

Message from an Outside Director

Listening to a variety of outside opinions is important for further globalization.

Chairman of the Board of Mitsubishi Corporation and outside director at MHI, Yorihiro Kojima delivers a message for MHI as it engages in strengthening corporate governance as the basis for global business development.



Yorihiro Kojima

Outside Director

Chairman of the Board of Mitsubishi Corporation

Impression of MHI

Steadily proceeding with organizational reforms aimed at global expansion

Ever since becoming an outside director at MHI in 2010, I have been impressed with the sincere manner in which MHI has tackled organizational reforms.

Particularly impressive were the two organizational reforms implemented in 2011. First, changing to a single managerial (headquarters) system has enabled swift and efficient decision making. Second, establishing the Management Audit Department has strengthened MHI's internal control and compliance check function. Both of these reforms have had immense significance in MHI expanding its business globally.

Now, based on its 2012 Medium-Term Business Plan, MHI is proceeding with reorganization into a four-domain business structure. One of these, the Energy & Environment domain, produces power generation facilities and environmental and chemical plants. These are important social infrastructures that are in demand throughout the world, and I believe they hold the key to future global expansion.

Assessment of MHI's corporate governance

Responds earnestly to the views and requests of outside officers

The outside directors at MHI are: Ms. Christina Ahmadjian, who is an expert in corporate governance; Mr. Hiroki Tsuda, who is an expert in finance; and myself, a corporate executive. With this group of three, I can sense MHI's eagerness to actively incorporate

diverse ideas into its management.

At meetings of the Board of Directors, all outside officers, including outside statutory auditors, actively voice their opinions from their respective standpoints, and those proposals and requests are always taken seriously.

I think that increasing diversity, even among the Board of Directors, is important for promoting greater global expansion, and so I believe that the percentage of outside directors on the board should be increased. Moreover, in order for us outside officers to better understand the features and strengths of MHI—that is, its diverse product lineup and manufacturing workplaces—and in order for us to engage in more vigorous discussion, I think opportunities for understanding the Company, such as works visits and so on, should be expanded more than ever.

Issues to be addressed

Expectations for stronger governance and greater overseas business expansion

In order for MHI to serve as a truly global corporation, it is important that a governance structure be built which enables management to be checked from an even greater number of outside viewpoints.

At Mitsubishi Corporation, where I serve as Chairman of the Board, we have established a Governance & Compensation Committee and an International Advisory Committee as advisory bodies to the Board of Directors. The two committees are centered around experts from outside the company and from overseas. Building a structure in this way, whereby the company can be continually reviewed by third parties, is effective. Furthermore, the perspectives of foreign nationals are particularly important for promoting the expansion of business overseas. They are also essential for identifying trustworthy business partners and for developing global human resources.

In order to expand business in a foreign culture, sound and transparent management needs to be improved by incorporating external points of view into management. Such soundness and transparency is also the essence of "Shoji Komei" (integrity and fairness), which is one of the Three Principles, the common principles of management shared across Mitsubishi companies. Thus, I will also draw on this perspective when providing advice and making suggestions at meetings of the Board of Directors.

The Mitsubishi Regional Jet (MRJ) project, which carries the expectations of a national level project, and the business integration with Hitachi in the field of thermal power generation systems will contribute to the development and further sophistication of Japan's manufacturing industry. By further strengthening its governance and by means of bold, yet flexible, management decisions, I greatly look forward to MHI expanding its overseas business and further raising its international competitiveness.