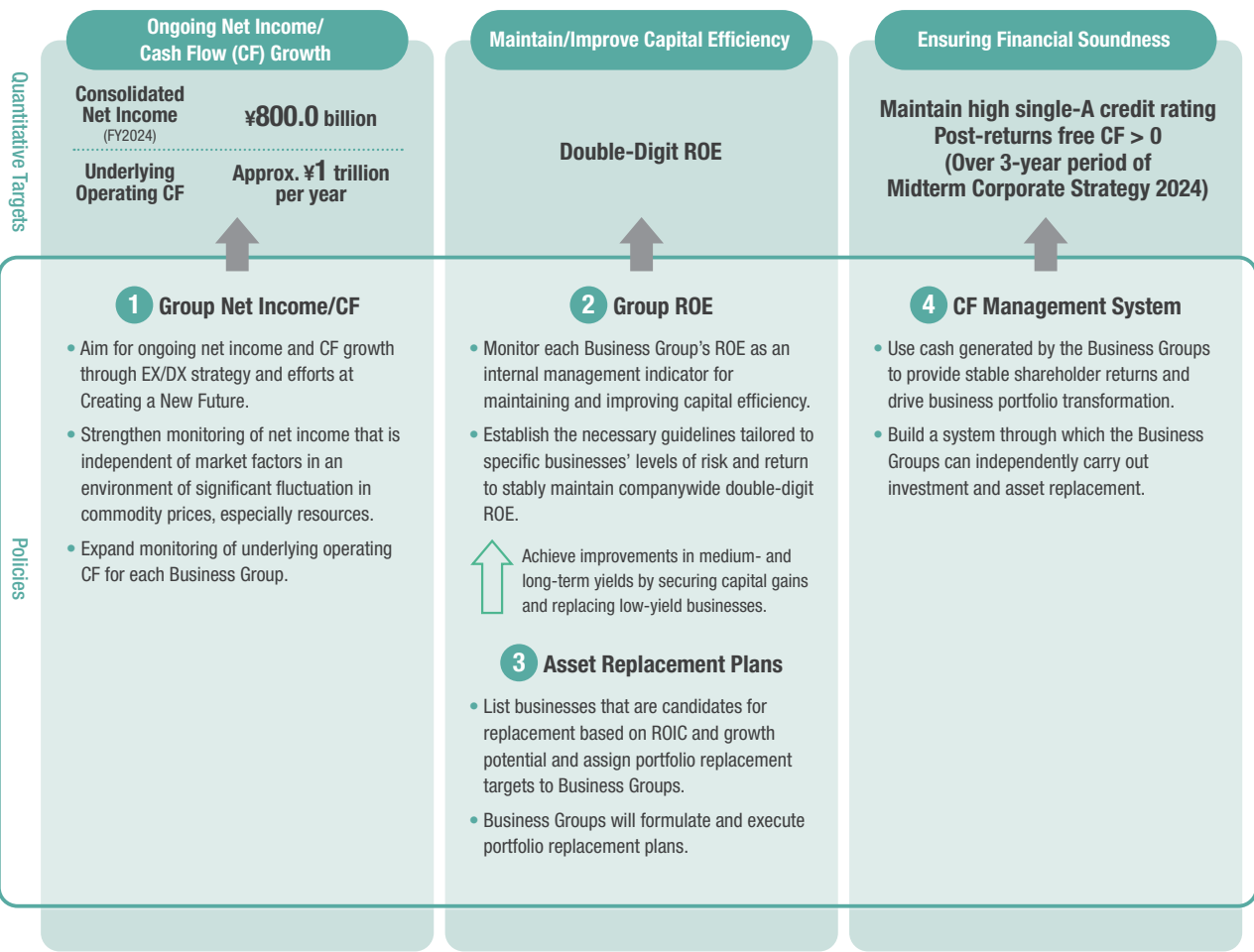
**Tatsuoka:** I agree with Mr. Nouchi’s thinking that it is important for investors to have a sense of security, expectation, and confidence that ROE will be maintained and improved over the medium to long term. Specifically, since MC currently has sufficient resources to allocate toward investments, I think it will be crucial to thoroughly

communicate the profitability of future investments through dialogue with investors and other stakeholders. I also have high expectations from the newly established CSEO position in this area.

**Kobayashi:** Thank you very much, Mr. Tatsuoka. Currently, we are still seen as a value stock and resources company by the stock market, but I believe that we are in fact a mature company and, in some respects, a growing one. Therefore, in future IR activities, we will begin by firmly presenting MC’s past equity story, that is, how we have evolved the business model and subsequently grown, and we will then carefully convey our future growth potential, including EX investments.

**Tatsuoka:** For EX investments, MC carefully selects investments that contribute to the maintenance and improvement of ROE. MC makes strict and disciplined investment decisions with the Board of Directors monitoring such decisions. I believe that clearly explaining this disciplined investment approach will lead to a sense of security toward EX investments, which receives a high level of outside interest in terms of profitability.

Business Management Systems under Midterm Corporate Strategy 2024



**Q** As MC demonstrates its future growth potential, is there anything specific that the Company wants to emphasize?

**Nouchi:** Addressing various risks, including geopolitical risks, is becoming increasingly important for maintaining business activities. However, it is precisely because of this highly uncertain macro environment that I think we are in a position to stand out for our superiority in maintaining resilience to downturn effects during recessions. Factors that contribute to my belief include our sufficient financial soundness and cash generating capabilities, as well as our geographically and industrially broad and robust portfolio, which provides diversification benefits.

**Kobayashi:** To add to Mr. Nouchi’s point, I believe that a robust portfolio is important from the perspective of creating new value that only a conglomerate like MC with a robust portfolio can offer. In an environment of increasing pace of change and difficulty in addressing societal issues, our strength lies in our ability to create new value in response to changes by dynamically switching, combining, and integrating a variety of portfolios. Through a clear explanation of this, I

believe that there is room for investors to further evaluate our business portfolio as a whole that generates more value than the sum of each business. In addition to our strengths, I would also like to mention our uniqueness. We are currently proceeding with asset replacement by implementing the Value-Added Cyclical Growth Model, but we recognize that our efforts to circulate assets according to the life cycle of each business are clearly distinct from private equity funds, which replace investment portfolios primarily to acquire capital gains within a limited investment period.

**Nouchi:** Yes, that is right. Because Japanese *sogo shosha* companies are often seen as difficult to comprehend in terms of the type of business they are, I feel that it is very important for stakeholders to understand our strengths and uniqueness.

**Kobayashi:** To maintain and improve double-digit ROE, we will continue to promote initiatives for our business management systems as stated in Midterm Corporate Strategy 2024. We will also carefully present MC’s unique equity story while striving to further enhance dialogue and disclosure with investors and other stakeholders.





# 03

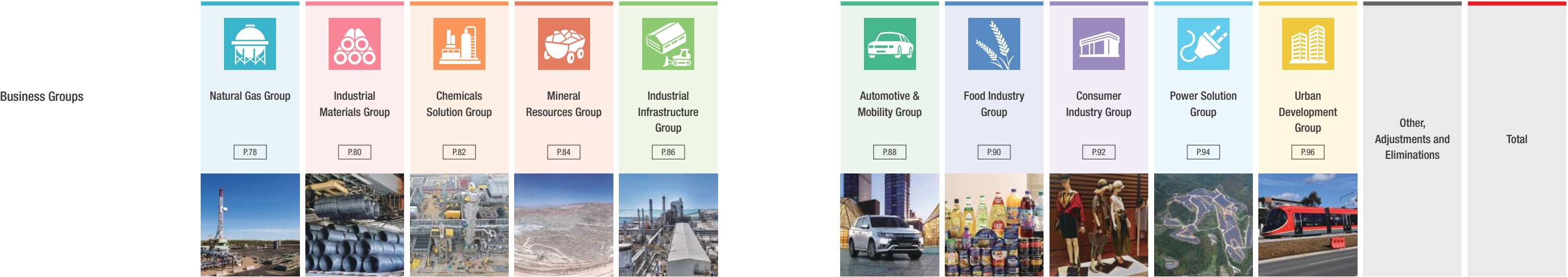
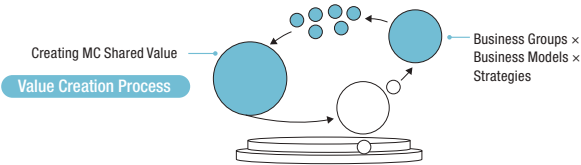
## Value Creation by the Business Groups

This section introduces the specific initiatives of each Business Group that perform as an engine in producing “value,” the outcome of the value creation process.

76	Business Groups at a Glance
78	Business Groups × Business Models × Strategies
78	Natural Gas Group
80	Industrial Materials Group
82	Chemicals Solution Group
84	Mineral Resources Group
86	Industrial Infrastructure Group
88	Automotive & Mobility Group
90	Food Industry Group
92	Consumer Industry Group
94	Power Solution Group
96	Urban Development Group



Business Groups at a Glance (Fiscal year ended March 31, 2023)



Net income (loss)*	(Billions of yen)												
(Year ended March 31, 2021)	21.2	4.7	26.2	78.1	21.2		(28.1)	39.4	(73.2)	42.3	25.4	15.4	172.6
(Year ended March 31, 2022)	105.1	36.8	40.3	420.7	17.3		106.8	79.3	21.0	50.5	40.0	19.7	937.5
(Year ended March 31, 2023)	170.6	62.0	45.0	439.3	31.9		127.5	63.4	23.0	61.9	123.3	32.8	1,180.7
(Year ending March 31, 2024 (Forecast))	146.0	46.0	25.0	298.0	27.0		110.0	72.0	29.0	109.0	45.0	13.0	920.0
Total Assets (Year ended March 31, 2023)	2,043.0	1,461.7	1,160.7	4,098.1	1,329.2		1,915.4	2,103.0	3,988.6	2,716.2	1,164.6	172.4	22,152.9
Investment accounted for using the equity method	714.8	176.2	166.3	549.9	240.5		366.7	358.3	178.7	452.5	722.0	1.0	3,926.9
Property, plant, equipment and investment property	313.9	107.9	42.6	995.1	134.7		47.2	316.7	367.6	653.2	7.4	87.7	3,074.0
Intangible assets and goodwill	1.9	11.7	5.0	4.4	96.4		6.7	184.3	528.9	337.4	0.1	30.6	1,207.4
Other investments	235.5	90.8	83.7	413.3	46.4		117.7	189.9	301.7	34.2	114.3	189.4	1,816.9

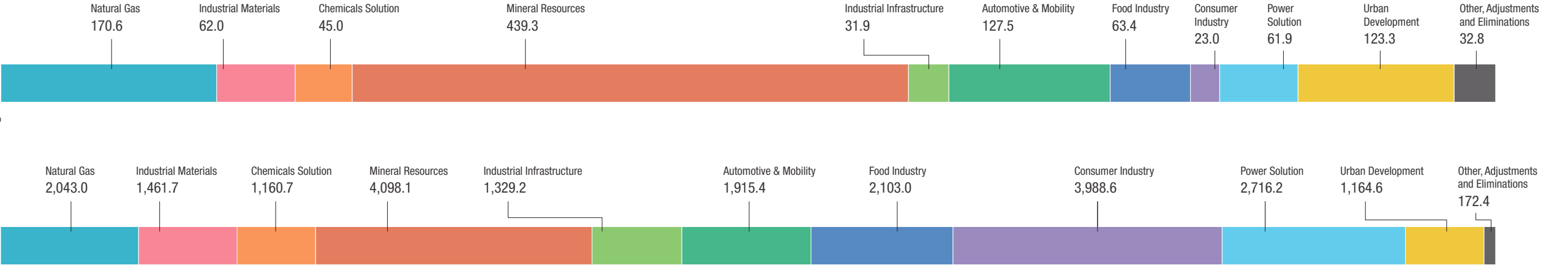
Fiscal year ended March 31, 2023

Net Income\*  
¥1,180.7 billion

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


As of March 31, 2023

Total Assets  
¥22,152.9 billion





# Natural Gas Group



西澤淳

**Jun Nishizawa**  
Executive Vice President  
Group CEO,  
Natural Gas Group

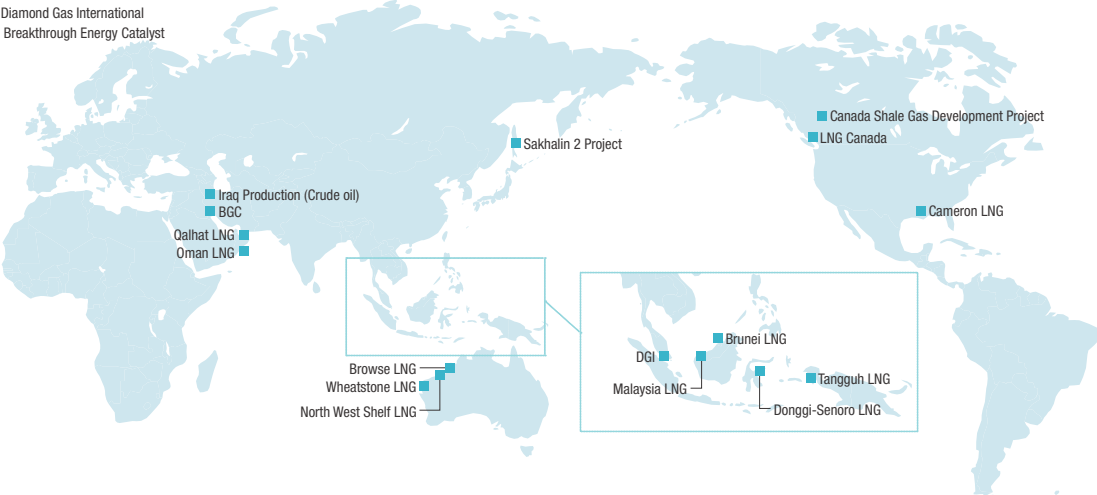
Summary

- Natural gas and LNG businesses mainly in the Asia-Pacific region and North America
- LNG project acquisition and development, marketing, and trading businesses
- Decarbonization of the LNG value chain to achieve a carbon-neutral society




## Group Strengths

- A global LNG business portfolio with high competitiveness
- Strong relationships with customers, project partners, and gas-producing countries
- Strong marketing capacity of our subsidiary in Singapore (DGI\*)
- Implementation of a wide range of decarbonization initiatives including CCUS, development of carbon credit businesses, and participation in BEC\*\*2, to realize a carbon-neutral society

\*1 DGI: Diamond Gas International  
\*\*2 BEC: Breakthrough Energy Catalyst



Map labels: Iraq Production (Crude oil), BGC, Omani LNG, Browse LNG, Wheatstone LNG, North West Shelf LNG, DGI, Brunei LNG, Malaysia LNG, Tangguh LNG, Donggi-Senoro LNG, Canada Shale Gas Development Project, LNG Canada, Sakhalin 2 Project, Cameron LNG.

Relevance of Material Issues to the Business	
Focused Material Issues	Details/Action Plans
 Contributing to Decarbonized Societies	<b>Taking measures for decarbonization</b> <ul style="list-style-type: none"><li>Improving LNG production and shipping operations efficiencies</li><li>Introducing green power supply for LNG projects</li><li>Developing CCUS projects</li><li>Carbon credit business development</li></ul>
 Promoting Stable, Sustainable Societies and Lifestyles	<b>Ensuring a stable supply of LNG</b> <ul style="list-style-type: none"><li>Maintaining stable operation of existing LNG projects</li><li>Ensuring successful start-up of projects under construction</li><li>Establishing robust supply capacity through development of expansion projects and/or new business development, supported by our strong marketing capability</li></ul>
 Utilizing Innovation to Address Societal Needs	<b>Contributing to decarbonized society through the promotion of technological innovation</b> <ul style="list-style-type: none"><li>Supporting the implementation of decarbonization projects through BEC</li><li>Promoting Direct Air Capture businesses</li></ul>

Awareness of the External Environment	
Risks	Opportunities
<ul style="list-style-type: none"><li>Rising volatility in market prices due to lack of investment considering the geopolitical tension, economic trends, and decarbonization trends</li><li>Deterioration in the market competitiveness of natural gas due to tighter regulations on the industry</li><li>Uncertainty of long-term demand</li></ul>	<ul style="list-style-type: none"><li>Increased demand for natural gas due to economic growth, especially in emerging countries</li><li>Robust natural gas demand expected from replacement of coal and oil, as an energy source for hard-to-abate sectors, and also as a balancing source for renewable intermittency</li><li>Use of natural gas as a feedstock for next-generation energy such as blue hydrogen and blue ammonia</li></ul>

### Strategies Under Midterm Corporate Strategy 2024

- Further strengthening the foundation of existing businesses and steadily launching the Tangguh LNG expansion and LNG Canada projects
- Strengthening our portfolio through competitive expansion and execution of new projects by leveraging marketing capabilities
- Promote decarbonization of the LNG supply chain and CCUS/development of carbon credit to achieve a carbon-neutral society

## Progress Under Midterm Corporate Strategy 2024

### Tangguh LNG Project, Indonesia

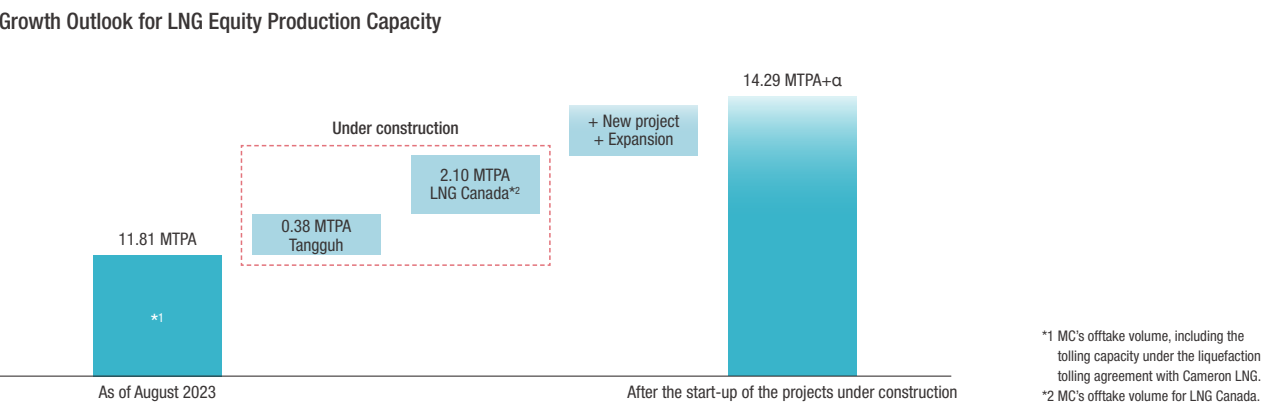
In the Tangguh LNG project that we participate in with bp, the operator of the project, as well as the other project partners, we are executing an expansion project as well as studying a potential CCUS project. The Tangguh LNG project's expansion will increase production capacity from 7.6 MTPA to 11.4 MTPA. The CCUS project is expected to recover a cumulative total of approximately 25 million tons of CO<sub>2</sub> emitted from the project, and approximately halve project emissions by injecting and storing the CO<sub>2</sub> in existing gas fields, while at the same time improving production efficiency and increasing natural gas production. Through the Tangguh LNG project, we aim to strengthen our LNG supply capacity and develop a decarbonized supply chain.



Two existing LNG trains and an expanded train under construction, LNG tanks, jetty, etc.

### Major Growth Drivers

MC has been involved in the LNG business since the 1960s, and since then has increased its equity participation in LNG projects. Currently, MC is participating in 13 project around the world, with a total LNG equity production capacity of 11.81 MTPA. The Tangguh LNG expansion and LNG Canada projects under construction are expected to start production in 2023 and in the mid-2020s, respectively, and it is expected that the total LNG equity production capacity will reach 14.29 MTPA by the mid-2020s. MC will continue to expand the LNG equity production capacity through participation in competitive new projects in the future.







# Industrial Materials Group



**Kotaro Tsukamoto**  
Executive Vice President  
Group CEO,  
Industrial Materials Group

Summary

- Processing, manufacturing, sales, and distribution of steel products through Metal One Corporation (MC's stake: 60%)
- Manufacturing, sales, and distribution in the fields of carbon materials, PVC, and other products
- Manufacturing, sales, and distribution of silica sand and other products through Cape Flattery Silica Mines Pty., Ltd. (MC's stake: 100%)
- Manufacturing, sales, and distribution in the fields of cement, ready-mixed concrete, and other products
- Development, manufacturing, and sales of functional materials through TOYOBO MC Corporation (MC's stake: 49%)

### Group Strengths

- Industry knowledge and global network in the industries in which we operate, with a focus on the fields of automotive and mobility, and construction and infrastructure
- Processing, manufacturing, 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

Focused Material Issues	Details/Action Plans
 Contributing to Decarbonized Societies	<b>Securing materials necessary for electrification (EVs, renewable energy, etc.)</b> <ul style="list-style-type: none"><li>• Participating in businesses necessary for the spread of EVs, such as reduced-weight materials businesses</li><li>• Engaging in the materials business for lithium-ion batteries used in EVs, etc.</li></ul>
 Promoting Stable, Sustainable Societies and Lifestyles	<b>Building a recycling system of materials for decarbonization and stable procurement</b> <ul style="list-style-type: none"><li>• Building, streamlining of the production, sales, and distribution system and expanding the production capacity for silica sand used in photovoltaic glass</li></ul>
 Utilizing Innovation to Address Societal Needs	<b>Transforming the distribution of materials in the face of labor shortages and surplus costs by leveraging digital technologies</b> <ul style="list-style-type: none"><li>• Recycling of steel products, resins (building materials, tires, etc.) and functional materials</li></ul>
 Addressing Regional Issues and Growing Together with Local Communities	<b>Transforming the distribution of materials in the face of labor shortages and surplus costs by leveraging digital technologies</b> <ul style="list-style-type: none"><li>• Optimizing and sophisticating the distribution of materials by combining real business and digital technology</li></ul>
	<b>Strengthening the supply chains of materials essential for construction, infrastructure management, and development</b> <ul style="list-style-type: none"><li>• Strengthening the businesses for environment-friendly cement, ready-mixed concrete, and resin building materials</li></ul>

### Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"><li>• Destabilization of the materials supply chain</li><li>• Insufficient supply of decarbonization-related materials</li><li>• Decline of existing business models due to digital innovation, etc.</li></ul>	<ul style="list-style-type: none"><li>• Capture of increasingly diverse and sophisticated material needs</li><li>• Materials recycling for decarbonization and stable procurement purposes</li><li>• Securing the necessary materials for electrification (EVs, renewable energy, etc.)</li><li>• Strengthening the supply chain in light of geopolitical risks</li><li>• Transformation of materials distribution using digital technology</li></ul>

### Strategies Under Midterm Corporate Strategy 2024

- Participate in the functional materials business, which is essential for weight reduction and electrification of automobiles and mobility, and for the development of a digital society
- Initiatives for recycling projects that contribute to environmental impact reduction and stable procurement by leveraging existing businesses and networks
- Strengthen businesses such as silica sand and carbon materials, where demand is increasing due to the popularization of renewable energy, electric furnaces for steelmaking, and EVs
- Optimization and upgrading of the materials supply chain through DX, etc.

### Progress Under Midterm Corporate Strategy 2024

#### Initiatives to “Create Value by Connecting Needs with Seeds (Solutions)”

MC established TOYOBO MC Corporation (MC's stake 49%) as a joint venture with TOYOBO Co., Ltd. TOYOBO MC Corporation develops, manufactures, and sells functional materials that support the weight reduction and electrification of automobiles and mobility, as well as providing solutions for environmental issues. At a time when progress in decarbonization, changes in industrial structures, and technological innovation are accelerating, we will contribute to solving industrial challenges and realizing a sustainable society by combining the product and technology development expertise of TOYOBO Co., Ltd. with our broad industrial knowledge and management capabilities. We have also established Beyond Materials Corporation in partnership with FEV Consulting GmbH, a subsidiary of the FEV Group. Beyond Materials Corporation, in the materials field, provides a wide range of services including market research, strategy development and implementation, as well as product development and demonstrations, while also taking advantage of digital technologies.

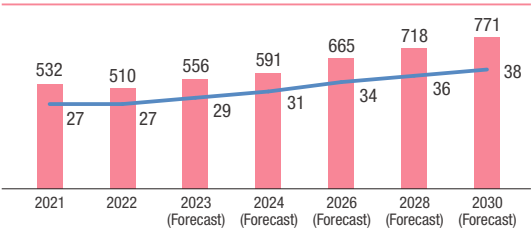


TOYOBO MC Corporation

### Major Growth Drivers

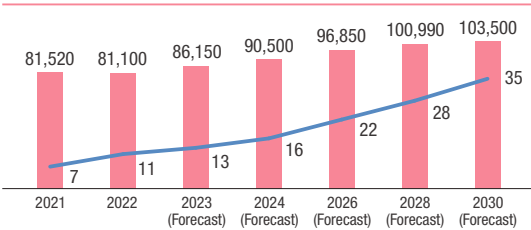
- Against the backdrop of global decarbonization, the steel industry is shifting its steelmaking processes from blast furnaces to electric furnaces (steel product recycling), and the global EV market is expected to expand rapidly at a CAGR of more than 20%. As the environment surrounding the materials industry begins to change significantly, opportunities are increasing for MC, which is engaged in diverse businesses along the materials supply chain, to demonstrate its strengths.
- Metal One Corporation, a joint venture with Sojitz Corporation, has more than 110 physical business bases in Japan and overseas, and by leveraging the industry expertise obtained from those bases with digital technologies, it contributes to solving industrial challenges especially in the fields of automotive and mobility as well as construction and infrastructure.
- POSCO MC MATERIALS Co., Ltd., a joint venture with POSCO FUTURE M Co., Ltd. and others, is a carbon materials manufacturing company which has established a manufacturing and sales system for graphite electrodes for electric furnaces and materials essential for lithium batteries. We will create new value by leveraging existing assets in addition to our knowledge of the materials industry and global network.

Electric furnace steel production (million tons) and electric furnace ratio (%)



Source: Arthur D. Little Japan, Inc.

Automobile production (thousand units) and EV ratio (%)



Source: Arthur D. Little Japan, Inc.





# Chemicals Solution Group



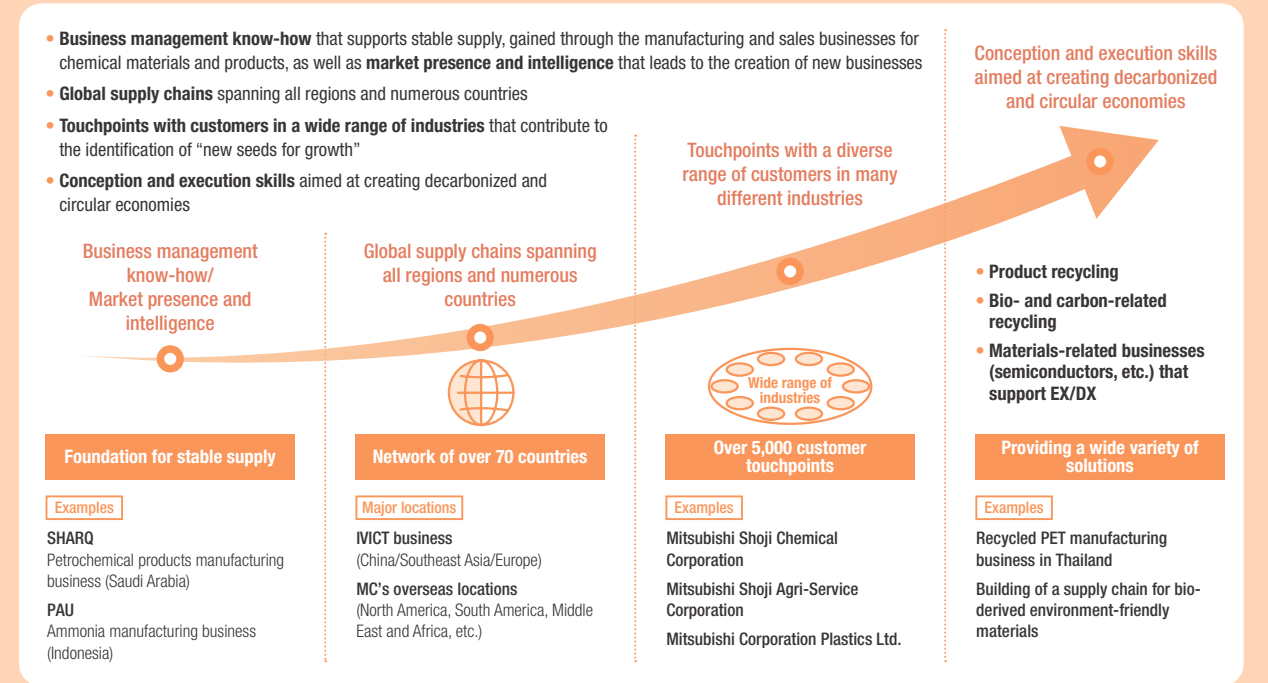
*K. Imamura*

**Ko Imamura**  
Executive Vice President  
Group CEO,  
Chemicals Solution Group

Summary

- Manufacturing businesses for chemical materials and products
- Trading business for chemical materials and products
- Development of new businesses for environment-friendly chemical materials that contribute to addressing societal challenges such as decarbonization, and the development of materials-related businesses (semiconductors, etc.) that support EX/DX

## Group Strengths



## Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
 Contributing to Decarbonized Societies	<p>Decarbonizing existing chemical materials manufacturing businesses, and realizing a decarbonized society through bio and carbon recycling materials manufacturing businesses</p> <ul style="list-style-type: none"><li>• Decarbonizing existing businesses by improving the efficiency of manufacturing processes and leveraging technologies such as CCS</li><li>• Decarbonizing the chemical materials supply chain through trading businesses</li></ul>
 Conserving and Effectively Utilizing Natural Capital	<p>Realizing a circular economy through the effective utilization of natural capital in the bio-material manufacturing and product recycling materials businesses</p> <ul style="list-style-type: none"><li>• Promoting the development of new bio- and carbon-related materials recycling businesses</li><li>• Steadily launching new businesses for product recycling materials</li></ul>
 Promoting Stable, Sustainable Societies and Lifestyles	<p>Realizing stable, sustainable societies and lifestyles through the steady supply of chemical materials and the development of materials-related businesses (semiconductors, etc.) that support EX/DX</p> <ul style="list-style-type: none"><li>• Continuing the stable supply of chemical materials through existing manufacturing operations</li><li>• Developing materials-related businesses that support EX/DX (semiconductors, etc.)</li><li>• Continuing the stable supply of chemical materials through trading</li></ul>

## Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"><li>• Declining market value of chemical materials derived from fossil fuels, shifts to alternative materials, and industrial landscape changes in the petrochemical and materials industries due to accelerating decarbonization trends against the backdrop of climate change issues</li><li>• Changes in supply chains due to heightened geopolitical risks</li></ul>	<ul style="list-style-type: none"><li>• Expansion of product recycling materials businesses</li><li>• Growth in the market for bio-derived environment-friendly chemical materials and those that utilize CO<sub>2</sub> as a raw material</li><li>• Entry into new business areas to capitalize on changes in the industrial landscape and supply chains</li></ul>

## Strategies Under Midterm Corporate Strategy 2024

- Reduce the environmental impact of existing operations while fulfilling our current supply responsibilities and generating stable earnings
- Present realistic solutions to the world in the area of materials to solve the challenges of decarbonization, and engage in businesses with a sense of scale and economic viability
- Pursue opportunities for materials-related businesses (semiconductors, etc.) that support EX/DX in light of changes in industrial structures and supply chains

## Progress Under Midterm Corporate Strategy 2024

### PET Chemical Recycling Business in Thailand

In January 2020, MC joined the PET chemical recycling business by investing in Thai Shinkong Industry Corporation Ltd., a manufacturing company of PET, which is used to make plastic beverage bottles. In light of rising global pressure to transition to a circular economy, we aim to strengthen our initiatives for “Procuring and Supplying in a Sustainable Manner.” We will strengthen initiatives by expanding PET production capacity, since we expect demand for PET to grow as the trend in mono-material packaging (promoting use of a single type of material) progresses, and by participating in the recycled PET chemical manufacturing business through the introduction of chemical recycling technologies. The newly established production line began operations in June 2023.



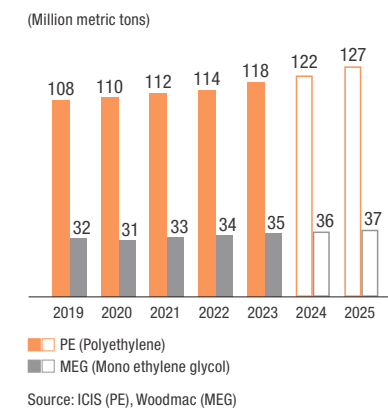
### Building of a Supply Chain for Bio-Derived Environment-Friendly Materials

MC has joined forces with Neste Corporation (HQ: Finland), Idemitsu Kosan Co., Ltd., and CHIMEI Corporation (HQ: Taiwan), to build a biomass plastics supply chain utilizing bio-naphtha. Neste Corporation, the world’s leading producer of renewable materials, will supply the bio-naphtha, Idemitsu Kosan Co., Ltd. will manufacture biomass styrene monomer, and CHIMEI Corporation will manufacture biomass plastics such as acrylonitrile butadiene styrene (ABS). MC will handle the overall management of the supply chain’s construction and the marketing of biomass products. Through this collaboration, we will contribute to the plastics industry’s GHG emissions reduction targets and toward the early realization of a decarbonized society.

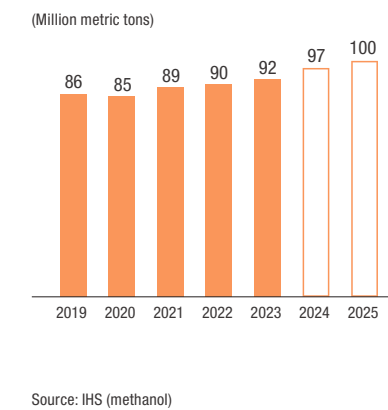
## Major Growth Drivers

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.

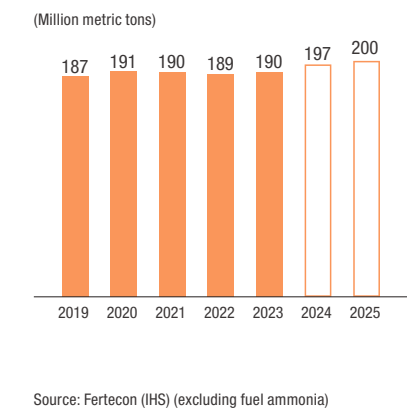
### Global demand for PE/MEG



### Global demand for methanol



### Global demand for ammonia







# Mineral Resources Group



*Satoshi Koyama*

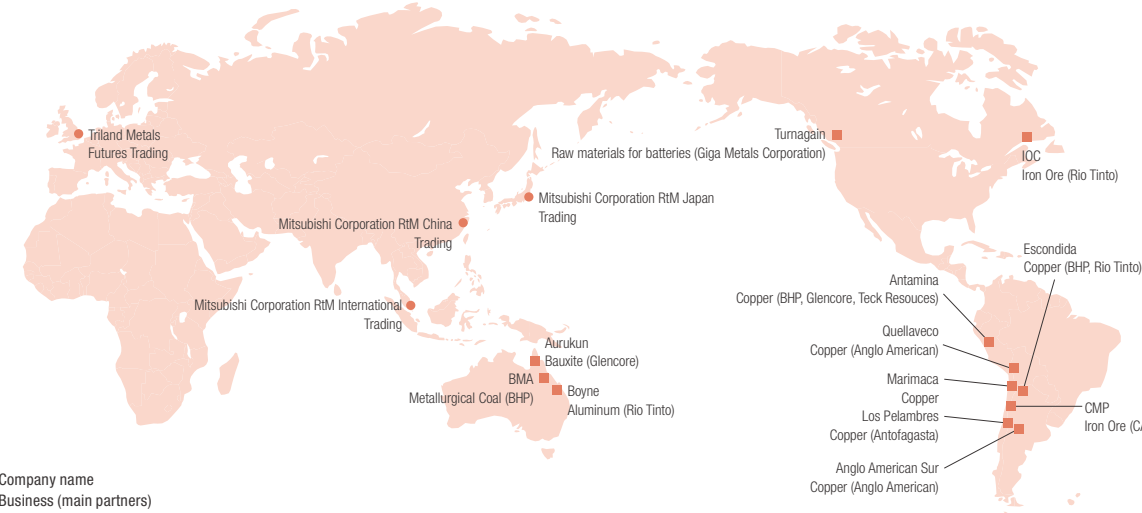
**Satoshi Koyama**  
Executive Vice President  
Group CEO,  
Mineral Resources Group

Summary





- Investment in mineral resources-related assets such as metallurgical coal, iron ore, copper, aluminum, and nickel, as well as project development
- Trading of coal, iron ore, nickel, chrome, lithium, molybdenum, copper/lead/zinc concentrates and metal, tin metal; primary aluminum and secondary alloys, aluminum products, bauxite, precious metals, rare earths, etc.

Group Strengths

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



Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
 Contributing to Decarbonized Societies	<b>Contributing to the decarbonization of steelmaking through the stable supply of high-quality raw materials and expansion of supply capacity for low-carbon iron sources</b> <ul style="list-style-type: none"><li>Stable supply of high-quality metallurgical coal and iron ore</li><li>Participating in the direct reduced iron (DRI) business</li></ul>
 Conserving and Effectively Utilizing Natural Capital	<b>Contributing to electrification through the expansion of copper and aluminum supply capacity and the development of raw materials for batteries</b> <ul style="list-style-type: none"><li>Maintaining and expanding copper production equity</li><li>Promoting bauxite project development</li><li>Participating in lithium and nickel resource businesses</li></ul>
 Promoting Stable, Sustainable Societies and Lifestyles	<b>Contributing to the realization of a circular economy by expanding the supply capacity of secondary resources</b> <ul style="list-style-type: none"><li>Exploring opportunities to participate in the precious metals recycling business</li><li>Exploring opportunities to participate in the lithium-ion battery recycling business</li><li>Exploring opportunities to participate in the secondary aluminum business</li></ul>
 Utilizing Innovation to Address Societal Needs	

Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"><li>Decline in demand for metallurgical coal due to an increase in the proportion of steel produced using steelmaking methods that generate lower CO<sub>2</sub> emissions</li></ul>	<ul style="list-style-type: none"><li>Increased demand for copper and raw materials for batteries due to EV development and the popularization of renewable energy power generation facilities</li></ul>

Strategies Under Midterm Corporate Strategy 2024

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

Progress Under Midterm Corporate Strategy 2024

Start of Production at Quellaveco Copper Mine

Quellaveco Copper Mine is a large-scale, highly cost-competitive copper mine in southern Peru, with reserves of approximately 8.7 million tons and an expected mine life of approximately 36 years. MC is developing the mine with partner Anglo American plc, and started copper concentrate production in 2022. Our Group's equity production volume is currently about 250,000 tons per year, the largest for Japan, but will increase further after the full-scale launch of the mine, with the aim for around 400,000 tons in the future. 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 advancement of electrification centered on renewable energy and the spread of EVs.



Quellaveco Copper Mine Project (Peru)

Major Growth Drivers

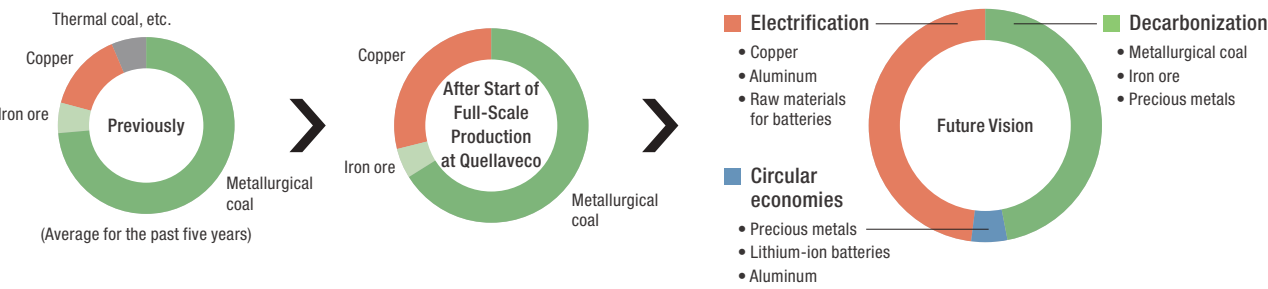
Group EX Strategy

Strengthen efforts in mineral 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 (DRI), which contributes to the expansion of electric furnaces, and 2) the precious metals that are indispensable for a hydrogen-based society
- Expand our capability to supply next-generation resources essential for electrification
- Start work on secondary resources

Decarbonization	Electrification	Circular economies (secondary resources)
Metallurgical coal, iron ore, precious metals	Copper, aluminum, raw materials for batteries	Precious metals, lithium-ion batteries, aluminum

Profit Structure (excluding trading)







# Industrial Infrastructure Group



**Koji Ota**  
Executive Vice President  
Group CEO,  
Industrial Infrastructure Group

**Summary**

- Construction and supply of industrial plants and social and energy infrastructure, and investments in related businesses; ship ownership, operation, and trading; space-related businesses; defense equipment trading, etc.
- Distribution business for industrial machinery such as machine tools, agricultural machinery and elevators, a facility management business, and a construction solutions business including construction equipment rental

## Group Strengths

- Connections with, and industry knowledge of, various industries such as manufacturing, construction, agriculture, shipping, transportation and power infrastructure, as well as oil & gas
- 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 industry players



## Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
 Contributing to Decarbonized Societies	<b>Contributing to the stable supply of primary energy to support the transition to a decarbonized society</b> <ul style="list-style-type: none"><li>Stable operation of existing energy plants</li><li>Stable transport of LNG</li></ul>
 Promoting Stable, Sustainable Societies and Lifestyles	<b>Constructing and transforming industrial infrastructure to realize a decarbonized society</b> <ul style="list-style-type: none"><li>Decarbonizing industrial plants</li></ul>
 Utilizing Innovation to Address Societal Needs	<b>Contributing to labor-saving and decarbonization in the entire shipping industry by promoting DX/EX</b> <ul style="list-style-type: none"><li>Developing businesses for the transport of next-generation energy and CO<sub>2</sub></li><li>Developing electric propulsion vessels and autonomous operation support systems for shipping as well as promoting the decarbonization of existing vessels</li></ul>
 Addressing Regional Issues and Growing Together with Local Communities	<b>Creating new businesses that utilize new technologies to address societal challenges</b> <ul style="list-style-type: none"><li>Private sector utilization of advanced technologies in the field of aerospace</li></ul> <b>Contributing to local communities and economies through the provision of sustainable and stable services in industrial sectors such as construction and manufacturing</b> <ul style="list-style-type: none"><li>Providing solutions to issues such as labor-saving and decarbonization in the industries in which we operate</li></ul>

## Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"><li>Decreasing profitability of existing contracts due to soaring raw material and transportation costs, etc., and rising interest rates</li><li>Impact of geopolitical risks, such as the situation in Russia and Ukraine, on existing businesses</li></ul>	<ul style="list-style-type: none"><li>Providing services and solutions to meet increasingly diversifying and complex needs in the industries in which we operate, such as technological innovation, digitalization, and lowering environmental impact</li></ul>

## Strategies Under Midterm Corporate Strategy 2024

- 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
- We will work to complete the revitalization of Chiyoda Corporation
- Accelerate the development of businesses that have the potential to grow beyond the Group, such as the construction solutions business, next-generation shipping business, and space-related business

## Progress Under Midterm Corporate Strategy 2024

### Promotion of the Next-Generation Shipping Business

#### Decarbonization of maritime transport

Promote decarbonization of the shipping industry by introducing the latest technologies such as installing fuel-saving devices on existing ships and considering fuels for ships other than heavy fuel oil

#### Maritime transport network development for the introduction of next-generation energy and CC(US)\*

Participate in the design and development of next-generation energy and CO<sub>2</sub> carriers and ports from the initial stage, contributing to the establishment of a maritime transport network that is essential for realizing a decarbonized society

#### Promotion of maritime DX

Promote initiatives for autonomous operations, crew well-being, labor-saving, etc.

\* CC(US): Carbon Capture (Utilization) and Storage. Effective utilization (CCU) or storage (CCS) of captured CO<sub>2</sub>



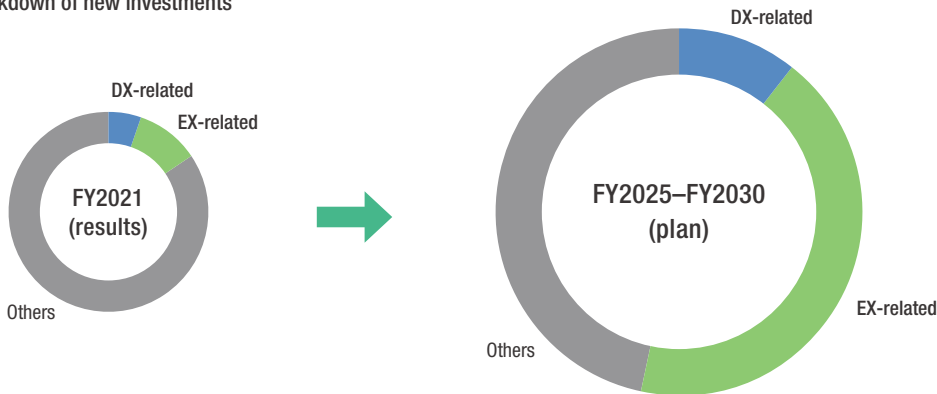
Ammonia carrier which is also expected to be a next-generation energy source

## Major Growth Drivers

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, and plant engineering, and for EX includes next-generation shipping business, etc. We will use EX and DX as tools to achieve growth by addressing challenges in each of the industries in which we operate.

### Breakdown of new investments







# Automotive & Mobility Group



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

**Summary**

- Production, sales, and financing of automobiles manufactured by Mitsubishi Motors Corporation and Mitsubishi Fuso Truck and Bus Corporation
- Production, sales, and financing of automobiles manufactured by Isuzu Motors Limited
- Manufacturing and sales of tires and intermediary and domestic trading business
- Development of battery supply chain services
- Development of total mobility services that address challenges related to the movement of people and goods

Group Strengths

- Strong, long-term partnerships with Mitsubishi Motors Corporation, Isuzu Motors Limited, Mitsubishi Fuso Truck and Bus Corporation, and Toyo Tire Corporation
- Capable of selling approximately 800,000 vehicles annually in countries around the globe centered on the ASEAN region, such as Thailand and Indonesia, as well as a strong automotive value chain platform for business and customers offering production, sales, after-sales services, automobile finance, and other capabilities developed globally
- A wide range of business areas, a wealth of knowledge and expertise based on our global network, and diverse talent with frontline business experience
- Capability and knowledge to promote local transportation DX in Japan in cooperation with local governments through AI-driven on-demand bus services, etc.
- Integrated knowledge of Mobility x Energy for the electrification era

①② Automotive Value Chain (VC) Business   ③④ Total Mobility Service (MS) Business   ⑤ Societal System Innovation Business

	Upstream Original Equipment Manufacturer (OEM)	Midstream Wholesale, marketing, overseas production, and export	Downstream Retail, automobile finance, tires, maintenance, repair, fleet management, used cars	Energy Resources, fuel, battery and circular businesses	Mobility services	Societal system innovation
Partner OEMs	① Involvement with OEMs	② Existing VC business		Build a total MS business incorporating energy	④ Local transportation DX	⑤ Formation of a mobility ecosystem
Multi-brand		Multi-brand midstream business	Multi-brand downstream business			

Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
 <div>Contributing to Decarbonized Societies</div>	<p>Supporting OEM partners in achieving GHG reduction targets</p> <ul style="list-style-type: none"><li>• Introducing GHG measurement tools and sourcing sustainable materials</li><li>• Reducing the consumption of energy, electricity, and paper at subsidiaries and affiliates</li></ul> <p>Promoting the sales of low/carbon-free vehicles and developing the after-sales service network</p>
 <div>Promoting Stable, Sustainable Societies and Lifestyles</div>	<p>Enhancing and internalizing electricity adjustment functions</p> <ul style="list-style-type: none"><li>• Enhancing functions to compensate for renewable energy intermittency through battery energy storage business</li></ul> <p>Promoting the EV fleet management business</p> <ul style="list-style-type: none"><li>• Verifying functions such as GHG visualization, battery management, and energy management</li></ul>
 <div>Addressing Regional Issues and Growing Together with Local Communities</div>	<p>Addressing local transportation challenges and promoting regional revitalization through local transportation DX business</p> <ul style="list-style-type: none"><li>• Further expanding on-demand bus service areas</li><li>• Partnering with local transportation companies and local governments</li><li>• Contributing to the societal implementation of autonomous driving</li></ul>

Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"><li>• Changes in the business and competitive environment of the automotive industry due to technological innovations such as electrification and software development</li><li>• Rapid changes in national tax systems and laws and regulations due to decarbonization</li><li>• Supply chain fragmentation due to geopolitical risks</li></ul>	<ul style="list-style-type: none"><li>• Growth of automobile demand due to motorization in emerging countries such as those in ASEAN</li><li>• Potential to build a total mobility service business that provides a wide range of services based on a strong customer platform in the value chain business</li><li>• Potential to enter new businesses by leveraging our collective capabilities, including Mobility x Energy, in recognition of the structural changes in the industry resulting from electrification</li></ul>

Strategies Under Midterm Corporate Strategy 2024

- Aim to further strengthen the functions of the automotive value chain business, and expand and transform our business model into downstream areas
- Leverage our strong business and customer platform to develop the total mobility service business into one of our “Core Businesses”
- Utilize integrated EX/DX as a lever to enrich the lives and lifestyles of our customers and contribute to the conservation of the global environment through the spread of automotive and mobility services, thereby achieving triple-value growth

Progress Under Midterm Corporate Strategy 2024

Total Mobility Service Business Initiatives

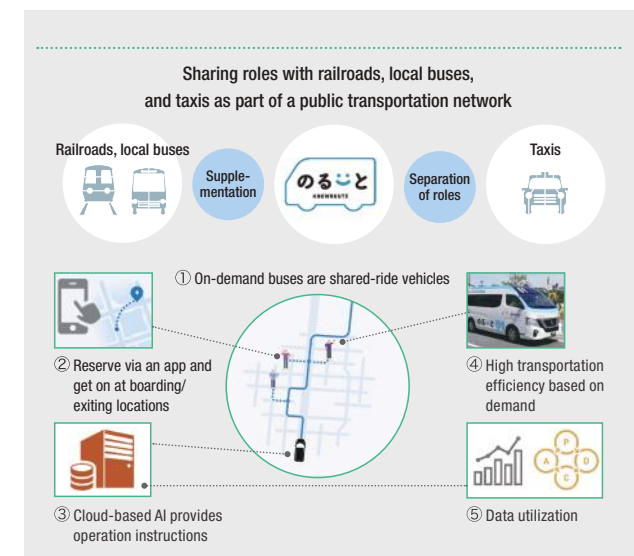
We have started to develop a total mobility service business in Japan, where we have a strong business platform, in anticipation of a future of electrification and autonomous driving.

① Local Transportation DX Business

To address challenges related to mobility in regional communities, we operate the AI-driven on-demand bus service “KnowRoute” in collaboration with Nishi-Nippon Railway Co., Ltd., providing the system and expertise to local regions and transportation operators nationwide. We are also advancing the efficiency of taxi dispatch services nationwide through DennoKotsu Inc. Finally, we started a support business for the introduction of autonomous driving together with Aisan Technology Co., Ltd.

② EV Fleet Management Business

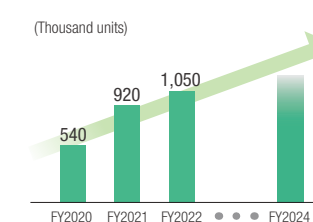
To realize a carbon-neutral society, we are cooperating with Mitsubishi Auto Leasing Corporation to provide corporations and local governments with a package that includes a visualization of GHG emissions, formulation of reduction plans, introduction of EVs through leasing, chargers and storage batteries, battery management systems, and electric energy management systems, thereby contributing to the promotion of decarbonization by customers through the integrated promotion of EX and DX.



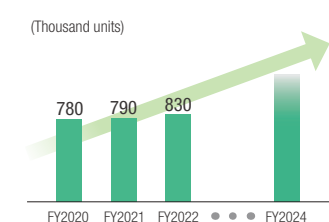
Major Growth Drivers

Our Group has over 50 years of experience in the automotive value chain business in ASEAN countries such as Indonesia and Thailand. We will continue to engage in the sales and after-sales service businesses, focusing on the Indonesian and Thai markets, while leveraging our strong customer platform built up to date. In addition to expanding the automotive value chain business, including finance, insurance, and used cars business development, we aim to create a comprehensive mobility service business.

Indonesia market size transition



Thailand market size transition



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





# Food Industry Group



**Norio Saigusa**  
Executive Vice President  
Group CEO,  
Food Industry Group

Summary

- Development, manufacturing, and sales of food ingredients, seasonings, pharmaceuticals, agrochemicals, and cosmetic raw materials
- Manufacturing and sales of livestock feed, wheat flour products, sugar, etc., and procurement of their raw materials
- Production, manufacturing, processing, and sales of fresh food ingredients including seafood
- Production, manufacturing, processing, and sales of rice, fresh produce (fruit and vegetables), meat, dairy products, etc.







## Group Strengths

- A large-scale business base for salmon, which is an excellent source of high-quality protein and for which suitable farming areas are limited
- A supply chain that contributes to the stable procurement of food and stabilization of earnings, 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

Supply chains in the grain, oilseeds, and feed materials business and livestock and meat products business (Our investment ratio)

Grain procurement	Compound feed production	Livestock production and processing	Processing and sales	Food Service
 AGREX INC. (100%)  AGREX DO BRASIL (100%) 	 Nosan Corporation (100%) 	 JAPAN FARM (92.66%) 	 ITOYAMA yonekyu (40.66%) Foodlink Co., (99.42%) 	 KFC (35.12%) 

## Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
 Contributing to Decarbonized Societies	<b>Promoting societal decarbonization</b> <ul style="list-style-type: none"><li>Exploration of feedstock for the reduction of livestock methane emissions</li><li>Promoting low-carbon farming methods</li><li>Expanding farming methods to reduce methane emissions from rice paddies</li></ul>
 Conserving and Effectively Utilizing Natural Capital	<b>Developing business with consideration for conserving natural capital and biodiversity</b> <ul style="list-style-type: none"><li>Promoting the use of food waste as feedstock<ul style="list-style-type: none"><li>Exploring alternative protein sources</li></ul></li><li>Effective use of unused resources<ul style="list-style-type: none"><li>Utilization of manure in power generation</li></ul></li></ul> <b>Conserving marine resources</b> <ul style="list-style-type: none"><li>Promoting land-based salmon farming businesses that contribute to reducing environmental impacts</li></ul>
 Promoting Stable, Sustainable Societies and Lifestyles	<b>Improving quality of life through taste, health, beauty, etc., by leveraging life science technologies</b> <ul style="list-style-type: none"><li>Production and sales of delicious and healthy food, and expansion of functional materials businesses</li><li>Developing new materials through unique base technologies such as fermentation</li></ul>
 Utilizing Innovation to Address Societal Needs	<b>Contributing to addressing societal issues such as securing stable food supply and saving lives</b> <ul style="list-style-type: none"><li>Strengthening of the CDMO business to support development research and manufacturing of new drugs</li><li>Stable production of agricultural products and development of support for the next generation of agricultural operations through the introduction of bio-pesticides into Japan</li></ul> <b>Tackling new technologies</b> <ul style="list-style-type: none"><li>Efforts to introduce alternative meat</li></ul>
 Addressing Regional Issues and Growing Together with Local Communities	<b>Contributing to regional revitalization</b> <ul style="list-style-type: none"><li>Strengthening efforts in regional fishery industries by utilizing contact points with producers and sales networks</li></ul> <b>Contributing to the development of countries and regions in which we operate</b>
 Respecting Human Rights in Our Business Operations	<b>Meeting ethical consumption needs</b> <ul style="list-style-type: none"><li>Increasing the proportion of sustainable products</li></ul> <b>Respecting human rights in the supply chain</b> <ul style="list-style-type: none"><li>Appropriate implementation of human rights and environmental due diligence</li><li>Promoting animal welfare initiatives at Group companies</li></ul>

## Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"><li>Decrease in yields and production of agricultural produce, livestock, and dairy products due to the effects of climate change and natural disasters in production areas</li><li>Impact of rising sea levels and ocean temperature on farming businesses (decreased production volume, rising feed prices, equipment damage, etc.)</li><li>Depletion of natural resources, reduction in supply due to stricter resource protection regulations, and difficulty in procurement</li><li>Increasingly sophisticated demands for building supply chains that take into consideration social and environmental issues</li></ul>	<ul style="list-style-type: none"><li>Improving the efficiency of primary industries by actively utilizing digital data</li><li>Development of new aquaculture methods independent of the environment (e.g., land-based aquaculture)</li><li>Building a sustainable procurement network that takes into consideration society and the environment</li><li>Diversification of consumer needs, including ethical and certified products</li></ul>

## Strategies Under Midterm Corporate Strategy 2024

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

## Progress Under Midterm Corporate Strategy 2024

### Achieving Stable and Efficient Production with Land-Based Salmon Aquaculture

- ATLAND Corp. (MC's stake 51%), which is a joint venture between MC and Maruha Nichiro Corporation, is engaged in one of Japan's largest land-based salmon aquaculture businesses. It is located in Nyuzen, Toyama Prefecture, which is known for its abundant water resources.
- We will realize stable and efficient production through land-based aquaculture, which minimizes impact from the external environment, by utilizing the expertise we cultivated in the aquaculture business overseas. In this way, we aim to support domestic demand for salmon and contribute to decarbonization by decreasing shipping distances.



Nyuzen, Toyama Prefecture, the site of the land-based salmon aquaculture business

## Major Growth Drivers

### Strengthening Core Businesses

#### Salmon Farming Business

We will advance efforts to improve profitability by strengthening the production side, such as increasing productivity and production volume, and the sales side, such as adding value and mitigating the risk of market fluctuations

#### Grain, Oilseeds, and Feed Materials Business and Livestock and Meat Products Business

In the livestock business, we will strengthen our profit structure by adding value, etc., and enhance competitiveness by reforming our business structure.

We will advance efforts to transform our business model by streamlining the entire supply chain through DX.

We will strengthen our agriculture-related and grain procurement businesses overseas, including in Brazil, while taking into account geopolitical risks.

### Identification of a Third Core Business

Through the implementation of the value-added cyclical growth model, we will identify new Core Businesses that will become new sources of revenue, while optimizing our portfolio.

By incorporating new technologies in the food sector, we will also respond to disruptive/rapid growth areas caused by technological innovation.

### Global Salmon & Trout Supply-Demand Outlook

Widening supply-demand gap



Source: Calculations based on Kontali Analyse AS data







# Consumer Industry Group



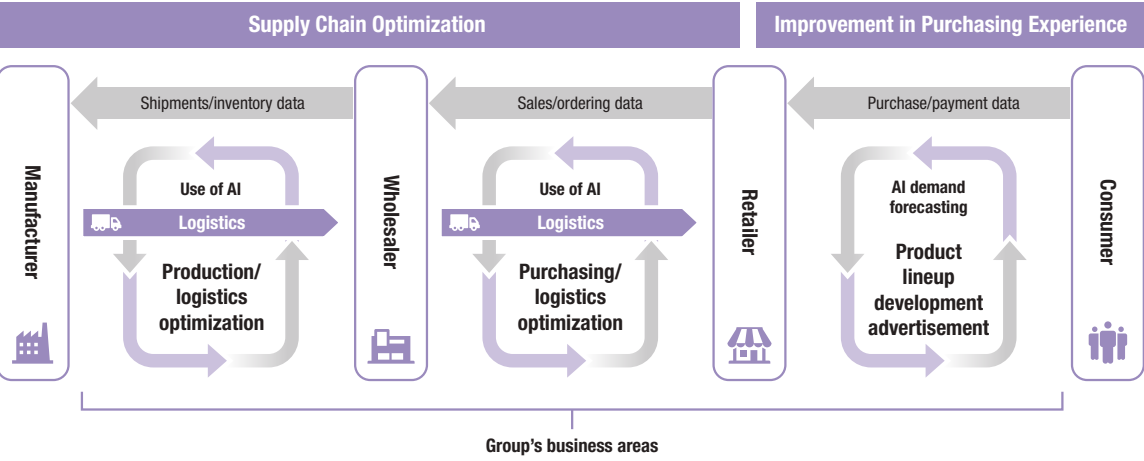
*K. Kikuchi*  
**Kiyotaka Kikuchi**  
Executive Vice President  
Group CEO,  
Consumer Industry Group

Summary





- Retail businesses, such as convenience stores and supermarkets, as well as data marketing and loyalty points businesses
- Procurement and distribution for apparel and household goods, and Specialty retailer of Private label Apparel (SPA) business through collaboration with global brands
- Hospital outsourcing and senior citizen lifestyle support
- Food distribution, global contract logistics services, packaging solutions, digital advertisement and promotion support, etc.

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
- Logistics platform through our industry-leading intermediary distribution business, and networks of regional manufacturers and retailers
- Locally-rooted business knowledge cultivated through the expansion of a retail store network in China and Southeast Asia



Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
 Contributing to Decarbonized Societies	<p>Promoting decarbonization by utilizing our wide range of contact with consumers, centered on retail stores</p> <ul style="list-style-type: none"><li>• Reducing GHG emissions through renewable energy measures and optimization of delivery routes using AI</li></ul> <p>Realizing a sustainable social security system through support for improving hospital operations efficiency and productivity, and providing services to improve the profitability of corporate health insurance</p> <ul style="list-style-type: none"><li>• Improving hospital operation efficiency by providing joint purchasing and in-hospital logistics management functions to medical institutions</li><li>• Promoting the optimization of medical costs for corporate health insurance and health management through the provision of preventive and health services</li></ul>
 Promoting Stable, Sustainable Societies and Lifestyles	<p>Offering solutions to wasteful, inconsistent, and burdensome practices by optimizing the entire supply chain through digital technology</p> <ul style="list-style-type: none"><li>• Inventory optimization and food waste reduction through demand forecasting using AI</li><li>• Reducing overproduction and mass waste by improving customer operation efficiency and productivity in the OEM business using digital technology</li><li>• Improving warehouse infrastructure productivity using DX solutions such as robots in the logistics business</li></ul>
 Utilizing Innovation to Address Societal Needs	<p>Optimizing the entire value chain through business promotion with respect for human rights</p> <ul style="list-style-type: none"><li>• Promoting sustainable procurement through human rights and environmental due diligence in the apparel OEM business</li></ul>
 Respecting Human Rights in Our Business Operations	

Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"><li>• Decrease in domestic demand due to population decline</li><li>• Shortage of supply chain workers due to declining birthrate and an aging population, etc.</li><li>• Tightening supply-demand for logistics due to increasing frequency of small-lot freight deliveries</li><li>• Infancy solutions regarding societal demand for environmental considerations</li></ul>	<ul style="list-style-type: none"><li>• Creating new consumer value in response to diversifying needs and changing purchasing behavior</li><li>• Capturing new demand as emerging countries grow and modernize their retail industries</li><li>• Strengthening competitiveness through supply chain optimization using digital technology</li><li>• Differentiation from competitors by reducing GHG emissions and food loss, and developing materials with a lower environmental impact</li></ul>

Strategies Under Midterm Corporate Strategy 2024

- Strengthen consumer support by utilizing purchasing and behavior data to provide goods and services that accurately capture consumers' needs and superior purchasing experiences
- Build a sustainable and competitive supply chain by utilizing transaction data accumulated through manufacturer and retailer networks across Japan to promote distribution optimization, including EX/DX
- Capture market growth by expanding convenience store, apparel, and other businesses overseas

Progress Under Midterm Corporate Strategy 2024

Advancing Supply Chain Optimization Using AI

MC is working on optimizing product deliveries to Lawson stores through cooperation with its subsidiaries, Lawson, Inc., and Mitsubishi Shokuhin Co., Ltd. Based on accumulated data for orders placed, delivery vehicle outing records, and time spent at stores, we are using AI to create optimal delivery routes and schedules. This has led to a successful reduction in GHG emissions due to lower total mileage at multiple distribution centers.



Participation in a Joint Initiative to Realize Warehouse DX

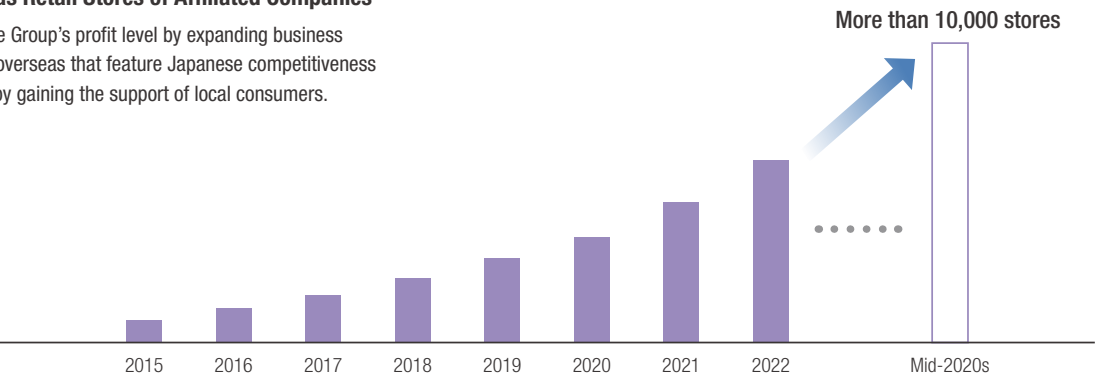
In July 2022, MC transferred its warehouse DX operations, which it had been developing, to its newly established subsidiary Gaussy, Inc. We have established a system to promote the business as a joint initiative with six partner companies. Through a warehouse robot subscription service and a warehouse sharing service, this business will attempt to solve problems in the logistics industry, such as labor shortages and overreliance on existing employees.



Major Growth Drivers

Number of Overseas Retail Stores of Affiliated Companies

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





# Power Solution Group



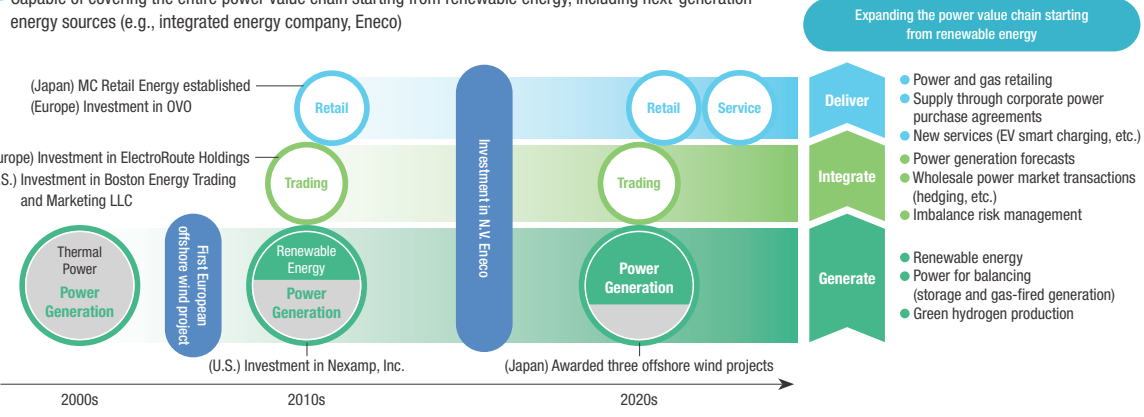
**Aiichiro Matsunaga**  
Executive Vice President  
Group CEO,  
Power Solution Group

Summary

- Power generation and transmission business, power trading business, power retail business
- Distributed power supply business, hydrogen business
- Water business

Group Strengths

- Ability to flexibly change business models in response to market environment fluctuations, as well as the knowledge and networks accumulated over many years in both the domestic and overseas power industries to support such fluctuations
- Extensive track record of development, construction, and operation in the area of renewable power generation, including offshore wind power generation
- Capable of covering the entire power value chain starting from renewable energy, including next-generation energy sources (e.g., integrated energy company, Eneco)



Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
Contributing to Decarbonized Societies	<b>Expand renewable energy portfolio in focus regions (Japan, Europe, US, and Asia)</b> <ul style="list-style-type: none"><li>• Double renewable energy by FY2030 compared to FY2019 (3.3 GW to 6.6 GW)</li><li>• Double Eneco's renewable energy capacity (net equity base) by 2026 compared to 2022 (1.8 GW to 3.6 GW)</li><li>• Promote Eneco's 2035 carbon-neutrality commitment (Scope 1-3, including promotion of the decarbonization of heat sources)</li></ul> <b>Reduce coal-fired power generation capacity (net equity base) to approximately 1/3 by 2030 compared to 2020, and exit completely by 2050</b> <ul style="list-style-type: none"><li>• Achieve a 100% non-fossil power generation portfolio by 2050</li></ul> <b>Accelerate next-generation energy businesses including development and commercialization of green hydrogen derived from renewable energy</b> <ul style="list-style-type: none"><li>• Domestic (local production &amp; consumption): (1) carbon-free hydrogen production, (2) demand creation for hydrogen</li><li>• Overseas (local production &amp; consumption, export to Japan): development of renewable energy projects that contribute to building a supply chain for green hydrogen</li><li>• Promote Eneco's green hydrogen business initiatives</li></ul> <b>To enhance and internalize power supply-demand adjustment functions</b> <ul style="list-style-type: none"><li>• Enhance functions that complement the intermittent nature and challenges of renewable energy (enhance imbalance risk management)</li></ul> <b>To address regional issues and contribute to revitalization starting from renewable energy development</b> <ul style="list-style-type: none"><li>• Promote the realization of local contribution plan (promote cooperation with the Industry Digital Transformation Group)</li></ul>
Promoting Stable, Sustainable Societies and Lifestyles	
Utilizing Innovation to Address Societal Needs	
Addressing Regional Issues and Growing Together with Local Communities	

Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"><li>• Changes in regulations, policies, etc., for the electric power business in operating countries due to progress in decarbonization, and structural changes in power systems in response to these changes</li><li>• Increased profit fluctuations in the electric power business due to increased price volatility, etc., in the energy markets</li></ul>	<ul style="list-style-type: none"><li>• Spread and expansion of renewable energy across the world</li><li>• Introduction of national policy regulatory packages to support decarbonization and expansion in use of renewable energy and hydrogen</li><li>• Increased efforts by customers to procure renewable energy</li><li>• Increasing needs from both the power generation and demand sides for supply-demand adjustment functions that complement the intermittent nature of renewable energy</li><li>• Emergence of cross-industry business opportunities beyond the power sector utilizing green hydrogen derived from renewable energy</li></ul>

Strategies Under Midterm Corporate Strategy 2024

- Strengthen the power value chain functions that "generate" renewable energy, "integrate" weather-dependent fluctuated electricity, and "deliver" this integrated electricity and high added-value services
- Through this, we will 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 promote regional revitalization through renewable energy and launch a green hydrogen business, which is expected to become a next-generation energy source, through collaboration with other Business Groups

Progress Under Midterm Corporate Strategy 2024

We are steadily expanding our renewable energy business. In December 2022, MC, through N.V. Eneco, and Shell plc. has been successful in the tender for the Hollandse Kust West Site VI offshore wind farm (760MW) located approximately 50km off the northwest coast of the Netherlands. This is Eneco's seventh offshore wind farm.

In June 2023, we established Eneco Diamond Hydrogen B.V. with Eneco to develop renewable energy as well as produce and sell green hydrogen in Europe. We will accelerate the execution of our EX Strategy that goes beyond the power value chain.



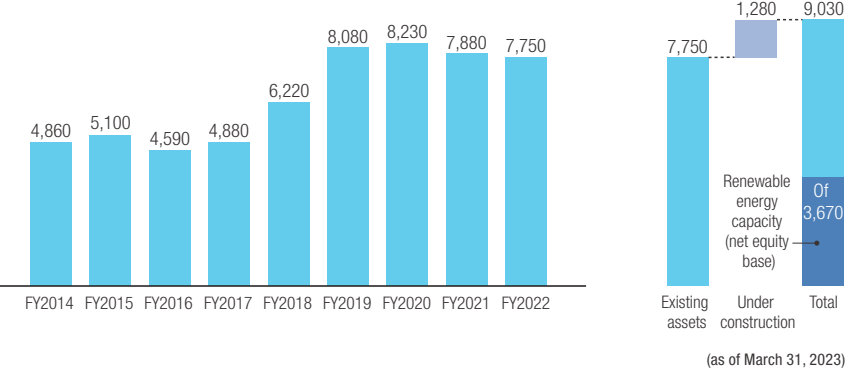
Offshore wind farm operated by Eneco

Major Growth Drivers

The Group has been expanding its excellent net equity base generation capacity through the development of power generation projects in Japan and overseas. Going forward, we aim to expand renewable energy (double renewable energy power generation capacity on a net equity basis from 3.3 GW in FY2019 to 6.6 GW in FY2030), and promote the optimization of our portfolio.

Generation capacity (net equity base)

(Unit: MW)





# Urban Development Group



**Takuya Kuga**  
Executive Vice President  
Group CEO,  
Urban Development Group

Summary



- Urban development and urban management business, real estate development business, real estate fund management, and other real estate-related businesses
- Digital infrastructure business such as data centers, and airport and toll road operation business
- Merchant banking (private equity, infrastructure) business, and global leasing business

Group Strengths

- Project management skills based on real estate knowledge, and business management expertise grounded in development track records
- Long-standing relationships and networks with leading developers and companies in many regions, especially in ASEAN countries
- Management of urban infrastructure projects based on rich experience in infrastructure development and wide network with the industry players
- Finance business that leverages MC's long-term industry expertise and assets accumulated through trading and project investment



Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
 Contributing to Decarbonized Societies	<b>Decarbonizing of real estate</b> <ul style="list-style-type: none"><li>• Adopting environment-friendly design and construction methods, and introduction of energy conservation and renewable energy, etc.</li></ul>
 Promoting Stable, Sustainable Societies and Lifestyles	<b>Promoting decarbonization through renewable energy and EV leasing etc.</b> <ul style="list-style-type: none"><li>• Promoting growth strategies of MC's affiliates, such as strengthening domestic and international renewable energy businesses and increasing the ratio of eco-friendly vehicles out of all leased vehicles</li></ul>
 Utilizing Innovation to Address Societal Needs	<b>Contributing to the realization of a carbon-neutral society through EX funds</b> <ul style="list-style-type: none"><li>• Identifying and supporting the development of companies owning advanced climate tech solutions</li></ul>
 Addressing Regional Issues and Growing Together with Local Communities	<b>Developing and operating high-quality, environmentally sustainable urban infrastructure</b> <ul style="list-style-type: none"><li>• Developing and operating sustainable data centers using low-carbon power sources and energy-saving technologies</li></ul> <b>Developing and managing self-sustaining decentralized communities and smart cities for a sustainable society</b> <ul style="list-style-type: none"><li>• Promoting urban development and introducing urban services to help solve regional challenges, and to improve convenience and comfort</li></ul>

Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"><li>• Decline in population and industrial competitiveness in Japan</li><li>• Changes in market conditions due to inflation and interest rates increase</li><li>• Heightened geopolitical risks such as US-China tensions and the Ukraine conflict</li></ul>	<ul style="list-style-type: none"><li>• Increasing demand for urban development and urban services to address societal and environmental challenges associated with decarbonization and the diversification of consumer needs</li><li>• Expansion of new technologies and solutions to achieve a carbon-neutral society</li><li>• Urbanization due to economic and population growth, particularly in developing countries</li><li>• Increase in demand for digital infrastructure as digitalization accelerates</li></ul>

Strategies Under Midterm Corporate Strategy 2024

- High-value-added, solution-providing urban development and management  
Solve regional issues and strengthen industrial competitiveness through attractive urban development
- Strengthen financial businesses that contribute to decarbonization and "Creating a New Future"  
Promote decarbonization and future creation by providing funds and finance-related services
- Expansion of sustainable urban development and infrastructure businesses  
Provide a platform for strengthening industrial competitiveness through the development of high-quality infrastructure with low environmental impact

Progress Under Midterm Corporate Strategy 2024

Establishment of the Marunouchi Climate Tech Growth Fund L.P.

In April 2023, MC, together with two partner companies, launched the Marunouchi Climate Tech Growth Fund L.P. through Marunouchi Innovation Partners Co., Ltd. (MIP), which invests primarily in companies dedicated to decarbonization through the development of climate technology. MIP plans to continue raising new investment through additional rounds of funding and aim to increase the size of this fund to between 800 million and one billion US dollars.

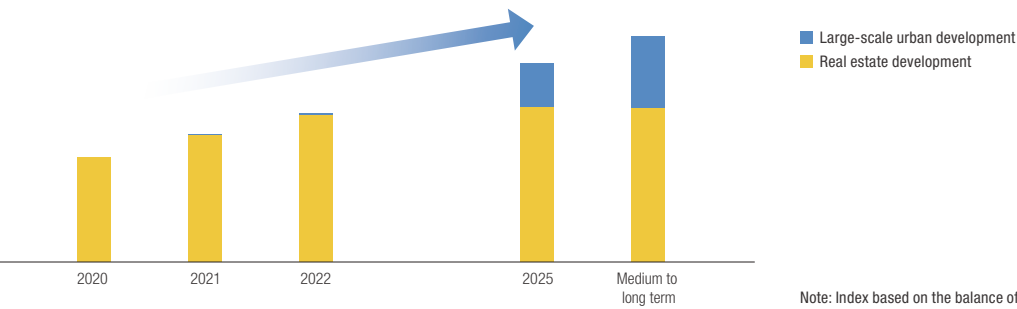
To realize a carbon-neutral society, it is crucial to invest in developing and expanding the application of a wide range of cutting-edge climate technologies and solutions. With more funding crucial to meeting those expectations, the demand for climate tech investments is likely to grow over the medium to long term. By taking advantage of the MC Group's broad industry expertise, business network, and collective capabilities, MC aims to boost the corporate value of investees by identifying blue-chip investment opportunities and helping to commercialize and scale up investees' cutting-edge technologies, which would lead to promoting decarbonization and the realization of a carbon-neutral society.



Major Growth Drivers

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

Scope of business initiatives



Note: Index based on the balance of investments and loans for FY2020



# 04

## Initiatives and Systems Supporting Sustainable Value Creation

This section describes how MC will adapt to changes in the business environment amid increasing uncertainty, and the systems that will support this adaptation.

*MC Shared Value*

100	Sustainability Promotion Framework
100	Sustainability Initiatives
104	Human Rights and Supply Chain Management
106	Corporate Governance
106	The Evolution of MC's Corporate Governance/Record of Meetings Held in FY2022
108	Approaches to Corporate Governance
108	1. Board of Directors
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112	Special Feature: Deliberations at the Board of Directors for Realizing Effective Corporate Governance
114	2. Board of Directors Advisory Bodies
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118	3. Audit & Supervisory Board Members and Audit & Supervisory Board
120	Overview of Remuneration Package
124	Risk Management



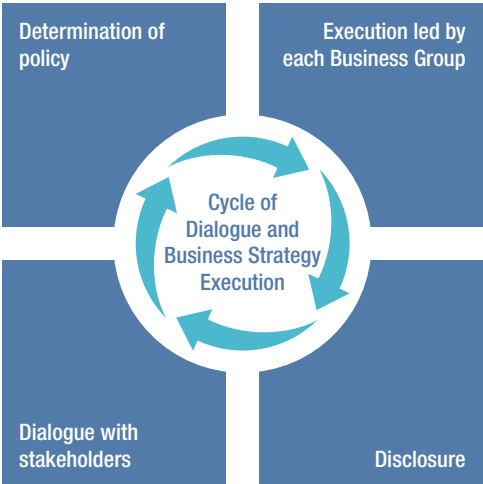
Sustainability Promotion Framework

Sustainability Initiatives

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

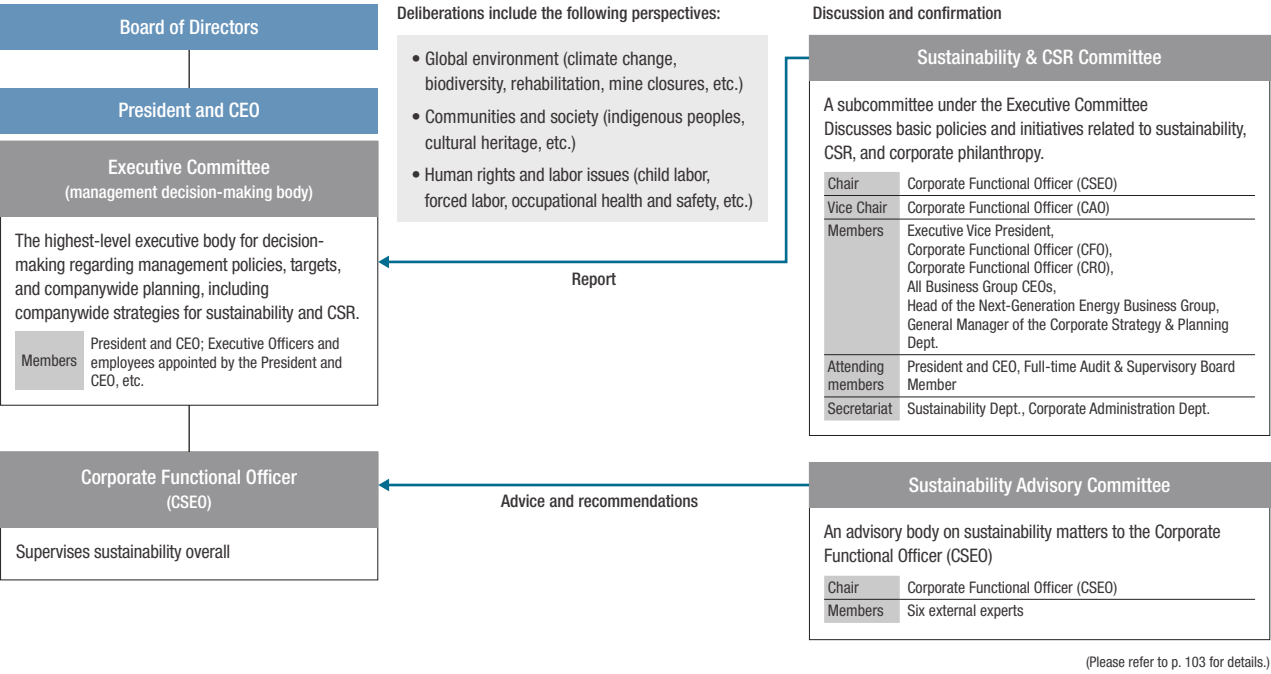
In recent years, expectations and demands for companies to address various societal challenges have been increasing. Guided by our Materiality, a set of crucial societal issues that we will prioritize through our business activities, we aim to continue to grow together with society by creating MC Shared 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 emphasizes the importance of dialogue with our stakeholders and a cycle of business strategy execution based on this dialogue.

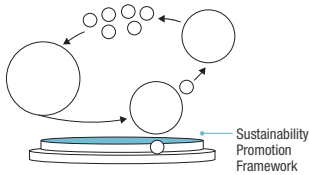


Companywide Sustainability Framework

In MC's management framework, sustainability initiatives are overseen by the Corporate Functional Officer (Chief Stakeholder Engagement Officer [CSEO]). The Sustainability 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.



Main Discussion Topics for the Sustainability & CSR Committee	
<ul style="list-style-type: none"><li>Climate change: Please refer to ► p. 50-53 for details.</li><li>Materiality: Please refer to ► p. 48-49 for details.</li><li>Human rights and supply chain management: Please refer to ► p. 104-105 for details.</li></ul>	<ul style="list-style-type: none"><li>Biodiversity and environmental conservation initiatives: Please refer to ► p. 54-55 for details.</li><li>Corporate philanthropy activities</li></ul>



Promoting Sustainability Through Business

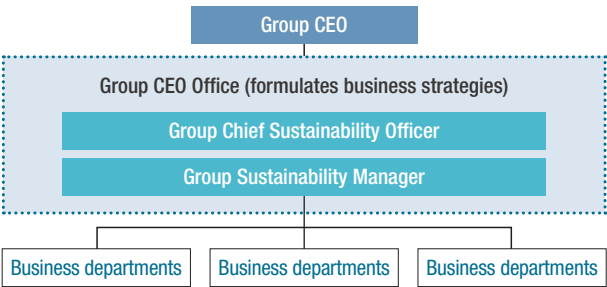
In order to continuously create societal and environmental value through our business activities, we have established a framework through which both Corporate Staff Departments as well as Business Groups proactively promote sustainability.

Cycle for Integrating Sustainability into Business Strategy



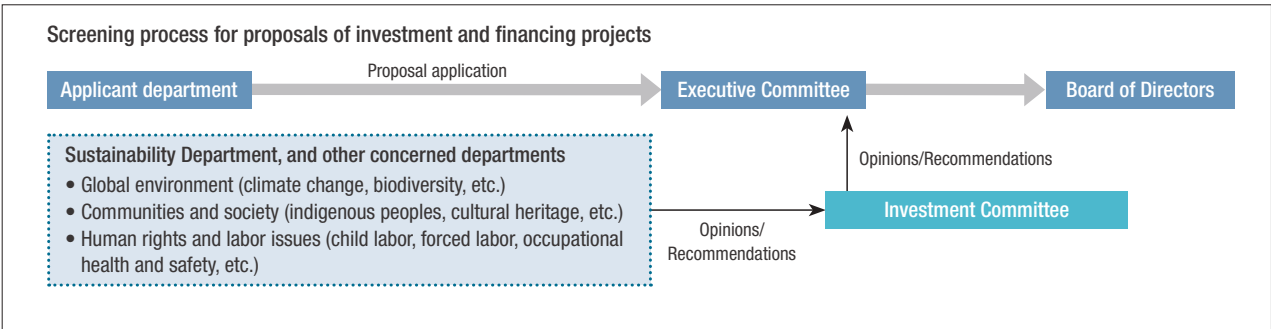
- Following deliberations by the Sustainability & CSR Committee, the President and CEO as well as each Group CEO hold further Business Strategy Committee Meetings to discuss future strategy.
- In these meetings, policies for businesses that are deemed to be most affected by climate change are checked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

Sustainability Promotion Framework in Each Business Group



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

Incorporating Sustainability into Individual Projects



- Framework for Putting Forward Proposal Applications**  
MC confirms the significance of each business against our Materiality when screening proposals of investment and financing proposals. Identification of environmental and social risks and opportunities (including scenario analysis and carbon pricing impact analysis) is mandatory.
- System for Screening Proposals**  
Within the Sustainability 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 Sustainability Department serve as a member of the Investment Committee, MC has put a screening system in place to facilitate decision-making that takes into account specialized insight on environmental and social impacts.





Disclosure (Sustainability Website)

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

In addition to this Integrated Report, we also make available 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 (CSEO) and after reporting to the Disclosure Committee, a subcommittee of the Executive Committee.

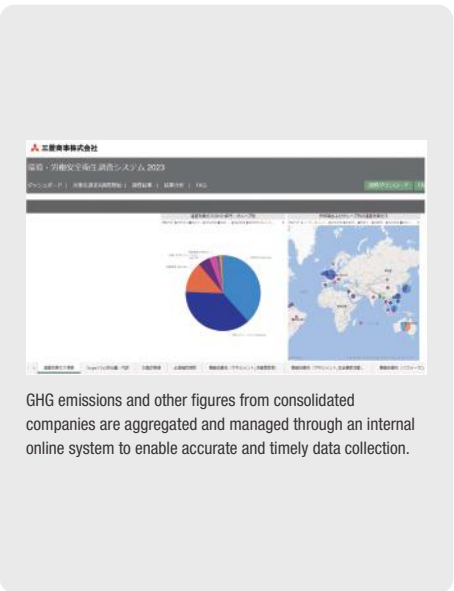
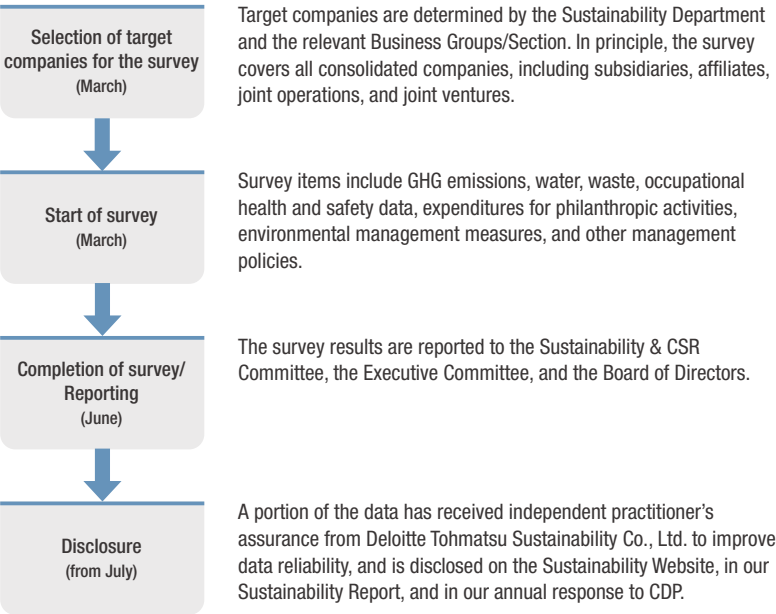
Sustainability Website Disclosures by ESG Category

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

Collecting Sustainability Information on a Consolidated Basis

To fully grasp qualitative and quantitative information around sustainability, MC annually conducts environmental and occupational health and safety surveys targeting all consolidated companies. The

aggregated results are reported to management and used as basic information for planning sustainability initiatives and other measures.



Dialogues with Stakeholders (Incorporating External Perspectives)

Dialogues with Stakeholders in FY2022

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

Number of discussions held in FY2022

- Direct discussions with investors on sustainability matters: Approx. 40
- Direct discussions with NGOs: 85 (Japan: 9, Europe: 32, The Americas: 44)

Sustainability Advisory Committee

MC established the Sustainability Advisory Committee in 2008 as an advisory body to the Corporate Functional Officer (CSEO), which consists of six external experts representing the perspectives of MC's diverse stakeholders including international agencies, the ESG investment sector, etc. MC conveys its approach on sustainability policies to committee members twice a year and receives advice and recommendations from them. In FY2023, the committee discussed issues such as our Materiality and climate change initiatives.

Moreover, MC conducts observation tours of business sites for committee members in order to deepen their understanding of MC's businesses.

Sustainability Advisory Committee Members

Eiichiro Adachi	Senior Counselor, The Japan Research Institute, Limited Director of the Institute for Societal Values in Future Generations
Peter D. Pedersen	Professor, Graduate School of Leadership and Innovation, Shizenkan University
Masaru Arai	Chair, NPO Japan Sustainable Investment Forum
Miwa Yamada	Director-General, Inter-disciplinary Studies Center, Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO)
Tokutaro Nakai	Executive Advisor Nippon Steel Corporation
Soichi Noguchi	CEO, Mirai Space Co., Ltd Astronaut

On-Site Observation Tour

In the fall of 2022, we visited Akita Prefecture, where MC and Mitsubishi Corporation Offshore Wind Ltd. have started development of Japan's first large-scale fixed-bottom offshore wind power project. MC also set up its first new domestic branch office in 35 years. To share our policy of promoting initiatives for regional co-existence and regional co-creation, we also paid a courtesy visit to the Governor of Akita Prefecture, Mr. Norihisa Satake; took an observation tour of the Akita Katagami Wind Farm (66MW onshore wind power project), operated commercially by Mitsubishi Corporation Clean Energy Co., Ltd. since 2020; and exchanged views with our joint venture partner, Venti Japan, Inc.



On-site Observation Tour of Katagami Onshore Wind-Farm in Akita

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 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.



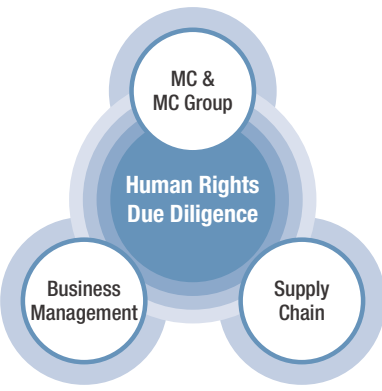
Human Rights and Supply Chain Management

Basic Approach on Human Rights

- MC believes that respect for human rights is fundamental to doing business globally.
  - MC has identified “Promoting Stable, Sustainable Societies and Lifestyles” and “Respecting Human Rights in Our Business Operations” as part of its Materiality. MC also clearly stipulates its respect for human rights in its Corporate Standards of Conduct, Social Charter, and the Mitsubishi Corporation Code of Conduct. In so doing, we make clear, both internally and externally, our commitment to cooperate with business partners to avoid complicity in human rights violations.
- MC also supports international norms such as the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the UN Guiding Principles on Business and Human Rights, the core labor standards of the International Labour Organization (ILO), and the Voluntary Principles on Security and Human Rights.
- Reference

Please refer to Mitsubishi Corporation’s Corporate Standards of Conduct, the Mitsubishi Corporation Code of Conduct, and the Mitsubishi Corporation Social Charter. FY2022 Modern Slavery Statement:  
<https://www.mitsubishicorp.com/jp/en/csr/modern-slavery-statement/>

Human Rights and Environmental Due Diligence



The diagram illustrates the integration of Human Rights Due Diligence into Business Management and Supply Chain. At the center is a circle labeled 'Human Rights Due Diligence'. To its left is a circle labeled 'MC & MC Group', and to its right is a circle labeled 'Supply Chain'. Below the central circle are two circles: 'Business Management' on the left and 'Supply Chain' on the right. Arrows indicate a flow from 'MC & MC Group' to 'Human Rights Due Diligence', and from 'Human Rights Due Diligence' to both 'Business Management' and 'Supply Chain'.

- MC conducts human rights and environmental due diligence based on the understanding of the importance of fulfilling our responsibility to identify, analyze, and avoid/mitigate the negative impacts of our business on human rights and the environment.
- MC and the MC Group are strengthening Groupwide efforts to respect human rights through employee training and sustainability surveys on a consolidated basis.
- When reviewing investment and loan proposals, MC conducts a comprehensive screening process which considers not only economic factors, but also ESG impacts. In April 2023, MC formulated environmental and human rights due diligence guideline when implementing investment proposals.
- MC and the MC Group also recognize the importance of working to prevent and remedy the negative impacts on human rights and the environment in its supply chain. Supply chain management initiatives being implemented are described below.

Supply Chain Management Policy

Mitsubishi Corporation Policy for Sustainable Supply Chain Management

Basic Policy

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

1. Policy

For MC, as a global company involved in businesses across a wide range of products and services, ensuring sustainable supply chains is a key issue. MC has identified “Promoting Stable, Sustainable Societies and Lifestyles” and “Respecting Human Rights in Our Business Operations” as part of its Materiality. MC has established the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, which outlines MC’s actions to address human rights, labor rights, and environmental issues in the supply chain. This policy serves to convey MC’s fundamental perspective to all its suppliers and expects their support, understanding, and implementation of this policy.
2. Monitoring

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

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

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

Supply Chain Management Initiatives

Sustainable Supply Chain Survey

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 FY2016, and in FY2020, 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.

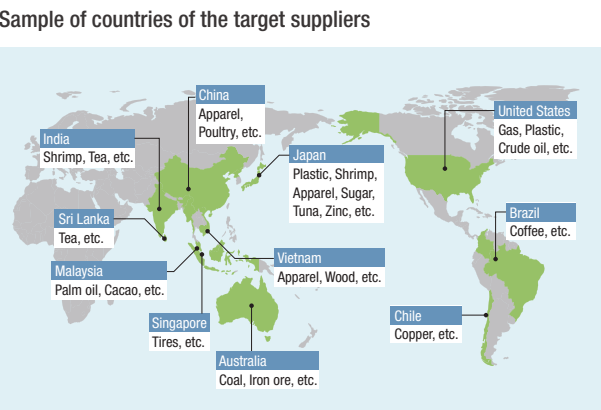


Sustainable Supply Chain Survey, FY2021 Results

- In April 2022, MC conducted its annual survey for FY2021, targeting 1,016 supplier companies in 50 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.

Target products and number of suppliers

Target products	FY2019*1	FY2020*1	FY2021*1
LNG	—	7	16
Plastic (PP, PE, etc.)	—	50	50
Wood	—	2	3
Crude oil	—	3	1
Copper	—	—	25
Zinc	—	—	8
Coal	—	—	9
Iron Ore	—	—	23
Poultry	15	17	75
Sugar	—	12	8
Shrimp	19	84	78
Tuna (Tier 1 & 2)*2	22	85	92
Cacao	6	7	6
Coffee	22	35	35
Palm oil (Tier 1 & 2)*2	8	8	9
Tires	—	1	1
Apparel (Tier 1 & 2)*2	328	573	540
Tea	5	6	37
Total	425	890	1,016
(Number of responses)	(415)	(812)	(896)



Communication/Engagement with Suppliers

Through regular communication with its suppliers, MC gains their understanding and support of the Mitsubishi Corporation Policy for Sustainable Supply Chain Management. For example, in FY2022, MC conducted a site visit of a domestic meat processing company that is a poultry supplier for MC’s subsidiary Foodlink Corporation. An inspector from a third-party auditing organization accompanied MC and evaluated the supplier’s sustainability management system through an inspection

of the factory by interviewing the supplier’s management and employees. MC also held a human rights seminar for suppliers in FY2022. The seminar gave an overview of various global human rights due diligence standards, in addition to MC’s fundamental perspective regarding human rights and related initiatives.

Introduction of a Grievance Mechanism

MC established a grievance mechanism in February 2023 to handle consultations from external stakeholders regarding potential negative impacts on human rights and the environment caused by the MC Group’s business activities, including within its supply chains. MC has set up a consultation desk point of contact on its website to handle

consultations regarding cases where the MC Group’s business activities are causing, or could potentially cause, specific negative impacts on human rights and the environment in violation of international norms and national laws of countries.





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

Takehiko Kakiuchi  
Chairman of the Board

The Evolution of MC's Corporate Governance

Since the 2000s, MC has engaged in building the foundations of its corporate governance. In recent years, MC has been steadily advancing measures to strengthen the monitoring functions of the Board of Directors, incorporating the results of annual evaluations of the effectiveness of the Board of Directors.

2001

- “Strengthen corporate governance” is held up as a key part of Midterm Corporate Strategy 2003
  - Adopted an executive officer system to separate oversight and execution functions
  - Established the Governance Committee and International Advisory Committee, comprising of a majority of Independent Members, as advisory bodies to the Board of Directors

2006

Enforcement of the Companies Act began

2007

- Established Selection Criteria for Outside Directors

2008

- Appointed Outside Directors, and Outside Audit & Supervisory Board Members as more than one-third of all Directors

2010

- Renamed the Governance Committee as the Governance & Compensation Committee in light of its role in the reinforcement of disclosure of executive compensation

2015

Application of Japan's Corporate Governance Code began

- Renamed the Governance & Compensation Committee as the Governance, Nomination and Compensation Committee in light of its role in the selection of candidates for Director and Audit & Supervisory Board and deliberation on requirements for President and Chief Executive Officer successor candidates

2018

Midterm Corporate Strategy 2021

Governance reforms

- Enhanced monitoring
  - Expanded Business Execution Reports from Section/Business Groups. Began discussions of strategy and governance at key business subsidiaries and affiliates.
- Revision of the rules for the Board of Directors
  - Raised the quantitative standards for investment and finance proposals to twice their previous levels.
  - Set up the Board of Directors to focus on deliberations of management strategy and major projects.
- Enhanced briefing sessions before the Board of Directors meetings
  - Prior to each Board of Directors meeting, Section/Business Groups management executives provide briefing sessions for the Independent Directors and Independent Audit & Supervisory Board Members in order to further enhance the quality of discussions at the Board of Directors meetings.

2019

Midterm Corporate Strategy 2021

- New framework for Business Execution Reports
  - Independent Directors began participating in dialogues with the Corporate Staff Section and Business Groups, which were previously held only with the Audit & Supervisory Board Members, so that the Board of Directors meetings can focus on discussion about the broad direction of corporate strategy and monitoring of the system that supports appropriate risk-taking.

2022

Midterm Corporate Strategy 2024

- Monitoring the major items of Midterm Corporate Strategy 2024
  - Quantitative Targets/Shareholder Returns
  - Growth Strategies (EX Strategy/DX Strategy/Creating a New Future)
  - Business Management
  - Management Mechanisms
  - HR Policies
  - Sustainability Policies

Building Corporate Governance Foundations

Strengthening Monitoring Functions

Record of Meetings Held in FY2022

● Meetings of the Board of Directors

■ Meetings of the Governance, Nomination and Compensation Committee

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

Board of Directors and Advisory Bodies to the Board of Directors

The Board of Directors

▶P.108

The Board of Directors is responsible for making decisions concerning important management issues and overseeing business execution. By utilizing both In-house Directors' rich experience of working within MC and Independent Directors' practical, objective, and professional perspective, MC ensures appropriate decision-making and management oversight.

Governance, Nomination and Compensation Committee

▶P.114

June July Oct. Jan. Mar.

Advisory body to the Board of Directors with a majority of Independent Directors



President's Performance Evaluation Committee

May

A subcommittee to the Governance, Nomination and Compensation Committee

International Advisory Committee

▶P.115

Nov.

An advisory body to the Board of Directors made up of non-Japanese experts

2022

Apr.◆

May◆

June◆■

July◆■

Aug.●

Sep.◆◆

Oct.●■

Nov.●◆

Dec.●◆

2023

Jan.●■

Feb.●◆

Mar.●■

Outside of Meetings of the Board of Directors and its Advisory Bodies

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.

Frequency	Whenever meetings of the Board of Directors are held (total: 14 times)
Length of sessions	2.5 to 3 hours for a meeting (total: 39 hours)

Discussion between Independent Members of the Board and Officers and Employees

MC has set up dialogues with the General Managers of the Corporate Staff Section, Business Group Heads, Business Group CEOs and Business Division COOs, small-group discussions with Executive Vice Presidents, and dialogues with mid-level and young employees to strengthen interaction between Independent Members of the Board and officers and employees.

Meetings of Independent Directors and Independent Audit & Supervisory Board Members

Apr. May Sep. Nov. Dec. Feb.

Meetings are held regularly to provide a forum for free discussion amongst Independent Directors and Independent Audit & Supervisory Board Members on a wide range of topics.

Main Discussion Themes

- Midterm Corporate Strategy 2024
- Business portfolio analysis
- Future issues and initiatives based on evaluation of the effectiveness of the Board of Directors

Dialogues with and Site Visits to Business Subsidiaries and Affiliates

▶P.117

Every year, Independent Directors and Independent Audit & Supervisory Board Members participate in site visits to business subsidiaries and affiliates both 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.

04 Initiatives and Systems Supporting Sustainable Value Creation

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MITSUBISHI CORPORATION

MITSUBISHI CORPORATION

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Approaches to Corporate Governance

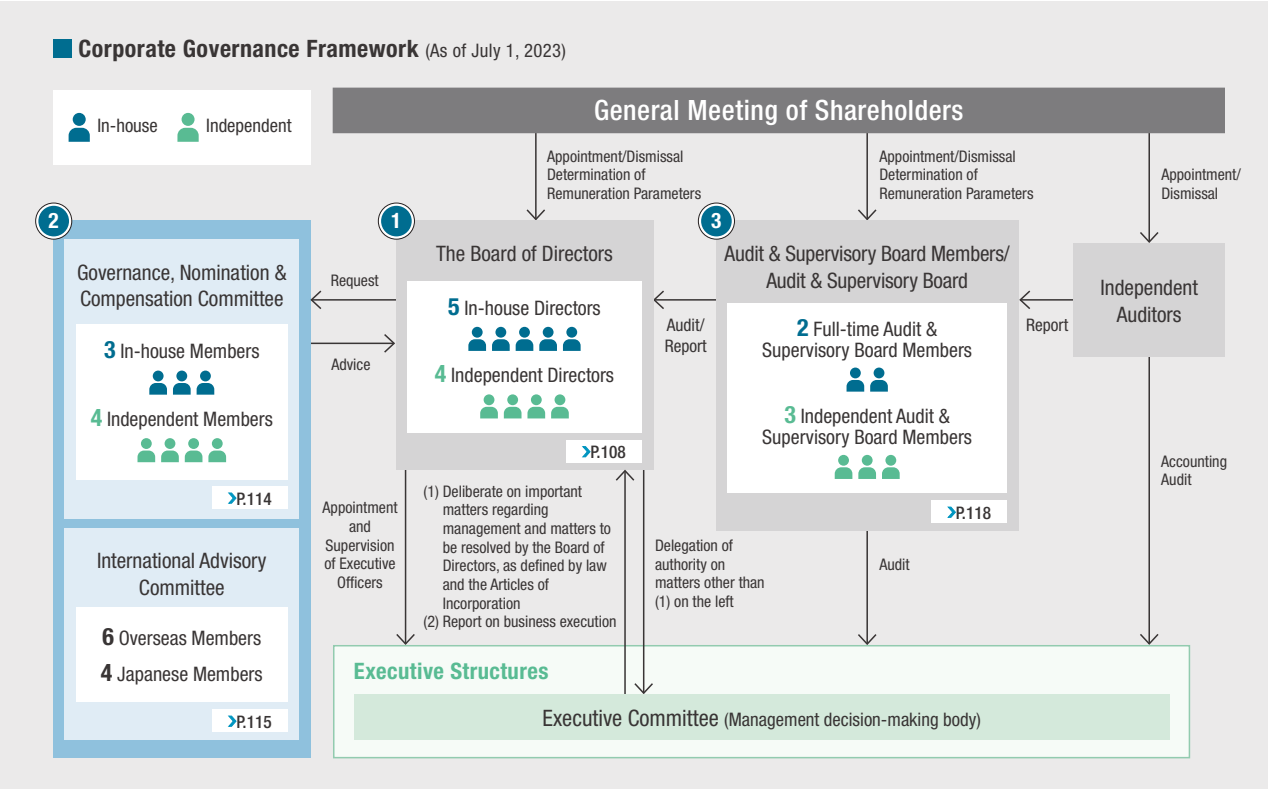
—MC’s Corporate Governance System Supporting Sustainable Growth

Basic Policy

MC strives to continuously raise corporate value through corporate activities rooted in the principles of fairness and integrity with the Three Corporate Principles for a corporate philosophy. MC believes that by helping to enrich society, both materially and spiritually, it will also meet the expectations of its shareholders, customers, and all other stakeholders.

In order to achieve these goals, MC recognizes strengthening corporate governance on an ongoing basis as an important subject concerning management since it is the foundation for ensuring sound, transparent, and efficient management. Therefore, MC is working to put in place a corporate governance system that is even more effective

based on the Audit & Supervisory Board System. This includes strengthening management supervision through such measures as (i) appointing Independent Members of the Board who satisfy MC’s Selection Criteria for Outside Directors and Outside 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, this also includes implementation of MC’s prompt and efficient decision-making and business execution through enhancing the monitoring function of the Board of Directors.



1 Board of Directors

The Board of Directors deliberates on important management issues, and supervises business execution through reports on major items of the current 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 the quantitative standards set by MC are deliberated and resolved with an emphasis on not only 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 those matters for resolution by the Board of Directors, is entrusted to the 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.

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

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

Skill Area		Reasons for Adoption
Basic Items	Business Management and Organizational Management	The Board of Directors must deliberate and make comprehensive decisions from an organizational management perspective. As such, experience in business management or organizational management that is not skewed toward any individual specialty, as well as knowledge of corporate governance based on such experience, have been designated as necessary skill areas.
	Risk Management	In order to make the Company to grow, it is important to establish and operate internal controls that comply with laws and regulations and the Articles of Incorporation, and to enhance corporate value through appropriate and efficient business execution, as well as to manage various risks related to MC’s business. Therefore, items that require a wide range of experience, insight, and expertise covering all aspects of risk management have been selected. In addition, these items encompass the following elements, which are indicated in parentheses for the appropriate person(s). <ul style="list-style-type: none"><li>• (Legal) Management of overall corporate legal affairs</li><li>• (Finance and Accounting) Management of overall financial affairs and accounting</li></ul>
Management Strategy	Innovation	In the Roadmap to a Carbon-Neutral Society, MC has declared the goal of net zero GHG emissions by 2050, and has set forth “Creating the future through the integrated promotion of EX and DX” as a business promotion theme for the entire Company. Accordingly, experience, insight, and other expertise, related to innovation, necessary for monitoring the progress of such transformation, are selected as important items.
	Energy	MC is taking on the challenge of achieving both a stable supply of energy and resources, and the lowering carbon and decarbonization of social and economic activities, and this refers to the experience, insight, and expertise in energy-related innovations that are necessary to monitor the progress of these efforts.
	Digital	MC operates globally and reflects aims to create a cross-industry digital ecosystem with optimized business models, and this refers to the experience, insight, and expertise in digital-related innovation necessary to monitor the progress of this initiative.
	Global Intelligence	Since MC operates globally and reflects intelligence on geopolitics, economic conditions, policy trends, etc., in the management strategies in a timely manner, experience, insight, and expertise in such matters have been selected as important items.
	Human Resource Strategy	The Company’s most valuable asset is human resources, and it is essential that MC continues to produce human resources with a management mindset and commitment to increasing the value of business. With a view toward creating MC Shared Value, which is one of the objectives of Midterm Corporate Strategy 2024, experience, insights, and expertise, etc., of “human resource strategy” that strives to optimize the value of our human capital have been selected as important factors. This includes strategies related to organizational structure and organization.
	Environment and Society	Since MC defines material issues as important societal issues to be solved through business activities and aims to realize a carbon-neutral society and lifestyles that are rich both materially and spiritually; experience, insight, and expertise in environmental and social matters have been selected as important items to be considered.



Directors and Audit & Supervisory Board Members (As of July 1, 2023)

Skills Matrix of Directors and Audit & Supervisory Board Members

Skills Matrix of Directors and Audit & Supervisory Board Members		Director							Audit & Supervisory Board Member							Total (persons)
		 Takehiko Kakiuchi Chairman of the Board	 Katsuya Nakanishi Representative Director, President and CEO	 Norikazu Tanaka Representative Director	 Yutaka Kashiwagi Representative Director	 Yuzo Nouchi Representative Director	 Tsuneyoshi Tatsuoaka Independent Director* <sup>1</sup>		 Shunichi Miyanaga Independent Director* <sup>1</sup>	 Sakie Akiyama Independent Director* <sup>1</sup>	 Mari Sagiya Independent Director* <sup>1</sup>	 Mitsumasa Icho Full-time Audit & Supervisory Board Member	 Akira Murakoshi Full-time Audit & Supervisory Board Member	 Rieko Sato Independent Audit & Supervisory Board Member* <sup>2</sup>	 Takeshi Nakao Independent Audit & Supervisory Board Member* <sup>2</sup>	
Responsibilities/ Main career				Senior Executive Vice President, Energy Transformation	Executive Vice President, Corporate Functional Officer, IT, CAO, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters	Executive Vice President, Corporate Functional Officer, CFO	Former Vice Minister, Ministry of Economy, Trade and Industry		Chairman of the Board, Mitsubishi Heavy Industries, Ltd.	Founder, Saki Corporation	Former Senior Vice President, IBM Japan, Ltd.	Former Executive Vice President, Group CEO, Urban Development Group	Former Executive Vice President, Corporate Functional Officer, CDO, CAO, Corporate Communications, Corporate Sustainability & CSR	Partner, ISHII LAW OFFICE	CEO, PARTNERS HOLDINGS, Co. Ltd.	CEO, SDG Impact Japan Inc.
Experience, knowledge, and expertise																
Business management/Organizational management		●	●	●	●	●	●		●	●	●	●	●	●	●	●
Risk Management		●	●	●	● (Legal)	● (Finance/Accounting)	●		●	●	●	● (Finance/Accounting)	●	Attorney ● (Legal)	Certified public accountant ● (Finance/Accounting)	●
Innovation	Energy	●	●	●			●		●							5
	Digital	●	●						●	●						4
Global Intelligence		●	●	●				●								4
Human Resource Strategy		●	●		●					●		●			●	6
Environment and Society		●	●		●		●								●	5

Note: The table above does not represent all the experience, knowledge or expertise of the Director or Audit & Supervisory Board Members.  
The applicability of each skill area in the table above is judged based mainly on the individuals' experience in former positions, their current positions, and their formal qualifications.

Reasons for the Appointment as Independent Directors

Tsuneyoshi Tatsuoaka

Number of years on Board of Directors: 5 years

B 13/14 G 5/5

Having worked at Japan's Ministry of Economy, Trade and Industry, Mr. Tatsuoaka brings to MC's Board extensive know-how with respect to strategies in resources, energy, manufacturing, and other industries, as well as sustainability insight through his knowledge on environmental and energy policies.

Main career

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

Sakie Akiyama

Number of years on Board of Directors: 3 years

B 12/14 G 5/5

Backed by her far-reaching expertise in the digital and tech spaces, Ms. Akiyama has worked as an international business consultant and is the founder of Saki Corporation, a firm that specializes in robotic inspection systems for the electronics assembly markets. She brings to MC's board a wealth of know-how in digital technologies and IT, as well as innovation and its role in growing global enterprises.

Main career

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

B Attendance at Board of Directors meetings in FY2022  
G Attendance at Governance, Nomination and Compensation Committee meetings in FY2022  
A Attendance at Audit & Supervisory Board meetings in FY2022

Note: Indicating attendance after appointment as Director/Audit & Supervisory Board Member on June 24, 2022

Shunichi Miyanaga

Number of years on Board of Directors: 4 years

B 14/14 G 4/5

Mr. Miyanaga has spent many years at the helm of a listed manufacturing conglomerate that is engaged in business all over the world. In addition to his global management experience and practical insight, he brings to MC's Board extensive know-how in the tech sector, including a keen understanding of the latest trends in net-zero, clean technologies.

Main career

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

Mari Sagiya

Number of years on Board of Directors: 1 year

B 10/10\* G 4/4\*

Ms. Sagiya has served on the boards of several globally active tech companies and is highly experienced in corporate reforms. Her vast knowledge of DX, as well as HR strategies including diversity, promises to be of great benefit to MC's Board.

Main career

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

Member of the Governance, Nomination and Compensation Committee  
Member of the International Advisory Committee

Reasons for Appointment as Independent Audit & Supervisory Board Members

Rieko Sato

Number of years on Audit & Supervisory Board: 3 years

B 14/14 A 12/12

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

Main career

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

Mari Kogiso

Number of years on Audit & Supervisory Board: 1 year

B 10/10\* A 9/9\*

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

Main career

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

\*1 Indicates the fulfillment of the conditions for Outside Directors as provided for in Article 2, Item 15 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors/Auditors as specified by Tokyo Stock Exchange, Inc. as well as Selection Criteria for Independent Directors specified by Mitsubishi Corporation.  
\*2 Indicates the fulfillment of the conditions for Outside Audit & Supervisory Board Member as provided for in Article 2, Item 16 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors/Auditors as specified by Tokyo Stock Exchange, Inc. as well as Selection Criteria for Independent Audit & Supervisory Board Members specified by Mitsubishi Corporation.

Takeshi Nakao

Number of years on Audit & Supervisory Board: 3 years

B 14/14 A 12/12

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

Main career

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





Special Feature Deliberations at the Board of Directors for Realizing Effective Corporate Governance

The Board of Directors deliberates important management issues, and supervises business execution through reports on major items of Midterm Corporate Strategy 2024, each Business Group’s business strategy, etc. The results of the deliberations in FY2022 are as follows.

Agenda of the Board of Directors in FY2022

Themes	Main Discussion Themes	
Management Strategy and Sustainability-Related Items	<ul style="list-style-type: none"><li>Formulation of Midterm Corporate Strategy 2024 <b>FOCUS</b> ▶P113</li><li>Business Strategy Committee report</li><li>Management Strategy Meeting report</li><li>EX progress report <b>FOCUS</b> ▶P113</li></ul> <ul style="list-style-type: none"><li>Business Execution reports (non-financial and financial risk management, HR strategy, regional strategy, and sustainability-related measures [including regarding shareholder proposals])</li></ul>	
Governance- and Corporate-Related Items	<ul style="list-style-type: none"><li>Governance, Nomination and Compensation Committee report</li><li>International Advisory Committee report</li><li>Evaluation of the effectiveness of the Board of Directors <b>FOCUS</b> ▶P116</li><li>Remuneration for Directors and Audit &amp; Supervisory Board Members</li><li>Organizational structure</li><li>Rules and regulations</li><li>Financial statements</li></ul> <ul style="list-style-type: none"><li>Fund procurement policy</li><li>Verification of holding policy for listed shares <b>FOCUS</b> ▶P112</li><li>Ordinary General Meeting of Shareholders’ related items</li><li>Compliance report</li><li>Internal control systems</li><li>Company indemnification agreements</li><li>Items related to directors and officers (D&amp;O) liability insurance, etc.</li></ul>	
Investment and Finance Proposals	<ul style="list-style-type: none"><li>Donations for the establishment of incubation program with Kyoto University</li><li>HERE Technologies</li><li>EX funds</li><li>Sakhalin 2 project</li></ul> <ul style="list-style-type: none"><li>Onahama Petroleum Co., Ltd. Distribution Terminal</li><li>Chiyoda Corporation</li><li>N.V. Eneco offshore wind power generation business</li><li>Mitsubishi Auto Leasing Corporation, etc.</li></ul>	

FOCUS

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. Also, MC periodically reviews the rationality of continuing to hold the shares and promotes reducing holdings of stocks with decreased significance.

Reduction in holdings of listed stock

Based on the results of the above verification, in FY2022, MC sold approximately 39.6 billion yen of its shareholdings (including 13.8 billion yen in deemed holding shares), a decrease of approximately 10% from the previous fiscal year. As of March 31, 2023, the total market value was approximately 0.5 trillion yen (including deemed holding shares). Past reduction in holdings are shown below.

FY2020	FY2021	FY2022
¥91.5 billion	¥85.2 billion	¥39.6 billion

(Market value basis and including deemed holding shares)

Verification policy for holding individual shares

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

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

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, 2023 (market value was approximately 0.5 trillion yen).

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 factors such as a decreased importance of the expected purpose and significance for holding them.

MC’s Board of Directors from the Perspective of Independent Directors

In order to realize effective corporate governance, MC utilizes the practical, objective, and professional perspectives of Independent Directors and the neutral perspectives based on the extensive knowledge and experience of Independent Audit & Supervisory Board Members to deliberate at meetings of the Board of Directors and in other opportunities for discussion.

FOCUS

Monitoring of “Midterm Corporate Strategy 2024”

In May 2022, we formulated and announced “Midterm Corporate Strategy 2024.” Independent Directors and Independent Audit & Supervisory Board Members shared the opinion, which was gathered in advance through meetings of the Board and the Evaluation of the Effectiveness of the Board of Directors, that we should be firmly involved in the process of formulating the midterm strategy, in accordance with the Corporate Governance Code. This opinion was reflected in the formulation process. Specifically, we reviewed the previous midterm strategy, and Independent Directors and Audit & Supervisory Board Members voiced objective criticisms from an external viewpoint, including comments that may have been difficult to voice internally. In the process of formulating Midterm Corporate Strategy 2024, we had direct discussions with President Nakanishi on several occasions, and the opinions of Independent Directors and Independent Audit & Supervisory Board Members are reflected in it.

In this way, as involvement of Independent Directors and Independent Audit & Supervisory Board Members starts from the process of formulating the midterm strategy, I feel we are able to perform our monitoring function at a very high level of effectiveness by not just listening to reports and remarking on points that catch your attention, but considering the deliberations behind the strategy, the assumptions upon which it was created, and the progress toward implementing the strategy.

We also spend enough time outside of regular Board meetings talking with top executives and other members of management in offices. I feel like MC’s emphasis on building ties of trust is very much apparent on these occasions.

Sakie Akiyama  
Independent Director



FOCUS

EX Strategy Discussion

As part of our efforts toward a Carbon-Neutral Society, MC disclosed its GHG emissions-related indicators and data on avoided emissions in February 2023 (see page 53 for details). We engaged in extensive deliberations with the executive side of management about how and to what extent we should handle Scope 3 emissions and the topic of internal carbon pricing, as I felt it was a valuable step in the sense of understanding where MC stands on this.

In addition to these discussions, I would like to highlight two points in particular on the Board’s EX-related deliberations.

The first is to how to consider carbon neutrality as a *sogo shosha* (trading company), which in many ways is an entirely unique business entity. MC is developing a remarkable range of operations and creating diverse business models. Since it is involved in supplying energy, which is indispensable for human activities, I would like MC to have a presence that fulfills its role in providing solutions to Japan and the rest of the world by utilizing all of the various means at our disposal. And by extension, I believe it will also contribute to MC’s sustainability in global markets.

The second point is management during the transition period. Currently, MC has selected EX-related potential projects to a point

where we will not regret working on them, regardless of what changes there are in the external environment, and I think this is a reasonable approach. Moving forward, amid times of great uncertainty, the key question is to determine when the timing is right and what moves to make for advancing projects. The catalyst for sparking change in the business environment will be geopolitical risk, technological innovation (or some sudden, unforeseen development), and reforms of government regulations and regulatory systems. We need to be able to detect and understand these developments while also showing foresight. At the same time, we must look to stay a half step ahead of the curve in this respect. In FY2022, efforts have begun to develop a framework for acquiring, organizing, sharing, and utilizing internal intelligence. As a Board of Directors, we will closely monitor and support if the information produced under this framework leads to concrete actions in the area of our EX Strategy and if it functions as an approach for addressing societal challenges, that is, if it leads to the creation of MCSV, and will support it.

Tsuneyoshi Tatsuoka  
Independent Director





2 Board of Directors' Advisory Bodies

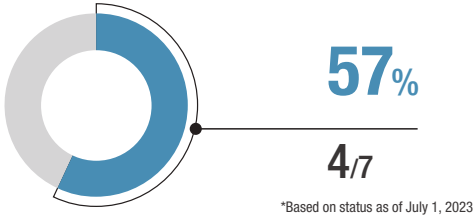
Governance, Nomination and Compensation Committee

The majority of the Committee's members are Independent Directors. It deliberates on matters related to governance, nomination, and compensation.

Composition of Committee (\*Committee Chairman) (As of July 1, 2023)

Independent members (4)		In-house members (3)	
Independent Director	Tsuneoyoshi Tatsuoka	Chairman of the Board	Takehiko Kakiuchi*
Independent Director	Shunichi Miyanaga	Director, President and CEO	Katsuya Nakanishi
Independent Director	Sakie Akiyama	Full-time Audit & Supervisory Board Member	Mitsumasa Icho
Independent Director	Mari Sagiya		

Number and Percentage of Independent Members\*



\*Based on status as of July 1, 2023

Main discussion themes

- The corporate governance system (roles, functions, and selection methods of the Directors and Audit & Supervisory Board Members, etc.)
- Evaluation of the effectiveness of the Board of Directors
- Successor requirements and basic policies concerning the appointment and dismissal of the President and Chief Executive Officer
- Review of the remuneration package including the policy for setting remuneration, appropriateness of remuneration levels and composition, and linkage to sustainability factors

President's Performance Evaluation Committee

The President's Performance Evaluation Committee has been established as a subcommittee to the Governance, Nomination and Compensation Committee, comprising the same Chairman and Independent Directors as the parent committee to evaluate the President's performance. The President is not a member of the committee.

Special Feature

Efforts to Improve the Effectiveness of the Governance, Nomination and Compensation Committee

Since the establishment of the Governance Committee in 2001, MC has deepened the structure and content of deliberations of the committee in response to changes in the internal and external environments. Since 2015, the Governance, Nomination and Compensation Committee, has the structure where the three issues, that is governance, nomination, and compensation, are discussed together to enhance the effectiveness of management supervision.

The majority of the committee members in charge of deliberation are Independent Members with various expertise and experience, thereby ensuring objectivity and transparency. The Chairman of the Board chairs the committee and leads deliberations in an impartial manner, taking into account the realities of the executive side, allowing for a more thorough deliberation.

In recent years, each of the governance, nomination, and compensation issues has been deliberated more carefully, with time allocated for deliberation extended. The content of the deliberations includes, in terms of governance, various issues

such as confirmation of the roles and functions of the Board of Directors and Directors (in-house and independent), and the Selection Criteria. In terms of nomination, requirements for the President are deliberated on an ongoing basis to realize a careful selection process for the position. With respect to compensation, appropriate remuneration packages for Directors and Audit & Supervisory Board Members are deliberated on an ongoing basis. Most recently, in June 2023, following deliberations by the committee, new sustainability factors were added as performance-linked indicators to the KPIs used to calculate performance-linked bonus (medium to long term). A newly established evaluation subcommittee of the Governance, Nomination and Compensation Committee comprehensively evaluates initiatives related to maximizing the Value of Human Capital and Contributing to Decarbonized Societies. The members of the subcommittee are the Chairman of the Board and Independent Directors, to whom this form of remuneration does not apply, and the committee is chaired by an Independent Director.



International Advisory Committee

Comprises overseas experts from various backgrounds, including industry, government, and academia, and provides recommendations and advice from an international perspective through exchange of opinions and discussions on the external environment with a focus on world affairs.

International Advisory Committee (6) (As of July 1, 2023)

	Member	Nationality	Title	Principal area of specialization and background
	Mr. Jaime Augusto Zobel de Ayala II	The Philippines	Chairman, Ayala Corporation	Mr. Zobel has experience in growing a global business launched from the ASEAN region, and therefore has thorough knowledge of various geopolitical and industry trends in Asia, particularly in the ASEAN region.
	Professor Joseph S. Nye	United States of America	Harvard University, Distinguished Service Professor	Professor Nye is a globally renowned scholar in the field of geopolitics. He has held important positions in multiple presidential administrations, including Chairman of the National Intelligence Council of the United States. He is well known for proposing and establishing "Soft Power" as the foundation of a stable world order.
	Mr. Niall FitzGerald, KBE	Ireland	Former CEO and Chairman, Unilever plc	Mr. FitzGerald, KBE has served as Chairman of several major companies such as Unilever plc, as well as the British Museum. He has outstanding knowledge and expertise at the intersection of both industry and geopolitics in both emerging and developed countries.
	Mr. Natarajan Chandrasekaran	India	Chairman, Tata Sons. Pvt. Ltd.	Mr. Chandrasekaran brings immense knowledge of myriad industries around the world in addition to his many years of management experience within the Tata Group, India's largest conglomerate.
	Sir Rod Eddington	Australia	Former CEO, British Airways	As CEO, Sir Rod Eddington successfully steered Cathay Pacific Airways Limited and British Airways through reformative and challenging periods. He has a wealth of experience in this and other infrastructure industries, having led major shift projects.
	Ambassador Bilahari Kausikan	Singapore	Former Permanent Secretary, Ministry of Foreign Affairs Singapore	Ambassador Kausikan has a wealth of diplomatic experience, having held senior positions such as Ambassador to the Russian Federation, Permanent Representative to the United Nations, Ambassador-at-Large etc., for geopolitically sensitive Singapore.

Japanese Members (4) (\*Committee Chairman) (As of July 1, 2023)

Takehiko Kakiuchi*	Katsuya Nakanishi	Norikazu Tanaka	Tsuneoyoshi Tatsuoka
Chairman of the Board	Director, President and CEO	Director, Senior Executive Vice President	Independent Director

Main discussion themes

- U.S.-China intensified competition/decoupling crisis: Future of the Chinese economy
- Conflict in Europe: Russia-Ukraine situation and its impact on decarbonization
- Emerging economies: Weathering a global downturn and the impact of ideology and demography





FOCUS

Evaluation of the Effectiveness of the Board of Directors

Since 2015, MC has evaluated the effectiveness of the Board of Directors every year. Since FY2018, MC has carried out a self-evaluation led by Independent Directors and Independent Audit & Supervisory Board Members. The results of the evaluation for FY2022 and policy going forward are as follows.

Evaluation Approach	<p>In FY2022, to verify the appropriateness of the evaluation process and further enhance its usefulness, MC arranged for an outside consultant to review the methods and processes of the evaluations for FY2019 through FY2021.</p> <p>The review confirmed that the self-evaluation process led by Independent Directors and Independent Audit &amp; Supervisory Board Members was effective. As a result of the review, the questionnaires and interviews were improved to focus more on reflection on the roles and functions of Directors and Audit &amp; Supervisory Board Members, the degree to which these roles were accomplished, and the quality and quantity of their deliberations.</p>
Evaluation Process	<p><b>STEP 1</b> The Governance, Nomination and Compensation Committee discussed the evaluation's implementation methods and processes.</p> <p><b>STEP 2</b> Independent Director Sakie Akiyama and Independent Audit &amp; Supervisory Board Member Rieko Sato led the evaluation, formulating survey questions, surveying all Directors and Audit &amp; Supervisory Board Members, and analyzing and evaluating the responses. In addition, the opinions from the Business Group CEOs, which are opinions from outside the Board of Directors and Audit &amp; Supervisory Board Members, were also surveyed to make a multifaceted analysis possible and to ensure objectivity and independence.</p> <p><b>STEP 3</b> The results were analyzed and evaluated in the meetings of Independent Directors and Independent Audit &amp; Supervisory Board Members as well as the Governance, Nomination and Compensation Committee, then deliberated by the Board of Directors.</p>
Questionnaire	<p>The questionnaire covered the size, composition, and agenda items of the Board of Directors; the roles and functions of the Directors and Audit &amp; Supervisory Board Members (including the quality of their contributions); the operations and practical tasks of the Board of Directors; the composition and operation of the Governance, Nomination and Compensation Committee; the operation of meetings of Independent Directors and Independent Audit &amp; Supervisory Board Members; and measures and operations of dialogues with Executive Officers.</p>
Evaluation Results and Policy Going Forward	<p>The evaluation, carried out through the abovementioned processes, confirmed that the effectiveness of the Board of Directors remained adequately secure through sufficient information disclosure and open communication based on relationships of trust under the Company's new administration following the change of Chairman of the Board and President and CEO. The results of the evaluation and policy going forward are as follows.</p>

	FY2022 Consideration and Policy	Major Initiatives in FY2022	FY2022 Consideration and Policy	FY2023 Policy
Role, Functions, Size, and Composition of the Board of Directors	<ul style="list-style-type: none"><li>The functions, size, and composition of the Board of Directors, beyond succession planning and the successor selection process, shall be continuously deliberated leveraging the Governance, Nomination and Compensation Committee with the aim of ongoing corporate value enhancement.</li></ul>	<ul style="list-style-type: none"><li>Reconfirmed the roles and functions of the Board of Directors, Directors, and Audit &amp; Supervisory Board Members.</li><li>A self-evaluation, in light of the functions of Directors and Audit &amp; Supervisory Board Members, was conducted through the process of evaluating the effectiveness of the Board of Directors.</li></ul>	<ul style="list-style-type: none"><li>The evaluation praised the Board's active discussions and deliberations based on diverse perspectives, including those of the Independent Directors and Independent Audit &amp; Supervisory Board Members.</li><li>The evaluation confirmed the importance of continuing to provide sufficient information to the Independent Directors and Independent Audit &amp; Supervisory Board Members and of the use of such information by the Independent members to deepen their understanding of business activities and contribute to deliberations to enhance discussions at the Board of Directors.</li></ul>	<p>Continue to consider the optimal governance system and the ideal roles and functions of the Board of Directors, Directors themselves, and Audit &amp; Supervisory Board Members in light of changes in the internal and external environment.</p>
Agenda Items	<p>Midterm Corporate Strategy 2024</p> <ul style="list-style-type: none"><li>Continuously exchanging views from the planning stage of Midterm Corporate Strategy 2024 onward and monitoring major items at the Board of Directors.</li></ul> <ul style="list-style-type: none"><li>Supplementing Board of Directors discussions with other opportunities for discussion to enhance dialogue and exchange views on major Company policy, such as corporate strategy.</li></ul>	<ul style="list-style-type: none"><li>The President and CEO, Independent Directors, and Independent Audit &amp; Supervisory Board Members actively discussed Midterm Corporate Strategy 2024, leading to its final formulation and publication.</li><li>The Board of Directors carefully monitored major items of Midterm Corporate Strategy 2024.</li><li>Further increased dialogues with Executive Officers, expanding opportunities for discussion of broad Company direction, such as corporate strategy.</li></ul>	<ul style="list-style-type: none"><li>Both management and supervision sides highly praised in the evaluation for the close exchange of views with the Independent Directors and Independent Audit &amp; Supervisory Board Members from the planning stage of Midterm Corporate Strategy 2024 onward.</li><li>The first year of Midterm Corporate Strategy 2024 was appropriately monitored.</li><li>The evaluation confirmed the need to continue ongoing monitoring of Midterm Corporate Strategy 2024, as underlying assumptions vary in light of major changes in the external environment.</li><li>The evaluation found that the effective interplay between the content of discussions at the Board of Directors and elsewhere led to a wealth of opportunities for discussion and information provision.</li></ul>	<ul style="list-style-type: none"><li>Continue to monitor progress of the major items of Midterm Corporate Strategy 2024, centered on the creation of MC Shared Value through reporting to the Board of Directors.</li><li>Carefully monitor the progress of growth strategies, including the progress of investment plans, while grasping changes of its initial assumptions.</li><li>Continue to effectively utilize opportunities both inside and outside Board of Directors meetings to discuss broad Company direction. Management continues to provide various information to facilitate such discussions.</li></ul>

Comments from Independent Members of the Board and Officers Responsible for Evaluating Board Effectiveness



Sakie Akiyama  
Independent Director

Having evaluated a wide range of agenda items, from the review of FY2022 to the consideration of medium- to long-term issues, it is confirmed that the effectiveness of the Board of Directors remained secure. I believe that the many opportunities for dialogue with the executive side, which are provided on multiple levels throughout the year, serve as the foundation for ensuring Board effectiveness. MC has an environment in which we can gain a three-dimensional awareness of the realities of management through dialogue and conducting open discussions based on mutual understanding between the executive and monitoring sides of management. As this was the first evaluation since the change in President and CEO, I would like to strive for even further governance improvements under this environment.

In FY2022, the Board of Directors was under the Company's new administration following the change of Chairman of the Board and President and CEO. Nevertheless, it is confirmed that Board effectiveness remained properly secured. I believe that only through providing information and enhancing two-way communication would the Board of Directors be able to fulfill its role and expectations. In MC, I am seeing more opportunities than ever for information provision, dialogue with executives, and various forms of communication. As a result, I feel that an appropriate relationship of trust has been fostered as well as a healthy level of tension with the executive side. I will continue to work on improving governance based on this relationship.



Rieko Sato  
Independent Audit & Supervisory Board Member

Dialogues with and Site Visits to Business Subsidiaries and Affiliates

For further understanding of MC's wide-ranging businesses, every year the Independent Directors and Independent Audit & Supervisory Board Members visit business sites of subsidiaries and affiliates and hold dialogues with their management and executives. In FY2022, overseas site visits were resumed after a three-year suspension. In October 2022, Independent Members of the Board visited Australia to observe a currently operating metallurgical coal mine owned by BMA and a silica sand mine owned by Cape Flattery Silica Mines, among other sites. Through dialogue with top management of those companies, the visitors learned more about the status of operational digitalization, environmental considerations, and initiatives aimed at harmony with local communities. In November 2022, they visited automotive-related business sites in Thailand and Indonesia. In addition to observing the status of efforts to promote DX in the value chain by leveraging the customer base built up through sales activities over the years, they discussed the future of the automotive business with local top management.



BMA Metallurgical Coal Mining Site  
(October 2022)



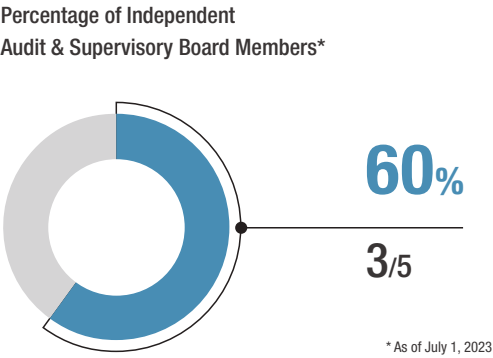
Tri Petch Isuzu Sales Co., Ltd (Thailand)  
(November 2022)

FY2022 Visits	
October 2022	Metallurgical coal mines and silica mines in Australia
November 2022	Dialogue with management executives of Automotive-related business companies in Thailand and Indonesia
March 2023	Shonan Health Innovation Park (Shonan iPark)



3 Audit & Supervisory Board Members and Audit & Supervisory Board

The Audit & Supervisory Board comprises all of the Audit & Supervisory Board Members responsible for auditing the decision-making processes and management performance of Directors in compliance with the Companies Act and other laws and regulations as well as MC's Articles of Incorporation and internal rules and regulations. Full-time Audit & Supervisory Board Members and Independent Audit & Supervisory Board Members ensure the soundness of management by executing audits informed by abundant working experience at MC and by experience in their particular fields as well as having neutral and objective perspectives, 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 of key areas.  
In FY2022, the following three key audit areas were selected for the monitoring of specific progress in management and execution.

1

Following-Up Midterm Corporate Strategy 2024

- Progress of major items in Midterm Corporate Strategy 2024

2

Enhancing MC Group Management

- Establishment of self-sustaining governance at MC Group companies
- Risk management and compliance framework on a consolidated basis

3

Initiatives to Strengthen Corporate Governance

- Further enhancement of deliberations at Board of Directors
- Ensuring the effectiveness of remote audits/internal controls

Toward Sustainable Growth on a Consolidated Basis

In FY2022, the first year of Midterm Corporate Strategy 2024, one of the key audit areas was to follow up on Midterm Corporate Strategy 2024 to confirm the initiatives for Creating MC Shared Value, such as progress on the growth strategies (EX, DX, and Creating a New Future) and the reallocation of managerial resources by accelerating the Value-Added Cyclical Growth Model. Having taken into consideration the ongoing impact of the COVID-19 pandemic and the easing of travel restrictions, we conducted face-to-face dialogues, onsite audits and observations, including overseas, to actively gather information and assess conditions in a rapidly changing business environment.  
We will continue to strengthen collaboration with Independent Auditors and the Internal Audit Department to enhance corporate governance, as well as closely monitor its sustainable growth under appropriate risk management on a consolidated basis.

Mitsumasa Icho  
Full-time Audit & Supervisory Board Member

Akira Murakoshi  
Full-time Audit & Supervisory Board Member

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

1 Dialogue with Executive Officers

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

Number of dialogues with CEOs and other Executive Officers\*1

67

2 Attendance at Important Meetings

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

Number of important meetings attended\*1

132

3 Onsite Audits and Observations

In light of the relaxation of restrictions on overseas travel, the Audit & Supervisory Board resumed overseas onsite audits and observations, which they worked to enhance while striving to prevent the spread of COVID-19. In FY2022, the Audit & Supervisory Board Members met with the CEOs and Executive Officers of 24 MC Group companies in seven locations overseas and 19 domestic MC Group companies, as well as the regional chiefs of 10 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 relevant executive officers.

Number of onsite audits and observations\*1

53 companies/locations

Seven locations overseas/24 companies  
19 domestic companies  
Regional chiefs of 10 offices

4 Reinforcement of Group Corporate Governance

In addition to dialogues with the CEOs and other Executive Officers of the MC Group companies, opportunities are arranged for the exchange of information every quarter with the Audit & Supervisory Board Members of 37 major Group companies in Japan, and Audit & Supervisory Board Members of the MC Group companies also convene subcommittees to provide opportunities to share information and exchange opinions. MC also provides assistance in training for those who will be assigned to the MC Group companies as Full-time Audit & Supervisory Board Members. We will continue working to strengthen the Group corporate governance through regular monitoring.

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

To increase the effectiveness of the audits performed by Audit & Supervisory Board Members, in FY2022, continuing initiatives implemented in FY2021, we further enhanced the reviews of the activities of the Audit & Supervisory Board. Specifically, as in previous years, the Audit & Supervisory Board held mid-year and year-end reviews of audit progress, focusing mainly on key audit areas. In addition, the Audit & Supervisory Board carried out an evaluation of its effectiveness, mainly through a survey of its members and hearings about the survey results. The Audit & Supervisory Board discussed the findings of this evaluation in order to review its auditing methods and reflect the results in the audit plan for the coming fiscal year. The evaluation found that the audits performed by the Audit & Supervisory Board functioned adequately, that ongoing efforts are being made to enhance the Audit & Supervisory Board's effectiveness, and that it will continue to bolster its effectiveness going forward by working to enhance operations in such areas as efficiently setting up dialogues.

Onsite audit of MC Data Plus, Inc.

Onsite audit of Mitsubishi Company (Thailand) Ltd. / Thai-MC Company Limited

\*1 Number for FY2022

Enhancement of Tripartite Audits

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

Collaboration with Independent Auditors and Evaluation of Independent Auditors

We work with Independent Auditors through their outline briefings on accounting audit plans, audit reports for quarterly results, and monthly meetings. During on-site audits and visits, we also exchange opinions with the Independent Auditors of MC Group companies in Japan and overseas.  
With regard to performance evaluations of Independent Auditors, we keep track of evaluation data during the fiscal year from regular audit reports and other sources, and hold an Independent Auditor evaluation conference at the end of the fiscal year. As a result, we have concluded that the current Independent Auditors performed appropriate audits in a professional manner, and accordingly, the Audit & Supervisory Board resolved to reappoint the Independent Auditors.

Collaboration with the Internal Audit Department

The Internal Audit Department and Full-time Audit & Supervisory Board Members hold monthly meetings where exchanges of opinions are made concerning reports on internal audit results. Also, at Audit & Supervisory Board meetings, the Internal Audit Department reports their quarterly audit results that are also reported to the President and CEO.  
In addition, Audit & Supervisory Board Members attend the internal auditor liaison meetings of 45 major MC Group companies in Japan held by the Internal Audit Department, while the General Manager of the Internal Audit Department attends liaison meetings held by MC's Audit & Supervisory Board Members with the Audit & Supervisory Board Members of the MC Group companies mentioned above, and all parties collect audit information and exchange opinions.



Overview of Remuneration Package

Basic Approach

Remuneration levels	<div>• Remuneration levels are set based on the functions and roles of Directors and Audit &amp; Supervisory Board Members and the Company's level of performance, etc.</div> <div>• 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.</div>
Remuneration composition	<div>• 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, profit (single year and medium to long term), sustainability factors (medium to long term), and the share price, and share growth rates (medium to long term) are adopted as key performance indicators.</div> <div>• To ensure the independence of the Chairman of the Board and Independent Directors, who undertake functions of management oversight, and Audit &amp; Supervisory Board Members, who undertake audits, the Company only pays them fixed monthly remuneration.</div>
Governance of remuneration	<div>• The Governance, Nomination and Compensation Committee, where a majority of the members are Independent Directors and Independent Audit &amp; Supervisory Board Members, continuously deliberates and monitors methods for deciding remuneration packages, the fairness of remuneration levels and compositions (including components of remuneration subject to clawback policy), and the status of implementation.</div>

Remuneration Package for Directors and Audit & Supervisory Board Members

Remuneration Type/ Portion of Total	Payment Form	KPI		Performance Period	Remuneration Details	Limit			
						Executive Directors	Chairman of the Board	Outside Directors	Audit & Supervisory Board Members
Base salary	Fixed; About 20-50%			Year 1	<ul style="list-style-type: none"><li>• An amount determined by the Board of Directors according to position, paid monthly.</li></ul>		①	⑤	
Annual deferral for retirement remuneration					<ul style="list-style-type: none"><li>• Fixed amount of annual deferral for retirement remuneration set aside each year; to be paid in full retirement, with Board of Directors' approval of payment amounts.</li><li>• By resolution of the Board of Directors, non-payment or reduction of the amount is possible in the event of a serious violation of a delegation agreement, etc.</li></ul>				
Individual performance-linked remuneration*	Variable (single year); About 25-30%	Individual performance (single year)			<ul style="list-style-type: none"><li>• Payment amount determined for each Director and Executive Officer based on assessments of performance in both financial and non-financial terms by the President, with the authority delegated by the Board of Directors.</li><li>• The assessment on the President's performance is determined by the President's Performance Evaluation Committee.</li><li>• Performance assessment results are reported to the Board of Directors and Governance, Nomination and Compensation Committee.</li></ul>				
Performance-linked bonus (short term)*	Cash	Profit for the year (single year)		Year 1	<ul style="list-style-type: none"><li>• The amount paid is determined in line with profit for the relevant fiscal year based on formula resolved by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee.</li><li>• No bonus is paid if profit for the year is below the profit threshold resolved ahead of time by the Board of Directors based on consolidated capital cost.</li></ul>	②			
Performance-linked bonus (medium to long term)*		Variable (medium to long term); About 25-50%	Profit for the year (medium to long term)		Year 1 Year 2 Year 3	<ul style="list-style-type: none"><li>• The amount paid is determined in line with the average profit for the relevant three fiscal years based on formula resolved by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee.</li><li>• No bonus is paid if the average for the relevant three fiscal years is below the average profit threshold resolved ahead of time by the Board of Directors based on consolidated capital cost.</li><li>• In addition, the amount varies in accordance with the results of evaluations of initiatives related to optimizing the Value of Human Capital and Contributing to Decarbonized Societies. These evaluations are carried out by the Governance, Nomination and Compensation Committee, which comprehensively examines initiatives over the relevant three fiscal years while also considering longer-term impact in both quantitative and qualitative terms. The evaluation results are reported to the Board of Directors and disclosed to the public.</li></ul>	③	—	
	Sustainability factors (medium to long term)		Optimizing the value of human capital Contributing to Decarbonized Societies						
Stock-based remuneration linked to medium- to long-term share performances	Shares (stock options)	Share price/ Growth rate in shares (medium to long term)		Year 1 Year 2 Year 3	<ul style="list-style-type: none"><li>• The Board of Directors determines the number of shares allocated to each person.</li><li>• No allocated stock options can be exercised for a three-year performance period. Based on a remuneration formula decided by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee, the number of stock options that can be exercised at the end of this period varies between 40% and 100% according to the share growth rate [calculated as Total Shareholder Return (TSR) divided by the TOPIX benchmark growth rate over the same period].</li><li>• The basic policy is that Directors are obliged to hold any shares while in office. Sales of such shares are restricted until their aggregate market value exceeds approximately 300% of the base salary of each position.</li></ul>	④			

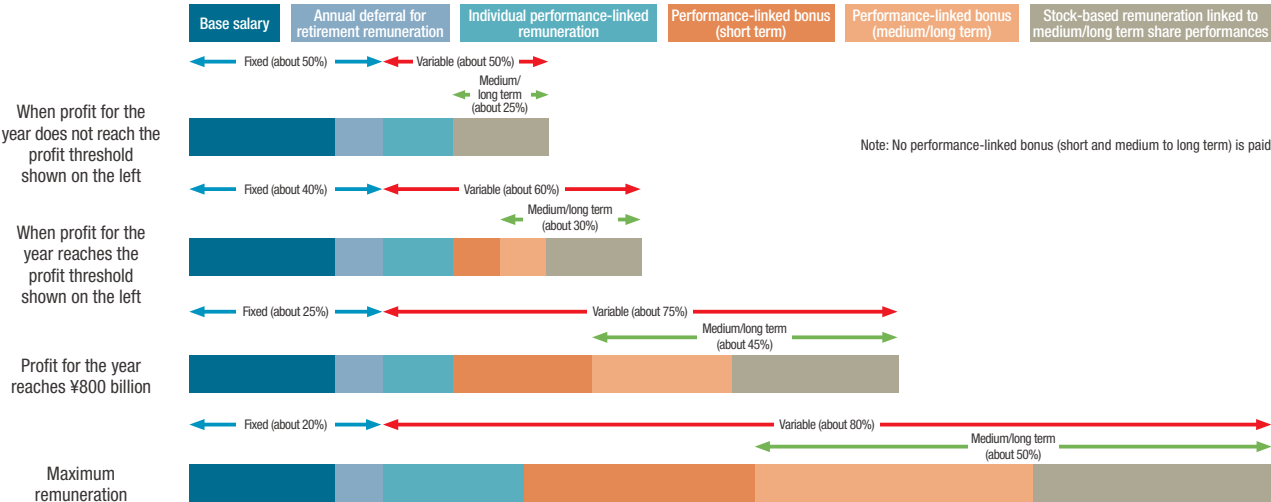
Note 1: 1 to 5 in the table indicate the number of limits on remuneration that correspond to each remuneration item. See the next page for details.  
Note 2: Remuneration items with an asterisk are subject to the clawback policy. See page 123 for details.

(Figures rounded down to nearest million yen)

	Item Type	Item Details	Total Remuneration* <sup>2</sup> (FY2022)
①	Director remuneration* <sup>1</sup>	Base salary, annual deferral for retirement remuneration, and individual performance bonus totaling up to ¥1.5 billion annually (for Independent Directors, base salary totaling up to ¥180 million)	¥986 million (of which, ¥150 million for Independent Directors)
②		Performance-linked bonus (short term) up to 0.06% of profit (attributable to owners of the Parent) for the relevant fiscal year (annual amount)	¥385 million
③		Performance-linked bonus (medium to long term) up to 0.06% of the average of profit (attributable to owners of the parent) for the relevant fiscal year and subsequent two fiscal years (annual amount)	¥385 million
④		Stock-based remuneration linked to medium- to long-term share performances up to ¥600 million annually (up to 400,000 shares annually)	¥199 million (100,250 shares)
⑤	Audit & Supervisory Board Member remuneration* <sup>1</sup>	Base salary for Audit & Supervisory Board Members totaling up to ¥250 million annually	¥237 million (of which, ¥63 million for Independent Audit & Supervisory Board Members)
Total			¥2,192 billion

\*1 Approved at the 2019 Ordinary General Meeting of Shareholders held on June 21, 2019. The number of directors to whom the above amounts of director remuneration (excluding stock-based remuneration linked to medium- to long-term share performance) applied was 13 (including five Independent Directors); the number of directors to whom the above amount of stock-based remuneration linked to medium- to long-term share performance applied was seven; and the number of Audit & Supervisory Board Members to whom the above amount of Audit & Supervisory Board Member remuneration applied was five (including three Independent members).  
\*2 Please see the bottom of the page for details on remuneration of Directors and Audit & Supervisory Board Members.

Remuneration Payment Mix (Conceptual Image)



The above diagram shows a remuneration mix calculated based on certain values for consolidated earnings and the share price for illustrative purposes only. The actual mix will vary depending on changes in the Company's consolidated performance, stock market conditions, and other factors.

Total Amounts of Remuneration for Directors and Audit & Supervisory Board Members and Number of Eligible People in FY2022

(Millions of yen)

Title	Total Remuneration	Base salary		Annual deferral for retirement remuneration		Individual performance bonus		Performance-linked bonus (short term)		Performance-linked bonus (medium to long term)		Stock-based remuneration linked to medium- to long-term share performances	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
In-house Directors	1,805	9	554	5	61	5	220	5	385	5	385	5	199
Independent Directors	150	6	150	—	—	—	—	—	—	—	—	—	—

Title	Total Remuneration	Base salary		Annual deferral for retirement remuneration		Individual performance bonus		Performance-linked bonus (short term)		Performance-linked bonus (medium to long term)		Stock-based remuneration linked to medium- to long-term share performances	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
Full-time Audit & Supervisory Board Members	174	3	174	—	—	—	—	—	—	—	—	—	—
Independent Audit & Supervisory Board Members	63	4	63	—	—	—	—	—	—	—	—	—	—

(Figures less than one million yen are rounded down.)  
Notes:  
1. The above figures include four Directors and one Audit & Supervisory Board Member who retired, and one Audit & Supervisory Board Member who resigned during FY2022. Furthermore, there were 11 Directors (including five Independent Directors) and five Audit & Supervisory Board Members (including three Independent Audit & Supervisory Board Members) as of March 31, 2023.  
2. The above figures of individual performance bonus represent the amounts recorded as provisions granted for FY2022.  
3. The above figures for performance-linked bonus (short term) are determined based on profit for the year of 1,180.7 billion yen for FY2022 based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.  
4. The above amounts for performance-linked bonus (medium to long term) are paid on an average of the profit for the year over FY2022 to FY2024, but as this cannot be decided currently, the amount shown is provisions for such bonuses as of FY2022. The actual amount paid for FY2022 will be based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors, and the amount for FY2022 will be disclosed in the Fiscal 2024 Business Report. The actual amount paid for FY2020 was based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors. The amount was paid on the average of 763.6 billion yen in

profit for FY2020 to FY2022, totaling 254 million yen for five Directors in FY2020. The actual amount paid for FY2021 will be paid on an average of the profit for the year over FY2021 to FY2023 but as this cannot be decided currently, a total of 385 million yen for five Directors in FY2021 was recorded as provisions in FY2022 but was not included in the table. The actual amount paid for FY2021 will be disclosed in the Fiscal 2023 Business Report.  
5. The above figures for stock-based remuneration linked to medium- to long-term share performance (stock-linked compensation plan with market conditions) is the amount recorded as an expense granted for FY2022. In regard to stock-based remuneration linked to medium- to long-term share performance, the number of exercisable shares will be determined according to the growth rate in MC's shares over three years from being granted, based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.  
6. In addition to the above, MC paid executive pensions to retired Directors and Audit & Supervisory Board Members. The amounts paid in FY2022 were as follows:  
The retirement bonus system, including executive pensions for Directors and Audit & Supervisory Board Members, was abolished at the close of the Ordinary General Meeting of Shareholders held on June 26, 2007. MC paid 80 million yen to 49 Directors (Independent Directors were ineligible for payment). MC paid 3 million yen to four Audit & Supervisory Board Members (Independent Audit & Supervisory Board Members were ineligible for payment).



Calculation Method for Performance-Linked Remuneration (FY2023)

Performance-linked bonus (short term)

(1) Upper limit on total payment

The upper limit is the lower of i) ¥648 million or ii) the maximum total of individual payment amounts prescribed in (2) below

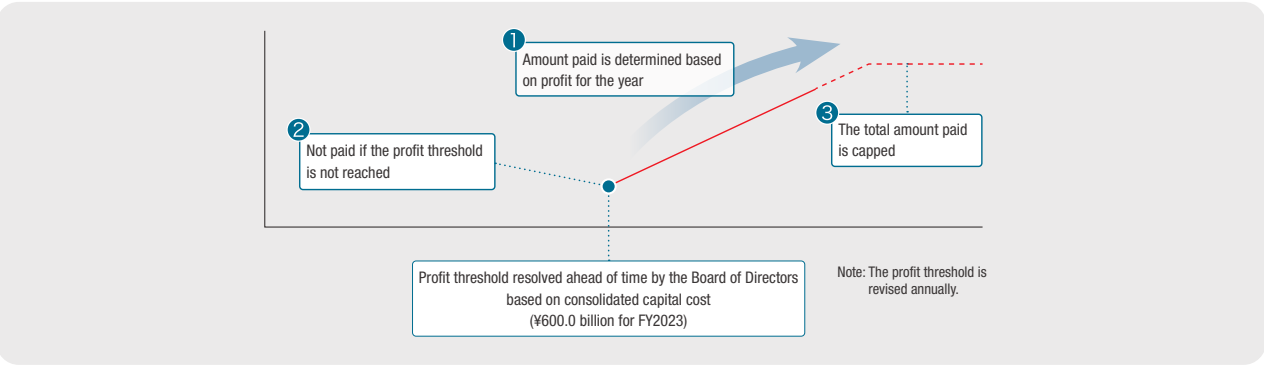
(2) Individual payments

President and CEO	(Consolidated net income [attributable to owners of MC] in FY2023 - ¥520 billion) x 0.025% + 0.35 (¥100 million)
Senior Executive Vice President	(Consolidated net income [attributable to owners of MC] in FY2023 - ¥520 billion) x 0.01% + 0.14 (100 million)
Executive Vice President	(Consolidated net income [attributable to owners of MC] in FY2023 - ¥520 billion) x 0.0075% + 0.105 (100 million)

Note: If below the profit threshold resolved ahead of time by the Board of Directors based on consolidated capital cost, the payment amount is zero. For FY2023, the threshold was 600.0 billion yen.

Maximum Payment and Total for Each Position

Position	Maximum payment amount	Number of persons	Total
President and CEO	¥175 million	1	¥175 million
Senior Executive Vice President	¥70 million	1	¥70 million
Executive Vice President	¥52.5 million	2	¥105 million
Total		4	¥350 million



Performance-linked bonus (medium to long term)

(1) Upper limit on total payment

The upper limit is the lower of i) 648 million yen or ii) the maximum total of individual payment amounts prescribed in (2) below

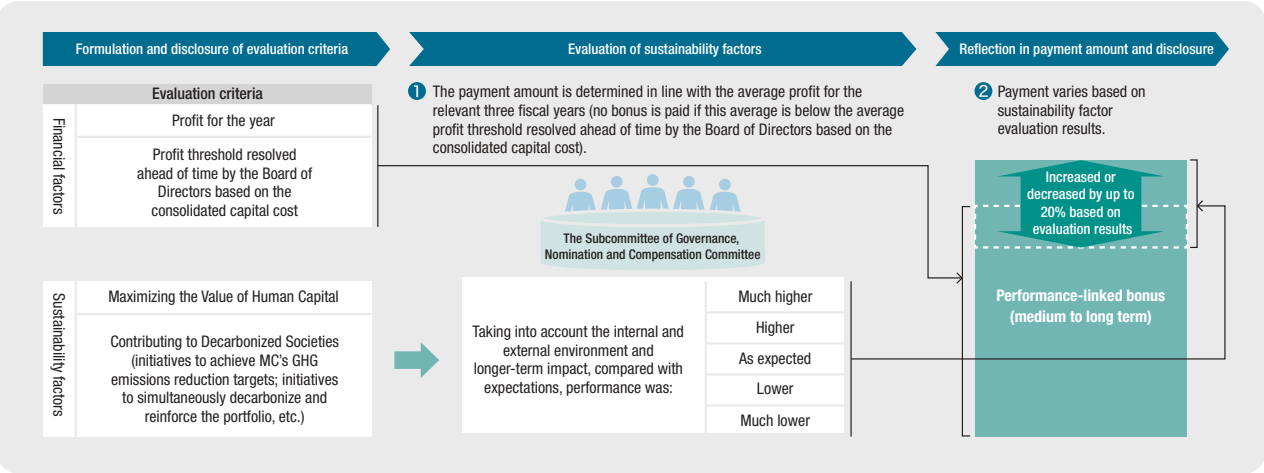
(2) Individual payments

President and CEO	((Average profit for the relevant three fiscal years from consolidated net income [attributable to owners of MC] in FY2023 to FY2025 - ¥520 billion] x 0.025 + 0.35) x sustainability factor initiative evaluation results (80~120%) (100 million)
Senior Executive Vice President	((Average profit for the relevant three fiscal years from consolidated net income [attributable to owners of MC] in FY2023 to FY2025 - ¥520 billion] x 0.01 + 0.14) x sustainability factor initiative evaluation results (80~120%) (100 million)
Executive Vice President	((Average profit for the relevant three fiscal years from consolidated net income [attributable to owners of MC] in FY2023 to FY2025 - ¥520 billion] x 0.0075 + 0.105) x sustainability factor initiative evaluation results (80~120%) (100 million)

Note: If below the average profit threshold for the three fiscal years, the payment amount is zero.

Maximum Payment and Total for Each Position

Position	Maximum payment amount	Number of persons	Total
President and CEO	¥210 million	1	¥210 million
Senior Executive Vice President	¥84 million	1	¥84 million
Executive Vice President	¥63 million	2	¥126 million
Total		4	¥420 million



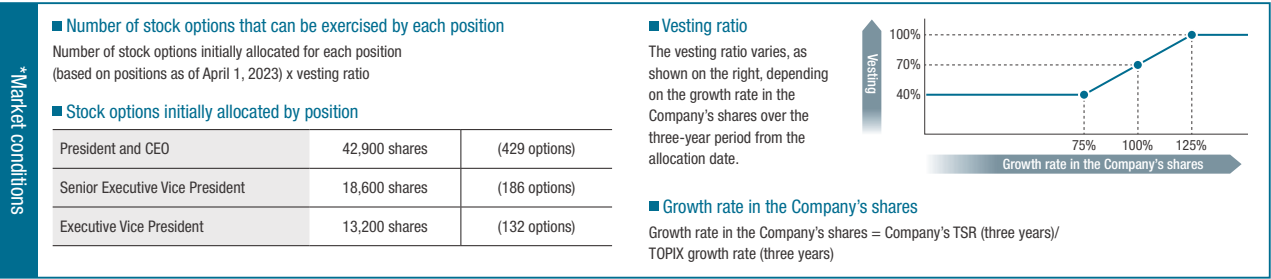
Stock-Based Remuneration Linked to Medium- to Long-Term Performance

(1) Upper limit on total payment

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

(2) Conditions for exercise of stock options

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



Governance of Remuneration

In deciding the policy for the remuneration package and the total remuneration amount (actual payment amount), the Governance, Nomination and Compensation Committee deliberates the matter, and then the Board of Directors goes through the process of making a decision.

The total remuneration amount (actual payment amount) and individual payment amounts for Directors, excluding individual performance-linked remuneration, are determined by a resolution of the Board of Directors within the upper limits for each type of remuneration decided by resolution at the 2019 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 performance are determined, while reflecting KPIs, based on a formula set by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee.

MC has adopted a clawback policy\*, applicable to the individual performance-linked remuneration, performance-linked bonuses (short term), and performance-linked bonuses (medium to long term) of Executive Directors, revising the regulations for Executive Officers by resolution at the Board of Directors Meeting held on February 18, 2022.

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

The payment amounts of individual performance-linked remuneration 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 assessment of performance in both financial and non-financial terms of each Director for the relevant fiscal year (the Board of Directors delegates authority to the President for deciding the individual payment amounts). Performance evaluations of Executive Directors comprehensively take into account their contributions to the organizations and businesses

they oversee; their contributions to management of the entire Company, Corporate Staff Section, Business Groups, and offices; and the state of initiatives related to value creation that leads to sustainability.

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 and Compensation Committee). The subcommittee is comprised of the Chairman of the Board, who also serves as the chair of the Governance, Nomination and Compensation Committee, and Independent Directors sitting on the committee (see page 106).

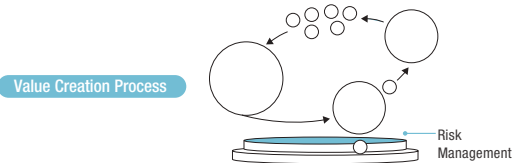
Results of the performance assessment are reported to the Board of Directors and the Governance, Nomination and Compensation Committee to ensure objectivity, fairness, and transparency.

Based on the policy for determining remuneration packages (including methods for calculating performance-linked bonuses) that was approved at the ordinary meeting of the Board of Directors held on May 17, 2019, and the extraordinary meeting of the Board of Directors held on June 21, 2019, each year, the Governance, Nomination and Compensation Committee deliberates and the Board of Directors makes a resolution determining that the total amount of director remuneration packages and methods for deciding payments to individual directors are consistent with said policy for determining remuneration packages.

Each year, the Governance, Nomination and Compensation Committee deliberates and monitors the fairness of remuneration levels and composition (including components of remuneration subject to the clawback policy) as well as the operational status of remuneration systems. This is done with reference to data on remuneration levels and composition ratios provided by an external consulting firm (Willis Towers Watson Public Limited Company).

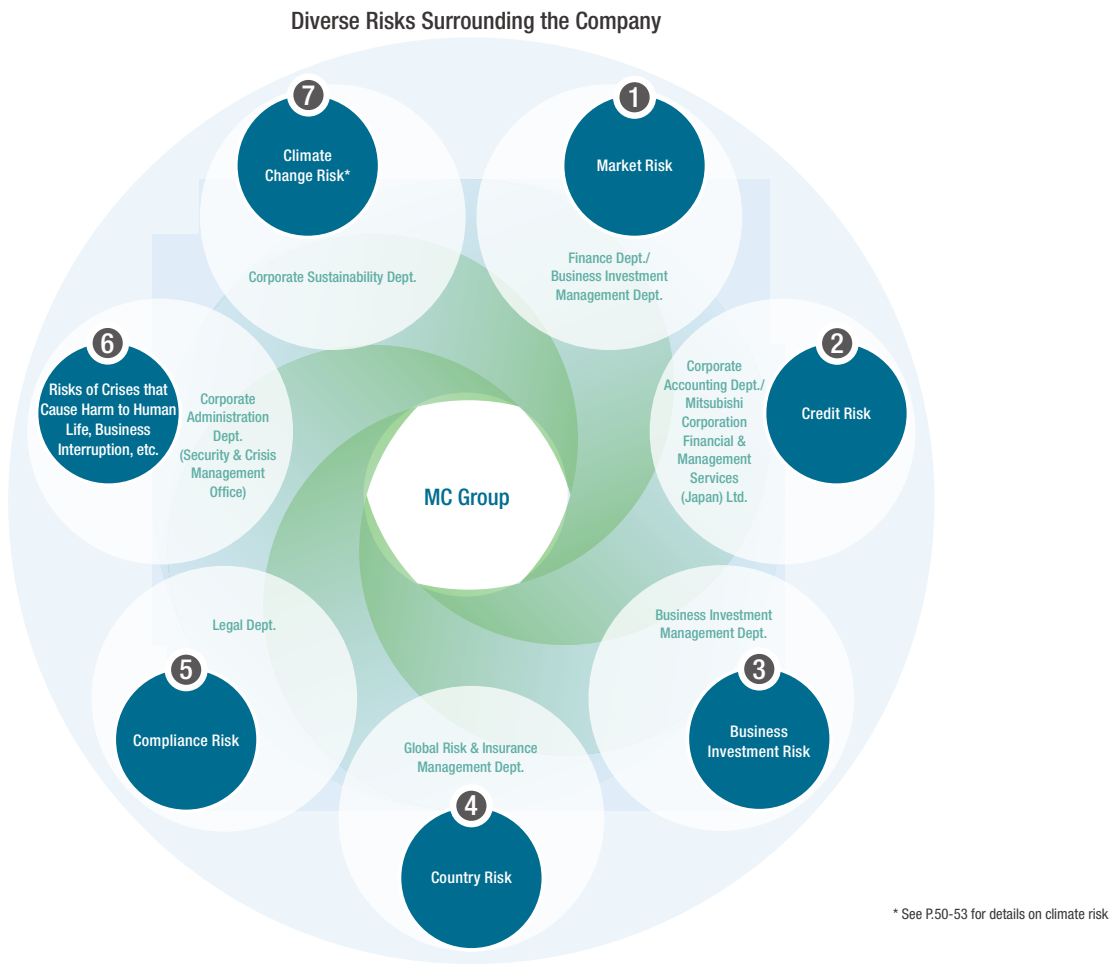
Total and individual amounts of remuneration paid to Audit & Supervisory Board Members are determined following deliberations by the Audit & Supervisory Board within the scope of remuneration for Audit & Supervisory Board Members approved at the 2019 Ordinary General Meeting of Shareholders held on June 21, 2019.





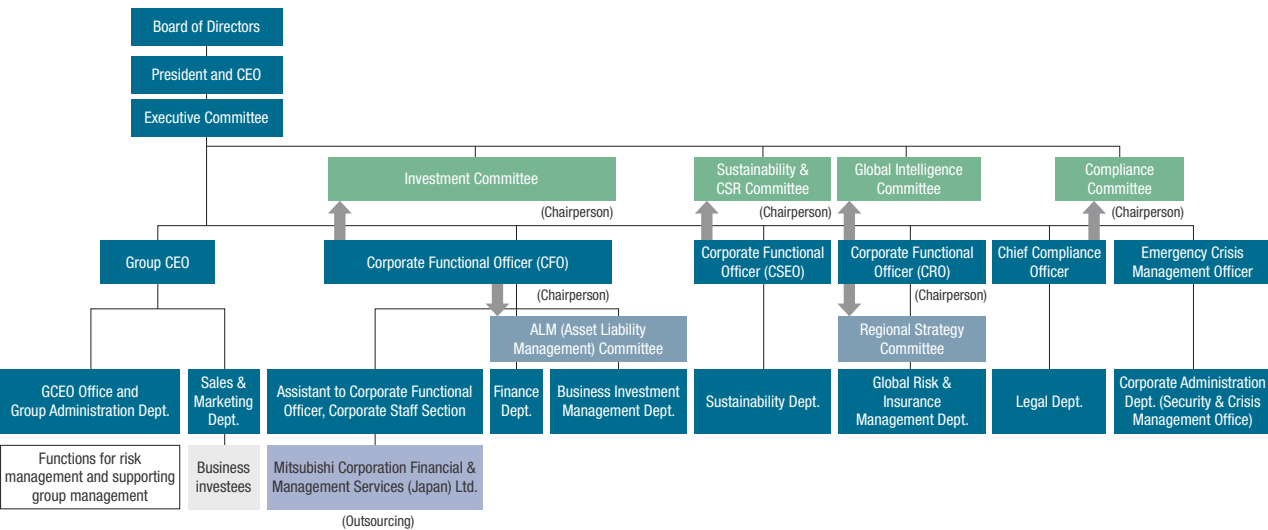
The MC Group's Risk Management Framework

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.



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 currency risk, interest rate risk, and stock price risk.

Financial Impacts of Commodity Market Conditions/ Exchange Rates/Interest Rates/Stock Price Risks

- The impacts on MC from specific market fluctuations are shown in the table below. Commodity market risk is also reflected in metallurgic coal, affecting the profit and loss of Mitsubishi Development Pty Ltd (MDP), an MC subsidiary.
- With regard to stock price risk, MC holds marketable stocks with a market value of approximately 1.1076 trillion yen, and bears stock price fluctuation risk accordingly. The above amount includes a valuation gain of approximately 149.5 billion yen, and there is a risk that this valuation gain could decrease depending on stock price movements.

	Fiscal year ending March 31, 2024 Assumptions behind results forecasts	Profit and loss impact on the fiscal year ending March 31, 2024 results forecast
Exchange rate (yen/US\$)	130.00	±5.0 billion yen (±1 yen/US\$) per year
Oil price (Brent) (US\$/BBL)	83 [Apr.-Dec. 2023: 83]	±1.5 billion yen (±1 US\$/BBL) per year*1
Copper ore (US\$/MT) (US\$/lb)	8,378 [380]	±2.9 billion yen (±100 US\$/MT) per year*2 ±6.4 billion yen (±10 US\$/lb) per year
Yen interest rate (%) TIBOR 3M	0.15	The impact of rising interest rates is largely offset by profits on transactions and investments. If interest rates rise sharply, however, profit and loss will be temporarily affected.
US dollar interest rate (%) LIBOR 3M	4.80	

\*1 Taking into account differences in accounting periods of consolidated companies and the time lag before oil prices are reflected in LNG selling prices, the average oil price from six months earlier (October-September average for the whole year) and three months earlier (January-December average for the whole year). However, as there are impacts not only from oil price fluctuations, but also from factors such as foreign exchange rates and production/sales volumes, the profit impact is not determined by oil prices alone.

\*2 However, as there are impacts not only from copper price fluctuations but also from factors such as ore grade, production/operational status, and reinvestment plans, the profit impact is not determined by copper prices alone.

Response to Foreign Currency Risk

- MC conducts foreign currency-denominated settlements in import/export and trade transactions with foreign countries, resulting in exposure to the risk of exchange rate fluctuations. In response, we employ hedging measures such as forward exchange contracts. However, there is no guarantee that MC can fully avoid foreign currency risk.
- In addition, hedging is used as required for some foreign currency-denominated investments to companies that are included in the consolidation. However, there is a risk that other investments will make reductions in equity capital due to exchange differences on translating foreign companies.

Response to Interest Rate Risk

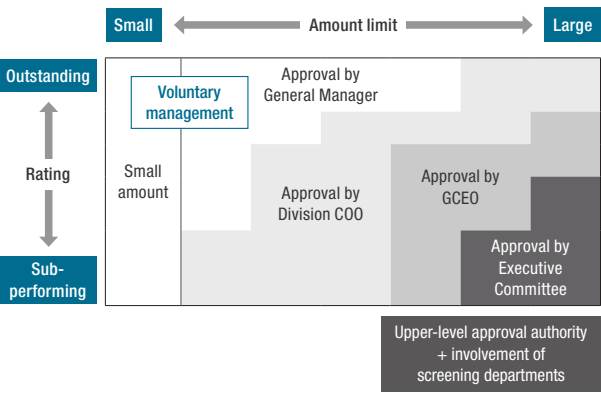
- A significant proportion of the interest-bearing liabilities held by MC corresponds to trade receivables and loans exposed to the effects of interest rate fluctuations. While the interest burden will increase if interest rates rise, income gained from these assets will also increase, offsetting the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

2 Responding to Credit Risk

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

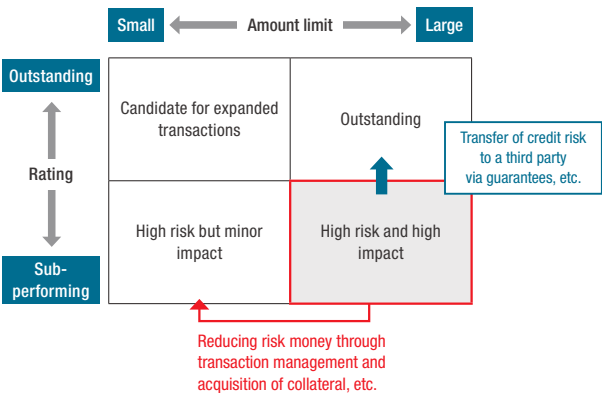
Individual Project Approval Authority

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



Approach to Credit Risk Management

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



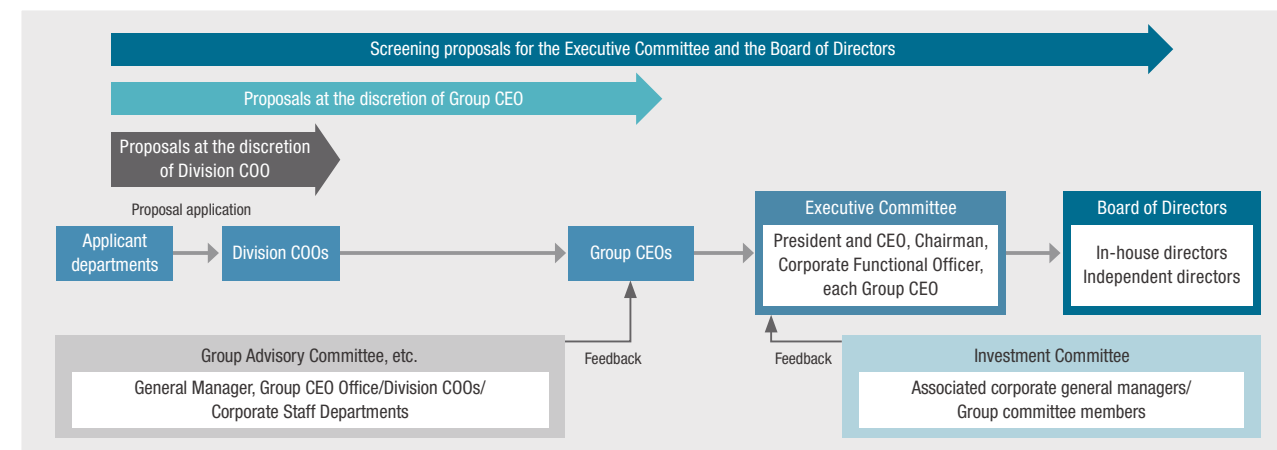


### ③ Responding to Business Investment Risk

To manage business investment risk properly, MC has established a deliberation and screening process for individual projects, including new, existing, and replacement projects. In addition, from a companywide management perspective, we monitor the risk/return and risk tolerance of the entire portfolio, as well as concentrated risk, etc.

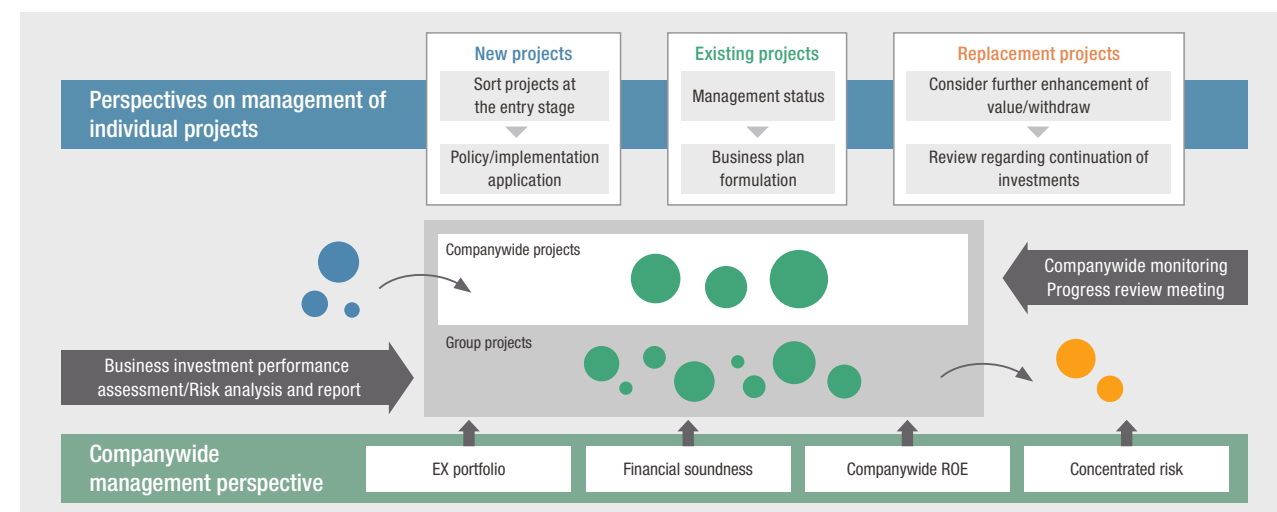
Management of individual projects	New projects	Policy/ implementation application	Narrow down new investment and finance proposals by comprehensively evaluating quantitative aspects in terms of the invested capital and its return determined on the basis of the characteristics of each business, in addition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

### Screening Process for Proposals



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

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



#### 4 Responding to Country Risk

MC has established the 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 (Chief Regional Officer [CRO]). Its responsibilities include assessing the risk situation in various countries and establishing and managing the country risk countermeasure system.

Chairperson	Corporate Functional Officer (CFO)
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 categorizing each country based on various risk factors and setting ceilings.
- In addition to risk management through the country risk countermeasure system, MC closely monitors the impact of global economic trends and shifts in international affairs on the political and economic situation of each country in order to flexibly respond to risks based on the current international situation.

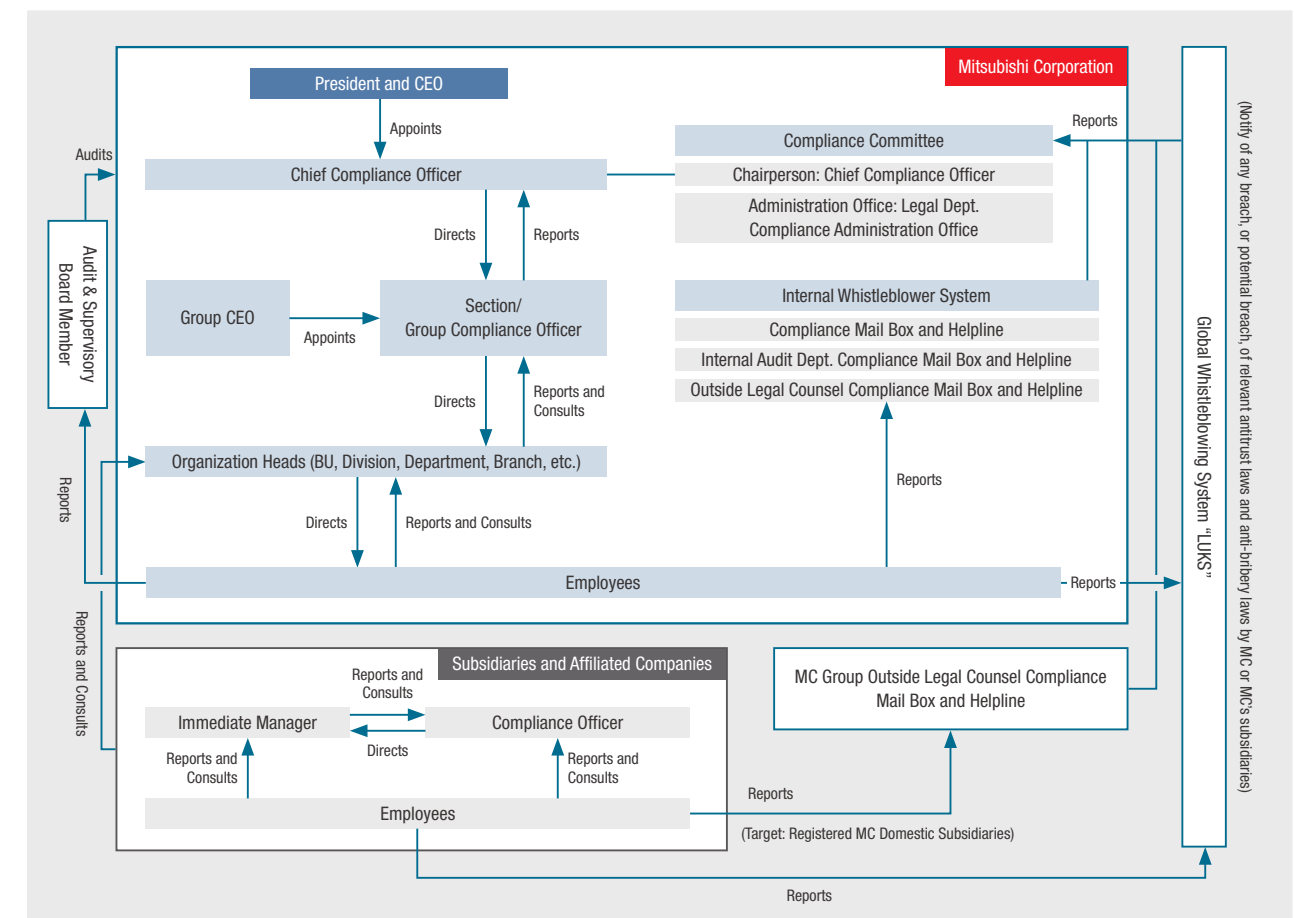
## 5 Responding to Compliance Risks

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

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

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

## Compliance Framework



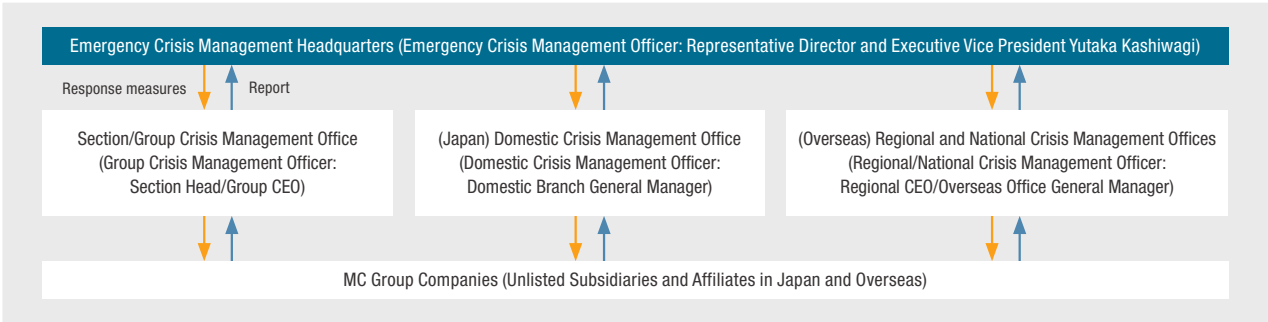


6 Responding to Risks of Crises that Cause Harm to Human Life, Business Interruption, etc.

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

Crisis Management Structure on a Consolidated Basis

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



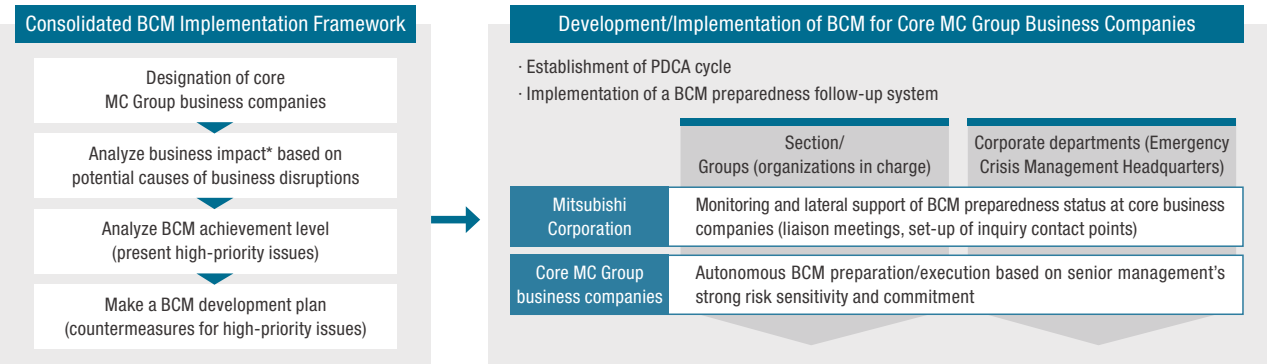
All-Hazard Approach

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, emerging infectious diseases, supply chain disruptions, legal transgressions, cyber incidents, etc. Under usual conditions, in cooperation with the organizations in charge (related Corporate Staff Departments and Section/Groups), we build and establish various crisis management measures and structures needed in the event that a crisis does occur, so that we can ensure the safety and ascertain the status of all concerned as part of our initial response, and then act promptly to maintain and recover the infrastructure necessary for business continuity. In particular, for a serious incident impacting the lives and safety of our employees, as well as continuity of critical business operations, we have a structure in place in which we will respond under the companywide direction of the Emergency Crisis Management Officer, in accordance with our BCM process on a consolidated basis.

BCM on a Consolidated Basis

In FY2018, MC adopted 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



\* Business impact analysis framework  
We conduct analyses of the "cause incidents" that disrupt core operations and trigger "result incidents," while taking into consideration the characteristics of operations at each company.

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

FOCUS: Integrated Risk Management and Monitoring

MC implements integrated risk management and monitoring in addition to responding to risks individually. As an example, we comprehensively identify non-financial risks, which have become increasingly important in recent years. Every year, we report our evaluation of these risks to the Board of Directors, which is based on unified standards, as well as on the establishment and operation of risk management systems, taking into account future changes in the external environment. In FY2022, we conducted the following three-step evaluation and reported the results to the Board of Directors.

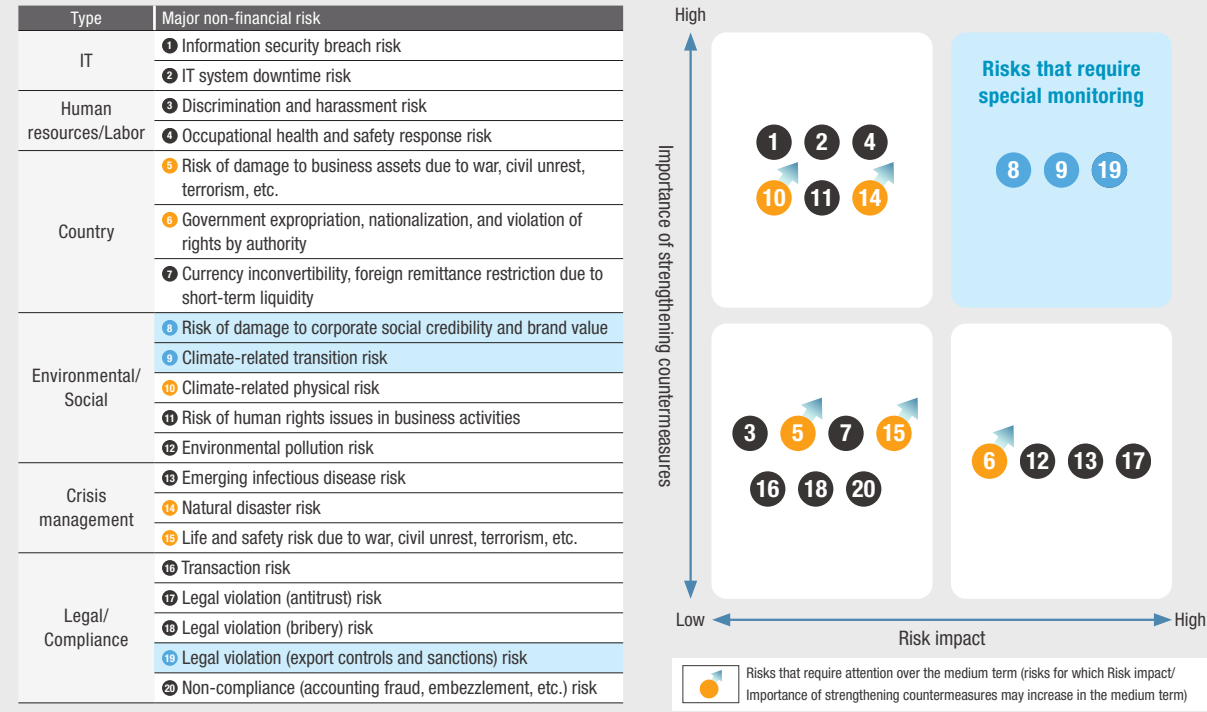
- STEP 01

Evaluation of the current situation by developing a risk map

MC identifies the major non-financial risks in the Company and then evaluates the risks on a consolidated basis in accordance with unified standards, before listing them as a risk map as follows. We identify "Risks that require special monitoring" (located in the upper right hand corner of the risk map), and the Board of Directors monitors the countermeasures.
- STEP 02

Medium-term evaluation taking into account the external environment

In addition to evaluating the current situation (Step 01), MC identifies external environmental factors (geopolitics, the environment, etc.) that may affect major non-financial risks in order to take into account changes in the external environment over the medium term. We identify non-financial risks that are particularly susceptible to such factors as "Risks that require attention over the medium term" since they may shift to "Risks that require special monitoring" in the future (see 5, 6, 10, 14, and 15 below).



- STEP 03

Addressing risks that require attention over the medium term

In addition to "Risks that require special monitoring," MC also positions "Risks that require attention over the medium term" as risks for which we should especially strengthen our responses in the future. We arrange the countermeasures for these risks as follows, and the Board of Directors monitors them.
- 5 Risk of damage to business assets due to war, civil unrest, terrorism, etc.

6 Government expropriation, nationalization, and violation of rights by authority

15 Life and safety risk due to war, civil unrest, terrorism, etc.

10 Climate-related physical risk

14 Natural disaster risk
- In addition to the existing country risk countermeasure system, under Midterm Corporate Strategy 2024, MC has strengthened the system that enhances the timely integration of global intelligence into companywide management through the GI Committee, etc.

MC has developed risk management systems for the lives and safety of our employees on a consolidated basis both in Japan and overseas. We conduct regular reviews in preparation for emergencies.

MC conducts the verification of countermeasures for high-priority risk assets.



*MC Shared Value*

# 05

## Data Section

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Management (As of July 1, 2023)

Directors

Takehiko Kakiuchi  
Chairman of the Board

Katsuya Nakanishi  
Representative Director,  
President and CEO

Norikazu Tanaka  
Representative Director,  
Senior Executive Vice President

Yutaka Kashiwagi  
Representative Director,  
Executive Vice President

Yuzo Nouchi  
Representative Director,  
Executive Vice President

Tsuneyoshi Tatsuo  
Independent Director\*1

Shunichi Miyano  
Independent Director\*1

Sakie Akiyama  
Independent Director\*1

Mari Sagiya  
Independent Director\*1

Audit & Supervisory Board Members

Mitsumasa Icho  
Full-time Audit &  
Supervisory Board Member

Akira Murakoshi  
Full-time Audit &  
Supervisory Board Member

Rieko Sato  
Independent Audit &  
Supervisory Board Member\*2

Takeshi Nakao  
Independent Audit &  
Supervisory Board Member\*2

Mari Kogiso  
Independent Audit &  
Supervisory Board Member\*2

President and Chief Executive Officer

Katsuya Nakanishi\*3

Senior Executive Vice President

Norikazu Tanaka\*3  
SEVP, Energy Transformation

Executive Vice Presidents

Kotaro Tsukamoto  
Group CEO, Industrial Materials Group

Jun Nishizawa  
Group CEO, Natural Gas Group

Norio Saigusa  
Group CEO, Food Industry Group

Aiichiro Matsunaga  
Group CEO, Power Solution Group

Yutaka Kashiwagi\*3  
Corporate Functional Officer, IT, CAO  
(Concurrently) Chief Compliance Officer,  
Officer for Emergency Crisis Management  
Headquarters

Kiyotaka Kikuchi  
Group CEO, Consumer Industry Group

Takuya Kuga  
Group CEO,  
Urban Development Group

Shigeru Wakabayashi  
Group CEO,  
Automotive & Mobility Group

Yuzo Nouchi\*3  
Corporate Functional Officer, CFO

Koji Ota  
Group CEO,  
Industrial Infrastructure Group

Masaru Saito  
EVP, Next-Generation Energy Business  
(Concurrently)  
Head of Next-Generation Energy  
Business Group

Tetsuo Kawate  
President, Mitsubishi Corporation (Americas)

Ko Imamura  
Group CEO, Chemicals Solution Group

Satoshi Koyama  
Group CEO, Mineral Resources Group  
(Concurrently)  
Division COO,  
Mineral Resources Investment Div.

Senior Vice Presidents

Naoshi Ogikubo  
General Manager,  
Urban Development Group CEO Office

Yoshiyuki Nojima  
General Manager,  
Corporate Administration Dept.

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

Kyoya Kondo  
Division COO, Isuzu Business Div.

Yasuyuki Asakura  
General Manager,  
Power Solution Group CEO Office

Sadahiko Haneji  
President,  
Mitsubishi International Corporation  
(Concurrently) EVP,  
Mitsubishi Corporation (Americas)

Tetsuya Shinohara  
Corporate Functional Officer, CRO  
(Concurrently) General Manager,  
Global Strategy & Coordination Dept.

Shota Kondo  
General Manager,  
Corporate Strategy & Planning Dept.

Toshiaki Maekawa  
Division COO,  
Automotive Business Div.

Hideyuki Hori  
General Manager,  
Food Industry Group CEO Office

Koji Ohno  
Division COO, Steel Products Div.

Akifumi Suzuki  
Division COO, Global Marketing Div.

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

Kazuaki Yamana  
General Manager,  
Business Investment Management Dept.

Kenji Kobayashi  
Corporate Functional Officer, CSEO

Juro Baba  
Seconded to Toyobo MC Corporation  
(Executive Vice-president &  
Representative Director, COO)

Ryosuke Tsugaru  
Division COO, Asia-Pacific Div.

Ken Yamaguchi  
Division COO, Food Sciences Div.

Satoshi Sato  
Division COO, Industrial Machinery Div.

Takehiro Fujimura  
General Manager, Internal Audit Dept.

Yuji Okafuji  
Seconded to Mitsubishi Corporation Energy  
Solutions Ltd.  
(Director, President and  
Chief Executive Officer)

Takuya Hirakuri  
COO  
(Concurrently) Head of Industry  
Digital Transformation Group

Akihiro Kurosawa  
General Manager, Legal Dept.

Kazuo Ito  
General Manager,  
Consumer Industry Group CEO Office

Yoshihiro Shimazu  
General Manager,  
Corporate Accounting Dept.

Shuji Kobayashi  
Division COO, Food Resources Div.

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

Takuji Konzo  
General Manager,  
Jakarta Representative Office

Satoshi Hamada  
Division COO, International Power Div.

Hiroshi Nishino  
President, Mitsubishi Corporation  
China Co., Ltd.  
(Concurrently) General Manager,  
Beijing Branch, Mitsubishi Corporation China Co.,  
Ltd. [Work location: Beijing]

Shareholder Information (As of March 31, 2023)

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, 2023

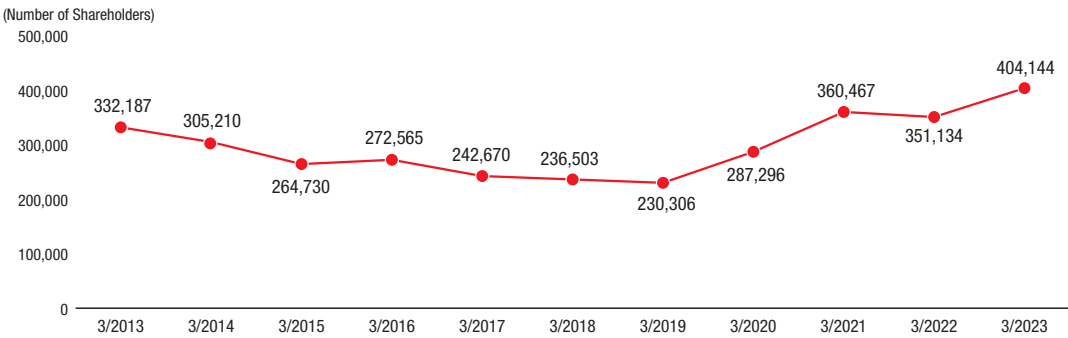
	Number of shares issued	Number of shareholders
As of March 31, 2022	1,485,723,351	351,134
Change	(27,421,000)	53,010
As of March 31, 2023	1,458,302,351	404,144

Principal Shareholders

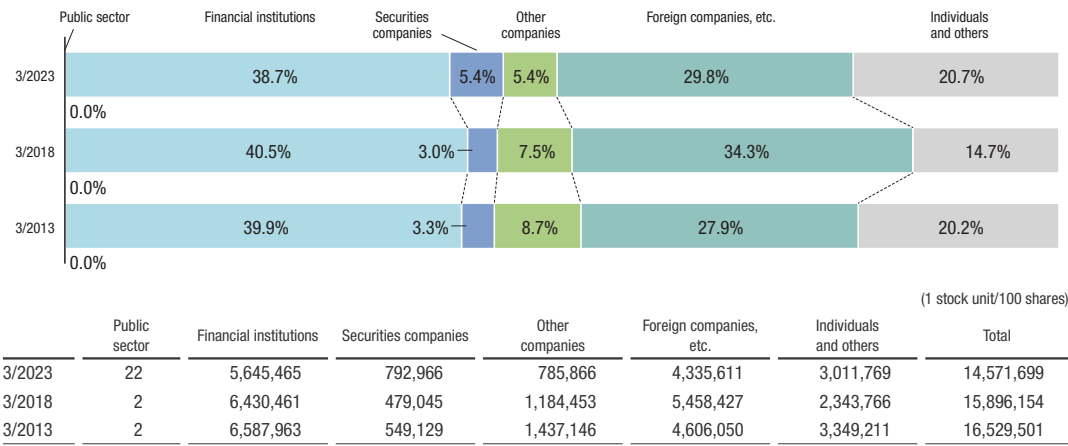
Name of Shareholders	Shareholding (Rounded down to the nearest thousand shares)	
	Number of shares (Thousands)	Investment ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	215,945	15.03
EUROCLEAR BANK S.A./N.V.	107,908	7.51
Custody Bank of Japan, Ltd. (Trust Account)	84,145	5.86
Meiji Yasuda Life Insurance Company	58,361	4.06
Tokio Marine & Nichido Fire Insurance Co., Ltd.	43,258	3.01
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Voting Trust)	32,276	2.24
STATE STREET BANK WEST CLIENT – TREATY 505234	23,024	1.60
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation, Limited Account)	17,768	1.23
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Nippon Yusen Kabushiki Kaisha, Limited Account)	15,000	1.04
JP MORGAN CHASE BANK 385781	14,865	1.03

Note: The investment ratio is computed by excluding 22,467,428 shares of treasury stock held by Mitsubishi Corporation and rounded to two decimal points.

Number of Shareholders



Shareholder Composition (Shareholding Ratio)



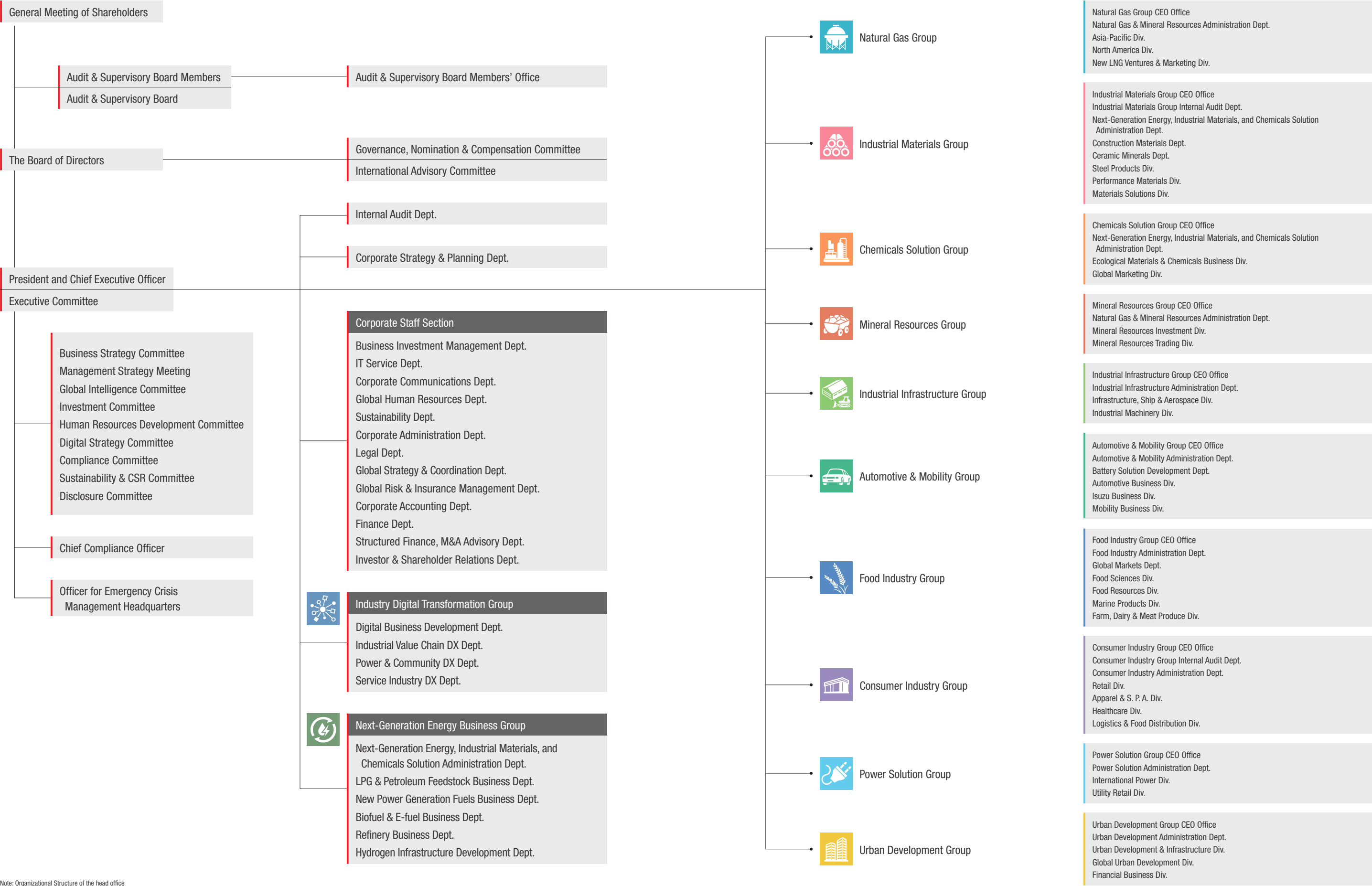
\*1 Indicates the fulfillment of the conditions for Outside Directors as provided for in Article 2, Item 15 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors/Auditors as specified by Tokyo Stock Exchange, Inc. as well as selection criteria for Independent Directors specified by Mitsubishi Corporation.

\*2 Indicates the fulfillment of the conditions for Outside Audit & Supervisory Board Member as provided for in Article 2, Item 16 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors/Auditors as specified by Tokyo Stock Exchange, Inc. as well as selection criteria for Independent Audit & Supervisory Board Members specified by Mitsubishi Corporation.

\*3 Indicates a Director.



Organizational Structure (As of July 1, 2023)

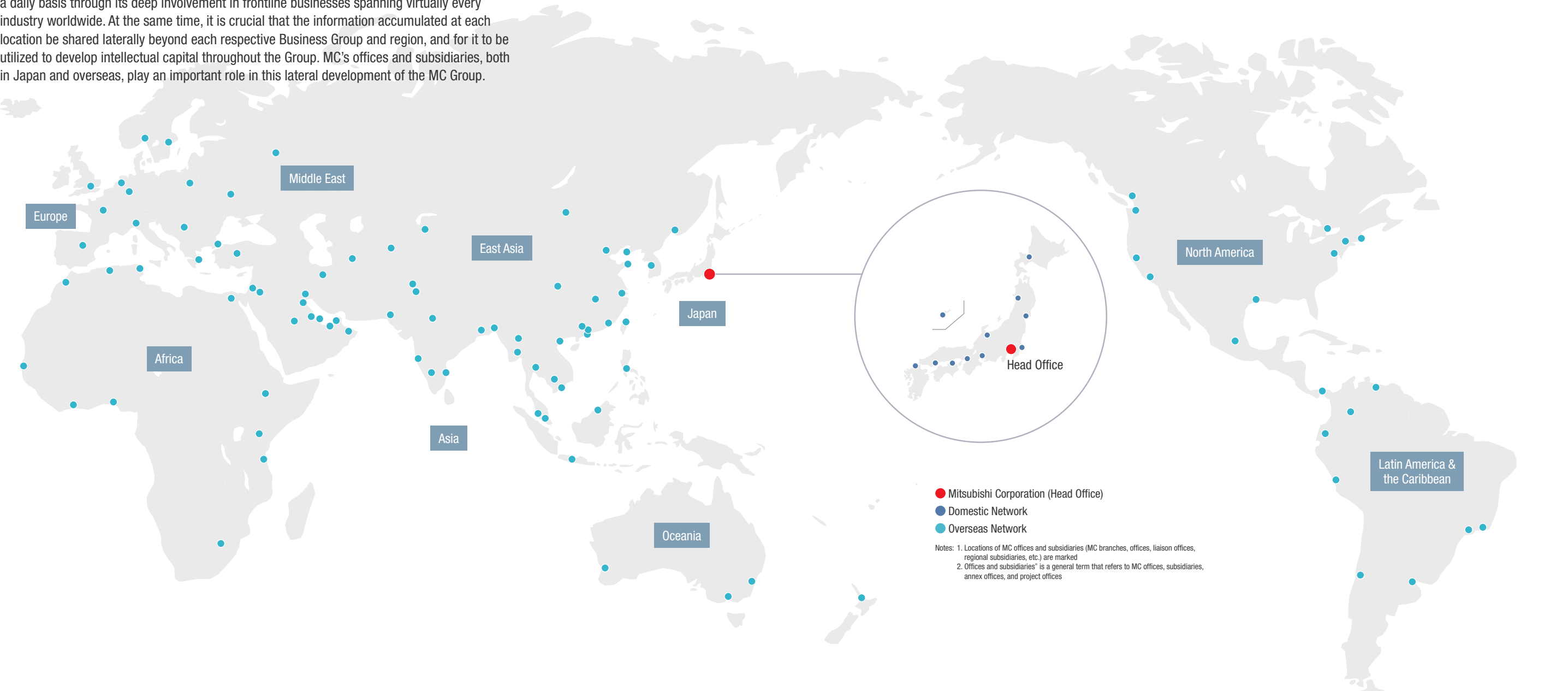


Note: Organizational Structure of the head office



Global Network (Countries and Regions) (As of April 1, 2023)

MC leverages its global network, which it has developed over many years, to obtain an in-depth knowledge on a multifaceted range of macroeconomic, industrial, and geopolitical trends not limited to generally available information. MC also builds upon this intelligence and expertise on a daily basis through its deep involvement in frontline businesses spanning virtually every industry worldwide. At the same time, it is crucial that the information accumulated at each location be shared laterally beyond each respective Business Group and region, and for it to be utilized to develop intellectual capital throughout the Group. MC's offices and subsidiaries, both in Japan and overseas, play an important role in this lateral development of the MC Group.

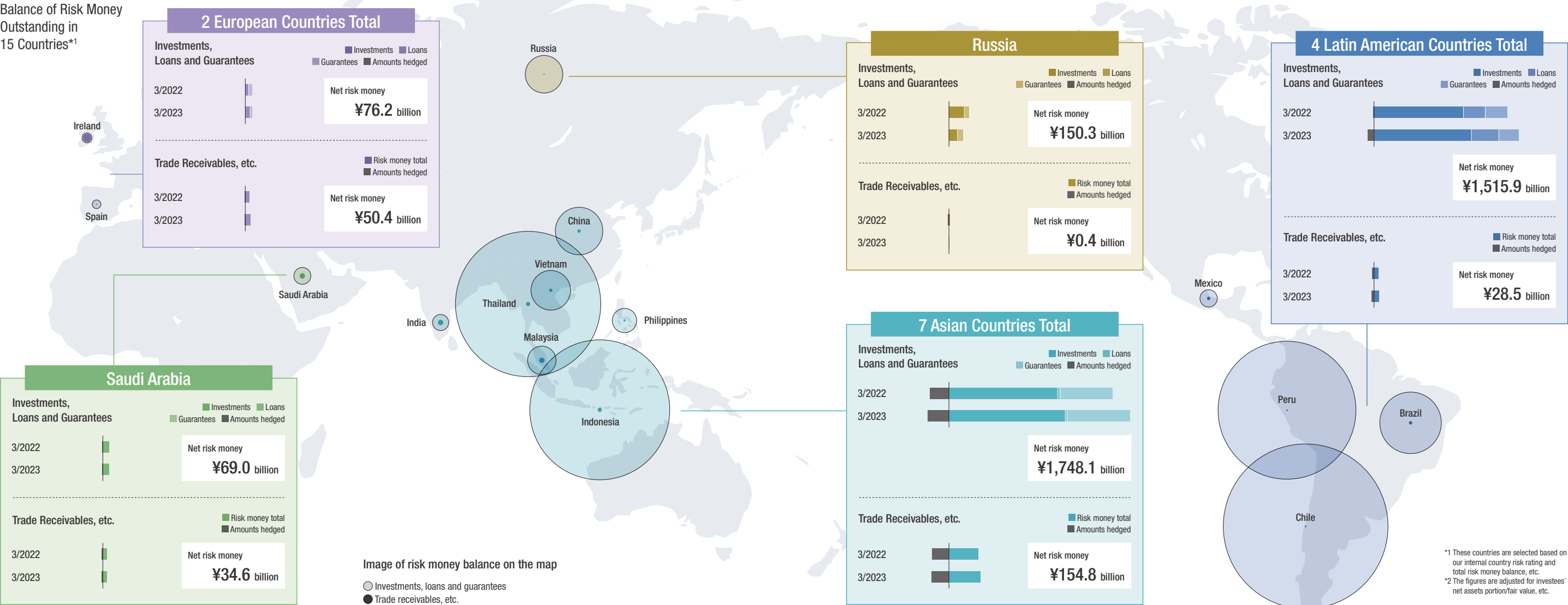


Head Office		Network (Location of MC Operations)																	
Tokyo		Japan (Number of offices: 11)		Overseas (Number of offices and subsidiaries: 110)															
				North America		Latin America & the Caribbean		Europe		Africa		Middle East		East Asia		Asia		Oceania	
		Sapporo	Osaka	New York		Panama City		London	Athens	Johannesburg		Dubai		Ulaanbaatar		Karachi	Bangkok	Melbourne	
		Akita	Takamatsu	Seattle		Quito		Madrid	Moscow	Dakar		Cairo		Beijing		Islamabad	Kuala Lumpur	Sydney	
		Sendai	Hiroshima	Silicon Valley		Lima		Paris	Vladivostok	Casablanca		Amman		Guangzhou		Lahore	Singapore	Perth	
		Choshi	Fukuoka	Los Angeles		Bogotá		Amsterdam	Kyiv	Abidjan		Riyadh		Shenzhen		New Delhi	Phnom Penh	Auckland	
		Nagoya	Naha	Houston		Santiago		Düsseldorf	Almaty	Algiers		Al Khobar		Wuhan		Mumbai	Hanoi		
		Toyama		Washington, D.C.		Caracas		Milan	Istanbul	Lagos		Basra		Xiamen		Kolkata	Ho Chi Minh City		
				Boston		Buenos Aires		Oslo	Ankara	Tunis		Doha		Qingdao		Chennai	Jakarta		
				Vancouver		São Paulo		Stockholm	Ashgabat	Nairobi		Abu Dhabi		Shanghai		Bangalore	Bandar Seri Begawan		
				Toronto		Rio de Janeiro		Warsaw	Tashkent	Addis Ababa		Muscat		Dalian		Dhaka	Manila		
				Mexico City				Belgrade	Tel Aviv	Dar es Salaam		Kuwait		Chengdu		Yangon			
										Tehran		Hong Kong		Nay Pyi Taw					
												Taipei							
												Seoul							



Breakdown of Major Country Risks

Balance of Risk Money  
Outstanding in  
15 Countries\*1



\*1 These countries are selected based on our internal country risk rating and total risk money balance, etc.  
\*2 The figures are adjusted for investees' net assets portion/fair value, etc.

Investments, Loans and Guarantees													Trade Receivables, etc.														
(Billions of yen)	Investments*2			Loans			Guarantees			Risk money total			Amounts hedged			Net risk money			Risk money total			Amounts hedged			Net risk money		
	3/2023	3/2022	change	3/2023	3/2022	change	3/2023	3/2022	change	3/2023	3/2022	change	3/2023	3/2022	change	3/2023	3/2022	change	3/2023	3/2022	change	3/2023	3/2022	change	3/2023	3/2022	change
Chile	562.6	571.3	-8.7	—	—	+0.0	88.3	92.4	-4.1	650.9	663.7	-12.8	—	—	+0.0	650.9	663.7	-12.8	1.9	2.0	-0.1	—	0.6	-0.6	1.9	1.4	+0.5
Brazil	174.1	118.7	+55.4	23.6	21.9	+1.7	114.8	116.4	-1.6	312.5	257.0	+55.5	65.6	2.1	+63.5	246.9	254.9	-8.0	13.8	15.4	-1.6	0.1	3.3	-3.2	13.7	12.1	+1.6
Peru	262.3	246.6	+15.7	275.9	215.8	+60.1	10.4	8.2	+2.2	548.6	470.6	+78.0	—	—	+0.0	548.6	470.6	+78.0	2.1	1.3	+0.8	2.0	1.1	+0.9	0.1	0.2	-0.1
Mexico	64.8	40.7	+24.1	—	0.1	-0.1	4.8	25.0	-20.2	69.6	65.8	+3.8	0.1	—	+0.1	69.5	65.8	+3.7	35.5	27.7	+7.8	22.7	18.5	+4.2	12.8	9.2	+3.6
4 countries total	1,063.8	977.3	+86.5	299.5	237.8	+61.7	218.3	242.0	-23.7	1,581.6	1,457.1	+124.5	65.7	2.1	+63.6	1,515.9	1,455.0	+60.9	53.3	46.4	+6.9	24.8	23.5	+1.3	28.5	22.9	+5.6
Russia	94.3	167.8	-73.5	—	—	+0.0	56.0	49.5	+6.5	150.3	217.3	-67.0	—	—	+0.0	150.3	217.3	-67.0	0.4	6.4	-6.0	—	5.2	-5.2	0.4	1.2	-0.8
1 country total	94.3	167.8	-73.5	—	—	+0.0	56.0	49.5	+6.5	150.3	217.3	-67.0	—	—	+0.0	150.3	217.3	-67.0	0.4	6.4	-6.0	—	5.2	-5.2	0.4	1.2	-0.8
Saudi Arabia	69.6	67.0	+2.6	—	—	+0.0	—	—	+0.0	69.6	67.0	+2.6	0.6	0.7	-0.1	69.0	66.3	+2.7	45.7	43.9	+1.8	11.1	12.8	-1.7	34.6	31.1	+3.5
1 country total	69.6	67.0	+2.6	—	—	+0.0	—	—	+0.0	69.6	67.0	+2.6	0.6	0.7	-0.1	69.0	66.3	+2.7	45.7	43.9	+1.8	11.1	12.8	-1.7	34.6	31.1	+3.5
India	56.2	48.8	+7.4	3.0	3.0	+0.0	4.6	5.5	-0.9	63.8	57.3	+6.5	—	—	+0.0	63.8	57.3	+6.5	94.0	74.4	+19.6	58.6	58.5	+0.1	35.4	15.9	+19.5
Indonesia	474.7	417.8	+56.9	13.2	14.1	-0.9	273.1	235.2	+37.9	761.0	667.1	+93.9	207.2	197.1	+10.1	553.8	470.0	+83.8	53.2	64.5	-11.3	38.9	49.1	-10.2	14.3	15.4	-1.1
Thailand	282.2	205.6	+76.6	1.3	1.2	+0.1	290.9	239.4	+51.5	574.4	446.2	+128.2	—	—	+0.0	574.4	446.2	+128.2	40.9	41.9	-1.0	12.2	12.1	+0.1	28.7	29.8	-1.1
China	99.1	110.8	-11.7	2.0	8.2	-6.2	87.5	83.5	+4.0	188.6	202.5	-13.9	—	0.1	-0.1	188.6	202.4	-13.8	71.3	75.2	-3.9	47.0	49.0	-2.0	24.3	26.2	-1.9
Philippines	97.4	109.7	-12.3	—	—	+0.0	—	—	+0.0	97.4	109.7	-12.3	2.6	2.3	+0.3	94.8	107.4	-12.6	22.3	7.9	+14.4	10.1	2.9	+7.2	12.2	5.0	+7.2
Vietnam	148.0	126.1	+21.9	—	—	+0.0	30.0	7.8	+22.2	178.0	133.9	+44.1	21.0	5.0	+16.0	157.0	128.9	+28.1	19.5	14.4	+5.1	11.9	4.2	+7.7	7.6	10.2	-2.6
Malaysia	113.2	168.8	-55.6	—	—	+0.0	2.5	4.2	-1.7	115.7	173.0	-57.3	—	—	+0.0	115.7	173.0	-57.3	41.2	42.0	-0.8	8.9	8.9	+0.0	32.3	33.1	-0.8
7 countries total	1,270.8	1,187.6	+83.2	19.5	26.5	-7.0	688.6	575.6	+113.0	1,978.9	1,789.7	+189.2	230.8	204.5	+26.3	1,748.1	1,585.2	+162.9	342.4	320.3	+22.1	187.6	184.7	+2.9	154.8	135.6	+19.2
Ireland	17.4	3.7	+13.7	—	—	+0.0	22.8	36.5	-13.7	40.2	40.2	+0.0	—	—	+0.0	40.2	40.2	+0.0	0.4	—	+0.4	—	—	+0.0	0.4	—	+0.4
Spain	36.0	33.2	+2.8	—	—	+0.0	—	—	+0.0	36.0	33.2	+2.8	—	—	+0.0	36.0	33.2	+2.8	53.7	44.6	+9.1	3.7	1.6	+2.1	50.0	43.0	+7.0
2 countries total	53.4	36.9	+16.5	—	—	+0.0	22.8	36.5	-13.7	76.2	73.4	+2.8	—	—	+0.0	76.2	73.4	+2.8	54.1	44.6	+9.5	3.7	1.6	+2.1	50.4	43.0	+7.4
Total	2,551.9	2,436.6	+115.3	319.0	264.3	+54.7	985.7	903.6	+82.1	3,856.6	3,604.5	+252.1	297.1	207.3	+89.8	3,559.5	3,397.2	+162.3	495.9	461.6	+34.3	227.2	227.8	-0.6	268.7	233.8	+34.9



Financial Highlights

Mitsubishi Corporation and Subsidiaries  
Fiscal Years ended March 31  
The consolidated financial information is prepared in accordance with International Financial Reporting Standards ("IFRS").

											(Millions of yen)	(Millions of US dollars)
	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2023.3	2023.3
Results of Operations:												
Revenues* <sup>1</sup>	¥ 7,635,168	¥ 7,669,489	¥ 6,925,582	¥ 6,425,761	¥ 7,567,394	¥16,103,763	¥14,779,734	¥12,884,521	¥17,264,828	¥21,571,973		\$159,203
Gross profit	1,186,005	1,209,894	1,098,877	1,328,638	1,886,640	1,987,811	1,789,131	1,605,106	2,150,764	2,559,962		18,893
Income from investments accounted for using the equity method	168,356	203,818	(175,389)	117,450	211,432	137,269	179,325	97,086	393,803	500,180		3,691
Net income (loss) attributable to owners of the parent	361,359	400,574	(149,395)	440,293	560,173	590,737	535,353	172,550	937,529	1,180,694		8,714
Financial Position at Year-End:												
Total assets	15,901,125	16,774,366	14,916,256	15,753,557	16,036,989	16,532,800	18,033,424	18,634,971	21,912,012	22,152,882		163,490
Working capital* <sup>2</sup>	2,417,452	2,629,705	2,123,954	1,789,423	1,861,823	1,885,242	1,591,119	1,732,708	2,213,212	2,414,624		17,820
Borrowings (less current maturities)	4,693,855	4,835,117	4,560,258	4,135,680	3,684,860	3,569,221	4,287,354	4,381,793	4,039,749	3,493,991		25,786
Equity attributable to owners of the parent	5,067,666	5,570,477	4,592,516	4,917,247	5,332,427	5,696,246	5,227,359	5,613,647	6,880,232	8,071,021		59,565
Interest-Bearing Liabilities:												
Gross interest-bearing liabilities* <sup>3</sup>	6,075,835	6,348,993	6,042,606	5,383,911	4,954,395	5,092,099	5,760,123	5,644,315	5,643,169	4,889,881		36,088
Net interest-bearing liabilities* <sup>4</sup>	4,601,094	4,467,714	4,315,460	3,991,475	3,714,176	3,723,568	4,336,295	4,178,410	3,939,721	3,237,591		23,894
Cash Flows:												
Net cash provided by operating activities	381,576	798,264	700,105	583,004	742,482	652,681	849,728	1,017,550	1,055,844	1,930,138		14,245
Net cash used in investing activities	(300,502)	(154,852)	(503,854)	(179,585)	(317,583)	(273,687)	(500,727)	(357,297)	(167,550)	(177,466)		(1,310)
Free cash flow	81,074	643,412	196,251	403,419	424,899	378,994	349,001	660,253	888,294	1,752,672		12,935
Net cash provided by (used in) financing activities	(118,845)	(305,334)	(364,528)	(752,162)	(554,328)	(227,480)	(156,629)	(691,184)	(693,396)	(1,766,638)		(13,038)
Net cash flows	(37,771)	338,078	(168,277)	(348,743)	(129,429)	151,514	192,372	(30,931)	194,898	(13,966)		(103)
Per Share Information:												
Net income (loss) attributable to owners of the parent per share:												
Basic (yen, US dollars)	219.30	246.39	(93.68)	277.79	353.27	372.39	348.50	116.86	635.06	809.29		5.97
Diluted (yen, US dollars)	218.80	245.83	(93.68)	277.16	352.44	371.55	347.71	116.57	625.73	805.69		5.95
Cash dividends per share (yen, US dollars)	68.00	70.00	50.00	80.00	110.00	125.00	132.00	134.00	150.00	180.00		1.33
Equity per share attributable to owners of the parent (yen, US dollars)	3,074.03	3,437.75	2,898.23	3,101.43	3,362.34	3,589.37	3,521.30	3,803.01	4,659.68	5,648.84		41.69
Payout ratio* <sup>5</sup> (%)	25	28	—	29	31	34	38	115	24	22		—
Common Stock:												
Number of shares outstanding at year-end* <sup>6</sup> (thousands of shares)	1,648,541	1,620,384	1,584,595	1,585,480	1,585,929	1,586,977	1,484,497	1,476,105	1,476,545	1,428,793		—
Financial Measures:												
ROE* <sup>7</sup> (%)	7.5	7.5	(2.9)	9.3	11.3	10.7	9.8	3.2	15.0	15.8		—
ROA* <sup>8</sup> (%)	2.3	2.5	(0.9)	2.9	3.6	3.6	3.0	0.9	4.6	5.4		—
Net DER* <sup>9</sup> (times)	0.9	0.8	0.9	0.8	0.7	0.7	0.8	0.7	0.6	0.4		—
DOE* <sup>10</sup> (%)	2.3	2.1	1.6	2.7	3.5	3.6	3.7	3.7	3.5	3.5		—
Stock Price Information:												
Stock price (annual average) (yen, US dollars)	1,897	2,143	2,262	2,215	2,656	3,143	2,807	2,526	3,472	4,357		32.15
Price earnings ratio (PER)* <sup>11</sup> (times)	8.68	8.69	(24.08)	8.00	7.54	8.46	8.34	21.75	5.50	5.38		—
Price book-value ratio (PBR)* <sup>12</sup> (times)	0.6	0.6	0.8	0.7	0.8	0.9	0.9	0.7	0.7	0.8		—

Note: The application of IFRS 16 “Leases” from the start of the fiscal year ended March 31, 2020, increased total assets due to an increase in right-of-use assets included in calculations. In addition, lease payments have been reclassified from net cash provided by operating activities to net cash provided by financing activities. US dollar amounts are converted at the rate of U.S.\$1 = ¥135.5.

\*1 In the fiscal year ended March 31, 2019, revenues exceeded the results of the previous fiscal year. This was mainly due to the application of IFRS 15 “Revenue from Contract with Customers,” which led to an increase of transactions wherein the identified performance obligation of the Company is the transfer of goods as principal and therefore revenue is recognized in the gross amount of consideration.

\*2 Working capital consists of all current assets and liabilities, including cash and short-term debt.

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

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

\*5 The payout ratio was calculated based on net income attributable to owners of the parent for the fiscal year before reclassification (this includes the restatement of results for the fiscal year ended March 31, 2014 due to the change from US GAAP to IFRS).

\*6 Excluding treasury stock held by the Company.

\*7 ROE is calculated by dividing net income (loss) attributable to owners of the parent by the average of equity attributable to owners of the parent at the beginning and end of the fiscal year.

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

\*9 Net DER is calculated by dividing net interest-bearing liabilities by equity attributable to owners of the parent at the end of the fiscal year.

\*10 DOE is calculated by dividing cash dividends per share by equity per share attributable to owners of the parent at the beginning and end of the fiscal year.

\*11 PER is calculated by dividing market capitalization, as determined by multiplying the average share price during the fiscal year by the number of shares issued at the fiscal year-end (including treasury stock held by the Company), by net income (loss) attributable to owners of the parent.

\*12 PBR is calculated by dividing market capitalization, as determined by multiplying the average share price during the fiscal year by the number of shares issued at the fiscal year-end (including treasury stock held by the Company), by equity attributable to owners of the parent.



Equity in Earnings of Subsidiaries and Affiliates

NATURAL GAS GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
LNG Business				
Equity in earnings of subsidiaries and affiliates*	—	25.7	53.5	140.4
Dividend income (after tax)	—	18.2	39.2	43.0
Shale Gas Business				
Equity in earnings of the shale gas business	—	(13.3)	1.7	25.8

\* The figures exclude interest allocated to the Industrial Infrastructure Group (fiscal year ended March 31, 2021: 2.5 billion yen; fiscal year ended March 31, 2022: 3.9 billion yen; and fiscal year ended March 31, 2023: 6.1 billion yen).

INDUSTRIAL MATERIALS GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
Cape Flattery Silica Mines Pty., Ltd. (Australia)	100.00	0.5	0.7	0.9
Mitsubishi International PolymerTrade Corporation (U.S.A.)	100.00	0.4	0.5	(0.1)
Metal One Corporation (Japan)	60.00	3.9	16.9	24.9

CHEMICALS SOLUTION GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
Astomos Energy Corporation (Japan)	49.00	1.6	9.3	8.0
SPDC Ltd. (Japan)	33.34	1.1	3.4	(1.2)
Mitsubishi Corporation Energy Co., Ltd. (Japan)	100.00	6.9	6.8	8.9
Mitsubishi Shoji Chemical Corporation (Japan)	100.00	1.3	2.8	3.1
Mitsubishi Corporation Plastics Ltd. (Japan)	100.00	2.6	3.1	3.0
Meiwa Corporation (Japan)	33.05	0.5	0.8	0.6
Overseas chemical trading business	—	2.5	4.3	3.6
Basic chemicals-related business companies*	—	0.1	(0.4)	10.3

\* Total profits from basic chemicals business (salt business and methanol business).

MINERAL RESOURCES GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
IRON ORE COMPANY OF CANADA (Canada)	26.18	17.6	31.1	25.9
M.C. INVERSIONES LIMITADA (Chile) [Iron Ore Business]	100.00	11.1	27.1	19.7
Mitsubishi Corporation Rtm Japan Ltd. (Japan)	100.00	5.2	7.6	10.8
MITSUBISHI DEVELOPMENT PTY LTD (Australia)	100.00	10.9	270.6	373.2
Copper Business				
JECO CORPORATION (Japan)*	70.00	11.9	23.6	12.9
JECO 2 LTD (U.K.)*	50.00	2.8	5.6	3.1
MC COPPER HOLDINGS B.V. (Netherlands)	100.00	3.2	5.0	1.1
M.C. INVERSIONES LIMITADA (Chile) [Copper Business]	100.00	2.9	20.4	(35.6)
MCQ COPPER LTD. (Peru) [Copper Business]	100.00	—	(5.1)	9.6

In addition to the figures above, the Mineral Resources Group also recognizes dividend income from Compania Minera Antamina (fiscal year ended March 31, 2021: 12.6 billion yen; fiscal year ended March 31, 2022: 17.8 billion yen; and fiscal year ended March 31, 2023: 10.8 billion yen).

\* MC's net interest in the Escondida copper mine is 8.25%, through both JECO CORPORATION and JECO 2 LTD.

INDUSTRIAL INFRASTRUCTURE GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
MSK FARM MACHINERY CORPORATION (Japan)	100.00	1.3	1.2	1.0
Nikken Corporation (Japan)	100.00	4.0	3.6	4.4
Chiyoda Corporation (Japan)*1	33.45	2.7	(4.2)	5.1
Mitsubishi Corporation Technos (Japan)	100.00	0.6	1.2	0.5
Mitsubishi Corporation Machinery, Inc. (Japan)	100.00	3.0	2.4	3.2
Other energy infrastructure-related business companies	—	4.0	1.4	8.3
Commercial vessels-related business companies*2	—	1.3	6.5	5.8
Gas carriers-related business companies	—	3.2	3.0	3.3

\*1 In addition to the figures above, there is a consolidated adjustment of -0.4 billion yen in fiscal year ended March 31, 2021; -2.5 billion yen in fiscal year ended March 31, 2022; and -1.2 billion yen in fiscal year ended March 31, 2023 to our equity in earnings due to adjustments of accounting differences, etc.

\*2 Tax costs of the parent company are included.

AUTOMOTIVE & MOBILITY GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
Automobile-related business companies in Thailand & Indonesia	—	57.7	91.3	106.9
MITSUBISHI MOTORS CORPORATION (Japan)*	20.00	(62.5)	14.8	33.7

\* In addition to the figures above, there is a consolidated adjustment of 9.2 billion yen in fiscal year ended March 31, 2021; -0.6 billion yen in fiscal year ended March 31, 2022; and -2.1 billion yen in fiscal year ended March 31, 2023 to our equity in earnings due to amortization of assets evaluated at fair value at the time of acquisition, etc.

Partial breakdown of Automobile-related business in Thailand & Indonesia				
PT MITSUBISHI MOTORS KRAMA YUDHA SALES INDONESIA (Indonesia)	40.00	1.1	7.7	6.2
PT. KRAMA YUDHA TIGA BERLIAN MOTORS (Indonesia)	30.00	0.1	1.7	2.3
TRI PETCH ISUZU SALES CO., LTD. (Thailand)	88.73	36.1	47.7	59.2

FOOD INDUSTRY GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
Agrex, Inc. (U.S.A.)	100.00	0.8	0.6	1.2
Cermaq Group AS (Norway)	100.00	0.4	30.8	30.8
Indiana Packers Corporation (U.S.A.)	80.00	5.1	5.9	2.2
Olam Group Limited (Singapore)*	14.64	3.3	9.2	8.8
Princes Limited (U.K.)	100.00	4.8	2.6	(7.0)
TH Foods, Inc. (U.S.A.)	50.00	0.5	0.4	0.7
Mitsui DM Sugar Holdings Co., Ltd. (Japan)	20.00	—	0.2	2.5
Itoham Yonekyu Holdings Inc. (Japan)	40.66	7.9	7.6	6.8
Kadoya Sesame Mills, Inc. (Japan)	26.35	0.6	0.7	0.6
Japan Farm Holdings, Ltd. (Japan)	92.66	4.2	2.9	2.3
Toyo Reizo Co., Ltd. (Japan)	95.08	2.1	5.0	5.1
Nitto Fuji Flour Milling Co., Ltd. (Japan)	64.85	2.3	2.4	2.6
KFC Holdings Japan, Ltd. (Japan)	35.21	1.2	1.6	0.9
Nihon Shokuhin Kako Co., Ltd. (Japan)	59.83	0.8	0.8	1.5
Nosan Corporation (Japan)	100.00	3.0	1.3	0.4
Foodlink Corporation (Japan)	99.42	2.0	2.1	1.6
Mitsubishi Corporation Life Sciences Limited (Japan)	100.00	5.1	5.4	6.2

\* The company's name as shown above has been changed from Olam International Limited to Olam Group Limited, a parent company of Olam International Limited, following the share exchange. Also, in addition to the figures above, there is a consolidated adjustment of -5.3 billion yen in fiscal year ended March 31, 2021; -1.1 billion yen in fiscal year ended March 31, 2022; and -1.1 billion yen in fiscal year ended March 31, 2023 to our equity in earnings due to adjustment of accounting differences, etc.

CONSUMER INDUSTRY GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
Toyo Tire Corporation (Japan)*1	20.02	2.3	8.3	9.6
MC Healthcare Holdings, Inc. (Japan)	80.00	2.4	2.6	2.1
Nippon Care Supply Co., Ltd. (Japan)	40.26	1.0	0.7	0.6
Life Corporation (Japan)	23.05	4.1	3.5	3.1
Lawson, Inc. (Japan)*2	50.12	4.4	9.0	12.4
Mitsubishi Corporation Packaging Ltd. (Japan)	100.00	1.4	2.5	3.2
Mitsubishi Corporation Fashion Co., Ltd. (Japan)	100.00	2.1	1.7	2.4
Mitsubishi Corporation LT, Inc. (Japan)	100.00	0.7	1.9	2.0
Mitsubishi Shokuhin Co., Ltd (Japan)	50.11	6.9	7.4	8.6

\*1 In addition to the figures above, there is a consolidated adjustment of -1.5 billion yen in fiscal year ended March 31, 2021; -1.4 billion yen in fiscal year ended March 31, 2022; and

-3.9 billion yen in fiscal year ended March 31, 2023 to our equity in earnings due to adjustments of accounting differences, etc.

\*2 In addition to the figures above, there is a consolidated adjustment of -6.2 billion yen in fiscal year ended March 31, 2021; -3.3 billion yen in fiscal year ended March 31, 2022; and -5.6 billion yen in fiscal year ended March 31, 2023 to our equity in earnings due to adjustments of accounting differences, etc. Furthermore, a consolidated adjustment due to -83.6 billion yen of impairment losses on goodwill to Lawson, Inc. and its intangible assets in fiscal year ended March 31, 2021 are not included.

POWER SOLUTION GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
N.V. Eneco (Netherlands)*1	80.00	13.2	20.0	32.1
Diamond Generating Asia, Limited (Hong Kong)*2, *3	100.00	7.3	1.7	5.5
DIAMOND GENERATING CORPORATION (U.S.A.)	100.00	3.1	6.9	9.4
DIAMOND GENERATING EUROPE LIMITED (U.K.)	100.00	6.2	28.8	29.2
DIAMOND TRANSMISSION CORPORATION (U.K.)*4	100.00	7.8	(1.4)	2.1
Mitsubishi Corporation Energy Solutions Ltd. (Japan)	100.00	13.8	15.6	(15.4)

\*1 On June 29, 2021, N.V. Eneco Beheer merged with Eneco Groep N.V. and changed its company name to N.V. Eneco. As a result of the DD&A on the assets measured at the fair value when acquiring Eneco Group and other adjustments, -7.0, -2.0, and -5.3 billion yen of losses were recognized in fiscal year ended March 31, 2021; fiscal year ended March 31, 2022; and fiscal year ended March 31, 2023 respectively, through the consolidation process besides the numbers above. Our net earnings in equity after the consolidation adjustment includes Dutch/UK tax reform (fiscal year ended March 31, 2021: Dutch -4.9 billion yen/fiscal year ended March 31, 2022: UK -0.7/Dutch -1.2 billion yen)

\*2 The corresponding figure is the total of 12 companies, including companies which are administrated by Diamond Generating Asia, Limited.

\*3 Tax costs of the parent company are included.

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

URBAN DEVELOPMENT GROUP				(Billions of yen)
	Ownership (%)	2021/3	2022/3	2023/3
Diamond Realty Investments, Inc. (U.S.A.)	100.00	4.5	20.8	12.5
Diamond Realty Management Inc. (Japan)	100.00	1.7	1.4	2.5
MC Aviation Partners Inc. (Japan)	100.00	(2.5)	(13.4)	1.8
Mitsubishi HC Capital Inc. (Japan)*1	18.00	10.8	16.6	19.7
Mitsubishi Auto Leasing Corporation (Japan)	50.00	1.8	2.3	2.9
Mitsubishi Corporation Urban Development, Inc. (Japan)	100.00	9.7	5.2	13.3
ASEAN urban development-related business companies in total	—	—	1.0	4.1
Fund related business companies in total*2	—	9.0	17.3	2.9

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

\*2 Tax costs of the parent company are included.



ESG Data

Environmental Data

Following its new GHG emissions reduction targets announced in the fiscal year ended March 31, 2022, MC calculates GHG emissions based on the GHG Protocol's equity share approach from the fiscal year ended March 31, 2022, including the GHG emissions of its affiliates.\*1,\*2,\*3

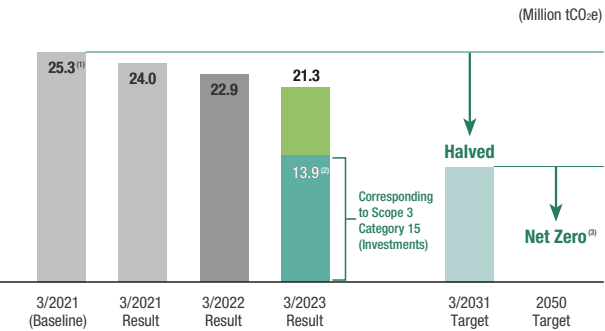
MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions (Use of Sold Products), and we have started to disclose this figure from the fiscal year ended March 31, 2022.

Scope 1 & 2 (Thousand tCO2e)

		3/2021	3/2022	3/2023	Scope of Reduction Target
Non-Consolidated	Scope 1 & 2 Total	9.3	3.4	3.5*	
Consolidated	Scope 1 (including 6.5 gases)	21,829	21,046	19,518*	○
	Scope 2	2,187	1,806	1,746*	
	Scope 1 & 2 Total	24,016	22,852	21,264*	

Scope 1 & 2 Emissions by Segment (Thousand tCO2e)

		3/2021	3/2022	3/2023
Consolidated	Natural Gas Group	3,354	3,172	3,228
	Industrial Materials Group	512	407	395
	Chemicals Solution Group	1,011	1,222	1,119
	Mineral Resources Group	4,132	3,201	3,216
	Industrial Infrastructure Group	102	126	115
	Automotive & Mobility Group	117	140	131
	Food Industry Group	1,380	1,430	1,390
	Consumer Industry Group	384	241	206
	Power Solution Group	13,003	12,889	11,442
	Urban Development Group	14	20	20
	Corporate Staff Section	8	4	4
	Total	24,016	22,852	21,264



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

(2) 13.9 million tons would be equivalent to Scope 3 Category 15 (Investments) under the GHG Protocol's financial control approach.

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

ESG data marked with an asterisk (★) for the fiscal year ended March 31, 2023 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd. For details, please see MC's website.

[https://www.mitsubishicorp.com/ar2023/en/pdf/a\\_report2023\\_24.pdf](https://www.mitsubishicorp.com/ar2023/en/pdf/a_report2023_24.pdf)

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

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

Scope 3 (Thousand tCO2e)

		3/2021	3/2022	3/2023	Scope of Reduction Target
Non-Consolidated	Category 4 (Upstream Transportation and Distribution)	26	24	24*	
Consolidated	Category 11 (Use of Sold Products)	—	381,254	306,939	
	Ref. Category 15 (Investments)	—	15,158	13,881	○

Category 4 (Upstream Transportation and Distribution): Data collected in compliance with the Act on the Rational Use of Energy in Japan. Logistics figures cover domestic (Japan) transport where MC is the cargo owner (includes waste transportations).

Ref. Category 15 (Investments): Of the Scope 1 & 2, emissions from affiliates and joint ventures (equivalent to Category 15 if the financial control approach of the GHG Protocol is adopted).

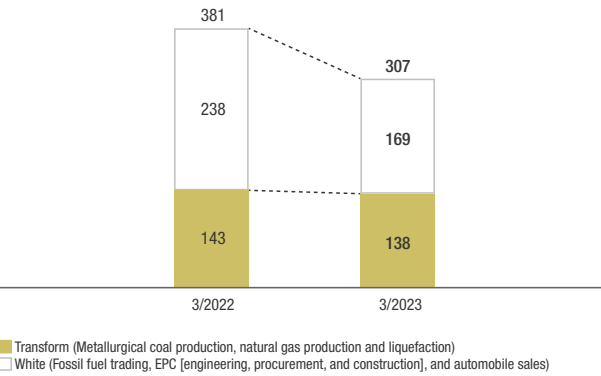
Scope 3 Category 11 Emissions by Segment (Thousand tCO2e)

		3/2021	3/2022	3/2023
Consolidated	Natural Gas Group	—	111,410	116,006
	Industrial Materials Group	—	896	993
	Chemicals Solution Group	—	41,299	46,403
	Mineral Resources Group	—	94,072	96,593
	Industrial Infrastructure Group	—	88,470	2,436
	Automotive & Mobility Group	—	30,093	32,747
	Food Industry Group	—	1,431	1,617
	Consumer Industry Group	—	4,360	4,065
	Power Solution Group	—	8,982	5,729
	Urban Development Group	—	241	350
	Total	—	381,254	306,939

Scope 3 Category 11 Emissions by MC Climate Taxonomy

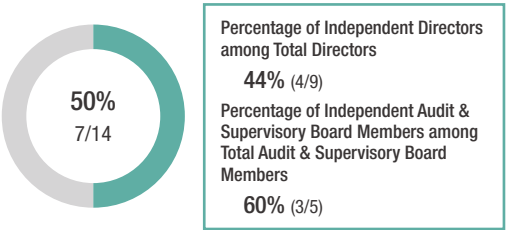
(Million tCO2e)

MC Climate Taxonomy, which covers all of our approximately 130 business units, classifies each into 3 categories: Green (businesses with significant climate-related transition opportunities), Transform (businesses with significant climate-related transition risks), and White (Other).

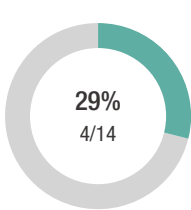


Governance Data

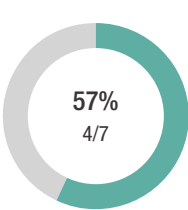
Percentage of Independent Members among Total Directors and Audit & Supervisory Board Members\*4 (%)



Percentage of Women among Total Directors and Audit & Supervisory Board Members\*4 (%)

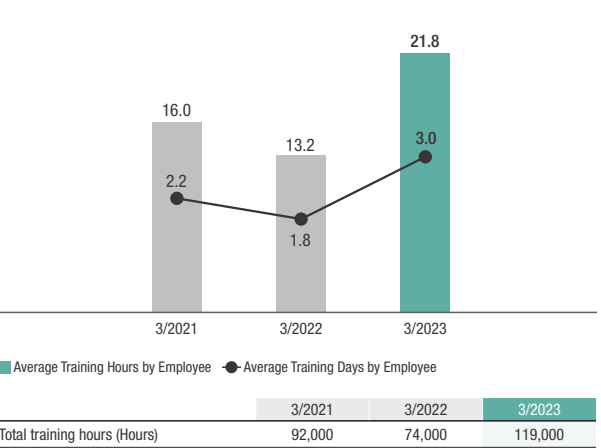


Percentage of Independent Directors among Governance, Nomination and Compensation Committee Members\*4 (%)

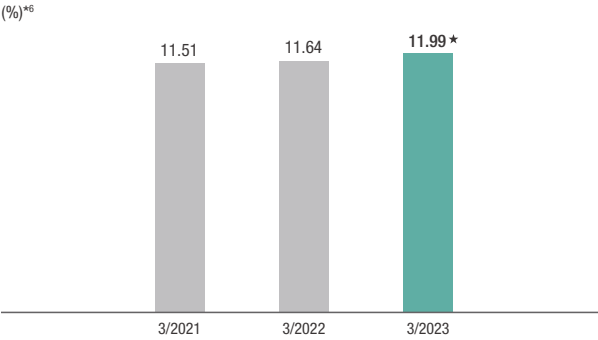


Social Data

Average Training Hours/Days by Employee\*5



Percentage of Women in Management Positions (Non-Consolidated)



Employee Data (Non-Consolidated)

		3/2021	3/2022	3/2023
Number of employees (non-consolidated)	Male	4,241	4,141	4,051
	Female	1,484	1,430	1,397
	Total	5,725	5,571	5,448
Gender ratio in management positions (unit: %)*7	Male	88.49	88.36	88.01
	Female	11.51	11.64	11.99*
Average years of service		18.4	18.5	18.5
Number of employees on overseas assignments (including global trainees)*8		1,074	1,045	1,054
Employment rate of persons with disabilities (unit: %)*9		2.53	2.45	2.41*
Number of employees who took maternity/paternity leave*10	Male	36	49	78
	Female	48	67	68
	Total	84	116	146
Number of employees who took family care leave*10	Male	1	0	1
	Female	0	0	0
	Total	1	0	1
Monthly average overtime hours (unit: hours/month)*11		27.2	30.4	29.9
Percentage of annual paid leave days taken (unit: %)*12		55	60	67
Level of employee satisfaction (unit: %)*13		—	76	74
Lost time injuries frequency rate*14	Consolidated	2.74	2.03	1.98
	Non-Consolidated	0.16	0.15	0

\*1 Effective from the fiscal year ended March 31, 2022, emissions from consolidated affiliates and joint operations were included in the calculations. Scope 1 and 2 include a portion of emissions of consolidated subsidiaries, affiliates, joint ventures, and joint operations on an equity share basis (The figures for the year ended March 2021 in the table are for reference).

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

\*3 The following metrics were adopted as the basis for calculating GHG emissions.

- Direct CO2 emissions from fuel consumption: GHG Protocol, "Emission Factors from Cross Sector Tools (March 2017)" (WRI/ WBCSD)
- Emissions of GHGs from business activities other than CO2 from energy sources (6.5 gases): Greenhouse Gas Emission Calculation and Reporting Manual (Version 4.8) (January 2023, Ministry of the Environment and Ministry of Economy, Trade and Industry)
- Indirect CO2 emissions from electricity consumption, etc.: Adjusted emission factor for each electric power company in Japan (revised in January 2023, Ministry of the Environment and Ministry of Economy, Trade and Industry) (Emission factors for electric power companies outside Japan are individually confirmed, if unavailable, emission factors by country for 2020 from IEA CO2 Emissions from Fuel Combustion (2022 edition))

\*4 Based on status as of July 1, 2023.

\*5 Average hours and days of training per employee are for training sponsored by the Head Office Global Human Resources Department only (excluding training for employees dispatched overseas). One day is calculated as 7.25 hours of working time.

\*6 As of April 1 of each calendar year.

\*7 As of April 1 of each calendar year.

\*8 The Global Trainee System is an overseas assignment system aimed at young employees in order to respond to the global development of MC's business portfolio and strengthen the global competitiveness of MC's human resources.

\*9 As of June 1 of each calendar year.

\*10 The number of employees who began taking this type of leave during each fiscal year.

\*11 Employees working at the Head Office and domestic branches (excluding managers, corporate advisors, and contract employees).

\*12 Employees working at the Head Office and domestic branches (excluding secondees from other companies).

\*13 Employee awareness surveys were taken every three years, but since the fiscal year ending March 31, 2024, they are taken annually (the last survey was taken in November 2022). This is to obtain a snapshot of employee motivation and organizational vitality. The findings are used to improve management and other aspects of operations. Employee satisfaction figures represent the ratio of staff members responding positively to questions about employee engagement (Do you work with enthusiasm and take pride in/admire your company?) in the survey.

\*14 On a consolidated basis, Employees and Contractors. On a non-consolidated basis, Employees and Contractors at the Head Office and domestic branches (excluding corporate advisors and contract employees). The scope of disclosure has been changed from the fiscal year ended March 31, 2023 and has been revised retroactively to previous fiscal periods. (Reference) Lost time injuries frequency rate/Nationwide average at places of business: 2.06 (From 2022 survey on workplace accidents, Ministry of Health, Labour and Welfare of Japan).



Corporate Information (As of March 31, 2023)

Company Name	Mitsubishi Corporation (Securities code: 8058)
Date Established (Date Registered)	July 1, 1954 (April 1, 1950)
Capital	¥204,446,667,326
Shares of Common Stock Issued	1,458,302,351
Head Office	Mitsubishi Shoji Building 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8086, Japan (Registered address of the Company) Telephone: +81-3-3210-2121 Marunouchi Park Building 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8086, Japan
Number of Employees	Parent company: 5,448 Consolidated: 79,706
Independent Auditors	Deloitte Touche Tohmatsu LLC
Number of Shareholders	404,144
Stock Listing	Tokyo
Transfer Agent for Shares and Special Accounts, Account Management Institution	Mitsubishi UFJ Trust and Banking Corporation
Contact Address	Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-1, Nikkocho, Fuchu, Tokyo, 183-0044, Japan Telephone: 0120-232-711 (within Japan)
Postal Contact Address	PO BOX 29 Shin Tokyo Post Office, Tokyo, 137-8081, Japan
Contact	Investor & Shareholder Relations Department, Mitsubishi Corporation 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, 100-8086, Japan Telephone: +81-3-3210-2121

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