

March 15, 2024  
Mitsubishi Corporation

### **Notice Regarding Transition to a Company with an Audit & Supervisory Committee**

Mitsubishi Corporation (MC) hereby announces that the Board of Directors resolved at their meeting today that MC will transition from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee, following approval at MC's 2024 Ordinary General Meeting of Shareholders to be held in June 2024.

#### **1. Purpose of the Transition**

With the Three Corporate Principles for a corporate philosophy, MC strives to continuously increase corporate value through corporate activities rooted in the principles of fairness and integrity. MC believes that by helping to enrich society, both materially and spiritually, it will also meet the expectations of all its stakeholders. In order to achieve these goals, MC recognizes strengthening corporate governance on an ongoing basis as a fundamental management policy since it is the foundation for ensuring sound, transparent, and efficient management.

Since the 2000's, MC has been promoting corporate governance reforms under this basic policy. To realize management and business execution that promotes growth while anticipating changes and transforming and strengthening businesses, MC continuously strives to increase corporate value while ensuring sufficient deliberation and effective oversight by the Board of Directors.

While MC continues to enhance the function of corporate governance under its current corporate governance system, we have decided to transition to a Company with an Audit & Supervisory Committee in order to further enhance our ability to respond to accelerating changes in the current external environment surrounding MC's businesses. In addition to expediting decision-making through the delegation of authority, this transition will also enhance and improve the monitoring function of the Board of Directors by enhancing deliberations centered on management policies and strategies at the Board of Directors meetings, thereby increasing corporate value.

In conjunction with the transition to a Company with an Audit & Supervisory Committee, MC also aims to review and strengthen the entire corporate governance system, including advisory bodies to the Board of Directors. Please refer to the attached document for more details.

#### **2. Transition schedule**

The transition to a Company with an Audit & Supervisory Committee is to be implemented following approval of proposals for requisite amendments to the Articles of Incorporation at the 2024 Ordinary General Meeting of Shareholders to be held in June 2024.

**3. Others**

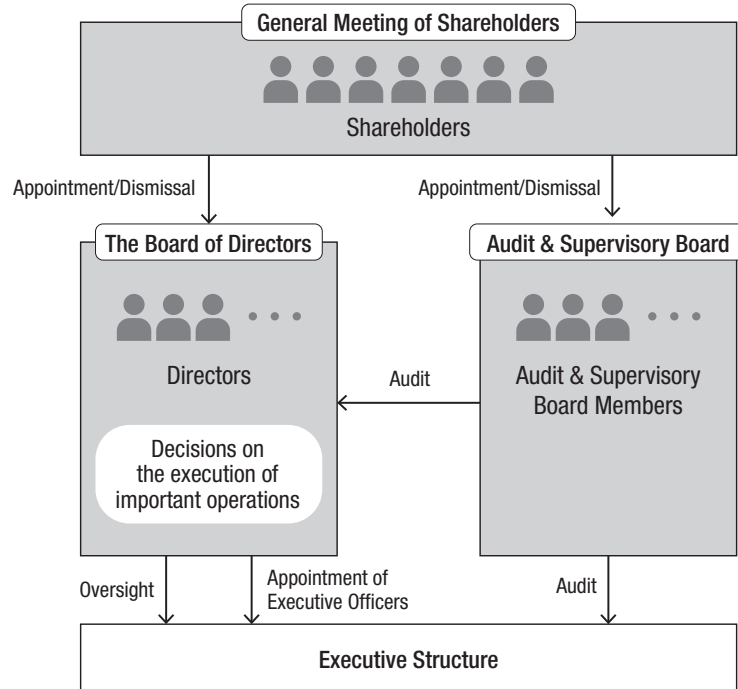
- (1) Please refer to the “Appointment of Directors for FY2024” regarding the new system following the transition to a Company with Audit & Supervisory Committee.
- (2) Other details including specific amendments to the Articles of Incorporation following the transition to a Company with an Audit & Supervisory Committee will be disclosed as soon as they are determined.

(End)

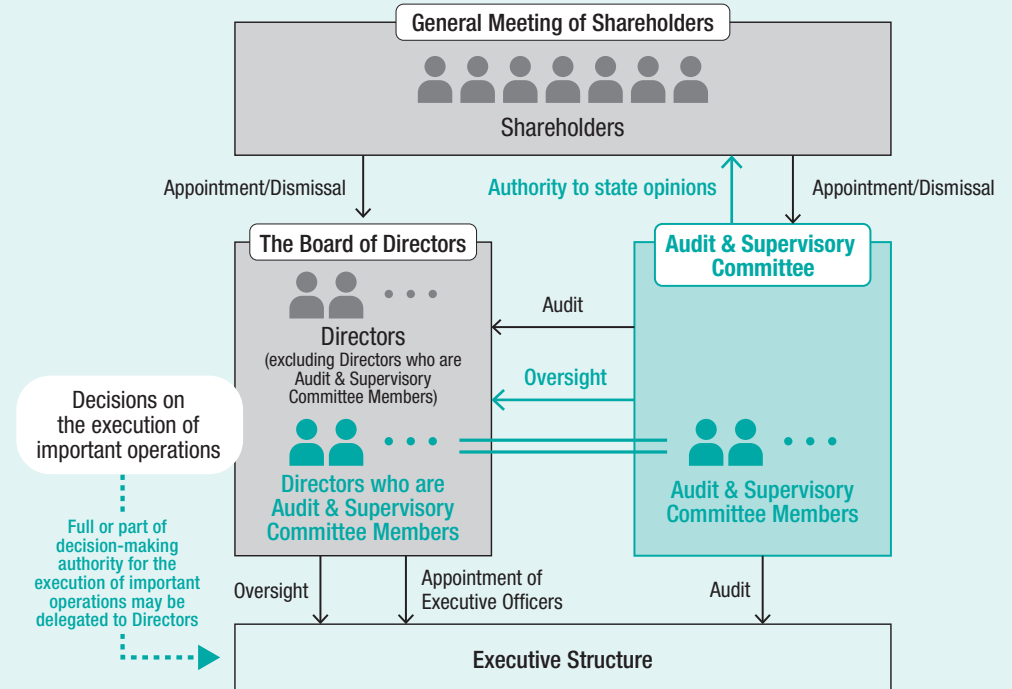
# Outline of the transition

Mitsubishi Corporation (MC) will transition from its current corporate governance system, a “Company with an Audit & Supervisory Board” to a “Company with an Audit & Supervisory Committee” following approval at the 2024 Ordinary General Meeting of Shareholders to be held in June 2024. The outline of the transition is as follows.

## ■ A Company with an Audit & Supervisory Board (Current system)



## ■ A Company with an Audit & Supervisory Committee (New system following the transition)



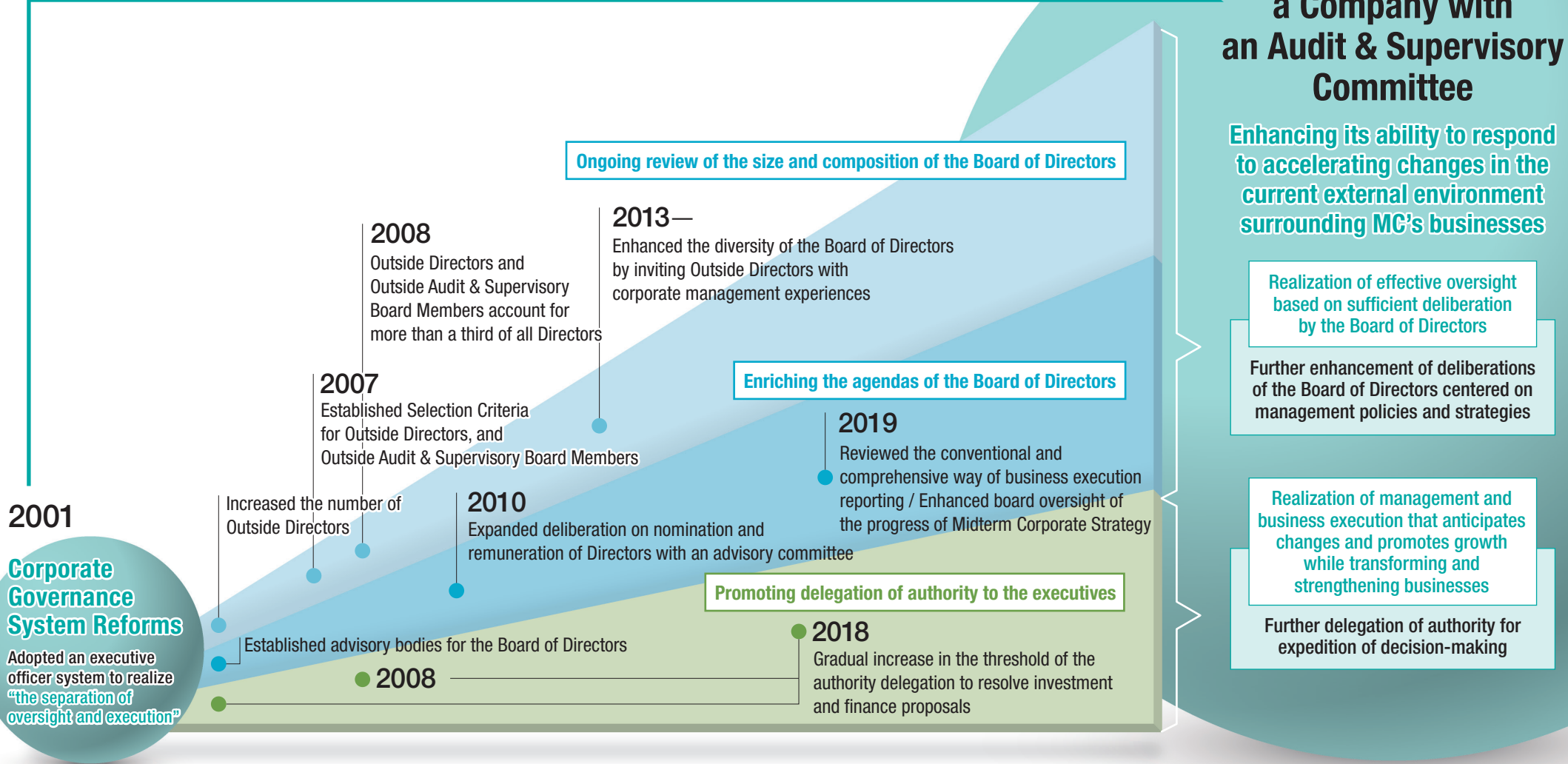
A Company with an Audit & Supervisory Board (Present system)	
Organization to be changed	Audit & Supervisory Board
Size and composition	9 Directors (4 out of 9 are Outside Directors)
	5 Audit & Supervisory Board Members (3 out of 5 are Outside Audit & Supervisory Board Members)
Terms of Office	Directors : 1 Year
	Audit & Supervisory Board Members : 4 Years
Decisions on the execution of important operations	Decision-making authority for the execution of important operations may not be delegated from the Board of Directors
Authority to state opinions on matters such as appointments and remunerations of Directors	N/A

A Company with an Audit & Supervisory Committee (New system following the transition)	
Audit & Supervisory Committee	
Size and composition	15 Directors (7 out of 15 are Outside Directors)
	10 Directors (excluding Directors who are Audit & Supervisory Committee Members) (4 out of 10 are Outside Directors)
Terms of Office	Directors (excluding Directors who are Audit & Supervisory Committee Members) : 1 Year
	Directors who are Audit & Supervisory Committee Members : 2 Years
Decisions on the execution of important operations	Full or part of decision-making authority for the execution of important operations may be delegated to Directors (excluding Directors who are Audit & Supervisory Committee Members) by the resolution of the Board of Directors
Authority to state opinions on matters such as appointments and remunerations of Directors	An Audit & Supervisory Committee Member appointed by the Audit & Supervisory Committee may state the opinions of the Audit & Supervisory Committee on matters such as appointments and remunerations of Directors (excluding Directors who are Audit & Supervisory Committee Members) at General Meeting of Shareholders

▶ Please refer to the page 3 for more details.

# Basic Policy of and Evolution of Corporate Governance of MC

As it strives to increase corporate value, MC has continuously strengthened its corporate governance since the 2000s.



Business model transformation

Business Investment Phase (Business Model Transformation Phase)

Business Management Phase

Trading Evolution Phase

# The key points of MC's Corporate Governance system following the transition to a Company with an Audit and Supervisory Committee

MC continuously strives for the realization of “effective oversight based on sufficient deliberation by the Board of Directors” and “management and business execution that anticipates changes and promotes growth while transforming and strengthening businesses.” For the purpose of further pursuing these goals, MC will strengthen its entire corporate governance system as follows, through its transition to a Company with an Audit and Supervisory Committee.

- 1 Strengthen MC's ability to respond to changes of current external environment surrounding MC's businesses by **delegating partial decision-making authority for the execution of important operations to the executives**, ensuring timely decision-making and flexibility of deliberation at the Board of Directors
- 2 Enhance the deliberation by splitting the Governance, Nomination and Compensation Committee into two committees, comprised of the “**Corporate Governance and Nomination Committee**” and the “**Compensation Committee**”
- 3 Improve audit functions through **deepening cooperation between the Audit and Supervisory Committee and the Internal Audit Department**

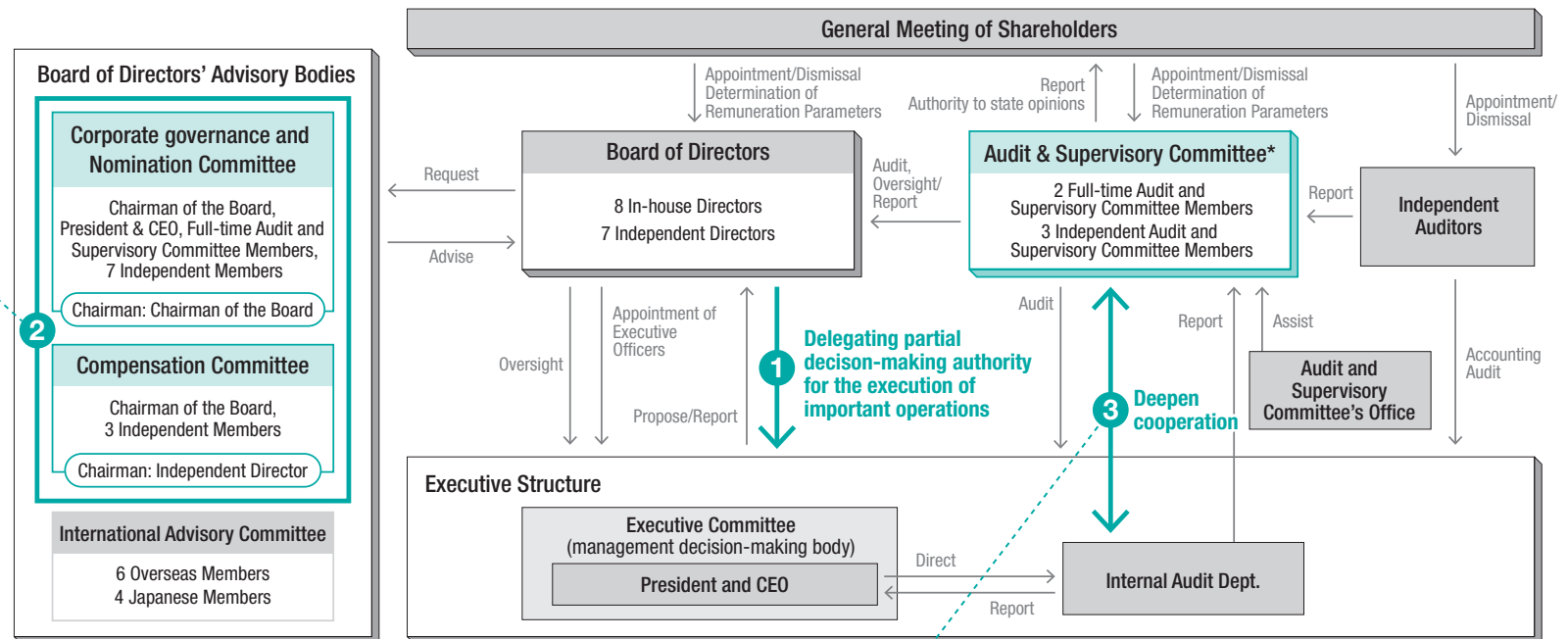
## Changes to the Advisory Committees' system

### Corporate Governance and Nomination Committee

This committee deliberates the basic policy of corporate governance serving as the foundation of management, and nomination serving as the source of all value creation for MC.

### Compensation Committee

This committee will further enhance deliberations on policy for setting Directors' and Senior Vice Presidents' remuneration following its split from the Governance, Nomination and Compensation Committee.



\* It is composed of Directors who are Audit and Supervisory Committee Members.

## Improvement of audit functions

As MC's management and business execution covers diverse businesses, the Audit and Supervisory Committee will continuously improve the effectiveness of the audit function by deepening its cooperation with the Internal Audit Department, which conducts the internal audit function of MC's businesses on a consolidated basis.