

ESG DATA BOOK 2019



Environmental

Social

Governance

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Editorial Policy

Editorial Policy (About this ESG Data Book)

Mitsubishi Corporation (MC), through publications such as our Integrated Report, combines particularly important information and details our initiatives for maximizing corporate value as well as our initiatives to steadily develop new pillars of future growth. MC publishes the ESG Data Book with the aim of centralizing and further enhancing the ESG-related information it discloses separately through such channels as the Integrated Report and the corporate website. Positioned as a tool to complement these other disclosures, the ESG Data Book reports more detailed ESG-related information and 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.

Message from Executive Vice President

Mitsubishi Corporation (MC), since its establishment, has held the Three Corporate Principles as its core philosophy, and aims to contribute to the sustainable development of society by conducting its global business activities with integrity and fairness in line with these principles. Midterm Corporate Strategy 2021 expands upon this commitment and compels us to pursue businesses that generate value for societies by simultaneously generating economic, environmental and societal value as an essential part of our sustainable growth as a company.

Following deliberation by the Executive Committee and the Board of Directors, we have identified a number of Key Sustainability Issues for MC (Materiality) for management to address in order to ensure our sustained growth as a company, with the aim of simultaneously realizing these three types of value. As we grapple with the challenges posed by these issues, MC will strive to achieve sustainable growth, including in the financial sense, while more actively pursuing business opportunities that add value to society. Furthermore, by responding to each Key Sustainability Issue through these initiatives, MC is also contributing to the achievement of the UN Sustainable Development Goals (SDGs).

The need to find solutions to the challenges facing the global environment and society is becoming urgent, and expectations upon the private sector to be part of those solutions are also increasing. With the expansion of ESG investment in recent years, investors are increasingly looking at how the companies they invest in are addressing environmental and social issues from a long-term perspective in order to assess their potential for sustained growth. Through proactive dialogue with our stakeholders, including by expanding information disclosure in line with the recommendations of the TCFD^{*1}, MC will work to grasp the needs and expectations of society, and in addition



to supporting the United Nations Global Compact^{*2}, we will fulfill our responsibilities as a member of the global community.

The MC Group, which has achieved growth by boldly shifting our business models in line with societal changes, will continue to help provide solutions, including with respect to global agenda items such as responding to climate change, through our business.

^{*1} Voluntary disclosure framework formulated by the TCFD (the Task Force on Climate-Related Financial Disclosures, launched by the UN Financial Stability Board) stipulating information that companies and other entities should disclose to financial markets, with the aim of helping those markets to appropriately evaluate the risks and opportunities presented by climate change. The General Manager of MC's Corporate Sustainability & CSR Department has been a member of the TCFD since January 2018.

^{*2} A United Nations initiative for businesses and other organizations to support 10 universal sustainability principles in the fields of human rights, labor standards, environment and anti-corruption. MC declared its support for this initiative in 2010.

M. Sakakida

Masakazu Sakakida

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

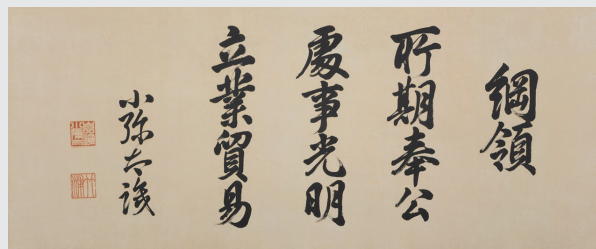
The Three Corporate Principles—Corporate Responsibility to Society, Integrity and Fairness, and Global Understanding Through Business—have served as MC's core philosophy since the Company's inception, inspiring us to conduct fair and sound business activities at all times. We have constantly endeavored 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.

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 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

Mission

By pooling its collective capabilities, the MC Group strives to fulfill societal needs and meet stakeholder expectations by simultaneously generating economic, societal and environmental value.

Adaptability

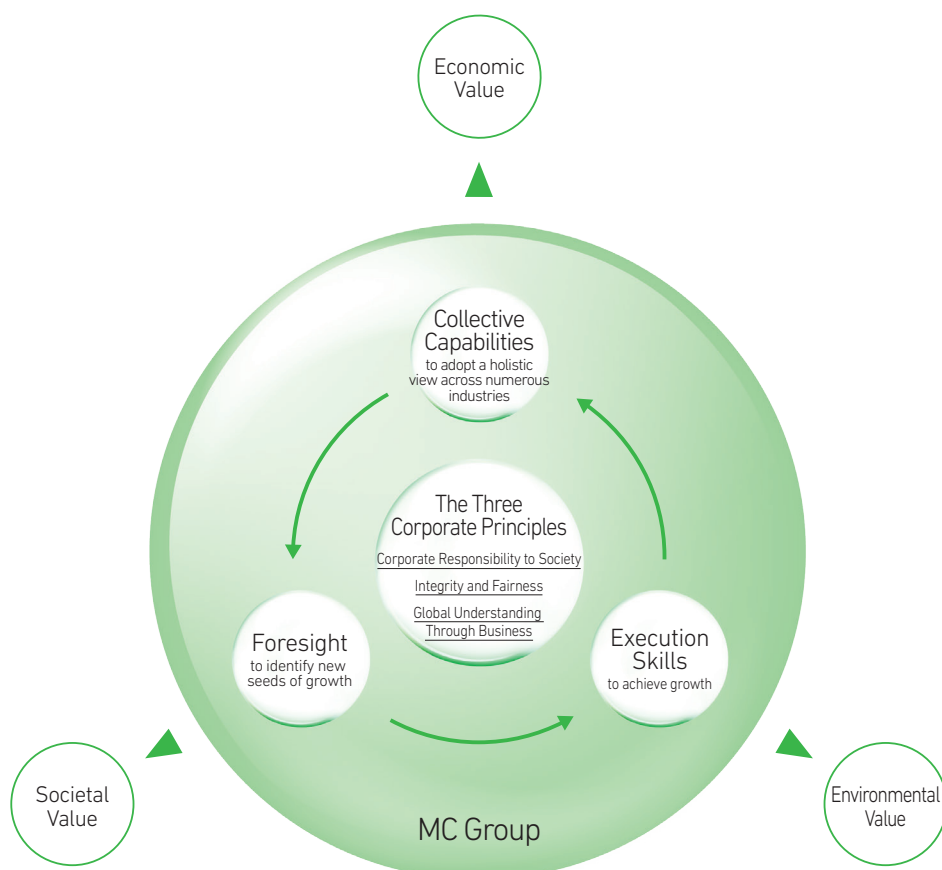
The MC Group prides itself on adapting to our everevolving world by anticipating and responding to changes including geopolitical shifts, economic transformation, technology-driven industrial developments and changes in societal values.

Consolidated Growth Strategy

The MC Group includes approximately 1,400 companies, and as it works to raise its consolidated earnings for the group as a whole, it remains equally committed to growing each enterprise's own corporate value, while simultaneously generating economic, societal and environmental value. By leveraging the collective capabilities found throughout its network of Group companies and over 130 Business Units, MC shall continue to innovate and inspire global industries.

MC optimizes its portfolio by dynamically allocating management resources based on its level of engagement in each business. Sizeable growth investments are companywide commitments to develop next-generation earnings drivers. The Group is also dedicated to training highly ethical management professionals who have the foresight to identify new seeds of growth and the execution skills to achieve that growth.

Regardless of how our world evolves, there will always be opportunities to deliver goods and services that meet societal needs and improve quality of life. The realization of these opportunities forms the very foundation of MC's consolidated growth strategy.



Key Sustainability Issues and Promotion Framework

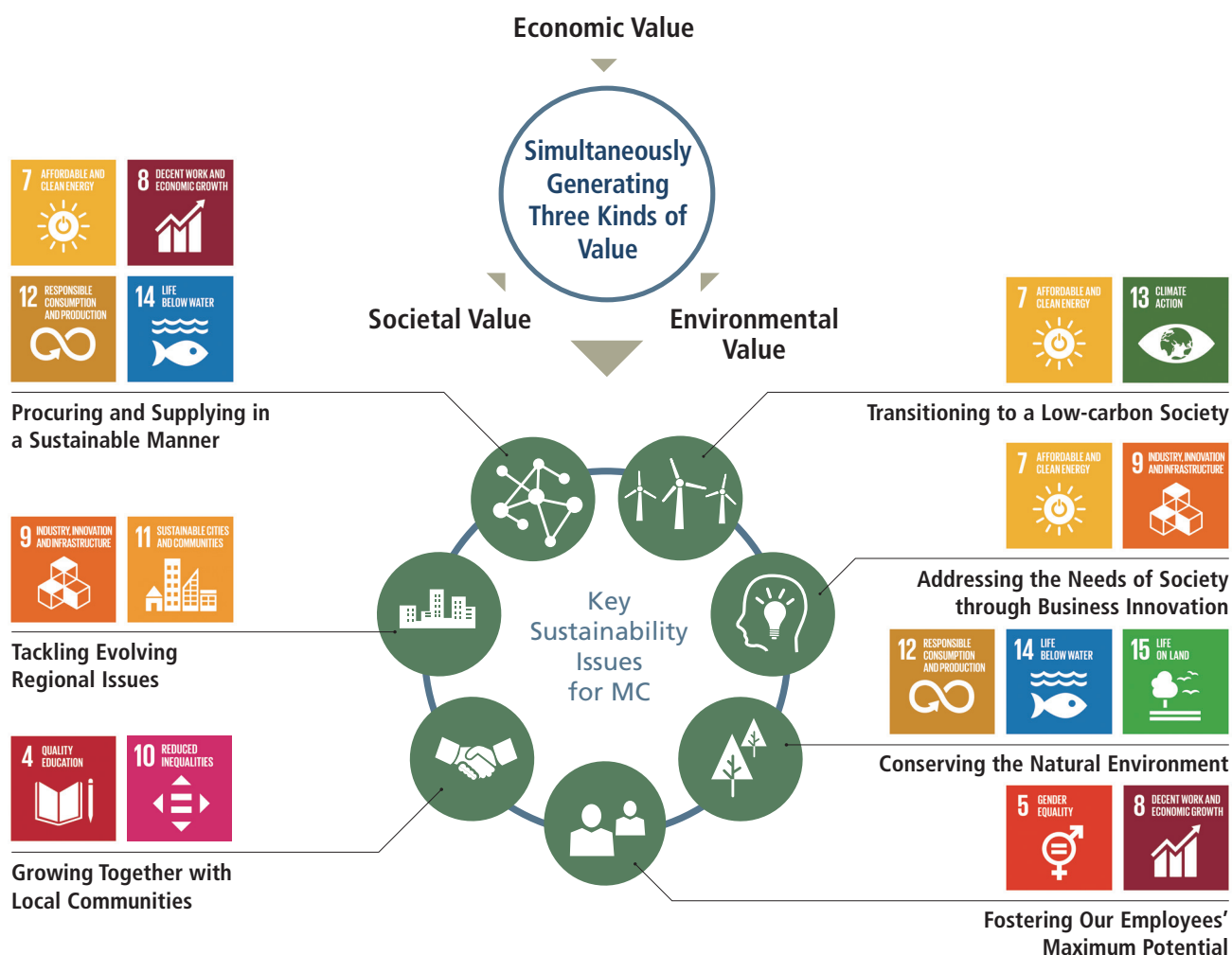
Key Sustainability Issues

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 realizing the simultaneous generation of triple-value growth (including in financial terms) for the MC Group.

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 "The 2030 Agenda for Sustainable Development."



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 most important 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 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.

Past Initiatives to Address the Key Sustainability Issues



- Since 2016, we have been strengthening our initiatives, and in 2019, we set goals around the Key Sustainability Issues.
- While monitoring the status of our initiatives in relation to these goals, we will further ensure the realization of triple-value growth.

Key Sustainability Issues and Promotion Framework

1st Period: Identification of Management Issues

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.

2nd Period: Incorporation into Business Strategy

Start of Sustainability Dialogues

Business Group CEOs and the Corporate Functional Officer (Corporate Sustainability) regularly hold "Sustainability Dialogues" with the purpose of bolstering and expanding initiatives for addressing the seven Key Sustainable Issues formulated in the fiscal year ended March 2017. During the Sustainability Dialogues, participants discuss changes in the external environment surrounding each issue and examine how value creation by each business contributes to the

overall growth of the MC Group. Additionally, ideas are exchanged on how to drive initiatives at the front lines of our business. For example, participants confirm business opportunities and risks regarding climate change, and exchange opinions on the mid to long-term strategic direction including value creation across the supply chain.

3rd Period: Strengthening Initiatives through Goal Setting

In the fiscal year ending March 2020, MC set business goals for the purpose of each Business Group proactively promoting initiatives around the three Key Sustainability Issues that the Company is particularly contributing towards through its business: Transitioning to a Low Carbon Society, Procuring and Supplying in a Sustainable Manner, and Addressing the Need of Society through Business Innovation. Specifically, each Business Group has set targets related to

fields including renewable energy, electric vehicles, carbon capture and storage technologies, electric ships, food waste reduction, plastic issues, regional labor saving needs, convenient transportation services and urban development with low environmental impact, which will contribute to the simultaneous generation of triple-value growth.

Key Sustainability Issues and Promotion Framework

Support for the UN Global Compact

MC became a signatory to the UN Global Compact (UNGC) in 2010, and has engaged at the Participant level as of the year ending March 2019. 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-c orruption	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 Sustainability & CSR Committee and the Human Resources Development (HRD) 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

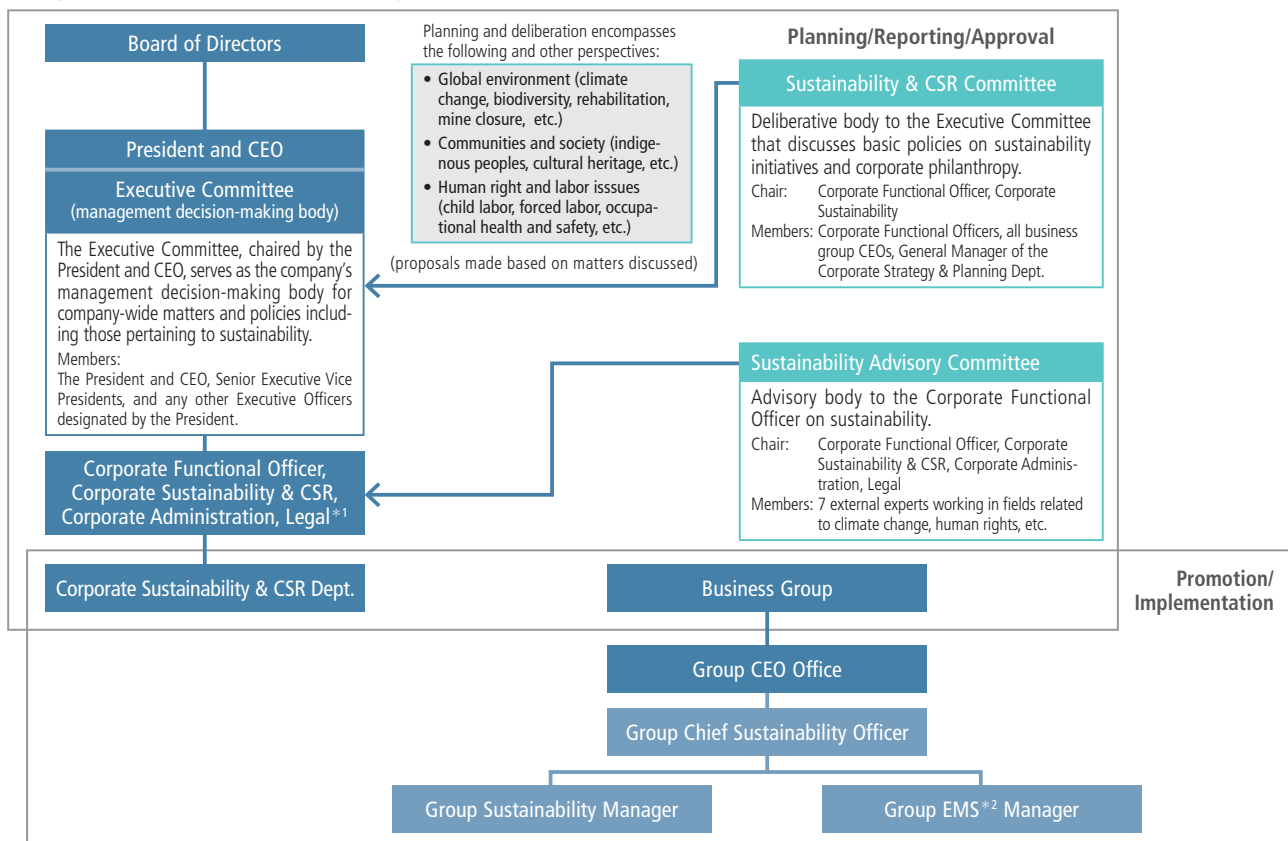
A Member of the Board and Executive Vice President, in the capacity of Corporate Functional Officer, is in charge of business execution related to sustainability.

Fundamental policies related to sustainability are discussed by the Sustainability & CSR 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 Sustainability 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 13).

Key Sustainability Issues and Promotion Framework

On-site Observation Tour

In autumn 2019, MC conducted an on-site observation tour of affiliate company South Staffordshire Plc, a regulated water supply company with operations in the regions of South Staffordshire and Cambridge in the UK. During the tour, South Staffordshire introduced a rainwater harvesting system that it designed, built and operates for a newly developed area managed by a British university. The company shared the role it can play with regard to the efficient use of precious water resources and related topics together with the committee members. In addition, the committee

also held meetings and exchanged information about sustainability initiatives with MC subsidiary Diamond Generating Europe, a company active in the supply of renewable energy and electricity in Europe; MC affiliate OVO Group, an innovative energy service provider; and MC affiliate Olam International, which is engaged in a variety of sustainability initiatives in relation to the procurement and processing of raw food materials.



WBCSD

MC has been a member of the World Business Council for Sustainable Development (WBCSD)* 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. Through participation in a wide variety of WBCSD initiatives, MC strives to strengthen the exchange of information and best practices with leading companies and apply such information to business practices.

Since January 2018, Sunny Verghese, CEO of MC affiliate company Olam International, has been appointed Chair of the WBCSD.

* 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.



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
- **7th Seminar "Toyota Motor's Initiatives Aiming for Sustainable Growth Together with Society"** (September 6, 2018)
Daisuke Nishida, Management Support Office, Toyota Motor Corporation

In addition to the above seminars that target all employees, MC holds sustainability-related lectures for individual Business Groups with the aim of further disseminating sustainability topics into each business. Based on the operating environment and characteristics of each business, the Company explains the sustainability initiatives of each group and the connection between each business and sustainability. This contributes to promoting employee understanding at the ground level.

In addition to these initiatives, 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

nvironmental

Environmental

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Environmental Management

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.

Specifically, by having the President & CEO manage the targets set the previous fiscal year for both business and office activities, determine policies for the next year and establish systems for internal deployment, we are striving to continuously enhance and improve our EMS in harmony with our business activities. We will continue to seek out truly effective initiatives that contribute to our company's sustainable growth.

MC's Environmental Policy

MC has established environmental management systems (EMS) based upon its Environmental Charter. By disseminating the Environmental Policy set each year by the President & CEO and promoting awareness throughout the company, MC aims to preserve the global environment and work 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

The MC Group has set a target to reduce its greenhouse gas (GHG) emissions per total assets by 25% by 2030 compared to year ended March 2017 levels. 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

At its Head Offices, MC targets a reduction of 1% compared to the previous fiscal year. 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 2019 (numerical data) (P.69–70)

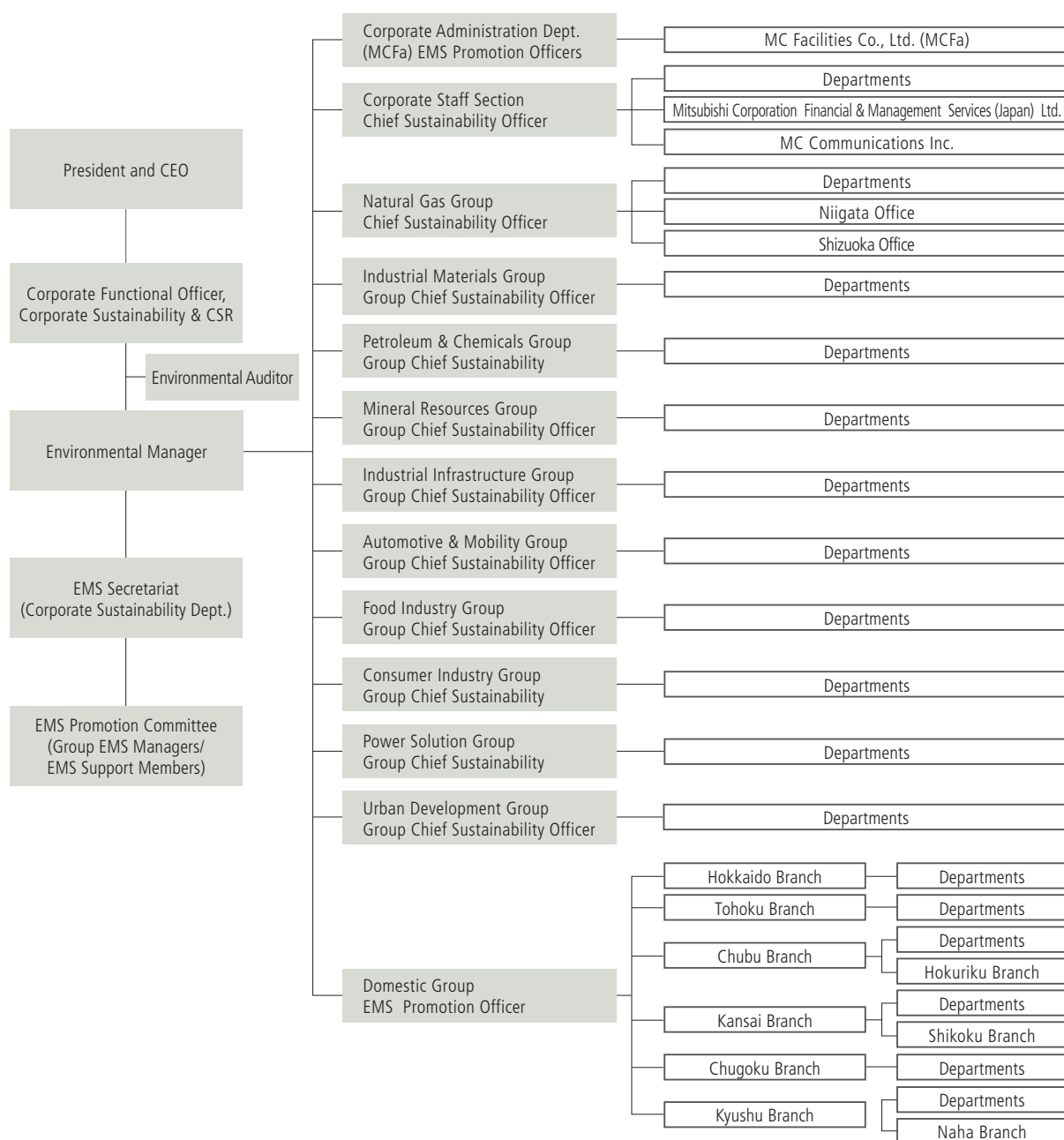
Environmental Management

Structure

At MC, environmental management systems (EMS) are managed by the General Manager of the Corporate Sustainability & CSR 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 2019

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
Natural Gas Group	PT Donggi Senoro LNG	Natural gas liquification and LNG sales
Industrial Materials Group	Metal One Corporation	Steel products business
	Amfine Chemical Corporation	Manufacturing of stabilizers and additives for plastics
	UBE-MC Hydrogen Peroxide Ltd	Hydrogen peroxide business
	SHIN SANSO KAGAKU CO.	Hydrogen peroxide, high quality urea water business
	Tosoh Hellas A. I. C	Manufacturing of manganese dioxide
	Cape Flattery Silica Mines Pty., Ltd.	Silica sand business
	ELG Carbon Fibre Ltd.	Carbon fiber recycling business
Petroleum & 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
	MC Ferticom Co., Ltd.	Manufacturing of fertilizers
	Meiwa Corporation	Trading company
	Chuo Kasei Co., Ltd.	Marketing of chemical products
	KOHJIN Film & Chemicals Co., Ltd.	Manufacturing and sales of film
	Thai Chemical Corporation Ltd.	Manufacturing and sales of plasticizers, adhesives and formalin
	EXPORTADORA DE SAL, S. A. de C. V.	Salt business
Mineral Resources Group	Mitsubishi Corporation RtM Japan Ltd.	Mineral resources trading company for Japanese customers
	Qingdao Toyo Heat-Exchanger Co., Ltd.	Manufacturing and marketing of heat exchangers for automobiles
Industrial Infrastructure Group	Chiyoda Corporation	Plant engineering business
	Mitsubishi Heavy Industries Compressor International Corporation	Design, production, packaging, servicing and repair of turbomachinery parts and products
	Nikken Corporation	Construction Equipment & Rental Business
	NIKKEN SANGYO	Real estate leasing
	Nikken Real Estate Ltd.	Information media sales, insurance agency business, manufacturing and sales of dry toilets, and construction equipment
	NSSERVICE	Various insurance including auto insurance and property insurance
	Mitsubishi Corporation Technos	Sales of machine tools and industrial machinery
Automotive & Mobility Group	The Colt Car Company Ltd.	Distribution of automobiles
Food Industry Group	Nihon Shokuhin Kako Co., Ltd.	Manufacturing of corn starch and related processed products
	Nitto Fuji Flour Milling Co., Ltd.	Flour miller
	Japan Farm Co., Ltd.	Poultry/swine breeding and processing, and development, manufacture, and sale of processed food products
	Cermaq Group AS	Salmon farming business
	Princes Limited	Food and beverage manufacturing
Consumer Industry Group	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.	Domestic and international wholesale and distribution of processed foods, frozen and chilled foods, alcoholic beverages and confectionaries
	Kanro Co., Ltd.	Confectionery manufacture and sales
	Mitsubishi Corporation LT, Inc.	Comprehensive logistics service, freight forwarding, warehousing
Power Solution Group	Lithium Energy Japan	Lithium-ion battery manufacturing and sales
	MCM Energy Service Co., Ltd.	Electric heat supply business
Urban Development Group	Swing Corporation	Water business
	Metito Holdings Limited	Water management solutions
	Mitsubishi UFJ Lease & Finance Company Limited	Leasing, installment sales, various types of financing, international business
Corporate Staff Section	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 2019, MC responded to 32 questionnaires and provided 9 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 2019, MC held seminars on topics including the ISO 14001 standards and environmental audits and regulations. 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 during the planning stage, 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

	2017.3	2018.3	2019.3
Number of reports	1	3	1
Number of corrective measures	1	3	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.166)

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

Environmental Conservation Costs

Category	2017.3		2018.3		2019.3	
	Investment	Cost	Investment	Cost	Investment	Cost
Global environmental conservation cost	0	0	0	0	0	0
Resource recycling cost*	0	¥11,275,000	0	¥10,168,000	0	¥10,096,000
Total	0	¥11,275,000	0	¥10,168,000	0	¥10,096,000

* 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

	2017.3		2018.3		2019.3	
Waste Production	630.6 tons	¥11,275,000	566.5 tons	¥10,168,000	587.9 tons	¥10,096,000
Electricity Consumption	4,750,000 kWh	¥96,604,000	4,640,000 kWh	¥102,199,000	4,540,000 kWh	¥102,284,000
Paper Consumption	52,300,000 sheets	¥29,880,000	48,050,000 sheets	¥27,064,000	43,680,000 sheets	¥24,971,000
Water Consumption	39,753m ³	¥32,894,000	40,855m ³	¥32,740,000	42,127m ³	¥33,845,000

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

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 are shifting to the development of renewable energy, aiming 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 offshore wind power, MC was the first Japanese company to enter the market in Germany and the UK, and has established a solid position in the industry.

R&D Policy

As part of the "Enhancement of New Business Concepts & Digital Strategies" laid out in Midterm Corporate Strategy 2021, MC established the Business Creation Office in the fiscal year ending 2021. Collaborating with each Business Group, this office will take on the challenge of building new business models, including by discovering New Seeds of Growth from a company-wide perspective, business incubation and combinations of multiple business initiatives. MC will also challenge itself by working to develop new, game-changing technologies that significantly reduce GHG emissions, and by building innovative businesses. Within the Power Solution 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

The deployment of renewable energy is expected to further increase with the introduction of promotion systems by national governments and local authorities, technological advancements and other developments. At the same time, the introduction of gas-fired power generation with low environmental impact is also expected to increase. In the renewable energy business, MC aims to achieve at least 20% renewable energy in its power generation business (by 2030, based on generation amount). In addition, we are developing an electricity/heat supply business (cogeneration business) with high overall energy efficiency for factories in Japan.

Environmental Business

Renewable Energy Projects

(As of September 30, 2019)

Country	Power plant	Fuel	Net equity basis (Net, 10,000 kW)
United States	Nexamp	Solar power	9.2
Mexico	Eolica del Sur	Wind power	19.8
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
The Netherlands	Luchterduinen	Offshore wind power	6.5
Belgium	Norther	Offshore wind power	9.2
Jordan	Shams Maan	Solar power	1.8
Philippines	UPC wind power IPP	Wind power	2.2
Indonesia	Star Energy	Geothermal	7.9
Thailand and others	Other renewable energy projects owned by EGCO	Solar power Wind power Geothermal Hydro Biomass	5.4
Malaysia	Gebeng Solar	Solar power	0.3
Japan	Kumamoto Aso Solar	Solar power	0.2
Japan	Onahama Solar	Solar power	0.5
Japan	Onahama/Izumi Solar	Solar power	0.2
Japan	Nippon Paper Mega Solar Komatsushima	Solar power	1.3
Japan	Tahara Solar	Solar power	2.8
Japan	Nagasaki Tadewara Mega Solar	Solar power	0.5
Japan	Higashi Nozaki Solar Energy	Solar power	0.7
Japan	Kochi Solar	Solar power	1.3
Japan	JAMC Solar	Solar power	2.1

Environmental Business

Cogeneration Projects

(As of September 30, 2019)

Country	Power plant	Fuel	Net equity basis (Net, 10,000 kW)
Thailand and others	Gas cogeneration projects owned by EGCO	Gas	3.7
Japan	MCKB Energy Services	Gas Biogas	3.2
Japan	MC Kawajiri Energy Services	Gas	3.8
Japan	MC Shiohama Energy Services	Gas Coal	9.8
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
Japan	Mizushima Energy Center	Coal	5.6

Gas-Fired Projects

(As of September 30, 2019)

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
USA	CPV Valley	36.0
USA	Westmoreland	47.0
Mexico	Tuxpan II	24.8
Mexico	Tuxpan V	24.8
Jordan	IPP-3	20.1
Qatar	Facility D	50.4
Philippines	Ilijan	26.5
Thailand	Gas generation owned by EGCO	15.7
Japan	Naoetsu Energy Center	10.7

Power Transmission Businesses

For the offshore wind business, which is expanding in Europe, the offshore power transmission business that connects offshore wind power generation facilities to the onshore power grid is essential. In Germany and the UK, MC entered the offshore power transmission business that supports the proliferation of the offshore wind business at an early stage, and has established a firm position in the industry.

Power Transmission

(As of September 30, 2019)

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
	Burbo Bank Extension	25.8	50%	10.4/24.3
	Total	157.1	—	41/189.8
Germany	BorWin 1	40	24.99%	75/125
	BorWin 2	80	24.99%	75/125
	DolWin 2	90	24.99%	90/45
	HelWin 2	69	24.99%	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.

Energy Storage Businesses

MC is promoting the development, manufacturing and sales of lithium-ion batteries, which are expected to become increasingly prevalent for use in environmentally-friendly vehicles and power storage applications. We aim to contribute to the spread of electric mobility by promoting service businesses including electric bus rentals and charging facilities targeting transportation authorities and transport operators in European cities.

Energy Storage Businesses

(As of September 30, 2019)

Project	Business Activities	Capacity
Lithium Energy Japan	Lithium-ion battery manufacturing	Production capacity: 1.5GWh
Energy storage demonstration project in India	Energy storage business	Storage capacity: 10MW (10MWh)
Battery storage project in Germany	Energy storage business	Storage capacity: 48MW (over 50MWh)

Distributed Power Generation Businesses in Off-grid Areas

According to UN statistics, the population of Sub-Saharan Africa will increase from the current 1 billion to 2 billion by 2045. Among the current population, more than 600 million people are living in off-grid areas (without access to electricity) where transmission and distribution networks have yet to be established, and this number is predicted to rise. MC is promoting a distributed power supply business using battery storage in these off-grid regions of Africa. The Company provides equipment that combines power sources (solar panels, battery storage) with appliances (lighting, radios, TVs, etc.) as a service for households in order to supply power to off-grid areas. This also plays a role in reducing the health and environmental impacts of kerosene lamps, which at present are commonly used for lighting in these areas.

Distributed Power Generation Businesses in Off-grid Areas

(As of September 30, 2019)

Project	Business Activities	Project Details
BBOX	Distributed power generation business in off-grid areas	Operating in 11 countries across Africa and Asia, serving approx. 200,000 households.
NEoT Off Grid Africa	Asset finance for distributed power companies in off-grid areas	Providing asset finance for off-grid operators in Côte d'Ivoire/Nigeria.

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 August 31, 2019)

Japan Retail Fund Corporation

Certifications received	Rank	Year
GRESB	Green Star	2015, 2016, 2017, 2018, 2019
CDP Climate Change Program	C	2016, 2017, 2018

Certifications received	Property	Evaluation rank	Gross floor area (m ²)	Acquisition price (¥ million)
CASBEE	AEON Itabashi Shopping Center	Rank S	33,098.88 m ² has been certified (Area corresponding to ownership %), out of the total rentable area of 64,096.14 m ² and total area of 72,737.91 m ² .	12,411
	AEON Naha Shopping Center	Rank S	72,997.08	10,830
	Ito-Yokado Yotsukaido	Rank S	55,977.58	13,744
	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 MALL Sapporo Hassamu	Rank S	102,162.16	18,818
	AEON MALL Musashi Murayama	Rank S	137,466.97	30,600
	Higashi-Totsuka Aurora City	Rank S	150,684.26	50,500
	AEON MALL Tsurumi Ryokuchi	Rank S	138,538.63	29,902
	AEON MALL Itami	Rank A	144,723.12	21,488
	Kawaramachi Opa	Rank A	16,515.39	18,500
	G-Bldg. Kichijoji 02	★★★	8,534.71	15,300
	G-Bldg. Midouji 02	★★	1,389.79	15,000
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	3,093
	G-Bldg. Jiyugaoka 01 (Bldg. B)	★★	895.12	
	DFS T GALLERIA OKINAWA	★★★★★	42,088.14	15,600
	Kyoto Family	★★★★★	44,292.44	5,340
	Abiko Shopping Plaza	★★★★★	55,761.48	10,322

Environmental Business

Japan Retail Fund Corporation

Certifications received	Property	Evaluation rank	Gross floor area (m ²)	Acquisition price (¥ million)
DBJ Green Building Certification	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	1,266

Industrial & Infrastructure Fund Investment Corporation

Certifications received	Rank	Year
GRESB	Green Star	2013, 2014, 2015, 2016, 2017, 2018, 2019

Certifications received	Property	Evaluation rank	Gross floor area (m ²)	Acquisition price (¥ million)
CASBEE	IIF Fukuoka Hakozaki Logistics Center II	Rank S	53,289.44	9,044
	IIF Kashiwa Logistics Center	Rank A	17,379.78	1,810
	IIF Iruma Logistics Center	Rank A	17,881.65	3,184
	IIF Higashi-Osaka Logistics Center	Rank A	20,247.86	2,280
	IIF Kyotanabe Logistics Center	Rank A	33,243.99	5,730
	IIF Kawasaki Science Center*	Rank A	4,857.73	2,168
	IIF Kazo Logistics Center	Rank A	17,744.41	2,361
	IIF Atsugi Logistics Center III	Rank A	16,470.24	2,290
	IIF Hiroshima Logistics Center*	Rank B+	Building 1: 22,539.51 Building 2: 228.73	3,540
	IIF Nishinomiya Logistics Center (Extension)	Rank S	6,075.58	859
DBJ Green Building Certification	IIF Hiroshima Logistics Center	★★★★	22,768.24	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 Kashiwa Logistics Center	★★★★★	17,379.78	1,810
	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 Haneda Airport Maintenance 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
	IIF Atsugi Logistics Center III	★★	16,470.24	2,290
	IIF Shinagawa IT Solution Center	★★	10,479.42	7,200

* CASBEE Locally Customized Edition for Municipalities

Environmental Business

MCUBS MidCity

Certifications received	Rank	Year
GRESB	Green Star	2016, 2017, 2018, 2019

Certifications received	Property	Evaluation rank	Gross floor area (m ²)	Acquisition price (¥ million)
CASBEE	Higobashi MID Bldg.*	Rank A	6,519.63	3,000
	G-Square Shibuya Dogenzaka	Rank A	6,565.87	12,220
	Shibuya Sakuragaoka Square	Rank B+	8,655.61	17,130
DBJ Green Building Certification	Twin 21	★★★★	146,034.98	68,700
	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
	Shibuya Sakuragaoka Square	★★	8,655.61	17,130
	TOYOTA MOBILITY SERVICE Bldg.	★★	8,123.17	9,200

* CASBEE Locally Customized Edition for Municipalities

Reference: Properties Eligible for Green Property Designation
<https://www.jrf-reit.com/english/sustainability/index.html>
<https://www.iif-reit.com/english/sustainability/index.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. • Every 5 years, water utility companies in the UK are required to formulate a long-term water resource management plan for the following 25 years. This plan must include sustainability considerations for developing and obtaining water resources. • As part of the company's efforts to conserve water sources as well as support regional measures towards flooding, South Staffordshire Plc is collaborating with Cambridge University to install the UK's largest water recycling system in a newly developed area in the Cambridge region. South Staffordshire Plc is responsible for the design, construction and operation of the system. • With the aim of protecting water sources and watersheds, South Staffordshire Plc established a fund that provides financial support to regional farmers through initiatives including environmentally conscious agricultural infrastructure maintenance and farming method training. In addition, the company set up another fund with the aim of conserving local biodiversity, which has provided financial support to projects including hiking trail maintenance and educational initiatives to teach children about the region's natural environment.
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. In addition, Metito is constructing a large-scale desalination facility for the Egyptian government and is contributing to the improvement of the region's water infrastructure. • 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
CCS (Carbon Capture and Storage)	Japan CCS Co., Ltd.

Within the R&D sector, MC is developing businesses in areas such as hydrogen energy, nanotechnology (using fullerene), CCUS and carbon credits, from the viewpoint of generating environmental value.

- Hydrogen Energy

MC believes that hydrogen will become a new low-carbon energy alternative. Hydrogen serves not only as a clean fuel to displace fossil fuel-based power generation, but also functions as a regulator by storing surplus renewable energy through the electrolysis of water using an electrolytic device. In addition, hydrogen fuel cells for power/heat generation are expected to be key to reducing emissions in the transportation, household and industrial sectors. To prepare for the new hydrogen era, MC is actively working in the hydrogen energy field, which will continue to expand, and aims to realize large-scale, international transport of hydrogen, starting with 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.

- Nanotechnology (using fullerene)

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.

- CCUS (Carbon dioxide Capture, Utilization and Storage), Carbon Credits

In transitioning to a low-carbon society, CCS is one of the most crucial technologies in order to achieve the international goals set out in the Paris Agreement. 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 October 2019, the project had successfully captured and stored approximately 300,000 tons of carbon dioxide). We are working towards CCU to produce fuel and chemicals using the captured CO₂. We are also staying attuned to developments around mechanisms to offset these carbon emissions (emissions trading, various certificates, etc.). In addition, MC is collaborating with Tokyo Institute of Technology and the Battelle Memorial Institute in the US, an industry-government-academia research group, to study and develop medium- to long-term businesses that generate environmental value.

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 in

Sales Expansion and Promotion Activities

MC implements a variety of initiatives, including through collaboration with local affiliates, to promote and expand sales for the Outlander PHEV, which is developed and sold by MMC.

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

During the Indonesia International Motor Show held in July 2019, PT Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) ^{*3}, our affiliated company, announced the launch of the Outlander PHEV. MMC became the first company to introduce a PHEV in the ASEAN market. Interest in environmental measures such as reducing CO₂ emissions has been increasing in Indonesia, and we will contribute to society by expanding the sales of the Outlander PHEV.

In addition, we are collaborating with other companies that are tackling environmental issues. MMKSI signed a memorandum of understanding with the state-owned power company to expand the charging environment for EVs. Through initiatives such as these, we are supporting the proliferation of EVs in Indonesia.



Outlander PHEV announced at the Indonesia International Motor Show

Utilization of Low-carbon, Reusable Batteries for Electric Vehicle (EV) Manufacturing

Through initiatives such as the installation of solar power generation equipment for Mitsubishi Motors Corporation (MMC)'s factories and innovating technology for the reuse of electric vehicle (EV) batteries, MC and Mitsubishi Corporation Power Ltd. ^{*4} (MC Power), are reducing the environmental impact of the manufacture

expanding the sales of the i-MiEV ^{*1}, an electric vehicle, and the Outlander PHEV ^{*2}, a plug-in hybrid electric vehicle, both manufactured by Mitsubishi Motors Corporation (MMC), 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.

and proliferation of EVs, helping them to spread even further.

MC Power will install rooftop solar panels (approximately 4MW, with sequential expansion planned) at the Mitsubishi Motors Okazaki Plant (Okazaki City, Aichi Prefecture), which is one of MMC's main EV-producing plants, and the power generated will be supplied to the facility. This will reduce the plant's CO₂ emissions (by roughly 1,600 tons/year) and support the creation of an environment where EVs can be produced in a low-carbon, clean manner.

In addition, together with MC Power, MC jointly plans to build a demonstration battery storage system with a maximum capacity of 1MWh utilizing reusable batteries (produced by Lithium Energy Japan ^{*5}) from the Outlander PHEVs manufactured at the Okazaki Plant. Through this project, we aim to establish a method to reuse the large amounts of used batteries that will result from the spread of EVs. MC is also considering utilizing this storage system to cut energy demand in peak times in order to contribute towards MMC's energy conservation efforts, and in the future as a VPP (virtual power plant), with the aim of contributing towards the stabilization of the local power grid. Furthermore, in the event of a sudden power outage such as during a natural disaster, electricity will be supplied from this facility to the local gymnasium, which serves as a temporary shelter for impacted residents, helping to improve the disaster responsiveness of the local community.



^{*1} i-MiEV

A first of its kind electric vehicle launched in 2009

^{*2} Outlander PHEV

The world's first plug-in hybrid SUV

^{*3} PT Mitsubishi Motors Krama Yudha Sales Indonesia

An MC affiliated company involved in the automobile sales business in Indonesia

^{*4} Mitsubishi Corporation Power Ltd.

A 100% subsidiary of MC involved in the power generation business

^{*5} Lithium Energy Japan

A joint venture company between MC, Mitsubishi Motors Corporation and GS Yuasa Corporation

Climate Change

External Environment

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 stemming from the TCFD,* an initiative led by institutional investors. As a result,

opportunities for dialogue on climate change between companies and investors are expanding, including the institutional investor initiative Climate Action 100+ and the TCFD Consortium launched in Japan in 2019. The purpose of these initiatives is to encourage the disclosure of information that will 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. Please see the details in the column below. The General Manager of MC's Corporate Sustainability Department is a TCFD member and data preparer, and mainly through its involvement in the task force's seminars and meetings, MC is supporting the TCFD's activities and helping its recommendations to take root throughout the business community.

Policy

Our planet and its ecosystems, human beings and corporate activities are highly vulnerable to climate change. At MC, our belief is that while climate change does pose significant threats, it also presents the MC Group with new business opportunities.

Accordingly, MC has identified "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 helping to achieve international objectives,

such as the UN Sustainable Development Goals (SDGs) and the 2°C target laid out in the Paris Agreement. To realize that aim, MC works in collaboration with a wide range of stakeholders, including governments, other businesses and industry associations.

MC also recognizes the importance of climate-related financial disclosures and supports recommendations made by the TCFD. The company continues to strive to expand its information disclosure in line with the recommendations.

COLUMN

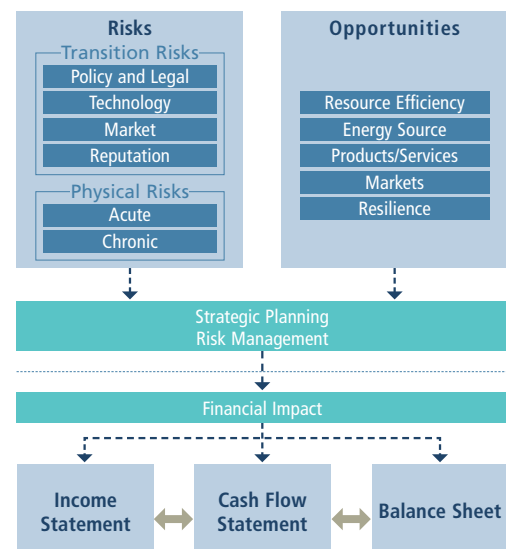
TCFD Recommendations (June 2017)

The FSB launched the TCFD in 2015, in recognition of both the likelihood that climate change would result in further risks and opportunities for businesses in the future, and the heightening concerns about it destabilizing the value of assets and financial markets. To help the markets to properly evaluate those risks and seize the opportunities they present, the TCFD established a voluntary framework for climate-related financial disclosures in June 2017.

The Core Elements of the TCFD's disclosure recommendations are Governance, Strategy, Risk Management, and Metrics and Targets. All are premised on the importance of investors understanding what impacts climate-related risks and opportunities could have on the cash flows, assets and liabilities of the companies they are investing in, so that they can make informed decisions when considering where to allocate their capital.

Core Elements of TCFD's Climate-Related Financial Disclosures

Governance	The organization's governance around climate-related risks and opportunities
Strategy	The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (including analyses of the 2°C Scenario, etc.)
Risk Management	The processes used by the organization to identify, assess, and manage climate-related risks
Metrics and Targets	The metrics and targets used to assess and manage relevant climate-related risks and opportunities



Reference: TCFD website (<https://www.fsb-tcf.org/>)

Utilizing the TCFD Recommendations to Capture Business Opportunities and Mitigate Risks

Due to the high degree of uncertainty surrounding the impacts of climate change, MC has adopted a flexible portfolio capable of adapting to medium to long-term changes in its operating environment. MC believes it is vital to capture business opportunities associated with climate change and take appropriate action to mitigate risks.

The TCFD provides business entities and investors with guidelines on voluntary climate-related financial disclosures and information useful for their decision making. MC utilizes these TCFD

data as benchmarks for verifying its own climate-related action plans, identifying growth opportunities and strengthening risk management in ways that are designed to ensure its sustainable growth.

Portions of the TCFD's recommendations are still in the discussion stages, and others may take several years before action can be taken. Nevertheless, MC will disclose its efforts in a stepwise fashion to strengthen its information disclosure.

Governance

Climate change is one of the most important issues acknowledged by MC's top management. MC's basic policy on climate change and important matters therein are deliberated and decided upon by its Executive Committee, the company's officer-level decision-making body.

As stipulated in the regulations governing MC's board of directors, the Executive Committee reports its findings regularly (at least once a year) to the board, appropriate supervision of which is facilitated by the structure of MC's governance framework. Before

the Executive Committee has addressed basic policy and important matters pertaining to climate change, actions are taken by MC's Sustainability Advisory Committee and Sustainability & CSR Committee. The former fields opinions and advice from outside experts, and the latter (which reports directly to the Executive Committee) holds extensive hearings with all of the Business Group CEOs.

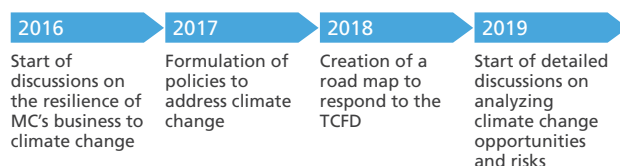
The Business Groups also act independently to address climate change. Group Chief Sustainability Officers and Group Sustainability Managers are appointed within each Group's department responsible for management strategy in order to oversee sustainability-related initiatives (including climate change) and reflect climate-related opinions and information into their respective businesses and strategies.

At MC, the company's basic policy on climate change and important matters therein are comprehensively addressed when making decisions on business strategies and investments.

Board of Directors and Executive Committee Deliberations and Reports

Basic Policy on Climate Change	Covers climate-related initiatives through the company's businesses, adoption of TCFD recommendations, details on climate-related financial disclosures, etc.
Important Matters	Assessments of climate-change risks and business opportunities (including scenario analyses), greenhouse-gas reduction targets and action plans, etc.

Initiatives to Date



Climate-Change Governance Structure

Board of Directors	Supervises MC's climate-related actions and initiatives	Convenes approx. once per year
Executive Committee	Makes decisions regarding MC's basic policy on climate change Makes decisions regarding important matters pertaining to climate change	Convenes approx. 2-3 times per year
Sustainability & CSR Committee (reports directly to Executive Committee)	Deliberates on MC's basic policy on climate change and important matters therein, and reports findings to Executive Committee	Convenes approx. 2-3 times per year
Sustainability Advisory Committee	Offers advice and recommendations regarding MC's basic policy on climate change and important matters therein	Convenes approx. twice per year
Officer in Charge	Masakazu Sakakida (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer)	
Department in Charge	Corporate Sustainability & CSR Department	

Reference: Diagram of the Sustainability Promotion Framework

Strategy

MC considers the opportunities and risks associated with climate change to be key variables in establishing its business strategies, and recognizes the possibility that the impact of climate change on its operations will grow over the medium to long term. Accordingly,

MC is identifying where the risks and opportunities are likely to reveal themselves up to and even beyond the year 2030. Regular internal analyses and assessments also factor in changing external trends.

Main Opportunities and Risks Associated with Climate Change

Transition Risks and Opportunities

Regulations	<ul style="list-style-type: none"> • Low-carbon and carbon-free products / proliferation of service-related subsidies • Growing operational and systems-related costs due to carbon pricing mechanisms (carbon taxes, etc.) and increasing regulations
Technologies	<ul style="list-style-type: none"> • More new business opportunities due to the development and proliferation of renewable energy sources, electric vehicles and other new technologies or alternative products • Obsolescence of products and services that rely on older technologies
Markets	<ul style="list-style-type: none"> • Shifting demand from fossil-fuel products and services to low-carbon products and services

Physical Risks

Increase in Unusual Weather Patterns	<ul style="list-style-type: none"> • Risks of water shortages, floods and other resulting phenomena having an adverse impact on business operations
Climate Change	<ul style="list-style-type: none"> • Risk of rising temperatures, etc. having an adverse impact on agricultural and marine products

* The impacts of the above risks and opportunities will depend on both the relevant regions and products.

* With respect to physical risks, it is important to consider environmental changes (or possibilities thereof) on a region-by-region or product-by-product basis. Accordingly, MC's responses to phenomena such as floods and water shortages are tailored to the on-the-ground characteristics and needs of each of its businesses.

Scenario Analysis

1) Process

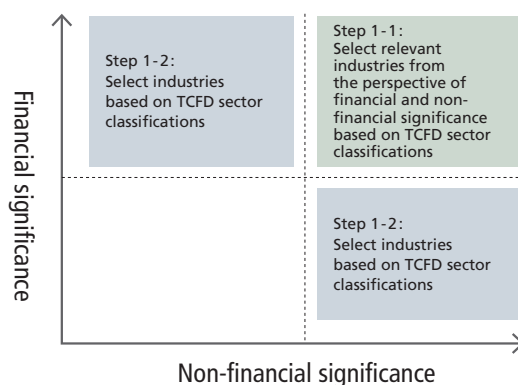
Based on the following process, MC identifies businesses with the largest impact in relation to climate change, and conducts scenario analyses around each of them.

① Selecting Climate Scenarios

2°C scenarios set out by the IEA (International Energy Agency) and other organizations (WEO SDS scenario, ETP 2DS scenario, etc.) are selected to objectively assess both new opportunities and the resilience of MC's business in cases where climate change causes significant deviations from Business as Usual (BAU).

② Identification of Businesses Most Affected by Climate Change

Industries in which MC is involved where financial and non-financial factors have significant impacts are identified. In addition, those industries most affected by climate change are also identified, taking into account the TCFD's four sector classifications*¹ (However, industries where both financial and non-financial factors have low impact to MC are excluded from the scope).

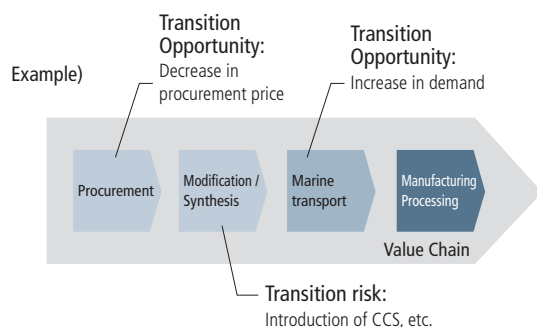


* 1: TCFD's four sector classifications

Sector	Main industries
Energy	Oil and gas, etc.
Transportation	Automobiles, passenger air, etc.
Materials and Buildings	Metals and mining, chemicals, etc.
Agriculture, Food and Forest Products	Food, agriculture, etc.

③ Out of the Industries Selected in ②, Identification of the Applicable Industry Risks and Opportunities

Based on the evaluation aspects*² recommended by TCFD, commonly projected climate-related opportunities and risks under the 2°C Scenario are identified at each link in MC's selected industry-specific value chains.



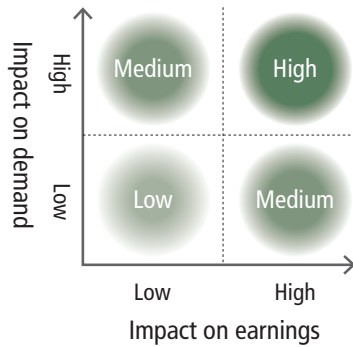
* 2: Evaluation aspects

Transition risks:
Policy and regulation, technology, market, reputation

Transition opportunities:
Resource efficiency, products/services, energy source, markets, resilience

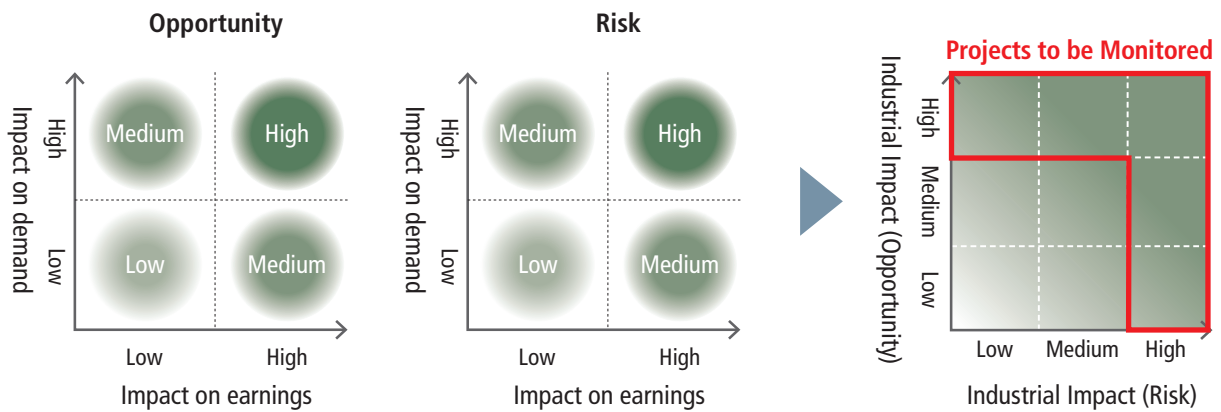
Climate Change

The risks and opportunities identified are divided into “impact on demand” and “impact on earnings”, and climate change impacts are plotted for the categories detailed above and classified into three levels of low, medium and high.



④ Determining Projects to be Monitored

Lastly, businesses that should be monitored for climate change impacts going forward are identified, taking into account MC's level of exposure. Specifically, businesses with a high level of industrial impact (both risks and opportunity) are selected, and those businesses where MC has limited exposure are excluded from the scope.



2) Results of the Analysis

The results of the scenario analyses for the eight businesses selected through the process detailed above are as follows. Scenarios are based on past data and are not forecasts. Instead, they are virtual models based on possible outcomes with high levels of uncertainty. The scenarios and business environment written here represent MC's understanding of the main scenarios disclosed by international organizations such as the IEA (International Energy Agency), and do not represent MC's medium to long-term outlook. Outlooks for possible outcomes in the medium to long-term take into account a number of potential risks, uncertainties and assumptions, and in actuality, may differ significantly from each scenario due to fluctuations of key factors.

How to view the charts

Name of Selected Business			
	Awareness of the business environment under the NPS/RTS* ¹ Scenario	Awareness of the business environment under the 2°C (2DS/SDS)* ² Scenario	
Demand Outlook	<div><div>←</div><div>Significant decrease</div><div>Decrease</div><div>Slight decrease</div><div>Flat</div><div>Slight increase</div><div>Increase</div><div>Significant increase</div><div>→</div></div> <p>The trajectory forecast from the present to 2040-2050 for the global supply and demand related to the selected businesses under the NPS/RTS scenario in publications such as the IEA's World Energy Outlook and Energy Technology Perspectives is expressed in seven levels (significant decrease, decrease, slight decrease, flat, slight increase, increase, significant increase).</p>	<div><div>←</div><div>Significant decrease</div><div>Decrease</div><div>Slight decrease</div><div>Flat</div><div>Slight increase</div><div>Increase</div><div>Significant increase</div><div>→</div></div> <p>The trajectory forecast from the present to 2040-2050 for the global supply and demand related to the selected businesses under the 2°C scenario in publications such as the IEA's World Energy Outlook and Energy Technology Perspectives is expressed in seven levels (significant decrease, decrease, slight decrease, flat, slight increase, increase, significant increase).</p>	
	Awareness of the Business Environment	Introduction of the general awareness of the business environment as expressed in the 2°C Scenario (2DS/SDS), etc.	
Policies and Initiatives Based on the Awareness of the Business Environment			
Analysis of the impact to MC's business based on the awareness of the business environment detailed in both scenarios above, and related policies and initiatives.			

* 1 NPS/RTS Scenario

One of the primary scenarios of the World Energy Outlook 2017 and Energy Technology Perspectives 2017 published by the IEA (International Energy Agency). It is a scenario based on each country's reduction targets and climate change mitigation measures post-2020 as pledged in the Paris Agreement.

* 2 2DS/SDS Scenario

One of the primary scenarios of Energy Technology Perspectives 2017 published by the IEA (International Energy Agency), which assumes that greenhouse gas emissions will be limited to keep long-term temperature increases below 2°C. Additionally, one of the primary scenarios of the World Energy Outlook 2017 that takes into account the stable supply of energy while responding to climate change.

Power Generation (Fossil Fuels)

	Awareness of the business environment under the NPS/RTS* ¹ Scenario	Awareness of the business environment under the 2°C (2DS/SDS)* ² Scenario
Demand Outlook		
Awareness of the Business Environment	<p>In order to respond to an increase in electricity demand, opportunities are anticipated for businesses such as renewable energy and clean gas-fired power generation.</p> <p>However, given the nature of power generation being produced locally for local consumption, MC feels it is important to continue managing businesses by responding to the policies, etc. of each country and region.</p>	<p>Business opportunities are expected to decline in line with the reduction of fossil fuel power generation amount from the 2020s. In the 2030s, it is anticipated that the strengthening of regulations including carbon taxes could increase the cost of existing thermal power plants, and the profit structure will further change as gasfired power generation shifts to a dispatchable source of power. Moreover, from the 2040s, thermal power plants used for regulating supply and demand may also be required to reduce their CO₂ emissions, which could necessitate further reductions in operating hours.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

In the thermal power generation business, in addition to facilitating collaboration between its gas-fired power generation business, which uses a fuel source with a lower environmental footprint, and its upstream natural gas business, MC is also strengthening its power trading function.

In line with “Transitioning to a Low-carbon Society”, MC is taking steps such as converting to alternative fuel sources and raising the percentage of biomass co-combustion at existing coal-fired power plants. Furthermore, MC has adopted a policy not to enter into any new coal-fired power generation businesses, with the exception of projects which MC has already commenced development. Going forward, paying attention to factors including future technology trends for reducing CO₂ emissions (such as CCS), which will become necessary for promoting businesses while considering the environment, as well as progress towards achieving the energy mix of 2030 (including policy trends), MC will aim to reduce its coal-fired power generation capacity on a net equity basis based on 2°C scenario analyses. In the gas-fired power generation business as well, by conducting a risk analysis based on the impacts of climate change, MC will confirm the future outlook of the business and determine its strategic significance.

Furthermore, for the trading of components, MC has a policy to use best available technology (BAT) to the extent possible.

Metallurgical Coal

	Awareness of the business environment under the NPS/RTS* ¹ Scenario	Awareness of the business environment under the 2°C (2DS/SDS)* ² Scenario
Demand Outlook		
Awareness of the Business Environment	<p>Firm demand growth for steel is anticipated, particularly in locations such as India and Southeast Asia. Steel production is divided into the blast furnace method, which uses iron ore and metallurgical coal, and the electric furnace method, which uses iron scrap as the raw material. With the blast furnace method predicted to become the main method of producing steel going forward, the demand for metallurgical coal is also expected to steadily increase. Although new technologies to replace the current blast furnace method are being researched, from an economic perspective the new technologies are not expected to be realized in the long-term, and it is believed that the blast furnace method will continue to be the main method of steel production.</p>	<p>Although the demand for steel is predicted to steadily increase, the proportion of steel produced by the electric furnace method, which uses iron scrap as raw material, and low-carbon production methods are expected to increase. However, with the proliferation of CCUS, equipment to capture CO₂ may be attached to the blast furnace, which could allow for high-grade metallurgical coal to continue to be the primary raw material. Together with further efficiency gains in the blast furnace method, it is predicted that demand for high-grade metallurgical coal could increase. In addition to the depletion of existing coalmines, supplies are anticipated to decrease due to factors such as the increasing difficulty to obtain environmental permits and worsening economics, which could increase the relative advantage of existing high-quality coalmines.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

From the outlook that the demand for metallurgical coal will continue to expand steadily based on the demand for steel in the medium to long-term, MC continue to fulfill its responsibility to provide customers with a stable supply of metallurgical coal. In the business environment under the 2°C scenario, the proportion of steel production by the electric furnace method and new low-carbon methods is expected to increase, and these trends could affect MC's metallurgical coal business. However, MC expects to maintain its advantage to a certain extent due to the increase in need for high-grade metallurgical coal against the backdrop of increased efficiency in steelmaking using the blast furnace method. The Company will continuously monitor and analyze the progress of new technologies (new steelmaking methods, CCUS), electric furnaces and national policies, which could have an impact on metallurgical coal demand, and work to strengthen the competitiveness of its metallurgical coal assets. Furthermore, as a specific initiative toward Transitioning to a Low-carbon Society, MC will work on the ground to reduce greenhouse gas emissions (Scopes 1 and 2) in the BMA metallurgical coal business in Australia through its subsidiary MDP. In collaboration with BHP, our partner in the metallurgical coal business, we are supporting research that contributes towards reducing emissions (Scope 3) throughout the entire metallurgical coal value chain.

Natural Gas

	Awareness of the business environment under the NPS/RTS* ¹ Scenario	Awareness of the business environment under the 2°C (2DS/SDS)* ² Scenario
Demand Outlook		
Awareness of the Business Environment	<p>Demand for natural gas is expected to increase (average annual growth of 1.6% between 2016-2040), especially in China, developing countries in Asia and the Middle East, mainly as fuel for power generation to support the increasing electricity demand that will surpass the deployment of renewable energy, as chemical feedstock and as transportation fuel, among other uses. It is recognized that LNG demand will grow due to its high transportability (LNG is expected to reach 15% of the total natural gas demand by 2040, an increase from 10% in 2016).</p>	<p>Global gas demand is projected to increase by 20% by 2030 compared to 2016 levels, maintaining the same levels of demand thereafter. By region, gas demand in Asia-Pacific will increase significantly through 2040, primarily in China and India. On the other hand, in North America and Europe, gas demand is expected to increase up to 2025 and then decrease thereafter. By industry, demand for gas in power generation will gradually decline, but demand for alternatives to coal in industries such as steel and cement is expected to increase, and if natural gas distribution networks are established in developing countries, usage of gas in urban area buildings will likely increase as well.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

MC assumes as a base case that coal will be replaced as a fuel source by a combination of natural gas and renewable energy. In addition to strengthening the foundation of its existing businesses and steadily launching projects that are currently under construction, MC aims to expand its LNG business by participating in new, competitive projects, strengthening its sales capabilities and developing new markets. Under the 2°C Scenario, global demand for natural gas is projected to be flat from 2030. However, by launching new projects to meet demand increases and by carefully selecting highly cost-competitive projects, MC expects to maintain a competitive advantage in the natural gas business. Under this scenario, MC will continue to proactively develop new markets in Asia to capture the huge increase in energy demand anticipated in that region. In addition, MC will continue to monitor international policy developments such as the introduction of carbon taxes, which could be a factor that affects profits under the 2°C Scenario. MC will also stay up to date on technological trends in the steel and cement industries that could drive increases in demand for coal alternatives, and will promote marketing activities and business innovation accordingly. Furthermore, also paying attention to technological developments around CCUS that will increase the viability of the 2°C Scenario, MC will actively promote initiatives to increase resilience to climate risks and capture opportunities.

Climate Change

Automobiles (Passenger cars / Trucks)

	Awareness of the business environment under the NPS/RTS* ¹ Scenario	Awareness of the business environment under the 2°C (2DS/SDS)* ² Scenario
Demand Outlook		
Awareness of the Business Environment	<p>With global population growth in the medium to long-term and economic growth in developing countries, the demand for passenger cars and trucks is projected to grow significantly (from 2015, +120% in passenger vehicle demand and +150% in truck demand). In addition to increasing demand for internal combustion engine vehicles particularly in Southeast Asia, demand for hybrid and electric vehicles is also expected to grow in China and Europe, due to tightening global environmental regulations. Moreover, the automotive industry is undergoing a once-in-a-century transformation, driven largely by digitization and the CASE (Connected, Autonomous, Shared/Service and Electric) evolution. Demand for mobility services that take into account the shift from internal combustion engine vehicles to hybrid and electric vehicles is expected to grow, and consumer needs are projected to shift from vehicle owning to shared mobility.</p>	<p>Although the overall demand for automobiles is projected to grow to a certain extent, the cost of owning and operating a vehicle may increase due to the revision of automobile-related tax and regulation systems in each country, such as the tightening of environmental regulations for the automotive industry, resulting in a modal shift towards public transit systems. As such, the level of demand expansion is not expected to be as high as in the NPS/RTS Scenario (from 2015, +80% in passenger vehicle demand (40% less than in the NPS/RTS Scenario) and +95% in truck demand (55% less than in the NPS/RTS Scenario)).</p> <p>In China and Europe, the shift from internal combustion engine vehicles to electric vehicles is also expected to accelerate. However, due to issues such as installation of power charging infrastructure in emerging markets such as India and Southeast Asia, etc, the demand for internal combustion engines for both passenger and commercial vehicles is expected to be firm.</p>

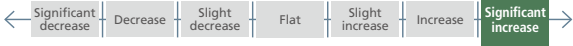
Policies and Initiatives Based on the Awareness of the Business Environment

In ASEAN, which is positioned as a key market and where further growth can be expected, MC handles Mitsubishi Motors Corporation (MMC) vehicles and Mitsubishi Fuso Truck and Bus Corporation vehicles in Indonesia, and Isuzu Motors vehicles in Thailand. MC will continue to be deeply involved in each stage of the value chain (upstream-midstream-downstream) including production, distribution, financing and after-sales services. In addition to further strengthening the foundations of its businesses in both markets, MC will further expand its value chains in other markets including China, Russia, India, the Philippines and Vietnam, etc.

Although it is anticipated that internal combustion engine vehicles will be the primary source of vehicle demand in ASEAN even under the 2°C Scenario, keeping a close eye on developments around tax and regulations in each country, MC will continue to promote the spread of electric vehicles (EVs) from a sales and manufacturing perspective, primarily in the markets where it handles those vehicles. MC and MMC have been actively working to expand sales of passenger EVs, such as by building up sales of PHEV vehicles mainly in the UK and the Netherlands. In 2019, MC and MMC released the first PHEV in the Indonesian market ahead of other companies in anticipation of further demand growth, leading to further proliferation.

MC will also contribute towards addressing social issues by further strengthening its functions and community-based networks built up over many years and by developing its mobility service business.

Power Generation (Renewable Energy)

Awareness of the business environment under the 2°C (2DS/SDS) *2 Scenario	
Demand Outlook	
Awareness of the Business Environment	<p>Under a 2°C Scenario, it is believed that policies to capture renewable energy as a main power source will become mainstream. It will be necessary to promote deregulation and technological innovation to construct an energy system that is not only sound environmentally, but economically and socially as well.</p> <p>Regarding this point, MC understands the need for multifaceted initiatives involving technologies that support the expansion of renewable energy while maintaining safe and stable supplies of power (energy storage, hydrogen, transmission technology and energy trading), and anticipates that these markets will expand.</p> <p>As the expansion of renewables progresses together with the proactive deployment of renewable technologies in Europe, with a focus on offshore wind, the grid configuration and supply of power will change. As a result, opportunities are anticipated for energy transmission and businesses that regulate the supply and demand for power such as battery storage and VPP (virtual power plant) businesses. In the renewable energy generation business, as is the case for thermal power generation, given the nature of power generation being produced locally for local consumption, MC feels it is important to continue managing businesses by responding to the policies, etc. of each country and region. On the other hand, as the market expands and commoditization progresses, cost competition is expected to intensify. Furthermore, MC recognizes that trends towards decentralization of the energy system driven by the spread of renewable energy, batteries and other technologies along with movements around thermal power generation, including next-generation types, may vary greatly in terms of timing and content depending on the status of government regulation and technological innovation, as well as the country or region.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

In line with the expansion of renewable energy and accompanying policies, MC will optimize its portfolio throughout the electric power value chain while taking into account the characteristics of each country and region.

As of the end of September 2019, electricity generation capacity in operation worldwide on a net equity basis is approximately 6.3 GW, and the length of transmission cables in the power transmission business has reached a cumulative total of roughly 1,000km (with about 5 GW transmission capacity).

In the renewable energy business, in addition to aiming to achieve at least 20% renewable energy in its power generation business (by 2030, based on generation amount), MC is promoting businesses that support the proliferation of renewable energy, including energy transmission and storage-related businesses.

In Europe, where the active deployment of renewable energy continues to progress, all of MC's power generation activities involve renewable energy, with a focus on offshore wind. Moreover, MC proactively engages in new business opportunities including a virtual power plant (VPP) business that utilizes Lawson convenience stores as well as an off-grid distributed renewable energy project in Africa.

Under the 2°C Scenario, looking towards transitioning to a low-carbon society, with increasing demand for renewable energy (solar and wind) and structural changes to the power business (growing need for grid stabilization accompanying an increase in VRE*3), services using batteries, electric vehicles (EV) and plug-in hybrid vehicles (PHV) are expected to expand. In light of this, MC will promote renewable energy and businesses that support renewable energy.

In the medium to long term, MC will appropriately grasp the outlook for energy demand taking into account factors such as electrification and energy efficiency, as well as technological trends (including BECCS*4) toward zero carbon intensity (from 2060), and work to provide new added value including on the demand side with demand response*5 initiatives (battery storage, EV, hydrogen, etc.)

*3 Variable renewable energy sources such as solar and wind power that have fluctuating output.

*4 Bioenergy with Carbon Capture and Storage

*5 A mechanism that changes electricity consumption patterns by reducing consumer demand through the setting of electricity prices or payment of incentives, in order to provide a stable supply of energy by balancing electricity demand (consumption) and supply (power generation).

Copper

Awareness of the business environment under the 2°C (2DS/SDS)*2 Scenario	
Demand Outlook	
Awareness of the Business Environment	<p>Under the 2°C Scenario, MC anticipates an acceleration globally in the spread of new energy vehicles such as electric vehicles (EV) with low CO₂ emissions as well as new energy generation, mainly wind and solar power, primarily in Europe and North America. Accordingly, MC expects a further increase in copper demand due to high amounts of copper usage, given its high conductivity and low transmission loss compared to equipment in conventional gasoline vehicles and thermal power plants.</p> <p>Meanwhile, supply is forecast to be unable to keep up with the increase in demand due to a decrease in production volumes stemming from the degradation of existing mines as well as fewer opportunities for new mining developments.</p>

Policies and Initiatives Based on the Awareness of the Business Environment	
<p>Currently, MC participates in copper projects in Chile and Peru and retains a production share of 250,000 tons/year. Going forward, MC will position copper together with metallurgical coal as one of the pillars of its mineral resources business, and will continue to fulfill its responsibility to provide customers with a stable supply of copper. MC will steadily capture business opportunities associated with increased copper demand from the spread of new energy vehicles and new energy power generation.</p>	

Automobiles (Buses)

Awareness of the business environment under the 2°C (2DS/SDS)*2 Scenario	
Demand Outlook	
Awareness of the Business Environment	<p>With consumer needs shifting from vehicle owning to shared mobility, a modal shift from passenger vehicles to buses as public transport is expected to occur. Under the 2°C Scenario, demand for buses is expected to grow significantly (from 2015, +105% in bus demand (45% more compared to RTS)), due to further growth in demands for vehicle usage with lower environmental impact as a policy goal.</p>

Policies and Initiatives Based on the Awareness of the Business Environment	
<p>Anticipating future demand growth, MC will work to provide solutions to social issues by incorporating bus usage as part of its mobility services business. In the fiscal year ended 2019, MC commenced a demonstration project for AI-based on-demand bus services in collaboration with a bus operator in Japan. MC aims to build an efficient and sustainable public transport service in response to issues such as a decrease in passengers for public transport, driver shortages, worsening traffic congestion and other social issues, primarily in rural areas.</p> <p>In addition, MC made an investment in MaaS Global Ltd., a global pioneer in the MaaS business, a multimodal service combining various forms of transportation including trains and buses etc. MC plans to take advantage of its global network to expand its operations laterally throughout Asia and other parts of the world, and to leverage business connections across virtually every industry to develop a "Beyond MaaS" business model (tie ups with other sectors including real estate, retail and tourism etc).</p>	

Bioethanol

Awareness of the business environment under the 2°C (2DS/SDS) *2 Scenario	
Demand Outlook	<div> <div>←</div> <div>Significant decrease</div> <div>Decrease</div> <div>Slight decrease</div> <div>Flat</div> <div>Slight increase</div> <div>Increase</div> <div>Significant increase →</div> </div>
Awareness of the Business Environment	<p>As the transition from internal combustion engine vehicles to electric vehicles (EVs) progresses, while the proportion of internal combustion engine vehicles out of the entire automobile market will decrease, with the increase in total vehicle demand driven by a rising global population and economic growth in emerging markets, and due to challenges related to the installation of charging infrastructure necessary for the spread of EVs particularly in developing countries, demand for internal combustion engines is likely to remain at a certain level. As a result, demand for bioethanol for fuels is expected to increase. With this increase in demand, business opportunities are expected as a result of cost reductions for producing bioethanol from food products and the establishment of new technologies for producing bioethanol from non-edible raw materials.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

MC anticipates that it will take a certain amount of time to establish manufacturing technology that could affect the business environment for bioethanol, particularly in relation to resolving cost issues. However, in recognition of the role that bioethanol plays in transitioning to a low-carbon society in countries and regions where there is a demand for internal combustion engine vehicles, MC will continuously monitor the penetration rate of EVs, the cost of manufacturing bioethanol derived from food products and technological developments around bioethanol derived from non-edible materials.

Thermal coal has been excluded from this analysis, given that MC sold all of its thermal coal interests as the result of a review conducted from the perspective of strengthening its business portfolio.

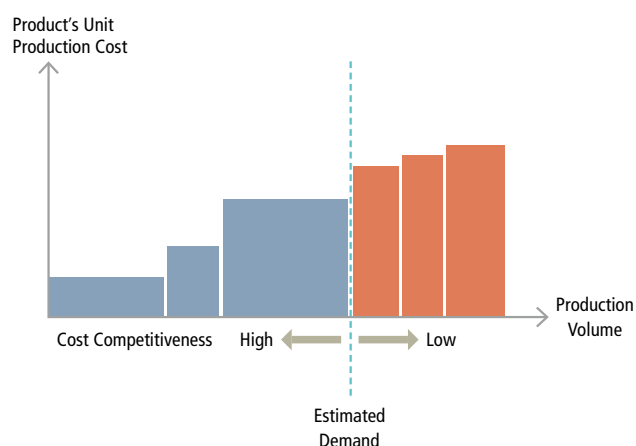
Other matters

In addition to the above analyses, MC uses multiple scenarios, including the 2°C Scenario, across various situations to confirm and strengthen the climate change resilience of each of its businesses.

1) Cost Curve Analysis

MC's businesses could be greatly affected if countries around the world tighten their restrictions on greenhouse gas emissions. Since fiscal year 2015, MC has been using a number of scenarios (including the IEA's 2°C Scenario) to analyze the impact that such changes will have on its fossil-fuel operations, which have a significant financial impact on the Company. Specifically, based on product-based cost curves, MC is able to confirm product outlooks in each scenario, consider qualitative factors such as contractual terms, product quality and location, and evaluate cost competitiveness. So far, those analyses have concluded that even in the 2°C Scenario, MC's fossil-fuel operations will remain competitive, and that the Company will remain resilient over the medium to long term due to its initiatives in other businesses where future market growth is anticipated owing to the spread of renewable energy and other businesses associated with the transition to a low-carbon society.

Cost-Curve Valuation Analysis



2) CCUS

MC, as a company aiming to contribute towards achieving the goals of the Paris Agreement, recognizes that CCS and CCU (collectively referred to below as “CCUS”) will play a major role in achieving those goals. The IEA has stated that CCUS must be used to reduce a certain amount of CO₂ emissions in order to achieve the 2°C target, and the IPCC* has also emphasized the role that technology should play. For CCUS to be commercialized, particularly for CCU, collaboration across existing industries will be crucial. MC recognizes this as a business opportunity to leverage the strength of its holistic view across numerous industries. In order to capture this growth opportunity, MC has established a group-wide taskforce to promote the commercialization of CCUS.

* Intergovernmental Panel on Climate Change. An intergovernmental organization established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) which collects and organizes scientific research on climate change.

Physical Risks

Physical climate risks (e.g. floods, droughts and water shortages, sea temperature and sea level rises) could affect the operations of some of the MC Group's businesses.

Countermeasures are being implemented at the business level, taking into account the characteristics of each business. Specifically, MC is taking the following actions for its metallurgical coal, copper and salmon farming businesses, which are considered to have particularly high exposure to physical climate risks among MC's businesses.

Metallurgical coal business / Australia

In Queensland, Australia, where MC's subsidiary operates its metallurgical coal business, large cyclones or massive floods have potential to disrupt the operations. In order to mitigate physical risks, measures have been taken to enhance each operation's resilience against these risks.

Its port infrastructure has been designed to the latest standards of being able to withstand wave heights of a once-in-a-millennium event, considering rises in sea levels due to climate change. For its coal mines, water storage standards are regularly reviewed based on the mining plans in each operation, and resistance to heavy rainfalls has been enhanced through measures including installation of water pipes and drainage facilities between reservoirs and mines.

Copper business / South America

In the event that droughts or water shortages occur in South America, where MC's copper operations are located, operations could be affected due to shortages of fresh water from rivers or groundwater. Accordingly, MC is making efforts to reduce its dependency on fresh water intakes from rivers or groundwater supplies through measures such as investing in desalinization plants and improving water reuse efficiency.

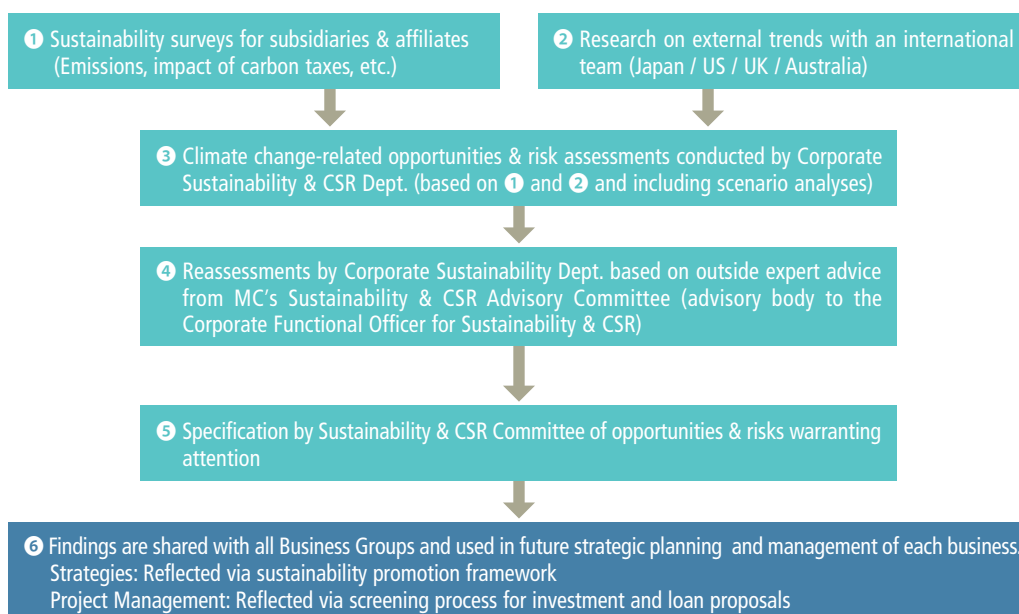
Salmon farming business (Europe / South America / North America)

In the event sea temperatures and sea levels rise globally, areas suitable for aquaculture could be affected, and production costs and fish mortality could increase due to more frequent outbreaks of diseases and algae blooms. At MC's aquaculture subsidiary, salmon farming is conducted with attention to the possibility that the value of investments could be negatively impacted by rises in sea temperatures and sea levels. Accordingly, salmon farming operations are conducted in areas that are more resilient to rises in sea temperature (such as Northern Norway and southernmost Chile). Taking account of potential physical risks, besides monitoring water temperature data on a site-by-site basis, research about measures to deal with problems associated with rising sea temperatures, such as diseases, is also being conducted.

Risk Management

MC regularly assesses which climate-related opportunities and risks warrant the most attention through both internal and external surveys, and makes official determinations at the Sustainability & CSR Committee, which consists of Group CEOs from each of MC's

Business Groups. The specified opportunities and risks are managed under MC's sustainability promotion framework from two perspectives: Strategic Planning and Project-by-Project Business Management.



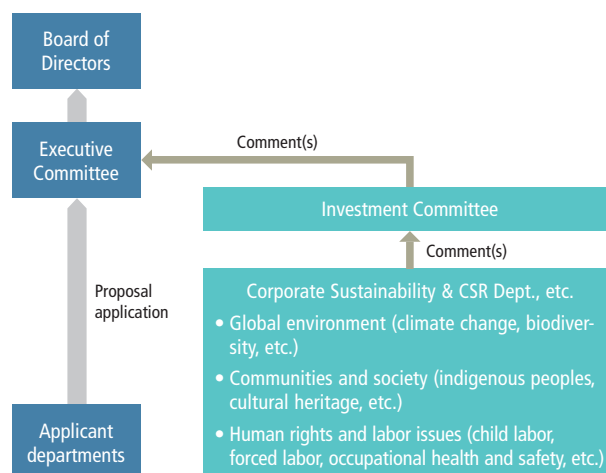
Screening Process for Loan and Investment Proposals

When reviewing and making decisions on loan and investment proposals, MC has adopted a process in which the Investment Committee deliberates all proposals to be discussed by the Board of Directors and the Executive Committee comprehensively based not only on economic aspects, but on ESG factors as well.

By having the General Manager of the Corporate Sustainability & CSR Department take part in Investment Committee meetings as a committee member, MC has put in place a screening process to facilitate decision-making that takes into account environmental and social impacts. Besides screening new and exit proposals, the Investment Committee also strives to help make improvements to existing business investees by monitoring their management practices.

From the perspective of climate change-related transition opportunities and risks, review of proposals and decision-making takes into consideration quantitative data such as greenhouse gas emissions as well as national policies and industry trends.

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.

■ Metrics and Targets

MC has set the following climate-related targets to capitalize on opportunities and mitigate risks on a consolidated basis.

Target 1: Greenhouse Gas Emissions Reduction

Reduce emissions^{*1} per total assets^{*2} by 25% by 2030

^{*1} Compared to fiscal year ended March 2017 levels. Greenhouse gas emissions on a consolidated basis (MC on a non-consolidated basis plus subsidiaries)

^{*2} The total assets used for this target represent the numerical values within the emissions reporting calculation range, which differ from the total assets reported in MC's financial reports.

Target 2: Renewable Energy

By 2030 aim to achieve at least 20% renewable energy in MC's power generation business (based on generation amount)

Reference: For related data, please see this chapter's Performance and Additional Reference Data sections, the Environmental Business section and the Water Resources section.

Initiatives

Initiatives to Reduce Greenhouse Gas Emissions

MC sets greenhouse gas reduction targets on a consolidated basis and works with MC Group companies on emissions reduction initiatives. Each of MC's Business Groups (including the Corporate Staff Section) establish their own emission reduction plans utilizing EMS

(Environmental Management System), thereby ensuring that measures to reduce emissions are uniquely tailored to each business.

MC will continue to confirm progress on a regular basis, make policy improvements, and share best practices.

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. Cermaq is working with feed suppliers to encourage climate friendly feed solutions and production of oils rich in omega-3 fatty acids from novel sources to build resilience.

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 new farming technologies, 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-18/management-approach-17>

<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.



MC Awarded 2018 Minister of the Environment's Commendation for Activities Aimed at Preventing Global Warming

As part of our efforts to address our Key Sustainability Issue "Transitioning to a Low-carbon Society", in addition to providing solutions through our business activities, we have also made efforts with regard to tropical rainforest regeneration and coral reef conservation. Recently, these efforts were recognized by Japan's Minister of the Environment, who awarded MC the 2018 Commendation for Activities Aimed at Preventing Global Warming in the "International Contributions" category.

Since MC launched short-term regeneration afforestation trials in Malaysia's tropical rainforest in 1990, the company has planted more than 1.45 million trees in Malaysia, Kenya, Brazil and Indonesia. Furthermore, since 2005 MC has participated in research projects involving industry, academia and NGOs to conserve coral reefs in Okinawa, the Seychelles and Australia.



* This commendation is part of the Ministry of the Environment's efforts to combat global warming, and is presented every December in observance of Japan's Global Warming Prevention Month to individuals or organizations that have taken notable strides in addressing climate change.

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:	<p>When assessing whether to join or continue membership with an industry group, MC confirms whether the group's initiatives related to climate change are consistent with MC's Basic Policy on Climate Change.</p> <p>Through active participation in the discussions of climate change working groups, with a focus on organizations including 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, MC is promoting initiatives to contribute to the transition to a low-carbon society.</p>
Government/ Public Office:	<p>MC supports initiatives that contribute to a low-carbon society such as the expansion of renewable energy, the development and implementation of next-generation technologies such as CCUS and hydrogen, as well as increased disclosure of ESG information, including about climate change.</p> <p>MC participates in training 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 such as expanding utilization of the TCFD guidelines and renewable energy usage.</p> <p>MC actively participates in activities to support the response of Japanese companies to climate change, in particular starting with the formulation of green investment guidance as a planning committee member company of the TCFD Consortium.</p>

Reference: CDP Climate Change 2019 Response

* Please refer to C12.3

Responding to CDP

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

The Company engages with 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 2019 Response.

Reference: CDP Climate Change 2019 Response

Performance

Environmental Performance (non-consolidated)

	2017.3	2018.3	2019.3
CO ₂ Emissions ^{*1*2} (Unit: thousand t-CO ₂)	18.8	16.5	11.8*
Energy Consumption ^{*2} (Unit: GJ)	346,170	305,339	221,302*
Electricity Consumption ^{*2} (Unit: MWh)	28,682	24,724	16,567*
CO ₂ Emissions from Logistics ^{*3} (Unit: thousand t-CO ₂)	57	50	45*

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	2018.3	2019.3
CO ₂ Emissions*1*2 (Unit: thousand t-CO ₂ e)		10,019	8,262	8,828*
CO ₂ emissions per total assets*1*2*4 (Unit: million t-CO ₂ e/trillion yen)		0.80	0.64	0.65
Components	Scope 1 emissions (excluding 6.5 gases)*1*2 (Unit: thousand t-CO ₂)	4,639	4,517	4,789*
	Scope 1 emissions (6.5 gases only)*1*2 (Unit: thousand t-CO ₂ e)	1,553	1,239	1,485*
	Scope 2 emissions*1*2 (Unit: thousand t-CO ₂)	3,827	2,506	2,554*
Energy Consumption (Unit: GJ)*1*2		92,607,818	71,768,435	76,201,749*
Electricity Consumption (Unit: MWh)*1*2		5,271,214	4,381,055	4,640,646*

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

		2017.3	2018.3	2019.3
Total amount (Unit: thousand t-CO ₂ e)		1,553	1,239	1,485*
Components	Carbon dioxide (CO ₂)	53	79	153*
	Methane (CH ₄)	1,500	1,160	1,333*
	Dinitrogen monoxide (N ₂ O)	0.1	0.009	0.1*
	Hydrofluorocarbons (HFCs)	0	0	0*
	Perfluorocarbons (PFCs)	0	0	0*
	Sulphur hexafluoride (SF ₆)	0	0	0*
	Nitrogen trifluoride (NF ₃)	N/A	N/A	N/A

Scope of Aggregation (consolidated):

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

*1 Effective from the fiscal year ended March 31, 2017, emissions from projects with high communality, including power generation and heat generation (utility business), as well as joint operations (jointly managed projects), were included in the calculations. Furthermore, while emissions from franchises are generally not included in Scope 1 and 2 emissions, MC includes such emissions in cases where it is deemed appropriate for such emissions to be managed as part of MC's emissions, taking into account the relationship with the relevant company.

*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)
- Scope 1 Emissions Data for Greenhouse Gases (6.5 gases) other than CO₂ from Energy Sources from Business Activities

Emissions by Segment

(Unit: thousand t-CO₂e)

	2017.3	2018.3	2019.3
Natural Gas Group	358	564	1,002
Industrial Materials Group	95	128	130
Petroleum & Chemicals Group	383	364	219
Mineral Resources Group	5,071	2,889	2,969
Industrial Infrastructure Group	13	14	14
Automotive & Mobility Group	16	17	16
Food Industry Group	1,106	1,104	1,159
Consumer Industry Group	1,299	1,357	1,392
Power Solution Group	1,624	1,762	1,909
Urban Development Group	48	47	7
Corporate Staff Section	19	16	11

Greenhouse Gas Emission Calculation and Reporting Manual (Version 4.2) (July 2016, Ministry of the Environment and Ministry of Economy, Trade and Industry) (Please refer to the Company's website for calculation standards : <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) (Please refer to the Company's website for calculation standards : <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.

*4 MC adopted a policy which aims to reduce greenhouse gas (GHG) emissions per total assets by 25% compared to fiscal year ended March 2017 levels by 2030. The total assets used for this target represent the numerical values within the emissions reporting calculation range, which differ from the total assets reported in MC's financial reports.

Independent Practitioner's Assurance

ESG Data marked with an asterisk (*) for the year ended March 2019 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

Reference: Independent Practitioner's Assurance Report (P175)

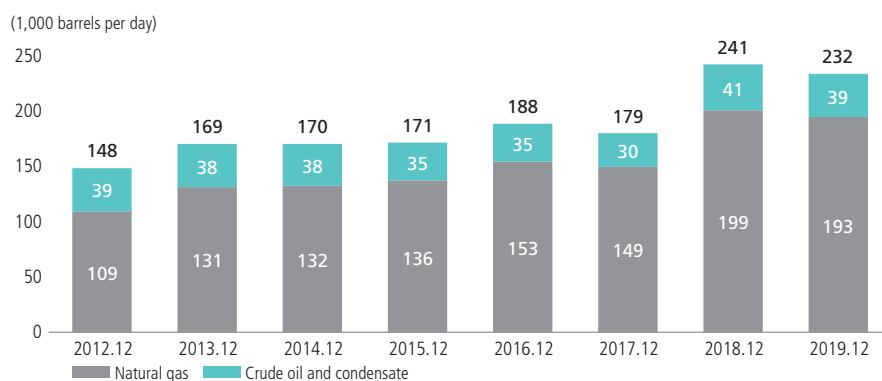
Additional Reference Data

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

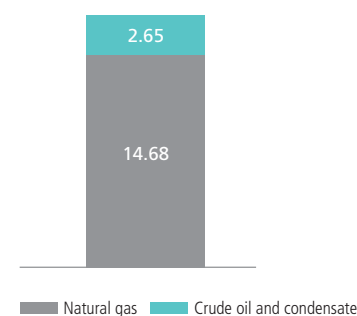
low-carbon society. Accordingly, MC has positioned natural gas as a core business. Currently, natural gas accounts for approximately 80% of the Company's equity share of oil and gas production.

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



MC's Reserves (2P*³)

(100 million barrels per day)
(As of the end of December 2018)
A total of 1.73 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

*³ Confirmed reserves + estimated reserves

Involvement in LNG Projects

Existing Projects in Production

Project	Beginning of Production	Annual Production Capacity (Million Ton)			Buyer	Seller	Shareholding	MC's Participa- tion	Business Contribution*6
		Total	MC's share						
Brunei	1972	7.2	1.8	25%	JERA, Tokyo Gas, Osaka Gas, etc.	Brunei LNG	Brunei Gov. (50%), Shell (25%), MC (25%)	1969	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Malaysia I (Satu)	1983	8.4	0.42	5%	JERA, Tokyo Gas, Saibu Gas	Malaysia LNG	Petronas (90%), Sarawak Gov. (5%), MC (5%)	1978	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Malaysia II (Dua)	1995	9.6	0.96	10%	Tohoku Elec., Tokyo Gas, Shizuoka Gas, Sendai City Gas Authority, JXTG Holdings, Korea Gas, CPC	Malaysia LNG	Petronas (80%), Sarawak Gov. (10%), MC (10%)	1992	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Malaysia III (Tiga)	2003	7.7	0.31	4%	Tohoku Elec., Tokyo Gas, Osaka Gas, Toho Gas, JAPEX, Korea Gas, Shanghai LNG	Malaysia LNG Tiga	Petronas (60%), Sarawak Gov. (25%), JXTG Holdings (10%), DGN (MC /JAPEX =80:20)	2000	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
North West Shelf	1989	16.9	1.41	8.33%	Tohoku Elec., JERA,Tokyo Gas, Shizuoka Gas., Toho Gas, Kansai Elec., Osaka Gas, Chugoku Elec., Kyushu Elec., Guangdong Dapeng LNG	NWS JV	Shell, BP, BHP, Chevron, Woodside, MIMI [MC/Mitsui & Co.=50:50], 1/6 respectively	1985	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Oman	2000	7.1	0.197	2.77%	Osaka Gas, Korea Gas, Itochu Corp., BP	Oman LNG	Oman Gov. (51%), Shell (30%), Total (5.54%), MC (2.77%) etc.	1993	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Qalhat	2005	3.3	0.133	4%	Osaka Gas, MC, Union Fenosa Gas (Spain)	Qalhat LNG	Oman Gov. (47%), Oman LNG (37%), Union Fenosa Gas (7%), Osaka Gas (3%), MC (3%) etc.	2006	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Russia Sakhalin II	Oil: 2008 (year-round production), LNG:2009	9.6	0.96	10%	JERA, Tokyo Gas, Kyushu Elec., Toho Gas, Hiroshima Gas, Tohoku Elec., Saibu Gas, Osaka Gas, Korea Gas, Shell, Gazprom	Sakhalin Energy	Gazprom (50%+1share), Shell (27.5%-1share), Mitsui & Co. (12.5%), MC (10%)	1994* (*PSA conclusion)	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Indonesia Tangguh	2009	7.6	0.75	9.92%	Tohoku Elec., Kansai Elec., SK E&S, POSCO, Fujian LNG, Semptra Energy, etc.	Tangguh JV	BP (40.3%), MI Berau [MC/Inpex Corporation 56:44] (16.3%), KG Berau Petroleum [MIBJ (MC/Inpex Corporation 56:44) 16.5%, Mitsui & Co. 20.1%, JX Nippon Oil & Gas Exploration Corporation 14.2%, Japan Oil, Gas and Metals National Corporation 49.2%] (8.6%), etc. *2	2001*3	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Indonesia Donggi - Senoro	2015	2.0	0.9	44.9%	JERA, Korea Gas, Kyushu Elec., etc.	PT. Donggi-Senoro LNG	Sulawesi LNG Development Limited [MC/Korea Gas=75:25] (59.9%), PT Pertamina Hulu Energi (29%), PT Medco LNG Indonesia (11.1%)	2007	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Wheatstone	2017	8.9	0.28	3.17%	Chevron, KUFPEC, Woodside, Kyushu Elec., PEW	Equity Lifting*1	Chevron (64.136%), KUFPEC (13.4%), Woodside (13%), Kyushu Elec. (1.464%), PEW (8%; of which MC holds 39.7%)	2012	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Total		88.3	8.12						

*1 LNG is procured and sold by each company according to the ratio of interest / equity in the liquefaction contract.

Projects under Construction

Cameron	2019*5	12.0	4.0*4	33.3%	MC, Mitsui & Co., Total (Toller)	Equity Lifting*1	Sempra Energy (50.2%), Japan LNG Investment [MC/NYK=70:30] (16.6%) Mitsui & Co. (16.6%), Total (16.6%)	2013	A B C D
Indonesia Tangguh (Expansion)	Mid 2020	3.8	0.38	9.92%	PLN, Kansai Elec.	Tangguh JV	Same as*2 above	Same as*3 above	A B C D A
LNG Canada	Mid 2020's	14.0	2.1	15%	Shell, Petronas, PetroChina, MC, Korea Gas	Equity Lifting*1	Shell (40%), Petronas (25%), PetroChina (15%), MC (15%), Korea Gas (5%)	2010	A B C D
Total		29.8	6.48						

*4 Quantity that MC entrusts liquefaction to Cameron LNG *5 Production of first train has started in May 2019

*6 Business Contribution: A Investment in exploration & development (upstream), B Investment in liquefaction plant, C Marketing and/or import agent, D Shipping

Climate Change

Coal-fired Power Businesses

(As of September 30, 2019)

Country	Power Plant	Fuel	Net equity basis (Net, 10,000 kW)
Chile	Cochrane	Coal	21.3
Thailand	Coal-fired power projects owned by EGCO	Coal	7.0
Taiwan	Ho-Ping	Coal	26.4
Japan	Suzukawa Energy Center	Coal	7.8
Japan	Nippon Paper Ishinomaki Energy Center	Coal Biomass Co-generation	4.4

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 2020 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.

Water Resources

Structure

Officer in Charge	Masakazu Sakakida (Member of the Board, Executive Vice President, Corporate Functional Officer, Business Investment Management, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer)
Deliberative Body (A subcommittee under the Executive Committee, a management decision making body)	Sustainability & CSR Committee Important matters related to water resources deliberated by the Sustainability & CSR 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 & CSR Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.09)

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 Aqeduct 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 Maximize Water Efficiency (Los Bronces Copper Mine)

MC is involved in the copper mining business in countries such as Chile and Peru.

Since copper mining requires large amounts of water, MC encourages the introduction of technologies to maximize the water efficiency of each mine's operational processes and takes measures

to reduce new water withdrawals.

The Los Bronces copper mine project (located in Chile's capital province), in which MC invests together with Anglo American, achieved a water recycling rate of 70% in 2017 through measures such as extracting and recycling water from tailings.

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 2017, approximately US\$3.4 billion was invested to complete 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.

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: Torei Environmental Report 2018, targets, data and initiatives (Japanese only): <http://www.toyoreizo.com/outline/images/environmentreport2018.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 of 19.1 billion liters of water consumption between 2009 and 2017. Moreover, through water stewardship programs in India's sugar cane production, around 62 billion liters were saved over 3 years from 2013.

Reference: To find out more about Olam's activities to reduce water consumption, please visit the following links on the company's website:
Olam Priority Areas, Water
<https://www.olamgroup.com/sustainability/sustainability-framework/priority-areas/water.html>

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 2,520,000 kWh of electricity and 620,000 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 engages with 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.



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 4,600,000 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 (2017.3 results)	Water withdrawal (2018.3 results)	Water withdrawal (2019.3 results)	Note
Non-consolidated:	40	41	42*	Mitsubishi Shoji Building, Marunouchi Park Building and certain other offices in Tokyo
Consolidated:	103,184	93,226	97,060	Non-consolidated and main domestic subsidiaries
Components are as follows:				
Industrial water, water supply:	25,344	25,870	24,841	
Groundwater:	11,185	12,507	12,441	
Rivers/lakes:	21,856	21,901	21,485	
Ocean:	44,795	32,944	38,289	
Rainwater:	4	3	4	

Water Recycling Volume and Rate*

(Unit: thousand m³)

	2017.3 results			2018.3 results			2019.3 results			Note
	Water withdrawal	Recycling volume	Recycling rate	Water withdrawal	Recycling volume	Recycling rate	Water withdrawal	Recycling volume	Recycling rate	
Non-consolidated:	40	—	—	41	—	—	42*	—	—	Mitsubishi Shoji Building, Marunouchi Park Building and certain other offices in Tokyo
Consolidated:	103,184	11,059	10%	93,226	10,204	10%	97,060	9,568	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.69)

Independent Practitioner's Assurance

To enhance the reliability of its data, MC has obtained the assurance of Deloitte Tohmatsu Sustainability Co., Ltd., an independent practitioner, for its environmental performance data*.

Reference: Independent Practitioner's Assurance Report (P175)

* ESG Data marked with an asterisk (*) for the year ended March 2019 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

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 Project in Tropical Forest Regeneration and the Global Coral Reef Conservation Project.

Reference: MC’s Environmental Charter (P.03)
Policy on Mine/Site Decommissioning (P.115)

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	Masakazu Sakakida (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	Sustainability & CSR Committee Important matters related to biodiversity deliberated by the Sustainability & CSR 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 & CSR Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.09)

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.115)

External Collaboration

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

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>
 Palm Oil Procurement Guidelines (P.124)

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

Agrex do Brasil, an MC subsidiary, is an RTRS (Round Table on Responsible Soy Association) certified producer with a total of 26,000 hectares of land certified under this standard. Agrex do Brasil 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 do Brasil 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.

Cermaq Initiatives

Cermaq, an MC subsidiary, is a partner to the UN Global Compact Action Platform for Sustainable Ocean Business ('UN Ocean Platform'). Cermaq was the first patron to join this initiative in February 2018, with the goal of developing holistic global solutions for the sustainable use of the ocean. The first business-driven initiative of its kind in the United Nations, the initiative has developed a set of Sustainable Ocean Principles, which provide a framework for responsible ocean business practices across sectors and

geographies working to develop roadmaps for the maritime industries in close dialogue with governments, academic institutions, NGOs and UN organizations.

Reference: <https://www.unglobalcompact.org/take-action/ocean>
 Please refer to the Customer Responsibility Section for details on Cermaq's other initiatives.

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. MC has been engaged in the Tropical Forest Regeneration Experimental Project as part

of its corporate philanthropy initiatives since 1990. From 2009, the Company has participated in the "Forest Conservation Project" in partnership with the local prefectural and city authorities and an NGO based in Eastern Kochi, in line with forest conservation agreements. The development of Yataro's Forest marks MC's 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 James Cook University in Australia 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 Honor in Japan, and has also been

approved by the Japan Committee of the United Nations Decade of Biodiversity (UNDB-J)*. In addition, as an official supporter of the International Year of the Reef 2018, MC actively communicated the results of its Global Coral Reef Conservation Project and also participated in holding awareness raising events such as the Tokyo Coral Reef Café.

*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

Please refer to p127 of the Supply Chain Management section for information on certified products.

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 Project in Tropical Forest Regeneration 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 2019, MC planted approximately 40,000 trees, for a cumulative total of roughly 360,000 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.03)

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	2019.3 targets	2019.3 results	2020.3 targets
Pollution prevention	Select project and conduct oil spill risk survey	Conducted oil spill risk survey and confirmed proper risk management system	(Oil spill risk survey conducted biannually)
Waste production ^{*1}	557.7 tons (1.0% decrease from 2018.3 results)	578.8 tons (2.7% decrease from 2018.3 results)	566.0 tons (0.1% increase from 2019.3 results)
Use of raw materials ^{*2}	46.20 million sheets (1.0% decrease from 2018.3 results)	42.57 million sheets (9.6% increase from 2018.3 results)	41.64 million sheets (12.0% decrease from 2019.3 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	Masakazu Sakakida (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	Sustainability & CSR Committee Important matters related to preventing pollution deliberated by the Sustainability & CSR 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 & CSR Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.09)

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 retail sectors. Working jointly with manufacturers and retailers to enhance logistics efficiency and collaborating with retailers to reduce product return rates and optimize inventory 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 retail 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.

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.

Japan Foreign Trade Council

As a member of the Japan Foreign Trade Council (JFTC), an industry association for Japanese trading companies, MC is helping to formulate and execute "The Commitment to a Low-carbon Society" advocated by the Japan Business Federation (Keidanren). Based on this plan, we are actively promoting the installation of energy-saving equipment in order to reduce energy consumption on a non-consolidated basis. In addition, as a member of the Global Environment Committee established within the JFTC, MC actively engages in a variety of initiatives including promoting environmental compliance, improving environmental performance and disseminating information about industry initiatives with the aim of creating a low-carbon society and a recycling-oriented society. It is essential for companies to achieve sustainable growth while considering the environment. The entire trading industry, not limited to MC, recognizes the role it needs to play from a long-term and global perspective, and it is working to contribute through business activities.

Prevention of Pollution

Performance

Toxic Waste 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)

	2017.3	2018.3	2019.3
Specially controlled industrial waste	7,930	8,739	4,554

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

NOx, SOx, VOC Emissions

(Unit: tons)

		2019.3
Air pollutant emissions	NOx (Nitrogen Oxide)	568
	SOx (Sulfur Oxide)	165
	VOC (Volatile Organic Compounds)	7,871
	VOC (Volatile Organic Compounds)*	50,620 (Unit: m3N)

Scope of aggregation: Consolidated (Non-consolidated and main domestic subsidiaries)

* Figures for NOx (Nitrogen Oxide) and SOx (Sulfur Oxide) are expressed in tons as a total figure using conversion factors, and NOx is expressed in both tons and m3N.

Reference: Waste Emissions (P69)

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.03)

Structure

Officer in Charge	Masakazu Sakakida (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	Sustainability & CSR Committee Important matters related to the efficient use of resources deliberated in the Sustainability & CSR 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 & CSR Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.09)

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

With regard to waste emissions in its Head Offices, in principle, MC aims to reduce emissions by 1% from the previous fiscal year, and targets are set based on the previous fiscal year's results.

In addition, with regard to recycling rates, 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.

(Unit: kg)

	2017.3	2018.3	2019.3
Emissions volume	614,261	563,283	585,218
• Recycling volume	597,073	554,600	576,834
• Waste volume	17,188	8,683	8,384
Recycling rate (%)	97.2%	98.5%	98.6%

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

Initiatives

Recycling and Closed-Loop Business Initiatives (Chuo Kagaku)

MC consolidated subsidiary Chuo Kagaku Co., Ltd. has been voluntarily collecting used plastic food containers from consumer co-ops, supermarkets and other organizations since 1990. Working closely with local service providers, the company promotes recycling at the regional level by selecting the most effective method after analyzing various options, and thus reducing its environmental burden.

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 2019, Chuo Kagaku recovered a total of 1,887 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 high performance long-life 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 development of CHUO A-PETGREEN (C-APG), which has acquired ECO MARK certification. 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 2019, 96.0% (3,149 tons) of the 3,280 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	2018.3		2019.3		Recycling rate (A) – (B) YoY change (points)
	Generated Waste (tons)	Recycling rate (B)	Generated Waste (tons)	Recycling rate (A)	
Plastic waste	2,592	93.9%	2,764	96.5%	+2.6
Wastepaper	296	99.4%	265	99.5%	+0.1
Scrap metal	110	91.8%	169	99.4%	+7.6
General combustible materials	69	0.6%	28	1.1%	+0.5
Wood shavings	91	96.7%	40	95.2%	-1.5
Waste oil	13	80.9%	14	84.4%	+3.5
Total	3,172	92.3%	3,280	96.0%	+3.7

(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.

	2015.3	2016.3	2017.3	2018.3	2019.3
Volume collected (tons)	2,560	2,484	2,566	2,546	1,887
Volume collected (converted to number of sheets)	640,040,000	620,910,000	641,540,000	636,370,000	471,830,000

* 4 grams equals 1 sheet

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.

Currently, Nosan Corporation uses approximately 7,000 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.

Lawson, Inc. joined with Mitsubishi Shokuhin Co., Ltd. to conduct a demonstration project for food waste collection. Food waste was picked up using Lawson's existing distribution networks

(trucks returning after delivering products) and then collected at Mitsubishi Shokuhin distribution centers. After that, a waste collection and transport company delivered the food waste to recycling centers, where it was processed into animal feed. This feed was provided to livestock farmers via Nosan Corporation, making efficient use of food waste.

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

* 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.).

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 for "Brand Pork." 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: Thousand sheets)

	2017.3	2018.3	2019.3
Paper consumption (A4 copy paper conversion)	55,908	51,196	46,510*

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

Water Discharge

(Units: Thousand m³)

		2017.3	2018.3	2019.3
Water discharge		47,505	46,062	43,818
Water discharge (By destination)	Ocean	29,303	27,576	24,356
	Surface water	15,748	15,808	16,824
	Subsurface / well	1,103	1,129	1,200
	Off-site water treatment	1,051	1,255	1,140
	Beneficial / other use	300	295	298

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

Reference: Water Withdrawal, Water Recycling Volume and Rate (P.55)

Waste Emissions

Consolidated Waste Volumes

(Units: Thousand tons)

	2017.3	2017.3	2018.3	2019.3
General waste from business		193	221	214
Industrial waste		285	244	226
Total		478	465	440

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

Efficient Use of Resources

Non-Consolidated Waste Volume (Head Office)

(Units: kg)

	2017.3	2018.3	2019.3
Emissions volume	614,261	563,283	585,218
• Recycling volume	597,073	554,600	576,834
• Waste volume	17,188	8,683	8,384
Recycling rate (%)	97.2%	98.5%	98.6%

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)

	2017.3	2018.3	2019.3
Waste	1,342,840	1,139,287	1,717,642

* Figures include 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.

Reference: Toxic Waste Emissions (P.64)

Recycling Volume

Non-Consolidated Recycling Volume (Head Office)

(Units: kg)

	2017.3	2018.3	2019.3
Recycling volume	597,073	554,600	576,834

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

Non-Consolidated Recycling Volume (Food Waste)

(Units: kg)

	2017.3	2018.3	2019.3
Food waste recycling volume	517,400	239,100	260,270

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))

	2017.3	2018.3	2019.3
Mandatory container and packaging recycling volume	25,817	28,096	25,796

* 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 practitioner, for its environmental performance data*.

* ESG Data marked with an asterisk (*) for the year ended March 2019 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

Reference: Independent Practitioner's Assurance Report (P175)

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.02–03)

FY2018 Slavery and Human Trafficking Statement
https://www.mitsubishicorp.com/jp/ja/csr/management/pdf/slavery_and_human_tracking_statement.pdf

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	Masakazu Sakakida (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal) 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)	Sustainability & CSR Committee, Human Resources Development (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 & CSR Dept., Global Human Resources Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.09)

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.

Reference: Internal Whistleblowing System (P.165-166)

Sustainability Advisory Committee

MC has established the Sustainability Advisory Committee which consists of 7 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: Sustainability Advisory Committee (P.10)

Initiatives

Support for Vulnerable Children and At-Risk Youth

Through SOS Children's Villages Morocco, MC is supporting education programs for orphans and other children considered vulnerable or at-risk in Morocco.

With the aim of establishing a stable daily life and safe homes

for children, this initiative provides a variety of educational support to promote independence in adulthood, helps with skills development and also connects them with employment support.

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. 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.11)

Labor Practices

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 77,000 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.72)

* 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.08)

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 2019, MC came very close to achieving those objectives, with employees on average taking 67% of their paid leave and working 25.7 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, gender identity, sexual orientation, national or regional origin, age, physical or mental impairments, 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 conducts lectures that focus on the issue of harassment at times including when new general managers or team leaders are appointed. In addition to conducting an annual e-learning course for all employees, MC has established 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

	2019.3
Annual average actual working hours ^{*1}	1947.7 hours
Monthly average overtime hours ^{*2}	25.7 hours
Percentage of annual paid leave taken ^{*3}	67%
Number of violations of the Labor Standards Act ^{*4}	0
Voluntary turnover rate (Compared to the number of employees as of March 31, 2018)	1.3%
Ratio of non-regular employees ^{*5}	Approx. 8%

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

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

*3 Employees at the Head Office and Japanese branches.

*4 The average number of temporary employees in the year ended March 2019 was 500.

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>

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 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
- Building a corporate culture that embraces diverse values
- Supporting employees with childcare, family care and other family responsibilities
- Supporting women's careers
- Engaging expertise of senior employees
- Engaging expertise of employees with impairments
- Engaging expertise of employees regardless of nationality

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 \(P.09\)](#)

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 create welcoming workplaces for non-Japanese and LGBT employees.

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 matters such as childcare and family care 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 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 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 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 family care 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 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 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)

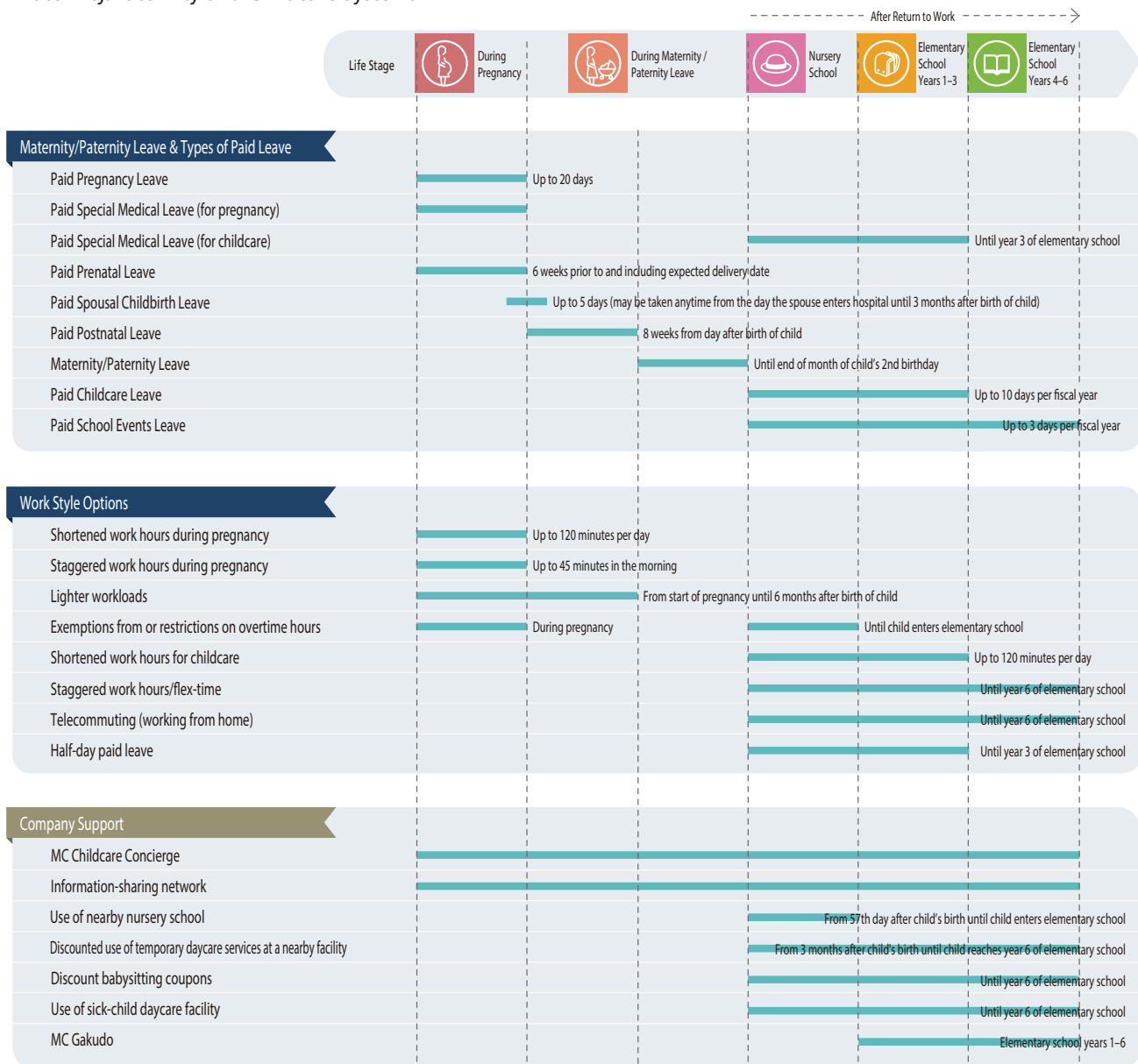
Labor Practices

Support for Balancing Career and Childcare

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 has set up the Childcare Concierge within its Global Human Resources Department. 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. In addition, 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.

Paid School Events Leave, Staggered Work Hours, Flex-Time Work and Telecommuting (working from home)

MC has established a system for paid school events leave, which allows employees to take time off to attend official school and daycare events, such as entrance and graduation ceremonies. In addition, employees with children can utilize systems such as staggered work hours and flex-time, and MC is further supporting employees balancing work and childcare by implementing a system for telecommuting (working from home).

Encouraging Work Style Diversity and Work-Life Balance

MC has distributed its Childcare Support Handbook 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.

Support for Balancing Career and Family Care

In order for employees to continue to demonstrate their abilities while balancing career and family care responsibilities, MC has expanded systems such as family care leave, flex-time, staggered work hours and family care leave. In addition, we provide a variety of support such as holding Work-Care Balance Support Seminars giving employees the opportunity to deepen their understanding regarding family care, as well as establishing a Family Care Consultation Desk, providing a system where employees and their family members can consult regarding their concerns at an early stage.

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)
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) • 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 nursing care services (24-hour consultation desk)

Encouraging Work Style Diversity and Work-Life Balance

MC has distributed a Support for Balancing Career and Family Care Handbook 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 Work-Care Balance Support 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 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 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 employees planning to take maternity/paternity leave or those currently raising children, MC explains the relevant systems and policies, in addition to offering Work-Life Balance Seminars where employees can hear about the experiences of their senior colleagues on topics such as work styles after returning to work from maternity/paternity leave.

Support for employees on overseas assignments accompanied only by children

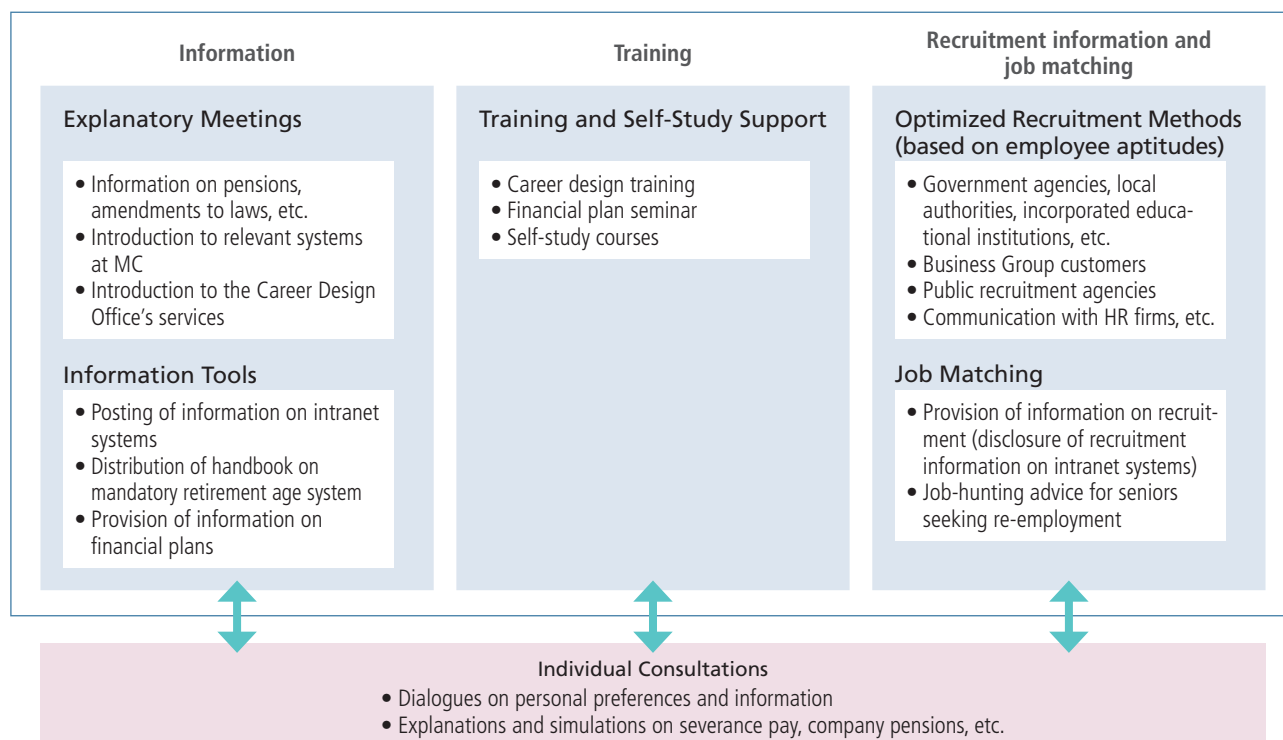
In some cases, employees may be assigned overseas and accompanied only by their children of junior high school age or younger, without their spouses. In these cases, MC provides support to ensure a smooth assignment and the necessary arrangements for daily life during the assignment. This includes sending 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 awareness and attitudes towards working 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, besides introducing its Re-Employment Course System for extending the careers of employees aged 60 and over, MC also 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 or who would like to consider their future life/career. 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/>

(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 page 105.

Relevant Data

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

	2015.3	2016.3	2017.3	2018.3	2019.3
Number of employees who took Paid Spousal Childbirth Leave	67	88	100	83	96
Number of employees who took Maternity/Paternity Leave ^{*1}	44	28	35	66	58
Male	2	2	3	14	13
Female	42	26	32	52	45
Number of employees who took Paid Childcare Leave	165	215	211	224	251
Male	52	79	87	94	120
Female	113	136	124	130	131
Number of employees who took Paid School Events Leave ^{*2}	–	232	252	265	281
Male	–	97	121	123	138
Female	–	135	131	142	143
Number of employees who shortened work hours for childcare	59	71	72	73	82
Male	1	2	1	0	2
Female	58	69	71	73	80
Number of employees who obtained staggered work hours or flex-time for childcare reasons	25	47	37	41	87
Male	2	9	6	5	18
Female	23	38	31	36	69
Number of MC Childcare Concierge consultations ^{*2}	–	140	115	141	116
Male	–	46	43	42	22
Female	–	94	72	99	94
Number of participants in MC Gakudo (total) ^{*2}	–	118	115	131	94
Number of participants in training seminars for employees on childcare leave ^{*2}	–	39	20	28	19
Number of employees who took Family Care Leave ^{*1}	3	1	4	1	4
Male	1	0	1	0	0
Female	2	1	3	1	1
Number of employees who took Paid Family Care Leave	165	169	196	225	247
Male	44	44	59	71	68
Female	121	125	137	154	179
Number of employees who obtained staggered work hours or flex-time for family care reasons	2	3	5	7	8
Male	0	0	0	1	0
Female	2	3	5	6	8
Number of consultations by the family care consultation desk	82	79	61	45	45
Number of employees who applied for the re-employment system for employees who left to accompany spouses on domestic or international transfers ^{*3}	8	12	10	10	6

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

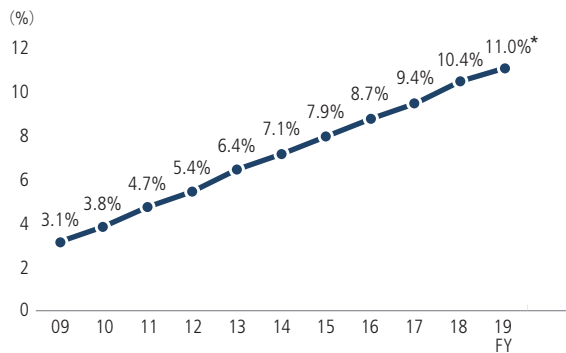
*2 Newly established in the year ended March 2016.

*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.

Labor Practices

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

Percentage of Women in Management-Level Positions



* As of April 1 of each calendar year

Gender Composition of Board Members (as of June 21, 2019)

(Unit: person)

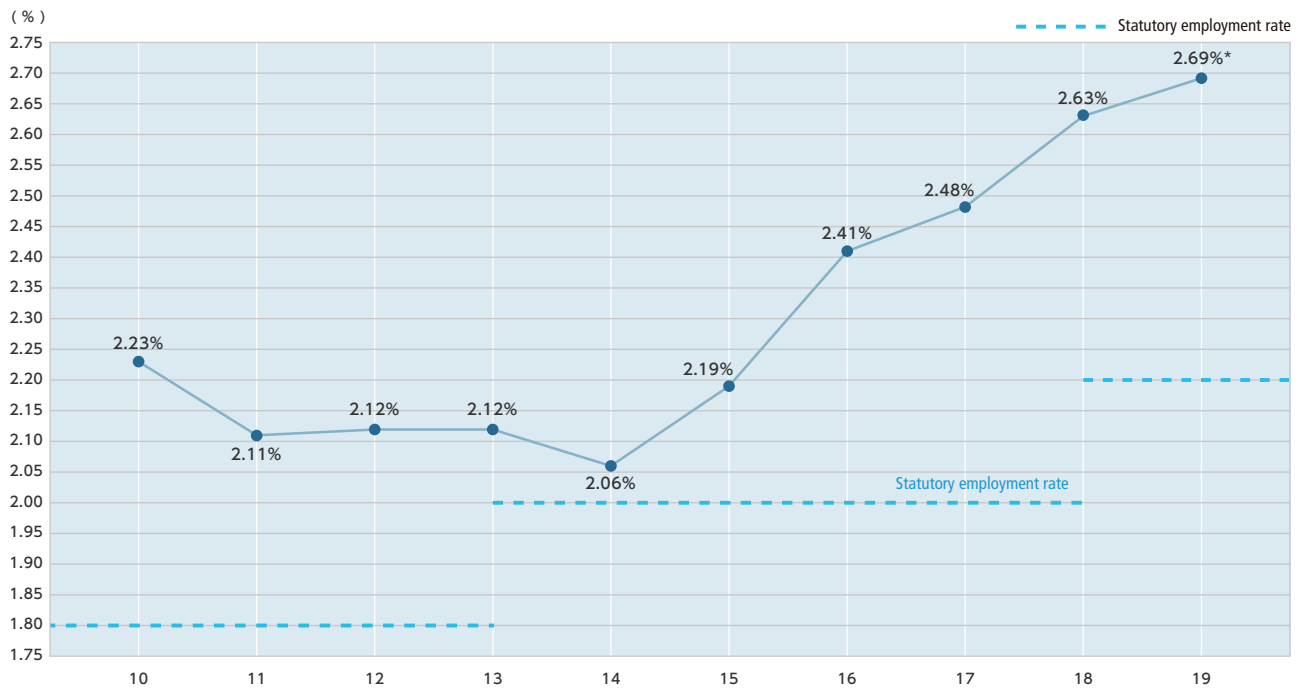
	Male	Female
Members of the Board	12	1
External Directors	4	1
Audit & Supervisory Board Members	4	1
External Audit & Supervisory Board Members	2	1
Executive Officers	42	0

* Executive officers as of July 1, 2019

MC Women Overseas (as of April 2019)



Employment Rate of Persons with Impairments



(As of June 1 of each calendar year) * The statutory employment rate of persons with impairments (private-sector companies) was raised from 2.0% to 2.2% on April 1, 2018.

Independent Practitioner's Assurance

ESG Data marked with an asterisk (*) for the year ended March 2020 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

Reference: Independent Practitioner's Assurance Report (P.175)

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.

Reference: [Reference: Work-Life Balance Plaza \(Japanese only\)](#)

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 3,274 members as of March 31, 2019. 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 2020, three conferences will be held on the themes of HR Systems, the Ideal Situation of MC, and Benefits. 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.

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.

Year ended March 2016	Revision of annual income (3 collective bargaining sessions)
Year ended March 2017	None
Year ended March 2018	Revision of annual income (1 collective bargaining session)
Year ended March 2019	Revision of HR System/Remuneration System (4 collective bargaining sessions)
Year ending March 2020 (through the end of September)	None

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. 'Fostering Our Employees Maximum Potential' has been identified as one of the seven Key Sustainability Issues for MC to address together with our Group companies, and as our operations continue to expand and globalize, diverse human resources representing all genders, nationalities and other characteristics will be needed to fully utilize their respective capabilities in order for the MC Group to continue generating corporate value sustainably. With this in mind, we believe that maintaining and promoting health is an important issue, starting with the provision of safe working environments.

The MC Group promotes initiatives around occupational health and safety (OHS) and health management, which are flexibly tailored to the independence and capacity of each individual and

organization. These include activities to create environments where employees and contractors can work with peace of mind, as well as health, labor and crisis management initiatives. We aim to build and operate management systems that go beyond simply meeting the legal requirements in the countries where we operate to provide support that is more substantial.

Within the MC Group, there are companies with OHS management systems that have obtained the international certifications ISO45000 and OHSAS18001. Furthermore, in order to promote OHS management throughout the entire MC Group, we will develop an organizational framework, clarify responsibilities and continuously monitor progress in order to refine, maintain and further improve our activities.

Accordingly, we have set out the following policy for the MC Group:

MC Group Occupational Health and Safety (OHS) Policy

- We will promote the strengthening of systems for employee health and occupational health and safety (OHS) for the entire MC Group.
- We will conduct robust OHS management regardless of the country or region where we operate, upholding and seeking to go beyond local labor standards, laws and regulations.
- We will reduce the risk of infectious diseases for our employees as well as maintain and improve their health, with the aim of creating an environment where our people, the MC Group's greatest asset, can work with peace of mind.
- Through proper management systems, we will prevent occupational accidents at each workplace. In the event an accident does occur, we will quickly assess the situation, analyze the cause and formulate preventative measures.

Fostering Our Employees' Maximum Potential and Reducing Health Risks

MC has designated "Fostering Our Employees' Maximum Potential." as one of its Key Sustainability Issues (Materiality).

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.

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 August 2018). 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.

* 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 127–131.

Policy to Proactively Address Global Health Issues (such as 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 121 for Mozal's ESG initiatives.

Targets

MC Group

- Health check-up rate for domestic (Japan-based) employees: 100%
- Zero fatalities (including contractors)
- Reduction in the rate of workplace accidents from the previous year (including contractors)

MC

- Health check-up rate for overseas assignees: 100%
- Percentage of annual paid leave taken: 70%
- Zero workplace accidents

Reference: For details on performance related to the targets above, please see Performance Data on pages 100–101.

Occupational Health and Safety

Structure

Officers in Charge	Akira Murakoshi (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources)
Deliberative Bodies (A subcommittee under the Executive Committee, a management decision-making body)	Human Resources Development (HRD) Committee, Sustainability & CSR 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.

MC has appointed the Member of the Board, Executive Vice President, Corporate Functional Officer for Human Resources as the chief officer in charge of OHS management for the MC Group, and promotes a structure where the Global Human Resources Department coordinates each of the Business Groups, which are primarily responsible for OHS management.

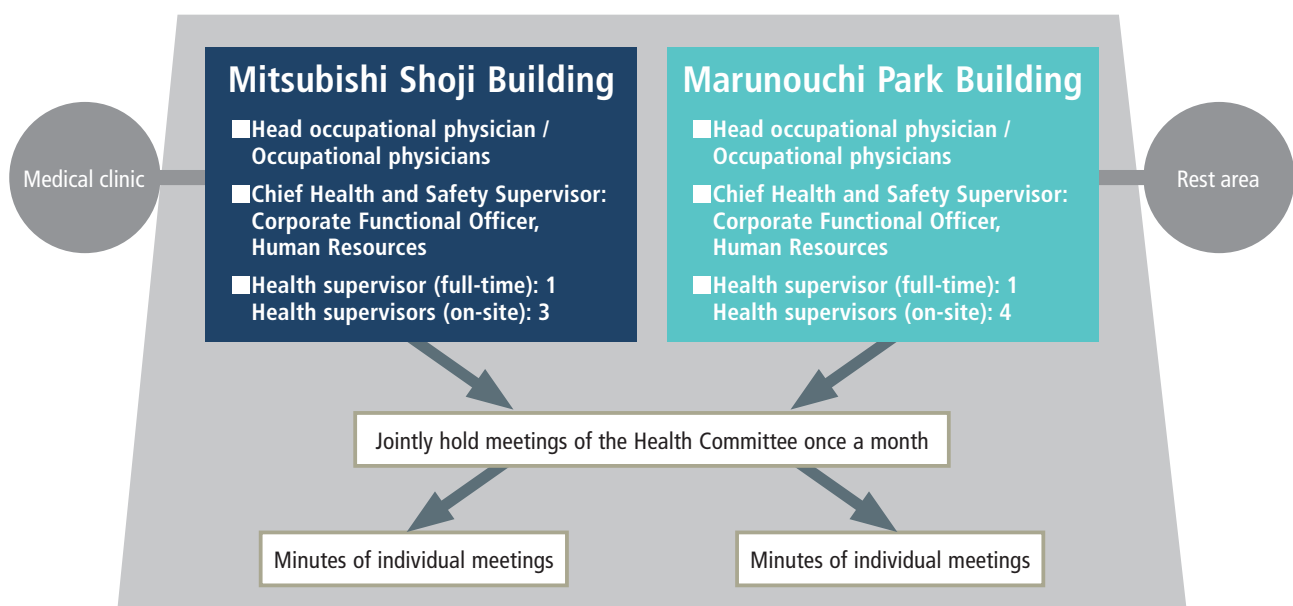
For each MC Group company in Japan, we have established committees such as the Health Committee in line with the Industrial Safety and Health Act, in which employees also participate in developing, evaluating and determining plans related to preventing health problems as well as maintaining and promoting good health.

Reference: Diagram of the Sustainability Promotion Framework (P.09)

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 three occupational physicians and nine health supervisors.

Furthermore, information is shared by holding regular meetings attended by the Global Human Resources Dept., medical clinic and health insurance association. In addition, information is shared and policies are implemented, including mental health measures, within the Liaison Committee for domestic Group companies. In April 2018, the Health Promotion Office was established within the Global Human Resources Department. This office coordinates with related departments (e.g. the internal medical clinic, the mental health support desk) as well as MC Health Insurance Society to effectively use data and consider health initiatives. MC's health initiatives were recognized under the 2019 Health & Productivity Management Outstanding Organizations Recognition Program's WHITE500, a list of 500 companies recognized for excellence in their health and productivity initiatives.



*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 Health Committee which develops 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 conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. 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 institutions 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

The MC Group strives to prevent workplace accidents for employees. In the event that a workplace accident occurs in an MC Group company, MC has established a reporting framework that utilizes compliance reporting lines and other means with the aim of appropriately responding (by conducting investigations, addressing findings, etc.) and promptly implementing measures to prevent reoccurrence.

Reference: For details on the compliance reporting lines above, please see Compliance Framework on page 163.

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. Should an incident occur, the Company 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, especially prior to overseas assignments.

When the Great East Japan Earthquake struck on March 11, 2011, MC was quick to activate the Crisis Management Headquarters. All members of company management and 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 in order to raise awareness of those issues. 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 1,300 MC head-office employees on overseas assignments at any given time, and some 1,600 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 and their family to either return to Japan or travel to other nearby developed country for the examination. Employees and their families 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 25,000 total 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 visit specialist physicians to receive medical consultations and treatment.

The clinics offer both regular checkups and special examinations. The attendance rate for regular checkups in Japan is 100%. 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.

Reference: For details on performance, please see Head Office Clinic Usage on page 101.

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 89% 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. MC also conducts 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. 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, with a system that supports employees together with their workplaces. 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 Fees for Multiphasic Health Screenings

Multiphasic health screenings are offered to employees in line with the Japanese Industrial Safety and Health Act, the fees for which are partially subsidized*.

* Subsidized by the MC Health Insurance Society

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.

MC takes a thorough approach towards preventing the spread of diseases in the workplace through initiatives such as providing anti-malaria vaccination for employees traveling on business trips to regions where tropical malaria is prevalent, recommending antibody tests and vaccinations against measles and rubella (MR) which has recently become increasingly prevalent in Japan, and administering in-house vaccinations against seasonal influenza.

Tuberculosis Prevention Initiatives (Mongolia)

MC 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 aimed to raise awareness of the disease through pamphlet distribution, videos and events. In addition, for secondary school students, MC organized a drawing contest and used the winning entries in advertising posters. These awareness-raising activities were 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 time spent in the office 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 2019, the annual paid leave utilization rate was 67% while average monthly overtime was 25.7 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 energy resource projects with a focus on natural gas and LNG, 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, announced 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 announced 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 metallurgical 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 = Safety

I = Improvement

GMA= 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)
<https://www.mcferticom.jp/company/csr/#csrMenu>

Occupational Health and Safety

Status of Acquisition of OHSAS 18001

Main MC Group Companies with OHSAS Certification

Business Group	Name of Company	Business Activities
Natural Gas Group	Tomori E&P Limited	Natural gas / condensate development and production
Industrial Materials Group	MC Zhenjiang Anode Solutions Co., Ltd.	Production and sale of anodes for aluminum smelting
	UBE-MC Hydrogen Peroxide Ltd.	Production and sales of hydrogen peroxide
	Cape Flattery Silica Mines Pty. Ltd.	Mining, refinery and sales of silica sand
Petroleum & Chemicals Group	MC Ferticom Co., Ltd.	Fertilizer production
Mineral Resources Group	Anglo American Sur S.A.	Copper ore mining, processing and sales
	Compania Minera Del Pacifico S.A.	Iron ore mining, processing and sales
Industrial Infrastructure Group	Chiyoda Corporation	Plant engineering business
	Mitsubishi Electric de Colombia Ltda.	Elevator business (sales and maintenance)
	Mitsubishi Elevator Malaysia SDN. BHD.	Elevator business (sales and maintenance)
	Mitsubishi Elevator (Singapore) Pte. Ltd.	Elevator business (sales and maintenance)
	Mitsubishi Elevator Hong Kong Company Limited	Elevator business (sales and maintenance)
	Mitsubishi Elevator (Thailand) Co., Ltd.	Elevator business (sales and maintenance)
Automotive & Mobility Group	PT Mitsubishi Motors Krama Yudha Indonesia	Automobile manufacturing
	PT. Kansai Paint Indonesia	Automobile paint production and sales
Food Industry Group	Deccan Fine Chemicals (India) Private Limited	Contracted manufacturing of agrochemical intermediates and active ingredients
	Cermaq Group AS	Salmon farming business
	Princes Limited	Food and beverage production
	Olam International Limited	Agricultural production, collection, processing, trade, port operation

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)
https://www.rental.co.jp/topics/index_safetynews.html

Occupational Health and Safety

Performance Data

Occupational Accident Data

Occupational Health and Safety Data (Non-Consolidated)

	2017.3	2018.3	2019.3
Lost time injuries frequency rate* (Frequency rate of injuries)	0.45	0.46	0.47*
Lost time injuries severity rate* (Severity level of accidents)	0.00	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" 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.
- "Severity rate" refers to the severity level of accidents and represents the total number of lost time injury days / 1,000 total actual working hours.

* 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)

	2016	2017	2018
Lost time injuries frequency rate	1.74	1.94	1.83
Workplace accident severity rate	0.03	0.10	0.09

* From the Japanese Ministry of Health, Labour and Welfare's "2018 Survey on Industrial Accidents"

Occupational Health and Safety

Other Data

Head Office Clinic Usage

Patients in the fiscal year ended March 2018: (total no. of people)	Approximately 24,800 people per year (Medical examinations 6,700; general medical examinations 16,600; overseas medical consultations, health guidance and others 1,500)
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Health Checkup Results

	2017.3	2018.3	2019.3
Overseas assignees checkup rate	85%	91%	92%

Stress Check Results (Domestic)

	2017.3	2018.3	2019.3
Checkup rate	95%	95%	95%

Training and Education Performance

Training course title	Theme	Scope	(2017.3)	Participants (2018.3)	(2019.3)
(1) New upper-level manager seminar	Medical clinic director lectures on safety and health management	General Manager level	56	50	66
(2) Organizational management training	Medical clinic director lectures on safety and health management	Manager level	101	138	103
(3) Intermediate follow-up training for new employees	Lecture on stress management	University graduate employees	194	178	153
(4) Integration training for mid-career hires	Lecture on stress management	Mid-career hires	16	6	10
(5) Instructor training	Lecture on workplace mental health	"Instructor" employees	154	195	184
(6) Domestic assignment orientation	Mental health included as theme in lecture on human resources management. Lecture delivered by legal advisor.	Managers sites/ companies	195	221	190

Independent Practitioner's Assurance

ESG Data marked with an asterisk (*) for the year ended March 2020 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

Reference: Independent Practitioner's Assurance Report (P175)

Human Resource Development

Policy

Principles of Human Resource Development

MC's human resource development is grounded on the basic principle of continuing to develop management professionals who are committed to increasing corporate value with a management-focused mindset. MC expects its employees to continue developing their Foresight, Execution Skills, High Moral and Ethical Standards to a higher level at each step of their careers. Furthermore, one of the most important missions for supervisors is to closely follow and support the professional growth of each individual employee.

In line with this policy, MC's off-the job training (OFF-JT) is designed to equip employees with the necessary knowledge and

competencies to sharpen these traits (ethics, foresight and execution skills) at each of their Job Grades and at the right stages of their careers. Furthermore, to promote employees' self-growth, MC is providing them with more opportunities for proactive learning and self-improvement.

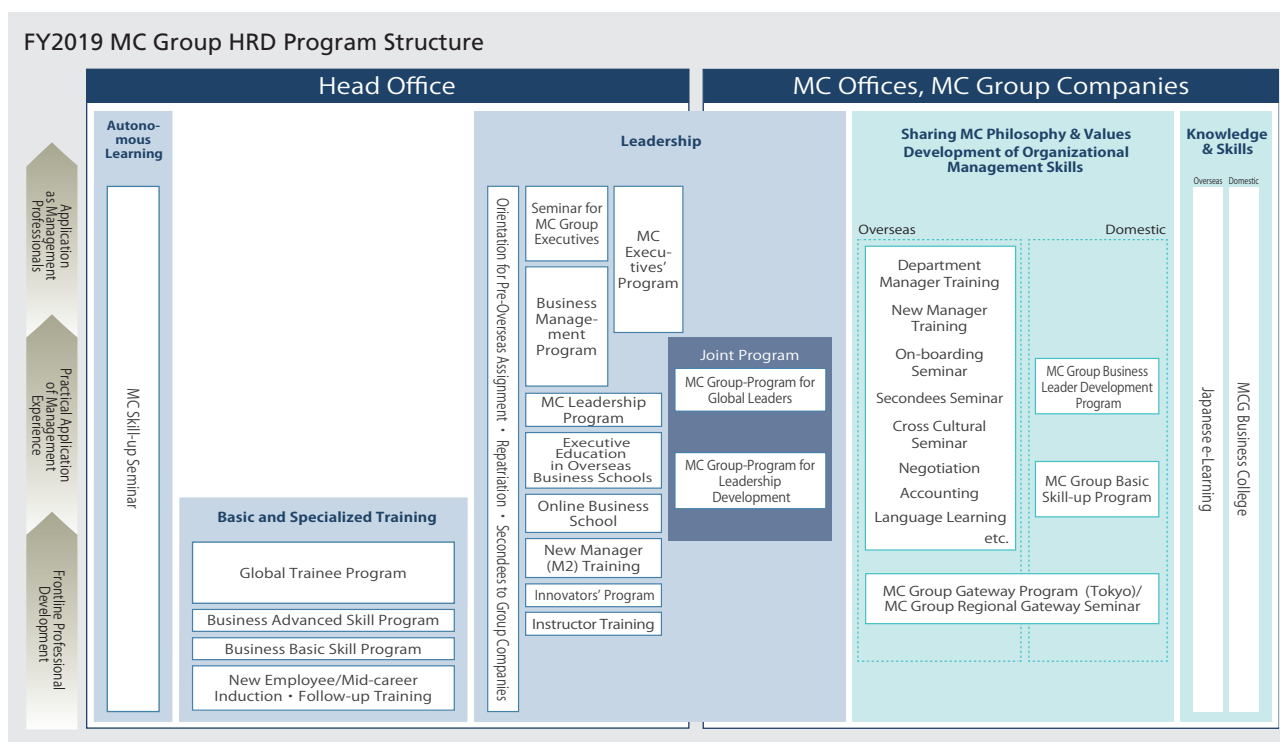
MC's HR training programs support the career development of all employees throughout the MC Group, including those at MC's Head Offices, its overseas offices and its Group companies in Japan and around the world.

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.09)

MC Group HRD Program Structure



* In addition employees are also dispatched to trainings held by other companies

Human Resource Development

Initiatives

Introduction of Human Resource Development Programs

1. Career Development Support Programs

Aiming to foster reciprocal growth between the Company and its employees, “employee self-growth and support for growth by the Company” are key priorities for MC.

Growth Conversations

MC holds “Growth Conversations” once a year between employees and supervisors, with a focus on skill development and career building, as a system to encourage self-growth for employees and allow them to receive support for their growth from supervisors and colleagues. “Midterm Conversations” are also held at any time around themes deemed necessary by the employee or supervisor.

Talent Review Program

MC has a policy to “be more meritocratic to ensure the right people are assigned to the right positions,” and aims to achieve this through its Talent Review Program, where the right people are identified through a process of having employees directly evaluated by their supervisors while also being observed and assessed by multiple other eyes. In the Talent Review Program, human resources in each organization are evaluated based on their core competencies while also reviewing individual abilities and experiences, and this information is shared with the relevant parties along with the employees’ career aspirations.

2. Basic and Specialized Training

After joining MC, new recruits are provided with training for acquiring basic business knowledge, communication skills, analytical capabilities and management skills. We also focus on developing the ability to work on the international stage, which is essential for people who work for a *sogo shosha* such as MC.

New Employee Training

MC has prepared a program to equip new employees with the knowledge, skills, etc. necessary as a member of society and as an employee of the Company.

**Business Basic Skill Program and
Business Advanced Skill Program**

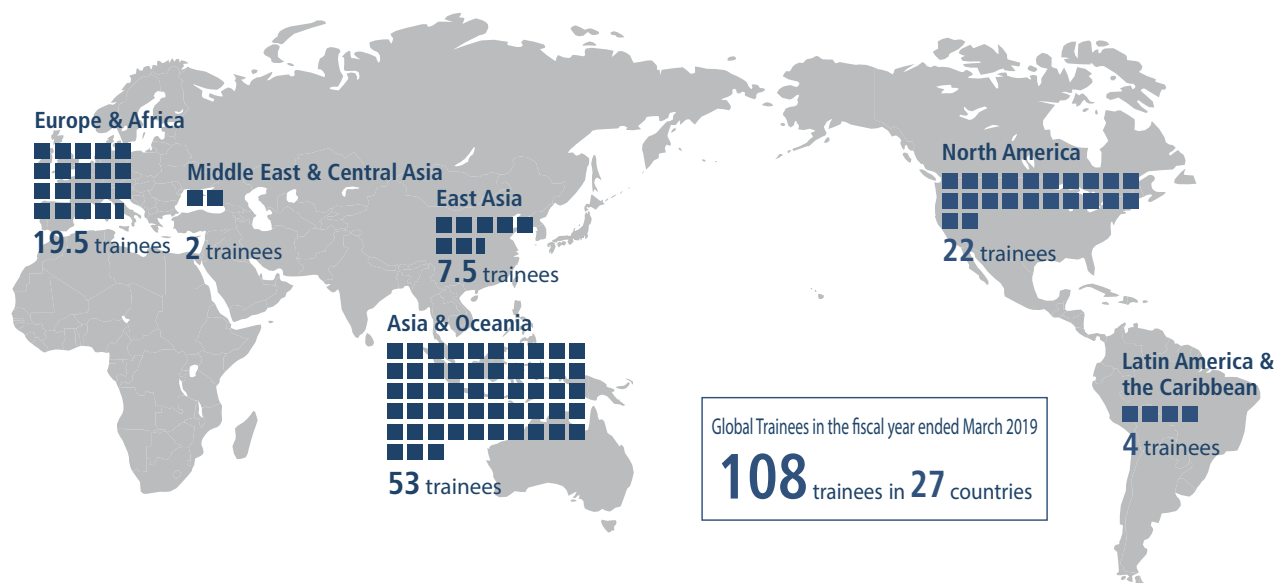
To strengthen basic business skills, all new hires are required to participate in two stepwise HRD programs called the “Business Basic Skill Program (BBS)” and the “Business Advanced Skill Program (BAS)” in their first three years at MC. These programs give them a general foundation in basic professional skills such as finance, accounting, mergers and acquisitions (M&As), business English and global leadership.

Global Trainee Program

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 100 young employees participate on these assignments.

Human Resource Development

Assignment of Global Trainees (Fiscal Year Ended March 2019)



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

3. Leadership

MC conducts training aimed at providing employees with skills such as fostering a management mindset and improving corporate value. While strengthening foresight skills including business creation and digital strategies, we have developed programs to strengthen human resource development in order to unite the organization.

Innovators' Program

To cultivate the necessary foresight skills for improving corporate value, MC conducts the Innovators' Program in Silicon Valley, which includes sessions held in collaboration with Stanford University professors. This is a place to learn about mindsets that spur design thinking and other innovations, as well as about the background and mechanisms behind the rapid growth of Silicon Valley companies.

Online Business School

MC provides a system that allows managers at an early career stage to take top business school courses online. Choosing from numerous programs including leadership, strategy and finance, employees are able to select the elements most necessary for their own development.

Joint Programs

MC has 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 invite professors from overseas business schools to conduct courses tailored to help employees develop management thinking, equip them with management skills, and strengthen the MC Group's overall management capabilities. Each year, roughly 150 employees participate.

MC Leadership Program

MC conducts a leadership program for roughly 100 employees assigned to posts where they will lead an organization. The aim is to cultivate leadership skills such as supporting the development of subordinates and organizational management.

Business Management Program

Currently, about 30% of MC employees are seconded to MC Group Companies for business management. MC holds a program for employees such as these to gain skills such as leadership, diversity management, strategy and governance that are essential for improving business value and managing an organization.

Human Resource Development

MC Executives' Program

The MC Executives' Program is an annual program for executive candidates 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.

4. Autonomous Learning

MC has a robust program for autonomous learning in order to promote employees' self-growth and to provide them with more opportunities for proactive learning and self-improvement.

MC Skill-up Seminar

MC offers a number of courses to foster skills and abilities that connect to development of expertise, foresight and execution skills.

5. 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 2019, approximately 500 employees took part in the program, bringing the cumulative total to around 3,700. 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.

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.

Human Resource Development

Performance

Human Resource Development and Training Data

Number of Training Participants (Non-Consolidated Basis)

Program Name	Eligible Employees	2018.3	2019.3
Business Basic Skill Program	1st or 2nd year employees	171	171
Business Advanced Skill Program	3rd year employees	131	150
Global Trainee Program	2nd year and over employees	124	108
Program for Leadership Development	Manager class employees	39	39
Program for Global Leaders	General Manager class employees	35	40
MC Executives' Program	Managing Director class employees	36	36

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

	2018.3	2019.3
No. of training participants per year* ¹	2,879	3,162
Total annual training hours* ²	Approx. 111,300	Approx. 116,000
Annual training hours averaged out over typical employee's career* ³	62	62
Total cost of training* ⁴	2.04 billion yen	2.14 billion
Cost per employee* ⁵	333,000 yen	356,000 yen

*1 Training programs run by the Global HR Dept. at the Head Office.

*2 Training programs run by the Global HR Dept. at the Head Office (excluding training for overseas assignments)

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

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

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

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 Consumer Industry Group. 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. Meanwhile, in emerging countries, many people lack access to high-quality medical services due to underdeveloped healthcare environments and systems. 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 seven languages* (Japanese, English, Chinese, Portuguese, French, Russian and Korean), and annually publishes its corporate brochure in eight languages (Japanese, English, Chinese, French, Russian, Spanish, Burmese and Vietnamese). The goal is to ensure accurate information disclosure to audiences around the world.

* Including websites of overseas subsidiaries.

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.

Initiatives in the Food Science Business

Initiatives by Mitsubishi Corporation Life Sciences Limited

Mitsubishi Corporation Life Sciences Limited develops seasonings and health food ingredients utilizing the power of yeast. It uses yeast extracts to offer low-sodium seasoning alternatives and is also developing them as supplement ingredients for the health and beauty fields. Moreover, elderly people who have difficulty swallowing and individuals suffering from certain diseases are prone to aspiration pneumonia, which can result from the mis-swallowing of food. For this issue, the company 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 easier swallowing are contributing to the prevention of aspiration pneumonia. Furthermore, 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 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 places value on "Human kindness" based on its corporate philosophy of "Creating Happiness and Harmony in Our Communities," and 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. Thus, it is highly rated by consumers who want not only quick and easy meals but also to pursue or maintain a healthy diet. Lawson will continue to actively develop healthy food 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 21 LAWSON Farms in Japan, 18 have achieved Japan Good Agricultural Practice* certification as of September 30, 2019.

* Japan Good Agricultural Practice (JGAP) 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/social/community/safetystation/>
<http://www.lawson.co.jp/company/activity/lawsonfarm/>

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, Mitsubishi Shokuhin Co., Ltd., Lawson, Inc. and other MC Group companies make it a top priority to comply with laws and regulations such as Japan's Food Labeling Act. These companies provide information which is easy to understand from the consumer standpoint such as quality labeling, warnings related to alcoholism, acute alcohol poisoning, and underage drinking, as well as clear allergen warnings.

Customer Responsibility

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.

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 rental equipment and in-home nursing care services. In order to raise the quality of life of the elderly and enable them to continue living independently, the company conducts its core business of renting welfare equipment as well as other businesses including providing meals to day service facilities and other institutions. In doing so, the company is contributing towards a healthy longevity 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 in the parking lots of 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

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, aiming to help improve the standard of living of farmers in Myanmar and contribute to the development of farming in the country.

○ Healthcare support initiatives

MC is supporting mobile clinics provided by NGO Japan Heart to remote locations where access to medical facilities is difficult. This project has also helped in the training and development of doctors and nurses from Myanmar by having them provide care together with specialist teams from Japan.

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 through knowledge transfer from MC and its network of partners.

• 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 was established to operate and maintain 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 \$11.3 million (approx. ¥1.2 billion) to projects throughout the Americas. For example, the MCFA is supporting initiatives such as a Rainforest Alliance project in Peru to promote sustainable farming practices for high-value crops such as brazil nuts and cocoa.

(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 £5 million (approx. ¥700 million) in grants to environmental and developmental projects in Europe and Africa. Currently, the MCFEA's support includes contributions to a fishery management project in Morocco conducted by the US-based Sustainable Fisheries Partnership, helping to provide stable and sustainable supplies of seafood to the market as a high-quality source of protein.

(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) Global Multi-stakeholder Partnerships-UN Global Compact Action Platform for Sustainable Ocean Business:

Action Platform for Sustainable Ocean Business. Launched in June 2018 by the UN Global Compact and with Cermaq as the first Patron to join this initiative in February 2018, with the goal of developing holistic global solutions for the sustainable use of the ocean. The first business driven initiative of its kind in the United Nations, the initiative aims at developing roadmaps for the maritime industries in close dialogue with governments, academic institutions, NGOs and UN organizations.

(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.08)

Community

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	Masakazu Sakakida (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	Sustainability & CSR Committee Important matters related to communities deliberated by the Sustainability & CSR 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 & CSR Dept.

Reference: Diagram of the Sustainability Promotion Framework (P.09)

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 philanthropic activities that are in line with three overarching themes: "Realizing an Inclusive Society," "Empowering the Next Generation" and "Conserving the Environment." In addition, MC also provides support for regions affected by natural disasters, which includes recovery efforts for the Great East Japan Earthquake.

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, 2019, approximately 4,900 employees had participated in those activities as volunteers.

Volunteer Token System/ Volunteer Leave System

MC donates to NPOs, foundations and other organisations that engage in public welfare, educational and environmental initiatives 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.

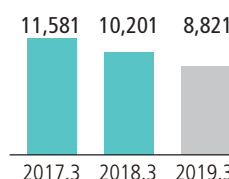
Employees can take up to five days of leave each year to participate in volunteer activities.

Year ended March 2019

No. of employees
taking volunteer
leave **181**
(cumulative
no. of people)

Volunteer leave
days taken **220**

Number of Tokens Given for Volunteer Work



Donations made through tokens
4,410,500 yen
(as of March 31, 2019)

DREAM AS ONE.

—Joining Together to Make Dreams Come True—

MC launched the DREAM AS ONE. Project in 2014 in order to enhance a long-running program aimed at making sports more accessible for people with impairments. During the fiscal year ended March 2019, 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.

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. As of the fiscal year ended March 2019, MC has purchased around 2,200 works and provided scholarships to a total of 132 active students.

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 revitalization 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\$11.3 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 £5.0 million

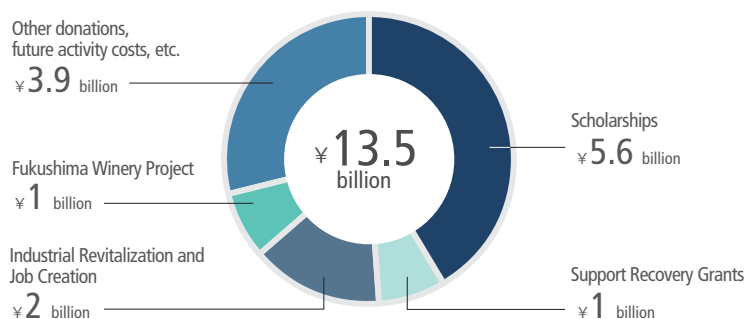
Mitsubishi Corporation Disaster Relief Foundation

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 support recovery grants from the original fund while also working to support industrial revitalization 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 additional activities. We are continuing our original initiatives and pursuing 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 revitalization and job creation involve providing financial support (investment and 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 of this system from ordinary financing is that payment for the principal and interest is not paid for up to 10 years until the business gets on track. If the business starts to make a profit, MC receives a portion as a distribution of profits. This profit distribution is not retained in the foundation, but is instead donated to regional governmental organizations and other recovery support funds in line with our basic policy, so that it can be reused for activities to support the recovery of areas impacted by the disaster. By establishing a system to recirculate the recovery funds, MC is promoting further progress towards independence for the regional economies.

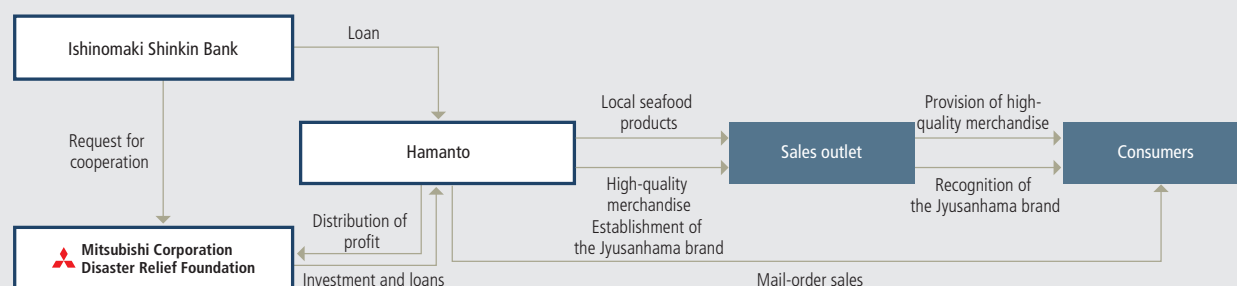
Mitsubishi Corporation Disaster Relief Foundation Activities



* Total financial amounts including the activities of the Mitsubishi Corporation East Japan Earthquake Recovery Fund

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\$11.3 million. Projects supported to date include the US-based 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 £5 million. Currently, the MCFEA supports initiatives including a sustainable cocoa farming project by Rainforest Alliance in the Ivory Coast, a wildlife conservation project by the IUCN in Tanzania, and a fishery management project by the Sustainable Fisheries Partnership in Morocco.

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 fiscal year ended March 2019, a total of 1,405 students had been awarded these scholarships.

In addition to the scholarship itself, each year MC provides an opportunity for recipients to tour sites related to Mitsubishi, 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 fiscal year ended March 2019, a total of 8,186 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 purchase program for the procurement of equipment and services from local small businesses. Around 940 suppliers have participated in the program, leading to the creation of around 6,700 jobs. The program generates economic benefits of around A\$90.0 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 mines 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 exports. Today, aluminum is Mozambique's number two 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 over 1,000 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.

<Silica Sand Production at Cape Flattery Silica Mines>

Cape Flattery Silica Mines Pty. Ltd. (CFSM), a wholly owned subsidiary of MC, is located in Queensland, Australia and has supplied silica sand to users in East Asia and Southeast Asia for over 50 years since its establishment in 1967. Currently one of the world's largest silica mines, CFSM ships over 2.5 million tons of silica sand annually to glassmakers and other customers.

3-4 years to restore the site back to the original condition full of greenery, complete with trees and other natural vegetation, CFSM is able to coexist with the natural environment.

To date, the total area that has been rehabilitated, amounts to 232 hectares.

CFSM will carry on with these activities and continue to develop the mine while minimizing negative impacts to the local environment.

Contributions to the local community

1. Coexisting with traditional owners

The land where CFSM operates is owned by traditional owners. Accordingly, besides paying royalties to traditional owner organizations, CFSM also prioritizes traditional owners for employment, offers financial assistance for vocational training, provides scholarships, supports local infrastructure construction and conducts other initiatives in order to coexist with traditional owners. Out of the company's roughly 90 employees, traditional owners make up more than one third.

2. Coexisting with nature

CFSM conducts replanting/greening of mining areas, with some employees devoted to rehabilitation activities. The company collects seeds from plants that grow naturally in the area and then plants and raises them in a designated nursery. After the mining is completed, they are planted back in the mining area. By spending

Applications for Silica Sand

The main applications for silica sand include glass, foundries and chemicals. However, with environmental issues gaining attention worldwide, CFSM is also responding to market needs by increasing the supply of materials to solar panel glass producers, primarily in China. Given global awareness of sustainability issues related to mining, including damage to the environment and impacts to biodiversity, mining activities are being restricted by strengthened environmental regulations in each country. Despite this trend, CFSM's strengths are being recognized, demonstrating results with its sustainable operations that pay consideration to the environment, as well as by supplying a stable quality and volume of product. Going forward, CFSM will continue supporting the proliferation of clean energy by supplying their material.

Other Reference Data

Donation Amounts

(Unit: ¥ million)

Item	2017.3	2018.3	2019.3
Social contributions, etc.	1,581	1,615	1,923
Recovery support* ¹	564	1	1
Political donations* ²	28	28	32
Total	2,173	1,644	1,956

*1 Amount includes MC's contributions to the Mitsubishi Corporation Disaster Relief Foundation and donations to other organizations involved in recovery support. For more information on the activities of the Mitsubishi Corporation Disaster Relief Foundation, please see p110.

*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

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>

Individual Policies

Timber and Paper Products Procurement Guidelines

Forests play an important role in combating climate change and maintaining biodiversity. However, forest loss is continuing on a global basis, and one of the causes is said to be deforestation connected to the production of wood products including timber and paper.

In light of this external environment, Mitsubishi Corporation (hereafter 'MC') has established the Timber and Paper Products

1. Procured timber and paper products do not impose an excessive environmental impact on the forest in the area of origin.
2. Wood harvesting connected to products procured by MC is conducted in a way that conserves forests and does not adversely affect the livelihoods of local residents.
3. Timber and paper products are procured from suppliers that have established a management structure to confirm the legality of the wood-related raw materials and products they procure.
4. Timber and paper products are not procured from suppliers involved in serious social and environmental issues such as

Procurement Guidelines, which serve as MC's policy for the conservation of forests and forest ecosystems, and for addressing human rights and labor issues in forest areas.

Through this guideline, MC conveys its fundamental perspective to its suppliers around the world and strives to ensure the following:

- deforestation of High Conservation Value (HCV) forests.
 5. Timber and paper products are procured from suppliers that meet the standards established in the "Mitsubishi Corporation Policy for Sustainable Supply Chain Management", in the event that FSC® (Forest Stewardship Council)-certified or recycled timber and paper products are not available.
- * License Code: FSC® - C016424
6. Procurement of FSC-certified products is prioritized to the extent possible.

Palm Oil Procurement Guidelines

Palm oil is a raw material used in a wide variety of products and originates from the oil palm, which grows in tropical regions with a certain amount of annual rainfall.

Tropical rainforests play a vital role in combating climate change and maintaining biodiversity, and the deforestation of these rainforests for the purpose of developing oil palm plantations is an important issue.

In light of this, in order to advance the procurement of sustainable palm oil, Mitsubishi Corporation (hereafter 'MC') became a member of the RSPO (Roundtable on Sustainable Palm Oil) in 2004,

1. Active participation as a member company of the RSPO.
2. Total volume and ratio of sustainable palm oil including RSPO certified palm oil handled is disclosed.
3. Palm oil connected to human rights infringements such as child labor and forced labor is not procured.
4. Palm oil is procured in a manner that gives due consideration for workers' rights and biodiversity.
5. Palm oil products which are produced in accordance with local laws in the area of origin and have cleared proper procedures are procured.

taking steps to address environmental and ecosystem conservation as well as human rights and labor issues connected to the production of palm oil. In addition, MC collaborates and cooperates with other RSPO member companies to promote the importance of procuring sustainable palm oil including RSPO certified palm oil to companies within the supply chain.

By establishing the Palm Oil Procurement Guidelines, MC conveys its fundamental perspective to its suppliers around the world and strives to ensure the following:

6. Palm oil connected to deforestation of High Conservation Value (HCV) forests and development on peatlands is not procured.
7. Activities of the RSPO are promoted to MC's subsidiaries, affiliates, and customers.
8. Collaboration and cooperation with a variety of stakeholders including other RSPO member companies, suppliers, and third parties in order to achieve the above.

Supply Chain Management

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	Masakazu Sakakida (Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer)
Deliberative Body (A subcommittee under the Executive Committee, a management decision-making body)	Sustainability & CSR Committee Important matters related to supply chain management deliberated by the Sustainability & CSR 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 & CSR Dept.

Reference: [Diagram of the Sustainability Promotion Framework \(P.09\)](#)

Each year, the methods and results of MC’s supply chain management are reported to the Board of Directors. In addition to key policies being determined by the Executive Committee, the company’s management decision-making body, the Corporate

Functional Officer in charge of Corporate Sustainability is regularly briefed on sustainability-related topics including the latest external developments and the status of stakeholder dialogues.

Supply Chain Management

Risk Management

MC regularly conducts surveys of suppliers, with a focus on those in industries where social risks including human rights and labor conditions, as well as environmental risks are considered higher such as marine/agricultural products and apparel, in order to monitor their compliance with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management. Products subject to this assessment are determined based on external developments by the two criteria of country/region of origin and product type.

MC asks suppliers questions that take into account the specific issues and risks of the products handled by each supplier, with a focus on aspects including “existence of policies, compliance with laws and regulations”, “prevention of forced labor, child labor and discrimination towards workers”, “environmental protection”

and “information disclosure”. In addition, MC employs a system to determine suppliers that may have issues or require assistance based on the results of each questionnaire response. Following this, MC considers and decides whether additional surveys or on-site inspections are necessary. Furthermore, in order to improve the convenience and accessibility of the survey for suppliers, we have built a web-based system and conduct the surveys through this system.

In the event that MC confirms, through additional surveys or on-site inspections, points that should be rectified or improved in relation to the Policy, in addition to requesting the relevant supplier to take corrective measures, MC also provides guidance and assistance as necessary. If MC determines that a resolution is unlikely even after providing continuous guidance and assistance, MC will review its business relationship with the relevant supplier.

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

Together with periodically receiving confirmation of support for the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, 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, they are vetted through an internal screening process which considers not only economic aspects but also ESG factors including human rights. In particular, for proposals to be deliberated by committees such as the Board of Directors and the Executive Committee, by having the General Manager of the Corporate Sustainability & CSR Department participate as a member of the Investment Committee, MC has put in place a screening system that reflects potential environmental and social impacts in decision-making. 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). Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Supply Chain Management

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: FY2018 Slavery and Human Trafficking Statement 5. (A) Training and Awareness Raising
https://www.mitsubishicorp.com/jp/en/csr/management/pdf/slavery_and_human_tracking_statement_en.pdf

Data on RSPO-Certified Palm Oil

(Units: tons)

	2017.3 results	2018.3 results	2019.3 results
Book and Claim method	—	—	—
Mass Balance method	6,950.00	6,130.00	16,350.00
Total volume of palm oil handled	283,000.00	309,300.00	356,000.00
Ratio (%)	2.46	1.98	4.59

Scope: Non-consolidated basis and a portion of business investments

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

Data on ASC-Certified Products

(Units: Thousand tons)

	2017.3 results	2018.3 results	2019.3 results
Production capacity of ASC-certified sites*	68	121	148
Actual sales volume of farmed salmon	137	158	173

ASC: Aquaculture Stewardship Council

Scope: MC consolidated subsidiary Cermaq

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

Data on FSC® CoC-Certified Products

	2018. 3 results
Wood chips with FSC CoC certification	100%

FSC®: Forest Stewardship Council®

FSC CoC: Certification for processing/distribution process

Scope: Non-consolidated basis

License Code: FSC® - C016424

Supply Chain Management

Engagement with Suppliers

If a violation of the Mitsubishi Corporation Policy for Sustainable Supply Chain Management 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 marine and agricultural products 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 2019, MC conducted its annual survey for the fiscal year ended March 2018, and replies

were received from 296 companies in 30 countries and regions including China, Vietnam and Thailand. 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. Based on the results of this survey, MC conducts additional surveys, on-site inspections and other measures for a number of suppliers.

The communication with suppliers achieved through the surveys and site visits provides a valuable opportunity to deepen the suppliers' understanding of MC's stance on sustainability. Therefore, MC will continue to deepen communication with each supplier and provide training and assistance to suppliers as necessary.

Region	Number of surveys distributed	Number (%) of suppliers MC is working with to share concerns, solve issues, etc.
Asia/Oceania	269	32 (11.8%)
The Americas	16	5 (31.2%)
Europe, Middle East, Africa	11	4 (36.3%)
Total	296	41 (13.8%)

Reference: Surveys and Supplier Visits
<http://www.mitsubishicorp.com/jp/en/csr/management/supplychain.html>

Supply Chain Management

Communication with Suppliers

In the year ended March 2019, MC employees visited B. Foods Product International (BFI), a poultry processing plant in Thailand which supplies fresh and processed poultry products to MC subsidiary Foodlink. Interviews were conducted with employees and company management in order to cultivate a better understanding of BFI's sustainability practices. MC was able to confirm that BFI has a mechanism in place to internally communicate Betagro Group's sustainability policies and the CEO message which states that BFI must consider environmental and societal impacts when doing business, and also that these points are being implemented into operations.

Through the interviews, MC was also able to confirm that employee rights are respected throughout the employment process including recruitment, execution of employment contracts, training and management of working hours. On the environmental side, MC confirmed that BFI has set targets to reduce greenhouse gas and waste emissions, and that wastewater is treated through an appropriate treatment process.



Plant inspection



Employees appropriately wearing uniforms and protective equipment and working in a safe and hygienic environment

During visits to BFI's plants, MC confirmed that adequate measures are put in place to prevent knife-related accidents within the facility. For example, employees appropriately wore uniforms and protective equipment, floors were kept clean to prevent slips and falls, and signs were posted within the facility to communicate accident prevention measures to employees.



After improvement: Warning sign set up to avoid injuries

Minor issues relating to health and safety were pointed out during the visit. For example, it was identified that some equipment in the facility were situated close to the ground and that there was a possibility of employees injuring their heads, so MC requested safety measures to be implemented accordingly. Promptly after the visit, BFI considered necessary improvement measures and set up a warning sign written in three languages in order for all employees to be able to understand.

In the event of an accident, BFI conducts an investigation and agrees on preventive measures together with employees, and this has contributed to reducing the number of accidents. From this example and from the way BFI adequately adopted improvement measures following the site visit, MC was able to confirm that BFI constantly reviews their operations and takes necessary actions for remediation.

Working in partnership with suppliers, MC will continue to promote sustainable operations throughout its supply chains.

External Collaboration

Cermaq Initiatives

Cermaq, an MC consolidated subsidiary, is committed to ensuring high standards related to the social and environmental impact of its business. The company has established a Supplier Code of Conduct, taking into account the principles of MC's Policy for Sustainable Supply Chain Management, to ensure responsible practices throughout the supply chain, and which describes the minimum standards that all Cermaq's suppliers are expected to uphold. Cermaq expects its suppliers to request similar standards for their suppliers and subcontractors.

Cermaq expects all its suppliers to comply with requirements in the areas of national legislation, human rights, labor rights, health and safety, anti-corruption, the environment, food quality and safety, management systems, and implementation.

In the area of the environment, adverse impact from the operations of the supplier on the community, the environment, and natural resources are expected to be minimized while safeguarding the health and safety of the public. Adverse impact may include pollution, use of limited resources, deforestation, release of chemicals and other materials to the ground, sea or air and which pose a hazard if released into the environment. To minimize the risk, including reducing chemical use in fish farming, suppliers are expected to identify, monitor and control the environmental impact of their operations.

Reference: Cermaq Supplier Code of Conduct

Supply Chain Management

Mitsubishi Corporation Packaging Ltd. Initiatives

Mitsubishi Corporation Packaging Ltd. (MP) handles Forest Stewardship Council® - (FSC®)-certified products (corrugated board, printing and communication paper, white paperboard, etc.). MP confirms whether or not its paper suppliers have obtained this certification, which requires third-party audits, in order to ascertain

the level of social and environmental risk.

MP also aims to differentiate itself from competitors by obtaining FSC Chain of Custody (CoC) certification and by adhering to its requirements to procure and sell FSC-certified products.

License Code: FSC® - C007960

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, runs promotional retweet 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/
 Lawson's SDGs Handbook (Japanese)
<https://www.lawson.co.jp/company/activity/library/>

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. From January 2019, an employee of Princes is serving on the Board of the Ethical Trading Initiative.

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
<https://www.princesgroup.com/wp-content/uploads/2019/09/Ethical-Trade-Policy-August-2018-website-version-New-logo.pdf>

Supply Chain Management

Olam

Olam International Limited (Olam), an MC affiliate company, has built a strong business framework in supplying sustainable materials through its corporate philosophy “Re-imagining Global Agriculture & Food Systems”. Olam defines its economic business growth as being achievable only through appropriate consideration for the environment and society, and has accordingly identified 10 material areas: Economic Opportunity, Safe and Decent Work, Education and Skills, Health and Nutrition, Diversity and Inclusion, Climate Action, Healthy Eco-systems, Healthy Soils, Water, and Reduced Waste.

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 360,000 small-holder farmers in 21 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 (FY2016).

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 more than 180,000

farmers, and also built nurseries in the key producing regions of Ghana and the Ivory Coast in the fiscal year ended December 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 Framework
<https://www.olamgroup.com/sustainability/sustainability-framework.html>
 Olam Livelihood Charter
<http://olamgroup.com/sustainability/olam-livelihood-charter.html>

Governance

Governance

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Corporate Governance

Corporate Governance

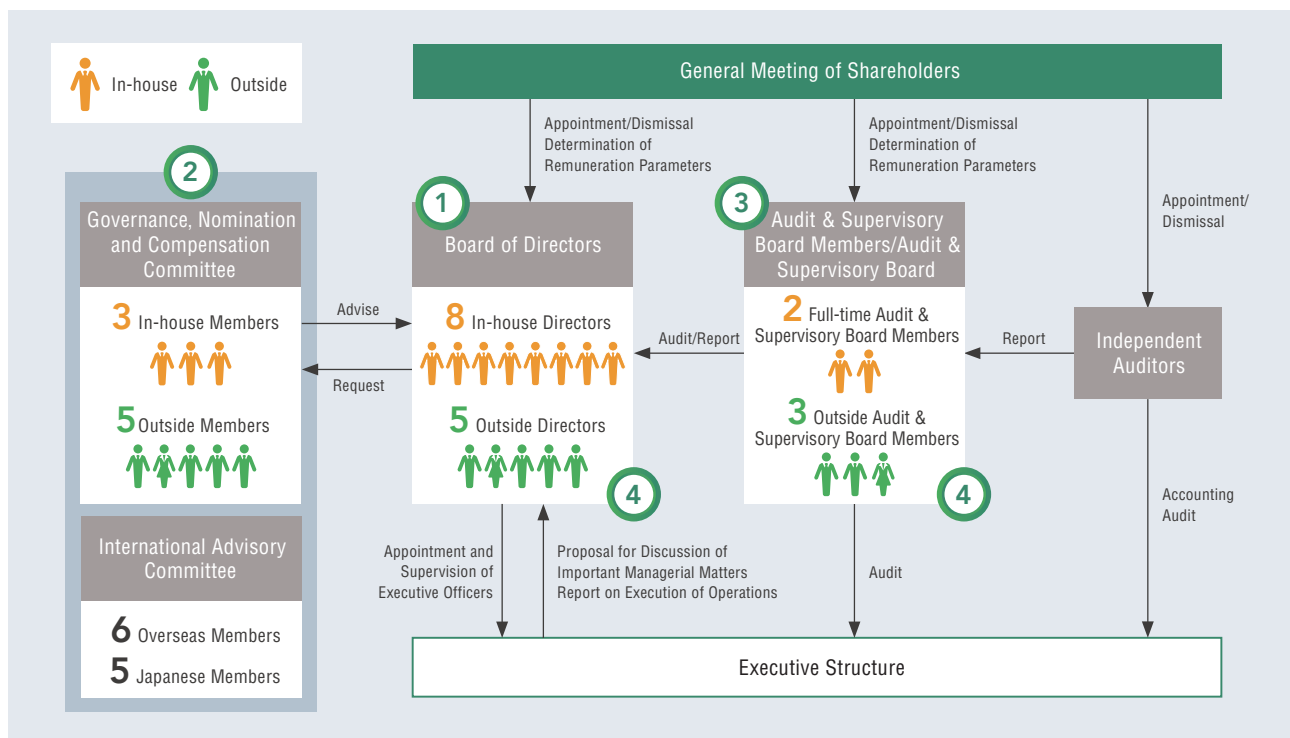
MC's Basic Policy on Corporate Governance

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 management issue as it is a foundation for ensuring sound, transparent and efficient management. MC, based on the Audit & Supervisory Board 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, Outside Audit & Supervisory Board Members and Outside Members. At the same time, MC uses the executive officer system, etc., for prompt and efficient decision-making and business execution.

Corporate Governance Framework (As of July 1, 2019)



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.

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 company 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 and President and CEO, MC's In-house Directors are appointed from executive persons responsible for companywide

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 into global developments and socio-economic trends.

In principle, the Board of Directors is an appropriate size for conducting deliberations, with one-third or more being made up of Outside Directors.

Composition of the Board of Directors

Board of Directors' Structure (As of July 1, 2019)

Total	13
Number of non-executive and non-independent Directors (Chairman of the Board)	1
Number of Executive Officers	7
Number of Independent Outside Directors (number of women)	5 (1)

Operation of the Board of Directors (As of July 1, 2019)

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 Full-time Audit & Supervisory Board Members	7	2	9
Number of Independent Outside Directors/Independent Outside Audit & Supervisory Board Members (number of women)	5 (1)	3 (1)	8 (2)

Corporate Governance

Board of Directors Structure (As of July 1, 2019)

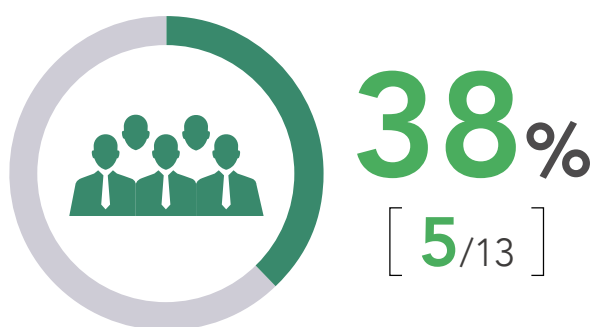
Ken Kobayashi	2016 Chairman of the Board (present position) 2010 President and Chief Executive Officer 1971 Joined MC
Takehiko Kakiuchi * 1	2016 President and Chief Executive Officer (present position) 1979 Joined MC
Kanji Nishiura * 1	2019 Executive Vice President, Corporate Functional Officer, Global Strategy (present position) 2018 Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management (Concurrently) Regional CEO, Asia & Oceania 1980 Joined MC
Kazuyuki Masu * 1	2019 Executive Vice President, Corporate Functional Officer, CFO (present position) 2017 Executive Vice President, Corporate Functional Officer, CFO, IT 2016 Executive Vice President, Corporate Functional Officer, Chief Financial Officer 1982 Joined MC
Shinya Yoshida * 1	2019 Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan (Concurrently) General Manager, Kansai Branch (present position) 1985 Joined MC
Akira Murakoshi	2017 Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources (present position) 1982 Joined MC
Masakazu Sakakida * 1	2019 Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (present position) 2017 Executive Vice President, Corporate Functional Officer, Corporate Administration, Legal (Concurrently) Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (Japan & Overseas/New Infectious Diseases, Compliance) 1981 Joined MC
Hideori Takaoka	2019 Executive Vice President, Corporate Functional Officer, Business Investment Management, CDO (present position) 1985 Joined MC

Akihiko Nishiyama * 2	2018 Professor, Ritsumeikan University (present position) 2015 Member of the Board, MC (present position) 2013 Adjunct Professor, Hitotsubashi University (resigned in March 2018) 2004 Professor, Dept. of International Liberal Arts, Tokyo Jogakkan College (resigned in March 2013) 1975 Joined Tokyo Gas Co., Ltd. (resigned in March 2015)
Toshiko Oka * 2	2016 Member of the Board, MC (present position) 2016 CEO, Oka & Company Ltd. (present position) 2005 President and Representative Director, ABeam M&A Consulting Ltd. (resigned in March 2016) 2002 Principal, Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.) (resigned in August 2012) 1986 Joined Tohmatsu Touche Ross Consulting Limited (currently ABeam Consulting Ltd.)
Akitaka Saiki * 2	2017 Member of the Board, MC (present position) 2016 Retired from Ministry of Foreign Affairs of Japan 1976 Joined Ministry of Foreign Affairs of Japan
Tsuneyoshi Tatsuoka * 2	2018 Member of the Board, MC (present position) 2015 Retired from METI 1980 Joined the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry (METI))
Shunichi Miyanaga * 2	2019 Member of the Board, MC (present position) 2019 Chairman of the Board, MHI (present position) 2014 Member of the Board, President and CEO, MHI 2013 Member of the Board, President and CEO, MHI 1972 Joined Mitsubishi Heavy Industries, Ltd. ("MHI")

* 1 Indicates a Representative Director.

* 2 Indicates the fulfillment of the conditions for Outside Directors as provided for in Article 2, Item 15 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors / Auditors as specified by Tokyo Stock Exchange, Inc. and other stock exchanges in Japan as well as selection criteria for Outside Directors specified by MC.

Number and Percentage of Independent Outside Directors*



* Based on the status as of July 1, 2019

Matters Deliberated by the Board of Directors

In order to lead MC's sustainable growth and increase medium- to long-term corporate value, the Board of Directors deliberates on important management issues, such as management strategies, and supervises business execution through reports by directors of the status of their duties. In addition, matters requiring a resolution by the Board of Directors in accordance with laws and regulations and the Articles of Incorporation are deliberated and resolved based not only on the economic aspects, but also with an emphasis on ESG (Environment, Social, and Governance) perspectives. In particular, for investments and loans, the Board of Directors sets out monetary threshold standards for each type of risk, 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) in accordance with MC's scale of assets and investments.

Investments and loans that exceed this monetary threshold are deliberated and resolved by the Board of Directors.

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 by the President, as the Chief Executive Officer, and the Executive Committee (meets twice monthly), as a management decision-making body responsible for business execution.

Furthermore, 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.

Board of Directors' Advisory Bodies

Governance, Nomination and Compensation Committee

The Governance, Nomination and Compensation Committee has met around three times a year since its establishment in 2001. A majority of the members of the committee are Outside Directors and Outside Audit & Supervisory Board Members. It conducts continuous reviews of corporate governance-related issues and discusses requirements for the President and CEO and basic policies concerning the appointment and dismissal as well as selection of individual candidates. The committee also discusses

matters regarding the basic policy for selecting Directors and Audit & Supervisory Board Members when nominating them and the selection of individual candidates and so forth. The committee also deliberates on the remuneration system for Executive Officers, including the policy for setting remuneration and appropriateness of remuneration levels and composition, and monitors operation of this system.

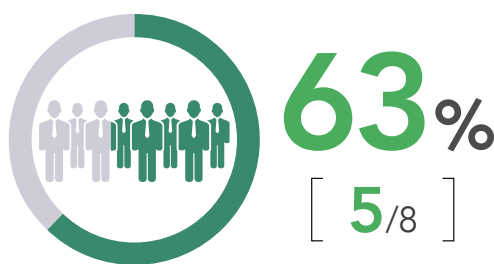
〈Composition of the Committee (*Committee Chairman) (As of July 1, 2019)〉

- Outside Members (5):
Akihiko Nishiyama (Outside Director), Toshiko Oka (Outside Director), Akitaka Saiki (Outside Director), Tsuneyoshi Tatsuka (Outside Director), Tadashi Kunihiro (Outside Audit & Supervisory Board Member)
- In-house Members (3):
Ken Kobayashi* (Chairman of the Board), Takehiko Kakiuchi (President and CEO), Shuma Uchino (Full-time Audit & Supervisory Board Member)

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 for the President and CEO and basic policies concerning the appointment and dismissal of the President and CEO, as well as a personnel proposal for the President and CEO
- Review of the remuneration package including the policy for setting remuneration and appropriateness of remuneration levels and composition
- Evaluation of the effectiveness of the Board of Directors

Number and Percentage of Outside Members*



* Based on the status as of July 1, 2019

President's Performance Evaluation Committee

The President's Performance Evaluation Committee has been established as a subcommittee to the Governance, Nomination and Compensation Committee, comprising the same Chairman

and Outside Directors as the parent committee to deliberate the assessment of the President's performance.

Corporate Governance

International Advisory Committee

The International Advisory Committee has met annually since its establishment in 2001. The committee comprises experts with a wide range of backgrounds in government, finance, administration, and academia. Members of the committee offer advice from an international standpoint according to MC's management

and corporate strategies as it develops its business globally. Furthermore, the committee reports on the political and economic conditions of various regions and exchanges opinions on these matters. The International Advisory Committee fulfills a crucial role in deepening discussions in meetings of the Board of Directors.

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〉 (As of July 1, 2019)

Member	Nationality	Title	Years served	Principal area of specialization and background
Ambassador Richard Armitage	United States of America	Former United States Deputy Secretary of State	3 years	Ambassador Armitage previously served as Special Emissary to Jordan and United States Deputy Secretary of State. He is widely experienced in foreign diplomacy, is a leading expert on Asia and Japan within the US and is acknowledged as an authority on the Middle East.
Professor Joseph S. Nye	United States of America	Harvard University Distinguished Service Professor	11 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	19 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	6 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	6 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	19 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〉 (As of July 1, 2019)

Chairman of IAC Ken Kobayashi Chairman of the Board	Takehiko Kakiuchi President and CEO	Kanji Nishiura Member of the Board, Executive Vice President	Akitaka Saiki Outside Director	Tsuneyoshi Tatsuoka Outside Director
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IAC Agenda and Keynote Speakers for the Fiscal Year Ending March 31, 2020

- Opposing forces of populism and globalism Professor Nye
- Geopolitical impact on the global economy Ambassador Armitage

- Emerging markets in a digital age Mr. FitzGerald, KBE

* Committee members carried out robust discussions regarding the various topics introduced by keynote speakers, with Group executives actively participating in sessions relevant to their businesses.

Corporate Governance

Audit & Supervisory Board Members /Audit & Supervisory Board

The Audit & Supervisory Board comprises all of the Audit & Supervisory Board Members responsible for auditing the decision-making processes and management performances of Directors according to the Companies Act and other laws and regulations, MC's Articles of Incorporation and internal rules and regulations. Full-time Audit & Supervisory Board Members ensure the soundness of management by conducting audits from a perspective based on abundant

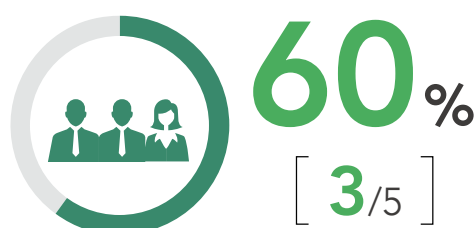
working experience at MC, and Outside Audit & Supervisory Board Members ensure it from various experiences in their respective specialized field and a neutral and objective perspective. In addition, the Audit & Supervisory Board resolves matters required by law and other important issues, and strives to enhance information sharing among members through briefings on key matters, and through status reports on the auditing activities of each member.

Structure of the Audit & Supervisory Board (As of July 1, 2019)

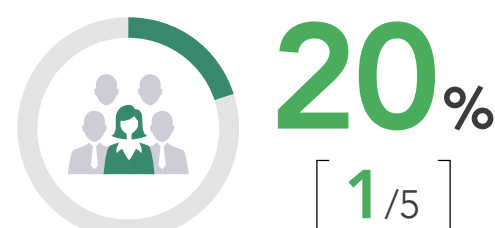
<p>Shuma Uchino</p> <p>2019 Full-time Audit & Supervisory Board Member (present position) 2018 Senior Audit & Supervisory Board Member (full-time) 1978 Joined MC</p>	<p>Ikuo Nishikawa *</p> <p>2016 Audit & Supervisory Board Member, MC (present position) 2012 Professor, Faculty of Business & Commerce of Keio University (resigned in March 2017) 2007 Chairman, Accounting Standards Board of Japan (resigned in March 2014) 1990 Representative Partner, KPMG Century Audit Corporation (currently Ernst & Young ShinNihon LLC) (resigned in July 2001) 1974 Joined EIKO Certified Public Tax Accountant's Corporation (currently Ernst & Young ShinNihon LLC)</p>
<p>Hajime Hirano</p> <p>2019 Full-time Audit & Supervisory Board Member (present position) 1979 Joined MC</p>	<p>Yasuko Takayama *</p> <p>2016 Audit & Supervisory Board Member, MC (present position) 2011 Audit & Supervisory Board Member, Shiseido Company, Limited (resigned in June 2015) 1980 Joined Shiseido Company, Limited</p>
<p>Tadashi Kunihiro*</p> <p>2012 Audit & Supervisory Board Member, MC (present position) 1994 Established Kunihiro Law Office (Partner, Attorney-at-Law) (currently T. Kunihiro & Co., Attorneys-at-Law) (present position) 1986 Admitted to the Japan Bar (Attorney-at-Law)</p>	<p>* Indicates the fulfillment of the conditions for Outside Audit & Supervisory Board Members as provided for in Article 2, Item 16 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors / Auditors as specified by Tokyo Stock Exchange, Inc. and other stock exchanges in Japan as well as selection criteria for Outside Audit & Supervisory Board Members specified by MC.</p>

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

Percentage of Independent Outside Audit & Supervisory Board Members among Total Audit & Supervisory Board Members*



Percentage of Female Audit & Supervisory Board Members among Total Audit & Supervisory Board Members*



* Based on the status as of July 1, 2019

Corporate Governance

Audit Plans

The Audit & Supervisory Board formulates an audit plan prior to the start of each audit year and sets priority audit items for that year. In the fiscal year ended March 31, 2019, the following four key

1 Wrapping up Midterm Corporate Strategy 2018, and activities for further growth:

- Achieving an optimal balance through replacement of assets
- Construction of Core Businesses
- Innovation leveraging AI and IoT

2 Shifting toward a business management model on a consolidated basis:

- Delegation of authority and development of a management system for autonomous management
- Initiatives aimed at the development of management professionals
- Review of offices companywide and construction of a new office network
- Initiatives to strengthen crisis management adaptability

audit items were monitored for specific progress in management and execution.

3 Corporate Governance:

- Enhancement of deliberations at the Board of Directors' meetings and activities of internal audit organizations
- Thorough enforcement of compliance

4 Initiatives toward the Key Sustainability Issues:

- Specific status of activities and deepening of understanding on a consolidated basis

Audits of Management Performance

1 Dialogue with Executive Officers

We establish opportunities for all Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members to engage in dialogues with the Chairman of the Board, President and CEO, Corporate Functional Officers, Group CEOs, and Division COOs. Full-time Audit & Supervisory Board Members also engage in dialogues with the General Manager of the Corporate Staff Section.

Number of dialogues with CEOs and other Executive Officers*

52
(25**)



2 Attendance at important meetings

The Full-time Audit & Supervisory Board Members attend meetings of 20 important internal management structures such as the Board of Directors, Governance, Nomination and Compensation Committee, Executive Committee, Business Strategy Committee, and Management Strategy Meeting, and provide necessary opinions. At the same time, Outside Audit & Supervisory Board Members attend the Board of Directors' meetings after hearing the content of discussions in the Executive Committee and lower conference bodies, and provide necessary opinions. In addition, one Outside Audit & Supervisory Board Member is appointed as a member of the Governance, Nomination and Compensation Committee.

Number of important meetings*

106
(28**)



3 On-site audits and observations

Through on-site audits and observations in the fiscal year ended March 31, 2019, the Audit & Supervisory Board Members met with the CEOs and executive officers of 43 companies in 10 countries overseas and 11 domestic MC Group companies, as well as the regional chiefs of 17 overseas and domestic offices. The Audit & Supervisory Board Members reported on the results of their on-site audits to the Chairman of the Board, the President and CEO, and relevant executive officers.

Number of on-site audits and observation*

71 companies/
locations
(11 companies/locations**)



* Numbers for the fiscal year ended March 31, 2019

** Indicates the number of cases in which more than one outside Audit & Supervisory Board Member joined

Enhancing Effectiveness and Auditing Activities of the Audit & Supervisory Board (Members)

MC conducts annual evaluations of the Board of Directors in order to make continuous improvements to the effectiveness of its corporate governance. For the Audit & Supervisory Board (Members), out of

the issues reviewed in this evaluation, issues related to the Audit & Supervisory Board (Members) are organized and addressed primarily as follows:

1 Enhancing information provided on investment and loan projects

For matters to be submitted for approval or reported to the Board of Directors, preliminary briefings are held for Outside Directors and Outside Audit & Supervisory Board Members by management on the executive side prior to deliberation by the Board of Directors. For the Audit & Supervisory Board, in addition to these preliminary briefings, members also receive explanations from Audit & Supervisory Board staff related to Board of Directors matters of especially high importance as well as matters that are not quantitatively applicable to the Board of Directors but that are still qualitatively important. Audit & Supervisory Board Members then exchange opinions and share their awareness of risks in relation to the loan and investment projects.

2 Enhancing dialogues with management executives hosted by the Audit & Supervisory Board Members Office

As an activity for Audit & Supervisory Board Members, MC has continued to offer opportunities for dialogue between management executives; including the Chairman of the Board, the President and CEO, Corporate Functional Officers and Group CEOs; and all Audit & Supervisory Board Members. MC is also gradually expanding opportunities for dialogues with Outside Audit & Supervisory Board Members, and they join in dialogues with senior management members closer to the front lines of the business, deepening their understanding of management performance. Additionally, MC set's up venues for dialogues between Outside Audit & Supervisory Board Members and mid-level employees, to ensure opportunities to hear the voices of these employees.

3 Strengthening connections between Outside Directors and Audit & Supervisory Board Members

Outside Directors also participate in the aforementioned explanations by the Audit & Supervisory Board Staff as well as the dialogues with management executives hosted by the Audit & Supervisory Board Members Office. Outside Audit & Supervisory Board Members also attend advance briefings for Outside Directors regarding matters discussed at the Board of Directors' meetings. Through these opportunities, MC is working to increase connections between Audit & Supervisory Board Members and Outside Directors as much as possible.

4 Improving the system for overseeing the businesses of subsidiaries

As an activity for Audit & Supervisory Board Members, MC actively conducts on-site audits and observations to MC Group companies in Japan and overseas in an effort to grasp the situation on the frontlines. In selecting priority companies for the Audit & Supervisory Board Members to visit, in addition to quantitative aspects such as total assets and net income, the selection criteria also include qualitative aspects such as the surrounding business environment and cases of compliance-related incidents. Furthermore, in the audits conducted by the Internal Audit Dept., audit targets are selected with consideration to quantitative and qualitative aspects, and the department regularly reports the results to the Audit & Supervisory Board, where the two parties share audit information and exchange opinions. Additionally, once every quarter meetings are held with the Audit & Supervisory Board Members of 37 major Group companies in Japan, to deepen the cooperation among those companies.

Enhancement of Three-Way Audits

Collaboration with accounting auditors/evaluation of accounting auditors

We work toward collaboration with accounting auditors through their outline briefings on audit plans at the beginning of terms, audit reports for quarterly results (i.e., quarterly reviews), and by holding monthly meetings. We also make use of on-site audits and observation in order to exchange opinions with the accounting auditors in charge of Group companies in Japan and overseas.

Regarding accounting auditor evaluations, we accumulate evaluation data during the fiscal year from quarterly reviews, monthly meetings, etc., and hold an accounting auditor evaluation conference at the end of the fiscal year. As a result, we evaluated that current accounting auditors are performing proper audits as professionals in the fiscal year ended March 31, 2019, and Audit & Supervisory Board made decisions on reappointment of the current accounting auditors for the next fiscal year.

Collaboration with the Internal Audit Department

We emphasizes cooperation between the Audit & Supervisory Board (Members) and Internal Audit Department. Every month, the Full-time Audit & Supervisory Board Members hold regular meetings and exchange opinions with the General Managers of the Internal Audit Department and Legal Department by receiving reports on audit results from the General Manager of the Audit Department and reports on litigation and compliance cases from the General Manager of the Legal Department to exchange opinions. Every quarter, the General Manager of the Internal Audit Department also reports audit results at the Audit & Supervisory Board as well as reporting to the President and CEO.

In addition, Full-time Audit & Supervisory Board Members attend the internal auditor liaison meetings of 50 major Group companies in Japan held by the Internal Audit Department to collect and exchange information.

Corporate Governance

Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors and Outside Audit & Supervisory Board Members are as follows (as of July 1, 2019).

Outside Directors

Name (Age)	Independent Director	Main career	Principal area of specialization and background			Board of Directors Attendance in fiscal year ended March 31, 2019	Status of membership on advisory bodies to the Board of Directors		Years served as Director
			Corporate management	Global developments	Socio-economic trends		Governance, Nomination and Compensation Committee	International Advisory Committee	
Akihiko Nishiyama (66)	●	Professor, Ritsumeikan University				13/13 meetings	● (2/2 meetings)	—	4 years
	Supplementary information concerning applicable items					Reason for appointment as Outside Director (Including reason for designation as Independent Director)			
	Not applicable					Mr. Nishiyama has been offering advice to Mitsubishi Corporation'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. Mr. Nishiyama meets the requirements of independent director 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 Directors specified by Mitsubishi Corporation.			
Toshiko Oka (55)	●	CEO, Oka & Company Ltd. Business consultant				12/13 meetings	● (2/2 meetings)	—	3 years
	Supplementary information concerning applicable items					Reason for appointment as Outside Director (Including reason for designation as Independent Director)			
	<p>Ms. Oka served as Principal, Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.) until August 2012. Although Mitsubishi Corporation has business transactions with that company, it has been about 7 years since her resignation. Therefore, there is no relationship between her and those transactions.</p> <p>Ms. Oka served as Chief Executive Officer of PricewaterhouseCoopers Deals Advisory LLC until the end of March 2016. Afterwards, she served as Partner of PwC Advisory LLC for three months, from April 2016 to June 2016, due to the merger between the two companies. Although Mitsubishi Corporation currently has business transactions with that company, it has been about 3 years since her resignation. Therefore, there is no relationship between her and those transactions. In addition, Mitsubishi Corporation had no business transaction with PricewaterhouseCoopers Deals Advisory LLC in the fiscal year ended March 31, 2016, which the above mentioned merger took place right after.</p> <p>As above, Ms. Oka meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges her independence is assured.</p>					<p>Ms. Oka has been offering advice to Mitsubishi Corporation'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 outside director of various companies.</p> <p>Ms. Oka meets the requirements of independent director 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 Directors specified by Mitsubishi Corporation.</p>			

Corporate Governance

Name (Age)	Independent Director	Main career	Principal area of specialization and background			Board of Directors	Status of membership on advisory bodies to the Board of Directors		Years served as Director
			Corporate management	Global developments	Socio-economic trends		Governance, Nomination and Compensation Committee	International Advisory Committee	
						Attendance in fiscal year ended March 31, 2019	Attendance in fiscal year ended March 31, 2019		
Akitaka Saiki (66)	●	Former Vice-Minister for Foreign Affairs, Ministry of Foreign Affairs of Japan				13/13 meetings	● (2/2 meetings)	● (1/1 meeting)	2 years
	Supplementary information concerning applicable items					Reason for appointment as Outside Director (Including reason for designation as Independent Director)			
	Mr. Saiki received compensation as Corporate Advisor of Mitsubishi Corporation from September 2016 to June 2017, having been appointed as a member of an advisory body to the Board of Directors (Governance, Nomination and Compensation Committee); however, this compensation was paid as consideration for the advice he offered regarding the management of Mitsubishi Corporation based on his experience and insight, and does not affect his independence. Also, Mr. Saiki serves as the President of the Middle East Institute of Japan, Juridical Foundation (part-time position), which conducts studies and research concerning the Middle East region. Mitsubishi Corporation pays membership fees and other dues of approximately ¥3.20 million per annum to the Middle East Institute of Japan. However, these payments are consistent with Mitsubishi Corporation's support for the principles of the Middle East Institute of Japan. In addition, Mr. Saiki receives no compensation from the Middle East Institute of Japan; therefore, he does not benefit personally. As above, Mr. Saiki meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges his independence is assured.					Mr. Saiki has been offering advice to Mitsubishi Corporation's 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. Mr. Saiki meets the requirements of independent director 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 Directors specified by Mitsubishi Corporation.			
Tsuneyoshi Tatsuoka (61)	●	Former Vice-Minister of Economy, Trade and Industry, Ministry of Economy, Trade and Industry				9/9* meetings	● (2/2 meetings)	● (1/1 meeting)	1 year
	Supplementary information concerning applicable items					Reason for appointment as Outside Director (Including reason for designation as Independent Director)			
	Mr. Tatsuoka has been offering advice to the Company and receiving compensation as Corporate Advisor from January 2018 to June 2018, having been appointed to a member of an advisory body to the Board of Directors (Governance, Nomination and Compensation Committee); however, this compensation was paid as consideration for the advice he offers regarding the management of Mitsubishi Corporation based on his experience and insight, and does not affect his independence. As above, Mr. Tatsuoka meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges his independence is assured.					Mr. Tatsuoka has been offering advice to Mitsubishi Corporation's management and properly oversee the execution of business from an objective and professional perspective based on his extensive insight regarding domestic and global trends, having held key posts primarily at Ministry of Economy, Trade and Industry and other. Mr. Tatsuoka meets the requirements of independent director 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 Directors specified by Mitsubishi Corporation.			
Shunichi Miyanaga (71)	●	Chairman of the Board, Mitsubishi Heavy Industries, Ltd.				—	—	—	Appointed in June 2019
	Supplementary information concerning applicable items					Reason for appointment as Outside Director (Including reason for designation as Independent Director)			
	Mr. Miyanaga was Member of the Board, President and CEO of Mitsubishi Heavy Industries, Ltd.(MHI), from April 2013 to March 2019 and has been Chairman of the Board of MHI since April 2019. MHI, where Mr. Miyanaga was an executive in the past, and Mitsubishi Corporation 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 Mitsubishi Corporation's consolidated revenues. As above, Mr. Miyanaga meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges his independence is assured.					Mitsubishi Corporation expects that Mr. Miyanaga will offer advice to Mitsubishi Corporation's management and properly oversee the execution of business from a practical perspective based on his extensive insight and advanced management experience, having served as Member of the Board, President and CEO of MHI, a manufacturer that conducts business around the world, for many years. Mr. Miyanaga meets the requirements of independent director 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 Directors specified by Mitsubishi Corporation.			

* Describes status since appointment as a Director on or after June 22, 2018.

Corporate Governance

Outside Audit & Supervisory Board Members

Name (Age)	Independent Audit & Supervisory Board Member	Main career	Principal area of specialization and background			Attendance in fiscal year ended March 31, 2019		Status of membership on advisory bodies to the Board of Directors		Years served as Audit & Supervisory Board Member
			Socio- economic trends	Legal affairs	Finance and accounting	Board of Directors	Audit & Supervisory Board	Governance, Nomination and Compensation Committee	International Advisory Committee	
								Attendance in fiscal year ended March 31, 2019		
Tadashi Kunihiro (63)		● Attorney at T. Kunihiro & Co., Attorneys-at-Law				13/13 meetings	13/13 meetings	● (2/2 meetings)	—	7 years
		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 attorney. Mr. Kunihiro meets the requirements of 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 Mitsubishi Corporation.			
Ikuo Nishikawa (68)		● Former Professor, Faculty of Business & Commerce of Keio University Certified Public Accountant				13/13 meetings	13/13 meetings	—	—	3 years
		Supplementary information concerning applicable items					Reason for appointment as Outside Audit & Supervisory Board Member (Including reason for designation as Independent Audit & Supervisory Board Member)			
		Mr. Nishikawa worked as Professor, Faculty of Business & Commerce of Keio University until March 2017. Mitsubishi Corporation contributed ¥1.10 million per year to Keio University, but this contribution was for Keio University School of Medicine, International Medical Association, which conducts field work investigations or other activities regarding medical care, medical education and medical research in developing countries, and for “Richard Lee Armitage Commemorative Program”, an educational program for next generation scholars and practitioners who contribute to the Japan-U.S. relations. Thus this contribution does not affect his independence. As above, Mr. Nishikawa meets the requirements concerning independence set forth in the Selection Criteria for Outside Audit & Supervisory Board Members specified by Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges his independence is 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 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 Mitsubishi Corporation.			
Yasuko Takayama (61)		● Former Audit & Supervisory Board Member, Shiseido Company, Limited				13/13 meetings	13/13 meetings	—	—	3 years
		Supplementary information concerning applicable items					Reason for appointment as Outside Audit & Supervisory Board Member (Including reason for designation as Independent Audit & Supervisory Board Member)			
		Ms. Takayama worked as an executive at Shiseido Company, Limited until June 2011. Mitsubishi Corporation currently has business transactions with that company, though these transactions are about ¥0.60 million per year. In addition, it has been about 8 years 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 Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges her independence is 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 outside director at various companies. Ms. Takayama meets the requirements of 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 Mitsubishi Corporation.			

Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members

To make the function of Outside Directors and Outside Audit & Supervisory Board Members stronger and more transparent, Mitsubishi Corporation has set forth Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members as follows, after deliberation by the Governance, Nomination and Compensation Committee, which is composed with a majority of Outside Directors and Outside Audit & Supervisory Board Members. Each of the five Outside Directors and three Outside Audit & Supervisory Board Members satisfy the requirements for Independent Directors and Independent Audit & Supervisory Board Members as stipulated by Japanese stock exchanges, such as the Tokyo Stock Exchange, Inc., and Mitsubishi Corporation's Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members.

[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. Mitsubishi Corporation'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. Mitsubishi Corporation 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.

[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*; individuals incapable of preserving this independency will not be selected to serve as Outside Audit & Supervisory Board Members.

* Independency for the purpose of Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members

To make a judgment of independence, Mitsubishi Corporation 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 Mitsubishi Corporation (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such a shareholder*¹.
- (2) A member of business personnel of a creditor of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation*².
- (3) A member of business personnel of a supplier or a customer of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation*³.
- (4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from Mitsubishi Corporation, other than Directors' or Audit & Supervisory Board Members' remuneration, where the amount exceeds ¥10 million per fiscal year.
- (5) A representative or partner of Mitsubishi Corporation's independent auditor.
- (6) A person belonging to an organization that has received donations exceeding a certain amount*⁴ from Mitsubishi Corporation.
- (7) A person who has been appointed as an Outside Director or Outside Audit & Supervisory Board Member of Mitsubishi Corporation 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 Mitsubishi Corporation refer to creditors to whom Mitsubishi Corporation owes an amount exceeding 2% of Mitsubishi Corporation's consolidated total assets.

*³ Suppliers or customers exceeding the threshold set by Mitsubishi Corporation refer to suppliers or customers whose transactions with Mitsubishi Corporation exceed 2% of Mitsubishi Corporation'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, Mitsubishi Corporation will explain and disclose the reason at the time of their appointment as an Outside Director or Outside Audit & Supervisory Board Member.

Enhancing the Monitoring Function of the Board of Directors

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

Briefing Sessions before Board of Directors' meetings

Prior to each Board of Directors' meeting, we secure an opportunity for management executives of the Corporate Staff Section and Business Groups to explain overviews and points regarding topics under their charge by using the materials of the Board of Directors' meetings, and to respond to questions or comments from Outside Directors and Outside Audit & Supervisory Board Members. To make discussions in the Board of Directors' meetings substantial, each one is conducted thoroughly over the course of three hours on average. Moreover, in order to appropriately monitor the process of discussion on the executive side, we also explain the overviews and points of discussions in the Executive Committee (a management decision-making body).

Informal Meetings of the Board of Directors

To further enhance the effectiveness of management supervisory functions, MC also holds informal meetings of the Board of Directors as necessary, as a forum for free discussion among Directors and Audit & Supervisory Board Members.

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

MC endeavors to enhance close cooperation among Independent Outside Directors and Independent Outside Audit & Supervisory Board Members by providing opportunities for free discussion about a wide range of themes relating to MC's business management and corporate governance.

In the fiscal year ended March 31, 2019, MC invited institutional investors as guest speakers to discuss recent investment trends and other topics of interest.

Furthermore, before formulating Midterm Corporate Strategy 2021, the President and CEO explained the policies and approach behind its conception and exchanged opinions with Outside Directors and Outside Audit & Supervisory Board Members.

Orientation upon Assumption of Office

To deepen understanding of MC, around 20 sales departments and the corporate staff section conduct orientation sessions for newly appointed Outside Directors and Outside Audit & Supervisory Board Members when these persons assume office.

and in a timely manner for them to perform their duties.

For Outside Directors and Outside Audit & Supervisory Board Members, the offices provide below measures to ensure that they can effectively participate in the discussion fully and to enhance the Board's monitoring function.

Dialogues and Interactions with Officers and Employees

Through arranging dialogues and interactions, we are providing opportunities for Outside Directors and Outside Audit & Supervisory Board Members to strengthen connection with Group CEOs, Division COOs and candidates for next-term management executives.

We also set up dialogues among Outside Directors and Outside Audit & Supervisory Board Members and mid-level employees, to secure opportunities for collecting information on the front lines.

Site Visits to Business Investees

For further understanding of the MC Group's wide range of businesses, every year Outside Directors and Outside Audit & Supervisory Board Members participate in visits to MC Group companies and other sites, and hold dialogues with the management of Group companies and others.

In August 2019, to deepen understanding of the natural gas value chain in Canada, Outside Directors and Outside Audit & Supervisory Board Members visited the Montney shale gas production and development site, which we operate with Encana Corporation of Canada, as well as a visit to an under-construction LNG Canada project* development site with an annual production capacity of 14 million tons in the city of Kitimat. In addition, MC had dialogues with the government of British Columbia, the mayor of Kitimat as well as local First Nation chiefs, and confirmed that the LNG Canada project is being carefully implemented in full collaboration with local communities, while taking into consideration impacts on the local environment such as natural resources and employment.

They also visited a business development site where the Silicon Valley Branch of Mitsubishi Corporation (Americas) operates with a partner company.

* A joint-venture business owned by five companies: Mitsubishi Corporation, Royal Dutch Shell plc, and state-operated energy enterprises from Malaysia, China, and South Korea. The business intends to export and sell LNG to East Asian countries, including Japan.

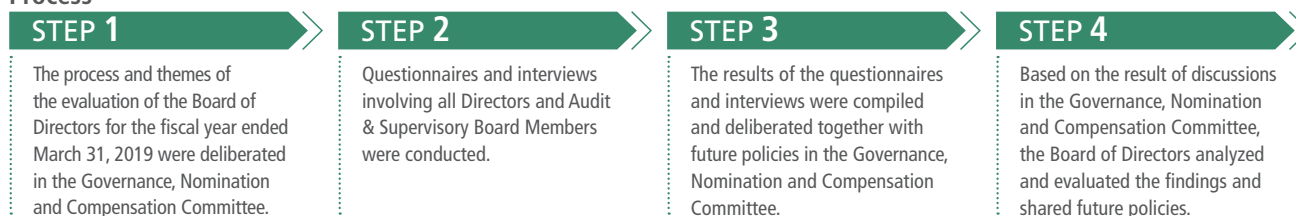
Visits to Overseas Business Investees (Past Two Years)

August 2018	Cermaq Group AS (Norway) / Offshore wind farm facility (North Sea)
April 2018	Large mixed-use redevelopment project / The Mandalay International Airport (Myanmar)
September 2017	MDP (Australia)

Evaluation of the Effectiveness of the Board of Directors

MC undertakes an evaluation of the Board of Directors every year in order to continuously enhance the effectiveness of corporate governance. For the fiscal year ended March 31, 2019, MC adopted a self-evaluation process in line with the evaluation theme of “review after reforming the rules and operating processes of the Board of Directors.” While obtaining advice from a third-party evaluation organization, Toshiko Oka and Ikuro Nishikawa, who serve as an Independent Outside Director and an Independent Outside Audit & Supervisory Board Member, respectively, took the lead in formulating questions as well as analyzing and evaluating the results. The outline and the results of the evaluation are as follows.

Process



Questions

The questions concerned the evaluation of measures undertaken in the fiscal year ended March 31, 2019; the size, composition, operation, agenda items, the oversight and audit functions and support system of the Board of Directors; the status of individual Director involvement; the composition and operation of the Governance, Nomination and Compensation Committee; and dialogues with shareholders and investors, among other matters.

Evaluation Results and Future Priorities

- The evaluation confirmed that MC’s hybrid model of corporate governance based on the Audit & Supervisory Board System has been functioning properly. The hybrid model makes use of the Governance, Nomination and Compensation Committee, which comprises a majority of Outside Directors and Outside Audit & Supervisory Board Members. Confirmation was obtained primarily through evaluations of the Board of Directors and the Governance, Nomination and Compensation Committee, and self-evaluations by Audit & Supervisory Board Members regarding the roles of the Audit & Supervisory Board Members in the Board of Directors.
- The evaluation highly commended the site visits to business investees, which are implemented from the standpoint of enhancing the sharing of information, as these visits led to an increased understanding of the businesses and helped to foster communication among the Outside Directors and Outside Audit & Supervisory Board Members.
- The evaluation determined that the reforms of the Board of Directors implemented as a key initiative in the fiscal year ended March 31, 2019 (strengthen monitoring of companywide and Business Group strategies by enhancing the content of reports by Directors on the status of their duties; raise monetary threshold standards related to the submission of investment and loan proposals for approval; and enhance the provision of information to Outside Directors and Outside Audit & Supervisory Board Members through briefing sessions from management executives prior to each Board of Directors’ meeting) have helped to enhance the effectiveness of the Board of Directors.
- The evaluation proposed a number of measures to be undertaken going forward. From the standpoint of further enhancing monitoring functions and supporting efforts to achieve the goals laid out in Midterm Corporate Strategy 2021, these measures included further upgrading and expanding the monitoring of major business investees, enhancing feedback on deliberations in management meetings, and expanding follow-up activities on important matters. The evaluation also confirmed that MC will continue to consider ways to involve the Outside Directors and Outside Audit & Supervisory Board Members in the successor development and selection process for the President and CEO.

Based on the analysis and evaluations of the Governance, Nomination and 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.

Reform of the Board of Directors as Seen Quantitatively

Based on the results of the evaluation of the effectiveness of the Board of Directors conducted in the fiscal year ended March 31, 2018 under the theme of "further enhancement of the functions of the Board of Directors," we performed a reform of the Board of Directors in May 2018. Relevant performance in the fiscal year ended March 31, 2019 was as follows. It was quantitatively confirmed that the measures under the abovementioned reform led to the further enhancement of the Board of Directors, such as the enhancement of briefing sessions led to increase in the percentage of time spent on discussion in the Board of Directors' meetings, and accordingly opportunities for statements by Outside Directors and Outside Audit & Supervisory Board Members have increased.

Highlights of Reforms to the Board of Directors

1) Enhance monitoring

Enhancing contents of the business execution reports from the Corporate Staff Section and Business Groups at the Board of Directors' meetings. Furthermore, as consolidated management deepens, the Board of Directors also deliberates on the strategies and governance of the major business investees of each Business Group.

2) Revisions to rules for the Board of Directors

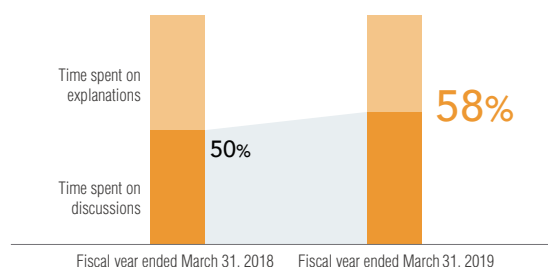
In principle, the Board has doubled the current level of monetary threshold standards for investments and loans of MC and the MC Group, and delegates more decision-making authority to the executive side; thus, the Board focuses more on deliberation for management strategy and important matters.

3) Improve and streamline the operating processes of the Board of Directors by enhancing briefing sessions for the Board members and others

For the management strategy and business execution reports of the Corporate Staff Sections and the Business Groups, the management executives of those sections and the Groups explain the strategic positioning and important points in advance.

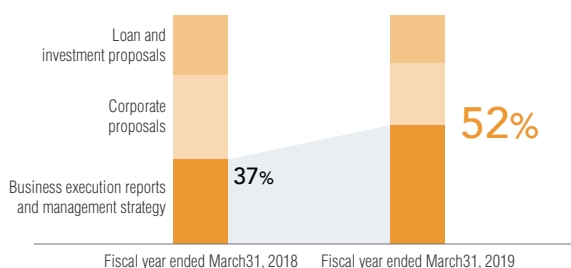
Performance in the Fiscal Year Ended March 31, 2019

Percentage of time spent on discussions in the Board of Directors' meetings



Through the enhancement of briefing sessions before the meetings, the time spent on explanations in the Board of Directors' meetings decreased. This has led to the further enhancement of discussions.

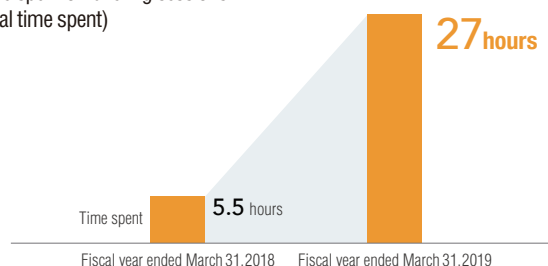
Composition and ratio of topics in the Board of Directors' meetings (based on time spent)



In line with the revisions to rules for the Board of Directors, the number of loan and investment proposals and the time spent on those topics have decreased.

Accordingly, the percentage of time spent on business execution reports and management strategy increased.

Time spent on briefing sessions (total time spent)



In the past, individual briefings were conducted by the Board of Directors Office. However, from the fiscal year ended March 2019, thorough briefing sessions (about three hours on average) have been conducted by management executives prior to each Board of Directors' meeting.

Directors' and Audit & Supervisory Board Members' Remuneration

In line with the Basic Policy on Corporate Governance, MC has established a remuneration package for Directors and Audit & Supervisory Board Members 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. The basic approaches behind the package are as follows. Nomination and Compensation Committee. The specific review process is as follows.

Basic Approach to the Package

Remuneration levels

- Levels of remuneration are set based on the functions and roles of the Directors and Audit & Supervisory Board Members, the MC's performance level and others.
- Based on performance targets, MC makes remuneration levels globally competitive to foster a desire for growth among human resources who will be responsible for the next generation of management and to improve organizational vitality.

Remuneration composition

- To strengthen the performance-linked component of remuneration for Executive Directors (Directors for business execution, excluding Chairman of the Board and Outside Directors, hereinafter the same), remuneration shall not only be based on the relevant single-year's business results, but also be in line with medium- to long-term corporate value. Remuneration composition shall be commensurate with the enhancement of medium- to long-term corporate value based on a new stock-based component (with market conditions) that strengthens the link with shareholder value in addition to cash rewards.

- The assurance of independence is necessary for the Chairman of the Board and Outside Directors, who undertake functions of management oversight, and Audit & Supervisory Board Members, who undertake audits, in order for them to appropriately perform their respective roles. For this reason, the Company will pay them only fixed monthly remuneration, and not remuneration that is linked with business results.

Governance of remuneration

- Regarding the policy for determining both the remuneration for Directors and Audit & Supervisory Board Members and the appropriateness of remuneration levels and composition, the Governance, Nomination and Compensation Committee*, which comprises a majority of Outside Directors and Outside Audit & Supervisory Board Members, shall engage in discussion of and monitor the status of the remuneration package on an ongoing basis.

Reference: Please refer to page 137 for information on the Governance, Nomination and Compensation Committee

The Process for Setting Remuneration for Directors and Audit & Supervisory Board Members

The Board of Directors and the Governance, Nomination and Compensation Committee deliberate and decide the policy for setting Directors' remuneration and the remuneration amount (actual payment amount).

The total remuneration amount (actual payment amount) and individual payment amounts for Directors, excluding individual performance bonuses, are determined by a resolution of the Board of Directors within the upper limits for each type of remuneration decided by resolution of the Ordinary General Meeting of Shareholders held on June 21, 2019. The payment amounts of individual

performance bonuses paid to Directors based on their individual performance assessment, including qualitative assessment, shall be determined and paid on an individual basis after the President's yearly performance assessment of each Director for the relevant fiscal year (the Board of Directors delegated authority to the President for deciding the individual payment amounts). The assessment on the President's performance is deliberated/decided by the President's Performance Evaluation Committee, a subcommittee to the Governance, Nomination and Compensation Committee. The subcommittee is comprised of the Chairman, who

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also serves as the Chairman of the Governance, Nomination and Compensation Committee, and Outside Directors sitting on the committee. Results of the performance assessment are reported to the Board of Directors to ensure objectivity, fairness, and transparency.

The total remuneration amount and individual payment amounts for Audit & Supervisory Board Members are determined within the upper limits decided by resolution of the Ordinary General Meeting of Shareholders, held on June 21, 2019 subject to discussions by the Audit & Supervisory Board Members.

Remuneration Package for Directors and Audit & Supervisory Board Members (from Fiscal Year Ending March 31, 2020)

Before	After	Key Performance Indicator (KPI)	Form of payment	Details of remuneration	Executive Directors	Chairman of the Board	Outside Directors	Audit & Supervisory Board Members
Fixed: about 30–50%	Base salary	Base salary	Cash	• An amount determined according to position, paid monthly.	1	1	1	5
	Annual deferral for retirement remuneration	Annual deferral for retirement remuneration		• Annual deferral for 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. • By resolution of the Board of Directors, non-payment or reduction of the accumulated amount is possible in the event of a serious violation of a delegation agreement, etc.	1	—	—	—
Variable (single year): about 20–50%	Individual performance bonus	Individual performance bonus		• For Executive Directors, individual performance bonuses are determined and paid on an individual basis after the President's yearly performance assessment of each Director for the relevant fiscal year. • The assessment on the President's performance is deliberated by the President's Performance Evaluation Committee. • Performance assessment results are reported to the Board of Directors.	1	—	—	—
	Bonus	Performance-linked bonus (short term)		• The amount paid is determined in line with consolidated net income in the relevant fiscal year (average over the medium- to long-term period), based on formulas resolved by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee. • The amount is adjusted in line with single-year performance (medium- to long-term performance) if consolidated net income (attributable to owners of MC) (average over the relevant fiscal year and subsequent two fiscal years) exceeds the level of earnings that leads to enhanced corporate value (consolidated capital cost) (average over the three years). • No bonus is paid if consolidated net income (average over the three years) is below consolidated capital cost (average). • The total amount to be paid is capped.	2	—	—	—
Variable (medium to long term): about 20–30%	Stock-option-based remuneration	Performance-linked bonus (medium to long term)	Shares (stock acquisition rights)	• Stock options as remuneration are granted from the perspective of aligning Directors' interests with those of shareholders and providing incentives to enhance corporate value and to increase the Company's share price over the medium to long term. • All stock options allocated cannot be exercised for a three-year performance period. The number of stock options that can be exercised at the end of this period varies according to the share growth rate (calculated as Total Shareholder Return (TSR) divided by the TOPIX benchmark growth rate over the same period). • The basic policy is that Directors are obliged to hold any shares including those acquired through the exercise of stock options while in office. Sales of such shares are restricted until their aggregate market value exceeds approximately 300% of the base salary of each position.	3	—	—	—
		Stock-based remuneration linked to medium- to long-term share performances	Share price / growth rate in shares (medium to long term)		4	—	—	—

Note:

1) to 5) in the table indicate the numbers of limits on remuneration that correspond to each remuneration item.

Remuneration limits for Directors are determined by resolution of the 2019 Ordinary General Meeting of Shareholders held on June 21, 2019, in accordance with 1) to 4) below.

- The total annual amount for base salary, annual deferral for retirement remuneration and individual performance bonuses shall be up to ¥1.5 billion per year (For the base salary paid to Outside Directors, up to ¥180 million per year).
- The annual amount for performance-linked bonus (short term) shall be up to 0.06% of consolidated net income (attributable to owners of MC) for the relevant fiscal year.
- The annual amount for performance-linked bonus (medium to long term) shall be up to 0.06% of the average consolidated net income (attributable to owners of MC) over the relevant fiscal year and subsequent two fiscal years.
- The annual amount for stock-based remuneration linked to medium- to long-term share performances shall be no more than ¥600 million per year (with regard to number of shares, limited to 400,000 shares per year).

Remuneration limits for Audit & Supervisory Board Members are determined by resolution of the 2019 Ordinary General Meeting of Shareholders held on June 21, 2019, in accordance with 5) below.

- The annual amount for base salary paid to Audit & Supervisory Board Members shall be up to ¥250 million per year.

Calculation Method for Performance-Linked Remuneration

● Performance-linked bonus (fiscal year ending March 31, 2020)

1. Performance-linked bonus (short term)

Details of the calculation formulas are as follows.

(1) Upper limit on total payment

The upper limit will be the lower of i) ¥600 million or ii) the maximum total of individual payment amounts prescribed in (2) below.

(2) Individual payments

The specific calculation formula for each position is as follows (rounded to the nearest ¥1,000). However, the payment amount will be ¥0 if the consolidated net income falls below the consolidated capital cost for the fiscal year ending March 31, 2020 (¥440 billion).

President and CEO:

(consolidated net income [attributable to owners of MC] in the fiscal year ending March 31, 2020 – ¥440 billion) \times 0.025% + 0.35 (¥100 million)

Executive Vice President:

(consolidated net income [attributable to owners of MC] in the fiscal year ending March 31, 2020 – ¥440 billion) \times 0.0075% + 0.105 (¥100 million)

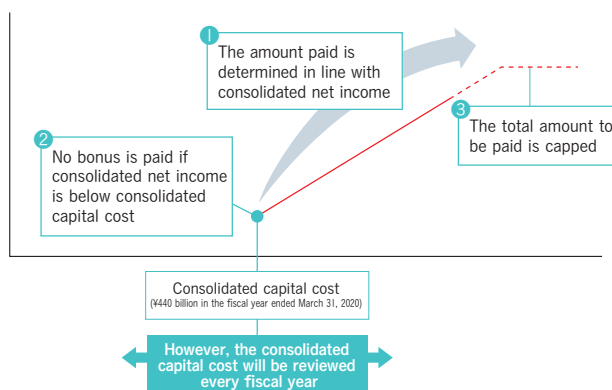
Given the composition of Directors as of June 21, 2019, the maximum payment amount and its total for each position as Executive Officers of eligible Executive Directors are as follows.

Position	Maximum payment amount	Number of persons	Total
President and CEO	¥175 million	1	¥175 million
Executive Vice President	¥52.5 million	6	¥315 million
Total		7	¥490 million

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

The payment amount will be calculated by replacing the above performance-linked bonus (short term) calculation formula with the formula below. Upper limits on total payment amounts and the maximum payment amount with its total for each Executive Officer position as of eligible Executive Directors, given the composition of Directors as of June 21, 2019, are identical to those for performance-linked bonuses (short term).

- “Consolidated net income (attributable to owners of MC) in the fiscal year ending March 31, 2020”
→ Replace with “the average of consolidated net income (attributable to owners of MC) for the three fiscal years ending March 31, 2020, March 31, 2021, and March 31, 2022.”
- “The payment amount will be ¥0 if the consolidated net income falls below the consolidated capital cost for the fiscal year ending March 31, 2020 (¥440 billion).”
→ Replace with “the payment amount will be ¥0 if the average of consolidated net income falls below the average consolidated capital cost for the three fiscal years ending March 31, 2020, March 31, 2021, and March 31, 2022.”



Corporate Governance

● Stock-based remuneration linked to medium- to long-term share performances

(1) Upper limit on total number of shares

The upper limit will be 400,000 shares of common stock (4,000 units of stock acquisition rights) per fiscal year. The number of shares to be issued per stock acquisition right is 100.

(2) Conditions for exercise of stock acquisition rights

- 1) A stock acquisition rights holder may exercise all or a portion of their stock acquisition rights during the exercisable period, in accordance with the stock growth rate in the Company's shares as a market condition (see "Market conditions" below).
- 2) A stock acquisition rights holder may not exercise the stock acquisition rights after 10 years from the day after losing the position as either Director or Executive Officer of the Company.

Market conditions

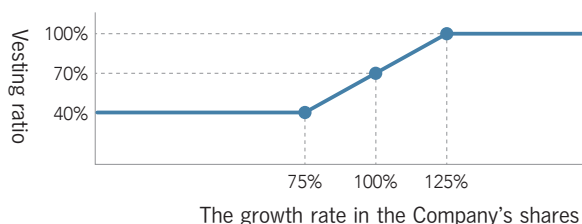
- a) The number of stock acquisition rights that can be exercised by each position will be determined by the following formula.

- Initial number of allocated stock acquisition rights for the position (based on position as of April 1, 2019) × vesting ratio

b) Vesting ratio

The vesting ratio for stock acquisition rights varies, as shown below, depending on the growth rate in the Company's shares (see (c) below) over the three-year period from the allocation date.

- Growth rate of at least 125% in the Company's shares: 100%
- Growth rate between 75% and 125% in the Company's shares: $40\% + (\text{the Company's shares growth rate [\%]} - 75 [\%]) \times 1.2$ (amounts less than 1% rounded to the nearest whole number)
- Growth rate less than 75% in the Company's shares: 40%



c) Growth rate in the Company's shares

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

The Company's TSR = (A + B)/C

A: Average closing price for shares of the Company's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began (excluding days on which no transactions were made)

B: Total amount of dividends per share of the Company's common stock from the date of allocation of stock acquisition rights to the date when the exercise period began

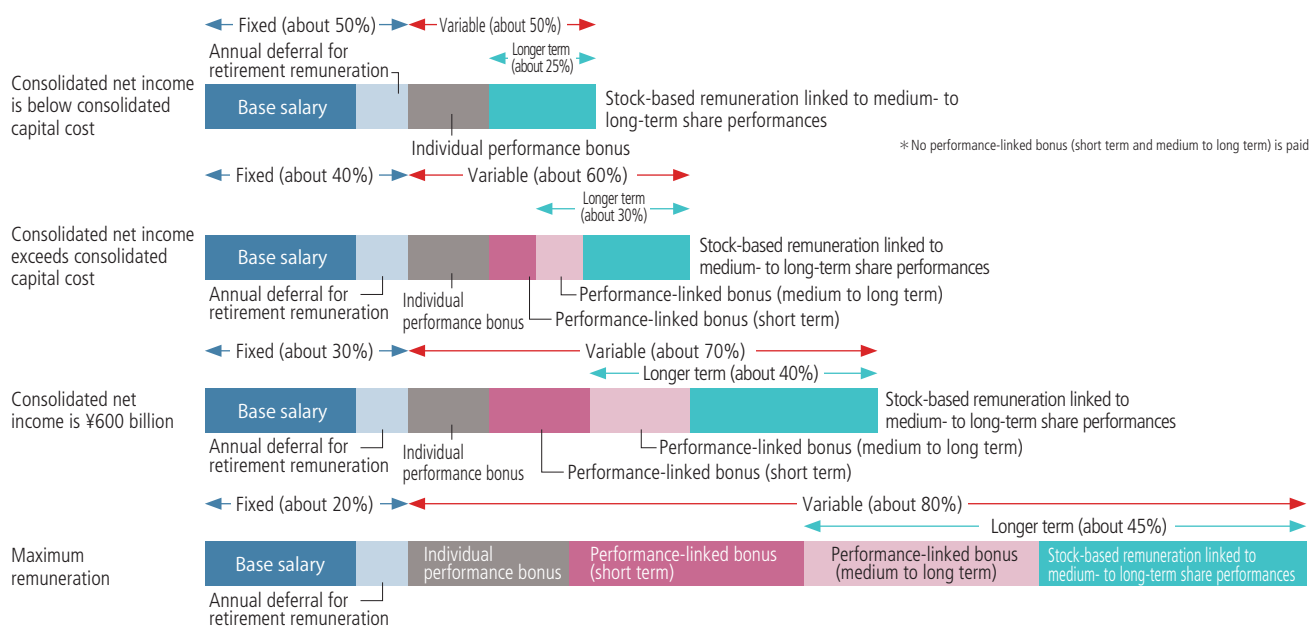
C: Average closing price for shares of the Company's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month when stock acquisition rights are allocated (excluding days on which no transactions were made)

TOPIX growth rate = D/E

D: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began (excluding days on which no transactions were made)

E: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month when stock acquisition rights are allocated (excluding days on which no transactions were made)

Conceptual Image of Payment Mix for Remuneration of Executive Directors



Note: The proportions shown above are based on certain values for consolidated earnings and the share price, and are for illustrative purposes only. The actual mix will vary depending on changes in Mitsubishi Corporation's consolidated financial results and stock market conditions.

Deliberation Process Regarding the Revision of Remuneration Package for Executive Directors

MC resolved to revise the remuneration package for Executive Directors after continual deliberations by the Board of Directors and the Governance, Nomination and Compensation Committee. The specific review process is as follows.

October 2018 Governance, Nomination and Compensation Committee

- Remuneration-related issues (remuneration levels and composition, proportion of fixed and variable components etc.) were reviewed.
- The basic approach to revisions of remuneration package was deliberated.

November 2018 Board of Directors' meeting

- The results of the Governance, Nomination and Compensation Committee deliberations were reported.

February 2019 Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members*

* MC holds the meeting of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members approximately once every quarter to provide them opportunities for free discussion outside of Board of Directors' meetings.

- The basic approach to revisions of remuneration package was confirmed.
- Revised remuneration levels and composition, and remuneration governance-related issues were deliberated.

March 2019 Governance, Nomination and Compensation Committee

- The specific remuneration levels and composition were confirmed.
- Specific proposals for breakdown of composition and calculation formulae (including related conditions) for variable remuneration were deliberated.
- Proposed disclosures relating to the revised remuneration package were deliberated.

April 2019 Board of Directors' Meeting

- The results of the Governance, Nomination and Compensation Committee deliberations were reported.

May 2019 Board of Directors' Meeting

- The proposed revisions to remuneration package were approved.

June 2019 Ordinary General Meeting of Shareholders

- Based on the revisions to remuneration package, resolutions were approved at the Ordinary General Meeting of Shareholders regarding revisions to the remuneration limits for Directors and introduction of stock-based remuneration linked to medium- to long-term share performances.

Corporate Governance

Directors' and Audit & Supervisory Board Members' Remuneration: Total Amounts and Number of Eligible Persons in the Fiscal Year Ended March 31, 2019

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 salary		Annual deferral for retirement remuneration		Individual performance bonus		Bonus		Stock-option-based remuneration	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
In-house Directors	1,459	9	655	7	79	7	186	7	340	7	198
Outside Directors	120	6	120	—	—	—	—	—	—	—	—

Title	Total Remuneration	Base salary		Annual deferral for retirement remuneration		Individual performance bonus		Bonus		Stock-option-based remuneration	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
In-house Audit & Supervisory Board Members	140	3	140	—	—	—	—	—	—	—	—
Outside Audit & Supervisory Board Members	39	3	39	—	—	—	—	—	—	—	—

(Figures less than one million yen are rounded down)

Notes:

- The above figures include 2 Directors and 1 Audit & Supervisory Board Member who retired during the fiscal year ended March 31, 2019. Furthermore, there were 13 Directors (including 5 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members) as of March 31, 2019.
- The above amounts of individual performance bonuses represent the amounts provided for in the fiscal year ended March 31, 2019.
- The above amounts of Director bonuses were decided by a resolution of the Ordinary General Meeting of Shareholders, held on June 21, 2019, based on the consolidated net income for the fiscal year ended March 31, 2019 (¥590.7 billion) following the deliberation by the Governance, Nomination and Compensation Committee and the resolution by the Board of Directors.
- The stock-option-based remuneration above shows the amount recognized as an expense

in the fiscal year ended March 31, 2019 related to stock options granted to 7 In-house Directors (the Chairman of the Board and Outside Directors are ineligible for payment).

- In addition to the above, Mitsubishi Corporation paid executive pensions to retired Directors and Audit & Supervisory Board Members. The amounts paid in the fiscal year ended March 31, 2019 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.

Mitsubishi Corporation paid ¥132 million to 77 Directors (Outside Directors were ineligible for payment).

Mitsubishi Corporation paid ¥6 million to 7 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	Title	Total consolidated remuneration (Millions of yen)	Amount by Type of Remuneration (Millions of yen)				
			Base salary	Annual deferral for retirement remuneration ^{*1}	Individual performance bonus	Bonus	Stock-option-based remuneration ^{*2}
Ken Kobayashi	Director	327	327	0	0	0	0
Takehiko Kakiuchi	Director	445	113	35	88	127	81
Kanji Nishiura	Director	103	27	6	21	33	15
Kazuyuki Masu	Director	119	36	8	21	33	21
Iwao Toide	Director	119	36	8	21	33	21
Akira Murakoshi	Director	119	36	8	21	33	21
Masakazu Sakakida	Director	118	36	8	20	33	21
Mitsumasa Icho	Director	102	28	6	18	33	17

(Figures less than one million yen are rounded down)

*1 The amount of annual deferral for 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.

*2 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. 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 2019.

*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 2 In-house Audit & Supervisory Board Members each have experience in the corporate management, and finance and accounting departments, and they are appointed as Full-time Audit & Supervisory Board Members, respectively. The 3 Outside Audit & Supervisory Board Members each have many years' experience as an attorney (corporate law) and certified public accountant, and experience as Full-time Audit & Supervisory Board Member at a listed company, respectively. Of the 5 Audit & Supervisory Board Members, Shuma Uchino, Full-time Audit & Supervisory Board Member, and Ikuo Nishikawa, Outside Audit & Supervisory Board Member, 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 and is also the specified Audit & Supervisory Board Member stipulated by the law. Audit & Supervisory Board Members are assisted as needed by the 6-member Audit & Supervisory Board Members Office (as of April 1, 2019), which is an independent organizational body.

As part of their activities based on the audit plan, Audit & Supervisory Board Members attend important in-house meetings (106 meetings including meetings of the Executive Committee and the Business Strategy Meeting) and hold discussions with internal departments, including important offices in Japan and overseas (52

dialogues with management execution departments under the President and CEO, dialogues with management execution personnel at 43 overseas business investees and 11 in Japan, as well as with office heads at 17 offices in and outside Japan). At the same time, Audit & Supervisory Board Members hold regular meetings with Mitsubishi Corporation's independent auditors and Internal Audit Department, to accurately and in a timely manner grasp Mitsubishi Corporation's situation through close cooperation. The Audit & Supervisory Board provides a forum for lively discussion, where the Audit & Supervisory Board Members report and share their audit activities as well as making decisions on statutory matters and so forth. In the fiscal year ended March 31, 2019, Audit & Supervisory Board were held 13 times, and all Audit & Supervisory Board Members were in attendance at every meeting. At the first Audit & Supervisory Board for the fiscal year, the audit plan for that fiscal year is decided upon and a review of the previous fiscal year's audit activities is carried out. These matters are also reported to the Board of Directors. Furthermore, in addition to statutory matters such as the audit report and the selection and dismissal, and remuneration of the independent auditors, the Audit & Supervisory Board also discusses major investment and finance projects and issues identified through audit activities such as on-site audits, tours and dialogues, etc.

Internal Audits

Regarding internal audits, the Internal Audit Department (which had 71 members as of April 1, 2019) conducts audits of the Mitsubishi Corporation, 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 Mitsubishi Corporation were Yoshiaki Kitamura, Kazuaki Furuuchi, Kenichi Yoshimura and Noriaki Kobayashi of

Deloitte Touche Tohmatsu LLC. They were assisted by 28 certified public accountants, 21 junior accountants and 70 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, Corporate Accounting Department, and Independent

Auditors regularly exchange information among each other in order to strengthen their cooperation. Moreover, the full-time Audit

Corporate Governance

& 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 Mitsubishi Corporation's independent auditors Deloitte Touche Tohmatsu LLC for the fiscal year ended March 31, 2018 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) ^(Note 1) ¥796 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 ^(Note 2) ¥54 million

(c) Total amount of fees to be paid by Mitsubishi Corporation and consolidated subsidiaries ^(Note 3) ¥2,474 million

Notes: 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 advice on Mitsubishi Corporation's internal regulations training and 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 Mitsubishi Corporation's independent auditors.

Shares

Stance on Exercising Voting Rights Relating to Listed Stocks

MC attaches great importance to dialogue and communication with its business investees through various channels, aiming to create business opportunities and build, maintain and strengthen business and partner relationships, and from the perspective of raising the mid- and long-term corporate value of MC and these companies. MC considers exercising voting rights to be an important approach. For this reason, when exercising voting rights relating to a business investee, the responsible department for the

oversight of the company reviews its business conditions (earnings, capital efficiency, etc.) from both quantitative and qualitative standpoints in accordance with internal regulations. These regulations stipulate matters to be considered, etc., when determining whether to vote for or against proposals such as appropriation of surplus, election of Directors and Audit & Supervisory Board Members, and revision of executive remuneration. Then MC exercises its voting rights appropriately for individual matters for resolution.

Guideline for Holding MC Shares (Standard)

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.

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>

Initiatives on Japan's Corporate Governance Code

MC has long worked to implement corporate governance as the foundation of sound, transparent and efficient management. We have determined that MC is implementing all principles set forth

in Japan's Corporate Governance Code.

(For more information, please see the Corporate Governance Report on MC's website.)

MC's Stance on Acquisition, Holding, and Reduction in Listed Shares

Verified the purpose of holding listed shares and reduced by around 10% compared to the previous fiscal year

MC may acquire and hold shares acquired for other than pure investment as a means of creating business opportunities and building, maintaining and strengthening business and partner relationships. When acquiring these shares, MC confirms necessity of its acquisition based on the significance and economic rationale of the purchase. Also, Mitsubishi Corporation periodically reviews the rationality of continuing to hold the shares and promotes reducing holdings of stocks with decreased significance. Shareholdings in the fiscal year ended March 31, 2019 were reduced by around 10% compared to the previous fiscal year.

[Verification policy for holding individual shares]

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

The economic rationale is confirmed by whether or not the related earnings from each stock, such as dividends and related business profits on transactions, exceed MC's target capital cost (Weighted Average Cost of Capital) for the market price of each individual share.

The qualitative significance is confirmed by the achievement or status of progress of the expected purpose for holding the stock, etc.

[Matters verified by the Board of Directors]

Verification was conducted by the Board of Directors for all listed shares held by Mitsubishi Corporation as of March 31, 2019 (market price was approximately 0.8 trillion yen). As a result of verification from the perspectives of both economic rationale and qualitative significance of holding them, numerous shares were identified as candidates for reduction due to a decreased importance of the expected purpose and significance for holding them, etc.

MC's Pension Management Structure

Operation by experienced experts and appropriate monitoring

In an effort to utilize personnel with experience in markets and investment, those responsible for pension management are appointed from the Finance Department of MC and serve concurrently as employees of the MC Pension Fund. The basic policy and

management guidelines for safe and efficient management of the reserve are drafted and issued to institutions contracted to undertake management, which are then monitored constantly. Marked with the responsibility for autonomous allocations it holds, the fund has announced its acceptance of Japan's Stewardship Code and requires the institutions entrusted with management of the assets to perform stewardship activities.

Policy and Procedures for Appointment and Dismissal of Management Executive and Appointment of Nominated Directors and Audit & Supervisory Board Members

Ensuring objectivity and transparency through deliberation at the Governance, Nomination and Compensation Committee, where Outside Directors and Outside Audit & Supervisory Board Members have a majority

For the appointment of President and CEO, the requirements of the role, the basic policy on appointment, and selection of individual candidates are deliberated and reviewed by the Governance, Nomination and Compensation Committee where Outside Directors and Outside Audit & Supervisory Board Members have a majority (4 Outside Directors and 1 Outside Audit & Supervisory Board Member

out of 8 Committee Members). Appointments are then decided by the Board of Directors, which also appoints and assigns duties to Executive Officers. Moreover, the policy and process for appointment and all appointment proposals of Directors and Audit & Supervisory Board Members and each appointment proposal are deliberated by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors, before being presented at the Ordinary General Meeting of Shareholders. Furthermore, the Company's policy is to take a flexible approach to determining and dealing with dismissal of President and CEO. The matter is deliberated by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.

Details of Retired Executives Currently Serving in Advisory Positions

Honorary Chairman to receive no remuneration (July, 2020 onward), no further appointment of Senior Corporate Advisor to be made

MC appoints, as necessary, retired executives (presidents and chairmen of the board) to the positions of Honorary Chairman and Senior Corporate Advisor. Currently, one Honorary Chairman and one Senior Corporate Advisor are appointed. Neither the Honorary

Chairman nor the Senior Corporate Advisor serve as directors. They do not participate in internal management meetings and are not involved in the Company's decision-making process. They mainly engage in activities that carry high social significance for the Company's external affairs, as requested. With effect from July 2020, the Honorary Chairman will execute his duties on a part-time basis with no remuneration. No new Senior Corporate Advisor will be appointed with immediate effect.

Names, positions, and other information related to retired executives currently serving in advisory positions

Name	Position	Area of assignment	Work conditions (full/part-time, remunerated, etc.)	Date of retirement as President, etc.	Term end
Mikio Sasaki	Senior Corporate Advisor	External affairs	Part-time, remunerated	June 23, 2010	June 2020
Yorihiko Kojima	Honorary Chairman	External affairs	Full-time, remunerated	March 31, 2016	June 2022

(Note) The dates of retirement as President are the respective dates of retirement from appointment as chair of the Board of Directors.

Number of retired executives currently serving in advisory positions: 2

Corporate Governance

Policy of Dialogue with Shareholders

(a) Basic Stance

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. To achieve this, MC is committed to fulfill accountability as a corporate enterprise and gain credibility and reputation from stakeholders including shareholders and investors, by communicating with them in a proactive manner and by disclosing, in a timely and appropriate manner, information about business conditions including the progress in management plans, quantitative financial information, and non-financial information such as for corporate governance and sustainability & CSR affairs.

(b) Persons in Charge and Promoting System

Positioning IR activities as an important management matter, MC is promoting communication with shareholders and investors as well as proactive information disclosure, led by the management, with the President and CEO being chief and CFO being director in charge. To ensure the effectiveness of dialogues with shareholders and investors and information disclosure, MC established a dedicated department in charge, the Investor Relations Department. In addition, MC built a cross-sectional company structure not limited to the dedicated department in charge, by organically linking business groups to corporate staff departments (i.e., Corporate Strategy & Planning Department, Corporate Communications Department, Corporate Administration Department, Corporate Sustainability & CSR Department, Legal Department, Corporate Accounting Department, and Finance Department).

With respect to information disclosure, on which dialogue with shareholders and investors is premised, MC sets up the Disclosure Committee, whose members are the CFO, Executive Officers in charge of Corporate Communications, Corporate Administration, Legal, and Corporate Sustainability & CSR and persons in charge of corporate staff departments (General Managers), as well as a working group consisting of working-level persons from corporate staff departments. After thoroughly reviewing and checking details of information to be disclosed, the team tries to disclose proactive, highly transparent information through websites, Integrated Reports, Annual Securities Report, Notice of Ordinary General Meeting of Shareholders, Investors' Note, ESG Data Book, and newspaper ads, etc.

(c) Policy of Dialogue with Shareholders and Investors and Results of Activities

To continually raise mid- and long-term corporate value, MC is promoting constructive communication with shareholders and investors, led by the management including the President and CEO.

i. Ordinary General Meeting of Shareholders

MC positions the Ordinary General Meeting of Shareholders as the place to fulfill accountability to shareholders. In addition to proactive information disclosure in the Notice of Ordinary General Meeting of Shareholders, MC tries to respond to questions raised by shareholders in a respectful manner.

ii. Communication with Individual Investors

MC held regular meetings for individual investors (24 times in total in the fiscal year ended March 31, 2019, including 2 presentations by the management and presentations for sales representatives of securities companies).

iii. Dialogue with Institutional Investors

In addition to quarterly financial results briefings hosted by President and CEO and CFO, the management of business groups host business-briefing sessions. President and CEO, CFO, the Investor Relations Department, Corporate Administration Department, Corporate Sustainability & CSR Department, and other departments call on domestic and foreign institutional investors to hold briefing sessions, and respond to their request for individual interviews.

<Activities Conducted in the Fiscal Year Ended March 31, 2019>

President and CEO: The Ordinary General Meeting of Shareholders, communication through meetings with domestic and foreign institutional investors and analysts (8 times), quarterly financial results briefings, and social gatherings with individual investors.

CFO: Communication through meetings with domestic and foreign institutional investors and analysts (32 times) and quarterly financial results briefings.

Group Management Teams: Business briefing sessions (3 times).

Investor Relations Department: Communication through meetings with domestic and foreign institutional investors and analysts (about 500 times), and regular meetings with individual investors (22 times). Corporate Administration Department, Corporate Sustainability & CSR Department and other departments: Communication through meetings with domestic and foreign institutional investors (about 45 times).

Corporate Governance

(d) Feedback to Business Management and Control of Insider Information

MC has developed a system by which the opinions from shareholders and investors and business challenges obtained through IR and SR activities are adequately reported to the management including President and CEO and the Board of Directors and the Executive Committee. In addition, the departments in charge feedback the opinions obtained through communication with shareholders and investors across, financial results briefings and other means the company to help improve business management.

With respect to the handling of insider information in communicating with shareholders, MC has set forth the Standard for the Prevention of Unfair Stock Trading in accordance with the Code of Conduct for MC's Officers and Employees. MC keeps all officers and employees fully informed of this requirement.

Reference:

In Investor Information on our website, MC posts various types of IR information in addition to the documents listed below. Please visit the following website for details.

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

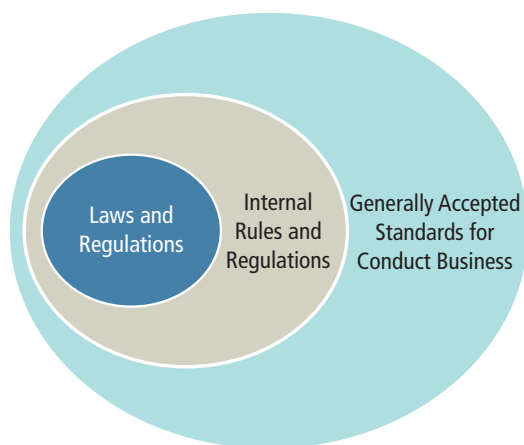
- Presentation Materials
- Earnings Release
- Integrated Reports
- Financial Statements
- Quarterly Reports
- Investors' Note
- Corporate Brochure

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

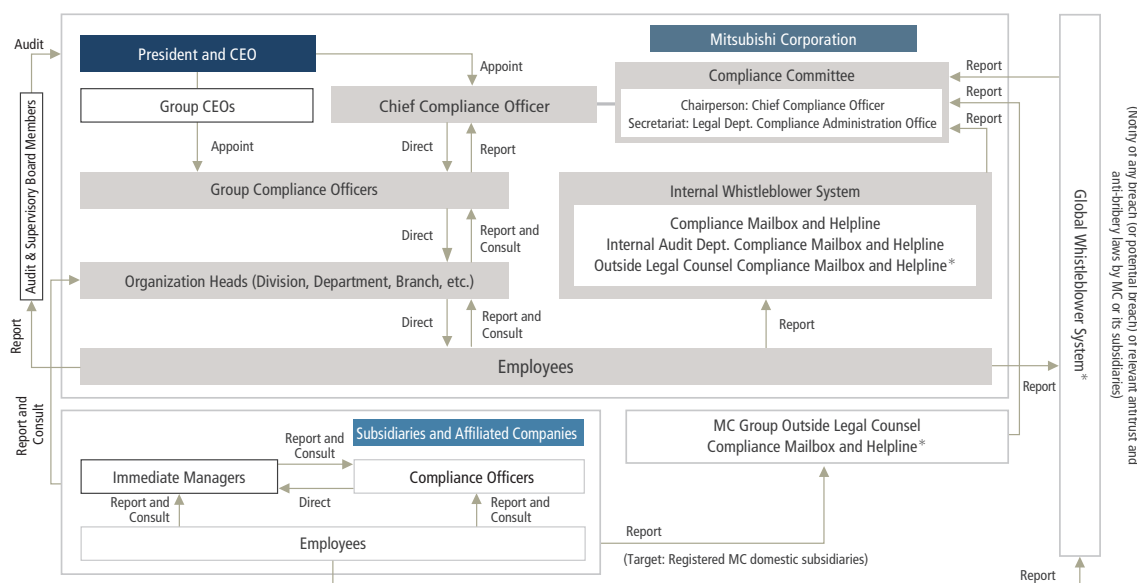
Compliance Framework

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. Each Compliance Officer possesses a similar level of authority, and they implement compliance in a manner tailored to their business characteristics.



* An internal whistleblower system that enables anyone to make a report anonymously.

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.

In the fiscal year ending March 2020, MC implemented a risk-based ranking system according to transaction type and scale, and revised relevant guidelines to build a bribery prevention system on a consolidated basis under a risk-based approach.

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.

In April 2019, in order to further strengthen its efforts to prevent corruption on a Group-wide basis, the Company expanded its scope to cover the entire MC Group and announced the new “Mitsubishi Corporation Group’s Anti-Corruption Guidelines.” This includes not only the commitments of the MC Group, but requests for business partners and clients as well.

Reference: Mitsubishi Corporation Group’s Anti-Corruption Guideline
https://www.mitsubishicorp.com/jp/en/about/governance/pdf/compliance_02_e.pdf

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 portions of the Code of Conduct have been formulated. MC is required to appoint only qualified agencies after obtaining the approval of the Compliance Officer. From the fiscal year ending 2020, the Company revised its internal procedures to include a risk-based ranking and introduced new practical procedures.

- Agencies are separated into four categories based on the nature of the assignment to determine the level of scrutiny.
- 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.
- In the event that the agency appoints a third party, additional appointment procedures will be applied to that third party as well.
- 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 2019, there were no cases of corruption detected in the Company. As a result, no fines or financial penalties were incurred.

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

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.

the previous survey, and conduct a follow-up survey to confirm the effectiveness of those measures.

Employee 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 2018, 66 Group companies participated in the survey. In the fiscal year ending March 2020, the Compliance Awareness Survey was combined with the Employee Awareness Survey conducted by the Global Human Resources Dept. to form the "Employee Awareness Survey," which is conducted both on a non-consolidated and on a global consolidated basis.

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

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, 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.

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

Compliance

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.

There is also a compliance Mail Box and Helpline for MC Group company officers and employees.

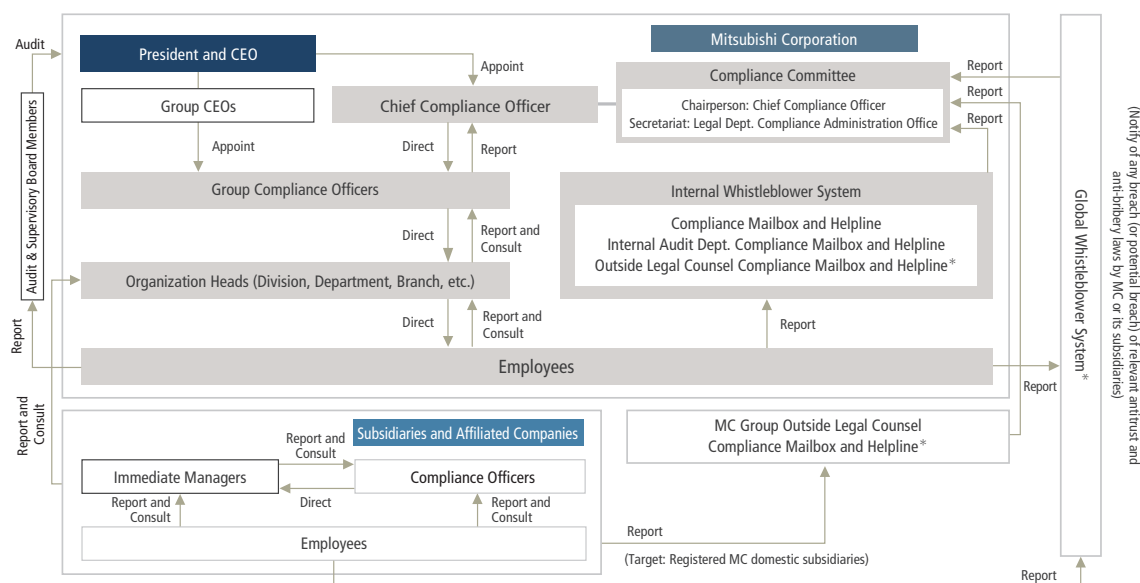
Furthermore, in 2016 MC launched a new global whistleblowing system for anti-trust and anti-corruption issues (called "LUKS"), which makes it easier for officers and employees of MC and its subsidiaries to report these issues.

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.

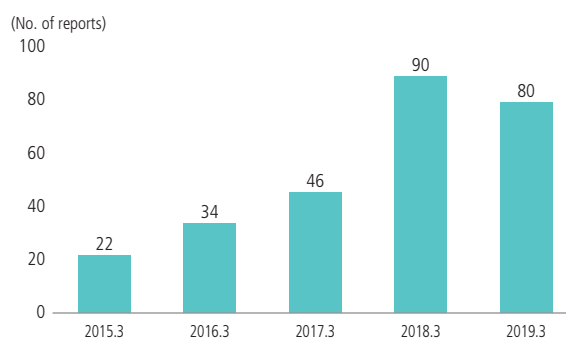
With regard to management-level harassment training, MC conducts internal trainings aimed at general managers, team leaders and other levels. The Company is working to prevent harassment by introducing examples. (1) The prohibition of harassment is specified in the Code of Conduct; (2) basic policies, pamphlets and other resources have been produced related to harassment prevention; and (3) the Compliance Helpline as well as the Global Human Resources Dept.'s Help Desk have been established, which are all well-known internally.

Compliance Framework



* An internal whistleblower system that enables anyone to make a report anonymously.

Number of Whistleblowing Reports



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 400 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 Handbook 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 2019 was 313. 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 2019, there were no significant provisions requiring separate disclosure.

Risk Management

Policy

MC has a basic policy of identifying various risks involved with its business activities, classifying them by their characteristics, and managing them in order to maintain and improve its financial

soundness and corporate value. In particular, risks that significantly affect the Company's financial position and social standing are identified and managed on a consolidated basis.

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.
- MC has established and maintains an overall system to review individual projects and internal systems in relation to specific types of risk through deliberative bodies under the Executive Committee including the Investment Committee, the Sustainability & CSR Committee, the Compliance Committee and the Human Resources Development (HRD) Committee.
- MC has designated categories of business activity risk corresponding to the details and scale of each risk, including credit, market, business investment, country, compliance, legal, information management, environmental and natural disaster-related risks, and has specified departments responsible for each category.

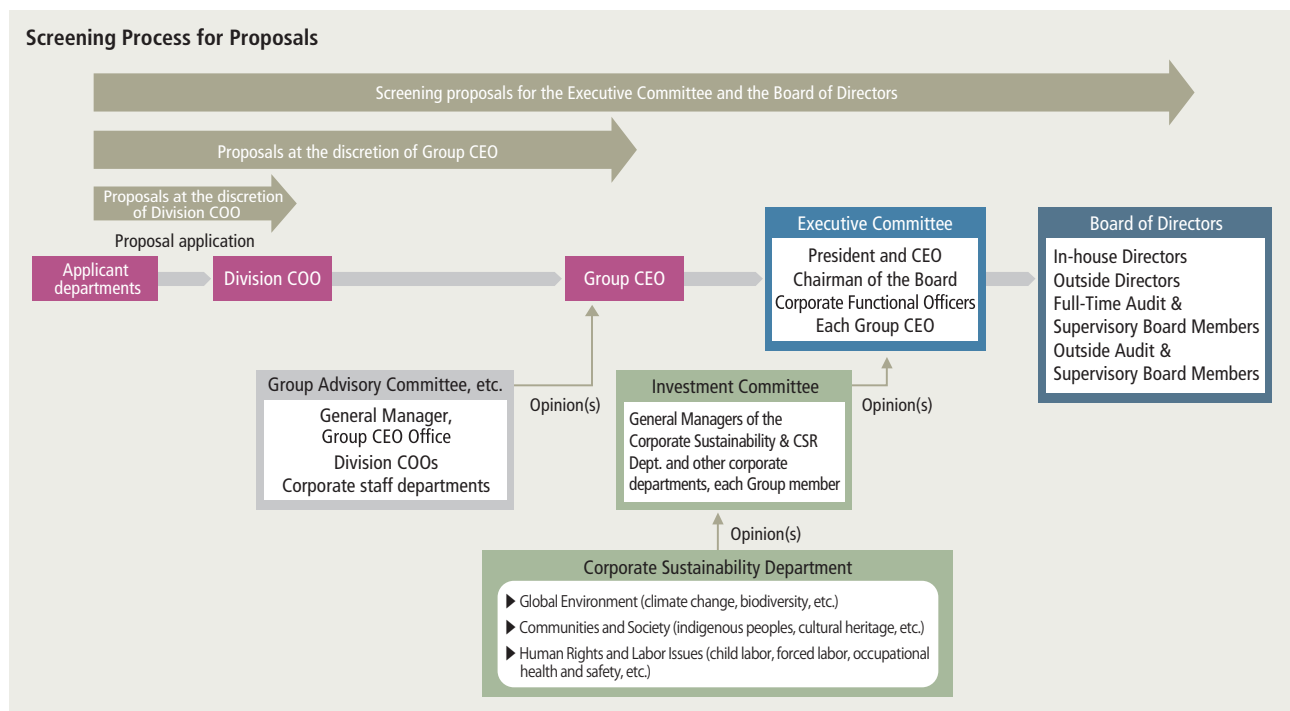
- With respect to individual projects, personnel responsible for the applicable department in charge of a project make decisions within the scope of their prescribed authority after analyzing and assessing the risk-return profile of each project in accordance with Company-wide policies and procedures. 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.

Risk Type	Director in Charge	Duties Overseen
Country risk	Kanji Nishiura	Corporate Functional Officer, Global Strategy
Credit risk, market risk	Kazuyuki Masu	Corporate Functional Officer, Chief Financial Officer
Compliance risk, legal risk, environmental risk, employee safety risk such as natural disaster-related risk, terrorism, emerging infectious disease, business continuity risk	Masakazu Sakakida	Corporate Functional Officer, Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters
Project investment risk, information management risk	Hidenori Takaoka	Corporate Functional Officer, Business Investment and CDO

Management Framework for Individual Proposals

New projects	Application for policy / Application for implementation	Narrow down new investment and finance proposals by comprehensively evaluating quantitative aspects in terms of the invested capital and its return determined on the basis of the characteristics of each business, in addition to evaluation of qualitative aspects, including consistency with the business strategy of each Business Group, and risk locations and countermeasures.
Existing projects	Business plan formulation	Once a year, monitor business investees' management issues and initiatives as well as MC's functions and business life cycle; select business investees monitored throughout the Company for follow-up on business management of each Business Group and report to the Executive Committee.
Re-profiling projects	Review regarding continuation of investments	Conduct qualitative and quantitative evaluations of new investment and finance proposals based on the priority order of Business Group strategies and promote a healthy business metabolism.



MC delegates authority according to the financial scale of each Business Group, while the Investment Committee discusses all new investment and finance proposals as well as sales and withdrawal proposals prior to deliberation by the Executive Committee and the Board of Directors.

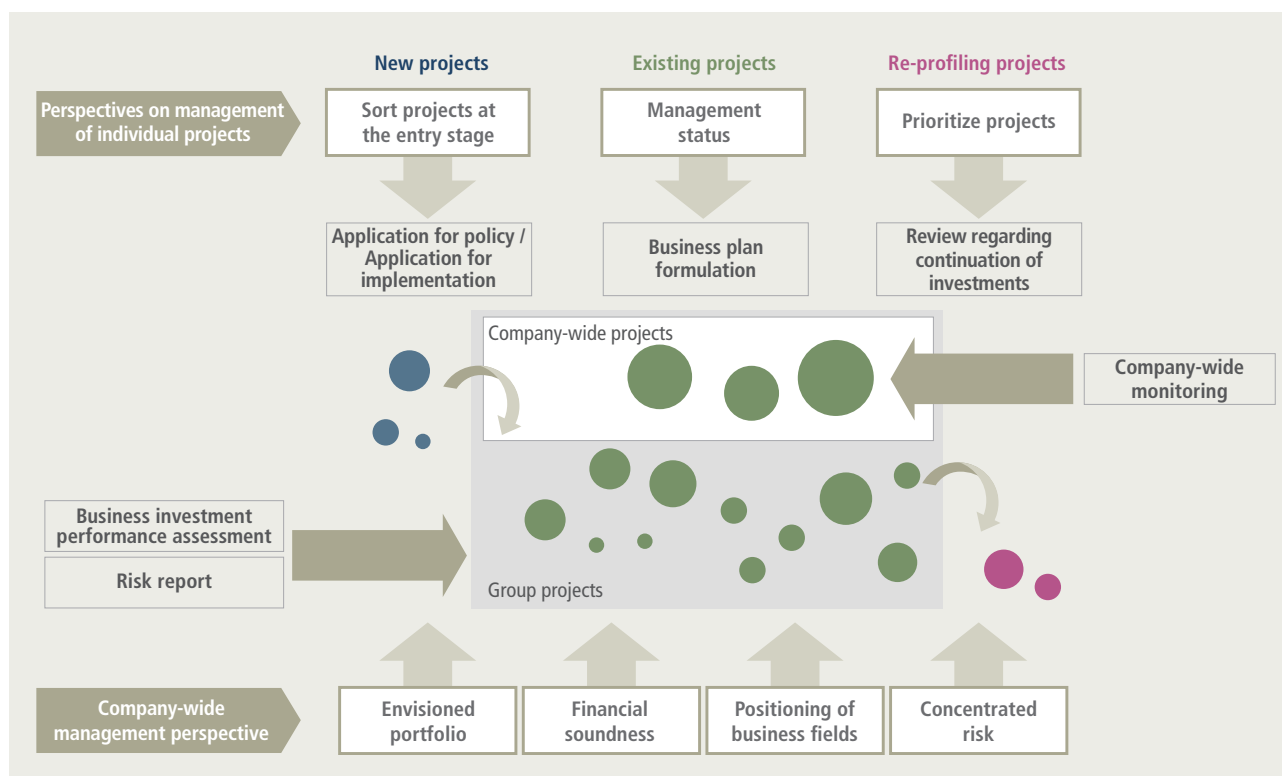
The Corporate Functional Officer for Business Investment Management and CDO serves as the chairman of the Investment Committee. To make full use of the knowledge of each Business Group and the expert viewpoints of each corporate department, the Company selects representatives from among associated corporate general managers and within each Business Group to serve as committee members and comprehensively consider proposals, including non-financial aspects.

When reviewing and making decisions on loan and investment

proposals, considers not only economic aspects, but ESG factors as well. By having the General Manager of the Corporate Sustainability & CSR Department take part in all Investment Committee meetings, 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 impacts, but also social aspects including consideration for human rights and labor issues from a global perspective.

Corporate Management Framework

Companywide management	Business investment performance assessment/ Risk report	Report to the Executive Committee on the analysis results of risk and return on business investment, companywide risks and tolerance, and utilize these results in ascertaining the overall status of business and determining the policy for capital allocation
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Crisis Management

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.

The Company has established a Crisis Management Policy that considers all potential risks such as natural disasters, accidents, terrorism and new infectious diseases that may affect employee safety, profit, assets and business continuity. This policy is applied on a consolidated basis and implements the following principles: (1) give first priority to the safety and lives of personnel and their families; (2) perform, continue or promptly restore core functions and business operations; (3) assist in saving lives and support recovery of the local community.

To that end, MC has set up an Emergency Crisis Management Headquarters that has the necessary infrastructure to activate a

first response, including: ensuring the safety of its employees on a consolidated basis in the event of a crisis; the execution and continuation of important operations and businesses (basic office operations, information dissemination and communication and financial transactions); the maintenance, recovery, execution and support of any external support measures, as well as formulating and operating basic policies, systems, rules and safety measures related to crisis management on a consolidated basis during normal circumstances. In addition, under the control and supervision of the Emergency Crisis Management Headquarters, it has established group, and regional reporting lines.

Overseas crisis management

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. Should an incident occur, the Company 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 the company's basic thinking and actions including how to prepare for and what to do in the event of a crisis. Simulation training based on this manual is also held periodically. Drills are also conducted to ensure that all employees are prepared, especially prior to overseas assignments.

BCM (Business Continuity Management)

MC has established its "Crisis Management Policy" under the management and supervision of the Crisis Management Office. These regulations look at how the company can continue to operate as competitively as possible, in times of crisis*, when the interruption of important businesses may occur. In order to meet the expectations and trust of all its stakeholders, including customers and partners, MC promotes Business Continuity Management (BCM) on a consolidated basis, while respecting the safety of its employees.

BCM is the comprehensive management and implementation of a continuous PDCA cycle, including the formulation of an first response and Business Continuity Plan (BCP) based on risk/impact analysis of each crisis, the establishment of appropriate systems, and education/training.

*Critical events that lead to the interruption of important business activities such as large-scale natural disasters, terrorism/social unrest, emerging infectious diseases, supply chain interruptions, violations of laws and regulations and cyber accidents.

Crisis management in Japan

In Japan, in preparation for various crises such as natural disasters including storms, floods and earthquakes that have been increasing in frequency over recent years, there are procedures in place to form a team with representatives from each corporate function that reports to the Crisis Management Office in the event of a crisis.

During normal operations, the Emergency Crisis Management Headquarters organizes simulation training, tests safety confirmation measures on a consolidated basis and includes crisis management sessions within various training programs to raise employee awareness.

Through BCM activities on a consolidated basis, including during normal operations, MC will respond appropriately to the initial response, promptly activate the BCP across all of its operations including Group Companies and aim to minimize the disruption to important operations.

Reference: Formulation of a BCP - considerations

- Anticipate incidents
- Select core operations/High priority tasks
- Identify bottlenecks (consider management resources and business processes that will allow the continuation of priority activities and recovery)
- Formulate BCP implementation procedures (development of necessary management resources for recovery/alternative measures and establishment of implementation system)

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
Kanji Nishiura	Corporate Functional Officer, Global Strategy	Chair, Country Risk Committee
Kazuyuki Masu	Corporate Functional Officer, Chief Financial Officer	Chair, Disclosure Committee Chair, Asset and Liability Management (ALM) Committee
Shinya Yoshida	Corporate Functional Officer, Regional Strategy for Japan	
Akira Murakoshi	Corporate Functional Officer, Corporate Communications, Human Resources	Chair, Human Resources Development (HRD) Committee Chair, Human Resources Development Meeting
Masakazu Sakakida	Corporate Functional Officer, Corporate Administration, Legal (Concurrently) Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters	Chair, Compliance Committee Chair, Sustainability & CSR Committee Person Responsible for Security Trade Control Person Responsible for Trade Procedures Control
Hideori Takaoka	Corporate Functional Officer, Business Investment Management	Chair, Investment Committee Chair, Digital Strategy Committee Chair, IT Strategy Meeting

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 (Age)	Independent Director	Main career	Principal area of specialization and background			Board of Directors Attendance in fiscal year ended March 31, 2019	Status of membership on advisory bodies to the Board of Directors		Years served as Director
			Corporate management	Global developments	Socio-economic trends		Governance, Nomination and Compensation Committee	International Advisory Committee	
Akihiko Nishiyama (66)	●	Professor, Ritsumeikan University				13/13 meetings	● (2/2 meetings)	—	4 years
Toshiko Oka (55)	●	CEO, Oka & Company Ltd. Business consultant				12/13 meetings	● (2/2 meetings)	—	3 years
Akitaka Saiki (66)	●	Former Vice-Minister for Foreign Affairs, Ministry of Foreign Affairs of Japan				13/13 meetings	● (2/2 meetings)	● (1/1 meeting)	2 year
Tsuneyoshi Tatsuoka (61)	●	Former Vice-Minister of Economy, Trade and Industry, Ministry of Economy, Trade and Industry				9/9* meetings	● (2/2 meetings)	● (1/1 meeting)	1 year
Shunichi Miyanaga (71)	●	Chairman of the Board, Mitsubishi Heavy Industries, Ltd.				—	—	—	Appointed in June 2019

* Describes status since appointment as a Director on or after June 22, 2018

Risk Management

〈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 (Age)	Independent Audit & Supervisory Board Member	Main career	Principal area of specialization and background			Attendance in fiscal year ended March 31, 2019		Status of membership on advisory bodies to the Board of Directors		Years served as Audit & Supervisory Board Member
			Socio- economic trends	Legal affairs	Finance and accounting	Board of Directors	Audit & Supervisory Board	Governance, Nomination and Compensation Committee	International Advisory Committee	
Tadashi Kunihiro (63)	●	Attorney at T. Kunihiro & Co., Attorneys-at-Law				13/13 meetings	13/13 meetings	● (2/2 meetings)	—	7 years
Ikuo Nishikawa (68)	●	Former Professor, Faculty of Business & Commerce of Keio University Certified Public Accountant				13/13 meetings	13/13 meetings	—	—	3 years
Yasuko Takayama (61)	●	Former Audit & Supervisory Board Member, Shiseido Company, Limited				13/13 meetings	13/13 meetings	—	—	3 years

Independent Practitioner's Assurance

Risk Management

Deloitte.

デロイト トーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

December 23, 2019

Mr. Takehiko Kakiuchi,
President and CEO,
Mitsubishi Corporation

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the ESG Data indicated with * for the year ended both March 31, 2019 and March 31, 2020 (the "ESG Data") included in the "ESG DATA BOOK 2019" (the "Report") of Mitsubishi Corporation (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the ESG Data in accordance with the calculation and reporting standard adopted by the Company (as described on back cover and indicated with the ESG Data of the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the ESG Data based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG Data is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

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 2019
<https://www.mitsubishicorp.com/jp/en/ir/library/ar/>
- Management's Discussion and Analysis of Financial Condition and Results of Operations
<https://www.mitsubishicorp.com/jp/en/ir/library/afr/pdf/afr2019.pdf>
- Voting Results of 2019 Ordinary General Meeting of Shareholders
https://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/pdf/result_2019.pdf
- Notice of 2019 Ordinary General Meeting of Shareholders
https://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/pdf/shoshu_2019.pdf
- Investors' Note Nov. 2019 No. 49
<https://www.mitsubishicorp.com/jp/en/ir/library/notes/>
- 2019 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) GRI Standards
- International Organization for Standardization ISO 26000
- The International Integrated Reporting Council (IIRC) International Integrated Reporting Framework
- Final Report : Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

Notice Regarding Outlooks

Outlooks contained in this document are based on currently available predictions, budgets, forecasts and plans, as well as on the judgement of MC management. These predictions, budgets, forecasts and plans include many potential risks, uncertain factors and assumptions. Actual outcomes may differ greatly from MC's outlooks due to developments around key factors.

Among the risks, uncertain factors and assumptions that could impact MC's financial performance, besides those contained in this document, other factors include commodity market conditions, exchange rates, the economic situation surrounding MC's business areas, results of pending and future litigation and the continued utility of procured funds, financial products and resources, etc. However, elements that may affect business performance are not limited to these factors.