

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.

1. 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.

2. 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.

3. 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.

2024

Midterm Corporate Strategy 2024

Creating MC Shared Value

May 10, 2022
Mitsubishi Corporation
Katsuya Nakanishi
President and CEO

In its **Roadmap to a Carbon Neutral Society**, announced in October 2021, Mitsubishi Corporation (MC) laid out its goal of achieving net zero greenhouse gas (GHG) emissions by 2050 and also established **integrated energy transformation (EX)/digital transformation (DX) initiatives to create a new future** as a company-wide theme for business development.

Meanwhile, it is becoming increasingly difficult to separate economic activities from ideological clashes between nations, as a result of US-China tensions in recent years. In addition, the international community has been shaken by various kinds of disruptions such as the Russia-Ukraine conflict. Geopolitical risk is rising due to polarization and division in the international community as sensitivities among China, Russia and the US persist. As a result, the Japanese economy is enveloped in an environment of growing uncertainty. The recovery of the global economy is also expected to be accompanied by various uncertainties.

Global security tensions are also having an impact on the business environment. Blurring of the boundaries separating industries is increasing as businesses work to address the common issues of supply chain restructuring, digitalization and decarbonization. Moreover, as the pace of technological innovation quickens, these trends will likely yield more uneven, unpredictable change.

Amid this business environment, it is necessary for us to adapt to these uncertainties with greater foresight. I believe our mission is to continue to respond to the increasingly diverse and complex needs of society by further strengthening our expertise across industries and intelligence from across the globe. While fulfilling our commitment to provide a stable supply of energy, food, resources and other necessities, we are also being called upon to address societal challenges in areas such as decarbonization and enhancing industry competitiveness. With this in mind, we have selected a set of crucial societal issues as our unique definition of “materiality” that we will strive to solve through our business activities.

It is based on these developments that we present our **Midterm Corporate Strategy 2024 – Creating MC Shared Value**. The inspiration for **Creating MC Shared Value** is rooted in a vision of **continuously creating significant shared value by elevating the MC Group’s collective capabilities in order to address societal challenges**.

We will endeavor to bolster the capabilities that come from fostering organic **connections** across MC’s core strengths, namely **industry expertise and insight**, gained through our extensive experience in trade and business management; **global intelligence**, collected in a timely manner through our unique worldwide network of offices and group companies; **business portfolio transformation** in response to a changing business environment; **financial soundness**, rooted in fiscal discipline; and most of all, **a diverse and versatile talent pool**, comprised of highly-motivated professionals who are driven to pursue business innovation. In other words, we will seek to further strengthen our **collective capabilities**. We will mobilize our foresight and execution skills across areas and industries by fully drawing on these collective capabilities, thereby creating overall value that is greater than the sum (Σ) of its parts.

Amid turbulent times, we always return to the spirit of our all-encompassing **Three Corporate Principles** and I would like us to continue to be an enterprise that **steadily grows in step with society**.

We will achieve this by **furthering the company’s growth in lockstep with the growth of our employees, while striving to address societal and industry challenges**.

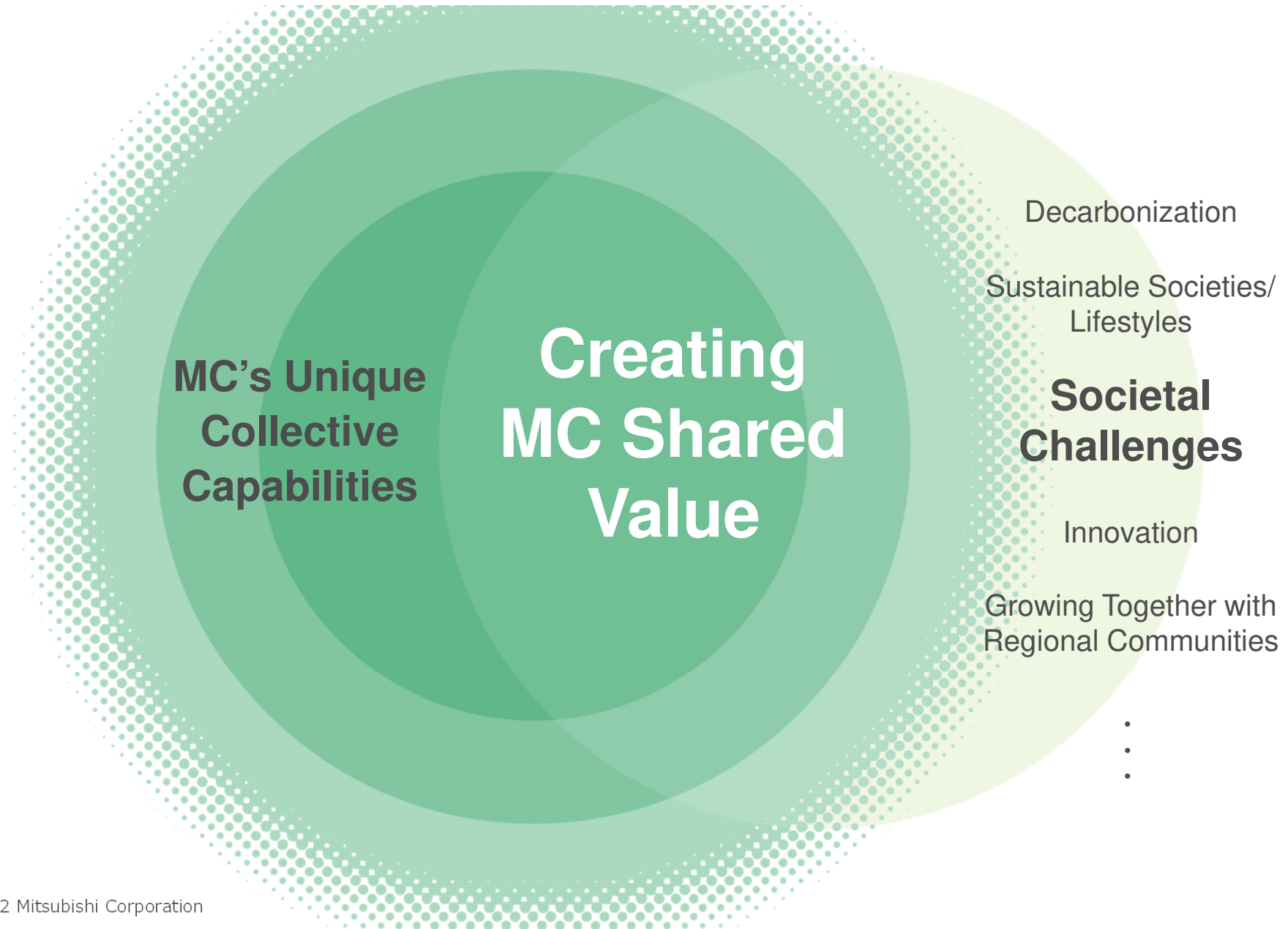


Katsuya Nakanishi

May 10, 2022

What Is MCSV?

The continuous creation of significant shared value by elevating MC Group's collective capabilities in order to address societal challenges.



Our Goals Under Midterm Corporate Strategy 2024

Creating MC Shared Value

Quantitative Targets / Shareholder Returns

- Steady growth of earnings independent of market factors. Shareholder returns through progressive dividends and flexible company share buybacks.
- Cash flow management rooted in financial discipline and investment planning/business portfolio management focused on future growth.

Fostering and Leveraging Connections to Maximize the MC Group's Unique Collective Capabilities

1

Leading Transformations and Connecting to Growth

Growth Strategies

- EX Strategy (Decarbonization Solution Provider)
- DX Strategy (Linking Digital Technologies with the Real World)
- Creating a New Future (Fostering New Industries/Regional Revitalization)

2

Connecting Our Business to the Future with Disciplined Growth

Business Management

- Business Management Systems

3

Connecting Diverse Sources of Intelligence

Management Mechanisms

- Organization
- Maximizing Our Collective Capabilities Through Cross-Organizational Initiatives
- Management Mechanisms for Maximizing Our Collective Capabilities

4

Creating a Vibrant Organization by Interconnecting a Versatile and Diverse Talent Pool

HR Policies

- Policies for Maximizing the Value of Human Capital

5

Interconnecting with Diverse Stakeholders and Reinforcing Our Presence as a Trusted Member of Society

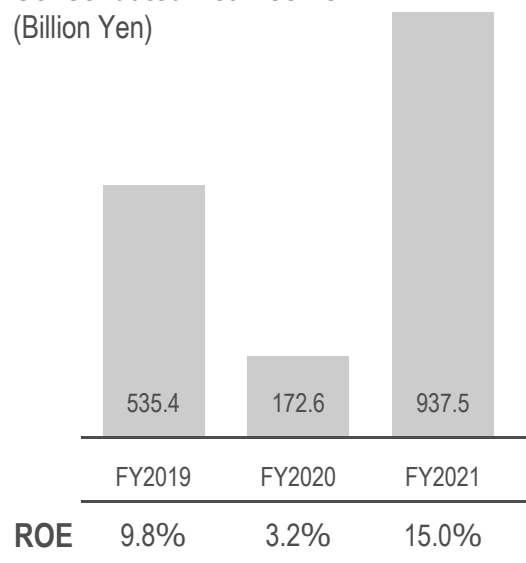
Sustainability Policies

- Materiality
- Initiatives Related to MC's Roadmap to a Carbon Neutral Society

Quantitative Targets

Steady Growth of Earnings Independent of Market Factors

Consolidated Net Income
(Billion Yen)



Financial Outlook
850.0 Billion Yen



FY2022

60.0 Billion Yen
Existing Projects
Value-Added Cyclical Growth

Prospective Projects/
New Investments

90.0 Billion Yen

800.0 Billion Yen

FY2024

Double-Digit ROE

Capture Upside
Potential



Strengthen Downside
Resilience

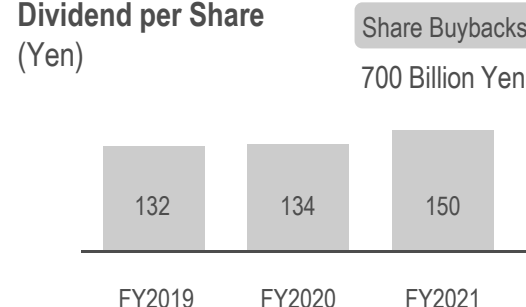
*Primary Market Factors

Mineral Resources Group
(Metallurgical Coal, Copper and Iron Ore)
Natural Gas Group (Crude Oil, Gas and LNG)

Shareholder Returns

Balanced Policy of Financial Soundness, Stable Dividend Growth and Market Expectations on Shareholder Returns

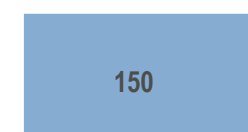
Dividend per Share
(Yen)



Share Buybacks
700 Billion Yen

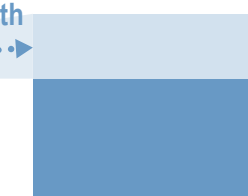


Progressive Dividend Scheme That Provides Increased Dividends
in Response to Sustainable Earnings Growth



FY2022

Progressive Dividend

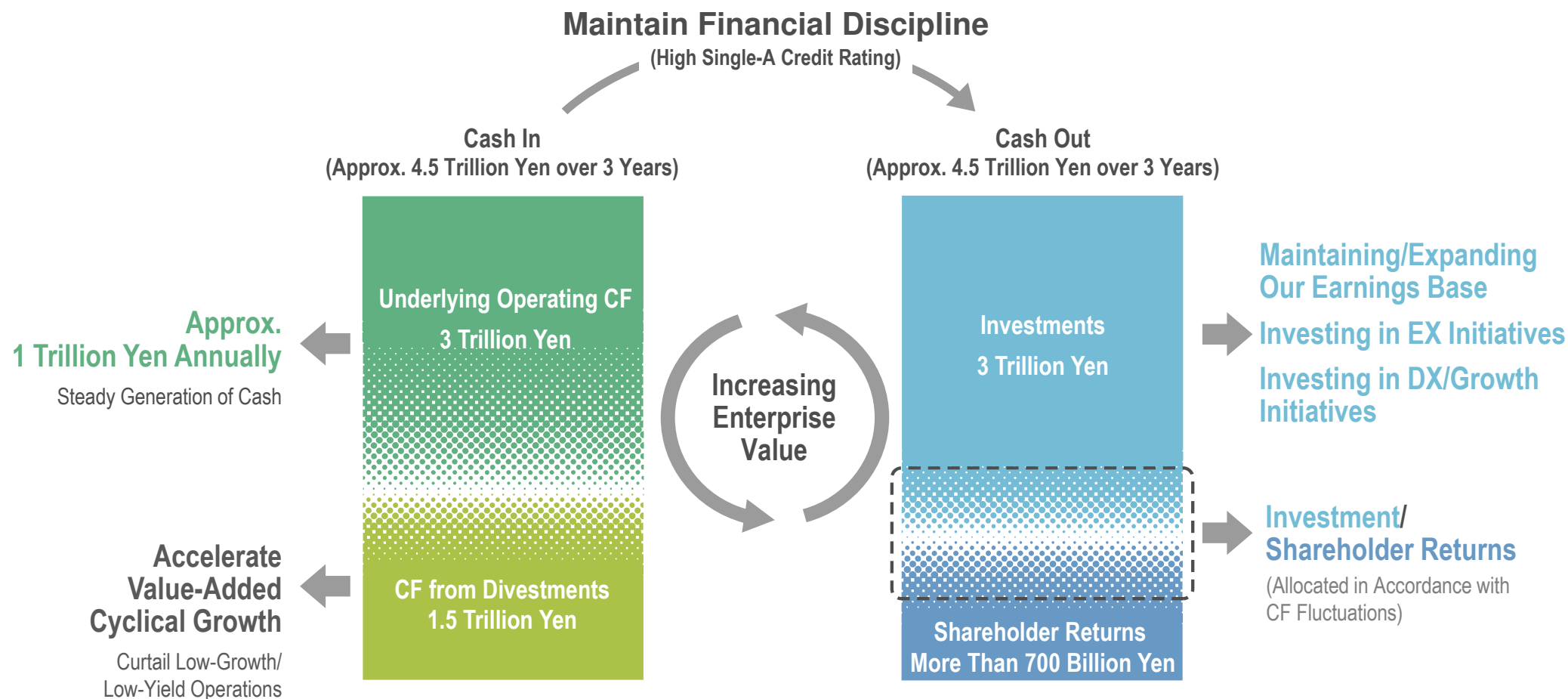


FY2024

● Target Total Payout Ratio of
Around 30%-40%

● Share Buybacks Conducted in
a Flexible, Financially-Disciplined
Manner

In order to increase enterprise value, we will strategically allocate CF into investments and shareholder returns, while maintaining financial discipline. We will also seek to lower our cost of capital by enhancing stakeholder confidence in our business operations through expanded disclosure and dialogues.



Investment of 3 trillion yen is planned during this midterm strategy; EX-related investments are to be accelerated. At the same time, we will steadily promote investment in maintaining/expanding our earnings base and in DX/growth-related investment areas.

Investment Plan (FY2022-FY2024)

Area	Scale of Investment	Major Investment Targets of Midterm Corporate Strategy 2024		
Maintain/ Expand Earnings Base	Approx. 1 Trillion Yen	Metallurgical Coal	Food	Automobiles, etc.
EX-related	Approx. 1.2 Trillion Yen	Copper		Natural Gas
		Renewable Energy		Next-Generation Energy (Hydrogen/Ammonia/Biomass, etc.)
		Battery Materials/Bauxite, etc.		
		Digital Infrastructure		Urban Management
DX/Growth-related Investment	Approx. 0.8 Trillion Yen	Supply Chain Optimization		Urban Development, etc.



CF will be allocated to EX/DX and growth investments to support future growth.

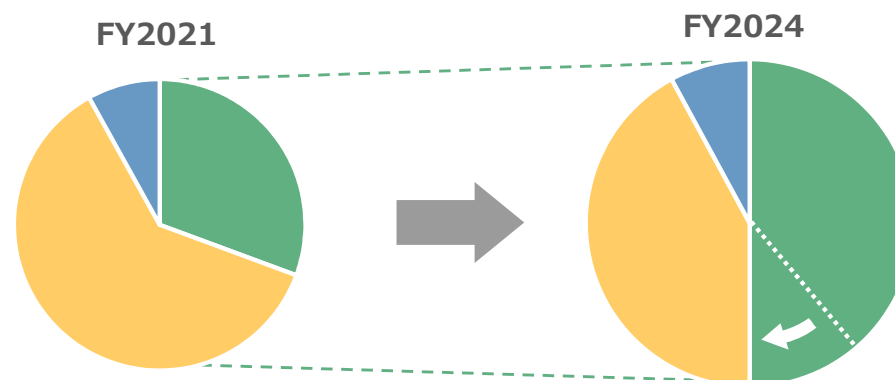
 **Acceleration of EX Investment**

- MC's **Roadmap to a Carbon Neutral Society** includes plans for 2 trillion yen of investment in EX-related initiatives by FY2030.
- By accelerating EX-related investment, we will reinforce our business portfolio. We will also endeavor to simultaneously deliver decarbonization and a stable energy supply.

Business Portfolio

Balance of Investment

- Maintain/Expand Earnings Base
- EX-related
- DX/Growth-related



- Expand ratio of EX-related business portfolio from 30% to around 40% (end of FY2021~2024).
- Increase ratio to around 50% in the future.

1

Leading Transformations and Connecting to Growth

- Promote low/zero carbon initiatives across the energy sector by connecting seeds (solutions) with needs related to EX Resources, Materials and Products.
- Provide solutions as EX Services while working closely with industry, consumers and regions to address emission reduction needs.

EX

Take on the challenge of providing stable supplies of energy and resources while simultaneously supporting decarbonization efforts of society and business.

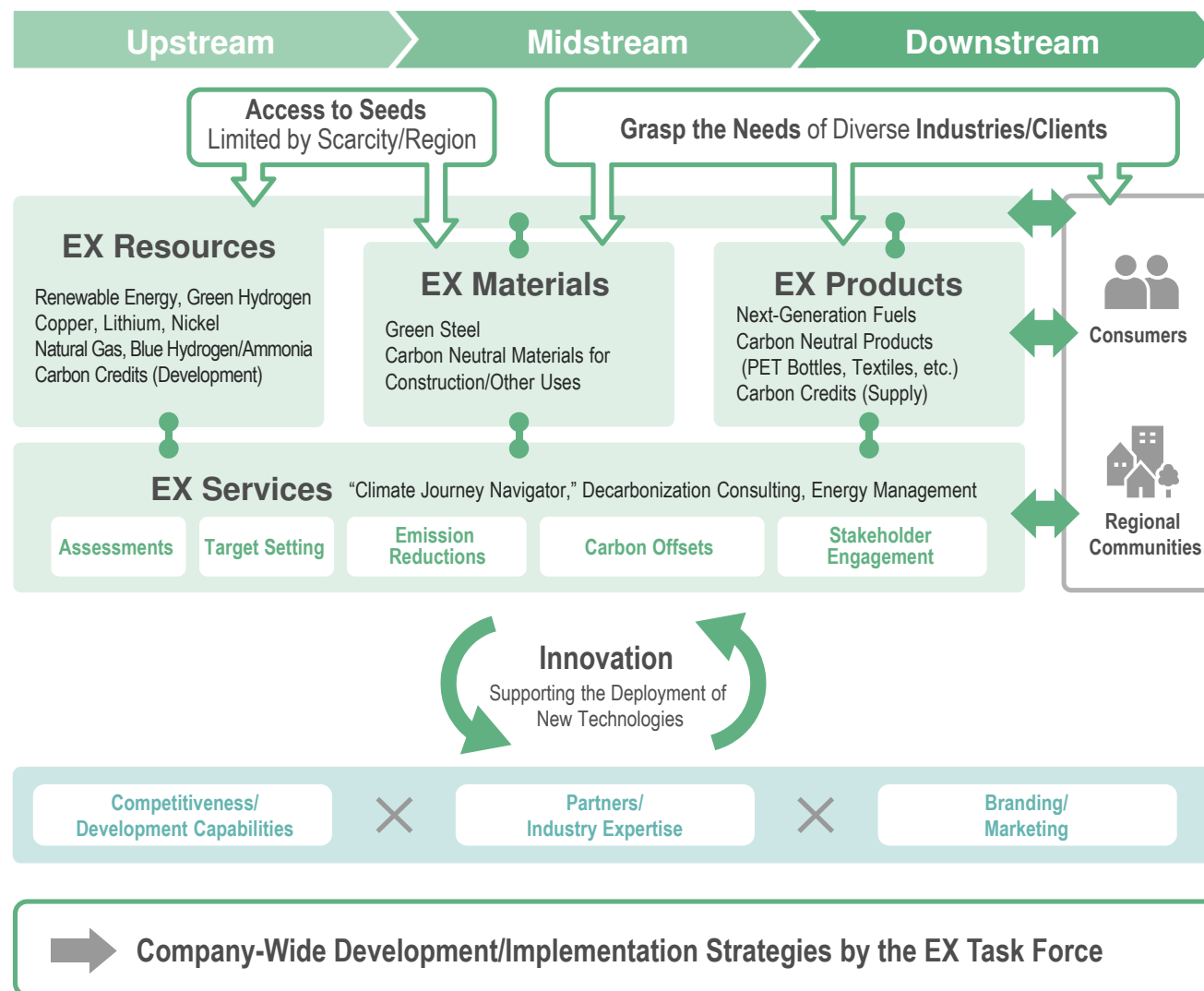
Efforts to enhance renewable energy businesses, mineral resources that underpin Electrification, and low/zero carbon energy.

Expand service-providing businesses by offering EX solutions in response to customer needs.

Leverage MC's far-reaching operations to appeal to consumers/regional communities by connecting seeds and needs.

Join with partners to support the transition to a carbon neutral society and improvements in industry competitiveness, while maintaining a holistic view of the EX value chain.

Aim to Become a Decarbonization Solution Provider



- Broadly deploy MC's DX Capabilities across business operations in order to promote value enhancement through DX initiatives, targeting diverse, real-world businesses.
- Address societal challenges by linking digital technologies with the real world, thereby contributing to the development of industry and a future society with vibrant communities.

DX

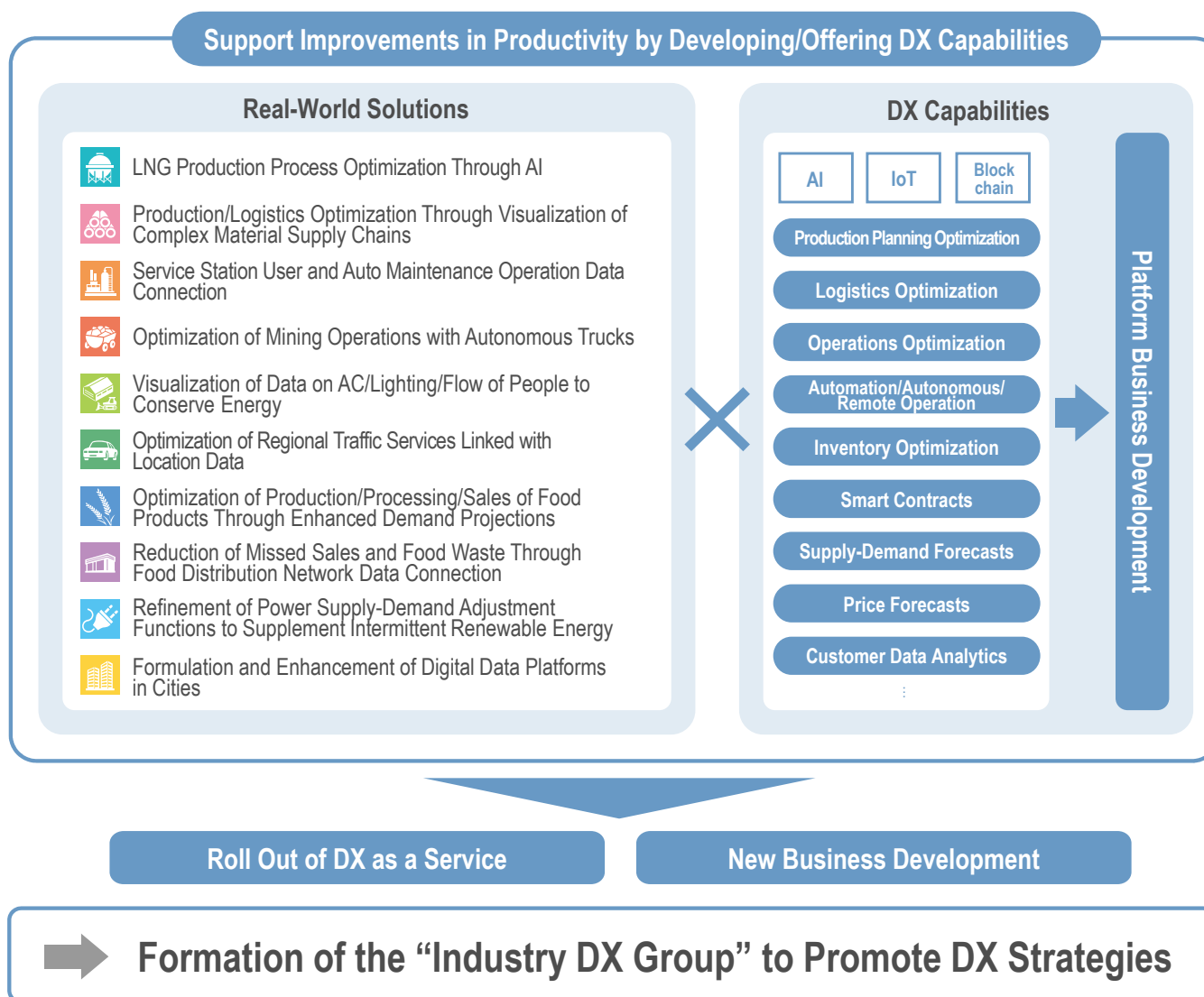
Build **cross-industry digital ecosystems** with optimized business models.

Accelerate the development & provision of cross-industry DX Capabilities that leverage business knowledge.

Contribute to enhancing the value of entire industries by offering DX Capabilities as a service.

Contribute to the creation of vibrant regional communities by providing new businesses and optimal services.

Raise productivity throughout society by interconnecting industry, business and communities, thereby contributing to the creation of sustainable value.



Work with partners and local municipalities to address challenges facing society and industry on the themes of (1) utilizing renewable energy and other local energy resources; (2) creating new “Carbon Neutral (CN)” industries; and (3) developing vibrant communities by helping to resolve regional issues.

Utilizing Integrated EX/DX Initiatives to Promote Regional Revitalization

EX

Issues for Regional Industries:
Decarbonization, Increasing Self-Sufficiency, New Industry Creation, etc.

DX

Issues for Regional Communities:
Fortifying Existing Industries,
Securing Labor, Aging Demographics Policies, etc.

Utilize Natural Energy (Local Resources) Including
Wind (Offshore/Onshore), Hydro, Solar, Geothermal, etc.

1 Utilizing Local Energy Resources

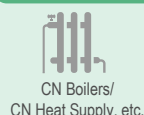


Renewable Energy

Green Hydrogen

Green Electricity

Clean Heating



CN Boilers/
CN Heat Supply, etc.

Clean Materials



CN Construction Materials/
CN Materials

Next-Generation Fuels



CN Automobiles/
CN Fuels, etc.

Clean Products



CN PET Bottles/CN Textiles, etc.

Regional Circular Economies Rooted in
“Local Production for Local Consumption”

Creation of New CN Industries Catalyzed by Renewable Energy

2 Creation of New CN Industries

Green Brands
("A Leading CN City")

Expand to
Other Areas

Further Job Creation/Workforce Expansion
Increase in Regional GDP

Regional Economy

Building
Regional Brand

Regional Agricultural/
Fishery Products
Branding/Marketing
Commercial Facilities
Development
Promotion of Tourism
Inbound Visitors/
Tourism Resources
Promotion of
Sports/Culture

Collaborative
Communities

Utilities

Distributed Power (Renewable Energy)/Energy Management (Energy Storage)

Mobility/Infrastructure

On-Demand Transportation/EVs & Charging Infrastructure/Energy Storage

Disaster Resilience

Renewable Energy×Energy Storage (Local Production, Local Consumption)/
Increased Energy Self-Sufficiency

Local Municipalities/
Administration

Regional Data Platforms

Digitization of
Administration Services
Collaborating with Local Municipalities/
Urban Operating Systems

Community Life

Daily Life & Health

Childcare Support
Education
Remote Medical &
Health Care
Services for Safety/
Security

3 Creating Vibrant Communities

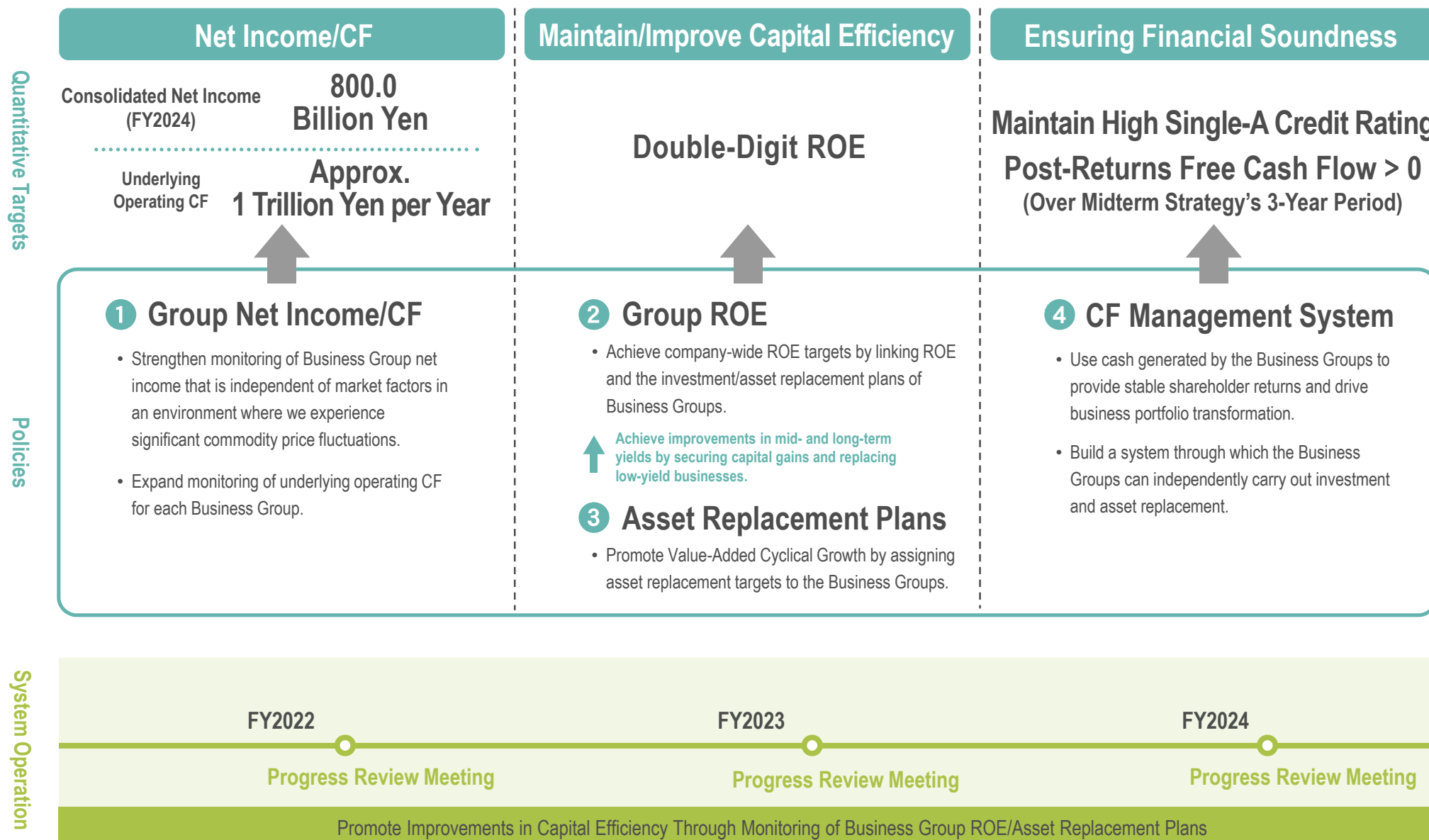
Next-Generation Community Development That Realizes
“Local Revitalization via Creating Local Industries”

Self-Sustained Decentralized Communities That Are Convenient and Vibrant

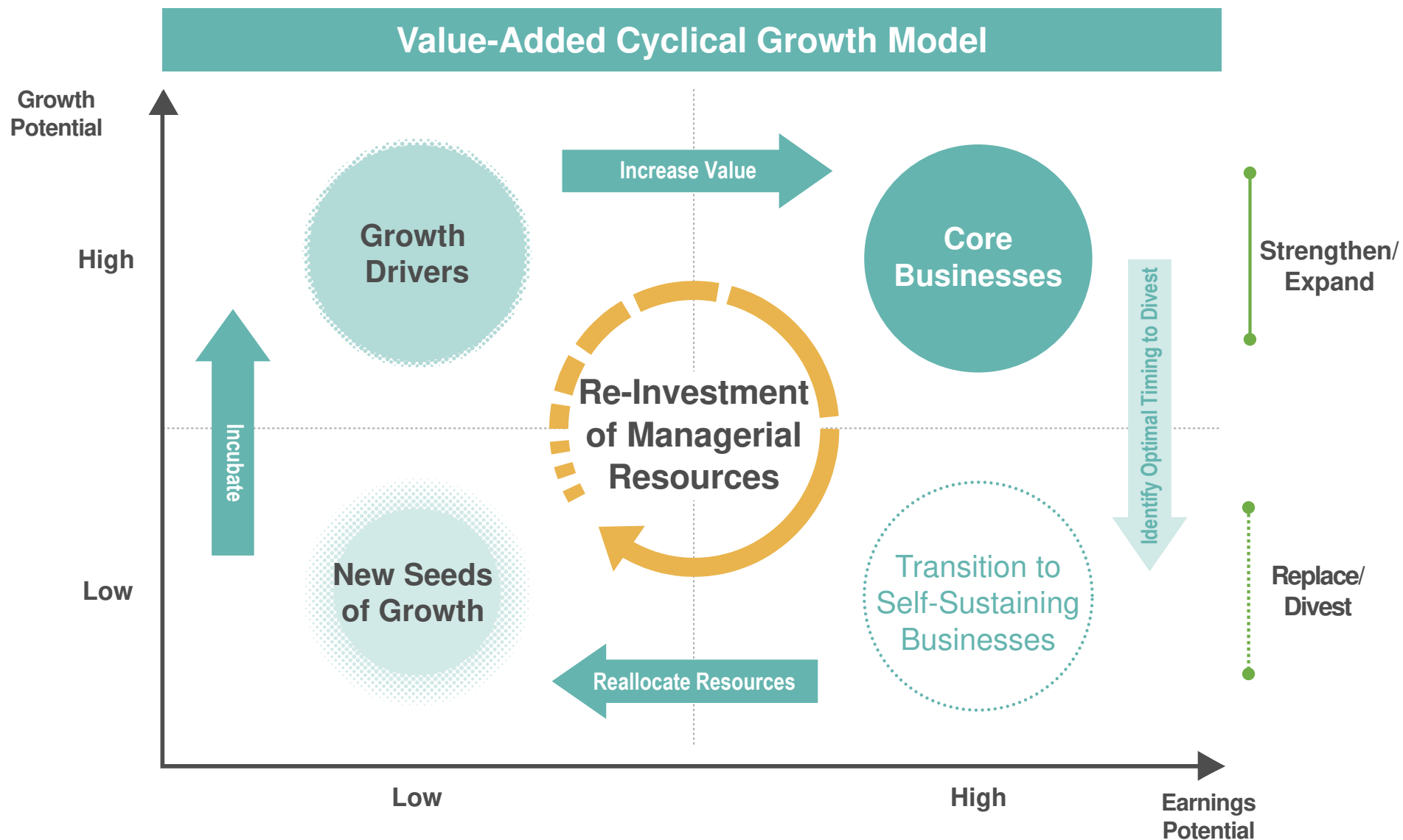
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Connecting Our Business to the Future with Disciplined Growth

Establish management mechanisms to promote self-initiated strengthening of Business Group management with a view to achieving quantitative targets.



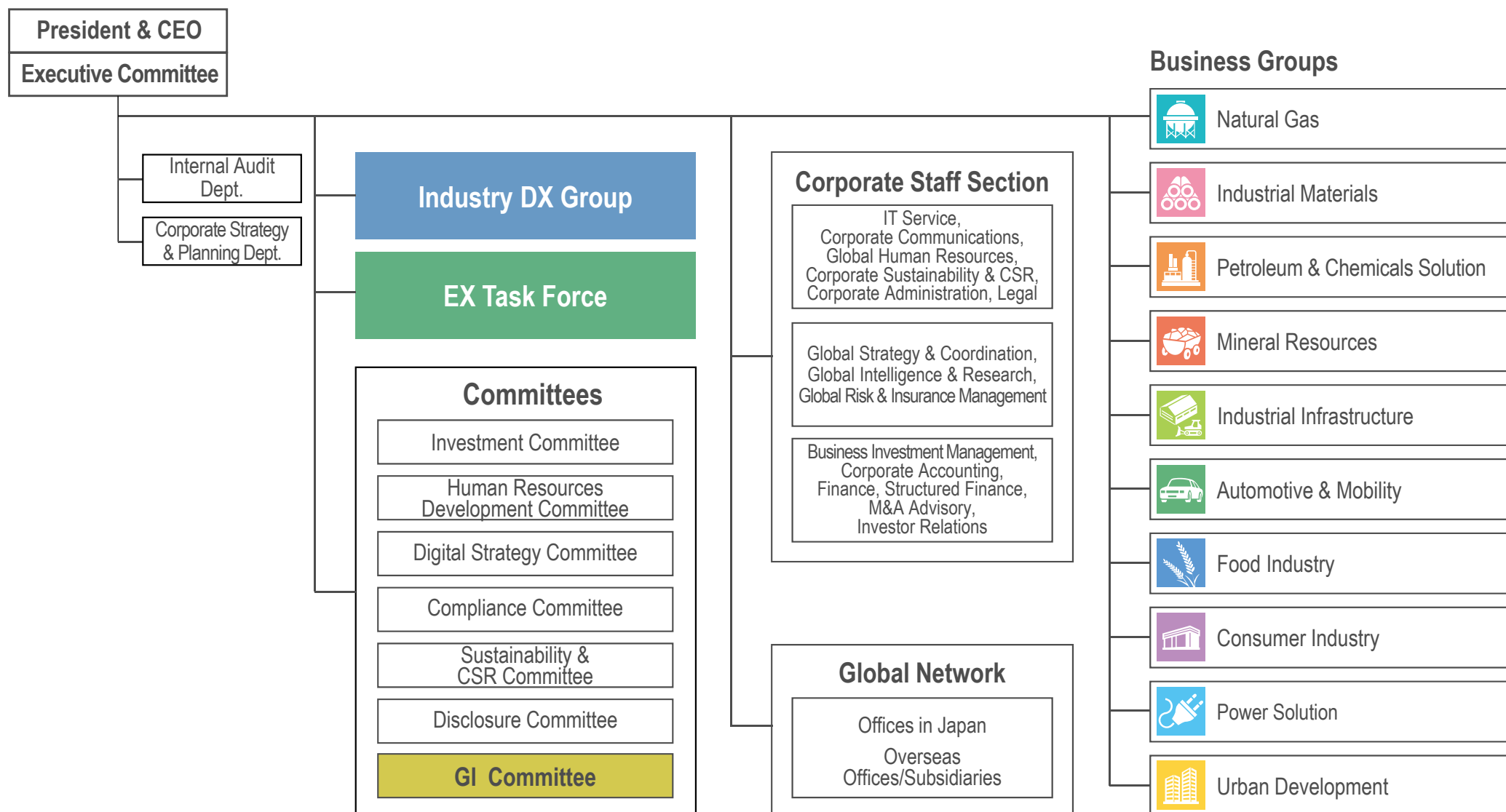
Respond to changes in the business environment by accelerating the application of the Value-Added Cyclical Growth Model and redirecting managerial resources to New Seeds of Growth and Growth Drivers.



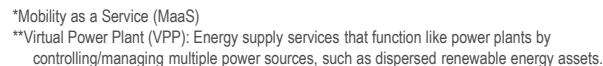
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Connecting Diverse Sources of Intelligence

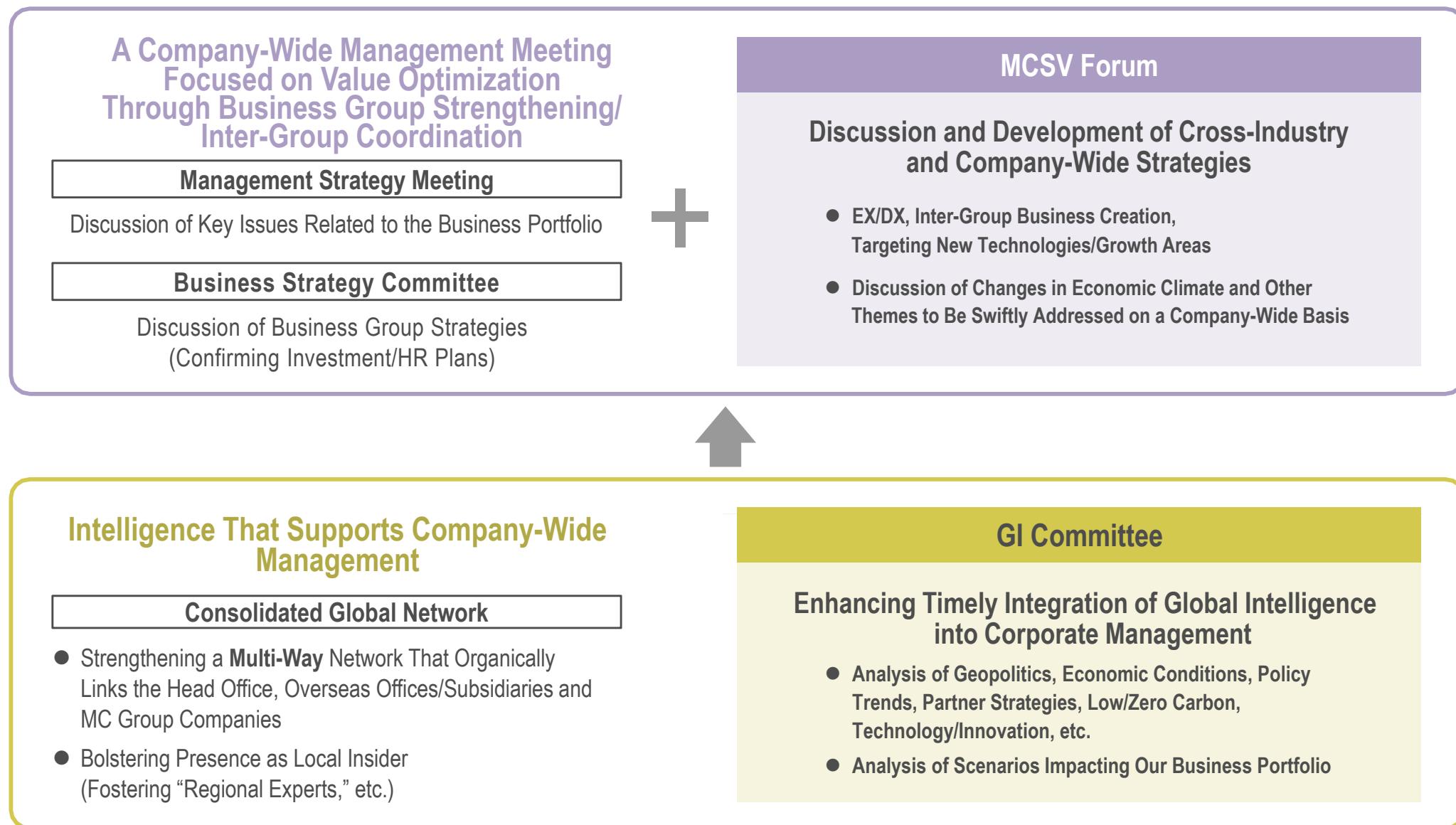
- Establish the Industry DX Group. Increase momentum in the DX area through coordination among Business Groups, MC offices/subsidiaries and the EX Task Force.
- Establish the Global Intelligence (GI) Committee as a subcommittee under the Executive Committee. Strengthen capacity to respond to rapidly-changing external environment.



Societal issues



Address challenge of unpredictable changes occurring across industries by promoting cross-industry strategies on a company-wide basis through the MC Shared Value (MCSV) Forum while also incorporating input from the GI Committee.



4

2024

Creating a Vibrant Organization by Interconnecting a Versatile and Diverse Talent Pool

- Enable motivated professionals who take pride in actively fulfilling their responsibilities with a view toward creating MC Shared Value, while interconnecting with members of our diverse and versatile talent pool.
- Strive to optimize the value of our human capital by creating such a **dynamic, spirited and vibrant organization**.



5

**Interconnecting with Diverse Stakeholders
and Reinforcing Our Presence
as a Trusted Member of Society**

Creating MCSV by selecting a set of crucial societal issues as our unique definition of “materiality” that we will prioritize through our business activities.

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.

*Triple-value growth: the simultaneous generation of economic value, societal value, and environmental value

Adopt and promote mechanisms for simultaneously decarbonizing and reinforcing our portfolio by classifying each business based on climate-related transition risks and opportunities as part of our efforts to achieve the GHG reduction targets formulated last October in MC's Roadmap to a Carbon Neutral Society (halve by FY2030 and net zero by 2050).

MC Climate Taxonomy

Classify businesses that face significant climate-related transition risks/opportunities as either **"Green"** or **"Transform."**

Green

Renewable Energy

Green Hydrogen

⋮

Transform

Natural Gas

Metallurgical Coal

⋮

**White
(Other)**

Food Logistics

Urban Development

⋮



Mechanisms Guiding Efforts



1.5°C Scenario Analysis

Conduct an analysis of transition risks and opportunities based on 1.5°C scenario.



Transform Discussion

Monitor the effects of transition risks on businesses at the management level every year, targeting those classified as Transform businesses, which are selected based on criteria such as the amount of Category 11* emissions, which account for the majority of MC's Scope 3 emissions.



Investment Planning in Accordance with GHG Reduction Plans

Adopt a new process of confirming short- and mid-term GHG reduction plans when formulating investment plans.

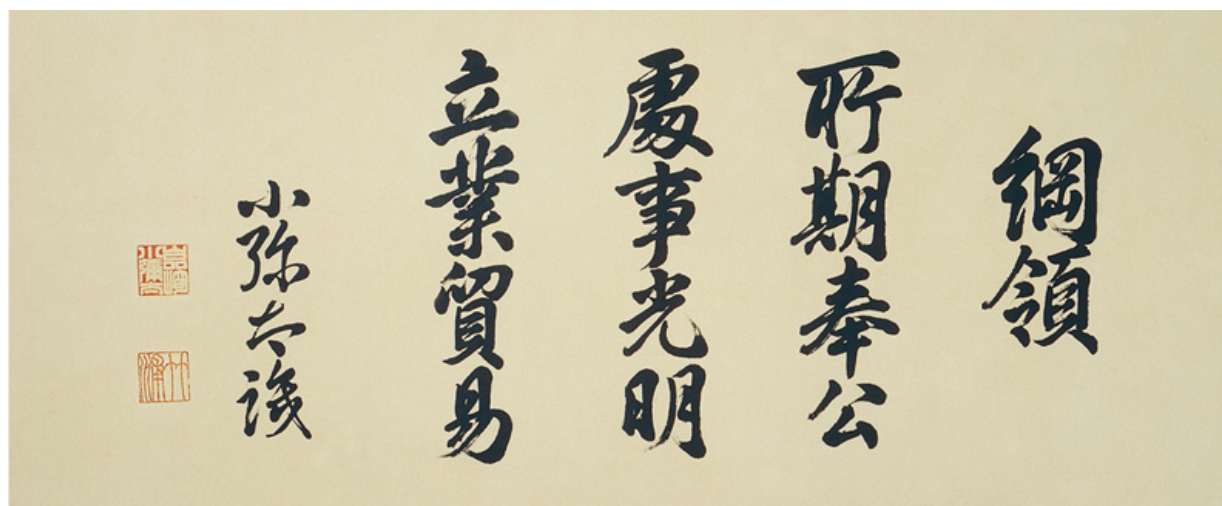


Evaluation of New Investment Using Assumptions Under Decarbonization Scenario

Refer to profit margin indexes (internal carbon pricing, etc.) using key assumptions under decarbonization scenario.

* Scope 3 Category 11: GHG emissions from the use of sold products

Fulfill our mission of simultaneously generating **economic value**, **societal value**, and **environmental value** through our business activities as we respond to the needs of all our stakeholders, while continuously returning to **the Three Corporate Principles**, which have guided MC's corporate philosophy since its founding.



Corporate Responsibility to Society “Shoki Hoko”

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

Integrity and Fairness “Shoji Komei”

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

Global Understanding Through Business “Ritsugyo Boeki”

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



(Forward-Looking Statements)

- This release contains forward-looking statements about Mitsubishi Corporation's future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company's assumptions and beliefs in light of competitive, financial and economic data currently available and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices.
- Accordingly, Mitsubishi Corporation wishes to caution readers that actual results may differ materially from those projected in this release and that Mitsubishi Corporation bears no responsibility for any negative impact caused by the use of this release.

(Notes Regarding These Presentation Materials)

- Consolidated net income in this presentation shows the amount of net income attributable to owners of the Parent, excluding non-controlling interests.