

(Translation)

## Corporate Governance Report

Report date: June 24, 2016

Mitsubishi Corporation

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### **I. Basic Stance on Corporate Governance, Shareholder Composition, Corporate Data and Other Basic Information**

#### **1. Basic Stance on Corporate Governance**

See Principle 3-1 (ii) for the basic stance on corporate governance of Mitsubishi Corporation.

[Reason for Not Implementing Principles of Corporate Governance Code]

Based on the above basic stance, Mitsubishi Corporation is working to strengthen corporate governance on an ongoing basis, thus it is implementing all the principles of the Corporate Governance Code.

[Disclosure Based on Principles of Corporate Governance Code]

Mitsubishi Corporation's approaches to corporate governance are described in this report, the Notice of Ordinary General Meeting of Shareholders, Annual Securities Report, Integrated Reports, Mitsubishi Corporation's website, and others. See these documents for more information.

The followings are the details of the disclosure items based on the principles of the Corporate Governance Code.

##### a. Principle 1-4

###### ■ Stance on Acquiring and Holding Listed Stocks

Mitsubishi Corporation may acquire and hold another company's shares and equity stakes as a means to create business opportunities and to build, maintain and strengthen business and partner relationships. In that case, Mitsubishi Corporation specifies a responsible department for the oversight of each set of acquired and held shares and equity stakes. To ensure the business performance of investment destinations, Mitsubishi Corporation quantitatively monitors each company's performance and management efficiency every year, and understands and manages its qualitative business challenges at the same time.

Among these investment destinations, with respect to the shares of listed companies other than affiliated companies, Mitsubishi Corporation follows its rules and regulations in making acquiring and holding judgments based on the significance and profitability of acquiring and holding the said shares, to continuously examine its holding positions.

(a) Before acquiring the shares of a listed company other than affiliated companies, Mitsubishi Corporation defines the significance and purpose of such acquisition and at the same time examines in advance its economic rationality, such as quantitative risks involved and expected rates of return, before any decision is made.

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(b) During the period when holding the listed stocks, Mitsubishi Corporation regularly examines how the purpose of the acquisition has been achieved, and how the profitability has been changed since the acquisition. If the situation falls under the requirements for "EXIT Rules," one of the internal risk management systems, Mitsubishi Corporation reassesses the rationality and necessity of continuing to hold the stocks from a mid- and long-term perspective, and effectively changes its asset portfolio by reviewing stock holding positions including sell-off.

In acquiring or disposing listed stocks, Mitsubishi Corporation strictly complies with relevant insider trading regulations.

#### ■ Stance on Exercising Voting Rights Relating to Listed Stocks

Mitsubishi Corporation attaches great importance to dialogue and communication with its investment destinations through various channels, aiming to create business opportunities and build, maintain and strengthen business and partner relationships, and from the perspective of raising the mid- and long-term corporate value of Mitsubishi Corporation and these companies. Mitsubishi Corporation considers exercising voting rights to be an important approach. For this reason, when exercising voting rights relating to an investment destination, the responsible department for the oversight of the company reviews its business conditions from both quantitative and qualitative standpoints. Then Mitsubishi Corporation exercises its voting rights appropriately for individual matters for resolution.

#### b. Principle 1-7

##### ■ Transactions between Related Parties

By formulating the Board of Directors Regulations and the criteria for matters to be deliberated, Mitsubishi Corporation requires a resolution of the Board of Directors concerning, transactions between Director and Mitsubishi Corporation (self-dealing, indirect transactions), transactions between Executive Officer and Mitsubishi Corporation (self-dealing, indirect transactions) and transactions between major shareholders and Mitsubishi Corporation.

#### c. Principle 3-1 (i)

##### ■ Corporate Philosophy

Mitsubishi Corporation's corporate philosophy is enshrined in the Three Corporate Principles, the company's motto since its foundation. The Three Corporate Principles were formulated in 1934, as the action guidelines of Mitsubishi Trading Company (now Mitsubishi Corporation), based on the teachings of Koyata Iwasaki, the fourth president of Mitsubishi. Even today, the Three Corporate Principles serve as the cornerstone of Mitsubishi Corporation as it grows its business and fulfills its responsibility toward the global environment and society.

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.

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■ Strategic Direction and Management Plan

Mitsubishi Corporation has established its new management strategy (Midterm Corporate Strategy 2018 – “Evolving Our Business Model from Investing to Managing”) during the three years beginning with fiscal year 2016.

Mitsubishi Corporation shall leverage its ingenuity to create new business models and generate value for societies, thereby developing the highest level of management expertise. Recognizing necessity to develop a solid foundation of earnings which is not to be influenced by resource prices based on a growing volatility of resource business, Mitsubishi Corporation reforms the management platform by “Rebalancing of Resources and Non-resources” and “Cash-flow-focused Management,” and simultaneously executes “Further Evolution from Investing to Managing” and “Accelerated Lifecycle-based Portfolio Re-profiling” as a growth initiatives. Please visit the following website for details of the new management strategy.

<http://www.mitsubishicorp.com/jp/en/about/plan/>

d. Principle 3-1 (ii)

■ Basic Stance and Policy on Corporate Governance

Mitsubishi Corporation’s corporate philosophy is enshrined in the Three Corporate Principles. Through corporate activities rooted in the principles of fairness and integrity, Mitsubishi Corporation strives to continuously raise corporate value. Mitsubishi Corporation 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, Mitsubishi Corporation 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. Mitsubishi Corporation, 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, Outside Audit & Supervisory Board Members and other experts from outside Mitsubishi Corporation. At the same time, Mitsubishi Corporation uses the executive officer system etc. for prompt and efficient decision-making and business execution.

In accordance with the above basic stance, Mitsubishi Corporation has set forth the Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members, which clarify the functions and independence of Outside Directors and Outside Audit & Supervisory Board Members, and also require that the number of Outside Directors who satisfy the criteria for independence be a third or more of the number of all Directors.

The Governance & Compensation Committee where Outside Directors, Outside Audit & Supervisory Board Members and other experts from outside Mitsubishi Corporation have a majority, deliberates and reviews the composition of the Board of Directors and the Audit & Supervisory Board, the policy on appointment of and proposals for appointment of Directors and Audit & Supervisory Board Members, the requirements of President

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and CEO and basic policy on the appointment, proposals for appointment of President and CEO, the remuneration system including the policy for setting remuneration and appropriateness of remuneration levels, and assessment of operations of the Board of Directors. Furthermore, the President's Performance Evaluation Committee has been established as a subcommittee to the Governance & Compensation Committee, at which Chairman of the Board and Outside Directors and Outside Audit & Supervisory Board Members deliberate and determine the assessment on the President's performance. In this way, Mitsubishi Corporation develops systems and mechanisms that ensure the effectiveness of management supervision by independent Outside Directors and Outside Audit & Supervisory Board Members.

As part of its policy to communicate with shareholders, Mitsubishi Corporation communicates with shareholders and investors in a proactive manner, and discloses information about business conditions including the progress in management plans, quantitative financial information, and non-financial information such as for corporate governance and CSR & environmental affairs in a timely and appropriate manner. In addition, Mitsubishi Corporation is committed to gain credibility and reputation from stakeholders, including shareholders and investors, by improving the environment that allows shareholders to execute their rights.

For specific policies and approaches of above basic stance and basic policy, see the corresponding items in this report.

e. Principle 3-1 (iii)

■ Policy and Process for Setting Remuneration

See II 1. [Disclosure Concerning Directors' Remuneration] in this report.

f. Principle 3-1 (iv)

■ Policy and Process for Appointing Nominated Directors and Audit & Supervisory Board Members

Mitsubishi Corporation deliberates and reviews the requirements of President and CEO and basic policy on the appointment at the Governance & Compensation Committee where Outside Directors, Outside Audit & Supervisory Board Members and other experts from outside Mitsubishi Corporation have a majority (4 Outside Directors and 1 Outside Audit & Supervisory Board Member out of 8 Committee Members). In addition, Mitsubishi Corporation decides the appointment of and allocation of duties for Executive Officers after being deliberated by the Board of Directors. The policy and process for nominated Directors and Audit & Supervisory Board Members and each appointment proposal are deliberated at the Governance & Compensation Committee and resolved by the Board of Directors, before being presented at the Ordinary General Meeting of Shareholders. See II 2. in this report for details.

g. Principle 3-1 (v)

■ Reason for Appointing Each Nominated Director or Audit & Supervisory Board Member

In reference documents for the Ordinary General Meeting of Shareholders, Mitsubishi Corporation discloses not only the reasons for appointing nominated Outside Directors and Outside Audit & Supervisory Board Members as before, but also the reason for appointing each nominated In-house Director or In-house Audit & Supervisory Board Member. More details are available in page 5 to 27 of Notice of 2016 Ordinary General Meeting of Shareholders (English version), which is posted on our website below.

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[http://www.mitsubishicorp.com/jp/en/ir/adr/sh\\_meeting/](http://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/)

h. Supplementary Principle 4-1 (1)

■ Matters Deliberated by the Board of Directors

See II 2. (1) (c) in this report.

i. Principle 4-8

■ Number of Independent Outside Directors, and Ratio of Independent Outside Directors at the Board of Directors

See II 2. (1) in this report.

j. Principle 4-9

■ Criteria for Independence

See II 1. [Independent Directors and Audit & Supervisory Board Members] in this report.

k. Supplementary Principle 4-11 (1)

■ Stance on Balanced Knowledge, Experience, and Capability, and Diversity and Size for the Board of Directors as a Whole

Mitsubishi Corporation stipulates its stance on balanced knowledge, experience, and capability, and diversity and size for the Board of Directors as a whole in Composition of the Board of Directors and Policy on appointment of nominated Directors and Selection Criteria for Outside Directors. For details, see II 2. (1) and II 1. [Independent Directors and Audit & Supervisory Board Members] in this report, respectively.

l. Supplementary Principle 4-11 (2)

■ Directors' and Audit & Supervisory Board Members' Concurrent Outside Director and Outside Audit & Supervisory Board Member Positions at Other Listed Companies

Directors' and Audit & Supervisory Board Members' concurrent Outside Director and Outside Audit & Supervisory Board Member positions at other listed companies are described in the item for Directors and Audit & Supervisory Board Members in page 70 of Notice of 2016 Ordinary General Meeting of Shareholders (English version), which is posted on our website below.

[http://www.mitsubishicorp.com/jp/en/ir/adr/sh\\_meeting/](http://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/)

m. Supplementary Principle 4-11 (3)

■ Evaluation of the Effectiveness of the Board of Directors

To heighten the effectiveness of the Board of Directors continuously, interviews involving respective directors and Audit & Supervisory Board Members are conducted about the functioning and management of the Board of Directors. Based on the content of these interviews, the Governance & Compensation Committee conducts reviews of the effectiveness of the Board of Directors. Further, at meetings of the Board of Directors, based on the deliberations of the Governance & Compensation Committee, analysis and evaluation of the Board of Directors is conducted, which is utilized to improve management and other matters. In the review of the fiscal year ended March 31, 2016, the Board of Directors was evaluated as being appropriately composed and managed, providing information in advance about respective agenda items, and conducting adequate

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deliberations through active exchanges of opinion during meetings.

Therefore, it was confirmed that the Board of Directors has adequate systems for the exercise of oversight functions and that these functions are being realized appropriately.

In addition, the opinion was expressed that, to enhance the effectiveness of the Board of Directors even further, it is important to take measures to unceasingly enhance the provision of information to Outside Directors and Outside Audit & Supervisory Board Members and to take measures to increase opportunities outside the Board of Directors for free exchanges of opinions and communication among Outside Directors and Outside Audit & Supervisory Board Members and among outsiders and internal management in relation to significant agenda items.

Based on the analysis and evaluations of the Governance & Compensation Committee and the Board of Directors, Mitsubishi Corporation will take continuous measures to enhance the effectiveness of the Board of Directors.

n. Supplementary Principle 4-14 (2)

■ Policy to Provide Necessary Training for Directors and Audit & Supervisory Board Members

To ensure that the Directors and Audit & Supervisory Board Members are able to perform their management supervision and audit functions adequately, the Board of Directors' Office and the Audit & Supervisory Board Members' Office have been established, and have been providing necessary information appropriately and in a timely manner for them to perform their duties. For Outside Directors and Audit & Supervisory Board Members, the Board of Directors' Office and the Audit & Supervisory Board Members' Office provide Board of Directors' meeting materials and explanations as well as hold joint presentations about management strategies, important matters, and other topics before the Board of Directors' meeting to ensure that they can participate in the discussion fully. The Offices also provide an orientation to newly appointed Outside Directors and Audit & Supervisory Board Members, as well as ongoing opportunities to understand the business of Mitsubishi Corporation, including annual observation tours of subsidiaries and affiliates and opportunities for dialogue with the management. Additionally, the Offices provide Directors and Audit & Supervisory Board Members with opportunities for third-party training programs, of which expenses are borne by Mitsubishi Corporation.

o. Principle 5-1

■ Policy of Dialogue with Shareholders

(a) Basic Stance

Mitsubishi Corporation's corporate philosophy is enshrined in the Three Corporate Principles. Through corporate activities rooted in the principles of fairness and integrity, Mitsubishi Corporation strives to continuously raise corporate value. Mitsubishi Corporation believes that by helping to enrich society, both materially and spiritually, it will also meet the expectations of shareholders, customers and all other stakeholders. To achieve this, Mitsubishi Corporation is committed to fulfill accountability as a corporate enterprise and gain credibility and reputation from stakeholders including shareholders and investors, by communicating with them in a proactive manner and by disclosing, in a timely and appropriate manner, information about business conditions including the progress in management plans, quantitative financial information, and non-financial information such as for corporate governance and CSR & environmental affairs.

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(b) Persons in Charge and Promoting System

Positioning IR activities as an important management matter, Mitsubishi Corporation is promoting communication with shareholders and investors as well as proactive information disclosure, led by the management, with the President and CEO being chief and CFO being director in charge. To ensure the effectiveness of dialogues with shareholders and investors and information disclosure, Mitsubishi Corporation established a dedicated department in charge, the Investor Relations Department. In addition, Mitsubishi Corporation built a cross-sectional company structure not limited to the dedicated department in charge, by organically linking business groups to corporate staff departments (i.e., Corporate Strategy & Planning Department, Corporate Communications Department, Corporate Administration Department, CSR & Environmental Affairs Department, Legal Department, Corporate Accounting Department, and Finance Department).

With respect to information disclosure, on which dialogue with shareholders and investors is premised, Mitsubishi Corporation sets up the Disclosure Committee, whose members are the CFO and Executive Officers in charge of corporate-related departments (i.e., Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, and Human Resources) and persons in charge of corporate staff departments (General Managers), as well as a working group consisting of working-level persons from corporate staff departments. After thoroughly reviewing and checking details of information to be disclosed, the team tries to disclose proactive, highly transparent information through websites, Integrated Reports, Annual Securities Report, Notice of Ordinary General Meeting of Shareholders, Investors' Note, and newspaper ads, etc. As a policy for its information disclosure system, Mitsubishi Corporation developed and disclosed Information Disclosure Regulations to keep all officers and employees fully informed. See V 2. in this report for an overview of the information disclosure system.

(c) Policy of Dialogue with Shareholders and Investors and Results of Activities

To continually raise mid- and long-term corporate value, Mitsubishi Corporation is promoting constructive communication with shareholders and investors, led by the management including the President and CEO.

i. Ordinary General Meeting of Shareholders

Mitsubishi Corporation positions the Ordinary General Meeting of Shareholders as the place to fulfill accountability to shareholders. In addition to proactive information disclosure in the Notice of Ordinary General Meeting of Shareholders, Mitsubishi Corporation tries to respond to questions raised by shareholders in a respectful manner.

ii. Communication with Individual Investors

The President and CEO hosts regular meetings for individual investors (4 times in total in the fiscal year ended in March 2016). The video of that presentation is webcasted.

iii. Dialogue with Institutional Investors

In addition to quarterly financial results briefings hosted by President and CEO and CFO, the management of business groups host business-briefing sessions. President and CEO, CFO, and Investor Relations Department call on domestic and foreign institutional investors to hold briefing sessions, and respond to their request for individual interviews.

<IR Activities Conducted in the Fiscal Year Ended in March 2016>

President and CEO: The Ordinary General Meeting of Shareholders, communication through meetings with domestic and foreign institutional investors and analysts (once), meetings for individual investors (4 times), and

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quarterly financial results briefings.

CFO: Communication through meetings with domestic and foreign institutional investors and analysts (about 50 times) and quarterly financial results briefings.

Group Management Teams: Business briefing sessions (once per group).

Investor Relations Department: Communication through meetings with domestic and foreign institutional investors and analysts (about 400 times), and regular meetings with individual investors (12 times).

(d) Feedback to Business Management and Control of Insider Information

Mitsubishi Corporation has developed a system by which the opinions from shareholders and investors and business challenges obtained through IR activities are adequately reported to the management including President and CEO and the Board of Directors and the Executive Committee. In addition, Investor Relations Department feeds back the opinions obtained through communication with shareholders and investors across the company to help improve business management.

With respect to the handling of insider information in communicating with shareholders, Mitsubishi Corporation has set forth the Standard for the Prevention of Unfair Stock Trading in accordance with the Code of Conduct for Mitsubishi Corporation's Officers and Employees. Mitsubishi Corporation keeps all officers and employees fully informed of this requirement.

<Reference>

In Investor Information on our website, Mitsubishi Corporation posts various types of IR information in addition to the documents listed below. Please visit the following website for details.

<http://www.mitsubishicorp.com/jp/en/ir/>

- Presentation Materials
- Earnings Release
- Integrated Reports / Annual Reports
- Financial Section of Annual Report
- Investors' Note
- Corporate Brochure

## 2. Shareholder Composition

Percentage of Foreign Shareholders	30% or more
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[Principal Shareholders]

Name	Shareholding	
	Number of shares	Investment ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	131,319,900	8.25
Tokio Marine & Nichido Fire Insurance Co., Ltd.	74,534,005	4.68
The Master Trust Bank of Japan, Ltd. (Trust Account)	69,200,400	4.35
Meiji Yasuda Life Insurance Company	64,846,135	4.07
The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)	32,276,728	2.02
Ichigo Trust Pte. Ltd.	29,483,200	1.85
The Nomura Trust and Banking Co., Ltd. (Pension Benefit Trust Account, Mitsubishi UFJ Trust and Banking Corporation)	22,088,000	1.38
THE BANK OF NEW YORK MELLON SA/NV 10	20,258,909	1.27

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Japan Trustee Services Bank, Ltd. (Trust Account 9)	20,149,500	1.26
Japan Trustee Services Bank, Ltd. (Trust Account 7)	18,956,100	1.19

Has a controlling shareholder	—
Has a parent company	No

Notes

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### 3. Corporate Data

Stock listings and markets	Tokyo(First Section), Nagoya(First Section)
Fiscal year-end	March 31
Business type	Wholesale ( <i>Sogo Shosha</i> )
Number of employees (Consolidated)	1,000 or more
Operating transactions (Consolidated)	¥1,000 billion or more
Number of consolidated subsidiaries	300 or more

### 4. Policy Concerning Protection of Minority Interests When Transacting With Controlling Shareholder

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### 5. Other Special Circumstances That Could Materially Affect Corporate Governance

Following publicly listed companies are subsidiaries of Mitsubishi Corporation: Mitsubishi Shokuhin Co., Ltd., a wholesaler of processed food products that is listed on the First Section of the Tokyo Stock Exchange (“TSE”); Nippon Care Supply Co., Ltd., which markets and sells nursing care equipment that is listed on the Second Section of the TSE; Nihon Shokuhin Kako Co., Ltd., a manufacturer of corn starch and related processed products that is listed on the Second Section of the TSE; Nitto Fuji Flour Milling Co., Ltd., which is engaged in flour milling that is listed on the First Section of the TSE; Chuo Kagaku Co., Ltd., which manufactures and sells food packaging containers made chiefly from plastic that is listed on JASDAQ. Mitsubishi Corporation expects to maximize corporate value by respecting the autonomy of these subsidiaries. Also, Mitsubishi Corporation endeavors to optimize the management on a consolidated basis by sharing the management philosophy and strategy to enhance the value of Mitsubishi Corporation group.

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## II. Management Organization and Other Corporate Governance Systems Concerning Management Decision-Making, Execution and Supervision

### 1. Matters Concerning Organizational Form and Organizational Management

Organizational form	Audit & Supervisory Board Member System
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[Directors]

Number of directors in Articles of Incorporation	N/A
Term of office for directors in Articles of Incorporation	1 year
Chairperson of Board of Directors	Chairman (Excluding individual holding concurrent position as president)
Number of directors	11
Appointment of Outside Directors	Yes
Number	5
Number of Outside Directors designated as Independent Directors	5

### Relationships With Mitsubishi Corporation (1)

Name	Association	Relationships With Mitsubishi Corporation (*)										
		a	b	c	d	e	F	g	h	i	j	k
Ryozo Kato	Other											
Hidehiro Konno	Other								○			
Akihiko Nishiyama	Professor											
Hideaki Omiya	Current or former employee of another company								○	○	○	
Toshiko Oka	Current or former employee of another company								○			

\*1 Choices for relationships with Mitsubishi Corporation

\*2 ○ indicates the item that the person falls under as of “today or recently.” △ indicates the item that the person falls under as of “previously.”

\*3 ● indicates the item that the person’s close family member falls under as of “today or recently.” ▲ indicates the item that the person’s close family member falls under as of “previously.”

a. Executive Officer of Mitsubishi Corporation or its subsidiary

b. Executive Officer or non-executive director of a parent of Mitsubishi Corporation

c. Executive Officer of a fellow subsidiary of Mitsubishi Corporation

d. A person who has a significant business relationship with Mitsubishi Corporation or who is Executive Officer of an entity which has such significant business relationship with Mitsubishi Corporation

e. A person with whom Mitsubishi Corporation has a significant business relationship or who is Executive Officer of an entity with which Mitsubishi Corporation has such significant business relationship

f. Consultant, accountant, legal expert who receives from Mitsubishi Corporation a large sum of money and other properties in addition to director's remuneration

g. Major shareholder of Mitsubishi Corporation (the company’s Executive Officer if the said major shareholder is a

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company)

h. Executive Officer (the said person only) of an entity with which Mitsubishi Corporation has a business relationship (not falling under d, e, or f)

i. Executive Officer (the said person only) of an entity with which Mitsubishi Corporation mutually appoints outside director

j. Executive Officer (the said person only) of an entity to which Mitsubishi Corporation makes a donation

k. Others

## Relationship With Mitsubishi Corporation (2)

Name	Independent Director	Supplementary information concerning applicable items	Reason for appointment as Outside Director (Including reason for designation as Independent Director)
Ryozo Kato	○	Not applicable	<p>Mr. Kato has been offering advice to Mitsubishi Corporation's management and properly oversees execution of business from an objective and professional perspective based on his international way of thinking and extensive insight regarding global conditions developed through foreign diplomacy, having held key posts at the Ministry of Foreign Affairs of Japan.</p> <p>Mr. Kato meets the requirements of independent director set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors specified by Mitsubishi Corporation.</p>
Hidehiro Konno	○	<p>Mr. Konno is chairman (part-time position) of general incorporated foundation Koushikai, a non-profitable association that engages in helping Japanese next-generation leaders to be cosmopolitan with liberal arts. Mitsubishi Corporation pays about ¥2.0 million per year to the association mainly as membership dues as a regular member. These payments are consistent with activities of the association under its philosophy. In addition, Mr. Konno receives no compensation from the association, therefore he does not benefit personally.</p> <p>Also, until July 2009, Mr. Konno served as Chairman &amp; CEO of Nippon Export and Investment Insurance ("NEXI"), which is wholly owned by the Japanese government and offers trade insurance based on the Trade Insurance and Investment Act for business risks that conventional insurances are unable to cover, including the inability to export cargo due to international disputes. Although Mitsubishi Corporation utilizes trade insurance provided by NEXI, it has been about 7 years since his resignation. Therefore, there is no relationship between him and those transactions.</p> <p>As above, Mr. Konno meets the requirements</p>	<p>Mr. Konno has been offering advice to Mitsubishi Corporation's management and properly oversees execution of business from an objective and professional perspective based on his extensive insight regarding domestic and global economic trends, having held key posts at the Ministry of International Trade and Industry and NEXI.</p> <p>Mr. Konno meets the requirements of independent director set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors specified by Mitsubishi Corporation.</p>

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		concerning independence set forth in the Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges his independence is assured.	
Akihiko Nishiyama	○	Not applicable	<p>Mr. Nishiyama has been offering advice to Mitsubishi Corporation's management and properly oversees execution of business from an objective and professional perspective based on his research activities relating to corporate management and human resource development at universities, and many years of experience in the business.</p> <p>Mr. Nishiyama meets the requirements of independent director set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors specified by Mitsubishi Corporation.</p>
Hideaki Omiya	○	<p>Mr. Omiya was Member of the Board, President and CEO of Mitsubishi Heavy Industries, Ltd. ("MHI"), from April 2008 to March 2013 and has been Chairman of the Board of MHI since April 2013. MHI and Mitsubishi Corporation 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 Mitsubishi Corporation's consolidated revenues. Also, since June 2015, Mr. Omiya has been chairman (part-time position) of The Mitsubishi Foundation which provides financial support for activities related to academic research and social welfare. Mitsubishi Corporation contributed more than ¥20 million per year to the foundation, but these contributions are consistent with the foundation's activities under its mission as a public interest incorporated foundation. In addition, Mr. Omiya receives no compensation from the foundation, therefore he does not benefit personally. Accordingly, his independence is assured.</p> <p>As above, Mr. Omiya meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges his independence is assured.</p>	<p>Mitsubishi Corporation expects that Mr. Omiya will provide advice to Mitsubishi Corporation's management from a practical perspective based on his extensive insight developed through management of MHI, a manufacturer that conducts business around the world, as Chairman and former President and CEO.</p> <p>Mr. Omiya meets the requirements of independent director set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors specified by Mitsubishi Corporation.</p>
Toshiko Oka	○	<p>Ms. Oka has been a training lecturer for the Mitsubishi Corporation Group under a contract with Human Link Corporation, a wholly owned subsidiary of Mitsubishi Corporation, with commission payments of around ¥2 million per year. There are no plans to renew the above-mentioned contract with Ms. Oka subsequent to her appointment as an Outside Director of Mitsubishi Corporation. Also, Ms. Oka served as Principal, Deloitte Tohmatsu</p>	<p>Mitsubishi Corporation expects that Ms. Oka will provide advice to Mitsubishi Corporation's management from a practical and diversified perspective based on her many years of experience in the consulting industry and experience as outside director of various companies.</p> <p>Ms. Oka meets the requirements of independent director set forth in Guidelines</p>

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	<p>Consulting Co., Ltd. (currently Abeam Consulting Ltd.) until August 2012. Although Mitsubishi Corporation has business transactions with that company, it has been about 4 years since her resignation. Therefore, there is no relationship between her and those transactions.</p> <p>As above, Ms. Oka meets the requirements concerning independence set forth in the Selection Criteria for Outside Directors specified by Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges her independence is assured.</p>	<p>concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Directors specified by Mitsubishi Corporation.</p>
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<p>Establishment of Any Committees Corresponding to the Nominating Committee or the Compensation Committee</p>	<p>Yes</p>
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#### Details of Establishment, Members, and Attribute of Chairperson

	Name of Committee	No. of Total Members	No. of Full-time Members	No. of In-house Directors	No. of Outside Directors	No. of Outside Experts	No. of Others	Committee Chairman (Chairperson)
Any Committees Corresponding to the Nominating Committee	Governance & Compensation Committee	8	0	2	4	0	2	In-house Director
Any Committees Corresponding to the Compensation Committee	Governance & Compensation Committee	8	0	2	4	0	2	In-house Director

#### Notes

<p><b>■Governance &amp; Compensation Committee</b></p> <p>Since its establishment in 2001, the Governance &amp; Compensation Committee has met around twice a year. While a majority of the members of the Committee are Outside Directors and Outside Audit &amp; Supervisory Board Members and Outside Members, the Committee conducts continuous reviews of corporate governance-related issues at Mitsubishi Corporation and also discusses the remuneration system for Executive Officers, including the policy for setting remuneration and appropriateness of remuneration levels, and monitors operation of this system.</p> <p>&lt;Main Discussion Themes&gt;</p> <ul style="list-style-type: none"> <li>• Composition of the Board of Directors and Audit &amp; Supervisory Board, policy on appointment of and proposals for appointment of Directors and Audit &amp; Supervisory Board Members</li> <li>• Requirements of President and CEO and basic policy on the appointment, proposals for appointment of President and CEO</li> <li>• Review of the remuneration system including the policy for setting remuneration and appropriateness of remuneration levels</li> <li>• Assessment of operations of the Board of Directors</li> </ul> <p>[Appointment of President and CEO]</p>
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(Translation)

Based on the requirements of President and CEO and the basic policy on the appointment, which were confirmed by the Governance & Compensation Committee, and following deliberations by this committee, the Board of Directors decided on the appointment of President and CEO Takehiko Kakiuchi, who assumed this position in April 2016.

Furthermore, the President's Performance Evaluation Committee has been established as a subcommittee to the Governance & Compensation Committee, to deliberate the assessment on the President's performance.

The composition of the Committee is as of April 1, 2016.

The members who fall under "Others" in the composition of the Committee are Senior Audit & Supervisory Board Member and Outside Audit & Supervisory Board Member.

[Audit & Supervisory Board Members]

Establishment of Board of Audit & Supervisory Board Members	Yes
Number of Audit & Supervisory Board Members in the Articles of Incorporation	N/A
Number of Audit & Supervisory Board Members	5

Cooperation between Audit & Supervisory Board Members, the independent auditors, internal audit divisions

a. Audit & Supervisory Board Member Audits

The 2 in-house Audit & Supervisory Board Members have experience in Mitsubishi Corporation's corporate planning department as well as finance and accounting departments, and they are appointed as the full-time Audit & Supervisory Board Members. 2 of the 3 Outside Audit & Supervisory Board Members have many years of experience as an attorney (corporate law) and a certified public accountant, respectively, while the other has experience as a full-time Audit & Supervisory Board Member at a listed company. Of the 5 Audit & Supervisory Board Members, the 2 full-time Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members Ikuo Nishikawa have a considerable degree of knowledge and experience concerning finance and accounting.

One of the full-time Audit & Supervisory Board Members heads the Audit & Supervisory Board as Senior Audit & Supervisory Board Member and is also the specified Audit & Supervisory Board Member stipulated by the law. Audit & Supervisory Board Members are assisted as needed by the 5-member Audit & Supervisory Board Members' Office (as of March 31, 2016), which is an independent organizational body.

Audit & Supervisory Board Members attend important in-house meetings, and hold discussions with internal departments, including important offices in Japan and overseas. At the same time, Audit & Supervisory Board Members hold regular meetings with Mitsubishi Corporation's independent auditors and Internal Audit Department, to accurately and in a timely manner grasp Mitsubishi Corporation's situation through close cooperation.

b. Internal Audits

(Translation)

Regarding internal audits, the Internal Audit Department (which had 112 members as of March 31, 2016) conducts audits of the Mitsubishi Corporation, overseas regional subsidiaries and affiliated companies from a Company-wide perspective. In addition, each business group has established its own internal audit organization, which audits the operations that fall under its group organization on a consolidated basis. These internal audits are based on annual audit plans and are conducted after selecting audit targets. The results of audits are reported each time to the President and CEO, Audit & Supervisory Board Members and other concerned parties. They are also reported regularly to the Board of Directors and the Executive Committee.

c. Accounting Audits

The 4 certified public accountants who carried out the independent audit of Mitsubishi Corporation were Kohei Kan, Masayuki Yamada, Kenichi Yoshimura and Noriaki Kobayashi of Deloitte Touche Tohmatsu LLC. They were assisted by 30 certified public accountants, 18 junior accountants and 45 other staff.

d. Mutual cooperation among Audit & Supervisory Board Member Audits, Internal Audits and Accounting Audits, and their Relationship with Internal Control Departments

The Audit & Supervisory Board Members, Internal Audit Department which is responsible for internal audit and internal control, and Accounting Auditors regularly exchange information among each other in order to strengthen their cooperation, and the full-time Audit & Supervisory Board Members exchange relevant information with the executive officers and the Audit & Supervisory Board Members of subsidiaries considered important from a consolidated management perspective.

Fees paid to Mitsubishi Corporation's independent auditors Deloitte Touche Tohmatsu LLC for the fiscal year ended March 31, 2016 were as follows:

a. Amount of fees for services in accordance with the first clause of Article 2 of the Certified Public Accountant Law of Japan (Law No. 103, 1948) (Note 1) ¥745 million

b. Amount of fees for services other than those prescribed in the first clause of Article 2 of the Certified Public Accountant Law of Japan (Note 2) ¥22 million

c. Total amount of fees to be paid by Mitsubishi Corporation and consolidated subsidiaries (Note 3) ¥2,074 million

(Notes)

1. Fees for services prescribed in the first clause of Article 2 of the Certified Public Accountant Law of Japan (Law No. 103, 1948) are fees, etc. for audit certification services relating to English language financial statements prepared based on International Financial Reporting Standards (IFRS) and audit certification based on the Companies Act and the Financial Instruments and Exchange Act.

2. Fees for services other than those prescribed in the first clause of Article 2 of the Certified Public Accountant Law of Japan are fees for Mitsubishi Corporation training, overseas tax return work, etc.

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 Mitsubishi Corporation's independent auditors.

Appointment of Outside Audit &  
Supervisory Board Members

Yes

(Translation)

Number of Outside Audit & Supervisory Board Members	3
Number of Outside Audit & Supervisory Board Members designated as independent Audit & Supervisory Board Members	3

### Relationship with Mitsubishi Corporation (1)

Name	Association	Relationships with Mitsubishi Corporation (*)													
		a	b	c	d	e	f	g	h	i	j	k	l	m	
Tadashi Kunihiro	Attorney														
Ikuo Nishikawa	Certified public accountant														
Yasuko Takayama	Current or former employee of another company										Δ				

\*1 Choices for relationships with Mitsubishi Corporation

\*2 ○ indicates the item that the person falls under as of “today or recently.” Δ indicates the item that the person falls under as of “previously.”

\*3 ● indicates the item that the person’s close family member falls under as of “today or recently.” ▲ indicates the item that the person’s close family member falls under as of “previously.”

a. Executive Officer of Mitsubishi Corporation or its subsidiary

b. Non-executive director or accounting advisor of Mitsubishi Corporation or its subsidiary

c. Executive Officer or non-executive director of a parent of Mitsubishi Corporation

d. Audit & Supervisory Board Member of a parent of Mitsubishi Corporation

e. Executive Officer of a fellow subsidiary of Mitsubishi Corporation

f. A person who has a significant business relationship with Mitsubishi Corporation or who is Executive Officer of an entity which has such significant business relationship with Mitsubishi Corporation

g. A person with whom Mitsubishi Corporation has a significant business relationship or who is Executive Officer of an entity with which Mitsubishi Corporation has such significant business relationship

h. Consultant, accountant, legal expert who receives from Mitsubishi Corporation a large sum of money and other properties in addition to director's remuneration

i. Major shareholder of Mitsubishi Corporation (the company’s Executive Officer if the said major shareholder is a company)

j. Executive Officer (the said person only) of an entity with which Mitsubishi Corporation has a business relationship (not falling under f, g, or h)

k. Executive Officer (the said person only) of an entity with which Mitsubishi Corporation mutually appoints outside director

l. Executive Officer (the said person only) of an entity to which Mitsubishi Corporation makes a donation

m. Others

### Relationship With Mitsubishi Corporation (2)

Name	Independent Audit &	Supplementary information concerning applicable items	Reason for appointment as Outside Audit & Supervisory Board Member
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(Translation)

	Supervisory Board Member		(Including reason for designation as Independent Audit & Supervisory Board Member)
Tadashi Kunihiro	○	Not applicable	Mr. Kunihiro has been conducting neutral and objective audits based on his extensive insight regarding corporate-related laws (such as the Companies Act and the Financial Instruments and Exchange Act of Japan) which was developed through many years of experience as attorney. Mr. Kunihiro meets the requirements of independent auditor set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Audit & Supervisory Board Members specified by Mitsubishi Corporation.
Ikuo Nishikawa	○	Not applicable	Mitsubishi Corporation expects that Mr. Nishikawa will conduct neutral and objective audits based on his extensive insights regarding accountant developed through many years of experience as a certified public accountant. Mr. Nishikawa meets the requirements of independent auditor set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Audit & Supervisory Board Members specified by Mitsubishi Corporation.
Yasuko Takayama	○	Ms. Takayama worked as an employee at Shiseido Company, Limited until June 2011. Although Mitsubishi Corporation has business transactions with that company, it has been about 5 years since Ms. Takayama left her position as a direct employee. Therefore, there is no relationship between her and those transactions. As above, Ms. Takayama meets the requirements concerning independence set forth in the Selection Criteria for Outside Audit & Supervisory Board Members specified by Mitsubishi Corporation. Therefore, Mitsubishi Corporation judges her independence is assured.	Mitsubishi Corporation expects that Ms. Takayama will conduct neutral and objective audits based on her extensive insight developed through many years of experience as Audit & Supervisory Board Member at Shiseido Company, Limited and as outside director at various companies. Ms. Takayama meets the requirements of independent auditor set forth in Guidelines concerning Listed Company Compliance, etc. specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan, as well as in Selection Criteria for Outside Audit & Supervisory Board Members specified by Mitsubishi Corporation.

[Independent Directors and Audit & Supervisory Board Members]

Number of Independent Directors and Audit & Supervisory Board Members	8
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Other matters concerning Independent Directors and Audit & Supervisory Board Members

■ Outside Directors and Outside Audit & Supervisory Board Members

Mitsubishi Corporation has 5 Outside Directors and 3 Outside Audit & Supervisory Board Members.

a. Independence of Outside Directors and Outside Audit & Supervisory Board Members

(Translation)

To make the function of Outside Directors and Outside Audit & Supervisory Board Members stronger and more transparent, Mitsubishi Corporation has set forth Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members as follows, after deliberation by the Governance & Compensation Committee, which is composed with a majority of Outside Directors, Outside Audit & Supervisory Board Members and Outside Members.

Each of the 5 Outside Directors and 3 Outside Audit & Supervisory Board Members satisfy the requirements for independent Directors and Audit & Supervisory Board Members as stipulated by Japanese stock exchanges, such as the Tokyo Stock Exchange, and Mitsubishi Corporation's Selection Criteria for Outside Directors and Outside Audit & Supervisory Board Members.

< 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 incapable of preserving this independency in effect will not be selected to serve as Outside Directors.
3. Mitsubishi Corporation'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. Mitsubishi Corporation 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 a wealth of knowledge and experience across various fields that is helpful in performing audits. Neutral and objective auditing, in turn, will ensure sound management.
2. To enable Outside Audit & Supervisory Board Members to fulfill their appointed task, attention is given to maintain their independency\*; individuals incapable of preserving this independency will not be selected to serve as Outside Audit & Supervisory Board Members.

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

To make a judgment of independence, Mitsubishi Corporation checks if the person concerned meets the conditions for independent Directors and independent Audit & Supervisory Board Members as specified by stock exchanges in Japan such as the Tokyo Stock Exchange, Inc., and whether the person concerned is currently any of the following items (1) to (7) and whether they have been at any time in the past 3 fiscal years.

- (1) A major shareholder of Mitsubishi Corporation (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).

(Translation)

- (2) A member of business personnel of a creditor of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation (\*2).
- (3) A member of business personnel of a supplier or a customer of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation (\*3).
- (4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from Mitsubishi Corporation, other than directors' or Audit & Supervisory Board Members' remuneration, where the amount exceeds ¥10 million per fiscal year.
- (5) A representative or partner of Mitsubishi Corporation's independent auditor.
- (6) A person belonging to an organization that has received donations exceeding a certain amount (\*4) from Mitsubishi Corporation.
- (7) A person who has been appointed as an Outside Director or Outside Audit & Supervisory Board Member of Mitsubishi Corporation for more than 8 years.

\*1 A member of business personnel refers to a managing director, corporate officer, Executive Officer, or other employee of a company.

\*2 Creditors exceeding the threshold set by Mitsubishi Corporation refer to creditors to whom Mitsubishi Corporation owes an amount exceeding 2% of Mitsubishi Corporation's consolidated total assets.

\*3 Suppliers or customers exceeding the threshold set by Mitsubishi Corporation refer to suppliers or customers whose transactions with Mitsubishi Corporation exceed 2% of Mitsubishi Corporation's consolidated revenues.

\*4 Donations exceeding a certain amount refer to donations of more than ¥20 million per fiscal year.

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

#### [Incentive System]

Initiatives to offer incentives to directors	Introduced results-linked remuneration system, Introduced stock option system, Other
----------------------------------------------	--------------------------------------------------------------------------------------

#### Supplementary explanation regarding applicable item

The remuneration of In-house Directors consists of Directors' Base Remuneration, Individual Performance Bonus, Bonus, Stock-option-based Remuneration, and Reserved Retirement Remuneration. Individual Performance Bonus, Bonus and Stock-option-based Remuneration vary based on performance and other factors. See II 1. [Disclosure Concerning Directors' Remuneration] for details.

Eligible persons for stock options	In-house Directors, Employees, Other
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#### Supplementary explanation regarding applicable item

Mitsubishi Corporation grants stock options to Directors (excluding Outside Directors), Executive Officers and Senior Vice Presidents ("Riji") from the perspective of creating value over the medium and long terms, in order to provide further incentive and motivation to improve Mitsubishi Corporation's performance and further align

(Translation)

their interests with those of shareholders. Generally, stock options cannot be exercised for two years from the date they are granted. Furthermore, Directors, excluding Outside Directors and Executive Officers cannot sell shares, including shares acquired by exercising stock options, during their terms until their shareholdings reach a certain level stipulated by position.

The total number of shares for the purposes of stock acquisition rights at March 31, 2016, including holdings by retirees, was as follows:

- (1) Ordinary Class Stock Options (granted to Directors and Executive Officers; 1 right=100 shares): 844,600 shares
- (2) Stock Options for a Stock-Linked Compensation Plan (through the fiscal year ended March 31, 2007, granted to Directors and Executive Officers; 1 right=100 shares, from the fiscal year ended March 31, 2008, granted to Directors, Executive Officers and Senior Vice Presidents (“Riji”); 1 right=100 shares): 3,141,600 shares

[Disclosure Concerning Directors’ Remuneration]

Degree of disclosure	Partial disclosure only of individual amounts
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Supplementary explanation regarding applicable item

Total Directors’ and Audit & Supervisory Board Members’ remuneration for the fiscal year ended March 31, 2016 was ¥1,194 million to 15 Directors, including ¥120 million to 6 Outside Directors, and ¥163 million to 6 Audit & Supervisory Board Members, including ¥39 million to Outside Audit & Supervisory Board Member.

Notes:

1. The above figures include a Director and an Audit & Supervisory Board Member who retired during the fiscal year ended March 31, 2016.  
Furthermore, regarding the number of Directors and Audit & Supervisory Board Members, there were 14 Directors (including 5 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members) at March 31, 2016.
2. The above amounts of remuneration are made up as follows for the fiscal year ended March 31, 2016:
  - (1) Base Remuneration and Individual Performance Bonus paid during the fiscal year ended March 31, 2016  
Mitsubishi Corporation paid ¥749 million to 15 Directors, including ¥120 million to the 6 Outside Directors.
  - (2) Bonus  
Given that net income (loss) in the fiscal year ended March 31, 2016 was less than consolidated capital cost, no bonuses were paid to executive officers in this fiscal year, based on the policy for payment of bonuses.
  - (3) Stock-option-based Remuneration (recognized as an expense in the fiscal year ended March 31, 2016)  
Mitsubishi Corporation appropriated ¥323 million for stock options allotted to 9 Directors (the Outside Directors are ineligible for payments).
  - (4) Reserved Retirement Remuneration

(Translation)

Mitsubishi Corporation will pay ¥122 million to the 9 Directors at March 31, 2016 (the Outside Directors are ineligible for payments).

3. In addition to the above, Mitsubishi Corporation paid executive pensions to retired Directors. The amount paid in the fiscal year ended March 31, 2016 was as follows. The retirement bonus system, including executive pensions for Directors, was abolished at the close of the 2007 Ordinary General Meeting of Shareholders.

Mitsubishi Corporation paid ¥165 million to 98 Directors (the Outside Directors were ineligible for payments), and ¥6 million to 10 Audit & Supervisory Board Members (the Outside Audit & Supervisory Board Members were ineligible for payments).

Has a policy for setting remuneration amounts and calculation method

Yes

#### Details of Policy for Setting Remuneration Amounts and Calculation Method

##### ■Policy for Setting Directors' Remuneration

In line with the Basic Policy on Corporate Governance, Mitsubishi Corporation has established remuneration system for Directors and Audit & Supervisory Board Members and related systems to ensure a sustainable increase in corporate value, and strives to administer the system with a high degree of transparency. The basic policy, composition of remuneration, and method for setting remuneration are as follows.

##### ◇Directors' Remuneration

###### (1) In-house Directors

###### i) Basic Policy

A remuneration system for Mitsubishi Corporation In-house Directors has been designed to provide further incentive and motivation to improve performance and a sustainable corporate value, further align the Directors' interests with those of the shareholders, and strengthen the link with business results. The level of remuneration is set by comparing levels of remuneration at other companies in the same industry and other major Japanese companies of similar scale, and is also commensurate with performance. For In-house Directors who also serve as Executive Officers, the position as an Executive Officer is taken into account as one factor when setting Directors' remuneration.

The policy for setting remuneration, appropriateness of remuneration levels, and operation of remuneration system for In-house Directors are discussed and monitored by the Governance & Compensation Committee.

###### ii) Composition

The remuneration of In-house Directors consists of Directors' Base Remuneration, Individual Performance Bonus, Bonus, Stock-option-based Remuneration, and Reserved Retirement Remuneration. The details of each type of remuneration are explained as follows.

###### ·Base Remuneration

An amount determined according to position, paid monthly.

###### ·Individual Performance Bonus

For Directors who also serve as Executive Officers, Individual Performance Bonuses are determined and paid on an individual basis after the President and CEO's yearly performance assessment of each Director for the

(Translation)

previous fiscal year.

• Bonus

Bonuses are determined and paid on an individual basis after deciding whether or not Bonuses will be paid and what the total amount will be based on the previous year's consolidated earnings and other factors.

• Stock-option-based Remuneration

Stock options as remuneration are grants from the perspective of aligning Directors' interests with those of shareholders and creating value over the medium and long terms.

• Reserved Retirement Remuneration

Reserved Retirement Remuneration is set aside in a certain amount every year as consideration for the performance of duties, and the accumulated amount is calculated and paid in full upon retirement of a director by resolution of the Board of Directors.

Further, given that the Chairman of the Board's role is primarily one of providing a supervisory function for management, from the fiscal year ending March 31, 2017, the Chairman of the Board shall be paid Directors' Base Remuneration only, which does not have a component linked with business results in the same way as Outside Directors.

(2) Outside Directors

The basic policy and composition for remuneration for Outside Directors is to pay Directors' Base Remuneration only, due to their role as an independent supervisory function for management. Outside Directors' remuneration does not have a performance-linked component.

(3) Method for Setting Remuneration

Regarding Directors' Base Remuneration, Individual Performance Bonus, Stock-option-based Remuneration and Reserved Retirement Remuneration, the 2010 Ordinary General Meeting of Shareholders approved a payment limit of ¥1.6 billion per annum. Remuneration is paid within this remuneration limit subject to resolution of the Board of Directors.

Meanwhile, Bonuses are subject to approval by the Ordinary General Meeting of Shareholders, given their strong linkage to Mitsubishi Corporation's net income.

[Bonuses for the Fiscal Year ended March 31, 2016]

Given that net income (loss) in the fiscal year ended March 31, 2016 was less than consolidated capital cost, no bonuses were paid to executive officers in this fiscal year, based on the policy for payment of bonuses (see page 37). Therefore, a resolution relating to bonuses to in-house Directors has not been submitted for approval to this Ordinary General Meeting of Shareholders.

◇ Audit & Supervisory Board Members' Remuneration

(1) Basic Policy and Composition

The remuneration for Audit & Supervisory Board Members is limited to monthly Audit & Supervisory Board Members' Base Remuneration only, due to their role as an independent supervisory function for management. Audit & Supervisory Board Members remuneration does not have a performance-linked component.

(2) Method for Setting Remuneration

The monthly remuneration of Audit & Supervisory Board Members was set at an upper limit of ¥15 million per

(Translation)

month in total by resolution of the 2007 Ordinary General Meeting of Shareholders. Audit & Supervisory Board Members' Base Remuneration is paid within this remuneration limit subject to discussions by the Audit & Supervisory Board Members.

[Support System for Outside Directors (Outside Audit & Supervisory Board Members)]

To ensure that the Directors and Audit & Supervisory Board Members are able to perform their management supervision and audit functions adequately, the Board of Directors' Office and the Audit & Supervisory Board Members' Office have been established, and have been providing necessary information appropriately and in a timely manner for them to perform their duties.

For Outside Directors and Outside Audit & Supervisory Board Members, the Board of Directors' Office and the Audit & Supervisory Board Members' Office provide Board of Directors' meeting materials and explanations as well as hold joint presentations about management strategies, important matters, and other topics before the Board of Directors' meetings to ensure that they can participate in the discussion fully. The offices also provide an orientation to newly appointed Outside Directors and Outside Audit & Supervisory Board Members, as well as ongoing opportunities to understand the business of Mitsubishi Corporation, including annual observation tours of subsidiaries and affiliates and opportunities for dialogue with the management. Furthermore, to enhance the effectiveness of the management supervision function, Mitsubishi Corporation holds meetings of the Governance & Compensation Committee, the President's Performance Evaluation Committee, and other bodies comprising a majority of Outside Directors and Outside Audit & Supervisory Board Members in their memberships. Also, Mitsubishi Corporation endeavors to enhance close cooperation among Outside Directors and Outside Audit & Supervisory Board Members through such measures as holding small meetings for Outside Directors and Outside Audit & Supervisory Board Members approximately four times a year to provide opportunities for free discussion about a wide range of themes relating to the business management and the corporate governance of Mitsubishi Corporation.

## **2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Remuneration and Other Functions**

Mitsubishi Corporation maintains the following corporate governance system in order to ensure sound, transparent and efficient management:

(See V 2. for the framework of Mitsubishi Corporation's Corporate Governance System.)

### **(1) Board of Directors**

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

The composition of the Board of Directors and the policy and process for appointing nominated Directors are deliberated at the Governance & Compensation Committee, and then decided by the Board of Directors as follows:

#### **a. Composition of the Board of Directors and the Policy for Appointing Nominated Directors**

To ensure Mitsubishi Corporation's decision-making and management oversight are appropriate for a *sogo*

(Translation)

*shosha* involved in diverse businesses and industries in a wide range of fields, several Directors are appointed from both within and outside Mitsubishi Corporation with the depth of experience and high levels of knowledge and expertise needed for fulfilling their duties.

More specifically, in addition to Chairman of the Board and the President and CEO, Mitsubishi Corporation's in-house Directors are appointed from Executive persons responsible for companywide management, Corporate Staff operations, and other areas. Outside Directors are appointed from those who possess a practical perspective of highly experienced officers and those who possess an objective and professional perspective with a deep insight on global developments and socio-economic trends.

In principle, the Board of Directors is an appropriate size for conducting deliberations, with one third or more being made up of Outside Directors.

#### b. Process for Appointing Nominated Directors

Based on the above policy, the President and CEO proposes a list of nominated Directors, which is then deliberated at the Governance & Compensation Committee and resolved by the Board of Directors before being presented at the Ordinary General Meeting of Shareholders.

#### c. Matters Deliberated by the Board of Directors

Matters requiring a resolution by the Board of Directors in accordance with laws and regulations and the Articles of Incorporation and important matters concerning management are resolved by the Board of Directors. In particular, for acquisitions and disposals of shares, equity stakes, and fixed assets, and investments and loans involving loans and guarantees, the Board of Directors sets out monetary threshold standards for each of various type of risks, such as credit risk, market risk and business investment risk (amounts do not exceed 1% of total assets and are set individually depending on the nature of the risk). Investments and loans that exceed this monetary threshold are deliberated and resolved by the Board of Directors.

Furthermore, business execution other than these matters for resolution by the Board of Directors is entrusted to Executive Officers in accordance with the allocation of duties decided by the Board of Directors for prompt and efficient business execution. Business is executed through President, as the Chief Executive Officer, and the Executive Committee (held twice monthly), as a management decision-making body to take responsibility for business execution.

Further, the Board of Directors strives to construct an internal control system for increasing corporate value by conducting appropriate, valid and efficient business execution in conformity with laws, regulations and the Articles of Incorporation. Each year, the Board checks on the implementation of the internal control system and makes ongoing improvements and enhancements.

See II 1. [Independent Directors and Audit & Supervisory Board Members] for the details of Outside Directors.

#### (2) Evaluation of the Effectiveness of the Board of Directors

To heighten the effectiveness of the Board of Directors continuously, interviews involving respective directors and Audit & Supervisory Board Members are conducted about the functioning and management of the Board of Directors. Based on the content of these interviews, the Governance & Compensation Committee conducts reviews of the effectiveness of the Board of Directors. Further, at meetings of the Board of Directors, based on the deliberations of the Governance & Compensation Committee, analysis and evaluation of the Board of

(Translation)

Directors is conducted, which is utilized to improve management and other matters. In the review of the fiscal year ended March 31, 2016, the Board of Directors was evaluated as being appropriately composed and managed, providing information in advance about respective agenda items, and conducting adequate deliberations through active exchanges of opinion during meetings.

Therefore, it was confirmed that the Board of Directors has adequate systems for the exercise of oversight functions and that these functions are being realized appropriately.

In addition, the opinion was expressed that, to enhance the effectiveness of the Board of Directors even further, it is important to take measures to unceasingly enhance the provision of information to Outside Directors and Outside Audit & Supervisory Board Members and to take measures to increase opportunities outside the Board of Directors for free exchanges of opinions and communication among Outside Directors and Outside Audit & Supervisory Board Members and among outsiders and internal management in relation to significant agenda items.

Based on the analysis and evaluations of the Governance & Compensation Committee and the Board of Directors, Mitsubishi Corporation will take continuous measures to enhance the effectiveness of the Board of Directors.

### (3) Board of Directors' Advisory Bodies

#### a. Governance & Compensation Committee

See II 1. [Directors] In this report for details.

#### b. International Advisory Committee

The International Advisory Committee has met annually since its establishment in 2001. Members of the Committee offer proposals and advice from an international standpoint on Mitsubishi Corporation's management and business strategies as it develops its business globally. Further, the committee reports on the political and economic conditions of respective regions and exchanges opinions.

<Main discussion themes>

- The global business environment (political and economic conditions, IT and innovation)
- Progress on New Strategic Direction
- Business strategy of Mitsubishi Corporation

### (4) Audit & Supervisory Board

The Audit & Supervisory Board audits Directors' decision-making process and their performance of duties according to the Companies Act and other laws and regulations, Mitsubishi Corporation's Articles of Incorporation and internal rules and regulations. In-house Audit & Supervisory Board Members conduct audits from a perspective of their rich experience of working within Mitsubishi Corporation, and Outside Audit & Supervisory Board Members from a neutral and objective perspective, to ensure that management is sound.

The composition of the Audit & Supervisory Board and the policy and procedure for appointment of nominated Audit & Supervisory Board Members are deliberated by the Governance & Compensation Committee, and then, decided by the Board of Directors as follows:

#### a. Composition of the Audit & Supervisory Board and the Policy for Appointing Nominated Audit &

(Translation)

#### Supervisory Board Members

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.

More specifically, in-house Audit & Supervisory Board Members are appointed from those with knowledge and experience in corporate management, finance, accounting, risk management or other areas. Outside Audit & Supervisory Board Members are appointed from those with rich knowledge and experience across various fields.

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.

#### b. Process for Appointment of Nominated Audit & Supervisory Board Members

Based on the above policy, the President and CEO consults with Senior Audit & Supervisory Board Member and creates a proposal for appointment of nominated Audit & Supervisory Board Members, which is then deliberated by the Governance & 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.

#### (5) Audit & Supervisory Board Member Audits, Internal Audits, and Accounting Audits

See II 1. [Audit & Supervisory Board Members] for details of Audit & Supervisory Board Member Audits, Internal Audits, and Accounting Audits.

#### (6) Outline of Limitation of Liability Agreements

Mitsubishi Corporation has executed agreements with the Outside Directors Messrs. Ryoza Kato, Hidehiro Konno, Akihiko Nishiyama, Hideaki Omiya and Ms. Toshiko Oka and the Audit & Supervisory Board Members Messrs. Tadashi Kunihiro, Ikuo Nishikawa and Ms. Yasuko Takayama limiting their liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, liability for damages is limited to the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.

### **3. Reason for Selecting Present Corporate Governance System**

Mitsubishi Corporation 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. Mitsubishi Corporation, 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 by appointing Outside Directors and Outside Audit & Supervisory Board Members who satisfy the conditions for Independent Directors or Independent Audit & Supervisory Board Member, 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 Mitsubishi Corporation. At the same time, Mitsubishi Corporation uses the Executive Officer System etc. for prompt and efficient decision-making and business execution. The concept and system of corporate governance were deliberated in the Governance & Compensation Committee where Outside Directors and Outside Audit & Supervisory Board Members had a

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majority, and Mitsubishi Corporation confirmed their effectiveness in the existing system.

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### III. Implementation of Initiatives Concerning Shareholders and Other Stakeholders

#### 1. Measures to Ensure an Active Ordinary General Meeting of Shareholders and Smooth Exercise of Voting Rights

Item	Applicable	Remarks
a. Early notification of the Ordinary General Meeting of Shareholders	<input type="radio"/>	Notice of convocation is sent three weeks before the meeting.
b. Scheduling of the Ordinary General Meeting of Shareholders to avoid dates of most other shareholder meetings	<input type="radio"/>	The meeting is scheduled to avoid dates when most other companies hold their ordinary shareholder meetings.
c. Allows voting rights to be exercised via the Internet	<input type="radio"/>	This has been implemented since 2004.
d. Participation in an electronic voting platform, and other initiatives to enhance the voting environment for institutional investors	<input type="radio"/>	Mitsubishi Corporation has participated in an electronic voting platform since 2008.
e. Provision of notice of convocation (summary) in English	<input type="radio"/>	The notice of convocation is also prepared in English.
f. Other	<input type="radio"/>	Prior to being sent to all shareholders, the Notice of 2015 Ordinary General Meeting of Shareholders is posted on the website of Mitsubishi Corporation as reference information. Mitsubishi Corporation also surveys the results of voting on proposals by shareholders in attendance at ordinary shareholder meetings, and releases the results in an extraordinary report.
g. None		

#### 2. Investor Relations (IR) Activities

Item	Applicable	(*)	Remarks
a. Creation and announcement of a disclosure policy	<input type="radio"/>	-	Mitsubishi Corporation has created Information Disclosure Regulations as internal regulations, and ensures they are understood internally.
b. Holds regular meetings for individual investors	<input type="radio"/>	<input type="radio"/>	Regular meetings are held. In the fiscal year ended March 31, 2016, meetings for individual investors were held in 4 Japanese cities, including Tokyo and Osaka.
c. Holds regular meetings for analysts and institutional investors	<input type="radio"/>	<input type="radio"/>	Regular meetings are held. In addition to Financial Results presentations every quarter, the President and CEO, the Chief Financial Officer (CFO), and business groups hold small meetings.
d. Holds regular investor meetings for overseas institutional investors	<input type="radio"/>	<input type="radio"/>	Regular meetings are held. Mitsubishi Corporation visits individual institutional investors in Europe, the U.S. and Asia in the form of overseas IR tours at least three times a year and small meetings with them.
e. Posts IR materials on Mitsubishi Corporation's website	<input type="radio"/>	-	Various reference information for investors is posted on the Investor Relations section of Mitsubishi Corporation's website. ( <a href="http://www.mitsubishicorp.com/jp/en/ir/">http://www.mitsubishicorp.com/jp/en/ir/</a> )
f. Established an IR office (officers)	<input type="radio"/>	-	Mitsubishi Corporation has an Investor Relations Department, with full-time staff who conduct IR activities. The director responsible for IR is the Chief Financial Officer (CFO).
g. Other			
h. None			

\*Includes speeches by Mitsubishi Corporation's chairman, president and CEO and other representative directors

#### 3. Measures Concerning Respect of the Standpoint of Stakeholders

Item	Applicable	Remarks
a. Prescribed respect for the standpoint of	<input type="radio"/>	Mitsubishi Corporation set forth rules concerning relationships with

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<p>stakeholders in internal regulations, etc.</p>		<p>society as a whole in the internal regulations regarding corporate philosophy such as, The Three Corporate Principles (Mitsubishi Corporation's corporate philosophy), the Corporate Standards of Conduct, the Code of Conduct and others. Mitsubishi Corporation aims to be a company that wins the admiration of all stakeholders, including shareholders and customers, and contributes to society.</p>
<p>b. Environmental protection and CSR activities</p>	<p>○</p>	<p>Mitsubishi Corporation's Corporate Standards of Conduct build upon the foundation of the Three Corporate Principles and establish Mitsubishi Corporation's expectations with regard to how business should be conducted, encompassing aspects such as commitment to enriching society, respecting human rights and striving to protect and improve the global environment. Amid growing importance of responding to environmental and various social issues, Mitsubishi Corporation is working to simultaneously generate economic value, environmental value and societal value. In April 2008, Mitsubishi Corporation appointed a Senior Executive Vice President in charge of CSR &amp; Environmental Affairs as well as established the CSR &amp; Environmental Affairs Committee, whose members include Senior Executive Vice Presidents. Among its responsibilities, this committee discusses Mitsubishi Corporation's basic policies concerning CSR and environmental activities. The CSR &amp; Environmental Affairs Advisory Committee was set up as an advisory body. Made up of 10 respected individuals from outside Mitsubishi Corporation, the CSR &amp; Environmental Affairs Advisory Committee provides advice regarding the Mitsubishi Corporation Group's approach to CSR and environmental affairs. Mitsubishi Corporation has specified the following four key fields to focus on in its social contribution activities: ongoing social contribution activities conceived and conducted voluntarily by employees (Friendship Camp for Mothers and Children, etc.); programs that contribute in regions around the world; activities in the public welfare and education fields (exchange student scholarships, etc.); and activities in the fields of art and culture. Mitsubishi Corporation is committed to actively giving back to society in each of these four key fields.</p> <p>In April 2011, Mitsubishi Corporation established the Mitsubishi Corporation East Japan Earthquake Recovery Fund for helping with relief and recovery efforts in disaster-stricken areas. This fund has awarded scholarships to university students, and provided grants to NPOs and other groups to support their activities. In addition, Mitsubishi Corporation employees have been conducting volunteer activities in affected areas. Moreover, in March 2012, Mitsubishi Corporation established the Mitsubishi Corporation Disaster Relief Foundation with the objective of helping revive industry and create jobs in disaster-stricken regions. On May 17, 2012, it obtained certification as a public interest incorporated foundation. The Fund also supports business operators using investment and finance methods for the first time as a public interest incorporated foundation.</p>
<p>c. Formulated policy on the provision of information to stakeholders</p>	<p>○</p>	<p>Mitsubishi Corporation has created Information Disclosure Regulations as internal regulations, and ensures they are understood internally.</p>
<p>d. Other</p>		<p>The MC Group's workforce comprises employees of different genders and nationalities, but also with varying lifestyles and diverse values. As our business continues to diversify and globalize at an accelerating pace, embracing diversity and growing together through friendly competition and diligence is essential to the creation of sustainable corporate value.</p> <p>The MC Group believes that "creating a highly flexible organization that responds to changes in the business environment" is the essence of diversity management. Based on this belief, on October 1, 2014, we established a "Diversity Office". We have further enhanced our measures to support employees who are balancing child-rearing or nursing care with work. We are also considering initiatives to promote personnel with foreign nationalities at overseas locations and undertaking a host of other efforts. We are introducing a number of workplace enhancement measures</p>

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		<p>to maximize the strengths of our diverse human resources and to ensure that personnel can continue to work with enthusiasm.</p> <p>To help women build their careers and continue working, we provide daycare facilities to support a smooth return from maternity leave. We have set flexible working hours to facilitate balance between work and child-rearing and nursing care, and we have in place a system to re-employ those who previously resigned to accompany their spouses on job transfers. As a further effort to foster an environment in which women can be more active, we have formulated an action plan that highlights hiring ratios, female career support, the ratio of women in management-level positions, the use of child-rearing systems by men, and reforms in the corporate culture (period of the plan: April 1, 2016–March 31, 2021). In addition to the initiatives in this plan, we will work together to promote the advancement of women throughout the MC Group.</p>
e. None		

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## **IV. Internal Control System**

### **1. Basic Stance Regarding Internal Control System and Status of Establishment**

#### **■ Internal Control System (System for Ensuring Proper Business)**

On May 10, 2016, the Board of Directors of Mitsubishi Corporation resolved the basic policy of establishing the following internal control systems (pursuant to items enumerated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act) for Mitsubishi Corporation, as a whole Mitsubishi Corporation group including its subsidiaries, to improve the corporate value through proper and efficient business operations in conformity with laws and its Articles of Incorporation. Mitsubishi Corporation checks the operating status of these systems and endeavors to continuously improve and strengthen them.

#### **1. 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, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations and prepare, process, and store information appropriately.

#### **2. Regulations and Other Systems Concerning Management of Loss Risk**

Mitsubishi Corporation 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, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. In addition, in accordance with the business lines or size of subsidiaries, Mitsubishi Corporation shall encourage the development of necessary risk management systems, thereby appropriately controlling on a corporate group basis risk accompanying the execution of duties.

#### **3. System for Ensuring that Directors Perform Duties Efficiently**

(1) The President and CEO shall establish management policies and goals on a corporate group basis, prepare management plans aimed achieving them, and then endeavor to execute duties efficiently by implementing these plans.

(2) Mitsubishi Corporation 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, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. Further, in accordance with the business lines or size of subsidiaries, Mitsubishi Corporation shall ensure efficiency by encouraging the establishment of similar internal rules and regulations and other measures.

#### **4. 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) Mitsubishi Corporation 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, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. Further, Mitsubishi Corporation shall realize compliance capabilities on a corporate group basis by encouraging subsidiaries to establish similar systems.

(2) Mitsubishi Corporation 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, Mitsubishi Corporation shall

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rigorously reflect the rules and regulations in operations and ensure proper and timely disclosure of financial information on a corporate group basis.

(3) Mitsubishi Corporation shall establish internal rules and regulations for such matters as the systems and main points of internal auditing. After informing all parties, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations and objectively inspect, evaluate, and improve the execution of duties by respective organizations and subsidiaries.

#### **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 appropriate duties in the corporate group, Mitsubishi Corporation shall establish basic policies on a corporate group basis 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, Mitsubishi Corporation shall rigorously reflect the rules and regulations in operations. Further, these 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. If Employees Are Required to Assist in the Duties of Audit & Supervisory Board Members, Items Concerning the Said Employees**

Mitsubishi Corporation shall establish an independent, dedicated organization to assist Audit & Supervisory Board Members in the execution of their duties.

#### **7. Items Concerning the Independence from Directors of Employees Assisting in the Duties of Audit & Supervisory Board Members**

For personnel matters concerning employees assisting in the duties of Audit & Supervisory Board Members, such as evaluations and transfers, Mitsubishi Corporation shall seek the opinions of Audit & Supervisory Board Members and shall respect these opinions.

#### **8. Items Concerning the Ensuring of the Effectiveness of Directions Issued to Employees Assisting in the Duties of Audit & Supervisory Board Members**

Employees assisting in the duties of Audit & Supervisory Board Members shall not concurrently perform duties for other divisions and departments and shall exclusively comply with the instructions of Audit & Supervisory Board Members, thereby ensuring the effectiveness of Audit & Supervisory Board Members' directions.

#### **9. 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) Mitsubishi Corporation 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) Mitsubishi Corporation 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.

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**10. System to Ensure That Persons Who Have Submitted a Report to Audit & Supervisory Board Member Are Not Treated Disadvantageously as a Result of Submitting the Said Report**

Mitsubishi Corporation 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.

**11. Items Concerning Procedures for the Advance Payment or Reimbursement of Expenses Arising from the Execution of Audit & Supervisory Board Member' Duties and Policy Concerning the Processing of Other Expenses or Liabilities Arising from the Execution of the Said Duties**

When Audit & Supervisory Board Member submit invoices for such items as reimbursement of expenses incurred in the execution of their duties, excluding cases in which it is recognized that the said expenses were not required for the execution of Audit & Supervisory Board Member' duties, Mitsubishi Corporation shall undertake prompt processing.

**12. Other Systems to Ensure That Audit & Supervisory Board Member' Audits Are Executed Effectively**

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

**■Business Continuity Planning (“BCP”)**

Mitsubishi Corporation has prescribed a “Code for Dealing With Large-scale Natural Disasters and Accidents” and has set out basic policies for responding to natural disasters and incidents that could affect the safety and wellbeing of employees as well as the earnings and assets and business continuity, and to various other risks such as terrorism, new strains of influenza and other contagious diseases. There are three basic policies: (1) Our first priority is to ensure and verify the safety of employees and their families; (2) We will work to maintain and continue Mitsubishi Corporation's important functions and operations and, if interrupted, restore them quickly; and (3) We will help with rescue and restoration efforts in local communities.

**2. Basic Policies to Protect Against Entities and Individuals Engaged in Unlawful Activities and Status of Establishment**

Mitsubishi Corporation firmly opposes any organization, group or individual engaged in unlawful activities and does not provide money or other types of economic benefit to them. This basic policy is clearly set out in Mitsubishi Corporation's “Code of Prohibition against Improper Payments or Other Types of Benefits” and the “Code of Conduct (“Code”) adopted in March 1998 and September 2000, respectively.

Mitsubishi Corporation also ensures that this basic policy is widely understood and complied with by all of the directors, officers and employees of Mitsubishi Corporation, among other things, by obtaining a written commitment to the Code from them every year.

Mitsubishi Corporation has established an internal corporate structure in order to take immediate action to respond to unexpected circumstances, by appointing a department to create close cooperating relationships with outside authorities and specialists, and promoting to include a clause regarding the Organized Crime Exclusion Ordinances on contracts.

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## V. Other

### 1. Matters concerning anti-takeover measures

Matters concerning anti-takeover measures	No
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### 2. Other matters concerning the corporate governance framework

#### ■Corporate Governance Framework including Outline of the Internal Control System

See the framework shown below.

#### ■Outline of the Information Disclosure System

Mitsubishi Corporation discloses information based on applicable laws and regulations, as follows:

##### 1. Information Covered by This Policy

Mitsubishi Corporation covers “material information” as stipulated by applicable laws and regulations. This includes information related to corporate decisions and occurrence of material fact as stipulated by the Tokyo Stock Exchange (“TSE”) in accordance with its policies for timely information disclosure, and information such as financial statements to be disclosed as mandatory disclosures in accordance with the Companies Act and the Financial Instruments and Exchange Act of Japan, as well as similar types of information such as integrated reports. Mitsubishi Corporation discloses information observing the following disclosure principles.

##### 2. Basic Principles Regarding the Disclosure of Material Information

Mitsubishi Corporation discloses material information based on the following five principles:

Transparency:

Mitsubishi Corporation discloses information in a factual manner, regardless of the content.

Timeliness:

Mitsubishi Corporation discloses information promptly, without delay, following occurrences that warrant disclosure.

Fairness:

Mitsubishi Corporation disperses information fairly to our various stakeholders.

Continuity:

Mitsubishi Corporation discloses information in a steady, continuous manner.

Confidentiality:

Mitsubishi Corporation does not provide information to third persons before information has officially been announced by Mitsubishi Corporation.

##### 3. Framework for Disclosure of Material Information

The internal framework for disclosing material information (as described above) is as follows:

#### \* Timely Information Disclosure System in Accordance With the Rules of the TSE

At Mitsubishi Corporation, the Executive Officer in charge of corporate communications is responsible for timely information disclosure, and he or she designates the general manager of the Corporate Communications Department to be the person in charge of managing information on a day-to-day basis. The Corporate

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Communications Department, as the department in charge of timely information disclosure, works to promote awareness regarding the importance of timely disclosure inside Mitsubishi Corporation. At the same time, each department reports to and consults with the Corporate Communications Department about any decisions or occurrences that are thought to have bearing on the decisions of investors.

The general manager of the Corporate Communications Department carries out the necessary disclosure after confirming the necessity to disclose information.

\* Disclosure System for Material Information Prescribed by Laws and Regulations Other Than That Covered by the Rules of the TSE

Apart from the timely information disclosure stipulated by the TSE, Mitsubishi Corporation also provides information as required by applicable laws and regulations. Various types of material information, such as those outlined below, are determined by Executive Officers and individual departments in charge after discussion and deliberation, including with other departments, and information is then disclosed in accordance with applicable laws and regulations.

- (1) Disclosure based on the Companies Act of Japan (business reports, account statements and accompanying supplemental schedules, and consolidated account statements)
- (2) Disclosure based on the Financial Instruments and Exchange Act (financial statements, quarterly reports, internal control reports, extraordinary reports, securities registration statements, shelf registration statements and documentation related to issuances, etc.) (Note)
- (3) Disclosure based on other regulations (integrated reports, etc.)

Note: Mitsubishi Corporation's Disclosure Committee discusses and confirms the details of the disclosures and appropriate scope regarding financial statements, quarterly reports and internal control reports that are submitted based on the Financial Instruments and Exchange Act. The Disclosure Committee is chaired by the Chief Financial Officer (CFO) and is made up of representatives from relevant departments such as the Corporate Planning Department, the Corporate Communications Department, the Investor Relations Department, the Finance Department, the Corporate Administration Department, and the Legal Department. The results of deliberations are reported to the President and CEO. The President and CEO then submits a report confirming the appropriateness of the details of financial statements and quarterly reports to the TSE based on the details of the report he/she receives. The details of the financial statements and internal control reports are submitted to the Board of Directors, while the details of quarterly reports are reported to the Board of Directors.

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