(Translation)

NOTICE OF 2022 ORDINARY GENERAL MEETING OF SHAREHOLDERS

Mitsubishi Corporation

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(Note)
"The MC Group" in the Business Report represents Mitsubishi Corporation's "group of enterprises" pursuant to Article 120, Paragraph 2 of the Ordinance for Enforcement of the Companies Act.

(Translation)

June 1, 2022

Notice of 2022 Ordinary General Meeting of Shareholders

Dear Shareholders,

This is to notify you that an ordinary general meeting of the shareholders of Mitsubishi Corporation for the fiscal year ended March 31, 2022 will be held as described below.

1. Date and Time: Friday, June 24, 2022 at 10:00 a.m.
2. Place: The Prince Park Tower Tokyo, Convention Hall (B2 floor), 8-1, Shibakoen 4-chome, Minato-ku, Tokyo
3. Agenda for the Meeting:

[Matters for Reporting]

1. *Report on the consolidated statement of financial position and the non-consolidated balance sheet as of March 31, 2022, the consolidated statement of income, the non-consolidated statement of income, and the consolidated and the non-consolidated statement of changes in equity for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022) and business report for the same fiscal year.*
2. *The audit reports of the independent auditors and the Audit & Supervisory Board concerning the consolidated financial statements.*

[Matters for Resolution]

＜Company Proposals＞

1. *To Approve the Proposed Appropriation of Surplus*
2. *To Partially Amend the Articles of Incorporation*
3. *To Elect 11 Directors*
4. *To Elect 2 Audit & Supervisory Board Members*

＜Shareholder Proposals＞

5. *Partial amendment to the Articles of Incorporation (adoption and disclosure of short-term and mid-term greenhouse gas emission reduction targets aligned with the goals of the Paris Agreement)*
6. *Partial amendment to the Articles of Incorporation (disclosure of how the company evaluates the consistency of each new material capital expenditure with its net zero greenhouse gas emissions by 2050 commitment)*

- You can exercise your voting right by mail or via the Internet. If exercising your right by mail, please complete the required procedures and ensure we receive the form no later than 5:30 p.m. on Thursday, June 23, 2022 (Japan Time). Procedures for exercising your voting right via the Internet must also be completed by 5:30 p.m. on Thursday June 23, 2022 (Japan Time).
- If you attend the meeting, please bring the enclosed voting form to the reception desk. You are also requested to bring with you this booklet as relevant documents for the proceedings.
- When exercising your voting rights by proxy, note that, per the Company's Articles of Incorporation, you may appoint only one shareholder having voting rights to be your proxy in order to exercise your voting rights. If attending the meeting by proxy, your proxy must submit the voting form and a letter of proxy testifying to their authority to do so to the reception desk.

Takehiko Kakiuchi
Representative Director, Chairman of the Board
Mitsubishi Corporation

(Translation)

Reference Documents

Details of Each Proposal

＜Company Proposals＞

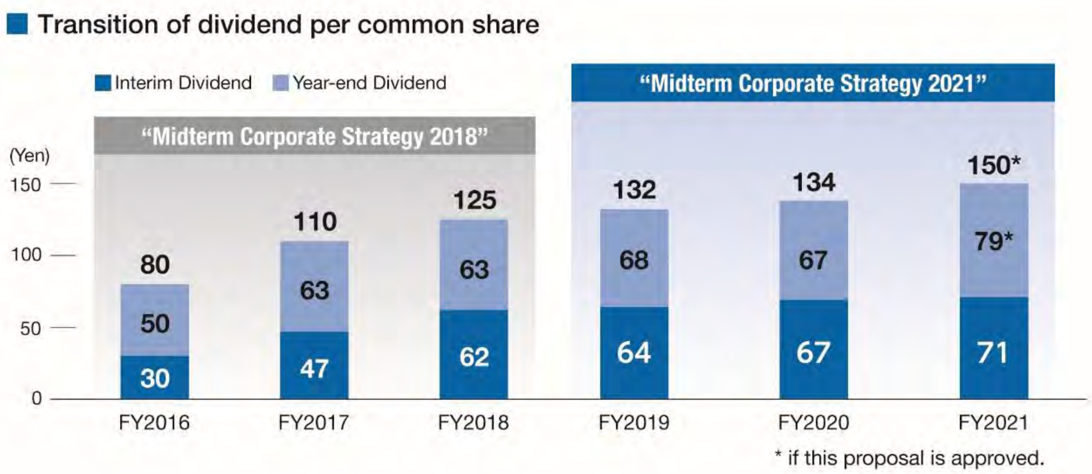
Proposal No. 1 to No. 4 are proposed by the Company.

1. To Approve the Proposed Appropriation of Surplus

The proposed appropriation of surplus for the fiscal year ended March 31, 2022 is as follows.
Under "Midterm Corporate Strategy 2021", which covers the period from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2022, Mitsubishi Corporation has adopted a progressive dividend policy that aims to increase dividends in tandem with sustainable profit growth. In consideration of consolidated business results and other factors, the Board of Directors proposes the year-end dividend of ¥79 per common share. As a result, total dividends for the fiscal year ended March 31, 2022, including the interim dividend of ¥71 per common share, will be increased by ¥16 from the previous fiscal year to become ¥150 per common share.

1. Year-end dividends
   (1) Dividends to be paid
      Cash
   (2) Allotment of dividend assets for shareholders and total amount
      ¥79 per common share of Mitsubishi Corporation
      Total amount: ¥116,909,251,576
   (3) Effective date of payment of surplus available for dividends
      June 27, 2022

2. Other retained earnings
   (1) Increase in retained earnings and amount
      General reserve: ¥110,000,000,000
   (2) Decrease in retained earnings and amount
      Unappropriated retained earnings: ¥110,000,000,000



(Translation)

2. To Partially Amend the Articles of Incorporation

1. Reasons for the Amendment

The provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into effect from September 1, 2022. As such, this amendment to the Articles of Incorporation of the Company is to prepare for the introduction of a system to electronically provide reference materials for a general meeting of shareholders, as follows.

(1) The proposed amendment to Article XVI stipulates that the contents of reference materials for the general meeting of shareholders, etc., may be provided in electronic form and also creates a new provision limiting the scope of materials that must, upon request from shareholders, be provided in paper form.

(2) Provisions for the Internet-based disclosure of reference data for the general meeting of shareholders (Article XVI of the current Articles of Incorporation) will no longer be required and are therefore deleted.

(3) A supplementary provision regarding the effective date, etc., is established in line with the above additions and deletions.

2. Details of the Amendment

The details of the amendment to Article XVI are shown as underlined below.

Present Articles of Incorporation	Proposed Amendment
ARTICLE XVI (Internet-based Disclosure of Reference Data for General Meeting of Shareholders) In convening a general meeting of shareholders, the Company may deem to have supplied information about matters to be stated or indicated in reference-documents for the general meeting, business reports, financial statements and consolidated financial statements to shareholders, by disclosing the information via an Internet-used method in accordance with applicable laws and ordinances.	(Deleted)
(New)	**ARTICLE XVI (Electronic Provision Measures)** In convening a general meeting of shareholders, the Company may provide the content of reference materials, etc., for the general meeting of shareholders in electronic form. Of the items to be provided electronically, the Company may decide to omit some or all of the items stipulated by ordinance of the Ministry of Justice from the paper form of reference materials provided to shareholders who request such materials in paper form by the reference date of the right to vote.
(New)	Supplementary Provision 1. The deletion of Article XVI of the current Articles of Incorporation (Internet-based Disclosure of Reference Data for General Meeting of Shareholders) and the enaction of the proposed amended Article XVI (Electronic Provision Measures) will take effect on September 1, 2022. 2. Notwithstanding the provisions of the preceding paragraph, Article XVI of the current Articles of Incorporation shall remain in effect for a general meeting of shareholders held by February 28, 2023. 3. This article will be deleted on the later of March 1, 2023 or three months after the general meeting of shareholders mentioned in the preceding paragraph.

(Translation)

3. To Elect 11 Directors

The term of all 11 Directors will expire at the close of this Ordinary General Meeting of Shareholders. Accordingly, the Board proposes the following 11 candidates for election as Directors as detailed on the following pages. Of the 11 candidates, 5 are candidates for Outside Director. All such candidates meet the requirements of independent director, as specified by the Tokyo Stock Exchange, Inc., as well as Selection Criteria for Outside Directors specified by MC.
The composition and size of the Board of Directors and the policy and process for appointing nominated Directors are deliberated at the Governance, Nomination and Compensation Committee with Outside Directors and/or Outside Audit & Supervisory Board Members in the majority, and then decided by the Board of Directors as follows:

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

Composition and Size		The composition and size of the Board of Directors is appropriately determined to help it maintain transparent, fair, timely and decisive decision-making and carry out effective oversight, with one third or more being made up of 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 & CEO, MC's in-house Directors are elected from Executive Officers (Senior Executive Vice Presidents & Executive Vice Presidents) responsible for companywide management so that they can fully leverage their abundant business experience to ensure appropriate decision making and robust management supervision by the Board of Directors.
	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 dynamics and socio-economic trends. These individuals thus contribute to appropriate decision making and robust management supervision by the Board of Directors as they bring diverse perspectives into its deliberations.
Appointment Process		In line with policies described above, the President & 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.

(Translation)

#	Name	Age		Present position and responsibilities at the Company	Years served as Director	Member of Governance, Nomination and Compensation Committee
1	Takehiko Kakiuchi	66	Renomination	Chairman of the Board	6 years	○
2	* Katsuya Nakanishi	61	New Nomination	President & CEO	—	○ (planned)
3	Norikazu Tanaka	62	New Nomination	Executive Vice President, Group CEO, Mineral Resources Group, EX Task Force Leader	—	—
4	*Yasuteru Hirai	60	Renomination	Director, Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters	1 year	—
5	*Yutaka Kashiwagi	58	Renomination	Director, Executive Vice President, Corporate Functional Officer, CDO, CAO, Corporate Communications, Corporate Sustainability & CSR	1 year	—
6	*Yuzo Nouchi	57	New Nomination	Executive Vice President, Corporate Functional Officer, CFO	—	—
7	Akitaka Saiki	69	Renomination, Outside Director, Independent Director	Director	5 years	○
8	Tsuneyoshi Tatsuoka	64	Renomination, Outside Director, Independent Director	Director	4 years	○
9	Shunichi Miyanaga	74	Renomination, Outside Director, Independent Director	Director	3 years	○
10	Sakie Akiyama	59	Renomination, Outside Director, Independent Director	Director	2 years	○
11	Mari Sagiya	59	New Nomination, Outside Director, Independent Director	—	—	○ (planned)

(Notes)

1. Upon approval of this resolution, each candidate denoted by an asterisk is expected to be named a Representative Director at the Board of Directors Meeting to be held immediately following the Ordinary General Meeting of Shareholders.
2. Name in family register of Ms. Mari Sagiya is Ms. Mari Itaya.
3. MC has concluded agreements with Messrs. Akitaka Saiki, Tsuneyoshi Tatsuoka, Shunichi Miyanaga and Sakie Akiyama limiting their liability according to Article 423, Paragraph 1 of the Companies Act. According to the agreements, the maximum liability of each is the minimum amount stipulated under Article 425, Paragraph 1 of the Companies Act. If this proposal is approved, MC will extend agreements limiting their liability with the above-mentioned 4 individuals and conclude new agreements with Messrs. Takehiko Kakiuchi and Mari Sagiya with the same terms and conditions.
4. MC has executed agreements with Messrs. Takehiko Kakiuchi, Yasuteru Hirai, Yutaka Kashiwagi, Akitaka Saiki, Tsuneyoshi Tatsuoka, Shunichi Miyanaga and Sakie Akiyama stipulating that MC shall, to the extent required by laws and regulations, indemnify them from types of expenses and damage stipulated in Article 430-2, Paragraph 1, Item 1 and 2 of the Companies Act, respectively. If this proposal is approved, MC will extend agreements with the above-mentioned 7 individuals and execute new agreements with Messrs. Katsuya Nakanishi, Norikazu Tanaka, Yuzo Nouchi and Mari Sagiya with the same terms and conditions.
5. MC has concluded a Directors and Officers (D&O) Liability Insurance Agreement that designates its Directors as insured persons and it is scheduled to be renewed in August 2022. This agreement is designed to indemnify these individuals against damages that may arise while pursuing their official responsibilities or that may result from personal lawsuits brought against them seeking compensation on the grounds of such responsibilities. Relevant insurance premiums are paid solely by the Company. In addition, this agreement precludes indemnification against damages attributable to intentional misconduct including decisions made knowingly of illegality and so forth.

(Translation)

1. Takehiko Kakiuchi <Date of Birth Jul. 31, 1955 66years old>

Renomination

Number of shares owned:
199,755
In addition to the above, number of shares equivalent to stock acquisition rights owned:
333,300
(number of shares of the above equivalent to unvested stock acquisition rights*: 333,300)

Years served as Director:
6 years (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1979	Joined MC
Apr. 2010	Senior Vice President, Division COO, Foods (Commodity) Div.
Apr. 2011	Senior Vice President, General Manager, Living Essential Group CEO Office, Division COO, Foods (Commodity) Div.
Apr. 2013	Executive Vice President, Group CEO, Living Essentials Group
Apr. 2016	President & CEO
Jun. 2016	Director, President & CEO
Apr. 2022	Chairman of the Board (present position)

Reason for Nomination as Director

Mr. Kakiuchi has spent his career primarily in the Company's agriculture, fishery, and living essentials businesses. His previous posts include the CEO of the Living Essentials Group. In April 2016, he was appointed as MC's President & CEO and, since then, has striven for six years to guide the Company's pursuit of triple-value growth (simultaneously generating economic value, social value, and environmental value) through its business-management model, promoting asset replacement under the Value-Added Cyclical Growth Model. Through these efforts, he has contributed to raise MC's corporate value. In April 2022, Mr. Kakiuchi switched to Chairman of the Board in order to oversee MC's management in a non-executive capacity. MC has renominated Mr. Kakiuchi as a Director as he possesses a wealth of experience at MC covering its business and general management, as well as global business experience and expertise in management and administrative operations.

(Note)
* Allocated as stock-based remuneration linked to medium- to long term share performance, with the maximum number stated and the number of exercisable options varying (40% to 100%) based on future performance. For details of MC's remuneration package for directors and audit & supervisory board members, please refer to pages 45-48.

(Translation)

2. Katsuya Nakanishi <Date of Birth Oct. 15, 1960 61 years old>

New Nomination

Number of shares owned:
31,421

In addition to the above, number of shares equivalent to stock acquisition rights owned:
91,700

(number of shares of the above equivalent to unvested stock acquisition rights*:91,700)

Job History, Positions and Responsibilities

Apr. 1985	Joined MC
Apr. 2016	Senior Vice President, Regional CEO, Middle East & Central Asia
Apr. 2018	Senior Vice President, Division COO, New Energy & Power Generation Div.
Apr. 2019	Executive Vice President, Group CEO, Power Solution Group
Apr. 2020	Executive Vice President, Group CEO, Power Solution Group, Power & Retail DX Task Force Leader
Apr. 2021	Executive Vice President, Group CEO, Power Solution Group, Power & Retail DX Task Force Leader, EX Task Force Leader
Apr. 2022	President & CEO (present position)

Reason for Nomination as Director

Mr. Nakanishi has spent his career primarily in the fields of power generation and energy. His previous posts include Regional CEO, Middle East & Central Asia. In April 2019, Mr. Nakanishi became the CEO of the Power Solution Group and, since then, has spearheaded MC's transition to an energy system focused on sourcing renewable energy and leveraging digital technologies as part of its pursuit of energy transformation (EX) and digital transformation (DX). Through his leadership in challenging endeavors, he helped to enhance MC's corporate value. In April 2022, he was appointed as MC's President & CEO. MC has nominated Mr. Nakanishi as a Director as he possesses a wealth of experience at MC covering its business and general management, as well as global business experience and expertise in management and administrative operations.

(Translation)

3. Norikazu Tanaka <Date of Birth Feb 8, 1960 62 years old>

New Nomination

Number of shares owned:
61,053

In addition to the above, number of shares equivalent to stock acquisition rights owned:
100,400

(number of shares of the above equivalent to unvested stock acquisition rights*:91,700)

Job History, Positions and Responsibilities

Apr. 1982	Joined MC
Apr. 2014	Senior Vice President, Deputy Division COO, Mineral Resources Investment Div.
Apr. 2015	Senior Vice President, Division COO, Mineral Resources Investment Div.
Apr. 2018	Executive Vice President, Group CEO, Metals Group
Apr. 2019	Executive Vice President, Group CEO, Mineral Resources Group
Apr. 2022	Executive Vice President, Group CEO, Mineral Resources Group, EX Task Force Leader (present position)

Reason for Nomination as Director

Mr. Tanaka has spent his career primarily in MC’s mineral resources business, which handles ferrous and other raw materials. His previous posts include Division COO of the Mineral Resources Investment Division. In April 2018, Mr. Tanaka became the CEO of the Metals Group and, in April 2019, was appointed as the CEO of the Mineral Resources Group. In these positions, Mr. Tanaka helped to raise MC’s corporate value by taking a lead in MC’s efforts to fulfill its responsibilities to stably supply high-quality metallurgical coal and iron ore, reconfiguring to a new portfolio centered on social issues such as decarbonization, non-fossil energy, and the circular economy. Since April 2022, he concurrently serves as the MC’s EX task force Leader, spearheading its EX initiatives. MC has nominated Mr. Tanaka as a Director as he possesses a wealth of experience at MC covering its business and general management, as well as global business experience and expertise in management and administrative operations.

(Translation)

4. Yasuteru Hirai <Date of Birth Sep. 28, 1961 60 years old>

Renomination

Number of shares owned:
26,053

In addition to the above, number of shares equivalent to stock acquisition rights owned:
109,400
(number of shares of the above equivalent to unvested stock acquisition rights*: 78,600)

Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1984	Joined MC
Apr. 2014	Senior Vice President, Deputy Regional CEO, East Asia, President, Mitsubishi Corporation (Shanghai) Ltd., General Manager, Shanghai Office
Apr. 2017	Senior Vice President, Regional CEO, East Asia, President, Mitsubishi Corporation China Co., Ltd., General Manager, Beijing Branch
Oct. 2018	Senior Vice President, Regional CEO, East Asia, President, Mitsubishi Corporation China Co., Ltd., General Manager, Beijing Branch, President, Mitsubishi Corporation (Guangzhou) Ltd.
Apr. 2019	Senior Vice President, President, Mitsubishi Corporation China Co., Ltd., General Manager, Beijing Branch
Apr. 2020	Executive Vice President, President, Mitsubishi Corporation China Co., Ltd., General Manager, Beijing Branch
Apr. 2021	Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters
Apr. 2022	Director, Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (present position)

Reason for Nomination as Director

Mr. Hirai has spent his career primarily in MC's global strategies. From 2012 until 2017, he served as president of Mitsubishi Corporation (Shanghai) Ltd., and from 2017 until 2021, he served as president of Mitsubishi Corporation China Co., Ltd. By overseeing market-development and other operations in China, Mr. Hirai helped to enhance the MC Group's value in that country. As Corporate Functional Officer for global strategy, he is promoting projects dedicated to the worldwide growth and development of MC's businesses; as Chief Compliance Officer, he is encouraging MC Group organizations to both strengthen their compliance frameworks and be more independent in managing them; and as General Manager of MC's Emergency Crisis Management Headquarters, he is both responsible for companywide responses during times of emergency and the oversight of consolidated business-continuity management (BCM). MC has renominated Mr. Hirai as a Director. He possesses a wealth of management experience, covering both MC's diverse operations and business/administrative operations in general.

(Translation)

5. Yutaka Kashiwagi <Date of Birth Feb. 10, 1964 58 years old>

Renomination
Number of shares owned:
16,541
In addition to the above, number of shares equivalent to stock acquisition rights owned:
62,700
(number of shares of the above equivalent to unvested stock acquisition rights*: 62,700)

Years served as Director:
1 year (as of close of this Ordinary General Meeting of Shareholders)

Job History, Positions and Responsibilities

Apr. 1986	Joined MC
Apr. 2018	Senior Vice President, Division COO, Environmental Business Div.
Apr. 2019	Senior Vice President, General Manager, Power Solution Group CEO Office
Apr. 2021	Executive Vice President, Corporate Functional Officer, Business Development for Japan, General Manager, Kansai Branch
Jun. 2021	Director, Executive Vice President, Corporate Functional Officer, Business Development for Japan, General Manager, Kansai Branch
Apr. 2022	Director, Executive Vice President, Corporate Functional Officer, CDO, CAO, Corporate Communications, Corporate Sustainability & CSR (present position)

Reason for Nomination as Director

Mr. Kashiwagi has spent his career mainly in the fields of power generation and energy, and his previous posts include the General Manager of the Power Solution Group's CEO Office. In April 2021, Mr. Kashiwagi was appointed as Corporate Functional Officer for business development in Japan. Mr. Kashiwagi helped to raise MC's corporate value as he took a lead in a challenging task of transitioning to an energy system focused on sourcing renewable energy and leveraging digital technologies in addition to supervising the development of domestic markets. Since April 2022, Mr. Kashiwagi serves as Corporate Functional Officer who concurrently acts as CDO and CAO as well as the supervisor of public relations, sustainability and CSR. By fulfilling these positions, Mr. Kashiwagi is currently spearheading MC's digital strategies along with such initiatives as nurturing human resources equipped with robust management capabilities, developing more effective governance systems, strengthening MC's legal affairs functions, promoting public relations strategies, and addressing sustainability issues. MC has renominated Mr. Kashiwagi as a Director as he possesses a wealth of management experience, covering both MC's diverse operations and business/administrative operations in general.

(Translation)

6. Yuzo Nouchi <Date of Birth Jun. 27, 1964 57 years old>

New Nomination

Number of shares owned:
18,097

In addition to the above, number of shares equivalent to stock acquisition rights owned:
50,100

(number of shares of the above equivalent to unvested stock acquisition rights*:50,100)

Job History, Positions and Responsibilities

Apr. 1987	Joined MC
Apr. 2019	Senior Vice President, General Manager, Corporate Accounting Dept.
Apr. 2022	Executive Vice President, Corporate Functional Officer, CFO (present position)

Reason for Nomination as Director

Mr. Nouchi has spent his career primarily in the Company's finance and accounting businesses. He has assumed such posts as the General Manager of the Business Group Administration Department and the General Manager of the Corporate Accounting Department, and has thus helped to raise MC's corporate value mainly from the finance and accounting aspect. Since April 2022, Mr. Nouchi serves as Corporate Functional Officer (CFO), spearheading MC's efforts to secure even more robust financial position, which will, in turn, provide the Company with a basis for growth investment, while overseeing the screening of investment and finance proposals, the monitoring of the overall status of business investment, and the management of such financial risks as market risk and credit risk. Mr. Nouchi also takes a lead in IR and other activities aimed at stabilizing and raising MC's stock price over the medium to long term. MC has nominated Mr. Nouchi as a Director as he possesses a wealth of management experience, covering both MC's diverse operations and business/administrative operations in general.

(Translation)

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

To make the function of Outside Directors and Outside Audit & Supervisory Board Members stronger and more transparent, 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 Outside Directors and/or Outside Audit & Supervisory Board Members in the majority.

[Selection Criteria for Outside Directors]

1. Outside Directors are elected from among those individuals who have an eye for practicality founded on a wealth of experience as corporate executive officers, as well as an objective and specialist viewpoint based on extensive insight regarding global conditions and social and economic trends. Through their diverse perspectives, Outside Directors help ensure levels of decision-making and management oversight appropriate to the Board of Directors.

2. To enable Outside Directors to fulfill their appointed task, attention is given to maintain their independency*; individuals not ensuring this independency in effect will not be selected to serve as Outside Directors.

3. MC's operations span a broad range of business domains; hence there may be cases of conflict of interest stemming from business relationships with firms home to a corporate executive officer appointed as Outside Directors. MC appropriately copes with this potential issue through the procedural exclusion of the director in question from matters related to the conflict of interest, and by preserving a variety of viewpoints through the selection of numerous Outside Directors.

[Selection Criteria for Outside Audit & Supervisory Board Members]

1. Outside Audit & Supervisory Board Members are selected from among individuals who possess wealth of knowledge and experience across various fields that is helpful in performing audits. Neutral and objective auditing, in turn, will ensure sound management.

2. To enable Outside Audit & Supervisory Board Members to fulfill their appointed task, attention is given to maintain their independency*; individuals not ensuring this independency will not be selected to serve as Outside Audit & Supervisory Board Members.

(Notes)

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 auditors as specified by 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 3 fiscal years.

(1) A major shareholder of MC (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such shareholder (*1).
  *1 A member of business personnel refers to a managing director, corporate officer, executive officer, or other employee of a company (Hereinafter the same).

(2) A member of business personnel of a creditor of MC exceeding the threshold set by MC (*2).
  *2 Creditors exceeding the threshold set by MC refer to creditors to whom MC owes an amount exceeding 2% of MC's consolidated total assets.

(3) A member of business personnel of a supplier or a customer of MC exceeding the threshold set by MC (*3).
  *3 Suppliers or customers exceeding the threshold set by MC refer to suppliers or customers whose transaction amounts with MC exceed 2% of MC's consolidated revenues.

(4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from MC, other than directors' or audit & supervisory board members' remuneration, where the amount exceeds ¥10 million per fiscal year.

(5) A representative or partner of MC's independent auditor.

(6) A person belonging to an organization that has received donations exceeding a certain amount (*4) from MC.
  *4 Donations exceeding a certain amount refer to donations of more than ¥20 million per fiscal year.

(7) A person who has been appointed as an Outside Director or Outside Audit & Supervisory Board Member of MC for more than 8 years.

If a person is still judged by MC 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.

(Translation)

7. Akitaka Saiki <Date of Birth Oct. 10, 1952 69 years old>

Renomination | Outside Director | Independent Director

Number of shares owned:
3,570
Years served as Director:
5 years (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2022)
Regular: 11 out of 11 held / Extraordinary: 2 out of 2 held
Attendance at Governance, Nomination and Compensation Committee Meetings
(the fiscal year ended March 31, 2022): 5 out of 5 held

Job History, Positions and Responsibilities

Apr. 1976	Joined the Ministry of Foreign Affairs of Japan Held the position of: Director-General, Asian and Oceanian Affairs Bureau, Ambassador to the Republic of India, concurrently to the Kingdom of Bhutan, Deputy Minister for Foreign Affairs, and Vice Minister for Foreign Affairs
Jun. 2016	Retired from Ministry of Foreign Affairs of Japan
Sep. 2016	Corporate Adviser, MC (resigned in Jun. 2017)
Jun. 2017	Director, MC (present position)

Important Concurrent Positions
Outside Director, Tobishima Corporation

Reason for Nomination as Outside Director and Expected Role

MC has renominated Mr. Saiki as an Outside Director. His work with Japan's Ministry of Foreign Affairs has given him sensitive insight into geopolitics. He also possesses keen expertise in country risk and a broad network of contacts to deal with these risks. MC expects that he can offer advice to MC's management and properly oversee the execution of business from an objective and professional perspective.

Supplementary Information with respect to Independence and Important Concurrent Position

1. Independence of Outside Director

Mr. Saiki meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and Selection Criteria for Outside Directors specified by MC. Supplementary information in terms of independence is as follows:

- Mr. Saiki received compensation as Corporate Advisor of MC from September 2016 to June 2017, having been appointed as a member of an advisory body to the Board of Directors (Governance, Nomination and Compensation Committee); however, this compensation was paid as consideration for the advice he offered regarding the management of MC based on his experience and insight, and does not affect his independence.
- Mr. Saiki serves as the President (part-time position) of the Middle East Institute of Japan, Juridical Foundation, which conducts studies and research concerning the Middle East region. MC pays membership fees and other dues of approximately ¥3.4 million per annum to the Middle East Institute of Japan. However, these payments are consistent with MC's support for the principles of the Middle East Institute of Japan. In addition, Mr. Saiki receives no compensation from the Middle East Institute of Japan; therefore, he does not benefit personally.

2. Business relationships between MC and entities where the candidate holds important concurrent position

MC has business transactions with Tobishima corporation, but there is no special relationship (specified related party, etc.).

(Translation)

Message from the candidate for appointment as Outside Director

The February 24, 2022 invasion of Ukraine by Russia has shaken international political and economic frameworks, leading to especially serious repercussions on the supply of energy, food and other resources around the world. Amid these challenging conditions, the new vision and management plan in “Midterm Corporate Strategy 2024 - Creating MC Shared Value (MCSV)” set forth by MC’s new president, Katsuya Nakanishi, serve as a clear message both domestically and internationally. As an Outside Director, I will do my utmost to provide useful advice to help steadily achieve the targets of the management plan.

(Translation)

8. Tsuneyoshi Tatsuoka <Date of Birth Jan. 29, 1958 64 years old>

Renomination | Outside Director | Independent Director

Number of shares owned:
8,061
Years served as Director:
4 years (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2022)
Regular: 11 out of 11 held / Extraordinary: 2 out of 2 held
Attendance at Governance, Nomination and Compensation Committee Meetings
(the fiscal year ended March 31, 2022): 5 out of 5 held

Job History, Positions and Responsibilities

Apr. 1980	Joined the Ministry of International Trade and Industry (present Ministry of Economy, Trade and Industry (METI)) Held the position of: Counsellor, Cabinet Secretariat (Office of Assistant Chief Cabinet Secretary), Deputy Vice-Minister of Economy, Trade and Industry, and Vice Minister of METI
Jul. 2015	Retired from METI
Jan. 2018	Corporate Adviser, MC (resigned in Jun. 2018)
Jun. 2018	Director, MC (present position)

Important Concurrent Positions
Outside Director, Asahi Kasei Corp.

Reason for Nomination as Outside Director and Expected Role

MC has renominated Mr. Tatsuoka as an Outside Director. Having worked at Japan's Ministry of Economy, Trade and Industry, where he has long engaged in the field of public policies regarding economy and industry, Mr. Tatsuoka brings to MC's Board keen knowledge about the country's industrial sector as a whole along with contributing his deep insight into sustainability issues, including those related to environmental and energy policies. MC expects that he can offer advice to MC's management and properly oversee the execution of business from an objective and professional perspective.

Supplementary Information with respect to Independence and Important Concurrent Positions

1. Independence of Outside Director
Mr. Tatsuoka meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and Selection Criteria for Outside Directors specified by MC. Supplementary information in terms of independence is as follows:

・ Mr. Tatsuoka has been offering advice to MC and receiving compensation as Corporate Advisor of MC from January 2018 to June 2018, having been appointed as a member of an advisory body to the Board of Directors (Governance, Nomination and Compensation Committee); however, this compensation was paid as consideration for the advice he offers regarding the management of MC based on his experience and insight, and does not affect his independence.

2. Business relationships between MC and entities where the candidate holds important concurrent position
MC has business transactions with Asahi Kasei Corp., but there is no special relationship (specified related party, etc).

(Translation)

Message from the candidate for appointment as Outside Director

In Japan and globally, the business environment is changing at an increasing pace, becoming both more complex and uncertain. This reflects the competition for dominance between the United States and China, the Russia-Ukraine conflict, energy issues stemming from this conflict, and the impact of the ensuing global inflation, which is accelerating, on the macroeconomic environment. Under the new management team, MC has established “Midterm Corporate Strategy 2024 - Creating MC Shared Value (MCSV)”. I am committed to drawing on my experience to fulfill my role as an Outside Director to help MC continue to enhance its corporate value through careful yet decisive action under this management plan.

(Translation)

9. Shunichi Miyanaga <Date of Birth Apr. 27, 1948 74 years old>

Renomination Outside Director Independent Director

Number of shares owned:
9,760
Years served as Director:
3 years (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2022)
Regular: 11 out of 11 held / Extraordinary: 2 out of 2 held
Attendance at Governance, Nomination and Compensation Committee Meetings
(the fiscal year ended March 31, 2022): 5 out of 5 held

Job History, Positions and Responsibilities

Apr. 1972	Joined Mitsubishi Heavy Industries, Ltd. ("MHI")
Apr. 2006	Senior Vice President, MHI
Apr. 2008	Executive Vice President, MHI
Jun. 2008	Director, Executive Vice President, MHI
Apr. 2011	Director, Senior Executive Vice President, MHI
Apr. 2013	Director, President, MHI
Apr. 2014	Director, President and CEO, MHI
Apr. 2019	Chairman of the Board, MHI (present position)
Jun. 2019	Director, MC (present position)

Important Concurrent Positions
Chairman of the Board, MHI
Outside Director, Mitsubishi Motors Corporation ("MMC")

Reason for Nomination as Outside Director and Expected Role

MC has renominated Mr. Miyanaga as an Outside Director. Mr. Miyanaga has spent many years at the helm of a listed manufacturing conglomerate that is engaged in businesses all over the world. He brings to MC's Board global management experience as well as his keen insight into such technologies as decarbonization-related technologies. MC expects that he can offer advice to MC's management and properly oversee the execution of business from a practical perspective.

Supplementary Information with respect to Independence and Important Concurrent Positions

1. Independence of Outside Director
Mr. Miyanaga meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and Selection Criteria for Outside Directors specified by MC. Supplementary information in terms of independence is as follows:
- Mr. Miyanaga was Director, President and CEO of MHI, from April 2013 to March 2019 and has been Chairman of the Board of MHI since April 2019. MHI, where Mr. Miyanaga was an executive in the past, and MC have a relationship of cross-directorship whereby each has an outside director assigned from the other. In addition, the two companies have business transactions, though these transactions do not exceed 2% of MC's consolidated revenues.

2. Business relationships between MC and entities where the candidate holds important concurrent position
- MC has business transactions with MHI, but there is no special relationship (specified related party, etc).
- Mr. Miyanaga has been appointed as an outside director of MMC since June 2014. MMC is a specified related party to MC.

Message from the candidate for appointment as Outside Director

The confluence of such major trends as energy transition and digitalization, as well as the retreat of globalization and free trade, is changing socioeconomic and market structures. As a result, it is now more important than ever to carefully assess the value and risks of new technologies as well as the residual value of existing technologies. In this uncertain environment, by providing advice leveraging my management experience in conglomerate manufacturing industries, I hope to contribute to the value enhancement and corporate governance of the MC Group, which does business across a broad range of fields.

*** Violations of either applicable laws or ordinances, or the articles of incorporation, etc. at other companies where the Outside Director candidate concurrently serves as a corporate officer**

In January and July 2017, while Mr. Miyanaga was serving as Outside Director at MMC, said company received an administrative order and an order for payment of surcharge from the Consumer Affairs Agency for conduct in violation of the Act against Unjustifiable Premiums and Misleading Representations with respect to labeling in product catalogues, etc. for MMC vehicles that were involved in improper conduct concerning fuel consumption tests. Moreover, in May 2018, it was found that MMC was not providing technical training to certain foreign technical trainees at the Okazaki Plant in accordance with the technical training plan accredited by the Organization for Technical Intern Training. In January 2019, MMC received a notice of cancellation of the technical training plan and an improvement order in accordance with the Act on Proper Technical Intern Training and Protection of Technical Intern Trainees. While Mr. Miyanaga was not directly aware of the facts of either case until relevant details were revealed, he has regularly been urging caution from a legal compliance standpoint in meetings of the Board of Directors and other forums. In addition, after the facts of each case came to light, Mr. Miyanaga has fulfilled his duty by taking actions such as instructing thorough investigations of the facts of each case and measures to prevent a reoccurrence.

(Translation)

10. Sakie Akiyama <Date of Birth Dec. 1, 1962 59 years old>

Renomination | Outside Director | Independent Director

Number of shares owned:
2,824
Years served as Director:
2 years (as of close of this Ordinary General Meeting of Shareholders)
Attendance at Board of Directors Meetings
(the fiscal year ended March 31, 2022)
Regular: 11 out of 11 held / Extraordinary: 1 out of 2 held
Attendance at Governance, Nomination and Compensation Committee Meetings
(the fiscal year ended March 31, 2022): 5 out of 5 held

Job History, Positions and Responsibilities

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

Important Concurrent Positions
Outside Director, ORIX Corporation
Outside Director, Sony Group Corporation
Outside Director, JAPAN POST HOLDINGS Co., Ltd.

Reason for Nomination as Outside Director and Expected Role

MC has renominated Ms. Akiyama as an Outside Director. After working as an international business consultant, Ms. Akiyama founded a firm specializing in robotic inspection systems for the electronics assembly markets and developed it into a global enterprise. Ms. Akiyama brings to MC's board of directors her in-depth insight into the digital and IT spaces that was accumulated over the course of the above endeavors in addition to contributing a wealth of know-how in innovation. MC expects that she can offer advice to MC's management and properly oversee execution of business from a practical perspective.

Supplementary Information with respect to Independence and Important Concurrent Positions

1. Independence of Outside Director
Ms. Akiyama meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and Selection Criteria for Outside Directors specified by MC. There is no supplementary information in terms of independence.

2. Business relationships between MC and entities where the candidate holds important concurrent position
- MC has business transactions with ORIX Corporation and Sony Group Corporation, but there is no special relationship (specified related party, etc.). Also, MC has no business relationship with JAPAN POST HOLDINGS Co., Ltd..

Ms. Akiyama was appointed as Outside Director of Lawson, Inc. from May 2014 to May 2018. Lawson, Inc. is a specified related party to MC. The company became a wholly owned subsidiary of MC in February 2017.

Message from the candidate for appointment as Outside Director

As managing businesses grows ever more complex—amid unstable international conditions, global environmental problems and the social transformation brought about by digital technology—MC is continuously striving to evolve its business portfolio while further increasing the sophistication of its governance. While paying due respect to the diligent efforts of the management team, as an Outside Director, I will strive to ensure that MC is able to return to shareholders the fruits of long-term growth based on disciplined corporate management.

(Translation)

11. Mari Sagiya <Date of Birth Nov. 16, 1962 59 years old>

New Nomination | Outside Director | Independent Director

Number of shares owned: 0

Job History

Apr. 1985 Joined IBM Japan, Ltd.

Jul. 2002 Director, IBM Japan, Ltd.

Jul. 2005 Senior Vice President, IBM Japan, Ltd. (resigned in July 2014)

Jul. 2014 Executive Vice President, SAP Japan Co., Ltd. (resigned in December 2015)

Jun. 2016 Executive Vice President, Chief Marketing Officer, Salesforce.com Co., Ltd. (currently Salesforce Japan Co., Ltd.) (resigned in August 2019)

Important Concurrent Positions

Outside Director, MonotaRO Co.,Ltd.
Outside Director, JBCC Holdings Inc.
Outside Director, Mizuho Leasing Company, Limited
Outside Director, KOKUSAI PULP&PAPER CO.,LTD. (scheduled to resign in June 2022)

Reason for Nomination as Outside Director and Expected Role

MC has nominated Ms. Sagiya as an Outside Director. Backed by her extensive expertise in leading corporate transformations of multiple companies, Ms. Sagiya has worked in top management at multiple global IT companies. MC expects that she brings to MC's Board a wealth of know-how in digital transformation (DX), and determined that she can offer advice to MC's management and properly oversee execution of business from a practical perspective.

Supplementary Information with respect to Independence and Important Concurrent Positions

1. Independence of Outside Director

Ms. Sagiya meets the requirements of independent director as specified by the Tokyo Stock Exchange, Inc. and Selection Criteria for Outside Directors specified by MC. Supplementary information in terms of independence is as follows:

- Ms. Sagiya worked as a Senior Vice President at IBM Japan, Ltd. from July 2005 to July 2014, as Executive Vice President at SAP Japan Co., Ltd. from July 2014 to December 2015 and as Executive Vice President at Salesforce.com Co., Ltd. from January 2016 to August 2019. Although MC engages in business with the three companies mentioned above, the amount is below 0.01% of the Company's consolidated net income and does not affect her independence.

2. Business relationships between MC and entities where the candidate holds important concurrent position

- MC has business transactions with MonotaRO Co.,Ltd., but there is no special relationship (specified related party, etc.). Also, MC has no business relationship with JBCC Holdings Inc., Mizuho Leasing Company, Limited, and KOKUSAI PULP&PAPER CO.,LTD..

Message from the candidate for appointment as Outside Director

Amid a rapidly changing external environment, in order to improve corporate value over the medium to long term, I believe that it will be even more important to continuously review and evolve governance, as seen in MC's initiatives to date. I have worked for several global IT companies, mainly in the areas of human resource development, marketing and digital transformation support to help solve business challenges facing clients across a wide range of industries. I will utilize this experience to contribute to MC's sustainable growth going forward.

(Translation)

4. To Elect 2 Audit & Supervisory Board Members

The term of Full-Time Audit & Supervisory Board Member Shuma Uchino will expire at the close of this Ordinary General Meeting of Shareholders. Also, Outside Audit & Supervisory Board Member Yasuko Takayama will step aside from her position at the close of this Ordinary General Meeting of Shareholders.
Accordingly, the Board proposes the following 2 candidates for election as Audit & Supervisory Board Members as detailed on the following pages. The Audit & Supervisory Board has already given consent to this proposal. Of the 2 candidates, one is candidate for Outside Audit & Supervisory Board Member. The candidate meets the requirements of independent Audit & Supervisory Board Member, as specified by the Tokyo Stock Exchange, Inc., as well as Selection Criteria for Outside Directors specified by MC.
The composition and size of the Audit & Supervisory Board and the policy and process for appointing nominated Audit & Supervisory Board Members are deliberated by the Governance, Nomination and Compensation Committee with Outside Directors and/or Outside Audit & Supervisory Board Members in the majority, and then decided by the Board of Directors as follows:

Composition and Size of the Audit & Supervisory Board and the Policy and Process for Appointing Nominated Audit & Supervisory Board Members

Composition and Size		In principle, the total number of Audit & Supervisory Board Members is 5, with more than half their number being made up of Outside Audit & Supervisory Board Members.
Appointment Policy		To ensure Mitsubishi Corporation’s sound business development and improve its social credibility through audits, several Audit & Supervisory Board Members are appointed from within and outside Mitsubishi Corporation with the depth of experience and high level of expertise needed for conducting audits.
	Full-Time Audit & Supervisory Board Members	Full-Time Audit & Supervisory Board Members are appointed from those with knowledge and experience in corporate management, finance, accounting, risk management, or other areas. These individuals are expected to carry out audits by employing their abundant business experience at MC, with the aim of securing the soundness of management.
	Outside Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members are appointed from those with rich knowledge and experience across various fields. These individuals are expected to carry out audits by exercising a neutral and objective perspective, with the aim of securing the soundness of management.
Appointment Process		Having consultations with the Full-Time Audit & Supervisory board Members, the President & CEO creates a proposal for nominated Audit & Supervisory Board Members, which is then deliberated by the Governance, Nomination and Compensation Committee and approved by the Audit & Supervisory Board before being resolved by the Board of Directors and presented at the Ordinary General Meeting of Shareholders.

(Translation)

#	Name	Age		Present position at MC	Years served as Audit & Supervisory Board Member
1	Mitsumasa Icho	62	New Nomination	Senior Advisor to the President, CEO	—
2	Mari Kogiso	55	New Nomination, Outside Audit & Supervisory Board Member, Independent Audit & Supervisory Board Member	—	—

Please also refer to page 27 for the structure of Audit & Supervisory Board Members if this proposal is approved.

(Notes)

1. MC has concluded agreements with Messrs. Hajime Hirano, Rieko Sato, and Takeshi Nakao limiting their liability according to Article 423, Paragraph 1 of the Companies Act. According to the agreements, the maximum liability of each is the minimum amount stipulated under Article 425, Paragraph 1 of the Companies Act. If this proposal is approved, MC will extend agreements limiting their liability with the above-mentioned 3 individuals and conclude new agreements with Messrs. Mitsumasa Icho and Mari Kogiso with the same terms and conditions.
2. MC has executed agreements with Messrs. Hajime Hirano, Rieko Sato, and Takeshi Nakao stipulating that MC shall, to the extent required by laws and regulations, indemnify them from types of expenses and damage stipulated in Article 430-2, Paragraph 1, Item 1 and 2 of the Companies Act, respectively. If this proposal is approved, MC will extend agreements with the above-mentioned 3 individuals and execute new agreements with Messrs. Mitsumasa Icho and Mari Kogiso with the same terms and conditions.
3. MC has concluded a Directors and Officers (D&O) Liability Insurance Agreement that designates its Audit & Supervisory Board Members as insured persons and it is scheduled to be renewed in August 2022. This agreement is designed to indemnify these individuals against damages that may arise while pursuing their official responsibilities or that may result from personal lawsuits brought against them seeking compensation on the grounds of such responsibilities. Relevant insurance premiums are paid solely by the Company. In addition, this agreement precludes indemnification against damages attributable to intentional misconduct including decisions made knowingly of illegality and so forth.

(Translation)

1. <u>Mitsumasa Icho</u> <Date of Birth Jan. 19, 1960 62 years old>

New Nomination

Number of shares owned:
32,900
In addition to the above, number of shares equivalent to stock acquisition rights owned:
114,700
(number of shares of the above equivalent to unvested stock acquisition rights*:91,700)

Job History and Positions

Apr. 1982	Joined Mitsubishi Corporation
Apr. 2014	Senior Vice President, General Manager, Risk Management Dept.
Apr. 2017	Senior Vice President, General Manager, Business Investment Management Dept.
Jan. 2018	Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch
Jun. 2018	Director, Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan, General Manager, Kansai Branch
Apr. 2019	Director, Executive Vice President, Group CEO, Urban Development Group
Jun. 2019	Executive Vice President, Group CEO, Urban Development Group
Apr. 2022	Senior Advisor to the President, CEO (present position) (scheduled to resign in June 2022)

Important Concurrent Positions

Outside Director, Mitsubishi HC Capital Inc. (scheduled to resign in June 2022)

Reason for Nomination as Audit & Supervisory Board Member

Mr. Icho has spent his career primarily in MC's finance and accounting businesses. His previous posts include the General Manager of the Business Investment Management Department as well as a Corporate Functional Officer (Regional Strategy for Japan). He has held the position of CEO of the Urban Development Group since April 2019, thereby helping to enhance MC's corporate value. MC has nominated Mr. Icho as an Audit & Supervisory Board Member as he possesses a wealth of experience at MC covering its business and general management, as well as global business experience and expertise in finance, accounting, and other operations.

(Note)

* Allocated as stock-based remuneration linked to medium- to long term share performance, with the maximum number stated and the number of exercisable options varying (40% to 100%) based on future performance. For details of MC's remuneration package for directors and audit & supervisory board members, please refer to pages 45-48.

(Translation)

2. <u>Mari Kogiso</u> <Date of Birth Nov. 15, 1966 55 years old>

New Nomination | Outside Audit & Supervisory Board Member

Independent Audit & Supervisory Board Member

Number of shares owned: 0

Job History

Apr. 1990	Joined Long-term Credit Bank of Japan
Jun. 1998	Joined World Bank
Jun. 2003	Representative, Asia, Multilateral Investment Guarantee Agency, World Bank Group
Oct. 2012	Founder and CEO, i-Incubate Corporation
Oct. 2014	Representative, Dalberg Japan
Jan. 2016	Head of International Business Planning, Sasakawa Peace Foundation
Jul. 2017	General Manager, Gender Investment and Innovation Division, Sasakawa Peace Foundation
Jun. 2019	General Manager, (Diversity, Human Rights, and Public Relations regarding Sustainability), CEO Office, FAST RETAILING CO., LTD. (resigned in December 2020)
Jan. 2021	Founder and CEO, SDG Impact Japan Inc.

Important Concurrent Positions
CEO, SDG Impact Japan Inc. (present position)

Reason for Nomination as Outside Audit & Supervisory Board Member and Expected Role

MC has nominated Ms. Kogiso as an Outside Audit & Supervisory Board Member. She has long accumulated business experience in the financial industry, including operations at an international organization, while taking on diversity promotion and other sustainability-related initiatives at global companies and public interest incorporated foundations. She has handled the establishment and management of the ESG Impact Fund. Through these endeavors, she acquired in-depth insight into ESG and finance. MC expects that she can audit its business operations from a neutral and objective perspective.

Supplementary Information with respect to Independence and Important Concurrent Positions

1. Independence of Outside Audit & Supervisory Board Member

Ms. Kogiso meets the requirements of independent Audit & Supervisory Board Member as specified by the Tokyo Stock Exchange, Inc. and Selection Criteria for Outside Audit & Supervisory Board Member specified by MC. Supplementary information in terms of independence is as follows:

- Ms. Kogiso has served as a business executive at FAST RETAILING CO., LTD. from June 2019 to December 2020. Although MC has business transactions with that company, the amount of annual transactions has been approximately ¥25 million. Accordingly, these transactions are deemed not to impact Ms. Kogiso's independent status.

2. Business relationships between MC and entities where the candidate holds important concurrent position

MC has no business relationship with SDG Impact Japan Inc.

(Translation)

Message from the candidate for appointment as Outside Director

Companies are currently being called on to meet a wide range of demands from society—such as those related to climate change and other environmental issues, diversity, and respect for human rights—and then connecting action on those fronts to the enhancement of corporate value. Leveraging the knowledge and experience I cultivated at international institutions and in the social sector, I will offer various perspectives in an effort to contribute to the MC Group's governance and enhancement of its corporate value.

(Translation)

＜Reference＞

Structure of Audit & Supervisory Board Members

<table>
<tr><th>Name</th><th></th><th>Age</th><th></th><th>Position at Mitsubishi Corporation</th><th>Years served as Audit & Supervisory Board Member</th><th>Member of Governance, Nomination and Compensation Committee</th></tr>
<tr><td>Hajime Hirano</td><td></td><td>66</td><td></td><td>Full-Time Audit & Supervisory Board Membe</td><td>3</td><td>○</td></tr>
<tr><td>Mitsumasa Icho</td><td></td><td>62</td><td></td><td>Full-Time Audit & Supervisory Board Membe</td><td>—</td><td>—</td></tr>
<tr><td rowspan="2">Rieko Sato</td><td rowspan="2"></td><td>65</td><td>Outside Audit & Supervisory Board Member
Independent Auditor</td><td>Outside Audit & Supervisory Board Member</td><td>2</td><td>—</td></tr>
<tr><td colspan="5">Message from Audit & Supervisory Board Member
To date, I have witnessed a wide range of situations as an outside board member at various companies. I believe it is crucial to look at things from a broader perspective and avoid dismissing a hunch that something is off. Although I have not participated directly in the execution of business, I will continue to unhesitatingly communicate my feelings if something appears irregular from my outside perspective.</td></tr>
<tr><td rowspan="2">Takeshi Nakao</td><td rowspan="2"></td><td>56</td><td>Outside Audit & Supervisory Board Member
Independent Auditor</td><td>Outside Audit & Supervisory Board Member</td><td>2</td><td>—</td></tr>
<tr><td colspan="5">Message from Audit & Supervisory Board Member
The share value of Mitsubishi Corporation reached a record high for the fiscal year end on March 31, 2022. The Company's many years of effort led to this accomplishment, and I understand that this result was very well received by shareholders. Currently, however, amid numerous management issues, such as an unforeseen rise in geopolitical risks and unrelenting energy transition challenges, I intend to further enhance corporate value under the guidance of the new president Katsuya Nakanishi. With these new internal and external environmental changes, I will continue fulfilling the duties assigned to me as an Audit & Supervisory Board Member to further enhance governance and realize sustainable growth.</td></tr>
<tr><td>Mari kogiso</td><td></td><td>55</td><td>Outside Audit & Supervisory Board Member
Independent Auditor</td><td>Outside Audit & Supervisory Board Member</td><td>—</td><td>—</td></tr>
</table>

(Note) This is the structure if Proposal 4 is approved.

(Translation)

＜**Reference**＞

● Skills Matrix of Directors and Audit & Supervisory Board Members

Directors and Audit & Supervisory Board Members are selected in light of their experience, knowledge, expertise and overall character. At the Board of Directors, these individuals deliberate based on diverse perspectives to ensure appropriate decision making and robust management supervision. The areas of experience, knowledge and expertise judged to be important for MC's Board of Directors and the reasons for their adoption are shown below. The matrix on the next page shows the areas in which each Director and Audit & Supervisory Board Member has experience, knowledge or expertise.

(Notes)

- The table below does not represent all the experience, knowledge or expertise of the Director or Audit & Supervisory Board Members.
- The applicability of each skill area in the table below is judged based mainly on the individuals' experience in former positions, their current positions and their formal qualifications.
- The matrix shows the Directors and Audit & Supervisory Board Members expected to be in office at the conclusion of this General Meeting of Shareholders.

	Skill Area	Reasons for adoption
Corporate infrastructure and growth	Business Management/ Organizational management	The Board of Directors must deliberate and make comprehensive decisions from an organizational management perspective. As such, business management or organizational management that is not skewed toward any individual specialty has been designated as a necessary area of experience.
Corporate infrastructure and growth	Geopolitics/ Regional strategy	As MC does business globally, geopolitics and regional strategy have been designated as important areas of experience, knowledge and expertise.
Corporate infrastructure and growth	Innovation/ Digital	MC has a history of solving social issues while growing by achieving business transformation in wide-ranging industries based on the Three Corporate Principles. Currently, under its EX strategy, MC aims to support the transition to a carbon neutral society and improvements in industry competitiveness while maintaining a holistic view of the EX value chain. Under its DX strategy, MC aims to raise productivity throughout society by interconnecting industry, business and communities, thereby contributing to sustainable value creation. Accordingly, innovation, including that in energy and digital technology, has been designated as an important area of experience, knowledge and expertise for implementing MC's strategy.
Securing Corporate growth	Human resource strategy	People are MC's greatest asset, and MC aims to optimize the value of human capital by interconnecting a diverse and versatile talent-pool to create a vibrant organization. As such, human resource strategy has been designated as an important area of experience, knowledge and expertise. Note that human resource strategy includes strategy related to organizational structuring.
Securing Corporate growth	ESG	The perspective of ESG management is essential to MC's efforts to simultaneously generate economic, societal, and environmental value. As such, ESG has been designated as a significant area of experience, knowledge and expertise. (Individuals who have skills related to one or more of the three elements of ESG are marked as having the skill on the matrix.)
Securing Corporate growth	Risk management	Appropriate risk management is crucial for MC to grow. Accordingly, risk management, defined as encompassing the elements below, has been designated as a necessary area of experience, knowledge and expertise. • Group-wide management of overall internal control for the purpose of increasing corporate value through proper and efficient business execution that complies with laws, regulations and the Articles of Incorporation, and of diverse risks (financial and non-financial) related to MC's businesses • Management of overall corporate legal affairs and compliance risk • Management of overall financial affairs and accounting to maintain financial soundness and sustainably enhance corporate value

(Translation)

Position		Name	Responsibilities/ Main career experience	Gender	Area of experience, knowledge, expertise, etc.					
					Business management/ Organizational management	Geopolitics/ Regional strategy	Innovation/ Digital	Human resource strategy	ESG (Note)	Risk management
Director	In-house	Takehiko Kakiuchi	Chairman of the board		●	●	●	●	●	●
Director	In-house	Katsuya Nakanishi	Member of the Board, President and CEO		●	●	●	●	●	●
Director	In-house	Norikazu Tanaka	Member of the Board, Executive Vice President, Group CEO, Mineral Resources Group EX Task Force Leader		●		●		●*	●
Director	In-house	Yasuteru Hirai	Member of the Board, Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters		●	●			●	●
Director	In-house	Yutaka Kashiwagi	Member of the Board, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR		●			●	●*	● (Legal)
Director	In-house	Yuzo Nouchi	Member of the Board, Executive Vice President, Corporate Functional Officer, CFO		●				●	● (Finance /Accounting)
Director	Outside	Akitaka Saiki	Former Vice Minister, Ministry of Foreign Affairs of Japan		●	●			●	●
Director	Outside	Tsuneyoshi Tatsuoka	Former Vice Minister, Ministry of Economy, Trade and Industry		●		●		●*	●
Director	Outside	Shunichi Miyanaga	Chairman of the Board, Mitsubishi Heavy Industries, Ltd.		●	●	●		●*	●
Director	Outside	Sakie Akiyama	Former CEO, Saki Corporation		●		●		●	●
Director	Outside	Mari Sagiya	Former Executive President, IBM Japan		●		●		●	●
Audit & Supervisory Board Member	In-house (full-time)	Hajime Hirano	Former Executive Vice President, Group CEO, Energy Business Group		●				●	●
Audit & Supervisory Board Member	In-house (full-time)	Mitsumasa Icho	Former Executive Vice President, Group CEO, Urban Development Group		●				●	● (Finance / Accounting)
Audit & Supervisory Board Member	Outside	Rieko Sato	Partner, ISHII LAW OFFICE		●				●	● (Legal) Attorney
Audit & Supervisory Board Member	Outside	Takeshi Nakao	CEO, PARTNERS HOLDINGS, Co. Ltd.		●				●	● (Finance/ Accounting) Certified public accountant
Audit & Supervisory Board Member	Outside	Mari Kogiso	CEO, SDG Impact Japan Inc.		●			●	●*	●

(Note) Individuals expected to contribute based on their experience, knowledge and expertise related to environmental issues, specifically, are marked with an asterisk.

(Translation)

＜Shareholder Proposals＞

Proposal No. 5 and No. 6 are jointly proposed by three shareholders.
The name of each agenda item, the details of the proposal, and supporting statement are given in the original text.

5. To Partially Amend the Articles of Incorporation (adoption and disclosure of short-term and mid-term greenhouse gas emission reduction targets aligned with the goals of the Paris Agreement)

Details of the proposal

It is proposed that the following provision be added to the Articles of Incorporation:

Chapter: "Decarbonized Society"
Clause: "Adoption and disclosure of a business plan with short-term and mid-term greenhouse gas emission reduction targets aligned with the goals of the Paris Agreement"

1. To maintain and promote the long-term value of the Company, given the risks and opportunities associated with climate change, and in accordance with the Company's support for the Paris Agreement, the Company shall adopt and disclose a business plan with short-term and mid-term greenhouse gas emission reduction targets aligned with Article 2.1(a) of the Paris Agreement (the "Paris goals").

2. The targets shall cover scope 1, 2 and 3 greenhouse gas emissions and disclose on each scope separately.

3. The Company shall report on its progress on an annual basis.

Supporting Statement

This shareholder proposal seeks the disclosure of short and mid-term greenhouse gas emission reduction targets including scope 1 to scope 3.

Mitsubishi is continuing and expanding the construction of thermal power plants, and new oil and gas production contrary to the findings of the landmark net zero by 2050 scenario produced by the International Energy Agency. As a result, Mitsubishi is contradicting the goal and the timeline of net zero emissions by 2050 it claims to support.

The requested short and midterm disclosures are recommended by the Taskforce for Climate-related Financial Disclosures (TCFD), and are also consistent with investor expectations as evidenced by investor initiatives and shareholder proposals in other markets. Global peers of the Company are also disclosing this type of information in more detail.

Approval of this proposal will place the Company in a better position to manage transition risk and opportunities and at an early timing, and to maintain long-term corporate value as the Company shifts toward a decarbonised economy.

The Opinion of the Company's Board of Directors on Shareholder Proposals

The Board of Directors opposes this proposal.

Based on the Three Corporate Principles, which have served as MC's corporate philosophy since its founding, MC regards "Contributing to Decarbonized Societies" as a key management issue. Accordingly, in October 2021, MC published its Roadmap to a Carbon Neutral Society (the "Roadmap"), in which it disclosed medium- and long-term targets for reducing greenhouse gas ("GHG") emissions, namely, to halve emissions by the fiscal year ending March 31, 2031 (fiscal year ended March 31, 2021 baseline) and to achieve net-zero emissions by 2050. We are steadily advancing efforts in our businesses toward the achievement of these targets. The recently announced Midterm Corporate Strategy 2024 also lays out a range of measures toward achieving international objectives, such as those of the Sustainable Development Goals (SDGs) and the Paris Agreement, while fulfilling our mandate to meet the demand for energy.

(Translation)

The Articles of Incorporation serve as a set of fundamental rules concerning the basic structure and operation of the Company. Stipulating in the Articles of Incorporation specific, individual business execution matters, such as the adoption and disclosure of GHG emissions reduction targets, would create a significant impediment to the swift and flexible formulation and adjustment of business execution and policy in response to changes in the operating environment, and could damage the Company's corporate value. As such, doing so would be inappropriate.

Furthermore, as described below, given that the Company is already advancing initiatives to reduce GHG emissions, there is no need to include the changes put forth in the Shareholder Proposal in the Articles of Incorporation.

GHG Emissions Reduction Targets (Scope 1 and Scope 2)

- In the Roadmap, MC has formulated and disclosed medium- and long-term GHG emissions reduction targets aligned with the Paris Agreement: to halve emissions by the fiscal year ending March 31, 2031 (fiscal year ended March 31, 2021 baseline) and to achieve net-zero emissions by 2050.
- MC's target for the fiscal year ending March 31, 2031 is backed by calculations made based on its planned emissions reduction efforts. To ensure that we meet this target, rather than setting short-term targets, we believe it will be crucial to develop and improve our GHG emissions management processes, monitor progress in emissions reduction and disclose such efforts. Based on this approach, in Midterm Corporate Strategy 2024, we established and announced new specific and effective processes for confirming short- and medium-term GHG reduction plans when formulating investment plans. Furthermore, we will continue to appropriately disclose annual GHG emissions each year, as before, to inform stakeholders of our progress in reducing emissions toward the target for the fiscal year ending March 31, 2031.

GHG Emissions Reduction Targets (Scope 3)

- MC's reduction targets include a portion of the Scope 1 and Scope 2 emissions of its affiliates on an equity share basis, corresponding to Scope 3 Category 15 (Investments) emissions. As such, MC has formulated and disclosed reduction targets for part of its Scope 3 emissions.
- In addition, we recognize the importance of appropriately disclosing emissions in Category 11 (Use of Sold Products), which account for the majority of MC's Scope 3 emissions. Looking towards such disclosure, we believe emissions should be calculated in manner that accurately reflects the actual circumstances of our business. The MC Group handles a wide variety of products through its diversified business activities across a vast range of industries. However, standard international rules to calculate Scope 3 emissions are still being developed, so emissions calculation methods will need to be carefully considered. As such, we will continue to diligently consider such disclosure in light of international discussions on the matter going forward.
- Furthermore, under Midterm Corporate Strategy 2024, as a way of managing Scope 3 emissions, MC has announced that it will classify businesses based on criteria such as the amount of Scope 3 Category 11 emissions as "Transform" businesses (e.g. the natural gas business). While receiving advice from external experts via the Sustainability Advisory Committee, we will create a framework in which the impact on the policies of "Transform" businesses based on a 1.5°C scenario, consistent with net zero by 2050, is monitored at the management level every year.

As such, the Company opposes this Shareholder Proposal.

(Translation)

6. To Partially Amend the Articles of Incorporation (disclosure of how the company evaluates the consistency of each new material capital expenditure with its net zero greenhouse gas emissions by 2050 commitment)

Details of the proposal

It is proposed that the following provision be added to the Articles of Incorporation:
Chapter: "Decarbonized Society"
Clause: "Disclosure of how the Company evaluates the consistency of each new material capital expenditure with a net zero by 2050 pathway"

1. To maintain and promote the long-term value of the Company, given the risks and opportunities associated with climate change, and consistent with the Company's commitment to the goal of net zero greenhouse gas emissions by 2050, the Company shall include annually in its corporate reporting an assessment of how a net zero by 2050 pathway would affect the assumptions, costs, estimates, and valuations underlying new material capital expenditure investments and planned future investments in the development of new upstream, midstream and downstream oil and gas assets.

2. Omitting proprietary information, the disclosures shall include key assumptions and estimates, including those related to long-term commodity demand, long-term commodity and carbon prices, asset lives, future asset retirement obligations, capital expenditures and impairments.

Supporting Statement

This shareholder proposal seeks the disclosure of an assessment to appreciate how a net zero by 2050 pathway may impact the Company's exposure to climate-related financial risks and the security of shareholder capital.

Mitsubishi is continuing the construction of thermal power plants, and new oil and gas production contrary to the findings of the landmark net zero by 2050 scenario produced by the International Energy Agency. As a result, Mitsubishi is exposing itself to transition risk.

Without a capital allocation framework aligned with net zero by 2050, the company risks impairment on projects and activities that are incompatible with the energy transition required to meet this goal.

The requested disclosures are consistent with investor expectations as evidenced by investor initiatives and shareholder proposals in other markets. Global peers of the Company are also disclosing this type of information in more detail.

Approval of this proposal will place the Company in a better position to manage transition risk and opportunities, and provide shareholders critical information to understand the security of their capital.

The Opinion of the Company's Board of Directors on Shareholder Proposals

The Board of Directors opposes this proposal.

Based on the Three Corporate Principles, which have served as MC's corporate philosophy since its founding, MC regards "Contributing to Decarbonized Societies" as a key management issue. Accordingly, in October 2021, MC published its Roadmap to a Carbon Neutral Society, in which it disclosed medium- and long-term targets for reducing greenhouse gas emissions, namely, to halve emissions by the fiscal year ending March 31, 2031 (fiscal year ended March 31, 2021 baseline) and to achieve net-zero emissions by 2050. We are steadily advancing efforts in our businesses toward the achievement of these targets. The recently announced Midterm Corporate Strategy 2024 also lays out a range of measures toward achieving international objectives, such as those of the Sustainable Development Goals (SDGs) and the Paris Agreement, while fulfilling our mandate to meet the demand for energy.

The Articles of Incorporation serve as a set of fundamental rules concerning the basic structure and operation of the Company. Stipulating in the Articles of Incorporation specific, individual business execution matters, such as the disclosure of investment plans, the assumptions underlying them and other important information that forms the basis of management decisions, would create a significant impediment to the swift and flexible formulation and adjustment of business execution and policy in response to changes in the operating environment, and could damage the Company's corporate value. As such, doing so would be inappropriate.

Furthermore, in terms of specific initiatives, under Midterm Corporate Strategy 2024, MC will implement new mechanisms and measures including those listed below, and has in place a governance and risk management framework to confirm that the Company's businesses are aligned with a net zero by 2050 scenario in terms of both individual projects as well as Company-wide business strategy. As such, there is no need to include the changes put forth in the Shareholder Proposal in the Articles of Incorporation.

- MC has identified "Green" businesses (e.g. the renewable energy and the green hydrogen businesses), which present significant transition opportunities,* and "Transform" businesses (e.g. the natural gas business), which present significant transition risks* based on criteria such as the amount of Scope 3 Category 11 emissions. In screening individual loan and investment proposals for businesses categorized as "Green" or "Transform," MC will apply key assumptions of a 1.5°C scenario consistent with net zero by 2050, such as internal carbon pricing (ICP).
- We will monitor the impact of a 1.5°C scenario on the policies of "Transform" businesses at the management level on an annual basis, while receiving advice from external experts via the Sustainability Advisory Committee.
- Furthermore, we will invest approximately 2 trillion yen in Energy Transformation (EX)-related initiatives by the fiscal year ending March 31, 2031 (of which, approximately 1.2 trillion yen will be invested in the three fiscal years ending March 31, 2025) to decarbonize our portfolio.

In addition to the above initiatives, since the fiscal year ended March 31, 2019, MC has conducted analyses of transition risks and opportunities in line with the TCFD** recommendations to objectively evaluate the resilience of its businesses to major changes in the business environment that could arise from the transition to a low/zero carbon society.

As such, the Company opposes this Shareholder Proposal.

* Risks/opportunities the Company may face if climate action progresses and the world transitions to limit global average temperature increases within 2°C or 1.5°C above pre-industrial levels.

** 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.

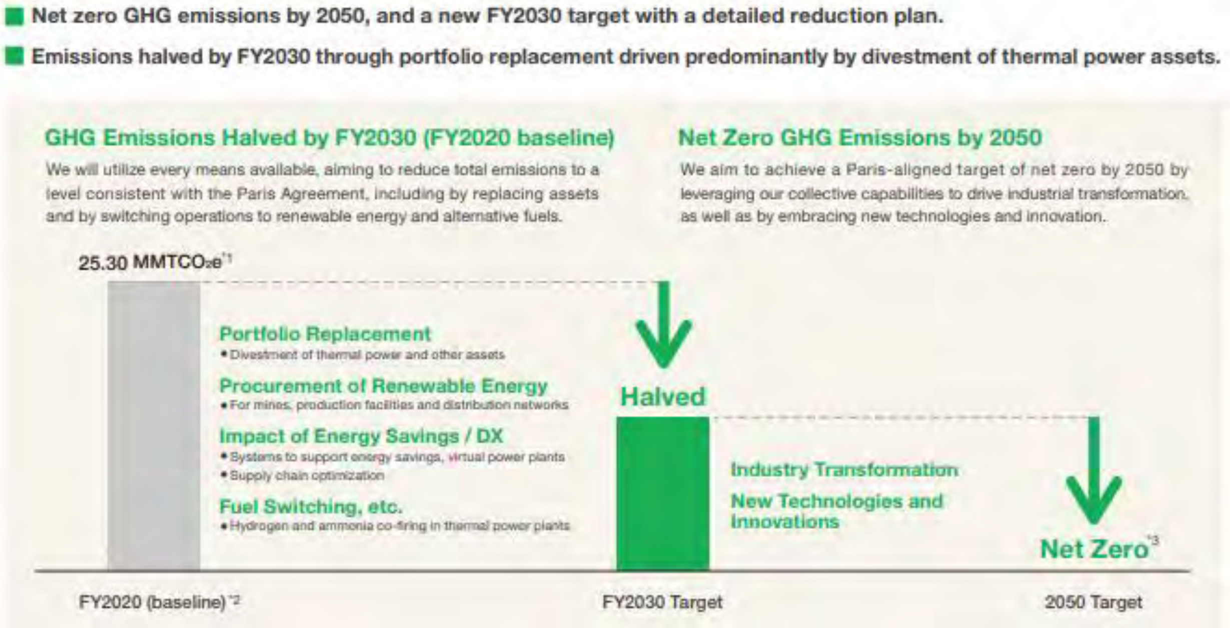
(Translation)

＜Reference＞

Specific Initiatives to Address Climate Change

The Three Corporate Principles, which have served as MC's corporate philosophy since its founding, exhort us to strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment. Based on this philosophy, MC regards "Contributing to Decarbonized Societies" as a key management issue and is advancing the following measures to address climate change, which heavily impacts the planet and its ecosystems as well as people and corporate activities.

1. Greenhouse Gas (GHG) Emissions Reduction Targets



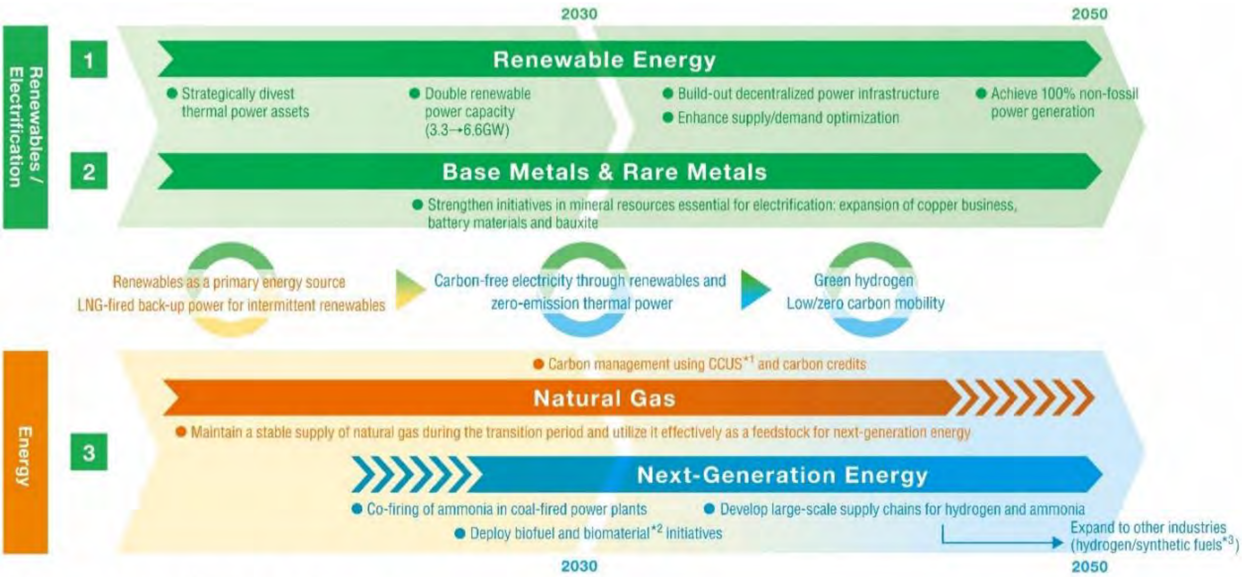
*1 The above figures represent the Scope 1 and Scope 2 emissions of MC and its consolidated companies, including affiliates, based on the equity share approach (for details, refer to our Sustainability Website).
*2 FY2020 is set as the new baseline, as it provides the most accurate affiliate data that was previously unavailable, e.g. Scope 2 market based method emissions. The data are currently under detailed examination and may be subject to minor revisions.
*3 Any residual emissions, after reduction efforts have been made, will be neutralized using internationally-accepted offsetting methods including carbon removal.

In October 2021, MC announced in its Roadmap to a Carbon Neutral Society that it will aim to halve the Scope 1 and Scope 2 emissions of MC and its consolidated companies, based on the equity share approach, by the fiscal year ending March 31, 2031 (fiscal year ended March 31, 2021 baseline) and to achieve net zero emissions by 2050. The equity share portions of affiliates' Scope 1 and Scope 2 emissions, which correspond to Scope 3 Category 15 (Investment), are included in the above targets.

2. Energy Transformation (EX)

While fulfilling our responsibility as a reliable supplier of energy, we will pursue EX globally by doubling our renewable power capacity by the fiscal year ending March 31, 2031 (fiscal year ended March 31, 2020 baseline) and creating next-generation energy supply chains. Specifically, by the fiscal year ending March 31, 2031, we will invest a total of approximately 2 trillion yen in EX-related fields related to renewables/electrification and energy, as shown below.

(Translation)



*1 Carbon Capture, Utilization and Storage
*2 Sustainable fuels and materials made from biological resources
*3 Clean fuels produced with hydrogen and CO2 from the atmosphere or industrial sources, etc.

Based on the above assumptions, MC has made its EX strategies central to Midterm Corporate Strategy 2024. We have announced that, of the approximately 2 trillion yen in EX-related investment by the fiscal year ending March 31, 2031, we plan to invest approximately 1.2 trillion yen in the three fiscal years ending March 31, 2025 to expand our EX portfolio.

Recently, MC was selected to operate three offshore wind farms off the coasts of Japan's Akita and Chiba prefectures*. Furthermore, next-generation energy and carbon management businesses, such as carbon capture utilization and storage (CCUS), will play an important role in promoting EX. To apply our collective capabilities in these areas, we have established a Company-wide EX Task Force under the Executive Committee, MC's executive officer-level decision-making body. Under this structure, MC will make concerted efforts to steadily advance EX.

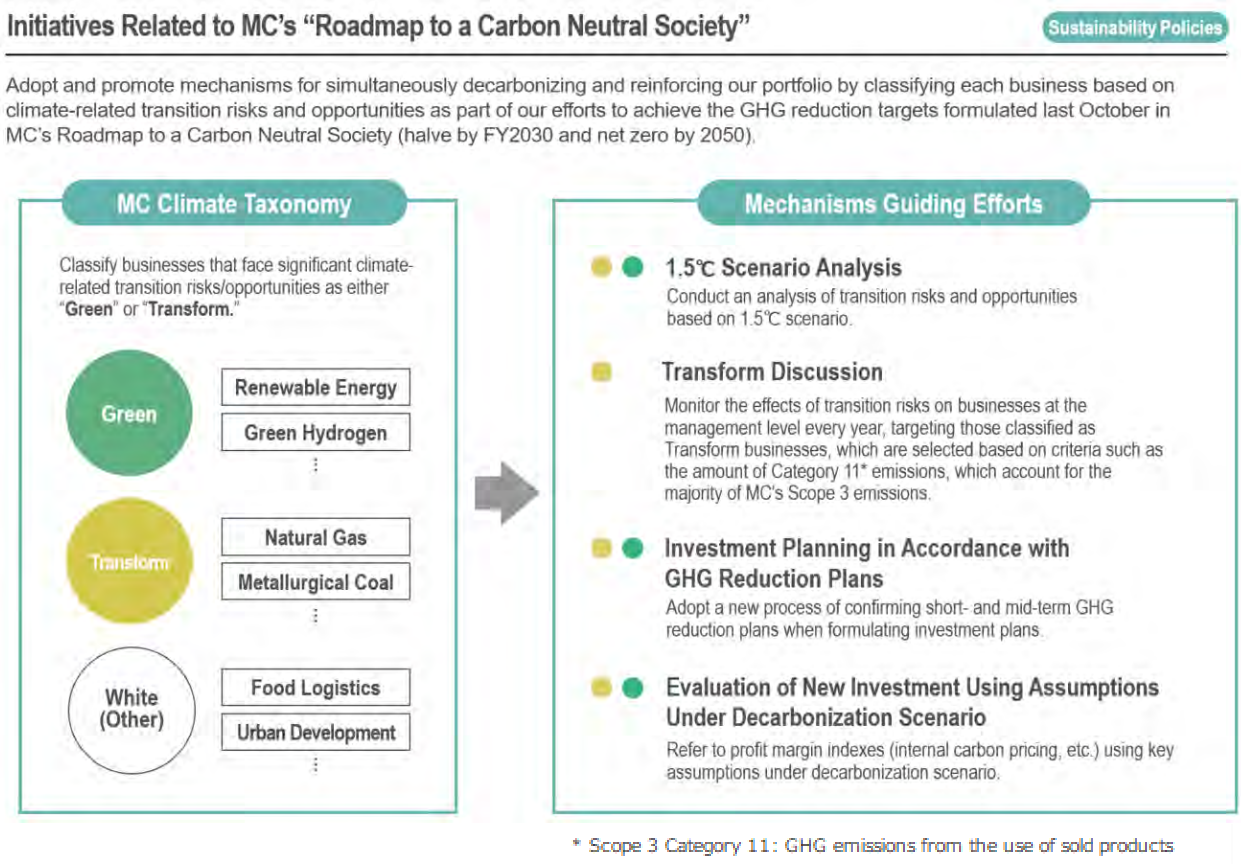
In addition, in March 2022, MC decided to invest up to 100 million USD in Breakthrough Energy Catalyst**, a fund dedicated to accelerating innovative climate technologies. Through participation in this program, we are demonstrating a commitment to growing these technologies on a global basis. We will also apply the excellent business expertise and the connections with leading value chain partners, which are gained by participating in the program, toward developing scalable businesses for MC in the future.

* The three wind farms are expected to have a total generation capacity of 1.7 GW, contributing significantly to our target to double our renewable power capacity from the level of the fiscal year ended March 31, 2020 by the fiscal year ending March 31, 2031 (3.3→6.6GW).
** A fund that is part of Breakthrough Energy, a network of initiatives founded by Bill Gates in 2015, bringing together companies, governments and private philanthropy to accelerate the adoption of climate technologies that have been proven through R&D as suitable for large-scale commercialization. The current fund focus areas are 1) Clean Hydrogen (and related infrastructure), 2) Long-duration Energy Storage (LDES), 3) Sustainable Aviation Fuel (SAF) and 4) Direct Air Capture (DAC).

3. **Specific Mechanisms Supporting EX and GHG Emissions Reduction**

Midterm Corporate Strategy 2024 lays out mechanisms to support EX and GHG emissions reduction. Specifically, MC's businesses will be categorized according to climate-related transition risks and opportunities, and initiatives aimed at emissions reduction will be implemented by category, as shown below. In this way, we will further advance EX and steadily achieve our GHG emissions reduction targets.

(Translation)

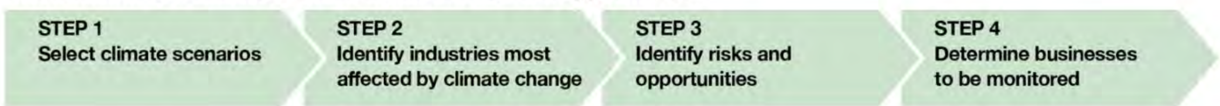


4. **<u>TCFD-Aligned Climate-related Risk/Opportunity Analyses</u>**

MC uses the TCFD recommendations as a benchmark for verifying the suitability of its climate initiatives and conducts analyses of climate-related risks and opportunities in line with the TCFD recommendations.

In particular, via the process shown below, we identify businesses that could be significantly impacted by climate change and perform scenario analyses of transition risks and opportunities in each of these businesses. In the fiscal year ended March 31, 2022, in addition to 2°C climate scenarios set out by the International Energy Agency (IEA) and other organizations, we performed analyses using 1.5°C scenarios that assume further decarbonization consistent with net zero by 2050. We have also identified businesses that should be monitored for climate change impacts. Of these, for those exposed to a high level of transition risk (e.g. the natural gas businesses), the relevant Business Groups consider 1.5°C scenario when formulating their business strategies. These strategies that incorporate the results of climate scenario analyses, including a 1.5°C scenario, are reviewed by the Business Strategy Committee, in which the President and Business Group CEOs discuss the future strategies for each business. Through these and other means, we have established a framework in which the perspective of climate change is incorporated into business strategy. The resulting business strategies formulated with reference to the 1.5°C scenario analyses are further deliberated by the Executive Committee and Board of Directors. In addition, businesses exposed to a high level of climate-related risk are required to formulate a business policy that incorporates a 1.5°C scenario analysis in proposal applications for new investments or other applications such as management plans for subsidiaries and affiliates.

Scenario Analysis Process for Transition Risks and Opportunities

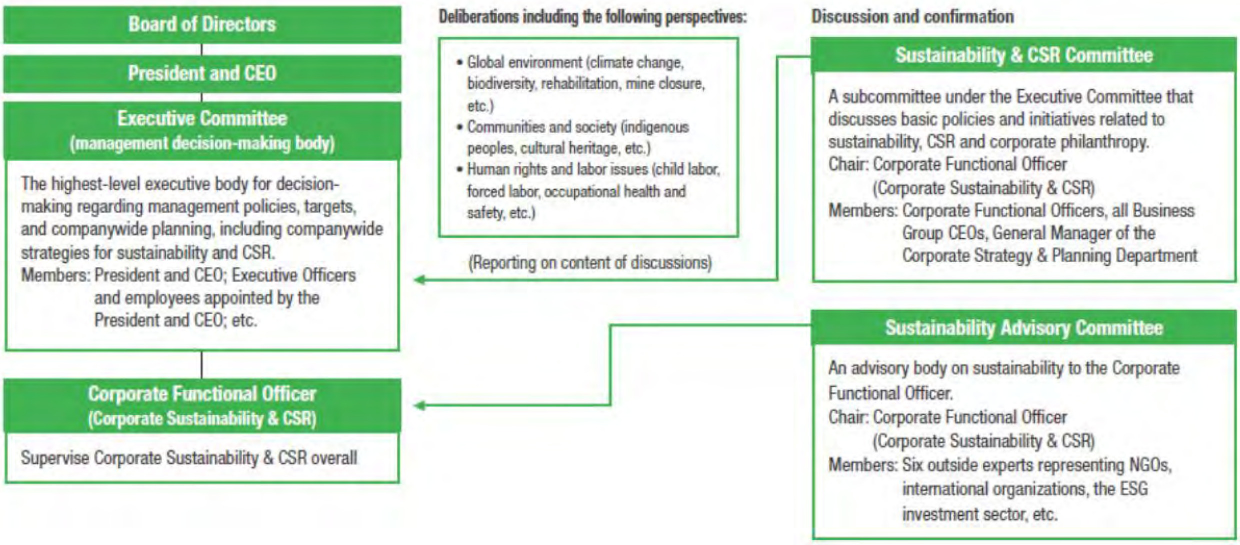


(Translation)

5. Governance and Risk Management

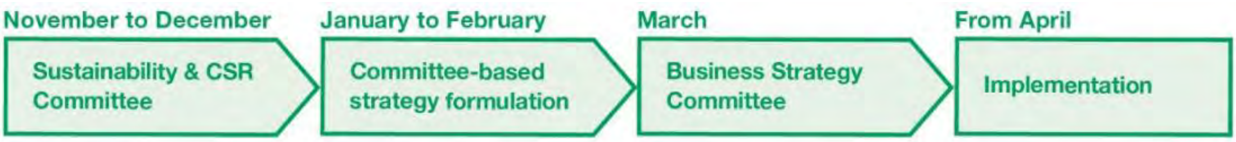
MC regards climate change as a key management issue. MC's basic policy on climate change and important matters therein are deliberated and decided upon by the Executive Committee, MC's executive officer-level decision-making body. As stipulated in the regulations governing MC's Board of Directors, the Executive Committee reports its findings regularly to the Board of Directors (five of the 11 Directors are Outside Directors, and three of the five Audit & Supervisory Board Members are outside members; the Board of Directors and Audit & Supervisory Board include members with experience, knowledge and expertise in sustainability). This governance system enables the Board of Directors to provide proper oversight.

Furthermore, ahead of the Executive Committee, actions are taken by MC's Sustainability Advisory Committee and Sustainability & CSR Committee. The former fields opinions and advice from outside experts, and the latter (which reports directly to the Executive Committee) holds extensive deliberations with members including all Business Group CEOs.



With the aim of further promoting climate-related initiatives within the Business Groups, managers responsible for business strategy are appointed as Group Chief Sustainability Officers.

When reviewing and making decisions on loan and investment proposals, MC has adopted a process whereby the Investment Committee, in which the General Manager of the Corporate Sustainability & CSR Department also takes part as a member, deliberates all proposals to be discussed by the Board of Directors and the Executive Committee. This screening system ensures that decision-making takes into account environmental and social impacts, such as GHG emissions and climate-related transition risks and opportunities.



6. MC's Climate Change-Related Disclosure Policy

MC discloses and updates, as needed, information about specific corporate sustainability initiatives, including those related to climate change, on our Sustainability Website.

(Translation)

＜Reference＞

Corporate Framework and Policies

Approaches to Corporate Governance

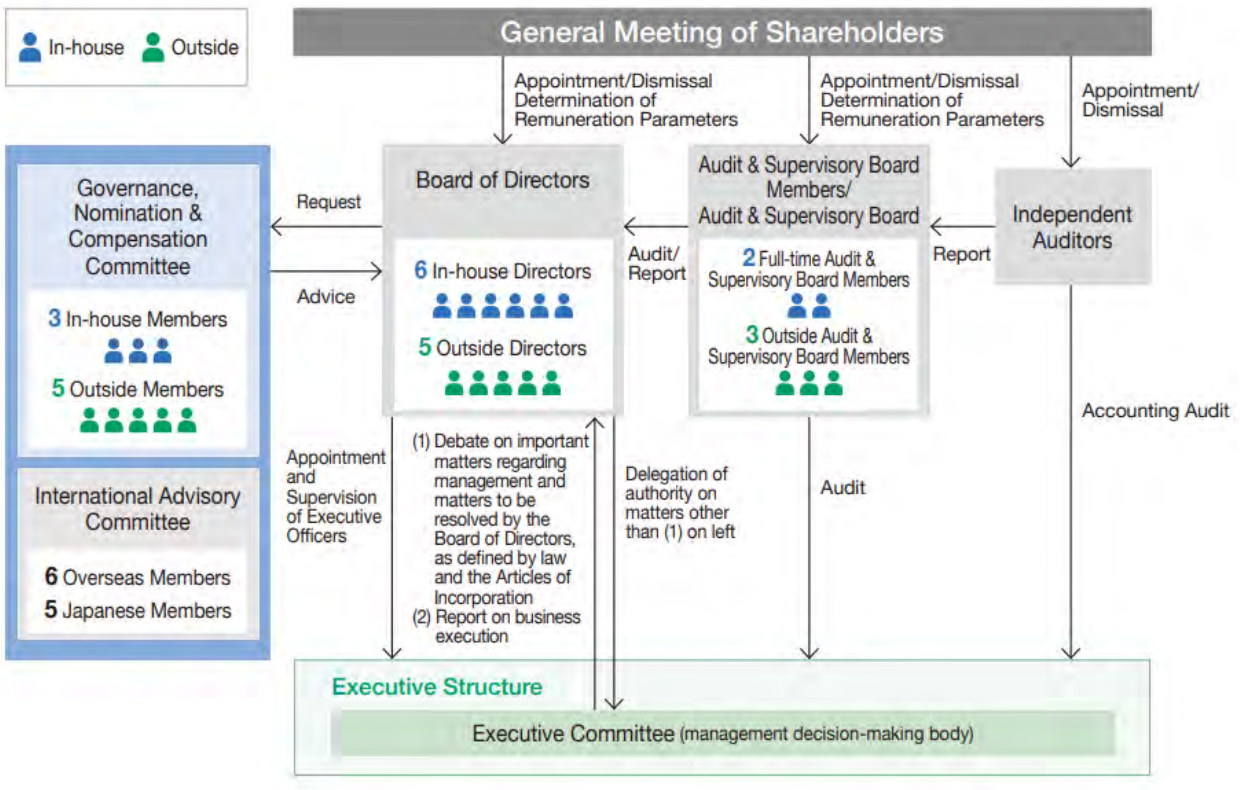
-Mitsubishi Corporation's Corporate Governance System Supporting Sustainable Growth

Basic Policy

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 its important subject concerning management as it is foundation for ensuring sound, transparent and efficient management. MC, based on the Audit & Supervisory Board Member System, is thus working to put in place a corporate governance system that is even more effective. This includes strengthening management supervision through such measures as appointing Outside Directors and Outside Audit & Supervisory Board Members who satisfy the conditions for Independent Directors or Independent Audit & Supervisory Board Members, and establishing advisory bodies to the Board of Directors where the majority of members are Outside Directors and Outside Audit & Supervisory Board Members and other experts from outside MC. At the same time, MC uses the executive officer system etc. for prompt and efficient decision-making and business execution.

■Corporate Governance Framework



(Note) This diagram indicates the number of Directors after the Ordinary General Meeting of Shareholders if resolutions No.3 and No.4 are approved.

(Translation)

Initiatives to Enhance the Effectiveness of the Board of Directors

MC 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.

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 & Compensation Committee

Jul. Oct. Dec. Jan. Mar.

An advisory body to the Board of Directors; a majority of members are Outside Directors and Outside Audit & Supervisory Board Members

President's Performance Evaluation Committee

May

A subcommittee of the Governance, Nomination and Compensation Committee

International Advisory Committee

An advisory body to the Board of Directors made up of overseas experts

Record of Meetings Held in the Fiscal Year Ended March 2022

● Board of Directors ■ Governance, Nomination and Compensation Committee ◆ Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members

2021		2022	
April	●	Oct.	●■
May	●●◆	Nov.	●◆
June	●●	Dec.	●■
July	●■	Jan.	●■
Aug.		Feb.	●◆
Sep.	●◆	Mar.	●■

Sessions other than Board of Directors

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 28 hours of briefing were held in the fiscal year ended March 31, 2022.

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

May Sep. Nov. Feb.

The Company provides opportunities for free discussion about a wide range of themes and facilitates the exchange of information and sharing of ideas from an independent and objective standpoint in order to sustain growth and enhance corporate value over the medium and long term.

Main Discussion Themes

- Approach to dialogue with management team
- Midterm Corporate Strategy 2024
- Future issues and initiatives based on evaluation of the effectiveness of the Board of Directors

Orientation upon Assumption of Office

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

Dialogues with Management Executives

Opportunities are created to engage in dialogue and interact with current management executives and next-term management executive candidates.

Dialogues and Site Visits to Business Subsidiaries and Affiliates

Every year Outside Directors and Outside Audit & Supervisory Board Members participate in site visits to business subsidiaries and affiliates sites, and hold dialogues with the management of business subsidiaries and affiliates.

Visits to Business Subsidiaries and Affiliates

March 2022	Site visits to Mitsubishi Shoji & Sun Co., Ltd., Fukuoka International Airport Co., Ltd., etc.
March 2021	Dialogue with management executives at Mitsubishi Shokuhin Co., Ltd.
August 2019	Visits to Montney shale gas production and development site and LNG Canada project development site (Canada)
August 2018	Site visits to Cermaq Group AS (Norway)/Offshore wind farm facility (North Sea)

(Translation)

Evaluation of the Effectiveness of the Board of Directors

Through the process below for the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2022, it was confirmed that the effectiveness of the Board of Directors is adequately secured. The evaluation results and policy going forward are shown below.

Specific Process

After thoroughly reviewing the fairness of the evaluation process, including the necessity of third-party evaluation, it was determined that a self-evaluation process led by Independent Directors and Independent Audit & Supervisory Board Members would be effective, so the same format as in the previous fiscal year was used for this fiscal year. In addition to Independent Directors and Independent Audit & Supervisory Board Members leading the evaluation, objective advice from external consultants was sought in (i) formulating the questionnaires, (ii) gathering the results and (iii) drafting a disclosure proposal, with the aim of ensuring objectiveness and neutrality of the process.

STEP 1	STEP 2	STEP 3
The Governance, Nomination and Compensation Committee discussed this year's implementation methods and process.	Independent Outside Director Shunichi Miyanaga and Independent Outside Audit & Supervisory Board Member Takeshi Nakao led an evaluation of the effectiveness of the Board of Directors, formulating survey questions and conducting interviews, and then analyzing and evaluating the responses.*	The results were analyzed and evaluated in meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members as well as the Governance, Nomination and Compensation Committee, then deliberated by the Board of Directors.

* To secure opinions from outside the Board of Directors and ensure multifaceted analysis, the Business Group CEOs were also surveyed.

Questionnaire

The questionnaire covered the size and composition, operation, and agenda items of the Board of Directors; the support system for Independent Directors and Independent Audit & Supervisory Board Members self-evaluation of individual involvement; the composition and operation of the Governance, Nomination and Compensation Committee; the operation of meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members; engagement with shareholders and investors; and medium- to long-term issues that pertain to corporate governance.

Evaluation Results and Policy for the Year Ending March 31, 2023

		Year Ended March 31, 2022		Evaluation Results/ Issues to Consider	Year Ending March 31, 2023
		Issues Considered/Policy	Main Initiatives		Policy
Board of Directors	Size / Composition	Continue to consider in light of changes in the internal and external environment	**Created and disclosed skills matrix for Directors and Audit & Supervisory Board Members**	The current size and composition are appropriate, and the Company's Audit & Supervisory Board Member system is extremely mature, but continued deliberation will be needed	Continue to deliberate the size and composition of the Board of Directors with an eye to continuously increasing corporate value
Board of Directors	Agenda items	• Review Midterm Corporate Strategy 2021 / Confirm the formulation process for Midterm Corporate Strategy 2024 • Further enhance deliberations of items of Companywide importance (business strategy oriented toward a low-carbon society, the business portfolio, etc.)	• **Reviewed Midterm Corporate Strategy 2021 throughout the year** • **Discussed and disclosed the Roadmap to a Carbon Neutral Society** • Enhanced reporting on financial risk management (including investment management systems and the conditions of individual companies) and non-financial risk management • Enhanced sharing of information about shareholder and investor engagement • Held dialogues between multiple Business Group CEOs and Outside Board members about EX strategy	• **Midterm Corporate Strategy 2021 was carefully reviewed based on appropriate analysis** • Appropriate reports were made from a Companywide perspective regarding support systems for matters of Companywide importance and risk taking • Under Midterm Corporate Strategy 2024 we will further enhance monitoring in light of executives' understanding of issues	• **Continuously exchange views from the planning stage of Midterm Corporate Strategy 2024 onward and monitor important matters at the Board of Directors** • Continue to monitor and report on the following matters at the Board of Directors ✓ Financial/non-financial risk management ✓ Human resource strategy ✓ Regional strategy ✓ Domestic development ✓ Shareholder and investor engagement
		Enhance the efficacy of investment management systems and the monitoring of business subsidiaries and affiliates			
Discussion outside of Board of Directors meetings		Continue to provide timely and appropriate opportunities for discussion and information to contribute to the effectiveness of the deliberations of the Board of Director	• **Enhanced opportunities for dialogue between top management and Outside Board members** • Enhanced provision of information regarding succession planning and successor selection to Outside Board members and deliberated them several times at Governance, Nomination & Compensation Committee. Also held individual dialogues and discussions between the Chairman/President and the Outside Board members (see page 43 for details)	• Support systems are in place to help enliven the discussions of the Board of Directors • Continued dialogues between the Outside Board directors and officers and employees on Companywide topics will be desirable	Utilize opportunities for discussion outside the Board (see page 40) on a supplementary basis, enhance dialogue, and exchange views on corporate strategy and other major corporate policy matters
Governance, Nomination and Compensation Committee		Confirm specific processes, including the continued appropriate provision of information on succession planning		**Succession planning and the successor selection process were handled with great care, with appropriate information provided**	Continue discussions aimed at enhancing the functioning of the Board of Directors, beyond succession planning and the successor selection process

Board of Directors' Advisory Bodies

Governance, Nomination and Compensation Committee

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.

■**Main Discussion Themes**

- Policies on securing conformity with the Revised Corporate Governance Code
- Requirements for the President and CEO and basic policies concerning the appointment and dismissal of the President and CEO, as well as personnel proposal of the President and CEO
- Review of the remuneration package including the policy for setting remuneration and appropriateness of remuneration levels and composition
- Evaluation of the effectiveness of the Board of Directors

■**Composition of Committee** (*Committee Chairman)

Outside members (5):
Akitaka Saiki, Independent Director
Tsuneyoshi Tatsuoka, Independent Director
Shunichi Miyanaga, Independent Director
Sakie Akiyama, Independent Director
Mari Sagiya, Independent Director

Inhouse members (3):
Takehiko Kakiuchi*, Chairman of the Board
Katsuya Nakanishi, Director, President & CEO
Hajime Hirano, Full-time Audit & Supervisory Board Member

(Note) Listing of members assumes Item No. 3 of Matters for Resolution by the General Meeting of Shareholders is approved.

Percentage of Outside Directors and Outside Audit & Supervisory Board Members
63% (5 of 8)

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

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

■Main discussion themes

・Impact of the COVID-19 pandemic by country
  Europe, the United States, China, emerging countries
・Geopolitics stemming from U.S.-China relations
  Supply chain reshuffling, the Taiwan problem
・Global challenges and trends
  Climate change, digital currency

■Composition of Committee (*Committee Chairman) (as of June 30, 2022)

Overseas members (6) (Nationality):
Ambassador Richard Armitage, Former United States Deputy Secretary of State (U.S.A.)
Professor Joseph S. Nye, Harvard University Distinguished Service Professor (U.S.A.)
Mr. Ratan N. Tata, Chairman, Tata Trusts (India)
Mr. George Yeo, Former Chairman of Kerry Logistics Network (Singapore)
Mr. Niall FitzGerald, KBE, Former CEO & Chairman, Unilever (Ireland)
Mr. Jaime Augusto Zobel de Ayala II, Chairman and CEO, Ayala Corporation (The Philippines)

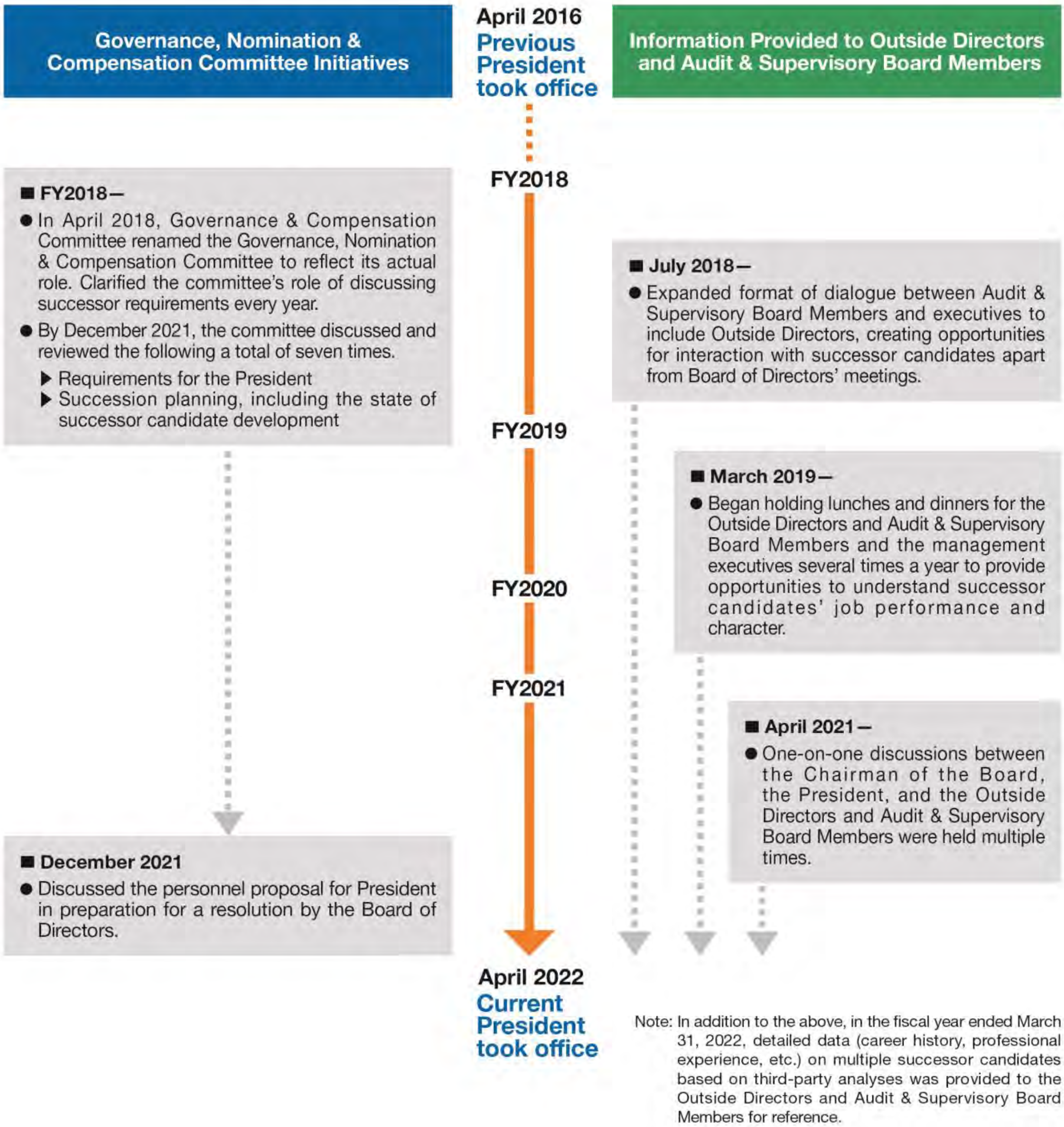
Japanese members (5):
Takehiko Kakiuchi,* Chairman of the Board
Katsuya Nakanishi, Director, President & CEO
Yasuteru Hirai, Director, Executive Vice President
Akitaka Saiki, Independent Director
Tsuneyoshi Tatsuoka, Independent Director

(Note) Listing of Japanese members assumes Item No. 3 of Matters for Resolution by the General Meeting of Shareholders is approved.

(Translation)

Successor Selection Process

Since Former President Kakiuchi took office in April 2016, the Governance, Nomination and Compensation Committee, an advisory committee to the Board of Directors, carefully implemented a successor selection process, including the discussion of the requirements for the President. In addition, the Outside Directors and Audit & Supervisory Board Members and successor candidates engaged in thoroughgoing dialogue and discussion outside of committee meetings. This process led to the selection of President Nakanishi.



(Translation)

Audit & Supervisory Board

The Audit & Supervisory Board comprises all of the Audit & Supervisory Board Members responsible for auditing the decision-making processes and management performance of Directors in compliance with the Companies Act and other laws / regulations as well as MC's Articles of Incorporation and internal rules / regulations. Full-time Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members ensure the soundness of management by executing audits informed by abundant working experience at MC and by experience in their particular fields as well as a neutral and objective perspective, respectively. In addition to making resolutions on matters required by law and other important issues, the Audit & Supervisory Board strives to enhance information-sharing among the Members through briefings on key matters and reporting on the status of the auditing activities of each of the Members.

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

1. Dialogue with Executive Officers

Opportunities are created for all Audit & Supervisory Board Members, including the 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, General Managers of Administrative Department, General Manager of Auditing Department, General Manager of the Corporate Strategy & Planning Department and General Managers of the Corporate Staff Section.

2. Attendance at Important Meetings

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

3. Onsite Audits and Observations

Amid ongoing restrictions on movement due to the COVID-19 pandemic, the Audit & Supervisory Board fulfilled its duties while adapting to the situation by enhancing onsite audits and observations in Japan and conducting remote audits of overseas sites using a variety of tools. In the fiscal year ended March 31, 2022, the Audit & Supervisory Board Members met with the CEOs and executive officers of three MC Group companies in three locations overseas and 15 domestic MC Group companies, as well as the regional chiefs of 11 overseas and domestic offices. The Audit & Supervisory Board Members reported on the results of their onsite audits to the Chairman of the Board, the President and CEO, and relevant executive officers.

・Onsite audit of Fukuoka International Airport Co., Ltd.

・Onsite audit of the MC Tohoku Office

4. Reinforcement of Group Corporate Governance

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

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

To increase the effectiveness of the audits performed by Audit & Supervisory Board Members, in the year ended March 31, 2022, we further enhanced the reviews of the activities of the Audit & Supervisory Board conducted in previous years. Specifically, the secretariat held mid-year and year-end hearings with the Audit & Supervisory Board Members to identify insights about overall auditing activities and things to improve in the coming year. The results were shared and discussed at the Audit & Supervisory Board. At these hearings, the participants also discussed the progress of auditing in the key audit areas designated at the start of the fiscal year, and insights from these discussions were then fed back to executives. Through such new processes and other means, we sought to improve auditing methods.

■Number of dialogues with CEOs and other Executive Officers:* 65
■Number of important meetings attended:* 130
■Number of onsite audits and observations:*29 companies/locations
*Number for the fiscal year ended March 2022

Remuneration Package for Directors and Audit & Supervisory Board Members

■ Basic Approach

Remuneration levels	• Remuneration levels are set based on the functions and roles of Directors and Audit & Supervisory Board Members and the Company's level of performance and others. • Remuneration levels are globally competitive and based on performance targets to motivate career growth in human resources who will be responsible for the next generation of management and to further raise organizational vitality.
Remuneration composition	• Remuneration for Directors is designed for greater focus on increasing medium- and long-term corporate value by more closely linking remuneration to medium- to long-term corporate value and fiscal year earnings, as well as the creation of stock remuneration with stronger ties to shareholder value, in addition to cash compensation. From this perspective, consolidated net income (single year and medium to long term), the share price and share growth rates (medium to long term) are adopted as key performance indicators. • To ensure the independence of the Chairman of the Board and Outside Directors, who undertake functions of management oversight, and Audit & Supervisory Board Members, who undertake audits, the Company only pays them fixed monthly remuneration.
Governance of remuneration	• The Governance, Nomination and Compensation Committee, where a majority of the members are Outside Directors and Outside Audit & Supervisory Board Members, continuously deliberates and monitors methods for deciding remuneration packages, the fairness of remuneration levels and compositions, and the status of implementation.

■ Remuneration Package for Directors and Audit & Supervisory Board Members

Remuneration Item / Composition		Key Performance Indicator (KPI)	Remuneration Details	Executive Directors	Chairman of the Board	Outside Directors	Audit & Supervisory Board Members
Base salary	Fixed; About 20-50%		• An amount determined by the Board of Directors 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, with Board of Directors' approval of payment amounts. • By resolution of the Board of Directors, non-payment or reduction of the amount is possible in the event of a serious violation of a delegation agreement, etc.	1	–	–	–
Individual performance bonus*	Variable (single year); About 25-35%	Individual Performance (single year)	• Payment amount determined for each Director and Executive Officer based on performance assessments by the President, with the authority delegated by the Board of Directors. • The assessment on the President's performance is determined by the President's Performance Evaluation Committee. • Performance assessment results are reported to the Board of Directors and Governance, Nomination and Compensation Committee.	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 of three fiscal years in the case of medium- to long-term], 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 if consolidated net income [average over the relevant fiscal year and subsequent two fiscal years in the case of medium- to long-term] exceeds the level of earnings that leads to enhanced corporate value (consolidated capital cost) [average over the three years in the case of medium- to long-term]. • No bonus is paid if the amount is below consolidated capital cost [average of three fiscal years in the case of medium- to long-term] for the relevant business year.	2	–	–	–
Performance-linked bonus (medium to long term)*	Variable (medium to long term), About 25-45%	Consolidated net income (medium to long term)		3	–	–	–
Stock-based remuneration linked to medium- to long-term share performances		Share Price/ Growth rate in shares (medium to long term)	• The Board of Directors determines the number of shares allocated to each person. • No allocated stock options can be exercised for a three-year performance period. Based on a formula decided by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee, the number of stock options that can be exercised at the end of this period varies 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 while in office. Sales of such shares are restricted until their aggregate market value exceeds approximately 300% of the base salary of each person.	4	–	–	–

(Note 1) 1 to 5 in the table indicate the numbers of limits on remuneration that correspond to each remuneration item. See the next table for details.

(Note 2) Remuneration items with an asterisk are subject to the clawback policy. See page 48 for details.

(Figures rounded down to nearest million yen)

	Item type	Item details	Total remuneration (Note 2) (Fiscal Year Ended March 2022)
1	Director remuneration (Note 1)	Base salary, annual deferral for retirement remuneration, and Individual performance bonuses totaling up to ¥1.5 billion annually (for Outside Directors, base salary totaling up to ¥180 million yen)	¥1.021 billion (of which, ¥150 million for Outside Directors)
2		Performance-linked bonus (short term) up to 0.06% of consolidated net income (attributable to owners of the Company) for the relevant fiscal year (annual amount)	¥350 million
3		Performance-linked bonus (medium to long term) up to 0.06% of the average of consolidated net income (attributable to owners of the Company) for the relevant fiscal year and subsequent three fiscal years (annual amount)	¥350 million
4		Stock-based remuneration linked to medium- to long-term share performances up to ¥600 million annually (up to 400,000 shares annually)	¥353 million (197,450 shares)
5	Audit & Supervisory Board Member remuneration (Note 1)	Base salary for Audit & Supervisory Board Members totaling up to ¥250 million annually	¥237 million (of which, ¥63 million for Outside Audit & Supervisory Board Members)
		Total	¥2.314 billion

(Note 1) Approved at the Ordinary General Meeting of Shareholders held on June 21, 2019. The number of directors to whom the above amounts of director remuneration (excluding stock-based remuneration linked to medium- to long-term share performance) applied was 13 (including 5 Outside Directors); the number of directors to whom the above amount of stock-based remuneration linked to medium- to long-term share performance applied was 7; and the number of Audit & Supervisory Board Members to whom the above amount of Audit & Supervisory Board Member remuneration applied was 5 (including 3 outside members).
(Note 2) Please see page 87-88 for details on remuneration of Directors and Audit & Supervisory Board Members.

■ Calculation Method for Performance-Linked Remuneration (Fiscal Year Ended March 2022)

1. Performance-linked bonus (short term)

(1) Upper limit on total payment

The upper limit is 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	(FY2021 consolidated net income - ¥440 billion) × 0.025% + 0.35 (¥100 million)
Executive Vice President	(FY2021 consolidated net income - ¥440 billion) × 0.0075% + 0.105 (¥100 million)

* The payment amount is zero if consolidated net income is lower than the consolidated capital cost. Consolidated capital cost for the fiscal year ended March 31, 2022 is ¥440 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

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

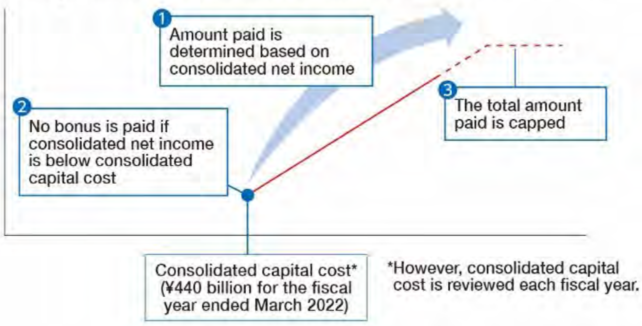
(1) Upper limit on total payment

Same as performance-linked bonus (short term)

(2) Individual payments

President and CEO	(Average consolidated net income for the three fiscal years ending March 31, 2022, March 31, 2023, and March 31, 2024 - ¥440 billion) × 0.025% + 0.35 (¥100 million)
Executive Vice President	(Average consolidated net income for the three fiscal years ending March 31, 2022, March 31, 2023, and March 31, 2024 - ¥440 billion) × 0.0075% + 0.105 (¥100 million)

* 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 ending March 31, 2022, March 31, 2023, and March 31, 2024.



(Translation)

3. Stock-based remuneration linked to medium- to long-term share performance

(1) Upper limit on total payment

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

(2) Conditions for exercise of stock options

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

*Market conditions

Number of stock options that can be exercised by each position

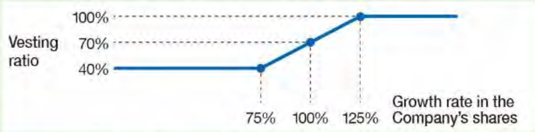
Number of stock options initially allocated for each position (based on positions as of April 1, 2021) × vesting ratio

Stock options initially allocated by position

President and CEO	100,500 shares (1,005 options)
Executive Vice President	27,700 shares (277 options)

Vesting ratio

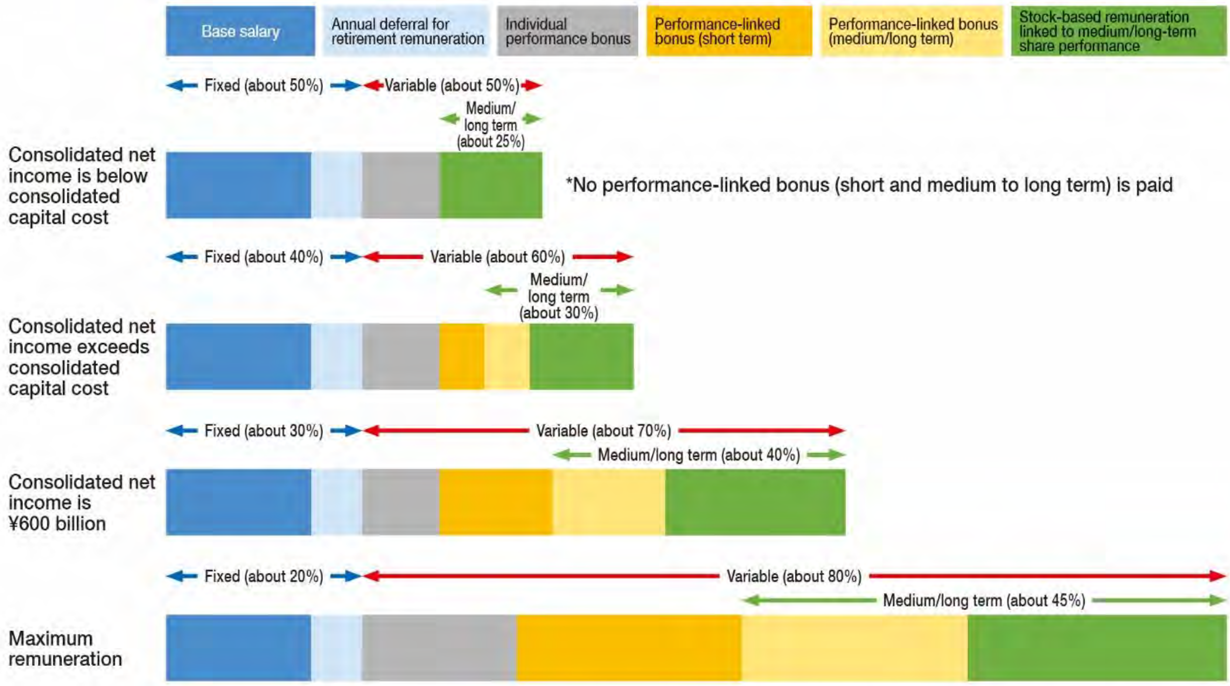
The vesting ratio varies, as shown below, depending on the growth rate in the Company's shares over the three-year period from the allocation date.



Growth rate in the Company's shares

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

■ Remuneration Payment Mix (Conceptual Image)



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

■ Governance of Remuneration

The Governance, Nomination and Compensation Committee deliberates and the Board of Directors decides the policy for setting Directors' remuneration and the remuneration amount (actual payment amount).
The total remuneration amount (actual payment amount) and individual payment amounts for Directors, excluding individual performance bonuses, are determined by a resolution of the Board of Directors within the upper limits for each type of remuneration decided by resolution of the Ordinary General Meeting of Shareholders held on June 21, 2019. Base salary and annual deferral for retirement remuneration, forms of fixed remuneration, are paid in amounts determined by the Board of Directors. As for variable remuneration, payments of performance-linked bonuses (short term), performance-linked bonuses (medium to long term) and stock-based remuneration linked to medium- to long-term share performance are determined, while reflecting key performance indicators (KPIs), based on a formula set by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee.
MC has adopted a clawback policy*, applicable to the individual performance, performance-linked bonuses (short term) and performance-linked bonuses (medium to long term) of Executive Directors, revising the regulations for executive officers by resolution at the Board of Directors' Meeting held on February 18, 2022.
The payment amounts of individual performance bonuses paid to Directors based on their individual performance assessment, including qualitative assessment, are determined and paid on an individual basis, reflecting the President's yearly performance assessment of each Director for the relevant fiscal year (the Board of Directors delegates authority to the President for deciding the individual payment amounts). Performance evaluations of Executive Directors comprehensively take into account their contributions to the organizations and businesses they oversee; their contributions to management of the entire Company, Corporate Staff Section, Business Groups and offices; the achievement of triple-value growth; and the state of sustainability initiatives from an ESG perspective. The annual assessment on the President's performance is decided by the President's Performance Evaluation Committee, which is delegated this authority by the Board of Directors (and is a subcommittee of the Governance, Nomination and Compensation Committee). The subcommittee is comprised of the Chairman of the Board, who also serves as the chair of the Governance, Nomination and Compensation Committee, and Outside Directors sitting on the committee (see page 41). Results of the performance assessment are reported to the Board of Directors and the Governance, Nomination and Compensation Committee to ensure objectivity, fairness and transparency.
Based on the policy for determining remuneration packages (including methods for calculating performance-linked bonuses) that was approved at the ordinary meeting of the Board of Directors held on May 17, 2019, and the extraordinary meeting of the Board of Directors held on June 21, 2019, each year, the Governance, Nomination and Compensation Committee deliberates and the Board of Directors makes a resolution determining that the total amount of director remuneration packages and methods for deciding payments to individual directors are consistent with said policy for determining remuneration packages.
Each year, the Governance, Nomination and Compensation Committee deliberates and evaluates the fairness of remuneration levels and composition based on compensation data provided by an external consulting firm (Willis Towers Watson). Total and individual amounts of remuneration paid to Audit & Supervisory Board Members are determined following deliberations by the Audit & Supervisory Board within the scope of remuneration for Audit & Supervisory Board Members approved at the Ordinary General Meeting of Shareholders held on June 21, 2019.

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

Please see our 2021 Annual Report for further details.

Stance on Acquisition, Holding and Reduction in Listed Stocks / Reduction in Holdings of Listed Stocks

[Stance on acquisition, holding and reduction in listed stocks]
MC may acquire and hold shares acquired for other than pure investment as a means of creating business opportunities and building, maintaining and strengthening business and partner relationships. When acquiring these shares, MC confirms the necessity of its acquisition based on the significance and economic rationale of the purchase in accordance with internal company rules. Also, MC periodically reviews the rationality of continuing to hold the shares and promotes reducing holdings of stocks with decreased significance.

[Verification policy for holding individual shares]
The Board of Directors verifies all of the listed shares (excluding pure investment) held by MC from the perspectives of both economic rationale and qualitative significance of holding them every year.
The economic rationale is confirmed based on whether or not the related earnings from each stock, such as dividends and related business profits on transactions, exceed MC's target capital cost (weighted average cost of capital) for the market price of each individual share.
The qualitative significance is confirmed based on the achievement or status of progress of the expected purpose for holding the stock, etc.

[Reduction in holdings of listed stocks]
Based on the results of the verification process described above, in the fiscal year ended March 2022, shareholdings were reduced by just over 10% compared to the previous fiscal year as a result of selling shares with a market value of approximately 0.1 trillion yen.

(Translation)

Fiscal 2021 Business Report (From April 1, 2021 to March 31, 2022)

■ Review of Operations

●Summary of Operating Results for the MC Group

[Business Lines]

Our businesses range from the upstream businesses of developing natural resources through manufacturing and marketing a variety of products to the downstream businesses of providing products and services to consumers in the fields of Living, Mobility & Infrastructure, and Energy & Power Generation through our domestic and overseas network. Furthermore, we are also engaged in diversified businesses such as creating new business models and new technologies using our collective capabilities to adopt a holistic view across numerous industries including financial and logistics businesses.

[Consolidated Results]

1. Summary of the Year Ended March 2022 Results

In the fiscal year ended March 31, 2022, revenues were 17,264.8 billion yen, an increase of 4,380.3 billion yen, or 34% year over year. This was mainly due to rising prices and increased transaction volumes owing to improved market conditions.

Gross profit was 2,150.8 billion yen, an increase of 545.7 billion yen, or 34% year over year. This was mainly due to increased market prices in the Australian metallurgical coal business and the Salmon farming business, as well as increased production and sales volumes in the Automotive-related business and increased sales prices in the Steel business.

Selling, general and administrative expenses were 1,432.0 billion yen, an increase of 34.3 billion yen, or 2% year over year. This increase was mainly due to increases arising from the normalization of economic activities, despite a decrease due to deconsolidation of subsidiaries caused by disposal or divestment of shares.
Gains on investments increased 13.2 billion yen, or 21% year over year, to 75.3 billion yen. This increase was mainly due to improved fund-related earnings and the sale of overseas power businesses, despite impairment losses on the sale of an aircraft leasing company.

Impairment losses on property, plant and equipment and others amounted to 64.5 billion yen, an improvement of 139.5 billion yen, or 68% year over year, mainly due to the absence of impairment losses on goodwill to Lawson, Inc. and its intangible assets in the previous year.

Other income-net increased 5.3 billion yen, or 29% year over year, to 23.3 billion yen mainly due to gains related to derivatives.

Finance income was 186.5 billion yen, an increase of 68.7 billion yen, or 58% year over year, mainly due to increased dividend income from resource-related investments.

Finance costs remained nearly the same year over year at 46.7 billion yen.

Share of profit of investments accounted for using the equity method increased 296.7 billion yen, or 306% year over year, to 393.8 billion yen. This increase was mainly due to the absence of impairment losses recorded in the previous fiscal year and improved profitability at Mitsubishi Motors Corporation as well as improved earnings in a wide range of businesses due to a positive turn in market conditions.

As a result, profit before tax increased 1,039.6 billion yen, or 410% year over year, to 1,293.1 billion yen.

Accordingly, profit for the year increased 764.9 billion yen, or 443% year over year, to 937.5 billion yen.

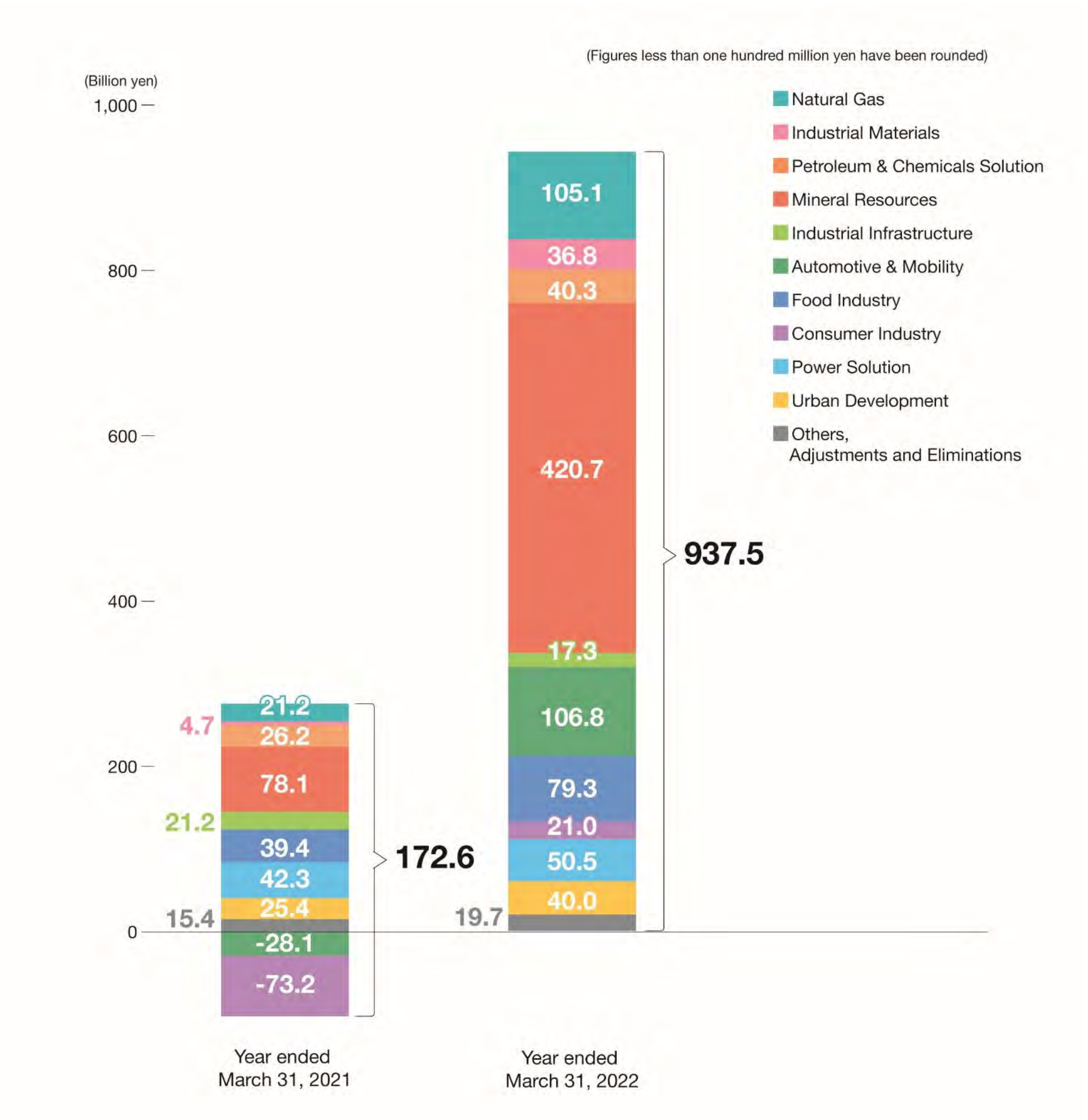
(Notes)

1. This Business Report for the fiscal year ended March 31, 2022is prepared based on International Financial Reporting Standards (IFRS).
2. “Profit” (consolidated) in this Business Report represents net income attributable to owners of MC, excluding non-controlling interests.

(Translation)

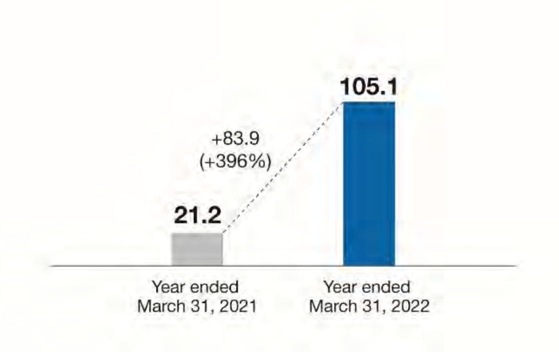
2. Segment Information

■Consolidated Net Income(Net Loss)by Segment



Natural Gas Group
The Natural Gas Group engages in the natural gas/oil exploration, production and development business and the liquefied natural gas (LNG) business in North America, Southeast Asia, Australia, Russia, and other regions.

■ **Consolidated Net Income**（Billion yen）

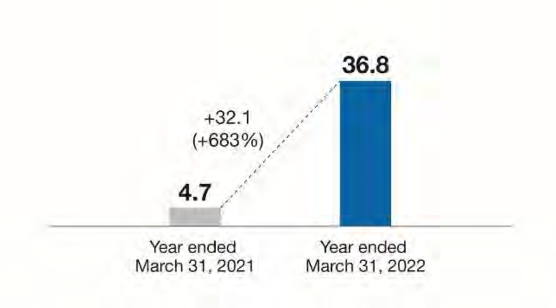


【Main Factors】
＜Positive＞
・Increase in equity earnings in the LNG-related and the North American shale gas business
・Increase in dividend income in the LNG-related business

【TOPICS】
Cutting-Edge LNG Carriers Deployed for the Cameron LNG and LNG Canada Projects
MC charters LNG carriers that it jointly owns with another company for use at the Cameron LNG Project in the United States and the LNG Canada Project. MC participates in both these projects. In addition to the four carriers already in operation, two new carriers were completed in 2021. These LNG carriers are equipped with cutting-edge propulsion systems, enhancing LNG transportation efficiency and reducing CO_2 emissions. The carrier fleet will provide a stable supply of LNG to countries around the world from the Cameron LNG and LNG Canada projects over the long term while helping to reduce CO_2 emissions in the LNG supply chain.

Industrial Materials Group
The Industrial Materials Group engages in sales and trading, business development, and investing related to a wide range of materials, including steel products, silica sand, cement, ready-mix concrete, carbon, PVC, and functional chemicals, serving industries including automobiles and mobility, construction, and infrastructure.

■**Consolidated Net Income** (Billion yen)

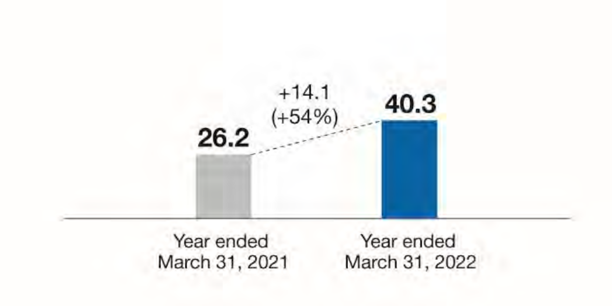


【Main Factors】
＜Positive＞
・Increase in equity earnings in the North American plastic building materials business and the Steel business

【TOPICS】
Silica Sand Mining Business in Australia
Cape Flattery Silica Mines (CFSM), wholly owned by MC, is based in Australia and operates one of the world's largest silica sand mines. CFSM mines and refines high quality silica sand used as a raw material in such products as glass for solar panels and displays. MC boasts proprietary distribution and sales networks extending from the mines to demand centers and has built an integrated supply chain. CFSM ships about 3 million tons of silica sand annually to countries throughout Asia, including Japan. Going forward, CFSM will continue working to provide a stable supply of silica sand, for which firm demand growth is expected, while striving to preserve the natural environment, co-exist in harmony with the local community and reduce carbon emissions from business activities.

Petroleum & Chemicals Solution Group
The Petroleum & Chemicals Group engages in sales and trading, business development, and investing related to a wide range of oil- and chemical-related fields, such as crude oil and oil products, LPG, ethylene, methanol, salt, ammonia, plastics, and fertilizers.

■ **Consolidated Net Income (Net Loss)** (Billion yen)

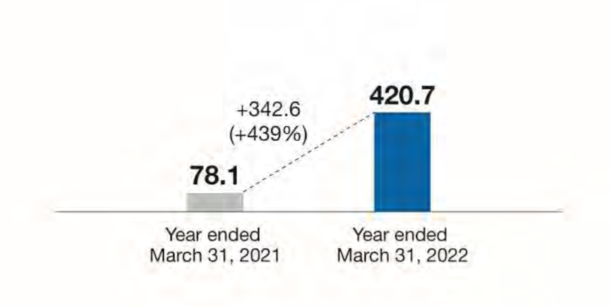


【Main Factors】
＜Positive＞
・Increase in trading profit in the Petrochemicals business
・Increase in equity earnings in the LPG business

【TOPICS】
Clean Energy Production Using Carbon Capture and Storage (CCS)
MC promotes clean energy production using CCS technologies to capture and store CO_2 arising from production processes. In March 2021, MC began a joint study on clean fuel ammonia production in Indonesia. In September 2021, MC signed a memorandum of understanding with Shell Canada regarding hydrogen production using CCS in Canada, aiming to export hydrogen fuel to Japan. Going forward, by building hydrogen and ammonia supply chains, MC will contribute to the decarbonization of society and a stable energy supply in Japan.

Mineral Resources Group
The Mineral Resources Group engages in "managing" business by investing in and developing mineral resources, such as metallurgical coal, copper, iron ore, and aluminum, while leveraging high-quality and functions in steel raw materials, and non-ferrous resources and products through a global network to reinforce supply systems.

■**Consolidated Net Income** (Billion yen)

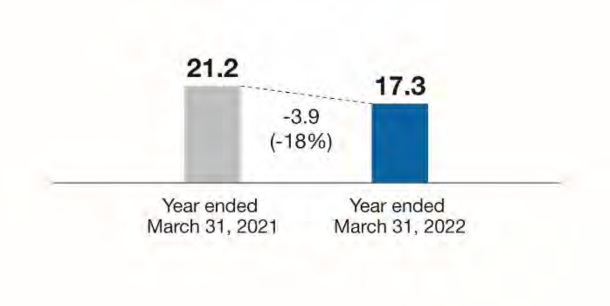


【Main Factors】
＜Positive＞
・Increase in market prices in the Australian metallurgical coal business
・Increase in dividend income in the Copper business
・Increase in equity earnings in the Iron ore business

【TOPICS】
Developing the Quellaveco Copper Mine in Peru toward the Start of Production
MC positions copper as one of its core businesses, as copper will be essential to the decarbonization of society in such areas as the spread of renewable energy and electric vehicles. MC owns interests in multiple copper mines boasting world-class resource volumes and quality. One of these is the Quellaveco copper mine, in which MC holds a 40% stake. MC is working with partner Anglo American plc to develop the site, which is now entering the final stages of preparation to commence production in mid-2022. When full-scale production is operational, MC's total copper production is expected to increase by around 50% from its current level of more than 200,000 tons (equity share basis). By providing a stable supply of copper, for which firm demand is expected going forward, we will contribute to energy transformation (EX).

Industrial Infrastructure Group
The Industrial Infrastructure Group engages in business and related trading in the field of energy infrastructure, industrial plants, construction machinery, machinery tools, agricultural machinery, elevators, escalators, facility management, ships, and aerospace-related equipment.

■ **Consolidated Net Income** (Billion yen)



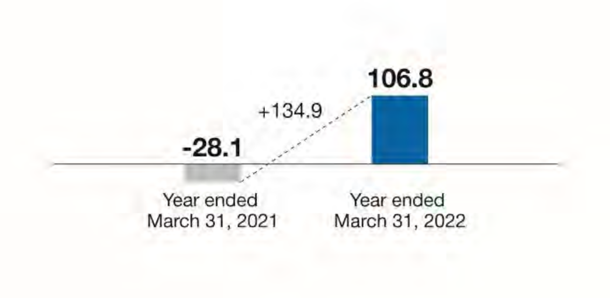
【Main Factors】
＜Negative＞
・ Impairment losses on intangible assets related to investment in Chiyoda Corporation

【TOPICS】
Global Development of the Hydrogen Supply Chain
MC is working to build a supply chain using SPERA Hydrogen.* MC is advancing joint development aimed at the societal implementation of hydrogen through a public-private partnership created as part of the Singapore government’s push to adopt low-carbon technologies. In Europe, MC is promoting development of hydrogen transport via the Port of Rotterdam in the Netherlands. By developing an integrated business spanning from suppliers to users, MC aims to reduce long-term CO_2 emissions and thereby contribute to environmental preservation and decarbonization for a sustainable future.

*A technology owned by Chiyoda Corporation that enables the large-scale storage and transportation of hydrogen at normal atmospheric temperatures and pressures

Automotive & Mobility Group
The Automotive & Mobility Group is deeply involved in the entire automotive value chain, spanning car production to after-services, and especially in sales of and financing for passenger and commercial cars. The Group also engages in mobility related businesses which fulfills needs related to passenger and cargo transportation.

■**Consolidated Net Income (Net Loss)** (Billion yen)



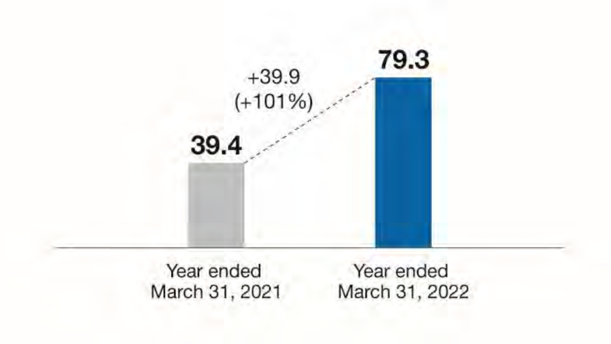
【Main Factors】
＜Positive＞
・The absence of one-off losses at Mitsubishi Motors in the previous year
・ Increase in equity earnings in Mitsubishi Motors and the Asian automotive business

【TOPICS】
Implementing the Shiojiri MaaS Project to Solve Transportation Issues
Next Mobility Co., Ltd. is a joint venture between MC (MC holds a 50% stake) and Nishi-Nippon Railroad Co., Ltd. Since 2020, Next Mobility Co., Ltd has been implementing the Shiojiri MaaS Project,* based on collaboration with public, private and academic partners, in Shiojiri City, Nagano, where it operates the KnowRoute AI-controlled on-demand bus service. Building on KnowRoute, MC is developing a MaaS business based on next-generation mobility services. Leveraging its broad networks, MC aims to solve the transportation issues faced by Shiojiri City.

*A project aimed at solving the transportation issues faced by Shiojiri City though the use and coordination of next-generation mobility services, such as on-demand buses.

Food Industry Group
The Food Industry Group engages in sales, trading, business development and other operations across a wide range of business areas related to food, including food resources, fresh foods, consumer goods, and food ingredients, spanning from raw ingredient production and procurement to product manufacturing.

■**Consolidated Net Income** (Billion yen)

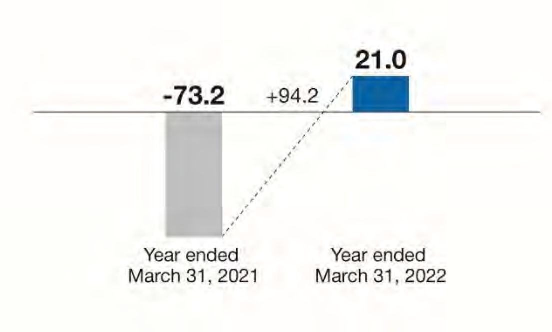


【Main Factors】
＜Positive＞
・Improvement in equity earnings in the Salmon farming business

【TOPICS】
Promoting DX in Grain, Livestock Feed and Livestock Supply Chains
MC owns numerous operating companies across a wide range of business domains, including raw material procurement, processing, sales and logistics. MC is leveraging digital technologies to address shared issues faced by the food industry as a whole, including increasing overall supply chain efficiency and reducing food loss. Itoham Yonekyu Holdings Inc. (in which MC holds a 39.55% stake) is implementing multifaceted, ongoing measures to transform and streamline its operations. Going forward, MC will roll out similar measures to other operating companies, contributing to digital transformation (DX) across the food industry.

Consumer Industry Group
The Consumer Industry Group engages in supplying products and services across a range of fields, including retail & distribution, logistics, healthcare, apparel, and tire etc.

■**Consolidated Net Income (Net Loss)** (Billion yen)



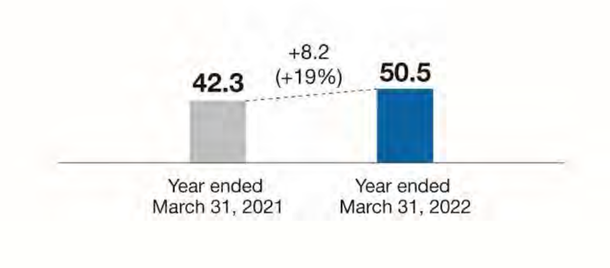
【Main Factors】
＜Positive＞
・The absence of impairment losses on goodwill to Lawson and its intangible assets of ¥83.6 billion recorded as "Impairment losses on property, plant, and equipment and others" in the previous year.

【TOPICS】
Supplying Renewable Energy to Lawson Stores Via One of Japan's Largest Off-Site PPAs*
MC and Lawson Inc. (in which MC owns a 50.12% stake) have agreed to collaborate to supply renewable energy to Lawson convenience stores. Specifically, the construction of new solar power generation facilities will be contracted to a third party, and MC will supply power from these facilities to Lawson stores under one of Japan's largest off-site PPAs. The project aims to commence power supply to approximately 3,600 stores in the first half of the year ending March 31, 2023, with supply eventually expanding to a total of about 8,200 stores. Through the use of renewable energy at stores, MC will further reduce CO_2 emissions.

*A long-term power-purchase agreement through which new renewable energy generation facilities are constructed in remote locations. The electricity they generate is conveyed using existing power transmission and distribution networks.

Power Solution Group
The Power Solution Group engages in a wide range of areas in power- and water-related businesses, which is the industrial base domestically and in the overseas. Specifically, the Group engages in power generating and transmission businesses, power trading businesses, and power retail businesses. The Group also engages in lithium-ion battery production, battery service businesses such as distributed power supply businesses, as well as the development of hydrogen energy sources etc.

■ **Consolidated Net Income** （Billion yen）

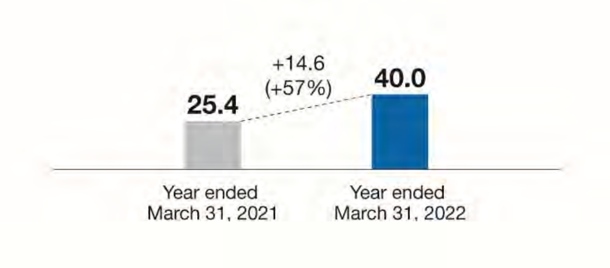


【Main Factors】
＜Positive＞
・Increase in disposal gains on overseas power generating assets

【TOPICS】
Selected as Operator for Three Domestic Offshore Wind Farms
A consortium represented by MC's wholly owned subsidiary Mitsubishi Corporation Energy Solutions Ltd. was selected by public bid to operate three wind farms off the shores of Akita and Chiba prefectures in December 2021. These will be Japan's first bottom-fixed offshore wind power generation projects in general-sea-areas. The wind farms will represent some of Japan's largest renewable energy sources, with enough combined capacity to power approximately 1,210,000 households. Going forward, MC will strive to achieve both a stable energy supply and decarbonization, and to collaborate and coexist with local communities.

Urban Development Group
The Urban Development Group engages in development, operation and management businesses in a number of areas, such as urban development and real estate, corporate investing, leasing, and infrastructure.

■**Consolidated Net Income** (Billion yen)



【Main Factors】
＜Positive＞
・Increase in disposal gains on assets in the North American real estate business and increase in fund evaluation profit
＜Negative＞
・Impairment losses on the sale of an aircraft leasing company

【TOPICS】
Autonomous Driving Service Pilot Project Launched to Enhance Smart City in Jakarta
In December 2021, MC launched an autonomous driving service pilot project in BSD City, outside Jakarta, Indonesia. Working in collaboration with major local developer Sinar Mas Land Ltd., MC aims to make BSD City into a smart city through the introduction of a variety of city services enabled by city infrastructure data and digital technologies as well as renewable energy aimed at carbon neutrality.

[Consolidated Financial Position]

1. Changes in Assets, Liabilities and Equity

Total assets as of March 31, 2022 were 21,912 billion yen, an increase of 3,277 billion yen, or 18%, from March 31, 2021.

Current assets were 9,531 billion yen, an increase of 2,428.1 billion yen, or 34%, from March 31, 2021. This increase was mainly due to an increase in trade and other receivables caused by an increase in transaction volumes and soaring prices accompanying a recovery in demand.

Non-current assets were 12,381 billion yen, an increase of 848.9 billion yen, or 7%, from March 31, 2021. This increase was mainly due to an increase in investments accounted for using the equity method and property, plant and equipment, owing to an impact from foreign currency translation amid depreciation of Japanese yen.

Total liabilities were 14,054.8 billion yen, an increase of 1,958.2 billion yen, or 16%, from March 31, 2021.

Current liabilities were 7,317.8 billion yen, an increase of 1,947.6 billion, or 36% from March 31, 2021. This reflected higher selling prices accompanying a recovery in demand as well as an increase in trade and other payables due to higher transaction volumes.

Non-current liabilities were 6,737 billion yen, largely unchanged from March 31, 2021.

Total equity was 7,857.2 billion yen, an increase of 1,318.8 billion yen, or 20%, from March 31, 2021.

Equity attributable to owners of the Parent was 6,880.2 billion yen, an increase of 1,266.6 billion yen, or 23%, from March 31, 2021. This increase was mainly due to an increase in exchange differences on translating foreign operations caused by the depreciation of the Japanese yen and an increase in retained earnings primarily from the accumulation of consolidated net income.

Non-controlling interests amounted to 976.9 billion yen, an increase of 52.2 billion yen, or 6%, from March 31, 2021.

Net interest-bearing liabilities (excluding lease liabilities), which are gross interest-bearing liabilities minus cash, cash equivalents and time deposits, were 3,939.7 billion yen, a decrease of 238.7 billion yen, or 6%, from March 31, 2021.

2. Cash Flows

Cash and cash equivalents as of March 31, 2022 were 1,555.6 billion yen, up 237.8 billion yen from March 31, 2021.

Operating activities

Net cash provided by operating activities was 1,055.8 billion yen, mainly due to cash flows from operating transactions and dividend income. The main uses of cash were a heavier burden on working capital as well as corporate income tax and interest payments.

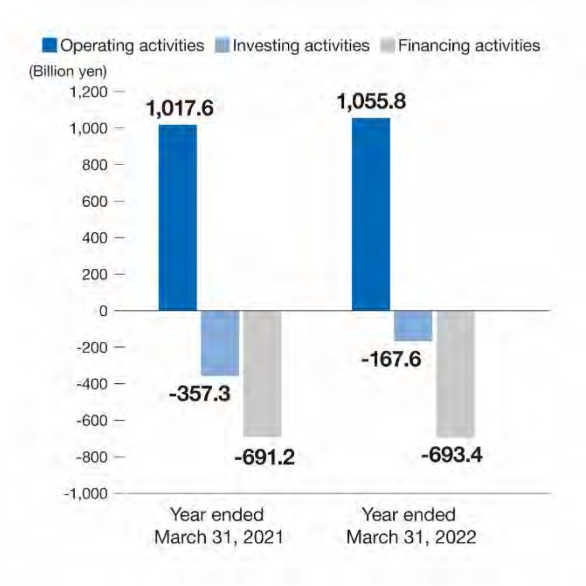
Investing activities

Net cash used in investing activities was 167.6 billion yen. Despite cash provided by the divesture of investments in affiliates and other investments, the net use of cash reflected capital investments as well as loans and investments in affiliates.

Financing activities

Net cash used in financing activities was 693.4 billion yen, primarily for the repayment of lease liabilities, dividend payments, and repayment of short-term debt.

Mitsubishi Corporation has adopted a progressive dividend policy that aims to increase dividends in tandem with sustainable profit growth. Mitsubishi Corporation plans to keep debt financing at an appropriate level based on liquidity and financial soundness.



[Capital Expenditures]
There were no significant capital expenditures in the fiscal year ended March 31, 2022.

[Issuance of Corporate Bonds]
The MC Group flexibly issues bonds as its primary means of procuring funds.
During the fiscal year ended March 31, 2022, MC issued US$500 million (approximately 61.2 billion yen) in U.S. dollar-denominated straight bonds (offered in overseas markets mainly in the United States, Europe and Asia) as well as 130.0 billion yen in yen-denominated subordinated bonds (hybrid bonds).

[Important Business Combinations]
Acquisition of Shares in MV2 Vietnam Real Estate Trading Joint Stock Company
To acquire 80.17% of the shares of Vietnamese real estate investment company MV2 Vietnam Real Estate Trading Joint Stock Company (MV2), MC paid an amount equivalent to 70% of the consideration for said shares through its wholly owned subsidiaries operating real estate development businesses in Vietnam, namely Vietnam-based subsidiary MC Urban Development Vietnam Company Limited and Singapore-based subsidiary MCOP Investment Pte. Ltd. With this move, MC acquired substantial control of MV2 based on an agreement with MV2's existing shareholders. Accordingly, MV2 is now a consolidated subsidiary of MC. With the change of MV2 to a consolidated subsidiary, MV2's subsidiaries have also become consolidated subsidiaries of MC.

●Operating Results and Financial Position

The MC Group Consolidated Operating Results and Financial Position（Note）

(Million yen)

	Item＼Fiscal Year Ended	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022
Consolidated	Revenues	16,103,763	14,779,734	12,884,521	17,264,828
	Profit attributable to owners of MC	590,737	535,353	172,550	937,529
	Equity attributable to owners of MC	5,696,246	5,227,359	5,613,647	6,880,232
	Total Assets	16,532,800	18,033,424	18,634,971	21,912,012
	Basic Profit attributable to owners of MC per share (yen)	¥372.39	¥348.50	¥116.86	¥635.06
	R O E	10.7%	9.8%	3.2%	15.0%

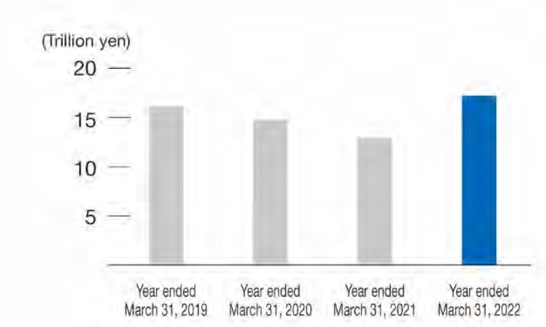
(Figures less than one million yen are rounded to the nearest million)

(Note)

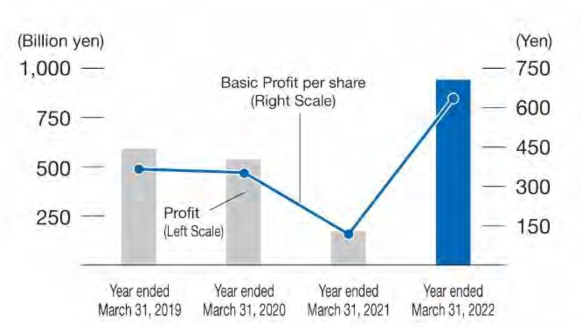
Figures in the above table are derived from financial information included in the consolidated financial statements based on IFRS in accordance with Article 120, Paragraph 1 of the Ordinance on Company Accounting of Japan.

The MC Group (Consolidated)

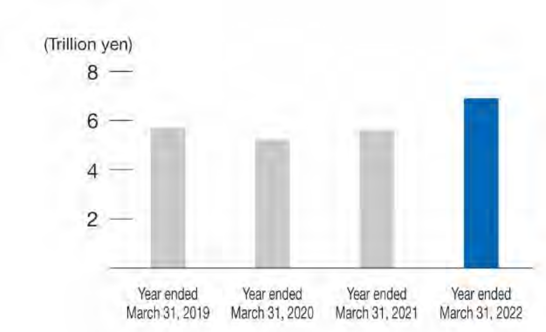
《Revenues》



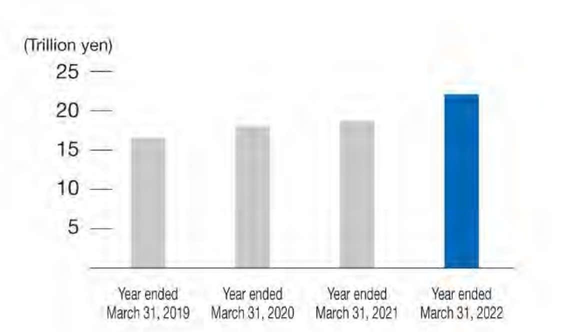
《Profit attributable to owners of MC and Basic Profit attributable to owners of MC per share》



《Equity attributable to owners of the Parent》



《Total Assets》



Mitsubishi Corporation Non-Consolidated Operating Results and Financial Position

(Million yen)

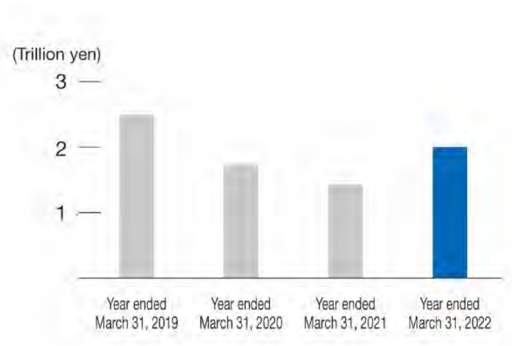
	Item＼Fiscal Year Ended	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022
Non-consolidated	Revenues	2,497,837	1,737,893	1,437,004	2,017,310
	Profit	396,117	364,663	393,351	402,624
	Total Equity	2,828,602	2,566,871	2,795,529	2,976,091
	Total Assets	7,429,597	7,521,438	7,688,009	8,326,745
	Basic Profit per share (yen)	¥249.70	¥237.36	¥266.37	¥272.70
	Dividend per share (yen) (Note)	¥125	¥132	¥134	¥150 (Including interim ¥71)

(Figures less than one million yen are rounded down)

(Note)
The year-end dividend applicable to the fiscal year ended March 31, 2022 is proposed at 79 yen per share and approval will be sought at the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2022.

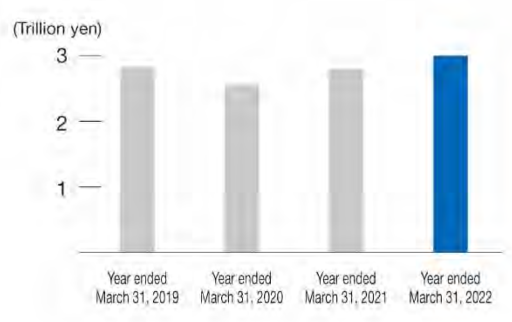
Mitsubishi Corporation (Non-consolidated)

《Net Sales》

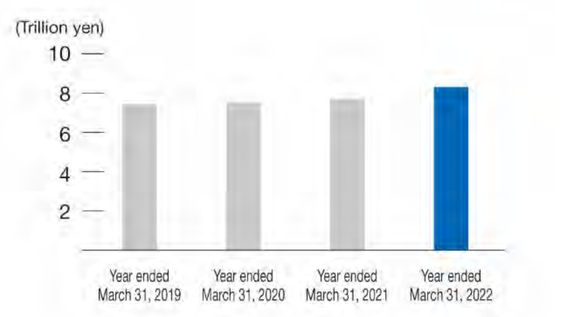


《Profit and Basic Profit per share》

《Total Equity》



《Total Assets》



(Translation)

●**Key Themes for the MC Group**

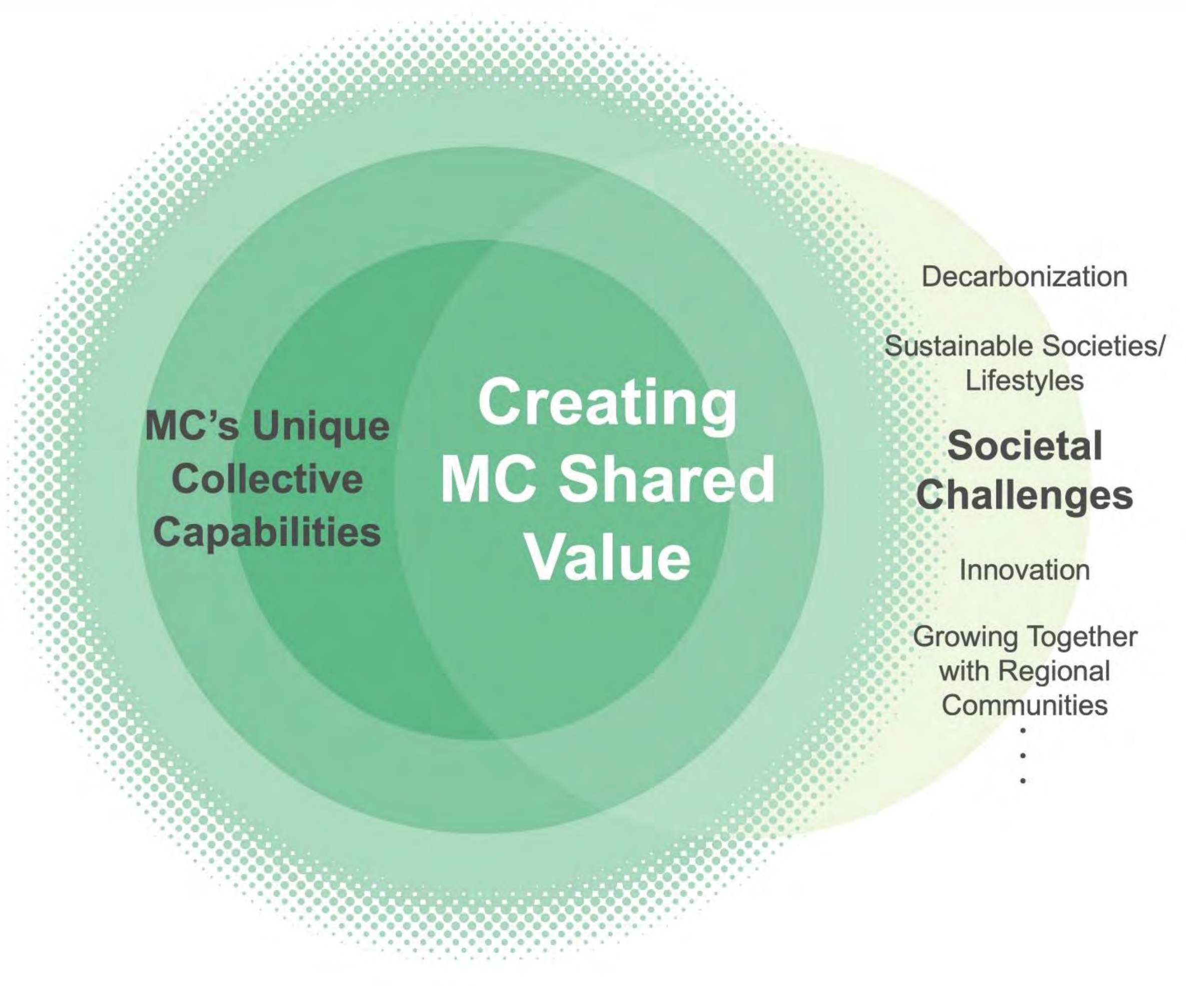
" Midterm Corporate Strategy 2024 - Creating MC Shared Value (MCSV)"

MC has announced its new three-year management plan, entitled "Midterm Corporate Strategy 2024 - Creating MC Shared Value."

In recent years, escalating geopolitical risk has created greater uncertainty throughout our operating environment; a challenge that is being compounded by the restructuring of global supply chains as well as the progress of digitalization and decarbonization. These increasingly diverse and complex societal and industry needs call for keen foresight.

Midterm Corporate Strategy 2024 will organically connect intelligence that takes advantage of our far-reaching industry expertise and global network, thereby strengthening the unique and collective capabilities of the MC Group.

Our Goals Under Midterm Corporate Strategy 2024
MC will strive to continuously create significant shared value, MCSV, by enhancing the MC Group's collective capability to address societal challenges.



Please see our website for details on Midterm Corporate Strategy 2024.

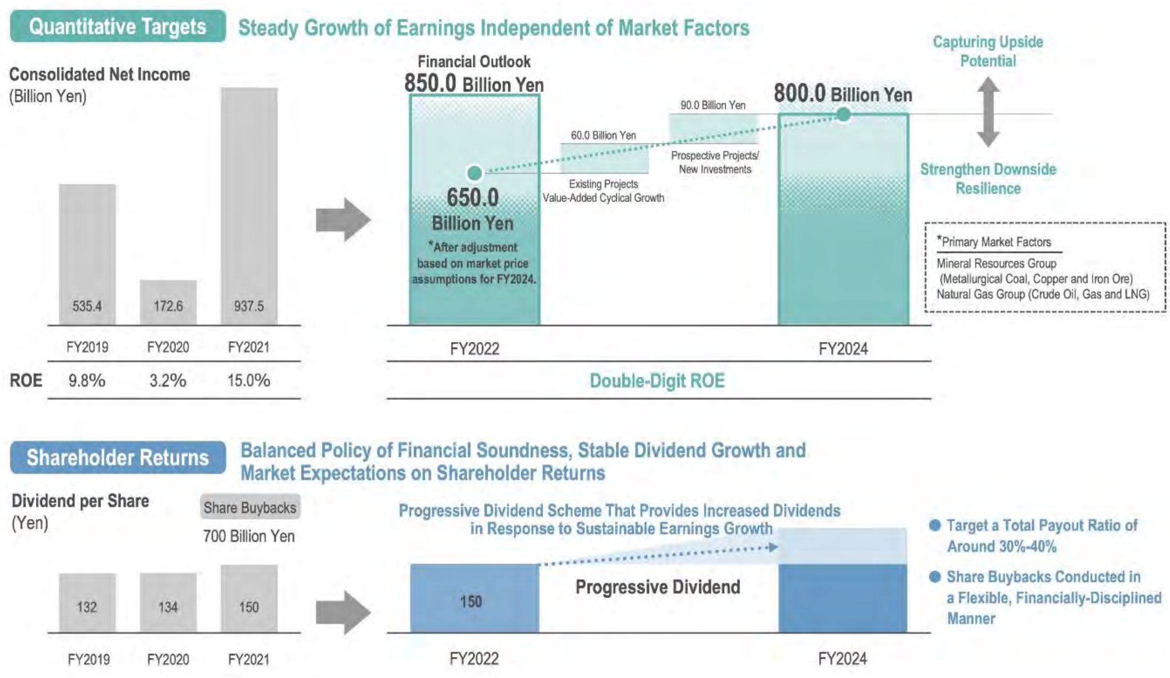
Quantitative Targets and Shareholder Returns

Quantitative Targets

Under Midterm Corporate Strategy 2024, MC will aim for double-digit ROE and steady earnings growth that is impervious to market fluctuations. This shall be achieved by maintaining a sound profit base while investing in Energy Transformation (EX), Digital Transformation (DX) and other growth areas.

Shareholder Returns

MC's basic policy on shareholder returns is to maintain a progressive dividend scheme, whereby the company increases its dividend in response to its sustainable earnings growth. Our policy is designed to balance financial soundness, stable dividend growth and market expectations on shareholder returns.



Cash Flow (CF) and Capital Allocation

MC will strategically allocate funds to investments and shareholder returns in a manner that both maintains its financial discipline and enhances its enterprise value. MC will also work to lower its cost of capital by enhancing stakeholder confidence through dialogue and expanded disclosure.

Investment Plan and Business Portfolio

MC plans to invest three trillion yen over the course of Midterm Corporate Strategy 2024 to accelerate investments in EX and steadily expand its earnings base along with investments in both DX and growth fields.

Leveraging Connectivity to Maximize the MC Group's Collective Capabilities

Growth Strategies [Leading Transformations and Connecting them to Growth]

● EX Strategy: MC will work with its partners to help society decarbonize and improve industry competitiveness while maintaining a holistic view of the EX value chain.

●DX Strategy: MC will broadly deploy its DX capabilities across its diverse business operations, thereby connecting industries, enterprises and communities. In this manner, MC will help to raise productivity and create sustainable value throughout society. To facilitate those efforts, we have established a new internal organization called the "Industry DX Group," which will focus on progressing DX strategies.

●Creating a New Future: MC will work with its partners, the local municipalities and all members of society not only to help create a brighter future for everyone, but also to boost Japan's self-sufficiency rates of energy and food through active development of renewable energy and other local energy sources. We will also focus on establishing new carbon neutral industries and developing vibrant communities by helping to resolve regional issues.

Business Management [Connecting Our Businesses to the Future with Disciplined Growth]

Under Midterm Corporate Strategy 2024, MC will develop systems that encourage its business groups to be both disciplined and proactive about strengthening their management practices. Furthermore, by expediting work to refine a value-added cyclical growth model that is capable of constantly adapting to changes in our operating environment, we remain committed to maintaining and improving our capital efficiency and ensuring our financial soundness.

Management Mechanisms [Connecting Diverse Sources of Intelligence]

In addition to the Industry DX Group, MC will newly establish the "Global Intelligence (GI) Committee," which will focus on making MC even more adaptable to its constantly evolving external operating environment. The GI Committee's analyses shall be reflected in matters tabled by the "MC Shared Value (MCSV) Forum" the function of which is to discuss and plan companywide strategies that can be adopted across different industries. This work will help to strengthen the business groups' development capabilities and cross-industry connections.

HR Policy [Creating a Vibrant Organization by Interconnecting a Diverse and Versatile Talent Pool]

MC's HR policy under Midterm Corporate Strategy 2024 shall focus on creating a corporate culture that embraces diversity. Through the strategic allocation of our human resources, we will strive to invigorate and unlock the full potential of our organization.

Sustainability Policy [Interconnecting with Diverse Stakeholders and Reinforcing Our Presence as a Trusted Member of Society]

MC's unique definition of "materiality" covers a set of crucial societal issues to address through its business activities. In addition to classifying our businesses based on climate transition risks and opportunities, we will monitor their progress and work to decarbonize them through various measures.

●Efforts toward Achieving Sustainable Growth

Based on the Three Corporate Principles, which serve as MC's core philosophy, MC has continued to grow together with society by contributing to the sustainable development of society through its business activities while pursuing value creation. With stakeholder expectations having grown even higher in recent years for companies to address climate change and a variety of other societal issues, MC conducted a review of its Key Sustainability Issues. The revised "Materiality" was announced in Midterm Corporate Strategy 2024 as a set of crucial societal issues that MC will prioritize through its business activities, towards the strategy's goal of continuous creation of MC Shared Value (MCSV). Guided by this Materiality, MC will continue to strengthen its efforts toward sustainable corporate growth.

MC's Materiality

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

Contributing to Decarbonized Societies—Responding to Climate Change

In seeking sustainable growth, MC regards "Contributing to Decarbonized Societies" as a key management issue . Climate-related impacts on the environment are a pressing issue confronting industries and people's daily lives across the globe. Over the medium to long term, MC's business operations stand to be significantly impacted as well. While fulfilling its mandate to meet the demand for energy, MC will seek to achieve carbon neutrality by contributing to decarbonized societies in collaboration with MC Group companies and in partnership with a broad range of stakeholders, including governments, companies and industry associations. Please also refer to pages 34 to 37 and pages 66 to 68 for details of the Company's current initiatives and future measures under Midterm Corporate Strategy 2024.

■ General Information about the MC Group (As of March 31, 2022)

●Office Network of the MC Group

Mitsubishi Corporation	Head Office	Mitsubishi Shoji Building: 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan (Registered headquarters) Marunouchi Park Building: 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
	Domestic Office Network	9 offices, including Hokkaido (Sapporo), Tohoku (Sendai), Chubu (Nagoya), Kansai (Osaka), Chugoku (Hiroshima), Kyushu (Fukuoka) branches, etc.
	Overseas Office Network	50 offices, including Johannesburg Branch, Headquarters for the Middle East, Kuala Lumpur Branch, Singapore Branch, Manila Branch, etc.

Regional Subsidiaries	37 regional subsidiaries including: Mitsubishi Corporation (Americas), Mitsubishi International Corporation, Mitsubishi de Mexico S.A. de C.V., Mitsubishi Corporation do Brasil S.A., Mitsubishi Corporation International (Europe) Plc., Mitsubishi International GmbH, Mitsubishi Corporation India Private Ltd., Mitsubishi Company (Thailand), Ltd., Thai-MC Company Limited, IDN, PT. MC Trading Indonesia, Mitsubishi Corporation (Korea) Ltd., Mitsubishi Australia Limited, Mitsubishi Corporation China Co., Ltd., Mitsubishi Corporation (Shanghai) Ltd., Mitsubishi Corporation (Hong Kong) Ltd., Mitsubishi Corporation (Taiwan) Ltd., etc. (61 locations if it includes the branches and offices of those subsidiaries)

(Note) In addition to the above, the MC Group companies have annex and project offices, and factories and other bases in Japan and overseas. A summary of major Group companies is shown under "Status of Major Subsidiaries and Affiliated Companies."

■Network

Head Office 1/Domestic 9/Overseas 111(Offices 50/Regional Subsidiaries 37, Branches 24)

●Number of Employees of the MC Group (Note 1)

(Number of employees)

	Natural Gas Group	Industrial Materials Group	Petroleum & Chemicals Solution Group	Mineral Resources Group	Industrial Infrastructure Group	Automotive & Mobility Group	Food Industry Group	Consumer Industry Group	Power Solution Group	Urban Development Group	Others	Total (YoY change)
The MC Group	693	10,043	3,955	819	9,086	6,511	23,056	18,659	4,419	622	2,865	80,728 (-2,269)
MC	289	278	448	160	327	296	367	337	237	289	1,362	4,390 (-109)

(Note 1) The number of employees does not include individuals seconded to other companies and includes individuals seconded from other companies.

●Status of Major Subsidiaries and Affiliated Companies

■Major consolidated subsidiaries and equity-method affiliates (Note 1)

Name of Company	Capital stock	Voting rights percentage	Main business
Mitsubishi Corporation (Americas)	US$1,428,032	100	Operational support and management for North American companies subject to consolidation
Mitsubishi Corporation International (Europe) Plc.	£ 120,658	100	Trading
Mitsubishi Corporation (Shanghai) Ltd.	US$91,000	100	Trading
Mitsubishi Corporation Finance PLC	US$90,000	100	Financial investment company
Japan Australia LNG (MIMI) Pty. Ltd.	US$2,604,286	50	Development and sales of LNG
Metal One Corporation	¥100,000	60	Steel products operations
Mitsubishi Development Pty Ltd	AUS$450,586	100	Investment, production and sales of metallurgical coals and other metals resources
Chiyoda Corporation	¥15,015	33.46	Integrated engineering business
Tri. Petch Isuzu Sales Co., Ltd.	THB 3,000,000	88.73	Import/Distribution of automobiles
MITSUBISHI MOTORS CORPORATION	¥284,382	20.01	Manufacture and sales of motor vehicles and their parts
Mitsubishi Shokuhin Co., Ltd	¥10,630	50.12	Wholesale of food products
Lawson, Inc.	¥58,507	50.12	Operation of a convenience store chain
N.V. Eneco(Note2)	€121,693	100	Integrated energy business

(Amounts rounded to the nearest million yen or thousand foreign currency)

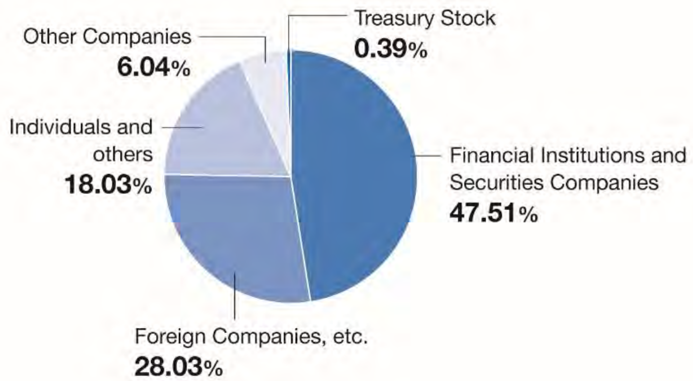
(Note 1) As of March 31, 2022, 1,674 companies are subject to consolidation (1,238 consolidated subsidiaries and 436 equity-method affiliates). Of these, 1,214 are equity-method affiliates included in the scope of consolidation by MC's consolidated subsidiaries. If these affiliates were to be excluded, the number of companies subject to consolidation amounts to 460.

(Note2) MC owns 100% of voting rights through Diamond Chubu Europe B.V., in which MC has an 80% share.

●Stock Information

	As of March 31, 2022	YoY change
1. Number of shares authorized for issuance	2,500,000,000 shares	—
2. Shares of common stock issued	1,485,723,351 shares	—
3. Number of shareholders	351,134	-9,333

4. Shareholder Composition



■ Stock Acquisition Rights

1. Stock Acquisition Rights as of March 31, 2022
＜Stock Options Held by Directors, Audit & Supervisory Board Members and Executive Officers＞
Stock Acquisition Rights as Stock Options for Stock-option-based Remuneration

Fiscal year issued	No. of stock options	Class and number of shares to be issued upon exercise of stock options	Issue price	Price per share due upon exercise of stock options (exercise price)	Stock option term
FY 2005	54	5,400 shares of the Company’s common stock	Issued in gratis	¥1	From August 11, 2005 through June 24, 2035
FY 2006	28	2,800 shares of the Company’s common stock	Issued in gratis	¥1	From August 11, 2006 through June 27, 2036
FY 2016	286	28,600 shares of the Company’s common stock	Issued in gratis	¥1	From June 7, 2016 through June 6, 2046
FY 2017	657	65,700 shares of the Company’s common stock	Issued in gratis	¥1	From June 6, 2017 through June 5, 2047
FY 2018	568	56,800 shares of the Company’s common stock	Issued in gratis	¥1	From June 5, 2018 through June 4, 2048
For FY 2018 (issued June 3, 2019)	196	19,600 shares of the Company’s common stock	Issued in gratis	¥1	From June 4, 2019 through June 4, 2048
For FY 2020 (issued June 7, 2021)	308	30,800 shares of the Company’s common stock	Issued in gratis	¥1	From June 8, 2021 through June 7, 2050

Stock Acquisition Rights as Stock Options for Stock-linked Compensation Plan with Market Conditions

Fiscal year issued	No. of stock options	Class and number of shares to be issued upon exercise of stock options	Issue price	Price per share due upon exercise of stock options (exercise price)	Stock option term
FY 2019	6,916	691,600 shares of the Company’s common stock	Issued in gratis	¥1	From July 9, 2022 through July 8, 2049
For FY 2019 (issued July 6, 2020)	158	15,800 shares of the Company’s common stock	Issued in gratis	¥1	From July 9, 2022 through July 8, 2049
FY 2020	9,587	958,700 shares of the Company’s common stock	Issued in gratis	¥1	From July 7, 2023 through July 6, 2050
For FY 2019 (issued June 7, 2021)	158	15,800 shares of the Company’s common stock	Issued in gratis	¥1	From July 9, 2022 through July 8, 2049
For FY 2020 (issued June 7, 2021)	351	35,100 shares of the Company’s common stock	Issued in gratis	¥1	From July 7, 2023 through July 6, 2050
FY 2021	9,111	911,100 shares of the Company’s common stock	Issued in gratis	¥1	From July 13, 2024 through July 12, 2051

＜Breakdown＞

Stock Acquisition Rights as Stock Options for Stock-option-based Remuneration

Fiscal year issued	Directors (Excluding Outside Directors)		Audit & Supervisory Board Members		Executive Officers	
	No. of stock options	No. of holders	No. of stock options	No. of holders	No. of stock options	No. of holders
FY 2005	54	1	—	—	—	—
FY 2006	28	1	—	—	—	—
FY 2016	—	—	—	—	286	4
FY 2017	—	—	129	1	528	6
FY 2018	—	—	—	—	568	8
For FY 2018 (issued June 3, 2019)	—	—	—	—	196	2
For FY 2020 (issued June 7, 2021)	308	1	—	—	—	—

Stock Acquisition Rights as Stock Options for Stock-linked Compensation Plan with Market Conditions

Fiscal year issued	Directors (Excluding Outside Directors)		Audit & Supervisory Board Members		Executive Officers	
	No. of stock options	No. of holders	No. of stock options	No. of holders	No. of stock options	No. of holders
FY 2019	1,787	4	—	—	5,129	25
For FY 2019 (issued July 6, 2020)	—	—	—	—	158	1
FY 2020	2,171	4	—	—	7,416	32
For FY 2019 (issued June 7, 2021)	158	1	—	—	—	—
For FY 2020 (issued June 7, 2021)	351	1	—	—	—	—
FY 2021	2,113	5	—	—	6,998	38

(Notes)
1. Holdings by Executive Officers who also serve as Directors are listed in the Directors column.
2. Stock acquisition rights held by Audit & Supervisory Board Member were granted during his term as Executive Officer, not while he served as Audit & Supervisory Board Member.
3. Stock options for stock-option-based remuneration for FY 2018 (issued on June 3, 2019), FY 2020 (issued on June 7, 2021), Stock options for stock-linked compensation plan with market conditions for FY 2019 (issued on July 6, 2020), FY 2019 (issued on June 7, 2021) and FY 2020 (issued on June 7, 2021) are for Executive Officers who returned to Japan from overseas and were granted stock options during their service overseas.
4. The total number of shares for the purpose of stock acquisition rights as of March 31, 2022 was 4,240,700, including stock acquisition rights held by retirees.

2. Stock Acquisition Rights Granted During the Fiscal Year Ended March 31, 2022

Stock Acquisition Rights as Stock-option-based Remuneration

	2021 Stock Options Plan A (Note 1)
Issuance resolution date	May 21, 2021
No. of stock options	862
No. of allottees and rights granted	Executive Officers (Note 2) 2 people 652 units Senior Vice Presidents (Note 3) 2 people 210 units
Class and number of shares to be issued upon exercise of stock options	86,200 shares of the Company's common stock
Issue price of stock options	Issued in gratis
Price per share due upon exercise of stock acquisition rights (Exercise Price)	¥1
Stock option term	From June 8, 2021 through June 7, 2050
Other conditions for exercise of stock options	a. A stock option holder may not exercise their stock options after 10 years have passed from the day following the Allotment Date for the Stock Options or the day after losing their positions as both Director, Executive Officer and Senior Vice President of the Company, whichever is later.
	b. In the event that a stock option holder forfeits their stock options, such stock options cannot be exercised.

(Notes)
1. Executive Officers and Senior Vice Presidents who returned to Japan from overseas were granted stock options while they were serving overseas.
2. The above figures include individuals who retired in FY2020.
3. The above figures include individuals who retired in FY2018. The Senior Vice President system was discontinued on March 31, 2019.

Stock Acquisition Rights as Stock Options for Stock-linked Compensation Plan with Market Conditions

	2021 Stock Options Plan C2 (Note 1)	2021 Stock Options Plan C1 (Note 1)	2021 Stock Options Plan D
Issuance resolution date	May 21, 2021	May 21, 2021	June 25, 2021
No. of stock options	316	543	9,111
No. of allottees and rights granted	Executive Officers (Note 2) 2 people 316 units	Executive Officers (Note 2) 2 people 543 units	Directors 5 people 2,113 units Executive Officer 38 people 6,998 units
Class and number of shares to be issued upon exercise of stock options	31,600 shares of the Company's common stock	54,300 shares of the Company's common stock	911,100 shares of the Company's common stock
Issue price of stock options	Issued in gratis		
Price per share due upon exercise of stock acquisition rights (Exercise Price)	¥1		
Stock option term	From July 9, 2022 through July 8, 2049	From July 7, 2023 through July 6, 2050	From July 13, 2024 through July 12, 2051
Other conditions for exercise of stock options	a. Initial number of allotted stock options calculated for rank as of April 1, 2019	a. Initial number of allotted stock options calculated for rank as of April 1, 2020	a. Initial number of allotted stock options calculated for rank as of April 1, 2021
	b. Performance evaluation period is three-year period starting on July 8, 2019	b. Performance evaluation period is three-year period starting on July 6, 2020	b. Performance evaluation period is three-year period starting on July 12, 2021
	c. A stock option holder may exercise the number of exercisable stock options from among the allocated stock options, within the stock option term in accordance with the growth rate in the Company's shares during the performance evaluation period (calculated by dividing the Company's Total Shareholder Return (TSR) by the growth rate in the Tokyo Stock Price Index (TOPIX) index during the evaluation period). (Note 3)		
	d. A stock option holder may not exercise their stock options after 10 years from the day after losing their positions as either Director or Executive Officer of MC.		
	e. In the event that a stock option holder relinquishes their stock options, such stock options cannot be exercised.		

(Notes)
1. Executive Officers who returned to Japan from overseas were granted stock options while they were serving overseas.
2. The above figures include individuals who retired in FY2020.
3. Details for share price conditions are as follows.
(1) The number of exercisable stock options is determined using the formula below. Provided, however, that numbers less than one stock option are rounded.
・ (Initial number of allotted stock options) x (vesting ratio)
(2) The vesting ratio for stock options varies, as shown below, depending on the growth rate in the Company's shares over the evaluation period. Provided, however, that numbers less than 1% are rounded.
・ Growth rate of at least 125% in the Company's shares: 100%
・ Growth rate between 75% and 125% in the Company's shares:
40% + {the Company's share growth rate (%) − 75 (%)} x 1.2
(amounts less than 1% rounded to the nearest whole number)
・ Growth rate less than 75% in the Company's shares: 40%
(3) The growth rate in the Company's shares is as follows.
Growth rate in the Company's shares = the Company's TSR/TOPIX growth rate
The Company's TSR during the evaluation period = (A＋B)/C; TOPIX growth rate during the evaluation period = D/E
i. 2021 Stock Options Plan C2
A: Average closing price for shares of the Company's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began
B: Total amount of dividends per share of the Company's common stock from July 8, 2019 to the date when the exercise period began
C: Average closing price for shares of the Company's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month of July 8, 2019
D: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began
E: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month of July 8, 2019
ii. 2021 Stock Options Plan C1
A: Average closing price for shares of the Company's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began
B: Total amount of dividends per share of the Company's common stock from July 6, 2020 to the date when the exercise period began
C: Average closing price for shares of the Company's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month of July 6, 2020
D: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began
E: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month of July 6, 2020
iii. 2021 Stock Options Plan D
A: Average closing price for shares of the Company's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began
B: Total amount of dividends per share of the Company's common stock from the date of allotment of stock options to the date when the exercise period began
C: Average closing price for shares of the Company's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month when stock options are allotted
D: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began
E: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month when stock options are allotted

* A, C, D and E exclude days on which there were no trades.

●Principal Shareholders

Name of shareholder	No. of shares (Thousands)	Investment ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	251,409	16.98
Custody Bank of Japan, Ltd. (Trust Account)	91,884	6.20
EUROCLEAR BANK S.A./N.V.	77,540	5.23
Meiji Yasuda Life Insurance Company	58,361	3.94
Tokio Marine & Nichido Fire Insurance Co., Ltd.	50,913	3.44
The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)	32,276	2.18
JPMorgan Securities Japan Co., Ltd.	24,217	1.63
STATE STREET BANK WEST CLIENT – TREATY 505234	22,387	1.51
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation, Limited Account)	17,768	1.20
Mitsubishi Heavy Industries, Ltd.	16,643	1.12

(Figures less than 1,000 shares are rounded down)

(Note)
The investment ratio is computed by excluding 5,859,407 shares of treasury stock held by MC and rounded to two decimal points.

●Major Lenders

The MC Group has a group finance policy in which domestic and overseas finance subsidiaries, overseas subsidiaries and other entities raise their own funds for distribution to affiliates. The MC Group's borrowing from financial institutions is conducted mainly by MC. The following is a list of major lenders as of March 31, 2022.

Name of lender	Loans payable (Million yen)
MUFG Bank, Ltd.	721,799
Japan Bank for International Cooperation	391,175
Mizuho Bank, Ltd.	209,107
Meiji Yasuda Life Insurance Company	192,000
Nippon Life Insurance Company	170,000
Development Bank of Japan Inc.	140,000
Sumitomo Mitsui Trust Bank, Limited	116,717
The Norinchukin Bank	94,478

(Figures less than one million yen are rounded to the nearest million)

(Note)
In addition to the above, MC has procured subordinated loans of 400,000 million yen through syndication.

●Internal Control System (summary of systems necessary to ensure the proper operations of the Company)
(Article 362, Paragraph 4, Item 6 of the Companies Act)

On May 7, 2021, the Board of Directors of MC resolved the basic policy of establishing the following internal control systems for the entire MC Group (MC and its subsidiaries) to improve corporate value through proper and efficient business operations in conformity with laws and its Articles of Incorporation. Details of this policy are presented below in a matter consistent with the provisions stipulated by Article 100, Paragraph 1, Item 3 of Regulation for Enforcement of the Companies Act. MC checks the operating status of these systems and endeavors to continuously improve and strengthen them.

Basic Policy of Establishing the Internal Control System

1. System to Ensure that the Execution of Duties by Directors and Employees Is in Conformity with the Laws and Regulations and Articles of Incorporation

(1) System to Ensure Compliance
MC shall establish internal rules and regulations for such matters as codes of conduct for officers and employees; Companywide lateral management systems; and measures for prevention, correction, and improvement; and internal whistleblower systems. After informing all parties, MC shall rigorously reflect the rules and regulations in operations. Further, MC shall realize its compliance capabilities as the MC Group by encouraging subsidiaries to establish similar systems.
(2) System to Ensure Proper Financial Reporting
MC shall establish internal rules and regulations for such matters as the establishment of persons responsible for each accounting organization and procedures for the preparation of financial statements in conformity with laws and accounting standards. After informing all parties, MC shall rigorously reflect the rules and regulations in operations and ensure proper and timely disclosure of financial information of the MC Group.
(3) System to Ensure Robust Audits and Monitoring
MC shall establish internal rules and regulations for such matters as the systems and main points of internal auditing. After informing all parties, MC shall rigorously reflect the rules and regulations in operations and objectively inspect, evaluate, and improve the execution of duties as the MC Group.

2. System for the Storage and Management of Information Related to Directors' Execution of Duties

After establishing internal rules and regulations in relation to such matters as persons responsible for management of information in the course of execution of duties and methods and informing all parties, MC shall rigorously reflect the rules and regulations in operations and prepare, process, and store information appropriately.

3. Regulations and Other Systems Concerning Management of Loss Risk

MC shall establish internal rules and regulations for such matters as risk classes, persons responsible for management and methods for each class, and systems. After informing all parties, MC shall rigorously reflect the rules and regulations in operations. In addition, MC shall encourage each subsidiary to develop necessary risk management systems in accordance with its business lines or the size of its operations, thereby appropriately controlling, on a corporate group basis, risk accompanying the execution of duties.

4. System for Ensuring that Directors Perform Duties Efficiently

(1) The President and CEO shall establish management policies and goals as the MC Group, prepare management plans aimed at achieving them, and then endeavor to execute duties efficiently by implementing these plans.
(2) MCMC shall establish internal rules and regulations for such matters as standards and main points relating to reorganization, the division of duties, personnel allocation, and authority. After informing all parties, MC shall rigorously reflect the rules and regulations in operations. Further, in accordance with the business lines or size of subsidiaries, MC shall ensure efficiency by encouraging the establishment of similar internal rules and regulations and other measures.

5. System to Ensure the Suitability of Business Conducted by the Stock Company and the Corporate Group Comprising the Parent Company and Subsidiaries

To ensure the suitability of the business activities conducted by the MC Group, MC shall establish basic policies as the MC Group while, for each subsidiary and affiliate, establishing internal rules and regulations for such matters as persons responsible, important management-related items, management methods, and the exercise of shareholder rights. After informing all parties, MC shall rigorously reflect the rules and regulations in operations. Further, the persons responsible shall receive reports required by the Parent Company concerning the status of the execution of duties by directors and others at subsidiaries and shall understand the qualitative and quantitative status and issues of subsidiaries.

6. Items Concerning Employees Assisting in the Duties of Audit & Supervisory Board Members and Items Concerning Their Independence from Directors

An organization is established directly under the Audit & Supervisory Board for supporting the duties of employees assisting in the duties of Audit & Supervisory Board Members, and employees assigned exclusively to this organization assist the duties of the Audit & Supervisory Board Members. Furthermore, regarding personnel matters concerning these employees, such as evaluations and transfers, MC shall seek the opinions of Audit & Supervisory Board Members and shall respect these opinions.

7. System to Enable Directors, Employees, and Others to Report to Audit & Supervisory Board Members and Other Systems for Reporting to Audit & Supervisory Board Members

(1) Audit & Supervisory Board Members shall attend meetings of the Board of Directors and other important management meetings and shall state opinions.

(2) MC shall establish internal rules and regulations for such matters as persons responsible, standards, and methods in relation to reporting to Audit & Supervisory Board Members if there is a risk of substantial detriment occurring.

(3) MC shall encourage the construction of systems, including a system for enabling the persons responsible or officers and employees of respective subsidiaries to report if Audit & Supervisory Board Members request reports relating to subsidiaries and a system to enable the reporting of important matters, including subsidiaries' significant compliance matters, to Audit & Supervisory Board Members.

(4) MC shall prohibit the disadvantageous treatment of officers and employees as a result of having reported to Audit & Supervisory Board Members and shall rigorously inform subsidiaries of this policy.

8. Other Systems to Ensure That Audit & Supervisory Board Members' Audits Are Executed Effectively

(1) Audit & Supervisory Board Members shall endeavor to communicate with related internal departments and independent auditors, collect information, and conduct investigations. The related departments shall cooperate with these efforts.

(2) MC will bear the necessary expenses for the Audit & Supervisory Board Members' execution of duties.

Operating Status of the Internal Control System

Every year, MC monitors the status of development and operations of its internal control system in place for the Group. Based on results of such monitoring, MC enhances said system while assisting its subsidiaries in their efforts to improve internal control. The operating status of the internal control system is reported to the Board of Directors. The main content of this reporting is as follows.

1. System to Ensure that the Execution of Duties by Directors and Employees Is in Conformity with the Laws and Regulations and Articles of Incorporation

(1) System to Ensure Compliance

MC considers compliance, namely, acting in accordance with laws and social norms, to be a matter of the utmost priority in business conduct. Accordingly, MC strives to ensure that its corporate philosophy is embraced by every Group member while establishing and disseminating the Code of Conduct and other basic compliance principles to be observed by all officers and employees.

To this end, a Chief Compliance Officer is appointed to supervise relevant matters. Moreover, MC appoints persons responsible for compliance at each business unit and subsidiary while holding periodic Compliance Committee meetings to facilitate information sharing. Through these and other initiatives, MC develops a robust compliance promotion structure for the entire Group. As part of measures aimed at preventing and correcting compliance violation and other incidents, MC implements necessary training for Group members to ensure adherence to various laws and regulations. The MC Code of Conduct mandates that all officers and employees undergo such training on an annual basis, in addition to submitting a written oath on compliance. Furthermore, round table sessions addressing compliance matters are regularly being held to facilitate free and in-depth discussion between individuals from Group companies, with the aim of raising compliance awareness among officers and employees. While the status of compliance is reported to the Board of Directors from relevant officers and employees at each business unit and subsidiary, MC fully utilizes whistleblowing systems in place to cover each region, along with the Global Whistleblower System designed to address incidents involving the violation of anti-monopoly and anti-bribery regulations. In these ways, MC endeavors to swiftly identify and resolve compliance issues and ensure that relevant information is quickly shared by Group members, with the Board of Directors and the Audit & Supervisory Board receiving proper reporting on a regular basis. MC also made it a strict rule to protect whistleblowers, regardless of what business unit or subsidiary they belong to, so that they will not be subjected to detrimental treatment on the grounds of whistleblowing.

(2) System to Ensure Proper Financial Reporting

To maintain the appropriate and timely disclosure of financial statements, MC appoints persons responsible for accounting and thereby ensures that its financial statements are prepared in conformity with laws, regulations and accounting standards. These statements are publicly disclosed in accordance with the Corporate Disclosure Policy that has been discussed and confirmed by the Disclosure Committee.

With regard to internal control for ensuring proper financial reporting, MC promotes and monitors internal control activities in line with internal control reporting systems stipulated by the Financial Instruments and Exchange Act. Thus, MC implements initiatives to secure the effectiveness of internal control on a consolidated basis.

(3) System to Ensure Robust Audits and Monitoring

Having established bodies tasked with internal audits, MC performs periodic audits of each business unit and subsidiary to inspect and evaluate the status of their operations from an objective standpoint.

2. System for the Storage and Management of Information Related to Directors' Execution of Duties

MC appoints persons responsible for managing information related to directors' execution of duties and for instructing individuals who use such information based on classification defined by the importance of the content. In this way, MC maintains information security in a way that enables it to efficiently process relevant administrative tasks while ensuring that necessary information is shared by all individuals involved.

Said persons are also responsible for storing information it is mandatory to preserve or that is deemed important by MC due to its relevance to internal management. In addition to ensuring that this information is preserved for a prescribed period of time, such persons decide on the handling of other information and, to this end, determine whether or not to preserve it, and the necessary period for preservation.

Aware of threats posed by cyberattacks aimed at exploiting or destroying information stored by businesses, MC implements robust systemic countermeasures while providing ongoing employee education. Moreover, MC regularly confirms the status of incident-response systems in place at Group companies, including key subsidiaries, and helps them develop said systems while acting in collaboration with external specialist organizations to obtain the latest insights which will, in turn, inform the introduction of more effective countermeasures.

3. Regulations and Other Systems Concerning Management of Loss Risk

Risks associated with MC's operations are classified into credit risk, market risk, investment risk, country risk, compliance risk, legal risk, information management risk and environmental risk, as well as other risk categories based on such incidents as natural disasters, emerging infectious diseases, terrorism and rioting. The classification of each risk is determined in light of the Group's business lines and the size of its operations exposed to each relevant risk. Moreover, MC maintains departments responsible for addressing each risk class. Were a novel risk to emerge, the Company would promptly designate a department in charge of that risk. In these and other ways, MC establishes risk management policies, systems and procedures, along with crisis management and business continuity frameworks in preparation for emergencies, so that all risk management matters are properly handled on a consolidated basis.

In the face of the global outbreak of COVID-19, MC has been promptly implementing necessary countermeasures with the aim of safeguarding employees from infection, preventing the spread of the virus and appropriately ensuring business continuity. The Emergency Crisis Management Headquarters, in which industrial physicians participate, is spearheading these endeavors. In line with a policy of placing the utmost priority on employee safety, countermeasures implemented by MC at its domestic business sites included executing thoroughgoing hygiene management and shifting to work systems that minimize infection risks, with due consideration given to the geographical status of the pandemic, as well as requests from national and local governments. As for overseas business sites, MC assesses the status of the pandemic and local medical services in each country in which it operates, in order to promptly ensure, if necessary, the temporary evacuation of expatriates and their families to Japan or to instruct them to work from home. These assessments will be similarly conducted when MC judges whether those evacuated to Japan may be reinstated to assignments in their destination countries. As such, MC strives to appropriately secure business continuity in a way that carefully confirms the safety in each area, consistent with the prevailing circumstances and legal regulations in each country.

In response to growing geopolitical risks and increasing volatility in international affairs, MC is currently developing an even more robust management structure so that the Company can secure the safety of its employees, provide them with timely updates about sanctions and other relevant regulations that may affect them, and otherwise take appropriate steps to handle changes in circumstances.

In addition, each project proposal is greenlighted or declined by heads of related departments based on the prescribed decision-making authority assigned to them. These decisions are made based on results of the analysis and assessment of risk and return associated with each project in accordance with Companywide policies and procedures. While a greenlighted project is thus promoted, the verification of its risk and return is periodically conducted in a way that takes its progress into account and gives due consideration to changes in the external environment. In addition to managing risks associated with each project, MC assesses, quantifies and appropriately manages the overall status of the various risks relevant to the Group as a whole while implementing reviews of such risks as necessary.

4. System for Ensuring that Directors Perform Duties Efficiently

The President and CEO of MC identifies basic policies for the management of the MC Group, spearheading the determination of specific management targets as well as the formulation of management plans and other endeavors to efficiently achieve such targets. To ensure that management targets are met in the most efficient way, these endeavors include flexible reorganization and the allocation of optimal human resources to each operation in addition to the clarification of organizational reporting lines. To this end, the President and CEO also delegates authority to the heads of each business unit and its members to an extent necessary to the achievement of said targets while mandating that they report the status of their tasks on an as necessary basis. Also, the Board of Directors Office is in place to secure the sufficiency and efficiency of supervisory functions provided by directors. This office is tasked with providing directors with information necessary to the execution of their duties and otherwise assisting them in an appropriate and timely manner. In step with the sophistication of its consolidated management, MC has striven to enhance the quality of monitoring functions provided by the Board of Directors while updating and streamlining its operations. In the fiscal year ended March 31, 2019, these efforts resulted in the upward revision of monetary threshold standards related to investment and loan proposals. Moreover, in the fiscal year ended March 31, 2021, the Board of Directors expanded the scope of agenda items associated with Companywide management as part of initiatives to further improve the effectiveness of its operations. With the aim of constantly enhancing corporate governance, the effectiveness of the Board of Directors' operations is being annually evaluated, with independent outside directors and Audit & Supervisory Board Members fulfilling key roles in this evaluation.

The Board of Directors receives periodic follow-up reporting on the status of the implementation of management plans and thus reviews such plans cyclically in light of the degree of their progress, the prevailing external environment and other factors. In the fiscal year ended March 31, 2020, MC launched the Midterm Corporate Strategy 2021—Achieving Growth Through Business Management Model, under which it pursues sustainable growth in a way that simultaneously generates economic value, societal value and environmental value, while addressing changes in geopolitical dynamics and rapid advances in digitalization.

5. System to Ensure the Suitability of Business Conducted by the Stock Company and the Corporate Group Comprising the Parent Company and Subsidiaries

MC establishes internal rules for subsidiary management and designates departments in charge of managing every subsidiary. In addition to assessing each subsidiary's business results, management efficiency and other quantitative indicators on an annual basis, the heads of these departments request directors at each subsidiary report regularly on the execution of its operations. Furthermore, these heads strive to identify the qualitative issues each subsidiary is facing, including those associated with compliance and risk management, and confirm the status of the development and operation of its internal control systems, as well as whether or not such systems need to be improved.

MC also engages with each subsidiary to ensure that its operations are appropriate and in conformity with laws, regulations, its articles of incorporation and internal rules by, for example, dispatching officers, signing joint venture agreements and exercising voting rights. MC also implements various measures to help each subsidiary efficiently execute its operations and thereby achieve sustainable growth, with the aim of improving corporate value on a consolidated basis.

6. Items Concerning Employees Assisting in the Duties of Audit & Supervisory Board Members and Items Concerning Their Independence from Directors

7. System to Enable Directors, Employees, and Others to Report to Audit & Supervisory Board Members and Other Systems for Reporting to Audit & Supervisory Board Members

8. Other Systems to Ensure That Audit & Supervisory Board Members' Audits Are Executed Effectively

MC's Audit & Supervisory Board Members attend Board of Directors meetings and other important management meetings to offer their opinions. They also maintain communication with independent auditors, directors, senior vice presidents and other employees at MC as well as directors, Audit & Supervisory Board Members and others at each subsidiary to collect information and look into the status of business execution. These individuals cooperate with Audit & Supervisory Board Members as necessary. Moreover, Audit & Supervisory Board Members hold regular meetings in conjunction with the finalization of quarterly financial results as well as on a monthly basis to engage with independent auditors in addition to securing opportunities to exchange opinions on an as necessary basis with independent auditors who serve for subsidiaries and affiliates. They also regularly meet representatives from MC's internal auditing bodies at audit reporting meetings as part of quarterly Audit & Supervisory Board meetings and at monthly regular meetings while hosting liaison meetings attended by individuals from the internal audit departments of subsidiaries and affiliates, as well as Audit & Supervisory Board Members of these entities. Through these initiatives, MC strives to enhance its consolidated "tripartite audit" structure supported by collaborative initiatives involving its Audit & Supervisory Board Members, internal auditing bodies and independent auditors. To secure the effectiveness of audits, MC bears necessary expenses for audits.

MC made it a rule that, if there is a potential incident that could result in the recording of a loss above a certain threshold or another serious problem, the heads of relevant departments must swiftly report this to Audit & Supervisory Board Members in accordance with the prescribed criteria and procedures. Moreover, MC also maintains and operates a structure in which subsidiaries are obliged to submit reports to its Audit & Supervisory Board Members through departments charged with managing these entities should they recognize similar possibilities. MC prohibits the detrimental treatment of officers and employees on the grounds of reporting to Audit & Supervisory Board Members, and obliges all of its subsidiaries to similarly enforce this prohibition.

To enhance the effectiveness of audits by Audit & Supervisory Board Members, MC maintains an organization tasked with assisting Audit & Supervisory Board Members in the execution of their duties. This organization is operated directly under the Audit & Supervisory Board, with employees being assigned exclusively to it in order to flexibly support activities of the Audit & Supervisory Board Members. The evaluation and transfer of these employees is decided in a way that gives due consideration to the independence of this organization and, to this end, honors the opinions of Audit & Supervisory Board Members. In addition, the Audit & Supervisory Board appoints external specialists and invites them to attend periodic discussions, utilizing the expertise and insights offered by these individuals to improve its auditing activities.

●Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities at MC and Important Concurrent Positions as of March 31, 2022
Chairman of the Board	Ken Kobayashi	Outside Director, Nissin Foods Holdings Co., Ltd., Outside Director, Mitsubishi Motors Corporation, Outside Director, Mitsubishi Heavy Industries, Ltd. Outside Director, Mitsubishi Research Institute, Inc.
*Director, President and CEO	Takehiko Kakiuchi	
*Director, Executive Vice President	Kazuyuki Masu	Corporate Functional Officer (CFO)
*Director, Executive Vice President	Akira Murakoshi	Corporate Functional Officer (CDO, CAO, Corporate Communications, Corporate Sustainability & CSR)
*Director, Executive Vice President	Yasuteru Hirai	Corporate Functional Officer (Global Strategy), Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters
Director, Executive Vice President	Yutaka Kashiwagi	Corporate Functional Officer (Business Development for Japan), General Manager, Kansai Branch
**Director	Akihiko Nishiyama	Professor, Ritsumeikan University
**Director	Akitaka Saiki	Outside Director, Tobishima Corporation
**Director	Tsuneyoshi Tatsuoka	Outside Director, Asahi Kasei Corp., Outside Director (Audit and Supervisory Committee Member), NITORI Holdings Co., Ltd.
**Director	Shunichi Miyanaga	Chairman of the Board, Mitsubishi Heavy Industries, Ltd., Outside Director, Mitsubishi Motors Corporation
**Director	Sakie Akiyama	Outside Director, ORIX Corporation Outside Director, Sony Group Corporation Outside Director, JAPAN POST HOLDINGS Co., Ltd.
Full time Audit & Supervisory Board Member	Shuma Uchino	
Full time Audit & Supervisory Board Member	Hajime Hirano	Outside Director, SHIZUOKA GAS Co., Ltd.
***Audit & Supervisory Board Member	Yasuko Takayama	Outside Director, The Chiba Bank, Ltd. Outside Director (Audit and Supervisory Committee Member), Cosmo Energy Holdings Co., Ltd. Outside Audit & Supervisory Board Member, Yokogawa Electric Corporation
***Audit & Supervisory Board Member	Rieko Sato	Partner, ISHII LAW OFFICE Outside Director (Audit & Supervisory Committee Member), NTT DATA Corporation Outside Director, J. FRONT RETAILING, Co., Ltd. Outside Director (Audit & Supervisory Committee Member), Dai-Ichi Life Holdings, Inc.
***Audit & Supervisory Board Member	Takeshi Nakao	CEO, PARTNERS HOLDINGS, Co. Ltd.

(Notes)
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.

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.
4. ** and *** also indicate fulfillment of the conditions for independent Directors or independent Audit & Supervisory Board Members as specified by the Tokyo Stock Exchange, Inc. as well as Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members specified by MC.
5. For Directors who also serve as Executive Officers, position as Executive Officer is also indicated. Responsibilities at MC of Directors Kazuyuki Masu, Akira Murakoshi, Yasuteru Hirai, and Yutaka Kashiwagi indicate their responsibilities as Executive Officer.
6. Audit & Supervisory Board Member Shuma Uchino has extensive experience in MC's finance and accounting departments and has a considerable degree of knowledge concerning finance and accounting.
7. Audit & Supervisory Board Member Takeshi Nakao has extensive experience as a certified public accountant and has a considerable degree of knowledge concerning finance and accounting.
8. Director retired during the fiscal year ended March 31, 2022: Director Shinya Yoshida (retired on June 25, 2021)
9. Director resigned during the fiscal year ended March 31, 2022: Director Masakazu Sakakida (resigned on June 22, 2021)
10. Director Ken Kobayashi was appointed as Outside Director of Mitsubishi Research Institute, Inc. on December 17, 2021.
11. Director Akitaka Saiki was appointed as Outside Director of Tobishima Corporation on June 29, 2021.
12. Mitsubishi Motors Corporation is specified related party (an affiliated company) of MC and has a business relationship with MC.
13. Asahi Kasei Corp., ORIX Corporation, NTT DATA Corporation, The Chiba Bank, Ltd., SHIZUOKA GAS Co., Ltd., Sony Group Corporation, Tobishima Corporation, Nissin Foods Holdings Co., Ltd., Mitsubishi Heavy Industries, Ltd. and Mitsubishi Research Institute, Inc. have business relationships with MC. However, there are no special relationships (specified related party, etc.) between MC and each of these companies.
14. There are no business relationships between MC and entities at which the above Directors and Audit & Supervisory Board Members serve concurrently other than those mentioned in 12. and 13. above.
15. MC has executed agreements with Messrs. Ken Kobayashi, Akihiko Nishiyama, Akitaka Saiki, Tsuneyoshi Tatsuoka, Shunichi Miyanaga, Sakie Akiyama, Shuma Uchino, Hajime Hirano, Yasuko Takayama, Rieko Sato and Takeshi Nakao limiting their liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, their liability for damages is limited to the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
16. MC has executed agreements with each Director and Audit & Supervisory Board Member stipulating that MC shall, to the extent required by laws and regulations, indemnify them from types of expenses and damage stipulated in Article 430-2, Paragraph 1, Item 1 and 2 of the Companies Act, respectively. These agreements stipulate, among others, that MC shall not be obligated to indemnify a Director or Audit & Supervisory Board Member from expenses to be borne by them, in the event that the Company makes claim seeking liability against them (excluding cases of shareholder derivative suits).
17. MC has concluded a Directors and Officers (D&O) Liability Insurance Agreement that designates its Directors, Audit & Supervisory Board Members, Executive Officers and others taking key positions (hereinafter collectively referred to as "Officers, etc.") as insured persons. Under this agreement, insured persons include those Officers, etc. working for the Company or its subsidiaries as well as those dispatched by the Company to serve for its investees that are not MC's subsidiaries. This agreement is designed to indemnify these individuals against damages that may arise while pursuing their official responsibilities or that may result from personal lawsuits brought against them seeking compensation on the grounds of such responsibilities. Relevant insurance premiums are paid solely by the Company. In addition, this agreement precludes indemnification against damages attributable to intentional misconduct including decisions made knowingly of illegality and so forth.

●Matters Concerning Outside Directors and Audit & Supervisory Board Members

■Status of Main Activities of Outside Directors and Audit & Supervisory Board Members

(1) Outside Directors

Name	Statements at Board of Directors' Meeting Summary of expectations and roles	Attendance at Board of Directors' Meetings
Akihiko Nishiyama	Mr. Nishiyama properly oversees execution of business from an objective and professional perspective and offers advice to MC's management based on his deep insight in organizational change, human resource development and business management he accumulated through research at a university, as well as many years of practical work experience, starting and managing businesses, and business research at a think tank.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings
Akitaka Saiki	Mr. Saiki properly oversees execution of business from an objective and professional perspective and offers advice to MC's management, based on his extensive insight in geopolitics developed through foreign diplomacy, having held key posts at the Ministry of Foreign Affairs of Japan, as well as his expert knowledge of country risk and broad personal networks nurtured to address these risks.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings
Tsuneyoshi Tatsuoka	Mr. Tatsuoka properly oversees the execution of business from an objective and professional perspective and offers advice to MC's management, based on his keen knowledge about the country's industrial sector as a whole developed through years of experience in economics and policy, having held key posts primarily at the Ministry of Economy, Trade and Industry of Japan, as well as his deep insight into sustainability including environment and energy policy.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings
Shunichi Miyanaga	Mr. Miyanaga properly oversees the execution of business from a practical perspective and offers advice to MC's management, based on his global business management experience, having long served as Director, President and CEO of a listed manufacturing conglomerate that conducts business around the world, in addition to his deep insight in the technology field including decarbonization-related technologies.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings
Sakie Akiyama	Ms. Akiyama properly oversees the execution of business and offers advice to MC's management, from a practical perspective, based on her profound knowledge of innovation from her experience founding an industrial inspection robotics firm and growing it into a global company, in addition to her deep insight in the digital and IT sectors, having worked as an international business consultant.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 1 of 2 meeting

(2) Outside Audit & Supervisory Board Members

Name	Statements at Board of Directors' and Audit & Supervisory Board Meetings Summary of expectations and roles	Attendance at Board of Directors' and Audit & Supervisory Board' Meetings
Yasuko Takayama	Ms. Takayama conducts audits from a neutral and objective perspective and offers advice to MC's management, based on her extensive experience in branding strategy, marketing and sustainability gained at a B2C company, having held key positions including Full-time Audit & Supervisory Board Member at Shiseido Company, Limited, in addition to management perspectives nurtured through extensive experience as an Outside Director and Outside Audit & Supervisory Board Member.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings Audit & Supervisory Board' meetings: 12 of 12 meetings
Rieko Sato	Ms. Sato conducts audits from a neutral and objective perspective and offers advice to MC's management, based on her extensive knowledge of corporate law (Companies Act, Financial Instruments & Exchange Act, compliance, etc.), having worked as an attorney for many years, and management perspectives gained through extensive experience as an Outside Director and Outside Audit &	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings Audit & Supervisory Board' meetings:

	Supervisory Board Member.	12 of 12 meetings
Takeshi Nakao	Mr. Nakao conducts audits from a neutral and objective perspective and offers advice to MC's management, based on his 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 on M&A deals, corporate revitalization, and internal control.	Board of Directors' meetings (Regular): 11 of 11 meetings Board of Directors' meetings (Extraordinary): 2 of 2 meetings Audit & Supervisory Board' meetings: 12 of 12 meetings

Each outside member of the Governance, Nomination and Compensation Committee (Mr. Akihiko Nishiyama, Mr. Akitaka Saiki, Mr. Tsuneyoshi Tatsuoka, Mr. Shunichi Miyanaga and Ms. Sakie Akiyama), which serves as an advisory body to the Board of Directors, attended all five meetings of the committee held in the fiscal year ended March 31, 2022.

●Directors' and Audit & Supervisory Board Members' Remuneration

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

(Million 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- and long-term share performances)	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
In-house Directors	1,926	8	689	5	73	5	109	5	350	5	350	5	353
Outside Directors	150	5	150	-	-	-	-	-	-	-	-	-	-

Title	Total Remune ration	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- and long-term share performances)	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
Full-time Audit & Supervisory Board Members	174	2	174	-	-	-	-	-	-	-	-	-	-
Outside Audit & Supervisory Board Members	63	3	63	-	-	-	-	-	-	-	-	-	-

(Figures less than one million yen are rounded down)

(Notes)

1. The above figures include 1 Director who retired and 1 Director who resigned during the fiscal year ended March 31, 2022.

Furthermore, there were 11 Directors (including 5 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members) as of March 31, 2022.

2. The above figures of Individual Performance Bonus represent the amounts recorded as provisions granted for the fiscal year ended March 31, 2022.

3. The above figures for Performance-linked Bonus (Short term) are determined based on consolidated net income of 937.5 billion yen for the fiscal year ended March 31, 2022, based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.

4. The above amounts for Performance-linked Bonus (Medium to long-term) are paid on an average of the consolidated net income for the fiscal years ended March 31, 2022 to 2024, but as this cannot be decided currently, the amount shown is provisions for such bonuses as of the fiscal year ended March 31, 2022. The actual amount paid for the fiscal year ended March 31, 2022 will be based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors, and the amount for the fiscal year ended March 31, 2022 will be disclosed in the Fiscal 2023 Business Report.

The actual amount paid for the fiscal year ended March 31, 2020 was based on a formula

confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors. The amount was paid on the average of 548,5 billion yen in consolidated net income for the fiscal years ended March 31, 2020 to 2022, totaling 173 million yen for 7 Directors in the fiscal year ended March 31, 2020.
The actual amount paid for the fiscal year ended March 31, 2021 will be paid on an average of the consolidated net income for the fiscal years ended March 31, 2021 to 2023, but as this cannot be decided currently, a total of 210 million yen for 5 Directors in the fiscal year ended March 31, 2021 was recorded as provisions in the fiscal year ended March 31, 2022 but was not included in the table. The actual amount paid for the fiscal year ended March 31, 2021 will be disclosed in the Fiscal 2022 Business Report.

5. The above figures for Stock-Based Remuneration linked to Medium- and Long-term Share Performances (stock-linked compensation plan with market conditions) is the amount recorded as an expense granted for the fiscal year ended March 31, 2022. 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 MC's shares over three years from being granted, based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.

6. In addition to the above, MC paid executive pensions to retired Directors and Audit & Supervisory Board Members. The amounts paid in the fiscal year ended March 31, 2022 were as follows:
The retirement bonus system, including executive pensions for Directors and Audit & Supervisory Board Members, was abolished at the close of the Ordinary General Meeting of Shareholders held on June 26, 2007.
MC paid 87 million yen to 53 Directors (Outside Directors were ineligible for payment).
MC paid 3 million yen to 4 Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment).

(Translation)

●Executive Officers (as of April 1, 2022)

Title	Name	Position, etc.
President and CEO	Katsuya Nakanishi	
Executive Vice President	Norikazu Tanaka	Group CEO, Mineral Resources Group, EX Task Force Leader
Executive Vice President	Hidenori Takaoka	President, Mitsubishi Corporation (Americas)
Executive Vice President	Kotaro Tsukamoto	Group CEO, Industrial Materials Group
Executive Vice President	Jun Nishizawa	Group CEO, Natural Gas Group
Executive Vice President	Norio Saigusa	Group CEO, Food Industry Group
Executive Vice President	Aiichiro Matsunaga	Group CEO, Power Solution Group
Executive Vice President*	Yasuteru Hirai	Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters
Executive Vice President	Osamu Takeuchi	Group CEO, Petroleum & Chemicals Solution Group
Executive Vice President*	Yutaka Kashiwagi	Corporate Functional Officer, CDO, CAO, Corporate Communications, Corporate Sustainability & CSR
Executive Vice President	Kiyotaka Kikuchi	Group CEO, Consumer Industry Group, Division COO, Retail Div.
Executive Vice President	Takuya Kuga	Group CEO, Urban Development Group
Executive Vice President	Shigeru Wakabayashi	Group CEO, Automotive & Mobility Group
Executive Vice President	Yuzo Nouchi	Corporate Functional Officer, CFO
Executive Vice President	Koji Ota	Group CEO, Industrial Infrastructure Group, Division COO, Plant Engineering Div.
Senior Vice President	Hiroki Haba	Division COO, Next-Generation Fuels & Petroleum Business Div.
Senior Vice President	Koichi Seri	Division COO, Mineral Resources Trading Div.
Senior Vice President	Yasuhiro Kawakami	Chair of the Board, Cermaq Group AS
Senior Vice President	Kenji Ota	General Manager, Headquarters for the Middle East
Senior Vice President	Masaru Saito	General Manager, Natural Gas Group CEO Office, Division COO, North America Div.
Senior Vice President	Makoto Okawara	General Manager, Finance Dept.
Senior Vice President	Naoshi Ogikubo	General Manager, Urban Development Group CEO Office
Senior Vice President	Yoshiyuki Nojima	General Manager, Corporate Administration Dept.
Senior Vice President	Akihiko Takada	Managing Director, Mitsubishi Corporation International (Europe) Plc., General Manager, London Branch
Senior Vice President	Tetsuo Kawate	General Manager, Global Human Resources Dept.
Senior Vice President	Kyoya Kondo	Division COO, Isuzu Business Div.
Senior Vice President	Yasuyuki Asakura	General Manager, Power Solution Group CEO Office
Senior Vice President	Ko Imamura	President & CEO, Director, Metal One Corporation
Senior Vice President	Sadahiko Haneji	Managing Director & CEO, Mitsubishi Development Pty Ltd
Senior Vice President	Tetsuya Shinohara	General Manager, Global Strategy & Coordination Dept.
Senior Vice President	Shota Kondo	General Manager, Corporate Strategy & Planning Dept.
Senior Vice President	Satoshi Koyama	Division COO, Mineral Resources Investment Div.
Senior Vice President	Toshiaki Maekawa	Division COO, Automotive Business Div.
Senior Vice President	Hideyuki Hori	General Manager, Food Industry Group CEO Office
Senior Vice President	Koji Ohno	Division COO, Steel Products Div.
Senior Vice President	Akifumi Suzuki	Division COO, Global Marketing Div. (Petroleum & Chemicals Solution Group)
Senior Vice President	Tetsu Funayama	Corporate Functional Officer, Business Development for Japan, General Manager, Kansai Branch
Senior Vice President	Kazuaki Yamana	General Manager, Business Investment Management Dept.
Senior Vice President	Kenji Kobayashi	Division COO, Asset Finance Div.
Senior Vice President	Juro Baba	Division COO, Performance Materials Div.
Senior Vice President	Ryosuke Tsugaru	Division COO, Asia-Pacific Div. (Natural Gas Group)
Senior Vice President	Ken Yamaguchi	Division COO, Food Sciences Div.
Senior Vice President	Satoshi Sato	Division COO, Industrial Machinery Div.
Senior Vice President	Takehiro Fujimura	General Manager, Internal Audit Dept.
Senior Vice President	Yuji Okafuji	Division COO, Energy Service Solution Div.

(Note)* indicates Executive Officers who serve concurrently as Directors.

●Matters Concerning Independent Auditors

1. Name of MC's Independent Auditors
Deloitte Touche Tohmatsu LLC

2. Independent Auditors' Fees for the Fiscal Year Ended March 31, 2022

	Amount paid (Million yen)
Amount of fees for services in accordance with Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (Act No. 103 of 1948) (Note 1)	858
Amount of fees for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (Note 2)	13
Total amount of fees paid by MC to the independent auditors for the fiscal year ended March 31, 2022	871
Total amount of fees to be paid by the Parent and its subsidiaries (Note 3)	2,776

(Figures less than one million yen are rounded to the nearest million.)

(Note 1) Fees for services prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (Act No. 103 of 1948) are fees, etc., for audit certification services relating to English language financial statements prepared based on accounting standards generally accepted in the International Financial Reporting Standards and audit certification based on the Companies Act and the Financial Instruments and Exchange Act.

(Note 2) Fees for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan are fees for training, etc.

(Note 3) Some subsidiaries are audited by certified public accountants or independent auditors (including persons with qualifications equivalent to these qualifications in overseas countries) other than MC's independent auditors.

3. Reason for Agreement of the Audit & Supervisory Board with the Remuneration of Independent Auditors, etc.

As a result of confirming such items as details of the audit plans, status of the execution of duties, and the basis for calculation of the remuneration estimates of the independent auditors, these were deemed to be reasonable in light of the perspectives of ensuring the quality of the auditing of the independent auditors and ensuring independence. Therefore, an agreement in accordance with Article 399, Paragraph 1 of the Companies Act was concluded with respect to the amount of such items as remuneration of independent auditors.

4. Policy for the Dismissal or Non-reappointment of Independent Auditors

MC has a policy to dismiss independent auditors based on the unanimous agreement of all Audit & Supervisory Board Members if any of the items set forth in Article 340, Paragraph 1 of the Companies Act is applicable to the independent auditors. In this instance, at the Ordinary General Meeting of Shareholders first convened after the dismissal, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report on the dismissal of the independent auditors and the reason for this action.

Furthermore, if the Audit & Supervisory Board decides it is appropriate to dismiss or not to reappoint the independent auditors after comprehensively taking into consideration and evaluating the independent auditors' execution of duties and other circumstances, the Audit & Supervisory Board will submit a proposal to the Ordinary General Meeting of Shareholders to dismiss or not to reappoint the independent auditors concerned and to appoint new independent auditors concerned and to appoint new independent auditors.

(Translation)

Consolidated Statement of Financial Position (Prepared based on IFRS)

(Millions of Yen)

ASSETS			LIABILITIES AND EQUITY		
Item	As of March 31, 2021 (Reference only)	As of March 31, 2022	Item	As of March 31, 2021 (Reference only)	As of March 31, 2022
Current assets			Current liabilities		
Cash and cash equivalents	¥1,317,824	¥1,555,570	Bonds and borrowings	¥1,262,522	¥1,603,420
Time deposits	148,081	147,878	Trade and other payables	2,665,060	3,382,112
Short-term investments	15,201	7,000	Lease liabilities	235,498	253,519
Trade and other receivables	3,269,390	4,283,171	Other financial liabilities	256,657	884,112
Other financial assets	209,402	774,833	Advances from customers	133,474	238,656
Inventories	1,348,861	1,776,616	Income taxes payable	53,178	169,827
Biological assets	74,182	98,268	Provisions	89,268	92,154
Advance payments to suppliers	58,027	99,671	Liabilities directly associated with assets classified as held for sale	12,762	9,585
Assets classified as held for sale	41,020	202,157	Other current liabilities	661,766	684,448
Other current assets	620,905	585,881	Total current liabilities	5,370,185	7,317,833
Total current assets	7,102,893	9,531,045			
			Non-current liabilities		
Non-current assets			Bonds and borrowings	4,381,793	4,039,749
Investments accounted for using the equity method	3,290,508	3,502,881	Trade and other payables	54,893	47,814
Other investments	1,816,029	1,957,880	Lease liabilities	1,304,703	1,338,788
Trade and other receivables	763,124	829,686	Other financial liabilities	55,817	218,053
Other financial assets	93,102	218,701	Retirement benefit obligations	129,126	127,394
Property, plant and equipment	2,510,238	2,784,039	Provisions	195,997	280,633
Investment property	95,419	94,399	Deferred tax liabilities	569,641	643,862
Intangible assets and goodwill	1,248,462	1,221,568	Other non-current liabilities	34,426	40,714
Right-of-use assets	1,469,700	1,520,536	Total non-current liabilities	6,726,396	6,737,007
Deferred tax assets	42,233	53,548	Total liabilities	12,096,581	14,054,840
Other non-current assets	203,263	197,729	Equity		
Total non-current assets	11,532,078	12,380,967	Common stock	204,447	204,447
			Additional paid-in capital	228,552	226,483
			Treasury stock	(26,750)	(25,544)
			Other components of equity		
			Other investments designated as FVTOCI	457,123	511,059
			Cash flow hedges	(52,355)	(121,321)
			Exchange differences on translating foreign operations	379,917	880,674
			Total other components of equity	784,685	1,270,412
			Retained earnings	4,422,713	5,204,434
			Equity attributable to owners of the Parent	5,613,647	6,880,232
			Non-controlling interests	924,743	976,940
			Total equity (net assets)	6,538,390	7,857,172
Total assets	¥18,634,971	¥21,912,012	Total liabilities and equity	¥18,634,971	¥21,912,012

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Consolidated Statement of Income (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2021 (Reference only)	Fiscal year ended March 31, 2022
Revenues	¥12,884,521	¥17,264,828
Cost of revenues	(11,279,415)	(15,114,064)
Gross profit	1,605,106	2,150,764
Selling, general, and administrative expenses	(1,397,707)	(1,432,039)
Gains (losses) on investments - net	62,082	75,254
Gains (losses) on sale and disposal of property, plant, and equipment	1,530	6,712
Impairment losses on property, plant and equipment and others	(204,047)	(64,517)
Other income – net	17,951	23,289
Finance income	117,826	186,532
Finance costs	(46,300)	(46,682)
Share of profit (loss) of investments accounted for using the equity method	97,086	393,803
Profits before income taxes	253,527	1,293,116
Income taxes	(121,286)	(288,657)
Profit for the year	¥132,241	¥1,004,459
Profit for the year attributable to:		
Owners of the Parent	172,550	937,529
Non-controlling interests	(40,309)	66,930
	¥132,241	¥1,004,459

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Consolidated Statement of Changes in Equity (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2021 (Reference only)	Fiscal year ended March 31, 2022
Common stock		
Balance, beginning of year	¥204,447	¥204,447
Balance, end of year	204,447	204,447
Additional paid-in capital		
Balance, beginning of year	228,153	228,552
Compensation costs related to share-based payment	2,049	2,135
Sales of treasury stock upon share-based payment	(1,041)	(636)
Equity transactions with non-controlling interests and others	(609)	(3,568)
Balance, end of year	228,552	226,483
Treasury Stock		
Balance, beginning of year	(294,580)	(26,750)
Sales of treasury stock upon share-based payment	1,652	1,218
Purchases and sales – net	(19,784)	(12)
Cancellation	285,962	—
Balance, end of year	(26,750)	(25,544)
Other components of equity		
Balance, beginning of year	415,186	784,685
Other comprehensive income attributable to owners of the Parent	431,804	533,977
Transfer to retained earnings	(62,305)	(48,250)
Balance, end of year	784,685	1,270,412
Retained earnings		
Balance, beginning of year	4,674,153	4,422,713
Profit for the year attributable to the owners of the Parent	172,550	937,529
Cash dividends paid to owners of the Parent	(199,853)	(203,737)
Sales of treasury stock upon share-based payment	(480)	(321)
Cancellation of treasury stock	(285,962)	—
Transfer from other components of equity	62,305	48,250
Balance, end of year	4,422,713	5,204,434
Equity attributable to owners of the Parent	5,613,647	6,880,232
Non-controlling interests		
Balance, beginning of year	989,535	924,743
Cash dividends paid to non-controlling interests	(40,866)	(54,047)
Equity transactions with non-controlling interests and others	(2,397)	8,564
Profit (loss) for the year attributable to non-controlling interests	(40,309)	66,930
Other comprehensive income (loss) attributable to non-controlling interests	18,780	30,750
Balance, end of year	924,743	976,940
Total equity	¥6,538,390	¥7,857,172
Comprehensive income attributable to:		
Owners of the Parent	¥604,354	¥1,471,506
Non-controlling interests	(21,529)	97,680
Total comprehensive income	¥582,825	¥1,569,186

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Significant matters on basis of preparing Consolidated Financial Statements

Notes Concerning Material Accounting Policies (for the fiscal year ended March 31, 2022)

1. Basis of Preparing Consolidated Financial Statements

(1) Standards of preparing consolidated financial statements

The consolidated financial statements of Mitsubishi Corporation (the "Parent") and its consolidated subsidiaries (collectively, the "Company") have been prepared under International Financial Reporting Standards ("IFRS") in accordance with the first paragraph of Article 120 of the Ordinance on Company Accounting of Japan. Pursuant to the second sentence of the paragraph, certain disclosures and notes required by IFRS have been omitted.

(2) New major standards and interpretations applied

New major standards and interpretations adopted by the Company in the fiscal year ended March 31, 2022, are as follows.

Standards and interpretations	Overview
IAS 1 (Amended)	Improvement of the disclosure of accounting policies

In the fiscal year ended March 31, 2022, the Company early adopted IAS 1 (Amended). In line with this amendment, the Company has reviewed its criteria for determining material accounting policies based on the IAS 1 (Amended), thereby reducing a number of criteria while making some additions. For accounting policies to be considered material upon these revisions, refer to Note 4 Material Accounting Policies. In addition, the consolidated financial statements for the fiscal year ended March 31, 2022, have not been affected by the adoption of IAS 1 (Amended) except for matters noted above.

2. Scope of Consolidation and Application of the Equity Method

	Number of companies*	Major companies
Consolidated subsidiaries	1,238	Mitsubishi Corporation (Americas) Mitsubishi Corporation International (Europe) Plc Mitsubishi Corporation (Shanghai) Ltd. MITSUBISHI CORPORATION FINANCE PLC Metal One Corporation MITSUBISHI DEVELOPMENT PTY LTD Chiyoda Corporation TRI PETCH ISUZU SALES COMPANY LIMITED Mitsubishi Shokuhin Co., Ltd. Lawson, Inc. N.V. ENECO**
Investments accounted for using the equity method	436	Japan Australia LNG (MIMI) Pty. Ltd. Mitsubishi Motors Corporation

*The number of companies shown above include 1,214 associates directly consolidated by companies subject to consolidation. If these associates were to be excluded, the number of companies subject to consolidation amounts to 460.

** The Company holds 100% of voting rights through Diamond Chubu Europe B.V., in which the Company holds 80% stake.

Entities in which the Company holds 20% to 50% of voting rights but are not considered associates:

Chiyoda Corporation

The Company has subscribed to a capital increase through private placement of shares by Chiyoda Corporation, which conducts an integrated engineering business. As a result, the Company holds Class A preferred shares that are convertible into ordinary shares.

If all of the Class A preferred shares are converted into ordinary shares, the Company would have held 81.99% of the voting rights combined with 33.46 % of its voting rights of ordinary shares that the Company already holds separately. In determining the scope of consolidation under IFRS, the exercisable potential voting rights held by an entity are also taken into consideration. Given that the Company is in a position where it can substantially exercise sole control of Chiyoda Corporation, the Company has treated Chiyoda Corporation as a consolidated subsidiary.

(Translation)

Entities in which the Company holds more than half of the voting rights but does not have control:

MI Berau B.V. ("MI Berau")

The Company holds 56% of the voting rights in MI Berau, a company located in the Netherlands that participates in the Tangguh LNG Project in Indonesia, and INPEX CORPORATION ("INPEX") holds the remaining 44% of the voting rights. Under the joint venture agreement with INPEX, significant decisions regarding MI Berau's operations require unanimous consent by the Company and INPEX. The rights given to INPEX in the joint venture agreement are considered substantive participating rights, and MI Berau is not controlled solely by the Company. Accordingly, the Company accounts for its investment in MI Berau as a joint venture using the equity method.

Sulawesi LNG Development Ltd. ("Sulawesi LNG Development")

The Company holds 75% of the voting rights in Sulawesi LNG Development, a UK corporation. Sulawesi LNG Development is a holding company which invested in the Donggi Senoro LNG Project in Indonesia. It was established with Korea Gas Corporation ("KOGAS"), which holds the remaining 25% ownership interest. Under the shareholders' agreement with KOGAS, significant decisions regarding Sulawesi LNG Development's operations require unanimous consent by the Company and KOGAS. The rights given to KOGAS in the shareholders' agreement are considered substantive participating rights, and Sulawesi LNG Development is not controlled solely by the Company. Accordingly, the Company accounts for its investment in Sulawesi LNG Development as a joint venture using the equity method.

3. Primary Changes in the Scope of Consolidation and the Application of the Equity Method

<table>
<tr><td rowspan="2">Consolidated subsidiaries</td><td>Inclusion</td><td>MV2 VIETNAM REAL ESTATE TRADING JOINT STOCK COMPANY</td></tr>
<tr><td>Exclusion</td><td>Dai-Nippon Meiji Sugar Co., Ltd.*
FF SHEFFE B.V.</td></tr>
<tr><td rowspan="2">Investments accounted for using the equity method</td><td>Inclusion</td><td>Mitsui DM Sugar Holdings Co., Ltd.*
OLAM GROUP LIMITED**</td></tr>
<tr><td>Exclusion</td><td>OLAM INTERNATIONAL LIMITED**
ORIENTE FINANCING COMPANY B.V.
COCO TECH HOLDING B.V.
MOZAL SA</td></tr>
</table>

* Dai-Nippon Meiji Sugar Co., Ltd. conducted a merger with Mitsui Sugar Co., Ltd., transferring to an associate company called Mitsui DM Sugar Holdings Co., Ltd. As a result, from the fiscal year ended March 31, 2022, Dai-Nippon Meiji Sugar Co., Ltd. was excluded from consolidation, and Mitsui DM Sugar Holdings Co., Ltd. was included as an associate.

** OLAM INTERNATIONAL LIMITED became a wholly owned subsidiary of OLAM GROUP LIMITED. As a result, from the fiscal year ended March 31, 2022, OLAM GROUP LIMITED became an associate.

(Translation)

4. Material Accounting Policies

(1) Basis of consolidation

(i) Subsidiaries

The Parent consolidates the investees that it directly or indirectly controls. Therefore, the Company generally consolidates its majority-owned subsidiaries. However, even in cases where the Company does not own the majority of voting rights, if the Company is deemed to substantively control the decision-making body, the investee is treated as a consolidated subsidiary. In cases where the Company has the majority of voting rights in an investee but other shareholders have substantive rights to participate in the decision-making over the ordinary course of business of the investee, the Company does not have control, and the equity method is applied.

Changes in ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Parent's interest and non-controlling interest is adjusted to reflect changes in their relative interest in the subsidiaries. Any difference between the amount of non-controlling interest and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Parent.

If control over a subsidiary is lost, the difference between (a) the sum of the fair value of consideration received and the fair value of remaining interest and (b) assets (including goodwill), liabilities, and the previous carrying amount of non-controlling interest of the subsidiary is recognized in profit or loss. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, "Financial Instruments," or the cost on initial recognition of investment in associates or joint ventures.

(ii) Business combinations

Business combinations (acquisition of businesses) are accounted for using the acquisition method.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, with several exemptions.

In cases where the sum of the consideration transferred, the amount of non-controlling interest in the acquiree, and the fair value of equity interest in the acquiree held previously by the Company exceeds the net amount of identifiable assets and liabilities at the acquisition date, the excess amount is recognized as goodwill. In cases where the above sum is below the net amount of identifiable assets and liabilities, the deficient amount is immediately recognized in profit or loss as a bargain purchase gain.

(iii) Associates and joint ventures

The equity method is applied to investments in associates and joint ventures. An associate is an entity that is not controlled solely or jointly by the Company but for which the Company is able to exert significant influence over the decisions on financial and operating or business policies. If the Company has 20% or more but no more than 50% of the voting rights of another entity, the Company is presumed to have significant influence over that entity. Entities over which the Company is able to exert significant influence on their decisions regarding financial and operating or business policies even if it holds less than 20% of the voting rights are also included in associates. In contrast, the equity method is not applied in cases where the Company is deemed not to have significant influence even if it holds 20% or more of the voting rights

A joint venture is a joint arrangement (i.e., arrangement of which two or more parties have joint control) whereby the parties that have joint control have rights to the net assets of an independent entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions on activities that have a significant impact on the returns of the arrangement require the unanimous consent of the parties sharing control and those activities are undertaken jointly by the parties.

(iv) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets, and obligations for the liabilities, relating to the contractual arrangement. For investments in joint operations, only the Company's share of assets, liabilities, revenues and expenses arising from the jointly controlled operating activities is recognized.

(v) Investment entities

An investment entity is defined as an entity that satisfies the following conditions: (a) the entity obtains funds from investors for the purpose of providing those investors with investment management services; (b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (c) measures and evaluates the performance of substantially all of its investments on a fair value basis. In principle, investment entities measure all of their investments at fair value through profit or loss in accordance

with IFRS 9, “Financial Instruments.”
If an associate or joint venture of the Company qualifies as an investment entity, upon applying the equity method by the Company, the Company elects to maintain the fair value measurement applied by the investment entity to its equity in such subsidiaries, and does not reclassify those equity to conform to the ordinary consolidation process, while the said reclassification is required if a subsidiary of the Company qualifies as an investment entity.

(vi) Reporting date
When the Company prepares the consolidated financial statements, certain subsidiaries, associates and joint arrangements prepare financial statements with a fiscal year end on or after December 31, but prior to the Parent's fiscal year end of March 31 for which unification of the fiscal year end is impracticable, since the local legal system or contractual terms among shareholders requires the fiscal year end to be different from that of the Parent. It is also impracticable for such entities to provide the provisional settlement of accounts at the end of the reporting period of the Parent due to the characteristics of the business, operations or other practical factors. Where this is the case, adjustments have been made to the consolidated financial statements of the Company for the effects of significant transactions or events that occurred between the end of the reporting period of the subsidiaries, associates or joint arrangements and that of the consolidated financial statements.

(2) Foreign currency translation
Items denominated in foreign currencies in the financial statements are translated at the exchange rate at the transaction date, and monetary items are retranslated at the exchange rate as at the fiscal year end. The difference arising from the retranslation is recognized in "Other income (expense)-net" in the consolidated statement of income.
The assets and liabilities of foreign operations, such as foreign subsidiaries and associates, are translated into Japanese yen at the respective year-end exchange rates. Exchange differences arising from translation are recognized in other comprehensive income and accumulated in "Other components of equity" on a post-tax basis. Income and expense items of foreign operations are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period.
In the event of a loss of control due to the disposal of foreign operations, the cumulative amount of exchange difference is reclassified into profit or loss. In the case of partial disposal that led to the loss of significant influence or joint control, the amount proportionate to the disposal of the cumulative amount of exchange difference is reclassified into profit or loss.

(3) Financial instruments
(i) Non-derivative financial assets
The Company recognizes trade and other receivables on the trade date at fair value. The Company recognizes all other financial assets at the trade date at fair value on which the Company became a party to the contract concerning such financial instruments. After initial recognition, financial assets are measured either at amortized cost or at fair value.

(ii) Financial assets measured at amortized cost
Financial assets are measured at amortized cost using the effective interest method if both of the following conditions are met:
• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at fair value
The details of fair value measurements are as described in (17) “Fair value measurements”.
Among financial assets other than financial assets measured at amortized cost, debt instruments meeting both of the following requirements are measured at fair value through other comprehensive income (FVTOCI).
• The asset is held within a business model whose objective is to hold assets for both the collection of contractual cash flows and for sale.

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The cumulative changes in the fair value of debt instruments measured at FVTOCI are recognized in profit or loss in the event of the derecognition of such assets.

Financial assets, other than those measured at amortized cost and debt instruments measured at FVTOCI, are measured at fair value, and changes in their fair value are recognized as profit or loss (FVTPL). However, the Company elects irrevocably to designate equity instruments as financial assets measured at FVTOCI if the investments are not held for trading, but rather for purposes such as generating business opportunities and maintaining/strengthening trading/cooperative relationships.

The cumulative changes in the fair value of equity instruments as financial assets measured at FVTOCI are directly transferred from other comprehensive income to retained earnings in the event of derecognition of such assets, and are not recognized in profit or loss. Dividend income from financial assets measured at FVTOCI is recognized in profit or loss, as part of finance income at the time when the right to receive payment of the dividend is established.

(iv) Impairment of financial assets measured at amortized cost and debt instruments measured at FVTOCI

Expected credit losses are estimated on financial assets measured at amortized cost and debt instruments measured at FVTOCI, and loss allowances are recognized and measured accordingly.

Loss allowances, based on information such as changes in external and/or internal credit ratings and past due information as of the reporting date, is measured at an amount equal to expected credit losses resulting from all possible default events over the expected lifetime if the credit risk on those financial instruments has increased significantly since initial recognition, or otherwise, at an amount equal to the corresponding expected credit losses within 12 months after the reporting date.

Expected credit losses are measured by reflecting factors such as credit ratings, current financial conditions, and forward-looking information.　For financial assets showing evidence of credit impairment as of the reporting date, such as significant financial difficulty of the issuer or the borrower and breach of contracts including past due events, the Company estimates expected credit losses individually after taking into overall consideration such as credit ratings, the states of collateral, and evaluations based on discounted cash flow.

(v) Derecognition of financial assets

The Company derecognizes financial assets when and only when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and substantially all the risks and rewards of ownership are transferred. In cases where the Company neither transfers nor retains substantially all the risks and rewards of ownership but continues to control the assets transferred, the Company recognizes the retained interest in assets and related liabilities that might be payable.

(vi) Cash equivalents

Cash equivalents, which are mainly related to time deposits, are original maturities of three months or less, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(vii) Non-derivative financial liabilities

The Company initially recognizes debt securities and subordinated debt instruments issued by the Company on the issue date. All other financial liabilities are recognized on the transaction date. Financial liabilities are initially recognized at fair value, net of direct transaction costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The Company derecognizes financial liabilities when the obligation specified in the contract is discharged, canceled or expired.

(viii) Equity

The amount of equity instruments issued by the Parent is recognized in “Common stock” and “Additional paid-in capital,” and direct issue costs (net of tax) are deducted from “Additional paid-in capital.”

When the Company acquires treasury stock, the sum of the consideration paid and direct transaction costs (after tax) is recognized as a deduction from equity.

(ix) Hedge accounting and derivatives

The Company utilizes derivative instruments primarily to manage interest rate and foreign exchange risks, and to hedge the commodity price risk of various inventory and trading commitments. All derivative instruments are reported at fair value as assets or liabilities. In the case where transactions which can mitigate market risk caused by accounting mismatch, the Company applies hedge accounting by designating such derivatives and non-derivative financial instruments such as foreign currency-denominated debt as a hedging instrument of either a fair value hedge, a cash flow hedge or a hedge on net investment in foreign operations, to the extent that hedging criteria are met.

Fair value hedges

Derivative instruments designated as hedging instruments of fair value hedges primarily consist of interest rate swaps used to convert fixed-rate financial assets or debt obligations to floating-rate financial assets or debt. Changes in fair values of hedging derivative instruments are recognized in profit or loss, offset against the changes in the fair value due to the risk of the related financial assets, financial liabilities, and firm commitments being hedged and are included in "Other income (expense)-net" in the consolidated statement of income.

Cash flow hedges

Derivative instruments designated as hedging instruments of cash flow hedges include interest rate swaps to convert floating-rate financial liabilities to fixed-rate financial liabilities, and forward exchange contracts to offset variability in functional currency-equivalent cash flows on forecasted sales transactions. Additionally, commodity swaps and futures contracts that qualify as cash flow hedges are utilized. The effective portion of changes in the fair values of derivatives that are designated as cash flow hedges are deferred and accumulated in "Other components of equity." In cases where the hedged item is recognized as a non-financial asset or non-financial liability, the amount recognized in “Other components of equity” is reclassified as an adjustment of the initial carrying amount of the non-financial asset or non-financial liability. Derivative unrealized gains and losses included in "Other components of equity" other than the above are reclassified into profit or loss at the time that the associated hedged transactions are recognized in profit or loss.

Hedges of net investment in foreign operations

The Company uses forward exchange contracts and non-derivative financial instruments, such as foreign currency-denominated debt, in order to reduce the foreign currency exposure in the net investment in a foreign operation. The effective portion of changes in fair values of the hedging instruments are accumulated in "Exchange differences on translating foreign operations" within "Other components of equity."

Derivative instruments used for other than hedging activities

The Company enters into commodity and financial derivative instruments as part of its brokerage services in commodity futures markets and its trading activities.

Changes in fair value of derivatives not designated as hedging instruments or held for trading purposes are recognized in profit or loss.

(4) Inventories

Inventories are recognized at the lower of cost or net realizable value based on the weighted average cost formula or identified cost method.

Inventories acquired with the purpose of generating a profit from short-term price fluctuations (“the inventory held for trading purposes”) are measured at fair value less costs to sell.

The Company has contracts to borrow commodities from or lend commodities to counterparties mainly in Mineral Resources segment (“Commodity loan transaction”). In the commodity borrowing transactions, the Company borrows the commodities from the counterparties and is required to return the same quality and quantity of the commodities to the counterparties on the date mutually agreed by both parties. The Company recognizes and measures the commodities borrowed at the time of transaction implementation as the inventory held for trading purposes. The obligation to return the commodities is recognized in other current liabilities or other non-current liabilities and remeasured at fair value at the end of each reporting period. Also, in the commodity lending transactions, the inventory held for trading purposes is reclassified to other current assets or other non-current assets at the time of lending implementation, and measured at fair value less costs to sell at the end of each reporting period. The Company earns profit and manages commodity price risks combined with these transactions and commodity derivative transactions including contracts to purchase and sell non-financial instruments in accordance with IFRS 9.

(5) Biological assets

Biological assets are measured at fair value less costs to sell, with any changes therein recognized in profit or loss, except in the case where fair value cannot be measured reliably.

(6) Property, plant and equipment

Property, plant and equipment are recognized at cost, net of accumulated depreciation and accumulated impairment losses.

Depreciation of property, plant and equipment other than assets that are not depreciated such as land and mineral resources-related property, is calculated principally using the straight-line method for buildings and structures, the straight-line or declining-balance method for machinery and equipment, and the straight-line method for vessels and vehicles mainly over the following estimated useful lives.

The estimated useful life of each asset is mainly as follows.

Buildings and structures	2 to 60 years
Machinery and equipment	2 to 50 years
Vessels and vehicles	2 to 25 years

Assets related to mineral rights, exploration and evaluation, development, and production of oil and gas or mining resources are classified as mineral resources-related property.

Among these, assets related to mineral rights, exploration and evaluation are depreciated using the unit-of-production method based on the proven or probable reserves. Depreciation of mineral resources-related property other than the above is calculated principally using the straight-line method.

(7) Investment property

The Company applies the cost method to investment property, and measures investment property at cost, net of accumulated depreciation and accumulated impairment losses. Investment property is depreciated using the straight-line method over its estimated useful life, which is mainly 2 to 60 years.

(8) Intangible assets and goodwill

Intangible assets with finite useful lives acquired by the Company are measured at cost, net of accumulated amortization and accumulated impairment losses. These intangible assets are amortized under the straight-line method over their estimated useful lives from the date on which the assets became available for use.

The estimated useful life of each asset is mainly as follows:

Trademarks	10 to 36 years
Software	2 to 15 years
Customer relationships	4 to 28 years
Sustainable energy subsidy	10 to 13 years

Due to N.V. ENECO becoming a consolidated subsidiary the rights to receive subsidies for sustainable energy producers from governments (“Sustainable energy subsidy”) are recognized as intangible assets.

Development costs are capitalized only if they are reliably measurable, the product or process is technically and commercially feasible, it is probable that future economic benefits will be generated, and the Company has the intention and sufficient resources to complete the development and to use or sell them, which are mainly related to software. Other development costs, mainly related to software, are recognized as an expense as incurred.

Intangible assets with indefinite useful lives and goodwill are not amortized but measured at cost, net of accumulated impairment losses.

(9) Leases

(i) Lease as lessee

At the commencement date of the lease, lease liabilities are initially measured at the present value of future lease payments over the lease term, and right-of-use assets, representing the right to use an underlying asset, are initially measured at the initial amount of lease liabilities adjusted for prepaid lease payments, etc.

Subsequent to initial recognition, right-of-use assets are depreciated over the lesser of the useful life or the lease term, mainly on a straight-line basis. Interest costs and repayments of lease liabilities are reflected in the carrying amount of lease liabilities based on the interest method. The lease term is determined, at the commencement date of the lease, by evaluating the enforceability of options to terminate and/or extend the lease as well as the economic incentives such as past practical records of exercise, the importance of underlying assets in the corresponding business, etc. The Company also subsequently remeasures the carrying amount of lease liabilities and right-of-use assets to reflect the change in lease payments when necessary based on the actual results of exercise etc. Regarding the impairment of right-of-use-assets, refer to (12) “Impairment of non-financial assets.”

The Company elects the recognition exemption for short-term leases for leases having lease terms of 12 months or less. For these leases, neither right-of-use assets nor lease liabilities are recognized, and lease payments are recognized as an expense on a straight-line basis over the lease term. In addition, as a practical expedient regarding the separation of components of contracts is elected for the classes of underlying asset of real estates and vessels in which non-lease components are not separately accounted from lease components, lease components and any associated non-lease components are accounted as a single lease component.

(ii) Lease as lessor

Leases as lessor are classified as finance leases if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Amounts due from lessees under finance leases are recognized as part of "Trade and other receivables" at an amount equal to the net investment in the lease, and its finance income is allocated and recognized over the lease term on a rational basis against the gross investment in the lease. Leases other than finance leases are classified as operating leases, and operating lease income is recognized over the term of underlying leases on a straight-line basis.

(10) Mining operations

Mining exploration costs are recognized as an expense as incurred until the mining project has been established as technically feasible and commercially viable by a final feasibility study. Once established as technically feasible and commercially viable, costs are capitalized and are amortized using the unit-of-production method based on the proven and probable reserves.

The stripping costs incurred during the production phase of a mine are accounted for as variable production costs and are included in the costs of the inventory produced during the period that the stripping costs are incurred. To the extent the benefit is improved access to ore, the stripping costs are mainly recognized as property, plant and equipment.

For capitalized costs related to mining operations, impairment loss is recognized based on the fair value less cost of disposal if it is determined that commercial production cannot commence or capitalized costs are not recoverable.

(11) Non-current assets or disposal groups held for sale

If the carrying amount of non-current assets or disposal groups will be recovered principally through a sale transaction rather than through continuing use, the Company classifies such non-current assets or disposal groups as held for sale, and reclassifies them into current assets and current liabilities.

Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell. However, this excludes those that are subject to measurement requirements in accordance with standards other than IFRS 5 "Non-current Asset Held for Sale and Discontinued Operations".

(12) Impairment of non-financial assets

If there are any events or changes in circumstances indicating that the carrying amount of the Company's non-financial assets excluding inventories and deferred tax assets may not be recoverable, the recoverable amount of such assets are estimated by assuming that there are indications of impairment. In addition, goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually, principally at the same time every year, irrespective of whether there is any indication of indication of impairment.

The smallest unit that generates cash inflows largely independently from cash inflows of other assets or groups of assets is referred to as a cash-generating unit, and assessment for impairment is performed with respect to each asset, cash-generating unit or group of cash-generating units. If the carrying amount of the asset, cash-generating unit, or group of cash-generating units exceeds its recoverable amount, an impairment loss is recognized in profit or loss.

The recoverable amount of the asset, cash-generating unit or group of cash-generating units is the higher of the value in use or the fair value less cost of disposal.

Goodwill that constitutes part of the carrying amount of investments accounted for using the equity method is not recognized separately, and is not tested for impairment on an individual basis. However, the total amount of investments accounted for using the equity method is assessed for indications of impairment and tested for impairment by treating it as a single asset. Non-financial assets other than goodwill that constitute a portion of the carrying amount of investments accounted for using the equity method are tested for impairment by investee asset, cash-generating unit, or group of cash-generating units on the basis of the carrying amounts that reflect fair value adjustment upon application of the equity method.

Impairment recognized in the past is reversed if there are indications of reversal of impairment and changes in the estimates used to determine the asset's recoverable amount, and the reversal of impairment losses are recognized in profit or loss. However, impairment loss recognized for goodwill is not reversed. Reversal of impairment loss is recognized up to the carrying amount which is calculated on the basis that no impairment loss for the asset had been recorded in prior years.

(13) Post-employment benefits

The Company has adopted defined benefit plans and defined contribution plans.

Obligations related to defined benefit plans are recognized in the consolidated statement of financial position as the net amount of benefit obligations under such plans and the fair value of pension assets. Benefit obligations are calculated, by involving qualified actuaries, at the discounted present value of the amount of estimated future benefits corresponding to the consideration for services already provided by employees with respect to each plan.

The Company recognizes the increases or decreases in obligations due to the remeasurement of benefit obligations and pension assets of defined benefit plans in other comprehensive income and such increases or decreases are recorded in "Other components of equity" which are immediately reclassified into "Retained earnings."

Obligations to make contributions under defined contribution plans are recognized in profit or loss as expenses in the period during which services were provided by employees.

(14) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period considering the risks and uncertainties surrounding the obligations, and is discounted when the time value of money is material.

The provision for decommissioning and restoration is reviewed in each period and adjusted to reflect developments that could include changes in closure dates, legislation, discount rate or estimated future costs. The amount recognized as a liability for decommissioning and restoration is calculated as the present value of the estimated future costs determined in accordance with local conditions and requirements. An amount corresponding to the provision is capitalized as part of "Property, plant and equipment", "Investment property" and "Right-of-use assets" and is depreciated over the estimated useful life of the corresponding asset.

(15) Revenues

(i) Revenue recognition criteria (five-step approach)

In line with the application of IFRS 15 “Revenue from Contracts with Customers,” the Company recognizes revenue based on the five-step approach outlined below.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

In identifying performance obligations, the Company performs principal versus agent considerations. If the nature of the promise is a performance obligation for the Company to provide the specified goods or services itself, the Company is a principal and the total amount of consideration is presented as revenue in its consolidated statement of income. If its nature is a performance obligation to arrange for those goods or services to be provided by other parties, the Company is an agent and the commission, fee amount or the net amount of consideration is presented as revenue in its consolidated statement of income.

The Company adopts the practical expedient which allows it not to adjust the financing component if the period between the transfer of goods or services and receipt of payment from a customer is expected to be one year or less at the contract inception.

(ii) Revenue recognition in major transactions

Revenue recognition at a point in time (all segments)

The Company trades a wide variety of products and commodities, including metals, machinery, chemicals, and consumer goods. In the sale of products and commodities as a principal, the Company recognizes revenue when the terms of delivery have been satisfied as it is considered that the customer has obtained control of the products or commodities and therefore, the identified performance obligations (delivery of products and commodities) have been satisfied at that point. When the Company acts as an agent in the sale of products and commodities, the Company recognizes revenue when the terms of delivery have been satisfied as it is considered that the customer has obtained control of the products or commodities and therefore, the identified performance obligations (arrangement for the delivery of products and commodities) have been satisfied at that point.

The Company also performs service-related activities. In service-related activities, the Company provides a variety of services including logistics, telecommunications, technical support and others. Revenue for service-related activities is recognized when the customer has obtained the benefits as it is considered that the performance obligations (providing services) have been satisfied.

Revenue recognition over time (mainly Consumer Industry segment and Industrial Infrastructure segment)

The Company mainly performs the services based on franchise contracts and plant constructions based on construction contracts. If the control of the goods or services is transferred to the customer over time, revenue from franchise contracts is recognized by the profits recognized for each franchisee. Revenue from other contract like construction contract is recognized by measuring progress towards complete satisfaction of the performance obligations (providing services) with mainly the input methods (in the case of construction contracts, it is mainly the progress of the costs), which reliably depict the Company's performance.

Revenue recognition of service-related activities performed by the Company as an agent is also measured by progress towards complete satisfaction of the performance obligations as an agent (arrangements related to providing services) with mainly the input methods (mainly the progress of costs incurred by arrangements).

(16) Income taxes

Income tax expenses consist of current and deferred taxes and are recognized in profit or loss, excluding those related to other comprehensive income etc.

Deferred taxes are recognized for temporary differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized only with respect to unused tax losses, unused tax credits, and deductible temporary differences where it is probable that future taxable income will be reduced, and the recoverability of those deferred tax assets is reviewed at the end of each reporting period.

For taxable temporary differences concerning subsidiaries, associates, and joint arrangements, deferred tax liabilities are recognized. However, deferred tax liabilities are not recognized in cases where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences concerning subsidiaries, associates, and joint arrangements are recognized only to the extent that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

(17) Fair value measurements

Certain assets and liabilities are required to be recognized at fair value. The estimated fair values of those assets and liabilities have been determined using market information such as quoted market price and valuation methodologies, such as market approach, income approach, and cost approach. There are three levels of inputs that may be used to measure fair value.

(i) Level 1

Quoted prices (unadjusted) in active markets (markets in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis) for identical assets or liabilities that the Company can access at the measurement date.

(ii) Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

(iii) Level 3

Unobservable inputs for the asset or liability. The Company develops unobservable inputs using the best information available in the circumstances, which might include the Company's own data.

The valuation methods for all fair value measurements of assets and liabilities are determined based on the valuation policies and procedures, which include the valuation methods for fair value measurements, approved by the proper accounting personnel. The business plans and development plans that provide a basis for cash flows are decided through internal verification procedures, which include analyses of the variance between plans and results in the previous fiscal year, as well as discussions with business partners and hearings with external specialists. The discount rates properly reflect the risk premium, the risk-free rate and the unlevered rate, with due consideration to the external environment, such as geopolitical risks. Future resource prices are a significant unobservable input for the fair value measurements of resource-related investments and are calculated based on comprehensive consideration of such factors as present prices, forecasts of supply and demand, and the price forecasts of independent third parties. Short-term prices are more likely to be significantly affected by the present price, and medium- to long-term prices are more likely to be significantly affected by forecasts of supply and demand and the price forecasts of independent third parties. These inputs are analyzed in comparison with the fiscal year ended March 31, 2021, and reports issued by the independent third parties in order to analyze changes in fair value. The results of fair value measurements and analyses of changes in fair value are reviewed quarterly by the accounting department of the relevant segment of the Company (which is independent of the segment’s sales department) or that of the relevant subsidiary and then approved by the authorized accounting officer. The valuation policies and procedures, including the valuation methods for fair value measurements, are decided and periodically reviewed by the corporate accounting department of the Parent, based on its accounting manual.

5. Change in Presentation Method

Changes based on Ministerial Order “Partial Revision on Regulation on Corporate Accounting”

In accordance with the Ministerial Order “Partial Revision on Regulation on Corporate Accounting” (Ministry of Justice Ordinance No. 27; March 31, 2020), notes on “Matters concerning the breakdown by the level of the fair value hierarchy of financial instruments” has been disclosed from the year ended March 31, 2022.

In accordance with the Ministerial Order “Partial Revision on Regulation on Corporate Accounting” (Ministry of Justice Ordinance No. 45; August 12, 2020), notes on “Notes concerning Revenue Recognition” has also been disclosed from the year ended March 31, 2022.

(Translation)

6. Accounting Estimates

In preparing IFRS-based financial statements, management is required to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods that are affected.

(1) Impact of the COVID-19 Pandemic

Although the impact of the coronavirus disease (COVID-19) pandemic has yet to be fully contained as of March 31, 2022, progress of vaccination has continued steadily around the globe, helping number of people receive vaccines. Moreover, the ratio of COVID-19 patients who develop serious symptoms has now grown smaller because of the virus's attenuation in the course of mutation. Developed countries in Europe and North America began to implement ways to support their economies with the intention to coexist with the virus. Under these circumstances, it is assumed that the direct downward pressure on the economy from COVID-19 will recede as a major economic risk factor, as shown in the economic forecasts issued by public institutions .

(2) Impact of the conflict between Russia and Ukraine

Regarding the impact of conflict between Russia and Ukraine as shown in the economic forecasts issued by public institutions, the global economic growth is expected to be under downward pressure due to inflation. Specifically, while the conflict escalates, financial and economic sanctions imposed by major countries against Russia are likely to remain in place and target an even broader range of items, resulting in restrictions on the supply of goods as well as inflation induced by energy price surges and other factors. Under these circumstances, the direct and indirect impact of this conflict will vary by Company's business segments and regions it operates. The assumptions made by the Company are based on a projection that the impact will remain in place until the end of next fiscal year. It is assumed that it will take time to resolve unforeseen supply situation and normalize trade and supply chains. The Company's main business in Russia consist of financial service business in the Automotive & Mobility segment and investment in the LNG production business in the Natural Gas segment. As of March 31, 2022, the carrying amount of total assets related to the Company's business in Russia amount to 228,754 million yen. The Company reflected the assumptions discussed above in the valuation of these assets. For details on the LNG-related business investment's fair value, refer to "Notes Concerning Financial Instruments".

(3) Impact of Climate Change

The impact of climate change and a transition to decarbonized society is considered in the Company's consolidated financial statements through estimating for impairment of non-financial assets, fair value of financial instruments, useful lives of property, plant and equipment; along with the estimation of asset retirement obligations and other items. "The Roadmap towards a Carbon Neutral Society", established by the Company in October 2021, aims to contribute to reducing the Greenhouse Gas emission set forth in the Paris Agreement and other initiatives. The decarbonization scenarios published by external organizations in line with the Paris Agreement are considered one of important references in these accounting estimates. However, the progress of decarbonization involves a high degree of uncertainty. In considering the accounting estimates, in addition to the decarbonization scenarios, the Company's policies, policy in each country, the results of analyses by external organizations, and other factors that affect each project are comprehensively taken into account to reflect the impact of climate change. The accounting estimate may be affected significantly by future changes in the Company's strategies or a shift in global trend toward decarbonization. Regarding medium- to long-term price assumption for copper and crude oil, refer to "Medium- to long-term price assumption for copper and crude oil".

(4) Medium- to long-term price assumption for copper and crude oil

The Company holds shares in entities that are engaged in copper business in the Mineral Resources segment. The Company also holds shares in entities that engages in LNG-related business and shale gas business in the Natural Gas segment. These shares are included in Other investments, Property, plant and equipment, and Investments accounted for using the equity method in the Consolidated Statement of Financial Position. The fair value of these investments as of March 31, 2021, and March 31, 2022, are as follows.

(Millions of Yen)

	March 31, 2021	March 31, 2022
Copper business		
Other investments (financial assets measured at FVTOCI)	294,943	367,755
Investments accounted for using the equity method	339,754	385,296
LNG-related business		
Other investments (financial assets measured at FVTOCI)	347,679	326,419
Investments accounted for using the equity method	366,663	391,031
Property, plant and equipment	130,695	210,071
Shale gas business		
Investments accounted for using the equity method	213,483	207,428

The fair value of these financial assets measured at FVTOCI is determined using the discounted cash flow model. Investments accounted for using the equity method, along with property, plant and equipment, are tested for impairment. If there are any indications of impairment or reversal of impairment, the carrying amount of the investment is adjusted to the recoverable amount, which is the higher of either: the value in use or the fair value less costs of disposal. The Company uses the discounted cash flow model to estimate value in use. The medium- to long-term copper price assumption is the most significant unobservable input used when measuring the fair value of FVTOCI financial assets and recoverable amounts of investments accounted for using the equity method in the copper business; assessing for any indicator for impairment. Due to the fact LNG price correlates with crude oil price, the medium- to long-term crude oil price assumptions used by LNG-related business is determined to be the most significant unobservable input when measuring the fair value of FVTOCI financial assets and recoverable amounts of investments accounted for using the equity method in the LNG-related business; assessing any indication of impairment.
The FVTOCI financial assets principally included Minera Escondida and Compania Minera Antamina for copper and also included Sakhalin Energy Investment Company and Malaysia LNG Dua for LNG.
For details on the measurement of fair value, refer to “Notes Concerning Financial Instruments”.

The medium- to long-term copper price assumptions are determined based on forecasts of future global demand, production volume and cost assumption. Following the Company’s examination of the consistency between the Company’s price assumption and the information published by several external organizations, the person responsible for determining the price assumption authorizes this estimate. The Company estimates that the potential impact of the COVID-19 pandemic on the medium- to long-term price assumption of copper is limited due to the economic recovery in Western developed countries as well as China, which represents more than half of the global demand for copper, during the year. On the supply side, despite some restrictions related to COVID-19 countermeasures, mining operations have continued to operate steadily. The Company anticipates increase in demands for copper, which has superior electrical conductivity given the circumstances that more progress on renewable power generation including wind and solar power and the associated development of power transmission as well as wide spread of electric vehicle (EV) by accelerating the countermeasure of decarbonizing society. On the other hand, supply and demand are expected to tighten medium- to long-term due to a decline in production at existing mines and increasing difficulties in developing in both existing and new mines. The Company’s annually reviewed assumption for the year, excluding effects from inflation, is similar to price forecast disclosed by third parties after 2027 (average price forecast of $3.6 per pound by financial institutions as at March 31, 2022). The Company’s estimate made in prior year was similar to price forecasts disclosed by third parties after 2026, excluding inflationary effects (approximately US$2.9/lb., the mean of the price forecasts as of March 2021 disclosed by analysts in financial institutions). The Company revised this assumption upward as it anticipates further growth in copper demand over the medium-to-long-term as we accelerate our efforts toward a decarbonized society.

The medium- to long-term crude oil price assumptions are determined based on forecasts of future global demand, production volume, and cost assumption. Upon the Company’s examination of the consistency between the

Company's price assumption and the information published by several external organizations, the person responsible for determining the price assumption authorizes this estimate. Currently, while crude oil demand has been recovering from significant decrease in demand during the COVID-19 pandemic, conflict between Russia and Ukraine has caused increase in geopolitical risk, leading to surges in crude oil prices. Accordingly, the Company estimates that future developments will remain highly volatile despite announcement made by OPEC Plus as well as the members of the International Energy Agency (IEA) to release their oil reserves. From the long-term perspective, the Company forecasts that crude oil demand will peak in the latter half of the 2030s or even earlier, due to efforts toward decarbonized society; supporting the progress towards using non-fossil energy, by popularization of electric vehicles, for example. In terms of a medium-to long-term timespan, while taking into account the decarbonization scenarios announced by external organizations, such as IEA, the Company also considers uncertainties regarding progress in decarbonization and the impact of current price surges and other factors. The medium- to long-term price assumption for Dubai crude oil, which is reviewed every year, will reach about US$70/BBL in 2026, excluding inflationary effects, as of March 2022.In the prior year, the Company similarly estimated that Dubai crude oil would reach about US$70/BBL in 2025, excluding inflationary effect. The Company has made no significant changes in their price assumptions.

(5) Fair value of financial instruments

For methods used to calculate the fair value for each class of financial instruments measured at fair value, refer to Notes Concerning Financial Instruments, Note 4 Material Accounting Policies (3) Financial instruments (iii) Financial assets measured at fair value, and Note 4 Material Accounting Policies (17) Fair value measurements.

(6) Impairment losses on financial assets

In the year ended March 31, 2022, the Company recorded loss allowance of 68,127 million yen, included in "Trade and other receivables" of 5,112,857 million yen in the Consolidated Statement of Financial Position. For methods used to calculate the allowance, refer to Note 4 Material Accounting Policies (3) Financial instruments (iv) Impairment of financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income.

(7) Impairment losses on non-financial assets

In the year ended March 31, 2022, the Company recorded losses on non-financial assets of 64,517 million yen, in "Impairment losses on property, plant and equipment, intangible assets, goodwill and others" in the Consolidated Statement of Income. The carrying amount after the impairment losses for Property, plant and equipment, Investment property, Intangible assets and goodwill, and Right-of-use assets were 2,784,039 million yen, 94,399 million yen, 1,221,568 million yen, and 1,520,536 million yen, respectively. For methods used to calculate the losses, refer to Note 4 Material Accounting Policies (12) Impairment of non-financial assets. Regarding impairment losses on non-financial assets, refer to Note 7 Changes in Accounting Estimates.

(8) Measurement of defined benefit plan obligations

In the year ended March 31, 2022, the Company recorded defined benefit plan obligation in the Consolidated Statement of Financial Statement for 127,394 million yen. For methods used to calculate the estimate, refer to Note 4 Material Accounting Policies (13) Post-employment benefits.

(9) Provisions

In the year ended March 31, 2022, the Company recorded provision in the Consolidated Statement of Financial Position for 372,787 million yen. For methods used to calculate the estimate, refer to Note 4 Material Accounting Policies (14) Provisions. For changes in estimates of significant provisions, refer to Note 7 Changes in Accounting Estimates.

(10) Recoverable deferred tax assets

In the year ended March 31, 2022, the Company recorded deferred tax asset in the Consolidated Statement of Financial Position for 53,548 million yen. For methods used to calculate the estimate, refer to Note 4 Material Accounting Policies (16) Income taxes.

7. Changes in Accounting Estimates

Significant changes in accounting judgments, estimates and assumptions in the consolidated financial statements for the fiscal year ended March 31, 2022 are as follows:

(1) Impairment Losses on Investments Accounted for Using the Equity Method

During the year ended March 31, 2022, the Company recorded an impairment loss of 16,070 million yen in “Gains (losses) on investments - net”. The loss is a result of selling of an aircraft leasing business held by MC Aviation Partners Inc., a wholly owned subsidiary. The entity held 40% interest in this investment. The Company classified the investment in the disposal group held for sale as the sale was to occur within a year and estimated sale price through fair value less cost to sell (Level 2). This loss is included in consolidated net income for the Urban Development segment. The sale was completed on November 1, 2021.

(2) Reversal of Impairment Loss of Investments Accounted for Using the Equity Method

During the year ended March 31, 2022, the Company recorded a reversal of impairment loss of 5,076 million yen in “Share of profit of investments accounted for using the equity method” and 5,894 million yen “Gains (losses) on investments - net”, respectively. The reversal results from the sale of the Company’s wholly owned subsidiary, MCA Metals Holdings GmbH’s 25% stake in the aluminum smelting operating company, Mozal SA. The Company has classified the investment as assets held for sale and estimated sales price through the fair value less cost of sales (Level 2). In addition, 5,620 million yen in dividend income received from Mozal S.A. was recorded “Finance Income” after being classified as assets held for sale. This profit is included in consolidated net income for the Mineral Resources segment.

(3) Provisions

The Company’s consolidated subsidiary in the Mineral Resources segment recognize provision for asset retirement obligations based on costs they expect to incur to restore mining sites to the original state in the future. During the year ended March 31, 2022, the Company reviewed its plans for the restoration of such assets’ original state by reflecting the most recent external environment, relevant regulations and requirements, and other factors. As a result, the amount of asset retirement obligations increased by 83,786 million yen to 169,064 million yen as of March 31, 2022. This amount is included in “Provisions”.

(4) Impairment of Intangible Assets

During the year ended March 31, 2022, the Company recorded impairment losses of 27,026 million yen in “Impairment losses on property, plant, and equipment and others”, in connection with intangible assets (customer relationship relating to the existing customer base on the acquisition date) the Company has recognized when Chiyoda Corporation became a subsidiary. This is due to the growing need for the next-generation energy and hydrogen technologies that the entity possesses, Chiyoda’s business portfolio shifted from their existing EPC business, which focused on LNG, petroleum and petrochemical businesses, to new EPC business fields and non-EPC business to be in line with the company’s strategy. The change resulted in revising the estimate on Chiyoda Corporation’s future profit contribution that would have derived from its customer base as previously set forth in their business plans.

These losses are included in consolidated net income for the Industrial Infrastructure segment (impact on profit for the year attributable to owners of the parent was ¥6.3 billion loss).

The company defines the customer-related assets that was recognized when Chiyoda became a subsidiary as group of assets (cash-generating unit) and tests for impairment. The recoverable amount was estimated based on value in use. The difference between the value in use and the carrying amount was recorded as impairment losses and allocated to each asset included in the asset group. The key assumption with the most significant impact on the calculation of the recoverable amount is the future earnings received in proportion from the existing customers at each of Chiyoda’s businesses, reflecting the expansion of new customers and the current business environment in line with the Chiyoda's business portfolio strategy.

For the discount rate, the Company used a rate that reasonably reflects the rate of return that is considered to be the market-average while incorporating the risks specific to the cash-generating unit.

(Translation)

Notes Concerning Consolidated Statement of Financial Position

1. Assets pledged as collateral

(1) Pledged assets

Trade and other receivables (current and non-current)	245,797 million yen
Other investments (current and non-current)	495,465 million yen
Property, plant, and equipment (less accumulated depreciation and accumulated impairment losses)	173,062 million yen
Investment property (less accumulated depreciation and accumulated impairment losses)	45,129 million yen
Others	13,707 million yen
Total	972,160 million yen

(2) Liabilities with the pledged assets listed above

Short-term debt	12,060 million yen
Long-term debt	247,118 million yen
Guarantees of contracts and others	712,982 million yen
Total	972,160 million yen

Transfer transactions that do not involve the derecognition of non-financial assets and financial assets can be viewed as an effective pledge of collateral. However, these transactions differ in nature from the ordinary pledge of collateral, in which legal ownership of the pledged assets is retained. Accordingly, such transfer transactions are not included in the amounts above.

As of March 31, 2022, as an example of transfer transactions for such assets that do not involve derecognition, the Company has repurchase agreements for bonds and precious metals. The balance of assets for such transactions stood at 137,409 million yen as of March 31, 2022.

2. Accumulated depreciation and impairment losses on property, plant, and equipment	2,058,541 million yen
3. Accumulated depreciation and impairment losses on investment properties	47,724 million yen
4. Accumulated amortization and impairment losses on intangible assets	392,292 million yen

5. Guarantees

Financial guarantees	489,498 million yen
Performance guarantees	272,605 million yen
Total	762,103 million yen

These guarantees are credit enhancements in the form of standby letters of credit and performance guarantees in order to enable the Company’s customers, suppliers, and associates to execute transactions or obtain desired financing arrangements with third parties.

(Translation)

Notes Concerning Consolidated Statement of Changes in Equity

1. Number of shares issued at the end of the fiscal year ended March 31, 2022 — Common stock 1,485,723,351 shares

2. Matters concerning dividends

(1) Matters concerning dividends paid during the fiscal year ended March 31, 2022

Resolution	Class of Shares	Total Dividend	Dividend per Share	Record Date	Effective Date
June 19, 2021 Ordinary General Meeting of Shareholders	Common stock	99,127 million yen	67 yen	March 31, 2021	June 28, 2021
November 5, 2021 Board of Directors Meeting	Common stock	105,055 million yen	71 yen	September 30, 2021	December 1, 2021

(2) Matters concerning dividends to be paid after the end of the fiscal year ended March 31, 2022

The Parent plans to submit the following proposal for approval at the Ordinary General Meeting of Shareholders on June 24, 2022.

Total dividend:	116,909,251,576 yen
Dividend per share of common stock:	79 yen
Effective date:	June 27, 2022
Source of funds for dividend:	Retained earnings
Record date:	March 31, 2022

3. Number of shares resulting from the potential exercise of stock acquisition rights at the end of the fiscal year

1,158,800 shares of common stock (excluding shares for which the exercise period has not commenced)

(Translation)

Notes Concerning Financial Instruments

1. Matters concerning financial instruments

The Company, in the normal course of its business, deals with various financial instruments. The Company engages in business transactions with a significant number of customers in a wide variety of industries all over the world, and its receivables from, and guarantees to, such parties are broadly diversified. Consequently, in management's opinion, there is no significant concentration of credit risk in any particular region or to any specific customer. The Company manages credit risk of these financial instruments by setting and approving credit limits and by periodically monitoring the credit standing of counterparties based on the Company's credit risk management policies. The Company requires collateral to the extent considered necessary.

As for derivative transactions, the Company enters into various derivative contracts in accordance with its risk management policy to mitigate specific risks.

2. Matters concerning fair value of financial instruments and breakdown by the level of fair value hierarchy

Assets and liabilities measured at fair value on a recurring basis

The following table categorizes assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2022.

(March 31, 2022) (Millions of Yen)

Classification	Level 1	Level 2	Level 3	Netting	Total
Assets					
Cash and cash equivalents	1,285,218	—	—	—	1,285,218
Short-term investments and other investments					
Financial assets measured at FVTPL	16,803	344	164,598	—	181,745
Financial assets measured at FVTOCI					
Marketable securities	542,647	—	—	—	542,647
Non-marketable securities	—	318	1,019,554	—	1,019,872
Trade and other receivables					
Financial assets measured at FVTPL	193	150,245	24,777	—	175,215
Derivatives					
Interest rate contracts	—	46,416	—	(306)	46,110
Foreign exchange contracts	38	94,949	—	(10,526)	84,461
Commodity contracts	1,363,833	2,997,245	36,186	(3,534,301)	862,963
Inventories	9,867	544,689	—	—	554,556
Total assets	3,218,599	3,834,206	1,245,115	(3,545,133)	4,752,787
Liabilities					
Derivatives					
Interest rate contracts	—	26,121	—	(305)	25,816
Foreign exchange contracts	—	43,300	—	(10,531)	32,769
Commodity contracts	1,417,803	3,093,175	70,576	(3,537,974)	1,043,580
Total liabilities	1,417,803	3,162,596	70,576	(3,548,810)	1,102,165

Notes:

1. There were no material transfers between different levels during the fiscal year ended March 31, 2022.
2. The main items for "Financial assets measured at FVTOCI (Non marketable securities)" classified in Level 3 include investment in copper business in Mineral resources segment and LNG related business in Natural gas business. For details, please refer to Note 6. Accounting Estimates (4) Medium- to long-term price assumption for copper and crude oil.
3. In addition to the above trade and other receivables measured at fair value on a recurring basis, financial assets measured at FVTPL (Level 2) with a carrying amount of 1,584 million yen and financial assets measured at FVTOCI (Level 2) with a carrying amount of 80,670 million yen are included in "Assets classified as held for sale." These are mainly trade receivables held by a consolidated subsidiary in the Automotive & Mobility segment, due to the progress in negotiation of the sale of the subsidiary's shares, they have been classified in a disposal group held for sale.

The following tables represent the changes in the balance of the major Level 3 assets and liabilities measured at fair value on a recurring basis for the fiscal year ended March 31, 2022.

(Fiscal year ended March 31, 2022) (Millions of Yen)

	Balance at the beginning of the year	Net realized/ unrealized gains (losses) included in profit for the year	Net realized/ unrealized gains (losses) included in other comp-rehensive income (loss)	Increase due to purchases and other	Decrease due to sales and other	Redemptions and Settlements	Balance at the end of the year	Net change in unrealized gains (losses) still held at the end of the year
Short-term investments and other investments								
Financial assets measured at FVTPL	148,916	29,662	9,210	10,215	(31,186)	(2,219)	164,598	29,866
Financial assets measured at FVTOCI (Non-marketable equity securities, etc.)	868,811	—	107,102	67,706	(23,922)	(143)	1,019,554	—
Other financial assets (Derivatives)								
Commodity contracts and others	9,982	30,888	3,569	2,051	—	(10,304)	36,186	26,106
Other financial liabilities (Derivatives)								
Commodity contracts and others	9,293	8,363	60,086	—	—	(7,166)	70,576	3,720

Notes:

1. "Increase due to purchases and other" and "Decrease due to sales and other" include changes due to consolidation, deconsolidation and transfer from (to) other accounts.
2. There are no material transfers between different levels during the fiscal year ended March 31, 2022.
3. “Increase due to purchases and other” under “Financial assets measured at FVTOCI” includes an increase of 66,996 million yen in the fiscal year ended March 31, 2022 due to a change in ownership of the investment in HERE Technologies; from held through the Company’s joint venture COCO TECH HOLDING, to directly held by the Company.

Net realized/unrealized gains (losses) on short-term investments and other investments (FVTPL) included in profit for the year are recognized in "Gains (losses) on investments - net" in the consolidated statement of income. The amount recognized as other comprehensive income (loss) is included in "Exchange differences on translating foreign operations" in the consolidated statement of other comprehensive income. In the fiscal year ended March 31, 2022, the amount recognized as profit for the year was mainly due to improvements in fund evaluation profit.

The amount recognized as other comprehensive income (loss) for short-term investments and other investments (FVTOCI) is included in "Gains (losses) on other investments designated as FVTOCI" and "Exchange differences on translating foreign operations" in the consolidated statement of other comprehensive income. In the fiscal year ended March 31, 2022, the amount recognized as other comprehensive income (loss) included an increase of 72,812 million yen due to upward price forecast revisions in the copper business as well as a decrease of 45,264 million yen due to an increase in the discount rate for the LNG-related business in Russia arising from an increase of the country risk premium for Russia.

<u>Fair value measurement of assets and liabilities measured at fair value on a recurring basis</u>

Cash and cash equivalents

Level 1 cash and cash equivalents consist of cash and current accounts, for which the carrying amount approximates fair value.

Short-term investments and other investments

Level 1 short-term investments and other investments mainly consist of marketable equity securities valued at the quoted market price in an active market. Level 3 short-term investments and other investments primarily consist of non-marketable equity securities valued by discounted future cash flows, making comparisons with similar transactions and modified net asset value per share of investees, etc.

The fair values of short-term investments and other investments classified in Level 3 are measured by personnel in the accounting department of the Company who manage the investments with information on discounted cash flows of the investees, information on the net modified asset value per share of the investees, or independent external appraisals.

Trade and other receivables

Trade and other receivables measured at fair value on a recurring basis primarily consist of restricted cash and non-recourse receivables which will be transferred to third parties through a Receivable Purchase Facility, valued by discounted cash flows using the interest rate applied in cases where loans or credit with the same terms and remaining maturities are provided to borrowers or customers with a similar credit rating. Trade and other receivables are classified in Level 3 if the amount affected by unobservable inputs covers a significant proportion of fair value, and Level 2 if the amount affected by unobservable inputs does not cover a significant proportion of fair value.

The fair values of trade and other receivables classified in Level 3 are measured by personnel in the accounting department of the Company who manage the corresponding assets, or personnel in charge of accounting at a subsidiary that possesses such assets, with information on discounted cash flows from such receivables.

Derivatives

Derivatives classified in Level 1 are comprised principally of commodity derivative contracts traded on exchange market, which are valued using quoted market prices. Derivatives classified in Level 2 are comprised principally of commodity derivative contracts traded in over-the-counter markets, which are valued mainly by market approach using observable market inputs such as interest rates, foreign exchange rates and commodity prices. Derivatives classified in Level 3 are valued by the income approach based on unobservable inputs such as estimated future market prices.　The fair value of derivative contract is measured after adjusting the credit risk in the net balance of derivative assets and liabilities.

Inventories

Level 1 and Level 2 inventories primarily consist of inventories of nonferrous metals held for trading purposes, which are classified in Level 1 if they are valued using quoted market prices, and Level 2 if they are valued mainly by market approach using observable inputs such as commodity prices. The fair values of these inventories include costs to sell, which are immaterial.

Quantitative Information about Level 3 Fair Value Measurements

The following table represents main information about valuation methods and unobservable inputs used for the major Level 3 assets measured at fair value as of March 31, 2022.

(March 31, 2022)

Classification	Valuation method	Unobservable input	Weighted average
Non-marketable equity securities	Discounted cash flow	Discount rate	11.8%

The significant unobservable input used in measuring the fair value of non-marketable equity securities is the discount rate. Substantial increase (decrease) in such inputs cause the fair value to substantially fall (rise).

The non-marketable equity securities primarily consist of those related to Copper business and LNG-related business. The medium-to long-term crude oil and copper price forecast is one of the significant unobservable inputs used in measuring the fair value of these securities. Please refer to Note 6. Accounting Estimates (4) Medium- to long-term price assumption for copper and crude oil, for the fair values and estimates of those for non-marketable equity securities related to LNG-related business and copper business.

Fair value of financial instruments measured at amortized cost

The following is the carrying amounts and information about fair values of financial instruments that are measured at amortized cost as of March 31, 2022.

Cash equivalents and time deposits

The carrying amount of cash equivalents and time deposits measured at amortized cost was 418,230 million yen. The carrying amount approximates their fair values due to most of these instruments having relatively short maturities.

Short-term investments and other investments

Short-term investments and other investments measured at amortized cost mainly consist of domestic and foreign debt securities and non-marketable investments such as guarantee deposits in domestic business. The carrying amount was 220,616 million yen. The carrying amount approximates the fair values due to debt securities are hedged through fair value hedge with interest rate swap as hedging instruments so that the hedge effects are included in the carrying amounts. The discount rates applied to fair value measurement of guarantee deposits have not changed materially since initial recognition due to domestic interest rate having been staying low.

Trade and other receivables

The carrying amount of trade and other receivables was 4,349,801 million yen. The carrying amount approximates the fair values due to most of these instruments having relatively short maturities. The amount of the instruments with long maturities are immaterial which could cause significant difference between carrying amounts and fair values.

Bonds and borrowings

The carrying amount of bonds and borrowings was 5,643,169 million yen. The carrying amount approximates the fair values, provided the carrying amounts are measured taking into account the effects of fair value hedges, where the hedging instruments of interest rate swap are applied for fixed-rate debts with long maturities that are vulnerable to interest rate volatilities.

Trade and other payables

The carrying amount of trade and other payables was 3,426,333 million yen. The carrying amount approximates the fair values due to most of these instruments have relatively short maturities. The amounts of the instrument with long maturities are immaterial which could cause significant difference between carrying amounts and fair values.

(Translation)

Notes Concerning Investment Property

1. Matters concerning investment property

The Company holds investment property, including office buildings, commercial facilities, and other property for rent in Tokyo and other regions.

2. Matters concerning fair value of investment property

As of March 31, 2022, the carrying amount of investment property was 94,399 million yen and the fair value was 122,275 million yen.

The carrying amount is calculated as the acquisition cost, net of accumulated depreciation and accumulated impairment losses.

The fair value is determined based on evaluations obtained from independent appraisers with recent appraisal experience in relation to the location and real estate type and with publicly certified qualifications suited to a specialist, such as a real estate appraiser. These evaluations are based on an income approach utilizing input information, such as anticipated rental fees and discount rates.

Notes Concerning Per-Share Information

Total equity attributable to owners of the Parent per share	4,659.68	yen
Basic profit for the year attributable to owners of the Parent per share	635.06	yen
Diluted profit for the year attributable to owners of the Parent per share	625.73	yen

(Translation)

Notes Concerning Revenue Recognition

1. The disaggregation of revenue recognized from contracts with customers

The following is the disaggregation of "Revenues" for the fiscal year ended March 31, 2022.

Fiscal year ended March 31, 2022 (Millions of Yen)

	Natural Gas Segment	Industrial Materials Segment	Petroleum & Chemicals Solution Segment	Mineral Resources Segment	Industrial Infrastructure Segment	Automotive & Mobility Segment	Food Industry Segment
Revenues recognized from contracts with customers	573,645	2,147,073	2,823,357	1,321,134	485,437	858,082	1,586,755
Revenues from other sources of revenue	590,039	25,619	613,632	1,536,509	88,244	57,846	323,741
Total	1,163,684	2,172,692	3,436,989	2,857,643	573,681	915,928	1,910,496

(Millions of Yen)

	Consumer Industry Segment	Power Solution Segment	Urban Development Segment	Total	Other	Adjustments and Eliminations	Consolidated
Revenues recognized from contracts with customers	3,249,783	894,839	40,113	13,980,218	5,306	—	13,985,524
Revenues from other sources of revenue	646	17,819	25,209	3,279,304	—	—	3,279,304
Total	3,250,429	912,658	65,322	17,259,522	5,306	—	17,264,828

Revenues recognized from contracts with customers include revenues recognized at a point in time (sales of products or providing services, etc. as principal or agent), as well as revenues recognized over time (providing services based on franchise contracts, plant constructions based on construction contracts, etc.).

Revenues recognized from contracts with customers in the Consumer Industry segment include franchise commissions from franchised stores based on franchise agreements, the amount of which was 291,802 million yen for the fiscal year ended March 31, 2022. The commission includes lease income attributable to property and store equipment leases.

Revenues recognized from contracts with customers in the Industrial Infrastructure segment include revenues recognized by measuring progress of construction based on construction contracts, the amount of which was 303,411 million yen for the fiscal year ended March 31, 2022.

Revenues other than the above items are mainly from the sale of goods and related services.
Revenues from other sources of revenue include revenues recognized in the scope of IFRS9 “Financial Instruments” (including the gross amount of revenues recognized from contracts to buy or sell a non-financial item that can be settled net in cash or other financial instruments, or by exchange for financial instruments at the timing of delivery) and lease income based on IFRS16 “Leases”.

The portion of the Company’s revenues accounted for by variable consideration is immaterial.

2. Contract balance

Contract assets are an entity’s right to consideration in exchange for goods or services that the entity has transferred to a customer (except receivables) when the right is conditioned on something other than the passage of time (for example, the entity's future performance). It is presented as "Trade and other receivables".

Contract liabilities represent an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from said customer and is presented mainly as "Advances from customers".

The following is a breakdown of carrying amounts of "Contract assets" and "Contract liabilities" at the beginning and the end of the fiscal year ended March 31, 2022. Both contract balances were mainly recognized from construction contracts in which there was a difference between the point in time when performance obligations were satisfied (progress of construction) and the right to claim arose or consideration was received. Contract assets increased due to performance obligations being satisfied before rights to claim arose (and decreased due to transfer to trade receivables when the rights to claim arose). Contract liabilities increased due to rights to claim arising before performance obligations were satisfied (and decreased due to transfer to revenues when the performance obligations were satisfied).

The changes during the fiscal year ended March 31, 2022 include additions of 72,985 million yen of "Contract liabilities" due to conclusion of new construction contracts of Chiyoda Corporation.

(Millions of Yen)

	Fiscal year ended March 31, 2022	
	Contract Assets	Contract liabilities
Balance at the beginning of the year	53,456	147,307
Changes during the year	(7,424)	108,322
Balance at the end of the year	46,032	255,629

Revenues recognized for the fiscal year ended March 31, 2022 that were included in the contract liabilities balance at the beginning of the year were 101,775 million yen. Revenues for the fiscal year ended March 31, 2022 recognized (or partially recognized) from the performance obligations satisfied in the previous years were immaterial.

3. Transaction price allocated to the remaining performance obligations

Following are the aggregate amounts of the transaction price allocated to the performance obligations that were unsatisfied (or partially unsatisfied) at the end of the fiscal year ended March 31, 2022, and the breakdown by expected duration of the remaining performance obligation in the future.

The amounts of the transaction price are calculated based on the contracts with the customers with reference to commodity prices such as crude oil or gas, and if the consideration is variable, it is included in the transaction price only to the extent that a significant reversal in the amount of cumulative revenues recognized will not occur.

The transaction price allocated to the remaining performance obligations at the end of the fiscal year ended March 31, 2022, was derived to a large extent from a long-term LNG sales contract with customers mainly in Japan through participating in Cameron LNG LLC at Louisiana Terminal in the U.S. and the LNG Canada Project in British Columbia, Canada.

Contracts for which the original expected duration of revenue recognition from contract conclusion is one year or less are not included in the table below under the provisions of practical expedient adopted.

(Millions of Yen)

	Fiscal year ended March 31, 2022
Not later than 1 year	1,664,722
Later than 1 year and not later than 5 years	3,368,039
Later than 5 years and not later than 10 years	2,099,094
Later than 10 years	2,975,192
Total	10,107,047

In addition to the above, the Company has the substantially indefinite obligation to supply heat to the customers for district heating business in Europe as at March 31, 2022. The amount of estimated consideration was 56,178 million yen per year.

(Translation)

Notes Concerning Significant Subsequent Events

Transfer of Shares of Mitsubishi Corp.-UBS Realty Inc.

On March 17, 2022, the Company entered into a share transfer agreement with 76 KK, an indirect subsidiary of KKR & CO. INC, to transfer all of the Company's shares in Mitsubishi Corp.-UBS Realty Inc. (hereinafter "MC-UBSR"), a consolidated subsidiary of the Urban Development segment. The shares to be transferred represent 51% of MC-UBSR's issued shares. Reflecting this move, the Company classified assets and liabilities held by MC-UBSR as disposal groups held for sale as of March 31, 2022. In addition, the sale of the Company's shares in MC-UBSR was completed on April 28, 2022, with all of its shares (51% of all outstanding stock) now transferred to 76 KK.

Upon the sale of these shares, the Company lost control over MC-UBSR. Accordingly, the Company expects to record proceeds from sale of shares totaling 112.0 billion yen in connection with the loss of control on a subsidiary, along with income tax expenses of 28.0 billion yen, to be included into "Gains (losses) on investments - net" and "Income taxes" in the Consolidated Statement of Income for the fiscal year ending March 31, 2023. At the same time, the Company expects to record cash consideration received totaling 115.7 billion yen. This amount will be included into "Proceeds from disposal of businesses—net of cash divested" in the Consolidated Statement of Cash Flows.

Acquisition and Cancellation of Treasury Stock

At the Board of Directors meeting held on May 10, 2022, it has authorized the repurchase of shares of its common stock pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Paragraph 3 Article 165 of the Companies Act. The Company also resolved to cancel the treasury stock pursuant to article 178 of the Companies Act, as described below.

1. Details of the Share Repurchase

1. Class of shares to be repurchased	The Company's common stock
2. Total number of shares to be repurchased	Up to 23 million shares (Represents up to 1.5% of total number of outstanding shares (excluding treasury stock))
3. Total purchase price for repurchase of shares	Up to 70 billion yen
4. Period of repurchase	May 11, 2022 to September 11, 2022*

*The planned repurchase period may be changed in accordance with the relevant laws and regulations.

2. Details of the Cancellation of Treasury Stock

1. Class of shares to be cancelled	The Company's common stock
2. Number of shares to be cancelled	All share repurchased, excluding those to be delivered upon exercises of stock options (5 million shares)
3. Date of the cancellation	September 30, 2022

Continuation of a Share-Based Compensation System for Senior Managers

The Company's Board of Directors passed a resolution to maintain a share-based compensation system in place for their employees at its meeting held on May 9, 2022. This system utilizes the Employee Stock Ownership Plan (ESOP) Trust. On the same day, the Board also resolved to additionally contribute a total of 16.0 billion yen (including trust fees and expenses) to the trust. Reflecting these resolutions, it is expected that the ESOP trust will acquire common shares of the Company.

Status of the permitting process related to the investments in Chilean copper assets

The Company holds 20.4% of shares in Anglo American Sur S.A. (AAS) through the Chilean subsidiary M.C. Inversiones Limitada and the Company applies the equity method to the investment in AAS. On May 2, 2022 (local time), AAS received the notice that the Environmental Assessment Service of Chile (SEA) has issued its formal decision (RCA) to reject the environmental permit application for the project of Los Bronces Copper mines owned by AAS that expands the current open pit within Los Bronces' operating site and future development of underground section of the mine.

The Company and other shareholders, including Anglo American Plc (AAC), are examining the details of the RCA and expects to continue following the regulated process to obtain permissions in Chile, which includes the potential to request a review to evaluate the full breadth of merits of the project.

The event mentioned above will not have a material impact on the short term business activities of AAS, but might affect the valuation of our investments in AAS, depending on the future permitting process. The book value of the investment in AAS was 167.8 billion yen as of March 31, 2022.

(Translation)

Non-consolidated Balance Sheet

(Millions of Yen)

Item	As of March 31, 2021 (Reference only)	As of March 31, 2022
ASSETS		
Current assets	¥2,061,270	¥2,461,049
Cash and time deposits	511,794	684,162
Trade notes receivable	34,297	35,412
Trade accounts receivable	614,578	737,534
Short-term investments	1,303	0
Inventories	64,033	98,813
Advance payments to suppliers	28,126	40,506
Accounts receivable – Other	114,891	109,597
Short-term loans	624,662	660,462
Other current assets	70,595	97,419
Allowance for doubtful receivables	(3,012)	(2,859)
Fixed Assets	5,625,816	5,864,088
Net property, plant, and equipment	124,630	122,779
Buildings and structures	31,666	30,299
Land	85,678	85,642
Construction in progress	122	365
Other property, plant, and equipment	7,163	6,473
Intangible assets	42,776	37,477
Software	38,521	36,320
Software in progress	3,573	730
Other intangible assets	682	426
Total investments and other assets	5,458,409	5,703,831
Investment securities	615,849	749,404
Investments in affiliates – stock	3,954,357	4,030,567
Other investments in affiliates	31,740	40,038
Investments into capital	14,213	15,614
Investments in affiliates into capital	313,258	328,629
Long-term loans receivable	339,389	370,577
Noncurrent trade receivables	24,773	17,423
Long-term prepaid expenses	70,067	42,978
Deferred tax assets	91,714	103,742
Other investments	23,427	22,313
Allowance for doubtful receivables	(20,380)	(17,457)
Deferred assets	922	1,606

Item	As of March 31, 2021 (Reference only)	As of March 31, 2022
LIABILITIES AND EQUITY		
Current liabilities	¥1,853,203	¥2,438,659
Trade notes payable	19,158	17,832
Trade accounts payable	468,845	575,944
Short-term borrowings	881,215	1,319,448
Commercial paper	200,007	49,001
Bonds due for redemption within one year	80,000	101,180
Accounts payable – other	87,542	204,213
Accrued expenses	36,802	59,258
Advances received	29,642	52,275
Deposit liabilities	16,567	11,562
Provision for directors' bonuses	223	1,223
Other current liabilities	33,197	46,719
Noncurrent liabilities	3,039,276	2,911,994
Long-term borrowings	2,400,815	2,316,456
Bonds	555,699	493,063
Accrued pension and severance liabilities	37,227	43,521
Retirement provision for directors and executive officers	1,133	1,098
Provision for loss on guarantees of obligations	12,805	16,162
Provision for special repairs	745	397
Provision for environmental measures	746	870
Provision for share-based compensation	3,101	4,754
Asset retirement obligations	4,559	4,578
Other noncurrent liabilities	22,443	31,091
Total liabilities	4,892,479	5,350,654
EQUITY		
Shareholders' equity	2,571,398	2,770,723
Common stock	204,446	204,446
Capital surplus	214,161	214,161
Additional paid-in capital appropriated for legal reserve	214,161	214,161
Retained earnings	2,179,126	2,377,245
Retained earnings appropriated for legal reserve	31,652	31,652
Other retained earnings	2,147,473	2,345,593
Reserve for deferred gain on sales of property	11,543	11,543
General reserve	2,028,760	1,936,760
Unappropriated retained earnings	107,170	397,289
Treasury stock	(26,335)	(25,130)
Valuation and translation adjustments	218,664	198,595
Unrealized gains and losses on other securities	253,306	254,915

Bond issuance cost	922	1,606	Deferred hedging gains and losses	(34,642)	(56,319)
			Stock acquisition rights	5,466	6,771
			Total equity	2,795,529	2,976,091
Total assets	¥7,688,009	¥8,326,745	Total liabilities and equity	¥7,688,009	¥8,326,745

(Figures less than one million yen are rounded down.)

(Translation)

Non-consolidated Statement of Income

(Millions of Yen)

Item	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021) (Reference only)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Revenues	¥1,437,004	¥2,017,310
Cost of revenues	(1,352,373)	(1,927,053)
Gross profit	84,631	90,257
Selling, general, and administrative expenses	(211,506)	(222,695)
Operating loss	(126,874)	(132,438)
Non-operating income	612,384	613,269
Interest income	18,891	13,796
Dividend income	484,006	495,706
Gains on foreign exchange differences	—	2,807
Gains on sales of property, plant, and equipment	21	812
Gains on sales of investment securities	94,687	83,836
Gain on reversal of provision for doubtful receivables from affiliates	2,133	—
Other income	12,643	16,309
Non-operating expenses	(67,638)	(79,895)
Interest expense	(18,187)	(15,755)
Loss on foreign exchange differences	(5,496)	-
Loss on sales and disposals of property, plant and equipment	(387)	(445)
Impairment losses	—	(557)
Loss on sales of investment securities	(5,150)	(7,092)
Loss on write-down of investment securities	(33,980)	(31,947)
Provision for doubtful receivables from affiliates	—	(4,602)
Other expenses	(4,435)	(19,494)
Ordinary income	417,871	400,935
Income before income taxes	417,871	400,935
Income taxes – current	4,922	(3,990)
Income taxes – deferred	(29,441)	5,679
Net income	¥393,351	¥402,624

(Figures less than one million yen are rounded down.)

(Translation)

Non-consolidated Statement of Changes in Equity

(Millions of Yen)

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

	Shareholders' equity									Valuation and translation adjustments			Stock acquisition Rights	Total Equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity	Unrealized gains on other securities	Deferred hedging gains	Total valuation and translation adjustments		
		Additional paid-in capital appropriated for legal reserve	Other capital surplus	Retained earnings appropriated for legal reserve	Other retained earnings									
					Reserve for deferred gain on sales of property	General reserve	Unappropr-iated retained earnings							
Balance as of April 1, 2020	204,446	214,161	—	31,652	11,543	1,865,760	363,557	(294,164)	2,396,956	195,038	(30,131)	164,907	5,006	2,566,871
Changes during the fiscal year														
Dividends							(200,297)		(200,297)					(200,297)
Transfer to general reserve						163,000	(163,000)		—					—
Net income							393,351		393,351					393,351
Purchase of treasury stock								(19,784)	(19,784)					(19,784)
Sales of treasury stock							(479)	1,652	1,172					1,172
Cancellation of treasury stock							(285,961)	285,961	—					—
Net changes in items other than shareholders' equity during the fiscal year									—	58,268	(4,511)	53,756	459	54,216
Total changes during the fiscal year	—	—	—	—	—	163,000	(256,387)	267,829	174,442	58,268	(4,511)	53,756	459	228,658
Balance as of March 31, 2021	204,446	214,161	—	31,652	11,543	2,028,760	107,170	(26,335)	2,571,398	253,306	(34,642)	218,664	5,466	2,795,529

(Figures less than one million yen are rounded down.)

(Millions of Yen)

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

	Shareholders' equity									Valuation and translation adjustments			Stock acquisition Rights	Total Equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity	Unrealized gains on other securities	Deferred hedging gains	Total valuation and translation adjustments		
		Additional paid-in capital appropriated for legal reserve	Other capital surplus	Retained earnings appropriated for legal reserve	Other retained earnings									
					Reserve for deferred gain on sales of property	General reserve	Unappropr-iated retained earnings							
Balance as of April 1, 2021	204,446	214,161	—	31,652	11,543	2,028,760	107,170	(26,335)	2,571,398	253,306	(34,642)	218,664	5,466	2,795,529
Changes during the fiscal year														
Dividends							(204,183)		(204,183)					(204,183)
Transfer to general reserve						(92,000)	92,000		—					—
Net income							402,624		402,624					402,624
Purchase of treasury stock								(12)	(12)					(12)
Cancellation of treasury stock							(322)	1,217	895					895
Net changes in items other than shareholders' equity during the fiscal year										1,608	(21,676)	(20,068)	1,305	(18,763)
Total changes during the fiscal year	—	—	—	—	—	(92,000)	290,119	1,205	199,324	1,608	(21,676)	(20,068)	1,305	180,561
Balance as of March 31, 2022	204,446	214,161	—	31,652	11,543	1,936,760	397,289	(25,130)	2,770,723	254,915	(56,319)	198,595	6,771	2,976,091

(Figures less than one million yen are rounded down.)

(Translation)

<u>Notes to Non-consolidated Financial Statements</u>

Notes Concerning Significant Accounting Policies (Non-consolidated Financial Statements for the Year Ended March 31, 2022)

1. Measurement and Valuation Method of Inventories

Inventories held for ordinary sale are measured at the lower of cost or net realizable value. Cost is determined by the average cost method or specific identification method.

2. Measurement and Valuation Method of Securities

Bonds held to maturity are valued using the amortized cost method. Shares held in subsidiaries and affiliates are valued using the moving average cost method. Other securities with quoted market prices are valued based on their market value, referring to market prices on the account closing date (valuation differences are reported as a component of shareholders' equity, and cost of sales is calculated using the moving average method). Other securities without quoted market prices are valued using the moving average cost method.

For bonds held to maturity, shares held in subsidiaries and affiliates, and other securities, excluding securities which do not have market price, unless there is a viable and rational business plan as well as sufficient evidence that supports the investee to recover, when the investment value deteriorates significantly due to consecutive loss by the investee, the Company must recognize the securities at fair value in the balance sheet and difference between the carrying amount is recognized as a loss in the current year. For investments that are difficult to determine the market value, when the investment value deteriorates significantly due to consecutive loss by the investee, unless there is a viable and rational business plan as well as sufficient evidence that supports the investee to recover, the Company must recognize the difference as a loss in the current year. Determining whether impairment is required for the shares held in subsidiaries and affiliates in the copper business as well as LNG-related and shale gas business are significantly impacted by the long-term price assumptions of coppers and crude oil used by the management. For methods used to calculate this assumption, please refer to "Note 4 Material Accounting Policies: (17) Fair value measurement"

3. Derivatives

Derivatives are measured at fair value.

For those derivative financial instruments used to manage exposures to fluctuations in foreign exchange rates, interest rates, and commodity prices, hedge accounting is applied when the hedge effectiveness requirements are met.

4. Depreciation Method of Property, Plant and Equipment

Depreciation of property, plant and equipment (excluding leased assets) is calculated using the declining-balance method. However, depreciation of buildings (excluding fixtures) acquired after March 31, 1998, as well as facilities attached to buildings and other structures acquired after March 31, 2016, is calculated using the straight-line method.

Intangible assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method, based on an estimated useful life of no more than 15 years.

Leased assets under finance leases other than those that transfer ownership are depreciated using the straight-line method, based on the lease term as the useful life, and residual value of zero.

5. Amortization Method of Deferred Assets

Bond issuance expenses are amortized by the interest method over the bond term.

6. Foreign Currency Translation of Assets and Liabilities

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at year-end exchange rates with the resulting exchange gains or losses recognized in the Non-consolidated Statement of Income.

7. Accounting for Allowance for Doubtful Receivables

Regarding the allowance for doubtful receivables, general allowance is established based on the Parent's past credit loss experience and allowance for individual doubtful receivables is based on evaluation of potential losses in the receivables outstanding.

8. Accounting for Provision for Directors' Bonuses

The provision for directors' bonuses represents the amount deemed to have been incurred in the fiscal year end March 31, 2022, based on projected payments at the end of the fiscal year ended March 31, 2022.

9. Accounting for Accrued Pension and Severance Liabilities

Accrued pension and severance liabilities are accounted for based on the projected benefit obligations and the plan assets as at March 31, 2022.

The unrecognized net actuarial loss is amortized using the straight-line method over the average remaining service period of active employees in service from the following fiscal year. Prior service costs are amortized using the straight-line method over the average remaining service period of employees.

10. Accounting for Retirement Provision for Directors and Executive Officers

Retirement provisions for Directors and Executive Officers are provided at the amount of estimated retirement benefits to be paid at the end of the fiscal year ended March 31, 2022, based on calculation formulas in the by-laws.

The retirement plan for Directors and Executive Officers was abolished in the fiscal year ended March 31, 2008. The provision balance as of March 31, 2022, relates to the previous plan.

11. Accounting for Provision for Loss on Guarantees of Obligations

The Parent provides for contingent losses on guarantees of obligations of subsidiaries and other parties in the amount deemed necessary in consideration of financial conditions and other factors.

12. Accounting for Provision for Special Repairs

The provision for special repairs is provided at the amount allocated to the period based on the estimated total amount of expenses required for mandated regular open inspections of oil storage tanks.

13. Accounting for Provision for Environmental Measures

The provision for environmental measures is provided in the amount deemed necessary to cover expenditures for the cost of transport, treatment, and other processing of waste materials for which treatment is mandated by laws and regulations.

14. Accounting for Provision for Share-based Compensation

The provision for share-based compensation is provided in the amount of estimated share-based compensation based on points awarded to employees according to the Share-Based Compensation Plan Rules under the compensation plan. Thus, the Company sets aside funds for the Employee Stock Ownership Plan (ESOP) Trust to grant the Company's shares to employees.

15. Accounting for Consumption Tax and Local Consumption Taxes

Accounting for Consumption Tax and local consumption taxes are excluded from income and expenses.

16. Income Taxes

The Parent applies the consolidated tax return filing system.

On March 27, 2020, the National Diet of Japan passed the "Act for Partial Amendment of the Income Tax Act, etc." (Act No.8, 2020). The amounts of deferred tax assets and deferred tax liabilities are calculated based on the provisions of the Income Tax Act before the amendment, without applying the provisions of Paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (Accounting Standards Board of Japan Guidance No. 28, February 16, 2018) pursuant to the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (Practical Issues Task Force (PITF) No. 39, March 31, 2020).

(Translation)

Notes Concerning Accounting Estimates

1. Accounting Method for Loss Allowances

In the year ended March 31, 2022, the Company recorded 20,316 million yen of Allowance for doubtful receivables on the balance sheet. For methods used to calculate the estimate, refer to Notes Concerning Significant Accounting Policies Note 7 Accounting for Allowance for Doubtful Receivables.

2. Accounting Method for Provisions for Retirement Benefits

In the year ended March 31, 2022, the Company recorded 43,521 million yen of Accrued Pension and Severance Liabilities under Retirement benefit obligations on the balance sheet. For methods used to calculate the estimate, refer to Notes Concerning Significant Accounting Policies Note 9 Accounting for Accrued Pension and Severance Liabilities.

3. Provisions

In the year ended March 31, 2022, the Company recorded the following provisions: Provision for Directors' Bonuses 1,223 million yen, Retirement Provision for Directors and Executive officers 1,098 million yen, Provision for Loss on Guarantees of Obligation 16,162 million yen, Provision for Special Repairs 785 million yen, Provision for Environmental Measure 1,521 million yen, and Provision for Share-based Compensation 4,754 million yen. For methods used to calculate the estimate, refer to Notes Concerning Significant Accounting Policies Note 8 Accounting for Provision for Directors' Bonuses, Note 10 Accounting for Retirement Provision for Directors and Executive Officers, Note 11 Accounting for Provision for Loss on Guarantees of Obligations, Note 12 Accounting for Provision for Special Repairs, Note 13 Accounting for Provision for Environmental Measures, and Note 14 Accounting for Provision for Share-based Compensation.

4. Recoverability of Deferred Tax Assets

For deferred tax assets recognized in the year ended March 31, 2022, refer to Notes Concerning Tax Income Tax Effect.

5. Valuation of Shares Held in Affiliates

In the year ended March 31, 2022, the Company recorded 31,947 million yen as a Loss on write-down of investment securities on the Statement of Income. The Company also recorded 4,030,567 million yen for shares held in affiliates on the Balance Sheet. For methods used to calculate the estimate, refer to Notes Concerning Significant Accounting Policies Note 2 Measurement and Valuation Method of Securities, and Notes Concerning Material Accounting Policies Note 6 Accounting Estimates (4) Medium- to long-term price assumption for copper and crude oil.

(Translation)

Notes to Non-consolidated Balance Sheet

1. Assets pledged as collateral and significant liabilities with collateral

(1) Assets pledged as collateral

Short-term loans	3 million yen
Investment securities	2,690 million yen
Investments in affiliates – stock	77,857 million yen
Investments in affiliates into capital	2,448 million yen
Buildings and structures	4,829 million yen
Land	6,695 million yen
Long-term loans	31 million yen
Other*	32,007 million yen
Total	126,563 million yen

(Note)

"Other" consists primarily of lease deposits and guarantees related to operating transactions and derivative transactions.

(2) Significant liabilities with collateral

Deposit liabilities	282 million yen
Other	9,763 million yen
Total	10,045 million yen

Transfer transactions that do not involve the derecognition of non-financial assets and financial assets can be viewed as an effective pledge of collateral. However, these transactions differ in nature from the ordinary pledge of collateral, in which legal ownership of the pledged assets is retained. Accordingly, such transfer transactions are not included in the amounts above.

As of March 31, 2022, as an example of transfer transactions for such assets that do not involve derecognition, the Company has bond repurchase agreements. The balance of financial assets for such transactions stood at 36,642 million yen as of March 31, 2022.

2. Accumulated depreciation for property, plant, and equipment 92,541 million yen

3. Credit guarantee of indebtedness

Guarantees for borrowings from banks and others by customers and suppliers

(Affiliate) Mitsubishi Corporation RtM Japan Ltd.	259,350 million yen
(Affiliate) MITSUBISHI CORPORATION FINANCE PLC	207,724 million yen
(Affiliate) TRI PETCH ISUZU LEASING CO., LTD.	187,420 million yen
(Affiliate) DIAMOND GAS INTERNATIONAL PTE. LTD.	172,711 million yen
(Affiliate) PT. DIPO STAR FINANCE	167,651 million yen
(Affiliate) MITSUBISHI CORPORATION RTM INTERNATIONAL PTE. LTD.	153,297 million yen
(Affiliate) PE WHEATSTONE PTY LTD	130,196 million yen
(Affiliate) Mitsubishi Corporation (Americas)	111,742 million yen
(Affiliate) CUTBANK DAWSON GAS RESOURCES LTD.	100,271 million yen
(Affiliate) Lawson, Inc.	100,000 million yen
(Affiliate) MCE BANK GMBH	98,436 million yen
Others (157 companies)	1,374,190 million yen
Total	3,062,993 million yen

The table above includes quasi-guarantees on bank loans and other liabilities. The above obligations include the Company's guarantees for borrowings of a subsidiary based in Russia. As of March 31, 2022, guarantees related to Russia amounts to 49,463 million yen, this amount includes guarantees for borrowings between subsidiaries which amount to 38,792 million yen.

In addition to the above, the Parent has a Keep Well Agreement with affiliates, including Mitsubishi International Corporation in connection with the issuance of foreign currency commitment lines and other financial obligations.

Although the agreement does not present a guarantee by the Parent to service the debt obligations of this affiliate, it promises the Parent will provide funds for pledging to financial and other institutions in the event that the affiliate experiences either a decline in net assets below a predetermined amount or a shortage in current assets required for paying its debt obligations.

However, as of the end of the fiscal year ended March 31, 2022, none of the affiliates recorded any guarantees or borrowings, as well as maintained net assets above the predetermined amount and had experienced no shortage in current assets.

In addition to the above-mentioned credit guarantees for borrowings from banks and others by customers and suppliers, the Parent provides performance guarantees for Liquefied Natural Gas ("LNG") projects. These performance guarantees include guarantees for the future funding commitment and payment of usage fees in accordance with the joint venture agreement for natural gas liquefaction facilities.

These guarantees amounted to 1,112,775 million yen as of March 31, 2022. The main projects included in the preceding are those in North America.

4. Trade notes discounted 68,364 million yen

5. Due from/to affiliates:

Short-term receivables	932,573	million yen
Long-term receivables	376,329	million yen
Short-term payables	621,462	million yen
Long-term payables	14,033	million yen

(Translation)

Notes to Non-consolidated Statement of Income

1. Transactions with affiliates

Operating transactions		
Sales[1]	1,360,969	million yen
Purchases	1,158,786	million yen
Transactions other than operating transactions	446,365	million yen

Note 1: Revenue in the Non-consolidated Statement of Income includes certain transactions presented on a net basis.

2. Provision for doubtful receivables from affiliates

Provision for doubtful receivables from affiliates includes provisions for affiliates' loss allowance and provision for loss on guarantees of obligations (net of reversal of provision).

Notes to Non-consolidated Statement of Changes in Equity

Number of shares of treasury stock as at March 31, 2022 [1]	Common stock	9,031,698	shares

Note1: The above figure for treasury stock includes 3,172,291 shares held in the trust account for the benefit share ESOP.

(Translation)

Notes Concerning Income Tax Effects

1. Breakdown of the significant components of deferred tax assets and liabilities

Deferred tax assets		
Provisions (allowance for doubtful receivables and provision for loss on guarantees)	11,091	million yen
Accrued expenses	16,582	million yen
Loss on write-down of investment securities	219,198	million yen
Deferred hedging gains and losses	23,256	million yen
Expenses related to accrued pension and severance liabilities	22,683	million yen
Tax loss carry forwards	49,345	million yen
Other	29,299	million yen
Subtotal	371,457	million yen
Valuation allowance for tax loss carry forwards	(17,850)	million yen
Valuation allowance for the total amount of deductible temporary differences, etc.	(120,987)	million yen
Less valuation allowance	(138,837)	million yen
Total deferred tax assets	232,620	million yen
Deferred tax liabilities		
Unrealized gain on other securities	(109,512)	million yen
Gain on write-up of investment securities	(9,732)	million yen
Other	(9,632)	million yen
Total deferred tax liabilities	(128,877)	million yen
Net deferred tax assets (liabilities)	103,742	million yen

(Translation)

Notes Concerning Transactions with Related Parties

Category	Name of Company	Ownership Interest of Voting Rights	Relationship with Related Party	Transactions	Transaction Amount (Million yen)	Financial Line Items	Year-End Balance (Million yen)
Subsidiary	Mitsubishi Corporation Financial & Management Services (Japan) Ltd.	Directly held 100%	Advance of funds	Advance of funds (Notes 1 and 2) Interest received (Note 1)	232,394 455	Short-term loans Long-term loans Others (current assets)	251,680 71,395 61
Subsidiary	MC FINANCE & CONSULTING ASIA PTE. LTD.	Directly held 100%	Advance of funds	Advance of funds (Notes 1 and 2) Interest received (Note 1)	210,788 770	Short-term loans Long-term loans Others (current assets)	140,153 4,791 24
Associate	ANGLO AMERICAN QUELLAVECO S.A.	Indirectly held 40%	Advance of funds	Advance of funds (Notes 1 and 2) Interest received (Note 1)	159,781 6,095	Long-term loans	215,832
Subsidiary	Mitsubishi International Corporation	Indirectly held 100%	Advance of funds	Advance of funds (Notes 1 and 2) Interests received (Note 1)	145,423 316	—	—
Subsidiary	Mitsubishi Corporation (Americas)	Indirectly held 100%	Advance of funds	Advance of funds (Notes 1 and 2) Interest received (Note 1)	78,870 212	Short-term loans Others (current assets)	252,123 35
			Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	111,742 1	—	—
Subsidiary	MITSUBISHI DEVELOPMENT PTY LTD	Directly held 100%	Borrowing of funds	Borrowing of funds (Notes 1 and 2) Payment of interest (Note 1)	138,162 415	Short-term borrowings Others (current liabilities)	345,184 74
Subsidiary	Mitsubishi Corporation RtM Japan Ltd.	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	259,350 4	—	—
Subsidiary	MITSUBISHI CORPORATION FINANCE PLC	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	207,724 23	—	—
Subsidiary	TRI PETCH ISUZU LEASING CO., LTD.	Directly held 43.50% Indirectly held 50%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	187,420 17	—	—
Subsidiary	DIAMOND GAS INTERNATIONAL PTE. LTD.	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	172,711 35	—	—
			Receipt of capital increase	Receipt of capital increase (Note 4)	95,975	Accounts payable	95,975
Subsidiary	PT. DIPO STAR FINANCE	Indirectly held 95%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	167,651 1,378	—	—
Subsidiary	MITSUBISHI CORPORATION RTM INTERNATIONAL PTE. LTD.	Directly held 100%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	153,297 11	—	—

Associate	PE WHEATSTONE PTY LTD	Indirectly held 39.66%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	130,196 1,169	—	—
Subsidiary	CUTBANK DAWSON GAS RESOURCES LTD.	Indirectly held 100%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	100,271 420	—	—
Subsidiary	Lawson, Inc	Indirectly held 95%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	100,000 4	—	—
Subsidiary	MCE BANK GMBH	Indirectly held 100%	Guarantee obligations	Guarantee obligations (Note 3) Receipt of guarantee fees (Note 3)	98,436 8	—	—

Transaction terms and policies

(Notes)

1. The Parent determines conditions of advances and borrowings reasonably based on market interest rates.
2. Transaction amount of the advances and borrowings are determined based on their average balance during the period.
3. The Parent provides guarantees for bank loans and receives a guarantee fee based on market interest rates.
4. The Company underwrote a capital increase through a private placement of shares to shareholders by DIAMOND GAS INTERNATIONAL PTE. LD. at a price of 123,520 yen per share.
5. In addition to the above, in connection with LNG projects in North America discussed under “3. Credit guarantee of indebtedness” in “Notes to Non-consolidated Balance Sheet,” Mitsubishi Corporation provides performance guarantees for its subsidiaries.

(Translation)

Notes Concerning Per Share Information

Net assets per share	2,010.79 yen
Basic net income per share	272.70 yen
Diluted net income per share	271.67 yen

Notes Concerning Revenue Recognition

Refer to the notes to the Consolidated Financial Statement under Notes Concerning Material Accounting Policies, 4 Material Accounting Policies (15) Revenues for details about performance obligations and the timing at which they are satisfied.

(Translation)

Notes Concerning Significant Subsequent Events

Transfer of Shares Mitsubishi Corp.-UBS Realty Inc.

On March 17, 2022, the Company entered into a share transfer agreement with 76 KK, an indirect subsidiary of KKR & CO. INC, to transfer all of the Company's shares in Mitsubishi Corp.-UBS Realty Inc. (hereinafter "MC-UBSR"). The sale of these shares, representing 51% of MC-UBSR's issued shares, was completed on April 28, 2022. Reflecting this move, the Company expects to record 113.1 billion yen in gains on sales of investment securities, along with income tax expenses totaling 28.3 billion yen, as part of its Non-consolidated Financial Statements for the fiscal year ending March 31, 2023.

Acquisition and Cancellation of Treasury Stock

At the Board of Directors meeting held on May 10, 2022, it has authorized the repurchase of shares of its common stock pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Paragraph 3 Article 165 of the Companies Act. The Company also resolved to cancel the treasury stock pursuant to article 178 of the Companies Act, as described below.

1. Details of the Share Repurchase

1. Class of shares to be repurchased	The Company's common stock
2. Total number of shares to be repurchased	Up to 23 million shares (Represents up to 1.5% of total number of outstanding shares (excluding treasury stock))
3. Total purchase price for repurchase of shares	Up to 70 billion yen
4. Period of repurchase	May 11, 2022 to September 11, 2022*

*The planned repurchase period may be changed in accordance with the relevant laws and regulations.

2. Details of the Cancellation of Treasury Stock

1. Class of shares to be cancelled	The Company's common stock
2. Number of shares to be cancelled	All share repurchased, excluding those to be delivered upon exercises of stock options (5 million shares)
3. Date of the cancellation	September 30, 2022

Continuation of a Share-Based Compensation System for Senior Managers

The Company's Board of Directors passed a resolution to maintain a share-based compensation system in place for their employees at its meeting held on May 9, 2022. This system utilizes the Employee Stock Ownership Plan (ESOP) Trust. On the same day, the Board also resolved to additionally contribute a total of 16.0 billion yen (including trust fees and expenses) to the trust. Reflecting these resolutions, it is expected that the ESOP trust will acquire common shares of the Company.

(Translation)

Consolidated Statement of Comprehensive Income (Reference only) (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Profit for the year	¥132,241	¥1,004,459
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss for the year		
Gains on other investments designated as FVTOCI	129,453	82,239
Remeasurement of defined benefit pension plans	29,813	20,412
Share of other comprehensive income of equity method investees	10,719	10,968
Total	169,985	113,619
Items that may be reclassified to profit or loss for the year		
Cash flow hedges	(13,882)	(97,950)
Exchange differences on translating foreign operations	306,277	440,530
Share of OCI of equity method investees	(11,796)	108,528
Total	280,599	451,108
Total other comprehensive loss, net of tax	450,584	564,727
Total comprehensive income	¥582,825	¥1,569,186
Comprehensive income attributable to:		
Owners of the Parent	¥604,354	¥1,471,506
Non-controlling interests	(21,529)	97,680
	¥582,825	¥1,569,186

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Consolidated Statement of Cash Flows (Reference only) (Prepared based on IFRS)

(Millions of Yen)

Item	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Operating activities		
Profit for the year	¥132,241	¥1,004,459
Adjustments to reconcile profit for the year to net cash provided by operating activities:		
Depreciation and amortization	523,830	545,043
Gains (losses) on investments - net	(62,082)	(75,254)
Losses on property, plant, and equipment	202,517	57,805
Finance income – net of finance costs	(71,526)	(139,850)
Share of profit of investments accounted for using the equity method	(97,086)	(393,803)
Income taxes	121,286	288,657
Changes in trade receivables	26,210	(673,674)
Changes in inventories	41,709	(236,396)
Changes in trade payables	74,680	396,298
Other – net	(43,217)	(70,159)
Dividends received	271,204	493,860
Interest received	80,350	80,601
Interest paid	(67,731)	(64,444)
Income taxes paid	(114,835)	(156,939)
Net cash provided by operating activities	1,017,550	1,055,844

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Item	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Investing activities		
Payments for property, plant, and equipment	(388,981)	(393,833)
Proceeds from sales of property, plant, and equipment	47,753	27,888
Payments for investment property	(425)	(443)
Proceeds from disposal of investment property	1,344	1,329
Purchases of investments accounted for using the equity method	(253,316)	(157,003)
Proceeds from disposal of investments accounted for using the equity method	129,938	246,455
Acquisitions of businesses – net of cash acquired	502	(45,154)
Proceeds from disposal of businesses – net of cash divested	28,407	53,278
Purchases of other investments	(43,009)	(26,990)
Proceeds from disposal of other investments	187,756	142,987
Increase in loans receivable	(80,355)	(82,953)
Collection of loans receivable	50,948	60,809
Net increase in time deposits	(37,859)	6,080
Net cash used in investing activities	(357,297)	(167,550)
Financing activities		
Net increase in short-term debts	(183,322)	(159,572)
Proceeds from long-term debts	795,173	864,567
Repayment of long-term debts	(759,624)	(865,450)
Repayments of lease liabilities	(277,531)	(279,784)
Payment of dividends	(199,853)	(203,737)
Payment of dividends to non-controlling interests	(40,866)	(54,047)
Payment for the acquisition of subsidiaries interests from non-controlling interests	(18,325)	(20,393)
Proceeds from the sales of subsidiaries interests to non-controlling interests	12,948	25,033
Net (increase) in treasury stock	(19,784)	(13)
Net cash used in financing activities	(691,184)	(693,396)
Effect of exchange rate changes on cash and cash equivalents	25,943	42,848
Net increase (decrease) in cash and cash equivalents	(4,988)	237,746
Cash and cash equivalents, beginning of year	1,322,812	1,317,824
Cash and cash equivalents, end of year	¥1,317,824	¥1,555,570

(Figures less than one million yen are rounded to the nearest million.)

(Translation)

Segment Information (Reference only) (Prepared based on IFRS)

Fiscal year ended March 31, 2021 (Millions of Yen)

	Natural Gas	Industrial Materials	Petroleum & Chemicals	Mineral Resources	Industrial Infrastructure	Automotive & Mobility	Food Industry
Gross profit (loss)	25,016	105,027	95,524	78,592	88,197	137,067	231,313
Share of profit (loss) of investments accounted for using the equity method	29,509	2,970	4,859	36,435	14,084	(61,406)	17,003
Profit (loss) for the year attributable to owners of the Parent	21,202	4,655	26,232	78,130	21,238	(28,104)	39,429
Total assets	1,579,876	1,128,501	947,528	3,425,026	1,090,182	1,461,360	1,730,763

(Millions of Yen)

	Consumer Industry	Power Solution	Urban Development	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit (loss)	683,892	112,914	38,595	1,596,137	7,231	1,738	1,605,106
Share of profit (loss) of investments accounted for using the equity method	7,091	19,243	27,580	97,368	(346)	64	97,086
Profit (loss) for the year attributable to owners of the Parent	(73,249)	42,257	25,419	157,209	17,899	(2,558)	172,550
Total assets	3,876,324	1,814,988	996,154	18,050,702	2,710,802	(2,126,533)	18,634,971

(Figures less than one million yen are rounded to the nearest million.)

Fiscal year ended March 31, 2022 (Millions of Yen)

	Natural Gas	Industrial Materials	Petroleum & Chemicals	Mineral Resources	Industrial Infrastructure	Automotive & Mobility	Food Industry
Gross profit (loss)	28,527	143,642	105,219	482,490	110,955	179,230	268,780
Share of profit (loss) of investments accounted for using the equity method	92,106	35,154	14,247	86,994	2,131	48,210	29,731
Profit (loss) for the year attributable to owners of the Parent	105,132	36,785	40,272	420,689	17,281	106,785	79,349
Total assets	2,015,966	1,355,028	1,242,994	4,554,696	1,129,890	1,699,270	1,968,611

(Millions of Yen)

	Consumer Industry	Power Solution	Urban Development	Total	Other	Adjustments and Eliminations	Consolidated
Gross profit (loss)	681,647	115,556	29,267	2,145,313	6,977	(1,526)	2,150,764
Share of profit (loss) of investments accounted for using the equity method	13,771	15,009	54,424	391,777	2,026	—	393,803
Profit (loss) for the year attributable to owners of the Parent	21,023	50,504	40,047	917,867	(551)	20,213	937,529
Total assets	3,930,310	2,650,077	1,136,239	21,683,081	3,012,544	(2,783,613)	21,912,012

(Figures less than one million yen are rounded to the nearest million.)

(Notes)

1. "Other" represents the corporate departments that primarily provide services and operational support to the Company and affiliated companies.
   This column also includes certain revenues and expenses from business activities related to financing and human resource services that are not allocated to reportable operating segments.
   Unallocated corporate assets categorized in "Other" consist primarily of cash, time deposits, and securities for financial and investment activities.
2. "Adjustments and Eliminations" include certain income and expense items that are not allocated to reportable operating segments and intersegment eliminations.

(Translation)

INDEPENDENT AUDITOR'S REPORT

May 17, 2022

To the Board of Directors of
Mitsubishi Corporation:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Yuki Higashikawa

Designated Engagement Partner,
Certified Public Accountant:

Hirofumi Otani

Designated Engagement Partner,
Certified Public Accountant:

Sogo Ito

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Mitsubishi Corporation and its subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2022, and the consolidated statement of income and changes in equity for the fiscal year from April 1, 2021 to March 31, 2022, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance for the year then ended in accordance with International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of

Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・ Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

・ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

・ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

(Translation)

INDEPENDENT AUDITOR'S REPORT

May 17, 2022

To the Board of Directors of
Mitsubishi Corporation:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Yuki Higashikawa

Designated Engagement Partner,
Certified Public Accountant:

Hirofumi Otani

Designated Engagement Partner,
Certified Public Accountant:

Sogo Ito

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Mitsubishi Corporation (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2022, and the nonconsolidated statement of income and changes in equity for the fiscal year from April 1, 2021 to March 31, 2022, and a summary of significant accounting policies and other explanatory information, and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

・Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

・Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

(Translation)

AUDIT REPORT OF THE AUDIT & SUPERVISORY BOARD (COPY)

This audit report was prepared following discussions based on the audit reports of each Audit & Supervisory Board Member concerning the conduct of the Directors in the execution of their duties during the Company's fiscal year from April 1, 2021 to March 31, 2022. The Audit & Supervisory Board submits its report as follows.

1. Methods and Details of Audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board determines auditing policies, the division of duties and other matters, and receives reports from each Audit & Supervisory Board Member on the status and results of audits. In addition, the Audit & Supervisory Board received reports from Directors, and the independent auditors, and others concerning the execution of their duties, and requested explanations when deemed necessary.

(2) In accordance with the auditing policies and division of duties and in conformity with standards for audits by Audit & Supervisory Board Members, as determined by the Audit & Supervisory Board, each Audit & Supervisory Board Member worked to gather information and create an effective audit environment through telephone lines and the Internet, etc., by keeping channels of communication open with Directors, the Internal Audit Department, employees and others. At the same time, the Audit & Supervisory Board Members conducted audits through the following approach.

(a) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important management meetings, requested reports from Directors, employees and others concerning the execution of their duties as well as explanations when deemed necessary, and examined important documents supporting decisions and other records and surveyed the status of operations and assets related to the Head Office and main offices. In addition, the Audit & Supervisory Board kept channels of communication open and exchanged information with Directors, Audit & Supervisory Board Members and other employees of subsidiaries, and received business reports from subsidiaries when deemed necessary.

(b) The Audit & Supervisory Board regularly received reports from Directors, employees and others about the operation of the internal control system, which was designed based on the Board of Directors resolutions, pursuant to Article 100, Paragraphs 1 and 3 of the Companies Act enforcement regulations as essential for ensuring the execution of duties by Directors described in the business report conforms with laws and the Company's Articles of Incorporation and for otherwise ensuring proper business conduct by the conglomerate consisting of the Company and its subsidiaries. The Audit & Supervisory Board requested explanations when deemed necessary and Audit & Supervisory Board Members expressed their opinions.

(c) Moreover, each Audit & Supervisory Board Member monitored and verified whether the independent auditors, Deloitte Touche Tohmatsu LLC, maintained independence and conducted proper audits. At the same time, reports were received from the independent auditor regarding the status of the execution of its duties, and explanations were requested where deemed necessary. The Audit & Supervisory Board also received notification from the independent auditors that it had established a system for ensuring that duties are performed properly, as prescribed by items in Article 131 of the Accounting Ordinance of the Companies Act, in accordance with the Standards for Quality Control of Audit, as issued by the Business Accounting Council on October 28, 2005. Explanations were requested where deemed necessary.

Based on the above approach, the Audit & Supervisory Board examined the accompanying supplemental schedules of the company as well as the business reports and the accompanying, consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, and consolidated statement of change in equity and a summary of significant accounting policies and other explanatory information) and non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of operations, non-consolidated statement of changes in equity, and a summary of significant accounting policies and other explanatory information) for the fiscal year under review.

(Translation)

2. Audit Results

(1) Results of Audit of Business Reports, etc.

As a result of these activities, we certify that:

(a) the business report and the accompanying supplemental schedules present the Company's situation correctly in accordance with laws and ordinances and the Articles of Incorporation of the Company;

(b) there was no improper behavior detected on the part of Directors in the conduct of their duties and no grave instances of violations of either applicable laws or ordinances or the Articles of Incorporation of the Company; and

(c) the details of the Board of Directors' resolutions concerning the internal control system were appropriate and adequate. Furthermore, there was nothing we must point out regarding the contents of the business report or the performance of duties by Directors in connection with said internal control system.

(2) Results of Audit of Consolidated Financial Statements

We confirm that the auditing method and results of the independent auditors, Deloitte Touche Tohmatsu LLC, are appropriate and adequate.

(3) Results of Audit of Non-consolidated Financial Statements and the Accompanying Supplemental Schedules

We confirm that the auditing method and results of the independent auditors, Deloitte Touche Tohmatsu LLC, are appropriate and adequate.

May 19, 2022

Mitsubishi Corporation Audit & Supervisory Board
Shuma Uchino
Audit & Supervisory Board Member (full-time)

Hajime Hirano
Audit & Supervisory Board Member (full-time)

Yasuko Takayama
Audit & Supervisory Board Member

Rieko Sato
Audit & Supervisory Board Member

Takeshi Nakao
Audit & Supervisory Board Member

(Note)

Audit & Supervisory Board Members Yasuko Takayama, Rieko Sato and Takeshi Nakao fulfill the conditions for Outside Audit & Supervisory Board Members as provided for in Article 2-16 and Article 335, Paragraph 3 of the Companies Act.

(Translation)

<Reference>

Corporate Philanthropy Activities

In keeping with the belief that MC's sustainable growth cannot be achieved without realizing a sustainable society, MC addresses Materiality (Page69) through both business and philanthropy activities.
The Company focuses on philanthropic activities that are in line with three overarching themes: "Realizing an Inclusive Society," "Empowering the Next Generation" and "Conserving the Environment." In addition, MC also provides support both domestically and overseas, for regions affected by natural disasters, which includes recovery efforts for the Great East Japan Earthquake. The Company's philanthropic activities are conducted with a focus on employee participation and continuity.

1. Realizing an Inclusive Society

MC aims to help realize a society where everyone can play an active role. MC is continuing its activities to contribute toward a world where everyone can respect each other and coexist regardless of background, physical condition or way of life.
In conjunction with Tokyo Paralympic games, in the fiscal year ended March 31, 2022, the Company hosted parasports events and seminars in which people can participate online, with the aim of helping raise public awareness and understanding of parasports.

2. Empowering the Next Generation
MC will actively support education, research and capacity development in order to contribute to the growth and self-reliance of the next generation who will be responsible for tomorrow's society.
In addition, the MC ART GATE Program was conducted to support artists striving to grow, with its beneficiaries ranging from those studying at universities to professionals who have just made a debut or seek to build up their careers.

3. Conserving the Environment
MC is committed to environmental conservation efforts in order to pass on our irreplaceable Earth to future generations and to realize a prosperous society where people live in harmony with nature.
In the fiscal year ended March 31, 2022, the Company abstained from soliciting employee volunteers in the course of conducting environmental conservation activities due to concerns over the COVID-19 pandemic.

4. Support for Natural Disasters
As a member of the communities in which we live and work, MC provides emergency support in the event of natural disasters and engages in recovery efforts in the affected areas.
In the fiscal year ended March 31, 2022, despite the impact of the COVID-19 pandemic, the Company continued assisting recovery efforts still underway in areas affected by the Great East Japan Earthquake.

(Translation)

Information on Exercising Voting Right

Please refer to the Notice of 2022 Ordinary General Meeting of Shareholders (page 1) and exercise your voting right using one of the following methods.

- **Mail**

  Please indicate your approval or disapproval of the proposals on the voting form and return it by mail.

  Voting forms must arrive no later than 5:30 p.m. on Thursday, June 23, 2022 (Japan Time).

- **Internet**

  Please access the Internet voting website (https://evote.tr.mufg.jp/) and enter your approval or disapproval of the proposals.

  Deadline for exercising voting right is 5:30 p.m. on Thursday, June 23, 2022 (Japan Time).

  ‣‣‣Please see the following page for details.

- **Attend the general meeting of shareholders**

  Please submit your voting form to the receptionist at the venue.

  Time and date of the general meeting of shareholders is 10:00 a.m. on Friday, June 24, 2022 (Japan Time).

(Translation)

Procedures for Exercising Voting Right via the Internet

If you exercise your voting right via the Internet, please refer to the following. Access the Internet voting website via a computer, smartphone, tablet, or mobile phone and follow the directions on the screen to exercise your voting right.

Procedures to vote by scanning the QR code via a smartphone or tablet

(1) Scan the QR code shown on the bottom right of the voting form.
(2) Please cast your vote by following the directions on the screen.

You may exercise your voting right via the QR code only once. If you wish to re-exercise your voting right, please follow the instructions below on "Procedures to vote by entering your login ID and password."

Procedures to vote by entering your login ID and password

(1) Access the Internet voting website: https://evote.tr.mufg.jp/
(2) Once you have accessed the Internet voting website, please enter your login ID and temporary password shown on the bottom right of the voting form. Please cast your vote by following the directions on the screen.
(3) To avoid unauthorized access and tampering, the website will ask you to set a new password once you log on to the website.

Notes

- The site cannot be accessed between 2 a.m. and 5 a.m. daily in Japan Time.
- How We Process Multiple Votes
  (1) If you exercise your voting right by both mail and via the Internet, the vote you enter via the Internet will be counted as valid.
  (2) If you exercise your voting right multiple times via the Internet, the last vote you enter will be counted as valid.
- The shareholder will pay all fees arising from accessing the Internet voting website (Internet connection fees, communications fees, etc.)

<**Institutional Investors**>
Please exercise your voting right using the voting platform operated by ICJ if you have applied to use it in advance.