

(Translation)

Corporate Governance Report

CORPORATE GOVERNANCE

Mitsubishi Heavy Industries, Ltd.

Last Update: June 27, 2025

Mitsubishi Heavy Industries, Ltd.

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Security Code: 7011

The corporate governance of Mitsubishi Heavy Industries, Ltd. (“MHI” or the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

As a company responsible for developing infrastructure that forms the foundation of society, it shall be MHI’s basic policy to manage the company in consideration of all stakeholders and to make efforts to enhance corporate governance on an ongoing basis in pursuit of sustained growth of its group (“MHI Group”) and improvement of its corporate value in the medium and long term.

In accordance with such basic policy, by, among other ways, working to enhance its management oversight function through separating management oversight and execution, and inviting outside directors onto the Board, MHI shall endeavor to improve its management system and works on to develop a “Japanese-style global management” focusing on the improvement of the soundness and transparency of its management as well as on diversity and harmony.

In addition, MHI has compiled our basic framework of and approach to corporate governance in the Corporate Governance Guidelines of Mitsubishi Heavy Industries, Ltd. (“Guidelines”) and published them on our website.

(https://www.mhi.com/finance/management/governance/pdf/corporate_governance.pdf)

Reasons for Non-compliance with the Principles of the Corporate Governance Code

MHI performs each of the principles of the Corporate Governance Code based on the above basic approach.

All principles are described based on the revised code (including content for the Prime Market) as of June 2021.

Disclosure Based on each Principle of the Corporate Governance Code

Principle 1-4

(1) Policy on shares held for purposes other than pure investment

MHI holds shares of other companies only upon having judged that such holdings will facilitate MHI’s sustainable growth and increase its corporate value from a medium- to long-term perspective.

While investing in growth areas looking toward the future, MHI reviews and reduces holdings of shares acquired in the past. As a result, we have reduced the ratio of shares held for purposes other than pure investment to total equity (consolidated) from 27.7% at the end of March 2021 to 8.6% at the end of March 2025. We will continue to invest to build partnerships in growth areas while striving to maintain a ratio of less than 10%.

Based on the verification results of (2) below, etc., MHI sold 10 issues/¥24.4 billion (including partial sales) in FY2024.

(2) Details of assessment regarding shares held for purposes other than pure investment

At the Board of Directors meeting held in September 2024, we reviewed all of our listed share holdings in terms of both their

significance and economic rationale. We confirmed that, although there are still a certain number of shares that should be reduced due to reasons such as a decrease in its initial significance, such number has decreased compared to one year ago.

(3) Approach to voting standards of shares held for purposes other than pure investment

When exercising voting rights, we make a comprehensive judgment on whether the exercise is in line with our shareholding purpose and policies and whether it contributes to the medium- to long-term enhancement of corporate value for both MHI and the investee company. Voting rights are exercised after a confirmation and review process established within the company. If it is determined that we cannot agree to an important proposal of the issuing company, we will consider whether or not to sell the shares.

Principle 1-7 Framework for related party transactions
See Article 30 of the Guidelines.

Supplementary Principle 2-4 (1) Ensuring diversity in the promotion to core human resources

<Approach to ensuring diversity, voluntary and measurable goals and their status>

For the MHI Group, which consists of tens of thousands of people with diverse backgrounds, nationalities, and cultures, diversity is a valuable asset. Each employee, coming from a unique background, is dedicated to their work under a shared corporate culture.

(1) Appointment of women to management positions

To further promote women's empowerment in the workplace, we are pursuing four key measures: increasing the number of female employees, establishing systems to prevent career interruptions, systematically developing women in management positions, and fostering a corporate culture that supports these efforts. We have also identified as a material issue (as described below) "the goal of increasing the ratio of female executives to 30% and doubling the proportion of women in management positions (compared to FY2021) by 2030", and are advancing the development of frameworks towards its realization.

(2) Appointment of mid-career hires to management positions

To respond to societal demands and sustain our growth as a global enterprise, we believe it is essential to have talent with diverse perspectives and values. Accordingly, we conduct mid-career hiring and appoint these individuals to middle managerial positions as key personnel within the company. As of April 2025, mid-career hires account for approximately 10% of our management positions. We will continue to actively promote mid-career hiring and develop an environment in which diverse individuals can thrive.

(3) Appointment of foreign nationals to management positions

With overseas sales accounting for over half of the MHI Group's total sales, the recruitment, training, and deployment of key positions of foreign employees is extremely important to our business strategy in order to respond to the diverse needs of the global market.

In order to select and develop management personnel suited to lead the MHI Group among the MHI Group as a whole from an early stage, we have established a management training program in collaboration with business schools around the world.

Participants in this program already hold important positions globally.

Although we have not established specific voluntary targets for appointing foreign nationals to management positions, we

recruit, develop, and deploy talent globally regardless of nationality, as outlined above. As a result, diverse talent actively works in the MHI Group as a whole.

<Human resource development, and development of internal workplace environment policies and status to ensure diversity>

(1) Policies on human resource development and development of internal workplace environment

Our 2024 Medium-Term Business Plan emphasizes “the strengthening of our human capital in accordance with strategies of each business”, while actively fostering a workplace environment that enables diverse talent to excel globally. We remain committed to advancing the following initiatives, which encompass our policies on human resource development, including to ensure the talent’s diversity, as well as the policies on the development of our internal workplace environment.

A. Human resource development

The MHI Group operates in a rapidly changing business environment, driven by the diversification of values and the increasing complexity of societal challenges, etc. To ensure the sustainable development of the MHI Group under any circumstances, it is vital that every employee responds to customer needs with a sense of personal ownership and initiative. The HR departments are committed to cultivating talent equipped to meet these demands, nurturing a corporate culture that maximizes their potential, and driving a shift toward workstyles that enhance individual autonomy and engagement.

The MHI Group has established “the MHI Group Talent Development Guidelines”, which outlines our commitment to supporting the growth and career development of each group member, and working to create an environment where all employees can continuously learn and grow to achieve our mission - Integrate cutting-edge technology into expertise built up over many years to provide solutions to some of the world’s most pressing issues and provide better lives.

B. Engagement

Based on the belief that improving employee engagement leads to greater organizational vitality, the MHI Group has positioned engagement as a key performance indicator and conducts regular group-wide engagement surveys. In response to the survey results, individual departments are executing improvement initiatives, while the HR Departments are working to address group-wide issues through benchmarking, cross-departmental knowledge sharing, and the development of various support tools.

C. Diversity, Equity & Inclusion

Please refer to <Approach to ensuring diversity, voluntary and measurable goals and their status> above

D. Safety and Hygiene, Health

To realize the MHI Group’s fundamental policy on occupational safety and health, “Safety is our number one priority. We will do everything in our power to protect lives,” we have established “the MHI Group Basic Policy for Employee Health and Safety”, which outlines the code of conduct expected of all employees. This policy is implemented with the goal of creating a safe and secure working environment across all our global sites where employees can perform their duties with peace of mind. Under the President and CEO’s health management declaration: “well-being of our employees and their families form the cornerstone of our success; we are dedicated to fostering a workplace where everyone actively cares for their physical and mental health, where each individual is respected and empowered to thrive,” the MHI Group actively promotes health management, and strives to develop workforce capable of contributing to a more healthy and vibrant society.

(2) Performance indicators and goals

With regard to the policies outlined in (1) “Policies on human resource development and development of internal workplace environment,” in an effort to “the promotion of diversity and enhancement of employee engagement”, we have established indicators related to safety, diversity, and engagement with the themes of the creation of new value through a diverse workforce, ensuring a safe and comfortable workplace, establishing an environment where employees can thrive, and cultivating a healthy, vibrant workforce that contributes to society, and we have implemented following initiatives.

- Ongoing training program for potential future executive candidates in collaboration with the HR departments and each business unit.
- The promotion of a workplace environment and organizational culture which enable all employees to balance professional and private life, by expanding various employee support systems with consideration to childcare, caregiving, disabilities, and health conditions, in order to enable all employees to continue their careers.
- Enhanced educational content (e-learning) related to “respecting human rights in the MHI Group”.
- Cross-departmental collaboration to discuss and plan countermeasures, by detecting early warning signs and analyzing root causes of disasters, etc. utilizing AI systems and guidelines based on previous incidents.
- Based on the results of the 5th MHI Group Employee Engagement Survey conducted from January to February 2025, promoted initiatives for further improvement.
- President and CEO’s Town Meeting was held in 3 locations in Japan and abroad.
- Implemented the company-wide deployment and operational improvements of the pulse survey tool(*) to enhance its sophistication and promoted further utilization in the workplace.

* A method of conducting brief surveys with higher frequency than the employee awareness survey to enable earlier identification and resolution of workplace-specific issues.

Principle 2-6 Roles of corporate pension funds as asset owners

See Article 18 of the Guidelines

Principle 3-1 (i) Company objectives (e.g., business principles), business strategies and business plans

See Article 5 and Article 6 of the Guidelines

Please refer to the relevant page on our website for information on our Medium-Term Business Plan.

(<https://www.mhi.com/finance/library/plan/>)

Principle 3-1 (ii) Basic approach to and guidelines on corporate governance

See Article 3 and Article 4 of the Guidelines

Principle 3-1 (iii) Policy and procedures for determining the remuneration of management personnel and Directors by the Board of Directors

See Article 32, Article 42, and Article 49 of the Guidelines

Principle 3-1 (iv) Policy and procedures for electing and dismissing management personnel and nominating candidates for Directors by the Board of Directors

See Article 25, Article 35, and Article 45 of the Guidelines

Principle 3-1 (v) Explanation of individual elections, dismissals, and nominations when the Board of Directors elects and dismisses management personnel and nominates candidates for Directors

See “Notice of the 100th Annual General Meeting of Shareholders” and “Notice of the 99th Annual General Meeting of Shareholders”

(https://www.mhi.com/finance/stock/meeting/pdf/100_notice.pdf,

https://www.mhi.com/finance/stock/meeting/pdf/99_notice.pdf)

Supplementary Principle 3-1 (3) Sustainability initiatives, etc.

(1) Sustainability initiatives

1) Governance

The MHI Group addresses global challenges, including environmental issues, by contributing not only through our products and technologies, but also through various activities across the entire business process to work to solve various societal challenges, thereby promoting sustainability initiatives integrated with our business operations.

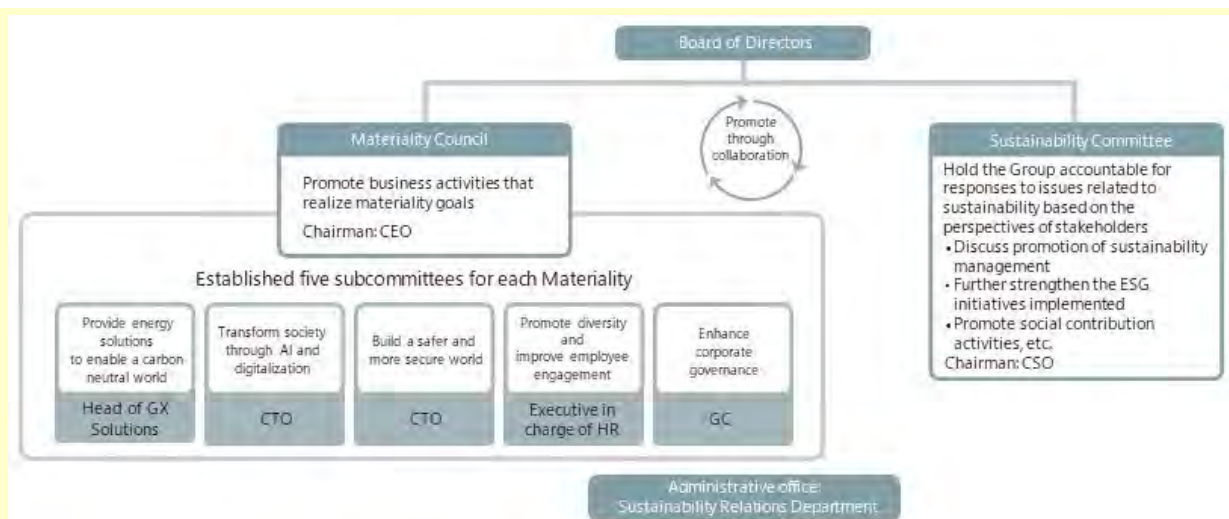
The MHI Group has established the CSR Action Guidelines as a shared mindset for all employees, presenting *Our Principles - contributing to the advancement of society through our business* - in a concretely imaginable form enabling all employees to act with it in their mind. In addition, we have formulated “the MHI Group Global Code of Conduct” as a common standard of behavior for our diverse workforce, which spans various backgrounds, nationalities, and cultures. Further, regarding environmental initiatives, we have established the Basic Policy on Environmental Matters and Action Guidelines, under which we are advancing efforts to reduce environmental impact. With respect to human rights, we support and respect international standards such as the Universal Declaration of Human Rights, and have established “the MHI Group Human Rights Policy” based on “the Guiding Principles on Business and Human Rights” adopted by the UN Human Rights Council. For our business relationships with suppliers, we have formulated “the Procurement Policy”.

The MHI Group has also established the Materiality Council to advance management practices that take into account the sustainability of society. Initiatives toward material issues represent the practical implementation of sustainability-oriented management through our business activities. At the Materiality Council, we review the progress of business operations toward achieving materiality goals, discuss future directions, and provide necessary guidance to relevant business units.

Further, the MHI Group has placed sustainability at the core of its management and has established a Sustainability Committee with the aim of “always focusing on social perspectives, responding to the expectations of society, and aiming to make MHI Group a solidly trusted company”. In addressing increasingly complex sustainability issues, the Sustainability Committee incorporates stakeholders’ perspectives, explores the responsibilities the MHI Group should fulfill, and examines strategies to further advance sustainability management, and then deliberates and makes decisions on key policies, etc. related to the MHI Group’s ESG (Environment, Social, Governance) initiatives, while also promoting related activities.

In addition, in response to themes of which social demands are increasing such as disclosures aligned with the Task Force on Climate-related Financial Disclosures’ recommendations, human rights due diligence, natural capital, and biodiversity, the MHI Group identifies risks and opportunities, promptly makes management-level decisions on corporate response policies and monitors the progress of these initiatives.

Important matters related to these sustainability initiatives are regularly reported to the Board of Directors. The structure of the sustainability promotion system is as follows.



2) Risk Management

The MHI Group's Sustainability Committee reviews the results of verifications concerning key sustainability-related risks and opportunities, including those related to climate change.

Further, to conduct business activities that respect human rights, the MHI Group executes human rights due diligence by identifying potential human rights risks within its supply chain and conducting thorough investigations. Additionally, a dedicated Human Rights Expert Subcommittee*, represented by various business units, is continuously held to share the latest status of initiatives and discuss future policies. In addition, to establish grievance mechanisms in line with the UN Guiding Principles and OECD Guidelines for both domestic and international stakeholders, the MHI Group participates in Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). By utilizing JaCER's grievance platform, the MHI Group aims to improve remedy access for human rights-related issues.

*Name was changed from the "Human Rights Due Diligence Liaison Meeting" to the "Human Rights Expert Subcommittee" in March 2025.

3) Strategy

To enhance corporate value and achieve medium- to long-term growth through the resolution of social issues, the MHI Group has identified key material issues that it should address. Through a structured process involving the analysis of social issues, the development of a materiality map, and verification of relevance, the MHI Group has identified the following 5 materiality goals: Provide energy solutions to enable a carbon neutral world; Transform society through AI and digitalization; Build a safer and more secure world; Promote diversity and improve employee engagement; Enhance corporate governance. In addition, based on a result of the investigations of the direction of emerging sustainability management challenges, the Sustainability Committee determines the ESG initiatives on which the MHI Group should work.

Under the 2024 Medium-Term Business Plan launched in FY2024, the MHI Group aims to build on the business and financial foundations established through the previous plan (2021 Medium-Term Business Plan) to further strengthen portfolio management. Simultaneously, it will enhance the technological and human resource bases that support the portfolio management, and through its "MISSION NET ZERO" initiative, the MHI Group is actively working toward the realization of a sustainable, safe, secure, and comfortable society by striving to achieve carbon neutrality.

4) Performance Indicators and Goals

For each material issue, the MHI Group has established company-wide goals and progress monitoring indicators (KPIs), and its progress is managed by the Materiality Council.

For details on the company-wide goals corresponding to each material issue, please refer to the “Sustainability Management - Material Issues” section of the SUSTAINABILITY DATABOOK.

(<https://www.mhi.com/sustainability/library/pdf/sustainabilitydatabook2024.pdf>)

(2) Investment, etc. in human capital and intellectual property

1) Investing in Human Capital

For initiatives related to investment in human capital, please refer to Supplementary Principle 2-4 (1): “Ensuring diversity in the promotion to core personnel,” specifically the section on “human resource development, and development of internal workplace environment policies and status to ensure diversity”. For information on our investment in human resource development, including training expenses and training hours, please refer to the “Society - Human Resource Development” section of the SUSTAINABILITY DATABOOK.

(<https://www.mhi.com/sustainability/library/pdf/sustainabilitydatabook2024.pdf>)

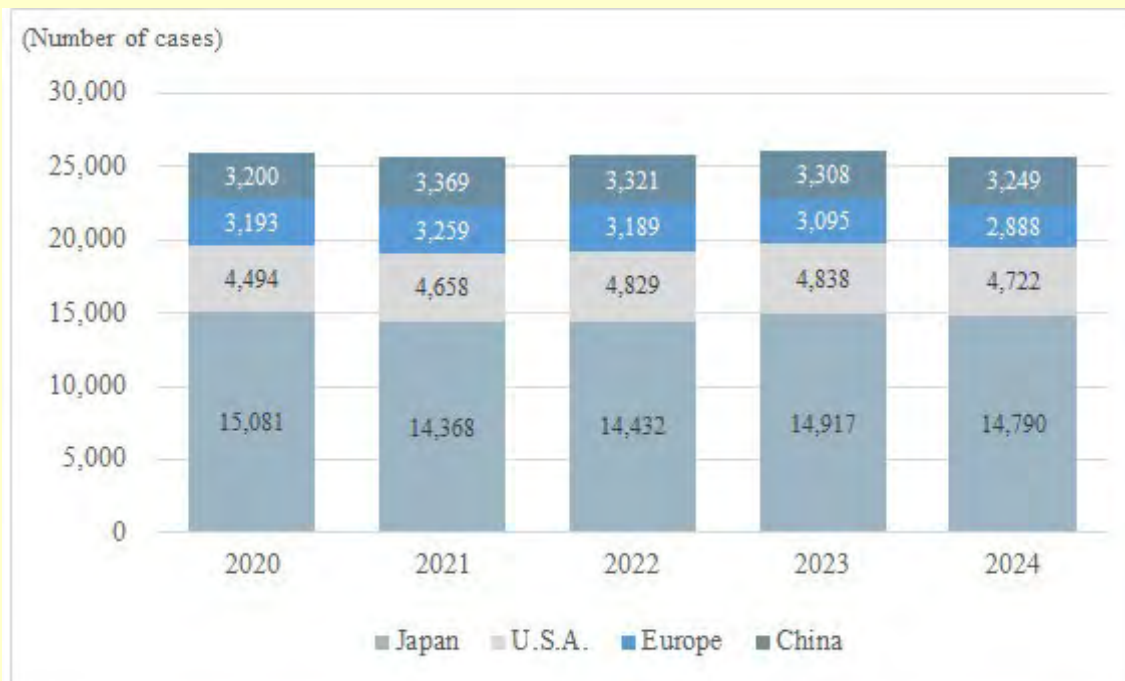
2) Investment in Intellectual Property

The MHI Group implements a management strategy that integrates its business, research and development (R&D), and intellectual property (IP) strategies. Specifically, each business division formulates its business strategy, R&D strategy, and IP strategy based on the management strategy. These strategies are executed through close collaboration among the business units, R&D, and IP departments. In addition, the Intellectual Property Department oversees the IP strategies of all business units and reports them to the CTO. These reports are also regularly shared with Audit and Supervisory Committee members, thereby implement a unified group-wide IP strategy and contributing to the further enhancement of corporate value.

As part of the above initiatives, the MHI Group has established the following two fundamental policies for its IP activities.

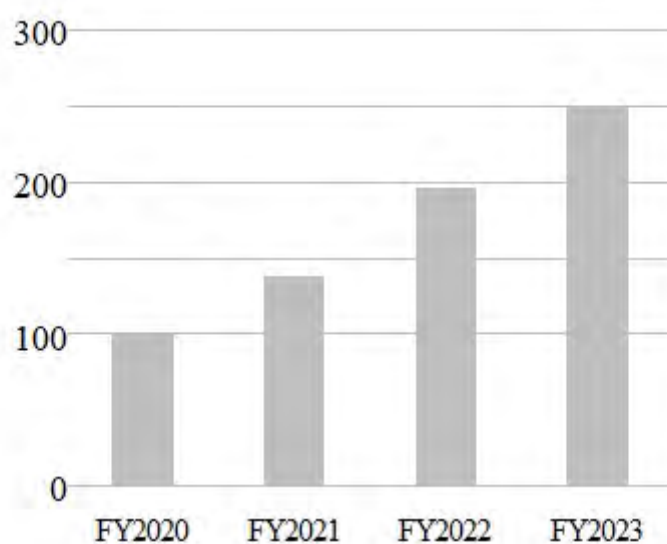
- To globally protect and leverage the outcomes of research, development, and design as IP, while respecting the IP rights of others.
- Scaling through partnerships and expanding monetization opportunities via licensing business.

Based on these fundamental policies, MHI Group strengthens the integration of business and IP and strategically incorporates the creation, protection, and utilization plans of IP from the upstream stages. This approach serves as a driving force for solving social challenges and generating value. IP generated as a result of these efforts is protected not only in Japan but also overseas through patent acquisitions, supporting the MHI Group’s global businesses.



*The figures represent the number of cases held by MHI and key consolidated subsidiaries as of the end of each fiscal year, and the number of ongoing rights for European Patents.

Furthermore, in the energy transition field heading toward a decarbonized society, the MHI Group has recently increased its IP investments in relevant technologies.



Changes in number of intellectual property holdings concerning energy transition-related technologies
(with FY2020 as 100)

Through these IP activities, the MHI Group promotes the achievement of “MISSION NET ZERO”, the realization of a safe, secure, and comfortable society, and the enhancement of brand IP value, thereby contributing to the attainment of the goals set forth in the 2024 Medium-Term Business Plan.

MHI has been recognized as a “Clarivate Top 100 Global Innovator 2025” by Clarivate, a leading global information services company, and was also selected for the “2024 Asia IP Elite” by IAM (Intellectual Asset Management), an international IP media organization. We consider this recognition to be a result of our IP activities being evaluated.

For more details on our IP initiatives, please refer to the relevant page on our website

(<https://www.mhi.com/business/technology/ip>).

For information on the status of R&D, including R&D expenses and examples of open innovation, please refer to the “Society – Innovation” section of the SUSTAINABILITY DATABOOK.

(<https://www.mhi.com/sustainability/library/pdf/sustainabilitydatabook2024.pdf>)

(note) CTO: Chief Technology Officer

(3) Disclosure based on TCFD or an equivalent framework regarding the impact of climate change-related risks and earning opportunities on the company’s business activities and profits, etc.

In February 2019, MHI expressed our support for the recommendations of “the Task Force on Climate-related Financial Disclosures (TCFD)”. Recognizing the provision of solutions to climate change as both a social contribution and responsibility of the MHI Group, we have discussed it as our business strategy and formulated initiatives aligned with the TCFD framework.

For disclosures aligned with the TCFD recommendations, please refer to the relevant page on our website.

(https://www.mhi.com/sustainability/environment/climate_tcf.html)

Supplementary Principle 4-1 (1) Overview of the scope of delegation to the management

See Article 20 of the Guidelines

Principle 4-9 Independence Criteria for Independent Outside Directors

See Article 36 and Appendix 2 of the Guidelines

Supplementary Principle 4-10 (1) Use of voluntary approach

Aimed at ensuring transparency and fairness of procedures, MHI has established a “Nomination and Remuneration Committee” as the body responsible for formulating and submitting proposals to the Board of Directors regarding matters such as the nomination of candidates for directors, the dismissal of directors, and the election and dismissal of CEO and other management personnel, and matters related to the determination of remuneration of directors (excluding Directors who serve as Audit and Supervisory Committee Members) and other management personnel.

See [Voluntary Established Committee(s)] for further information on the “Nomination and Remuneration Committee.”

Supplementary Principles 4-11 (1) Approach to the balance between knowledge, experience, and expertise as a whole, and to the diversity and size of the Board of Directors

See Article 21, Article 22, Article 34, and Article 43 of the Guidelines.

A skill matrix listing the knowledge, experience, and expertise of each director is listed in MHI’s “Notice of the 100th Annual General Meeting of Shareholders.” (https://www.mhi.com/finance/stock/meeting/pdf/100_notice.pdf)

Supplementary Principles 4-11 (2) Status of the concurrent positions held by Directors

The status of the concurrent positions held by our directors are disclosed in the Business Report and the Notice of the Annual General Meeting of Shareholders.

Supplementary Principles 4-11 (3) Summary of the results of the analysis and evaluation relating to the effectiveness of the Board of Directors as a whole

MHI has implemented various measures to improve corporate governance, and an annual analysis and evaluation of the effectiveness relating to the Board of Directors as a whole (hereinafter, “Board Evaluation”) is conducted with the aim to further improve the effectiveness of the Board of Directors and to adequately fulfill MHI’s accountability to stakeholders by evaluating whether the Board of Directors as a whole is effectively fulfilling its role. (Guidelines, Article 33).

Continuing on from the previous fiscal year (FY2023), in FY2024, the Board Evaluation was conducted by an evaluation process based on the following four points: “Composition of the Board of Directors,” “Operation of the Board of Directors,” “Supervisory function of the Board of Directors,” and “Structure to support Outside Directors.”

- Evaluation was conducted based on a questionnaire survey of all directors.
- Opinions were exchanged in a meeting among outside directors.
- The Board of Directors held discussions based on the results of the questionnaire survey.
- The Board Evaluation results were approved by the Board of Directors in light of the evaluation and discussions, etc.

According to the results of the Board Evaluation from the above process, FY2024 saw no serious concerns regarding the effectiveness of the Board of Directors, and the Board of Directors as a whole can be viewed as having secured its effectiveness.

The status of initiatives based on the results of the Board Evaluation conducted in the previous fiscal year and the policy of future actions based on this year’s evaluation results are as written below.

1. Initiatives Based on Results of the Board Evaluation Conducted in the Previous Fiscal Year

- (1) We discussed the status of progress of the 2024 Medium-Term Business Plan at Board of Directors meetings. Additionally, we held discussions with MHI’s material issues, including “growth strategy,” “capital policy,” and “HR strategy,” set as our annual topics.
- (2) We held two meetings of independent outside directors for outside directors to exchange information and share awareness of issues.
- (3) In addition to fostering a deeper understanding of our business through the continued visits to our production sites by outside directors, we revitalized communication by creating opportunities for dialogues with outside directors and Senior Vice Presidents/employees.

2. Future Action Based on the Results of This Year’s Board Evaluation

- (1) Discussions regarding growth strategy and the business portfolio
We will create opportunities to hold discussions regarding growth strategy and the business portfolio and add them to the annual schedule.
- (2) Discuss the composition of the Board of Directors
We will discuss the ideal composition for the Board of Directors in the Nomination and Remuneration Committee meetings.
- (3) Provide opportunities for outside directors to exchange information and share awareness of issues
In addition to various meetings, we will create several opportunities in advance where meetings among independent outside directors can be held, as well as maintain a system where said meetings can be held according to the times.
- (4) Provide opportunities to help outside directors understand our business
We will continue providing opportunities for outside directors to visit production sites and engage in dialogue with Senior Vice Presidents, etc.

Supplementary Principles 4-14 (2) Training policy for Directors

See Article 23 and Article 40 of the Guidelines

Principle 5-1 Policy on developing systems and initiatives to promote constructive dialogue with shareholders

See Article 11 and Appendix 1 of the Guidelines

[Status of dialogue with shareholders, etc.]

For details on the status of dialogue with shareholders, etc., see “III. Implementation of Measures for Shareholders and Other Stakeholders” and “2. Status of IR-related Activities” in this report.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	June 27, 2025

Explanation of Actions

In MHI's 2024 Medium-Term Business Plan, MHI has set a goal to continuously improve our ROE. In addition, from FY2024, we adopted the dividend on equity (DOE) ratio as our dividend policy to steadily increase dividends over the medium and long term. Recognizing that our cost of capital is approximately 8%, we have set a DOE (*1) target of over half that, at 4% or higher, with the aim of returning to our shareholders the profits earned from business growth.

*1 DOE: Dividends paid ÷ Shareholders' equity (excluding OCI(*2))

*2 OCI: Other comprehensive income (foreign currency translation adjustments, other valuation adjustments, etc.)

For details on management that takes into account our cost of capital and stock price, refer to our Medium-Term Business Plan (2024 Medium-Term Business Plan).

(2024 Medium-Term Business Plan)

<https://www.mhi.com/finance/library/plan/pdf/240528presentation.pdf>

For FY2024, the ROE was 10.7%, and the annual dividend was ¥23 per share (DOE: 4.28%).

(FY2024 Financial Results)

<https://www.mhi.com/finance/library/result/pdf/fy2024q/presentation.pdf>

For the progress status of the 2024 Medium-Term Business Plan, please refer to the materials for the 2024 Medium-Term Business Plan Progress Briefing.

(2024 Medium-Term Business Plan Progress Briefing)

<https://www.mhi.com/finance/library/plan/pdf/250528presentation.pdf>

2. Capital Structure

Foreign Shareholding Ratio	40% or more but less than 50%
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	<u>529,180,600</u>	<u>15.70</u>
Custody Bank of Japan, Ltd. (Trust Account)	<u>188,481,300</u>	<u>5.59</u>
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy Mizuho Bank, Ltd., Settlement & Clearing Services Department)	<u>88,964,090</u>	<u>2.64</u>
Meiji Yasuda Life Insurance Company (Standing Proxy Custody Bank of Japan, Ltd.)	<u>80,022,740</u>	<u>2.37</u>
STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing Proxy Mizuho Bank, Ltd., Settlement & Clearing Services Department)	<u>64,814,650</u>	<u>1.92</u>
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS (Standing Proxy Mizuho Bank, Ltd., Settlement & Clearing Services Department)	<u>52,189,820</u>	<u>1.54</u>
GOVERNMENT OF NORWAY (Standing Proxy Citibank, N.A., Tokyo Branch)	<u>51,974,142</u>	<u>1.54</u>
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DR HOLDERS (Standing Proxy MUFG Bank, Ltd.)	<u>46,922,966</u>	<u>1.39</u>
JP MORGAN CHASE BANK 385781 (Standing Proxy Mizuho Bank, Ltd., Settlement & Clearing Services Department)	<u>45,327,990</u>	<u>1.34</u>
Mitsubishi Heavy Industries Employee Shareholding Association	<u>39,036,205</u>	<u>1.15</u>

Name of Controlling Shareholder, if applicable
(excluding Parent Companies)

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Name of Parent Company, if applicable

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Supplementary Explanation

An amendment to the large volume holding report, jointly filed by MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Asset Management Co., Ltd., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as co-holders, was submitted to the Director-General of the Kanto Local Finance Bureau by the Mitsubishi UFJ Financial Group, Inc.

on July 29, 2024, and has been made available for public inspection. However, since the exact number of shares effectively owned by the entity as of March 31, 2025 cannot be fully verified, the status of major shareholders presented above is based on the entries in the shareholder registry. The shareholding status as of July 22, 2024, as reported in the amendment report, is as follows.

1. Name: MUFG Bank, Ltd.

Address: 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Shares Held (Thousand Shares): 48,945

Percentage of shares held against total number of issued shares: 1.45%

2. Name: Mitsubishi UFJ Trust and Banking Corporation

Address: 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Shares Held (Thousand Shares): 88,462

Percentage of shares held against total number of issued shares: 2.62%

3. Name: Mitsubishi UFJ Asset Management Co., Ltd.

Address: 9-1, Higashi-shinbashi 1-chome, Minato-ku, Tokyo

Shares Held (Thousand Shares): 32,466

Percentage of shares held against total number of issued shares: 0.96%

4. Name: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

Address: 9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

Shares Held (Thousand Shares): 3,479

Percentage of shares held against total number of issued shares: 0.10%

Total of 1 through 4

Shares Held (Thousand Shares): 173,353

Percentage of shares held against total number of issued shares: 5.14%

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo (Prime), Nagoya (Premier), Sapporo (Existing Market), Fukuoka (Existing Market)
Fiscal Year-End	March
Business Sector	Machinery
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	100 or more but fewer than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have a Material Impact on Corporate Governance

(1) Approach and Policy on Group Management

The MHI Group aims to enhance its corporate value over the long term in a stable manner by achieving a management with balanced business growth and financial soundness. In May 2024, we formulated the 2024 Medium-Term Business Plan. Under the 2024 Medium-Term Business Plan, in order further strengthen business growth and profitability, MHI Group aims to promote “enhancement of portfolio management” with the business and financial foundations established through the 2021 Medium-Term Business Plan. In addition, we will continue to “strengthen our technological and human capital base” that supports this, while also advancing “the promotion of MISSION NET ZERO”. With regard to “the strengthening of portfolio management”, we have identified our priority fields as “steadfastly engaging in growth business” and “promoting commercialization in growth areas,” while also striving for “enhancing businesses’ competitiveness.”

Further, each MHI Group company operates voluntarily as an independent enterprise with its president responsible for the management of the company. At the same time, in order to ensure that the MHI Group as a whole is operated soundly and efficiently and in a manner to contribute to the improvement of its financial performance, MHI supports and provides guidance to MHI Group companies by establishing the structure of management responsibilities between MHI and its group companies and operational procedures stipulating, among others, matters that should be sought for approval or reported by its group companies to MHI.

(2) Listed Subsidiaries

A. Listed subsidiaries

MHI’s subsidiary, Mitsubishi Logisnext Co., Ltd. (“Mitsubishi Logisnext”) is listed on the Tokyo Stock Exchange’s Standard Market.

B. Significance of Having Listed Subsidiaries

Mitsubishi Logisnext engages in the development, design, manufacturing, and sales of logistics system products such as battery-powered forklifts and engine forklifts. We believe that enhancing profits by strengthening and expanding its direct sales system for the logistics equipment business and enhancing competitive advantage through the development of labor-saving and automation solutions will contribute to strengthening business competitiveness, as outlined in item (1) above.

The company was already listed prior to MHI’s investment, and we believe that maintaining its listed status is reasonable, as it contributes to maximize the value of the MHI Group, by such as leveraging the benefits of being a listed company including enhanced societal credibility and the ability to attract talent, while subjecting its management to discipline through dialogue with stakeholders, and effectively utilizing the overall capabilities of our Group, including our technological expertise, pursuing further business growth and improved profitability.

C. Policy to Ensure the Effectiveness of Governance Systems for Listed Subsidiaries

MHI has developed a group internal control system to help ensure the appropriate conduct of operations across the entire MHI Group and to promote sustainable growth and enhancement of corporate value. We supervise the management of Mitsubishi Logisnext through our group internal control system to help foster its business growth and contribution to the MHI Group's consolidated performance. At the same time, in accordance with the integration agreement concluded with Mitsubishi Logisnext dated February 6, 2013, MHI respects the company's independence and autonomy as a listed company. At Mitsubishi Logisnext, a governance structure has been established to help safeguard the interests of minority shareholders, which includes appointing multiple independent outside directors and establishing a Nominating and Compensation Committee composed majority of outside members as a voluntary committee.

(3) Listed Affiliates

A. Listed Affiliates

MHI's affiliates, HODEN SEIMITSU KAKO KENKYUSHO CO., LTD. ("Hoden Seimitsu Kako Kenkyusho") and Ryoyu Systems Co., Ltd. ("Ryoyu Systems"), are both listed on the Tokyo Stock Exchange's Standard Market.

B. Significance of Having Listed Affiliates

We hold shares in these companies from the perspective of maintaining and strengthening collaboration in related business areas.

C. Policy to Ensure the Effectiveness of Governance Systems for Listed Affiliated Companies

MHI has developed a group internal control system to help ensure the appropriate conduct of operations across the entire MHI Group and to promote sustainable growth and enhancement of corporate value.

MHI, based on the capital and business alliance agreement concluded with Hoden Seimitsu Kako Kenkyusho on January 30, 2024, is strengthening collaboration in businesses such as GTCC, aircraft engines, and defense-related fields, while respecting the independence and autonomy of Hoden Seimitsu Kako Kenkyusho. Furthermore, while MHI appoints its personnel as the director(s) of Ryoyu Systems, these representatives do not constitute a majority of its Board of Directors. Additionally, other than such director(s) Ryoyu Systems has multiple outside directors who are registered as independent officers. Based on the foregoing, we recognize that the potential risk of conflicts of interest arising in any of these companies is considered to be minimal.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	15
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson (excluding those concurrently serving as President)
Number of Directors	12
Election of Outside Directors	Elected
Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Ken Kobayashi	From another company								△	△		
Nobuyuki Hirano	From another company								△		△	
Mitsuhiro Furusawa	From another company											
Hiroo Unoura	From another company											
Noriko Morikawa	From another company								△			
Masako Ii	Academic										○	

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Ken Kobayashi		○	<p>- MHI and Mitsubishi Corporation, where Mr. Ken Kobayashi previously served as Chairman of the Board, maintain a reciprocal relationship whereby each appoints an outside director from the other company to their respective boards. Specifically, since 2016, Mr. Ken Kobayashi has served as an outside director of MHI, and Mr. Shunichi Miyanaga, who previously served as Chairman of the Board of MHI, has served as an outside director of Mitsubishi Corporation since 2019, continuing to the present.</p> <p>- MHI has business transactions with Mitsubishi Corporation, including the sale of equipment and components and the purchase of raw materials. However, the transaction amounts do not exceed the monetary thresholds set forth in MHI's "Independence Criteria for Outside Directors," and are therefore not deemed to affect the independence of Mr. Ken Kobayashi.</p>	Mr. Ken Kobayashi is expected to perform supervision of MHI's overall management, because he has expertise in various fields, having served as a Member of the Board, President and CEO, and Chairman of the Board of Mitsubishi Corporation, and extensive knowledge and experience gained as top executive of global companies, and he will provide insightful views and frank assessments to the Board of Directors meetings and Nomination and Remuneration Committee, etc., as an outside director. As MHI judges that his election will contribute to the improvement of the soundness and transparency of MHI's management decision-making, and also help MHI achieve sustained growth and improvement of its corporate value in the medium and long term, Mr. Ken Kobayashi is appointed.
Nobuyuki Hirano		○	<p>- MUFG Bank, Ltd., where Mr. Nobuyuki Hirano previously served as Chairman of the</p>	Mr. Nobuyuki Hirano is expected to perform supervision of MHI's overall management, because he has extensive knowledge and

			<p>Board, serves as one of MHI's lending banks. However, it is one of several major lenders and does not fall under any borrowing counterparties that would conflict with MHI's "Independence Criteria for Outside Directors." As of the most recent fiscal year-end, borrowings from the said bank accounted for approximately 32% of MHI's consolidated outstanding borrowings.</p> <p>- Although MHI has a donation relationship for business expense, etc. with the Mitsubishi Memorial Foundation for Educational Excellence, a general incorporated foundation previously chaired by Mr. Nobuyuki Hirano, the amount of such donations does not exceed the monetary threshold stipulated in the MHI's "Independence Criteria for Outside Directors" and is therefore deemed not to affect Mr. Nobuyuki Hirano's independence.</p>	<p>experience gained as a top executive at international financial institutions, including holding the positions of President & Group CEO and Chairman (Corporate Executive) of Mitsubishi UFJ Financial Group, Inc. and President and Chairman of the Board of Directors of MUFG Bank, Ltd. and he will provide insightful views and frank assessments to the Board of Directors meetings and Nomination and Remuneration Committee, etc., as an outside director. As MHI judges that his election will contribute to the improvement of the soundness and transparency of MHI's management decision-making, and also help MHI achieve sustained growth and improvement of its corporate value in the medium and long term, Mr. Nobuyuki Hirano is appointed.</p>
Mitsuhiro Furusawa		○	—	<p>Mr. Mitsuhiro Furusawa is expected to perform supervision of MHI's overall management, even though he has not been involved in corporate management, except for acting as an outside director or outside statutory auditor, because he has wide range of insights related to financial policy gained as a regulator and a global perspective gained as an</p>

				<p>international institution executive when he served as Vice Minister of Finance for International Affairs and Deputy Managing Director of the International Monetary Fund (IMF), and he will provide insightful views and frank assessments to the Board of Directors meetings and Nomination and Remuneration Committee, etc., as an outside director. As MHI judges that his election will contribute to the improvement of the soundness and transparency of MHI's management decision-making, and also help MHI achieve sustained growth and improvement of its corporate value in the medium and long term, Mr. Mitsuhiro Furusawa is appointed.</p>
Hiroo Unoura	○	○	—	<p>Mr. Hiroo Unoura is expected to perform supervision of MHI's overall management because he has extensive knowledge and experience acquired as a top executive of a company involved in cutting-edge businesses, having been the driver of initiatives to strengthen the competitiveness and profitability of the domestic business of Nippon Telegraph and Telephone Corporation (NTT) and expand the overseas business as the former President & CEO of NTT, and he will provide insightful views and frank assessments to the Board of Directors meetings and Nomination and Remuneration Committee, etc., as an outside director. He is also expected to provide comments and suggestions regarding the overall activities of the Audit and Supervisory Committee, including audit related work as a member of the Audit and</p>

				Supervisory Committee. As MHI judges that his election will contribute to ensuring effective audits and ensuring soundness and appropriateness and improving transparency of its management decision-making, and also help MHI achieve sustained growth and improvement of its corporate value in the medium and long term, Mr. Hiroo Unoura is appointed.
Noriko Morikawa	○	○	<p>MHI has a transactional relationship with Bosch Corporation, where Ms. Noriko Morikawa previously served as Executive Vice President and Director, including the purchase of parts and other dealings. However, the transaction amount is less than 0.1% of both Bosch Corporation and MHI's annual consolidated net sales and does not exceed the monetary threshold set forth in MHI's "Independence Criteria for Outside Directors" and is therefore deemed not to affect Ms. Noriko Morikawa's independence.</p>	<p>Ms. Noriko Morikawa has experience in internal audit and accounting operations at foreign companies operating in Japan, in addition to which she possesses extensive knowledge and experience in global companies related to business management and organizational operation, such as overseeing administration departments in the role of manager. MHI expects her to supervise MHI's overall management by providing insightful views and frank assessments at the meetings of the Board of Directors and the Nomination and Remuneration Committee, etc., as an outside director. She is also expected to provide comments and suggestions regarding the overall activities of the Audit and Supervisory Committee, including audit related work, as a member of the Audit and Supervisory Committee. As MHI judges that her election will contribute to ensuring effective audits and ensuring soundness and appropriateness and improving transparency of its management decision-making, and also help MHI achieve sustained growth and improvement of its corporate value in the medium and long term, Ms. Noriko Morikawa is</p>

				appointed.
Masako Ii	○	○	- Although MHI has a donation relationship with Hitotsubashi University where Ms. Masako Ii serves as a Professor, the amount of such donations does not exceed the monetary threshold stipulated in the MHI's "Independence Criteria for Outside Directors" and is therefore deemed not to affect Ms. Masako Ii's independence.	Although Ms. Masako Ii has never been involved in corporate management other than as an outside director or outside statutory auditor, she has advanced knowledge cultivated as a researcher in the field of health economics and as a professor at a graduate school and abundant global experience as a researcher at The World Bank and as a governor of the Japan Broadcasting Corporation. MHI expects her to supervise MHI's overall management by providing insightful views and frank assessments at the meetings of the Board of Directors and the Nomination and Remuneration Committee, etc., as an outside director. She is also expected to provide comments and suggestions regarding the overall activities of the Audit and Supervisory Committee, including audit related work as a member of the Audit and Supervisory Committee. As MHI judges that her election will contribute to ensuring effective audits and ensuring soundness and appropriateness and improving transparency of its management decision-making, and also help MHI achieve sustained growth and improvement of its corporate value in the medium and long term, Ms. Masako Ii is appointed.

Audit and Supervisory Committee

Composition of Audit and Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Audit and Supervisory Committee	5	2	2	3	Inside Director

Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee

Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

For the purpose of supporting the duties of the Audit and Supervisory Committee, MHI has established the Audit and Supervisory Committee's Office with dedicated employees to assist the smooth performance of its duties. MHI does not appoint any director who is assigned to support duties of the Audit and Supervisory Committee.

The staff of the Audit and Supervisory Committee's Office shall be assigned to said office on an exclusive basis. They shall not receive any instructions or orders from directors (excluding Directors who are serving as Audit and Supervisory Committee Members) and shall obey the instructions and orders of the Audit and Supervisory Committee. Any personnel transfers and evaluation of said staff shall be subject to the consent of the Audit and Supervisory Committee to ensure the independence of them from the departments engaging in business execution and the effectiveness of instructions by the Audit and Supervisory Committee to them.

Cooperation among the Audit and Supervisory Committee, Accounting Auditors and Internal Audit Department

The Audit and Supervisory Committee maintains close cooperation with the Management Audit Department and the financial auditor through regular exchanges of information and opinions, etc.

Full-time Audit and Supervisory Committee Members regularly (in principle once a month) hold information exchange meetings with the Management Audit Department to confirm the formulation and progress of audit plans by the department in a timely manner and receive reports on audit results. They also participate in audits conducted by the Management Audit Department as necessary.

The Audit and Supervisory Committee and the financial auditor regularly exchange opinions on matters such as the audit plan and audit results by the financial auditor, and the Full-time Audit and Supervisory Committee Members and the financial auditor hold monthly information exchange meetings to ensure close cooperation between the Audit and Supervisory Committee and the financial auditor.

In addition, the Management Audit Department regularly submits audit results to the financial auditor and holds opinion exchange meetings.

Further, the Audit and Supervisory Committee receives regular or individual reports from the internal control department or relevant departments on the status of compliance and risk management activities, etc.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Committee	8	0	2	6	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	8	0	2	6	0	0	Outside Director

Supplementary Explanation

MHI has established the Nomination and Remuneration Committee as a body that formulates and proposes proposals for meetings of the Board of Directors on matters relating to the nomination of candidates for directors, the dismissal of directors, and the appointment and dismissal of CEO and other management personnel, and matters relating to the determination of remuneration of directors (excluding Directors who serve as Audit and Supervisory Committee members) and other management personnel, etc.

The Nomination and Remuneration Committee consists of independent outside directors, the Chairman of the Board, and the President and CEO. In addition, to ensure the independence of the Nomination and Remuneration Committee, we have established that a majority of its members shall be independent outside directors, and that the chairperson shall be selected from among the independent outside directors.

The current members are as follows: (asterisks denote independent outside directors)

Hiroo Unoura (chairperson)*, Seiji Izumisawa, Eisaku Ito, Ken Kobayashi*, Nobuyuki Hirano*, Mitsuhiro Furusawa*, Noriko Morikawa*, Masako Ii*

Additionally, until August 2024, the Nomination and Remuneration Advisory Council was in place as an advisory body to the Board of Directors in order to seek the opinions and advice of independent outside directors prior to deliberations by the Board of Directors. In FY2024, the Nomination and Remuneration Committee met ten times and formulated proposals for submission and submitted them to the Board of Directors on matters such as the appointment and dismissal of directors and other members of management personnel, as well as policies and actual distribution of remuneration. The attendance of each member is as follows.

Category of Directors	Name	Number of Attendance
Director (Member of the Board)	Shunichi Miyanaga	10 out of 10 times
	Seiji Izumisawa	10 out of 10 times
	Ken Kobayashi	9 out of 10 times
	Nobuyuki Hirano	10 out of 10 times

	Mitsuhiro Furusawa	10 out of 10 times
Director, Audit and Supervisory Committee Member	Hiroo Unoura	10 out of 10 times
	Noriko Morikawa	10 out of 10 times
	Masako Ii	10 out of 10 times

(note) The number of attendances includes meetings of the Nomination and Remuneration Advisory Council.

Matters Concerning Independent Directors

Number of Independent Directors

6

Other Matters Concerning Independent Directors

All outside directors who meet the qualifications for independent directors are designated as independent directors.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme, Other

Supplementary Explanation for Applicable Items

The remuneration of directors (excluding Directors who are serving as Audit and Supervisory Committee Members) (excluding outside directors) consists of basic remuneration, performance-linked and stock-based remuneration, reflecting performance and value sharing with shareholders.

The standard for the remuneration of MHI's President and CEO was set at roughly 30% basic remuneration, 40% performance-linked remuneration, and 30% stock remuneration (in the event that consolidated profit from business activities ("profit from business activities") reached ¥200.0 billion; calculated based on the fair value of Stock Award Points granted during FY2018), making for a remuneration structure in which the higher a director's position is, the greater his or her performance-linked remuneration will be.

In addition, if profit from business activities exceeds ¥200.0 billion, stock remuneration will be increased to provide a medium-to long-term incentive, and to more closely align the interests of directors with shareholders by encouraging the holding of shares of MHI. The increase in performance-linked remuneration will be tapered off gradually.

The indicator used as the basis for calculating performance-linked remuneration is profit from business activities, which was chosen to reflect the results of business activities in this type of remuneration. (However, there may be partial adjustments to the compensation computation depending on our assessment of the impact of changes in accounting principles. (The same applies hereafter.))

The indicator used as the basis for calculating stock remuneration is profit from business activities, which was chosen to reflect the results of business activities in stock remuneration.

In addition, as the basis for calculating stock remuneration, an external evaluation by major ESG rating agencies is reflected in the coefficient of business results and the reason is to gain an objective evaluation of MHI's wide-ranging ESG initiatives, and to reflect this in stock remuneration.

Profit from business activities in FY2024, which will be used for calculating performance-linked remuneration of FY2024, was ¥383.1 billion, against a target (initial forecast) of ¥350.0 billion.

Profit from business activities in FY2023, which will be used for calculating stock remuneration of FY2024, was ¥282.5 billion, against a target (initial forecast) of ¥300.0 billion.

Persons Eligible for Stock Options

—

Supplementary Explanation for Applicable Items

—

Director Remuneration

Status of Disclosure of Individual Director's Remuneration

The remuneration of a part of individual directors is disclosed

Supplementary Explanation for Applicable Items

Remuneration for Directors who are not serving as Audit and Supervisory Committee Members: ¥2,051 million (of which ¥45 million is remuneration for outside directors)

Remuneration for Directors who are serving as Audit and Supervisory Committee Members: ¥159 million (of which ¥55 million is remuneration for outside directors)

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Directors (excluding Directors who are serving as Audit and Supervisory Committee Members)

(1) The policy for determining the amount of the remuneration, etc. or the calculation method

The Board of Directors of MHI decides the policy used to determine details of individual remuneration, etc. for directors (excluding Directors who are serving as Audit and Supervisory Committee Members).

1) Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) (excluding outside directors) Remuneration of directors (excluding Directors who are serving as Audit and Supervisory Committee Members) (excluding outside directors) consists of basic remuneration, performance-linked remuneration, and stock remuneration, with the aim of reflecting financial results in compensation and aligning the interests of directors with shareholders.

• Basic Remuneration

Basic remuneration, which will be paid monthly to directors (excluding Directors who are serving as Audit and Supervisory Committee Members) (excluding outside directors), is determined after taking into account the roles and duties of each director, and is based on the following formula.

Standard amount based on role + Additional amount based on duties

(Note)

1. The standard amount based on role is determined in accordance with roles and duties.
2. The additional amount based on duties varies, depending on said duties, by up to ¥500,000 per month.

• Performance-linked Remuneration

Performance-linked remuneration is determined with reference to consolidated earnings for the fiscal year under review, and shall also take into account the roles of each director and the earnings and achievements, etc. of the business for which they are responsible, based on the following calculation method.

Role-based payment coefficient \times Profit from business activities for the given fiscal year \div 10,000 \times Coefficient of business results

(Note)

1. Performance-linked remuneration shall be paid in cases where there is a profit from business activities for the fiscal year under review (where adjustments have been made, the adjusted figure) and where dividend payments are made.
2. The role-based payment coefficient shall be determined in accordance with roles and duties, etc.
3. The coefficient of business results shall vary from 1.3 to 0.7.

• Stock Remuneration

To raise the motivation of directors to contribute to the medium- to long-term improvement of financial results and enhancement of the corporate value of the entire MHI Group, MHI utilizes a Board Incentive Plan (BIP) trust mechanism and grants Stock Award Points to directors (excluding Directors who are serving as Audit and Supervisory Committee Members) (excluding outside directors) using the calculation below, and in accordance with the role of each director and the financial results of MHI. In principle, when three years have elapsed since the granting of the Stock Award Points, shares of MHI and money in the amount equivalent to liquidation value of shares of MHI are then delivered or provided to these directors.

Role-based standard points \times Coefficient of business results

(Note)

1. Role-based standard points are determined in accordance with roles and duties, etc.
2. The basis for determining the coefficient of business results is profit from business activities for the previous fiscal year and an external evaluation by major ESG rating agencies.
3. In the event that a director engages in extremely improper conduct, MHI may withhold the granting of Stock Award Points and the delivery of shares, or demand a payment equivalent to the value of shares that have already been delivered to them.

2) Outside Directors

Outside directors are expected to provide objective opinions and suggestions from an external standpoint. In view of the nature of this role, they are provided only with basic remuneration (fixed remuneration commensurate with their duties).

(2) Decision-making process for the amount of remuneration, etc. or method of calculating it, and delegation of decisions regarding individual directors' remuneration.

- To further enhance the transparency and soundness of decisions regarding the remuneration, etc. of directors (excluding Audit and Supervisory Committee Members), we previously operated a "Nominating and Remuneration Advisory Council" composed of six outside directors, the Chair of the Board, and the President and CEO. However, in September 2024, we reorganized this body into a "Nominating and Remuneration Committee" chaired by an independent outside director. The Committee formulates policies, etc. for determining the individual remuneration, etc. of directors and submits them to the Board of Directors.

- President and CEO Eisaku Ito is delegated by the Board of Directors to determine the specific allocation of individual remuneration amounts (details of the calculation, additional amount based on duties used for the basic remuneration of each Officer, the coefficient of business results used for performance-linked remuneration, etc.) for directors (excluding Directors who are serving as Audit and Supervisory Committee Members), within the limit of the total amount resolved at the General Meeting of Shareholders, and based on the policy used to determine details of individual remuneration, etc. for directors, and reports back to the Board of Directors on the results of this allocation. The Board of Directors delegates this authority because it judges that the President and CEO, who is in charge of and responsible for the execution of overall business operations, is the appropriate person to make final decisions in relation to the allocation of remuneration to individual directors, while also taking into account the overall performance of MHI.

- The Board of Directors has put in place measures to ensure that the authority delegated to the President and CEO is being executed appropriately, such as ensuring that the Nomination and Remuneration Committee deliberates the allocation, including whether the allocation is in accordance with the above-mentioned policy used to determine details of individual remuneration, etc. for directors, and reports the results of such deliberation, before the results of the allocation are reported to the Board of Directors. Because remuneration amounts for individual directors are decided only after passing through this procedure, the Board of Directors deems that it is conducted in accordance with the policy for determining the details of remuneration, etc. for directors.

The content of activities of the Nomination and Remuneration Advisory Council and the Nomination and Remuneration Committee for FY2024 are as follows:

- The payment policy and remuneration allocation, etc. for FY2023 were deliberated at the Nomination and Remuneration Advisory Council meeting held in April 2024, and subsequently reported and approved at the extraordinary Board of Directors meeting held in May 2024. The actual remuneration allocation for FY2023 was reported at the Board of Directors meeting held in August 2024.

- The payment policy and remuneration allocation, etc. for FY2024 were deliberated at the Nomination and Remuneration Committee meeting held in April 2025, and subsequently reported and approved at the extraordinary Board of Directors meeting held in May 2025. The actual remuneration allocation for FY2024 is scheduled to be reported at a Board of Directors meeting in FY2025.

2. Directors who are serving as Audit and Supervisory Committee Members

The policy for determining the amount of the remuneration, etc. or the calculation method thereof for Directors who are serving

as Audit and Supervisory Committee Members is determined through discussion among Directors who are Audit and Supervisory Committee Members.

Remuneration of directors who are serving as Audit and Supervisory Committee Members shall consist only of basic remuneration. The amount of remuneration shall be fixed at levels that are commensurate with their roles and duties, etc. determined separately for full-time and non-full-time directors.

However, the amount of remuneration of full-time Audit and Supervisory Committee Members may be reduced in consideration of the business conditions of MHI and other factors.

Support System for Outside Directors

Dedicated staff members are assigned to the secretariat for the Board of Directors, who send out materials in advance and provide briefings on important matters prior to the convening of Board of Directors meetings.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Hideaki Omiya	Honorary Adviser	External activities such as social contribution activities through external organizations.	Comes to the office as needed / Unpaid	2013/3/31	2026/6
Shunichi Miyanaga	Honorary Adviser	External activities such as social contribution activities through external organizations.	Comes to the office as needed / Unpaid	2019/3/31	2027/6

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.)
After Retiring as Representative Director and President, etc.

2

Other Related Matters

- The role of the Honorary Advisors is to engage in external activities such as social contribution activities through holding positions in external organizations and they are not involved in the management of MHI.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

(1) Overview of the corporate governance structure

MHI has adopted the “company with Audit and Supervisory Committee” system as its corporate governance structure under the Companies Act. In addition, aimed at ensuring transparency and fairness of procedures, MHI has established a “Nomination and Remuneration Committee” as the body responsible for formulating and submitting proposals to the Board of Directors regarding matters such as the nomination of candidates for directors, the dismissal of directors, and the election and dismissal of CEO and other management personnel, and matters related to the determination of remuneration of directors (excluding Directors who are serving as Audit and Supervisory Committee Members) and other management personnel. Furthermore, “the Nomination and Remuneration Advisory Council” was in place as an advisory body to the Board of Directors in order to seek the opinions and advice of independent outside directors to the Board of Directors prior to deliberations on the above matters. In order to further enhance the transparency and soundness of these procedures, this body was reorganized into “the Nomination and Remuneration Committee” in September 2024.

Our Board of Directors consists of 12 directors (including 5 Directors who are serving as Audit & Supervisory Committee Members), 6 of whom (including 3 Directors who are serving as Audit & Supervisory Committee Members) are elected from outside the company. By receiving insightful views and frank assessments to our management from outside directors who are independent from the business departments, MHI aims to strengthen our supervisory functions over management and, in order to make the supervisory functions of outside directors more effective, we have set the number of outside directors who meet the

“Independence Criteria for Outside Directors” described below at more than one-third of the total number of directors on the Board of Directors.

Additionally, in accordance with the provisions of our Articles of Incorporation and the resolutions of the Board of Directors, MHI has delegated the authority to make decisions regarding business operations to the President and CEO or a director that is specified separately, except for matters exclusively decided by the Board of Directors as stipulated by laws and regulations, business plans, the election, dismissal, and remuneration of directors, chief officers, and executive officers with titles, and other particularly important individual business plans or investments. This enables swift decision-making and flexible business operations, while also ensuring that the Board of Directors can focus its main attention on supervising the executive officers.

MHI’s Audit and Supervisory Committee conducts various activities described in “(4) Activities of the Audit and Supervisory Committee” for the purpose of ensuring the soundness and appropriateness of our management decision-making and improving transparency. The Audit and Supervisory Committee has the authority, as stipulated by laws, regulations, the Articles of Incorporation, and etc., to audit the execution of duties by directors, prepare audit reports, determine the content of proposals regarding the election, dismissal, and non-reelection of the financial auditor to be submitted to the shareholders’ meeting, and exercise the right to make statements regarding the election and dismissal of Directors who are not serving as Audit and Supervisory Committee Members, etc.

<Members of the Board of Directors> asterisks denote outside directors

(Directors who are not serving as Audit and Supervisory Committee Members)

Seiji Izumisawa (Chairman), Eisaku Ito, Masayuki Suematsu, Hiroshi Nishio, Ken Kobayashi*, Nobuyuki Hirano*, Mitsuhiro Furusawa*

(Directors who are serving as Audit and Supervisory Committee Members)

Masayuki Fujisawa, Hisato Kozawa, Hiroo Unoura*, Noriko Morikawa*, Masako Ii*

<Audit and Supervisory Committee Members> asterisks denote outside directors

Masayuki Fujisawa (Chairman), Hisato Kozawa, Hiroo Unoura*, Noriko Morikawa*, Masako Ii*

<Nomination and Remuneration Committee Members> asterisks denote outside directors

Hiroo Unoura(chairperson)*, Seiji Izumisawa, Eisaku Ito, Ken Kobayashi*, Nobuyuki Hirano*, Mitsuhiro Furusawa*, Noriko Morikawa*, Masako Ii*

In addition to these, MHI has introduced a chief officer system. Specifically, portions of the responsibilities and authority of the CEO (President) are delegated to a number of chief officers reporting to the CEO. These chief officers consist of President and CEOs of individual business domains as well as the CSO, CFO, and CTO. Of these, the CEO oversees the overall operations of MHI, while President and CEOs of individual business domains oversee and execute the promotion of each domain’s business under the group’s overall strategy. In addition, the CSO oversees and executes all matters related to company-wide management policy planning and risk management, the CFO oversees and executes all matters related to finance and accounting, and the CTO oversees and executes all matters related to technology strategy, product and new technology research and development, digital innovation, value chain, marketing, and innovation. Furthermore, the CSO, CFO, and CTO have command and control authority over the entire company with respect to their respective functions, and are organized to provide support for business domains. GC and HR officer are also in place as executive officers who assist the CEO in their duties. GC oversees and executes all management auditing, general affairs, and legal affairs under the direction of the CEO, while the HR officer oversees and executes all human resources and labor affairs under the direction of the CEO.

Under a business structure centered on the CEO (President) and other chief officers, etc., we have established an Executive Committee (composed of the President, chief officers, executive officers, etc.) chaired by President and CEO Eisaku Ito as the deliberative body. This committee reviews important matters related to business operations through a council system, enabling more appropriate management decisions and business execution.

(note) CEO: Chief Executive Officer

CSO: Chief Strategy Officer

CFO: Chief Financial Officer

CTO: Chief Technology Officer

GC: General Counsel

(2) Status of activities of the Board of Directors

During the fiscal year under review, MHI held a total of 14 meetings of the Board of Directors. The attendance record of each director is as follows.

Category of Directors	Name	Number of Attendance
Director (Member of the Board)	Shunichi Miyanaga	14 out of 14 times
	Seiji Izumisawa	14 out of 14 times
	Hitoshi Kaguchi	14 out of 14 times
	Hisato Kozawa	14 out of 14 times
	Ken Kobayashi	14 out of 14 times
	Nobuyuki Hirano	14 out of 14 times
	Mitsuhiro Furusawa	14 out of 14 times
Director, Audit and Supervisory Committee Member	Setsuo Tokunaga	14 out of 14 times
	Ryutaro Takayanagi	4 out of 4 times
	Masayuki Fujisawa	10 out of 10 times
	Hiroo Unoura	14 out of 14 times
	Noriko Morikawa	14 out of 14 times
	Masako Ii	14 out of 14 times

(note) Ryutaro Takayanagi, a Director who is serving as an Audit and Supervisory Committee Member, retired upon the conclusion of the 99th Annual General Meeting of Shareholders (June 27, 2024). As a result, the number of attendances at the Board of Directors meetings he was able to attend is different from that of the other directors.

In addition, as Mr. Masayuki Fujisawa, a Director who is serving as an Audit and Supervisory Committee Member, assumed his office on the date of the 99th Annual General Meeting of Shareholders (June 27, 2024), the number of attendance at the Board of Directors meetings for the year that he was able to attend is different from that of other directors.

In addition to making decisions on or monitoring matters legally designated as the exclusive responsibilities of the Board, business plans, the appointment, dismissal, and remuneration of directors, chief officers, and executive officers with titles, and other particularly significant individual business plans and investments, the Board of Directors oversees its management toward achieving MHI's business plans and management philosophy. During the fiscal year under review, specific matters deliberated by the Board of Directors included issues related to the General Meeting of Shareholders, financial results, internal controls, and the Board of Directors and officers; the status of businesses in each domain, etc. and the execution of duties by each chief officer, etc.; the status of progress of growth strategies; initiatives related to sustainability; and decisions on other important business operations.

(3) Status of internal audits

MHI has established the Management Audit Department under GC (with 25 members in charge of internal audits) to assess whether its internal control system is functioning effectively, through internal audits and evaluations of internal controls over financial reporting.

With regard to internal audits, the Management Audit Department conducts audits each fiscal year. Additionally, the internal audit departments of listed subsidiaries and overseas regional headquarters carry out audits of their respective companies and their group companies under their supervision and report back to the Management Audit Department.

MHI also appropriately responds to the internal control reporting system for financial reporting in compliance with the Financial Instruments and Exchange Act. As of the fiscal year ended March 31, 2025, it was assessed that MHI's internal controls over financial reporting were effective.

(4) Status of activities of the Audit and Supervisory Committee

MHI's Audit and Supervisory Committee is composed of five directors, of whom three, constituting the majority, are outside directors. To ensure the effectiveness of the Audit and Supervisory Committee's activities, MHI's Articles of Incorporation stipulate the election of full-time Audit and Supervisory Committee members. In accordance with this provision, two full-time Audit and Supervisory Committee members have been selected through mutual election by the committee members. Additionally, the Audit and Supervisory Committee includes one or more members who possess a substantial degree of expertise in finance and accounting.

Audits conducted by the Audit and Supervisory Committee are carried out in accordance with the Audit and Supervisory Committee Standards and Audit Activity Plans established by the Committee.

To support the duties of the Audit and Supervisory Committee, MHI has established the Audit and Supervisory Committee's Office with six dedicated employees to assist the smooth performance of its duties.

The Audit and Supervisory Committee monitors and verifies specific matters such as the execution of directors' duties, the appropriateness of business reports and other documents, the adequacy of audits conducted by the financial auditor, and the effectiveness of the internal control system. The Committee then provides the results of these assessments to shareholders in the form of an audit report. During the fiscal year under review, the Audit and Supervisory Committee identified "key focus areas", including the status of progress on "the 2024 Medium-Term Business Plan", the status of actions related to sustainability, and the status of risk management, and conducted its activities with these priorities in mind.

Full-time Audit and Supervisory Committee members attend key meetings such as the Executive Committee meetings, business plan meetings, and Compliance Committee meetings, and hold discussions with Representative Directors and other executive members. They also conduct interviews with business and corporate divisions and perform on-site audits at domestic and overseas business locations. Through these activities, the Audit and Supervisory Committee strives to promptly and accurately assess and oversee the status of the execution of management duties, while also monitoring and verifying, among other things, compliance with laws and regulations, and assessing and overseeing the status of the development and operation of internal control systems - including those related to financial reporting - and then auditing whether the execution of directors' duties conforms to legal requirements and MHI's Articles of Incorporation and whether corporate operations are conducted appropriately. In addition, through its ongoing monitoring and verification of directors' execution of duties during the fiscal year, the Audit and Supervisory Committee forms an audit opinion on the appropriateness of the methods and results of the financial auditor's audit with regard to whether the financial statements for the fiscal year fairly represent MHI's financial position and results of operations.

Additionally, the Audit and Supervisory Committee makes full use of the comprehensive and ongoing audits conducted by the Management Audit Department and maintains close coordination with the financial auditor. Details are as specified in “1. Organizational Composition and Operation — [Audit and Supervisory Committee] Cooperation among the Audit and Supervisory Committee, Accounting Auditors and Internal Audit Department.”

Additionally, the Full-Time Audit and Supervisory Committee Members regularly hold information exchange meetings with full-time Auditors of MHI Group companies to review the status of the establishment and operation of internal control systems at key subsidiaries.

Additionally, with regard to the election, etc. of directors (excluding Audit and Supervisory Committee Members) and their remuneration, etc., all three outside directors who serve as Audit and Supervisory Committee Members attended “the Nomination and Remuneration Committee” meeting (formerly the Nomination and Remuneration Advisory Council) to express their opinions. Furthermore, the Full-Time Audit and Supervisory Committee Member reviewed and confirmed the Company’s basic framework and approach regarding the Board of Directors and directors and its policy for their election, the approach to the remuneration structure, and the specific method for calculating remuneration amounts. Subsequently, these matters were reported to and deliberated by the Audit and Supervisory Committee, which concluded that there were no particular matters to be addressed at the General Meeting of Shareholders under the Companies Act. This opinion was presented at the Annual General Meeting of Shareholders held on June 27, 2025.

Additionally, the Audit and Supervisory Committee evaluates the financial auditor in terms of ensuring an appropriate system for the proper execution of duties (including matters listed in Article 131 of the Regulations for Corporate Accounting), independence, audit adequacy, audit capabilities and expertise capable of addressing business diversity and international operations, as well as the reasonableness of audit fees. This evaluation is conducted through ongoing collaboration throughout the year with the financial auditor, attendance at financial audits, and hearing reports on external audit results from the auditing firm.

In conducting the evaluation, the Committee seeks opinions from departments such as the finance departments, which have frequent interactions with the financial auditor through audits, regarding the auditor’s capabilities and expertise. The Committee takes into account those assessments deemed appropriate in its overall evaluation.

Further, the Audit and Supervisory Committee confirmed the policy and content of the audit plan, the basis for calculation of estimates, etc., which constitute the basis for remuneration of the financial auditor, and verified them by receiving necessary reports on them from internal departments concerned. As a result, the Audit and Supervisory Committee determined that they were appropriate for the financial auditor to conduct financial audit of MHI and agreed to the amount of remuneration, etc. of the financial auditor for FY2024.

(5) Status of financial audit

Since June 2017, we have entrusted our financial audit services to KPMG AZSA LLC. The three certified public accountants (Designated Limited Liability Partner and Engagement Partner) who conduct our financial audits are Hirotaka Tanaka, Shin Suzuki, and Masataka Kunimoto, all of whom have been engaged in continuous auditing for seven years or less.

In addition, as of June 27, 2025, the number of assistants involved in our financial audit services is 28 certified public accountants, 12 certified public accountant exam passers, and 44 others.

(6) Outside directors

To ensure objective oversight that is not biased by internal perspectives, MHI has elected six of our 12 directors (including three who serve as Audit and Supervisory Committee Members) from outside the company. These outside directors bring extensive

experience and broad insight as business executives, government officials, or academics, and provide valuable advice and supervision for our management.

MHI judges that all of these outside directors are independent from MHI's management, as they meet the Independence Criteria for Outside Directors established by MHI.

These outside directors operate independently from MHI's management and are engaged in supervising or auditing MHI's operations. At the Board of Directors, these outside directors also receive reports on the development and operation of the internal control system, including compliance and risk management as well as the results of internal audits, and provides feedback as appropriate. In addition, the Audit and Supervisory Committee, a majority of which consists of outside directors, conducts audits in cooperation with the internal audit division and the financial auditor as described in (4) above. Furthermore, outside directors who do not serve as Audit and Supervisory Committee Members receive information from the Audit and Supervisory Committee regarding the status of audits and other matters. Through these measures, MHI strives to ensure the soundness and appropriateness of our management.

In addition, MHI has entered into agreements with each of its outside directors to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under such agreement shall be 10 million yen or the minimum amount of liability specified in Article 425, paragraph (1) of the said Act, whichever is higher.

3. Reasons for Adoption of Current Corporate Governance System

We have consistently implemented various measures to enhance the quality of our corporate governance. In order to compete alongside major global players in the international market, it is essential for us to ensure more efficient and agile business execution through prompt decision-making, while further strengthening our oversight functions to the management. To achieve this, we have adopted the structure of a company with an Audit and Supervisory Committee, which allows us to enhance the Board of Directors' supervisory function by leveraging the extensive experience and broad insight of outside directors, and to promote the separation of supervision and execution through the delegation of authority to executive directors, including the Representative Director. In addition, aimed at ensuring transparency and fairness of procedures, MHI has established a "Nomination and Remuneration Committee" as the body responsible for formulating and submitting proposals to the Board of Directors regarding matters such as the nomination of candidates for directors, the dismissal of directors, and the election and dismissal of CEO and other management personnel, and matters related to the determination of remuneration of directors (excluding Directors who are serving as Audit and Supervisory Committee Members) and other management personnel.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	We aim to send out early the Notice of General Meeting of Shareholders approximately three weeks prior to the General Meeting of Shareholders.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	—
Electronic Exercise of Voting Rights	We have implemented electronic voting at our General Meeting of Shareholders since June 2004.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Shareholders have also been able to utilize the electronic proxy voting platform for institutional investors since the General Meeting of Shareholders held in June 2007.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	English translations of convocation notices have been prepared and provided since the General Meeting of Shareholders held in June 1999.
Other	From the perspective of early disclosure of information to shareholders, we disclose materials prior to the statutory start date of measures for electronic provision.
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2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	Disclosure Policy is disclosed on our website. https://www.mhi.com/finance/management/policy	
Regular Investor Briefings held for Individual Investors	Contact: Manager of Investor Relations & Shareholder Relations Department, etc. Details: Briefing session for individual investors (including online briefing session)	Not Held
Regular Investor Briefings held for Analysts and Institutional Investors	Contact: CEO, CFO, Head of business segment, Senior General Manager, Manager of the Investor Relations & Shareholder Relations Department, etc. Details: Financial results briefing, business plan briefing, theme-based briefing, small meetings, factory tours, visits, and web-based meetings, etc.	Held
Regular Investor Briefings held for Overseas Investors	Contact: CEO, CFO, Head of business segment, Managers, etc. Details: Online financial results briefing, online business plan briefing, online briefing by topics (all with simultaneous interpretation into English), participation in conferences for overseas investors in Japan and abroad, on-site visits, and web-based meetings, etc.	Held

Online Disclosure of IR Information	<p>Materials are disclosed on our website. https://www.mhi.com/finance</p> <p>Disclosure Materials: Briefing materials of Financial Results, briefing materials of Medium-Term Business Plan, Financial Results, annual securities report (in Japanese), semiannual securities report (in Japanese), MHI Report (Integrated Report), information on the General Meeting of Shareholders, shareholder returns and dividends, briefing materials by topic (Hydrogen Technologies Virtual Factory Tour, CCUS Briefing, Carbon Neutrality Briefing, Energy Transition Briefing, Nuclear Power Business Strategy Briefing, Defense Business Strategy Briefing), individual investor briefing materials, IR event videos, etc.</p>
Establishment of Department and/or Placement of a Manager in Charge of IR	<p>Department in Charge: Investor Relations & Shareholder Relations Department, IR Group</p> <p>Director in Charge: Representative Director, Senior Vice President and CFO Hiroshi Nishio</p>
Other	<p>(Key concerns of shareholders and investors)</p> <ul style="list-style-type: none"> • Management policy, group strategies, and their progress and outlook • Progress and outlook of carbon neutrality targets • Business portfolio management initiatives • Business environment, performance, and outlook of each business • Profit and loss status of specific projects <p>(Feedback for the Board of Directors)</p> <ul style="list-style-type: none"> • Regular feedback from the officer in charge on the content of dialogues with shareholders and investors • Investor Relations & Shareholder Relations Department regularly reports to the Board of Directors on the status of the stock market and the content of meetings with investors.

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	In addition to Our Principles, MHI has established CSR Action Guidelines to “care for the planet,” “create a more harmonious society,” and “inspire the future” and strive to instill in our employees through training and other initiatives a commitment to meeting society’s expectations to realize a secure future for the earth. Furthermore, MHI’s website’s “Sustainability” section outlines our policies for engaging with our stakeholders, including customers, shareholders, local communities, suppliers, and employees. For details, please refer to the “Sustainability Management - Sustainability Framework” section of SUSTAINABILITY DATABOOK. (https://www.mhi.com/sustainability/library/pdf/sustainabilitydatabook2024.pdf#page=7)
Implementation of Environmental Preservation Activities and CSR Activities, etc.	In response to global various social challenges, including environmental issues, we engage in communication with stake holders and analyze the impact our Group has on society. To enhance corporate value and achieve medium- to long-term growth through addressing social issues, the CSR Committee (now the Sustainability Committee) identified five material issues (key issues) to address, with the SDGs in mind, as priorities for our Group in 2020. From 2021 onwards, targets were set for each materiality, with initiatives in place aimed at realizing a sustainable society. For specific details on our activities, please refer to the “Sustainability – Material Issues” section of our website. (https://www.mhi.com/sustainability/library/pdf/sustainabilitydatabook2024.pdf#page=09)
Formulation of Policies, etc. on Provision of Information to Stakeholders	<ul style="list-style-type: none"> • Information on our sustainability and CSR policies, material issues (key issues), initiatives for contributing to the SDGs, and ESG (environmental, social, and governance) is available to all stakeholders on our website under “Sustainability,” etc. • MHI’s Insider Trading Prevention Regulations stipulate that important corporate information shall be disclosed in a timely and appropriate manner in accordance with the rules established by each stock exchange, in addition to the methods prescribed by laws and regulations.
Other	<p><Policies and Initiatives for the Advancement of Females></p> <p>MHI is dedicated to promoting diversity by aiming to cultivate a corporate culture and environment where every employee understands, respects, and embraces diversity. As a key component of these efforts, we are advancing females by formulating and implementing various initiatives, such as increasing the number of female employees, establishing systems to prevent career interruptions, and fostering a supportive corporate culture.</p>

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

In compliance with applicable laws and regulations, MHI has adopted a resolution by the Board of Directors in relation to the development of a system to ensure the appropriateness of our business. Based on this resolution, we have developed and operate an internal control system, and we report the status of its development and operation to the Board of Directors annually. The overview of the resolution by the Board of Directors is as follows.

1. Matters regarding Directors and employees who are assigned to support duties of the Audit and Supervisory Committee
For the purpose of supporting the duties of the Audit and Supervisory Committee, MHI shall establish the Audit and Supervisory Committee's Office with dedicated employees to assist the smooth performance of its duties. MHI will not appoint any Director who is assigned to support duties of the Audit and Supervisory Committee.
2. Matters regarding independence of employees in 1. above from Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) and to ensure the effectiveness of instructions by the Audit and Supervisory Committee to employees
The staff of the Audit and Supervisory Committee's Office shall be assigned to said office on an exclusive basis. They shall not receive any instructions or orders from Directors (excluding Directors who are serving as Audit and Supervisory Committee Members) and shall obey the instructions and orders of the Audit and Supervisory Committee. Any personnel transfers and evaluation of said staff shall be subject to the consent of the Audit and Supervisory Committee to ensure the independence of them from the departments engaging in business execution and the effectiveness of instructions by the Audit and Supervisory Committee to them.
3. System for reporting to the Audit and Supervisory Committee by Directors and employees and other systems for reporting to the Audit and Supervisory Committee
 - (1) Directors, etc. of MHI shall implement arrangements concerning reporting to and communication with the Audit and Supervisory Committee (or the Audit and Supervisory Committee Members designated by the Audit and Supervisory Committee; the same shall apply hereinafter) including reporting matters concerning MHI Group companies. In addition, Directors, etc. of MHI shall ensure adequate mutual understanding through regular exchange of opinions and make reports upon request of the Audit and Supervisory Committee.
 - (2) Directors, etc. of MHI Group companies shall carry out reporting to and communication with the Audit and Supervisory Committee in accordance with the operational procedures prescribed in Item 12 and make reports upon request of the Audit and Supervisory Committee.
 - (3) The department in charge of the whistleblower system shall report the matters reported to it through the whistleblower system and other compliance-related matters reported to it to the Audit and Supervisory Committee.
4. System to ensure that the person who made a report in 3. above shall not be subject to any unfavorable treatment for reason of having made such report
It shall be prescribed in company regulations that a person who made a report through the whistleblower system shall not be treated disadvantageously in any way on the grounds of such report and this rule shall be internally informed and appropriately operated.
5. Matters concerning the policy on the treatment of expenses or debts arising in the course of the execution of duties of Audit and Supervisory Committee Members including the procedure for advance payment and reimbursement of expenses arising in the course of the execution of said duties
A certain amount of annual budget shall be secured for the payment of expenses arising in the course of the execution of duties of Audit and Supervisory Committee Members based on the request of the Audit and Supervisory Committee. If the payment of other expenses is requested by an Audit and Supervisory Committee Member, it shall be handled appropriately pursuant to Article 399-2, paragraph (4) of the Companies Act.
6. Other systems to ensure effectiveness of audits by the Audit and Supervisory Committee
Consideration to ensure the effectiveness of audits shall be given to any exchange of opinions with internal departments

concerned, financial auditor, etc., information gathering and research that are conducted by the Audit and Supervisory Committee.

7. System to ensure that the Directors' execution of their duties is in compliance with laws and ordinances and MHI's Articles of Incorporation

- (1) Directors shall lead by example in realizing MHI's fundamental principle of fair and honest business activities that comply with all laws and ordinances and emphasize social norms and business ethics.
- (2) The Board of Directors shall fully discuss all matters raised and reported by Directors and oversee MHI's operations from the perspectives of sound and efficient management. The views of outside officers shall be employed to introduce greater objectivity and enhance the effectiveness of oversight.

8. System to store and manage information related to the Directors' execution of their duties

- (1) Principle matters related to the management of documents shall be specified in company regulations, and information related to the Directors' execution of their duties shall be appropriately recorded, stored and managed.
- (2) Directors (including Audit and Supervisory Committee Members) shall be given access to such information at any time where it is deemed necessary to supervise and audit actions by Directors.

9. Regulations and other systems to manage risk of loss

- (1) Systems designed to manage each type of risk shall be implemented and responsibilities shall be clearly defined to ensure the appropriate management of risk.
- (2) Risk shall be regularly evaluated and analyzed and necessary avoidance or mitigating measures taken; internal audits shall monitor the effectiveness and appropriateness of these measures and reports shall be regularly submitted to the Board of Directors and Audit and Supervisory Committee.
- (3) To prepare for cases where significant risk may materialize, MHI shall ensure the means to immediately communicate information to senior management to respond promptly and accurately to emergency situations; individuals responsible for crisis management shall also be appointed in each business division.

10. System to ensure that Directors execute their duties efficiently

- (1) The Board of Directors shall formulate business plans and establish companywide management policy and objectives; business execution, led by the President, shall be conducted with the aim of achieving these objectives.
- (2) MHI's organizational structure, division of duties, and lines of authority shall be specified in company regulations to ensure steps to achieve management objectives are conducted efficiently.

11. System to ensure that the duties and actions of employees comply with laws and ordinances and MHI's Articles of Incorporation

- (1) MHI shall create a framework comprising the Compliance Committee and other bodies to raise awareness of compliance among employees by formulating a code of conduct, implementing various training programs and taking other steps.
- (2) MHI shall establish a whistleblower system and other mechanisms to enhance the effectiveness of compliance, conduct internal audits of the compliance framework, and report the results to the Board of Directors and Audit and Supervisory Committee.

12. System to ensure appropriate business activities of MHI Group

- (1) Each MHI Group company shall operate autonomously as an independent enterprise and its president shall be responsible for the management of the company. At the same time, in order to ensure that the MHI Group as a whole is operated soundly and efficiently and in a manner to contribute to the improvement of its consolidated financial performance, MHI shall support and provide guidance to MHI Group companies by establishing the division of management responsibilities between MHI and its group companies and operational procedures stipulating, among others, matters that should be sought for approval or reported by its group companies to MHI.
- (2) In order to ensure that the MHI Group as a whole is operated appropriately and various risks existing within the MHI Group as a whole are managed appropriately, various measures concerning compliance and risk management shall be

promoted on a group-wide basis and each company shall put in place an internal control system that is appropriate for its size and characteristics. The operating status of these internal control systems shall be audited by the department of MHI responsible for their management.

- (3) MHI and MHI Group companies shall ensure the accuracy of their respective financial information, and arrange the organization, company regulations and other matters required for the preparation and disclosure of reliable financial reports.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

MHI Group has clearly stated in its Global Code of Conduct that we will take firm action against anti-social forces (including organized crime groups, mafia groups, terrorist organizations, drug cartels, and other criminal organizations engaged in illegal activities or any organization, group, or individual that damages our corporate image) and will not comply with any unreasonable demands. We consider it a fundamental principle to sever all ties with anti-social forces. In addition, we have established a dedicated department at our Head Office to handle anti-social forces, and we will take systematic measures against anti-social forces in cooperation with relevant departments and specialized external organizations such as the police and lawyers. Furthermore, with regard to information on anti-social forces, we obtain relevant information from organizations affiliated with the Tokyo Metropolitan Police Department and other entities to prepare for unforeseen circumstances. We also collaborate with specialized external organizations such as the police and lawyers to work toward severing ties with anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
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2. Other Matters Concerning the Corporate Governance System

Overview of Timely Disclosure System

The status of our internal system for timely disclosure of company information is as follows.

1. Establishment and enforcement of company regulations

MHI has established and operates company regulations, as resolved by the Board of Directors, to ensure the accurate and appropriate management of company information and its prompt, accurate, and fair disclosure without omission. The internal system and procedures for timely disclosure of company information based on company regulations are as follows.

2. Disclosure of company information

(1) When it comes to facts that should be disclosed among the company's information, the relevant departments discuss and decide on the content, timing, and method of disclosure, ensuring that the information is thoroughly disclosed without omission.

(2) Disclosure shall, in principle, be made by the Investor Relations & Shareholder Relations Department (including an officer in charge of IR/SRs; the same shall apply hereinafter).

(3) When officers or employees, etc. other than those in the Investor Relations & Shareholder Relations Department make public disclosures, they shall coordinate with the Investor Relations & Shareholder Relations Department and other relevant departments in advance, and the Investor Relations & Shareholder Relations Department shall be present as necessary.

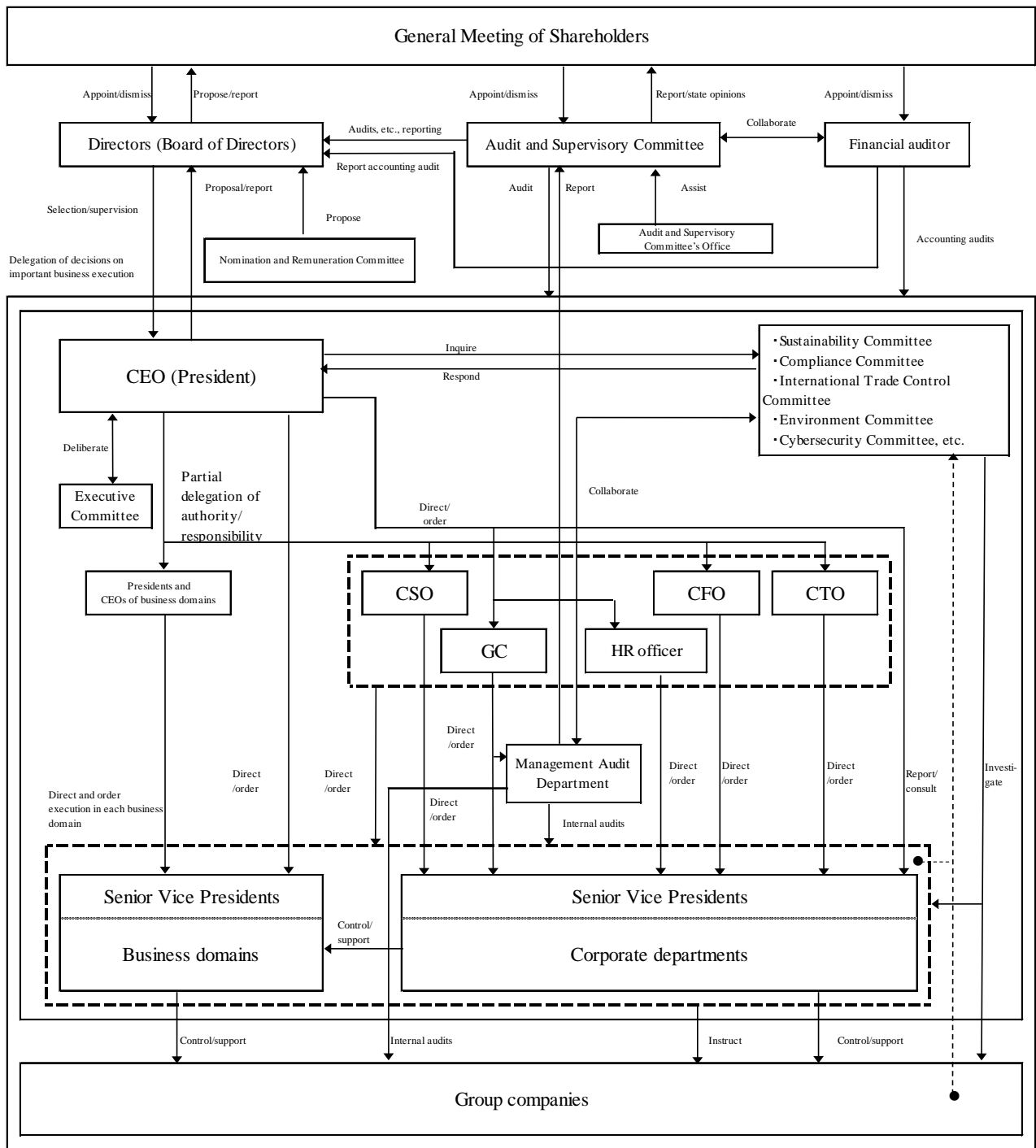
3. Publication of annual securities reports, etc.

Among company information, documents specified in Article 25, Paragraph 1 of the Financial Instruments and Exchange Act, such as securities registration statement, annual securities report, semiannual securities report, and extraordinary report, require especially accurate disclosure in accordance with the said Act. As such, such content is carefully reviewed and disclosed by the General Affairs Department.

4. Registration with Financial Instruments Exchange, etc.

Registration of company information based on the rules of each financial instruments exchange, etc., shall be conducted by submitting the company information to be disclosed in advance from the relevant departments to the Investor Relations & Shareholder Relations Department, which shall confirm the content and then register it in accordance with the procedures specified by the financial instruments exchange.

In addition, the Investor Relations & Shareholder Relations Department works closely with the General Affairs Department, which serves as the secretariat for the Board of Directors and Executive Committee, to grasp at all times whether matters requiring disclosure in accordance with the Securities Listing Regulations are reviewed and to ensure that all company information subject to disclosure is disclosed in a timely and complete manner.



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