

---

# Executive Summary

---

May 8, 2020

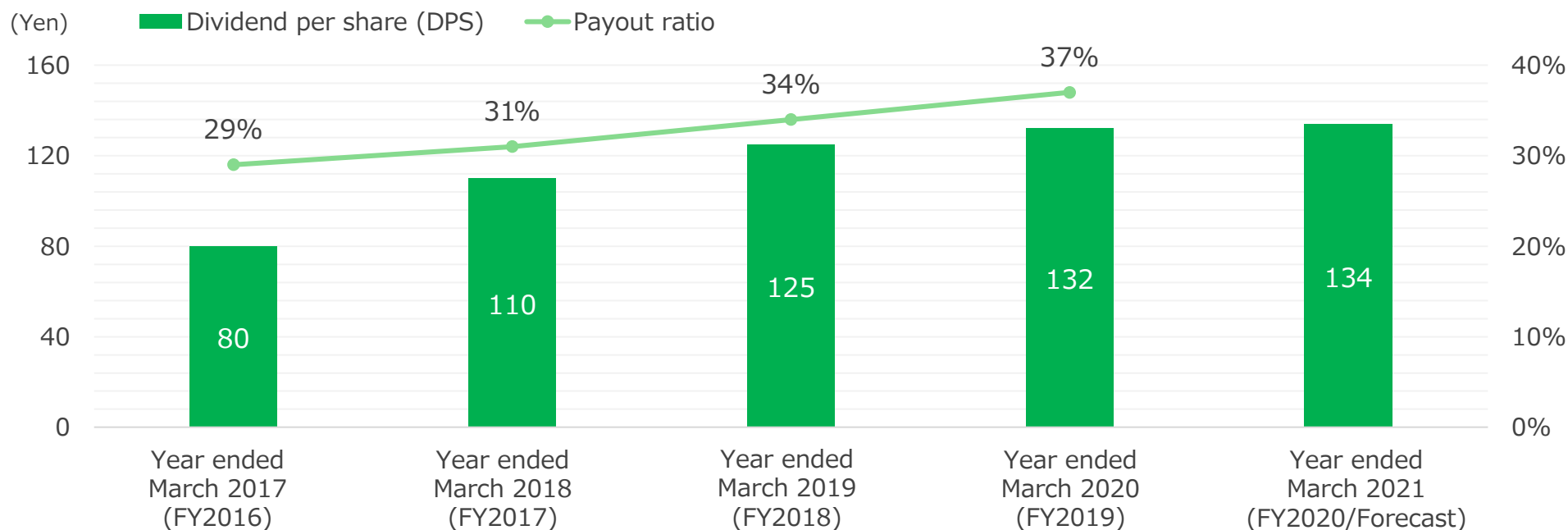
Mitsubishi Corporation

Takehiko Kakiuchi

# Financial Performance and Shareholder Returns

- 1 ■ Earnings for FY2019 was **¥535.4 billion**, achieving the revised forecast. Dividend per-share (DPS) will be **¥132, as planned**.
- 2 ■ Earnings forecast for FY2020 will be announced following an impact evaluation of COVID-19. Forecasted DPS for FY2020 is **¥134, up ¥2**, keeping the total dividends amount intact and reflecting a reduction in the number of shares through share buybacks.
- 3 ■ **Progressive dividend scheme will continue**; financial discipline is maintained and the business portfolio is resilient despite an uncertain and worsening business environment.

## DPS and payout ratio since FY2016



# COVID-19 Pandemic

## 1 Impact of COVID-19

- COVID-19 pandemic continues globally, and the timing of its subsidence is unclear at this moment. This necessitates **preparedness for a protracted economic recovery than initially expected** as both demand and supply are affected.
- **Severely impacted sectors include the Automotive industry and Energy, which is impacted by a collapse in the oil price.**
  - Demand for motor vehicles has all but vanished due to worldwide lockdowns, while the knock-on effects have spread to related materials industries.
  - The oil price remains volatile, as a result of diminished demand and supplier power tensions among OPEC/Russia/US. **It may take some time until production cuts and demand recovery bring normalcy back the market.**
- **Demand for lifeline essentials, such as food/daily necessities is relatively stable.**  
Increased needs for greater labor efficiency, automation and remote work are evident in economic activities.

## 2 Changes in the environment caused by COVID-19

### < Changes to Globalization >

- Power balance tensions between US and China, as well as increasing nationalistic policies, are creating concerns of **growing geopolitical uncertainty.**
- **Globalization may shift away from the conventional focus on efficiency** toward a renewed focus on national security and safety of citizens. It will be necessary to reexamine the pros and cons of globalization, and reclassify the balance between domestic policies and the desire to coexist/co-prosper globally.
- Specifically, this means **rebuilding supply chains.**
  - Domestically, there may be efforts to reinforce self-sufficiency in food and other lifeline areas.
  - Globally, greater attention will be paid to emergency response capability, in addition to the conventional decision-making criteria of geopolitical risk and national industrial/social structures.

### < Intelligence and Digitalization >

- **“Intelligence” based on a relationship of trust and “Digitalization” will be key** in responding to changes in globalization. These will be an essential part of the infrastructure, supporting flexible and mutual collaborations among fields/industries/nations.
- Digitalization will drive **changes in work styles and urban centralization** with renewed focus on coexistence with nature and a priority on safety.