Translation of report filed with the Tokyo Stock Exchange on May 2, 2025

Notice of the Opinion of Mitsubishi Corporation’s Board of Directors Regarding Shareholder Proposals

Mitsubishi Corporation (“MC”, the “Company”, “we” or “our”) has received a letter from three shareholders stating their intention to exercise their proposal rights at the 2025 Ordinary General Meeting of Shareholders scheduled to be held on June 20, 2025.

As set forth in the Annex of this document, the shareholders propose partial amendment of the Articles of Incorporation to provide that the Company shall:

- disclose information related to financial risk audits conducted by the Audit & Supervisory Committee (“Shareholder Proposal I”), and;
- disclose the financial impact of failing to meet a 1.5 degree Celsius target under the Paris Agreement (“Shareholder Proposal II”).

Shareholder Proposal I and Shareholder Proposal II are herein collectively referred to as the “Shareholder Proposals”.

MC hereby announces that its Board of Directors has resolved to oppose the Shareholder Proposals at its meeting held today. This opinion was reached following review of Shareholder Proposal I by the Audit & Supervisory Committee.

1. The Shareholder Proposals

Please see the Annex hereto.

2. Opinion of the Board of Directors

■ Shareholder Proposal I: Partial Amendment to the Articles of Incorporation; Disclosure of Financial Risk Audit by Audit & Supervisory Committee

The Board of Directors opposes this proposal.

As described in paragraph (1) below, the scope of the audits conducted by the Audit & Supervisory Committee includes risk management which covers financial risks and others. The activities and results of such audits have already been shared in our various disclosure materials. In addition, as described in paragraph (2) below, it is not appropriate to require the Audit & Supervisory Committee to specify and disclose the basis, evaluation standards, and other frameworks for each risk assessment conducted as part of an audit, given the nature of such activities. Therefore, the provisions as requested by Shareholder Proposal I should not be stipulated in the Articles of Incorporation.

(1) Status of Audits Conducted by the Audit & Supervisory Committee

(a) Scope of Audits

The Audit & Supervisory Committee audits the matters listed below in accordance with the Companies Act and other laws and regulations, as well as MC's Articles of Incorporation and internal regulations. The scope of the audits includes risk management which covers financial risks and others.

- Board of Directors decision-making process
- Execution of duties by directors
- Implementation and effectiveness of internal controls

(b) Audit Activities

Each Audit & Supervisory Committee member attends Board of Directors' meetings as a director who is an Audit & Supervisory Committee member and confirms the appropriateness of the decision-making process. In addition, through the activities listed below, the Audit & Supervisory Committee ensures that Company operations are conducted in accordance with the basic management policies set forth by the Board of Directors, and that the Board of Directors appropriately implements the Company's internal controls, including risk management frameworks, and verifies and monitors their effectiveness.

- Dialogue with management and executive officers
- Attendance of important internal management meetings
- On-site audits and observation of domestic and overseas group companies

In addition, the effectiveness of audits is enhanced by cooperating with MC's internal audit department.

(c) Disclosure of Audit Activities and Results

The status and results of audit activities conducted by the Audit & Supervisory Committee are disclosed in an audit report prepared in accordance with the Companies Act, as well as on the website, in integrated reports, corporate governance reports and various other disclosure materials. This verifies information regarding resolutions made by the Board of Directors on the implementation of internal controls and the operational status thereof. Therefore, the activities and audit results of the Audit & Supervisory Committee may be disclosed in various ways, including but not limited to the aforementioned audit report, and we determine the most suitable disclosure methods from the perspective of providing information to stakeholders appropriately.

(2) Nature of Audit Activities

The Audit & Supervisory Committee decides key audit matters and the annual audit plan following comprehensive consideration of management issues, external factors and others. They are required to make agile and responsive judgments during their audit activities in response to internal and external change, and they are also required to assess overall management of the Company from various perspectives. Audits inherently require the flexibility to determine key audit items in response to changes in circumstances as well as diverse perspectives, therefore, it is not practical to comprehensively specify the basis, evaluation standards, and frameworks for each risk assessment conducted by the Audit & Supervisory Committee. Consequently, it is not appropriate to require the stipulation of the definition and disclosure of such matters in the Articles of Incorporation, which establish the basic principles for Company operations.

Internal Audit & Supervisory Committee members are appointed based on their knowledge and experience in MC's overall management, finance, accounting, legal affairs, risk management, among others. External Audit & Supervisory Committee members are selected based on their diverse and extensive knowledge and experience in corporate management, and other areas of expertise that contribute to audit and oversight including, but not limited to, business management, finance, accounting, risk management, legal affairs, environment, and social policy. All Audit & Supervisory Committee members are appointed by MC's shareholders through a resolution at the General Meeting of Shareholders.

For the above reasons, the Board of Directors opposes Shareholder Proposal I.

■ **Shareholder Proposal II: Partial Amendment to the Articles of Incorporation; Disclosure of the financial impact of failing to meet a 1.5 degree Celsius target under the Paris Agreement**

The Board of Directors opposes this proposal.

As outlined in paragraph (1) below, we are already preparing to disclose our outlook on the financial impacts arising from both the transition risks and opportunities[1] related to climate change, as well as the physical risks[2] requested in this shareholder proposal, and the extent of such impacts. We intend to disclose the outcome of the analyses no later than the timeline for the application of the Sustainability Standards Board of Japan (SSBJ) disclosure standards. In addition, we have already conducted scenario analyses on these risks and opportunities and have shared the detailed results publicly. Furthermore, considering the operational constraints outlined in paragraph (2) below, the provisions as requested by Shareholder Proposal II should not be stipulated in the Articles of Incorporation.

(1) Analyzing and Disclosing Transition Risks and Opportunities and Physical Risks

We acknowledge that climate change presents a significant risk, however, it also offers new business opportunities through innovation and the creation of new business models. Based on this principle, we have identified "contributing to a decarbonized society" as a material issue that MC must address through our business activities. This is regarded as a critical management concern that must be tackled to achieve sustainable growth. Furthermore, we believe it is essential to appropriately assess the risks and opportunities associated with climate change for each business, and to develop business strategies accordingly, to simultaneously achieve decarbonization and enhance the resilience of our portfolio.

In this context, we have been conducting scenario analyses using climate scenarios since FY2019. The specific initiatives we have undertaken are as follows:

- Transition Risks and Opportunities: To identify and manage transition risks and opportunities, we have conducted a 1.5°C scenario analysis based on the assumption of achieving net-zero emissions by 2050 for three key business areas: natural gas/LNG, steelmaking coal, and renewable energy. We have disclosed the impact of these risks and opportunities on each business area, as well as the related policies and initiatives based on the analysis.
- Physical Risks: To assess and manage physical risks, we have analyzed our portfolio using the most extreme climate change scenario (RCP8.5 scenario) as defined by the Intergovernmental Panel on Climate Change (IPCC). We have disclosed the current measures and future response plans for assets likely to be affected by physical risks.

Additionally, we are preparing to disclose further information in accordance with the relevant disclosure

[1] Transition risks/opportunities refer to the potential impacts that companies may face if average global temperatures are limited to 2°C or 1.5°C above pre-industrial levels due to climate change mitigation efforts.

[2] Physical risks refer to the potential impacts that companies may face due to events resulting from climate change, such as the intensification of natural disasters or changes in temperature and precipitation.

standards, including those set by the International Sustainability Standards Board (ISSB) and the Sustainability Standards Board of Japan (SSBJ). As part of this disclosure, we plan to expand on the financial impacts of climate change risks, including the analyses that have already been disclosed.

(2) <u>Impeding Effective Business Execution</u>

The purpose of the Articles of Incorporation is to establish the fundamental principles for MC's operations in accordance with the Companies Act. It is not appropriate to stipulate specific matters, such as disclosure of quantitative assessments of the projected financial impacts of various risks, or the degree to which the projected financial impacts will affect capital expenditures, as this would significantly impede our ability to manage our operations effectively. Such provisions would limit flexible business execution and hinder our ability to adopt or revise policies in a timely manner in response to the rapidly changing business environment. This, in turn, could adversely affect our corporate value.

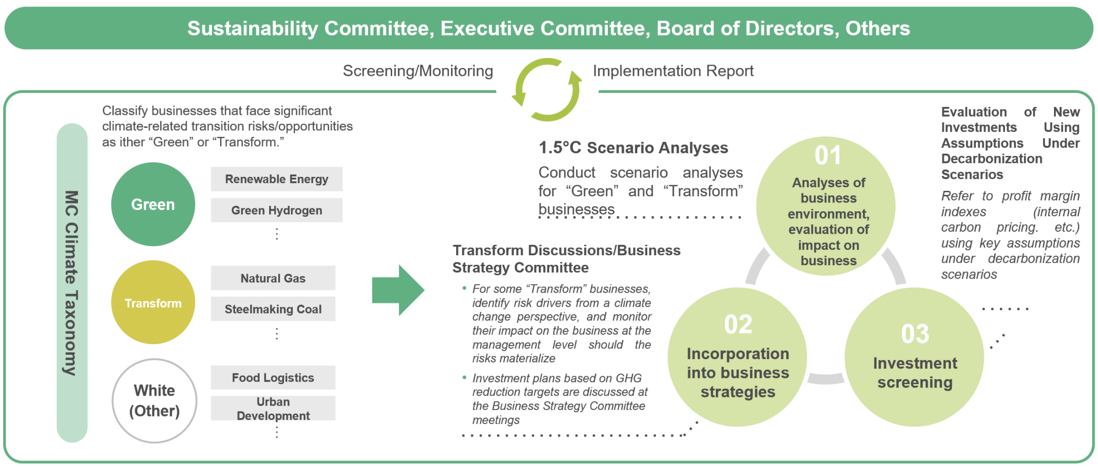
For the above reasons, the Board of Directors opposes Shareholder Proposal II.

3. **<u>Initiatives Toward Achieving a Carbon-Neutral Society</u>**

In October 2021, we formulated our "Roadmap to a Carbon-Neutral Society" (hereinafter referred to as the "Roadmap") in which we declared our goal of achieving net-zero greenhouse gas (GHG) emissions by 2050. As an active player in a variety of industries including mineral resources and energy, we will fulfill our responsibility to provide a stable supply of energy while striving to achieve a carbon neutral society.

(1) Mechanism for simultaneously decarbonizing and reinforcing MC's portfolio

As part of our sustainability initiatives to address climate change, we have introduced a mechanism to simultaneously decarbonize and reinforce our portfolio, as shown in the figure below.



The foundation of this mechanism is a business classification system, known as the MC Climate Taxonomy, that classifies each of our businesses into one of three categories. Businesses that offer significant climate-related transition opportunities are classified as "Green" businesses, while those subject to significant climate-related transition risks are classified as "Transform" businesses. Businesses that do not fit into either of these two categories are classified as "White" businesses. Based on this classification, we conduct 1.5°C scenario analyses (detailed in the next section) to analyze the business environment and assess the impact on our businesses, identifying climate change-related risk items for specific businesses, assessing the current status and trends, and discussing the impact of these items through "transform discussions" and meetings regarding the integration of climate change factors into business strategy. Additionally, we conduct evaluations using assumptions under decarbonization scenarios to assess profitability and these evaluations provide one of the criteria in our investment decisions.

Moreover, MC's approach to, and policies on, climate change are discussed and reviewed by the Sustainability Committee, a subcommittee under the Executive Committee, based on opinions and advice from external experts through the Sustainability Advisory Committee. After thorough deliberation, these policies are decided by MC's Executive Committee, our officer-level decision-making body. Furthermore, as stipulated in the regulations governing MC's Board of Directors, the Executive Committee reports its findings regularly to the Board of Directors.

(2) Transition Risks and Opportunities, Physical Risk Analysis

(a) Transition Risks and Opportunities Analysis

We conduct transition risks and opportunities analysis using a 1.5°C scenario that assumes realization of net zero by 2050 and discloses the results. Specifically, we create and use a customized, specific model of the 1.5°C scenario, while aligning key assumptions with the IEA's scenario wherever possible, allowing for a detailed level of granularity on topics such as demand by region and product.

In line with our MC Climate Taxonomy, we perform a risk analysis for our natural gas/LNG and steelmaking coal businesses, both of which are classified as "Transform" businesses with particularly large-scale assets. We also perform an opportunity analysis for our renewable energy business. We have disclosed the results of these analyses[3].

Through this analysis, we have determined the resilience of our business portfolio, even under a 1.5°C scenario assuming rapid society-wide decarbonization. However, we continue to update our analysis based on the latest available climate scenarios.

(b) Physical Risk Analysis

In addition to our efforts to achieve a decarbonized society, we recognize that our businesses and assets are exposed to physical risks associated with climate change. Therefore, in addition to the 1.5°C scenario analysis mentioned above, we also evaluate the potential impacts of physical risks, such as floods, droughts, and rising temperatures, on our operations.

Based on the identification of material assets and screening using climate model forecasts, we have conducted detailed analysis targeting our steelmaking coal business in Australia and our copper business in Chile, and we have disclosed the results[3].

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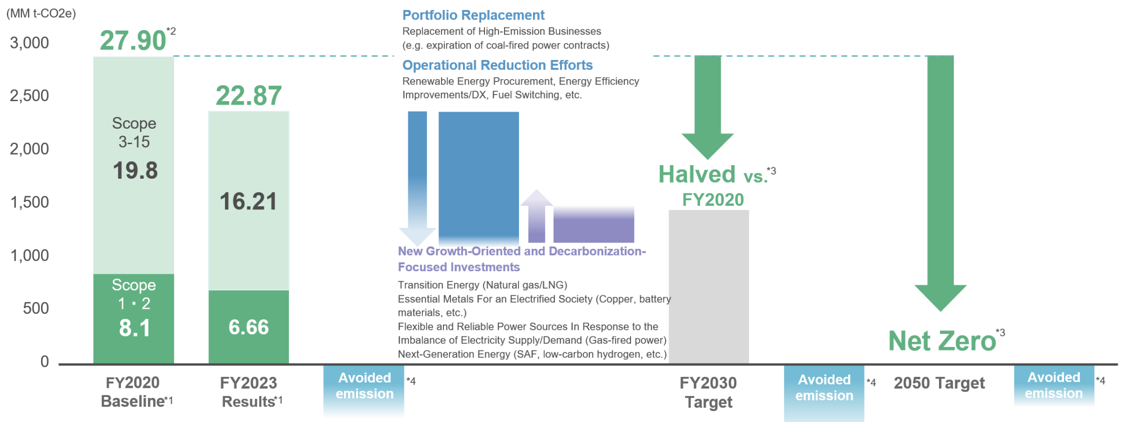
[3] For detailed analysis results, please refer to the sustainability page on our website (Link).

In consideration of the outcomes of this analysis, we are implementing initiatives to increase the resilience of our business sites in preparation for the intensification of physical risks in the future.

(3) Greenhouse Gas (GHG) Emissions Reduction Plan and Progress to Date

We are actively working on the measures outlined in point (1) to achieve the GHG reduction targets established in our Roadmap: halving emissions by FY2030 compared to FY2020 and reaching net zero emissions by 2050. In FY2023, our GHG emissions amounted to 22.87 million tons, representing an 18% reduction from 27.90 million tons in FY2020, which serves as our baseline year.



*1 Restated due to changes such as the shift in GHG calculation standards from the equity share approach to the financial control approach.
*2 The base year figures include emissions from thermal power generation and natural gas projects, which comprise (i) assumed peak emissions from pre-operational committed projects and (ii) projected full-capacity emissions for partially-operational projects.
*3 In the event that emissions reduction targets are not able to be achieved despite active reduction efforts, we will consider offsetting residual emissions through internationally recognized methods including carbon removal (e.g., carbon credits). Furthermore, plans and measures related to GHG emissions reduction targets may be revised flexibly in accordance with developments related to technology, economic feasibility, policy/regulatory support, etc.
*4 Offsets will not be made using avoided emissions. Graphs for avoided emissions in the diagram are for illustrative purposes only. For actual figures, please refer to the ESG data disclosed separately.

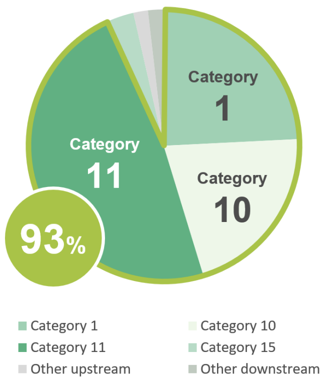
We remain committed to advancing our efforts to meet these reduction targets, while also contributing to society's broader emissions reduction goals through low-carbon and decarbonized businesses.

(4) Enhanced Disclosure of Scope 3 Emissions

We had previously disclosed emissions from Category 11, which accounted for most of our Scope 3 emissions. However, in response to increasing requests from stakeholders for greater transparency, and in anticipation of future statutory disclosure requirements, we disclosed the emissions for all Scope 3 categories for FY2023 in April 2025.

We have been disclosing climate-related information in response to stakeholder requests and will continue to expand our disclosures in the future.

Scope 3 Emission
Percentages by Category



FY2023 Results

	Category	Emissions (10,000 t-CO2e) Equity share approach (previous disclosure)	Emissions (10,000 t-CO2e) Financial control basis (new disclosure)	Percentage (%)
1	**Purchased goods and services**	—	**11,612**	**24.2%**
2	Capital goods	—	80	0.2%
3	Fuel- and energy-related activities not included under Scope 1 or 2	—	160	0.3%
4	Upstream transportation and distribution	—	480	1.0%
5	Waste generated in operations	—	40	0.1%
6	Business travel	—	1	0.0%
7	Employee commuting	—	10	0.0%
8	Upstream leased assets	—	55	0.1%
9	Downstream transportation and distribution	—	315	0.7%
10	**Processing of sold products** * Some items previously in Category 11	—	**10,100**	**21.1%**
11	**Use of sold products** * Disclosed since FY2021	**35,345**	**22,906**	**47.8%**
12	End-of-life treatment of sold products	—	517	1.1%
13	Downstream leased assets	—	31	0.1%
14	Franchises	—	10	0.0%
15	**Investments** * Subject to reduction targets (Scope 1 and 2 for affiliated companies)		**1,621**	3.4%
	Total		**47,938**	100.0%

Steelmaking coal* 33,006

*In line with the approach used by our business partners, we reclassified emissions from steelmaking coal from Category 10 to Category 11.

(5) Stakeholder Engagement

We regard constructive dialogue with our stakeholders, and reflecting input from that dialogue into our policies and operations, as vital to the achievement of sustainable medium to long-term enhancement of our corporate value.

We place particular emphasis on dialogue with stakeholders, and with the participation of our external directors and our Chief Stakeholder Engagement Officer (CSEO), we actively create opportunities to communicate our sustainability initiatives and collect feedback on them. In FY2024, we conducted approximately 40 dialogues with investors and NGOs on climate change.

Through these dialogues, we aim to refine our policies and initiatives based on valuable insights into stakeholders' perspectives, including expectations in relation to our strategies toward the transition to a low-carbon/decarbonized society, as well as policies around individual fossil fuel projects. We will also continue to disclose the status of the implementation of initiatives in a timely and appropriate manner.

Annex

Shareholder Proposal I
Partial amendment to the Articles of Incorporation; Disclosure of Financial Risk Audit by Audit & Supervisory Committee

The following clause shall be added to the Articles of Incorporation:

CHAPTER 5: Audit & Supervisory Committee
Article 30: Disclosure of Financial Risk Audit by Audit & Supervisory Committee

Noting the Company's increasing acute and systemic financial risks due to material issues such as malfeasance and climate change, and the duties of the audit and supervisory committee to oversee the effectiveness of the execution of duties by the Directors, in order to enhance long-term value, the Company shall disclose the following in the Audit Report:

(i) the audit committee's assessment of the appropriateness of our company's strategy, policies and processes to mitigate financial risks associated with identified material issues (including, the appropriateness of the process and results of reviewing the financial risks to which our company may be exposed, both when risk management is properly implemented and when it is inadequate) and the reasons of the assessment; and,

(ii) the framework, including the criteria for the assessment, for auditing the oversight of the Company's risk controls with respect to identified material issues.

The disclosure should be produced at reasonable costs and omit proprietary information.

Reasons for proposal:
This proposal requests the Company disclose the necessary information in the Audit Report for shareholders to determine whether the Directors of the Company are effectively monitoring risk.

Shareholders are unable to assess whether the board and its current processes are adequately monitoring the management's use of risk controls. Given the recent cases of malfeasance abroad, shareholders have legitimate concerns over the effectiveness of the current board oversight system.
This doubt extends to whether the oversight system for other material risks (such as climate-related financial risks) is effective.

The audit committee's report for FY2023 identified no issues with the oversight by the Directors, for example. However, shareholders are not advised of the basis of such an assessment. The Company should disclose the basis of its conclusion, given that they are accountable under the Companies Act and the Corporate Governance Code to the shareholders.

This proposal would improve the corporate governance of the Company and lead to the enhancement of mid- to long-term corporate value. It would benefit all shareholders, including the shareholders who are not given access to the Directors.

Annex

Shareholder Proposal II

Partial amendment to the Articles of Incorporation; Disclosure of the financial impact of failing to meet a 1.5 degree Celsius target under the Paris Agreement

The following Chapter shall be created and added to the Articles of Incorporation:

Chapter Y: "Climate-risk management"

Clause Z: Disclosure of the financial impact of failing to meet a 1.5 degree Celsius target under the Paris Agreement

Noting the Company's net zero GHG emissions by 2050 declaration, the Paris Agreement's commitment to pursue efforts to limit global warming to 1.5 degrees Celsius, the projected economic costs of physical climate change risks, and the Company's current business trajectory, the Company shall disclose quantitative assessments of:

(i) the projected financial impacts of transition risks facing the Company's current strategy and operations under a 1.5 degree Celsius warming scenario, including potential asset impairments;

(ii) the projected financial impacts of physical risks facing the Company's current strategy and operations under a scenario in which warming overshoots the Paris Agreement's temperature goals, such as the Network for Greening the Financial System (NGFS) Current Policies Scenario or other reasonable scenario, including potential asset impairments; and

(iii) the degree to which the projected financial impacts described in i) and ii) will affect capital expenditure assessments and decisions.

The disclosure should be produced at reasonable costs and omit proprietary information.

Reasons for proposal:

This proposal requests the Company disclose the financial impact facing the Company, including significant capital expenditure plans under key climate scenarios, including a 1.5°C warming scenario and the overshoot scenarios.

The Company fails to disclose such assessments despite facing significant financial risks. Its current business is aligned with a 3.2°C outcome according to MSCI analysis. This leaves the Company vulnerable to transition risks, including potential asset impairments, due to market and policy shifts needed to meet the Paris Agreement's climate goals.

Climate science demonstrates that a 1.5°C warming outcome presents less climate-related financial risk than higher warming scenarios. By contrast, under a 2.3°C scenario, physical impacts could cost Japan's economy US$9.2 trillion by 2050.

Annex

The disclosure requested by this proposal would enable investors to better assess how climate change may affect the Company's financial stability and future profitability. In addition, enhanced transparency will support constructive engagement with shareholders and contribute to strengthening the Company's medium- and long-term corporate value.