

# Integrated Report 2020

For the year ended March 31, 2020




*Opening the Way*



# *Business Management Model*

**To meet the needs of society, the Mitsubishi Corporation (MC) Group seeks to achieve growth together with society through a business management model that relies on three core strengths: the collective capabilities to adopt a holistic view across numerous industries, the foresight to identify New Seeds of Growth, and the execution skills to achieve growth.**



## Business Management Model

Through its more than 130 Business Units and a global network of around 1,700 companies in 90 countries and regions, the MC Group has access to virtually every industry worldwide. Capitalizing on its collective capabilities to adopt a holistic view across numerous industries, it is shifting away from a mindset that looks simply to invest in past sources of growth. By leveraging its strengths to become more deeply involved in business management, the MC Group seeks to create new value by transforming its businesses, as well as to raise corporate value by reforming its business structures through consolidation and other means.

## Management Professionals

The key to achieving this shift from a business investment model to a business management model will be in developing and producing an even larger number of highly skilled management professionals who are able to respond flexibly to the changing business environment and who proactively engage in managing businesses. MC will pursue companywide initiatives to develop its management professionals, and through the businesses they create, MC will in turn be contributing to both society and the growth of the company. We are working to enhance the corporate value of the MC Group by achieving this virtuous growth cycle.

Approximate Number of Group Companies:

# 1,700

The MC Group aims to create sustainable corporate value while simultaneously generating economic value, societal value and environmental value through its businesses.

## Forging a new path with business management.

# Companywide Initiatives

Alongside shifts in the geopolitical landscape, advances in digital technology and the emergence of platform companies are ushering in a business model transformation known as the Fourth Industrial Revolution. Given these changes to the external environment, MC adopts a holistic view across numerous industries to pursue a business portfolio strategy that examines the next business fields to enter and the fields for asset replacement companywide, deliberately rotating businesses through a series of project cycles inherent to the Company as part of a Value-Added Cyclical Growth Model. Furthermore, in order to adapt quickly to changes in the environment, MC is implementing a number of HR system reforms. These include ensuring that employees gain the right experience to become management professionals earlier in their careers, being more meritocratic to ensure that the right people are assigned to the right positions and utilizing management talent more widely and effectively throughout the MC Group.

## *Creating the Next Industry*



## Reciprocal Growth Between the Company and Employees

The MC Group has continued to adapt its business model to respond to the needs of society. The driving force behind our success is our highly ethical management professionals who have the foresight to identify New Seeds of Growth and the execution skills to achieve that growth. The MC Group will continue to accelerate the development of its management professionals by actively providing opportunities for personal growth, aiming to further strengthen the link between professional growth and company development.



Number of Business Groups

10

## Value Creation Beyond Business Group Walls

The MC Group takes a holistic view across numerous industries based on a framework that focuses on the main themes of Midterm Corporate Strategy 2021: portfolio management, HR development and digital strategies. Aiming to identify New Seeds of Growth that may have been previously overlooked through a traditional mindset, including industrial restructuring and technological innovation, MC and each of its Business Groups are working to jointly identify projects and respond to the rapid progression of industrial digitalization (DX). Currently, various ideas are under discussion that transcend the walls between Business Groups, and these have already produced numerous candidates for investment projects. We will carefully examine these candidates and then seize the opportunity at the appropriate time to execute them.

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### Publication of Mitsubishi Corporation Integrated Report 2020

In Midterm Corporate Strategy 2018—Evolving Our Business Model from Investing to Managing, formulated in May 2016, Mitsubishi Corporation (MC) described a policy of simultaneously generating triple-value growth through our businesses: economic value, societal value and environmental value.

The systems introduced during this period are already making steady progress and delivering results. To accelerate our initiatives for further growth, we formulated a new management direction for the three years starting from the fiscal year ended March 31, 2020 called Midterm Corporate Strategy 2021—Achieving Growth Through Business Management Model.

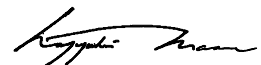
In this integrated report, we present our specific initiatives aimed at maximizing corporate value by focusing on the MC Group's strengths and transcending Business Group boundaries to steadily develop new pillars of future growth.

Looking ahead, we will continue to do our utmost to ensure that our integrated report serves as an effective communication tool that positively 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.

In the course of preparing this report, we have worked closely with each of our internal departments to provide a summary of our holistic

perspective on the MC Group as a whole. In the process, we have referred to the reporting framework propounded by the International Integrated Reporting Council (IIRC) and other guidelines. We hereby affirm the legitimacy of the preparation process and the accuracy of the content of disclosure with respect to this integrated report.

September 2020



**Kazuyuki Masu**

Member of the Board, Executive Vice President,  
Corporate Functional Officer, Chief Financial Officer

#### Forward-Looking Statements

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

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

# *Our Direction*

## SECTION 01

### **MC's Vision**







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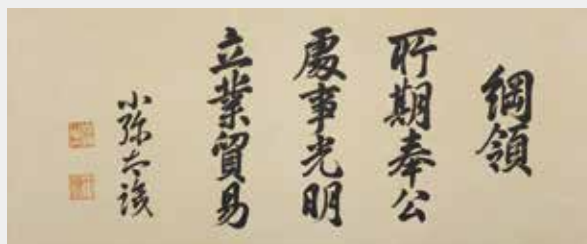
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### Corporate Philosophy

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

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

#### The Three Corporate Principles



#### Corporate Responsibility to Society

*"Shoki Hoko"*

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

#### Integrity and Fairness

*"Shoji Komei"*

Maintain principles of transparency and openness, conducting business with integrity and fairness.

#### Global Understanding Through Business

*"Ritsugyo Boeki"*

Expand business, based on an all-encompassing global perspective.

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

### MC Group Corporate Vision

#### 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 ever-evolving 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 1,700 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.

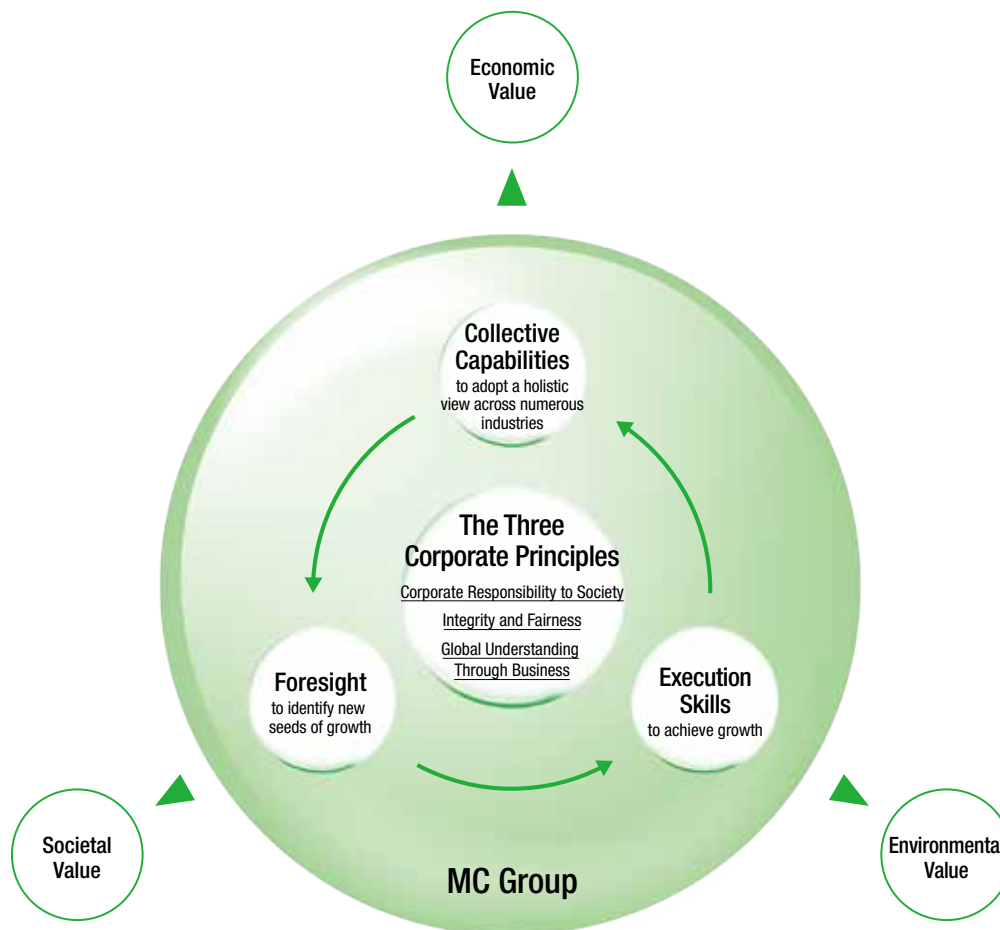
MC optimizes its portfolio by dynamically allocating management resources based on its level of engagement in each business. Sizeable growth investments are companywide commitments to develop next-generation earnings drivers. The Group is also dedicated to training highly ethical management professionals 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.

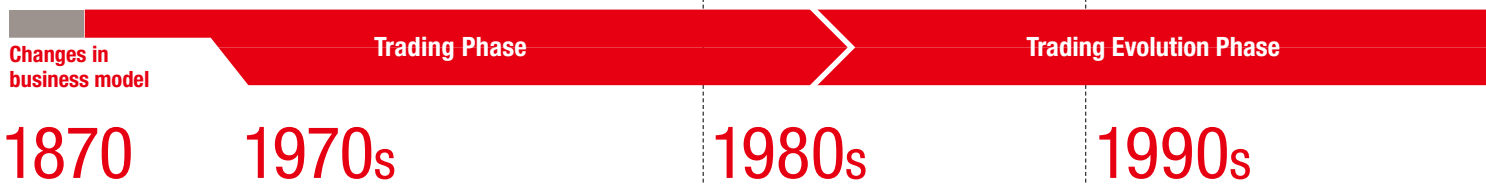
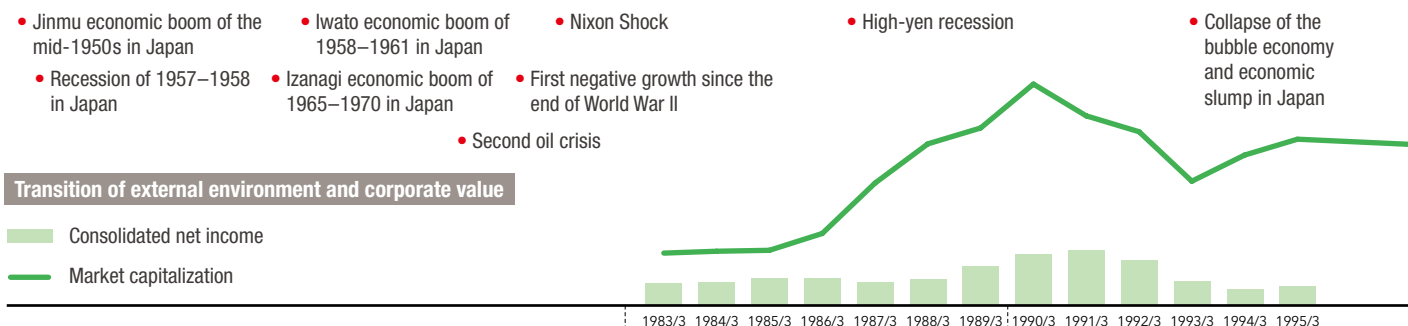
# Achieving Sustainable Growth for the MC Group and Society

The MC Group aims to deliver sustainable growth by adapting to changes in the business environment and fulfilling societal needs with due consideration for the United Nations' Sustainable Development Goals (SDGs). To achieve this aim, the MC Group shall rely on its three core strengths: the collective capabilities to adopt a holistic view across numerous industries, the foresight to identify new seeds of growth and the execution skills to achieve growth.

**Simultaneously generating economic value, societal value and environmental value through our businesses**



# MC has pursued value creation by flexibly transforming its business models in accordance with changes in the external business environment.



## Trading Phase

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

## Trading Evolution Phase

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



Yataro Iwasaki, Mitsubishi founder and the first President



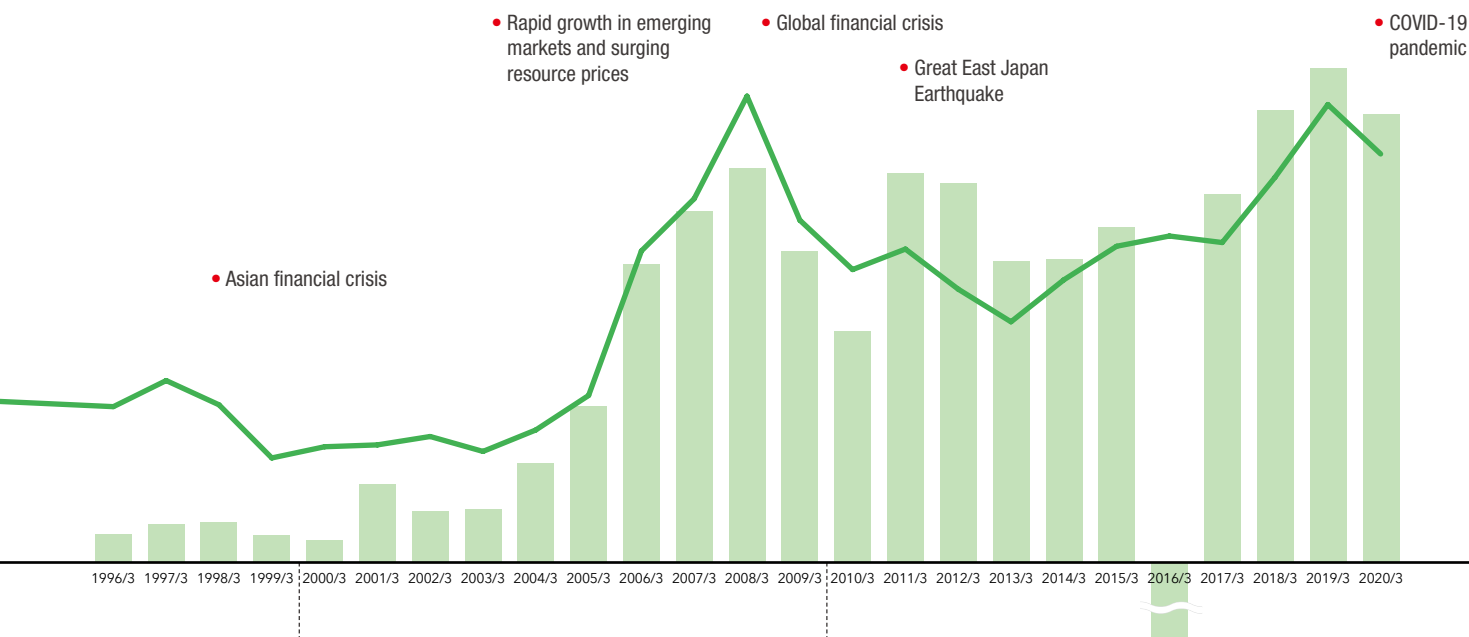
Brunei LNG



Saudi Petrochemical Project

- 1870** Original Mitsubishi organization founded
- 1954** New MC founded (historic re-merger)
- 1957** MC becomes Japan's first trading company to take part in petroleum wholesale
- 1969** MC founds Brunei LNG
- 1974** MC signs construction contract for the international airport at Mombasa, Kenya

- 1981** MC signs joint venture contract with Saudi Petrochemical
- 1985** MC partners with Mitsui & Co., Ltd. in Northwest Australian LNG development project
- 1989** MC acquires Princes Limited, a UK-based food and drink company
- 1992** MC establishes Metanol de Oriente, METOR, S.A. (METOR), a methanol manufacturing and sales company in Venezuela
- 1992** MC joins the Sakhalin offshore oil and LNG development project



### Business Model Transformation Phase (Acceleration of Business Investment)

### Business Management Phase

## 2000s

## 2010s

#### Business Model Transformation Phase (Acceleration of Business Investment)

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

#### Business Management Phase

Due to a shift in the market environment for natural resources, MC recorded its first ever net loss for the fiscal year ended March 3 2016. Since then, MC has worked to rebalance its resources and non-resources businesses and has emphasized cash flow in management. Under Midterm Corporate Strategy 2021, MC is currently endeavoring to shift its business model from one that looks to investment as a source of growth to a model of “managing” businesses by becoming more deeply involved in operations and leveraging MC’s unique management capabilities to actively generate value and drive growth.



METOR, a methanol manufacturing and sales company



Metal One Corporation, an integrated steel trading company



Cermaq ASA



Eneco

- 2000** MC signs a capital and business alliance agreement with Lawson, Inc.
- 2001** MC establishes BHP Billiton Mitsubishi Alliance (BMA), a joint venture with global mining giant BHP Billiton
- 2003** MC launches Metal One Corporation, an integrated steel trading company
- 2009** MC partners with Spanish company ACCIONA S.A., a leader in renewable energy
- 2010** MC invests in the shale gas business in Canada

- 2011** Mitsubishi Shokuhin established
- 2012** MC invests in Brazilian grain company, Los Grobo Ceagro do Brasil S.A. (Ceagro)
- 2013** MC invests in an industrial park development project in Myanmar
- 2014** Cermaq ASA becomes a subsidiary
- 2017** Lawson, Inc. becomes a subsidiary
- 2020** Eneco becomes a subsidiary

# *Achieving Growth*

## *Through Business Management Model*

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While business models across a wide range of industries are changing due to digitization, geopolitical uncertainty continues, and the social and economic outlook is becoming increasingly unclear due to the spread of COVID-19.

Even in this difficult external environment, I believe that steadily implementing Midterm Corporate Strategy 2021 will lead to medium- and long-term growth for the MC Group.

Here, I would mainly like to discuss our response to the external environment and my thoughts on human resources in terms of the progress made towards this strategy.



**Takehiko Kakiuchi**

Member of the Board, President and CEO





**Introduction**

Firstly, I would like to convey my deepest sympathy to all those affected by COVID-19 and express my heartfelt respect and gratitude to the medical practitioners and other key workers who are serving society across various settings. The MC Group will come together to combat this crisis, aiming to meet the expectations of our stakeholders and to achieve sustainable growth.

**Q What are your thoughts in view of the difficult external environment, including the impact of COVID-19 and the global economic downturn?**

**A Heightening geopolitical risk, notably US-China tensions and changes to the external environment stemming from digitization, have been further accelerated by the COVID-19 pandemic. MC will weather this crisis by demonstrating our unique adaptability.**

COVID-19 has brought serious stagnation in social and economic activity, and the rapid decrease in demand and plummeting crude oil prices are inflicting damage on the world economy exceeding that caused by the global financial crisis of 2008 and the Great East Japan Earthquake of 2011. At the same time, a geopolitical issue, namely the struggle for supremacy between two global superpowers, the United States and China, and a societal issue, namely the transition to a digital society, have also come to the forefront. In energy-related sectors, growing social and environmental awareness surrounding the transition to a low-carbon/ decarbonized society has become an irreversible tide, and companies are expected to pursue future-fit businesses as responsible corporate citizens.

The external environment facing the MC Group is fraught with grave uncertainties.

In August 2020, MC disclosed its full-year earnings forecast for the fiscal year ending March 31, 2021. It is a matter of urgent importance for all officers and employees to confront the current harsh reality and to fortify our existing businesses with a sense of crisis as our business management is put to the test.

For unprofitable or low-profit businesses to which MC can no longer add value through its involvement, we will consider options including mergers with other companies or divestment. Meanwhile, as a result of the decisive strategic asset replacement that was carried out following the posting of a consolidated loss for the fiscal year ended March 31, 2016, our business portfolio has become more resilient to external impacts. Even in the current situation, the foundation of our business portfolio strategy and financial soundness will remain unshaken. Looking ahead to the medium- to long-term growth of MC, we will buckle down to implement the initiatives set out in Midterm Corporate Strategy 2021 without deviation.

Assuming the availability of a COVID-19 vaccine, the world economy is expected to head toward genuine recovery in 2021 at the earliest, and our basic scenario envisions the global economy following a U-shaped recovery. With the outlook so uncertain, we will combine the insights of MC's management professionals on the front lines of our business to consider countermeasures based on a variety of scenarios, including worst-case conditions. Even amid the current unprecedented turmoil, we will keep our eyes squarely on the future and weather this crisis by demonstrating our unique adaptability.



## Q Looking ahead to the future in your role as President, what measures do you think must be taken in these circumstances?

### A Industrial structure reform through digital transformation and energy sector reform through energy transformation.

I am convinced that the challenges that MC should tackle head-on are, first, industrial structure reform through digital transformation (DX) and, second, energy sector reform through energy transformation (EX), working towards the transition to a low-carbon/decarbonized society.

I should note that we have begun using the term EX internally to refer to how we will take on the challenge of transforming the energy sector in line with the transition to a low-carbon/decarbonized society, placing it at the same level of priority as DX.

Since before the COVID-19 pandemic began, Japan has lagged behind other advanced countries in digitization of both society and industry. We need to recognize that the industrial structure reform through DX, whether we welcome it or not, is now unavoidable across every industry. Businesses that cannot keep pace with this inevitable reform will undoubtedly be eliminated. This is precisely why I think the role expected of MC is not to resist the changes brought on by technological innovation, but instead to move quickly to lead the way in our industry and, in some cases, adapt our industrial structures. To that end, in April of this year we launched the Industrial DX Task Force as a companywide initiative to envision and promote what can be accomplished by looking across a wide range of business sectors, as opposed to an extension of our existing businesses.

Although at first we will proceed with DX on a B-to-B basis, eventually we will take a B-to-B-to-C approach to link DX to consumers. Ultimately, people consume electricity, resources and food, and people's sensitivities, behaviors and desires are intertwined with consumption. By analyzing these factors and connecting them with consumption data digitally, we will likely be able to use algorithms to quantify consumer needs all the way to the most upstream businesses. I think that we will be fully able to demonstrate our strengths as a company with a holistic view across numerous industries by integrating people's consumption with industrial activities.

On the subject of EX, the greatest issue for MC is how to develop our energy-related business portfolio, which holds substantial weight in our overall portfolio, as we usher in a low-carbon/decarbonized society. Eneco, which we acquired at the end of the previous fiscal year, is a European integrated energy company that has been actively engaged in renewable energy projects. A joint venture between Eneco and a major resources company was awarded the tender for an offshore

wind-power project in the Netherlands this July as the first project under this new organizational structure, and Eneco is accelerating its forward-looking initiatives.

MC is deeply involved in the energy and power generation sector, engaging in businesses ranging from the stable supply of LNG to power generation particularly in Japan, which lacks certain natural resources. In light of the reality Japan currently faces, and assuming technological innovation in preparation for the realization of a low-carbon/decarbonized society over the next three decades, we would like to propose an optimal solution through our unique business activities during the fiscal year ending March 31, 2022. I am convinced that this will enable MC to lead the way in world-class EX.

MC's greatest strength is its involvement in virtually every industry worldwide through its more than 1,700 Group companies. This leads to business intelligence built on mutual trust, based on our strong connections with influential partners, both internal and external. With this intelligence as the focal point, we will formulate new businesses and seek to realize industrial structure reform through DX and energy sector reform through EX. In this way, MC's role should be to proactively seek solutions to problems that industries are facing.

**We will formulate new businesses and carry out reforms through DX and EX, while responding to geopolitical risks based on our business intelligence.**

## Q In these changing times, could you explain what the MC Group's vision and mission are?

**A The MC Group has held the Three Corporate Principles as its corporate philosophy since the beginning, and aims to respond to the changing business environment and meet societal needs in order to achieve sustainable growth together with society through the simultaneous generation of economic, societal and environmental value.**

Although the MC Group has faced various crises since its founding, under our corporate philosophy, the Three Corporate Principles (Corporate Responsibility to Society, Integrity and Fairness, and Global Understanding Through Business), we have continued to grow together with society by identifying changes in the world and endeavoring to provide solutions accordingly. Different times call for different actions, and what it is most important is how we read the present situation and what challenges we undertake as we keep a close eye on future developments.

In particular, with regard to environmental issues, the transition to a low-carbon/decarbonized society has been accelerating in recent years. I believe that by pursuing energy sector reform through EX, we will promote the spirit of

Corporate Responsibility to Society set out in the Three Corporate Principles by striving to create a physically and spiritually fulfilling society and helping to conserve our irreplaceable global environment.

The MC Group has articulated a corporate vision of pursuing sustainable growth by simultaneously generating economic value, societal value and environmental value. Since its founding years, MC has been a company that has passed down and embodied the spirit of contributing to the sustainable development of society. Under Midterm Corporate Strategy 2021 as well, we aim to create sustainable corporate value through the generation of triple-value growth.

## Q As MC pursues the simultaneous generation of triple-value growth, what are your thoughts on the Group's employees and management professionals?

**A Employees are our most important asset. Employee growth and company development will progress hand in hand.**

Employees are MC's greatest asset, and there can be no sustainable development for the company without employee growth. For that reason, we have proceeded with HR system reforms as set out in Midterm Corporate Strategy 2021. I want our employees to become professionals in specific fields over a period of five to ten years, and after that to accumulate management skills through participating in a variety of fields. To that end, I think it is the responsibility of the company and the role of management to provide continuous opportunities for employees to engage in business management and actively participate as management personnel. In the second year since the introduction of the new HR system, the promotion of young employees is progressing and the number of employees in their thirties with management responsibilities is increasing.

MC has more than 130 Business Units, and the seeds for next-generation businesses lie dormant in each of them. Discovering these New Seeds of Growth and cultivating them into Growth Drivers and Core Businesses is a growth mechanism unique to MC. The traits required to accomplish this are the foresight to consider the optimal structure of an industry as a whole and the execution skills to achieve that growth by obtaining the understanding and support of others. While applying this type of personal magnetism and industry knowledge grounded in an understanding of the business, I would like every employee to continue pursuing initiatives to improve frontline operations and, eventually, to reform industrial structures with new perspectives unconstrained by existing frameworks.

## Q What is your current assessment of Midterm Corporate Strategy 2021, and what future direction will MC take?

**A** We are steadily advancing strategies such as expanding downstream and service sector businesses in our portfolio, transitioning to the implementation stage of DX and introducing a new HR system, and we will accelerate these initiatives going forward.

Since I became President and CEO in 2016, we have reviewed the asset weight of the businesses in our portfolio that are most susceptible to fluctuations in resource prices, such as mineral resources and shale gas, and we have implemented asset reshuffling and optimization aimed at achieving an optimal balance of market-related segments and business-related segments. In addition, we have extensively considered new initiatives, such as strengthening our downstream and services sector businesses.

As part of this effort, we acquired the integrated energy company Eneco in March of this year after obtaining preferential negotiating rights last November. Eneco is a business operator on the cutting edge of renewable energy that will become a strategic base for MC's renewable energy businesses in Europe. We are formulating a growth plan to apply Eneco's knowledge, which will become increasingly in demand going forward, not only in the European region, but also globally.

In December of last year, we agreed to form a business partnership with NTT Corporation to establish an Industrial DX Platform. Furthermore, in May of this year, the two companies acquired an equity stake in HERE Technologies, based in the Netherlands. In this way, we have been making strategic moves to promote DX.

In any given business, there are producers and distributors, and the value they add in the process is ultimately passed on to consumers. Together with NTT, we will endeavor to generate added value through data utilization, starting with the food distribution industry. For instance, food companies devote themselves to making delicious products, and this should be their field of competition with other companies. However, in reality, they are involved in a wide range of business processes, including distribution and other incidental operations. To boost the international competitiveness of an industry, we believe it is important to create an environment that enables focused input of corporate management resources in the competitive arena. Conversely, in other non-competitive areas, we should build a platform through digital innovation to improve efficiency and optimize processes.

MC plays the role of intermediary in the food distribution industry, and we have established and nurtured relationships with numerous manufacturers and wholesalers. We feel that one of the roles expected of us is to utilize the data we have accumulated, as well as our networks, to carry out structural reform by leveraging efficiency improvements in transportation,

warehousing and other aspects of food distribution. Improving logistics efficiency and warehouse operations is mainly carried out on a conventional scale, and this is where the benefits of developing a common platform could be enormous. Now is the time to find optimal solutions by collecting and analyzing data across numerous businesses and by utilizing AI. We will start by implementing this plan within the MC Group to confirm the merits. Ultimately, involving companies from within and outside the food distribution industry with similar needs will increase efficiencies and promote benefits of scale. Moreover, improving these types of cross-industry operations through DX will also lead to solutions for social and environmental problems, such as reductions in food loss and carbon emissions.

Besides food distribution, MC is involved in virtually every industry in Japan. By identifying and solving issues, we will work tirelessly to accomplish industrial structure reforms that can boost our competitiveness.

Once again, I would like to request the understanding of our stakeholders that, despite the difficult business environment amid the global economic downturn, the MC Group will pool its strengths to contribute to structural reform in each industry, aiming to realize sustainable growth in the medium and longterm by addressing social and environmental issues through our business.



# Midterm Corporate Strategy Progress and Highlights

## Achieving Growth Through Business Management Model

In the fiscal year ended March 31, 2020, MC steadily continued to carry out asset replacement as well as to further initiatives in downstream businesses connected to the customer base and IT, logistics and other service fields amid a severe environment facing a deceleration of the world economy and the impacts of the COVID-19 pandemic.

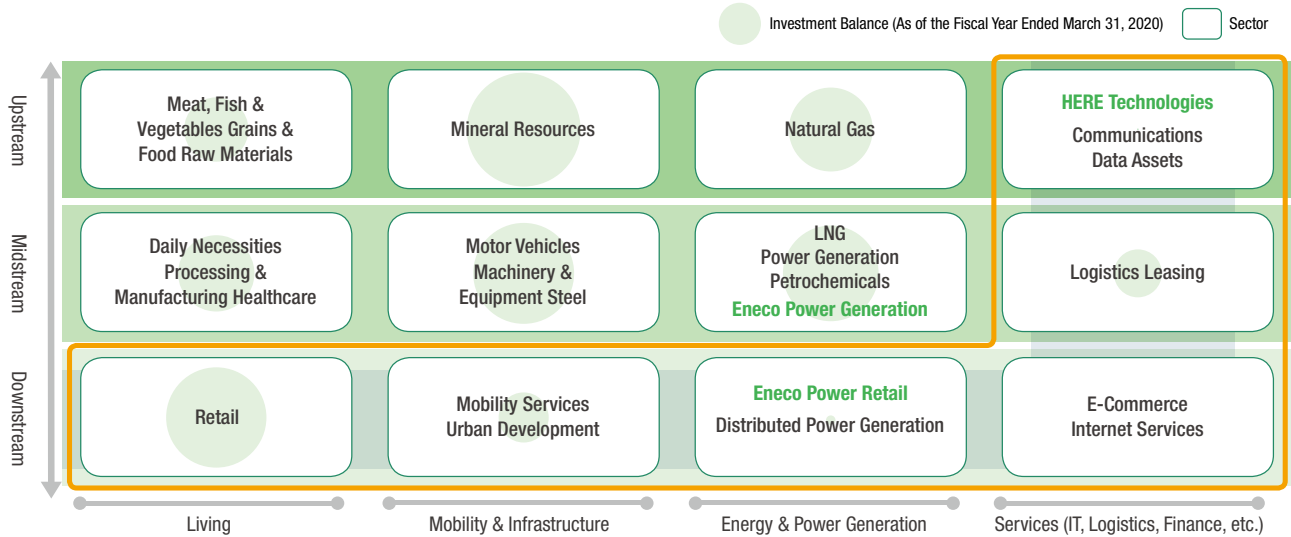
01	Business Portfolio	<ul style="list-style-type: none"> <li>• <b>Continued portfolio asset replacement to remain resilient in a harsher business environment</b></li> <li>• <b>Advanced initiatives in downstream businesses and the service sector</b> <ul style="list-style-type: none"> <li>▶ Enhanced downstream businesses, such as by acquiring Eneco, a comprehensive European energy business</li> <li>▶ Advanced initiatives in the service sector, such as the conclusion of an investment agreement with the world's leading location-based service company HERE Technologies</li> </ul> </li> </ul>
02	Growth Mechanisms	<ul style="list-style-type: none"> <li>• <b>Value-Added Cyclical Growth Model &amp; improved ROE</b> <ul style="list-style-type: none"> <li>▶ Steadily replaced assets after enhancing business value, such as divesting from power generation investments overseas</li> </ul> </li> <li>• <b>Enhancement of new business concepts &amp; digital strategies</b> <ul style="list-style-type: none"> <li>▶ Transitioned digital transformation (DX) initiatives from the concept to execution stage</li> <li>▶ Pursued industrial digital transformation by forming a companywide Industrial DX Task Force and through a business partnership with NTT Corporation</li> </ul> </li> </ul>
03	HR System Reforms	<ul style="list-style-type: none"> <li>• <b>Started a new HR system aiming for the continuous development of highly skilled management professionals</b></li> <li>• <b>Fully introduced evaluation and compensation systems to ensure reciprocal growth between the company and its employees</b></li> </ul>
04	Financial Targets & Capital Policy	<ul style="list-style-type: none"> <li>• <b>Consolidated net income for the fiscal year ended March 31, 2020: ¥535.4 billion; financial forecast for the fiscal year ending March 31, 2021: ¥200 billion</b></li> <li>• <b>Continued progressive dividends under a capital policy based on financial discipline</b> <ul style="list-style-type: none"> <li>▶ Dividends in the fiscal year ended March 31, 2020: ¥132; dividends forecast for the fiscal year ending March 31, 2021: ¥134</li> </ul> </li> </ul>

### Changes in the External Environment

- Global economic downturn amid the spread of the COVID-19 pandemic. Double shock impacting both supply and demand caused a sudden drop in oil prices and contraction of economic activities.
- Potential for the ideals of globalization to shift from the conventional pursuit of higher efficiency amid increased geopolitical uncertainty, with the US and China competing for global dominance and the rise in nationalism in various countries.
- Digital transformation (DX) is expected to expand beyond borders and industries, as well as to become an essential element of infrastructure supporting flexible and mutual cooperation, due to factors including technological advances and shifts in people's values.

# 01 Business Portfolio

- Continued replacing portfolio assets (approx. ¥2 trillion over four years) to remain resilient in a harsher business environment
- Advanced initiatives in downstream and service fields, such as the acquisition of Eneco and investment in HERE Technologies



## TOPICS

**Joint investment with Chubu Electric Power in Eneco, a company developing a comprehensive European energy business (approx. ¥500 billion)**

- Eneco joined the MC Group as a company that provides new services with functions to adjust supply and demand via renewable power generation and digital technologies as well as a customer network of six million contracts
- Eneco promotes cross-industry initiatives that leverage MC's customer network
- Eneco strengthens MC's business portfolio in downstream businesses and contributes to resolving social challenges related to the realization of a low-carbon society through the supply of clean energy

### Overview of Eneco

A major European clean energy company with the mission to be "Everyone's Sustainable Energy"

Date established: 1995

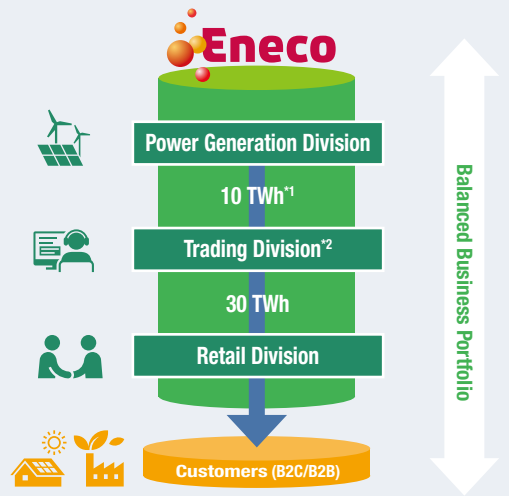
Located: Netherlands (Rotterdam)

Business Field: Comprehensive energy business supplying power, gas and heat

Employees: Approx. 3,000



### Eneco's Business Portfolio

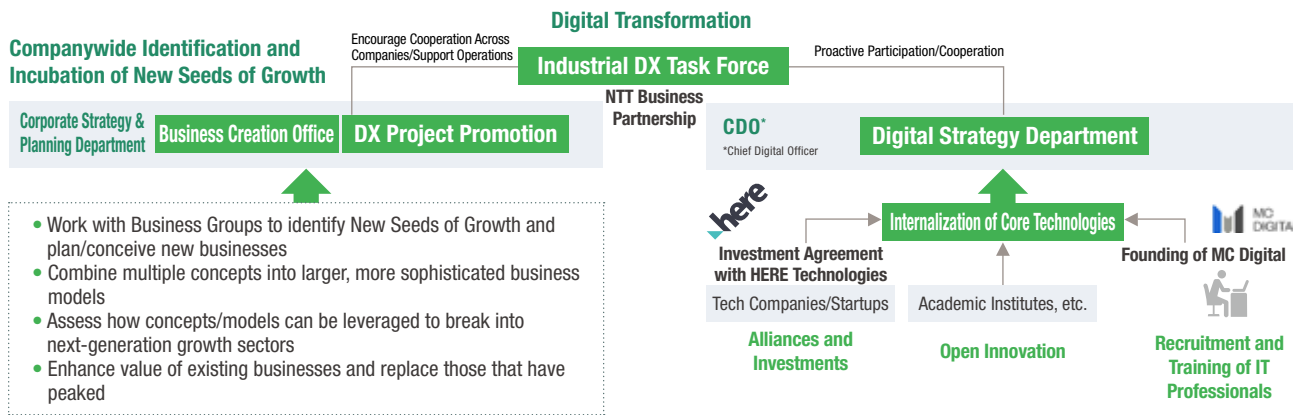


\*1 Eneco power generation

\*2 Power procurement from third-parties and markets in addition to Eneco power generation

## 02 Growth Mechanisms: Enhancement of New Business Concepts & Digital Strategies

- Transitioned digital transformation (DX) initiatives from the concept to execution stage
- Pursued industrial digital transformation by forming a companywide Industrial DX Task Force and through a business partnership with NTT Corporation



### TOPICS

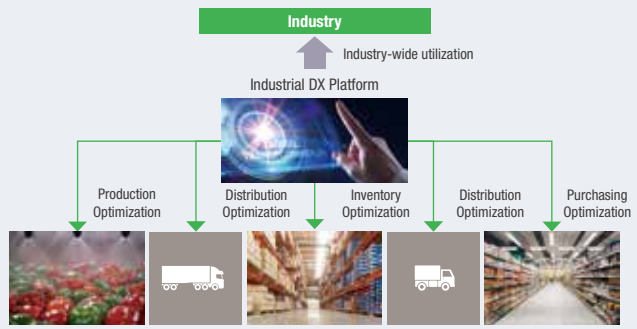
#### Building a DX Platform for Industrial Structure Innovation

- Conclusion of a business partnership with NTT in December 2019 to promote industrial DX, and joint investment with NTT in HERE Technologies, which is the world's leading company in the location-based services field
- Aiming to build industrial DX platforms across corporate boundaries through digitalization functions that contribute to greater industrial efficiency and higher added value
- Start of initiatives in the food distribution and industrial material logistics fields, for which MC has a certain level of business foundation and accumulated expertise

In the food distribution field, retail businesses aim to leverage sales data and other information to dramatically reduce waste from inventory and retail shops by incorporating demand forecasts using AI. These businesses are also taking advantage of the latest technologies to encourage the integration of product codes that differ between companies, as well as to vastly reduce labor costs resulting from conversion work and other tasks. These innovations will contribute to the optimization of the entire value chain. The industrial material logistics field is suffering from an extreme shortage of labor. Distribution warehouses will strive toward labor savings and full automation.

Leveraging HERE's location-based technologies and solutions, MC will convert real infrastructure into digital data to further new business creation such as efficient shipping and the optimization of urban transport.

MC will accelerate the promotion of DX across industries through the organic integration of ICT technologies from NTT Corporation with its industrial expertise and foresight. MC will also engage in broad collaboration with other corporations and startups worldwide.



## 03 HR System Reforms

- Ongoing execution of measures that contribute to the continuous development of highly skilled management professionals
- Fully introduced evaluation and compensation systems to ensure reciprocal growth between the company and its employees
  - ▶ Started operation of a new HR system based on the four key policies below.

(1) Support employees' self-growth and company growth

(3) Ensure meritocratic systems so that the right people are assigned to the right positions

(2) Ensure employees gain the right experience earlier

(4) Utilize highly-skilled management talent throughout the MC Group and realize more appropriate benefits

### Improve Level of Skill and Career Development Through Growth Dialogues

- Growth dialogues were adopted as a system to encourage employees' self-growth and the support for that growth from superiors and colleagues. Separate from performance evaluations, employees focus on reviewing their skills and career development with superiors to effectively heighten their growth as employees.
- Employees receive feedback from their colleagues about their strengths and weaknesses before talking with managers, and also undergo a 360-degree management review. Observations from many different people stimulate change and encourage each employee to develop their skills.



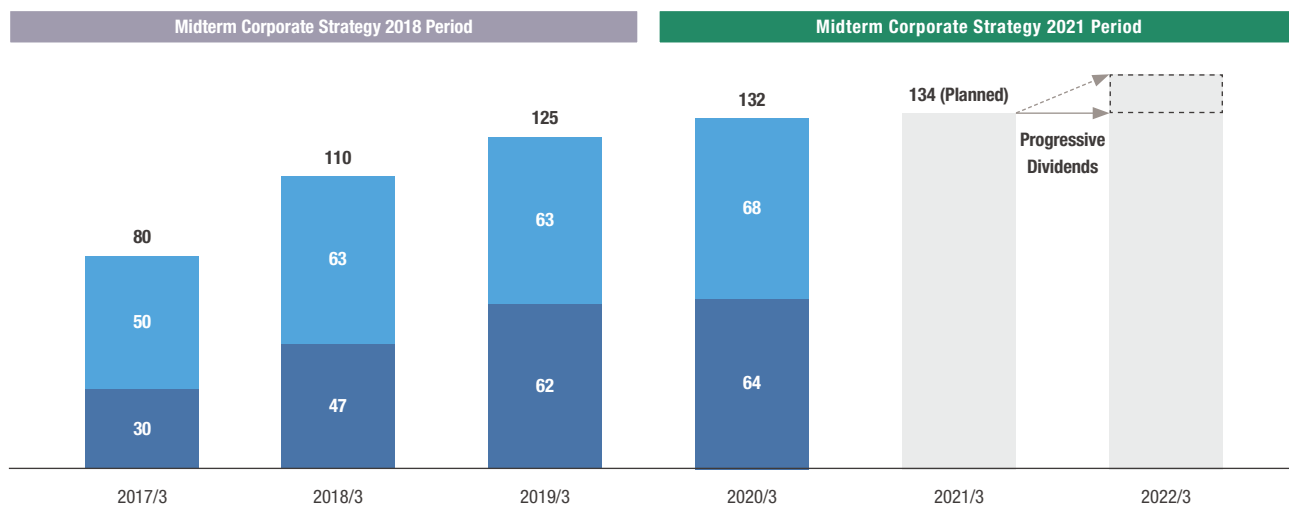
## 04 Financial Targets & Capital Policy

- Consolidated net income for the fiscal year ended March 31, 2020: ¥535.4 billion; financial forecast for the fiscal year ending March 31, 2021: ¥200 billion due to the effects of COVID-19
- Continued progressive dividends under a capital policy based on financial discipline
  - ▶ Dividends in the fiscal ended March 31, 2020: ¥132; dividends forecast for the fiscal year ending March 31, 2021: ¥134

### Change in Dividends Per Share

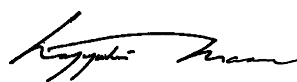
■ Interim Dividends ■ Year-end Dividends

(yen)



## Enhancing shareholder returns by transforming our business portfolio while maintaining financial discipline and a progressive dividend scheme

Over a year has passed since the publication of Midterm Corporate Strategy 2021, and we have made steady progress toward replacing assets while executing new investments in line with the original plan. This has enabled us to make headway on transforming our business portfolio to preserve our financial discipline. However, due to the unprecedented threat of the COVID-19 pandemic, also known as the “Corona Shock,” the fiscal year ending March 31, 2021 got off to an unusually severe start with the first quarter financial results showing losses in three Business Groups. The outlook remains unclear as to when the COVID-19 pandemic will subside, and the business environment is far from normal. Under these circumstances, all MC Group employees must work together with a sense of crisis to steadily implement the management policies laid out in Midterm Corporate Strategy 2021 in order to overcome this difficult situation.



**Kazuyuki Masu**

Member of the Board, Executive Vice President  
Corporate Functional Officer, Chief Financial Officer





## A look back at the fiscal year ended March 31, 2020, the first year of Midterm Corporate Strategy 2021, and a look ahead to the fiscal year ending March 31, 2021.

### Financial Performance in the Fiscal Year Ended March 31, 2020—Offsetting Lower Profits with Asset Replacement

The MC Group’s consolidated net income for the fiscal year ended March 31, 2020 was 535.4 billion yen, a decrease of 55.3 billion yen from the previous fiscal year. Profits fell in reflection of depressed market conditions and a severe business environment influenced by US–China trade frictions and the global economic downturn. However, in addition to a bounce back from the large losses reported in the previous fiscal year, the decline in profits was partially offset by divestment gains in conjunction with a restructuring of our Chilean copper business as well as accelerated asset replacement. Amid this difficult business environment, we took several impairment charges, which were reflected in our financial results along with the steady implementation of asset replacements outlined in Midterm Corporate Strategy 2021. However, despite the current background of weakening resource prices, impairment losses in the resource segment have not been relatively large. The major factors behind this have been provisions to allowances taken in the fiscal year ended March 31, 2016, a deficit year, and the fact that MC has mostly withdrawn from upstream crude oil

development projects. We believe this is a result of initiatives to increase our resilience against a deteriorating business environment driven by the replenishment of our business portfolio.

### Portfolio Transformation through Large-Scale Investments in Fields in the L-Shaped Portion Presented in Midterm Corporate Strategy 2021

Regarding cash flow, cash flow from operations was 672.1 billion yen as a result of operating revenues and dividend income. Cash flow for investment was 500.7 billion yen due to large-scale new investments such as the acquisition of Eneco, while cash flows were generated by divestments from asset replacement. As a result, free cash flow after adjustment was 171.4 billion yen. While cash flow from operations is down due to the impact of COVID-19, we must face this tough business environment with tenacity by maintaining our financial discipline and by keeping a strong grip on MC’s financial soundness.

### Trends in Consolidated Net Income and Outlook for Fiscal Year Ending March 31, 2021

(Unit: billions of yen)



The investment leverage ratio, which we have established as a reference indicator for financial discipline, was 56% at the end of the fiscal year ended March 31, 2020—above our target range of 40–50%. However, we believe this is a temporary effect from moving up large-scale investments and share buybacks (each accounting for around seven percentage points of the financial leverage ratio). Accordingly, we will manage the ratio so that it remains within the target range for the remaining two years of Midterm Corporate Strategy 2021.

Moreover, despite the severe outlook for our earnings forecast for the fiscal year ending March 31, 2021, this policy expresses management's unwavering commitment to keep with its progressive dividend scheme.

## The MC Group Coming Together to Overcome Global Challenges

After considering the impacts of a large drop-off in automotive demand together with falling resource prices as a result of the COVID-19 pandemic, our earnings forecast for the fiscal year ending March 31, 2021 is for a profit of 200 billion yen.

Due to COVID-19, it is essential that MC maintains the financial health of its core businesses while formulating changes to its business structure. We must also manage cash flow and relieve the downward pressure on our financial rating by encouraging divestment and strict scrutiny over investments.

One concrete example is to quickly exit businesses where deficits have continued for a certain period, as well as businesses with low-profitability, and in doing so, improve MC's foundational strength.

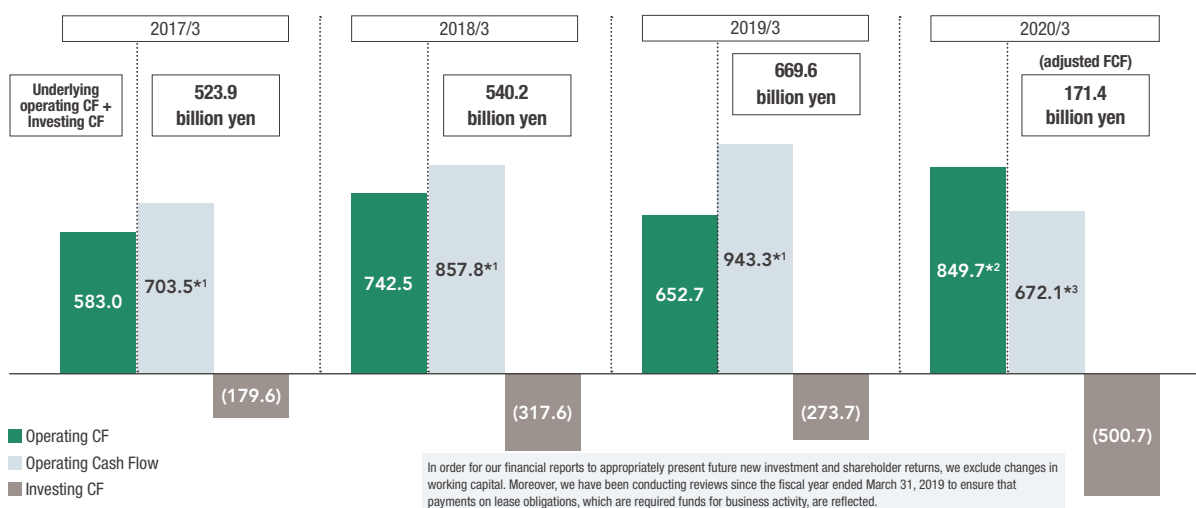
Despite the severe business environment, MC Group employees will work together to overcome these current global challenges.

## Expecting a Dividend Increase Following the Completion of Share Buybacks

The dividend outlook for the fiscal year ending March 31, 2021 is to continue the progressive dividend scheme outlined in Midterm Corporate Strategy 2021 through a two yen per share increase over the previous fiscal year to 134 yen per share. This will lead to higher cash dividends per share. On one hand, the number of shares covered by a dividend payment is lower due to the completion of 300 billion yen in share buybacks as decided upon in May 2019, while on the other hand, the total amount of dividends paid will be maintained at the same level as last year.

### Cash Flow Trends

(Unit: billions of yen)



\*1 Operating cash flows after deducting change in working capital (consolidated net income (including non-controlling interests) – DD&A – profits and losses related to investing activities – equity in earnings of affiliated companies not recovered through dividends – allowance for bad debt, etc. – deferred tax).

\*2 As a result of the adoption of IFRS 16 "Leases," the payment of lease obligations (276.2 billion yen) in the fiscal year ended March 31, 2020 is not included.

\*3 Underlying operating cash flows: Operating cash flows after deducting the effect of changes in working capital (after payment of lease obligations).

Reflects the payment of lease obligations in (consolidated net income (including non-controlling interests) – DD&A – profits and losses related to investing activities – equity in earnings of affiliated companies not recovered through dividends – allowance for bad debt, etc. – deferred tax).

## Investment and Capital Strategy in Midterm Corporate Strategy 2021

The first year of Midterm Corporate Strategy 2021 has ended amid a severe business environment with a slowing global economy and widespread COVID-19 infections. We take this as an opportunity to update our explanation of MC's investment and capital strategy.

**Q** The first year of Midterm Corporate Strategy 2021 is now over. What are your thoughts on the significant changes in the external environment since the strategy was drafted?

**A. Our basic policy has not changed.**

While MC continues to both maintain positive free cash flow after dividends and preserve its financial soundness without increasing its interest-bearing liabilities, it also strives for improved ROE under a business management model by achieving growth in its existing businesses and by executing new investments for future growth. As a result of the worsening business environment centered around COVID-19, things have not gone as we had initially assumed. However, we are quickening the pace of asset replacement based on our Value-Added Cyclical Growth Model, which will be able to make up for some of the decline in underlying operating cash flows.

By carrying out large-scale investments including the Eneco acquisition, we had large cash outflows in the fiscal year ended March 31, 2020, but these had already been incorporated into our plans. Since our current management system went into effect in the fiscal year ended March 31, 2017, we have consistently shown positive free cash flow after dividends are paid (after deducting for working capital effects). We have a basic policy of

not increasing interest-bearing liabilities and will also preserve our financial discipline in the future because of this policy.

**Q** The dividend payout ratio is on an upward trend. How do you view your shareholder returns policy in the future?

**A. We will continue our progressive dividend scheme.**

As stated in Midterm Corporate Strategy 2021, MC expects to continue paying progressively higher dividends, and in this way will enhance its shareholder returns. Profits have fallen due to the impact of the global economic downturn amid the COVID-19 pandemic, but this only includes non-cash flow items. Underlying operating cash flow has not declined as much as profits, so we do not foresee any barriers to continuing our progressive dividend scheme.

For share buybacks on the other hand, we aim to continue our capital controls and position them as a capital policy to be implemented dynamically. Specifically, we have adopted an approach based on providing capital coverage for risk assets using the investment leverage ratio as a management indicator. However, in a situation where investment is constrained for a long period and excess capital is generated, capital compression through share buybacks could become an option.



**There is no change in what needs to be done. While preserving a strong balance sheet, we will proceed with returning capital to shareholders and making investments for future growth.**

**Q** | Given the impacts of COVID-19, the soundness of MC's financial foundation will likely take on more importance than before. What on your thoughts on MC's financial foundation and financial discipline?

**A.** Due to our strict scrutiny of investments and divestment of assets, we are exercising rigorous control over cash flow and are maintaining our financial discipline.

Even before COVID-19, the business environment was becoming more severe, and ever since Midterm Corporate Strategy 2021 was drafted, the idea was not to put the full amount of underlying operating cash flows to use. Rather, we envisioned that the projected underlying cash flows would not be sufficient for executing all of the investment projects we had planned. Consequently, when investment projects are carried out, we incorporate a mechanism for requiring divestment of other assets. In fact, we are seeing not only withdrawal proposals but also forward-looking projects that are producing capital gains, so the mechanism is functioning effectively throughout the Company.

We intend to preserve a stable balance sheet thanks to MC's rigorous cash flow management. The result is a stricter investment policy to select projects with the highest potential to contribute to growth, while at the same time responding effectively to downward pressure from rating agencies amid the severe business environment.

**Q** | What do you take into account when making an investment? In the current investment environment, buying opportunities are showing up and contrarian investments are also an option. How do you perceive the current conditions?

**A.** For both market follower and contrarian investments, high-quality projects will be examined and considered for execution.

On the topic of market follower investing or contrarian investing—that is investing in line with rising or falling trends in stock prices—it is a common belief in our industry that MC only deals with market follower investments. That said, simply setting contrarian investing as the companywide management policy invites the risk of making decisions on price alone and buying what is cheap regardless of the field of business. What we are thinking about most is reflecting on the past and changing our culture of favoring market follower investments. Assuming there are investment opportunities for high-quality projects that fit within our optimal business portfolio, we should

scrutinize them carefully and then consider making the investment.

**Q** | Please tell us about your future growth strategy and your investment strategy to raise corporate value.

**A.** We aim to improve ROE through our Value-Added Cyclical Growth Model.

As our growth strategy, we intend to focus investment in the fields in the L-shaped portion of the business portfolio matrix presented in Midterm Corporate Strategy 2021. By expanding into downstream fields with our upstream-heavy portfolio, I believe we can build a well-balanced portfolio that covers the full range from upstream to downstream. For this reason, we have undertaken large-scale investments to transform our business portfolio, including the acquisition of Eneco and our involvement in HERE Technologies.

Our goal of increasing ROE has not changed from when Midterm Corporate Strategy 2021 was first laid out, so we will move ahead with the Value-Added Cyclical Growth Model to achieve this goal. We have also set the investment leverage ratio as a management indicator, and we plan to exercise control over our capital by flexibly making stock repurchases with any excess capital.

Looking at individual businesses, we see that there may be some very low-risk businesses as well as some very high-risk ones, such as those in the resource area. As a result, instead of asking that all businesses provide the same ROE and yield, we demand a high yield and a high internal rate of return (IRR) for high-risk businesses, whereas a lower IRR would be acceptable in a low-risk business. With regard to how to aggregate this, we have considered moving to become a highly stable, low-risk entity, but should resource prices recover, we would not be able to enjoy the benefits. In the past, profits skyrocketed when resource prices went up, and this has certainly been the source of funds for further investments. MC is not biased in one direction or another, and even if these measures are sometimes seen as being done by halves, the appeal is that we can enjoy the benefits of both.

Finally, regarding the falling cost of capital, I believe it will be essential to improve the confidence placed in us by those in the capital markets. To that end, through measures such as investor engagement and enhanced disclosures, we will strive to gain the understanding and support for our businesses and management policies.

# Risk Management

## The MC Group's Risk Management Framework

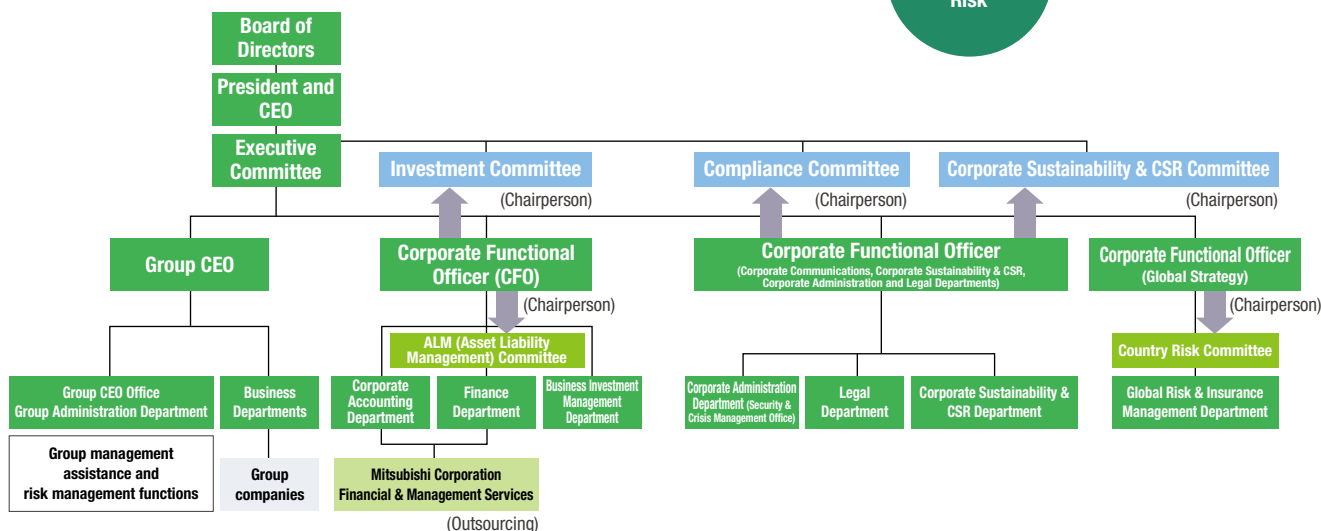
As the MC Group expands its diverse range of businesses globally, it faces a variety of risks. To maintain our financial soundness and improve our sustainable corporate value, it is crucial that we appropriately manage and respond to various risks. This section explains the MC Group's Risk Management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

The Diverse Risks Surrounding the Company



### Risk Management Framework and Organization Model

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



Supervising organization	Matters for supervision
Business Investment Management Department	Business Investment risk (investment asset evaluation systems, new business investment, actions involving existing subsidiaries and affiliates, actions by subsidiaries and affiliates)
Global Risk & Insurance Management Department	Country risk
Corporate Accounting Department (Risk Management Team)	Credit risks and market risk (rating systems, accrual (other than foreign exchange accrual), loans/guarantees, acquisition/disposal of general investments, acquisition/disposal of fixed assets)
Mitsubishi Corporation Financial & Management Services	Credit risk (contracts, transaction credits, deposition, postponement of approvals)
Finance Department	Market risk (foreign exchange risk, interest rate risk, etc.)
Legal Department	Compliance risk (litigation/government investigations, laws and regulations, scandals/compliance issues)
Corporate Sustainability & CSR Department	Climate risk
Corporate Administration Department	Risk of natural disasters, etc.

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

# 1. Responding to Market Risk

MC broadly divides market risk into four types: commodity market risk, foreign exchange risk, stock price risk and interest rate risk. This section explains the impact of these risks on our business as well as our status in managing these risks.

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

- The impacts on MC from specific market fluctuations are shown in the table below.
- Commodity market risks are also present in metallurgic coal, affecting the profit and loss of Mitsubishi Development Pty Ltd (MDP), an MC subsidiary.
- With regard to stock price risk, MC holds marketable stocks with a market value of approximately 850 billion yen and bears stock price fluctuation risk accordingly. The above amount includes a valuation gain of approximately 50 billion yen, and there is a risk that this valuation gain could decrease depending on stock price movements.

	Fiscal year ending March 31, 2021 Assumptions behind results forecasts	Profit and loss impact on the fiscal year ending March 31, 2021 results forecast (For oil prices and copper ore, reference values are given based on current estimates)
Exchange rate (yen/US dollar)	108.00	The one-year profit impact from the weakening or strengthening of one yen against the US dollar is an increase or decrease, respectively, of 1.5 billion yen.
Oil price (Dubai) (US\$/BBL)	46	The one-year profit impact from a US\$/BBL increase or decrease is an increase or decrease, respectively, of 2.5 billion yen. Taking into account effects on MC's performance from factors including differences in accounting periods of consolidated companies and the time lag before oil prices are reflected in LNG selling prices, the oil price shown is from 6 months earlier. However, as there are impacts not only from oil price fluctuations but also from factors such as dividend payout ratios, foreign exchange rates and production/sales volumes, the profit impact is not determined by oil prices alone.
Copper ore (US\$/MT) (US\$/lb.)	5,864 [266]	The one-year profit impact from an increase or decrease of US\$/MT is an increase or decrease, respectively, of 1.3 billion yen (or an increase or decrease of 2.8 billion yen from a US\$/lb increase or decrease, respectively). However, as there are impacts not only from copper price fluctuations but also from factors such as ore grade, production/operational status and reinvestment plans, the profit impact is not determined by copper prices alone.
Yen interest rate (%) TIBOR 3M	0.10	The impact of rising interest rates is largely offset by profits on transactions and investments. If interest rates rise sharply, however, profit and loss will be temporarily affected.
US dollar interest rate (%) LIBOR 3M	0.50	The impact of rising interest rates is largely offset by profits on transactions and investments. If interest rates rise sharply, however, profit and loss will be temporarily affected.

## Response to Foreign Exchange Risk

- MC conducts foreign currency-denominated settlements in import/export and trade transactions with foreign countries, resulting in exposure to the risk of exchange rate fluctuations. In response, we employ hedging measures such as forward exchange contracts.
- With regard to foreign currency-denominated investments in consolidated companies, we address foreign exchange risk through hedging operations to control the risk of impairment to equity capital.

## Response to Interest Rate Risk

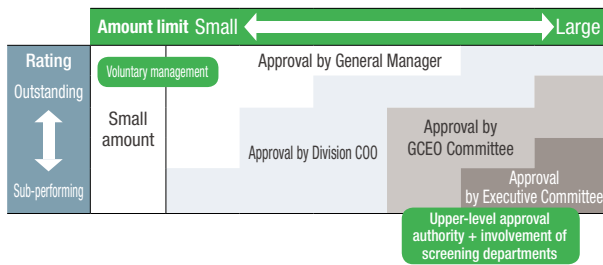
- As of the end of the fiscal year ended March 31, 2020, total interest-bearing liabilities (excluding lease obligations) were 5.7601 trillion yen, which, with partial exception, is subject to floating interest rates. Accordingly, there is a risk of the interest burden increasing during periods of higher interest rates.
- To manage interest rate risk, MC has established the ALM (Asset Liability Management) Committee to monitor interest rates and other market trends closely, and to respond to market risks quickly. The ALM Committee formulates financing measures and manages risks from interest rate fluctuations.
- In addition to interest rate movements, MC also performs macro analyses of investment projects and examinations of capital policies, as well as discussion and verification of foreign exchange markets. MC makes use of these in examining parameters for companywide business management.

## 2. Responding to Credit Risk

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

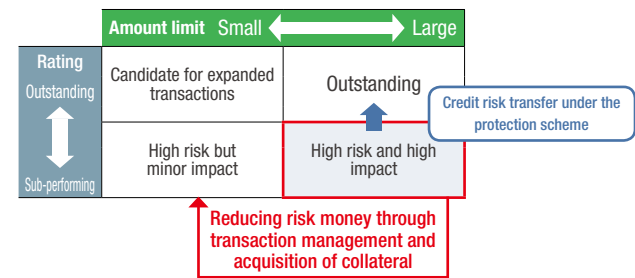
### Individual Project Approval Authority

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



### Approach to Credit Risk Management

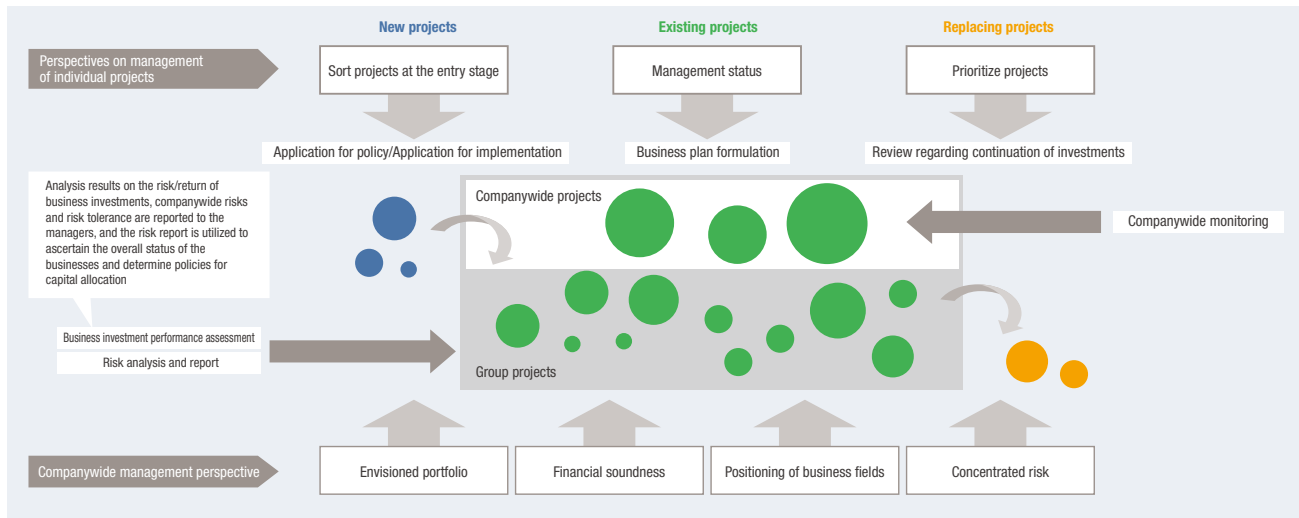
- Estimating appropriate credit costs and promoting improvements in the quality of loans through a reserve system that uses ratings.
- This is used as an evaluation metric for designated business partners that require priority management.



## 3. Responding to Business Investment Risk

To manage business investment risk properly, MC has established a screening process to review and make decisions on new, existing, re-profiling and each other type of projects.

<b>New projects</b>	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, as well as risk locations and countermeasures
<b>Existing projects</b>	Business plan formulation	Once a year, review subsidiaries and affiliates' management issues and initiatives as well as MC's functions and business life cycle; select subsidiaries and affiliates for companywide review to follow-up on the business management of each Business Group and report results to the Executive Committee
<b>Replacement projects</b>	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





## 4. Responding to Country Risk

MC has established a Country Risk Committee and a country risk countermeasure structure to properly ascertain and manage country risk. We also enact appropriate risk hedging measures, such as insuring projects.

### Country Risk Committee

- The Country Risk Committee is chaired by the Corporate Functional Officer (Regional Strategy). It is responsible for ascertaining the risk situation in various countries, establishing and managing country risk countermeasure systems, evaluating individual projects, etc.

Chairperson	Corporate Functional Officer (Regional Strategy)
Vice-Chairperson	General Manager, Global Risk & Insurance Management Department
Members	Country Risk Committee Members (composed of Full-time Audit & Supervisory Board Members, related corporate general managers, Business Group CEO Office heads, etc.)

### Country Risk Countermeasure System

- Under the country risk countermeasure system, MC controls the accumulation of risk through methods such as setting parameters for specific categories based on the credit ratings of each country.
- In addition to risk management through the country risk countermeasure system, MC closely monitors the impact of global economic trends and shifts in international affairs on the political and economic situation of each country in order to flexibly respond to risks based on the current international situation.

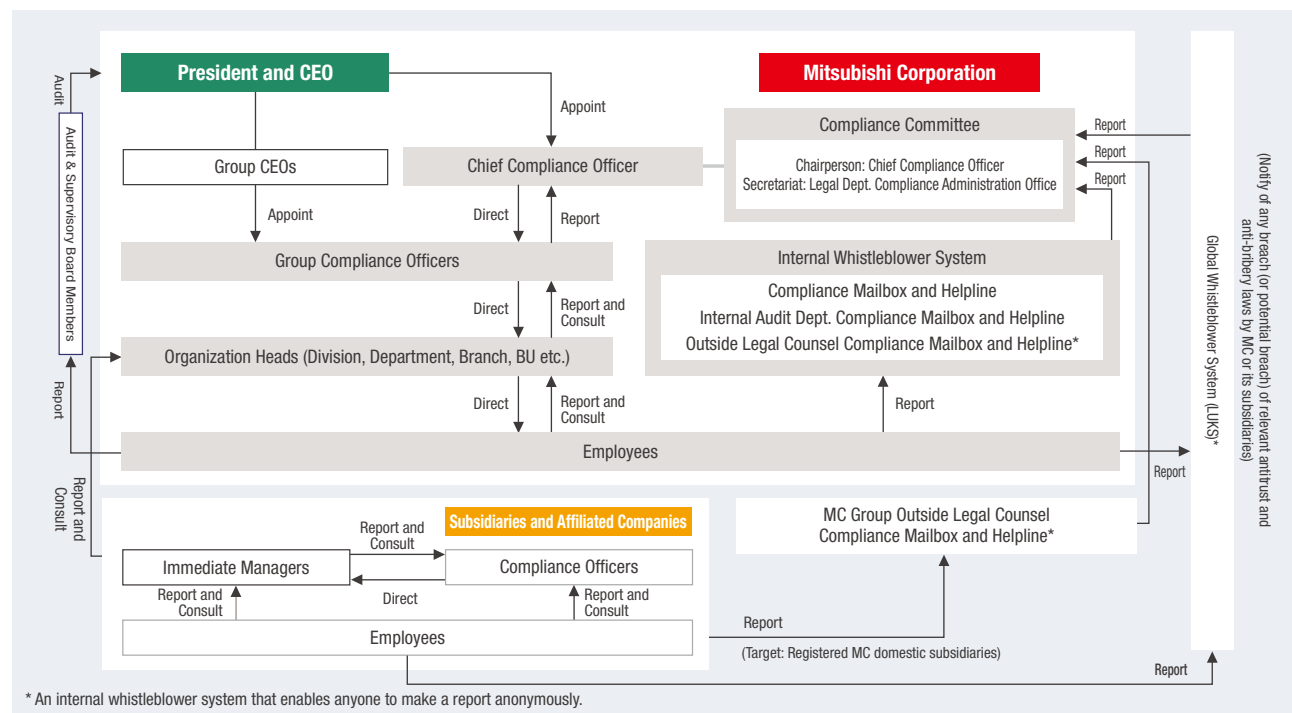
## 5. Responding to Compliance Risks

MC broadly divides compliance risks into three types: risks related to litigation/government investigations, risks related to laws and regulations, and risks related to scandals/compliance issues.

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

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

### Compliance Framework



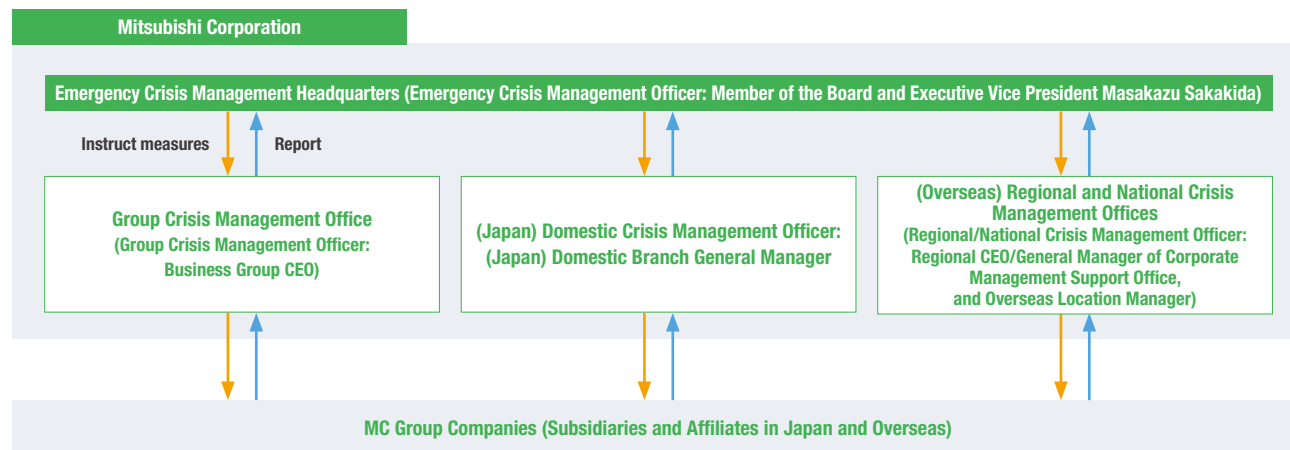
## 6. Responding to Risks from Natural Disasters and Other Types of Disasters

### Crisis Management on a consolidated basis/Business Continuity Management (BCM)

#### Crisis Management Structure on a Consolidated Basis

MC has built up a structure for securing the lives and safety of employees and their families as we respond on a consolidated basis to all crises that impact our profit and business continuity (all-hazard

approach) by linking together each Business Group and Regional and National Crisis Management Offices under the management and supervision of the Emergency Crisis Management Officer.



#### All-Hazard Approach

Based on the all-hazard approach, MC has built up an internal structure that anticipates all kinds of risks, such as major natural disasters, acts of terrorism, riots, emerging infectious diseases, supply chain disruptions, legal transgressions, and cyber incidents, etc. Under usual conditions, we build up and establish various crisis management measures and structures needed in the event that a crisis does occur, so that we can ensure the safety and ascertain the status of all concerned as part of our initial response, and then act promptly to

maintain and recover the infrastructure necessary for business continuity.

In particular, in the event of a serious incident impacting the lives and safety of our employees, as well as continuity of critical business operations, we will respond under the companywide direction of the Emergency Crisis Management Officer, while moving forward with our consolidated Business Continuity Management (BCM) process established for major crises.

All-Hazard Approach on a Consolidated Basis				
	Domestic crises (Natural and other disasters)	Overseas crises (Terrorism, riots)	New infectious diseases	Other crises (Cyber terrorism, information leakage, violation of laws, defective products, environmental pollution, supply chain disruption, etc.)
Action under usual conditions (prevention and preparation)	Emergency Crisis Management Headquarters (Office: Corporate Administration Department, Security & Crisis Management Office)			Organizations in Charge (Related Corporate Staff Departments and Business Groups)
Action in case of emergency				
Serious incidents	Consolidated Business Continuity Management (BCM)			

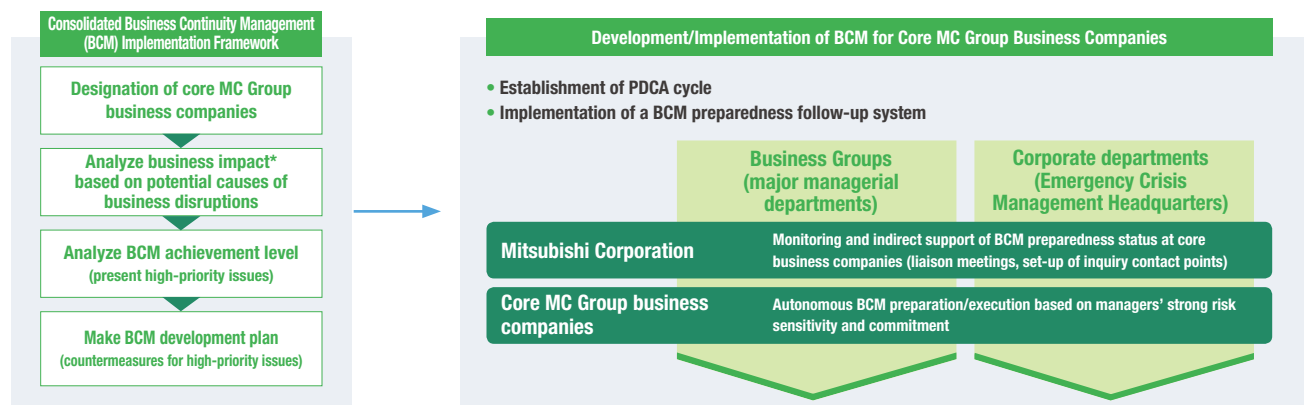
Note: While companywide action to deal with serious incidents shall be taken under the direction of the Emergency Crisis Management Officer, compliance-related incidents shall be dealt with under the direction of the Chief Compliance Officer.

## Business Continuity Management (BCM) on a Consolidated Basis

In 2018, MC adopted “Business Continuity Management (BCM)” for its core business companies (selected from among MC Group companies) to establish and strengthen our consolidated framework designed to equip us with the business continuity capabilities needed to respond appropriately to major crisis situations.

BCM refers to the comprehensive management and implementation

of a continuous PDCA cycle, including the formulation of a first response and Business Continuity Plan (BCP) based on risk/impact analysis of each crisis, the establishment of appropriate systems, and education/training. It takes into account the specific local conditions, operational circumstances and business characteristics of operational companies.



### \* Business impact analysis framework

We conduct analyses of the “cause incidents” that disrupt core operations and trigger “result incidents,” while taking into consideration the characteristics of operations at each company.

- Cause incidents: Natural disasters, infectious diseases, technology-related, external incidents, internal faults, legal issues, third-party related
- Result incidents: Human resources (death/unconfirmed safety, inability to report/commute to work), physical resources (damage of manufacturing/distribution or other facilities), supply chains (disruption of distribution channels, disruption of material/fuel supply), information (breakdown of IT systems or damage to electronic data, data manipulation/alteration, information leakage), reputation (product or service quality issues, environmental problems, administrative penalties), money (suspension of cash withdrawals, suspension of remittance or payments)

## The COVID-19 Response and Awareness of Issues Regarding Future Crisis Management/BCM

### Q: Tell us about your response to COVID-19 up to this point.

From the early stages in January 2020, our Emergency Crisis Management Headquarters, with the help of occupational physicians, was closely scrutinizing the situation both domestically and overseas. We promptly took necessary measures that focused on preventing employee infections and halting the spread of infection, in tandem with maintaining appropriate business continuity.

In Japan, we led other companies by shifting to a system in late February of working from home in principle. In addition, under the official emergency declaration in April and May, we adopted a general approach that placed the priority on the safety of employees, encouraging self-restraint in business travel and group dining while thoroughly implementing working from home for all operations except those essential to maintenance of the corporation. These efforts exceeded those required by government and local administrative authorities (reduction of opportunities for physical contact by 80%, and reduction in number of workplace attendees by 70%), so I think that we responded well to this emergency.

Following the lifting of the emergency declaration, we began a phased easing of restrictions. Starting in July, we adopted a provisional policy for coping with COVID-19, taking ample countermeasures against infection while increasing productivity. We promoted creative business activities and operations by shifting to this new phase aimed at establishing a work structure that optimally combines workplace attendance and working from home for each organization.

Of course, if the situation with infections worsens drastically in the future, we will take measures as necessary in light of the policies of government and local administrative authorities.

### Q: Tell us about the responses at your overseas locations and Group companies.

Overseas as well, we have scrutinized the circumstances in each country concerning the spread of infection and healthcare, promptly taking such measures as removing employees and their families from a given country, or shifting office operations to work-from-home arrangements. Depending on the country, there are cases in which infections are on the way to being controlled, and the various restrictions have begun to ease back. MC will, however, continue to sufficiently confirm the safety of the situation in each country as we work on appropriate business continuity.

### Q: What future crisis management and BCM issues are you aware of?

Regarding the MC Group BCM policy that we adopted in 2018, we are further strengthening and enhancing our capabilities for business continuity on a consolidated basis, while reconfirming the status of our critical business companies' structures—both domestic and overseas—in light of the impact of the recent COVID-19 pandemic and our response to it.



**Masakazu Sakakida**

Emergency Crisis Management Officer  
Member of the Board,  
Executive Vice President

## 7. Responding to Climate Risk

### Policy

Climate change is one of the key issues for management to address as MC strives to achieve sustainable growth. MC aims to fulfill its mandate to meet the demand for energy while contributing toward the achievement of international goals such as those expressed through the SDGs and the Paris Agreement. Working closely together with each company in the MC Group, MC strives to achieve this goal through collaboration with a wide range of stakeholders including governments, companies and industry associations.

Furthermore, as we recognize the importance of climate-related financial disclosures, we support the TCFD<sup>\*1</sup>, which has proposed disclosure guidelines, and we are working to enhance the disclosure of information in accordance with those guidelines.

<sup>\*1</sup>: Task Force on Climate-related Financial Disclosures. This task force established by the Financial Stability Board (FSB) proposes items that companies should disclose to markets. The General Manager of MC's Corporate Sustainability & CSR Department is a member of this task force.



### Governance

As an important management issue, the Executive Committee determines the basic policies and other important matters regarding climate change, and reports these to the Board of Directors on an annual basis. In addition to seeking advice and recommendations from the external experts of the Sustainability Advisory Committee, the Sustainability & CSR Committee discusses matters thoroughly before they are brought to the Executive Committee.

Discussions focus on policies regarding climate change, such as climate-related initiatives through business and policies for addressing the TCFD. Other important matters such as methods to evaluate climate risks and opportunities (including scenario analysis) and greenhouse gas reduction targets (including the status of reductions) are also discussed.



### Climate-Related Governance Framework

	Role	Frequency
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 as well as important matters pertaining to climate change	Convenes approx. 2-3 times per year
Sustainability & CSR Committee (reports directly to the Executive Committee)	Deliberates on MC's basic policy on climate change and important matters therein, and reports findings to the 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	Corporate Functional Officer (Corporate Sustainability & CSR)	
Department in Charge	Corporate Sustainability & CSR Department	

**Reference** Please refer to pages 48-49 for information on MC's Sustainability Promotion Framework.

### Risk Management

Key climate risks and opportunities are assessed through internal and external surveys which are then evaluated and identified by the Sustainability & CSR Committee, in which all Business Group CEOs participate in discussions.

These risks and opportunities are managed under the above Governance Framework.



## Strategies

### Transition Risks and Opportunities

#### Scenario Analysis

##### STEP 1

Selecting climate scenarios

##### STEP 2

Identification of businesses most affected by climate change

##### STEP 3

Identification of risks and opportunities

##### STEP 4

Determining businesses to be monitored

#### Results of the 2°C Scenario Analysis

##### Power Generation (Fossil Fuels)

Business opportunities for fossil fuel power generation are expected to decline. Based on this outlook, MC will aim to reduce its coal-fired power generation capacity on a net equity basis. In addition, MC has adopted a policy not to enter into any new coal-fired power generation businesses.

##### Metallurgical Coal

While the expansion of the electric furnace method and the proliferation of new technologies are predicted to affect the demand for metallurgical coal, from a cost-competitiveness and quality standpoint, MC expects to maintain its advantage in the metallurgical coal business to a certain extent.

##### Natural Gas

Although global gas demand is projected to maintain the same level after 2030, MC expects to be able to keep its businesses highly competitive through such means as selecting and launching new competitive projects to meet demand increases.

##### Automobiles (Passenger cars/Trucks)

Although the shift from internal combustion engine vehicles to electric vehicles is expected to progress, MC anticipates that internal combustion engine vehicles will be the primary demand in its key market of ASEAN. MC will monitor trends in each country and contribute towards the proliferation of plug-in hybrid and electric vehicles.

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 environments written here represent MC's understanding of the main scenarios disclosed by international organizations such as the International Energy Agency (IEA), and do not represent MC's medium- to long-term outlook.

**Reference** Please refer to page 32 of ESG Data Book 2019 for details on the scenario analysis including the results for other businesses selected for monitoring.

#### Incorporation into Business Strategy

In relation to the four businesses above, MC considers the 2°C scenario as a low-carbon scenario when establishing business strategies, and incorporates it into the strategies.

**Reference** Please refer to page 18 of ESG Data Book 2019 for information on MC's environmental business.

### Physical Risks

MC is taking the following actions for businesses that are considered to have particularly high exposure to physical climate risks.

Selected Businesses	Physical Risks	Measures against Physical Risks
Metallurgical coal business	Large-scale cyclones and floods	Taking into account sea-level rise due to climate change, port infrastructure has been designed assuming once-in-a-millennium wave heights. For the coal mines, water storage standards are reviewed based on the mining plan of each operation, and resistance to heavy rainfalls has been enhanced through measures including installation of water pipes and drainage facilities between the reservoirs and mines.
Copper business	Water shortage and drought	MC is making efforts to reduce its dependency on fresh water intakes from rivers or groundwater supplies through measures such as investing in desalination plants and improving water reuse efficiency.
Salmon farming business	Rising sea temperatures	To manage the risk of rising sea temperatures, MC 1) monitors water temperature data, 2) conducts operations in areas that are more resilient to rises in sea temperature, and 3) conducts research about measures to deal with problems associated with rising sea temperature, such as diseases.

**Reference** Please refer to page 42 of ESG Data Book 2019 for details on measures against physical risks.

### Metrics and Targets

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

Aim to reduce emissions per total assets<sup>2</sup> by **25% by 2030**.<sup>3</sup>

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

<sup>2</sup>: The total assets used for this target represent the numerical values within the emissions reporting range, which differ from the total assets reported in MC's financial reports.

<sup>3</sup>: Compared to fiscal year ended March 2017 levels. Greenhouse gas emissions on a consolidated basis (MC on a non-consolidated basis plus subsidiaries).

MC's response to CDP Climate Change can be viewed via the following link: [https://www.mitsubishicorp.com/jp/en/csr/management/theme/pdf/cdp\\_2019.pdf](https://www.mitsubishicorp.com/jp/en/csr/management/theme/pdf/cdp_2019.pdf)

# *Our Sustainability*

## SECTION 02

### **MC's Value Creation**





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# The Sustainable Growth that MC Seeks

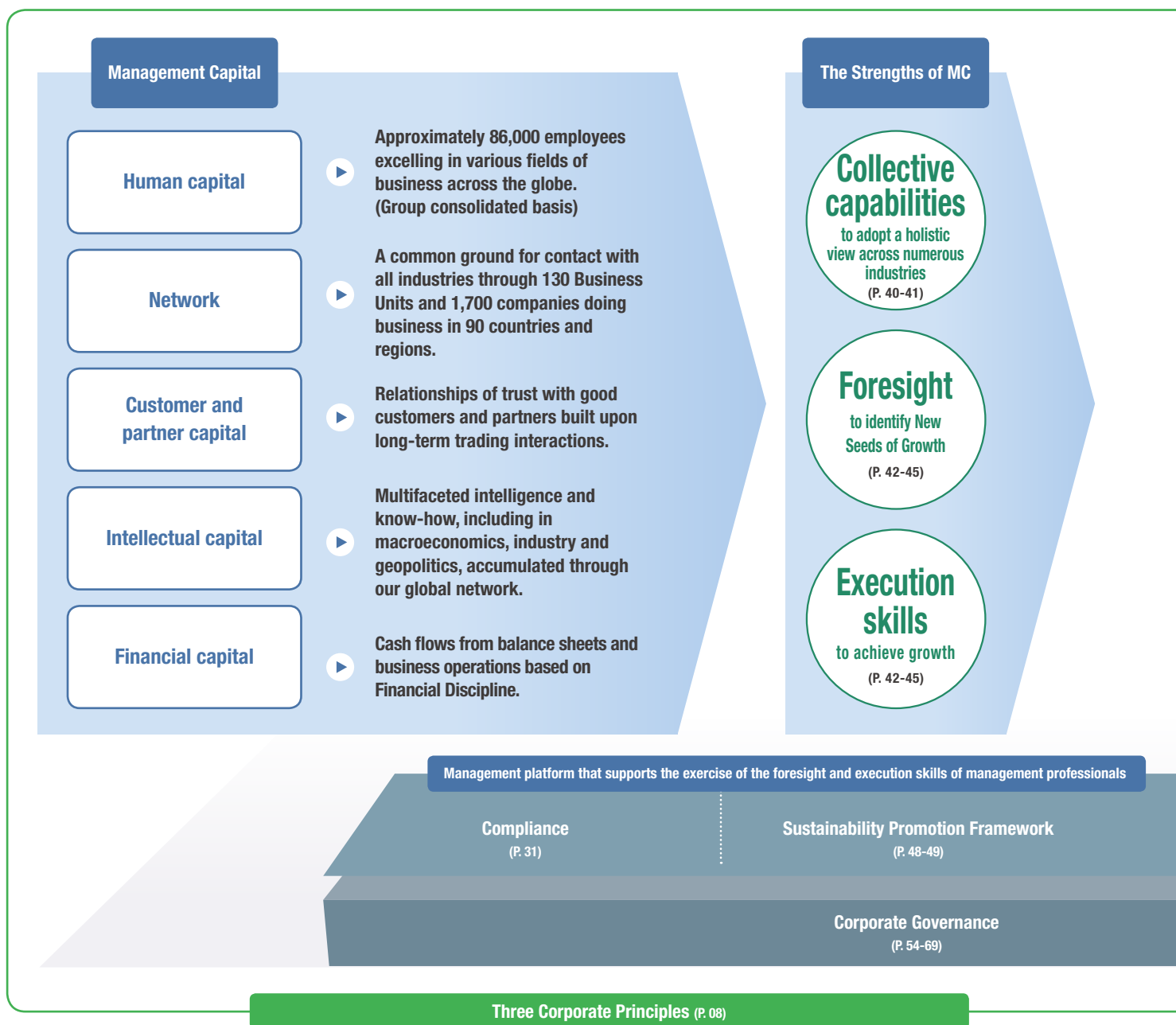
## The External Environment surrounding MC's Sustainable Growth

In 2020, the global outbreak of COVID-19 created unprecedented disruption, and the uncertain outlook for the external environment persists. Even before the pandemic, global shifts such as heightened US-China tensions and a wave of digitalization were already ushering in a new era. As economies and societies worldwide continue this transformation, MC and its Group companies must utilize their collective capabilities to respond.

In recent years in particular, we have seen developments such as the Sustainable Development Goals (SDGs), the Paris Agreement and the Task Force on Climate-related Financial Disclosures (TCFD). In

addition, movements toward low-carbon and decarbonized societies, the expansion of ESG investing, stricter laws and regulations, and the need for a sustainable recovery from COVID-19 are leading to a wider recognition that sustainable corporate growth is tied to the simultaneous generation of not only economic value, but also societal value and environmental value.

Amid these circumstances, we will act in accordance with the Three Corporate Principles, which have served as MC's guiding philosophy since its founding, to stay on top of global trends and to offer solutions to societal issues and needs by uncovering new business opportunities.



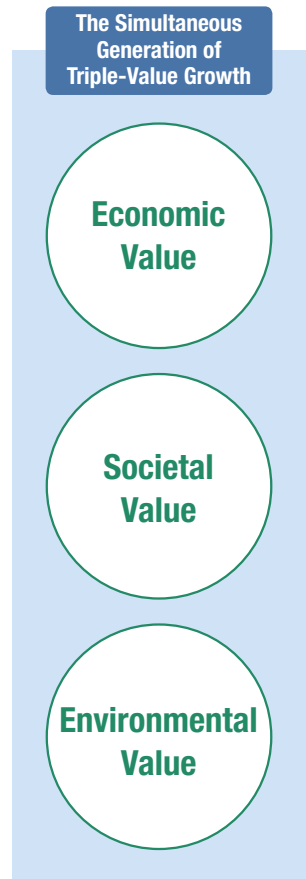
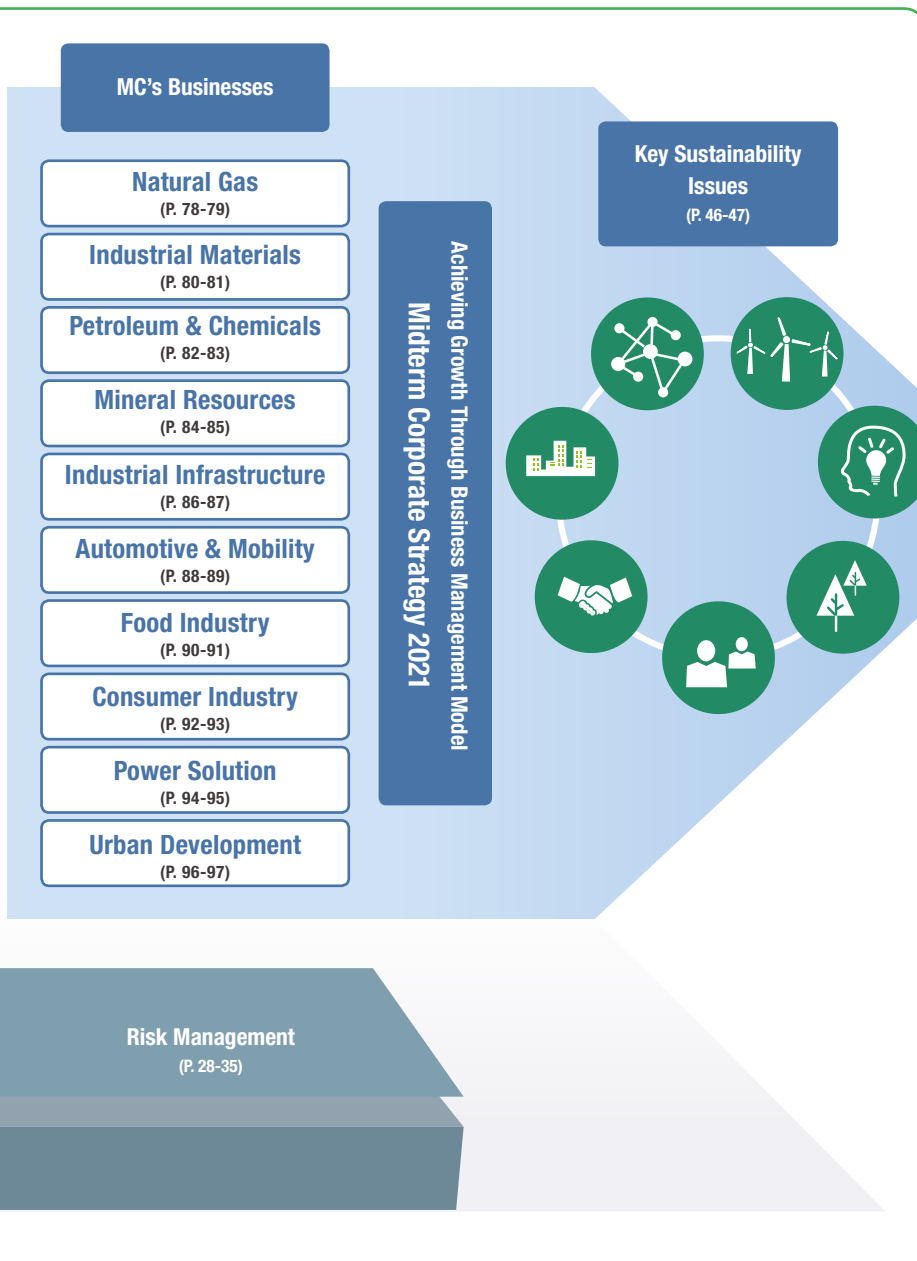


## Toward Value Creation through the Simultaneous Generation of Triple-Value Growth

Based on the Three Corporate Principles, which have served as MC's guiding philosophy since its founding, MC has continued to pass down the ideals of promoting integrity and fairness through its global business and contributing to the sustainable development of society.

We will continue to work to simultaneously generate triple-value growth, to contribute to the achievement of the SDGs and to raise corporate value by addressing our Key Sustainability Issues, which

are issues for management to address to promote sustainable growth. To accomplish these goals, we will leverage the diverse and capable management capital of the entire MC Group by applying the three core strengths of collective capabilities to adopt a holistic view across numerous industries, the foresight to identify New Seeds of Growth, and the execution skills to achieve that growth.



Contributing to the achievement of SDGs related to MC's Key Sustainability Issues



## The Strengths of MC

### The Strengths of MC

## Collective Capabilities

# Global Partnerships that Facilitate Business Development in Diverse Industries

## Global Network

MC has been developing a network to drive its next phase of major growth by continually enhancing its ability to respond to change, as well as by encouraging collaboration through the efficient and effective division of labor among the Head Office, MC offices and subsidiaries and Group companies.

### Head Office

- Fully utilize information obtained from the global network
- Execute decision-making aimed at maximizing corporate value

### MC Offices and Subsidiaries

- Provide intelligence that contributes to new business opportunities and management by integrating local knowledge
- Laterally support the growth of Group companies

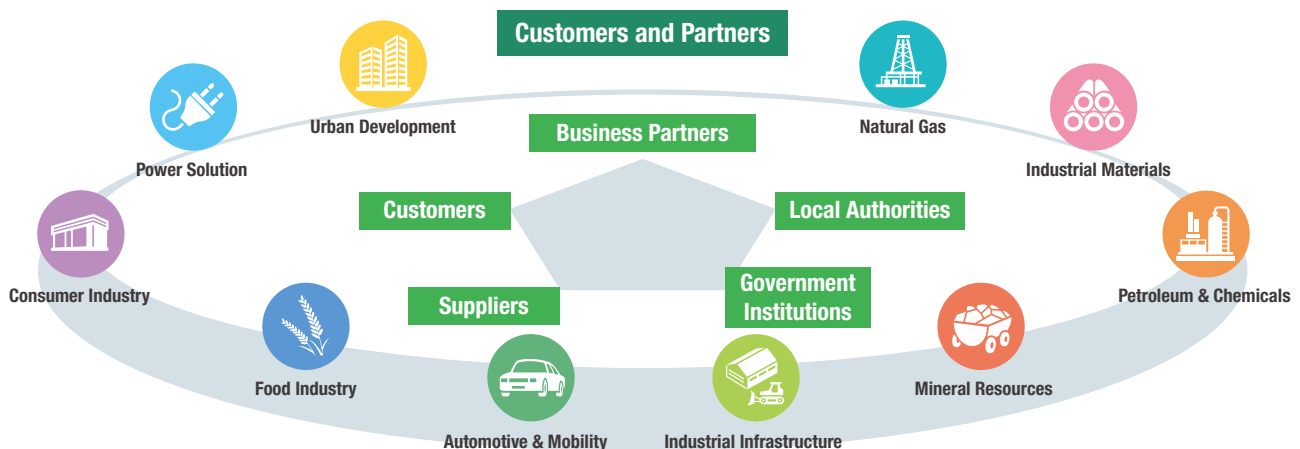
### Group Companies

- Achieve growth through business management
- Acquire intelligence closely tied to frontline business activities



## Customers and Partners in a Wide Range of Industries

MC has long contributed to the development of societies and economies by working with its customers and partners all over the world to develop various businesses that it could not have realized on its own. These good relationships are built up day by day as our irreplaceable assets that span the past, present and future.



## Special Feature: Collective Capabilities Enabling a Capital and Business Alliance with a Digital Transformation Partner

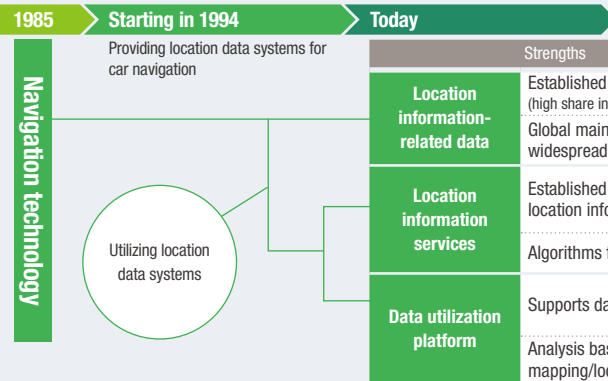
- In May 2020, MC and Nippon Telegraph and Telephone Corporation (NTT) completed joint investment in HERE Technologies (HERE).
- By combining MC's knowledge and network built from a wide range of industries, NTT's strengths in technology, and HERE's cutting-edge location data services, the companies aim for transformation via a business model that functions across industries, and to achieve solutions to societal issues.

### HERE Technologies

For more than 30 years, HERE has provided the automotive industry with location data and services for car navigation. It has become the global leader in location data services, with 4 out of 5 vehicles sold with embedded navigation systems in North America and Western Europe coming equipped with HERE maps.



Established: 1985 in Silicon Valley  
 Shareholders: A mix of auto manufacturers, suppliers and technology companies, comprised of Audi, BMW, Bosch, Continental, Daimler, Intel and Pioneer  
 Core business: Provision of location data to manufacturers of automobiles and car navigation systems  
 Scope of operations: 200 countries/regions worldwide  
 Workforce: Approximately 9,000 employees, mainly based in the US, Germany, the Netherlands and India



	Strengths	Services
<b>Location information-related data</b>	Established record as a supplier of location information (high share in embedded navigation systems) Global maintenance framework that ensures widespread, up-to-date, accurate and abundant data	Places, buildings Roads/traffic regulations Topographical features
<b>Location information services</b>	Established record of offering extensive services that use location information Algorithms for high-precision routing, etc.	Monitoring of traffic conditions/congestion Routing/positioning Telematics
<b>Data utilization platform</b>	Supports data integration with other companies Analysis based on integrating diverse kinds of data and mapping/location information	Workspace (development environment) Marketplace (purchasing/sales) Developing services that utilize data

### Message from Edzard Overbeek, CEO of HERE Technologies

Aided by connectivity, location data plays an important role in today's world, helping to save resources, times and lives as well as improve asset management. We've gone beyond navigating from point A to point B. Location intelligence today is about shaping better real-world outcomes. Positioning ourselves as an open and accessible location platform, we're reinventing the concept of maps by unlocking the power of location intelligence to develop solutions for the challenges of tomorrow, such as urban congestion, last-mile delivery and 5G network planning.

Through this alliance with the MC Group, with its ties spanning diverse industries and regions, we look forward to having the chance to expand our activities, especially in Japan and throughout the Asia Pacific. We are on track to deliver the first solutions for fleet management and last-mile delivery in Japan using the HERE platform. We will continue

to pioneer innovative use-cases to solve real-world issues.

"A single arrow is easily broken, but not ten in a bundle."

As this Japanese proverb suggests, there is much to be gained by working together. We are eager to pursue far-reaching collaborations with MC Group companies around the globe. Because it's only together that we move the world forward.



**Edzard Overbeek**

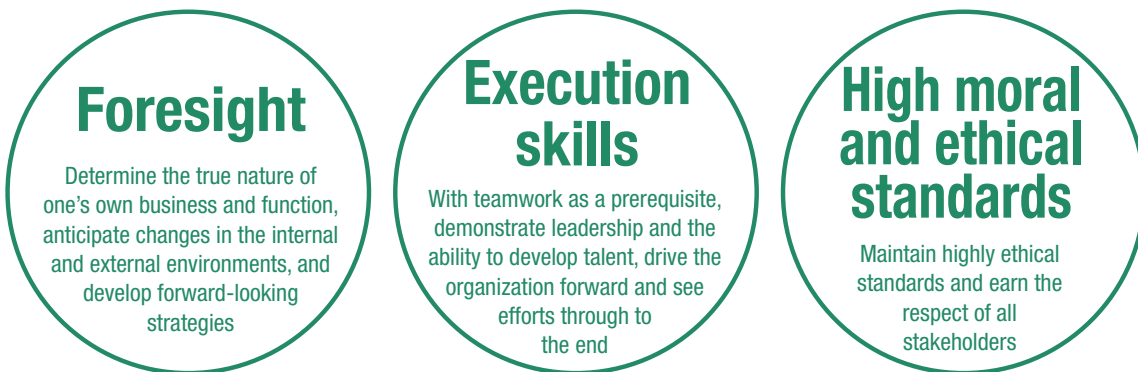
HERE Technologies  
CEO

The Strengths of MC  
**Foresight and Execution Skills**

## Developing Professionals with Foresight, Execution Skills and High Moral and Ethical Standards

MC has worked to create value by adapting its business model in response to changes in the external environment. Currently, we are confronting a number of significant shifts in our business environment, including industry-spanning business model transformations and changes to the geopolitical landscape, at a level that can truly be described as the Fourth Industrial Revolution. As the speed of external change accelerates and societal demands upon our Company continue to evolve significantly, our employees possessing the following capabilities and attributes will be responsible for ensuring our sustained growth.

**The Three Core Strengths Required of Our Employees**



### HR Development Policies at Mitsubishi Corporation

With the aim of continuously developing management professionals, MC engages in the following stepwise HR development programs based on career stage.



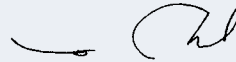
## Message from Corporate Functional Officer (CDO, Human Resources, Global Strategy)

People are MC's greatest asset. This has always been the case and it will surely continue to be so. Furthermore, our business is undergoing significant changes. No longer limited to trading, our corporate structure has shifted from investment to a business management model where growth is achieved by having employees take on assignments in Group companies and proactively generate value from the front lines of the business. Midterm Corporate Strategy 2021 aims to accelerate this trend in order to seek further growth. I believe that the driving force behind this growth will be the professionals who are equipped with the capabilities and attributes shown on the opposite page, who have a passion for increasing corporate value with a management-focused mindset—in other words, management professionals. In April 2019, we revised our HR system with the aim of continuously developing these types of management professionals in order to foster reciprocal growth between the Company and its employees.

Even under this new system, our fundamental philosophy of

empowering highly capable and motivated employees to be able to make active contributions regardless of gender, age, nationality or other attributes, and of appropriately rewarding such efforts is maintained. We also share this philosophy on a global, consolidated basis. With the aim of establishing vibrant workplaces, we continue our efforts to pursue new working styles that can encourage the engagement of our diverse pool of talent, support women's careers, and advance productivity and efficiency.

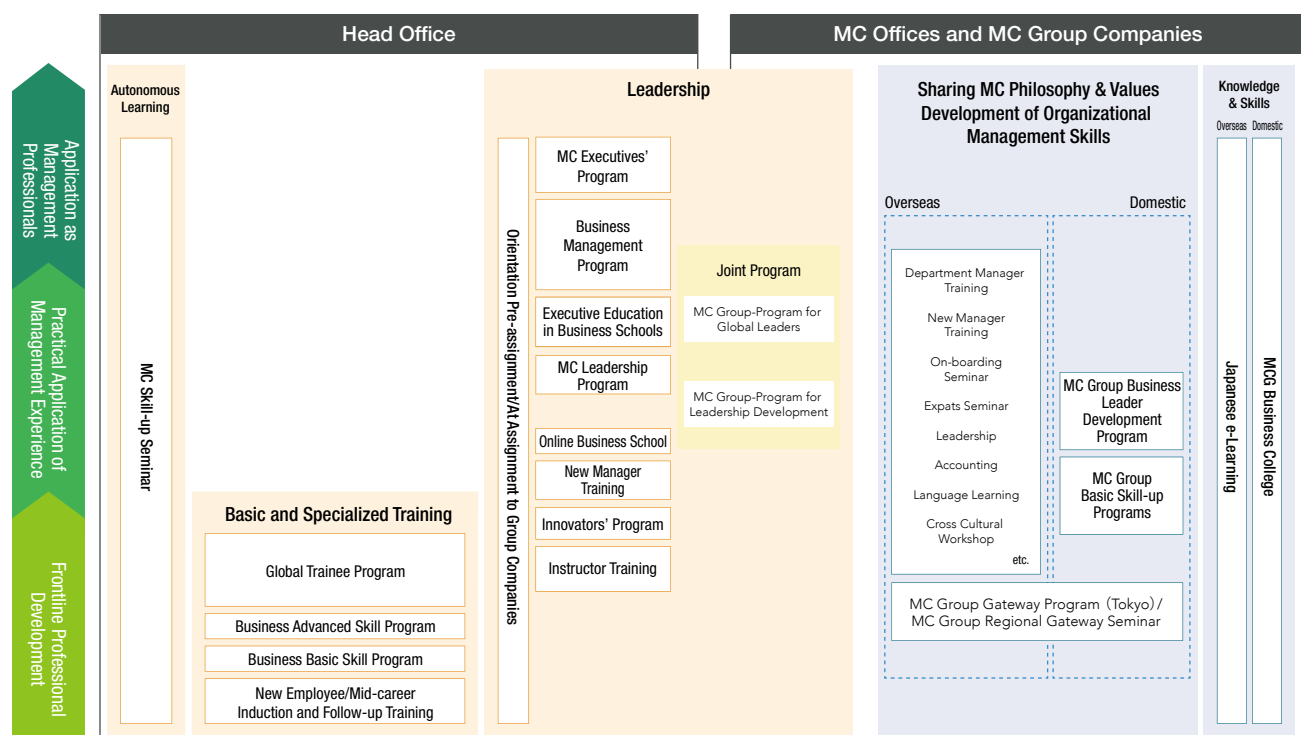
Member of the Board, Executive Vice President, Corporate Functional Officer (CDO, Human Resources, Global Strategy)




## HR Development Program Structure

MC's off-the-job training (OFF-JT) is designed to equip employees with the necessary knowledge and competencies to sharpen the abovementioned traits 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

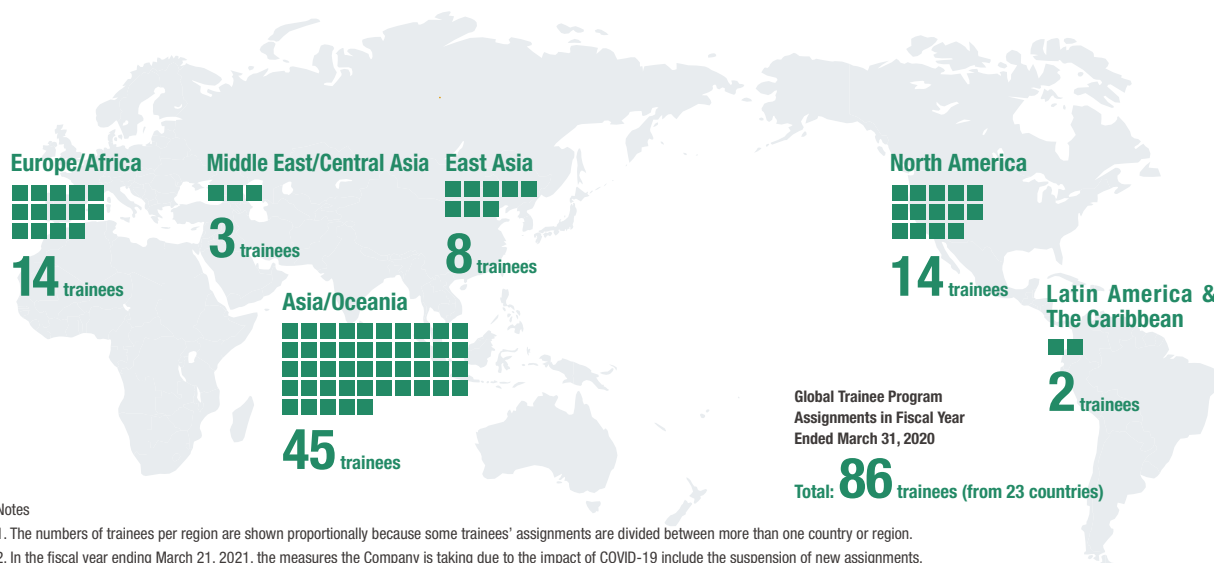
proactive learning and self-improvement. MC's HR training programs support the career development of all employees throughout the MC Group, including those at MC's parent company, its overseas offices and its Group companies in Japan and around the world.



## Specific Examples of Training Programs

### Global Trainee Program

In principle, this program's purpose is to provide all employees with overseas experience within their first eight years with MC to keep pace with the advancing globalization of MC's business. Focusing on international on-the-job training (OJT), this program includes assignments to overseas business schools and assignments for culture and language training. Approximately 100 employees take part in the program every year.



### Innovators' Program

Run by MC with the support of professors from Stanford University, this program is held in Silicon Valley and aims to nurture the conception skills necessary to grow business value. It is a good platform for learning about design thinking and other thought processes that inspire innovation, as well as the background and mechanisms behind the rapid growth of Silicon Valley enterprises.



# Diversity Management

MC believes it is important to create vibrant workplaces where each and every employee can embrace diversity and make meaningful use of his or her respective talents, as well as to promote the development of and utilization of employees on a global, consolidated basis. Led by the Diversity Office within the Global Human Resource Department, MC is implementing a system that encourages diverse human resources to play an active role, and is also pursuing various initiatives that focus on nurturing a corporate culture that embraces diversity.

- ### Specific Initiatives
- Reviewing work styles with an emphasis on work-life balance
  - Building a corporate culture that embraces diversity
  - Supporting employees with childcare, family care, and other family responsibilities
  - Supporting women's careers
  - Engaging expertise of senior employees
  - Maximizing capabilities of people with disabilities
  - Supporting careers of employees regardless of nationality

## Building a Corporate Culture that Embraces Diversity

We hold training sessions and seminars as an initiative to nurture a culture that embraces diversity. In the fiscal year ended March 31, 2020, we held a virtual reality (VR) seminar on the theme of unconscious biases, and seminars for leaders on work styles and management.



## Supporting Women's Careers

MC has in place a support system for balancing work and childcare, such as setting up a childcare concierge in-house, providing a daycare center to support a smooth return from maternity leave, and implementing a childcare service to coincide with long school holidays. We are also working on career support measures, such as the introduction of a re-employment system for those who had previously left the Company due to their spouses' job transfers, the setting up of career support through representatives appointed from each division and group, and support when assigned overseas accompanied only by children.



## Framework Supporting Value Creation

### Overview and Identification Process of Key Sustainability Issues (Materiality)

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, and as management issues for achieving sustainable (including financial) growth for the MC Group. Moreover, these initiatives also contribute to the achievement of the Sustainable Development Goals (SDGs)\* that correspond to each Key Sustainability Issue. MC recognizes the role that companies are expected to play in order to achieve the SDGs, and will make every effort to help make progress on them.

\* The SDGs are 17 international development goals that make up the main pillars of the Agenda for Sustainable Development, adopted as global-scale issues at the United Nations Sustainable Development Summit held in September 2015.

### Key Sustainability Issues (Materiality)

Issue	SDGs	Overview
 <b>Transitioning to a Low-Carbon Society</b>	 	In anticipation of the impact that climate change is expected to have on its 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 as well as reducing greenhouse gas (GHG) emissions.
 <b>Procuring and Supplying in a Sustainable Manner</b>	   	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.
 <b>Tackling Evolving Regional Issues</b>	 	MC will continue to take appropriate steps to address geopolitical risk while at the same time contributing to solutions through its business to issues faced by each country and region, thereby supporting the development of economies and societies.
 <b>Addressing the Needs of Society Through Business Innovation</b>	 	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.
 <b>Conserving the Natural Environment</b>	  	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.
 <b>Growing Together with Local Communities</b>	 	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.
 <b>Fostering Our Employees' Maximum Potential</b>	 	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 generation of triple-value growth.

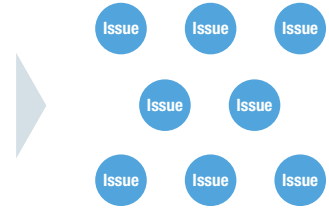


**1st Period: Identification of Management Issues**

**Process for Identifying the 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, which were based on international standards and goals such as ISO 26000 and the SDGs.



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

**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 MC's Business Group as well as those of external stakeholders.

- Through interviews and questionnaires with a variety of stakeholder groups, MC determined each issue's degree of importance to stakeholders.
- Every Business Group and relevant Corporate Departments evaluated and prioritized each theme to determine its importance to MC.



**STEP 3** **Identifying the Key Sustainability Issues**

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

- Harmony with local communities
- Utilization of advanced technology
- Pollution prevention/countermeasures
- Response to climate change
- Sustainable use of resources
- Expanded presence of developed countries
- Respect for human rights
- Work environment/labor issues
- Effective water use
- Response to increasing food demand
- Response to population fluctuations
- Response to geopolitical risks



**2nd Period: Incorporation into Business Strategy**

**Holding of Sustainability Dialogues and Sustainability & CSR Committee Meetings**

In the fiscal year ended March 31, 2018, MC held Sustainability Dialogues followed by regular meetings of the Sustainability & CSR Committee, with the purpose of incorporating the seven Key Sustainability Issues (formulated in the fiscal year ended March 31, 2017) into its business strategy. Participants discuss changes in the

external environment surrounding each issue and examine how value creation by each business contributes to the growth of the MC Group overall. Additionally, ideas are exchanged on how to drive initiatives at the front lines of our business.

**3rd Period: Strengthening Initiatives Through Goal Setting**

**Setting Goals for 2030**

In the fiscal year ended March 31, 2020, MC formulated individual business goals so that each Business Group could autonomously promote initiatives for the Key Sustainability Issues. Specifically, MC has set targets related to fields including renewable energy, plug-in hybrid and electric vehicles, carbon capture and storage technologies,

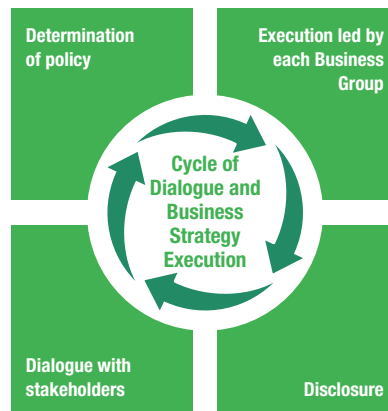
food waste reduction and waste reuse, issues involving plastics, convenient transportation services and high value-added multipurpose urban development, and is advancing initiatives in line with these targets which contribute to our long-term sustainable growth.

## Sustainability Initiatives

The Three Corporate Principles, which have served as MC's corporate philosophy since its inception, exhort us to "strive to enrich society, both materially and spiritually through business, while contributing towards the preservation of the global environment." Recognizing that social and environmental issues represent both risks that must be addressed and new business opportunities, we believe that creating not only economic value but also societal value and environmental value is essential for the sustainable growth of MC.

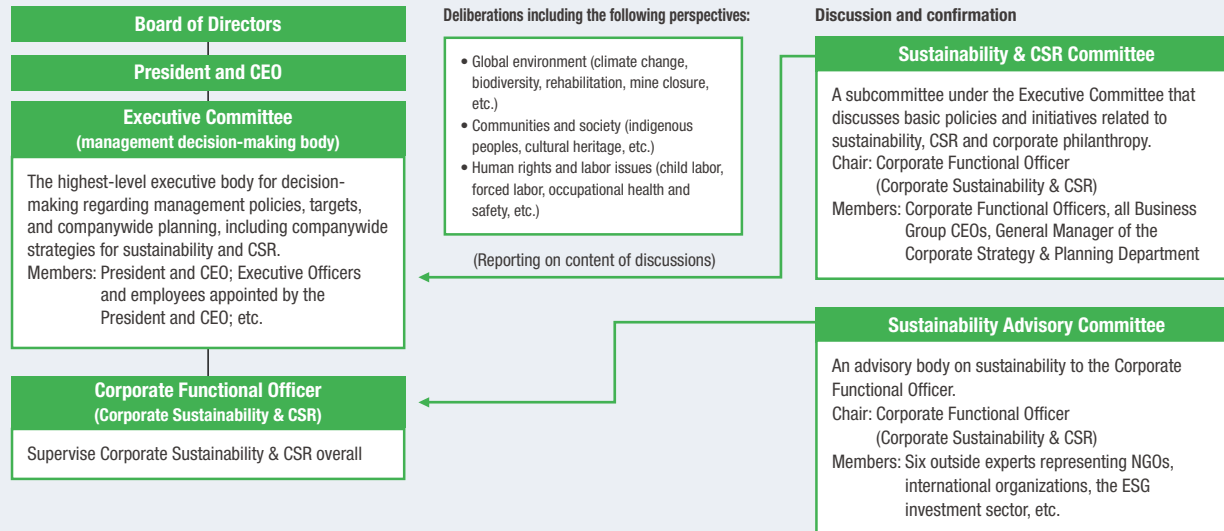
MC defines sustainability initiatives as the creation of societal value and environmental value through business activities. By distinguishing this from corporate philanthropy activities (CSR) such as charitable donations, we are further strengthening initiatives to achieve triple-value growth through our business.

Furthermore, to meet the ever-changing demands of society, we believe it is important to maintain a cycle of dialogue with stakeholders combined with the drafting and execution of related measures.



## Companywide Sustainability Measures

In MC's management framework, sustainability initiatives are overseen by the Member of the Board/Corporate Functional Officer in charge of Corporate Sustainability and CSR. The Corporate Sustainability & CSR Department plans and drafts related policies and measures. Following deliberations by the Sustainability & CSR Committee, which convenes approximately twice a year, items are put forward or reported to the Executive Committee and the Board of Directors.



### Initiatives Incorporating Outside Perspectives

To incorporate outside perspectives into its sustainability measures, MC has established the Sustainability Advisory Committee consisting of outside experts from NGOs, international organizations, and the ESG investment sector, etc. In addition, we engage in dialogues with stakeholders including investors and NGOs. Moreover, to better understand global environmental and societal trends, MC has established sustainability departments in Europe, the Americas, Southeast Asia and other regions to share and coordinate information. We are also a signatory of the UN Global Compact and are a member of organizations such as the World Business Council for Sustainable Development (WBCSD).



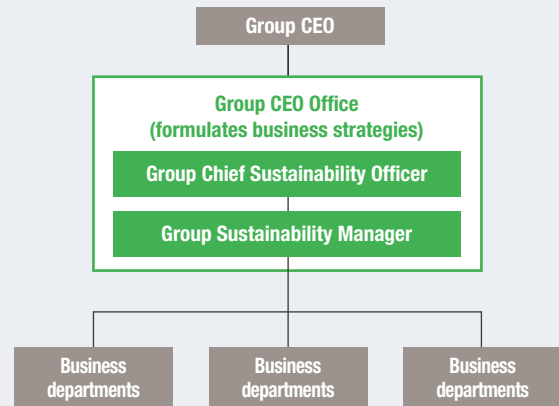
May 2020 Sustainability Advisory Committee

## Promoting Sustainability Through Business

To continuously create societal value and environmental value through our business activities, we have established a framework through which not only Corporate Departments, but also Business Groups proactively promote sustainability.

### Incorporation into Business Group Strategies

- We have established a framework that incorporates companywide sustainability perspectives into business strategy. The Sustainability & CSR Committee, chaired by the Corporate Functional Officer (Corporate Sustainability & CSR) and attended by all Group CEOs and Corporate Functional Officers, thoroughly discusses basic policies and key matters related to sustainability. In Business Strategy Meetings, in which the President and Group CEOs discuss the future strategies for each business, policy approaches based on 2°C scenario analyses are confirmed for certain business Groups.
- In addition, to further promote Business Group initiatives, management personnel responsible for promoting business strategy in each Business Group have been appointed as Chief Sustainability Officers.
- To promote collaboration, MC holds meetings for Group Sustainability Managers as needed to share information and explain measures related to sustainability.



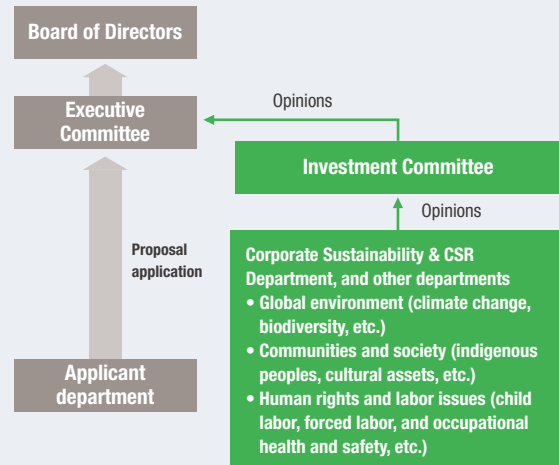
### Cycle for Integrating Sustainability into Business Strategy



### Risk Management for Individual Projects

- Within the Corporate Sustainability & CSR Department, individual staff are tasked with evaluating and supporting individual investment and finance proposals for each Business Group from environmental and social perspectives.
- By having the General Manager of the Corporate Sustainability & CSR Department serve as a member of the Investment Committee, MC has put in place a screening system that reflects potential environmental and social impacts in decision-making.
- For proposal applications such as management plans for subsidiaries and affiliates, by requiring details on aspects including the position of the business in relation to promoting Key Sustainability Issues as well as potential environmental and social risks (including 2°C scenario analyses), MC seeks to assess risks and create project proposals with an awareness of impacts on the environment and society.

#### Screening process for investment and finance proposals



## Supply Chain Management

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

MC believes that respect for human rights is fundamental to doing business globally. 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 UN General Assembly on December 10, 1948. MC supports this declaration and makes its stance clear both internally and externally by stipulating its respect for human rights in its Corporate Standards of Conduct and Social Charter. Furthermore, MC's Code of Conduct for all officers and employees states that the MC will "respect human rights; will not engage in discrimination based on race, ethnicity, creed, religion, or other grounds; will not tolerate harassment; will respect the cultures, customs, and languages 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** Please refer to pages 2-3 of ESG Data Book 2019 (Corporate Standards of Conduct, Mitsubishi Corporation Code of Conduct, Mitsubishi Corporation Social Charter).

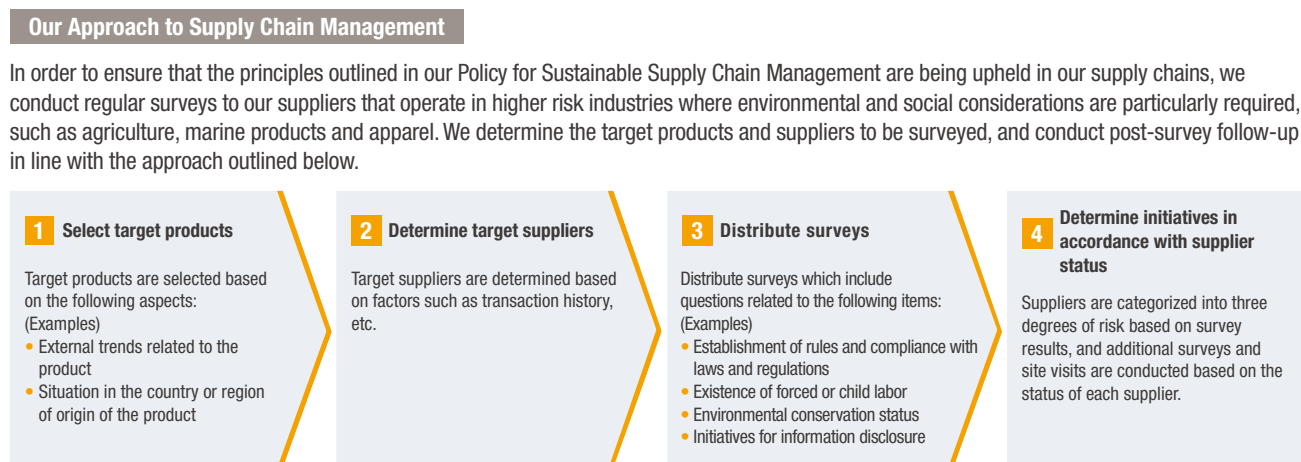
#### FY2019 Slavery and Human Trafficking Statement

[https://www.mitsubishicorp.com/gb/en/csr/pdf/shts\\_fy2019.pdf](https://www.mitsubishicorp.com/gb/en/csr/pdf/shts_fy2019.pdf)

### Policy and Management Framework for Supply Chain Management



### Supply Chain Management Initiatives



**Survey Results** MC received responses from about 400 suppliers in approximately 30 countries and regions including China, Vietnam and Thailand via its survey conducted in the fiscal year ended March 31, 2020 (survey based on transactions during the fiscal year ended March 31, 2019). Based on these results and other factors including the external environment, MC will conduct additional surveys and site visits for a number of the suppliers.

## Communication with Stakeholders

Through dialogue with stakeholders, we exchange opinions on supply chain management and perform reviews as necessary to make improvements. The table to the right shows the type of reviews that we have conducted to date, drawing on comments from stakeholders.

In addition to questionnaire surveys, we regularly conduct site visits to our suppliers (including our subsidiaries and affiliates) worldwide. (Past visits have included shrimp hatcheries and processing companies, coffee milling plants and farms, tea producers, garment factories, pangasius aquaculture and processing plants, chicken processing plants, etc.) Through the site visits and interviews with management and employees, MC confirms that its suppliers understand, embrace and abide by its Policy for Sustainable Supply Chain Management. We also share best practice examples in relation to sustainability policies and

initiatives to achieve two-way communication with our suppliers. We will continue communicating with our suppliers to ensure that our supply chains operate sustainably.

### Examples of items revised based on comments from stakeholders:

Began regularly obtaining suppliers' agreement with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management

Added more target products to the survey

Developed an online system aimed at improving convenience and accessibility for suppliers answering the survey

**Past site visit report archive** <https://www.mitsubishicorp.com/jp/en/csr/management/archives.html>

## Collecting Sustainability Information on a Consolidated Basis

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

### Selection of survey targets (March)

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

### Start of survey (March)

The survey items include greenhouse gas emissions (Scope 1, Scope 2), water, waste, occupational health and safety data, expenditures for philanthropic activities, environmental management measures and other management policies.

### Completion of survey (May)

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

### Reporting/disclosure (from June)

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

\* A sample of the survey results is shown on page 104.



Greenhouse gas emissions from subsidiaries and affiliates and other figures are aggregated and managed through an internal online system to enable accurate and timely data collection.

# *Our Foundation*

## SECTION 03

### **Corporate Governance**



## Contents

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## Highlights for the Year Ended March 31, 2020

The Chairman of the Board plans and leads various initiatives to help realize more effective corporate governance that contributes to MC's sustained growth and the enhancement of medium- to long-term corporate value.



**Ken Kobayashi**  
Chairman of the Board

Board of Directors and Board of Directors' Advisory Bodies

### Board of Directors

The Board of Directors is responsible for making decisions concerning important management issues and overseeing business execution. In-house Directors utilize their rich experience of working within MC and Outside Directors utilize their practical, objective, and professional perspectives to ensure appropriate decision-making and management oversight.

### Governance, Nomination and Compensation Committee July Oct. Jan. Mar.

The committee meets at least three times a year and a majority of its members are Outside Directors and Outside Audit & Supervisory Board Members. It deliberates on matters related to governance, nomination and compensation (▶ page 60).



● Meetings of the Board of Directors

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

■ Meetings of the Governance, Nomination and Compensation Committee

### Record of Meetings Held in the Fiscal Year Ended March 31, 2020



2019

Support for Outside Directors and Outside Audit & Supervisory Board Members

### Briefing Sessions Before Board of Directors' Meetings

Prior to each Board of Directors' meeting, opportunities are created for the management executives of the Corporate Staff Section and Business Groups to provide explanatory summaries of the agenda items for which they are responsible to Outside Directors and Outside Audit & Supervisory Board Members in order to facilitate substantive deliberations at the meetings. The sessions are also utilized to appropriately share timely information that helps enhance deliberations. A total of 33 hours of briefing were held in the fiscal year ended March 31, 2020.

### Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members May Sept. Nov. Dec. Feb.

Meetings are held at least once per quarter to provide a forum for free discussion among Outside Directors and Outside Audit & Supervisory Board Members on a wide range of themes (▶ page 65).



### Informal Meetings of the Board of Directors

Informal meetings of the Board of Directors are held as necessary with all Directors and Audit & Supervisory Board Members to provide a forum for free discussion outside of Board of Directors' meetings.



### President's Performance Evaluation Committee May

Subcommittee to the Governance, Nomination and Compensation Committee (▶ page 60).

### International Advisory Committee Oct.

An advisory body to the Board of Directors made up of overseas experts (▶ page 61).



Oct.

Nov.

Dec.

Jan.

Feb.

Mar.

2020

### Orientation upon Assumption of Office

To deepen understanding of MC, all Business Groups and the Corporate Staff Section conduct orientation sessions for newly appointed Outside Directors and Outside Audit & Supervisory Board Members when they assume office.

### Dialogues and Interactions with Officers and Employees

Opportunities are provided for Outside Directors and Outside Audit & Supervisory Board Members to engage in dialogue with Group CEOs, Division COOs, candidates for next-term management executives, mid-level employees and junior employees.

#### Results for the fiscal year ended March 31, 2020

Dialogues with Group CEOs and Division COOs	41 times
Dinner Meetings with Executive Vice Presidents*	5 times
Lunch Meetings with In-house Directors	5 times

\* Two Executive Vice Presidents attended each time.

### Site Visits to Business Subsidiaries and Affiliates

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

In August 2019, site visits were made to the Montney shale gas production and development site in Canada and to the LNG Canada project\* development site. Through meetings with the local state government, city mayors and tribal leaders, Outside Directors and Outside Audit & Supervisory Board Members confirmed the state of initiatives aimed at simultaneously generating economic, societal and environmental value while taking into account local stakeholders and the natural environment. 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: MC, 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 Asia countries, including Japan.  
Note: Not held in fiscal year ending March 31, 2021 due to the COVID-19 pandemic.



LNG Canada project development site (August 2019)

#### Visits to Overseas Business Subsidiaries and Affiliates (Past Three Years)

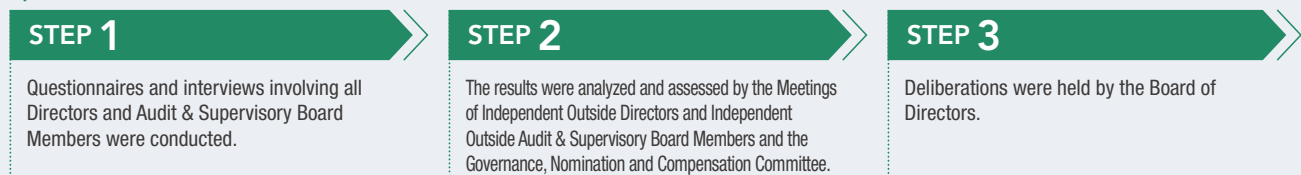
August 2019	Montney shale gas production and development site and LNG Canada project development site (Canada)
August 2018	Cermaq Group AS (Norway)/Offshore wind farm facility (North Sea)
April 2018	Large mixed-use redevelopment project / The Mandalay International Airport (Myanmar)
September 2017	Australian metallurgical coal project (Australia)

## Evaluation of the Effectiveness of the Board of Directors

The Governance, Nomination and Compensation Committee held deliberations\* in October 2019, and, in the fiscal year ended March 31, 2020, Mr. Akitaka Saiki and Mr. Tadashi Kunihiro who serve as Independent Outside Director and Independent Outside Audit & Supervisory Board Member, respectively, took the lead in formulating questions, conducting interviews, and analyzing and evaluating responses.

\*An evaluation process led by Outside Directors and Outside Audit & Supervisory Board Members was confirmed to be effective after verifying the validity of evaluation methods, which included verifying whether external evaluation would be needed or not; and the Board of Directors decided to continue using the same method as previous year. The evaluations were led by Outside Directors and Outside Audit & Supervisory Board Members in order to maintain objectivity and neutrality.

### Specific Process



<b>Questions</b>	Responses to issues identified in the previous year's evaluation; evaluation of measures undertaken in the fiscal year ended March 31, 2020; the size, composition, operation, agenda items, and the oversight and audit functions (provided by Audit & Supervisory Board Members), 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.
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### Comments from the Outside Director and Outside Audit & Supervisory Board Member Responsible for Leading the Evaluation of the Effectiveness of the Board of Directors



**Akitaka Saiki**  
Independent  
Outside Director

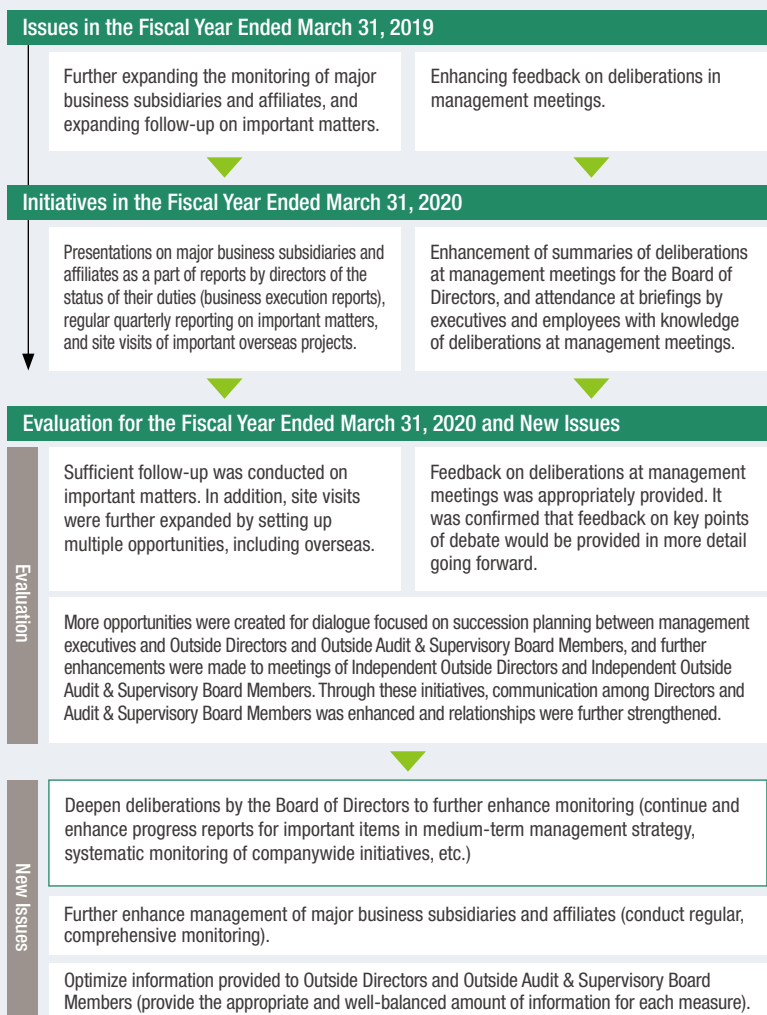
Through questionnaires and interviews targeting all members of the Board and Audit & Supervisory Board Members, we were able to fully assess the opinions of each member. Exchanges of ideas between Outside Directors and Outside Audit & Supervisory Board Members and the Chairman and the President were also meaningful, and we will continue to do so. In future meetings of the Board of Directors, we hope to engage in more active exchanges of opinions on the direction of the company, themes spanning the medium to long term, and companywide initiatives.



**Tadashi Kunihiro**  
Independent Outside  
Audit & Supervisory  
Board Member

\*Resigned in  
June 2020

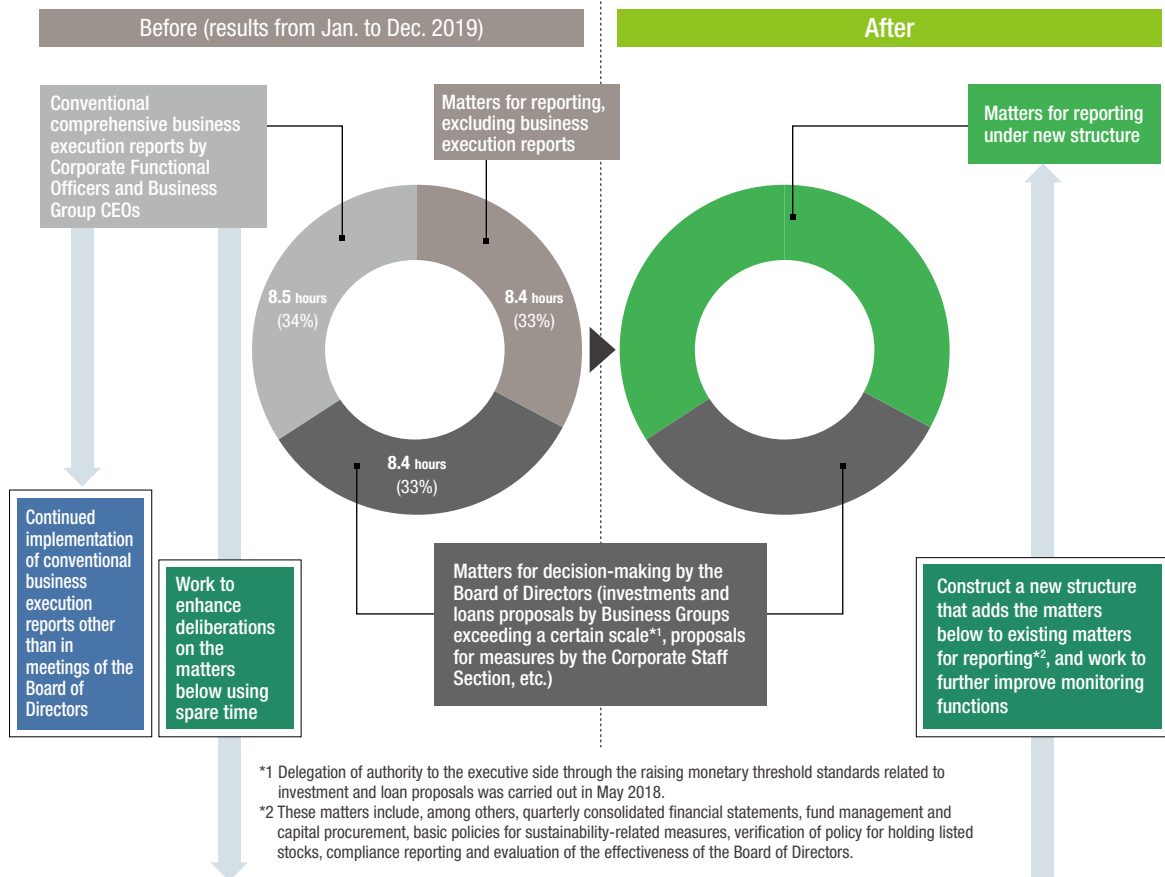
Based on the results of the evaluation, I felt that MC's governance structure, particularly the role of Outside Directors and Outside Audit & Supervisory Board Members, has been strengthening and transitioning toward a monitoring model. As an Outside Audit & Supervisory Board Member, I place importance on the monitoring of the company's major policies, corporate culture, and governance itself, and hope to establish an even more solid governance structure.



## FOCUS

## Enhance Deliberations by the Board of Directors to Further Strengthen Monitoring

Based on the opinions of the evaluation of the effectiveness of the Board of Directors and the principles of the Corporate Governance Code, the Board of Directors will further shift toward the monitoring of **the company's vision** and **structures supporting that vision**. In order to further improve monitoring functions, the Board of Directors will expand its deliberations on the following matters.



### Matters for Expanded Deliberation in Future Meetings of the Board of Directors

#### Progress of Primary Items in Midterm Corporate Strategy (i.e. MC's Vision)

Triple-value growth in the business management model

Business portfolio

Growth mechanisms

HR policy



#### Toward Ensuring Further Effectiveness (i.e. Structures supporting MC's Vision)

Regional strategy and domestic development

IR strategy

Risk management (including monitoring of subsidiaries)

Management of executed individual investment and loan projects

Management decision processes and organizational culture that contribute to the sustainable growth of the company

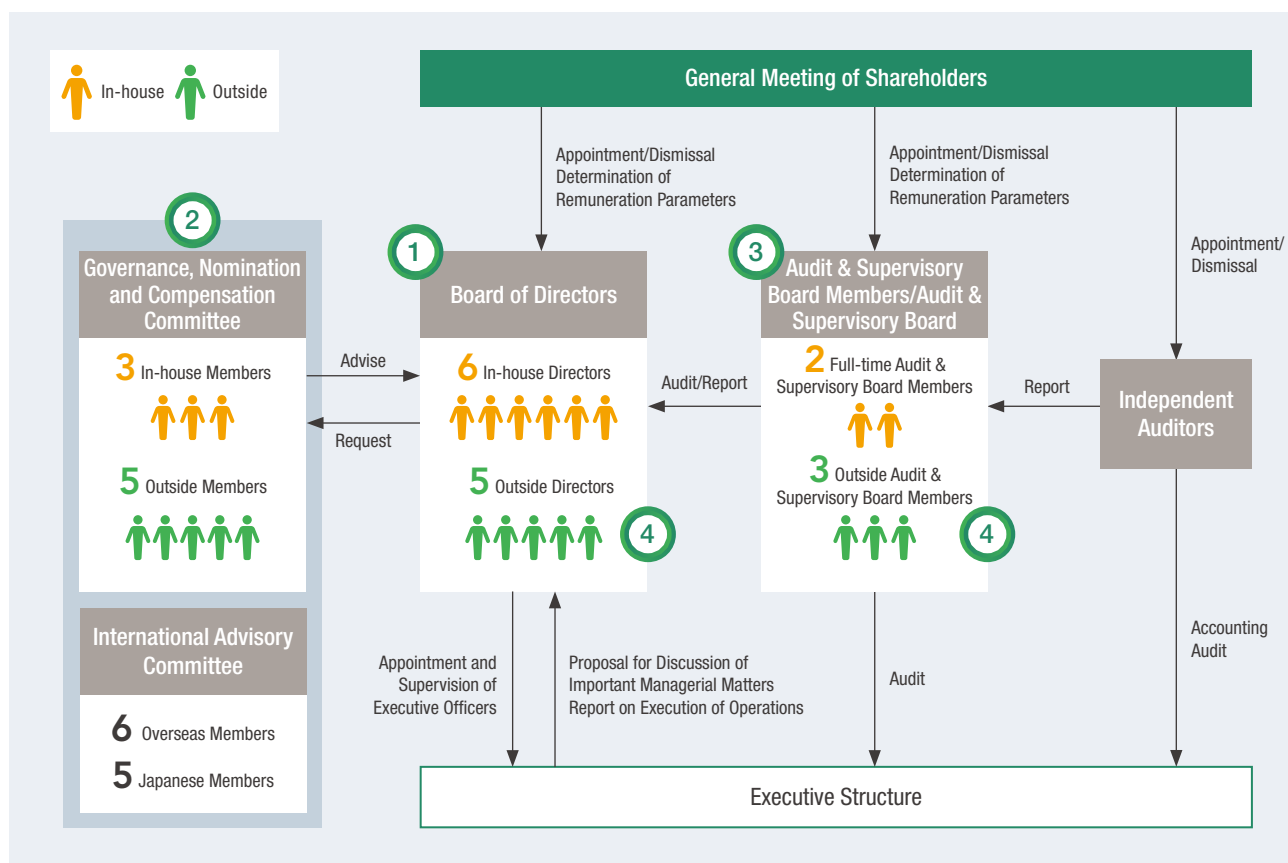
# Overview of Corporate Governance

## 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, 2020)



**1** Board of Directors

Check! >

P. 59

**2** Board of Directors' Advisory Bodies

Check! >

P. 60-61

**3** Audit & Supervisory Board Members/Audit & Supervisory Board

Check! >

P. 62-63

# 1 Board of Directors

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

Composition and size	In principle, the Board of Directors is an appropriate size for conducting deliberations, with one third or more being made up of Outside Directors.
Appointment policy	To ensure decision-making and management oversight are appropriate for MC, which is involved in diverse businesses and industries in a wide range of fields, and from the perspective of ensuring diverse standpoints, several Directors are appointed from both within and outside MC with the depth of experience and high levels of knowledge and expertise needed for fulfilling their duties.
In-house Directors	In addition to Chairman of the Board and President and CEO, MC's In-house Directors are appointed from executive officers responsible for companywide management, Corporate Staff operations, and other areas.
Outside Directors	Outside Directors are appointed from those who possess a practical perspective of highly experienced company officers and those who possess an objective and professional perspective with a deep insight on global situation and socio-economic trends.
Appointment process	The President and CEO proposes a list of nominated Directors, which is then deliberated at the Governance, Nomination and Compensation Committee and resolved by the Board of Directors before being presented at the Ordinary General Meeting of Shareholders.

## Matters Deliberated by the Board of Directors

The Board of Directors deliberates on important management issues, and supervises business execution through reports on priority matters in Midterm Corporate Strategy, the business strategy of Business Groups, and so on. In addition, matters requiring resolution in accordance with laws and regulations, and investment and finance proposals exceeding a monetary threshold standard set by MC are deliberated and resolved with an emphasis not only on the economic aspects, but also on ESG perspectives. MC has also constructed

appropriate internal control systems, and checks their operational status every year in order to work toward their continuous improvement and strengthening.

Business execution other than these matters for resolution by the Board of Directors is entrusted to Executive Officers by appointing the President as the Chief Executive Officer responsible for business execution, and the Executive Committee (meets twice monthly) as a management decision-making body.

### Agenda of the Board of Directors in the Fiscal Year Ended March 31, 2020

Theme	Main resolutions and matters reported		
Management strategy-related items	<ul style="list-style-type: none"> <li>Management Strategy Meeting report</li> <li>Business Strategy Meeting report</li> <li>Business Execution Reports (conventional format; 16 times)</li> </ul>		
Corporate-related items	<ul style="list-style-type: none"> <li>Appointments of the Board and Audit &amp; Supervisory Board Members/ Appointments of Executive Officers</li> <li>Revision of the remuneration system for Executive Directors</li> <li>Financial Statements</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition and cancelation of treasury stock</li> <li>Fundraising policy</li> <li>Verification holding policy for listed shares</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability-related policies</li> <li>Compliance report</li> <li>Internal control systems</li> </ul>
Investment and finance proposals	<ul style="list-style-type: none"> <li>Acquisition of Eneco shares</li> <li>Acquisition of HERE shares</li> </ul>	<ul style="list-style-type: none"> <li>Additional acquisition of Chiyoda Corporation shares and loan/guarantee</li> <li>Withdrawal from PDS and reorganization of overseas crude oil business</li> </ul>	
Other	<ul style="list-style-type: none"> <li>General Meeting of Shareholders-related items</li> <li>Governance, Nomination and Compensation Committee report</li> <li>International Advisory Committee report</li> </ul>	<ul style="list-style-type: none"> <li>Independent Outside Directors and Independent Outside Audit &amp; Supervisory Board Members Meeting report</li> <li>Evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2020</li> <li>State of response to COVID-19</li> </ul>	

## 2 Board of Directors' Advisory Bodies

**Governance, Nomination and Compensation Committee** Convened three times or more per year 

The committee meets at least three times a year and a majority of its members are Outside Directors. It deliberates on matters related to governance, nomination, and compensation.

Number and Percentage of Outside Directors\*



\* Based on status as of July 1, 2020

### Composition of the Committee (\*Committee Chairman) (As of July 1, 2020)

#### Outside Members (5)

<b>Akihiko Nishiyama</b> Outside Director	<b>Akitaka Saiki</b> Outside Director	<b>Tsuneyoshi Tatsuoka</b> Outside Director
<b>Shunichi Miyanaga</b> Outside Director	<b>Sakie Akiyama</b> Outside Director	

#### In-house Members (3)

<b>Ken Kobayashi*</b> Chairman of the Board	<b>Takehiko Kakiuchi</b> President and CEO	<b>Shuma Uchino</b> Full-time Audit & Supervisory Board Member
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### 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

Remuneration system  
(Policy for setting remuneration, appropriateness of remuneration levels and composition, etc.)

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

Evaluation of the effectiveness of the Board of Directors







### President's Performance Evaluation Committee

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

## International Advisory Committee Convened one time per year

The committee comprises overseas experts of various backgrounds, including politics, business, government and academia, and provides recommendations and advice from an international perspective.

### International Advisory Committee (6) (As of July 1, 2020)

	Member	Nationality	Title	Years served	Principal area of specialization and background
	<b>Ambassador Richard Armitage</b>	United States of America	Former United States Deputy Secretary of State	4 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.
	<b>Professor Joseph S. Nye</b>	United States of America	Harvard University Distinguished Service Professor	12 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.
	<b>Mr. Ratan N. Tata</b>	India	Chairman, Tata Trusts	20 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.
	<b>Mr. George Yeo</b>	Singapore	Former Chairman, Kerry Logistics Network	7 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.
	<b>Mr. Niall FitzGerald, KBE</b>	Ireland	Former CEO and Chairman, Unilever	7 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.
	<b>Mr. Jaime Augusto Zobel de Ayala II</b>	The Philippines	Chairman and CEO, Ayala Corporation	20 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 (5) (As of July 1, 2020)

Chairman of IAC

**Ken Kobayashi**

Chairman of the Board

**Takehiko Kakiuchi**

President and CEO

**Akira Murakoshi**

Member of the Board,  
Executive Vice President

**Akitaka Saiki**

Outside Director

**Tsuneyoshi Tatsuoka**

Outside Director

### IAC Agenda and Keynote Speakers for the Fiscal Year Ended March 31, 2020

Opposing forces of populism and globalism Professor Nye

Geopolitical impact on the global economy Ambassador Armitage

Emerging markets in the digital age Mr. FitzGerald

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.



## 3 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 in compliance with the Companies Act, and other laws and regulations as well as Mitsubishi Corporation's Articles of Incorporation and internal rules/regulations. Full-time Audit & Supervisory Board Members ensure the soundness of the management by executing audits from a perspective based on abundant working experience at the Company, while Outside Audit & Supervisory Board Members execute audits with a background of abundant working experience in their particular fields as well as neutral and objective perspectives. In addition to resolutions of matters required by law and other important issues, the Audit & Supervisory Board strives to enhance information-sharing among the members through briefings on key matters and reporting the status of auditing activities for each of the members.

Percentage of Independent Outside Audit & Supervisory Board Members\*



Percentage of Female Audit & Supervisory Board Members\*



\* As of July 1, 2020

### Audit Plans

Prior to each fiscal year, the Audit & Supervisory Board formulates audit plans with key areas. In the fiscal year ended March 31, 2020, the following three key audit areas were selected for the monitoring of specific progress in management and execution.

#### 1 Progress in the First Year of Midterm Corporate Strategy 2021:

- Revitalization of the organization in conjunction with Business Group restructuring
- Execution of the mission for each new Business Group
- Increased understanding of the new HR system and implementation of initiatives toward its purpose

#### 2 Enhancing MC Group Management:

- Delegation of authority and development/implementation of governing structure for self-sustaining management
- Demarcation of roles between MC representative offices and MC Group companies with consideration of regional characteristics

- Sustainability awareness in business activities
- Enhancement of crisis management response on a consolidated basis

#### 3 Initiatives to Strengthen Corporate Governance:

- Further enhancement of deliberations at Board of Directors' meetings
- Thorough enforcement of compliance on a consolidated basis
- Development of an internal control system on a consolidated basis

### Toward Sustainable Growth for MC

In the fiscal year ended March 31, 2020, the first year of Midterm Corporate Strategy 2021, the MC Group undertook major reforms including the reorganization of Business Groups, initiatives for creating new businesses in digital transformation and HR system restructuring. As Audit & Supervisory Board Members, we have actively visited MC offices and MC Group companies in Japan as well as overseas to understand their circumstances. We will continue striving to collect a wide range of information while strengthening cooperation with Outside Directors and Outside Audit & Supervisory Board Members.

Also, in light of the changes in our business environment accompanying the COVID-19 pandemic, we will pay close attention to the enhancement of MC Group management on a consolidated basis and the sustainable growth of the Company from the viewpoint of strengthening Group corporate governance.



**Shuma Uchino**

Full-time Audit & Supervisory Board Member



**Hajime Hirano**

Full-time Audit & Supervisory Board Member



## Main Activities of the Audit & Supervisory Board and its Members

### 1 Dialogue with Executive Officers

Opportunities are created 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, Business Group CEOs, Business Division COOs, Administrative Department General Managers, and the General Managers of the Corporate Staff Section.

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

60

[48\*2]



### 2 Attendance at Important Meetings

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

Number of major meetings\*1

139

[30\*2]



### 3 On-Site Audits and Visits

Through on-site audits and visits in the fiscal year ended March 31, 2020, the Audit & Supervisory Board Members met with the CEOs and executive officers of 49 companies in 12 countries overseas and 10 domestic MC Group companies, as well as the regional chiefs of 28 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 visits\*1

87 companies/locations

[25 companies/locations\*2]



Visit to Donggi Senoro LNG in Indonesia



Visit to the BMA metallurgical coal mine in Australia

### 4 Strengthening of Group Corporate Governance

In addition to dialogues with the CEOs and other executive officers of the MC Group companies, opportunities are arranged for the exchange of information every quarter with the Audit & Supervisory Board Members of 39 major Group companies in Japan. We also provide assistance in training for those who will be assigned to MC Group companies as full-time audit & supervisory board members. We will continue working to strengthen the Group corporate governance through regular monitoring.

### 5 Collaboration with Outside Directors

Outside Directors are invited to dialogues between Audit & Supervisory Board Members and executive officers, and to briefing sessions on important matters to be discussed at the Board of Directors. We are maintaining close alignment with Outside Audit & Supervisory Board Members as well as Outside Directors through exchanging opinions at various occasions including meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members.

\*1 Numbers for the fiscal year ended March 31, 2020

\*2 Number of times in which one or more Outside Audit & Supervisory Board Members participated

## Enhancement of Tripartite Audits

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

### Collaboration with Accounting Auditors and Evaluation of Accounting Auditors

We work with accounting auditors through their outline briefings on accounting audit plans, audit reports for quarterly results and monthly meetings. During on-site audits and visits, we also exchange opinions with the accounting auditors of MC Group companies in Japan and overseas.

With regard to performance evaluations of accounting auditors, we keep track of evaluation data during the fiscal year from regular audit reports and other sources, and hold an accounting auditor evaluation conference at the end of the fiscal year. As a result, we have concluded that the current accounting auditors performed appropriate audits in a professional manner, and accordingly, the Audit & Supervisory Board resolved to reappoint the accounting auditors.

### Collaboration with the Internal Audit Department

The Internal Audit Department and Full-time Audit & Supervisory Board Members hold monthly meetings where exchange of opinions are made concerning reports on internal audit results. Also at Audit & Supervisory Board meetings, the Internal Audit Department reports their quarterly audit results that are also reported to the President and CEO.

In addition, Audit & Supervisory Board Members attend the internal auditor liaison meetings of 48 major MC Group companies in Japan held by the Internal Audit Department, while the General Manager of the Internal Audit Department attends liaison meetings held by MC's Audit & Supervisory Board Members with the audit & supervisory board members of the MC Group companies mentioned above, and all parties collect audit information and exchange opinions.

## 4 Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors and Outside Audit & Supervisory Board Members are as follows (as of July 1, 2020).

### Independent Outside Directors



**Akihiko Nishiyama**

**Main career:** Professor, Ritsumeikan University  
**Number of years on Board of Directors:** 5 years

Mr. Nishiyama has profound knowledge of organizational change, human resource development, and business management based on his many years of practical work experience, entrepreneurship, management experience, and management survey at a think tank, as well as his research activities in business administration at universities.



**Akitaka Saiki**

**Main career:** Former Vice-Minister of Foreign Affairs, Ministry of Foreign Affairs of Japan  
**Number of years on Board of Directors:** 3 years

Mr. Saiki has served in a succession of key posts at the Ministry of Foreign Affairs of Japan. He possesses profound knowledge of geopolitics developed through foreign diplomacy, as well as important insight into various foreign country risks and an extensive personal network for dealing with these.



**Tsuneyoshi Tatsuoka**

**Main career:** Former Vice-Minister of Economy, Trade and Industry, Ministry of Economy, Trade and Industry of Japan  
**Number of years on Board of Directors:** 2 years

Mr. Tatsuoka has served in a succession of key posts at the Ministry of Economy, Trade and Industry of Japan. He possesses profound knowledge of industrial policy in natural resources and energy, and manufacturing, and domestic and global economic policies and trends, as well as deep insight on sustainability gained through these experiences.



**Shunichi Miyanaga**

**Main career:** Chairman of the Board, Mitsubishi Heavy Industries, Ltd.  
**Number of years on Board of Directors:** 1 year

Based on his deep knowledge of the technology sector, Mr. Miyanaga has many years of experience as Member of the Board, President and CEO of a conglomerate manufacturing listed company that conducts business around the world, and has global business management experience.

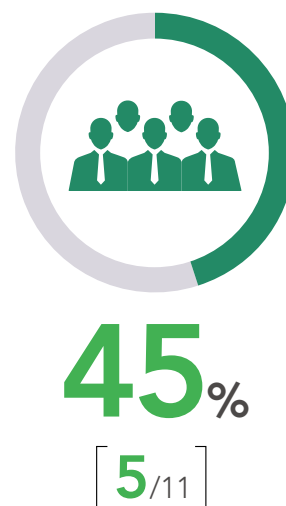


**Sakie Akiyama**

**Main career:** Founder and CEO, Saki Corporation  
 Appointed June 2020

Ms. Akiyama worked as an international management consultant, and based on her deep knowledge in the digital and IT sectors, she started an industrial inspection robotics firm and gained deep insight on innovation that has helped the company grow into a global company.

### Ratio of Independent Outside Directors to Directors\*



\* Based on the status as of July 1, 2020

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

## Independent Outside Audit & Supervisory Board Members



**Yasuko Takayama**

**Main career:** Former Audit & Supervisory Board Member, Shiseido Company, Limited

**Number of years on Audit & Supervisory Board:** 4 years

Ms. Takayama has served in key positions including Full-time Audit & Supervisory Board Member at Shiseido Company, Limited. She possesses profound knowledge of brand strategy, marketing, and sustainability gained at B-to-C companies, and management perspectives nurtured through extensive experience as an Outside Director and Outside Audit & Supervisory Board Member.



**Rieko Sato**

**Main career:** Partner, ISHII LAW OFFICE  
Appointed June 2020

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



**Takeshi Nakao**

**Main career:** CEO, PARTNERS HOLDINGS, Co. Ltd.  
Appointed June 2020

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

### Attendance in the Fiscal Year Ended March 31, 2020

Board of Directors	Convened 14 times; all Outside Directors and Outside Audit & Supervisory Board Members attended 14 times	Attendance rate: 100%	International Advisory Committee	Convened one time; all Committee Members attended	Attendance rate: 100%
Governance, Nomination and Compensation Committee	Convened 4 times; all Committee Members attended 4 times	Attendance rate: 100%	Audit & Supervisory Board	Convened 12 times; all Outside Audit & Supervisory Board Members attended 12 times	Attendance rate: 100%

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

MC endeavors to enhance cooperation among Independent Outside Directors and Independent Outside Audit & Supervisory Board Members by providing opportunities for free discussion about a wide range of themes related to the Company's business management and corporate governance, and these discussions are reported to the Board of Directors as necessary.

#### ■ Main Discussion Themes (Fiscal Year Ended March 31, 2020)

- Planned agenda items for the Governance, Nomination and Compensation Committee
- Enhancement of MC governance and further contribution to be provided by Outside Directors and Outside Audit & Supervisory Board Members
- Future issues based on evaluation of the effectiveness of the Board of Directors



Independent Outside Directors and Independent Outside Audit & Supervisory Board Members for the fiscal year ended March 31, 2020

## Selection Criteria for Outside Directors

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, Nomination and Compensation Committee, which is composed with a majority of Outside Directors and Outside Audit & Supervisory Board Members.

Selection criteria for Outside Directors	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>
Selection criteria for Outside Audit & Supervisory Board Members	<ol style="list-style-type: none"> <li>1. Outside Audit &amp; 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.</li> <li>2. To enable Outside Audit &amp; 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 &amp; Supervisory Board Members.</li> </ol>

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

To make a judgment of independence, MC checks if the person concerned meets the conditions for Independent Directors and Independent Audit & Supervisory Board Members as specified by stock exchanges in Japan such as the Tokyo Stock Exchange, Inc., and whether the person concerned is currently any of the following items (1) to (7) and whether they have been at any time in the past three fiscal years.

(1)	<p>A major shareholder of MC (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such a shareholder<sup>*1</sup>.</p> <p><sup>*1</sup> A member of business personnel refers to a managing director, corporate officer, Executive Officer, or other employee of a company (the same applies hereafter).</p>
(2)	<p>A member of business personnel of a creditor of MC exceeding the threshold set by MC<sup>*2</sup>.</p> <p><sup>*2</sup> Creditors exceeding the threshold set by MC refer to creditors to whom MC owes an amount exceeding 2% of MC's consolidated total assets.</p>
(3)	<p>A member of business personnel of a supplier or a customer of MC exceeding the threshold set by MC<sup>*3</sup>.</p> <p><sup>*3</sup> Suppliers or customers exceeding the threshold set by MC refer to suppliers or customers whose transactions with MC exceed 2% of MC's consolidated revenues.</p>
(4)	<p>A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from MC, other than Directors' or Audit &amp; Supervisory Board Members' remuneration, where the amount exceeds ¥10 million per fiscal year.</p>
(5)	<p>A representative or partner of MC's independent auditor.</p>
(6)	<p>A person belonging to an organization that has received donations exceeding a certain amount<sup>*4</sup> from MC.</p> <p><sup>*4</sup> Donations exceeding a certain amount refer to donations of more than ¥20 million per fiscal year.</p>
(7)	<p>A person who has been appointed as an Outside Director or Outside Audit &amp; Supervisory Board Member of MC for more than eight years.</p>

If a person is still judged to be effectively independent despite one or more of the above items (1) to (7) applying, MC will explain and disclose the reason at the time of their appointment as an Outside Director or Outside Audit & Supervisory Board Member.

# Overview of Remuneration Package

## Basic Approach to the Package

Remuneration levels	<ul style="list-style-type: none"> <li>Levels of remuneration are set based on the functions and roles of the Directors and Audit &amp; Supervisory Board Members, MC's performance level and other factors.</li> <li>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.</li> </ul>
Remuneration composition	<ul style="list-style-type: none"> <li>Remuneration for Executive Directors (Directors for business execution, excluding Chairman of the Board and Outside Directors, hereinafter the same) is linked to medium- to long-term corporate value and shareholder value and designed for greater focus on increasing medium/long-term corporate value.</li> <li>The assurance of independence is necessary for the Chairman of the Board and Outside Directors, who undertake functions of management oversight, and Audit &amp; 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.</li> </ul>
Governance of remuneration	<ul style="list-style-type: none"> <li>The remuneration package and its provision are continually discussed and monitored by the Governance, Nomination and Compensation Committee, a majority of which is Outside Directors and Outside Audit &amp; Supervisory Board Members.</li> </ul>

## Remuneration Package for Directors and Audit & Supervisory Board Members

Remuneration item/ Composition	Key performance indicator (KPI)	Form of payment	Details of remuneration	Executive Directors	Chairman of the Board	Outside Directors	Audit & Supervisory Board Members
Base salary	Fixed: about 20–50%	Cash	- An amount determined according to position, paid monthly.	1	1	1	5
Annual deferral for retirement remuneration			- Fixed amount of annual deferral for retirement remuneration set aside each year; to be paid in full 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	—	—	—
Individual performance bonus	Variable (single year): about 25–35%		- Payment amount determined for each Executive Director based on performance assessments by the President. - 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	—	—	—
Performance linked bonus (short term)	Consolidated net income (single year)		- 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].	2	—	—	—
Performance linked bonus (medium to long term)	Consolidated net income (medium to long term)		- 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.	3	—	—	—
Stock-based remuneration linked to medium- to long-term share performances	Share price/ growth rate in shares (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.	4	—	—

1) to 5) in the table indicate the numbers of limits on remuneration that correspond to each remuneration item. Please refer to page 68 for more details.

(Figures rounded down to nearest million yen)

Item type	Item details	Total remuneration*2 (fiscal year ended March 2020)
1	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).	¥1.372 billion (of which, ¥140 million for Outside Directors)
2	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.	¥164 million
3	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.	¥164 million
4	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).	¥463 million (278,500 shares)
5	Audit & Supervisory Board Member remuneration*1 The annual amount for base salary paid to Audit & Supervisory Board Members shall be up to ¥250 million per year.	¥225 million (of which, ¥59 million for Outside Audit & Supervisory Board Members)
Total		¥2.391 billion

\*1 Approved at the general shareholder's meeting in fiscal year ended March 2020.  
\*2 Please see page 69 to understand Directors' and Audit & Supervisory Board Members' remuneration.

### ■ Calculation Method for Performance-Linked Remuneration (fiscal year ending March 31, 2021)

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

##### (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

President and CEO	(consolidated net income [attributable to owners of MC] in the fiscal year ending March 31, 2021 – ¥440 billion) × 0.025% + 0.35 (¥100 million)
Executive Vice President	(consolidated net income [attributable to owners of MC] in the fiscal year ending March 31, 2021 – ¥440 billion) × 0.0075% + 0.105 (¥100 million)

Note: The payment amount will be zero if consolidated net income is lower than the consolidated capital cost. Consolidated capital cost for the fiscal year ending March 2021 is ¥410 billion.

#### Maximum Payment and Total for Each Position

Position	Maximum payment amount	Number of persons	Total
President and CEO	¥175 million	1	¥175 million
Executive Vice President	¥52.5 million	4	¥210 million
Total		5	¥385 million

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

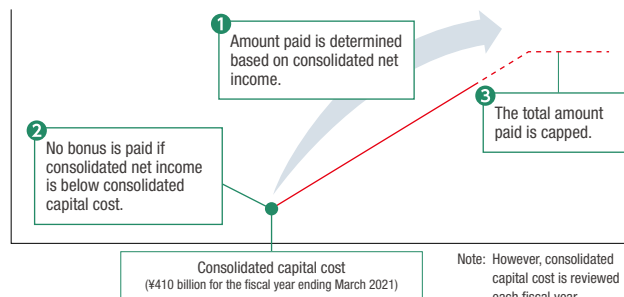
##### (1) Upper limit on total payment

Same as performance-linked bonus (short term)

##### (2) Individual payments

President and CEO	(Average consolidated net income [attributable to owners of MC] for the three fiscal years ending March 31, 2021, March 31, 2022, and March 31, 2023 – ¥440 billion) × 0.025% + 0.35 (¥100 million)
Executive Vice President	(Average consolidated net income [attributable to owners of MC] for the three fiscal years ending March 31, 2021, March 31, 2022, and March 31, 2023 – ¥440 billion) × 0.0075% + 0.105 (¥100 million)

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



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

##### (1) Upper limit on total payment

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

##### (2) Conditions for exercise of stock options

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

\*Market conditions

#### ■ Number of stock acquisition rights that can be exercised by each position

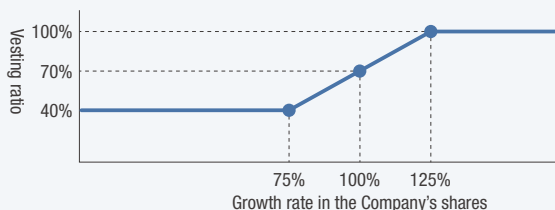
Initial number of allocated stock acquisition rights for the position (based on position as of April 1, 2020) × vesting ratio

#### ■ Stock options initially allocated by position

President and CEO	127,700 shares (1,277 options)
Executive Vice President	35,100 shares (351 options)

#### ■ Vesting ratio

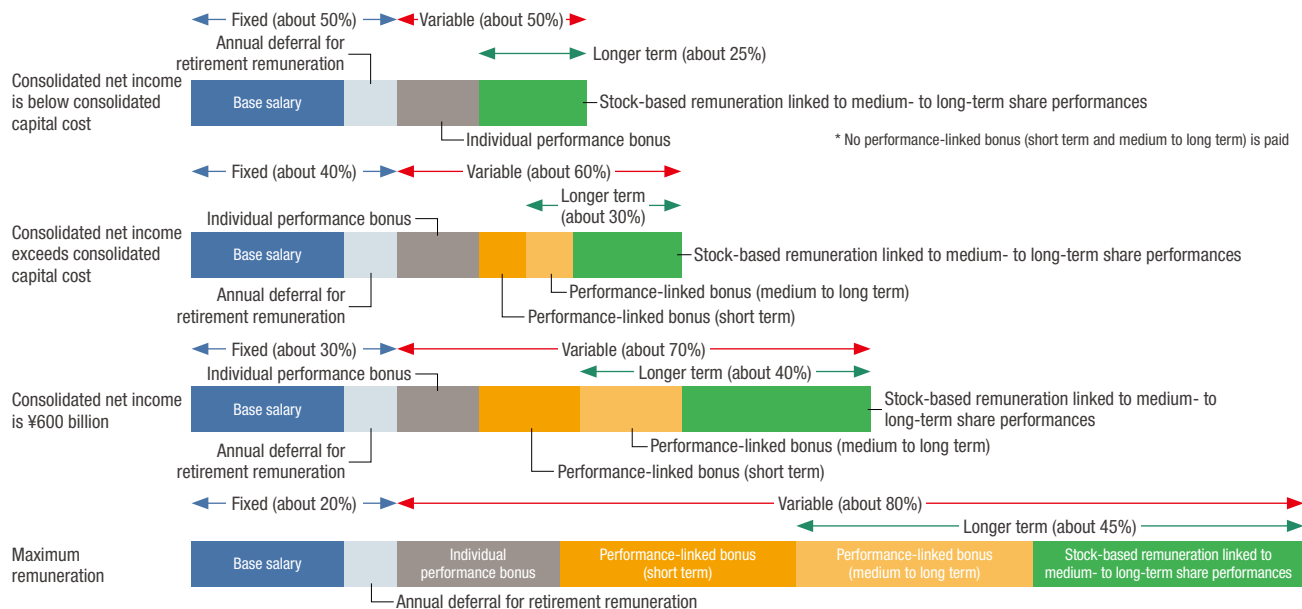
The vesting ratio varies, as shown right, depending on the growth rate in the Company's shares over the three-year period from the allocation date.



#### ■ 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)

## 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.

## 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 in 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 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 in 2019, subject to discussions by the Audit & Supervisory Board Members.

## Directors' and Audit & Supervisory Board Members' Remuneration: Total Amounts and Number of Eligible Persons in the Fiscal Year Ended March 31, 2020

(Unit: millions of yen)

Title	Total remuneration	Base salary		Annual deferral for retirement remuneration		Individual performance bonus		Performance-linked bonus (short term)		Performance-linked bonus (medium to long term)		Stock-based remuneration linked to medium- to Long-term share performances	
		Eligible persons	Total	Eligible persons	Total	Eligible persons	Total	Eligible persons	Total	Eligible persons	Total	Eligible persons	Total
In-house Directors	2,025	10	745	9	97	7	390	7	164	7	164	9	463
Outside Directors	140	6	140	—	—	—	—	—	—	—	—	—	—
Full-time Audit & Supervisory Board Members	166	3	166	—	—	—	—	—	—	—	—	—	—
Outside Audit & Supervisory Board Members	59	3	59	—	—	—	—	—	—	—	—	—	—

(Figures rounded down to nearest million yen)

Notes:

- The above figures include 3 Directors and 1 Audit & Supervisory Board Member who retired during the fiscal year ended March 31, 2020. 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, 2020.
- The above amounts of individual performance bonus represent the amounts provided for in the fiscal year ended March 31, 2020.
- The above amounts for performance-linked bonus (short term) is determined based on consolidated net income of 535.4 billion yen for the fiscal year ended March 31, 2020, based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.
- The above amounts for performance-linked bonus (medium to long-term) is paid on an average of the consolidated net income for the fiscal years ended March 31, 2020 to 2022, but as this cannot be decided currently, the amount shown is that provided for in the fiscal year ended March 31, 2020.  
The actual amount paid will be based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors, and the amount disclosed in the Fiscal 2021 Business Report.
- The above amounts for stock-based remuneration linked to medium- and long-term share performances (stock options with market conditions) is the amount recorded as an expense granted for the fiscal year ended March 31, 2020. In regard to stock-based remuneration linked to medium- and long-term share performances, the number of exercisable shares will be determined according to the growth rate in the company's shares over three years from being granted, based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.
- 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, 2020 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 120 million yen to 70 Directors (Outside Directors were ineligible for payment).  
Mitsubishi Corporation paid 6 million yen to 7 Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment).

# *Our Outline*

## SECTION 04

### **Reference Information**







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## Members of the Board and Audit & Supervisory Board Members (As of July 1, 2020)

### Members of the Board



**Ken Kobayashi**

2016 Chairman of the Board (present position)  
2010 Member of the Board, President and CEO  
1971 Joined MC



**Takehiko Kakiuchi\*1**

2016 Member of the Board, President and CEO (present position)  
1979 Joined MC



**Kazuyuki Masu\*1**

2019 Member of the Board, Executive Vice President, Corporate Functional Officer, CFO (present position)  
2017 Member of the Board, Executive Vice President, Corporate Functional Officer, CFO, IT  
2016 Member of the Board, Executive Vice President, Corporate Functional Officer, CFO  
1982 Joined MC



**Shinya Yoshida\*1**

2020 Member of the Board, Executive Vice President, Corporate Functional Officer, Business Development for Japan (Concurrently)  
General Manager, Kansai Branch (present position)  
2019 Member of the Board, Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan (Concurrently)  
General Manager, Kansai Branch  
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)



**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)  
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")

### Audit & Supervisory Board Members



**Shuma Uchino**

2019 Full-time Audit & Supervisory Board Member (present position)  
2018 Senior Audit & Supervisory Board Member (full-time)  
1978 Joined MC



**Hajime Hirano**

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



**Yasuko Takayama\*3**

2016 Full-time Audit & Supervisory Board Member, MC (present position)  
2011 Full-time Audit & Supervisory Board Member, Shiseido Company, Limited (resigned in June 2015)  
1980 Joined Shiseido Company, Limited



**Rieko Sato\*3**

2020 Audit & Supervisory Board Member, MC (present position)  
1998 Partner, ISHII LAW OFFICE (present position)  
1989 Shearman & Sterling LLP (resigned in July 1990)  
1984 Admitted to the Bar of Japan



### Akira Murakoshi

2020 Member of the Board, Executive Vice President, Corporate Functional Officer, CDO, Human Resources, Global Strategy (present position)  
 2017 Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Human Resources  
 1982 Joined MC



### Masakazu Sakakida\*1

2020 Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Communications, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (present position)  
 2019 Member of the Board, Executive Vice President, Corporate Functional Officer, Corporate Sustainability & CSR, Corporate Administration, Legal (Concurrently) Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters  
 2017 Member of the Board, 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



### Sakie Akiyama\*2

2020 Member of the Board, MC (present position)  
 2018 Founder, Saki Corporation (present position)  
 1994 Founder and CEO, Saki Corporation  
 1987 Joined Arthur Andersen & Co. (Currently Accenture PLC) (resigned in April 1991)

\*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.

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



### Takeshi Nakao\*3

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

\*3 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.

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

## Executive Officers (As of July 1, 2020)

### President

Takehiko Kakiuchi\*

### Executive Vice Presidents

Kazuyuki Masu\*

Corporate Functional Officer,  
CFO

Takeshi Hagiwara

Group CEO,  
Petroleum & Chemicals Group

Shinya Yoshida\*

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

Yutaka Kyoya

Group CEO, Consumer Industry Group

Iwao Toide

Group CEO, Automotive & Mobility Group

Akira Murakoshi\*

Corporate Functional Officer, CDO,  
Human Resources, Global Strategy

Masakazu Sakakida\*

Corporate Functional Officer,  
Corporate Communications,  
Corporate Sustainability & CSR,  
Corporate Administration,  
Legal (Concurrently) Chief Compliance Officer,  
Officer for Emergency Crisis Management  
Headquarters

Mitsumasa Icho

Group CEO, Urban Development Group

Norikazu Tanaka

Group CEO, Mineral Resources Group

Hidenori Takaoka

President, Mitsubishi Corporation (Americas)  
(Concurrently) General Manager,  
Corporate Management Support Office  
(Americas)

Kotaro Tsukamoto

Group CEO, Industrial Materials Group

Katsuya Nakanishi

Group CEO, Power Solution Group

Jun Nishizawa

Group CEO, Natural Gas Group

Norio Saigusa

Group CEO, Food Industry Group

Aiichiro Matsunaga

Group CEO,  
Industrial Infrastructure Group

Yasuteru Hirai

President, Mitsubishi Corporation China Co., Ltd.,  
(Concurrently) General Manager, Beijing Branch,  
Mitsubishi Corporation China Co., Ltd.

### Senior Vice Presidents

Tsunehiko Yanagihara

EVP, Mitsubishi Corporation (Americas)  
[Work location: Silicon Valley]  
(Concurrently) General Manager, Silicon Valley  
Branch, Mitsubishi Corporation (Americas)

Nodoka Yamasaki

Division COO, Healthcare Div.

Tatsuo Nakamura

Division COO, Automotive Business Div.

Osamu Takeuchi

General Manager,  
Petroleum & Chemicals Group CEO Office

Kazunori Nishio

Division COO, Retail Div.

Koji Kishimoto

Division COO, Food Sciences Div.

Eisuke Shiozaki

Division COO, Carbon Div.

Yoshinori Katayama

Managing Director,  
Mitsubishi Corporation International (Europe) Plc.

Yoshifumi Hachiya

General Manager,  
Business Investment Management Dept.

Hisashi Ishimaki

General Manager,  
Automotive & Mobility Group CEO Office

Takuya Kuga

General Manager,  
Urban Development Group CEO Office

Yasumasa Kashiwagi

Division COO, Fresh Food Products Div.

Hiroki Haba

Division COO, Petroleum Div.

Yutaka Kashiwagi

General Manager,  
Power Solution Group CEO Office

Keiichi Shiobara

Division COO,  
Mineral Resources Trading Div.

Takeshi Arakawa

Division COO, Consumer Products Div.

Shigeru Wakabayashi

Division COO, Isuzu Business Div.

Koichi Seri

Division COO,  
Mineral Resources Investment Div.  
(Concurrently) General Manager, MDP Dept.

Yasuhiro Kawakami

Seconded to Cermaq Group AS (Chair of the Board)

Kenji Ota

General Manager, Headquarters for the Middle East

Yuzo Nouchi

General Manager, Corporate Accounting Dept.

Masaru Saito

Division COO, North America Div.

Koji Ota

Division COO, Plant Engineering Div.

Makoto Okawara

General Manager, Finance Dept.

Kiyotaka Kikuchi

General Manager, Consumer Industry Group CEO Office

Naoshi Ogikubo

Division COO, Urban Development Div.

Yoshiyuki Nojima

General Manager, Legal Dept.

Akihiko Takada

Division COO, Asia-Pacific Div.

Tetsuo Kawate

General Manager, Global Human Resources Dept.

Kyoya Kondo

Division COO, Mobility Business Div.

Yasuyuki Asakura

Division COO, International Power Div.

Ko Imamura

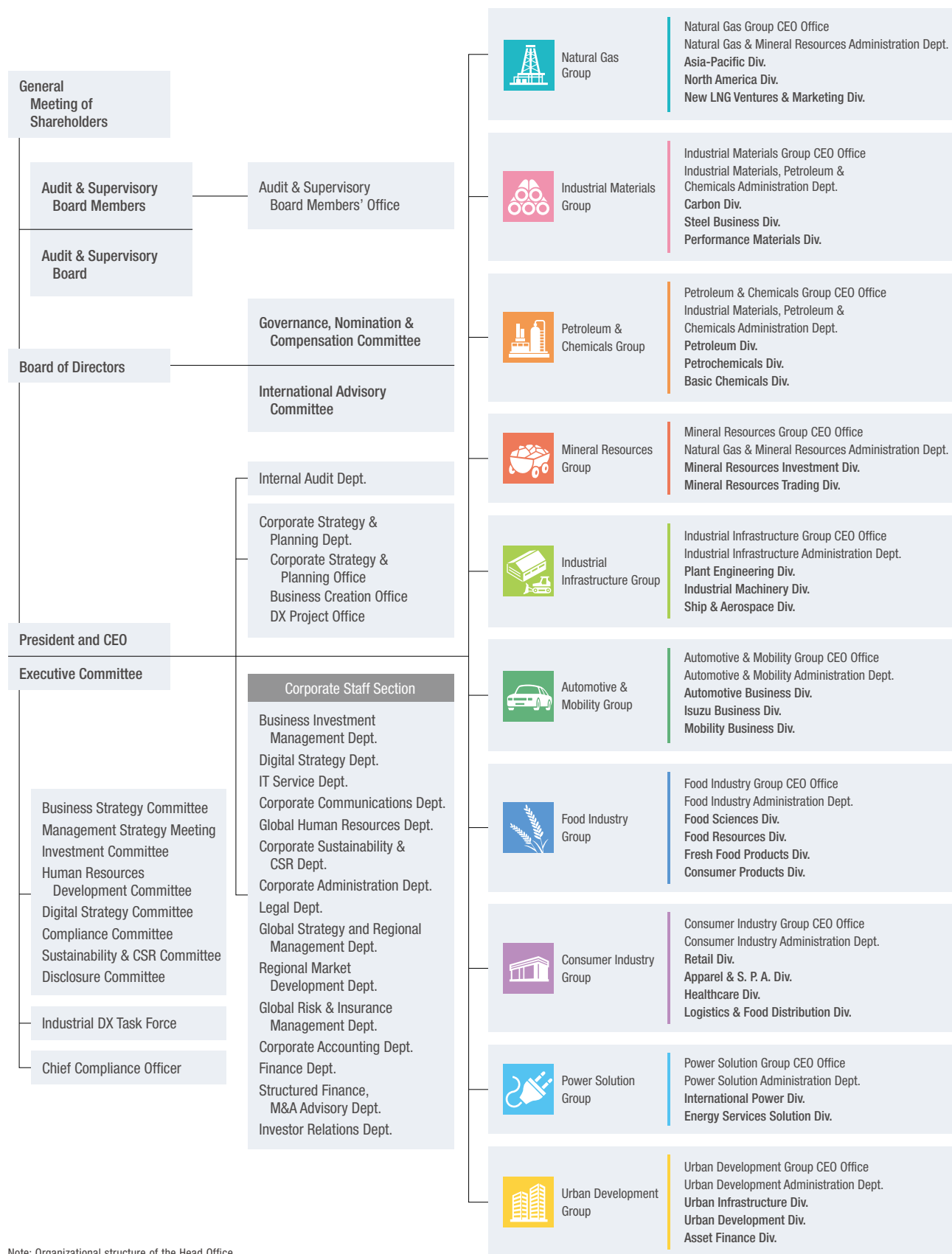
Division COO, Performance Materials Div.

Sadahiko Haneji

Seconded to Mitsubishi Development Pty Ltd  
(Managing Director & CEO)










\* Indicates a Director.

# Organizational Structure (As of July 1, 2020)



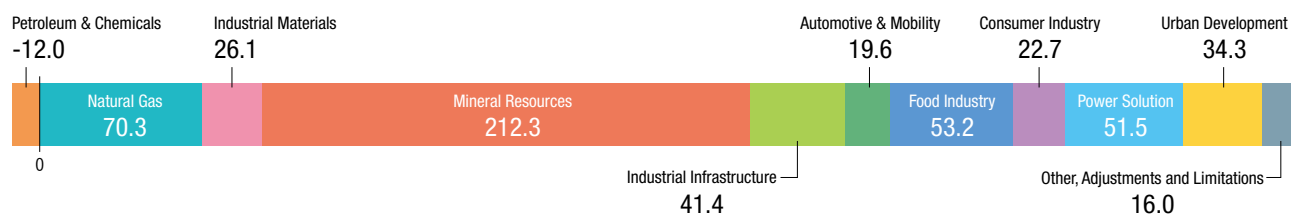
Note: Organizational structure of the Head Office

## Business Groups at a Glance (Year ended March 2020)

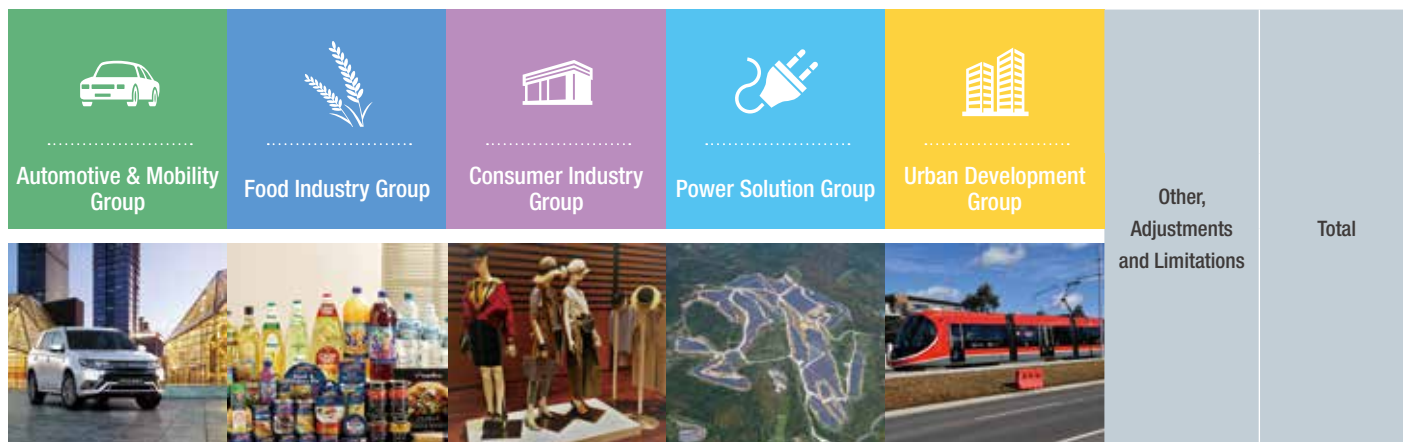
Business Groups	 Natural Gas Group	 Industrial Materials Group	 Petroleum & Chemicals Group	 Mineral Resources Group	 Industrial Infrastructure Group
					
Divisions	<ul style="list-style-type: none"> <li>Asia-Pacific Div.</li> <li>North America Div.</li> <li>New LNG Ventures &amp; Marketing Div.</li> </ul>	<ul style="list-style-type: none"> <li>Carbon Div.</li> <li>Steel Business Div.</li> <li>Performance Materials Div.</li> </ul>	<ul style="list-style-type: none"> <li>Petroleum Div.</li> <li>Petrochemicals Div.</li> <li>Basic Chemicals Div.</li> </ul>	<ul style="list-style-type: none"> <li>Mineral Resources Investment Div.</li> <li>Mineral Resources Trading Div.</li> </ul>	<ul style="list-style-type: none"> <li>Plant Engineering Div.</li> <li>Industrial Machinery Div.</li> <li>Ship &amp; Aerospace Div.</li> </ul>

Net Income (loss)*	70.3	26.1	-12.0	212.3	41.4
Total Assets	1,519.8	1,274.0	892.8	3,005.7	1,184.6
Investment accounted for using the equity method	680.8	142.6	130.1	455.0	199.3
Property, plant, equipment and investment property	111.5	109.4	61.5	655.1	157.0
Intangible assets and goodwill	3.0	11.7	4.2	1.3	134.8
Other investments	355.0	94.9	79.9	302.3	44.9
ROA	5%	2%	-1%	7%	3%

Year Ended March 2020 Net Income\* **¥535.4 billion**



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

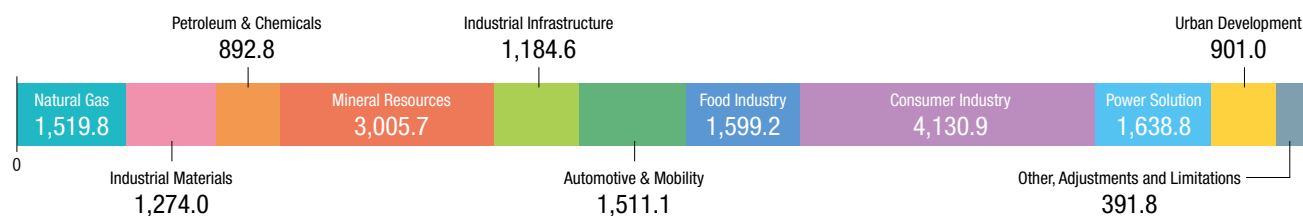


- Automotive Business Div.
- Food Sciences Div.
- Retail Div.
- International Power Div.
- Urban Infrastructure Div.
- Isuzu Business Div.
- Food Resources Div.
- Apparel & S.P.A. Div.
- Energy Services Solution Div.
- Urban Development Div.
- Mobility Business Div.
- Fresh Food Products Div.
- Healthcare Div.
- Asset Finance Div.
- Consumer Products Div.
- Logistics & Food Distribution Div.

(Unit: billions of yen)

19.6	53.2	22.7	51.5	34.3	16.0	535.4
1,511.1	1,599.2	4,130.9	1,638.8	901.0	391.8	18,049.7
332.5	310.9	165.3	319.3	482.3	1.5	3,219.6
31.2	275.9	345.3	453.3	57.4	87.3	2,344.9
10.6	154.4	733.8	331.6	2.1	35.3	1,422.8
74.0	77.5	306.9	19.9	123.0	229.8	1,708.1
1%	3%	1%	3%	4%	—	3%

Year Ended March 2020 Total Assets **¥18,049.7 billion**





# NATURAL GAS

## NATURAL GAS GROUP

### > OUR VISION

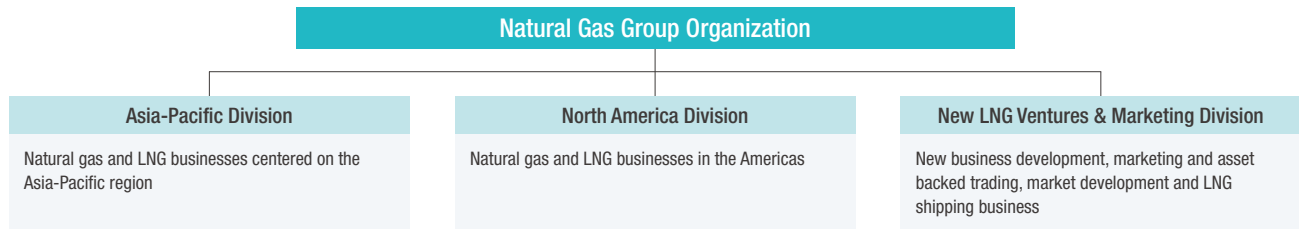
Demand for natural gas (LNG), which has a low impact on the environment, is increasing due to growing global interest in environmental initiatives as well as increasing energy demand created by population growth. Our goal is to achieve economical, societal, and environmental value through stable supply of natural gas and other energy resources by leveraging our 50 years of expertise in the LNG business.

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

西澤淳



### Natural Gas Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>• Transition to renewable energy</li> <li>• Deteriorating profitability due to the introduction of carbon taxes</li> <li>• Exhaustion of fossil fuel sources including natural gas</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in demand for natural gas due to the switching from coal and the need to compensate for the intermittent nature of renewable energy</li> <li>• Increase in recoverable reserves due to innovations in technology</li> </ul>

### Elements of the Midterm Corporate Strategy 2021

In addition to strengthening the existing businesses and completing the projects under construction in a timely manner, we aim to expand earnings in the LNG business by participating in competitive new projects, strengthening sales capabilities, and developing new markets. We also recognize climate change as one of the Group's most important issues, and will work to reduce CO<sub>2</sub> emissions while promoting a stable supply of environmentally low-impact LNG.

### Progress for the fiscal year ended March 31, 2020

- Enhanced profitability in existing businesses by reduction of recurring costs.
- The Cameron LNG trains 1/2/3 started production in May/December 2019 and May 2020 respectively. Construction progressed at Indonesia Tangguh (Expansion) and LNG Canada projects with production beginning in 2020 and in the mid-2022s, respectively.
- In order to expand earnings in the LNG business, we conducted studies on participation in new projects, and development of emerging markets.



## > EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3	
<b>LNG business</b>							
1	LNG business-related equity method income*	—	3.6	37.8	42.8	61.9	45.7
	LNG business-related dividend income (after tax)	—	33.0	34.6	43.1	55.3	47.0
<b>Shale gas business</b>							
2	Shale gas business-related consolidated net income	—	-9.6	-15.1	-15.5	-10.5	-17.0

\*In addition to the LNG business-related equity method income listed above, the Industrial Infrastructure Group's equity method income amounted to 0.3 billion yen (fiscal year ended March 31, 2019) and 0.3 billion yen (fiscal year ended March 31, 2020).

## > INVOLVEMENT IN LNG PROJECTS

### Existing Projects in Production

Project	Beginning of production	Annual production capacity (million ton)			Buyer	Seller	Shareholding	MC's participation (years)	Business segment**
		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	A B C D
Malaysia I (Satu)	1983	8.4	0.42	5%	JERA, Tokyo Gas, Saibu Gas, etc.	Malaysia LNG	Petronas (90%), Sarawak gov. (5%), MC (5%)	1978	A B C D
Malaysia II (Dua)	1995	9.6	0.96	10%	Tohoku Electric, Tokyo Gas, Shizuoka Gas, Sendai City Gas, JXTG Holdings, CPC, etc.	Malaysia LNG	Petronas (80%), Sarawak gov. (10%), MC (10%)	1992	A B C D
Malaysia III (Tiga)	2003	7.7	0.31	4%	Tohoku Electric, 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] (5%)	2000	A B C D
North West Shelf	1989	16.9	1.41	8.33%	JERA, Tokyo Gas, Shizuoka Gas, Toho Gas, Kansai Electric, Osaka Gas, Chugoku Electric, Kyushu Electric, Guangdong Dapeng LNG	NWS JV	Shell, BP, BHP, Chevron, Woodside, MIMI [MC/Mitsui & Co. = 50:50], 1/6 respectively	1985	A B C D
Oman	2000	7.1	0.20	2.77%	Osaka Gas, Korea Gas, Itochu Corporation, BP	Oman LNG	Oman gov. (51%), Shell (30%), Total (5.54%), MC (2.77%), etc.	1993	A B C D
Qalhat	2005	3.3	0.13	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	A B C D
Russia Sakhalin II	Oil: 2008 (year-round production), LNG: 2009	9.6	0.96	10%	JERA, Tokyo Gas, Kyushu Electric, Toho Gas, Hiroshima Gas, Tohoku Electric, Saibu Gas, Osaka Gas, Korea Gas, Shell, Gazprom	Sakhalin Energy	Gazprom (50% + 1 share), Shell (27.5% - 1 share), Mitsui & Co. (12.5%), MC (10%)	1994 (PSA conclusion)	A B C D
Indonesia Tangguh	2009	7.6	0.75	9.92%	Tohoku Electric, Kansai Electric, SK E&S, POSCO, Fujian LNG, Semptra Energy, etc.	Tangguh JV	BP (40.2%), MI Berau [MC/INPEX = 56:44] (16.3%), KG Berau [MIBJ (MC/INPEX = 56:44) 16.5%, Mitsui & Co. 20.1%, JX Nippon Oil & Gas Exploration 14.2%, JOGMEC 49.2%] (8.6%), etc. (★)	2001	A B C D
Indonesia Donggi-Senoro	2015	2.0	0.9	44.90%	JERA, Korea Gas, Kyushu Electric, 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	A B C D
Wheatstone	2017	8.9	0.28	3.17%	Chevron, KUFPEC, Woodside, Kyushu Electric, PEW	Equity Lifting*2	Chevron (64.136%), KUFPEC (13.4%), Woodside (13%), Kyushu Electric (1.464%), PEW (8%; of which MC holds 39.7%)	2012	A B C D
Cameron	2019*3	12.0	4.0*4	33.3%**	MC, Mitsui & Co., Total (Toller)	Tolling*2	Semptra Energy (50.2%), Japan LNG Investment [MC/NYK = 70:30] (16.6%), Mitsui & Co. (16.6%), Total (16.6%)	2012	A B C D
<b>Total</b>		<b>100.3</b>	<b>12.12</b>						

### Projects Under Construction

Project	Beginning of production	Annual production capacity (million ton)			Buyer	Seller	Shareholding	MC's participation (years)	Business segment**
		Total	MC's share						
Indonesia Tangguh (Expansion)	2022	3.8	0.38	9.92%	PLN, Kansai Electric	Tangguh JV	Same as (★)	2001	A B C D
LNG Canada	Mid-2020s	14.0	2.1	15%	Shell, Petronas, PetroChina, MC, Korea Gas	Equity Lifting*2	Shell (40%), Petronas (25%), PetroChina (15%), MC (15%), Korea Gas (5%)	2010	A B C D
<b>Total</b>		<b>17.8</b>	<b>2.48</b>						

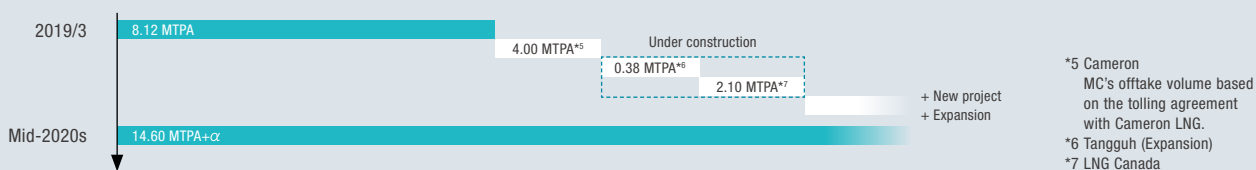
\*1 Business segment **A**: Investment in exploration & development (upstream), **B**: Investment in liquefaction plant, **C**: Marketing and/or import agent, **D**: Shipping

\*2 LNG is procured and sold by each company according to the ratio of interest (Equity Lifting Model) / equity in the liquefaction contract (Tolling Model).

\*3 Train 1/2/3 started production in May/December 2019 and May 2020, respectively

\*4 MC's offtake volume based on the tolling agreement with Cameron LNG (3 series in total).

## > PRODUCTION SHARE CAPACITY AND PROJECTED GROWTH





# INDUSTRIAL MATERIALS

## INDUSTRIAL MATERIALS GROUP

### > OUR VISION

Our Group aims to create a sustainable society through innovative transformation in the material industries.

**Kotaro Tsukamoto**

Executive Vice President  
Group CEO, Industrial Materials Group



### Industrial Materials Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Decrease in demand and supply for steel products due to tighter regulations for industries that emit CO<sub>2</sub></li> </ul>	<ul style="list-style-type: none"> <li>Increase in demand for carbon products in conjunction with the spread of electric furnaces for steelmaking and electric vehicles (EV)</li> <li>Innovation in the materials industry through the use of digital technologies</li> </ul>

### Elements of the Midterm Corporate Strategy 2021

Against a backdrop of an increasingly competitive environment, diversifying material needs are likely to present new business opportunities. Our mission is to redefine the role MC can play in providing solutions to the industries in which it operates and focus resources in areas where it can leverage its strengths and capabilities, Automotive & Mobility, as well as Construction & Infrastructure. With 85% of our Group profits covering these sectors, we are taking advantage of the know-how and experience that we have built up through them to strengthen our profit base.

### Progress for the fiscal year ended March 31, 2020

As we move toward a business model that works across industries, we are shifting management resources to business fields that have independence and are expected to grow, as well as expanding MC's stock of functions.

> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

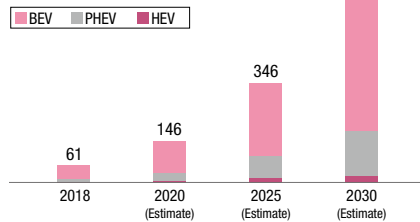
	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3
1 Metal One Corporation*	60.00	10.0	13.5	14.0	15.3	11.8
2 Mitsubishi International PolymerTrade Corporation	100.00	0.6	0.5	0.7	0.7	0.6
3 CAPE FLATTERY SILICA MINES	100.00	0.6	0.9	0.4	0.7	0.4

\* Equity in earnings of Metal One Corporation has been calculated in accordance with J-GAAP through the year ended March 31, 2017 and IFRS since the year ended March 31, 2018.

> CARBON BUSINESS

Market Projections for Automotive LiBs

(Unit: GWh)



Source: Arthur D. Little

PMC Tech Co., Ltd.

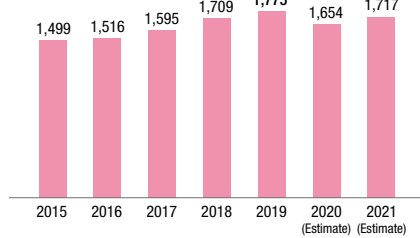
PMC Tech is a joint venture of Posco Chemical, Mitsubishi Chemical Corporation, and MC for the manufacturing and sale of coal-based needle coke. The aim of this business is to capture the growth of revenue and the increased market for graphite electrode and lithium-ion batteries (LiB) together with the medium- to long-term trend toward the adoption of electric furnaces for steelmaking and EVs.



> STEEL BUSINESS

Changes in the Demand for Steel

(Unit: million tons)



Source: World Steel Association

Metal One Corporation

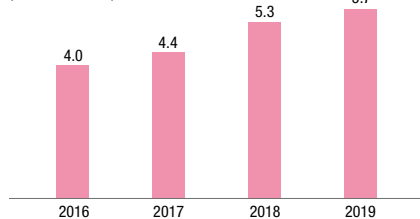
Metal One (a joint venture of MC and Sojitz) processes, distributes, and sells steel products and has over 140 bases worldwide. In response to the projected stable demand for steel based on population growth and economic growth in emerging markets, Metal One seeks to expand revenue by reinforcing overseas business.



> PERFORMANCE MATERIALS BUSINESS

Demand for Imported Silica Sand in Asia

(Unit: million tons)



Source: Trade Statistics of countries in Asia

Cape Flattery Silica Mines Pty., Ltd.

Cape Flattery operates the world's largest reserves of silica sand and manufactures as well as sells high-quality silica sand as a raw material for glass. In regard to annual shipment volume, Cape Flattery's reserves have the top share of seaborne trade within Asia, which is the largest region. Looking toward the future, the company seeks to achieve business expansion in these markets with high growth potential while continuing to ensure safe operation.





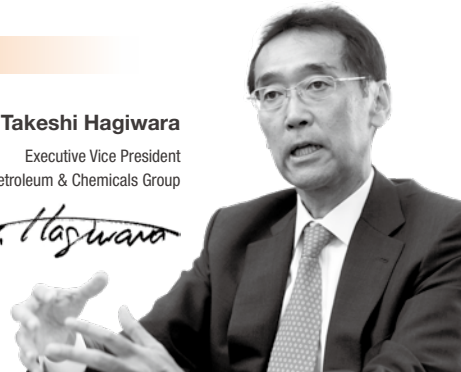
# PETROLEUM & CHEMICALS

## PETROLEUM & CHEMICALS GROUP

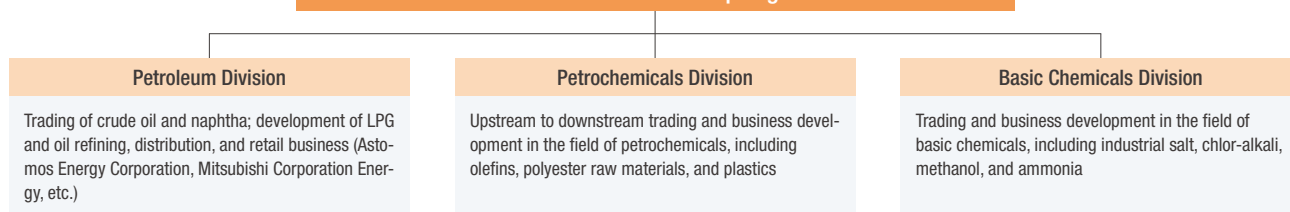
### > OUR VISION

The transition to a low-carbon society and growing attention to environmental initiatives, which will affect the future business value in the petroleum and chemicals industries, are two of our most important challenges. Our Group aims to contribute to resolving these challenges by creating and growing businesses that generate triple-value growth simultaneously.

**Takeshi Hagiwara**  
Executive Vice President  
Group CEO, Petroleum & Chemicals Group



### Petroleum & Chemicals Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Higher environmental awareness concerning plastics</li> <li>Stricter regulations and acceleration of withdrawal trend for industries that are using fossil fuels</li> <li>Decline in the demand for gasoline due to advancement in CASE* vehicles, a declining population, and other such factors</li> </ul> <p>*Connected, Autonomous, Shared/Service, and Electric</p>	<ul style="list-style-type: none"> <li>Increase in demand for recycled plastics</li> <li>Adoption of next-generation energy</li> <li>Development of e-commerce/networking businesses that utilize service stations</li> </ul>

### Elements of the Midterm Corporate Strategy 2021

In addition to the industry challenges of building low-carbon, recycle-oriented business models and responding to the adoption of next-generation energy, the four top priorities of the Group also include stronger businesses in downstream and service segments that help redefine the position of the Group, as well as value creation through digital transformation (DX). The transitioning and strengthening of core businesses and the creation of new businesses will enhance MC revenues in quantity and quality.

### Progress for the fiscal year ended March 31, 2020

As an initiative to achieve low-carbon, recycling-oriented business models, MC joined a PET chemical recycling business in the polyester supply chain, which is a strength of the Group. In the future, MC will strengthen initiatives for procuring and supplying in a sustainable manner, which is one of the Key Sustainability Issues, by supporting the changing needs for plastic and creating and developing businesses with the aim of fostering triple-value growth. MC has also begun and is advancing support for the adoption of next-generation energy such as CO<sub>2</sub>-free ammonia, which could become a part of next-generation energy.

## &gt; EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3
1 Astomos Energy Corporation	49.00	1.8	1.7	3.0	-0.8	1.1
2 SPDC Ltd.	33.34	13.7	8.9	12.0	11.8	2.7
3 Mitsubishi Corporation Energy Co., Ltd.*	100.00	2.1	2.4	2.8	2.0	2.6
4 Mitsubishi Shoji Chemical Corporation	100.00	1.3	1.3	1.6	1.7	1.4
5 Mitsubishi Corporation Plastics Ltd.	100.00	1.6	1.9	2.5	3.0	2.6

\*Name changed from MITSUBISHI SHOJI SEKIYU, CO., LTD. from the fiscal year ended March 31, 2016.  
Note: Equity in earnings of affiliated companies at each company listed above is also included.

## &gt; BUSINESS OVERVIEW OF THE PETROLEUM &amp; CHEMICALS GROUP

## PETROLEUM DIVISION

**Car Frontier Co., Ltd. (Automotive Maintenance E-commerce/Networking Business)**

Car Frontier is a subsidiary of Mitsubishi Corporation Energy that plans, develops, and operates multiple e-commerce services to connect drivers with retailers, such as gas stations and auto shops, through web services. The company provides new services with a high level of convenience to drivers to realize a better lifestyle for car-owners. In the spring of 2020, the tire e-commerce service "TIREHOOD," which provides users complete web services from purchasing tires to booking installations, split off as BEAD Inc. AUTOBACS SEVEN CO., LTD., also invested in and jointly operates this company. In the future, Car Frontier will build cross-industry maintenance platforms and expand its business, such as vehicle inspections and oil changes, centered on the "timy" car maintenance and booking service application.



## PETROCHEMICALS DIVISION

**Renewable Materials Business (PET Chemical Recycling Business)**

MC acquired a third-party allotment of shares in Thai Shinkong Industry Corporation Ltd. (TSIC), which produces PET resins for beverage bottles in Thailand, and increased its subscription share to 34%. PET is a mono-material boasting excellent transparency, glossiness, and barrier properties. Highly recyclable due to well-established collection and recycling facilities, PET has a wide range of applications, including in both beverage and food containers as well as textiles used in clothing. With greater environmental awareness about plastics and pressure to transition to circular economies worldwide, TSIC is expanding PET production capacity and also plans to produce recycled PET resins by adopting chemical recycling technologies. MC deployed management executives to TSIC to contribute to its business management and to help realize a circular economy through sales of recycled PET resins that meet the growing needs of the market.



## BASIC CHEMICALS DIVISION

**CGCL (Methanol Production and Sales Business)**

Caribbean Gas Chemical Limited (CGCL), established in 2013 in Trinidad and Tobago, completed construction in June 2020, and is set to start commercial operation in the third quarter of fiscal year 2020. The company has production capabilities with the ability to produce 1 million tons of methanol and 20 thousand tons of dimethyl ether each year, and uses the abundant natural gas reserves of Trinidad and Tobago as raw materials. Methanol is used for a wide range of applications, such as adhesives, agricultural chemicals, coatings, synthetic resins, and raw materials for synthetic fibers, and demand worldwide is growing. Dimethyl ether is also a next-generation clean energy gaining traction as a diesel fuel alternative for automobiles and power generation. The extensive plant construction and operation track record of MC partners are expected to provide stable operation and will solidify MC's business dominance in methanol sales capabilities, which account for a 10% share of the global market.





# MINERAL RESOURCES

## MINERAL RESOURCES GROUP

### > OUR VISION

Our Group has transformed its business model from trading to minority investment, and now to a businesses management model in accordance with changes in the external business environment. From now, as the next stage, we aim to become an influencer by moving our business toward the center of the industry.

**Norikazu Tanaka**  
Executive Vice President  
Group CEO, Mineral Resources Group

*Norikazu Tanaka*



### Mineral Resources Group Organization

#### Mineral Resources Investment Division

Management of mineral resources related assets such as metallurgical coal, copper, iron ore, and aluminum

#### Mineral Resources Trading Division

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

### Risks and Opportunities in Light of Changes in the External Environment

#### Risks

- Reduced demand for metallurgical coal due to a greater proportion of steel production coming from methods with low greenhouse gas emissions

#### Opportunities

- Increased demand for copper associated with the expanding use of electric vehicles (EV) and the adoption of renewable energy generation facilities

### Elements of the Midterm Corporate Strategy 2021

With metallurgical coal and copper as our main pillars, our mission is to further enhance the competitive advantage as well as the quality of its world-class quality assets, while delivering long-term sustainability in ways which are good for the environment and for the supply chain. We will leverage the know-how we have built up to strengthen our competitiveness by improving the level of self-management in each business and become more relevant in project management to further upgrade our organizational competencies.

### Progress for the fiscal year ended March 31, 2020

- As a growth initiative, development is underway at the Quellaveco copper mine.
- To make the mineral resources investment portfolio more resilient, in the fiscal year ended March 31, 2020, we completed our withdrawal from the Clermont thermal coal mine, the Western Australian iron ore development project, and Heric Ferrochrome Pty Ltd (Chrome ore mining/Ferrochrome production).
- Our degree of involvement at the management level in each joint venture is enhanced by reinforcing the management platform and functionality of Mitsubishi Development Pty Ltd (MDP) and M.C. Inversiones Limitada, which are main business companies of the mineral resources business.

> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3	
<b>Metallurgical Coal Business</b>							
1	MITSUBISHI DEVELOPMENT PTY LTD (Australia)	100.00	-57.7	127.1	198.0	246.9	118.7
<b>Copper Business</b>							
2	JECO CORPORATION*1	70.00	0.0	3.5	14.8	16.1	10.5
3	JECO 2 LTD (UK)*1	50.00	-0.3	0.5	3.0	3.3	2.2
4	MC COPPER HOLDINGS B.V. (Netherlands)*2	100.00	1.5	2.4	3.8	2.6	2.9
5	MC RESOURCE DEVELOPMENT LTD. (UK)*3	100.00	-279.5	-8.4	3.5	1.4	-1.3
<b>Copper Business (dividend income)</b>							
6	Antamina (Peru)	10.00	4.2	9.2	12.8	8.6	5.0

\*1 Investment company for Escondida copper mine in Chile. (MC's indirect shareholding in Escondida copper mine is 8.25%, through both JECO CORPORATION and JECO 2 LTD.)  
 \*2 Investment company for Los Pelambres copper mine in Chile. (MC's shareholding in Los Pelambres through indirect investment: 5%)  
 \*3 Investment company for Anglo American Sur, S.A. in Chile. (MC's shareholding in Anglo American Sur through indirect investment: 20.4%.)

> METALLURGICAL COAL BUSINESS



BMA (Australia)

**One of the World's Largest Suppliers of Metallurgical Coal**

Mitsubishi Development Pty Ltd (MDP) jointly operates its metallurgical coal business through BMA, together with its partner. BMA produces about 65 million tons per year and has a market share of approximately 30% in the global seaborne market. BMA produces high-quality and cost competitive metallurgical coal at its seven operating mines, together with a rail network and port terminal.

As the world transitions to a low-carbon society, we foresee potential impact on metallurgical coal demand as a result of wider use of electric furnaces for steelmaking and the adoption of new technology. However, even for a business environment derived from the 2°C scenario\*, we expect BMA will preserve its competitive edge. While staying aware of changes in the business environment, we seek to remain competitive through cost reductions and to maintain our dominant qualities. We are also taking actions to reduce greenhouse gas emissions and support related research.

\*IEA Sustainable Development Scenario: In this scenario, the GHG emission volumes for each industry are calculated in order to satisfy the Paris Agreement's target of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels."

> COPPER BUSINESS

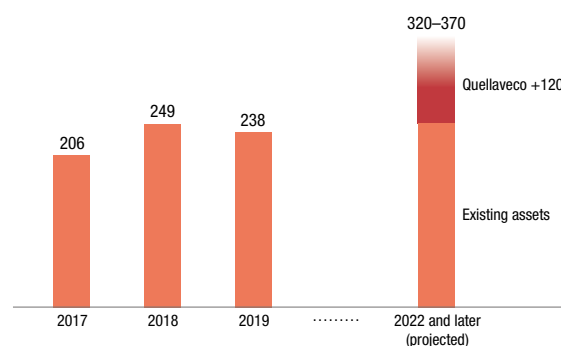


Quellaveco Copper Project (Peru)

**A World-Class Copper Project**

Quellaveco, which has an anticipated mine life of 30 years, is one of the world's largest undeveloped copper deposits and has a high cost competitiveness. The mine contains approximately 7.5 million tons (content metal basis) of copper in ore reserves. Development of the project commenced in August 2018, with the estimated first copper production in 2022. When production starts at Quellaveco, we expect our copper production volume to reach approximately 320 to 370 thousand tons.

MC's Production Share and Projected Growth (Unit: thousand tons)





# INDUSTRIAL INFRASTRUCTURE

## INDUSTRIAL INFRASTRUCTURE GROUP

### > OUR VISION

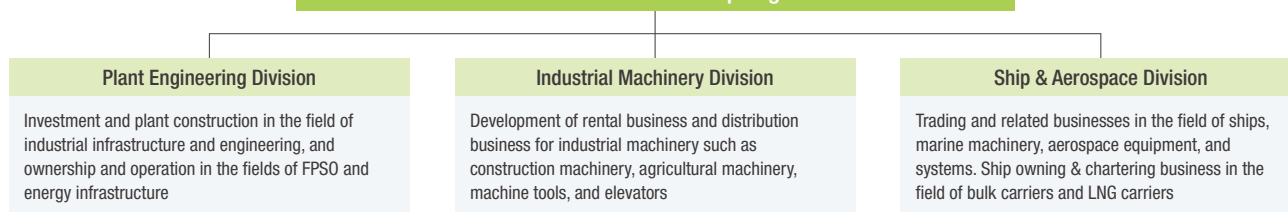
Our Group operates diverse business models based on strong ties with various partners in a wide range of industries. We aim to achieve sustainable growth together with customers by offering services and solutions, including those related to digitization and mitigation of environmental impact, to meet our customers' needs in various industries.

#### Aiichiro Matsunaga

Executive Vice President  
Group CEO, Industrial Infrastructure Group



### Industrial Infrastructure Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Elimination of certain operators and restructuring of industries in each industrial field</li> <li>Necessity of innovation in existing businesses through the expansion of digital technologies</li> </ul>	<ul style="list-style-type: none"> <li>Increasing needs related to reducing workforce and greater efficiency in light of a shortage of human resources in each industry</li> <li>Capturing customer needs from an abundant customer base with a broad area of direct contact in diverse industries</li> <li>Offering digital solutions based on a partnership strategy</li> </ul>

#### Elements of the Midterm Corporate Strategy 2021

In the fields of plant engineering, industrial machinery, and ship and aerospace, we will further grow our existing businesses while actively undertaking new business development in adjacent industries. We have set support for the revitalization of the Chiyoda Corporation as our greatest mission, and will back up the company in terms of execution skills through our risk management capabilities and our management professionals, which will contribute to its revitalization.

#### Progress for the fiscal year ended March 31, 2020

##### Existing businesses:

- Plant Engineering Division:** We have created new business while also dispatching MC professionals to steadily support the revitalization of Chiyoda Corporation by reinforcing its corporate and risk management structure.
- Industrial Machinery Division:** In Japan and overseas, we have strengthened and upgraded the rental business and built up the distribution business for industrial machinery.
- Ship & Aerospace Division:** We have stabilized the ship owning & chartering business.

**New business:** Leveraging contact points with diverse industries, we are launching initiatives for the facility management business, electric vessel business, and digital solutions business in response to a broad range of customer needs.



## > EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3
1 Chiyoda Corporation*	33.57	3.7	-13.1	2.1	-53.7	4.1
2 NIKKEN CORPORATION	100.00	6.6	5.6	5.0	5.1	7.4
3 Mitsubishi Corporation Technos	100.00	1.2	1.3	1.1	1.7	1.5
4 MSK Farm Machinery Corporation	100.00	0.4	0.9	1.0	0.9	1.1

\*From the fiscal year ended March 31, 2018, figures have been adjusted to include certain consolidated adjustments regarding significant transactions during the lag period which is reflected in individual financial results of the company for the fiscal year ended March 31, 2018.

## > BUSINESS OVERVIEW OF THE INDUSTRIAL INFRASTRUCTURE GROUP

### Chiyoda Corporation

In 2008, we underwrote a capital increase through third-party allotment implemented by the Chiyoda Corporation, made the company an equity-method affiliate, and provided management support and sales support to the company. Subsequently, in May 2019, we made the decision to respond to Chiyoda Corporation's request to strengthen its financial position by providing support for revitalization. Later that year in September, Chiyoda Corporation became a subsidiary in terms of financial accounting. We are advancing initiatives that solidify Chiyoda Corporation's underlying revitalization and growth that include dispatching MC professionals to bolster the corporate and risk management structure, combining the business management model that is our strength with the technological capabilities of Chiyoda Corporation, and achieving steady progress and improved profitability on project-based work currently under execution.



### Mitsubishi Corporation Technos

#### Establishment of the Tokyo Customer Experience Center

In October 2019, the Tokyo Customer Experience Center (Tokyo CEC), was opened by Mitsubishi Corporation Technos, a company that handles machine tools, plant equipment, and other industrial machinery that supports manufacturing in Japan and overseas.

Through an alliance with the US General Electric Company (GE), a company with a proven track record in 3D printers, Tokyo CEC offers sales and maintenance of metal 3D printers and contract manufacturing of metal dies and other components. Tokyo CEC was established as both a showroom for these products and a lab facility.

By leveraging a customer network of over 4,000 Japanese companies, Mitsubishi Corporation Technos is furthering the adoption of metal 3D printing in Japan in pursuit of a manufacturing revolution.



### Floating Production Storage and Offloading (FPSO) Business in Brazil

In December 2019, MC entered into a joint venture with SBM Offshore N.V. (SBM), a global leader in the FPSO sector, for the charter, operation, and maintenance of an FPSO system that was ordered by Petroleo Brasileiro S.A., the Brazilian national oil company in June 2019 (shareholding ratio of the JV: SBM 64.5%, MC 20%, and NYK Line 15.5%). The FPSO project is scheduled to commence operations offshore Brazil in 2022.

The project will be MC's fifth joint FPSO project with SBM and the first Brazil FPSO project in six years. MC plans to continue expanding its FPSO and other offshore business around the world.



FPSO Cidade de Saquarema (An FPSO between SBM and MC under operation) (Copyright SBM Offshore)



# AUTOMOTIVE & MOBILITY

## AUTOMOTIVE & MOBILITY GROUP

### > OUR VISION

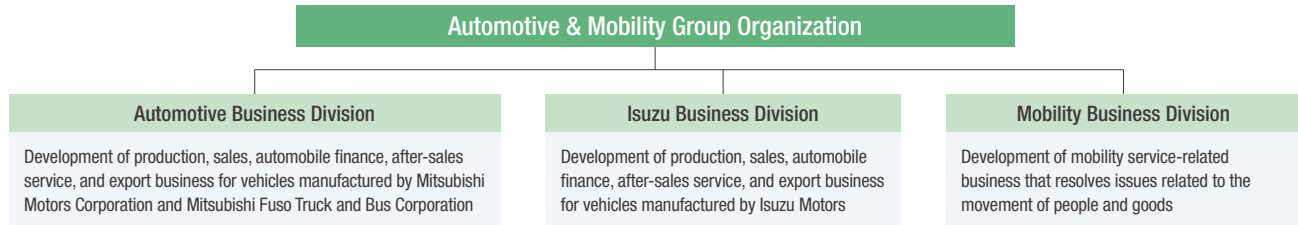
Our Group will take on challenges in the mobility service-related business by leveraging expertise and know-how in the automotive value chain business, as well as strengthening our business platform, and aiming to simultaneously generate economic value, societal value, and environmental value by addressing issues related to mobility such as traffic congestion, traffic accidents, an aging society, and a shortage of drivers.

#### Iwao Toide

Executive Vice President, Group CEO,  
Automotive & Mobility Group



### Automotive & Mobility Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Decreased demand for internal combustion engine vehicles due to environmental regulation strengthening, etc.</li> <li>Increased costs for owning and using a vehicle due to changes in various national tax systems and regulations, etc.</li> <li>Slowing of demand for automobiles due to shift from ownership to usage</li> <li>Emergence of new manufacturers, as well as increasing competition in cost and in CASE* technologies and AI/IoT</li> <li>Increase in research and development expenses and in capital expenditures</li> </ul> <p>*Connected, Autonomous, Shared/Service, and Electric</p>	<ul style="list-style-type: none"> <li>Expansion of a market for motorization due to growth of automobile demand and growth of the middle class in emerging countries</li> <li>Expansion of demand for electric vehicles and vehicles with low environmental impact</li> <li>Expansion of mobility service-related business through increased use of public transportation, streamlining of logistics, etc.</li> <li>New business creation through CASE* initiatives and AI/IoT, etc.</li> </ul>

### Elements of the Midterm Corporate Strategy 2021

In anticipation of further growth centered on our key market, the ASEAN region, we will strengthen our value chain business, including areas such as production, distribution, automobile finance, and after-sales service, as well as focus on expanding our downstream business areas. Furthermore, we will utilize the business infrastructure we have developed and work toward solving people- and goods-related mobility issues faster and on a larger scale through the mobility service-related business.

### Progress for the fiscal year ended March 31, 2020

- In the automobile value chain business, we strengthened our business in the key ASEAN market by expanding exports of the Mitsubishi Motors Corporation MPV Xpander from Indonesia, and by introducing the new Isuzu Motors D-MAX pickup truck into Thailand.
- In downstream areas, we expanded our business domains through capital participation in fleet management, after-sales service for multiple brands, and e-commerce business in locations including ASEAN countries, India, and Russia.
- In the mobility service-related business, we established a new division for strengthening our promotion framework, committed to capital participation in MaaS Global, and began operation of KnowRoute, the AI-based on-demand bus system in the city of Fukuoka.

> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3
1 Automobile-related business companies in Thailand & Indonesia*1	—	45.1	42.6	61.2	68.3	55.5
2 MITSUBISHI MOTORS CORPORATION*2	20.02	—	—	—	26.6	-4.9

\*1 Excluding gains/losses related to the restructuring of automotive production and distribution business in Indonesia (fiscal year ended March 31, 2018: -2.6 billion yen; fiscal year ended March 31, 2019: -0.9 billion yen) from the above figures and the below partial breakdown.

\*2 There is a consolidated adjustment to our equity in earnings under IFRS due to amortization of assets evaluated at fair value at the time of acquisition, etc. (fiscal year ended March 31, 2019: 3.2 billion yen; fiscal year ended March 31, 2020: 2.9 billion yen). Besides these adjustments, there is a consolidated adjustment of -34.2 billion yen for the fiscal year ended March 31, 2020 due to impairment losses on investment to Mitsubishi Motors Corporation.

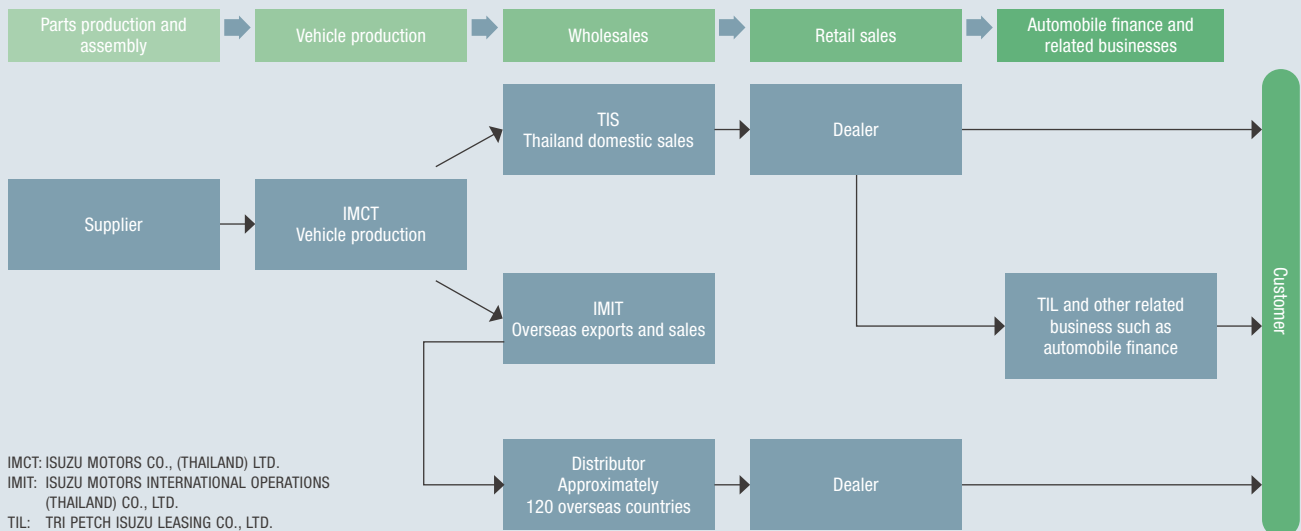
Partial Breakdown of Automobile-Related Business in Thailand & Indonesia

3 PT MITSUBISHI MOTORS KRAMA YUDHA SALES INDONESIA (Indonesia)	40.00	—	—	2.3	2.6	0.7
4 PT. KRAMA YUDHA TIGA BERLIAN MOTORS (Indonesia)	30.00	0.6	1.1	1.9	-0.1*3	0.5
5 TRI PETCH ISUZU SALES CO., LTD. (Thailand)	88.73	20.6	23.2	26.4	32.1	28.8

\*3 Includes -0.9 billion yen in losses related to the restructuring of automotive production and distribution business in Indonesia

> VALUE CHAIN OF THE AUTOMOTIVE BUSINESS IN THAILAND

We began importing and selling Isuzu Motors vehicles in Thailand in 1957. In 1974, we established Tri Petch Isuzu Sales (TIS) as a distributor to handle overall sales of Isuzu Motors vehicles within Thailand. Exports of Isuzu vehicles produced in Thailand started in 2003, and today we export to over 100 countries worldwide. As a distributor, TIS forms the core of wide-ranging operations, including sales, automobile finance, and after-sales services, and has built Isuzu into a leading brand in the commercial vehicle market.



> SALES START IN THAILAND FOR ALL-NEW ISUZU D-MAX PICKUP TRUCK

Sales of the All New Isuzu D-MAX, a new pickup truck and the first model change in Thailand in eight years, started in October 2019 through Tri Petch Isuzu Sales Co., Ltd., the sole distributor and importer for Isuzu Motors Limited in Thailand, and in which MC holds an 88.73% share. MC will continue to expand business in Thailand, where demand for pickups is projected to continue to be strong, and to contribute to Thailand's economic development.



Fully remodeled All-New Isuzu D-MAX



# FOOD INDUSTRY

## FOOD INDUSTRY GROUP

### > OUR VISION

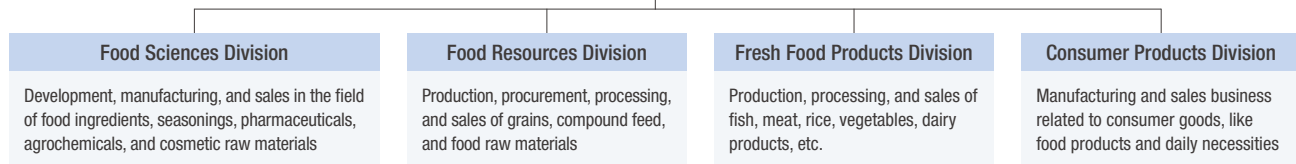
Our Group works to establish a stable and sustainable business model that contributes to the resolution of various societal challenges surrounding supply chains. From raw materials to processed foods, our stable business platform handles various products that fulfill consumers' need, while we aim to ensure safety and security for consumers, and to create value that meets societal needs accordingly. We also set out to seize growth opportunities by expanding high-quality products and services into the global market.

#### Norio Saigusa

Executive Vice President  
Group CEO,  
Food Industry Group



### Food Industry Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Decline in agricultural, livestock, and dairy production volume due to climate change in production areas and increase in natural disasters</li> <li>Impact on the aquaculture business (production volume decline, increased feed prices, damage to equipment, etc.) due to rising sea levels and ocean temperatures</li> <li>Decrease of supply volumes and procurement difficulties due to depletion of natural resources and tightening of resource conservation regulations</li> <li>Heightened need for building supply chains that take human rights and environmental issues into consideration</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of efficiency in the primary industry through the utilization of digital data</li> <li>Development of new aquaculture methods that are less affected by the environment (e.g. land-based farming)</li> <li>Enhancement of a sustainable procurement network that takes the environment and society into consideration</li> <li>Diversified consumer needs, including heightened demand for ethical and certified products</li> </ul>

#### Elements of the Midterm Corporate Strategy 2021

We constantly innovate our supply chains, and offer products that fit consumers' needs. We will specifically realize continuous growth while addressing sustainability and societal issues in the entire food industry. In addition to continuous improvement of profitability in existing businesses (e.g. salmon farming, food materials), we make a persistent effort to adapt properly to the diversification of food and people's lifestyles through the integration of food resources and development capabilities within the Group.

#### Progress for the fiscal year ended March 31, 2020

**Food Science Business:** Maximization of Group companies' strengths, such as establishment of new joint venture between Mitsubishi Corporation Life Sciences and ITOHAM FOODS Inc.

**Salmon Farming Business:** Promotion of initiatives to boost profitability through improvement of productivity, including obtaining approval for a proof-of-concept test of new aquaculture technology using image analysis to identify and manage fish specimens.

**Food Materials Business:** Start of initiatives to address diversification in food and changes in consumer lifestyles, such as the launch of a new food brand (details on the page opposite).

> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3
1 CERMAQ GROUP AS (Norway) *1	100.00	-7.2	15.1	21.8	16.6	8.0
2 Mitsubishi Corporation Life Sciences Limited	100.00	4.1	3.9	4.9	5.1	4.8
3 OLAM INTERNATIONAL LIMITED (Singapore)*2	17.40	-1.5	5.5	9.0	5.0	7.8
4 ITOHAM YONEKYU HOLDINGS INC.*3	38.94	6.6	6.7	5.9	4.8	4.4
5 INDIANA PACKERS CORPORATION (US)	80.00	2.4	4.8	5.5	-0.8	4.4

\*1 Includes total equity in earnings of Southern Cross Seafood (Chile) through the fiscal year ended March 31, 2016. Also, the disclosed data excludes temporary profits/losses from the integration of the Chile salmon business in the fiscal year ended March 31, 2017.

\*2 In addition, there is a consolidated adjustment of -2.5 billion yen in the fiscal year ended March 31, 2017, -1.1 billion yen in the fiscal year ended March 31, 2018, -2.8 billion yen in the fiscal year ended March 31, 2019, and -1.8 billion yen in the fiscal year ended March 31, 2020 to our equity in earnings under IFRS due to amortization of assets evaluated at fair value at the time of acquisition, adjustments of accounting differences, etc. In addition to these adjustments, there is a consolidated adjustment of -27.8 billion yen in the fiscal year ended March 31, 2019 related to impairment losses on investment in OLAM, and a +0.8 billion yen adjustment in the fiscal year ended March 31, 2020 as a material matter occurring outside the period and disclosed by the company.

\*3 Until the fiscal year ended March 31, 2016, the equity in earnings of both the former Itoham Foods, Inc. and the former Yonekyu Corporation were included.

> BUSINESS OVERVIEW OF THE FOOD INDUSTRY GROUP

ENVIRONMENT AND SUSTAINABILITY INITIATIVES IN THE GROUP

**Food Brand Business Built on Consideration for Sustainability: “imperfect” Business**

We launched the food brand “imperfect” and opened its flagship store, “imperfect Omotesando”. This business will contribute to the resolution of societal issues related to food and agriculture by offering food created with consideration of supply chain sustainability issues.

We will use this “imperfect Omotesando” as a hub for communication about the background stories behind food products, such as support for farmers and consideration for environmental protection, while engaging in “Do well by doing good” activities for society with consumers.



**Contributing to a Circular Society Through the Reuse of Food Waste: Feed Manufacturing Business**

Livestock feed manufacturer Nosan Corporation seeks to contribute to the creation of a circular society through initiatives to make livestock feed from reused waste items (unsold food, by-products, etc.) generated during the commercial food distribution process in Japan.

In August 2019, in cooperation with LAWSON, Inc., Mitsubishi Shokuhin Co., Ltd and Nosan Corporation, we conducted a proof of concept trial in which we collected waste food from stores in LAWSON, Inc., and re-processed it into feed. We are now considering the full-scale implementation of reprocessing into feed.



**Providing Sustainable Food: Salmon Farming Business**

The operations are environment friendly and have low CO<sub>2</sub> emissions, and the salmon, which are high feed-efficiency fish, are a sustainable food item.

With the population of the globe expected to further increase, the Group will produce foods with high nutritional value to contribute to global stabilization of food supplies.





# CONSUMER INDUSTRY

## CONSUMER INDUSTRY GROUP

### > OUR VISION

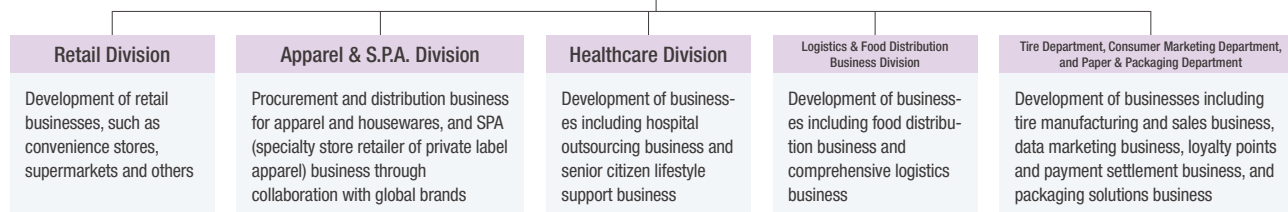
We will continue to work on important issues in the consumer society by building a “next-generation consumer platform,” and keep expanding its contact with consumers through the integration of the real and digital business models. We will establish a cyclical growth model by discovering New Seeds of Growth, as well as by strengthening our Core Businesses through the promotion of ESG management rooted in the creation of data value and of corporate management personnel.

#### Yutaka Kyoya

Executive Vice President  
Group CEO,  
Consumer Industry Group



### Consumer Industry Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>• Increase in CO<sub>2</sub> emissions and food loss due to inefficient supply chains</li> <li>• Social and environmental risks including those related to the human rights of workers involved in supply chains</li> <li>• Diversification of consumer needs in developed countries</li> <li>• Decrease in demand due to market fragmentation; decrease in domestic demand due to demographic aging</li> </ul>	<ul style="list-style-type: none"> <li>• Streamlining operations and creating new consumer value through digital transformation (DX)</li> <li>• Reduction of CO<sub>2</sub> emissions and food loss through utilizing digital technologies to optimize supply chains</li> <li>• Growth in the need for development of recycled materials</li> <li>• Increase in demand for convenience stores, etc. due to growth in emerging countries and modernization of retail market</li> <li>• Increase in demand for products and services for senior citizens due to demographic aging</li> <li>• Growth in the need for support for the business continuity of Japanese regional manufacturers and retailers</li> <li>• Expansion of e-commerce distribution in emerging countries</li> </ul>

#### Elements of the Midterm Corporate Strategy 2021

We will promote the digital transformation of each business, and will build a business model aligned with the diverse societal issues appearing in mature markets, including demographic aging, labor shortages, logistics crises, and the weakening foundations of regional communities. We will also undertake the challenge of promoting business models developed in Japan, where such issues are advanced, horizontally into overseas markets.

#### Progress for the fiscal year ended March 31, 2020

- In December 2019, we formed an agreement with KDDI CORPORATION, Loyalty Marketing, Inc. and Lawson, Inc. on an initiative aimed at creating a new consumption experience that fuses the Internet with the real world.
- We will tackle streamlining and optimization through digital transformation (DX) in the intermediary distribution business, including food distribution, as well as the creation of customer value (demand).

> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3
1 LAWSON, INC.*	50.12	10.5	12.2	13.4	12.8	10.1
2 Mitsubishi Shokuhin Co., Ltd.	61.99	7.7	7.7	6.7	7.4	7.1
3 Mitsubishi Corporation LT, Inc.	100.00	3.7	5.3	1.8	3.7	1.5
4 Mitsubishi Corporation Fashion Co., Ltd.	100.00	2.6	3.2	2.4	2.5	3.1
5 MC Healthcare, Inc.	80.00	2.7	2.5	2.7	2.4	2.6
6 Nippon Care Supply Co., Ltd.	74.78	0.6	0.8	1.1	1.1	1.1
7 Life Corporation	23.23	1.8	1.9	1.5	1.7	1.8

\*Ownership ratio was 33.5% through the fiscal year ended March 31, 2017. Equity gains and losses recorded in MC's overall consolidated financial results include consolidated adjustments of +0.2 billion yen for the fiscal year ended March 31, 2017, -4.1 billion yen for the fiscal year ended March 31, 2018, -4.0 billion yen for the fiscal year ended March 31, 2019, and -3.4 billion yen for the fiscal year ended March 31, 2020, with adjustments for amortization of assets valued at their fair value at the time of acquisition and differences in accounting standards, etc.

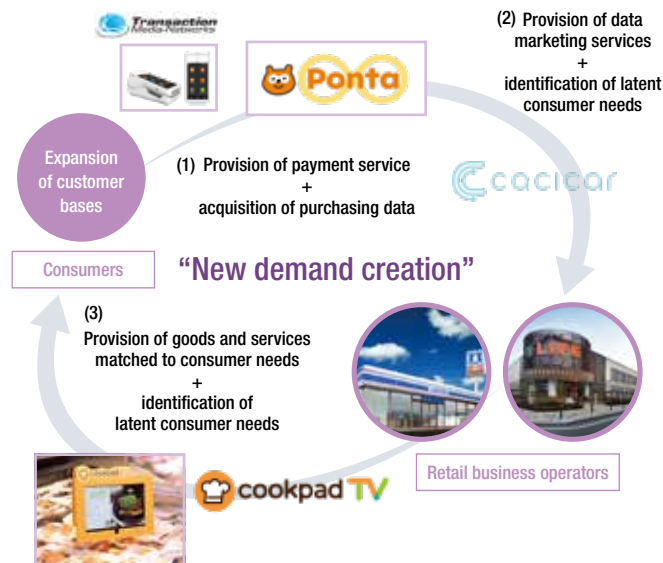
> BUSINESS OVERVIEW OF THE CONSUMER INDUSTRY GROUP

**Data Marketing Business**

We provide marketing services informed by insights into latent consumer needs made possible by analysis of data from Loyalty Marketing's Ponta point service, which has more than 90 million members (as of March 2020).

As a result of the capital business partnership with KDDI formed in December 2019, au WALLET points issued by KDDI were integrated with Ponta points in May 2020. We will also be working to move ahead with partnerships in diverse industries and to develop research operations and support for marketing promotion by encouraging point use among an ever-expanding membership base.

We are also taking on the challenge of generating new demand through efforts such as the "cacicar" data analysis cloud service provided by MC Data Plus, storefront digital signage, and the CookpadTV app that provides popular recipes and cooking videos.



**New Initiatives with Lawson**

We are using technology to seek out customer convenience and solutions to societal issues while providing new consumer experience at offline points of contact in approximately 14,500 (as of July 2020) Lawson stores.

**1. Implementation of SMARI services**

(product returns, shipping and receiving for individual transactions)  
SMARI services were adopted to reduce workloads for store staff, effectively utilize idle space in the existing distribution network, and increase consumer convenience through contactless deliveries. Currently in about 2,000 stores in the Tokyo metropolitan area, the services are scheduled for expansion to 3,000 stores in areas outside Tokyo as well.

**2. Efforts with "nendo"**

We welcomed nendo, the worldwide design office funded with investment from the Tsukumo Fund (a venture company system within MC Group), as our creative partner to renew private branding of the store's logo and packaging for merchandise offered under its private brand (700 items).

**3. Introduction of self-checkout**

Introducing self-checkout systems as part of efforts to reduce workforce and workload through digital technology.

By enabling customers to conduct cashless transactions on their own without making contact with store staff, these systems also serve as part of efforts to prevent the spread of COVID-19, and have been introduced at approximately 9,600 stores (as of July 2020).





# POWER SOLUTION

## POWER SOLUTION GROUP

### > OUR VISION

The electricity that our Group deals with is the foundation of one of the most important infrastructures. Not only is our Group helping to secure stable energy supplies by combining renewables and other clean sources with digital technologies, but it is also playing its part to build sustainable societies and increase corporate value by providing added value, such as a function to balance supply and demand for our customers.

**Katsuya Nakanishi**  
Executive Vice President  
Group CEO, Power Solution Group



### Power Solution Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Changes in the regulations, measures, and loan policies for the electric power business in light of measures to address global warming</li> <li>Changes in regulations and policies in each country in regards to the power business</li> </ul>	<ul style="list-style-type: none"> <li>Growth in business opportunities in renewable energy and distributed power supply</li> <li>Adoption of battery storage and related services, along with the growing deployment of renewable energy</li> <li>Expanding use of next-generation energy sources, including hydrogen</li> <li>More opportunities for the power business in new domains due to changes in regulations and policies in each country</li> </ul>

### Elements of the Midterm Corporate Strategy 2021

Through the electricity used regularly by each household and customer, we aim to provide new services that fit the customer's mindset while not limiting those services to sales of electric power. Moreover, in addition to the traditional offering of power generation and transmission ("supply side" of the business), we are engaged in downstream services ("demand side" of the business) including power storage, distributed power supply, and power trading, and seek to maximize our corporate value covering everything from upstream to downstream.

### Progress for the fiscal year ended March 31, 2020

The following initiatives are undertaken for the entire electric power value chain from upstream (supply side) to downstream (demand side).

- On the supply side, we undertook stable business expansion of the domestic and overseas power generation businesses centered on renewable energy and an offshore transmission business to support offshore wind power.
- On the demand side, we acquired Eneco in the Netherlands, an integrated energy company, and made an equity investment in BBOX Limited, which is expanding its distributed power supply business to off-grid areas mainly in Africa.



> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3
1 DIAMOND GENERATING ASIA, LIMITED (Hong Kong)*1,2	100.00	4.8	6.5	10.8	6.5	11.8
2 DIAMOND GENERATING CORPORATION (US)	100.00	4.7	7.4	22.3	1.1	12.1
3 DIAMOND GENERATING EUROPE LIMITED (UK)	100.00	7.0	2.7	3.4	21.7	6.8
4 DIAMOND TRANSMISSION CORPORATION (UK)	100.00	8.3	6.0	4.1	2.9	8.3
5 Mitsubishi Corporation Power Ltd.*3	100.00	2.8	3.8	7.2	5.3	4.2

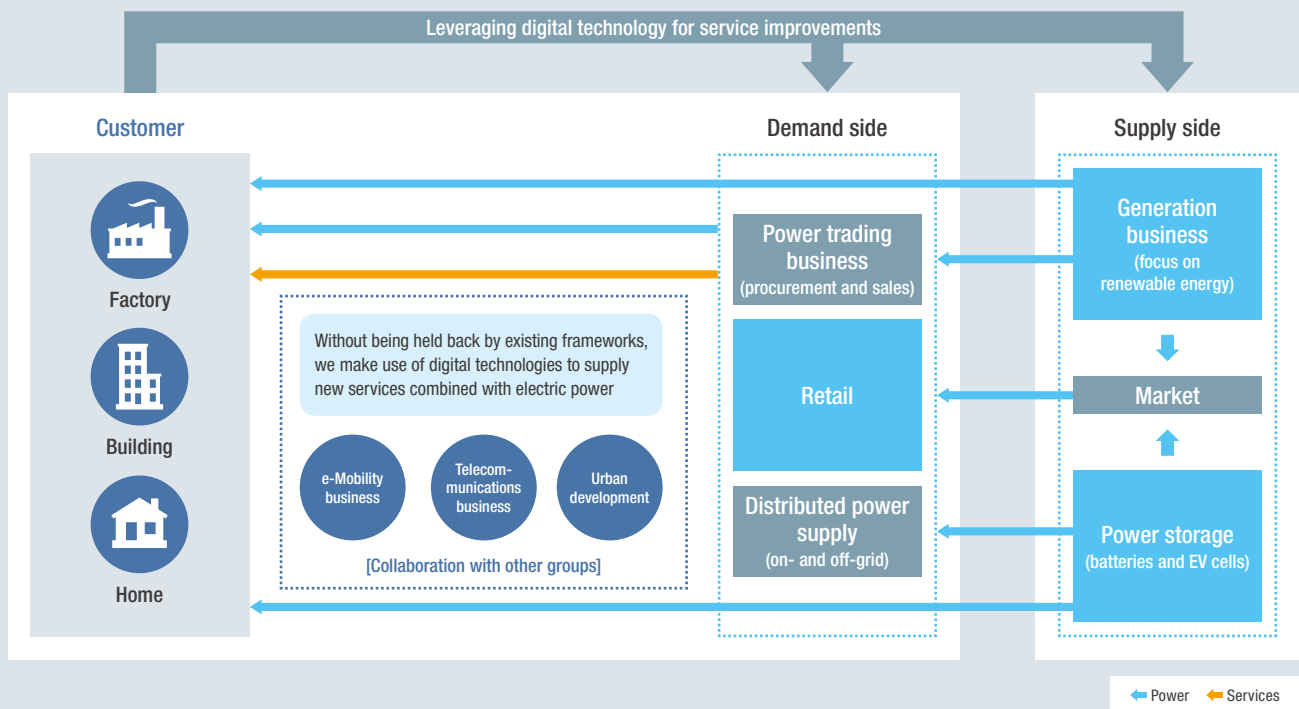
\*1 The corresponding figure is the total of eight companies, including companies which are administrated by DIAMOND GENERATING ASIA, LIMITED.

\*2 From the disclosure from the fiscal year ended March 31, 2020, tax effects of the parent company are included. The figure from the fiscal year ended March 31, 2019 is also restated retroactively.

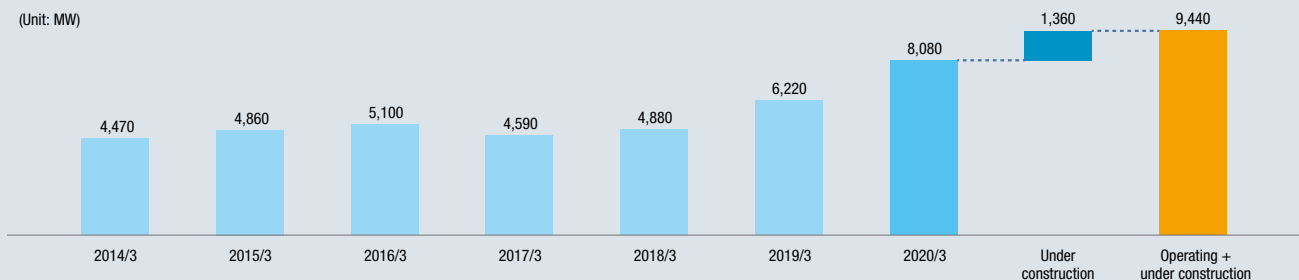
\*3 The name of the business changed to DIAMOND SOLAR JAPAN KK in August 2015.

> BUSINESS MODEL OF THE POWER SOLUTION GROUP

Our Company's traditional electric power business is on the supply side centered on generation and transmission. Now, however, through business expansion on the demand side, including a power trading business and a retail business with a customer base, we endeavor to lift corporate value across the entire value chain, including the supply side.



> NET EQUITY BASE GENERATION CAPACITY (as of fiscal year ended March 31, 2020)





# URBAN DEVELOPMENT

## URBAN DEVELOPMENT GROUP

### > OUR VISION

Our mission is to establish high value-added, large-scale businesses by combining urban and infrastructure development, asset finance and other businesses to meet societal and environmental needs, such as urbanization and lower environmental impacts. We will create long-term community value through engagement in long-term town management, proactive participation in large-scale, multi-use area development and multi-phase development projects.

**Mitsumasa Icho**  
Executive Vice President  
Group CEO, Urban Development Group



### Urban Development Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Response to changes in demographic trends and progress of urbanization</li> <li>Increase of traffic, air pollution, and a growing need to reduce environmental footprints</li> <li>Coexistence with local communities</li> </ul>	<ul style="list-style-type: none"> <li>Increase in worldwide urban development needs driven by the progress of urbanization worldwide</li> <li>Increase in infrastructure and peripheral service demands due to high population growth rates and economic development, especially in emerging nations</li> <li>Shift to provide new services and contents through digital technologies</li> </ul>

### Elements of the Midterm Corporate Strategy 2021

Going beyond conventional real estate development such as residential and commercial facilities, we will shift toward “area development” of large-scale, multi-use developments. In area development projects, we will develop transportation infrastructure such as railways and roads, and utilities such as electric power and sewer systems, while taking part in the initial stage of the master planning process to develop commercial facilities, offices, residences, and hospitals in order to create a highly functional and compelling urban community, mainly in the growing ASEAN countries and Japan.

### Progress for the fiscal year ended March 31, 2020

- Commenced our first large-scale urban development project in Indonesia. MC continues to look into subsequent projects mainly in ASEAN countries and plans to make further investments in the urban development and infrastructure development sector during the term of the Midterm Corporate Strategy 2021.
- Engage in town management to enhance usability, comfort and safety to attract people and businesses, improving the appeal of the area, and establish a cycle to attract potential new customers to create sustainable growth in community value.

> EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2016/3	2017/3	2018/3	2019/3	2020/3
1 Mitsubishi UFJ Lease & Finance Company Ltd.	20.00	11.1	10.7	12.6	12.1	15.1
2 DIAMOND REALTY INVESTMENTS, INC. (USA)	100.00	1.2	1.5	3.4	5.5	6.7
3 MC Aviation Partners Inc.	100.00	4.2	4.5	4.4	1.8	1.5
4 Mitsubishi Corporation Urban Development, Inc.	100.00	2.8	7.4	3.8	3.6	9.1
5 Fund related business companies*1,2	—	4.0	4.1	6.7	3.7	9.3

\*1 From the fiscal year ended March 31, 2019, figures have been adjusted to include certain tax effects accounted for by the parent company and certain consolidated adjustments implemented by the Company (major transactions during the cut-off period reflected in financial results of individual businesses).

\*2 From the fiscal year ended March 31, 2020, MC CAPITAL INC., MC GIP - UK LTD., MC US INVESTMENT, INC. and small funds are included with fund-related business companies.

> OVERVIEW OF URBAN DEVELOPMENT



**Project Overview: Vietnam Grand Park Project**

MC is participating in the large-scale Grand Park Project to develop condominiums in Ho Chi Minh City, Vietnam, led by Vinhomes, the largest real estate developer in the country. This project is a township development project with a total site area of roughly 271 ha developed by Vinhomes. This township enhances urban functionality through offices, residences, sports facilities, commercial complexes, schools, hospitals, and parks to create a new urban area that will bring together 200,000 residents.



**MC aims to develop high quality urban areas and enhance sustainable urban value.**

- Promote and participate in highly functional and attractive urban development from the initial phase of development
- Create sustainable value by taking a hands-on approach in developing and managing urban areas
- Maximize use of extensive MC Group expertise and networks to enhance urban services and content

> MAIN BUSINESSES

**Real Estate Development and Asset Management Business**

MC engages in various real estate development businesses for commercial complexes, logistics facilities, residential properties, and other uses in Japan, Asia, and North America. MC is also involved in real estate fund management businesses in Japan and North America.



**Airport Operation Business**

MC has been participating in the business of airport operation since 2015, following the privatization trend of airport operations. Since airports are the entrances to countries and regions, participation in the operation of airports helps resolve issues directly faced by each region and contributes to economic and societal growth.



**Data Center Operation Business**

MC Digital Realty was established as a joint venture in 2017 with Digital Realty Trust, Inc., the world's largest business operator of data centers. This company aims to leverage the demand for data centers in Japan to become one of the country's top business operator for data centers.



**Leasing Business**

As leasing demand continues to grow globally, MC takes advantage of access and networks to a broad range of industrial fields unique to a general trading company through alliances and cooperation with influential partners to expand the leasing business.



## Global Network (Countries and Regions) (As of April 1, 2020)

MC leverages its global network, which it has developed over many years, to obtain an in-depth knowledge on a multifaceted range of macroeconomic, industrial and geopolitical trends not limited to generally available information. MC also builds upon this intelligence and expertise on a daily basis through its deep involvement in frontline businesses spanning virtually every industry worldwide. At the same time, it is crucial that the information accumulated at each location be shared laterally beyond each respective Business Group and region, and for it to be utilized to develop intellectual capital throughout the Group. MC's offices and subsidiaries, both in Japan and overseas, play an important role in this lateral development of the MC Group.



### Head Office

### Network (Location of MC Operations)

Tokyo

Japan (Number of offices: 9)

Overseas (Number of offices and subsidiaries: 116)

Sapporo  
Sendai  
Nagoya  
Toyama  
Osaka

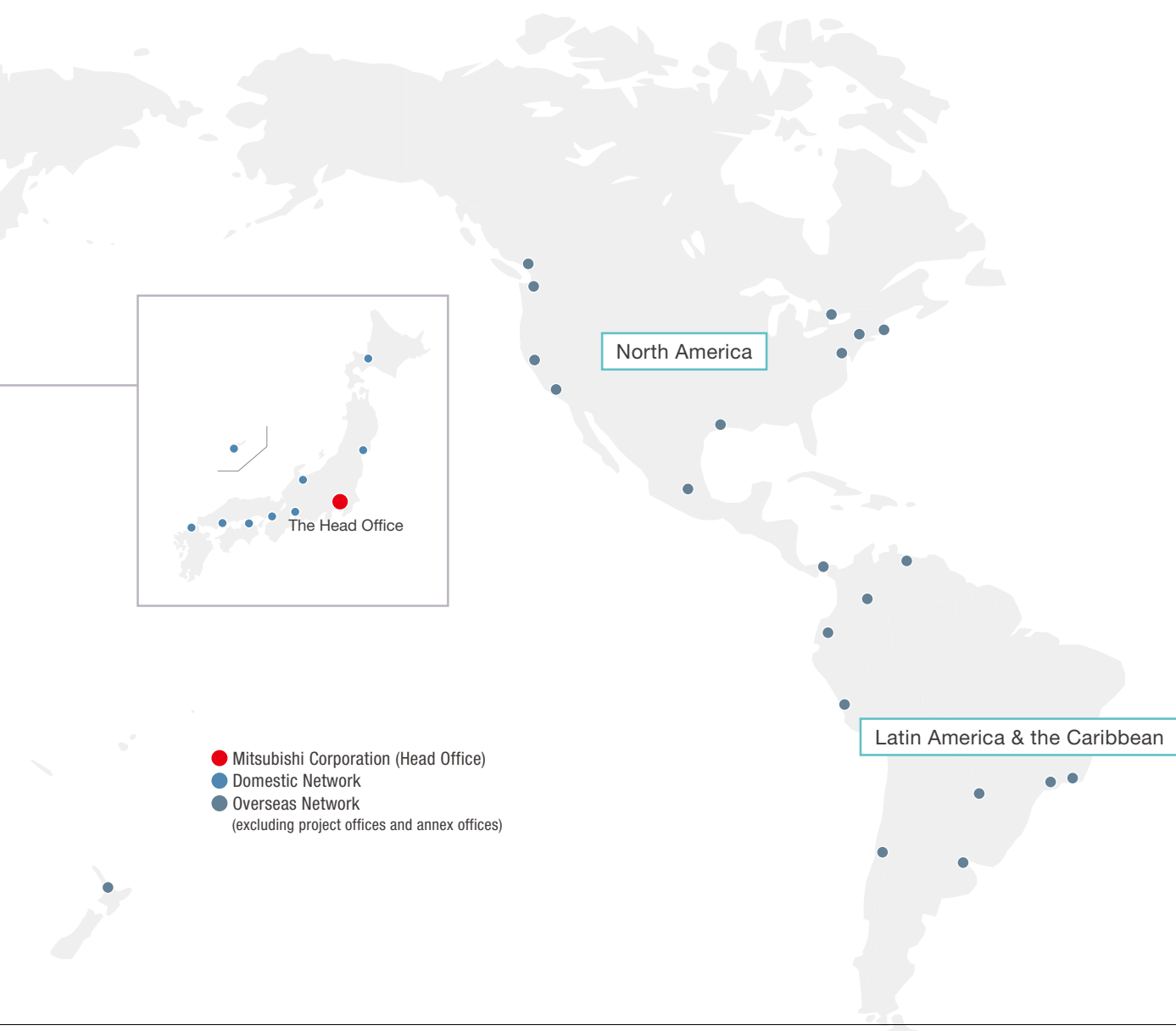
Takamatsu  
Hiroshima  
Fukuoka  
Naha

**North America**  
New York  
Seattle  
Silicon Valley  
Los Angeles  
Houston  
Washington, D.C.  
Boston  
Vancouver  
Toronto  
Mexico City

**Latin America & the Caribbean**  
Panama City  
Quito  
Lima  
Bogotá  
Santiago  
Caracas  
Asunción  
Buenos Aires  
São Paulo  
Rio de Janeiro

**Europe**  
London  
Madrid  
Paris  
Amsterdam  
Düsseldorf  
Milan  
Oslo  
Prague  
Stockholm  
Warsaw  
Bucharest  
Belgrade

Athens  
Sofia  
Moscow  
Vladivostok  
Kiev  
Almaty  
Istanbul  
Ankara  
Ashgabat  
Tashkent  
Tel Aviv



#### Africa

Johannesburg  
Dakar  
Casablanca  
Abidjan  
Algiers  
Lagos  
Tunis  
Maputo  
Nairobi  
Addis Ababa  
Dar es Salaam

#### Middle East

Dubai  
Cairo  
Amman  
Riyadh  
Al Khobar  
Basra  
Doha  
Abu Dhabi  
Muscat  
Kuwait  
Tehran

#### East Asia

Ulaanbaatar  
Beijing  
Guangzhou  
Shenzhen  
Wuhan  
Xiamen  
Qingdao  
Shanghai  
Dalian  
Chengdu  
Hong Kong  
Taipei  
Seoul

#### Asia

Karachi  
Islamabad  
Lahore  
New Delhi  
Mumbai  
Chennai  
Bangalore  
Colombo  
Dhaka  
Yangon  
Nay Pyi Taw

Bangkok  
Kuala Lumpur  
Singapore  
Phnom Penh  
Hanoi  
Ho Chi Minh City  
Jakarta  
Bandar Seri Begawan  
Manila

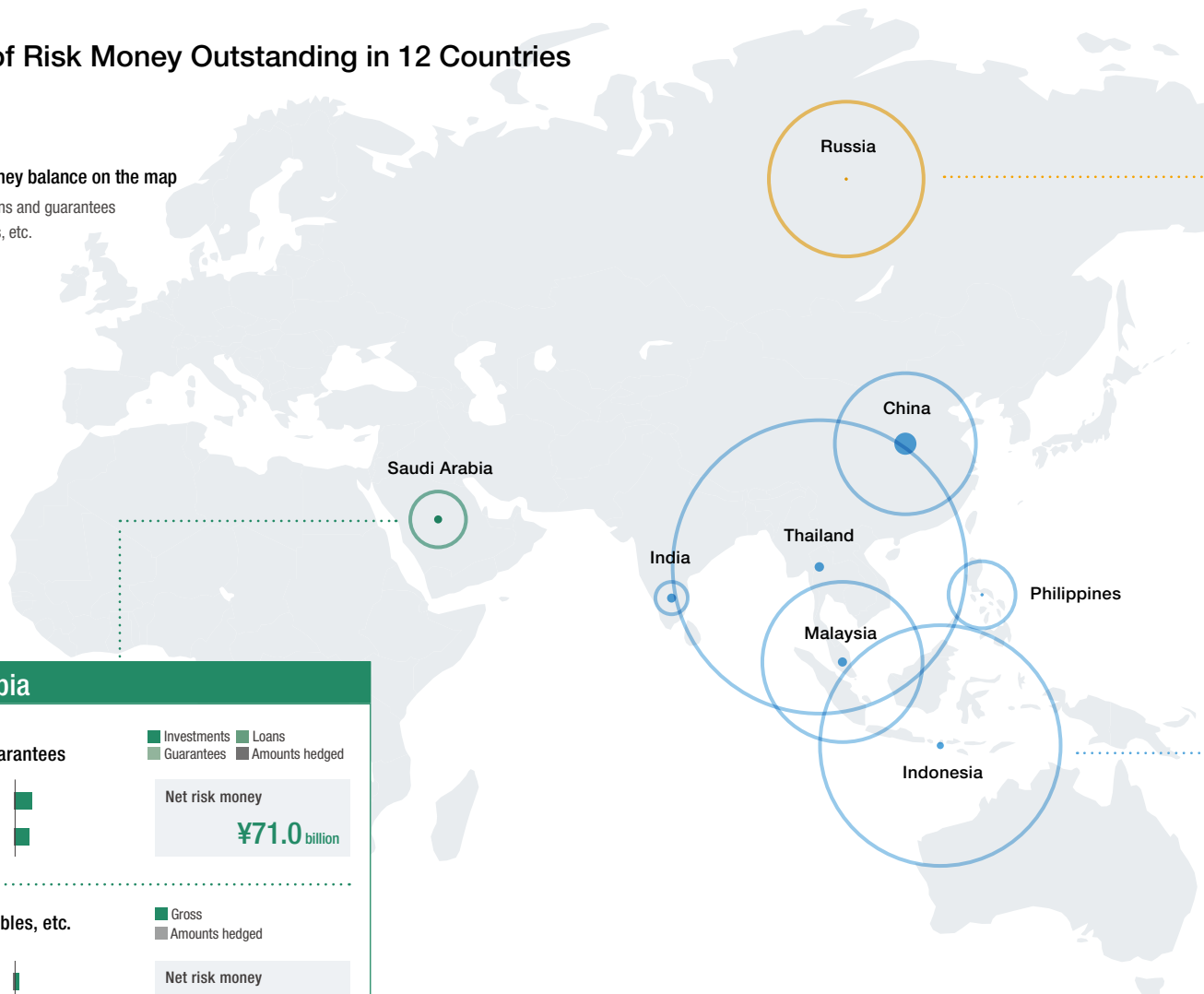
#### Oceania

Melbourne  
Sydney  
Perth  
Auckland

# Balance of Risk Money Outstanding in 12 Countries

Image of risk money balance on the map

- Investments, Loans and guarantees
- Trade receivables, etc.



### Saudi Arabia

**Investments, Loans and Guarantees**

2019/3

2020/3

Legend: Investments (Green), Loans (Light Green), Guarantees (Dark Green), Amounts hedged (Grey)

**Net risk money**

¥71.0 billion

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**Trade Receivables, etc.**

2019/3

2020/3

Legend: Gross (Green), Amounts hedged (Grey)

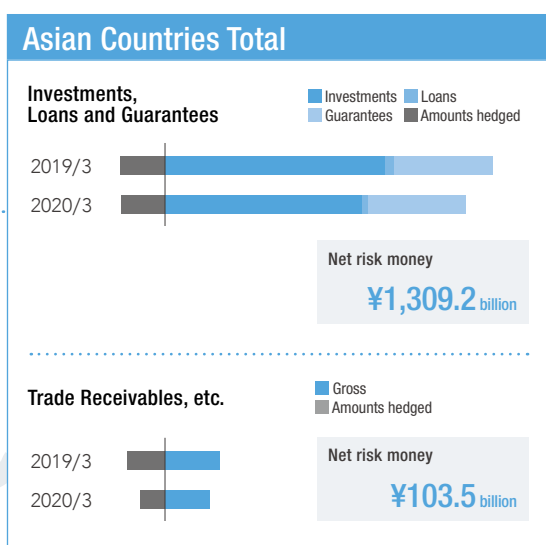
**Net risk money**

¥15.2 billion

## Investments, Loans and Guarantees

(Unit: billions of yen)

	Investments*			Loans			Guarantees			Risk money total		
	2020/3	2019/3	change	2020/3	2019/3	change	2020/3	2019/3	change	2020/3	2019/3	change
Mexico	37.4	34.6	+2.8	3.4	—	+3.4	18.6	26.0	-7.4	59.4	60.6	-1.2
Chile	450.7	486.7	-36.0	6.7	6.9	-0.2	74.1	76.8	-2.7	531.5	570.4	-38.9
Brazil	120.8	103.9	+16.9	23.1	26.2	-3.1	33.2	38.9	-5.7	177.1	169.0	+8.1
Peru	224.1	243.7	-19.6	65.7	0.6	+65.1	8.2	4.9	+3.3	298.0	249.2	+48.8
<b>4 countries total</b>	<b>833.0</b>	<b>868.9</b>	<b>-35.9</b>	<b>98.9</b>	<b>33.7</b>	<b>+65.2</b>	<b>134.1</b>	<b>146.6</b>	<b>-12.5</b>	<b>1,066.0</b>	<b>1,049.2</b>	<b>+16.8</b>
Russia	191.8	201.7	-9.9	—	—	+0.0	39.6	36.2	+3.4	231.4	237.9	-6.5
<b>1 country total</b>	<b>191.8</b>	<b>201.7</b>	<b>-9.9</b>	<b>—</b>	<b>—</b>	<b>+0.0</b>	<b>39.6</b>	<b>36.2</b>	<b>+3.4</b>	<b>231.4</b>	<b>237.9</b>	<b>-6.5</b>
Saudi Arabia	80.0	94.5	-14.5	—	—	+0.0	—	—	+0.0	80.0	94.5	-14.5
<b>1 country total</b>	<b>80.0</b>	<b>94.5</b>	<b>-14.5</b>	<b>—</b>	<b>—</b>	<b>+0.0</b>	<b>—</b>	<b>—</b>	<b>+0.0</b>	<b>80.0</b>	<b>94.5</b>	<b>-14.5</b>
India	45.6	42.4	+3.2	3.0	3.0	+0.0	5.5	4.4	+1.1	54.1	49.8	+4.3
Indonesia	320.9	329.6	-8.7	20.1	30.8	-10.7	233.8	233.3	+0.5	574.8	593.7	-18.9
Thailand	232.8	293.7	-60.9	1.0	1.3	-0.3	154.7	156.1	-1.4	388.5	451.1	-62.6
China	151.1	158.1	-7.0	7.9	11.7	-3.8	48.0	47.1	+0.9	207.0	216.9	-9.9
Philippines	66.2	105.0	-38.8	—	—	+0.0	0.7	—	+0.7	66.9	105.0	-38.1
Malaysia	180.0	187.4	-7.4	—	—	+0.0	56.9	58.9	-2.0	236.9	246.3	-9.4
<b>6 countries total</b>	<b>996.6</b>	<b>1,116.2</b>	<b>-119.6</b>	<b>32.0</b>	<b>46.8</b>	<b>-14.8</b>	<b>499.6</b>	<b>499.8</b>	<b>-0.2</b>	<b>1,528.2</b>	<b>1,662.8</b>	<b>-134.6</b>
<b>Total</b>	<b>2,101.4</b>	<b>2,281.3</b>	<b>-179.9</b>	<b>130.9</b>	<b>80.5</b>	<b>+50.4</b>	<b>673.3</b>	<b>682.6</b>	<b>-9.3</b>	<b>2,905.6</b>	<b>3,044.4</b>	<b>-138.8</b>



Mexico

Peru

Brazil

Chile

\*The figures are adjusted for investees' net assets holdings/fair value etc.  
Note: These countries are selected based on our internal country risk rating and total risk money balance.

## Trade Receivables, etc.

	Amounts hedged			Net risk money		
	2020/3	2019/3	change	2020/3	2019/3	change
	—	—	+0.0	59.4	60.6	-1.2
	3.3	6.1	-2.8	528.2	564.3	-36.1
	—	—	+0.0	177.1	169.0	+8.1
	—	—	+0.0	298.0	249.2	+48.8
	3.3	6.1	-2.8	1,062.7	1,043.1	+19.6
	—	—	+0.0	231.4	237.9	-6.5
	—	—	+0.0	231.4	237.9	-6.5
	9.0	8.8	+0.2	71.0	85.7	-14.7
	9.0	8.8	+0.2	71.0	85.7	-14.7
	—	—	+0.0	54.1	49.8	+4.3
	217.1	223.7	-6.6	357.7	370.0	-12.3
	—	—	+0.0	388.5	451.1	-62.6
	—	—	+0.0	207.0	216.9	-9.9
	1.9	1.9	+0.0	65.0	103.1	-38.1
	—	—	+0.0	236.9	246.3	-9.4
	219.0	225.6	-6.6	1,309.2	1,437.2	-128.0
	231.3	240.5	-9.2	2,674.3	2,803.9	-129.6

	Gross			Amounts hedged			Net risk money		
	2020/3	2019/3	change	2020/3	2019/3	change	2020/3	2019/3	change
	24.7	22.0	+2.7	17.5	13.6	+3.9	7.2	8.4	-1.2
	10.7	4.0	+6.7	—	0.4	-0.4	10.7	3.6	+7.1
	9.5	11.7	-2.2	4.4	3.4	+1.0	5.1	8.3	-3.2
	2.6	1.5	+1.1	2.4	1.4	+1.0	0.2	0.1	+0.1
	47.5	39.2	+8.3	24.3	18.8	+5.5	23.2	20.4	+2.8
	10.7	16.0	-5.3	8.9	15.3	-6.4	1.8	0.7	+1.1
	10.7	16.0	-5.3	8.9	15.3	-6.4	1.8	0.7	+1.1
	23.5	21.6	+1.9	8.3	9.3	-1.0	15.2	12.3	+2.9
	23.5	21.6	+1.9	8.3	9.3	-1.0	15.2	12.3	+2.9
	62.0	58.1	+3.9	29.3	44.2	-14.9	32.7	13.9	+18.8
	52.9	53.6	-0.7	39.9	42.7	-2.8	13.0	10.9	+2.1
	28.1	30.9	-2.8	10.0	16.4	-6.4	18.1	14.5	+3.6
	59.2	112.0	-52.8	38.0	78.0	-40.0	21.2	34.0	-12.8
	6.1	5.9	+0.2	4.3	2.5	+1.8	1.8	3.4	-1.6
	19.6	18.6	+1.0	2.9	4.5	-1.6	16.7	14.1	+2.6
	227.9	279.1	-51.2	124.4	188.3	-63.9	103.5	90.8	+12.7
	309.6	355.9	-46.3	165.9	231.7	-65.8	143.7	124.2	+19.5

# Financial Highlights

Mitsubishi Corporation and Subsidiaries

Years ended March 31

The consolidated financial information is prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014.

	2011/3 (US GAAP)	2012/3 (US GAAP)	2013/3 (US GAAP)	2013/3 (IFRS)
<b>Results of Operations:</b>				
Revenues* <sup>1</sup> .....	¥ 5,206,873	¥ 5,565,832	¥ 5,968,774	¥ 6,009,887
Gross profit .....	1,149,902	1,127,860	1,029,657	1,054,933
Income from investments accounted for using the equity method .....	167,002	192,418	164,274	167,840
Net income (loss) attributable to owners of the parent* <sup>2</sup> .....	464,543	452,344	360,028	323,457
<b>Financial Position at Year-End:</b>				
Total assets .....	11,272,775	12,588,320	14,410,665	15,064,738
Working capital* <sup>3</sup> .....	2,012,098	1,709,310	2,098,147	2,076,570
Borrowings (less current maturities)* <sup>2</sup> .....	3,188,749	3,760,101	4,498,683	4,498,683
Equity attributable to owners of the parent* <sup>2</sup> .....	3,233,342	3,507,818	4,179,698	4,517,107
<b>Interest-Bearing Liabilities:</b>				
Gross interest-bearing liabilities* <sup>4</sup> .....	4,257,563	5,016,383	5,805,238	5,889,642
Net interest-bearing liabilities* <sup>5</sup> .....	2,947,308	3,647,408	4,335,829	4,420,068
<b>Cash Flows:</b>				
Net cash provided by operating activities .....	331,204	550,694	403,313	453,327
Net cash used in investing activities .....	(262,601)	(1,100,913)	(752,477)	(791,026)
Free cash flow .....	68,603	(550,219)	(349,164)	(337,699)
Net cash provided by (used in) financing activities .....	76,749	599,059	401,687	388,366
Net cash flows .....	145,352	48,840	52,523	50,667
<b>Per Share Information:</b>				
Net income (loss) attributable to owners of the parent per share:				
Basic (yen, US dollars) .....	282.62	274.91	218.66	196.45
Diluted (yen, US dollars) .....	281.87	274.30	218.18	196.02
Cash dividends per share (yen, US dollars) .....	65.00	65.00	55.00	55.00
Equity per share attributable to owners of the parent (yen, US dollars) .....	1,966.66	2,130.89	2,537.52	2,742.36
Payout ratio* <sup>6</sup> (%) .....	23	24	25	25
<b>Common Stock:</b>				
Number of shares outstanding at year-end* <sup>7</sup> (thousands of shares) .....	1,644,074	1,646,173	1,647,158	1,647,158
<b>Financial Measures:</b>				
ROE* <sup>8</sup> (%) .....	15.1	13.4	9.4	7.8
ROA* <sup>9</sup> (%) .....	4.2	3.8	2.7	2.3
Net DER* <sup>10</sup> (times) .....	0.9	1.0	1.0	1.0
DOE* <sup>11</sup> (%) .....	3.5	3.2	2.4	2.2
<b>Stock Price Information:</b>				
Stock price (annual average) (yen, US dollars) .....	2,102	1,840	1,626	1,626
Price earnings ratio (PER)* <sup>12</sup> (times) .....	7.68	6.73	7.47	8.31
Price book-value ratio (PBR)* <sup>13</sup> (times) .....	1.1	0.9	0.6	0.6

**Notes:**

1. The US dollar amounts represent translations, for convenience, of yen amounts at the rate of ¥109.0=\$1.00

2. Figures for the fiscal year ended March 31, 2011, have been adjusted retrospectively to reflect the impact of changes in the fiscal year end of consolidated subsidiaries.

3. The application of IFRS 16 "Leases" from the start of the fiscal year ended March 31, 2020, increased total assets due to an increase in right-of-use assets included in calculations. In addition, lease payments have been reclassified from net cash provided by operating activities to net cash provided by financing activities.

\*1 In the fiscal year ended March 31, 2019, revenues exceeded the results of the previous fiscal year. This was mainly due to the application of IFRS 15 "Revenue from Contracts with Customers," which led to an increase of transactions wherein the identified performance obligation of the Company is the transfer of goods as principal and therefore revenue is recognized in the gross of consideration.

\*2 Net income (loss) attributable to owners of the parent corresponds to net income (loss) attributable to Mitsubishi Corporation under US GAAP. Borrowings (less current maturities) correspond to long-term debt, less current maturities under US GAAP. Equity attributable to owners of the parent corresponds to total Mitsubishi Corporation shareholders' equity under US GAAP.

\*3 Working capital consists of all current assets and liabilities, including cash and short-term debt.

\*4 "Gross interest-bearing liabilities" (excluding lease liabilities) is defined as the total of debt and borrowings of current and fixed liabilities.

\*5 Net interest-bearing liabilities is defined as gross interest-bearing liabilities minus cash and cash equivalents and time deposits.



(Unit: millions of yen)

(Unit: millions of US dollars)

2014/3 (IFRS)	2015/3 (IFRS)	2016/3 (IFRS)	2017/3 (IFRS)	2018/3 (IFRS)	2019/3 (IFRS)	2020/3 (IFRS)	2020/3 (IFRS)
¥ 7,635,168	¥ 7,669,489	¥ 6,925,582	¥ 6,425,761	¥ 7,567,394	¥16,103,763	¥14,779,734	\$135,594
1,186,005	1,209,894	1,098,877	1,328,638	1,886,640	1,987,811	1,789,131	16,414
168,356	203,818	(175,389)	117,450	211,432	137,269	179,325	1,645
361,359	400,574	(149,395)	440,293	560,173	590,737	535,353	4,911
15,901,125	16,774,366	14,916,256	15,753,557	16,036,989	16,532,800	18,049,661	165,593
2,417,452	2,629,705	2,123,954	1,789,423	1,861,823	1,885,242	1,591,119	14,597
4,693,855	4,835,117	4,560,258	4,135,680	3,684,860	3,569,221	4,287,354	39,334
5,067,666	5,570,477	4,592,516	4,917,247	5,332,427	5,696,246	5,227,359	47,957
6,075,835	6,348,993	6,042,606	5,383,911	4,954,395	5,092,099	5,760,123	52,845
4,601,094	4,467,714	4,315,460	3,991,475	3,714,176	3,723,568	4,336,295	39,783
381,576	798,264	700,105	583,004	742,482	652,681	849,728	7,796
(300,502)	(154,852)	(503,854)	(179,585)	(317,583)	(273,687)	(500,727)	(4,594)
81,074	643,412	196,251	403,419	424,899	378,994	349,001	3,202
(118,845)	(305,334)	(364,528)	(752,162)	(554,328)	(227,480)	(156,629)	(1,437)
(37,771)	338,078	(168,277)	(348,743)	(129,429)	151,514	192,372	1,765
219.30	246.39	(93.68)	277.79	353.27	372.39	348.50	3.20
218.80	245.83	(93.68)	277.16	352.44	371.55	347.71	3.19
68.00	70.00	50.00	80.00	110.00	125.00	132.00	1.21
3,074.03	3,437.75	2,898.23	3,101.43	3,362.34	3,589.37	3,521.30	32.31
25	28	—	29	31	34	38	—
1,648,541	1,620,384	1,584,595	1,585,480	1,585,929	1,586,977	1,484,497	—
7.5	7.5	(2.9)	9.3	11.3	10.7	9.8	—
2.3	2.5	(0.9)	2.9	3.6	3.6	3.0	—
0.9	0.8	0.9	0.8	0.7	0.7	0.8	—
2.3	2.1	1.6	2.7	3.5	3.6	3.7	—
1,897	2,143	2,262	2,215	2,656	3,143	2,807	25.75
8.68	8.69	(24.08)	8.00	7.54	8.46	8.34	—
0.6	0.6	0.8	0.7	0.8	0.9	0.9	—

\*6 The payout ratio was calculated based on net income attributable to owners of the parent for the fiscal year before reclassification (this includes the restatement of results for the fiscal years ended March 31, 2013 and March 31, 2014 due to the change from US GAAP to IFRS).

\*7 Excluding treasury stock held by the Company.

\*8 ROE is calculated by dividing net income (loss) attributable to owners of the parent by the average of equity attributable to owners of the parent at the beginning and end of the fiscal year.

\*9 ROA is calculated by dividing net income (loss) attributable to owners of the parent by the average of total assets at the beginning and end of the fiscal year.

\*10 Net DER is calculated by dividing net interest-bearing liabilities by equity attributable to owners of the parent at the end of the fiscal year.

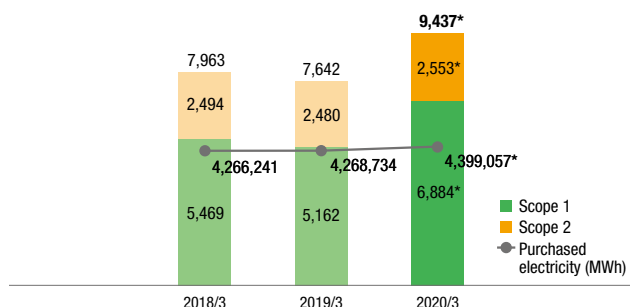
\*11 DOE is calculated by dividing cash dividends per share by equity per share attributable to owners of the parent at the beginning and end of the fiscal year.

\*12 PER is calculated by dividing market capitalization, as determined by multiplying the average share price during the fiscal year by the number of shares issued at the fiscal year-end (including treasury stock held by the Company), by net income (loss) attributable to owners of the parent.

\*13 PBR is calculated by dividing market capitalization, as determined by multiplying the average share price during the fiscal year by the number of shares issued at the fiscal year-end (including treasury stock held by the Company), by equity attributable to owners of the parent.

Environmental Data

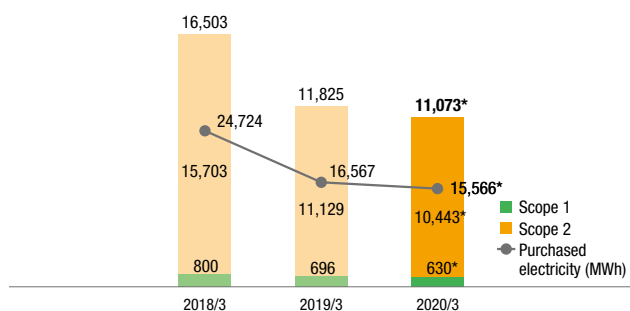
GHG Emissions (consolidated/global) (Unit: thousand t-CO<sub>2</sub>e)



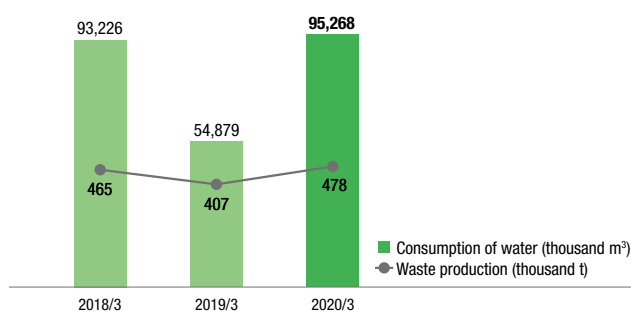
Emissions by Segment (Unit: thousand t-CO<sub>2</sub>e)

	2018/3	2019/3	2020/3
Natural Gas Group	260	263	245
Industrial Materials Group	128	130	149
Petroleum & Chemicals Group	368	223	165
Mineral Resources Group	2,889	2,940	2,872
Industrial Infrastructure Group	14	14	83
Automotive & Mobility Group	16	16	20
Food Industry Group	1,107	1,160	1,195
Consumer Industry Group	1,355	1,392	1,523
Power Solution Group	1,762	1,485	3,168
Urban Development Group	48	7	6
Corporate Staff Section	16	12	11

GHG Emissions (non-consolidated) (Unit: t-CO<sub>2</sub>)



Consumption of Water/Waste Production (consolidated/Japan)



Scope 1: Direct CO<sub>2</sub> emissions from fuel consumption + emissions of greenhouse gases (6.5 gases) from business activities other than CO<sub>2</sub> from energy sources  
 Scope 2: Indirect CO<sub>2</sub> emissions from electricity consumption, etc.

Environmental Performance (non-consolidated)

	2018/3	2019/3	2020/3
CO <sub>2</sub> emissions <sup>*1*2</sup> (unit: thousand t-CO <sub>2</sub> )	16.5	11.8	11.1*
Energy consumption <sup>*2</sup> (unit: GJ)	305,339	221,302	207,159*
Electricity consumption (unit: MWh)	24,724	16,567	15,566*
CO <sub>2</sub> emissions from logistics <sup>*3</sup> (unit: thousand t-CO <sub>2</sub> )	50	45	40*
Paper consumption <sup>*4</sup> (unit: thousand sheets)	51,196	46,510	38,265*
Waste production (unit: kg)	572,824	600,254	506,403*
Waste recycling rate (unit: %)	98.5	98.6	98.5*
Water consumption (unit: thousand m <sup>3</sup> )	41	42	38*

Period: Fiscal year (April 1 to March 31)

Scope of aggregation (non-consolidated):

- CO<sub>2</sub> emissions, energy consumption, electricity consumption and CO<sub>2</sub> emissions from logistics: Head Office, domestic branches and offices, training centers and other facilities
- Paper consumption: Head Office and all six Japan-based branches and the offices under each branch's jurisdiction
- Waste production, waste recycling rate and water consumption: Mitsubishi Shoji Building, Marunouchi Park Building and certain other offices in Tokyo

Scope 1 Emissions (6.5 gases only) <sup>\*1\*2</sup>

	2018/3	2019/3	2020/3
Total amount (Unit: thousand t-CO <sub>2</sub> e)	997	967	878*
Unit: Carbon dioxide (CO <sub>2</sub> )	55	47	8*
Methane (CH <sub>4</sub> )	942	920	870*
Dinitrogen monoxide (N <sub>2</sub> O)	0.008	0.01	0.3*
Components			
Hydrofluorocarbons (HFCs)	0	0	0*
Perfluorocarbons (PFCs)	0	0	0*
Sulphur hexafluoride (SF <sub>6</sub> )	0	0	0*
Nitrogen trifluoride (NF <sub>3</sub> )	N/A	N/A	N/A

Environmental Performance (consolidated)

	2018/3	2019/3	2020/3
CO <sub>2</sub> emissions <sup>*1*2</sup> (unit: thousand t-CO <sub>2</sub> e)	7,963	7,642	9,437*
CO <sub>2</sub> emissions per total assets <sup>*1*2*5</sup> (unit: million t-CO <sub>2</sub> e/trillion yen)	0.62	0.57	0.66
Components			
Scope 1 emissions (excluding 6.5 gases) <sup>*1*2</sup> (unit: thousand t-CO <sub>2</sub> )	4,472	4,195	6,006*
Scope 1 emissions (6.5 gases only) <sup>*1*2</sup> (unit: thousand t-CO <sub>2</sub> e)	997	967	878*
Scope 2 emissions <sup>*1*2</sup> (unit: thousand t-CO <sub>2</sub> )	2,494	2,480	2,553*
Energy consumption (unit: GJ) <sup>*1*2</sup>	70,649,565	71,669,148	106,075,971*
Electricity consumption (unit: MWh) <sup>*1*2</sup>	4,266,241	4,268,734	4,399,057*

Period: Fiscal year

Scope of aggregation (consolidated):

- CO<sub>2</sub> emissions, emissions of 6.5 gases, energy consumption, electricity consumption: parent company and consolidated subsidiaries

ESG data marked with an asterisk (\*) for the year ended March 31, 2020 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd. For details, please see MC's website. [https://www.mitsubishicorp.com/ar2020/en/pdf/a\\_report2020\\_21.pdf](https://www.mitsubishicorp.com/ar2020/en/pdf/a_report2020_21.pdf)

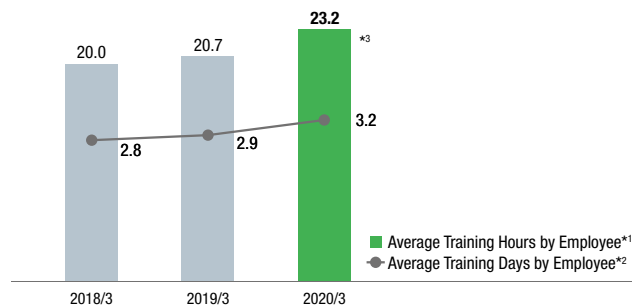


For more information on MC's ESG Data, please see our ESG Data Book. <https://www.mitsubishicorp.com/jp/en/ir/library/esg/>



## Social Data

### Average Training Hours/Days by Employee



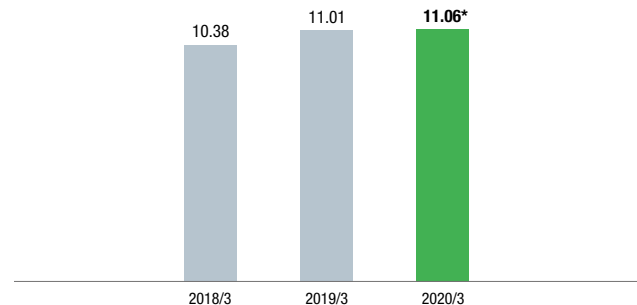
	2018/3	2019/3	2020/3
Total training hours (unit: hours)	123,000	124,000	137,000

\*1 This number is the annual total training hours divided by the non-consolidated number of employees for an average number of hours per employee (excluding assigned overseas training).

\*2 One day is calculated as 7.25 hours of working time.

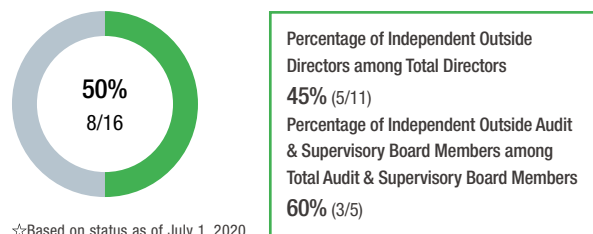
\*3 An employee who enters the company as a new graduate, spends their career at the company until retirement, and undergoes all standard training (including assigned overseas training) is estimated to spend an average 62 hours/8.6 days in training annually.

### Percentage of Women in Management Positions (non-consolidated) (Unit: %)



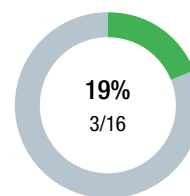
## Governance Data

### Percentage of Independent Outside Members among Total Directors and Audit & Supervisory Board Members\* (Unit: %)

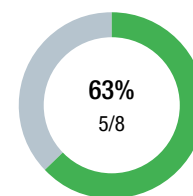


\*Based on status as of July 1, 2020

### Percentage of Women among Total Directors and Audit & Supervisory Board Members\* (Unit: %)



### Percentage of Independent Outside Directors among Governance, Nomination & Compensation Committee Members (Unit: %)



### Employee Data (non-consolidated)

	2018/3	2019/3	2020/3	
Number of employees (non-consolidated)	Male	4,535	4,437	4,356
	Female	1,594	1,579	1,526
	Total	6,129	6,016	5,882
Gender ratio in management positions (unit: %)*6	Male	89.62	88.99	88.94*
	Female	10.38	11.01	11.06*
Average years of service	18.4	18.4	18.4	
Number of employees on overseas assignments (including global trainees)*7	1,288	1,261	1,174	
Employment rate of persons with disabilities (unit: %)*8	Male	14	13	20
	Female	52	45	52
	Total	66	58	72
Number of employees who took maternity/paternity leave*9	Male	0	0	0
	Female	1	4	1
	Total	1	4	1
Monthly average overtime hours (unit: hours/month)*10	24.7	25.7	25.1	
Percentage of annual paid leave days taken (unit: %)*11	69	67	67	
Level of employee satisfaction (unit: %)*12	—	—	76	
Lost time injuries frequency rate (frequency rate of injuries)*13	0.46	0.47	0.49*	

\*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. While the results for the fiscal year ended March 31, 2020 were being compiled, the environmental data for the previous fiscal years was also adjusted.

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

- Direct CO<sub>2</sub> emissions from fuel consumption  
The Greenhouse Gas Protocol (GHG Protocol) "Emission Factors from Cross Sector Tools (March 2017)" (WRI/WBCSD)
- Emissions of greenhouse gases from business activities other than CO<sub>2</sub> from energy sources (6.5 gases)  
Greenhouse Gas Emission Calculation and Reporting Manual (Version 4.2) (July 2016, Ministry of the Environment and Ministry of Economy, Trade and Industry)
- Indirect CO<sub>2</sub> emissions from electricity consumption, etc.  
IEA CO<sub>2</sub> Emissions from Fuel Combustion (2016 edition), CO<sub>2</sub> emissions per kWh from electricity generation of the fiscal year ended March 31, 2014

\*3 Data collected in compliance with the Act on Rational Use of Energy in Japan. Logistics figures cover domestic (Japan) transport where MC is the cargo owner.

\*4 Copy paper (calculated as A4 size) consumption

\*5 MC adopted a policy that aims to reduce greenhouse gas (GHG) emissions per total assets by 25% compared to fiscal year ended March 31, 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.

\*6 As of April 1 of each calendar year

\*7 The Global Trainee System is an overseas assignment system aimed at young employees in order to respond to the global development of MC's business portfolio and strengthen the global competitiveness of MC's human resources.

\*8 As of June 1 of each calendar year

\*9 The number of employees who began taking this type of leave during each fiscal year

\*10 Employees working at the Head Office and domestic branches (excluding managers, corporate advisers and contract employees)

\*11 Employees working at the Head Office and domestic branches (excluding secondees from other companies)

\*12 Employee awareness surveys are taken every three years. The last survey was taken in the fiscal year ended March 31, 2020 to obtain a snapshot of employee motivation and organizational vitality. The findings are used to improve management and other aspects of operations. Employee satisfaction figures represent the ratio of staff members responding positively to questions about employee engagement (Do you work with enthusiasm and take pride in/admire your company?) in the survey.

\*13 Calculated based on standards set by the Ministry of Health, Labour and Welfare of Japan. Employees at the Head Office and domestic branches (excluding corporate advisers and contract employees)  
(Reference) Lost time injuries frequency rate (frequency rate of injuries) / Nationwide average at places of business: 1.80 (From 2019 survey on workplace accidents, Ministry of Health, Labour and Welfare of Japan)

## Corporate Information (As of March 31, 2020)

### Mitsubishi Corporation (Securities code: 8058)

Date Established: July 1, 1954

(Date Registered: April 1, 1950)

Capital: ¥204,446,667,326

Shares of Common Stock Issued: 1,590,076,851

#### Head Office:

Mitsubishi Shoji Building

3-1, Marunouchi 2-chome, Chiyoda-ku,

Tokyo, 100-8086, Japan

(Registered address of the Company)

Telephone: +81-3-3210-2121

Marunouchi Park Building

6-1, Marunouchi 2-chome, Chiyoda-ku,

Tokyo, 100-8086, Japan

#### Number of Employees:

Parent company: 5,882

Consolidated: 86,098

#### Independent Auditors:

Deloitte Touche Tohmatsu LLC

Number of Shareholders: 287,296

#### Stock Listings:

Tokyo

#### Transfer Agent for Shares and Special Accounts, Account Management Institution:

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

1-1, Nikkocho, Fuchu,

Tokyo, 183-0044, Japan

Telephone: 0120-232-711 (within Japan)

#### Contact:

Investor Relations Department, Mitsubishi Corporation

3-1, Marunouchi 2-chome, Chiyoda-ku,

Tokyo, 100-8086, Japan

Telephone: +81-3-3210-2121

#### Internet

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

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

#### Financial Section of Integrated Report 2020

From the year ended March 2014, Mitsubishi Corporation has prepared its consolidated financial statements based on International Financial Reporting Standards (IFRS). Unless stated to the contrary, the information given in this integrated report is also based on IFRS. Please refer to "Financial Section of Integrated Report 2020" for detailed information for the year ended March 2020.

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

#### Website Information

Mitsubishi Corporation Integrated Report 2020 (Online Version)

URL: <https://www.mitsubishicorp.com/ar2020/en/>

#### Sustainability Information

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



2020 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



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## Shareholder Information (As of March 31, 2020)

### Share Data

(1) Authorized share capital: 2,500,000,000 shares of common stock  
 (2) Number of shares issued and number of shareholders as of March 31, 2020

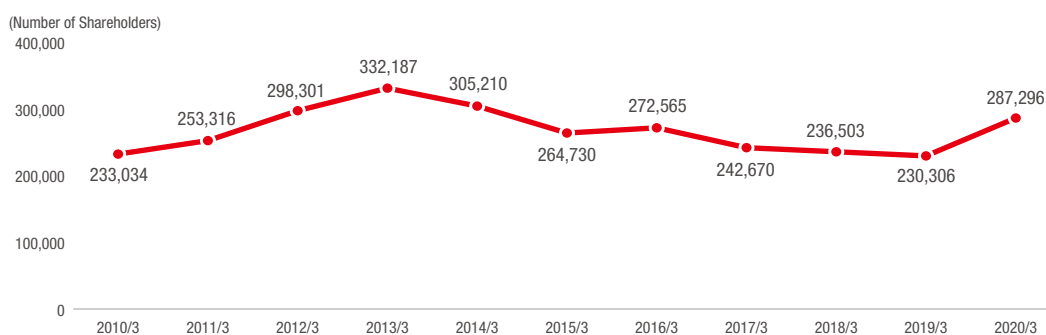
	Number of shares issued	Number of shareholders
As of March 31, 2019	1,590,076,851	230,306
Change	—	56,990
As of March 31, 2020	1,590,076,851	287,296

### Principal Shareholders

Name of Shareholders	Shareholding (Rounded down to the nearest thousand shares)	
	Number of shares (thousands)	Investment ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	111,717	7.50
Japan Trustee Services Bank, Ltd. (Trust Account)	91,698	6.16
BNYM RE NORWEST / WELLS FARGO OMNIBUS	71,495	4.80
Meiji Yasuda Life Insurance Company	64,846	4.35
Tokio Marine & Nichido Fire Insurance Co., Ltd.	62,111	4.17
Japan Trustee Services Bank, Ltd. (Trust Account 9)	34,692	2.33
The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)	32,276	2.16
Japan Trustee Services Bank, Ltd. (Trust Account 5)	28,152	1.89
JP MORGAN CHASE BANK 385151	21,103	1.41
Japan Trustee Services Bank, Ltd. (Trust Account 7)	20,300	1.36

Note: The investment ratio is computed by excluding 102,110,414 shares of treasury stock held by Mitsubishi Corporation and rounded to two decimal points.

### Number of Shareholders



### Shareholder Composition (Shareholding Ratio)



	Public sector	Financial institutions	Securities companies	Other companies	Foreign companies, etc.	Individuals and others	Total
Year ended March 2020	2	6,358,101	471,847	970,365	4,355,344	3,739,876	15,895,535
Year ended March 2015	2	6,477,513	531,424	1,408,520	5,167,434	2,650,389	16,235,282
Year ended March 2010	561	6,729,628	269,655	1,376,247	6,027,557	2,557,435	16,961,083

(1 stock unit/100 shares)

[www.mitsubishicorp.com](http://www.mitsubishicorp.com)