

ESG DATA BOOK

E^{nvironmental}

S^{ocial}

G^{overnance}

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Editorial Policy

Editorial Policy (About this ESG Data Book)

Mitsubishi Corporation (MC) has established *Midterm Corporate Strategy 2018—Evolving Our Business Model from Investing to Managing*. Guided by this strategy, we are pursuing a policy of simultaneously generating three kinds of value through our businesses: economic value, societal value, and environmental value. Until now, we have issued publications such as our Integrated Report, which combines information which is particularly relevant to the generation of these three kinds of value. The Integrated Report details our initiatives for maximizing corporate value, along with our initiatives to steadily develop new pillars of future growth. In addition to publications such as this, MC has decided to publish this ESG Data Book. The purpose of this new publication is to unify and combine the ESG-related information presented separately through the Integrated Report, our corporate website and other disclosures, and to further enhance the content of this information.

The ESG Data Book, which serves to supplement our existing reporting, provides more detailed ESG-related information. This report is primarily aimed at stakeholders who have a strong interest in ESG investment. Referring to multiple ESG reporting guidelines, it has been organized according to ESG topic for easier reference. Looking ahead, we will continue to ensure that our ESG Data Book serves as an effective communication tool which contributes to constructive stakeholder dialogue. To do so, we will strive to improve the clarity of our reporting based on the valued feedback we receive from our stakeholders.

Philosophy and Approach Related to Sustainability

Philosophy and Approach

The Three Corporate Principles

Contributing to Society through Business Firmly Rooted in Principles of Integrity and Fairness

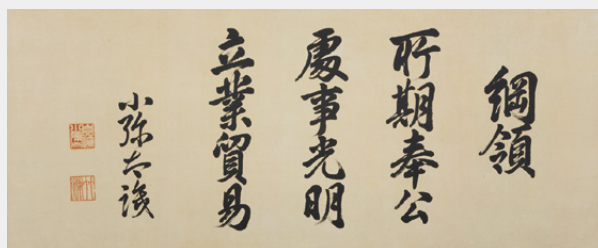
The Three Corporate Principles—Corporate Responsibility to Society, Integrity and Fairness, and Global Understanding Through Business—have served as MC's core philosophy since the Company's inception, inspiring us to conduct fair and sound business activities at all times. We have constantly endeavored to enhance our compliance initiatives. Measures have included establishing the Corporate Standards of Conduct to set forth our expectations with regard to how business should be conducted, in conjunction with developing various compliance-related internal rules, introducing a compliance officer system, and expanding and upgrading risk management frameworks.

The Mitsubishi Corporation Code of Conduct requires employees to conduct business in compliance with local laws and regulations as well as global standards such as the Universal Declaration of Human Rights established by the United Nations (UN) and the core

labor standards of the International Labor Organization (ILO). It also requires employees to act in a socially responsible manner by complying with the highest ethical standards by pledging to follow the Mitsubishi Corporation Code of Conduct. The Environmental Charter and Social Charter have also been established in accordance with the Three Corporate Principles and MC will continue to increase our corporate value as a global integrated business enterprise, with the aim of contributing to the sustainable development of society.

Operating in a variety of fields, MC Group companies share a common history and philosophy* as they continue to grow together and learn from one another.

* The Three Corporate Principles, Corporate Standards of Conduct, Code of Conduct, Environmental Charter, and Social Charter are shared with all MC Group employees globally via a portal site for MC Group companies as well as through various internal training programs.



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.

Philosophy and Approach Related to Sustainability

Mitsubishi Corporation Code of Conduct

Basic Policy

All officers and employees of Mitsubishi Corporation (the “Company”) must comply with all applicable laws, rules and regulations where they operate, international standards and rules, and all internal corporate rules and policies. In addition, all officers and employees of the Company must act in a socially responsible manner by complying with the highest ethical standards in the conduct of their business.

Basic Principles

1. Respect human rights, and do not discriminate on any basis or engage in any form of harassment.
2. Maintain a high regard for environmental considerations in conducting our business operations, and ensure that our business is conducted in an environmentally sustainable manner, and comply with treaties, laws and regulations concerning the environment.
3. Promote fair business practices and comply with trade rules, regulations, and internal corporate rules and policies.
4. Comply with the rules and regulations of international trade.
5. Protect and properly use confidential and proprietary information, protect the rights of the Company and respect the rights of others.
6. Do not engage in insider trading.
7. Avoid conflicts of interest with the Company; maintain a distinction between corporate and private business.
8. Record and report accounting and financial information timely and accurately.
9. Maintain proper legal and ethical standards with respect to gifts and entertainment.
10. Resolutely oppose any organization, group or individual engaged in unlawful activities and do not provide money or other types of economic benefits to them.
11. Promptly report to or consult the superiors, the Group Compliance Officers, the Domestic Branch Compliance Officers, the Foreign Regional Compliance Officers, the relevant departments, the Secretariat for the Compliance Committee, or the outside counsel in charge of Compliance upon discovering or committing any violations of this “Code of Conduct.”

Mitsubishi Corporation Environmental Charter

At Mitsubishi Corporation we consider the Earth itself to be our most important stakeholder and are continually working towards the realization of a sustainable society through our business activities.

- We will strive to reduce greenhouse gas emissions by continually implementing new efficiency measures and embracing new technologies.
- We will promote the sustainable use of natural resources including energy, minerals, food stocks and water throughout our global business operations.
- We recognize the critical importance of what ecosystems can provide and are committed to protecting ecosystems and mitigating any potential impacts on biodiversity.
- We will strive to create and enhance environmental value through environmental conservation and environmental impact reduction measures including pollution prevention.
- We will continue to actively engage and work with our various stakeholders openly and transparently and disclose information on the environmental impacts of our business operations in an appropriate and timely manner.
- We will conduct all of our activities in compliance with environmental laws while adhering to international rules and social standards.

Mitsubishi Corporation Social Charter

Mitsubishi Corporation strives to achieve sustainable societal value through our business operations by contributing towards lasting solutions to the wide spectrum of sustainability challenges facing today's global society.

- We will work to address local societal challenges in the regions and communities in which we operate, contributing towards lasting and sustainable development through our business activities.
- We will continue our wide-ranging philanthropic commitments while regularly adapting our approach in line with ever-evolving societal needs and challenges.
- We will fully respect human rights and indigenous peoples' rights.
- We will fully respect fundamental labor rights and endeavor to ensure the provision of proper working environments with consideration for safety, health, and other aspects.
- We will not engage in corruption of any kind and will take appropriate preventative measures to safeguard against such practices.
- We will continue to actively engage and work with our various stakeholders openly and transparently and disclose information on the social impacts of our business operations in an appropriate and timely manner.

Philosophy and Approach Related to Sustainability

Simultaneously Generating Economic Value, Societal Value and Environmental Value through Our Businesses

MC conducts business activities in accordance with the Three Corporate Principles, which serve as the corporate philosophy for the entire MC Group.

MC has over 150 business units and 1,200 consolidated operating companies. This expansive network gives MC the ability to access numerous different industries on a global basis; i.e., giving us the collective capabilities needed to adopt a holistic view across numerous industries. MC believes that its core strength lies in its ability to constantly seize new business opportunities by taking full advantage of these collective capabilities.

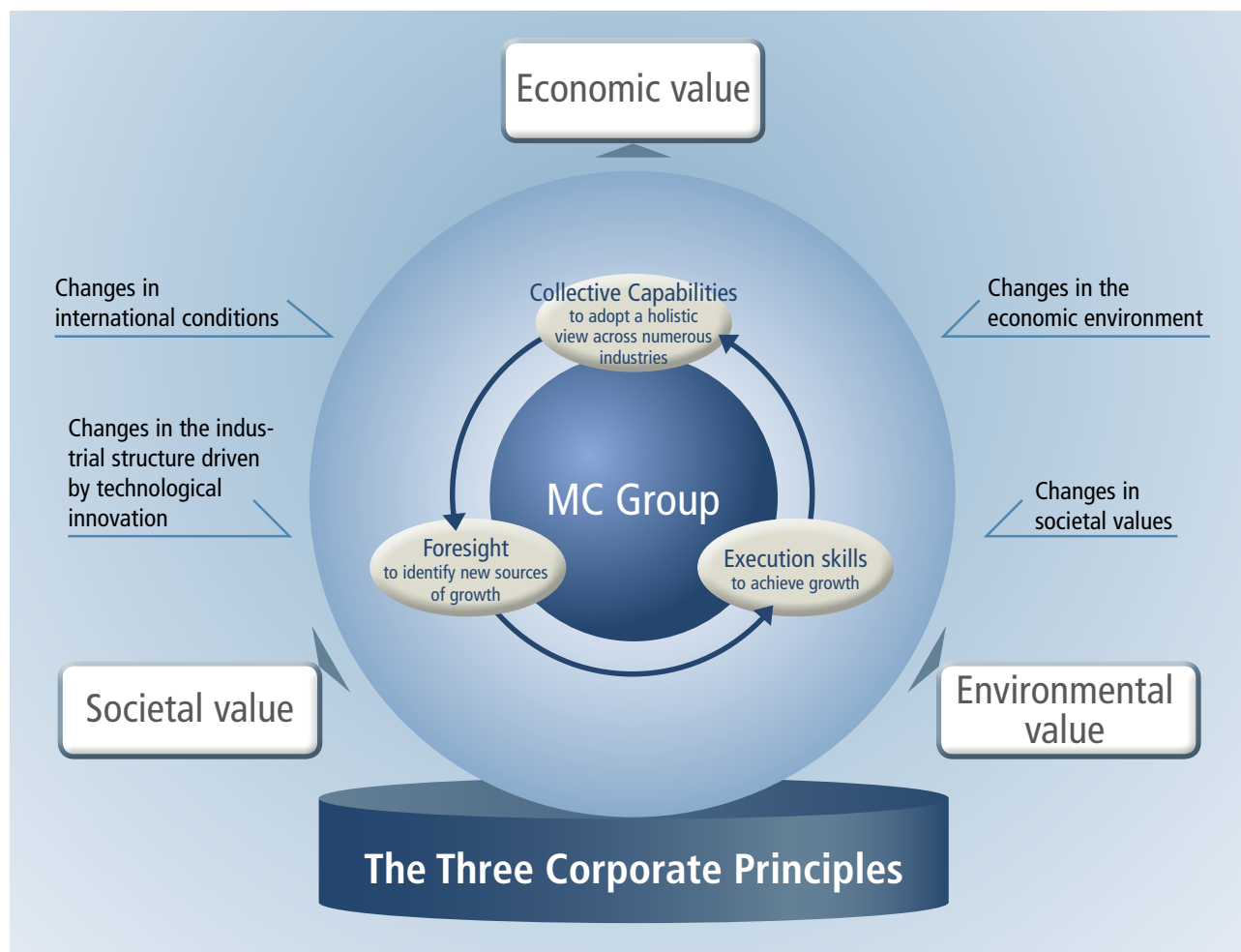
As we maintain these collective capabilities, we will intensively allocate business resources to fields where MC is able to play leadership roles and fulfill universal societal needs. By doing so, we will build the optimal business portfolio we envision by nurturing several core earnings drivers. To do so, we will need to produce highly ethical management professionals who have the

foresight to identify new sources of growth and the execution skills to achieve growth.

In addition, rather than considering corporate social responsibility and businesses to be separate, we believe that it is necessary for all of the businesses MC is engaged in to simultaneously generate economic value, societal value and environmental value through their operations.

Based on this belief, in Midterm Corporate Strategy 2018, MC has reaffirmed its commitment to simultaneously generating economic value, societal value and environmental value through its businesses in order to achieve sustainable growth. To this end, we have identified Key Sustainability Issues as crucial priorities for management to address.

By addressing and tackling these Key Sustainability Issues through our businesses, we will create businesses that generate value for societies as we pursue sustainable growth.



Key Sustainability Issues and Promotion Framework

Key Sustainability Issues

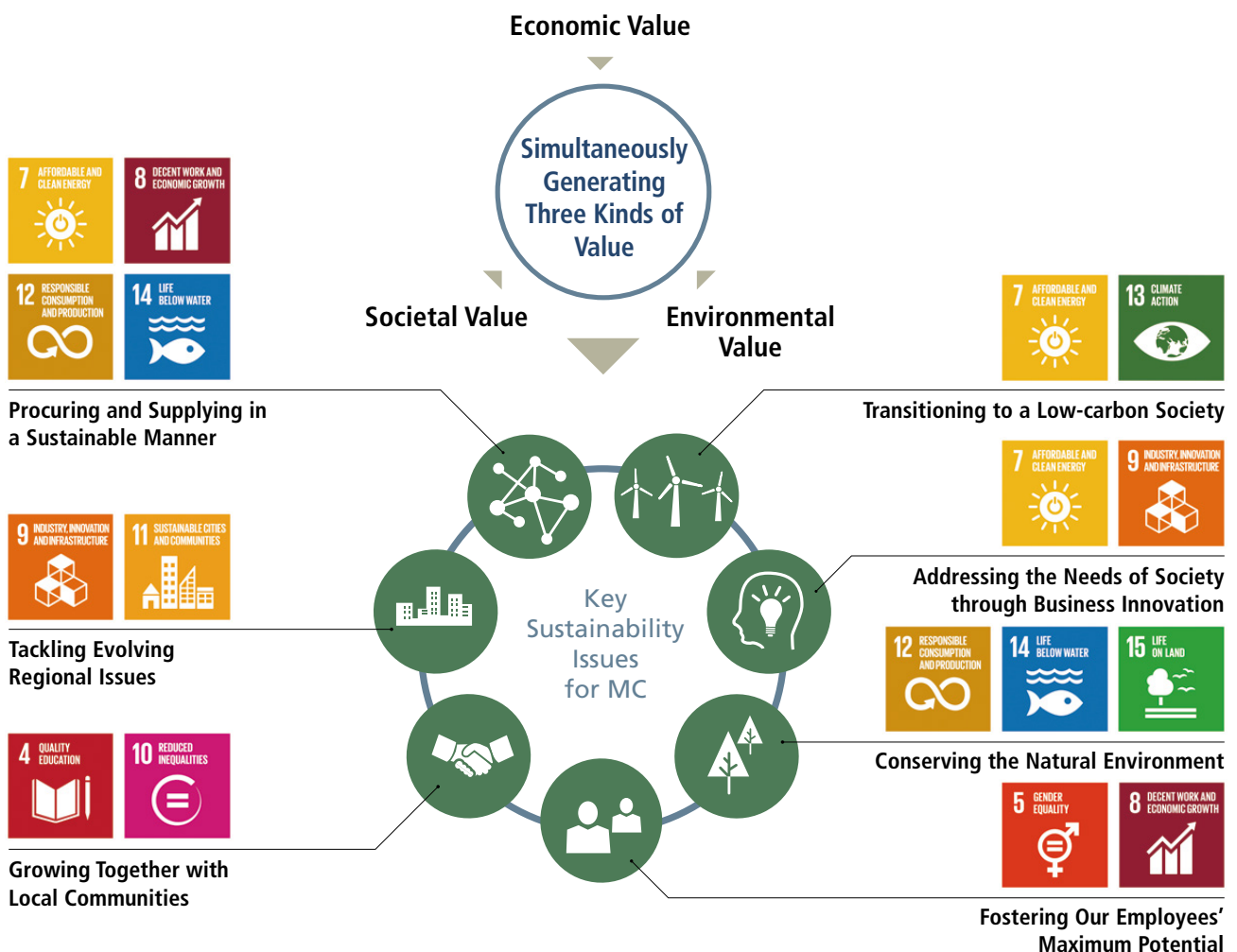
Simultaneous generation of economic, societal, and environmental value is essential for the MC Group's growth. From this perspective, in 2016 MC identified a set of Key Sustainability Issues (Materiality) as mileposts for proactively advancing its efforts.

Through initiatives to address these Key Sustainability Issues, MC will strive to create businesses that generate value for societies.

MC has identified a set of Key Sustainability Issues as mileposts to help it proactively realize the simultaneous generation of these three kinds of value based on the nature of the MC








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

* The SDGs are a set of 17 global goals adopted at the UN summit held in September 2015 as the core of a "new sustainable development agenda for 2030."



Key Sustainability Issues and Promotion Framework

Key Sustainability Issues (Materiality)

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

Identification Process for Key Sustainability Issues

Step 1

Creating a list of potential issues

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

Step 2

Gauging the importance of each issue based on internal and external perspectives

MC gauged the importance of each theme, in terms of both opportunities and risks, and selected priority issues based on the perspectives of the Company's business groups as well as those of external stakeholders.

Step 3

Identifying the Key Sustainability Issues

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

* Referencing reporting guidelines such as those of the Global Reporting Initiative (GRI), an international NGO.

Key Sustainability Issues and Promotion Framework

Further Steps to Advance Sustainability

As a new initiative for the fiscal year ending March 2018, each Group CEO and the Corporate Functional Officer, Corporate Sustainability, held “Sustainability Dialogues” with the purpose of bolstering and expanding initiatives for addressing the above seven Key Sustainable Issues formulated in the fiscal year ended March 2017. During the Sustainability Dialogues, participants discussed changes in the external environment surrounding each issue and examined how value creation by each business contributes to the overall growth of the MC Group. Additionally, ideas were exchanged on how to drive initiatives at the front lines of our business. For example, participants confirmed business opportunities and risks regarding climate change, and exchanged opinions on the mid- to long-term strategic direction including value creation across the supply chain.

Support for the UN Global Compact

MC has participated in the UN Global Compact (UNGC) since 2010.

The UNGC has laid out a set of universal principles for signatories to observe, organized into the four fields of human rights, labor standards, environment and anti-corruption. MC has declared its support for the principles, and is promoting initiatives in each field in the spirit of the Three Corporate Principles. Furthermore, MC is

an executive member of the Global Compact Network Japan, which was launched as a local network in Japan in 2003. We actively participate as part of our stakeholder engagement activities aimed at understanding the external environment and fostering collaboration with other companies.

The Ten Principles of the United Nations Global Compact



Human rights

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2 make sure that they are not complicit in human rights abuses.

Labor

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 the elimination of all forms of forced and compulsory labor;
Principle 5 the effective abolition of child labor; and
Principle 6 the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7 Businesses are asked to support a precautionary approach to environmental challenges;
Principle 8 undertake initiatives to promote greater environmental responsibility; and
Principle 9 encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

Key Sustainability Issues and Promotion Framework

MC's Sustainability Promotion Framework

MC has an Executive Committee that is chaired by the President and CEO and serves as the company's management decision-making body for company-wide matters and policies including those pertaining to sustainability. Under the direction of the Corporate Functional Officers, matters such as sustainability-related initiatives and issues are addressed in deliberation committees such as the CSR & Environmental Affairs Committee and the HRD (Human Resources Development) Committee. Following this process, matters are submitted for approval or reported to the Executive Committee and the Board of Directors based on prescribed standards.

Sustainability Promotion Framework

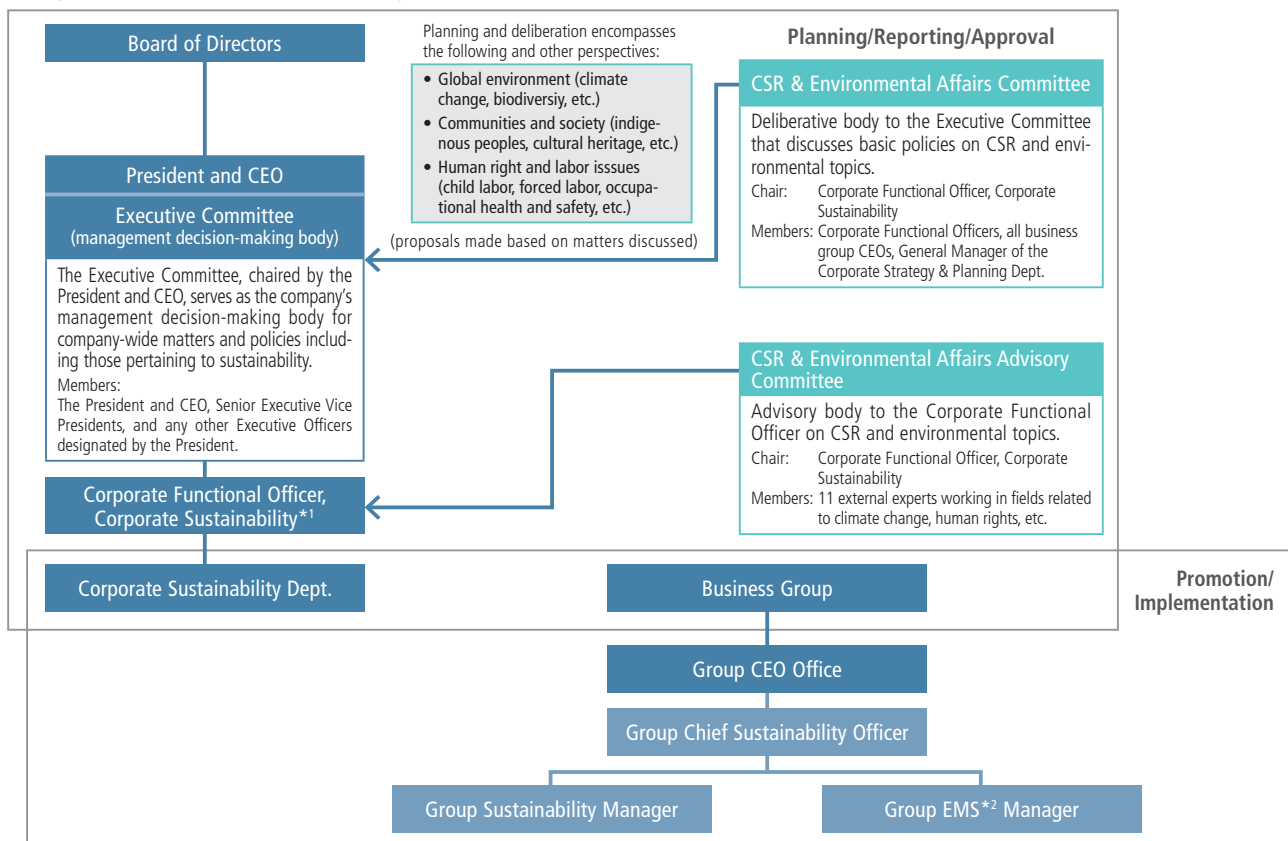
A Member of the Board and Executive Vice President, in the capacity of Corporate Functional Officer, is in charge of business execution related to sustainability.

Fundamental policies related to sustainability are discussed by the CSR & Environmental Affairs Committee, which is chaired by the Corporate Functional Officer, Corporate Sustainability, and attended by all business group CEOs, all Corporate Functional Officers responsible for Company-wide management, and the General Manager of the Corporate Strategy & Planning Department. Policies are then deliberated and decided upon by the Executive Committee.

MC also established the CSR & Environmental Affairs Advisory Committee in 2008, comprised of external experts representing MC's diverse stakeholders. This committee provides a range of advice regarding the MC Group's sustainability initiatives.

Starting in the fiscal year ending March 2018, the position of Group Chief Sustainability Officer was established in each business group with the goal of further promoting sustainability within each business group and creating a structure for further incorporating sustainability into business strategies and business promotion.

Diagram of the Sustainability Promotion Framework



*¹ Corporate Functional Officers serve concurrently as Members of the Board.

*² EMS stands for environmental management systems. (Please see page 11.)

Key Sustainability Issues and Promotion Framework

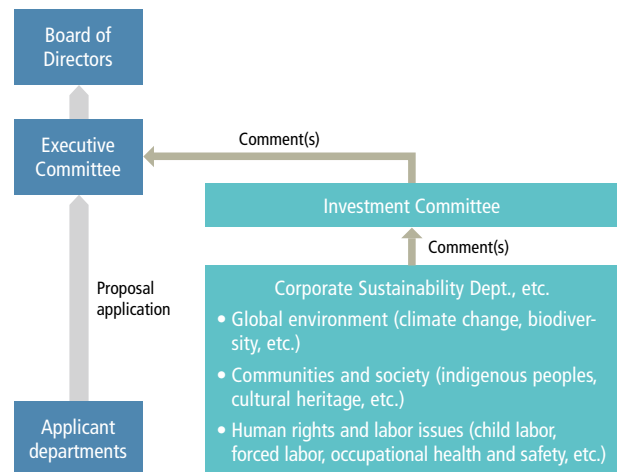
Risk Management Framework

Risk Management Framework for Environmental and Social Aspects

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well.

By having the Corporate Sustainability Department take part in all Investment Committee meetings for projects being deliberated by the Board of Directors and the Executive Committee, MC has put in place a screening process to facilitate decision-making that takes into account environmental and social impacts. ESG screening involves a review of Environmental and Social Impact Assessment (ESIA) reports and site visits. In addition, we also take into consideration various international guidelines, including the International Finance Corporation (IFC) guidelines and the “Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations” established by the Japan Bank for International Cooperation (JBIC). The screening considers not only environmental aspects, but also social aspects including consideration for human rights and labor issues from a global perspective.

Screening Process for Loan and Investment Proposals



Reference: For information on measures to address various ESG-related risks, please see the risk management information provided in each section.

CSR & Environmental Affairs Advisory Committee

MC has established a CSR & Environmental Affairs Advisory Committee, whose members comprise external experts representing MC's diverse stakeholders, to provide advice and recommendations on MC's CSR and environmental policies and various related initiatives. At the CSR & Environmental Affairs Advisory Committee meeting held in May 2017, MC received feedback about its

initiatives and disclosure related to various fields including MC's Key Sustainability Issues (Materiality), climate change and supply chain management. Moreover, MC conducts tours of business sites for committee members in order to deepen their understanding of the Company's businesses.



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Special Advisor to the UNEP Finance
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Toru Nakashizuka
Specially Appointed Professor,
Research Institute for Humanity and Nature

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Yasushi Hibi
Director of Japan Program,
Conservation International

James E. Brumm
Former Executive Adviser,
Mitsubishi International Corporation

Key Sustainability Issues and Promotion Framework

**On-site Observation Tour**

In autumn of 2016, MC held an on-site tour of a tuna farming business operated by an MC Group company in the Goto Islands of Nagasaki Prefecture. The committee members were shown the company's state-of-the-art initiatives that contribute to maintaining wild fish stocks, and gained understanding of the important role that this business plays in supplying a stable source of protein for a growing global population.

WBCSD

MC has been a member of the World Business Council for Sustainable Development (WBCSD)*¹ since the organization's founding in 1995, and since March 2016 has seconded an employee full-time to the WBCSD, tasked with advancing the SDGs and the organization's business and human rights project. Through participation in the WBCSD's People Program*² in particular, MC strives to strengthen the exchange of information and best practices with leading companies and apply such information to business practices.

Furthermore, Sunny Verghese, CEO of MC affiliate company Olam International, was confirmed as the Chair-Elect of the WBCSD

at the organization's Council Meeting in Mexico City in October 2017, and will begin his appointment in January 2018.

*1 The World Business Council for Sustainable Development. The WBCSD is an international organization working to facilitate sustainable development. It has approximately 200 member companies representing a broad range of industries from more than 30 countries.

*2 A program established within the WBCSD that carries out activities mainly focused on the UN Sustainable Development Goals (SDGs), social impact, and sustainable lifestyles.

**Promoting Sustainability Internally**

MC has continued to hold Sustainability Seminars since the fiscal year ended March 2016. These seminars serve as an opportunity to update employees on the latest information regarding the impact of global sustainability trends on the Company, and allow individual employees of the MC Group to consider how they can create value for society and the environment through their own work. The following is a list of past seminar topics (affiliated organizations and titles are accurate as of that time).

- **1st Seminar: "How COP21 Changes Business"** (December 15, 2015)
Takejiro Sueyoshi, Special Advisor to the UNEP Finance Initiatives in the Asia Pacific Region
- **2nd Seminar: "Global Business and Human Rights"** (April 7, 2016)
Kazuo Tase, Director, Deloitte Tohmatsu Consulting LLC
- **3rd Seminar: "Opportunities and Risks for Companies from the Transition to a Low Carbon Society"** (July 14, 2016)
Rintaro Tamaki, Deputy Secretary-General, Organization for Economic Co-operation and Development (OECD)
- **4th Seminar "Growth Opportunities for Companies from 21st Century Social Issues"** (December 7, 2016)
Hiroshi Komiyama, Chairman of the Institute, Mitsubishi Research Institute, Inc.

- **5th Seminar "New Challenges for Companies from Growth in ESG Investment"** (May 24, 2017)
Eiichiro Adachi, Counselor, The Japan Research Institute, Limited
- **6th Seminar "Learning from Examples of Leading Sustainability Management"** (December 6, 2017)
Mina Kanda, General Manager, KAITEKI Promotion Office, Corporate Strategy Division, Mitsubishi Chemical Holdings Corporation

In addition to these Sustainability Seminars, MC is also working to raise employee awareness of sustainability issues primarily through the following measures.

- Holding training seminars, including rank-specific training
- Publicizing issues via the MC Group's internal magazine **RYOWA**
- Regularly publishing relevant news through internal Sustainability Issue Reports
- Holding events at MC FOREST (an internal facility promoting corporate philanthropy and sustainability initiatives)

E

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Environmental

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Environmental Management

Policy

MC considers addressing sustainability challenges as one of its most important management issues (materiality). We have therefore been actively engaged in promoting a range of initiatives towards preserving the global environment through every aspect of our business. The cornerstone of these activities is our Environmental Charter, which was established in 1996. The charter clearly outlines our fundamental stance regarding environmental issues to all of our stakeholders. Based on this charter, MC conducts a variety of

activities and strives to create and increase environmental value. The charter has been revised as necessary in order to reflect the fact that environmental issues and awareness are constantly evolving.

MC has established environmental management systems (EMS) that are compliant with ISO 14001, with the President & CEO serving as the chief officer in charge of EMS. In keeping with the spirit of the Environmental Charter, MC is advancing EMS activities based on its Environmental Policy.

MC's Environmental Policy

MC has established environmental management systems (EMS) based upon its Environmental Charter, and the Company has set out the following Environmental Policy with the aim of preserving the global environment and working towards the realization of a sustainable society through its business activities.

1 Compliance with Environmental Laws and Standards

We will uphold environmental laws and standards in addition to our own environmental commitments.

2 Efforts to Improve the Environment

- (1) We will make efforts to reduce our greenhouse gas emissions in order to address climate change.
- (2) We will make efforts to reduce resource and energy consumption.
- (3) We recognize the importance of biodiversity and will pay close attention to our impact on the natural environment.

3 Continuous Improvement of our EMS

We will strive for continuous utilization and improvement to our EMS in line with our business activities.

4 Disclosure of our Environmental Policy

We will ensure that our Environmental Policy is conveyed to all of our employees, and we will promote understanding through training and dissemination efforts. We will also publicly disclose our Environmental Policy.

Activity Plans and Targets

Under its environmental management systems (EMS), MC sets targets for both business activities and office activities, and works to reduce its environmental impact in each of these areas.

Business Activities

Starting from the fiscal year ended March 2016, the MC Group set a target to reduce the intensity of its greenhouse gas (GHG) emissions on a consolidated basis by at least 1% per year (with the fiscal year ended March 2013 as the base year) over a three-year period. Initiatives with target subsidiaries to reduce emissions accordingly were also initiated.

Office Activities

MC is working to minimize the environmental impact of its office operations on a non-consolidated basis through reductions in electricity consumption, paper consumption, and waste production.

Reductions of Electricity and Paper Consumption

MC undertakes efforts to reduce the consumption of electricity and paper. At its Head Offices, MC targets a reduction of 1% compared to the fiscal year ended March 2017. Individual targets and reduction measures are implemented at each branch and other offices in Japan.

Reduction of Waste Production

MC aims to reduce waste production at its Head Offices by 1% compared to the previous fiscal year in principle, and will revise this target based on conditions of the previous fiscal year.

MC aims to maintain its annual target for a waste recycling rate of at least 95%.

Numerical targets are not set for branches and other offices in Japan due to their status as tenants, and thus waste reduction and sorting for disposal is carried out according to the requirements of each building.

Reference: Paper consumption, water discharge, waste production, and recycling volume in the fiscal year ended March 2017 (numerical data) (P.50–51)

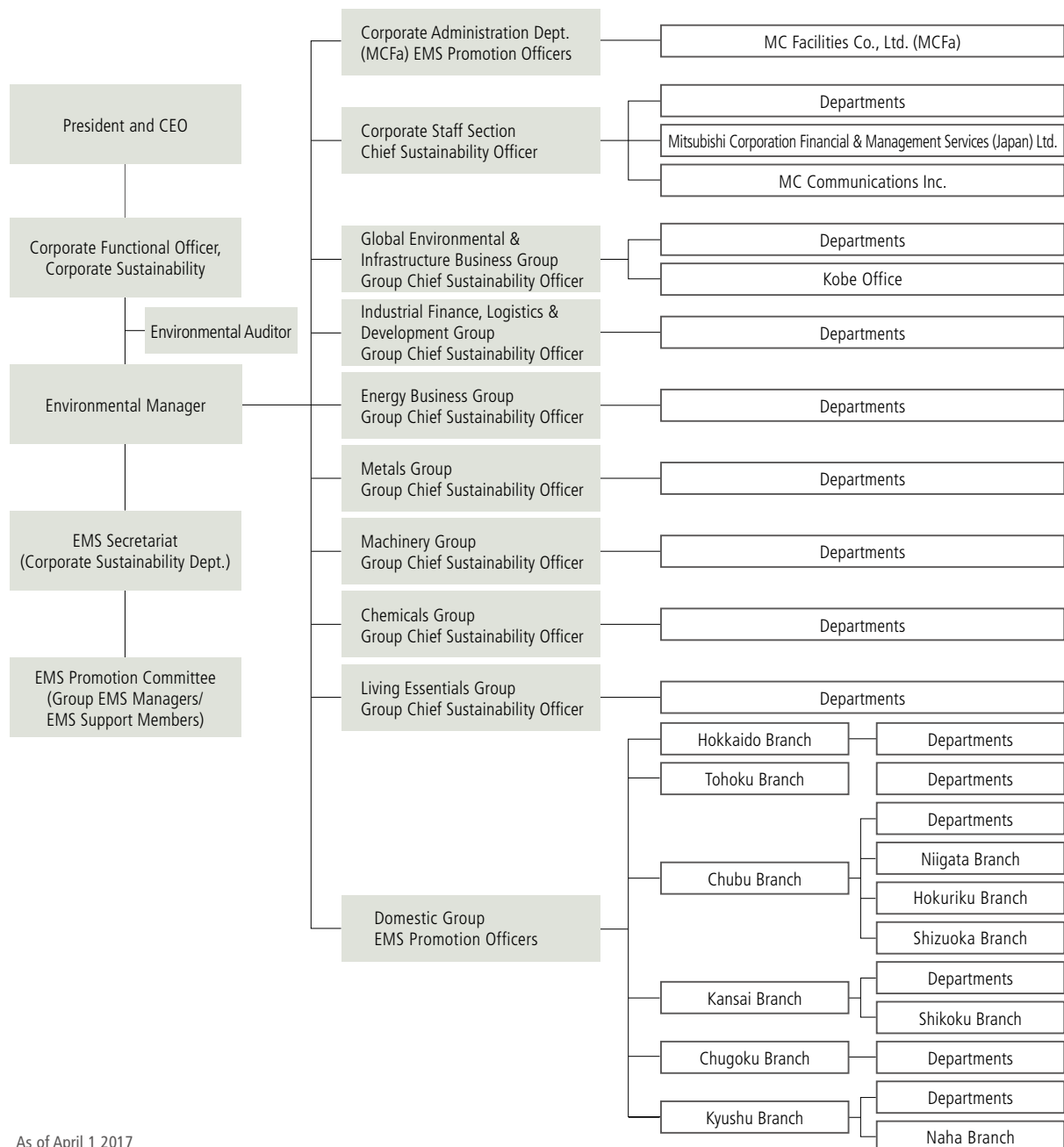
Environmental Management

Structure

At MC, environmental management systems (EMS) are managed by the General Manager of the Corporate Sustainability Dept., who serves as the Environmental Manager, with the President & CEO of MC serving as the chief officer in charge of EMS. MC encourages

the participation of all employees in implementing EMS in cooperation with the Group Chief Sustainability Officer of each business group (EMS Promotion Officers in Japan), along with Group EMS Managers and other personnel.

Environmental Management Systems (EMS) Promotion Framework



As of April 1 2017

Environmental Management

Status of ISO 14001 Acquisition

In 1998, MC acquired ISO 14001 certification at its Head Offices. In 1999, the following year, domestic branches were also added to the scope of certification. Individual group companies also comply with ISO 14001 depending on their individual status.

* Certified sites (ISO 14001-certified sites):

- Seven domestic sites (Head Offices, Hokkaido Branch, Tohoku Branch, Chubu Branch, Kansai Branch, Chugoku Branch, Kyushu Branch)
- Three affiliated companies (Mitsubishi Corporation Financial & Management Services (Japan) Ltd., MC Facilities Co., Ltd., MC Communications Inc.)

* Ratio of ISO 14001-certified sites: 100%

* Scope of registration: Commodity trading and business investment activities

Main MC Group Companies with ISO 14001 Certification

Business Group	Name of Company	Business Activities
Global Environmental & Infrastructure Business Group	Chiyoda Corporation	Plant engineering business
	Swing Corporation	Water business
	Lithium Energy Japan	Lithium-ion battery manufacturing and sales
Industrial Finance, Logistics & Development Group	Mitsubishi UFJ Lease & Finance Company Limited	Leasing, installment sales, other financing
	AGP Corporation	Supply of airport ground power, maintenance of airport facilities, food cart manufacture and sales
Metals Group	Metal One Corporation	Steel products business
	Mitsubishi Corporation RtM Japan Ltd.	Mineral resources trading company for Japanese clients
	Iron Ore Company of Canada	Mining, processing and sale of iron ore
Machinery Group	Mitsubishi Corporation Technos	Sales of machine tools and industrial machinery
	The Colt Car Company Ltd.	Distribution of automobiles
Chemicals Group	Mitsubishi Shoji Chemical Corporation	Marketing of solvents, paints, coating resins and silicones
	Mitsubishi Corporation Plastics Ltd.	Marketing of synthetic resin raw materials and products
	Chuo Kagaku Co., Ltd.	Manufacturing of plastic food containers
	Amfine Chemical Corporation	Manufacturing of stabilizers and additives for plastics
	MC Ferticom Co., Ltd.	Manufacturing of fertilizers
	MC Food Specialties Inc.	Manufacture or flavorings (food ingredients) and food chemicals
	Meiwa Corporation	Trading company
Living Essentials Group	Chuo Kasei Co., Ltd.	Marketing of chemical products
	Mitsubishi Shoji Packaging Corporation	Marketing of packaging materials, packaging related machines, paper, paperboard and corrugated container board, as well as import, export, and international trade of paper and paperboard
	Mitsubishi Shokuhin Co., Ltd.	Wholesaling of food, alcohol, confectionery, pet food, daily necessities, in-house products (canned food, etc.) and related materials
	Nihon Shokuhin Kako Co., Ltd.	Manufacturing of corn starch and related processed products
	Nitto Fuji Flour Milling Co., Ltd.	Flour miller
	Kanro Co., Ltd.	Confectionery manufacture and sales
	Japan Farm Co., Ltd.	Poultry/swine breeding and processing, and development, manufacture, and sale of processed food products
Corporate Staff Section	iVision Shanghai Co., Ltd.	IT consulting, construction, maintenance and operation, etc. of business solutions and systems
	Mitsubishi Corporation Financial & Management Services (Japan) Ltd.	Financial, accounting, and inspection services, corporate finance and management consulting services
	MC Facilities Co., Ltd.	Facility management for buildings and offices, and general business support

Environmental Management

Environmental Audits

MC conducts internal environmental audits every year in accordance with ISO 14001. Audits are conducted by forming audit teams comprised of members of the Corporate Sustainability Dept. The audit teams confirm whether EMS is being effectively implemented in each business group. The audit teams report their findings to the President & CEO, who serves as the chief officer in charge of EMS.

Environmental Communications

When MC is requested by customers or other external stakeholders to provide environmental information, MC discloses this information by following the processes stipulated by the ISO 14001 standards.

This information includes questionnaire responses and certified copies of documentation associated with the ISO certification process.

In the fiscal year ended March 2017, MC responded to 45 questionnaires and provided 24 certified copies of its ISO documentation.

Initiatives

Environmental Education

With regard to EMS promotion, MC strives to improve awareness and impart specialized knowledge through overall briefings on EMS, internal environmental audits, environmental laws and regulations and related matters. These briefings are organized by the EMS Promotion Committee, which is comprised of Group EMS Support Members from each internal department and business group.

Furthermore, in the fiscal year ended March 2017, MC held seminars on the revised ISO 14001 standards and environmental audits. When compliance with revised environmental laws and regulations requires new measures, MC holds seminars to disseminate the information throughout the Company.

Use of Life Cycle Assessment (LCA) at Cermaq ASA

Cermaq, an MC subsidiary, uses life cycle assessments (LCAs) for the fish feed management over the two-year salmon maturation process in order to reduce environmental impacts including waste and CO₂ emissions. This is important since fish feed has been identified as an important contributor to resource use and emissions related to the production of salmonids in net-pen systems. By conducting research on optimal feed ingredients and methods, Cermaq is proactively seeking improvements and identifying efficient feeding methods in its operations. One example of ongoing projects on fish feed is research conducted at the Arctic Salmon Research Centre, where Cermaq is a partner, doing research on optimal feed for salmon farming in the Arctic environment in Northern Norway.

Reference: Cermaq's corporate website
<https://www.cermaq.com/wps/wcm/connect/cermaq/cermaq/our-sustainable-choice/research-and-innovation/>
<https://www.cermaq.com/wps/wcm/connect/cermaq/cermaq/our-sustainable-choice/sustainability-16/material-topics/life-cycle-assessment>

Relevant Data

Number of Environmental Reports and Corrective Measures

In the implementation of EMS, a system has been established for reporting and correcting matters relating to infringements of laws and ordinances as well as guidance from authorities. The incidents are shared throughout the company and measures are taken to prevent recurrences.

Number of Environmental Reports and Corrective Measures

	2015.3	2016.3	2017.3
Number of reports	3	0	1
Number of corrective measures	3	0	1
(Including matters resulting in fines, penalties, etc.)	0	0	0

A reporting system which uses a compliance hotline has been instituted to appropriately respond to accidents and disasters when they occur and to promptly implement measures to prevent recurrence. The system covers not only MC but group companies as well.

Going forward, MC will continue to promote EMS as well as measures to address environmental contamination such as oil pollution. Concurrently, in the event of an environmental incident, MC will promptly report the incident to the relevant parties and investigate the causes, along with considering appropriate remedial measures and preventive measures. In doing so, MC will rigorously implement measures to prevent a recurrence of the incident.

Reference: Compliance System Diagram (P.133)

Costs Related to Pollution, Waste Production and the Use of Raw Materials

Environmental Conservation Costs in the Fiscal Year ended March 2017

Category	Investment	Cost
Global environmental conservation cost	0	0
Resource recycling cost*	0	¥11,275,000
Total	0	¥11,275,000

* Outsourcing of waste treatment and recycling-related services

Scope of aggregation and basis for calculation:

- Aggregated for Head Offices
- Aggregated based on the Ministry of the Environment "Environmental Accounting Guidelines 2005"

Environmental Conservation and Economic Impacts of Waste Production and Consumption of Electricity, Paper, and Water in the Fiscal Year ended March 2017

	2016.3	2017.3	Change	YoY
Waste Production	660.8 tons	641.2 tons	-19.6 tons	-2.97%
	¥13,983,000	¥11,275,000	-¥2,708,000	-19.37%
Electricity Consumption	4,840,000 kWh	4,750,000 kWh	-90,000 kWh	-1.86%
	¥105,023,000	¥96,604,000	-¥8,419,000	-8.02%
Paper Consumption	54,880,000 sheets	52,300,000 sheets	-2,580,000 sheets	-4.70%
	¥31,369,000	¥29,880,000	-¥1,489,000	-4.75%
Water Consumption	46,951 m ³	45,618 m ³	-1,333 m ³	-2.84%
	¥34,272,000	¥32,894,000	-¥1,378,000	-4.02%

Scope of aggregation and basis for calculation:

- Aggregated for Head Offices
- Aggregated based on the Ministry of the Environment "Environmental Accounting Guidelines 2005"

Environmental Business

Policy

Environmental Business Policy

Environmental issues related to climate change, water resources, etc. serve as an important perspective for MC's business strategy. For instance, we aim to achieve at least 20% renewable energy in MC's power generation business (by 2030, based on generation amount). In the offshore power transmission business, which supports the increased market penetration of renewable energy, MC was the first Japanese company to enter the market in Germany and the UK, with the aim of establishing a solid position in the industry. MC will also challenge itself by working to develop new, game-changing technologies that significantly reduce GHG emissions, and by building innovative business.

R&D Policy

Within the Global Environmental & Infrastructure Business Group, MC has established the Environment Business R&D Department to support the active development of commercial-scale environmental businesses over the mid to long-term (including hydrogen energy and nanotechnology).

Relevant Businesses and Data

Decarbonized/Low-Carbon Energy

Renewable Energy and Cogeneration Businesses

In response to stricter environmental regulations, power producers have been reviewing their conventional power generation portfolios that rely primarily on environmentally burdensome fossil fuels. This has opened up an expanding range of opportunities for renewable energy businesses and the clean, gas-fired thermal power generation business.

Environmental Business

Renewable Energy Projects

Country	Power plant	Fuel	Net equity basis (Net, 10,000 kW)
Philippines	UPC wind power IPP	Wind power	2.2
Indonesia	Star Energy	Geothermal	7.8
Laos	Nam Theun 2	Hydropower	4.6
Thailand and others	Other renewable energy projects owned by EGCO	Solar power Wind power Geothermal Waste Biomass	6.2
Malaysia	Gebeng Solar	Solar power	0.3
Canada	Aurora Solar	Solar power	3.7
Spain	MC Solar cascaras de cofin	Solar power	0.1
Portugal	Amper	Solar power	1.2
France	Toul-Rosières SAS1	Solar power	2.2
France	Crucey SAS1	Solar power	1.4
France	Massangis SAS 2	Solar power	0.8
France	Ecotera/Plaine de l'Escrebieux	Wind power	0.6
France	Ecotera/Seuil de Bapaume	Wind power	0.8
France	Ecotera/Basse Thierache Sud	Wind power	1.2
France	Ecotera/Plateau d'Andigny	Wind power	1.1
Netherlands	Luchterduinen	Offshore wind power	6.5
Jordan	Shams Maan	Solar power	1.9
Japan	Kumamoto Aso Solar	Solar power	0.2
Japan	Onahama Solar	Solar power	0.5
Japan	Onahama/Izumi Solar	Solar power	0.2
Japan	Komatsushima Solar	Solar power	1.3
Japan	Tahara Solar	Solar power	2.8
Japan	Nagasaki Solar	Solar power	0.5
Japan	Higashi Nozaki Solar	Solar power	0.7
Japan	Komatsushima Solar expansion	Solar power	0.6
Japan	Kochi Solar	Solar power	0.7
Japan	JAMC Solar	Solar power	2.1
Japan	Gonoike Bioenergy	Biomass (exclusive combustion)	1.1

Environmental Business

Cogeneration Projects

Country	Power plant	Fuel	Net equity basis (Net, 10,000 kW)
Japan	MCKB Energy Services	Gas Biogas	3.2
Japan	MC Kawajiri Energy Services	Gas	3.8
Japan	MC Shiohama Energy Services	Gas Coal	9.7
Japan	MCJ Energy Services	Gas	2.2
Japan	Gonoike Bioenergy Services	Biomass exclusive combustion	1.1
Japan	MCM Energy Services	Coal Biomass mixed combustion	5.2
Japan	MC Hokuetsu Energy Services	Gas	2.0
Thailand and others	Other projects owned by EGCO	Gas	7.2

Gas-Fired Projects

Country	Power plant	Net equity basis (Net, 10,000 kW)
USA	Frontier	23.2
USA	Gateway	23.5
USA	Georgia	28.4
USA	Alabama I	29.8
USA	Wildflower/Indigo	13.9
USA	Wildflower/Larkspur	9.3
USA	Mariposa	20.0
USA	Sentinel	40.0
Philippines	Ilijan	25.2
Thailand and others	Khanom 4	11.4
Thailand and others	Kaen Khoi 2	9.0
Mexico	Tuxpan II	24.8
Mexico	Tuxpan V	24.8
Jordan	IPP-3	20.1
Japan	Naoetsu Plant, Mitsubishi Chemical Corporation	10.6

Energy Storage and Power Transmission

With the declining costs of renewable energy and technological advances in energy storage, distributed generation will cover more power demand. This means electricity from embedded power plants located in close proximity to users will be expanded with support of the existing power grid, which is based on the transmission and distribution of electricity from large-scale power plants to users.

Energy Storage

	R&D expenses	Specific project examples
Energy storage	Not disclosed	Energy storage system field trials with Tata Group (India); EnspireME battery storage project (Germany)

Power Transmission

Country	Portfolio asset	Transmission capacity (10,000 kW)	MC's share	Cable route length (Onshore/offshore km)
UK	Walney 1	18.4	50%	2.7/45.3
	Walney 2	18.4	50%	5.1/43.2
	Sheringham Shoal	31.5	50%	22/23
	London Array	63	50%	0.8/54
	Total	130	—	30.6/165.5
Germany	BorWin 1	40	25%	75/125
	BorWin 2	80	25%	75/125
	DolWin 2	90	25%	90/45
	HelWin 2	69	25%	45/85
	Total	279	—	285/380

LNG Bunkering

MC is involved in the LNG fuel*¹ supply and marketing business for ships. Here, one of its major initiatives was the launch of the Gas4Sea*² brand in the marine fuel supply business. Through Gas4Sea, MC aims to promote widespread adoption of LNG as a marine fuel, given its lower environmental impact and outstanding safety and cost effectiveness compared with conventional fossil fuels.

*1 LNG does not contain any source materials such as SOx or particulate matter (PM). Therefore, switching to LNG can reduce SOx and PM emissions by nearly 100% compared with conventional heavy oil. In addition, CO₂ emissions can be reduced by approximately 30%, whereas NOx emissions can be cut by up to 80%.

*2 A new brand launched in September 2016 by MC, ENGIE and Nippon Yusen Kabushiki Kaisha (NYK Line) to undertake marketing of LNG fuel for ships via ship to ship transfer around the world.

Green Buildings

REIT asset management company Mitsubishi Corp. UBS Realty Inc. (MCUBSR), through one of its funds, is promoting initiatives for showing consideration to the environment and reducing environmental impact. These include implementing environmental and energy-saving measures at its properties and working to improve their energy efficiency. These initiatives have been highly rated, with MCUBSR acquiring the following environmental certifications and ratings:

MCUBSR Green Real Estate

(As of November 30, 2017)

Japan Retail Fund Corporation

Certifications received	Rank	Year
GRESB	Green Star	2015, 2016, 2017
CDP Climate Change Program	C	2016, 2017

Certifications received	Property	Evaluation rank	Gross floor area (m ²)	Acquisition price (¥ million)
CASBEE	Ario Otori	Rank S	95,135.36	19,040
	AEON MALL Kobe Kita	Rank S	128,031.55	10,920
	AEON MALL Yamato	Rank S	85,226.68	16,823
	AEON MALL Sapporo Naebo	Rank S	66,893.18	9,260
	AEON Tobata Shopping Center	Rank S	93,258.23	6,290
	AEON MALL Sapporo Hassamu	Rank S	102,162.16	18,818
	AEON MALL Musashi Murayama	Rank S	137,466.97	30,600
	AEON MALL Tsurumi Ryokuchi	Rank S	138,538.63	29,902
	AEON MALL Itami	Rank A	144,723.12	21,488
	Higashi-Totsuka Aurora City	Rank S	150,684.26	50,500
DBJ Green Building Certification	MARINE & WALK YOKOHAMA	★★★	12,670.93	11,300
	m-city Toyonaka	★★	33,301.93	5,570
	KAMISHIN PLAZA	★★★	Main: 17,734.13 Annex: 253.46 Machinery block: 39.10 Food court building: 637.57	3,900
	Bic Camera Tachikawa	★★★	20,983.43	11,920
	SEIYU Hibarigaoka	★★	19,070.88	6,100
	pivo Izumi Chuo	★	pivo bldg: 7,146.70 Tecc Land bldg: 10,258.96	6,000
	La Porte Aoyama	★	6,572.29	9,400
	G-Bldg. Jiyugaoka 01 (Bldg. A)	★	1,367.43	
	G-Bldg. Jiyugaoka 01 (Bldg. B)	Planned accreditation ★★	895.12	3,093
	Narupark	★★★★★	47,442.30	8,540
	DFS T GALLERIA OKINAWA	★★★★★	42,088.14	15,600
	Kyoto Family	★★★★★	44,292.44	5,340
	Abiko Shopping Plaza	★★★★★	55,761.48	10,322
	KAWASAKI Le FRONT	★★★★★	Main: 88,818.38 Parking lot tower: 5,705.63	30,000
	Nara Family	★★★★★	115,707.41	34,875
	mozo wonder city	★★★★★	Main: 229,976.30 Annex: 3,630.43	55,480
	Oyama Yuen Harvest Walk	★★★★★	60,788.15	10,709
	GYRE	★★★	8,578.85	22,712
BELS	G-Bldg. Jiyugaoka 01 (Bldg. B)	★★★★★	895.12	993

Environmental Business

Industrial & Infrastructure Fund Investment Corporation

Certifications received	Rank	Year
GRESB	Green Star	2013, 2014, 2015, 2016, 2017

Certifications received	Property	Evaluation rank	Gross floor area (m ²)	Acquisition price (¥ million)
CASBEE	IIF Higashi-Osaka Logistics Center	★★★★	20,247.86	2,280
	IIF Kyotanabe Logistics Center	★★★★	33,243.99	5,730
	IIF Kawasaki Science Center*	★★★★	4,857.73	2,168
	IIF Hiroshima Logistics Center*	★★★	Building 1: 22,539.51 Building 2: 228.73	3,540
	IIF Nishinomiya Logistics Center (Extension)*	★★★	6,075.58	859
DBJ Green Building Certification	IIF Hiroshima Logistics Center	★★★★★	Building 1: 22,539.51 Building 2: 228.73	3,540
	IIF Kobe Logistics Center	★★★★★	39,567.74	5,193
	IIF Tosu Logistics Center	★★★★★	13,836.97	1,570
	IIF Koshigaya Logistics Center	★★★★★	9,688.47	2,000
	IIF Noda Logistics Center	★★★★★	38,828.10	6,500
BELS	IIF Yokohama Tsuzuki Logistics Center	★★★★★	9,562.26	2,350
	IIF Nishinomiya Logistics Center (Extension)	★★★★★	6,075.58	859
	IIF Hiroshima Logistics Center	★★★★★	Building 1: 22,539.51 Building 2: 228.73	3,540
	IIF Kawasaki Science Center	★★	4,857.73	2,168
	IIF Kawasaki Science Center	★★	Maintenance Center 1: 49,823.52 Attached Bldg. Total: 159.81 Maintenance Center 2: 31,940.32 Attached Bldg. Total: 72.16	41,110

* CASBEE Locally Customized Edition for Municipalities

Environmental Business

MCUBS MidCity

Certifications received	Rank	Year
GRESB	Green Star	2016, 2017

Certifications received	Property	Evaluation rank	Gross floor area (m ²)	Acquisition price (¥ million)
CASBEE	G-Square Shibuya Dogenzaka	Rank A	6,565.87	12,220
	Higobashi MID Bldg.*	Rank A	6,519.63	3,000
DBJ Green Building Certification	Twin 21	★★★★	146,034.98	68,700
	Matsushita IMP Bldg.	★★★★	84,952.57	24,600
	Kitahama MID Bldg.	★★★★	14,648.13	10,800
	Higobashi MID Bldg.	★★★★	6,519.63	3,000
BELS	Kitahama MID Bldg.	★★★	14,648.13	10,800
	G-Square Shibuya Dogenzaka	★★	6,565.87	12,220
	Higobashi MID Bldg.	★★	6,519.63	3,000

* CASBEE Locally Customized Edition for Municipalities

Reference: Properties Eligible for Green Property Designation
http://www.jrf-reit.com/english/structure/sustain_env.html
http://www.iif-reit.com/english/structure/sustain_env.html
<http://www.midcity-reit.com/en/sustainability>

Data by Property

Japan Retail Fund Investment Corporation

Industrial & Infrastructure Fund Investment Corporation

MCUBS MidCity Investment Corporation

<http://www.jrf-reit.com/english/>

<http://www.iif-reit.com/english/>

<http://www.midcity-reit.com/en/>

Water Business

MC will contribute to solving various challenges pertaining to water resources throughout the world by developing water-related infrastructure and resolving local water issues.

Business investees	Business category	Business overview	Major initiatives
South Staffordshire Plc	Water	South Staffordshire Plc provides water utility services from water intake to distribution and customer management in the Birmingham and Cambridge areas in the United Kingdom (UK). It also provides technical and customer management services to other water utilities through its 30+ offices throughout the UK.	<ul style="list-style-type: none"> • South Staffordshire Plc has a specialist team with capabilities to reduce leakages within water networks. In addition to reducing leakages in its own service areas, it provides services to other water utilities in an effort to sustain finite water resources. • South Staffordshire Plc has been supporting a UK-based NPO WaterAid since its foundation in 1981. WaterAid supplies safe drinking water and sanitation infrastructure in 38 countries worldwide, mainly in Africa, Asia and Central America. South Staffordshire Plc organizes a large-scale charity event each year to fund donations to WaterAid. (MC contributed a donation to WaterAid as well in 2016 after acquiring a stake in South Staffordshire Plc.)
Metito Holding	Water and wastewater treatment, seawater desalination, industrial water treatment	Metito designs, procures, constructs, owns and manages water and wastewater treatment plants, industrial water treatment plants and seawater desalination plants in the Middle East, Africa and Asia. It provides water-related solutions optimized for the different regions to improve water shortages and underdevelopment of water infrastructure in the Middle East, Africa and Asia with the aim of improving people's living conditions and protecting the local environment.	<ul style="list-style-type: none"> • Metito has been managing long-term desalination projects in Egypt since 1999 to supply water to drought regions along the Red Sea coast. • Metito has been constructing desalination plants in water scarce Qatar, contributing to the stable supply of drinking water to the region through the long-term management of those facilities.
Swing Corporation	Water and wastewater treatment, industrial water treatment	Swing Corporation is a private water utility that designs, constructs, operates and maintains water infrastructure facilities. It develops water related infrastructure to provide optimized water solutions to clients in Japan and overseas. It also promotes resource recovery and beneficial reuse through sewage and wastewater treatment, and contributes to protecting the global environmental and enhancing sustainability the realization of sustainable societies.	<ul style="list-style-type: none"> • Swing Corporation is engaged in phosphorus recovery from sewage sludge for fertilizer use at Higashinada Sewage Treatment Plant in Kobe, Hyogo Prefecture. Phosphorus mining is not viable in Japan and therefore Japan is dependent on imports from China. Phosphorus recovered through this project is used for agriculture in Kobe, thereby promoting resource recovery through local production for local consumption and recycling. • Swing Corporation developed a Private Finance Initiative (PFI) project in the city of Kurobe, Toyama Prefecture to establish a facility for the beneficial reuse of sewage biomass. An SPC led by Swing Corporation financed, designed, built, operates and maintains the facility. The sewage sludge is mixed with coffee residue before it is processed through methane fermentation, dewatering and drying. This reduces the sludge volume by half while enabling its beneficial reuse as compost and biofuel. (In fiscal 2011, the project won the sustainability category of wastewater recycling award sponsored by the Minister of Land, Infrastructure, Tourism and Transport.)

R&D

Examples of significant projects	
Hydrogen energy	Hydrogen Supply Chain Demonstration Project utilizing the Organic Chemical Hydride Method
Nanotechnology (fullerene business)	Frontier Carbon Corporation Vitamin C60 BioResearch Corporation
Lithium-ion batteries	Lithium Energy Japan*
CCS (Carbon dioxide Capture and Storage)	Japan CCS Co., Ltd.
Joint Crediting Mechanism	Participation in "Project to Promote Green Hospitals" in Vietnam
Third-party disposal services for vehicle write-offs	ABT Corporation

* Lithium Energy Japan

Established in 2007 as a joint venture company through investments by MC, Mitsubishi Motors Corporation and GS Yuasa Corporation, Lithium Energy Japan develops, manufactures, and markets large-capacity lithium-ion batteries.

Within the R&D sector, MC is developing businesses in areas such as hydrogen energy and nanotechnology (using fullerene).

For example, MC is focused on hydrogen as a next-generation clean energy alternative which helps cut CO₂ emissions and combat global warming. To prepare for the new era utilizing hydrogen for large-scale power generation, we are taking part in a hydrogen supply chain demonstration project sponsored by Japan's New Energy and Industrial Technology Development Organization (NEDO) that utilizes the organic chemical hydride method. This project aims to build a hydrogen supply chain that originates overseas. The plan calls for supplying up to 210 tons of hydrogen in 2020.

We are also involved in initiatives aimed at making a hydrogen society a reality. MC is part of the Hydrogen Promotion Team organized by the Tokyo Metropolitan Government and is a member of the Hydrogen Council, joined by leading multinationals including Toyota Motor Corporation and Royal Dutch Shell.

In the nanotechnology-related business, the MC Group owns approximately 150 substance and other patents for fullerene. We are developing industrial and life science applications and related businesses based on fullerene technology. Since fullerene has functional utility even in small quantities, we are working on applications for organic devices such as energy-saving organic thin-film solar cells.

Other business developments are outlined below.

- **CCS (carbon capture and storage)**
CCS is one of the most important low-carbon and decarbonization technologies. MC is involved in a pilot project led by Japan CCS Co., Ltd. at Tomakomai, Japan to test its commercial feasibility. (As of the end of September 2017, the project had successfully captured and stored approximately 80,000 tons of carbon dioxide).
- **Joint Crediting Mechanism**
We are involved in the NEDO-supported "Promotion of Green Hospitals by Improving Efficiency/Environment in National Hospitals" in Vietnam as part of the Japanese government's Joint Crediting Mechanism (CO₂ reduction: 878 tons).
- **Collaboration with universities/research institutions**
We are collaborating with Tokyo Institute of Technology and Battelle Memorial Institute to identify and study medium- to long-term business themes for decarbonization and low-carbon business.

Initiatives to Promote Electric Vehicles

Currently, it is said that the transportation sector accounts for approximately 20% of global CO₂ emissions, and the reduction of CO₂ emissions as well as of the use of fossil fuels in the automotive industry pose significant issues.

As part of its involvement in the automobile sales business worldwide, with a focus on Japan and Europe, MC is engaged

Sales Expansion and Promotion Activities

MC implements a variety of initiatives, including through collaboration with local affiliates, to promote and expand sales for the i-MiEV and Outlander PHEV which are developed and sold by Mitsubishi Motors Corporation.

MC further promotes electric vehicles through initiatives such as hosting test-ride events, participating in events which utilize electric vehicles, collaborating in environmental initiatives with other companies including power companies, and participating in energy-saving projects that utilize electric vehicles.

In Europe, MC sells roughly 20,000 Outlander PHEV vehicles annually.

Creating an Environment Where Electric Vehicles Can Be Driven Safely

Increasing the number of power charging spots is important for the popularization of electric vehicles, which have a short driving distance. The operation range of electric vehicles can be extended if power charging is possible along the way and at the destination.

MC, together with its group companies and business partners, promotes the installation and proliferation of electric vehicle charging infrastructure, supporting environments that make it easier for people to use electric vehicles.



i-MiEV

MC plans to supply Outlander PHEVs and i-MiEVs to the Government of Georgia

in expanding the sales of the i-MiEV^{*1}, an electric vehicle manufactured by Mitsubishi Motors Corporation, and the Outlander PHEV^{*2}, a plug-in hybrid electric vehicle, which have less impact on the environment while operation. Through the promotion of these electric vehicles, MC is contributing to the realization of a low-carbon and sustainable, energy-efficient society.

Toward Further Performance Improvement of Electric Vehicles

MC supports Mitsubishi Motors Corporation (as a sponsor) using electric vehicles to compete in the long-running Pikes Peak International Hill Climb Race. During the 2014 race, Mitsubishi



MC delivered 635 Outlander PHEV vehicles to the Ukrainian police

Motors Corporation took first and second place in the electric vehicle category (and second and third place in the overall ranking), demonstrating the exceptional electric vehicle technology and four-wheel drive capability of Mitsubishi Motors Corporation's vehicles. This was an opportunity for these electric vehicles with advanced technology to be widely known as "cars that are safe and fun to drive." Data from these races has also been used to make further improvements to advanced technologies such as the race cars' lithium ion batteries produced by Lithium Energy Japan^{*3} and electric vehicle control technologies.

*1 i-MiEV

A first of its kind and a next-generation electric vehicle which launched in 2009, the i-MiEV runs on 100% electricity, completely free of emissions including CO₂, as well as NOx (nitrogen oxide) and PM (particulate matter) which contribute to air pollution. The vehicle's high-capacity battery allows for sufficient driving distances for daily use.

*2 OUTLANDER PHEV

The world's first plug-in hybrid SUV. Its Plug-in Hybrid EV System automatically selects the most fuel-efficient operating function based on factors such as driving situation and battery levels. This allows for both environmentally-friendly EV driving for everyday usage, as well as optimum driving mode for extended trips.

Climate change

The impacts of climate change are becoming increasingly severe year after year. Climate change is now having a significant impact on the environment, society and people's daily lives as well as on corporate business activities.

The Paris Agreement was adopted in 2015 to reduce global greenhouse gas emissions. The agreement has heightened expectations not only for countries and governments to fulfill key roles in mitigating climate change, but also for the private sector as well. Companies are expected to implement measures to achieve a low-carbon/carbon-free society through their business activities.

There have also been stronger calls for companies to provide disclosure of climate change-related information. Notably, the Financial Stability Board (FSB) has launched the TCFD* for the purpose of encouraging the disclosure of information that would enable investors and other stakeholders to properly monitor and evaluate the climate-related risks of companies.

* TCFD: Task Force on Climate-Related Financial Disclosures. In June 2017, the TCFD announced its recommendations on climate-related financial disclosures in order for investors to be able to make appropriate investment decisions.

Policy

MC's Understanding

MC recognizes that climate change poses a significant threat to the planet's ecosystems, as well as to the continued prosperity of business and humanity as a whole. Accordingly, the company has identified "Transitioning to a Low-Carbon Society" as one of the key issues for management to address and respond to as the company strives to achieve sustainable growth.

MC aims to fulfill its mandate to meet the demand for energy while at the same time contributing towards the transition to a low-carbon society, working in collaboration with a wide range of stakeholders including governments, companies and industry associations.

Reference: Mitsubishi Corporation Environmental Charter (P.02)

Business Strategies

MC considers the various risks and opportunities associated with climate change to be an important perspective in determining business strategies. With the goal of contributing to the transition to a low-carbon society, MC will make efforts to reduce greenhouse gas (GHG) emissions by promoting initiatives such as those detailed below. MC will also challenge itself by working to develop new, game-changing technologies that significantly reduce GHG emissions, and by building innovative businesses. In addition, the Company will work to adapt to natural disasters and related events which may increase in the future as a result of climate change.

Examples of Initiatives

- 1 Aim to achieve at least 20% renewable energy in MC's power generation business (by 2030, based on generation amount).
- 2 Promote businesses that support the proliferation of renewable energy, including energy transmission and storage-related businesses.
- 3 Use Best Available Technology (BAT) for businesses such as power generation (both IPP and trading of components) to the extent possible.
- 4 Promote low-emission natural gas projects.

Targets

GHG Reduction Target

For three years since the fiscal year ended March 2016, MC set a target to reduce the intensity of its GHG emissions on a consolidated basis by at least 1% per year (compared to fiscal year ended 2013 levels). We are currently engaged in emission reduction activities together with target MC Group companies.

Reference: CDP Climate Change 2017 Response (English) (Updated September 20, 2017) *Refer to CC 3.1.
http://www.mitsubishicorp.com/jp/en/csr/management/theme/pdf/cdp_170920.pdf

Energy Reduction Target

MC aims to reduce the intensity of its energy consumption by a yearly average of 1% or more and is working to streamline energy use on a non-consolidated basis, including the Head Offices, Japan-based branches and offices.

Reduction Activities

Reference: Please refer to the Environmental Management Section.

Structure

Officer in Charge	Iwao Toide (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	CSR & Environmental Affairs Committee Important matters related to climate change deliberated by the CSR & Environmental Affairs Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.07)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. In relation to climate change, MC considers both (1) transition risks (mitigation measures) and (2) physical risks (adaptation measures), screening factors including GHG emissions data, national regulations and industry trends. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Countries' continued efforts to regulate GHG emissions could have an impact on MC's businesses related to fossil fuels. However, having completed an analysis of the potential impacts associated with a number of scenarios (including the IEA 2°C Scenario*) MC has determined that the impact to its business in the medium to long term will be limited.

* The IEA (International Energy Agency) 450 Scenario

Initiatives

Initiatives to Mitigate Environmental Impact through Businesses

Reference: Please refer to the Environmental Business section.

Climate Adaptation Measures in Salmon Farming Operations

Salmon farming company Cermaq, a 100% subsidiary of MC, assesses climate change adaptation as an important aspect of its risk management. Climate change has the potential to significantly impact the salmon farming industry, and risks related to e.g. extreme weather conditions and natural events are assessed as high risk areas. Climate change impacts may also affect Cermaq's feed supply due to a decrease in agricultural production, changes in forage fisheries, replacement of species or changes in amount of inclusion.

Risks connected with extreme weather events are mitigated through applying site-specific risk assessments for elements such as weather patterns and temperatures, and implementing specific protocols and climate change adaptation measures. Changes to sea water surface temperatures are closely monitored to assess risks to fish health and welfare, including changes in oxygen levels

or presence of pathogens. Climate change risks are in general mitigated by the geographic diversity of Cermaq's operations. Evaluating further expansion potential as a consequence of climate change is a part of the management's strategy reviews.

Furthermore, Cermaq engages actively in research and innovation for the development of closed cage solutions, environmental monitoring, and vaccine development as part of measures to adapt to increasing climate change risks.

Reference: Cermaq's website
<https://www.cermaq.com/wps/wcm/connect/cermaq/cermaq/our-company/annual-report/sustainability-report-16/management-approach-16>
<https://www.cermaq.com/wps/wcm/connect/cermaq/cermaq/our-sustainable-choice/research-and-innovation/>

Participation in Low-Carbon Society Promotion Campaigns

MC participates in the Japanese Ministry of the Environment's "Fun to Share" and "Cool Choice" campaigns, promoting emission reduction initiatives internally and disclosing the details widely.



External Collaboration

Collaboration with Various Organizations

MC recognizes the necessity of collaborating with a wide range of stakeholders including government, companies and industry associations in order to achieve the transition to a low-carbon society. Accordingly, the Company proactively participates in a number of initiatives with external stakeholders.

Industry Groups:	Participation in discussions of climate change working groups of the Japan Business Federation (Keidanren), the Japan Foreign Trade Council and the World Business Council for Sustainable Development (WBCSD), each of which MC is a member.
Government/ Public Office:	MC participates in training and seminars and also engages in individual meetings and discussions on topics related to initiatives backed by Japanese government bodies including the Ministry of Economy, Trade and Industry and the Ministry of the Environment to expand ESG reporting and renewable energy usage.

Reference: CDP Climate Change 2017 Response (English Text)
(Updated September 20, 2017)
* Please refer to CC2.3a
http://www.mitsubishicorp.com/jp/en/csr/management/theme/pdf/cdp_170920.pdf

Responding to CDP

MC actively disseminates information regarding its measures related climate change to its various stakeholders around the world.

The Company has participated in CDP, an NGO which holds the world's largest database of corporate disclosures on climate change initiatives, and since the fiscal year ended March 2004, MC has responded to the CDP Climate Change Questionnaire, which is used for evaluating the climate change management of companies. For further information, refer to MC's CDP Climate Change 2017 Response (English only).

Reference: CDP Climate Change 2017 Response (English Text)
(Updated: September 20, 2017)
http://www.mitsubishicorp.com/jp/en/csr/management/theme/pdf/cdp_170920.pdf

Performance

Environmental Performance (non-consolidated)

	2015.3	2016.3	2017.3
CO ₂ Emissions* ² (Unit: thousand t-CO ₂)	14.0	15.8	18.8*
Energy Consumption* ³ (Unit: GJ)	332,650	373,805	346,170*
Electricity Consumption (Unit: MWh)	27,640	31,764	28,682*
CO ₂ Emissions from Logistics* ³ (Unit: t-CO ₂)	60,058	56,588	56,902*

Scope of Aggregation (non-consolidated):

- CO₂ emissions, energy consumption, electricity consumption and CO₂ emissions from logistics: Head Office, domestic branches and offices, data centers, training centers and other facilities

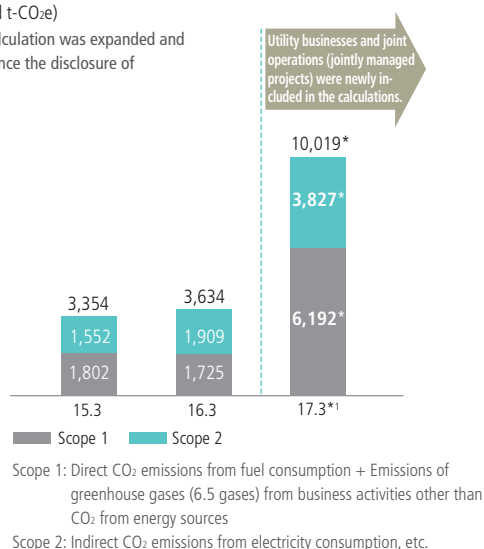
Environmental Performance (consolidated)

	2017.3
CO ₂ Emissions* ^{1*2} (Unit: thousand t-CO ₂ e)	10,019*
Components	
Scope 1 emissions (excluding 6.5 gases)* ^{1*2} (Unit: thousand t-CO ₂)	4,639*
Scope 1 emissions (6.5 gases only)* ^{1*2} (Unit: thousand t-CO ₂ e)	1,553*
Scope 2 emissions* ^{1*2} (Unit: thousand t-CO ₂)	3,827*
Energy Consumption (Unit: GJ)* ^{1*2}	92,607,818*
Electricity Consumption (Unit: MWh)* ^{1*2}	5,271,214*

GHG Emissions (consolidated)

(Unit: thousand t-CO₂e)

The scope of calculation was expanded and revised to enhance the disclosure of information.



Scope of Aggregation (consolidated):

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

*1 Scope 1 and 2 emissions are subject to MC's long-term GHG emissions reduction target. Emissions from projects with high communality, including power generation and heat generation (utility business), as well as joint operations (jointly managed projects) are included in the calculations for Scope 1 and 2. Furthermore, while emissions from franchises are generally not included in Scope 1 and 2 emissions, such emissions have been incorporated into Scope 1 and 2 in order to include them in the scope for GHG emissions reduction.

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

- Direct CO₂ emissions from fuel consumption
The Greenhouse Gas Protocol (GHG Protocol) "Emission Factors from Cross Sector Tools (Mar 2017)" (WRI/WBCSD)

Emissions of Greenhouse Gases (6.5 gases)*^{1*2} other than CO₂ from Energy Sources from Business Activities (Unit: thousand t-CO₂e)

	2017.3
Total amount	1,553
Components	
Carbon dioxide (CO ₂)	53
Methane (CH ₄)	1,500
Nitrous oxide (N ₂ O)	0.1
Hydrofluorocarbons (HFCs)	0
Perfluorocarbons (PFCs)	0
Sulphur hexafluoride (SF ₆)	N/A

- Emissions of greenhouse gases from business activities other than CO₂ from energy sources (6.5 gases)

(For the basis of calculation in the fiscal years ended March 2015 and 2016, please see our website: <http://www.mitsubishicorp.com/jp/en/csr/management/pfm.html>)

- Indirect CO₂ emissions from electricity consumption, etc.

Emissions coefficients by country for the fiscal year ended March 2015 from IEA CO₂ Emissions from Fuel Combustion (2016 edition) (For the basis of calculation in the fiscal years ended March 2015 and 2016, please see our website: <http://www.mitsubishicorp.com/jp/en/csr/management/pfm.html>)

*3 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.

Independent Practitioner's Assurance

To enhance the reliability of its data, MC has obtained the assurance of Deloitte Tohmatsu Sustainability Co., Ltd., an independent third party, for the accuracy of data marked with an asterisk (*) in the above tables.

Reference: Independent Practitioner's Assurance Report
https://www.mitsubishicorp.com/jp/en/csr/management/pdf/pfm_2017.pdf

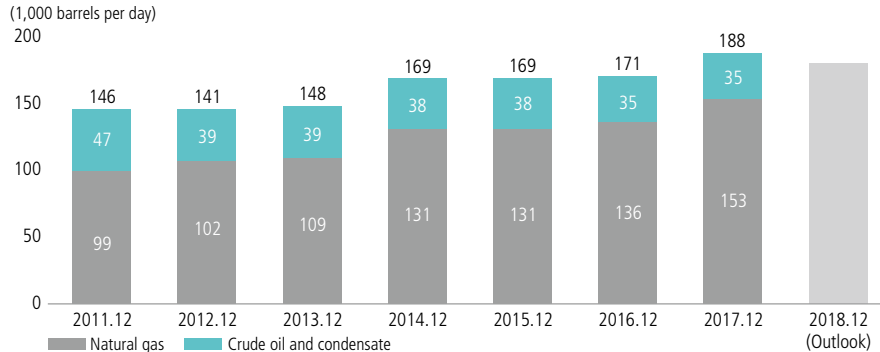
Additional Reference Data

Equity Share of Oil and Gas Upstream Production

MC's equity share of oil and gas upstream production is as shown below. Burning natural gas results in relatively lower GHG emissions compared to other fossil fuels, and demand for natural gas is forecast to continue to increase in line with the transition to a

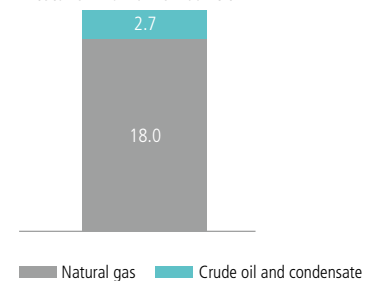
low-carbon society. Accordingly, MC has positioned natural gas as a core business. Currently, natural gas accounts for approximately 80% of the Company's equity share of oil and gas production.

Equity Share of Oil and Gas Upstream Production (Annual Average)*¹



MC's Reserves

(100 million barrels per day)
 (As of the end of December 2016)
 A total of 2.07 billion barrels *¹*²



*¹ Includes oil equivalent and consolidated subsidiaries and equity-method affiliates

*² Participating interest equivalent. Includes reserves based on original standards set by MC

Water Resources

Water is essential for human activity, circulating around the planet while changing to and from solid, liquid and gaseous states. 70% of the Earth's surface is covered with water, and of that amount, 97.5% is salt water. The remaining 2.5% is fresh water which supports human activity, including business activities. However, about three-quarters of that remaining fresh water exists in a frozen state such as within glaciers. Therefore, the amount of freshwater that is actually available for human use accounts for not even 1% of the Earth's total amount of water.

Under the United Nations' Sustainable Development Goals (SDGs), the world is striving to secure access to safe drinking water for all people. At the same time, each country is working to achieve more prosperous livelihoods, including access to water, through economic initiatives that include business activities. Since economic scale and water consumption are closely correlated, companies must use water, one of the Earth's precious natural resources, in an efficient and appropriate manner while also aiming to solve challenges related to water issues through their businesses.

Policy

MC has clarified its intention to promote the "sustainable use of natural resources including water" in its Environmental Charter, which was first established in 1996 and later revised in 2010. The MC Group, which engages in a wide range of businesses worldwide, recognizes water as an essential element for its business activities and places critical importance on the sustainable use of water in all of its operations. In particular, MC identifies relevant risks and opportunities in a timely manner and, with the goal of

achieving the sustainable use of water, establishes appropriate water consumption, recycling and reuse rates throughout its operations and makes efforts to improve use efficiency and reduce consumption. Furthermore, MC will contribute to the resolution of global water issues by establishing water infrastructure businesses and developing comprehensive water operations that contribute to solving water issues.

Targets

Aiming to reduce the consumption of limited water resources, MC will set a target for reducing water consumption at its Head Offices from the fiscal year ended March 2019 and make efforts to reduce consumption.

MC also conducts a sustainability survey which aims to track

the withdrawals, discharges and recycling of water for the total operations of its portfolio investment companies. In addition to achieving a 100% response rate for this survey, MC is conducting an analysis of individual increases and decreases of the various surveyed items.

Structure

Officer in Charge	Iwao Toide (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability)
Deliberative Body (A subcommittee under the Executive Committee, a management decision making body)	CSR & Environmental Affairs Committee Important matters related to water resources deliberated by the CSR & Environmental Affairs Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.07)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. From a water resources perspective, MC has set up a screening process for decision-making that first confirms compliance with environmental regulations related to such factors as water discharge and withdrawals (confirmation of regulatory risks), as well as the impact of water withdrawals on surrounding communities and

local society, and the impact of climate change on the fresh water environment (confirmation of physical risks). For this screening process, particularly for businesses in areas considered to have high levels of water stress, MC utilizes the World Resource Institute (WRI)'s Aqueduct tool in order to incorporate external perspectives. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Initiatives

Initiatives to Reduce Water Consumption (Escondida Copper Mine)

One of MC's major investments is the Escondida Copper Mine. This mine is located in the desert region of northern Chile, and boasts the largest production volume in the world. Water consumption is reduced in the process of mine selection and so forth through water-saving and reuse, among other means. Moreover, in June 2017, approximately US\$3.4 billion was invested to carry out

construction of a new desalination plant with one of the largest processing and pumping capacities in the world. These measures are helping to reduce the amount of water taken from subterranean aquifers, which are an important water source for environmental protection and coexistence with local communities.

Water Resources

Initiatives to Reduce Water Consumption (Toyo Reizo Co., Ltd.)

Toyo Reizo Co., Ltd., one of MC's consolidated subsidiaries, has declared in its environmental policy that it will reduce the amount of water resources to be used in its production processes and will take preventative measures against the discharge of pollutants. It has also set targets to reduce water consumption on both a single fiscal year and mid-term basis to engage in reduction activities. In particular, the company aims to reduce its environmental impact by saving water. To achieve this, it calculates consumption and discharge amounts in plants and related facilities with high water

consumption for daily assessment and review. In addition to these efforts to reduce water consumption, the company has also set targets for the reduction of CO₂ and waste discharge and for the implementation rate of food waste recycling, etc. while seeking continual improvements through a PDCA cycle.

Reference: Toyo Reizo's 2016 Environmental Activity Report, targets, data and initiatives (Japanese only): <http://www.toyoreizo.com/outline/images/ATT201612.pdf>

Water Consumption Reduction Initiatives (Olam)

Olam International Limited, an MC affiliate company, committed in 2013 to reducing water consumption across its agricultural and manufacturing activities, and in 2016 was able to reduce the amount of water used for irrigation and in factories by 31% from the previous year. Examples include implementing the Alliance for Water Stewardship (AWS) standard in its coffee plantation in Tanzania, the first such implementation for agricultural operations and the first in the Africa region. Through this implementation of AWS standards, Olam is strengthening water management to promote initiatives to preserve safe drinking water for over 300,000 people in surrounding communities.

In addition, Olam's long-term selective breeding program in the US to produce onions with higher solid content and lower water content, combined with a focus on optimizing irrigation in

collaboration with the growers has achieved quantified savings since 2009 of 9.7 billion liters of water consumption. Moreover, through water stewardship programs in India's sugar cane production, around 62 billion liters have been saved over 3 years.

Reference: To find out more about Olam's activities to reduce water consumption, please visit the following links on the company's website:
Olam Material Areas, Water
<http://olamgroup.com/sustainability/focus-areas/water-2/>
Olam Sustainability Standard Framework
<http://49tmko49h46b4e0czy3rlqaye1b.wpengine.netdna-cdn.com/wp-content/uploads/2014/10/Water1.pdf>

Initiatives in Water-Stressed Regions (Desalination Projects)

MC is delivering seawater desalination projects in drought regions of the world such as Atacama Desert in Chile and the State of Qatar in the Middle East which contribute to the alleviation of water stress in those regions. Northern Chile is facing serious depletion of groundwater, and alternative water sources are required in consideration of local communities and the agricultural industry. MC provides a stable supply of desalted water to mines and farmlands in the region on the basis of a BOO (Build-Own-Operate) contract.

In Qatar, MC is delivering an Independent Water and Power Project that supplies 2,400,000 kWh of electricity and 590,000 tons per day of water (which comprises 25% of Qatar's desalination capacity) to Qatar General Electricity & Water Corporation over 25 years. MC is delivering the Project in cooperation with the Qatari government to fulfill growing demand for water associated with economic development and population growth and to contribute to the long-term development of the country.

External Collaboration

Responding to CDP

MC actively disseminates information about its ESG-related initiatives to its various stakeholders around the world.

The Company has participated in the CDP, an NGO which holds the world's largest database of corporate disclosures on climate change initiatives, and since the fiscal year ended March 2012, MC has responded to the CDP Water questionnaire, which evaluates corporate water management.

Participation in the Water Project of the Ministry of the Environment of Japan

MC participates in the Water Project*, a public-private initiative which promotes initiatives aimed at preserving or restoring healthy water cycles.

* The project was launched based on the Basic Act on Water Cycles in 2014. The Water Project was founded to build a public-private collaboration platform and to promote initiatives and self-motivated approaches from private sector companies aimed at achieving sound water cycles and water environment preservation.



Water Project

今こそ考えよう。みんなの水と未来。

MC is promoting activities, both through business and corporate philanthropy initiatives, to maintain and restore sound water cycles. The Company also disseminates information about its initiatives and the importance of water through internal and external communication.

Collaboration with NGOs

MC supports a wide range of initiatives focusing on environmental conservation, education and poverty alleviation in Europe and Africa through the Mitsubishi Corporation Fund for Europe and Africa (MCFEA) (Since 1992, more than 4,450,000 pounds have been funded). The MCFEA delivers support through various partner organizations including the Earthwatch Institute, SolarAid, Farm Africa and BirdLife International. One of these partners is the NGO WaterAid, which provides safe water and sanitation to people in dire need around the world in order to help greatly improve their health and quality of life.

Water Resources

Performance

Water Withdrawal

(Unit: thousand m³)

	Water withdrawal (2015.3 results)	Water withdrawal (2016.3 results)	Water withdrawal (2017.3 results)	Note
Non-consolidated:	42	40	40	Mitsubishi Shoji Building, Marunouchi Park Building and certain other offices in Tokyo
Consolidated:	93,795	93,621	103,184	Non-consolidated and main domestic subsidiaries
Components are as follows:				
Industrial water, water supply:	20,363	20,054	25,344	
Groundwater:	10,669	12,175	11,185	
Rivers/lakes:	23,855	23,109	21,856	
Ocean:	38,908	38,276	44,795	
Rainwater:	0	7	4	

Water Recycling Volume and Rate*

(Unit: thousand m³)

	2015.3 results			2016.3 results			2017.3 results			Note
	Water withdrawal	Recycling volume	Recycling rate	Water withdrawal	Recycling volume	Recycling rate	Water withdrawal	Recycling volume	Recycling rate	
Non-consolidated:	42	–	–	40	–	–	40	–	–	Mitsubishi Shoji Building, Marunouchi Park Building and certain other offices in Tokyo
Consolidated:	93,795	8,873	10%	93,621	10,477	10%	103,184	11,059	10%	Non-consolidated and domestic subsidiaries

* Ratio of recycling volume to the total of amount of water withdrawal and recycling volume.

Reference: Water Discharge (P.50)

Independent Practitioner's Assurance

To enhance the reliability of its data, MC has obtained the assurance of Deloitte Tohmatsu Sustainability Co., Ltd., an independent third party, for the accuracy of non-consolidated water withdrawal data.

Reference: Independent Practitioner's Assurance Report
https://www.mitsubishicorp.com/jp/en/csr/management/pdf/pfm_2017.pdf

Biodiversity

Policy

As stated in our Environmental Charter, MC recognizes the critical importance of what ecosystems can provide and is committed to protecting ecosystems and any potential impacts on biodiversity.

We have identified “Conserving the Natural Environment,” which includes consideration of biodiversity, as one of the Key Sustainability Issues (Materiality) that we must actively take on in order to support sustainable growth for the company.

Based on these policies and materiality analysis, MC aims to minimize negative impacts on biodiversity from its businesses. For example, we take biodiversity considerations into account when reviewing and making decisions on loan and investment proposals. In addition, we are engaged in corporate philanthropy activities aimed at conserving biodiversity, including the Tropical Forest Regeneration Experimental Project and the Global Coral Reef Conservation Project.

Reference: MC’s Environmental Charter (P.02)
Policy on Mine/Site Decommissioning (P.96)

Targets

MC strives to mitigate the impact that its businesses have on biodiversity, and seeks ways to contribute to ecosystem preservation through its businesses as well as through corporate philanthropy activities aimed at environmental preservation.

Regarding contributions to the preservation of ecosystems through our business activities, MC takes into account aspects related to biodiversity when screening new project and exit proposals, and also aims to make improvements by monitoring the management practices of existing business investments.

Structure

Officer in Charge	Iwao Toide (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	CSR & Environmental Affairs Committee Important matters related to biodiversity deliberated by the CSR & Environmental Affairs Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.07)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. Since 2012, we have employed the Integrated Biodiversity Assessment Tool (IBAT) developed by organizations including the International Union for the Conservation of Nature (IUCN) to help assess

potential business impacts by evaluating the status of protected or endangered species in the vicinity of project sites, along with other relevant data on special conservation areas. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Initiatives

Examples of Protection/Conservation Activities through Business Operations

Working to Safeguard the Natural Environment at the World's Largest Solar Salt Fields

Exportadora de Sal, S.A. de C.V. (ESSA), a salt manufacturer in which MC and the Mexican Government have equity interests of 49% and 51% respectively, operates the world's largest solar salt field in northwestern Mexico. ESSA supplies approximately half of the solar salt imported into Japan, and has also established a solid position as a company that supports Japan's chlor-alkali business, with the salt used as a raw material in PVC and caustic soda.

The salt fields are in the vicinity of Guerrero Negro, where a community has grown up around ESSA complete with schools, hospitals, shops, churches and other facilities. There is also a supermarket run by ESSA, and through the various jobs it creates, ESSA is further contributing to the stability of the local community.

ESSA has operations within the El Vizcaino Biosphere Reserve, including facilities located near the Ojo de Liebre lagoon (a UNESCO World Heritage site that is a breeding ground for gray whales). Great care is taken at all times to respect the surrounding ecosystem, while minimizing any negative and maximizing positive impacts on biodiversity.

In September 2000, the region in which ESSA is situated was designated by the WHSRN^{*1}, a U.S.-based shorebird protection group, as a site of international importance ^{*2}, and in April 2009 the designation was upgraded to that of hemispheric importance^{*3}.

ESSA cooperates with the activities of WHSRN such as surveys of bird species in the salt fields and maintenance and protection of nesting sites. In addition, ESSA is working to protect the natural environment through the installations of approximately 200 roosts which protect birds from coyotes and other dangers.

ESSA's salt production activities are leading to the creation of new types of ecosystems. With a similar degree of salinity to the nearby lagoons, the evaporation ponds are home to many species of fish, crustaceans and birds. The 8,000 hectare ponds' high microorganism density allows them to generate the same amount of oxygen as would the same area of forest in Canada.

Under the three environmental policies of "Prevention of Air, Land and Ocean Pollution," "Conserving the Natural Environment" and "Biodiversity Monitoring," ESSA will continue to pursue sustainable development in harmony with the environment by engaging in ecosystem research and conservation activities, etc. together with a wide range of stakeholders including members of the local community, local government organizations, universities, and NGOs.

^{*1} Western Hemisphere Shorebird Reserve Network

^{*2} At least 100,000 shorebirds annually; OR at least 10% of the biogeographic population for a species

^{*3} At least 500,000 shorebirds annually; OR at least 30% of the biogeographic population for a species

Details of Preservation and Conservation Activities

Key targets for ecosystem monitoring	The Baja California Pronghorn, gray whales, wild birds (approx. 140 species), sea turtles ESSA's environmental conservation team engages in ecosystem monitoring such as population studies (5–12 times per year) and seawater composition tests (24 times per year) in collaboration with PROFEPA (Federal Attorney of Environmental Protection of Mexico) and WHSRN.
Example of activities [1]	Establishment of a reserve to protect the endangered The Baja California Pronghorn in cooperation with Mexican environmental protection organization ENDESU and related breeding program (population of approx. 400 individuals within conservation area of about 23,000 ha; two conservation centers created)
Example of activities [2]	Periodic audits have been conducted (eight times per year) to estimate gray whale population in Ojo de Liebre and San Ignacio lagoons in collaboration with the National Commission of Natural Protected Areas (CONANP) and the Autonomous University of Baja California Sur (UABCS). These audits have determined the population is now higher than before the year 2000. There remains a medium- to long-term need to determine trends relating to the whale ecosystem and migration patterns.

Rehabilitation

Reference: Mine Closure Initiatives (P.101)

External Collaboration

Status of Participation in the Roundtable on Sustainable Palm Oil (RSPO) Participation

MC joined the RSPO in 2004 as the first Ordinary Member in Japan, and has set a goal to source 100% RSPO-certified sustainable palm oil or equivalent by 2021. Through collaboration and partnership with other RSPO member companies, MC is making efforts with regard to the sustainable sourcing and supply of palm oil.

Reference: RSPO ACOP Report
<https://www.rspo.org/members/69/mitsubishi-corporation>

Status of Participation in the Round Table on Responsible Soy Association (RTRS)

AGREX, an MC subsidiary, is an RTRS (Round Table on Responsible Soy Association) certified producer with a total of 28,000 hectares of land certified under this standard. AGREX was the first agricultural company to obtain RTRS certification for the production of responsible soy in its farmland in Maranhão, Brazil.

Through the RTRS certification, AGREX seeks to make various internal improvements, increase efficiency in soil management and protection, improve water management, foster employee motivation and strengthen relationships with neighboring communities.

Participation in CDP

MC actively discloses information related to its efforts regarding ESG to a variety of stakeholders around the world. Since the fiscal year ended March 2015, MC has responded to CDP Forests, a survey which evaluates companies' forest management in the

supply chain. CDP is an NGO which holds the world's largest database of corporate disclosures on climate change initiatives and other environmental data.

Examples of Collaboration with Government Bodies

Forest Conservation Project: Mitsubishi Corporation Thousand Year Forest (Also Known as Yataro's Forest)

In partnership with the local government, MC is undertaking a forest development project in Aki City, Kochi Prefecture, the birthplace of Mitsubishi founder Yataro Iwasaki.

The shrinking of the world's tropical forests has had a major impact on the global environment, including the effect on the conservation of natural ecosystems and the reduction in the absorption of CO₂ which contributes to global warming. We have been engaged in the Tropical Forest Regeneration Experimental Project

as part of our environmental and Corporate Social Responsibility (CSR) initiatives since 1990. From 2009, we have participated in the "Forest Conservation Project" in partnership with the local prefectural and city authorities and an NGO based in Aki, in line with forest conservation agreements. The development of Yataro's Forest marks our first major forest development project in Japan.

Project aims include: conducting activities to preserve and improve forest ecosystem services such as water conservation, allowing MC employees and local people to gain hands-on experience and undertake volunteer activities, and utilizing the forest as a place for environmental education.

Examples of Collaboration with International Organizations and NGOs

MC's Global Coral Reef Conservation Project promotes cooperative research into coral reefs by industry (MC), academia and NGOs in three locations: Okinawa, the Seychelles and Australia. Major project partners include the Australian Institute of Marine Science, a federal research agency, and the Seychelles National Parks Authority, a semi-governmental entity.

The results of this research are published online and via international symposia to help evaluate the resilience of coral environments and preserve related biodiversity. This project has been recognized with a Medal of Honour in Japan, and has also been approved by the Japan Committee of the United Nations Decade of Biodiversity (UNDB-J)*.

* A committee that seeks to achieve the Aichi Biodiversity Targets adopted at the Tenth Ordinary Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 10) held in Nagoya, Aichi Prefecture, Japan in 2010.

Foundation and Fund Activities

Through the Mitsubishi Corporation Foundation for the Americas (MCFA) and the Mitsubishi Corporation Fund for Europe and Africa (MCFEA), MC is involved in efforts to eradicate poverty, tackle social and environmental protection issues and undertake related educational research across the Americas, Europe and Africa. Support is carried out with a wide variety of partner organizations such

as Earthwatch Institute, which supports scientific environmental conservation research.

Reference: Please refer to the Community section for details on foundation and fund activities.

Examples of Collaboration with Other Companies

In April 2015, MC joined the Japan Business Initiative for Biodiversity (JBIB)*, a group of firms committed to undertake joint research aimed at protecting biodiversity. The JBIB member firms agree to respect biodiversity in their daily business operations and pursue activities aimed at minimizing negative biodiversity impacts. Going forward, through communication with JBIB members and related

initiatives, we will work to find ways of enhancing our initiatives toward protecting biodiversity.

* A group of Japanese companies engaged in biodiversity protection activities

Performance

Volume of RSPO-Certified Palm Oil Handled and Related Ratios

(Units: tons)

	2015.3 results	2016.3 results	2017.3 results
Book and Claim method	—	—	—
Mass Balance method	8,858.48	8,950.00	6,950.00
Total volume of palm oil handled	300,000.00	312,000.00	283,000.00
Ratio (%)	2.95	2.87	2.46

Scope: Non-consolidated

Reference: RSPO ACOP Report
<http://www.rspo.org/members/69/mitsubishi-corporation>

Data on ASC-Certified Marine Products

(Units: Thousand tons)

	2015.3 results	2016.3 results	2017.3 results
Production capacity of ASC-certified sites*	3.5	21	68
Actual sales volume of farmed salmon	138	163	137

ASC: Aquaculture Stewardship Council

Scope: MC consolidated subsidiary Cermaq

* Maximum farmed salmon volume as of December 31 for each fiscal year

Results of Social Contribution Activities

Having started the Tropical Forest Regeneration Experimental Project in 1990, MC remains widely involved in forest conservation in Japan and overseas. Through the Tropical Forest Regeneration Experimental Project which aims to regenerate rainforests in a short period of time and the Global Coral Reef Conservation Project which strives to protect ocean biodiversity, MC's environmental conservation efforts stretch worldwide. As part of this, since the

fiscal year ended March 2012, MC has planted one tree per person every six months for every shareholder who consents to receive important communications such as the Notice of the Ordinary General Meeting of Shareholders by e-mail rather than by post. In the fiscal year ended March 2017, MC planted 39,584 trees, for a cumulative total of 278,304 trees planted through this initiative.

Prevention of Pollution

Policy

MC recognizes the importance of striving to create and enhance environmental value, as stated in the Environmental Charter, by undertaking conservation activities and reducing our environmental footprint, including through the prevention of pollution.

Moreover, in terms of company-wide management of compliance with environmental laws, regulations, etc., MC takes responsibility as a business that produces waste. To ensure rigorous compliance with laws and regulations related to preventing pollution as well

as the reduction, reuse and recycling of waste within the company, internal notifications are sent out, as well as announcements and alerts about meetings and other related events.

Furthermore, MC has formulated guidelines and standards for responding to oil spills and soil contamination and disseminates this information internally to ensure thorough understanding.

Reference: Mitsubishi Corporation Environmental Charter (P.02)

Targets

MC conducts an environmental performance survey for all MC Group companies in order to manage pollution prevention as well as waste reduction, reuse and recycling initiatives on both a non-consolidated and an MC Group-wide basis. On a

non-consolidated basis, we set and monitor specific reduction targets related to the volume of waste produced in conjunction with Head Office activities in order to reduce, reuse and recycle waste through operation of environmental management systems (EMS).

Item	2017.3 targets	2017.3 results	2018.3 targets
Pollution prevention	Select project and conduct oil spill risk survey	Confirm proper risk management system	— (Conduct biannual oil spill risk surveys)
Waste production* ¹	600.6 tons (1.0% decrease from 2016.3 results)	606.6 tons (0.1% decrease from 2016.3 results)	606.6 tons (unchanged from 2017.3 results)
Use of raw materials* ²	52.7 million sheets (1.0% decrease from 2016.3 results)	51.1 million sheets (3.2% decrease from 2016.3 results)	50.49 million sheets (1.0% decrease from 2017.3 results)

*1 Waste produced: Waste produced in conjunction with Head Office activities

*2 Use of raw materials: Volume of copy paper used at the Head Office

Prevention of Pollution

Structure

Officer in Charge	Iwao Toide (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	CSR & Environmental Affairs Committee Important matters related to preventing pollution deliberated by the CSR & Environmental Affairs Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.07)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors including pollution prevention as well as the reduction, reuse and recycling of waste. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Regarding oil spills in particular, oil spill risk surveys are conducted regularly, confirmations are made that oil spill accident prevention and risk management frameworks have been established, and training is conducted to ensure the thorough dissemination of information on these topics. Through these measures, MC is ensuring appropriate risk management to prevent oil spills from occurring.

Initiatives

Initiative to Reduce Waste Production (Non-Consolidated Basis)

<Office Management>

- Maintained recycling rate through rigorous separation of trash
- Planned management of office furniture

<Business Activities>

MC's environmental management systems are based on various laws and regulations and are compliant with various recycling laws (Food Waste Recycling Law, Container and Packaging Recycling Law, Home Appliance Recycling Law, Construction Material Recycling Law). MC manages its operations while following the procedures stipulated in each of these regulations, and strives to reduce waste production through its business activities.

Prevention of Pollution

Initiatives to Reduce Waste Production (Mitsubishi Shokuhin Co., Ltd.)

MC subsidiary Mitsubishi Shokuhin Co., Ltd. carries out various efficiency measures to optimize its supply chains through collaboration between the manufacturing, distribution and sales sectors. Working jointly with manufacturers and retailers to enhance transportation efficiency and collaborating with retailers to reduce vehicle transport and product returns have led to reductions in greenhouse gas emissions and waste production.

The Council for the Collaboration between the Manufacturing,

Distribution and Sales Sectors awarded Mitsubishi Shokuhin with the 2017 Supply Chain Innovation Award in recognition of its excellence in striving to collaborate with the manufacturing, distribution and sales sectors toward optimization of the overall supply chain.

Reference: Mitsubishi Shokuhin press release (Japanese only)
http://www.mitsubishi-shokuhin.com/170707_Release_HP.pdf

Initiatives to Prevent Oil Spills

MC formulated its Oil Spill Risk Guidelines in 2012. On a Group-wide basis, the Company strives to prevent oil spills, giving due recognition of the environmental burden they could cause.

MC makes project decisions taking into account matters such as the products handled and location of the enterprise, conducts oil spill risk surveys regularly, confirms that oil spill accident

prevention and risk management frameworks have been established, and conducts training to ensure the thorough dissemination of information on these topics. Through these measures, MC is ensuring appropriate risk management to prevent oil spills from occurring. In addition, the status of these initiatives is reported to the CSR & Environmental Affairs Committee.

External Collaboration

Marunouchi Ecoben Project

As an environmental initiative in the Marunouchi area, container collection boxes have been installed throughout the Mitsubishi Shoji Building Head Office in cooperation with Mitsubishi Estate Co., Ltd.'s Marunouchi Ecoben Project unifying tenants and workers by using, collecting and recycling recyclable lunchbox containers. MC strives for its employees to promote an understanding of recycling and to proactively engage in recycling activities.

Oil Terminal Business' Collaboration to Prevent Oil Spills

MC Group companies Onahama Petroleum Co., Ltd., Kanokawa Terminal Co., Ltd., and Namikata Terminal Co., Ltd. have entered into a firefighting and emergency response agreement with the Maritime Disaster Prevention Center (MDPC). Under this agreement, MC strives to impart knowledge of oil spill control to employees by, for example, regularly conducting drills on the prevention of marine disasters and providing training sessions for employees on topics such as the prevention of oil spills. These programs are applied to MC's business activities.

Prevention of Pollution

Performance

Toxic Waste, NOx, SOx, VOC Emissions

MC monitors production of specially controlled industrial waste under the Waste Management Law.

This includes infectious waste produced by the in-house clinic as well as waste PCB and PCB-contaminated items, etc. which are disposed sequentially within legally prescribed disposal periods.

(Unit: kg)

	2015.3	2016.3	2017.3
Specially controlled industrial waste	6,440	7,780	7,930

All domestic subsidiaries and affiliates monitor and report appropriate figures under the Waste Management Law.

On a non-consolidated basis, MC emitted no NOx, SOx or VOC.

Efficient Use of Resources

Policy

Our daily lives depend greatly on plentiful global resources. MC believes it is important to simultaneously generate three kinds of value: economic value, societal value, and environmental value—while benefiting in a sustainable manner from limited resources within our planetary boundaries.

MC's Environmental Charter positions this as a key consideration in business activities by clarifying that we will promote the sustainable use of natural resources including energy, minerals,

food stocks, wood and water throughout our global business operations. Specifically, MC strives to recycle, reuse, and efficiently use resources, reduce the ecological footprint of our business activities, maintain healthy stocks in fishing activities, and otherwise efficiently utilize resources in accordance with our business operations.

Reference: Mitsubishi Corporation Environmental Charter (P.02)

Structure

Officer in Charge	Iwao Toide (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	CSR & Environmental Affairs Committee Important matters related to the efficient use of resources deliberated in the CSR & Environmental Affairs Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.07)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. This includes considering measures to address recycling and

closed-loop businesses, waste management and related matters. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Efficient Use of Resources

Targets

MC has set a goal of achieving zero waste emissions offices*, with the aim of recycling at least 95% of the waste produced by the Company.

* MC defines "zero emissions" as cases where vendors are contracted to recycle 95% or more of waste produced by its Head Offices. MC also promotes waste reduction, reuse, and recycling, and manages Head Office activities with waste emissions targets.

	2017.3 targets	2017.3 results	2018.3 targets
Waste emissions	600.6 (tons)	606.6 (tons)	606.6 (tons)
	(1.0% decrease from 2016.3 results)	(0.1% decrease from 2016.3 results)	(unchanged from 2017.3 results)

Initiatives

Recycling and Closed-Loop Business Initiatives (Chuo Kagaku)

MC consolidated subsidiary Chuo Kagaku Co., Ltd. has voluntarily collected used plastic food containers from consumer co-ops, supermarkets, etc. since 1990, and employs an array of recycling methods to transform them back into usable resources.

In chemical recycling, containers are thermally decomposed using steelmaking equipment into basic chemical raw materials before being turned into plastic raw materials, some of which are recycled into food trays.

In thermal recycling, containers are broken down and solidified to create alternatives to fuels such as coal, and used as boiler fuel for power plants, paper companies, etc.

In materials recycling, containers are broken down, melted, and otherwise processed to be given new life as recycled products such as benches.

In the year ended March 2017, Chuo Kagaku recovered a total of 2,566 tons of used plastic food containers, and was also awarded a silver prize in the ECO MARK AWARD 2016 sponsored by the Eco Mark Office under the Japan Environment Association.

To further increase the functionality of plastic food containers, the company successfully developed safe PET containers using

recycled PET raw material. Chuo Kagaku is also focusing on research in areas such as heat-resistant materials to make cooking more efficient, as well as containers to help curb food waste and loss. The company is concentrating especially on eco-friendly materials that can be used safely with all types of food. One example of success in this area is the successful development of CHUO A-PETGREEN (C-APG). By utilizing recycled PET raw material as a raw material for PET containers, the company is able to make efficient use of precious resources. Its safety has also been ensured by meeting voluntary industry standards in conformance with the U.S. Food and Drug Administration (FDA). The product epitomizes the company's drive to resolve social issues pertaining to the environment and safety.

Going forward, Chuo Kagaku will continue striving to reduce and collect waste, as well as reduce and avoid the use of raw materials.

Furthermore, Chuo Kagaku has formulated environmental impact reduction plans every five years since 2006 and is forging ahead with environmental initiatives. In 2017, the company established the Third Five-Year Plan to Reduce Environmental Impact (2017–2021).

Chuo Kagaku Co., Ltd.'s Third Five-Year Plan to Reduce Environmental Impact (2017–2021)

Theme	Description of initiatives	Targets (for 2022.3)
Reduction of waste	Recycling in-house waste	<ul style="list-style-type: none"> Promoting zero emissions activities by recycling in-house waste
	Promoting recycling and collection of used plastic food containers at stores	<ul style="list-style-type: none"> Promoting local closed-loop recycling and collection of used plastic food containers at stores Practical use of closed-loop food packaging recycling
	Promoting education about and practice of the 3 Rs (reduce, reuse, recycle) via closed-loop recycling	<ul style="list-style-type: none"> Promoting awareness-raising activities within and outside of the company

(Past Achievements)

(1) Recycling in-house waste

In the year ended March 2017, 95.0% (3,408 tons) of the 3,587 tons of waste produced within the company was recycled and effectively reused. Waste breakdown in order of volume is as follows: plastic waste, wastepaper, scrap metal, general combustible

materials, wood shavings, and waste oil. Plastic waste was generated by manufacturing plants. Additionally, waste including PET bottles, empty cans, wastepaper, and plastic materials such as polypropylene (PP), PET, and polyethylene (PE) are proactively recovered and separated by the relevant department the Head Offices to promote recycling.

Targeted Waste	2016.3		2017.3		Recycling rate (A) – (B) YoY change (points)
	Waste (tons)	Recycling rate (B)	Waste (tons)	Recycling rate (A)	
Plastic waste	2,374	95.7%	3,049	96.3%	+0.6
Wastepaper	257	94.2%	256	99.0%	+4.8
Scrap metal	170	100.0%	160	98.7%	–1.3
General combustible materials	178	28.0%	76	24.8%	–3.2
Wood shavings	31	64.5%	34	86.6%	+22.1
Waste oil	14	71.4%	13	85.1%	+13.7
Total	3,024	91.5%	3,587	95.0%	+3.5

(2) Promoting collection and recycling of used plastic food containers from stores

With the cooperation of consumers, retailers such as supermarkets, and packaging material stores, Chuo Kagaku collects used plastic food packaging at stores and employs a variety of recycling

processes to transform such materials into usable resources again. Chuo Kagaku also fulfills its obligations as a manufacturer of plastic food containers under Japan's Containers and Packaging Recycling Law, with regard to recycling used plastic food containers collected by municipalities nationwide.

	2013.3	2014.3	2015.3	2016.3	2017.3
Volume collected (tons)	1,855	3,197	2,560	2,484	2,566
Volume collected (converted to number of sheets)	463,750,000	799,250,000	640,040,000	620,910,000	641,540,000

* 4 grams equals 1 sheet

* "2014.3" is data for the 15 months from January 1, 2013 to March 31, 2014

Efficient Use of Resources

Recycling and Closed-Loop Business Initiatives (Livestock Feed Production Business)

Nosan Corporation, a consolidated subsidiary of MC, uses Eco Feed* as a raw material for its formulated livestock feed, with the aim of helping to increase the food recycling rate and enhance the livestock feed and food self-sufficiency rate.

* A livestock feed manufactured using by-products of food production (by-products obtained from the food production process), unsold food products (bread and boxed lunches, etc.) leftovers from cooking (cut vegetable scraps and other leftovers from cooking) and residual farm products (imperfect farm produce, etc.).

Currently, Nosan Corporation uses approximately 6,000 MT per year of dried Eco Feed recycled from discarded by-products of food production, unsold food products, leftovers from cooking etc., and approximately 20,000 MT per year of by-products from bakeries and confectionery factories (bread crumbs, cake flour). These are used as raw materials for livestock feed.

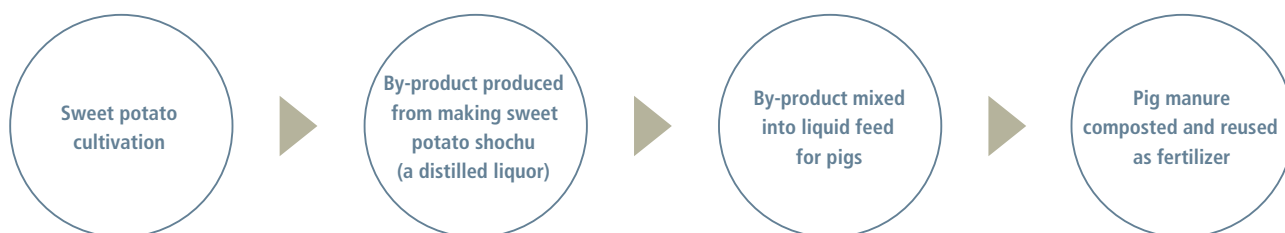
Going forward, Nosan Corporation plans to further increase the use of these raw materials in collaboration with the MC Group's retail companies.

Recycling and Closed-Loop Business Initiatives (Livestock Business)

Japan Farm Holdings Inc., a consolidated subsidiary of MC, is a large-scale livestock company which won the Fiscal 2016 Eco-Feed Award from the Japan Livestock Industry Association for its work building a closed-loop recycling model. The model is centered on reusing waste generated from a primary industry, specifically the lees left over from producing the distilled liquor shochu.

Japan Farm is located in Kagoshima Prefecture, which is famous for sweet potato shochu manufacturing. The by-product waste known

as lees from shochu manufacturing had been an ongoing issue. Japan Farm worked in collaboration with local distilleries for over two years to develop feed that reuses the shochu lees. The feed is used for breeding pigs that have been given the brand name of "Satsuma Koji Imo Buta." Along with reducing waste disposal costs and CO₂ emissions, a closed-loop model has been established in such a manner where the manure from the pigs given the feed is recycled into fertilizer sold by vendors such as local agricultural cooperatives.



Reference: From the Japan Livestock Industry Association website page providing eco-feed information (Japanese only)
http://ecofeed.lin.gr.jp/excellent/jirei2016_japanfarm.pdf

Efficient Use of Resources

Performance

Paper Consumption

(Unit: sheets)

	2015.3	2016.3	2017.3
Paper consumption (A4 copy paper conversion)	65,837,377	58,554,479	55,908,344

Scope of aggregation: Head Offices, six Japan-based branches and offices under MC's jurisdiction

Water Discharge

(Units: Thousand m³)

		2015.3	2016.3	2017.3
Water discharge		48,486	45,465	47,505
Water discharge (By destination)	Rivers, lakes, etc.	17,199	15,834	15,748
	Groundwater	110	1,100	1,103
	Sea	28,849	26,953	29,303
	External processing facilities	1,167	807	1,051
	Other	1,161	771	300

Scope of aggregation: Consolidated (Main Japan-based subsidiaries)

Reference: Water Withdrawal, Water Recycling Volume and Rate (P.36)

Waste Emissions

Consolidated Waste Volumes

(Units: Thousand tons)

	2015.3	2016.3	2017.3
General waste from business	36	12	193
Industrial waste	278	118	285
Total	314	130	478

Scope of aggregation: Consolidated (Parent company and main Japan-based subsidiaries)

Efficient Use of Resources

Non-Consolidated Waste Volume (Head Office)

(Units: kg)

	2015.3	2016.3	2017.3
Emissions volume	668,600	606,700	606,600
• Recycling volume	657,300	596,700	596,700
• Waste volume	11,300	10,000	9,900
Recycling rate (%)	98.3%	98.4%	98.3%

Scope of aggregation (non-consolidated): Mitsubishi Shoji Building, Marunouchi Park Building, and certain other offices in Tokyo

* Waste volume figures exclude waste resulting from internal construction service tasks.

Non-Consolidated Waste Volume (Domestic Branches, Branch Offices and Other Offices, Non-Consolidated Business Emissions)

(Units: Kg)

	2015.3	2016.3	2017.3
Waste	930,110	2,245,240	1,342,840

* Figures include construction waste from construction projects where MC is the original contractor and emissions from welfare facilities.

* Figures exclude specially controlled industrial waste (infectious waste, PCB waste).

* There is no record of nitrous oxide (NOx), sulfur oxide (SOx), or volatile organic compound emissions.

Recycling volume

Non-Consolidated Recycling Volume (Head Office)

(Units: kg)

	2015.3	2016.3	2017.3
Recycling volume	657,300	596,700	596,700

* 100% recycling rate for the Mitsubishi Shoji Building (owned by MC).

Non-Consolidated Recycling Volume (Food Waste)

(Units: kg)

	2015.3	2016.3	2017.3
Food waste recycling volume	403,500	711,900	517,400

MC periodically reports on its food waste on a non-consolidated basis including amounts generated and recycled in accordance with Japan's Food Recycling Law, and works to recycle in line with targets the law stipulates that companies must strive to achieve.

Non-Consolidated Recycling Volume (Container and Packaging Waste)

(Units: kg))

	2015.3	2016.3	2017.3
Mandatory container and packaging recycling volume	20,726	20,031	25,817

* Regarding container and packaging waste discarded by consumers, the mandatory container and packaging recycling volume as an importer. Waste produced by MC on a non-consolidated basis is not included.

MC fulfills its recycling obligations pertaining to container and packaging waste on a non-consolidated basis as an importer in accordance with Japan's Containers and Packaging Recycling Law.

Independent Practitioner's Assurance

To enhance the reliability of its data, MC has obtained the assurance of Deloitte Tohmatsu Sustainability Co., Ltd., an independent third party, for the accuracy of non-consolidated paper consumption and waste volume (Head Office) data.

Reference: Independent Practitioner's Assurance Report
https://www.mitsubishicorp.com/jp/en/csr/management/pdf/pfm_2017.pdf

Social

Social

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Human Rights

Policy

Basic Approach on Human Rights (Including Response to International Norms)

MC believes that respect for human rights is fundamental to doing business globally. The Universal Declaration of Human Rights is proclaimed as “a common standard of achievement for all peoples and all nations” to respect and ensure human rights and liberty. It was adopted at the third United Nations (UN) General Assembly on Dec. 10, 1948. MC supports this declaration and stipulates its respect for human rights in its Corporate Standards of Conduct and Social Charter. Furthermore, MC’s Code of Conduct for executives and employees states that the company will “respect human rights; will not engage in discrimination on the basis of race, ethnicity, creed, religion, or any other grounds; will not tolerate harassment; will foster a proper understanding and awareness of the issue of human rights; will respect the cultures, customs, and language of other countries and regions.” MC also supports international norms

such as the UN Guiding Principles on Business and Human Rights, the core labor standards of the International Labour Organization (ILO), and the Voluntary Principles on Security and Human Rights. In the UK, the government established the UK Modern Slavery Act (MSA) which requires certain companies to disclose actions taken to mitigate modern slavery in their supply chains. In response to this legislation MC publishes a statement annually. Furthermore, the Mitsubishi Corporation Policy for Sustainable Supply Chain Management includes clauses covering the prohibition of forced labor and child labor. MC expects its suppliers to understand, embrace and abide by this policy.

Reference: The Corporate Standards of Conduct, Code of Conduct, and Mitsubishi Corporation Social Charter (P.01–02)

Policy on Children’s Rights

MC understands that children are especially vulnerable to human rights abuses and that special consideration of their rights is necessary. MC also believes that respecting the rights of children allows them to better understand their own rights, which in turn contributes to their ability to become active members of society and leaders of future generations.

With this understanding, MC supports the United Nations and ILO treaties* regarding children’s rights and will strive to ensure that these rights are respected throughout our business. In

particular, MC supports the Convention on the Rights of the Child, including children’s survival and development rights, protection rights, and participation rights. MC also supports the Children’s Rights and Business Principles, strives to prevent abuses of children’s rights in our business, and invests in social contributions through philanthropic efforts focused on children’s rights.

* The UN Global Compact, the Convention on the Rights of the Child, the Children’s Rights and Business Principles, the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (ILO Convention No. 182), etc.

Policy on Indigenous Peoples’ Rights

In the context of its overall commitment to respecting human rights, MC pays special attention to upholding the rights of indigenous peoples, acknowledging their unique social and legal status under national and international laws, as well as their unique histories and cultural contributions throughout the world. When examining new business investment proposals, MC takes into consideration

how the business operations may impact the rights of indigenous peoples and will consult with the affected communities to ensure that such investment is made having regard to relevant international standards. In addition, MC supports the United Nations Declaration on the Rights of Indigenous Peoples.

Policy on Human Rights Consideration when Retaining Armed Security Services

Mitsubishi Corporation (MC) understands the importance of protecting its employees from dangers such as violence and preventing theft of assets throughout its business operations, and retains armed security services when deemed necessary.

MC believes that the abuse of weapons by security forces involves a potential risk of human rights abuse. With regard to retaining armed security services, in addition to complying with

the laws of the countries and regions in which it operates and adhering to international standards, MC also supports relevant international agreements*.

* The UN Global Compact, the Voluntary Principles on Security and Human Rights, the UN Code of Conduct for Law Enforcement Officials, the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, etc.

Structure

Officers in Charge	Iwao Toide (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability) Akira Murakoshi (Member of the Board, Executive Vice President, Corporate Functional Officer, Public Relations, Human Resources)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	CSR & Environmental Affairs Committee, HRD Committee Important matters related to human rights deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Departments in Charge	Corporate Sustainability Dept., Global Human Resources Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.07)

Risk Management

When reviewing investment and loan proposals MC conducts a comprehensive screening process which considers not only economic factors, but ESG impacts as well. From the viewpoint of human rights, MC's assessments and considerations are informed by the following areas: (1) the rights of indigenous peoples, (2) existence of infringements to children's rights, and (3) human rights-related due diligence at investee companies and in the

supply chain. MC's risk management approach is informed by the UN Guiding Principles on Business and Human Rights, the IFC guidelines and the Japan Bank for International Cooperation (JBIC) Guidelines for Confirmation of Environmental and Social Considerations. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Grievance Systems

MC has established an internal human rights consultation desk so that any human rights concerns can be raised. The system ensures that grievances can be raised any time by mail, telephone or in person. This consultation desk can be used anonymously and in confidence, and matters are handled impartially. Solutions are offered with the utmost consideration of the person's views and wishes. Employees are informed about the grievance system

during human rights awareness training at the time of employment, and information is posted at all times on internal bulletin boards. MC also covers human rights issues via a compliance e-learning program to which all executives and employees are subject. In addition, on a consolidated basis, MC provides human rights training to employees who are temporarily transferred to affiliated companies.

CSR and Environmental Affairs Advisory Committee

MC has established the CSR & Environmental Affairs Advisory Committee which consists of 11 external experts. MC regularly seeks the diverse perspectives of this committee about the Company's human rights efforts and other sustainability matters.

In addition to regular committee meetings, committee members also visit business sites on an annual basis in order to deepen their understanding of the Company's sustainability efforts.

Reference: [CSR & Environmental Affairs Advisory Committee \(P.08\)](#)

Initiatives

Support for Maternal and Child Health Programs

MC is helping to support maternal and child health programs in Kenya's Kibera and Mathare areas through the local NGO Shining Hope for Communities Org. (SHOFCO). The programs focus on encouraging mothers to maintain their health and that of their

child before and after birth. By increasing the mothers' knowledge about childbirth and infant development, the programs are helping to reduce the rate of infant mortality and improve overall health and development in addition to many other benefits.

Friendship Camp for Mothers and Children

MC has been holding the Friendship Camp for Mothers and Children since 1974 with the aim of providing a place where children can play, rest, meet people and enjoy their rights as children. The Camp is catered to single mothers and their children, and gives them a chance to interact with nature. It is currently held in Yoshizato, Minamiuonuma-city, Niigata Prefecture. Employee volunteers train and hold meetings for about three months before the

Camp so that the children can maximize their time being at one with nature. To date, approximately 17,000 mothers and children and approximately 1,000 employee volunteers have participated. The Camp is one of MC's flagship philanthropic activities and aligns with the Company's focus on long-running initiatives and employee participation.

Examples of External Collaboration

MC regularly participates in the United Nations Forum on Business and Human Rights and strives to grasp the latest trends in the business and human rights field. In addition, MC participates in the World Business Council for Sustainable Development (WBCSD)'s People Program in order to exchange information with other companies and learn best practice. An MC employee is currently seconded to the WBCSD (since FY2016) and is tasked with

advancing the organization's business and human rights project. MC actively participates in other initiatives and events related to human rights such as seminars held by Shift, an organization which specializes in research with respect to the UN Guiding Principles on Business and Human Rights.

Reference: [WBCSD \(P.09\)](#)

Labor Practices

1. Labor Standards, Labor Environment and Related Matters

Policy

Basic Approach to Human Resources

Human resources are MC's greatest asset. The MC Group has a workforce of approximately 70,000 employees worldwide. In response to the further diversification and globalization of its businesses, the MC Group is working to develop human resources and support their success on a Group-wide and global basis. This

is to create fulfilling and lively workplaces where MC's diverse group of employees, regardless of gender, nationality and other attributes, are able to demonstrate their unique abilities to the fullest extent possible.

Policy on Labor Practices

(1) MC's Policy on Labor Practices

MC believes that consideration for human rights is essential in the course of undertaking various businesses worldwide. Based on this belief, MC's Code of Conduct stipulates that MC will respect human rights and will not engage in any form of discrimination or harassment. With regard to labor practices, MC stipulates the International Labour Standards* of the International Labour Organization (ILO) as the relevant regulations underpinning the compliance requirements detailed in the Code of Conduct.

Reference: Basic Approach on Human Rights (P.53)

* ILO International Labour Standards

The International Labour Organization (ILO) was founded in 1919 on the basic principle that universal and lasting peace can be established only if it is based on social justice. Since its establishment, one of the most important functions of the ILO has been the formulation of international labor standards through Conventions and Recommendations. The ILO has a tripartite structure with workers and employers participating as equal partners with governments. Conventions and Recommendations are adopted at the International Labour Conference of the ILO and ratifying States commit to observing them. The ratifying States also use Recommendations to guide their national policies, lawmaking and actions. Since its founding, the ILO has adopted Conventions and Recommendations that cover nearly every issue affecting the working world. The ILO has established four fields and eight conventions as fundamental labor standards (see table below). MC endorses all of these fields and conventions, and makes specific reference to compliance with them in the Mitsubishi Corporation Code of Conduct.

(2) Participation in the UN Global Compact

MC joined the UN Global Compact in 2010, declaring our commitment to the ten universal principles in four fields: human rights, labor, environment and anti-corruption. Guided also by the spirit of the Three Corporate Principles, we are promoting initiatives in each of these four areas.

Reference: Support for the UN Global Compact (P.06)

The Four Fields and Eight Conventions Constituting Fundamental Labor Standards

Freedom of association and the effective recognition of the right to collective bargaining	Convention concerning Freedom of Association and Protection of the Right to Organise (No. 87) Convention concerning the Application of the Principles of the Right to Organise and to Bargain Collectively (No. 98)
Elimination of all forms of forced or compulsory labor	Convention concerning Forced or Compulsory Labour (No. 29) Convention concerning the Abolition of Forced Labour (No. 105)
Effective abolition of child labor	Convention concerning Minimum Age for Admission to Employment (No. 138) Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (No. 182)
Elimination of discrimination	Convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value (No. 100) Convention concerning Discrimination in Respect of Employment and Occupation (No. 111)

Structure

Officer in Charge	Akira Murakoshi (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	Human Resources Development (HRD) Committee Important matters related to labor practices deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Global Human Resources Dept.

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well, including labor relations and labor management. Besides

screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Initiatives

(1) Providing Young People with Employment Opportunities

- MC conducts recruitment activities targeting new graduates of universities and graduate schools every year.
- MC conducts work experience-oriented workshops with the goal of providing university and graduate students with career education.

(2) New Work Styles Befitting MC

We are making determined attempts to pursue “new work styles befitting MC,” which allow us to enhance work productivity and efficiency while delivering high results and performance. The initiative aims to ensure each organization and individual autonomously practices work styles that best suit respective needs.

While taking into consideration the uniqueness of each organizational and individual initiative due to diversified business environments, industries and other factors they face, we aim to achieve an average annual paid leave utilization rate of 70% or more by systematically encouraging personnel throughout the Company to take their annual paid leave. In addition, we formulate and implement individual improvement measures that require overtime-heavy organizations to develop more efficient labor-saving practices. As a result, in the fiscal year ended March 2017, MC came very close to achieving those objectives, with employees on average taking 66% of their paid leave and working 24.6 hours of overtime per month on a non-consolidated basis.

Our efforts extend to a work environment that enables diverse employees to thrive professionally while fostering an organizational culture in which performance is evaluated fairly on the basis of results.

(3) Respect for Human Rights

MC's Corporate Standards of Conduct emphasize respect for human rights, while the Code of Conduct and Social Charter stipulate that the Company will respect human rights, not engage in any form of discrimination or harassment, not engage in discrimination on the basis of race, ethnicity, creed, religion, gender, nationality, age, origin, physical or mental disability, illness or any other grounds, and respect the cultures, customs, and languages of other countries and regions.

In addition to conducting human rights training for new employees, MC also has a Basic Policy on Preventing Harassment which is disseminated widely throughout the Company. ‘Harassment’ is defined in the Basic Policy as encompassing sexual harassment and “power harassment,” as well as maternity harassment (disadvantageous treatment related to pregnancy, childbirth, childcare leave, family care leave and so on). It also states that harassment encompasses verbal or physical conduct of a sexual nature, regardless of sexual orientation or gender identity such as LGBT. Moreover, MC has established human rights help desks internally and outside the Company. The help desks operate around the clock, providing consultations via e-mail, telephone, in person or by other means.

MC takes additional steps to ensure that its consolidated operations are also aware of its human rights standards. For example, employees who are dispatched to MC affiliate companies also receive human rights training (including topics such as prevention of forced labor and child labor, etc.).

Labor Practices

Relevant Data

	2017.3
Annual average actual working hours* ¹	1,941.8 hours
Monthly average overtime hours* ²	24.6 hours
Percentage of annual paid leave taken* ³	66%
Number of violations of the Labor Standards Act* ⁴	0
Voluntary turnover rate (Compared to the number of employees as of March 31, 2017)	0.85%
Ratio of non-regular employees* ⁵	Approx. 9%

*1 Employees at the Head Office and Japanese branches (excluding corporate advisers and contract employees).

*2 Employees at the Head Office and Japanese branches (excluding managers, corporate advisers and contract employees).

The above represents the monthly average for work in excess of scheduled working hours. The monthly average for work in excess of statutory working hours was 12.1 hours.

*3 Employees at the Head Office and Japanese branches (excluding secondees from other companies).

The annual paid leave utilization rate excluding managers was 71%.

*4 Employees at the Head Office and Japanese branches.

*5 The average number of temporary employees in the fiscal year ended March 2017 was 606.

Reference: For other types of personnel data, please visit MC's website by following the link below.
<https://www.mitsubishicorp.com/jp/en/about/resource/data.html>

Independent Practitioner's Assurance

To enhance the reliability of its data, MC has obtained the assurance of Deloitte Tohmatsu Sustainability Co., Ltd., an independent third party, for the accuracy of non-consolidated personnel data*.

Reference: Independent Practitioner's Assurance Report
https://www.mitsubishicorp.com/jp/en/about/resource/pdf/assurance_report_en.pdf

* Data marked with an asterisk (*) in MC's non-consolidated personnel data for the year ended March 2016 and the year ended March 2017 published in the "Human Resource Management/Basic Data" section of MC's website.

2. Diversity Management

Policy

A Flexible and Powerful Organization Capable of Adapting to Changing Business Environments

The MC Group's global workforce is made up of a diverse group of employees, not only in terms of gender and nationality, but also in terms of lifestyles and values. As the MC Group's businesses rapidly become more global and diverse, MC recognizes that it will be essential to drive growth while encouraging a diverse range of employees to share common values and engage in healthy competition with one another. Doing so will be vital for achieving sustainable corporate growth. We believe that the significance of diversity management at the MC Group lies in building a strong organization with the flexibility to adapt to changing business environments.

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

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

[Specific Initiatives]

- Reviewing work styles with an emphasis on work-life balance
- Supporting employees with childcare, family care, and other family responsibilities
- Engaging expertise of employees regardless of nationality
- Supporting women's careers
- Supporting the success of seniors
- Maximizing the abilities of employees with impairments
- Fostering an understanding of diverse values

Structure

Officer in Charge	Akira Murakoshi (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	Human Resources Development (HRD) Committee Important matters related to labor practices deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Global Human Resources Dept.

Reference: [Diagram of the Sustainability Promotion Framework \(P.07\)](#)

In 2007, MC established its first organization specifically dedicated to diversity management in the Global Human Resources Department (originally named the Work Environment Support Office, it was renamed as the Diversity Management Promotion Office the following year). Thereafter, following reorganization, MC established the Diversity Office in October 2014.

The Diversity Office strives to enhance and expand support measures for employees balancing work with childcare or family

care responsibilities. It also considers measures such as initiatives to support the careers of non-Japanese employees working in locations overseas.

MC will continue to undertake initiatives to further improve its work environments in order to ensure that each employee in its diverse workforce is able to keep motivated and achieve his or her own full potential.

Initiatives

(1) Supporting Employees with Family Responsibilities

MC has been improving its internal systems to enable employees to better balance childcare, family care and other family responsibilities with their careers. MC will continue to focus on building a corporate culture that embraces diverse work styles in order to create a comfortable and supportive atmosphere that understands and encourages the active utilization of these systems.

Initiatives to Date (Years ended March 2005 to 2016)

Guided by its action plan to support a diverse workforce, MC has developed, upgraded and expanded systems that can be utilized by both men and women. In Phase 1, MC focused primarily on enhancing and expanding systems as part of efforts to develop an environment where female employees with childcare or family care responsibilities could continue working. In Phase 2, in addition to continuously upgrading and expanding systems, MC concentrated on encouraging all employees, both men and women, to improve their work styles. In Phase 3, MC devoted efforts to upgrading and expanding systems further and promoting understanding of existing systems.

Details of Activities in Phases 1–3

Phase 1

(April 1, 2005 to March 31, 2008)

In Phase 1, MC focused primarily on enhancing and expanding systems as part of efforts to develop an environment where female employees with childcare or family care responsibilities could continue working.

- Established a childcare leave period in excess of statutory requirements
- Introduced new systems such as paid childcare leave and a volunteer leave system
- Expanded shortened work hours during pregnancy
- Expanded paid pregnancy leave
- Implemented internal awareness-raising activities to promote understanding of the above systems
- Opened an internal counseling desk, among other initiatives

Phase 2

(April 1, 2008 to March 31, 2013)

In Phase 2, MC concentrated on encouraging all employees, both men and women, to improve their work styles, in addition to continuously upgrading and expanding systems. To this end, MC implemented the following initiatives:

- Implemented measures to reduce work hours and encourage employees to take paid leave
- Created workplaces where employees are able to engage in diverse working styles
- Encouraged male employees' participation in childcare (Abolished spouse requirements and established paternity leave after childbirth)
- Enhanced and expanded childcare-related subsidy systems (babysitting subsidy)
- Secured daycare centers, among other initiatives

Phase 3

(April 1, 2013 to March 31, 2016)

In Phase 3, MC devoted efforts to promoting understanding of existing systems and enhancing their user-friendliness, along with upgrading and expanding systems further, through the initiatives described below.

Target 1 Promote understanding of existing systems
(during planned period)

- Explained systems, laws and regulations pertaining to support for employees with work and family responsibilities in training sessions for managers (fiscal year ended March 2015)
- For reference purposes, introduced examples of male and female employees balancing work and family responsibilities using childcare-related systems, among other initiatives (fiscal year ended March 2014 through the end of the planned period)

Target 2 Enhanced the user-friendliness of existing systems
(during the planned period)

- Shifted certain childcare leave systems to paid leave systems (fiscal year ended March 2014)
- Enhanced and expanded options for flexible work hours (extended eligible hours for the flex-time system, etc.) (fiscal year ended March 2014 through the end of the planned period)

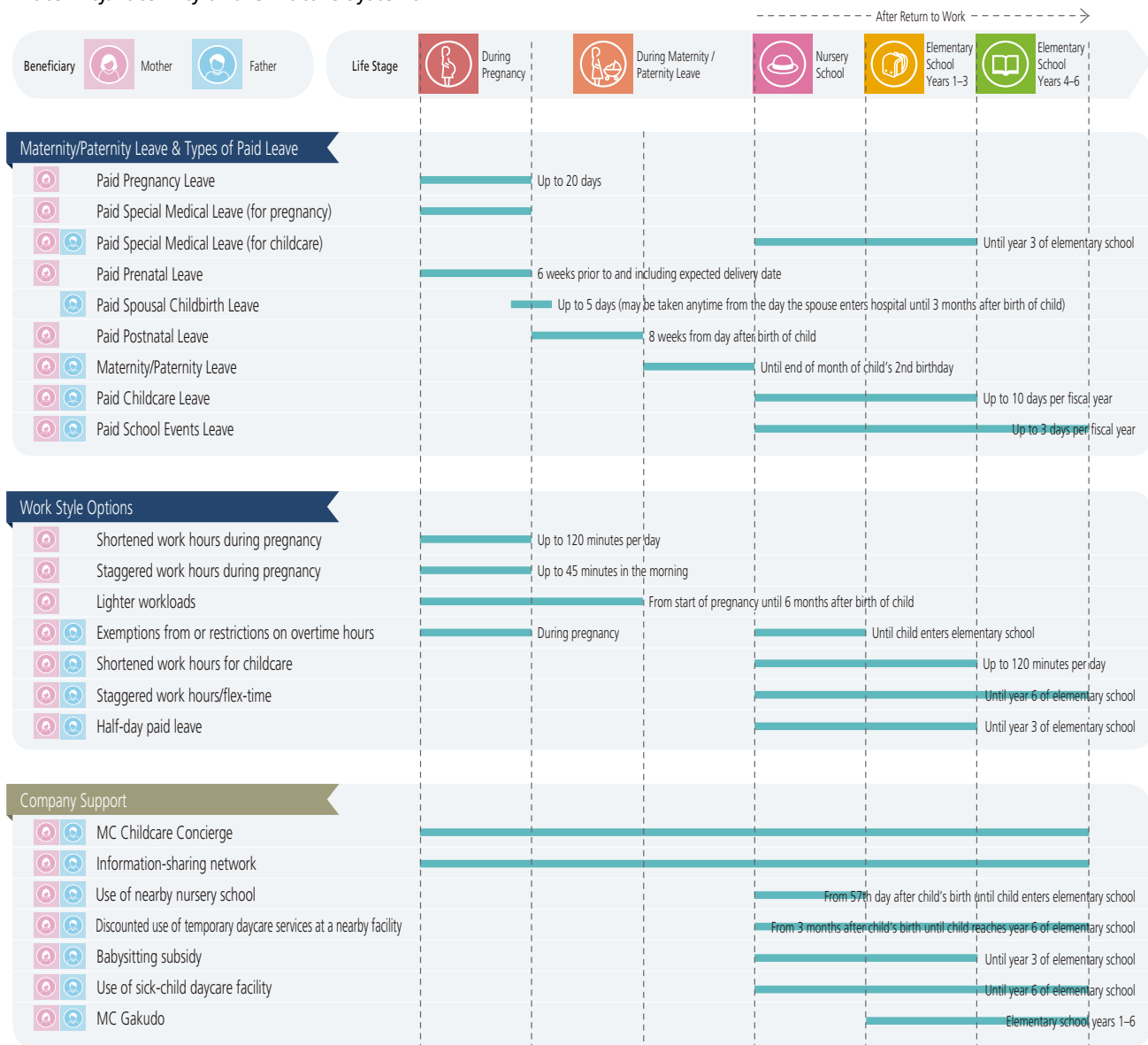
Labor Practices

Childcare Support

MC believes that companies have an important role to play in creating an environment where parents can balance both work and family responsibilities, so that they can confidently raise the next

generation. MC seeks to put the support of the entire Company behind employees who are balancing their work with maternity and paternity roles and childcare responsibilities. For this, MC is working to upgrade and expand various systems available for use by both men and women.

Maternity/Paternity and Childcare Systems



Establishment of MC's Childcare Concierge within the Global Human Resources Department

To help employees smoothly return to work from maternity and paternity leave, MC set up the Childcare Concierge within its Global Human Resources Department in April 2015. This service provides employees with information on daycare facilities, babysitters, services for children to continue their studies after regular school hours, etc. It also provides consultations about pediatric health and other concerns that employees may have about raising children.

Children's Daycare Facilities & Services

MC has secured the services of a nearby daycare facility so that employees can smoothly return to work when they wish. In addition, MC has also secured the services of sick-child daycare facilities so that employees always have access to a daycare facility and babysitters who they can rely on confidently when their children are ill. Since the summer of 2015, MC has been providing the MC Gakudo service for employees with children in elementary school. This service provides day camps for children during long vacation periods from school.

Establishment of Paid School Events Leave, Extension of Flex-Time Work Period, and Trial of Telecommuting Work (working from home)

In the year ended March 2016, MC established paid school events leave, which allows employees to take time off to attend official school and daycare events, such as entrance and graduation ceremonies. MC also extended the effective period of its staggered work hours and flex-time systems to year 6 of Japanese elementary school. Furthermore, since the year ended March 2016, MC has been supporting mothers and fathers balancing work and childcare by running a trial for telecommuting (working from home).

Encouraging Work Style Diversity and Work-Life Balance

In April 2015, MC revised its Childcare Support Handbook and distributed copies to all MC employees, as part of its efforts to promote understanding and foster a supportive culture internally. The handbook includes not only explanations on all of MC's childcare systems and policies, but also provides specific advice for mothers, fathers, bosses and colleagues on how to improve office communication. MC also provides regular guidance to staff in management-level positions.

Family Care Support

MC has established systems to support the various special needs of employees who have family members requiring care. These include systems that allow employees to take a period of leave from work to focus on family care, as well as systems that allow employees to care for family members while continuing to work. MC has made improvements to better meet the needs of each employee, such as extending the staggered work hours and flex-time system from a period of one year to as long as the care is necessary. A separate family care counseling service has been established to allow employees and their family members to quickly receive advice on a wide range of care-related issues.

Family Care Support Systems

Family members requiring nursing care	Spouses, children, parents, parents of spouses, grandparents, grandchildren, brothers and sisters
Paid Family Care Leave	10 days per fiscal year, paid (can be taken in half-day segments and cannot be carried over)
Work Styles	<ul style="list-style-type: none"> • Exemptions from and restrictions on late-night, overtime and weekend work • Staggered work hours/flex-time • Special medical leave (for family care reasons) • Abolish restrictions on acquiring paid leave in half-day segments (for family care reasons) • Consultations on family care with external experts
Family Care Leave	1 year on a cumulative basis for each family member requiring family care (365 days including non-business days) * Can be obtained in separate segments for each family member requiring ongoing, constant nursing care
Employee benefits	<ul style="list-style-type: none"> • Use of WELBOX nursing care services (24-hour consultation desk)

Encouraging Work Style Diversity and Work-Life Balance

In October 2017, MC created a Family Care Support Handbook and distributed copies to all employees as part of its efforts to promote understanding and foster a supportive culture internally. The handbook includes not only explanations of all of MC's family care systems and policies, but also provides specific advice for employees providing family care, as well as for bosses and colleagues on how to improve office communication. MC also provides guidance to those in management-level positions and family care seminars for all employees on a regular basis.

Re-Employment System for Employees Accompanying Spouses on Domestic or International Job Transfers

Providing that certain conditions are met, MC will re-employ those who previously left the company due to their spouses' domestic or international job transfers. This system was introduced to enable these personnel to resume their careers at MC by making the most of their prior experience and skills.

(2) Supporting Women's Careers at MC

MC believes that driving growth while encouraging a diverse range of employees to share common values and engage in healthy competition with one another, along with building a more flexible and stronger organization by harnessing diversity, will be vital to continuously creating sustainable corporate value.

In order to encourage women to develop and continue their careers, MC has secured daycare facilities to support a smooth return to work after taking maternity leave, established flexible working hours to ensure a healthy work-life balance, and introduced a re-employment system for employees who previously left their positions to accompany their spouses on domestic or international job transfers. MC has established the following action plan to create an environment that offers even stronger support for women's careers.

In addition to this action plan, MC will support women's careers throughout the MC Group.

○ Action Plan Period: April 1, 2016 to March 31, 2021

○ Targets and Description/Implementation Period of Initiatives

Target 1: Aim to recruit more women as professional staff

<Description of initiatives>

- Conduct briefings and strengthen online publicity and outreach activities for female students
- Aim to enhance the ratio of female applicants by fostering an understanding of the careers and work styles of female employees (year ended March 31, 2017 through the end of the planned period)

Target 2: Offer further career support for women

Target 3: Increase the percentage of women in management-level positions to 10% or more by the year ending March 2021

<Description of initiatives>

- Appoint a Women's Career Manager in each department to analyze issues related to and consider initiatives supporting women's careers. They will also consult with female employees (year ended March 2017 through the end of the planned period)
- Host internal lecture seminars led by external instructors to change the mindset of all MC employees (work styles, division of duties between men and women, and related issues) (year ended March 2017 through the end of the planned period)
- Consider holding events, such as seminars for employees following their return to work as well as follow-up seminars to foster awareness among female employees raising children (year ending March 2018 through the end of the planned period)

Target 4: Aim to achieve 100% utilization of paid paternity leave or other similar childcare systems by men

<Description of initiatives>

- Strengthen notification to all departments that all male employees with expectant spouses should take paid paternity leave (year ended March 2017 through the end of the planned period)
- Inform departments that male employees with children are encouraged to take paternity leave, paid school event leave, and paid childcare leave (year ended March 2017 through the end of the planned period)

Target 5: Organize training programs and seminars on supporting women's careers, new work styles* and work-life balance support systems
Improve the content of management training programs to increase awareness

* MC is taking steps to pursue "new work styles befitting MC" (reducing excessive overtime and encouraging employees to take paid leave), which allows for enhanced work productivity and efficiency while delivering strong results and performance. These initiatives are designed to ensure that each organization and individual can work autonomously in a manner best suited to their needs.

<Description of initiatives>

- Explain new work styles and management as well as diversity (including supporting women's careers) in the Leader Development Program, General Manager Seminar, and other training events (year ended March 2017 through the end of the planned period)
- Consider improving the content of management training programs (year ended March 2017 through the end of the planned period)
- Conduct briefings on work-life balance support systems and related internal communications (year ended March 2017 through the end of the planned period)

Career support based on major life events during childbirth and childcare periods

Taking into account the major life events of individual employees, MC is focused on systematically providing career development opportunities to the greatest extent possible, including overseas assignments. For female employees planning to take maternity leave or those currently on maternity leave, MC explains the relevant systems and policies, along with providing opportunities for them to listen to the experiences of their senior colleagues regarding work styles after returning to work from maternity leave.

Support for employees on overseas assignments accompanied only by children

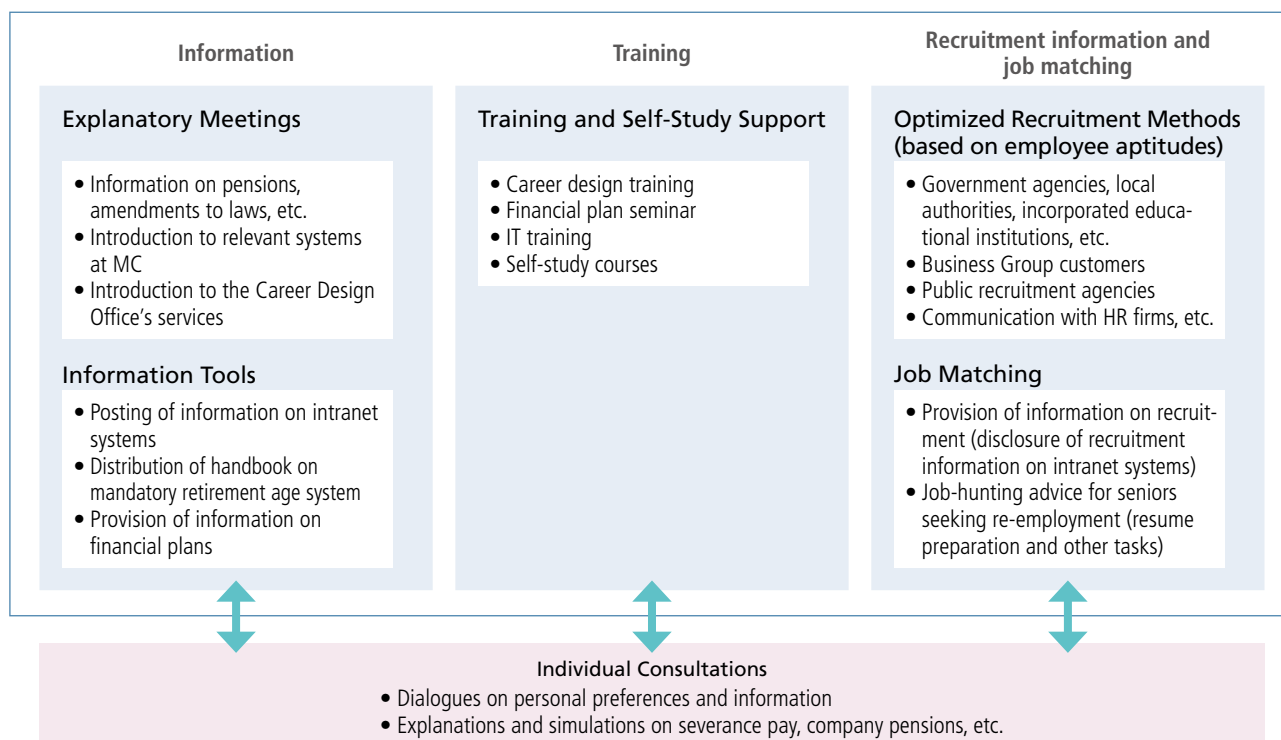
In some cases, employees may be assigned overseas and accompanied only by their children of junior high school age or younger, without their spouses. In these cases, MC provides support to ensure a smooth assignment and the necessary arrangements for daily life during the assignment. This includes sending the employee on business trips to the location prior to the assignment, arranging housing in advance, concurrently allowing family members to join the employee, and providing a special subsidy for accompanying family members.

(3) Engaging the Senior Workforce

The desire to work beyond the age of 60 differs widely from one person to the next, and opinions on the subject are likely to vary even more in the coming years. In 2006, MC introduced its Re-Employment Course System for extending the careers of employees aged 60 and over, and enhanced the functions of its Career Design Office, which provides comprehensive support for senior employees.

The Career Design Office establishes and manages a human resources (HR) system exclusively for senior employees. Individualized arrangements are made with each employee who wishes to continue working beyond the age of 60, in order to ensure that working conditions conform to their circumstances and values. Comprehensive support is available through the provision of various information and training programs, collection of recruitment information, job matching services, and other means.

Functions of the Career Design Office



(4) Engaging the Expertise of Persons with Impairments

As part of its CSR and diversity initiatives, MC has a long and proud history of employing persons with impairments. Together with its special-purpose subsidiary, Mitsubishi Shoji & Sun Co., Ltd., MC will continue its efforts in expanding career opportunities for persons with various impairments, while maintaining the statutory employment rate for these workers.

Helping to Increase Employment Opportunities for Persons with Impairments—Mitsubishi Shoji & Sun Co., Ltd.

Mitsubishi Shoji & Sun Co., Ltd. was established in 1983 as an IT company following a joint investment by MC and Social Welfare Organization Japan Sun Industries. It is headquartered in Beppu City, Oita Prefecture, and has offices in Tokyo (Marunouchi) and Hokkaido (Iwamizawa). Operating under its corporate philosophies of coexistence between persons with and without impairments, corporate self-reliance, and new corporate value, Mitsubishi Shoji & Sun Co., Ltd. works to increase employment opportunities for various persons with impairments while providing IT services such as system development, data entry, DTP and server operation to numerous business partners including MC and other MC Group companies.

Reference: Mitsubishi Shoji & Sun Co., Ltd. website (Japanese only)
<http://www.mctaiyo.co.jp/>



Tatsuo Yamashita, Chairman (front)
 Kunio Fukumoto, President (back)

(5) Engaging a Global Workforce

Support for Non-Japanese Employees

MC provides support to non-Japanese employees working in Japan by providing information on matters such as application procedures for period of stay extensions, rental housing, pensions and medical information. MC also provides a consultation desk to field any concerns or questions that non-Japanese employees may have about living and working in Japan.

Reference: For details on value sharing and international transfers of employees at overseas offices, please see Human Resource Development on pages 85 to 86.

Relevant Data

Data on Employees Using MC's Various Systems (As of March 31 Each Year)

	2013.3	2014.3	2015.3	2016.3	2017.3
Number of employees who took Paid Spousal Childbirth Leave	72	67	67	88	100
Number of employees who took Maternity/Paternity Leave* ¹	26	25	44	28	35
Male	1	0	2	2	3
Female	25	25	42	26	32
Number of employees who took Paid Childcare Leave	133	153	165	215	211
Male	26	40	52	79	87
Female	107	113	113	136	124
Number of employees who took Paid School Events Leave* ²	–	–	–	232	252
Male	–	–	–	97	121
Female	–	–	–	135	131
Number of employees who shortened work hours for childcare	69	65	59	71	72
Male	3	2	1	2	1
Female	66	63	58	69	71
Number of employees who obtained staggered work hours or flex-time for childcare reasons	21	18	25	47	37
Male	2	1	2	9	6
Female	19	17	23	38	31
Number of MC Childcare Concierge consultations* ²	–	–	–	140	115
Male	–	–	–	46	43
Female	–	–	–	94	72
Number of participants in MC Gakudo (total)* ²	–	–	–	118	115
Number of participants in training seminars for employees on childcare leave* ²	–	–	–	39	20
Number of employees who took Family Care Leave* ¹	0	2	3	1	4
Male	0	0	1	0	1
Female	0	2	2	1	3
Number of employees who took Paid Family Care Leave	144	154	165	169	196
Male	46	42	44	44	59
Female	98	112	121	125	137
Number of employees who obtained staggered work hours or flex-time for family care reasons	2	2	2	3	5
Male	1	0	0	0	0
Female	1	2	2	3	5
Number of consultations by the family care consultation desk	94	82	82	79	61
Number of employees who applied for the re-employment system for employees who left to accompany spouses on domestic or international transfers* ³	10	11	8	12	10

*¹ Number of employees who began taking this type of leave during each fiscal year ended March 31.

*² Newly established in the year ended March 2016.

*³ Re-employment system for employees accompanying spouses on domestic or international transfers refers to a system in which re-employment is offered, under certain conditions, to employees who resign from their positions in order to accompany their spouse to the location of a domestic or international transfer.

Independent Practitioner's Assurance

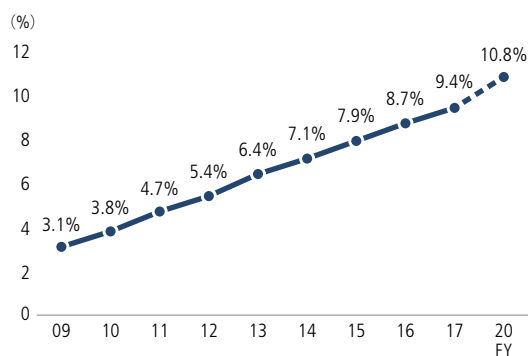
To enhance the reliability of its data, MC has obtained the assurance of Deloitte Tohmatsu Sustainability Co., Ltd., an independent third party, for the accuracy of non-consolidated personnel data*.

Reference: Independent Practitioner's Assurance Report
https://www.mitsubishicorp.com/jp/en/about/resource/pdf/assurance_report_en.pdf

* Data marked with an asterisk (*) in MC's non-consolidated personnel data for the year ended March 2016 and the year ended March 2017 published in the "Human Resource Management/Basic Data" section of MC's website.

Percentage of Women in Management-Level Positions and Gender Composition of Board Members

Percentage of Women in Management-Level Positions



* As of April 1 each year

Gender Composition of Board Members (as of June 30, 2017)

(Unit: person)

	Male	Female
Members of the Board	12	1
External Directors	4	1
Audit & Supervisory Board Members	4	1
External Audit & Supervisory Board Members	2	1
Executive Officers	49	0

MC Women Overseas (as of April 2017)



Perspectives of MC Women

Ms. Kazumi Mori

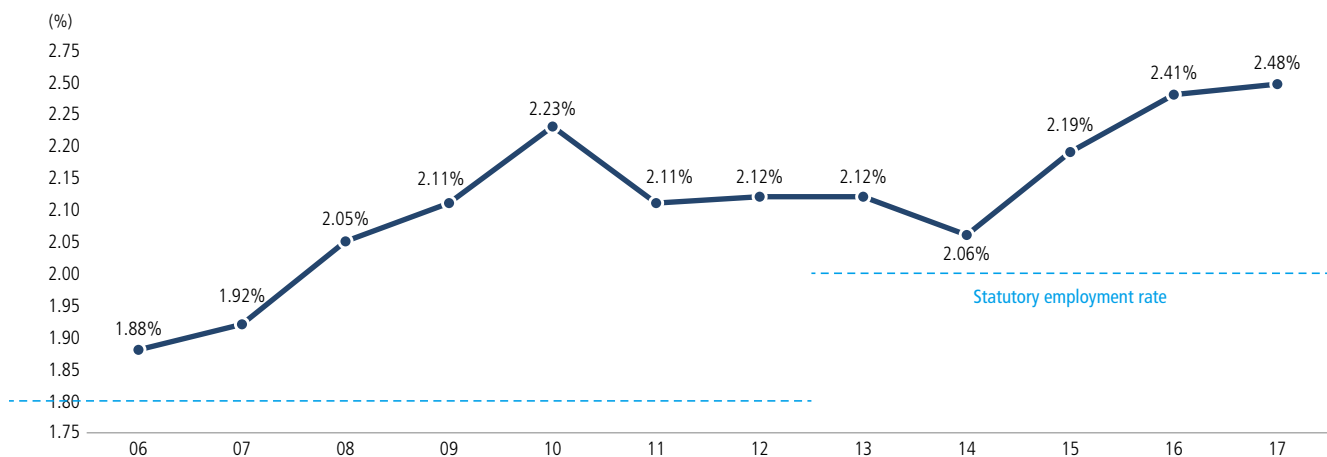
Department Director, Energy Business Department
Mitsubishi Corporation (Russia) LLC



Since 2015, I have been in charge of oil and gas development and other energy business operations in Moscow. While Russia has vast hydrocarbon resources and proximity to the Japanese market, Japanese companies have only had a limited presence in Russia when compared with the Middle East and Southeast Asia. However, our large-scale oil and LNG development project off the coast of Sakhalin Island has been a big success, and we can build on this to expand our business operations and presence in Russia. For me, it took a great deal of courage to accept this position and move to Moscow with my children,

but not doing so would have meant missing out on the chance to be involved in a significant business expansion opportunity. With the understanding of my husband working in Japan and the support from my high school-aged children, who themselves have had to overcome difficulties during my assignment, I have fully embraced the mission of uncovering business opportunities and helping to turn them into reality. In Japan, while women are increasingly able to play a more active role in the workplace, not only are they expected to make various changes to their way of life, this also has an impact on their families. Many women choose instead to give up their career opportunities. But as I hear that more and more of our fellow working mothers are taking overseas assignments, I am proud to be part of a company that not only has the systems in place to support work-life balance, but also supports employees and their families on overseas assignments—a company where employees have an open and progressive mindset.

Employment Rate of Persons with Impairments



* The statutory employment rate of persons with impairments (private-sector companies) was raised from 1.8% to 2.0% on April 1, 2013.

As of June 1 each year

Evaluation by Society

Key Certifications



In January 2017, MC received the Platinum Kurumin Certification from the Ministry of Health, Labour and Welfare. The Platinum Kurumin Certification is awarded to Kurumin-certified companies that have implemented measures to support employees' childcare needs at a higher standard. At MC, childcare benefits include both maternal welfare and childcare support. The Company has been working to create processes as well as an environment that supports employees with children. Specifically, MC has ensured that its Maternity/Paternity Leave exceeds Japan's minimum legal requirements, and has introduced other measures to help employees returning from Maternity/Paternity Leave to comfortably balance their parenting and work responsibilities. These include a flex-time system as well as shortened or staggered work hours. MC has also made it easier for male employees to take advantage of these benefits, such as by lifting the restriction that previously did not allow employees' spouses access to full-time childcare, and also by introducing MC's Paid Spousal Childbirth Leave. As a result of these and other measures to support work-life balance, MC has received Kurumin certification from the Ministry of Health, Labour and Welfare continuously since 2008, in recognition of the action plan it has formulated and implemented to support employees' childcare needs.

* About the Kurumin certification and Platinum Kurumin certification (Excerpt from the Ministry of Health, Labour and Welfare's website)

Enterprises that have formulated general business operator action plans in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children and satisfy certain standards may apply to receive certification by the Minister of Health, Labour and Welfare (Kurumin certification) as a company that supports the childcare needs of employees. Moreover, the new Platinum Kurumin certification was instituted on April 1, 2015 to recognize Kurumin-certified enterprises that have made considerable progress in terms of the introduction and use of work-life balance support systems and which have executed measures to a high standard, along with encouraging these enterprises to continuously undertake such measures.

In January 2017, MC received L-boshi (second level) certification from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.

* About the L-boshi certification (Excerpt from the Ministry of Health, Labour and Welfare's website)

The Act on Promotion of Women's Participation and Advancement in the Workplace entered into force on April 1, 2016. Under this act, enterprises that have formulated general business operator action plans and have submitted notification to the effect that they have formulated such plans, as well as satisfy certain standards, may obtain certification by the Ministry of Health, Labour and Welfare (L-boshi certification) as an enterprise offering excellent conditions with respect to promoting women's participation and career advancement.



On March 3, 2014, MC was jointly recognized by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) as a 2014 Nadeshiko Brand, a listed enterprise that is considered "exceptional in encouraging women's success in the workplace."

* About the Nadeshiko Brand (Excerpt from METI's website)

The Nadeshiko Brand initiative has been implemented every year as a joint undertaking by METI and TSE since it was initiated in the year ended March 2013 for the purpose of selecting and publicizing enterprises that encourage the empowerment of women. This initiative seeks to introduce certain listed enterprises that are outstanding in terms of encouraging women's success in the workplace as attractive stocks to investors who put emphasis on improving corporate value in the medium and long term. The aim is to further strengthen the interest of investors in such enterprises and accelerate each enterprise's efforts to encourage women's success in the workplace.

Reference: Reference: Work-Life Balance Plaza (Japanese only)
<http://ryouritsu.jp>

3. Employee Relations

Policy (Freedom of Association and Collective Bargaining)

Basic Approach

MC is engaged in various forms of dialogue with the MC Staff Union at the company-wide level and individual group level. This dialogue is undertaken to reflect in management the opinions and awareness of issues of MC staff who are involved in operations on the ground. Through this process, MC seeks to enhance the

performance of each employee whilst enhancing the business performance of the Company and fulfilling its public mission to create a more positive work environment. The results of this dialogue are taken into consideration by MC in the course of formulating and implementing various policies.

Policy on Freedom of Association and Collective Bargaining

MC has always respected the freedom of association and the right to collective bargaining recognized by the Constitution and various laws and regulations of Japan.

MC has entered into a union shop agreement with the Mitsubishi Corporation Staff Union ("MC Staff Union"), which was formed in 1970. Based on the agreement, all eligible employees are required to join the union, except for those qualified for management-level

positions and those deemed to be non-union members based on individual agreements, taking into account the characteristics of their duties and other conditions.

Guided by the policy of respecting the freedom of association and right to collective bargaining, MC's operating companies also comply with and respect the laws and regulations and labor practices of their host countries.

Collective Bargaining

MC has established conditions related to collective bargaining between the Company and the MC Staff Union, beginning with labor conditions, as well as related operational procedures. Where necessary, MC has a process in place for both sides to reach agreements by increasing their understanding of the issues through

discussions undertaken in good faith. In recent years, MC has engaged in collective bargaining between the Company and the MC Staff Union in the process of reviewing compensation and personnel systems and revising annual income.

Structure

Officer in Charge	Akira Murakoshi (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	Human Resources Development (HRD) Committee Important matters related to labor practices deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Global Human Resources Dept.

The MC Staff Union had 3,385 members as of March 31, 2017. All eligible employees join the MC Staff Union, except for those considered as non-union members based on agreements between the MC Staff Union and the Company (including those qualified for management-level positions and those deemed to be non-union members in keeping with the characteristics of their duties based on individual agreements). The MC Staff Union is led by an executive chairman elected from

among the union members for a term of one year.

The MC Staff Union and the Company share the following basic philosophy: "Recognizing the public mission of companies, both the workforce and management will endeavor in earnest to achieve the sound development of the Company and to improve the economic and cultural standing of union members." Guided by this philosophy, the MC Staff Union carries out a variety of initiatives.

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well, including labor relations and labor management. Besides

screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Initiatives

The MC Staff Union and the Company conduct labor management meetings and conferences to raise matters concerning their awareness of issues, report on conditions, and hold discussions, among other activities. These meetings and discussions aid in ensuring proper business management by reflecting the opinions of staff involved in daily duties at the corporate level and the level of each organization.

(1) Labor Management Meetings

The aims of these meetings are to facilitate communication on various matters of mutual interest between the MC Staff Union and the Company through the exchange of views, to reflect the union members' broad range of opinions aimed at stimulating better management policies/business performance, and to create a more positive workplace.

Numerous labor management meetings are held at the levels of each office, business department, division and business group. Not only are the matters discussed in the meetings put to effective use in the management of each organization, they are also placed

on the reporting and discussion agenda of Company-wide labor management meetings held once a year, including meetings with the President and CEO, meetings with the Corporate Functional Officer for Human Resources, meetings to discuss yearlong business performance, and meetings to discuss interim business performance.

(2) Conferences

Conferences are held to facilitate communication between the workforce and management on specific matters through the exchange of views and to reflect the union members' broad range of views on energizing the Company through various management policies.

In the year ending March 2018, four conferences will be held on the themes of diversity, compensation, performance reviews, and work styles and streamlining business operations. The MC Staff Union presented reports and proposals to the relevant internal departments based on questionnaires and discussions held within the union, and certain proposals have been implemented by the Company.

Performance

Agreement on Collective Bargaining

Under the Basic Agreement between the Company and the Union entered into by the two parties, collective bargaining covers (1) matters concerning work conditions and (2) other matters for which collective bargaining is deemed necessary by the MC Staff Union and the Company.

Accordingly, the Company and the MC Staff Union have undertaken collective bargaining on the matters described below.

Year ended March 2015	Revision of annual income (3 collective bargaining sessions) Revision of compensation and personnel systems (4 collective bargaining sessions)
Year ended March 2016	Revision of annual income (3 collective bargaining sessions)
Year ended March 2017	None
Year ending March 2018 (through the end of September)	Revision of annual income (1 collective bargaining session)

In addition, matters deemed to be collective bargaining agreements have been established based on the Basic Agreement between the Company and Union and individual labor management agreements. These collective bargaining agreements cover all employees of the Company.

Occupational Health and Safety

Policy

Management Message

The MC Group has a global workforce of approximately 77,000 professionals. These people are MC's greatest assets. As MC's operations continue to diversify and globalize, diverse human resources representing all genders, nationalities and other characteristics will be needed to fully utilize their respective capabilities. To ensure that the MC Group continues to create corporate value sustainably, it is essential that employees are healthy both mentally and physically. We have positioned occupational health and safety as a top management priority and will take steps to promote health and productivity management. In order to create workplaces where employees can work comfortably, MC develops and administers management systems in which all protocols covering the well-being of MC's employees, labor related issues and crisis management go above and beyond the legal requirements in each country. In order to ensure safe and secure workplaces for employees and contractors, MC works hard to prevent workplace accidents. When accidents do occur, we assess the circumstances, analyze the causes and take steps to prevent recurrence. With the consolidated operations of the MC Group growing increasingly diverse, occupational health and safety is a vital component for advancing business management. Each of MC's Business Groups is taking measures specifically tailored to the nature of its operations and business models.

Fostering Our Employees' Maximum Potential and Reducing Health Risks

As part of the business vision set forth in Midterm Corporate Strategy 2018, MC aims to develop businesses that generate value for societies. To realize this, we have identified seven Key Sustainability Issues (Materiality) based on external guidelines such as ISO 26000 and the United Nations' Sustainable Development Goals (SDGs). One of these issues is "Fostering Our Employees' Maximum Potential." Our policies on occupational health and safety are designed to enable diverse human resources to make full use of their capabilities and approach their work with enthusiasm.

MC is placing maximum emphasis on employee health by aiming to reduce the risk of employee illness. We place particular focus on mental health, providing a counseling desk and mental health support desk staffed by clinical psychotherapists as well as a dedicated physician at the in-house medical clinic. Furthermore, MC conducts a regular online stress check. For workers' safety, we respond rapidly in the event of an accident and continue to raise awareness about safety and establishing and improving our management systems.

* The SDGs are a set of 17 global goals adopted at the UN summit held in September 2015 as the core of a "new sustainable development agenda for 2030."

Occupational Health and Safety

Supply Chain Initiatives

Recognizing the importance of managing environmental and social impacts in its supply chains, MC has established the Mitsubishi Corporation Policy for Sustainable Supply Chain Management (as amended in December 2011). The policy requires suppliers to respect human rights and endeavor to provide their employees with safe and healthy work environments. In addition to sharing the policy with suppliers, MC conducts a regular questionnaire to confirm compliance with it.

While basic measures for occupational health and safety management are undertaken by each business, the MC Group endeavors to address this issue collectively. Measures include visiting suppliers to confirm the status of their activities when determined that site visits are necessary* considering location as well as the type of business. Going forward, in order to strengthen the supply chain management system, MC will consider adding items concerning occupational health and safety management systems to its supply chain questionnaire for business fields with comparatively high occupational health and safety risks.

* Covers only Tier 1 suppliers in Japan and abroad

Reference: For details on other supply chain initiatives other than those described above, please see Supply Chain Management on page 106–108.

Policy (HIV/AIDS, Tuberculosis, Malaria)

MC is actively conducting business globally with a business network spanning more than 200 countries around the world. For some of these countries, health issues such as HIV/AIDS, tuberculosis and malaria are pressing issues. MC's policy is to work proactively to address these global health issues. One example of how MC is addressing the health problems of HIV/AIDS and malaria through its investee companies is through the initiatives of Mozal, an MC Group aluminum smelting company in Mozambique.

Mozal has been placing great emphasis on social contribution activities. Through an annual contribution of approximately ¥200 million in funding, Mozal conducts activities such as helping small businesses to create jobs, putting in place mechanisms to support education and public health, and providing health education. Support activities are also undertaken in other areas such as sports, culture and social infrastructure. Specific examples of support for education and health education include the construction of schools and anti-malaria clinics as well as the provision of HIV education.

Reference: Please also refer to page 102 for Mozal's ESG initiatives.

Targets

Non-Consolidated

<Year ending March 2018>

- | | |
|----------------------------|--|
| • Zero fatal accidents | • Health checkup rate for overseas assignees: 100% |
| • Zero workplace accidents | • Percentage of annual paid leave taken: 70% |

Occupational Health and Safety

Structure

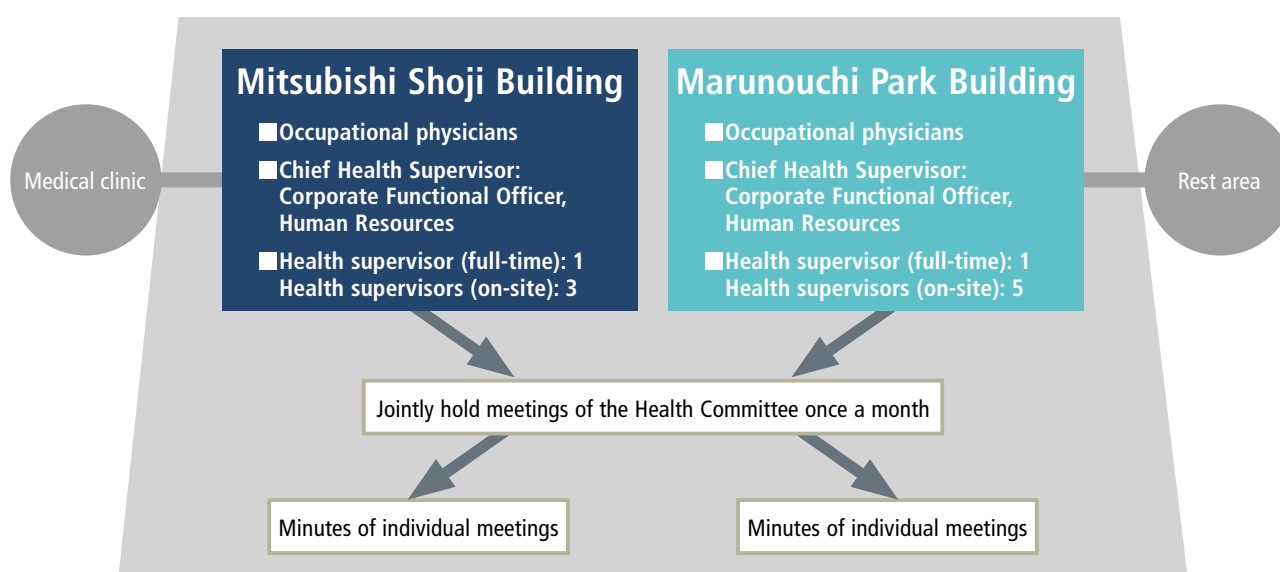
Officers in Charge	Akira Murakoshi (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources) Iwao Toide (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability)
Deliberative Bodies (A subcommittee under the Executive Committee, a management decision-making body)	Human Resources Development Committee, CSR & Environmental Affairs Committee Important matters related to occupational health and safety deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Departments in Charge	Global Human Resources Dept., Corporate Sustainability Dept.

Reference: [Diagram of the Sustainability Promotion Framework \(P.07\)](#)

MC considers occupational health and safety as a key management priority, and has been working to pursue health and productivity management.

Once a month, MC convenes its Health Committee on a non-consolidated basis to address employee health and workplace safety matters. The Company's Chief Health and Safety Supervisor (a position held concurrently by an Executive Vice President) heads the committee. Committee members include two occupational physicians and nine health supervisors.

Furthermore, information is shared by holding regular meetings attended by the company's Human Resources Dept., medical clinic and health insurance association. Going forward, the three parties intend to address priorities including the effective use of data. In addition, information is shared and policies are implemented, including mental health measures, within the Liaison Committee for domestic Group companies.



* The Mitsubishi Shoji Building and the Marunouchi Park Building are registered as separate business sites. For each business site, MC has established an occupational health and safety framework as required by labor laws.

Occupational Health and Safety

Employee Participation

- Employees participate in the MC's Health Committee and develop plans concerning the prevention of health problems and the maintenance and enhancement of good health, along with discussing evaluations and improvements.
- MC strives to create safe and healthy workplace environments in order for its diverse workforce to thrive and succeed. At the same time, MC takes steps to ensure that each employee is able to manage his or her own health independently through training seminars and related events. Notably, strong emphasis is placed on the health management of employees on overseas assignment. MC also ensures a smooth process for employees to obtain hourly paid leave when they require outpatient care, with the Group site (supervisor) coordinating each case as necessary. In addition, MC supports events such as charity marathons, which help to create opportunities for employees to develop an interest in sports and to foster an awareness of their health.
- MC conducts discussions on creating a more positive workplace. Labor-management meetings are held between the MC Staff Union and management, including the President & CEO, along with meetings to discuss business performance held twice a year and regular meetings with the Global Human Resources Dept. As part of measures to realize "New Work Styles Befitting MC," we have put a framework in place to promote appropriate time management. To this end, we have established the Time Management Committee as a collaborative organization between labor and management. Moreover, the MC Staff Union also holds health seminars for employees.

Loan and Investment Screening

When reviewing and making decisions on loan and investment proposals, MC not only takes economic factors into consideration, but also places great importance on ESG criteria. From an occupational health and safety perspective, particularly for projects which have a high risk of accidents or fatalities, MC ensures that numerous issues, including the maintenance status of HSE management systems, past cases of accidents or fatalities, and quantitative data such as the LTIFR (Lost Time Injury Frequency Rate) are considered in its deliberations. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Risk Management (Risk Assessment)

Occupational health and safety is a vital component of HSE risk and is managed in accordance with the MC Group Risk Management Policy.

Excerpt:

"(1) Definition: HSE risk refers to recognizing the impact of manufacturing, industrial works, distribution and other operations on occupational health and safety as well as the environment, and identifying and managing risks related to accidents, damage to health, environmental contamination, etc.

(2) HSE risk management: a. Risk identification and management: Identify latent risks related to HSE based on the nature of the operations and sector, and avoid, mitigate and manage the risks. b. Risk awareness-raising: Raise employees' awareness of the importance of HSE risk based on the nature of the operations and sector through education, training and other activities. c. Formation of policies related to accidents and response: Stipulate emergency policies in advance in order to be prepared in the event of an accident. Establish the necessary measures to minimize damage while working with relevant authorities when an accident occurs. Should an accident occur, conduct necessary investigations, analyze the causes, and implement measures to prevent future reoccurrence.

(3) System: Comply with laws and regulations, international rules, voluntary industry standards, and customer requirements related to HSE and formulate an action plan based on the company's industry and business activities. In addition, formulate policies based on the action plan and introduce a system for regularly confirming their implementation. Further, monitor performance related to HSE and review the action plan."

Reporting of Workplace Accidents

MC strives to prevent workplace accidents involving employees.

When an industrial accident does occur, there is a system in place for prompt reporting to the Global Human Resources Dept.

A reporting framework via systems such as the Company's compliance hotline has been established to appropriately respond to accidents and disasters when they occur and to promptly implement measures to prevent reoccurrence. The system extends not only to MC but to affiliate companies as well (investigations, response to findings, etc.).

Occupational Health and Safety

Initiatives

Initiatives on a Non-Consolidated Basis

Crisis Management Initiatives

MC has operations in approximately 90 countries around the world, with a global workforce of roughly 77,000 professionals. The company recognizes the ever-present danger that somewhere in the world, its employees or their families may be the victims of natural disasters, regional conflicts, terrorist attacks or other incidents.

Accordingly, MC always tries to prepare for the unexpected. The company has broadly divided crises into four categories, and should anything happen, it is capable of setting up its Crisis Management Headquarters at a moment's notice. The headquarters functions as a hub for gathering relevant information and issuing directives on crisis response. MC has compiled a manual explaining how to prepare for and what to do in the event of a crisis. It also outlines the company's basic thinking and actions. Simulations and drills are also regularly held to ensure that all employees are prepared.

When the Great East Japan Earthquake struck on March 11, 2011, MC was quick to set up an emergency task force. All employees were confirmed safe that same evening, and arrangements were made to ensure that those who were unable to return home would be safe for the night. In the days that followed, the task force swiftly set up a flexible work schedule in response to the rolling blackouts, furnished financial assistance to employees affected by the disaster, and provided other support.

MC has also incorporated crisis and health management sessions in its various training programs. Furthermore, the Health Committee, which is headed by the Chief Health and Safety Supervisor (a position held concurrently by an Executive Vice President) and made up of occupational physicians (medical clinic directors) and Group health supervisors, is involved not only in employee health management but also keeping abreast of emerging infectious diseases and the timely, accurate disclosure of information.

Health Management of Employees and Their Families During Overseas Appointments

There are approximately 1,200 MC head-office employees on overseas assignments at any given time, and some 1,500 family members accompanying them. Recognizing that working overseas for extended periods can have an impact on one's health due to differences in language, culture, medical systems, and other environmental factors, MC has taken several steps to ensure that its employees and their family members remain in good health wherever they happen to be. In addition to facilitating annual local health examinations, the MC Head Office medical clinic is equipped to handle health-related inquiries from employees and their family members should they feel unwell while overseas. If there is not a suitable medical facility in the area, MC will provide for the employee to either return to Japan or travel to other nearby developed country for the examination. Employees also qualify for subsidized travel expenses when taking Health Maintenance Leave, which can be taken in addition to paid holidays when employees need time off to refresh themselves, both in mind and body. MC also provides a global, 24-hour Japanese language service for medical emergencies, emergency assistance in transporting employees to more medically advanced regions like Tokyo, Singapore, and Bangkok and other extensive health-related support for its employees on overseas assignments.

Survey to Monitor and Improve the Health and Working Environments of Employees on Overseas Appointments

In order to drive continuous improvement, since 2013 the Global Human Resources Dept. has conducted a survey targeting employees on overseas assignments to assess the quality of healthcare they receive as well as their working conditions in general for the purpose of further enhancing health-related measures.

Additional support is provided by the Global Human Resources Dept. or the Mental Health Support Desk to employees who exceed a certain number of points in connection with working conditions and stress levels.

Occupational Health and Safety

Medical Clinics for Employee Health Management

Central to MC's employee health management are medical clinics at its Head Office and Kansai and Chubu Branch Offices for MC employees and those on domestic and overseas assignments.

The MC Head Office clinic serves around 27,000 users per year. Its medical departments include internal medicine, ophthalmology, dermatology, otolaryngology, orthopedics and neurology departments, as well as a diagnostic center. The clinic is staffed with approximately 50 full- and part-time medical professionals, including the clinic director, physicians, nurses, testing and radiology technicians, nutritionists and pharmacists. Employees can easily attend examinations, medical consultations and receive treatment from specialist physicians.

The clinics offer both regular checkups and special examinations. The attendance rate for regular checkups is 96%. After a checkup, employees who require follow-up examinations can return after three months and six months. Nearly 100% of these employees attend follow-up examinations. In particular, chest X-rays are used to check for and treat tuberculosis at an early stage in order to prevent infections from spreading.

Preventing Lifestyle-Related Diseases and Metabolic Syndrome

MC's health clinics provide early check-ups and treatment and offer medium and long-term health management in conjunction with health examinations. Special examinations are offered to employees aged 40 and over and are utilized by 78% of employees in this age group. Preventing lifestyle-related diseases such as dyslipidemia, diabetes and hyperuricemia is a pressing societal issue. MC is working to prevent lifestyle-related diseases and metabolic syndrome for employees by providing access to physicians and nutritionists via the clinics.

Early action is essential to preventing lifestyle-related diseases. Going forward, in addition to providing health guidance for younger employees, MC will work to raise the awareness of healthy employees with normal checkup results on how to structure their lifestyles for maintaining their health.

Mental Health Measures

Focusing on preventive measures and early treatment, MC provides extensive mental care support. The company has a simple, web-based system through which employees can assess their own stress levels and propensities to develop health problems. We also conduct various types of training for employees, including managers, in an effort to prevent mental health issues. Since the fiscal year ended March 2017, MC has made it a requirement for all employees in Japan, including secondees, to complete the self check. After answering an online survey, employees immediately receive a three-stage evaluation of their stress levels. They are then prompted to provide feedback through the system, or, if their stress levels are particularly high, they are instructed to make an appointment with a neurologist at one of the company's clinics. If necessary, working environment adjustments are also prescribed to help bring their stress levels down.

Meanwhile, MC's internal Mental Health Support Desk and medical clinic neurology department are equipped to quickly accommodate employee (including employees on domestic and overseas assignments) health inquiries. MC has also set up an outside help desk that is linked to its specialized EAP* medical facilities. Through this comprehensive system, employees and their family members can consult with health-care professionals or receive counseling at any hour of the day, whether in person or by telephone or e-mail.

Moreover, a summary of the results are shared on an anonymous basis within the Company and utilized to improve working styles and workplace conditions. Going forward, MC plans to make use of the survey findings to inform its mental health issue prevention measures for employees, as well as training and other measures to further raise awareness of mental health issues.

* Employee Assistance Program

<Mental Health Support Desk>

The Mental Health Support Desk has been established for MC employees (including those on domestic and overseas assignments). The Support Desk is available to employees for mental health consultations. It helps employees to check their stress levels and enables those feeling unwell to have an initial consultation before seeing a neurologist. It also supports employees who have been on extended leave due to psychiatric issues to return to work by offering rehabilitation programs, recommendations on workplace re-integration and long-term follow-up.

Occupational Health and Safety

Assistance with Health Examination Fees

Regular health examinations are offered to employees in line with the Japanese Industrial Safety and Health Act, the fees for which are partially subsidized by MC.

Measures for Infectious Diseases

MC looks to the Japanese Ministry of Foreign Affairs, the World Health Organization and other organizations for the latest information on the outbreak and spread of infectious diseases overseas and responds accordingly. Employees assigned overseas receive health examinations before their departure. Furthermore, these employees and their families receive advice on vaccinations required for their assignment location as well as general health management support.

In addition, in Japan, employees are entitled to group influenza vaccinations and are encouraged to observe proper etiquette regarding coughing and hand-washing in order to help prevent the spread of diseases in the workplace.

Tuberculosis Prevention Initiatives (Mongolia)

Since 2014, MC has partnered with the Mongolian Anti-Tuberculosis Association to raise awareness of tuberculosis in Mongolia's capital Ulaanbaatar. Targeting particularly high-risk groups such as college students, MC aims to raise awareness of the disease through pamphlet distribution, videos and events. For secondary school students, MC organized a drawing contest and used the winning entries in advertising posters. Over the course of three years, these awareness-raising activities have been conducted at five universities and 750 secondary schools.

New Work Styles Befitting MC

As business becomes ever more complex and fast-paced, the pressure on employees to carry out more work at a higher quality inevitably increases. In addition, working for a *sogo shosha* means it can often be difficult to avoid busy and high-pressure periods such as with large projects and overseas deals. For this reason, MC places particular priority on: 1) the mental and physical health of employees; 2) compliance with laws, regulations and rules; and 3) appropriate management of extended overtime.

Specifically, MC goes beyond legal requirements in terms of managing overtime hours for non-managers and working hours for managers. When employees exceed a certain level of overtime hours, they must submit a health questionnaire and receive health guidance from an occupational physician. Furthermore, MC accurately reports overtime hours and complies with the Japanese Article 36 Agreement as a matter of course, and also conducts time management training and other initiatives for managers.

While taking into account the differences between specific business environments and industries, MC aims to achieve an average annual paid leave utilization rate of 70% or more, and systematically encourages employees to utilize their annual paid leave. In addition, where certain departments demonstrate a tendency to work overtime frequently, the Company will require departments to introduce improvement measures and efficiency practices. As a result, in the fiscal year ended March 2017, the annual paid leave utilization rate was 66% while average monthly overtime was 24.6 hours/month.

Through such measures, MC is creating a working environment that enables its diverse workforce to thrive professionally while fostering an organizational culture in which performance is evaluated fairly based on results.

Occupational Health and Safety

Initiatives on a Consolidated Basis

Initiatives at Group Companies

MC Group companies conduct activities to prevent industrial accidents by formulating response policies, introducing occupational health and safety management systems for employees, and taking other appropriate measures based on the nature of the business and context.

1) Initiatives of Mitsubishi Corporation Exploration Co., Ltd. (MCX)

As a company which conducts oil and gas exploration, development and production projects, MCX regards HSE as a top priority. The company believes that proper management of HSE risks is crucial in order to contribute to the sustainable development of society, and accordingly, promotes a variety of initiatives in line with the MCX HSE Policy. Based on this policy, MCX set up its HSE Office under the direct administration of the CEO. MCX will continue to revise and improve its HSE Management System (HSEMS) and to promote HSE activities companywide with the aim of preventing pollution and accidents, reducing environmental impact and mitigating occupational health and safety risks.

Reference: Mitsubishi Corporation Exploration's HSE initiatives
<http://www.mitsubishi-exploration.com/en/csr/index.html>

2) Mitsubishi Development Pty Ltd. (MDP)

MDP manages coking coal mines and regards occupational health and safety as a top priority in its management strategy. The company gives full consideration to workers' safety in its operations.

3) Donggi-Senoro LNG Project

MC is one of the largest shareholders of the Donggi-Senoro LNG Project in Indonesia (DSLNG).

There are various safety and operational risks associated with the processing and production of Liquefied Natural Gas (LNG) from sweet natural feed gas. DSLNG recognizes this and considers process safety and occupational health and safety to be of utmost importance. To ensure the safety of workers, DSLNG has

implemented a range of measures, including formulating policies on integrated quality, health, safety, environment and security along with establishing a Process Safety Management Committee. In addition, DSLNG also provides employees with training on matters such as Permit to Work, process safety management, crisis management and firefighting measures. Moreover, the company has established a robust framework for conducting regular reviews and improvements on safety.

(1) Implementation of Audits:

DSLNG conducts Permit to Work Audits and Safety Leadership Conversations (SLC) on a daily basis. Through these audits, checks are conducted on various aspects related to onsite safety, along with ensuring that Permit to Work entries are recorded accurately. In the event that any issues are identified, DSLNG ensures that they are followed up on, and operations are immediately suspended should a safety issue arise.

(2) Examples of Risk Assessments:

A Job Hazard Analysis (JHA) is conducted for the majority of jobs to scope out potential risks, assess their severity, identify possible measures to manage the risks, and determine the overall level of risk. Through this process DSLNG ensures that jobs are performed in line with adequate safety standards.

4) MC Ferticom Co., Ltd.

As its core safety initiative, MC Ferticom Co., Ltd. implements S·I·GMA (sigma) activities with the aim of improving manufacturing operations.

S·I·GMA targets the themes of "Safety," "Improvement" and "Good Manners." Through these activities, the company is making a concerted effort to raise awareness of safety and improve manufacturing operations. MC Ferticom Co., Ltd. has acquired the OHSAS 18001 occupational health and safety certification at all of its facilities, namely four plants and one manufacturing center. As a responsible fertilizer manufacturer, the company will continue to pursue further safety and reliability.

Reference: MC Ferticom Co., Ltd. website (Japanese only)
<http://www.mcferticom.jp/csr/safety.html>

Occupational Health and Safety

Status of Acquisition of OHSAS 18001

The following are examples of OHSAS certification acquired by MC's consolidated subsidiaries.

- MC Ferticom Co., Ltd. <http://www.mcferticom.jp/csr/safety.html> (Japanese only)
- Princes <http://www.princesgroup.com/about-princes/sourcing-and-production/>
- Cermaq <https://www.cermaq.com/wps/wcm/connect/cermaq/cermaq/our-sustainable-choice/certifications/>

Provision of HSE Information

NIKKEN CORPORATION

Since 2002, Nikken has a regularly-published newsletter called Safety News (in Japanese), which is shared with customers and other stakeholders. The company gathers a range of information including recommendations on how to reduce labor-related

accidents as well as methods for how to avoid and prevent HSE incidents based on white papers published by related organizations.

Reference: NIKKEN CORPORATION Safety News (Japanese only)
<http://www.rental.co.jp/service/safety/2017/>

Performance Data

Occupational Accident Data

Occupational Health and Safety Data (Non-Consolidated)

(Updated September 20, 2017)

	2015.3	2016.3	2017.3
Lost time injuries frequency rate* (Frequency rate of injuries)	0.28	0.88	0.45
Lost time injuries severity rate* (Severity level of accidents)	0.02	0.01	0.00
Occupational illness frequency rate* (Frequency of industrial accidents classified as work-related illnesses as stipulated by the Japanese Ministry of Health, Labour and Welfare (including fatalities caused by illness))	0.00	0.00	0.00

* Calculated based on the standards of the Japanese Ministry of Health, Labour and Welfare for employees working at head offices and domestic branches (excluding advisors and contract employees).

Frequency rate = the number of injuries/deaths resulting from workplace accidents x 1,000,000 hrs / total actual working hours

• "Frequency rate" refers to the frequency of workplace accidents and is derived from the number of injuries/deaths resulting from workplace accidents per 1,000,000 actual working hours.

• "Injuries/deaths" refers to workplace accidents resulting in both physical injury or loss of physical function as well as one or more days of absence from work.

* There have been no fatal accidents at MC during the three-year period stated above.

Comparison with Industry Average (for Wholesalers and Retailers with a Business Scale of 100 Employees or More)

	2014	2015	2016
Lost time injuries frequency rate	1.76	1.75	1.74
Workplace accident severity rate	0.04	0.03	0.03

* From the Japanese Ministry of Health, Labour and Welfare's "2016 Survey on Industrial Accidents"

Occupational Health and Safety

Other Data

Head Office Clinic Usage

Patients in the fiscal year ended March 2017: (total no. of people)	Approximately 27,000 people per year (Medical examinations 8,000; general medical examinations 17,500; overseas medical consultations, health guidance and others 1,500)
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Health Checkup Results

	2016.3	2017.3
Domestic statutory checkup rate	96%	96%
Overseas assignees checkup rate	75%	85%

Stress Check Results (Domestic)

	2016.3	2017.3
Scope	5,224	5,209
Respondents	5,034 (Response rate 96%)	4,957 (Response rate 95%)

Training and Education Performance

Training course title	Theme	Scope	Participants (2017.3)
(1) New upper-level manager seminar	Medical clinic director lectures on safety and health management	General Manager level	56 people
(2) Organizational management training	Medical clinic director lectures on safety and health management	Manager level	101 people
(3) Intermediate follow-up training for new employees	Lecture on stress management	University graduate employees	194 people
(4) Integration training for mid-career hires	Lecture on stress management	Mid-career hires	16 people
(5) Instructor training	Lecture on workplace mental health	"Instructor" employees	154 people
(6) Domestic assignment orientation	Mental health included as theme in lecture on human resources management. Lecture delivered by legal advisor.	Managers sites/companies	195 people

Independent Practitioner's Assurance

To enhance the reliability of its data, MC has obtained the assurance of Deloitte Tohmatsu Sustainability Co., Ltd., an independent third party, for the accuracy of non-consolidated personnel data*.

Reference: Independent Practitioner's Assurance Report
https://www.mitsubishicorp.com/jp/en/about/resource/pdf/assurance_report_en.pdf

* Data marked with an asterisk (*) in MC's non-consolidated personnel data for the year ended March 2016 and the year ended March 2017 published in the "Human Resource Management/Basic Data" section of MC's website.

Human Resource Development

Policy

Principles of Human Resource Development

One of MC's goals is to develop future management professionals who possess ethics, foresight, and execution skills. Our approach mainly emphasizes on-the-job-training (OJT) and also incorporates Off-JT (Human Resource Development programs). For OJT, we emphasize systematic career path planning including experience

at MC's offices and Group companies, both inside and outside of Japan, so that employees can gain hands-on experience in diverse workplaces. For Off-JT, we offer a range of stepwise programs to help management employees develop the necessary skills for conducting consolidated management of MC Group companies.

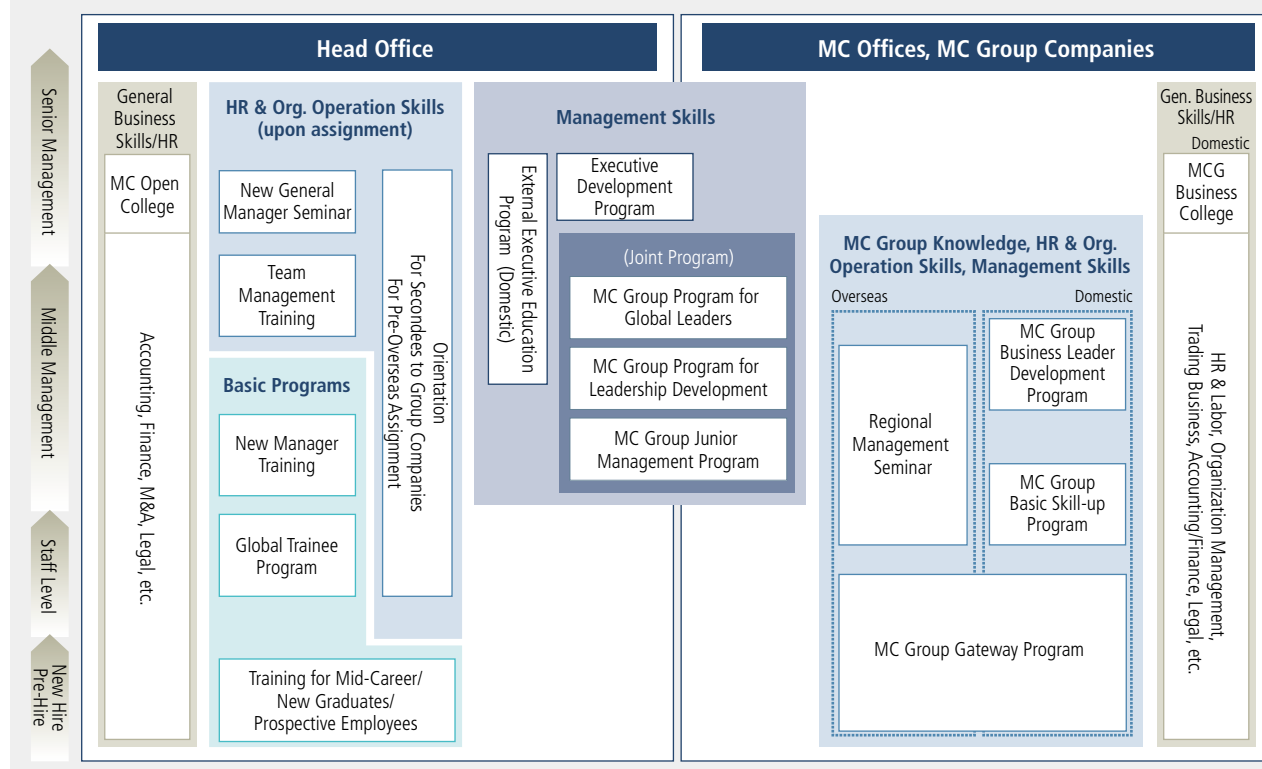
Structure

Officer in Charge	Akira Murakoshi (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	Human Resources Development (HRD) Committee Important matters related to human resource development deliberated by the HRD Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Global Human Resources Dept.

Reference: [Diagram of the Sustainability Promotion Framework \(P.07\)](#)

MC Group HRD Program Structure

FY2017 MC Group HRD Program Structure



Initiatives

Introduction of Human Resource Development Programs

1. Basic Programs (for New Hires–Staff Level)

As a first step towards becoming a management professional, we conduct basic Off-JT programs for professional development where trainees take on roles on the front lines of our business. These programs provide training for acquiring basic business knowledge, communication skills, analytical capabilities and management skills. We also focus on developing the ability to compete on the international stage, which is essential for people who work for a *sogo shosha* such as MC.

Basic Business Skills

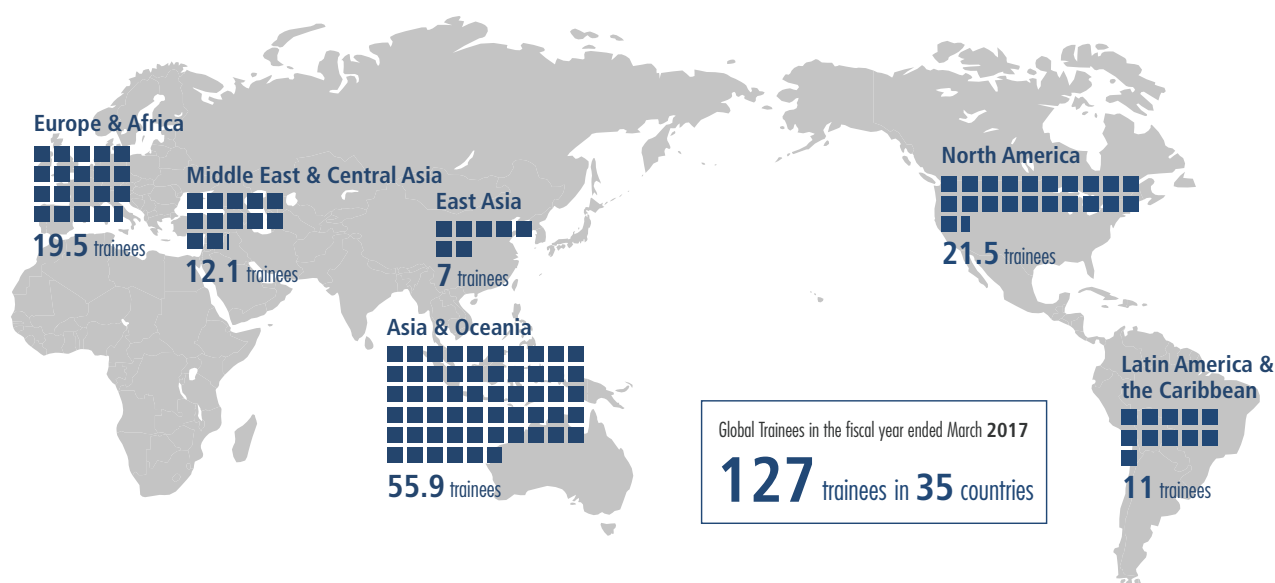
To strengthen basic business skills, all new hires are required to participate in two stepwise HRD programs called the “Basic Business Skills Program (BBS)” and the “Advanced Business Skills

Program (ABS)” in their first three years at MC. These programs give them a general foundation in basic professional skills such as finance, accounting, mergers and acquisitions (M&As), business English and global leadership.

Global Competitiveness

MC’s policy is to provide all employees opportunities to train and work overseas early in their careers (typically within their first eight years with the Company). This is intended to strengthen the global competitiveness of our human resources in line with further global business development. The policy is supported by the “Global Trainee Program.” The program is centered mainly on OJT overseas, and includes overseas business school assignments as well as language and culture programs. Every year, approximately 130 young employees participate on these assignments.

Assignment of Global Trainees (Fiscal Year Ended March 2017)



* The numbers of trainees per region are shown in fractions because some trainees’ assignments are divided between more than one country or region.

Human Resource Development

2. Strengthening Management Capability (Middle Management)

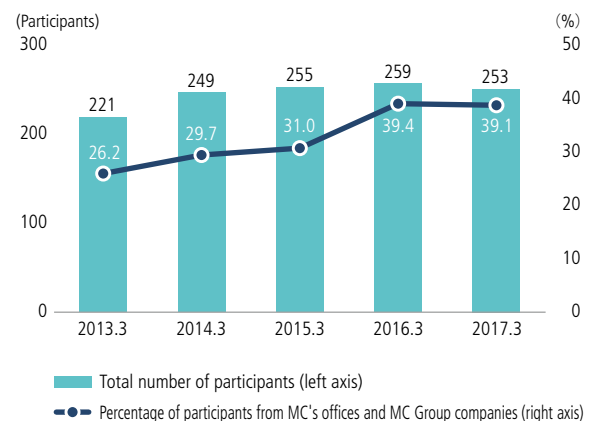
As of today, about 2,300 MC employees are working outside of the Head Office at MC offices and Group companies both in Japan and overseas. Middle management training focuses particularly on opportunities for growth through this type of real world experience and on self-development through OJT. Our Off-JT is selective and involves programs that provide employees with experience that is otherwise difficult to gain in the course of their day-to-day work with the goal of helping them develop a management mindset. Through these programs, we aim to cultivate management professionals to lead the MC Group in the future.

Fostering Future Management Professionals

Every year, we have approximately 50 mid-level managers attend short-term programs at prominent business schools in the U.S., Europe, and Asia, where they hone their general management skills and build strong networks with other participants from diverse cultures and enterprises.

We have a number of in-house stepwise “Joint Programs” designed for the approximately 70,000 employees in MC and the MC Group in and outside Japan. These programs are tailored to help employees develop management thinking, equip them with management skills, and strengthen the MC Group’s overall management capabilities.

Number of Participants in Joint Programs



Joint Programs



Human Resource Development

3. Strengthening Management Capability (Senior Management)

For senior management, whose foundations of management have been established through both OJT and Off-JT, we run selective training aimed at developing even more sophisticated management professionals who will be responsible for managing MC.

High-Level Training for Management Professionals

The MC Executives' Program for executive candidates is an annual program for developing management professionals that was launched in the fiscal year ended March 2004. Participants primarily take part in workshops where they work in groups to address important challenges to running successful businesses and present their solutions to a panel of executives. The program provides an opportunity for participants to broaden their perspectives, develop their management thinking, and build professional networks by exchanging opinions with other employees who have diverse experience and by hearing lectures from MC executives and those from the general business community.

MC Executives' Program



4. MC Group Values

We are enhancing the collective capabilities of the MC Group's some 70,000 professionals by sharing our values and strengthening networks across companies, Business Groups and countries.

Sharing MC Values

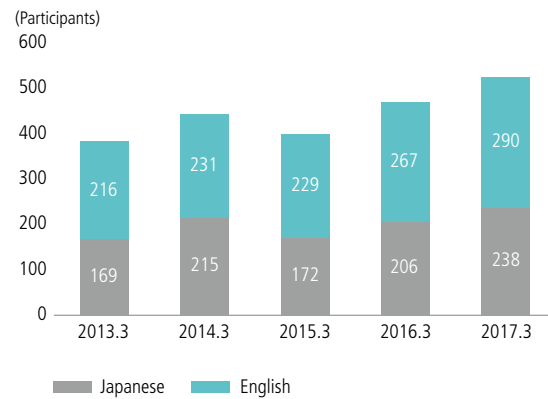
The MC Group Gateway Program has been held since the fiscal year ended March 2011. An orientation program for employees of MC offices and Group companies in Japan and overseas, it is designed to share MC's corporate principles and values, and to foster greater understanding of the MC Group. In the fiscal year ended March 2017, approximately 500 employees took part in the program, bringing the cumulative total to around 2,600. It is held eight times per year in Tokyo, with separate sessions in both Japanese and English. Similar orientation programs are being held in other regions overseas as well in an effort to promote shared values throughout the entire MC Group.

Human Resource Development

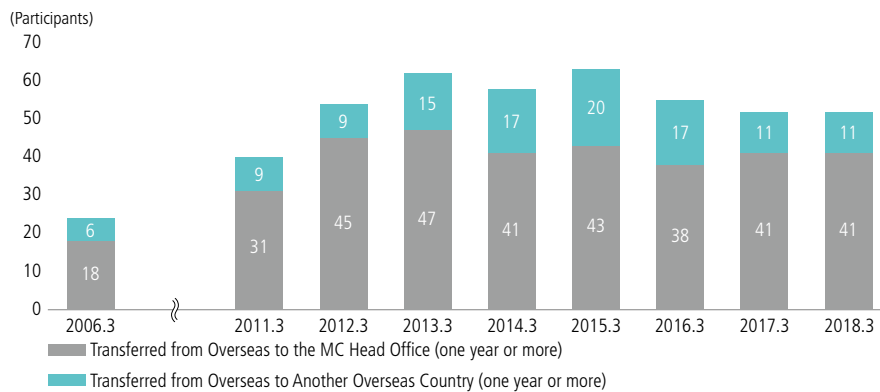
International Transfers

In recent years, we have been transferring more employees hired at MC overseas offices to other countries to meet the growing needs of our global operations. These international transfers provide a wide range of experiences and help to refine employees' global perspectives. At the same time, they give employees a clearer understanding of the MC Group overall and its management philosophy. MC will therefore continue to promote deployments on a consolidated, global base, assigning the appropriate human resources for each position.

Number of Participants in the MC Group Gateway Program



Number of Employees Hired at Overseas Offices and Subsidiaries Who Were Transferred from Their Home Office to Another Country



Data is current as of March 31 of each fiscal year until the fiscal year ended March 2017, and is current as of April 1, 2017 for the fiscal year ending March 2018

Human Resource Development

Performance

Human Resource Development and Training Data

Number of Training Participants (Non-Consolidated Basis, Fiscal Year Ended March 2017)

Program Name	Eligible Employees	Number of Recipients
Business Basic Skill Program	1st or 2nd year employees	193*
Business Advanced Skill Program	3rd year employees	Newly established in the fiscal year ending March 31, 2018
Global Trainee Program	2nd year and over employees	127*
Junior Management Program	Assistant Manager class employees	70*
Program for Leadership Development	Manager class employees	42*
Program for Global Leaders	General Manager class employees	43*
MC Executives' Program	Managing Director class employees	36*

Overview of MC's Training (Non-Consolidated Basis)

	Number of Participants
No. of training participants per year* ¹	2,487*
Annual training hours averaged out over typical employee's career* ²	62
Total cost of training* ³	2.14 billion yen*
Cost per employee* ⁴	344 thousand yen*

*1 No. of employees taking skills development programs run by the Global HR Dept. at the Head Office that are designed to foster future management professionals.

*2 Calculated based on a 38-year career starting at the age of 23 and finishing at the age of 60.

*3 Total cost includes internal development costs and billings for training related services, etc. from outside entities.

*4 Total cost of training divided by the total number of employees.

Independent Practitioner's Assurance

To enhance the reliability of its data, MC has obtained the assurance of Deloitte Tohmatsu Sustainability Co., Ltd., an independent third party, for the accuracy of non-consolidated personnel data*.

Reference: Independent Practitioner's Assurance Report
https://www.mitsubishicorp.com/jp/en/about/resource/pdf/assurance_report_en.pdf

* Data marked with an asterisk (*) in MC's non-consolidated personnel data for the year ended March 2016 and the year ended March 2017 published in the "Human Resource Management/Basic Data" section of MC's website.

Customer Responsibility

Policy

Responsible Advertising and Marketing

MC engages in responsible advertising and marketing in line with the Three Corporate Principles, the Company's core philosophy, as well as with the Corporate Standards of Conduct, the Social Charter and the Code of Conduct. Through its corporate communications

Advertising

In order to present a consistent corporate image to customers and conduct advertising and promotional activities with the appropriate messaging, content and media, MC has developed a set of internal rules, guidelines and manuals that include specific considerations and stipulate approval and reporting procedures and other important matters. In particular, we take adequate precaution with respect to slanderous or discriminatory expressions, religious and political creeds, the environment, third-party privacy, confidentiality, disclosure and intellectual property rights. We have also created manuals for MC Group companies to ensure consistency across the Group.

activities, MC strives to raise its brand value by conveying accurate information to the public while at the same time receiving feedback from external stakeholders with humility and incorporating it into business activities.

Marketing

MC engages in responsible marketing in a manner that respects third parties and their reputation. We use information and language that is easy to understand and make sure to avoid any potential for misunderstandings with our customers. This is accomplished by complying with laws and regulations related to marketing (such as the Japanese Unfair Competition Prevention Act), formulating and complying with internal rules, and conducting training, etc.

Policy and Approach Related to Food Products Businesses

While the MC Group conducts business in a variety of areas, the food products business is most directly connected to consumers. The products we handle also cover a broad range and include processed foods, fresh foods, and beverages. For this business, we have established value chains that cover activities ranging from raw material procurement and processing to product manufacturing, distribution and retail. MC aims to meet the needs of an increasingly diverse and sophisticated consumer group and to respond to mounting concerns over food safety and security.

As we develop businesses closely connected to people's daily lives, it is essential for the growth of the MC Group that we provide products and services that add value for our consumers and that we obtain feedback directly from consumers through our retail businesses including the Lawson convenience store chain. Consumer

feedback is reflected back into our raw material procurement and processing, product manufacturing and distribution. Through this process, MC is optimizing and driving forward its businesses with a 'consumer-first' mindset.

In promoting consumer-related businesses, MC recognizes the issues involved (see below) and will conduct initiatives to prevent the occurrence of incidents and to mitigate their impacts.

- Ensuring food safety
- Ensuring reliability and proper provision of food (providing information on allergens, preventing provision of alcohol to minors, etc.)
- Appropriate handling of customers' personal data

Customer Responsibility

Access to Better Nutrition and Medical Care

The MC Group conducts business activities globally which involve providing consumers with food products and medical services. From upstream raw material procurement to downstream retail, we provide a stable supply of products and services that meet consumer needs in order to help them lead rich and varied lives. With a mission of conducting business activities closely connected to food and medicine, MC strives to ensure safety and security for consumers, thereby providing value that meets social requirements while also contributing to improved access to better nutrition and medical care.

Policy and Approach for Access to Better Nutrition

In emerging countries, nutrient imbalances caused by lifestyle changes, increasing obesity, other lifestyle-related diseases and lower nutrient intake due to eating difficulties caused by aging have all become broad social issues. In emerging countries, hunger and malnutrition brought on by poverty and other conditions are widespread. At the same time, people are becoming more health-conscious. Each of these trends has the potential to create new markets and generate business opportunities, especially in emerging countries. The MC Group recognizes these social issues, and by leveraging the strength of our value chains which range

from raw materials to retail as well as our technical capacities in the food science business, we will work to improve, for example, nutrition for elderly people who are nutrient deficient, and to develop and provide nutritious products that meet consumer needs. Furthermore, we will strive to maintain a stable supply of products to prevent consumers from being negatively impacted by supply disruptions.

Policy and Approach to Providing Access to Better Medical Care

The MC Group is undertaking healthcare-related businesses through its Living Essentials Group. In emerging countries, many people lack access to high-quality medical services due to underdeveloped healthcare environments and systems. Meanwhile, in Japan, one pressing issue is that government finances are being strained by worsening business conditions faced by medical institutions and burgeoning social insurance costs, which in turn reflect the aging population and growing medical expenditures. Leveraging the knowledge and networks developed through its healthcare-related businesses over many years, the MC Group is working to address various healthcare issues arising worldwide, with the aim of realizing a society with improved access to better healthcare.

Targets

MC's goal in the life sciences field is to become the world's leading company in the field. We will achieve this by sustaining growth and establishing a robust presence in the food and health sector by

further developing the Japanese domestic market through strategic investment and innovative R&D based on our technical capacities, as well as through the provision of safe and reliable products.

Initiatives

Initiatives on a Non-Consolidated Basis

Corporate Website and Corporate Brochure

Given the global presence of the MC Group, MC discloses information through its corporate websites in eight languages* (Japanese, English, Chinese, Spanish, Portuguese, French, Russian and Korean), and annually publishes its corporate brochure in 16 languages (Japanese, English, Chinese, French, Russian, Spanish, Arabic, Portuguese, Indonesian, Turkish, German, Thai, Mongolian, Burmese, Korean and Vietnamese). The goal is to ensure accurate information disclosure to audiences around the world.

* Including websites of overseas subsidiaries.

Initiatives in the Food Science Business

Initiatives by Mitsubishi Corporation Life Sciences Limited

Elderly people who have difficulty swallowing and individuals suffering from certain diseases such as Parkinson's disease are prone to aspiration pneumonia which can result from the mis-swallowing of food. For this issue, Mitsubishi Shoji Foodtech Co., Ltd., an affiliate of Mitsubishi Corporation Life Sciences Limited, is developing formulations that utilize polysaccharide thickener compounding technologies. In the field of medical and nursing care-related foods, formulations which make food softer and easier to swallow and thickening agents added to give food the right thickness for

System for Responding to Inquiries

MC has created a Frequently Asked Questions (FAQ) page on its corporate website, and strives to respond to inquiries as quickly as possible. In addition, the relevant divisions promptly address customer inquiries via the Head Office's main telephone line.

easier swallowing are contributing to the prevention of aspiration pneumonia. The company is also planning business development into low-protein food formulations for kidney disease patients and conducting research on low-sugar concepts utilizing the sweeteners it possesses. In addition, KOHJIN Life Sciences Co., Ltd., in the same business group, develops seasonings and health food ingredients utilizing the power of yeast. The company uses yeast extracts to offer low-sodium seasoning alternatives and is also developing them as supplement ingredients for the health and beauty fields. In this way, the MC Group will continue to develop safe foods in the medical, nursing and healthcare fields, thereby contributing to the betterment of society.

Customer Responsibility

Response to Issues Related to the Food Products Business

Through its Food-Products and related businesses which are directly connected to consumers, the MC Group actively addresses the following issues.

Cermaq Initiatives

Cermaq, an MC subsidiary, considers the provision of healthy and sustainable food to be its core mission. A salmon producer, Cermaq has the ambition to produce healthy and nutritious food to a growing world population and play a role in improving the global food system by engaging in multi-stakeholder partnerships.

Farmed salmon is a part of the solution to challenges related to obesity and unbalanced diets, by being rich in healthy nutrients such as marine omega-3, proteins, vitamins and minerals. It is also a sustainable food product, with a low carbon footprint and an efficient feed conversion ratio compared to other animal proteins.

Cermaq considers salmon farming as a part of the solution to solving the world's food needs and engages actively in partnerships to build best practice and share knowledge across the food industry.

Reference: Cermaq website
<https://www.cermaq.com/wps/wcm/connect/cermaq/cermaq/our-sustainable-choice/sustainability-16/material-topics>

Lawson, Inc. Initiatives

Lawson, Inc., an MC consolidated subsidiary, manages and operates convenience stores. Lawson is most closely connected to consumers within the food products value chain, and conducts the following initiatives to help minimize negative product impact on socially vulnerable groups.

(1) Promoting long-term health

Lawson strives to be the number one community store for healthy eating. The company has introduced a 'Meal Solutions' initiative which aims to provide healthy everyday food. This initiative offers a wide range of meals, makes these meals convenient to purchase, and takes into account health considerations, and is thus highly rated by consumers who want quick and easy meals that also have a low calorie intake. In addition, Lawson has established 11 key health themes that include fiber intake, low-carb and reduced sodium, and will continue to proactively develop health-oriented products going forward.

(2) Materials procurement and quality management

Lawson's subsidiary SCI, Inc. oversees the company's supply chain management and is responsible for supplying original products that are also safe and reliable. SCI conducts rigorous quality assessments, and in procuring raw materials only selects products that have passed a stringent screening process based on Lawson's quality control standards. In the product manufacturing process, at plants that produce rice products for example, a unique HACCP system for food sanitation management has been established to prevent incidents involving food poisoning or contamination. In this way, Lawson procures safe raw materials and carries out rigorous quality control to prevent any negative health impacts on consumers.

Furthermore, Lawson established the 'LAWSON Farm' project which supplies fresh fruits and vegetables that are safe, reliable and high quality in a stable manner to stores in the Lawson Group. Of the 23 LAWSON Farms in Japan, 22*1 have achieved Japan Good Agricultural Practice*2 certification as of February 28, 2017.

*1 All LAWSON Farms except LAWSON Farm Hiroshima Jinsekikogen (which is certified by the Japanese Agricultural Organic Standards (JAS)).

*2 Japan Good Agricultural Practice is intended to facilitate the supply of safe and reliable fruits, vegetables and ingredients with control methods for agricultural production processes that are optimal for agriculture in Japan.

(3) Preventing the sale of alcohol and tobacco products to minors

To prevent alcohol and tobacco products from being sold to minors, when selling these products, the minimum age is displayed on the cashier screen so that both the customer and the store staff can see and the customer can confirm. Regular training is provided to store employees, while posters and announcements are used in-store to raise customer awareness.

(4) Safety Station activities

From crime prevention and disaster preparedness to safety measures and children's health initiatives, there is an ever increasing expectation for convenience stores to play a broader role in society.

To meet these expectations, the Lawson Group participates in the Safety Station activities of the Japan Franchise Association, helping to build safe and secure communities and promoting healthy environments for young people. The company also implements anti-crime measures to combat theft and other crimes, while also supporting women and children who seek safe harbor in-store.

Examples of Safety Station Activities

- Preventing bank transfer scams

Examples include a member of staff preventing a bank transfer scam when noticing suspicious behavior by a customer using an in-store ATM machine, and another staff member questioning the intentions of a customer wanting to send money, thereby preventing a potential refund scam.

- Caring for people with sudden illnesses and senior citizens

Examples include administering first aid to a customer who had sudden pain while shopping and accompanying that customer to the hospital, and escorting an elderly customer believed to have dementia back home due to sudden memory loss. An increasing number of stores are able to provide this kind of assistance to customers in need of help.

- Supporting local crime prevention and disaster preparedness activities

Lawson conducts presentations at elementary schools near to its stores on measures it takes to prevent shoplifting and other crimes. Staff members also act as youth guidance personnel and regularly patrol the streets near middle schools, helping to prevent anti-social behavior. Through such activities, Lawson is contributing to the creation of safe communities and healthy environments for young people.

Reference: Lawson website (Japanese only)
<http://www.lawson.co.jp/company/activity/stakeholder/consumer/safety.html>
<http://www.lawson.co.jp/company/activity/special/lawsonfarm/index.html>

Appropriate Food Labeling Initiatives

When people with food allergies consume an allergen it can trigger anaphylaxis. Similarly, consuming large quantities of certain substances can potentially damage one's health. To prevent such problems, MC strives to label its food products in a way that is easy to understand in accordance with applicable laws and regulations. To ensure that consumers understand product characteristics and are in a position to make appropriate purchasing decisions based on health and other factors, in Japan, Mitsubishi Shokuhin Co., Ltd., Lawson, Inc. and other MC Group companies provide easy-to-understand information in accordance with laws and regulations. This includes labeling related to expiry dates, preservation methods and other quality factors; warnings related to alcoholism, acute alcohol poisoning and underage drinking; as well as compliance with the Food Labeling Act and the Health Promotion Act.

Initiatives for Better Access to Medical Care

As a company engaged in the healthcare sector, MC is involved in the following initiatives with its Group Companies to help provide people in Japan and around the world with better access to healthcare.

Improving Medical Care Access and Standards in Emerging Countries

In 2017, MC formed a hospital management joint venture with Capital Diamond Star Group (CDSG) and Yee Shin Holdings. The joint venture will construct a 300-bed general hospital in Yangon, Myanmar, in order to provide locally rooted, high-quality medical services and raise healthcare standards. MC is committed to helping create conditions that allow people to access advanced medical treatment in emerging countries.

Customer Responsibility

Stabilizing Medical Care in Japan and Raising the Elderly's Quality of Life

MC Healthcare, Inc., an MC consolidated subsidiary in Japan, specializes in improving hospital operations through procurement and inventory control of medical supplies and equipment, group purchasing, and information systems. The company is also applying its experience and expertise in rapidly growing China. By improving and providing solutions to hospital operations, MC Healthcare, Inc. is contributing to the enhancement and stability of Japan's healthcare system.

Nippon Care Supply Co., Ltd. is a pioneering provider of whole-sale and rental nursing care equipment. The company supplies welfare equipment, in-home nursing care services and meals to day service facilities and other institutions to raise the quality of life of the elderly and enable them to continue living independently. In doing so, the company is helping to realize a society where all senior citizens can live comfortably and with peace of mind.

Access to Medical Care in Local Communities

As a convenience store closely connected to consumers, Lawson, Inc. is developing its Healthcare Lawson convenience store model to provide daily living-related support with expanded sales of over-the-counter medicines to accommodate healthy lifestyles and an aging society. In addition, Lawson enters into health-related agreements with local governments in order to conduct health exams at Lawson convenience stores for nearby local residents. These exams are normally received at a city hall or a community center. Through initiatives such as these, Lawson provides access to medical care for people who live far from any hospital or pharmacy, and is working to develop its stores so that they can be used with peace of mind by a diverse range of customers.

Overseas Initiatives (Poverty Assistance)

As a global, integrated business enterprise, MC considers what kind of support it can provide through its operations to countries and regions where it is developing business in the mid- to long-term. We are engaged in a variety of programs tailored to local needs in these countries and regions.

Example: Myanmar

Background

The Mandalay and Magway Regions of Myanmar occupy much of what is referred to as the Central Dry Zone. This area receives very little rainfall and does not have well-developed irrigation channels, making it a considerably infertile area. The Dry Zone is, however, inhabited by a large number of low-income farming communities, making this one of Myanmar's biggest social issues.

Details of the Initiative

○ Agricultural Support Activities

MC became the first private-sector donor to participate in the Livelihoods and Food Security Trust Fund (LIFT) program administered by the United Nations Office for Project Services (UNOPS). The LIFT program provides support to low-income farming communities across Myanmar. Additionally, in collaboration with OISCA International, an NGO specializing in international cooperation, MC has set up a training center for nurturing agricultural leaders in the Mandalay region. Through these forms of support, MC aims to help improve the standard of living of farmers in Myanmar and contribute to the development of farming in the country.

Customer Responsibility

○ Example of Business Expansion in Myanmar

● Food-Related Business

In 2015, MC established Lluvia Limited as a joint venture with Capital Diamond Star Group (CDSG) of Myanmar. Lluvia operates food-related businesses, including a wheat flour business that has Myanmar's top share as well as a beverage business that has strong market recognition. MC will contribute to the stable supply of food and the development of the food industry in Myanmar by enhancing existing businesses and creating new businesses within Lluvia through knowledge transfer from MC and its network of partners.

● Hospital Business

In 2017, MC agreed to form a hospital management joint venture with CDSG and Yee Shin Holdings in Myanmar, with plans to construct a 300-bed general hospital in Yangon. Through this joint venture, MC will provide high-quality healthcare services closely attuned to the needs of the regional community, with a view to creating both social and economic value.

● Airport Development

MC-Jalux Airport Services Co., Ltd. is a joint venture between MC, JALUX Inc. and Myanmar-based Yoma Development Group Ltd. The joint venture operates and maintains the airport facilities at Mandalay International Airport in Myanmar, including the terminal building and runway (excluding air traffic control). Besides providing safe, convenient airport services, MC aims to contribute to greater social and economic development in Myanmar through airport management.

Corporate Philanthropy

MC has formulated its Corporate Standards of Conduct and Social Charter based on the Three Corporate Principles, the Company's core philosophy, and conducts corporate philanthropy initiatives to improve access to nutrition and medical care.

(1) Mitsubishi Corporation Foundation for the Americas

Mitsubishi Corporation Foundation for the Americas (MCFA) was established in 1991 by Mitsubishi International Corporation (MIC) and MC. The mission of MCFA is to support environmental

initiatives throughout the Americas, encompassing environmental education, biodiversity conservation, environmental justice and sustainable development. Since its establishment, the foundation has contributed a total of \$9.5 million (approx. ¥1 billion) to projects throughout the Americas. Current activities include financial support for an investment in Root Capital, a non-profit social investment fund that provides financing to high impact agriculture businesses to support small-scale farmers in South America.

(2) Mitsubishi Corporation Fund for Europe and Africa (MCFEA)

The Mitsubishi Corporation Fund for Europe and Africa (MCFEA) is a UK registered charitable foundation established in 1992 by Mitsubishi Corporation and Mitsubishi Corporation (UK) Plc. (now Mitsubishi Corporation International (Europe) Plc.) Since its inception, the MCFEA has contributed more than £4.1 million (approx. ¥600 million) in grants to environmental and developmental projects in Europe and Africa. These grants have been provided to a range of partner organizations including Earthwatch Institute, SolarAid, Farm Africa and BirdLife International. One of these organizations, the NGO WaterAid, is helping to improve health and quality of life by delivering safe water and sanitation to some of the world's most impoverished people.

(3) Supporting independence of small-scale farmers

MC has been providing support for small farming families in an environmentally protected region of the Southern Lowlands of Bahia State in Brazil. This is the first project to be executed based on an MOU signed between MC and the Inter-American Development Bank, the aim of which is to promote collaborative philanthropic activities in Latin America and the Caribbean. These activities are being conducted in partnership with the Odebrecht Foundation in Brazil. MC is also providing assistance to technical schools for agriculture, agribusiness and forestry. These schools teach young people the latest techniques in environmentally-friendly farming and farm management in order to help them achieve self-sufficiency.

(4) Smile Africa Project

MC has been a supporter of this project since it was initiated by Sotokoto magazine in 2009. Its purpose is to collect slightly used athletic shoes in Japan and send them to children in Africa who need them.

Participation in External Initiatives

Cermaq, an MC subsidiary, engages in external sustainability initiatives in line with its strategy, which emphasizes partnerships to find solutions related to the UN Sustainable Development Goals (SDGs). In particular, five goals have been identified as high priority for Cermaq, including Goal 2: Zero hunger and Goal 14: Life below water. Cermaq engages in industry and multi-stakeholder initiatives to find solutions, on different levels:

Examples of initiatives include:

(1) Food industry—FreSH initiative:

Food Reform for Sustainability and Health. Established in January 2017 by the World Business Council for Sustainable Development (WBCSD) and the Norway based EAT Foundation, the FreSH initiative is undertaken with participation by Cermaq in collaboration with 35 other global food companies including Nestle, Unilever and Danone. It aims to accelerate change in the global food system by developing guidelines and recommendations for healthy, sustainable diets and more sustainable food production.

(2) Seafood industry—SeaBOS:

Seafood Business for Ocean Stewardship. Established in 2016 by eight of the world's largest seafood companies (including Cermaq, Thai Union, Nissui, Maruha Nichiro, and Marine Harvest), SeaBOS aims to promote sustainable seafood operations and ensure a healthy ocean.

(3) Salmon aquaculture industry—

Global Salmon Initiative (GSI):

GSI is a leadership initiative established by global farmed salmon producers. It seeks to provide a highly sustainable source of healthy protein to feed a growing global population, in tandem with minimizing the environmental footprint, and continuing to improve the industry's contributions to society.

In addition, Cermaq is a member of the UN Global Compact. Member companies work to align their strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals.

Reference: For further information, please see Cermaq's website.
<https://www.cermaq.com/wps/wcm/connect/cermaq/cermaq/our-sustainable-choice/partnership-sdgs>

Support for the Global Compact (P.06)

Community

Policy

Basic Approach

One of MC's Key Sustainability Issues (Materiality) is "Growing Together with Local Communities," through which MC strives to contribute to regional development through its business and corporate philanthropy initiatives and grow together with the regions and communities where it operates.

Policy on Community Investment

In identifying 'Growing Together with Local Communities' as one of its Key Sustainability Issues, MC recognizes the value of building relationships with communities for the success of its businesses. Furthermore, by growing together with communities through job creation, promoting community development and procuring raw materials from local communities, MC also strives to minimize negative impacts. Growing together with local communities is equally as important as advancing MC's businesses and generating financial return. This represents the true spirit of MC, which seeks to simultaneously generate economic, environmental, and societal value.

Policy on Local Employment and Procurement

MC appreciates that local employment and procurement have an important role to play in building positive relationships with and contributing to the sustainable development of the countries and regions in which it operates (as outlined in ISO 26000, etc.).

MC understands that hiring employees and procuring goods and services from the local areas near to project operations contributes to the sustainable development of the region through local human resource development and through social and economic growth.

As a company with business operations in many countries and regions across the globe, MC will endeavor to make economic contributions through its business by way of local employment and procurement, as well as social contributions through various philanthropic efforts, with the aim of growing together with local communities.

Policy on Mine/Site Decommissioning

MC believes in the importance of minimizing impact on the environment and society when carrying out decommissioning for mining and for oil and gas projects.

When carrying out these projects, in order to ensure that measures for future decommissioning are undertaken smoothly and appropriately, MC will, from initial project planning through to operation, carry out environmental impact assessments in accordance with the laws of the countries and regions in which it operates as well as with international principles.* In addition, MC will engage in dialogue with governments, local communities and other stakeholders in order to develop appropriate decommissioning plans and implement necessary measures such as rehabilitation in order to minimize impact on the environment and communities.

* The ICMM (International Council on Mining & Metals) 10 Principles, etc.

Structure

Officers in Charge	Iwao Toide (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability) Akira Murakoshi (Member of the Board, Executive Vice President, Corporate Functional Officer, Public Relations, Human Resources) Masakazu Sakakida (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Administration, Legal)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	CSR & Environmental Affairs Committee Important matters related to communities deliberated by the CSR & Environmental Affairs Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Departments in Charge	Corporate Sustainability Dept., Corporate Administration Dept., Corporate Communications Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.07)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC not only takes economic factors into consideration, but also places importance on ESG as well. We also take into account revitalization of the local society and economy, the status of the surroundings

such as indigenous people and cultural assets, and related factors. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Corporate Philanthropy Activities

In keeping with our belief that MC's sustainable growth cannot be achieved without realizing a sustainable society, we address our Key Sustainability Issues (Materiality) through both business and philanthropy activities.

MC engages in a variety of corporate philanthropy activities in the fields of Global Environment, Public Welfare, Education, International Exchange & Contributions, Culture and Arts, and Earthquake Recovery Efforts. These focus areas closely correlate to two of the Key Sustainability Issues in particular: Conserving the Natural Environment and Growing Together with Local Communities.

Each of our philanthropy activities is conducted with a focus on long-running initiatives in which our employees can take part and which highlight the unique strengths of our company. These contribute to MC's overall pursuit of businesses that generate value for societies.



Employee Volunteer Activities

MC places great emphasis on deepening employee awareness of the importance of giving back to society. We therefore have taken steps to encourage employee participation in volunteer activities, for example, by establishing a volunteer leave system and by holding in-house volunteer programs during lunch hours.

In addition, MC launched a series of relief activities in the immediate aftermath of the Great East Japan Earthquake in 2011, and as of March 31, 2017, more than 4,500 employees had participated in those activities as volunteers.

Volunteer Token System/ Volunteer Leave System

MC makes donations to public welfare, educational and environmental NPOs or foundations based on a virtual token system. Employees earn tokens by participating in volunteer activities, with each token worth a corporate donation of ¥500. Tokens are awarded not only for volunteer work organized by MC, but also for activities undertaken independently by employees during their private time outside of work.

Employees can take up to five days of leave each year to participate in volunteer activities.

Year ended March 2017

No. of employees taking volunteer leave **163** (cumulative no. of people)
Volunteer leave days taken **227.5**

Number of Tokens Given for Volunteer Work

12,173 11,608 11,581
2015.3 2016.3 2017.3
Donations made through tokens **5,790,500** yen

DREAM AS ONE.

—Joining Together to Make Dreams Come True—

MC launched the DREAM AS ONE. Project in the year ended March 2015 in order to enhance a long-running program aimed at making sports more accessible for people with impairments. During the year ended March 2017, roughly 30 different sporting events were conducted, including sports classes for children with impairments and classes for training volunteers to assist at sporting events for athletes with impairments. In addition, three of our employees are active in para-sports (as of July 1, 2017).

Mitsubishi Corporation Art Gate Program

Young Japanese artists struggle to find opportunities to present their work. In 2008, MC established the Mitsubishi Corporation Art Gate Program with the goal of nurturing young talent. MC invites young artists who graduated within the last three years to submit their artwork to MC for selection. MC purchases the selected works at ¥100,000 each, and after being displayed in internal and external exhibitions, they are auctioned for charity to the general public. The proceeds gained from the auctions fund scholarships for aspiring artists seeking to launch professional careers. To date, MC has purchased around 1,500 works and provided scholarships to a total of 106 active students. (As of the fiscal year ended March 2017)

Support through Charitable Foundations

Foundations and Funds	Activities	Year of establishment and paid-in capital (cumulative)
Mitsubishi Corporation Disaster Relief Foundation	The Mitsubishi Corporation Disaster Relief Foundation promotes recovery activities in areas affected by the Great East Japan Earthquake through provision of scholarships and grants, as well as industry revival and job creation.	Established in 2012 Approximately ¥13.5 billion (Including donations through the Mitsubishi Corporation East Japan Earthquake Recovery Fund)
Mitsubishi Corporation Foundation for the Americas (MCFA)	The MCFA supports NGOs and other organizations engaged in ecosystem preservation, sustainable development, environmental justice, and environmental education in the Americas.	Established in 1991 Approximately US\$9.5 million
Mitsubishi Corporation Fund for Europe and Africa (MCFEA)	The MCFEA supports NGOs and other organizations involved in environmental conservation, related research and education, and poverty alleviation in Europe and Africa.	Established in 1992 Approximately £4.1 million

Mitsubishi Corporation Disaster Relief Foundation

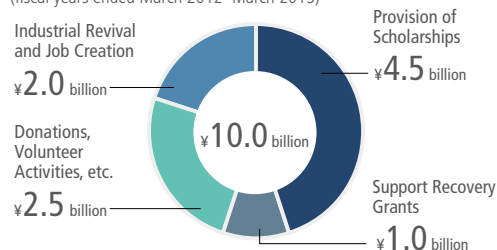
MC created a ¥10 billion fund to provide financial support to reconstruction activities during the first four years following the Great East Japan Earthquake, and has undertaken a variety of activities in line with the local needs and conditions in affected areas. In spring 2012, we established the Mitsubishi Corporation Disaster Relief Foundation, which took over the scholarship program and reconstruction support grants from the original fund while also working to support industrial recovery and job creation in the affected areas. During the fiscal year ended March 2016, MC decided to donate an additional ¥3.5 billion to fund activities over the next five years. Going forward, we will continue our original initiatives and pursue new projects such as our Fukushima Winery Project, which offers support for the fruit farming industry in Koriyama City, Fukushima Prefecture, through an innovative, vertically integrated business model.

Investing in the Future of the Areas Affected by the Disaster

MC's activities in the fields of industry revival and job creation involve providing financial support (loans). This money must be repaid; an obligation that creates an appropriate sense of tension which we believe contributes to business continuity. However, a key difference from ordinary financing is that, in principle, the loan can only be extended for up to 10 years (free of interest). In addition, as the business gets on track and starts to make profits, MC receives a portion as a distribution of profits. However, this profit distribution is not retained in the foundation, but is instead donated to regional governmental organizations and other reconstruction support funds in line with our basic policy, so that it can be reused for activities to support the reconstruction of areas impacted by the disaster. By establishing a system to recirculate the reconstruction funds, MC is promoting further progress towards independence for the regional economies.

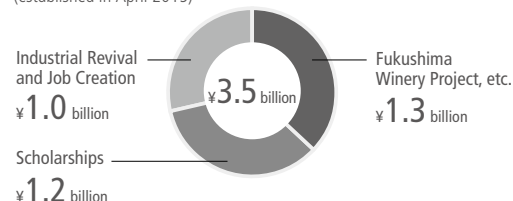
Mitsubishi Corporation East Japan Earthquake Recovery Fund

(fiscal years ended March 2012–March 2015)



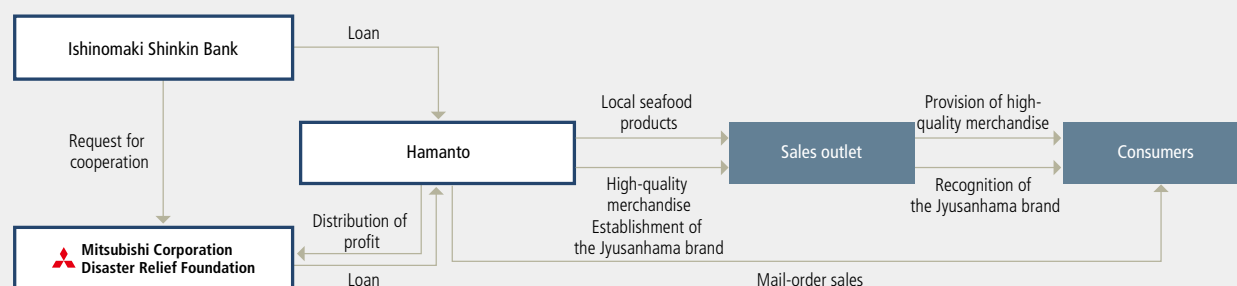
Mitsubishi Corporation Disaster Relief Foundation

(established in April 2015)



Examples of Support

Hamanto Fisheries Cooperative (Ishinomaki, Miyagi Prefecture)



Mitsubishi Corporation Foundation for the Americas and Mitsubishi Corporation Fund for Europe and Africa

Through the Mitsubishi Corporation Foundation for the Americas (MCFA) and the Mitsubishi Corporation Fund for Europe and Africa (MCFEA), MC supports a wide range of initiatives focusing on environmental conservation, education and poverty alleviation.

The MCFA is a foundation that seeks to address environmental and societal issues in the Americas. It provides support to NGOs and others engaged in activities related to conservation of biodiversity, sustainable development, environmental justice, and environmental education. Since its establishment in 1991, the MCFA has spent approximately US\$9.5 million. Projects supported to date include the Wildlife Conservation Initiative's fisheries improvement and wildlife management initiative in the Amazon river basin, as well as climate change-related research activities.

The MCFEA is a fund that seeks to address environmental and societal issues in developing countries in Europe and Africa. The MCFEA supports NGOs and others engaged in activities related to environmental conservation, environmental education and research, and poverty alleviation. Since its establishment in 1992, the MCFEA has spent approximately £4.1 million. Projects supported to date include the Lighting Up Lake Victoria Project run by the UK-based NGO Renewable World, which provides access to clean energy to energy-poor communities in Kenya. Specifically, the project is in the process of establishing solar powered 'Energy Hubs' in five off-grid communities around Victoria Lake. Once set up, the Hubs are expected to supply clean, cheap energy over 25 years.

Reference: For further details, please refer to MC's website.
<https://www.mitsubishicorp.com/jp/en/csr/contribution/>

Mitsubishi Corporation International Scholarship for Studies in Japan

MC has been offering this scholarship program since 1991 with the aim of assisting international students who are studying at Japanese universities and are expected to become future global leaders. In 2008, MC expanded the scope of the program to cover approximately 100 students each year. As of the year ended March 2017, a total of 1,207 students had been awarded these scholarships.

In addition to the scholarship itself, each year MC provides an opportunity for recipients to visit the Kyu-Iwasaki-tei Gardens, as well as to attend a group gathering with fellow scholarship recipients and a reception with MC employees. Through these activities MC provides the students with various opportunities to develop their careers and deepen their understanding of Japan.

Support for University Students around the World

In addition to the Mitsubishi Corporation International Scholarship for Studies in Japan, MC started the MC International Scholarship in 2000 with the aim of supporting overseas university students. As of the year ended March 2017, a total of 7,089 students have been awarded these scholarships. Aiming to help nurture the young leaders of tomorrow, MC will continue to provide various support in educational fields around the world.

Examples of Initiatives

Local Procurement in the MDP Business

Since its establishment in 1968, MC's wholly owned subsidiary Mitsubishi Development Pty Ltd (MDP) has conducted resource mining operations in Australia, particularly for coal, while actively undertaking community-based activities. As part of the coal business in Queensland, MDP has implemented a local buying program for the procurement of equipment and services from local small businesses. Around 770 suppliers have participated in the program, leading to the creation of around 4,600 jobs. The program generates economic benefits of around A\$60.0 million per year.



Mine Closure Initiatives

When closing mines, MC develops responsible mine closure plans that take into account social and environmental factors.

While complying with laws and regulations, MC strives to minimize its impact on the environment and society by communicating with governments and local residents, developing appropriate mine closure plans, and implementing necessary rehabilitation measures.

MC has developed mine closure plans ahead of their closure for two of its flagship mining projects: the BMA coal mine in Australia and the Escondida copper mine in Chile. Both plans have been reviewed by government officials and field experts and include environmental impact reports. When implementing such plans, MC will make sure to monitor operating conditions and any legislative developments and make any changes where necessary.

Community Investment

<Mozal Aluminum Smelting Project in Mozambique>

MC owns Mozal S.A., an aluminum smelting company in Mozambique, through a joint investment with the government of the Republic of Mozambique, the Australian resources company South32 Limited, and the Industrial Development Corporation of South Africa.

Contribution to Mozambique

Most of the aluminum produced by Mozal is exported from Mozambique to other countries. The aluminum produced at Mozal accounts for around 20–30% of the country's total aluminum export. Today, aluminum is Mozambique's top export.

Mozal has contributed significantly to Mozambique's economy, helping to boost the country's GDP per capita by more than three-fold over the past 25 years since the end of the civil war. The country's enormous growth is often referred to as the "Miracle of Mozambique."

Job Creation, Education and Training

Mozal currently employs approximately 1,200 full-time employees. Furthermore, the Mozal project has provided indirect employment opportunities to upwards of 10,000 people including subcontractors and stevedores. Locally hired Mozambicans make up more than 95% of the plant's workforce. Mozal has been recruiting and providing robust education and training to employees since construction of the plant began in 1998. Notably, Mozal conducts extensive education and job training for all of its employees. This

is both in an effort to ensure high product quality as well as to give employees necessary health and safety information. The project endeavors to increase opportunities for employees to discuss these matters, and at the same time has also laid out a smooth reporting system throughout the organizational structure. These initiatives have earned the company a strong reputation for developing skilled employees through its education and training initiatives. In addition, secondary processing companies that process Mozambique's aluminum within the country have also begun operations since 2014, thereby contributing further to the region's economic development.

Contribution to Local Communities

Mozal places great emphasis on social contribution activities. Through annual funding of around ¥200 million, Mozal engages in activities such as supporting small businesses in creating employment opportunities, putting in place mechanisms to support education and public health, and activities in other areas such as sports, culture and infrastructure. Examples include the construction of schools and anti-malaria clinics, as well as the provision of HIV education. Mozal also supports local economic activities through the promotion of local agriculture and the commercial sales of local crafts. Mozal has contributed over ¥4 billion to fund these activities on a cumulative basis. Going forward, Mozal remains committed to contributing to local communities through these initiatives.

Other Reference Data

Donation Amounts

(Unit: ¥ million)

Item	2015.3	2016.3	2017.3
Social contributions, etc.	1,718	1,625	1,581
Recovery support* ¹	2,317	1,732	564
Political donations* ²	28	28	28
Total	4,063	3,385	2,173

*1 Contributions to the Mitsubishi Corporation Disaster Relief Foundation are determined each fiscal year in accordance with the activity plan. (MC plans to contribute ¥13.5 billion in total, including contributions to the Mitsubishi Corporation East Japan Earthquake Recovery Fund). The amount also includes MC's donations to other organizations involved in recovery support.

*2 The amount of political donations made to political party fund management organizations. MC conducts political donations as part of its corporate philanthropy initiatives.

Supply Chain Management

Policy

Overall Policy

Mitsubishi Corporation (hereafter 'MC'), as a global company with business in a wide variety of products and services, has established the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, a policy 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 its suppliers around the world, and expects all suppliers to understand, embrace and abide by it.

(1) Forced Labor

Suppliers shall employ all employees of their own free will with no employee being subject to forced or bonded labor.

(2) Child Labor

Suppliers shall not employ people under the minimum legal working age of the country in question.

(3) Safe and Healthy Working Environments

Suppliers shall work to provide employees with safe and healthy working environments.

(4) Freedom of Association and Collective Bargaining

Suppliers shall respect the right of employees to associate freely and engage in collective bargaining as methods of negotiating working environments, wages and other matters with employers.

(5) Discrimination

Suppliers shall strive to ensure equal opportunities in the work place and shall not engage in discrimination with regard to recruitment and employment practices.

(6) Abuse and Harassment

Suppliers shall respect employees' human rights and must not tolerate abuse or any form of harassment.

(7) Working Hours

Suppliers shall ensure that employees' working hours and use of leave entitlements are appropriately monitored and that excessive overtime labor is prohibited, so as not to infringe upon any statutory regulations.

(8) Suitable Remuneration

Suppliers shall pay employees at least the statutory minimum wage, endeavor to pay at least the living wage, and shall not unreasonably reduce wages.

(9) Anti-Corruption

Suppliers shall engage in fair business practices, avoid corruption including bribery and extortion, and comply with applicable laws and regulations.

(10) Environment

Suppliers shall endeavor to protect the environment and consider the impacts of their business activities on local communities and ecosystems, while paying special attention to energy use efficiency, climate change issues such as greenhouse gas emissions, sustainable use of resources, waste reduction, and air, soil and river pollution.

(11) Information Disclosure

Suppliers shall disclose information with respect to the aforementioned matters in a timely and appropriate manner.

Reference: Mitsubishi Corporation Policy for Sustainable Supply Chain Management
<http://www.mitsubishicorp.com/jp/en/csr/management/supplychain.html>

Green Procurement Policy

As MC conducts office activities in line with its Environmental Policy, the company is taking the following actions in order to proactively show consideration for the environment through all types of procurement activities with the aim of reducing its impact on the environment. These actions are based on the Green Purchase Guidelines, which lay out in writing green purchase methods.

1. Avoid unnecessary procurement
2. Place emphasis on “environmental consideration” together with function/cost at the time of procurement, and select green products whenever possible which satisfy the following:
 - (1) Those using primarily recycled/reused raw materials
 - (2) Those which reduce resource and energy costs and have a lower environmental impact throughout the production/use/disposal lifecycle stages
 - (3) Those which do not use hazardous chemicals, or are making efforts to reduce such substances
 - (4) Those with an established recycling system

3. Make efforts to reduce environmental impact from packing and transport during procurement wherever possible
4. Strive to reuse materials and curb new procurement

Furthermore, the guidelines also stipulate that when selecting products with special procedures required by law (home electronics, etc.), the company will confirm whether or not the product takes into account environmental considerations by referencing catalogues and other sources. Furthermore, when selecting products such as stationery, printing paper and furniture, the company will also confirm by referencing catalogues and other sources whether the product is certified (with an official mark) as having met environmental regulations/standards.

Structure

Officer in Charge	Iwao Toide (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	CSR & Environmental Affairs Committee Important matters related to supply chain management deliberated by the CSR & Environmental Affairs Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability Dept.

Reference: [Diagram of the Sustainability Promotion Framework \(P.07\)](#)

Supply Chain Management

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. In relation to supply chain management, MC regularly surveys the status of suppliers' compliance with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, with a focus

on suppliers that present a high degree of risk in terms of social factors, such as human rights and labor conditions.

Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Risk Assessment

Supply Chain Surveys

New Suppliers

New suppliers are provided with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, and MC confirms compliance by conducting surveys and, when necessary, supplier visits as well.

Existing Suppliers

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

MC continuously monitors existing suppliers to identify those that pose a high degree of environmental and social risk in line with this policy, for the purpose of verifying the appropriateness of current initiatives.

Going forward, MC will incorporate the results of this re-evaluation process into its regular assessments of suppliers, with the goal of ensuring the effectiveness of the supplier surveys.

Screening for Loan and Investment Proposals

In order to ensure that loan and investment proposals do not cause or contribute to adverse human rights impacts, all proposals are vetted through an internal screening process which considers not only economic aspects but also ESG factors including human rights. MC screens for ESG risks taking into account various human rights standards including the International Finance Corporation (IFC) guidelines and the Guidelines for Confirmation of Environmental and Social Considerations published by the Japan Bank for International Cooperation (JBIC).

Initiatives

Incorporating Policy Into Initiatives

Many employees at MC have the opportunity to undertake trading activities such as purchasing and sales, or to support such activities at some time in their careers.

For this reason, MC strives to deepen the knowledge of all employees as buyers by explaining MC's corporate philosophy, including respect for human rights in the supply chain. We also integrate the relevant supply chain policy into buyer training such as programs geared toward specific levels of management including those for new employees as well as training on trading practice.

Reference: FY2016 Slavery and Human Trafficking Statement 5. (A) Training and Awareness Raising
http://www.mitsubishicorp.com/jp/en/csr/management/pdf/slavery_and_human_tracking_statement_en.pdf

Supplier Visits

Recognizing the importance of managing environmental and social impacts in our supply chains, we have established the Mitsubishi Corporation Policy for Sustainable Supply Chain Management. In addition to sharing the policy with business partners, we also conduct a regular questionnaire to confirm compliance with this policy.

Furthermore, MC employees conduct site visits of suppliers. In the fiscal year ended March 2017, MC was provided an opportunity by Olam International Limited (Olam) to visit Olam Colombia's* milling plant and coffee farms from which Olam Colombia sources its coffee in order to better understand Olam's philosophy and approach to sustainability. MC also



Visit to a coffee farm which supplies to Olam Colombia

toured another coffee plantation of the Colombian Coffee Growers Federation (FNC). In each of these locations, MC confirmed that there were no problems related to sustainable

supply chain management such as forced labor or child labor. These visits also helped to identify areas for further improvement related to occupational health and safety (e.g. additional safety signage), and these improvements were quickly implemented.

Supplier visits have been conducted annually since 2009, and management status is confirmed with respect to understanding and sharing of best practice as well as environmental aspects such as waste and wastewater treatment. In the fiscal year ended March 2017, at a visit to suppliers of FNC, it was confirmed that there are no non-compliance environmental issues in the supply chain and that specific actions are being implemented. For example, waste products are resold as fertilizer, and wastewater is securely managed in a tank onsite.

In collaboration with MC Group companies, MC will continue to work with its suppliers to make these sorts of improvements throughout the company's supply chains.

* Olam Colombia is a subsidiary of Olam International Limited.

Supply Chain Management

Engagement with Suppliers

If a violation of the supply chain procurement policy is confirmed, MC will demand that the relevant supplier implement corrective measures and will integrate this policy with relevant suppliers through training and assistance as necessary. For example, by sharing best practice examples from its business investees and leading industry initiatives with suppliers, MC aims to strengthen the environmental and social activities of its suppliers and build solid relationships with them. If MC determines that the supplier is unlikely to implement corrective measures even after providing continuous training and assistance, MC will review its business relationship with the relevant supplier.

Reference: Mitsubishi Corporation Policy for Sustainable Supply Chain Management, 3. Response to Compliance Violations
<http://www.mitsubishicorp.com/jp/en/csr/management/supplychain.html>

MC conducts annual surveys of suppliers worldwide, including those industries where environmental and social considerations are particularly impactful, such as agricultural product and

apparel, in order to monitor their status of compliance with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management. In the fiscal year ended March 2017, MC conducted its annual survey for the fiscal year ended March 2016, and replies were received from 439 companies in 40 countries and regions. Respondents answered questions pertaining to matters such as regulations and legal compliance; prohibition of forced labor, child labor and discrimination; environmental conservation and information disclosure.

No particular problems were identified by this survey, but this effort together with site visits provided a valuable opportunity to communicate MC's stance on sustainability. Therefore, MC will continue to deepen communication with each supplier and provide training and assistance to suppliers as necessary.

Reference: Surveys and Supplier Visits
<http://www.mitsubishicorp.com/jp/en/csr/management/supplychain.html>

External Collaboration

Lawson, Inc.

Lawson, Inc., an MC consolidated subsidiary, provides freshly brewed coffee in Lawson convenience stores under the MACHI Café brand. MACHI Café's coffee is made exclusively*² from beans from Rainforest Alliance*¹ Certified™ farms. Lawson also conducts activities to popularize and raise awareness through activities such as participating in the Rainforest Alliance Consortium, which was set up through a collaboration between the Rainforest Alliance and companies that offer Rainforest Alliance Certified™ products. Lawson, as a member of this initiative, hosts symposium events and promotional campaigns.

*¹ Established in 1987, Rainforest Alliance is an international non-profit organization devoted to environmental protection. The Rainforest Alliance Certification is granted only to farms that satisfy strict criteria, including criteria for environmental conservation and improving the livelihoods of farm workers.

*² Excludes Single Origin Series and Decaffeinated Series.

Reference: Lawson's Corporate Website
[http://lawson.jp/en/csr/special_feature/Living in Harmony with Communities: Initiatives Report 2017 \(P.10\)](http://lawson.jp/en/csr/special_feature/Living%20in%20Harmony%20with%20Communities%20Initiatives%20Report%202017%20(P.10).pdf)
http://lawson.jp/en/csr/report/pdf/es_activ2017_e.pdf

Supply Chain Management

Princes

Princes, an MC consolidated subsidiary, is taking proactive steps toward creating an ethical supply chain, such as having been the first major food manufacturer in the UK to join the Ethical Trading Initiative, which aims to improve working conditions in the supply chain.

Furthermore, by assessing supplier information registered into the supply chain management and sharing platform SEDEX, the

company strives to identify labor risks at an early stage and take necessary steps for improvement.

(All manufacturing facilities owned by Princes are members of SEDEX.)

Reference: Princes Ethical Trade Policy
<http://www.princesgroup.com/about-princes/our-responsibilities/>

Olam

Olam International Limited (Olam), an MC affiliate company, has built a strong business framework in supplying sustainable materials through its corporate strategy "Growing Responsibly." Olam defines its economic business growth as being achievable only through appropriate consideration for the environment and society, and has accordingly identified 7 material areas: Livelihoods, Labor, Food Security and Nutrition, Food Safety and Quality, Land, Water, and Climate Change.

As a specific example, for 11 commodities including cocoa, coffee, sesame, nuts, cotton, rice and sugarcane, the company implements an initiative called the Olam Livelihood Charter (OLC) which supports livelihood improvements for over 300,000 small-holder farmers in 19 countries worldwide by providing agricultural training, securing market access, financing projects, improving local infrastructure, and more. In terms of volume, the initiative affects around 1.4 million tons, approximately 10% of Olam's total purchase volume.

Taking cocoa, one of Olam's main products, as an example, the company provided agricultural advice and labor training specifically on tackling social issues such as child labor conducted by the support of specialized in-house trainers to 130,000 farmers, and also built nurseries in the key producing regions of Ghana and the Ivory Coast in the year ended March 2017. As a result

of initiatives such as these, improvements were achieved in crop yield and quality. Furthermore, Olam is tackling social issues by providing such sustainable materials indirectly to consumers.

Olam has received numerous awards in recognition of these efforts, including from Fortune Magazine's Change the World 2016 corporate rankings. Olam's CEO Sunny Verghese was also recently appointed chairman of the World Business Council for Sustainable Development (WBCSD*), which further evidences the company's high global acclaim for its sustainability efforts.

* In addition, members of Olam's sustainability team are appointed as co-leads in various working groups such as Climate Smart Agriculture working group of WBCSD.

Reference: Please visit the following links for details on Olam's sustainability initiatives:
 Olam Sustainability Standard Framework
<http://olamgroup.com/sustainability/codes-policies-2/>
 Olam Livelihood Charter
<http://olamgroup.com/sustainability/olam-livelihood-charter/>
 Olam Cocoa Sustainability Overview 2017
<http://49tmko49h46b4e0czy3rlqaye1b.wpengine.netdna-cdn.com/wp-content/uploads/2017/09/Olam-Cocoa-Sustainability-Overview-2017.pdf>

Governance

Governance

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Corporate Governance

Corporate Governance Framework

MC's Basic Approach and Policy on Corporate Governance

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

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

In accordance with the above basic approach, MC has set forth the Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members, which clarifies the functions and independence of Outside Directors and Outside Audit & Supervisory Board Members, and also requires that the number of Outside Directors who satisfy the criteria for independence consists of a third or more of the total number of Directors.

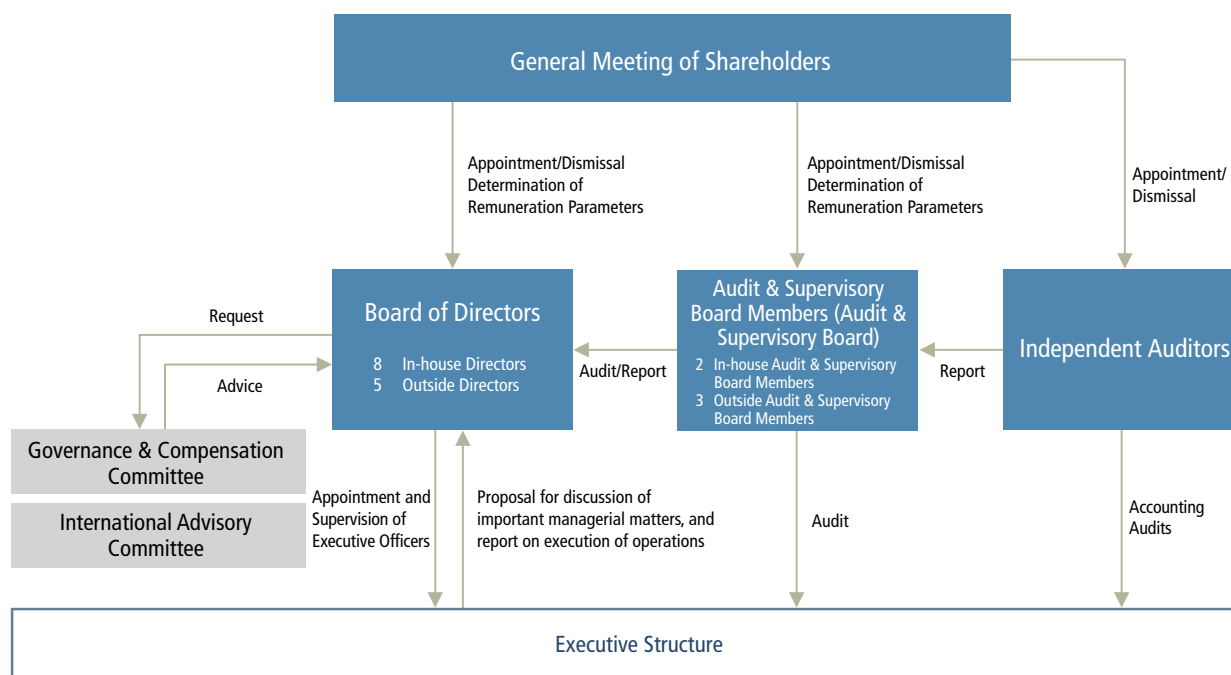
The Governance & Compensation Committee, where Outside Directors, Outside Audit & Supervisory Board Members and other experts from outside MC have a majority, deliberates and reviews the composition of the Board of Directors and the Audit & Supervisory Board, the policy on appointment of and proposals for appointment of Directors and Audit & Supervisory Board Members, the requirements of President and CEO and basic policy on appointment, proposals for appointment of President and CEO, the remuneration system including the policy for setting remuneration and appropriateness of remuneration levels, and assessment of operations of the Board of Directors. Furthermore, the President's Performance Evaluation Committee has been established as a subcommittee to the Governance & Compensation Committee at which the Chairman of the Board and Outside Committee Members of the Governance Compensation Committee deliberate and determine the assessment of the President's performance. In this way, MC develops systems and mechanisms that ensure the effectiveness of management supervision by independent Outside Directors and Outside Audit & Supervisory Board Members.

As part of its policy to communicate with shareholders, MC communicates with shareholders and investors in a proactive manner, and discloses information about business conditions including the progress in management plans, quantitative financial information, and non-financial information such as for corporate governance and CSR & environmental affairs in a timely and appropriate manner. In addition, MC is committed to meeting the expectations of its stakeholders, including shareholders and investors, by creating an appropriate environment for shareholders to execute their rights.

Reference: Corporate Governance Report
<https://www.mitsubishicorp.com/jp/en/about/governance/corporategovernance.html>

Corporate Governance

Corporate Governance Framework (As of July 1, 2017)



Corporate Governance Initiatives since 2000

1 Strengthen management supervision

Transition of the status of the Chairman of the Board to a Director without representative rights (2003)

2 Appointment of Independent Outside Directors and Outside Audit & Supervisory Board Members

Formulation of selection criteria for Outside Directors and Outside Audit & Supervisory Board Members (2007)

Designation of Outside Directors and Outside Audit & Supervisory Board Members as Independent Directors/Auditors (2010)

Articulation of requirements concerning independence in the selection criteria for Outside Directors and Outside Audit & Supervisory Board Members (2015)

3 Establishment of advisory bodies to the Board of Directors

Establishment of the Governance Committee and the International Advisory Committee (2001)

Change in the name of the Governance Committee to the Governance & Compensation Committee, enhancement of remuneration reviews for Directors, Audit & Supervisory Board Members and Executive Officers, performance evaluations for the President and CEO, etc. (2010 and subsequent years)

4 Acceleration and enhanced efficiency of business execution

Introduction of the Executive Officer System (2001)

'00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17

Board of Directors

The Board of Directors is responsible for making decisions concerning important management issues and overseeing business execution. In-house Directors utilize their rich experience of working within MC and Outside Directors utilize their practical, objective and professional perspectives to ensure appropriate decision-making and management oversight.

The composition of the Board of Directors and the policy and process for appointing nominated Directors are deliberated at the Governance & Compensation Committee, and then decided by the Board of Directors as follows:

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

To ensure MC's decision-making and management oversight are appropriate for a *sogo shosha* involved in diverse businesses and industries in a wide range of fields, several Directors are appointed from both within and outside MC with the depth of experience and high levels of knowledge and expertise needed for fulfilling their duties.

More specifically, in addition to the Chairman of the Board (non-executive) and the President and CEO, MC's in-house Directors are appointed from executive persons responsible for

company-wide management, Corporate Staff Section operations, and other areas. Outside Directors are appointed from those who possess a practical perspective of highly experienced officers and those who possess an objective and professional perspective with a deep insight on global developments and socio-economic trends.

In principle, the Board of Directors is an appropriate size for conducting deliberations, with one third or more consisting of Outside Directors.

Independence of Outside Directors and Outside Audit & Supervisory Board Members

MC has set forth the Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members, which clarify the functions and independence of Outside Directors and Outside Audit

& Supervisory Board Members. As stated above, MC's policy is that the number of Directors who satisfy the criteria for independence be a third of the number of all Directors.

Selection Criteria for Outside Directors

1. Outside Directors are elected from among those individuals who have an eye for practicality founded on a wealth of experience as corporate executive officers, as well as an objective and specialist viewpoint based on extensive insight regarding global conditions and social and economic trends. Through their diverse perspectives, Outside Directors help ensure levels of decision-making and management oversight appropriate to the Board of Directors.
2. To enable Outside Directors to fulfill their appointed task, attention is given to maintain their independence^(Note); individuals incapable of preserving this independence in effect will not be selected to serve as Outside Directors.
3. MC's operations span a broad range of business domains; hence there may be cases of conflict of interest stemming from business relationships with firms home to corporate executive

officers appointed as Outside Directors. MC appropriately copes with this potential issue through the procedural exclusion of the director in question from matters related to the conflict of interest, and by preserving a variety of viewpoints through the selection of numerous Outside Directors.

(Note) Independence for the purpose of Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members

To make a judgment of independence, MC checks if the person concerned meets the conditions for independent directors and independent auditors as specified by stock exchanges in Japan such as the Tokyo Stock Exchange, Inc., and whether the person concerned is currently any of the following items (1) to (7) as well as whether they have been at any time in the past three fiscal years.

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- (1) A major shareholder of MC (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such shareholder*¹.
- (2) A member of business personnel of a creditor of MC exceeding the threshold set by MC*².
- (3) A member of business personnel of a supplier or a customer of MC exceeding the threshold set by MC*³.
- (4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from MC, other than directors' or audit & supervisory board members' remuneration, where the amount exceeds ¥10 million per fiscal year.
- (5) A representative or partner of MC's independent auditors.
- (6) A person belonging to an organization that has received donations exceeding a certain amount*⁴ from MC.

- (7) A person who has been appointed as an Outside Director or Outside Audit & Supervisory Board Member of MC for more than eight years.

*1 A member of business personnel refers to a managing director, corporate officer, Executive Officer, or other employee of a company.

*2 Creditors exceeding the threshold set by MC refer to creditors to whom MC owes an amount exceeding 2% of MC's consolidated total assets.

*3 Suppliers or customers exceeding the threshold set by MC refer to suppliers or customers whose transactions with MC exceed 2% of MC's consolidated revenues.

*4 Donations exceeding a certain amount refer to donations of more than ¥20 million per fiscal year.

If a person is still judged to be effectively independent despite one or more of the above items (1) to (7) applying, MC will explain and disclose the reason at the time of their appointment as an Outside Director or Outside Audit & Supervisory Board Member.

Composition of the Board of Directors

Board of Directors' Structure (As of December 31, 2017)

Total	13
Number of non-executive and non-independent Directors (Chairman of the Board)	1
Number of Executive Officers	7
Number of Outside Directors (number of females)	5 (1)

Operation of the Board of Directors (As of December 31, 2017)

The Board of Directors includes Audit & Supervisory Board Members in addition to Directors. The Board operates as follows.

Position	Director	Audit & Supervisory Board Member	Total
Chairman (Non-executive, non-managerial)	1	—	1
Number of Executive Officers/Number of in-house Audit & Supervisory Board Members	7	2	9
Number of independent Directors/independent Audit & Supervisory Board Members (number of females)	5 (1)	3 (1)	8 (2)

Board of Directors Structure (As of December 31, 2017)

Name	Present position and responsibilities at MC	Attendance at Board of Directors meetings (fiscal year ended March 31, 2017)	Years served as Director	Career
Ken Kobayashi	Chairman of the Board	14/14 meetings	7 years	Joined MC in 1971. Previously served as General Manager, Singapore Branch, Division COO, Plant Project Div., Division COO, Ship, Aerospace & Transportation Systems Div., and Group CEO, Industrial Finance, Logistics & Development Group and in other positions. Served as President and CEO from June 2010 to March 2016. Current position since April 2016. Overseas experience: London, Singapore

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Name	Present position and responsibilities at MC	Attendance at Board of Directors meetings (fiscal year ended March 31, 2017)	Years served as Director	Career
Takehiko Kakiuchi	Member of the Board, President and CEO	10/10 meetings*	1 year	Joined MC in 1979. Previously served as Division COO, Foods (Commodity) Div., Group CEO, Living Essentials Group and in other positions. Current position since April 2016. Overseas experience: Sydney
Eiichi Tanabe	Member of the Board, Senior Executive Vice President Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, Regional CEO, Asia & Oceania	10/10 meetings*	1 year	Joined MC in 1978. Previously served as Senior Executive Vice President, Lawson, Inc., Treasurer, and Group CEO, Industrial Finance, Logistic & Development Group and in other positions. Current position since April 2016. Overseas experience: Palo Alto (MBA), London
Yasuhito Hirota	Member of the Board, Executive Vice President Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch	14/14 meetings	3 years	Joined MC in 1980. Previously served as General Manager, Corporate Communications Dept., General Manager, Corporate Administration Dept., Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources and in other positions. Current position since April 2017. Overseas experience: London
Kazuyuki Masu	Member of the Board, Executive Vice President Corporate Functional Officer, CFO, IT	10/10 meetings*	1 year	Joined MC in 1982. Previously served as General Manager, Corporate Accounting Dept., Chief Financial Officer and in other positions. Current position since April 2017. Overseas experience: New York
Iwao Toide	Member of the Board, Executive Vice President Corporate Functional Officer, Business Investment Management, Corporate Sustainability	—	Appointed in June 2017	Joined MC in 1981. Previously served as Division COO, Ferrous Raw Materials Div., Division COO, Steel Business Div., General Manager, Metals Group CEO Office, and President & CEO, Director, Metal One Corporation and in other positions. Current position since April 2017. Overseas experience: Sydney
Akira Murakoshi	Member of the Board, Executive Vice President Corporate Functional Officer, Corporate Communications, Human Resources	—	Appointed in June 2017	Joined MC in 1982. Previously served as Division COO, General Merchandise Div., President, Mitsubishi Company (Thailand), Ltd. and in other positions. Current position since April 2017. Overseas experience: Porto Alegre (Portuguese language study), Rio de Janeiro, Bangkok
Masakazu Sakakida	Member of the Board, Executive Vice President Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer	—	Appointed in June 2017	Joined MC in 1981. Previously served as General Manager for Group Strategy Planning, Machinery Group, Chairman & Managing Director, Mitsubishi Corporation India Private Ltd., and in other positions. Current position since April 2017. Overseas experience: New York, New Delhi
Hidehiro Konno	Outside Director Independent Director	14/14 meetings	7 years	Former Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry
Akihiko Nishiyama	Outside Director Independent Director	14/14 meetings	2 years	Adjunct Professor, Hitotsubashi University
Hideaki Omiya	Outside Director Independent Director	9/10 meetings*	1 year	Chairman of the Board, Mitsubishi Heavy Industries, Ltd.
Toshiko Oka	Outside Director Independent Director	10/10 meetings*	1 year	CEO, Oka & Company Ltd. Business consultant
Akitaka Saiki	Outside Director Independent Director	—	Appointed in June 2017	Former Vice-Minister for Foreign Affairs, Ministry of Foreign Affairs of Japan

* Indicates the attendance of each Director after their appointments on June 24, 2016.

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Name	Principal area of specialization and background		
	Corporate management	Global developments	Socio-economic trends
Hidehiro Konno			
Akihiko Nishiyama			
Hideaki Omiya			
Toshiko Oka			
Akitaka Saiki			

Reason for Appointment as Outside Director

Name	Independent Director	Supplementary information concerning applicable items	Reason for appointment as Outside Director (Including reason for designation as Independent Director)
Hidehiro Konno	○	<p>Mr. Konno is chairman (part-time position) of general incorporated foundation Koushikai, a non-profitable association that engages in helping Japanese next-generation leaders to be cosmopolitan with liberal arts. MC pays approximately ¥1.9 million per year to the association mainly as membership dues as a regular member. These payments are consistent with activities of the association under its philosophy. In addition, Mr. Konno receives no compensation from the association, therefore he does not benefit personally.</p> <p>Also, until July 2009, Mr. Konno served as Chairman & CEO of Nippon Export and Investment Insurance ("NEXI"), which is wholly owned by the Japanese government and offers trade insurance based on the Trade Insurance and Investment Act for business risks that conventional insurances are unable to cover, including the inability to export cargo due to international disputes. Although MC utilizes trade insurance provided by NEXI, it has been approximately 8 years since his resignation. Therefore, there is no relationship between him and those transactions.</p> <p>As above, Mr. Konno meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by MC. Therefore, MC judges his independence is assured.</p>	<p>Mr. Konno has been offering advice to MC's management and properly oversees execution of business from an objective and professional perspective based on his extensive insight regarding domestic and global economic trends, having held key posts at the Ministry of International Trade and Industry and NEXI.</p> <p>Mr. Konno meets the requirements of an independent director set forth in Guidelines concerning Listed Company Compliance, etc. specified by Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members specified by MC.</p>
Akihiko Nishiyama	○	Not applicable	<p>Mr. Nishiyama has been offering advice to MC's management and properly oversees execution of business from an objective and professional perspective based on his research activities relating to corporate management and human resource development at universities, and many years of experience in the business.</p> <p>Mr. Nishiyama meets the requirements of an independent director set forth in Guidelines concerning Listed Company Compliance, etc. specified by Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors specified by MC.</p>
Hideaki Omiya	○	<p>Mr. Omiya was Member of the Board, President and CEO of Mitsubishi Heavy Industries, Ltd. ("MHI"), from April 2008 to March 2013 and has been Chairman of the Board of MHI since April 2013. MHI and MC have a relationship of cross-directorship whereby each has an outside director assigned from the other. In addition, the two companies have business transactions, though these transactions do not exceed 2% of MC's consolidated revenues.</p> <p>Also, since June 2015, Mr. Omiya has been chairman (part-time position) of The Mitsubishi Foundation, which provides financial support for activities related to academic research and social welfare. MC contributed more than ¥20 million per year to the foundation, but these contributions are consistent with the foundation's activities under its mission as a public interest incorporated foundation. In addition, Mr. Omiya receives no compensation from the foundation, therefore he does not benefit personally. Accordingly, his independence is assured.</p> <p>As above, Mr. Omiya meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by MC. Therefore, MC judges his independence is assured.</p>	<p>Mr. Omiya has been offering advice to MC's management and properly oversees execution of business from a practical perspective based on his extensive insight developed through management of MHI, a manufacturer that conducts business around the world, as Chairman and former President and CEO.</p> <p>Mr. Omiya meets the requirements of an independent director set forth in Guidelines concerning Listed Company Compliance, etc. specified by Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors specified by MC.</p>

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Name	Independent Director	Supplementary information concerning applicable items	Reason for appointment as Outside Director (Including reason for designation as Independent Director)
Toshiko Oka	○	<p>Ms. Oka had been a training lecturer for the MC Group under a contract with Human Link Corporation, a wholly owned subsidiary of MC, with commission payments of around ¥2 million per year. Human Link Corporation has not renewed and does not plan to renew the above-mentioned contract with Ms. Oka subsequent to her appointment as an Outside Director of MC. Also, Ms. Oka served as Principal, Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.) until August 2012. Although MC has business transactions with that company, approximately five years since her resignation. Therefore, there is no relationship between her and those transactions.</p> <p>In addition, Ms. Oka served as Partner, PwC Advisory LLC until June 2016. Although MC has business transactions with that company, it has been about one year since her resignation. Therefore, there is no relationship between her and those transactions.</p> <p>As above, Ms. Oka meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by MC. Therefore, MC judges her independence to be assured.</p>	<p>Ms. Oka has been offering advice MC's management and properly oversees execution of business from a practical and diversified perspective based on her many years of experience in the consulting industry and experience as an outside director of various companies. Ms. Oka meets the requirements of an independent director set forth in Guidelines concerning Listed Company Compliance, etc. specified by Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors specified by MC.</p>
Akitaka Saiki	○	<p>Mr. Saiki has been offering advice to the Company and receiving compensation as a Corporate Advisor since September 2016, having been appointed as a member of an advisory body to the Board of Directors (Governance & Compensation Committee). However, this compensation is paid as consideration for the advice he offers regarding the management of MC based on his experience and insight, and does not affect his independence. As above, Mr. Saiki meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by MC. Therefore, MC judges his independence is assured.</p>	<p>MC expects that Mr. Saiki will provide advice to its management and properly oversee the execution of business from an objective and professional perspective based on his international sensibility and extensive insight regarding global conditions developed through foreign diplomacy, having held key posts at the Ministry of Foreign Affairs of Japan.</p> <p>Mr. Saiki meets the requirements of an independent director set forth in Guidelines concerning Listed Company Compliance, etc. specified by Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors specified by MC.</p>

Board of Directors' Matters Related to Decisions and Supervision

Matters requiring a resolution by the Board of Directors in accordance with laws and regulations and the Articles of Incorporation and important matters concerning management are resolved by the Board of Directors. In particular, for acquisitions and disposals of shares, equity stakes, and fixed assets, and investments and loans involving loans and guarantees, the Board of Directors sets out monetary threshold standards for each of various type of risks, such as credit risk, market risk and business investment risk (amounts do not exceed 1% of total assets and are set individually depending on the nature of the risk). Investments and loans that exceed this monetary threshold are deliberated and resolved by the Board of Directors.

Furthermore, business execution other than these matters for resolution by the Board of Directors is entrusted to executive officers in accordance with the allocation of duties decided by the Board of Directors for prompt and efficient business execution. Business is executed through the President, as the Chief Executive Officer, and the Executive Committee (held twice monthly), as a management decision-making body to take responsibility for business execution.

Further, the Board of Directors strives to construct an internal control system for increasing corporate value by conducting appropriate, valid and efficient business execution in conformity with laws, regulations and the Articles of Incorporation. Each year, the Board checks on the implementation of the internal control system and makes ongoing improvements and enhancements.

Transactions between Related Parties

By formulating the Board of Directors Regulations and the criteria for matters to be deliberated, MC requires a resolution of the Board of Directors concerning, transactions between Directors and MC (self-dealing, indirect transactions), transactions between Executive Officers and MC (self-dealing, indirect transactions) and transactions between major shareholders and MC.

Reference: NOTICE OF 2017 ORDINARY GENERAL MEETING OF SHAREHOLDERS (P.101)
http://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/pdf/shoshu_2017.pdf

Evaluation of the Effectiveness of the Board of Directors

MC's basic policy is to conduct an evaluation of the Board of Directors every year. In the fiscal year ended March 2017, MC appointed a third-party evaluation body to undertake the evaluation of the Board of Directors, in order to ensure objectivity and further enhance governance. The outline and the results of the evaluation are as follows.

〈Process〉

- (1) The third-party evaluation body conducted questionnaires and interviews involving all Directors and Audit & Supervisory Board Members.
- (2) The report obtained from the third-party evaluation body was discussed in the Governance & Compensation Committee.
- (3) Based on the result of discussions by the Governance & Compensation Committee, the Board of Directors analyzed and evaluated the findings.

〈Questions〉

Structure, operation, agenda items and other related items of the Board of Directors

〈Evaluation Results〉

- MC has established a governance structure optimal for its business characteristics, based on the Audit & Supervisory Board System. To do so, the Company has taken steps such as incorporating the opinions of Outside Directors and Outside Audit & Supervisory Board Members into management, in conjunction with making use of the Board of Directors' advisory committees. MC has shown a clear commitment to working in earnest to strengthen its corporate governance further.
- The Board of Directors of MC was evaluated to be appropriate in terms of composition, operation, deliberation and other aspects. The Board of Directors has adequate systems for the exercise of oversight functions and these functions are being realized appropriately.

- In the Board of Directors evaluation undertaken in the fiscal year ended March 2016, the opinion was expressed that to enhance the effectiveness of the Board of Directors even further, it is important to take measures to enhance provision of information to Outside Directors and Outside Audit & Supervisory Board Members and increase opportunities outside the Board of Directors for free exchanges of opinions and communication among Outside Directors and Outside Audit & Supervisory Board Members, and among outsiders and internal management in relation to significant agenda items. MC has made progress on these priorities in the past year. Notably, MC is undertaking extremely effective measures to provide information to Outside Directors and Outside Audit & Supervisory Board Members.
- The evaluation expressed opinions on specific measures to further enhance the Board of Directors. Specifically, the evaluation suggested upgrading and expanding discussions about management strategies and other important matters by reducing the agenda items of Board of Directors meetings, further enhancing initial orientations for newly appointed Outside Directors and Outside Audit & Supervisory Board Members and communication with personnel involved in business execution including executive-level employees, and increasing opportunities for outsiders to monitor the status of dialogue with shareholders and other investors.

Considering the foregoing evaluation results, and as a result of analysis and evaluation by the Governance & Compensation Committee and the Board of Directors, it was confirmed that MC implement the abovementioned priorities as key measures in the fiscal year ending March 2018.

Based on the analysis and evaluations of the Governance & Compensation Committee and the Board of Directors with respect to the issues highlighted by the evaluation results and the opinions and recommendations from Directors and Audit & Supervisory Board Members, MC will implement measures to further enhance the effectiveness of the Board of Directors.

Audit & Supervisory Board

The Audit & Supervisory Board audits the Directors' decision-making process and their performance of duties according to the Companies Act and other laws and regulations, MC's Articles of Incorporation and internal rules and regulations. In-house Audit & Supervisory Board Members conduct audits from a perspective of their rich experience of working within MC, and Outside Audit & Supervisory Board Members from a neutral and objective perspective, to ensure that management is sound.

The composition of the Audit & Supervisory Board and the policy and procedure for appointment of nominated Audit & Supervisory Board Members are deliberated by the Governance & Compensation Committee, and then decided by the Board of Directors as follows:

Composition of the Audit & Supervisory Board and the Policy for Appointing Nominated Audit & Supervisory Board Members

To ensure MC's sound business development and improve its social credibility through audits, several Audit & Supervisory Board Members are appointed from within and outside MC with the depth of experience and high level of expertise needed for conducting audits.

More specifically, in-house Audit & Supervisory Board Members are appointed from those with knowledge and experience in corporate management, finance, accounting, risk management

or other areas. Outside Audit & Supervisory Board Members are appointed from those with rich knowledge and experience across various fields.

In principle, the total number of Audit & Supervisory Board Members is 5, with more than half their number being made up of Outside Audit & Supervisory Board Members.

Process for Appointment of Nominated Audit & Supervisory Board Members

Based on the above policy, the President and CEO consults with Senior Audit & Supervisory Board Member and creates a proposal for appointment of nominated Audit & Supervisory Board Members, which is then deliberated by the Governance & Compensation Committee and approved by the Audit & Supervisory Board before being resolved by the Board of Directors and presented at the Ordinary General Meeting of Shareholders.

Please refer to pages 119 to 120 for further information about Outside Audit & Supervisory Board Members.

Reference: NOTICE OF 2017 ORDINARY GENERAL MEETING OF SHAREHOLDERS (P.28-30)
https://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/pdf/shoshu_2017.pdf

Selection Criteria for Outside Audit & Supervisory Board Members

1. Outside Audit & Supervisory Board Members are selected from among individuals who possess a wealth of knowledge and experience across various fields that is helpful in performing audits. Neutral and objective auditing, in turn, will ensure sound management.
2. To enable Outside Audit & Supervisory Board Members to fulfill their appointed task, attention is given to maintain their independency^(Note); individuals incapable of preserving this independency will not be selected to serve as Outside Audit & Supervisory Board Members.

(Note) Independency for the purpose of Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members

To make a judgment of independence, MC checks if the person concerned meets the conditions for independent Directors and independent Audit & Supervisory Board Members as specified by stock exchanges in Japan such as the Tokyo Stock Exchange, Inc.,

and whether the person concerned is currently any of the following items (1) to (7) and whether they have been at any time in the past three fiscal years.

- (1) A major shareholder of MC (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such shareholder*¹.
- (2) A member of business personnel of a creditor of MC exceeding the threshold set by MC*².
- (3) A member of business personnel of a supplier or a customer of MC exceeding the threshold set by MC*³.
- (4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from MC, other than Directors' or Audit & Supervisory Board Members' remuneration, where the amount exceeds ¥10 million per fiscal year.
- (5) A representative or partner of MC's independent auditors.
- (6) A person belonging to an organization that has received donations exceeding a certain amount*⁴ from MC.

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(7) A person who has been appointed as an Outside Director or Outside Audit & Supervisory Board Member of MC for more than eight years.

*1 A member of business personnel refers to a managing director, corporate officer, Executive Officer, or other employee of a company.

*2 Creditors exceeding the threshold set by MC refer to creditors to whom MC owes an amount exceeding 2% of MC's consolidated total assets.

*3 Suppliers or customers exceeding the threshold set by MC refer to suppliers or customers whose transactions with MC exceed 2% of MC's consolidated revenues.

*4 Donations exceeding a certain amount refer to donations of more than ¥20 million per fiscal year.

If a person is still judged to be effectively independent despite one or more of the above items (1) to (7) applying, MC will explain and disclose the reason at the time of their appointment as an Outside Director or Outside Audit & Supervisory Board Member.

Composition of the Audit & Supervisory Board

Composition of the Audit & Supervisory Board (As of December 31, 2017)

Total	5
Number of independent Audit & Supervisory Board Members	2
Number of independent Audit & Supervisory Board Members (number of females)	3 (1)

Reason for Appointment as Outside Audit & Supervisory Board Member

Name	Independent Audit & Supervisory Board Member	Supplementary information concerning applicable items	Reason for appointment as Outside Audit & Supervisory Board Member (Including reason for designation as Independent Audit & Supervisory Board Member)
		Not applicable	Mr. Kunihiro has been conducting neutral and objective audits based on his extensive insight regarding corporate-related laws (such as the Companies Act and the Financial Instruments and Exchange Act of Japan), which was developed through many years of experience as an attorney. Mr. Kunihiro meets the requirements of an independent auditor set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Audit & Supervisory Board Members specified by MC.
Tadashi Kunihiro	○		
Ikuo Nishikawa	○	Mr. Nishikawa worked as Professor, Faculty of Business & Commerce of Keio University until March 2017. MC had concluded an agreement with Keio University on joint research with the Graduate School of Media Design, Keio University relating to creation of new business models in the field of healthcare. However, the agreement has been terminated as of March 2017, and the agreement did not relate directly to Mr. Nishikawa. As above, Mr. Nishikawa meets the requirements concerning independence set forth in the Selection Criteria for Outside Audit & Supervisory Board Members specified by MC. Therefore, MC judges his independence to be assured.	Mr. Nishikawa has been conducting neutral and objective audits based on his extensive insight regarding accounting developed through many years of experience as a certified public accountant. Mr. Nishikawa meets the requirements of an independent auditor set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Audit & Supervisory Board Members specified by MC.
Yasuko Takayama	○	Ms. Takayama worked as an employee at Shiseido Company, Limited until June 2011. Although MC has business transactions with that company, approximately 6 years have passed since Ms. Takayama left her position as a direct employee. Therefore, there is no relationship between her and those transactions. As above, Ms. Takayama meets the requirements concerning independence set forth in the Selection Criteria for Outside Audit & Supervisory Board Members specified by MC. Therefore, MC judges her independence to be assured.	Ms. Takayama has been conducting neutral and objective audits based on her experience as Audit & Supervisory Board Member at Shiseido Company, Limited, and as an outside director at various companies. Ms. Takayama meets the requirements of an independent auditor set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Audit & Supervisory Board Members specified by MC.

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Structure of the Audit and Supervisory Board (As of July 1, 2017)

Name	Present position and responsibilities at MC	Attendance (fiscal year ended March 31, 2017)		Years served as Audit & Supervisory Board Members	Main career points
		Board of Directors	Audit & Supervisory Board		
Hideyuki Nabeshima	Senior Audit & Supervisory Board Member (full-time)	14/14 meetings	13/13 meetings	3 years	Joined MC in 1972. Previously served as General Manager, Corporate Planning Dept., Co-CEO, Machinery Group, Senior Executive Vice President (Corporate Communications, Corporate Administration, Legal, Human Resources, CSR & Environmental Affairs) and other positions. Current position since June 2014. Overseas experience: Lagos, Bangkok
Hiroshi Kizaki	Audit & Supervisory Board Member (full-time)	14/14 meetings	13/13 meetings	2 years	Joined MC in 1981. Previously served as General Manager, Global Environmental & Infrastructure Business Group Administration Dept. and in other positions. Current position since June 2015. Overseas experience: London, New York
Tadashi Kunihiro	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	14/14 meetings	13/13 meetings	5 years	Attorney at T. Kunihiro & Co., Attorneys-at-Law
Ikuo Nishikawa	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	10/10 meetings*	10/10 meetings*	1 year	Former Professor, Faculty of Business & Commerce of Keio University Certified Public Accountant
Yasuko Takayama	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	10/10 meetings*	10/10 meetings*	1 year	Former Audit & Supervisory Board Member, Shiseido Company, Limited

* Indicates the attendance of each Audit & Supervisory Board Member after their appointments on June 24, 2016.

Name	Principal area of specialization and background		
	Socio-economic trends	Legal affairs	Finance and accounting
Tadashi Kunihiro			
Ikuo Nishikawa			
Yasuko Takayama			

Information Provision and Support System for Directors and Audit & Supervisory Board Members

To ensure that the Directors and Audit & Supervisory Board Members are able to perform their management supervision and audit functions adequately, the Board of Directors' Office and the Audit & Supervisory Board Members' Office have been established, and have been providing necessary information and support appropriately and in a timely manner for them to perform their duties.

For Outside Directors and Outside Audit & Supervisory Board Members, the Board of Directors' Office and the Audit & Supervisory Board Members' Office provide relevant information by distributing Board of Directors' meeting materials and explanations as well as holding joint presentations about management strategies, important matters, and other topics before the Board of Directors' meetings to ensure that they can participate in the discussion fully. The offices also provide an orientation to newly appointed Outside Directors and Outside Audit & Supervisory Board Members, as well as ongoing opportunities to increase their understanding of the businesses and strategies of MC, including annual observation tours of business investees and opportunities for dialogue with the management. Furthermore, to enhance the effectiveness of the management supervision function, MC holds meetings of the Governance & Compensation Committee, the President's Performance Evaluation Committee, and other bodies comprising a majority of Outside Directors and Outside Audit & Supervisory Board Members in their memberships. Also, MC endeavors to enhance close cooperation among Outside Directors and Outside Audit & Supervisory Board Members through such measures as holding small meetings for Outside Directors and Outside Audit & Supervisory Board Members approximately four times a year to provide opportunities for free discussion about a wide range of themes relating to the business management and the corporate governance of MC.

Small Meetings for Outside Directors and Outside Audit & Supervisory Board Members

MC endeavors to enhance close cooperation among Outside Directors and Outside Audit & Supervisory Board Members by providing opportunities approximately four times a year for free discussion about a wide range of themes relating to business management and corporate governance.

In the fiscal year ended March 31, 2017, MC held meetings for the exchange of opinions on themes such as corporate governance, foreign relations and international conditions. The company also organized dialogue sessions attended by guest experts.

Observation Tours of Business Investees

For further understanding of the MC Group's wide range of business lines, Outside Directors and Audit & Supervisory Board Members participate in observation tours of the sites of MC Group companies and other sites, and hold dialogues with the management of Group companies and others.

In the fiscal year ended March 31, 2017, MC organized an observation tour of the "Lawson Seminar," a forum for Lawson, Inc. to share information about its management policies and measures with its franchised store owners. Lawson, Inc. became a consolidated subsidiary of MC in the fiscal year ended March 2017. The company also held an observation tour of a refrigerated product delivery center operated by Mitsubishi Shokuhin Co., Ltd. for Lawson, Inc. In addition, a vigorous exchange of opinions was held with the managers of Lawson, Inc. and Seijo Ishii Co., Ltd., a wholly owned subsidiary of Lawson, Inc., as well as the management owners of the franchised stores of Lawson, Inc.

On-site Audits of Business Sites and Business Investees

As part of audits conducted by the Audit & Supervisory Board Members, MC organizes visits of subsidiaries, affiliates and other sites by the Audit & Supervisory Board Members, allowing them to exchange opinions with regional chiefs, managers of subsidiaries and affiliates, and local employees.

Committees

MC established the Governance & Compensation Committee and the International Advisory committee in 2001 to serve as advisory committees to the Board of Directors. To further enhance the deliberations of the Board of Directors, MC has adopted a hybrid governance structure utilizing these committees, both of which comprise a majority of Outside Directors, Outside Audit & Supervisory Board

Members, and other outside members while being based on the Audit & Supervisory Board Member system. The deliberations of each committee meeting are reported to the Board of Directors. Matters requiring even deeper discussion based on the deliberation by the Board of Directors are deliberated by the committees and then reported back to the Board of Directors.

Governance & Compensation Committee

Since its establishment in 2001 as an advisory body to the Board of Directors, the Governance & Compensation Committee has met approximately twice a year. With the majority of the members of the committee being Outside Directors, Outside Audit & Supervisory Board Members or outside members, the committee conducts continuous reviews of corporate governance-related issues at MC and also discusses the remuneration system for Executive Officers, including the policy for setting remuneration and appropriateness of remuneration levels, and monitors the operation of this system.

〈Main Discussion Themes〉

- Composition of the Board of Directors and Audit & Supervisory Board, policy on appointment of and proposals for appointment of Directors and Audit & Supervisory Board Members
- Requirements of the President and CEO, basic policy on the appointment of and proposals for appointment of the President and CEO
- Review of the remuneration system including the policy for setting remuneration and appropriateness of remuneration levels
- Assessment of operations of the Board of Directors

Furthermore, the President's Performance Evaluation Committee has been established as a subcommittee to the Governance & Compensation Committee to deliberate the assessment on the President's performance.

International Advisory Committee

In the same way as the Governance & Compensation Committee, the International Advisory Committee has also met annually since its establishment in 2001. Members of the committee offer proposals and advice from an international standpoint on MC's

〈Composition of the Committee (*Committee Chairman) (as of December 31, 2017)〉

- Outside Members (5):
Hidehiro Konno (Outside Director), Akihiko Nishiyama (Outside Director), Toshiko Oka (Outside Director), Akitaka Saiki (Outside Director), Tadashi Kunihiro (Outside Audit & Supervisory Board Member)
- In-house Members (3):
Ken Kobayashi* (Chairman of the Board), Takehiko Kakiuchi (President and CEO), Hideyuki Nabeshima (Senior Audit & Supervisory Board Member)

Total	8
In-house members	3
Outside members (number of females)	5 (1)

management and corporate strategies as it develops its business globally. Further, the committee reports on the political and economic conditions of respective regions and exchanges opinions.

Corporate Governance

Composition of the International Advisory Committee

The International Advisory Committee makes use of the knowledge and insight of overseas members with various backgrounds in government, finance, administration, and academia.

Total	11
Number of in-house committee members	3
Number of outside committee members (Outside Directors and Audit & Supervisory Board Members)	2
Number of outside committee member (overseas)	6

〈Overseas Members〉

Name	Nationality	Attendance (fiscal year ended March 31, 2017)	Years served	Principal area of specialization and background
Ambassador Richard Armitage	U.S.A.	Former United States Deputy Secretary of State	Appointed in the fiscal year ending March 2018	Ambassador Armitage previously served as Special Emissary to Jordan and United States Deputy Secretary of State. He is widely experienced in foreign diplomacy, is a leading expert on Asia and Japan within the U.S. and is acknowledged as an authority on the Middle East.
Professor Joseph S. Nye	U.S.A.	Harvard University Distinguished Service Professor	8 years	Professor Nye is a globally renowned scholar in the field of geopolitics. He has extensive networks not only in academia, but also in political and economic circles. Within the International Advisory Committee, he provides an annual overview of the international situation and makes valuable suggestions regarding industry trends.
Mr. Ratan N. Tata	India	Chairman, Tata Trusts	16 years	Mr. Tata has expanded his business presence to over 100 countries worldwide and has particularly deep knowledge of industrial as well as political and economic developments in India.
Mr. George Yeo	Singapore	Chairman, Kerry Logistics Network	3 years	Mr. Yeo has previously served as Singapore's Minister for Information and the Arts, Minister for Health, Minister for Trade and Industry, and Minister for Foreign Affairs. His background brings a wealth of knowledge in the geopolitical situation in ASEAN and China to the committee.
Mr. Niall FitzGerald, KBE	Ireland	Former CEO and Chairman, Unilever	3 years	Mr. FitzGerald, KBE has served as Chairman of several major companies such as Reuters and Unilever, as well as the British Museum. He has an outstanding knowledge of both geopolitics and industry, and his consideration of the impacts of geopolitical changes on business provides valuable advice for the International Advisory Committee.
Mr. Jaime Augusto Zobel de Ayala II	The Philippines	Chairman and CEO, Ayala Corporation	16 years	Mr. Zobel has experience in growing a global business launched from the ASEAN region, and therefore has a thorough knowledge of various geopolitical and industry trends in Asia, particularly in the ASEAN region.

〈Japanese Members〉

Chairman of IAC Ken Kobayashi Chairman of the Board	Takehiko Kakiuchi President and CEO	Eiichi Tanabe Member of the Board, Senior Executive Vice President	Hidehiro Konno Outside Director	Akitaka Saiki Outside Director
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IAC Agenda and Facilitators for the Fiscal Year Ended March 2017

• Midterm Corporate Strategy 2018	Mr. Kakiuchi (President and CEO)	• Fourth industrial revolution*	Mr. FitzGerald, KBE (IAC Member)
• Global geopolitical and economic situation*	Professor Nye (IAC Member)	• MC's globalization*	Mr. Makihara (Senior Corporate Adviser)
• Japan's geopolitical and economic situation	Mr. Saiki (Corporate Adviser) (when held in the fiscal year ended March 2017)	* The topics provided by the facilitators were intensively discussed under the guidance of the Committee Chairman.	

Directors' and Audit & Supervisory Board Members' Remuneration

Policy for Setting Directors' and Audit & Supervisory Board Members' Remuneration

In line with the Basic Policy on Corporate Governance, MC has established a remuneration system for Directors and Audit & Supervisory Board Members and related systems to ensure a sustainable increase in corporate value, and to ensure that their respective roles are fulfilled properly according to business execution and management supervision functions. MC strives to operate the system with a high degree of transparency. Within this system, the

policy for setting remuneration, appropriateness of remuneration levels, and operation of the remuneration system for Directors responsible for business execution are discussed and monitored by the Governance & Compensation Committee.

The details and methods for setting remuneration for Directors and Audit & Supervisory Board Members are as follows.

Directors/Audit & Supervisory Board Members	Eligible Directors and Audit & Supervisory Board Members (number as of December 31, 2017)	Stance on remuneration, etc.	Method of determining appointment remuneration, etc.
Directors	Directors responsible for business execution (who also serve as Executive Officers) (7)	<ul style="list-style-type: none"> The remuneration of Directors who also serve as Executive Officers and are responsible for business execution is set with the aim of providing further incentive and motivation to achieve business results and creation of sustainable business value through the steady execution of the midterm corporate strategy, along with aligning the Directors' interests with those of the shareholders over the medium and long terms. The remuneration of Directors responsible for business execution consists of fixed and variable remuneration, as shown on the following page. <p>MC has adopted variable remuneration including not only cash remuneration linked to consolidated business results and individual performance but also stock remuneration (stock-option-based remuneration) to provide further incentive to improve corporate value over the medium and long terms.</p>	<ul style="list-style-type: none"> Regarding remuneration for the Chairman of the Board, Outside Directors, and Directors responsible for business execution (excluding bonuses), the 2010 Ordinary General Meeting of Shareholders approved a payment limit of ¥1.6 billion per annum. Remuneration is paid within this remuneration limit subject to resolution of the Board of Directors. Bonuses for Directors responsible for business execution are subject to approval by the Ordinary General Meeting of Shareholders, given their strong linkage to MC's business results.
	Chairman of the Board (1) Outside Directors (5)	<ul style="list-style-type: none"> The Chairman of the Board and the Outside Directors, who do not concurrently serve as Executive Officers, must primarily fulfill a supervisory function for management in an appropriate manner, while the Audit & Supervisory Board Members must perform audits appropriately. Accordingly, there is a need to maintain their independence. For this reason, they are paid only a fixed monthly remuneration, which does not have a component linked with business results. 	
Audit & Supervisory Board Members	Audit & Supervisory Board Members (2) Outside Audit & Supervisory Board Members (3)		<ul style="list-style-type: none"> The monthly remuneration of Audit & Supervisory Board Members was set at an upper limit of ¥15 million per month in total by resolution of the 2007 Ordinary General Meeting of Shareholders. Audit & Supervisory Board Members' base remuneration is paid within this remuneration limit subject to discussions by the Audit & Supervisory Board Members.

Corporate Governance

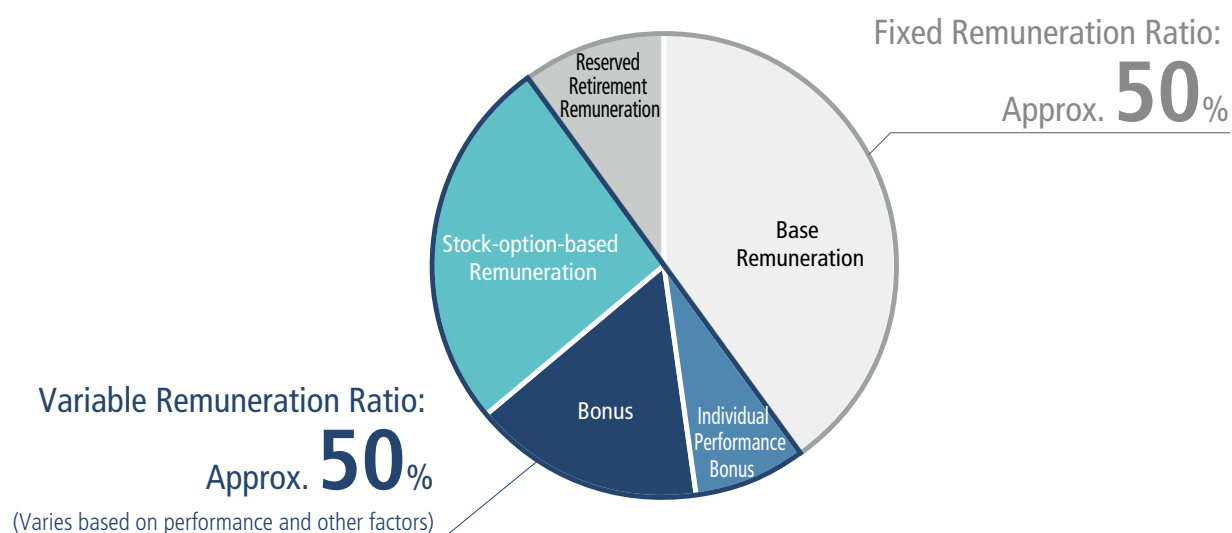
Composition of the Remuneration of Directors Responsible for Business Execution

Remuneration type	Remuneration composition	Fixed/ Variable* ¹	Form of payment	Included within remuneration limit* ²
Base Remuneration	An amount determined according to position, paid monthly.	Fixed	Cash	○
Individual performance bonus	For Directors responsible for business execution, individual performance bonuses are determined and paid on an individual basis after the President's yearly performance assessment of each Director for the previous fiscal year. The assessment on the President's performance is deliberated by the President's Performance Evaluation Committee, a subcommittee to the Governance & Compensation Committee. The subcommittee comprises the Chairman, who also serves as the Chairman of the Governance & Compensation Committee, and members made up of Outside Directors and Outside Audit & Supervisory Board Members.	Variable (Single year)	Cash	○
Bonus	<ul style="list-style-type: none"> Bonuses are determined and paid on an individual basis after deciding whether or not bonuses will be paid and what the total amount will be based on the previous year's consolidated earnings and other factors. During the period of Midterm Corporate Strategy 2018 (fiscal year ended March 31, 2017 to fiscal year ending March 31, 2019), the amounts of bonuses to be paid will be determined based on the achievement of a level of earnings that leads to improved corporate value (consolidated capital cost) and initial business targets, and an upper limit is set for the total amount to be paid. If consolidated net income (attributable to owners of MC) exceeds the consolidated capital cost, the amount to be paid will be increased in line with business performance. Meanwhile, if consolidated net income is less than the consolidated capital cost or the initial business targets, no bonuses will be paid. 	Variable (Single year)	Cash	— Paid upon resolution of the Ordinary General Meeting of Shareholders
Stock-option-based remuneration	Stock options as remuneration are grants from the perspective of aligning Directors' interests with those of shareholders and creating value over the medium and long terms. Stock options cannot be exercised for two years from the date they are granted. As a basic policy, In-house Directors cannot sell shares, including shares acquired by exercising stock options, during their terms of office until their shareholdings reach a certain level.	Variable (Medium to long term)	Shares (Stock acquisition rights)	○
Reserved retirement remuneration	Reserved retirement remuneration is set aside in a certain amount every year as consideration for the performance of duties, and the accumulated amount is calculated and paid in full upon retirement of a Director by resolution of the Board of Directors.	Fixed	Cash	○

*1. "Fixed" indicates a fixed payment amount and "Variable" indicates a payment amount that varies based on performance and other factors. "Single year" indicates amounts that correspond to previous fiscal year performance or individual performance assessment. "Medium to long term" is used for stock options as remuneration to indicate their role as a medium- to long-term incentive.

*2. "○" indicates remuneration paid by a resolution of the Board of Directors within the ¥1.6 billion per annum limit approved by the 2010 Ordinary General Meeting of Shareholders.

Conceptual Image of the Payment Mix of Remuneration for Directors Responsible for Business Execution



Remuneration of Directors and Audit & Supervisory Board Members in the Fiscal Year Ended March 2017

Total remuneration amounts for Directors and Audit & Supervisory Board Members and numbers of eligible people are as follows.

(Millions of yen)

Title	Total remuneration	Base remuneration and individual performance bonus		Bonus		Stock-option-based remuneration		Reserved retirement remuneration	
		Eligible people	Total	Eligible people	Total	Eligible people	Total	Eligible people	Total
Directors (In-house)	860	12	493	5	180	5	134	5	52
Directors (Outside)	120	7	120	—	—	—	—	—	—

Title	Total remuneration	Base remuneration		Bonus		Stock-option-based remuneration		Reserved retirement remuneration	
		Eligible people	Total	Eligible people	Total	Eligible people	Total	Eligible people	Total
Audit & Supervisory Board Members (In-house)	124	2	124	—	—	—	—	—	—
Audit & Supervisory Board Members (Outside)	39	5	39	—	—	—	—	—	—

(Figures less than one million yen have been rounded down)

Notes: 1. The above figures include eight Directors and two Audit & Supervisory Board Members who resigned during the fiscal year ended March 31, 2017.

Furthermore, there were 11 Directors (including 5 Outside Directors) and five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members) as of March 31, 2017.

2. The bonuses above show the amount discussed at the Ordinary General Meeting of Shareholders held on June 23, 2017.

3. The stock-option-based remuneration above shows the amount recognized as an expense in the fiscal year ended March 31, 2017 related to stock options granted to five in-house Directors (Chairman of the Board and Outside Directors are ineligible for payment).

4. In addition to the above, MC paid executive pensions to retired Directors and Audit & Supervisory Board Members. The amounts paid in the fiscal year ended March 31, 2017 were as follows.

The retirement bonus system, including executive pensions for Directors and Audit & Supervisory Board Members, was abolished at the close of the 2007 Ordinary General Meeting of Shareholders.

MC paid ¥155 million to 92 Directors (Outside Directors were ineligible for payment).

MC paid ¥6 million to nine Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment).

Names, Titles, Total Amounts of Consolidated Remuneration and Amount by Type of Remuneration for Each Director and Audit & Supervisory Board Member

Remuneration amounts for Directors and Audit & Supervisory Board Members whose total remuneration was ¥100 million or more are shown in the table below.

Name	Position	Total consolidated remuneration (Millions of yen)	Bonus (Millions of yen)		
			Base remuneration and individual performance bonus	Bonus	Stock options*1
Ken Kobayashi	Director	207	207	0	0
Takehiko Kakeuchi	Director	263	127	66	48
Eiichi Tanabe	Director	126	59	34	23
Kazuyuki Mori	Director	108	54	23	22
Yasuhito Hirota	Director	111	57	23	22

(Figures less than one million yen have been rounded down)

*1 The amount of stock options is the amount recorded as an expense in the accounting treatment for that fiscal year and differs from the actual amount received from the exercise or sale of stock options. Moreover, under the conditions for exercise of stock acquisition rights, the starting date of the exercise period for stock acquisition rights had not arrived as of March 31, 2017.

*2 The amount of reserved retirement remuneration is accumulated each year as a fixed amount of remuneration for the exercise of duties by each Director over one year. It is paid to the Director after his or her retirement. The amount of stock options is the amount recorded as an expense in the accounting treatment for that fiscal year and differs from the actual amount received from the exercise or sale of stock options.

Moreover, under the conditions for exercise of stock acquisition rights, the starting date of the exercise period for stock acquisition rights had not arrived as of March 31, 2017.

*3 None of the above Directors receive remuneration as a Director or an Audit & Supervisory Board Member of a consolidated subsidiary.

Significant Employee Salaries of Directors and Audit & Supervisory Board Members Serving Concurrently as Employees

None of MC's Directors and Audit & Supervisory Board Members serve concurrently as employees.

Audit

Audit & Supervisory Board Member Audits

The two In-House Audit & Supervisory Board Members have experience in MC's corporate planning department as well as finance and accounting departments, and they are appointed as the full-time Audit & Supervisory Board Members. Two of the three Outside Audit & Supervisory Board Members have many years of experience as an attorney (corporate law) and a certified public accountant, respectively, while the other has experience as a full-time Audit & Supervisory Board Member at a listed company. Of the five Audit & Supervisory Board Members, the two full-time Audit & Supervisory Board Members and Outside Audit & Supervisory Board Member Ikuo Nishikawa have a considerable degree of knowledge and experience concerning finance and accounting.

One of the full-time Audit & Supervisory Board Members heads the Audit & Supervisory Board as Senior Audit & Supervisory Board Member and is also the specified Audit & Supervisory Board Member stipulated by the law. Audit & Supervisory Board Members are assisted as needed by the five-member Audit & Supervisory Board Members' Office (as of March 31, 2017), which is an independent organizational body.

Audit & Supervisory Board Members attend important in-house meetings, and hold discussions with internal departments, including main offices in Japan and overseas. At the same time, Audit & Supervisory Board Members hold regular meetings with MC's Independent Auditors and Internal Audit Department, to accurately and in a timely manner grasp MC's situation through close cooperation.

Internal Audits

Regarding internal audits, the Internal Audit Department (which had 97 members as of April 1, 2017) conducts audits of MC, overseas regional subsidiaries and affiliated companies from a Company-wide perspective. In addition, each business group has established its own internal audit organization, which audits the operations that fall under its group organization on a consolidated

basis. These internal audits are based on annual audit plans and are conducted after selecting audit targets. The results of audits are reported each time to the President and CEO, Audit & Supervisory Board Members and other concerned parties. They are also reported regularly to the Board of Directors and the Executive Committee.

Accounting Audits

The four certified public accountants who carried out the accounting audit of MC were Yoshiaki Kitamura, Kazuaki Furuuchi, Kenichi Yoshimura and Noriaki Kobayashi of Deloitte Touche Tohmatsu LLC.

They were assisted by 28 certified public accountants, 24 junior accountants and 55 other staff.

Mutual Cooperation among Audit & Supervisory Board Member Audits, Internal Audits and Accounting Audits, and Their Relationship with Internal Control Departments

The Audit & Supervisory Board Members, Internal Audit Department, Risk Control & Internal Control Office (responsible for internal control), and Independent Auditors regularly exchange information among each other in order to strengthen their cooperation. Moreover, the full-time Audit & Supervisory Board Members exchange information with the executive officers and the Audit & Supervisory Board Members of subsidiaries considered important from a consolidated management perspective.

Fees paid to MC's independent auditors Deloitte Touche

Tohmatsu LLC for the fiscal year ended March 2017 were as follows:

- (a) Amount of fees for services in accordance with the first clause of Article 2 of the Certified Public Accountant Law of Japan (Law No. 103, 1948)*¹ ¥741 million
- (b) Amount of fees for services other than those prescribed in the first clause of Article 2 of the Certified Public Accountant Law of Japan*² ¥24 million
- (c) Total amount of fees to be paid by MC and consolidated subsidiaries*³ ¥2,322 million

*1. Fees for services prescribed in the first clause of Article 2 of the Certified Public Accountant Law of Japan (Law No. 103, 1948) are fees, etc. for audit certification services relating to English language financial statements prepared based on International Financial Reporting Standards (IFRS) and audit certification based on the Companies Act and the Financial Instruments and Exchange Act.

*2. Fees for services other than those prescribed in the first clause of Article 2 of the Certified Public Accountant Law of Japan are fees for MC training, overseas tax return work, etc.

*3. Some subsidiaries are audited by certified public accountants or independent auditors (including persons with qualifications equivalent to these qualifications in overseas countries) other than MC's Independent Auditors.

Shares

Shareholder Rights

Reference: Share Handling Regulations:

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

Reference: Articles of Incorporation (Chapter 2 Article 9):

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

Stance on Acquiring and Holding Listed Stocks

MC may acquire and hold another company's shares and equity stakes as a means to create business opportunities and to build, maintain and strengthen business and partner relationships. In such cases, MC specifies a responsible department for the oversight of each set of acquired and held shares and equity stakes. To ensure the business performance of investee companies, MC quantitatively monitors each company's performance and management efficiency every year, and understands and manages its qualitative business challenges at the same time.

Among these investee companies, with respect to the shares of listed companies other than affiliated companies, MC follows its internal guidelines in making acquiring and holding judgments based on the significance and profitability of acquiring and holding the shares to continuously examine its holding positions.

- (a) Before acquiring the shares of a listed company other than affiliated companies, MC defines the significance and purpose of such acquisition and at the same time examines in advance its economic rationality, such as quantitative risks involved and expected rates of return, before any decision is made.
- (b) During the period when holding the listed stocks, MC regularly reconfirms how the purpose of the acquisition has been achieved, how the profitability has been changed since the acquisition, and the rationality and necessity of continuing to hold the stocks from a medium- and long-term perspective. With this in mind, MC effectively changes its asset portfolio in order to facilitate the efficient re-profiling of assets.

When acquiring or disposing of listed stocks, MC rigorously enforces compliance with insider trading regulations.

Stance on Exercising Voting Rights related to Listed Companies' Shares

MC values dialogue and communication with investee companies through various channels from a perspective of creating business opportunities and building, maintaining, and strengthening business and partner relationships, as well as increasing the medium- and long-term value of itself and its investee companies. The exercise of voting rights is one such channel. Therefore, in

exercising voting rights for investee companies, in accordance with its internal regulations, the respective supervising departments exercise MC's rights appropriately for each proposal after considering both the quantitative and qualitative aspects of each company's management status and so forth.

Guideline for Holding MC Shares (Standard)

MC has established shareholding guidelines including shares acquired through the exercise of stock options. As a basic policy, Directors are required to hold MC's shares during their time in

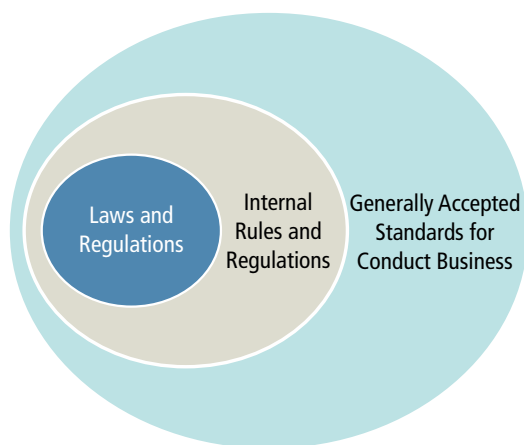
office, and are restricted from selling more than a certain number of shares.

Compliance

Policy

MC defines compliance as observance of laws, rules, regulations, international standards and internal regulations, and respect for generally accepted standards for the conduct of business. In addition to 1) observance of laws and regulations, all officers and employees at the MC Group are also obliged to consider 2) observance of internal rules and regulations and 3) generally accepted

standards for the conduct of business. Officers and employees must consider at all times what these standards entail in the present-day context, as there are no clearly stated rules in this regard. Corporate officers and employees are aware of the high expectations of society and aim to ensure the MC Group remains a trusted company.



Key Points of Observation

- 1) Laws and regulations, international rules
- 2) Internal rules and regulations, policies
- 3) Proper consideration for generally accepted social norms for the conduct of business

Under the Three Corporate Principles, which constitute MC's corporate philosophy, MC's Corporate Standards of Conduct serve to regulate the Company, and the MC Code of Conduct serves to regulate all officers and employees.

The basic policy of the MC Code of Conduct states that "All officers and employees of MC must comply with all applicable laws, rules and regulations where they operate, international standards and rules, and all internal corporate rules and policies. In addition, all officers and employees of the Company must act in a socially responsible manner by complying with the highest ethical standards in the conduct of their business." Compliance at MC goes beyond simply complying with laws. Acts that go against

generally accepted social norms for the conduct of business must not be carried out regardless of their legality.

With the goal of instilling internal understanding of the MC Code of Conduct, business card-sized MC Employee Pocket Handbooks are prepared and distributed to all officers and employees. In addition to the basic principles, the handbook contains the contact details for compliance mail boxes and helplines (whistleblowing helplines). Officers and employees carry this handbook at all times in order to confirm the details whenever necessary. Moreover, each year officers and employees are required to take e-learning courses, which include case studies on the Code of Conduct and to pledge that they understand and will adhere to the Codes at all times.

Structure

Investigations of Compliance Violations and Response Systems

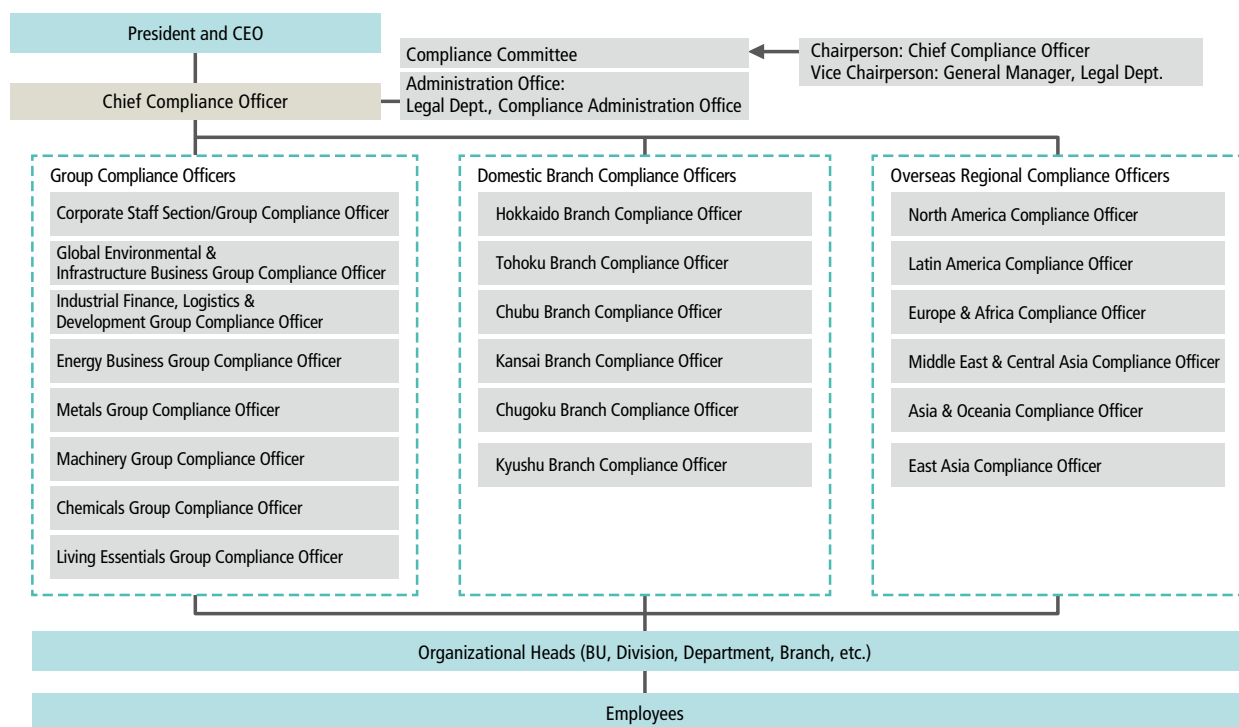
Compliance Framework

At MC, the Compliance Committee and the Compliance Officer system play important roles in implementing compliance.

As an advisory body to the Chief Compliance Officer, the Compliance Committee prepares and disseminates information about Company-wide compliance measures. The Compliance Committee is led by the Chief Compliance Officer, who is appointed by the president, and meets twice a year in principle.

The Chief Compliance Officer is in charge of matters concerning compliance as a whole at MC, and is responsible for planning

and implementing compliance-related measures. The Chief Compliance Officer also has the authority to conduct any necessary investigations in the event of a breach of compliance or possible breach and can also order the suspension or improvement of the business activities concerned. In addition, MC has appointed a Compliance Officer in each corporate and business group at the Head Office, domestic branch, and overseas administrative region. Each Compliance Officer possesses a similar level of authority, and they implement compliance in a manner tailored to their business characteristics.



Response Systems for Individual Cases

Officers and employees of MC are required to report to or consult with managers of organizational bodies if they become aware of a compliance violation or potential compliance violation. The managers of organizational bodies must in turn report to or consult with a Compliance Officer, who is then required to report to the Chief Compliance Officer. Furthermore, cases of violations and the status of resolutions reported to the Chief Compliance Officer, including

cases for which reports or notifications have been received from Group Companies, are also reported to the Audit & Supervisory Board Members.

Compliance Officers conduct the necessary investigation of the reported matter, mindful of not infringing on the human rights or dignity of concerned parties. The findings are reported to the Chief Compliance Officer, and measures are planned and implemented to prevent any reoccurrence.

Initiatives for Preventing Corruption

MC has established the “Code of Prohibition against Improper Payments or Other Types of Benefits” in order to prevent such bribery benefits to public officials, etc., and so as to not invite external suspicion or mistrust. Furthermore, MC has established a strict anti-corruption system by setting specific guidelines regarding the provision of entertainment or gifts to public officials, etc., and regarding the appointment of agents, etc. Most recently, the Company has established various internal regulations regarding accepting workplace experience training for relatives of public officials, etc., as well as regarding donations related to government and public officials. MC has established a system to scrutinize the regulations’ contents in advance from the perspective of preventing corruption.

MC has further continued to build and operate an effective system for anti-corruption by frequently amending the Company rules and revising the internal system based on the actions of various nations’ authorities as well as on actual instances of enforcement within those nations. In 2016, the Company aimed to build a more effective system and underwent a third-party assessment by external experts regarding the Company’s overall approach to preventing corruption. Utilizing the experts’ evaluations and recommendations, MC is committed to continuously improving its anti-corruption procedures and ensuring that they operate effectively.

MC’s Anti-Corruption Guideline

In 2015, MC established and published “Mitsubishi Corporation’s Anti-Corruption Guideline” in order to inform its business partners of MC’s fundamental approach to the prevention of corruption. MC communicates its policies and initiatives in this Guideline and expects its business partners to adhere to the Company’s principles related to anti-corruption and bribery.

Reference: Mitsubishi Corporation’s Anti-Corruption Guideline
https://www.mitsubishicorp.com/jp/en/about/governance/pdf/compliance_02_e.pdf

Supervision by Members of the Board

Every year, the Board of Directors receives reports regarding compliance initiatives, including anti-corruption initiatives, and the status of compliance violation cases, together with reports regarding the policies for compliance activities applied during the

Initiatives in Selecting and Managing Intermediary Agencies, etc.

To prevent corruption by any Company-retained agencies, agents, consultants, etc. (hereafter referred to as “agencies”), as well as by the Company’s officers and employees, the following guidelines have been formulated. MC is required to appoint only qualified agencies after obtaining the approval of the Compliance Officer.

- In order to judge the eligibility of agencies, the agencies should have no relationship with any public officials who can influence the business transactions and dealings related to the purpose of the appointment, and the agencies should be carefully examined regarding their business approach, including their past compliance status as agencies, regarding whether they possess the proper qualifications, and regarding their capabilities of business execution.
- The agencies should be thoroughly assessed to confirm their suitability for providing their business services.
- Contracts with agencies should include clauses that prevent bribery benefits to public officials, etc., from the agencies, and the agencies should be made aware of MC’s Anti-Corruption Guidelines.

Cases of Corruption

In the fiscal year ended March 2017, there were no cases of corruption detected in the Company. As a result, no fines or financial penalties were incurred.

fiscal year. In addition, both Outside Directors and Outside Audit & Supervisory Board Members receive reports twice a year regarding compliance activities, so that they can provide more effective supervision based on external perspectives.

Monitoring System

Monitoring of Individual Cases

All reports regarding the facts and causes of any individual compliance incident that has occurred, together with any measures to prevent recurrence, are shared with the Administration Office for the Compliance Committee and are used for conducting analyses, assessing risks and formulating various policies.

Compliance Awareness Survey

This survey assesses the level of compliance awareness and the ethics environment in the workplace, and the results are used in planning and enacting compliance initiatives at MC. An external survey institution was appointed by MC to carry out MC's survey regarding the level of awareness of compliance. MC conducted the survey at MC in 2009, 2014 and 2017. MC Group companies began conducting the survey in 2009, and have conducted the survey every year thereafter. In 2017, 60 Group companies participated in the survey.

This survey is viewed as an important initiative for assessing and evaluating the current status of the Company because it can confirm compliance awareness penetration and the ethical environment in the workplace at the individual officer and employee level. MC implements measures to surmount issues identified by the previous survey, and conduct a follow-up survey to confirm the effectiveness of those measures.

Internal Whistleblowing System

MC has set up various internal whistleblowing systems, collectively known as the "Mail Box and Helpline" which report directly to the Administration Office for the Compliance Committee. The systems are consultation hotlines for any compliance-related questions or problems, including workplace misdeeds and harassment, violations of laws and regulations, and prevention of bribery and corruption. MC has also established a mail box route directly to the Internal Audit Dept. and the Audit & Supervisory Board Members. In addition, MC has established a consultation hotline enabling contact with outside legal counsel for officers and employees who wish to remain anonymous. While the outside legal counsel will confirm whether the informant is employed, they will not reveal the name and organizational position of the person to the Administration Office for the Compliance Committee without the informant's consent.

Responses to Risk Factors by Each Business

MC regularly conducts self-assessments of the compliance risks to which special attention should be given, including cases of anti-trust, corruption including bribery, and breaches of employees' safety and health, taking into account industry characteristics, product characteristics, business area, etc. Each business group's Compliance Officer is engaged in risk management initiatives related to the risks to which special attention should be given in each business domain.

PDCA Cycle

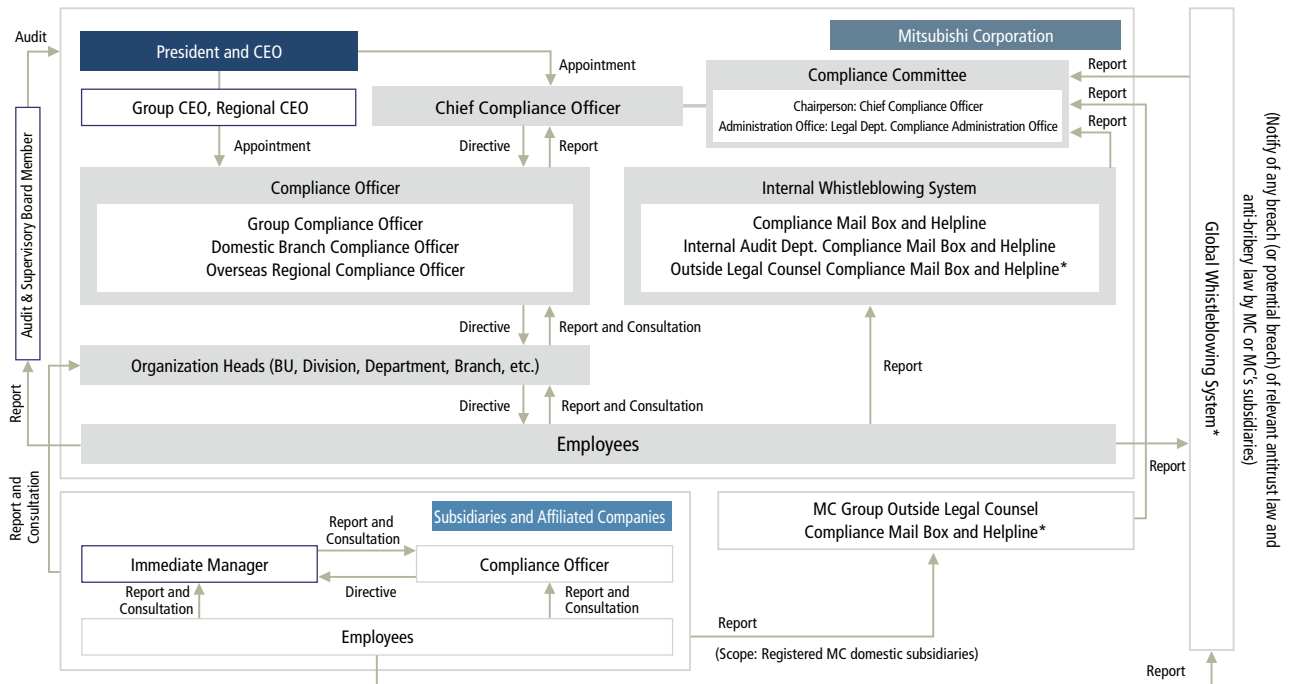
Based on the results of the various surveys, reports and monitoring results, together with the opinions and ideas of the Compliance Officer of each business group and region, MC utilizes the PDCA cycle and implements necessary measures, including conducting various types of seminars and formulating a variety of internal regulations. The results are further monitored, and the analysis of the results is reflected in the further identification and evaluation of risks. The aim is to improve the awareness and knowledge about compliance of all officers and employees by repeatedly and rigorously educating personnel about the topic.

There is also a compliance Mail Box and Helpline for MC Group company officers and employees.

Furthermore, in 2016 MC launched a new global whistleblowing system for anti-trust and anti-corruption issues (called "LUKS"), which makes it easier for officers and employees of MC and its subsidiaries to report these issues.

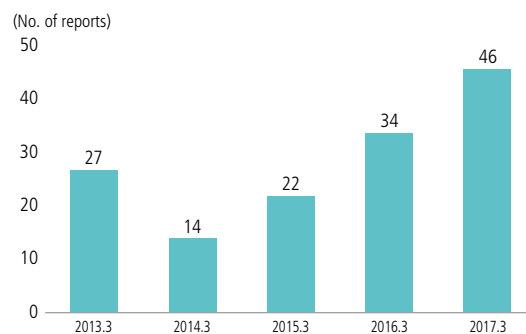
After receiving details of a whistleblowing case, the Administration Office for the Compliance Committee will share the information only with limited parties to confirm the facts and take necessary action. When taking action, the Administration Office for the Compliance Committee safeguards the rights of the informant and strictly prohibits any disadvantageous treatment of the informant by relevant parties.

Compliance Framework



* An internal whistleblowing system that enables employees to make a report anonymously.

Number of Whistleblowing Reports Received by MC



Performance

Results of Compliance Training

MC conducts in-house training programs on a Company-wide basis according to level in the organization. Compliance-related training is offered on individual topics such as antitrust laws, the Subcontract Act, prevention of bribery and corruption including anti-bribery laws, and labor management. Furthermore, seminars are held for each business group and region according to business

group and regional characteristics. MC holds over 450 internal seminars worldwide every year.

Moreover, the Company has created an e-learning program related to the MC Code of Conduct based on the latest case studies. Every year, all officers and employees complete this program.

Compliance Discussions

In 2013, MC began holding compliance discussions in which small groups of employees in each workplace discuss compliance issues that could occur in the workplace as well as day-to-day concerns. These discussions serve as a means of supplementing conventional training, which tends to be a one-way form of communication, and of improving the compliance awareness of every officer and employee. By facilitating workplace discussion about familiar topics, each employee will recognize that compliance is something which is connected to them, which will in turn gradually increase their awareness of compliance. Furthermore, the compliance discussions are intended to be established in each workplace in order for these types of discussion to begin voluntarily. MC has been conducting compliance discussions at all internal organizations since 2013, and the Company has also expanded this initiative to over 100 domestic and overseas subsidiaries.

Distribution of Handbook for Officers and Employees

In addition to providing training opportunities and the e-learning program, MC has created a Compliance Case Study Q&A Booklet that presents a collection of the latest case studies in a Q&A format. The aim of this booklet is to resolve any doubts about the compliance duties of officers and employees that they may have on a daily basis, and MC distributes the booklet to all officers and employees.

Moreover, in 2016, MC created the Anti-Corruption Handbook to disseminate accurate information about the prevention of acts of corruption, including bribery and related regulations in major countries. The handbook includes actual examples of enforcement from recent years, and also presents MC's internal initiatives to prevent bribery and corruption. The handbook has been distributed to all officers and employees.

Number of Compliance Violations

The total number of violations at the Head Office, domestic and overseas branches and offices, and domestic and overseas subsidiaries that were reported in the fiscal year ended March 2017 was 349. No compliance violation had a significant impact on the management of the Company or its subsidiaries.

Provisions Concerning Legal Violations and Litigation

If a provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is likely that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the obligation is a fine, settlement fee, etc., the financial amount will be recorded as a provision. As of the end of March 2017, there were no significant provisions requiring separate disclosure.

Risk Management

Policy

MC has a basic policy aiming to maintain and improve its financial soundness and corporate value by ascertaining the various risks associated with its business activities, designating these risks into categories based on their individual characteristics, and managing them accordingly.

In particular, MC works on a consolidated basis and in an integrated manner to ascertain and analyze the risks that could potentially have a significant impact on its financial status or reputational standing.

Furthermore, the risk management system is in accordance with MC's Basic Policy for the Construction of an Internal Control System.

Risk Management System

Overview

MC maintains the following Risk Management System under the aforementioned policy.

- The Executive Committee, a management decision-making body, determines basic policies on risk management as well as individual and integrated risk management items. It also makes decisions about advancing individual projects, and presents matters for the Board of Directors' agenda based on prescribed standards.
- Based on the basic policies set by the Executive Committee, MC has established and maintains an overall system for managing Company-wide risk in relation to risks stemming from various systems, policies and regulations in each field. This system has also been deliberated by the deliberative bodies under the direction of Corporate Functional Officers, such as the Investment Committee, the CSR & Environmental Affairs Committee, the Compliance Committee and the Human Resource Development (HRD) Committee.
- MC has designated categories of business activity risk corresponding to the details and scale of the MC Group's businesses, such as credit, market, business investment, country, compliance, legal, information management, environmental and natural disaster-related risks as well as crisis management, and has specified departments responsible for each category. Furthermore, MC also has in place policies, systems and procedures for managing risk on a consolidated basis, including by responding to new risks by immediately designating a responsible department to manage such risks, and executes operations based on these policies, systems and procedures.

- With respect to individual projects, personnel responsible for the applicable department in charge of a project make decisions within the scope of their prescribed authority after analyzing and assessing the risk-return profile of each project in accordance with Company-wide policies and procedures. Projects are executed and managed on an individual basis in accordance with this approach. Further, in response to the progress of projects or changes in the external environment, MC conducts periodic verification of risk-return profiles.

In addition to managing risk on an individual project basis, MC assesses risk on a consolidated basis with respect to risks that are capable of being monitored quantitatively and manages these risks properly, making reassessments as necessary.

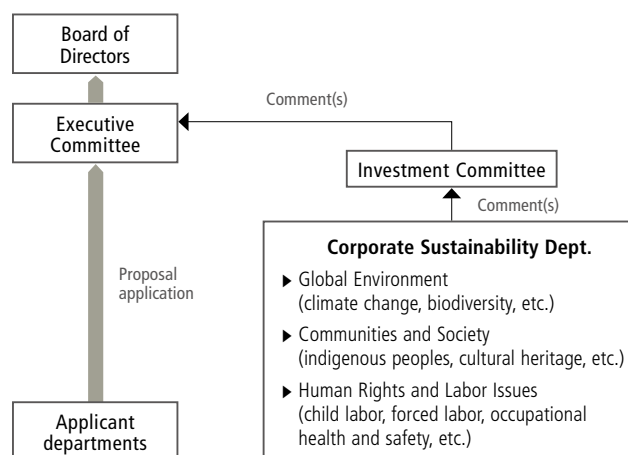
Environmental and Social Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects but ESG (Environmental, Social and Governance) factors as well.

By having the Corporate Sustainability Department take part in all Investment Committee meetings for projects being deliberated by the Board of Directors and the Executive Committee, MC has put in place a screening process to facilitate decision-making that takes into account environmental and social impacts.

ESG screening involves a review of Environmental and Social Impact Assessment (ESIA) reports and site visits. In addition, we also take into consideration various international guidelines, including the International Finance Corporation (IFC) guidelines and the “Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations” established by the Japan Bank for International Cooperation (JBIC). The screening considers not only environmental aspects, but also social aspects including consideration human rights and labor conditions from a global perspective.

Screening Process for Loan and Investment Proposals



Reference: For information on measures to address various ESG-related risks, please see the risk management information provided in each section.

Business Continuity and Disaster Preparedness Planning

MC engages in rigorous crisis management on a consolidated basis, including individual MC Group companies, in light of the increasing diversity and complexity of risk that accompanies business expansion.

A Business Continuity Plan (BCP) refers to an action plan formulated in advance with the aim of preventing the stoppage of prioritized company operations or restoring and restarting them in as little time as possible if they are interrupted by the occurrence of an unexpected event such as a natural disaster or incident. MC has formulated BCPs for different types of crises such as major natural disasters, new infectious diseases, international or political problems including terrorism, and accidents. MC will immediately initiate its own BCP in the event of such crises and work to, at minimum, ensure the continuity of prioritized operations and to quickly restore operations.

(Reference) Formulation of BCP in the Event of a Large-Scale Earthquake in Japan

- Select prioritized operations (vital operations that must be restored quickly or for which stoppage is unacceptable), designate the personnel or staff required to perform these operations and formulate an implementation structure and implementation methods
- Specify estimations of earthquake damage
- Confirm contact points with important business suppliers and share content of BCP
- Determine safety management policies and thoroughly understand the situation of important suppliers and contractors

Independent Auditors

The MC Audit & Supervisory Board deliberates on appointments, dismissals, reappointments and non-reappointments of MC's Independent Auditors, and each year assesses appropriateness of the audit methods and the audit results. If the Audit & Supervisory Board deems it fit to dismiss or to not reappoint Independent Auditors, a proposal for new Independent Auditors shall be submitted to the General Meeting of Shareholders.

Main Duties under the Jurisdiction of Corporate Functional Officers

Name	Duties Overseen	Organization under the Executive Committee
Eiichi Tanabe	Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management	Person Responsible for Security Trade Control, Person Responsible for Trade Procedures Control
Yasuhito Hirota	Corporate Functional Officer, Regional Strategy for Japan	
Kazuyuki Masu	Corporate Functional Officer, Chief Financial Officer, IT	Chair, Disclosure Committee
Iwao Toide	Corporate Functional Officer, Business Investment Management, Corporate Sustainability	Chair, Investment Committee, CSR & Environmental Affairs Committee
Akira Murakoshi	Corporate Functional Officer, Corporate Communications, Human Resources	Chair, Human Resources Development (HRD) Committee
Masakazu Sakakida	Corporate Functional Officer, Corporate Administration, Legal, Chief Compliance Officer, General Manager, Emergency Crisis Management Headquarters, Regional Strategy for Japan & Overseas, New Infectious Diseases, Compliance	Chair, Compliance Committee

Reference: For information on measures to address various ESG-related risks, please see the risk management information provided in each section.

Outside Directors' Principal Area of Specialization and Background

To make the function of Outside Directors and Outside Audit & Supervisory Board Members stronger and more transparent, MC has set forth Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members as follows, after deliberation by the Governance & Compensation Committee, which is composed of a majority of Outside Directors, Outside Audit & Supervisory Board Members and Outside Members.

〈Outside Directors〉

[Selection Criteria for Outside Directors]

1. Outside Directors are elected from among those individuals who have an eye for practicality founded on a wealth of experience as corporate executive officers, as well as an objective and specialist viewpoint based on extensive insight regarding global conditions and social and economic trends. Through their diverse perspectives, Outside Directors help ensure levels of decision-making and management oversight appropriate to the Board of Directors.
2. To enable Outside Directors to fulfill their appointed task, attention is given to maintain their independency; individuals incapable of preserving this independency in effect will not be selected to serve as Outside Directors.
3. MC's operations span a broad range of business domains; hence there may be cases of conflict of interest stemming from business relationships with firms home to a corporate executive officer appointed as Outside Directors. MC appropriately copes with this potential issue through the procedural exclusion of the director in question from matters related to the conflict of interest, and by preserving a variety of viewpoints through the selection of numerous Outside Directors.

Name	Present position and responsibilities at MC	Attendance at Board of Directors meetings (the fiscal year ended March 31, 2017)	Years served as Director	Main career points
Hidehiro Konno	Outside Director, Independent Director	14/14 meetings	7 years	Former Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry
Akihiko Nishiyama	Outside Director, Independent Director	14/14 meetings	2 years	Adjunct Professor, Hitotsubashi University
Hideaki Omiya	Outside Director, Independent Director	9/10 meetings*	1 year	Chairman of the Board, Mitsubishi Heavy Industries, Ltd.
Toshiko Oka	Outside Director, Independent Director	10/10 meetings*	1 year	CEO, Oka & Company Ltd. Business consultant
Akitaka Saiki	Outside Director, Independent Director	—	Appointed in June 2017	Former Vice-Minister for Foreign Affairs, Ministry of Foreign Affairs of Japan

* Indicates the attendance of each Director after their appointments on June 24, 2016.

Name	Principal area of specialization and background		
	Corporate management	Global developments	Socio-economic trends
Hidehiro Konno			
Akihiko Nishiyama			
Hideaki Omiya			
Toshiko Oka			
Akitaka Saiki			

〈Outside Audit & Supervisory Board Members〉

[Selection Criteria for Outside Audit & Supervisory Board Members]

1. Outside Audit & Supervisory Board Members are selected from among individuals who possess wealth of knowledge and experience across various fields that is helpful in performing audits. Neutral and objective auditing, in turn, will ensure sound management.
2. To enable Outside Audit & Supervisory Board Members to fulfill their appointed task, attention is given to maintain their independency; individuals incapable of preserving this independency will not be selected to serve as Outside Audit & Supervisory Board Members.

Name	Present position at MC	Attendance (fiscal year ended March 31, 2017)		Years served as Audit & Supervisory Board Members	Main career points
		Board of Directors	Audit & Supervisory Board		
Tadashi Kunihiro	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	14/14 meetings	13/13 meetings	5 years	Attorney at T. Kunihiro & Co., Attorneys-at-Law
Ikuo Nishikawa	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	10/10 meetings*	10/10 meetings*	1 year	Former Professor, Faculty of Business & Commerce of Keio University Certified Public Accountant
Yasuko Takayama	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	10/10 meetings*	10/10 meetings*	1 year	Former Audit & Supervisory Board Member, Shiseido Company, Limited

* Indicates the attendance of each Audit & Supervisory Board Member after their appointments on June 24, 2016.

Name	Principal area of specialization and background		
	Socio-economic trends	Legal affairs	Finance and accounting
Tadashi Kunihiro			
Ikuo Nishikawa			
Yasuko Takayama			

Externally Disclosed Information/Reporting Scope/Reference Guidelines/Publication Time

MC discloses information externally through the following media in accordance with its Corporate Disclosure Policy*.

- Integrated Report 2017
<https://www.mitsubishicorp.com/jp/en/ir/library/ar/>
- Financial Section of Integrated Report 2017
<https://www.mitsubishicorp.com/jp/en/ir/library/afr/pdf/afr2017.pdf>
- Voting Results of 2017 Ordinary General Meeting of Shareholders
https://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/pdf/result_2017.pdf
- Notice of 2017 Ordinary General Meeting of Shareholders
https://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/pdf/shoshu_2017.pdf
- Investors' Note Nov. 2017 No. 45
<https://www.mitsubishicorp.com/jp/en/ir/library/notes/>
- 2017 Corporate Brochure
<https://www.mitsubishicorp.com/jp/en/about/cguide/>
- Corporate Governance Report
https://www.mitsubishicorp.com/jp/en/about/governance/pdf/governance_report_e.pdf
- Mitsubishi Corporation Compliance Report
https://www.mitsubishicorp.com/jp/en/about/governance/pdf/compliance_01_e.pdf
- MC's Social Contributions
<https://www.mitsubishicorp.com/jp/en/csr/library/40years/>

Reference: Information about MC's Corporate Disclosure Policy can be found here.
<https://www.mitsubishicorp.com/jp/en/about/philosophy/policy.html>

Reporting Scope

MC and all consolidated Group companies

* In some cases, data is available only for MC on a non-consolidated basis. MC will strive to collect and disclose data on a consolidated basis going forward.

Main Reference Guidelines

- Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines
- International Organization for Standardization ISO 26000
- The International Integrated Reporting Council (IIRC) International Integrated Reporting Framework
- Financial Stability Board Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

Publication Time

December 2017

In consideration of our environmental footprint,
the ESG Data Book is published in PDF format only.