

(Translation)

## Corporate Governance Report

CORPORATE GOVERNANCE

Mitsubishi Heavy Industries, Ltd.

Last Update: June 26, 2026

### Mitsubishi Heavy Industries, Ltd.

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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](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 acquires and holds shares of other companies for the purposes of strategic business development, the creation of business opportunities, and the establishment, maintenance, and strengthening of business relationships associated therewith, only upon having judged that doing so will facilitate MHI’s sustainable growth and increase its corporate value from a medium- to long-term perspective.

In FY2025, based on the verification results of (2) below, etc., MHI sold, etc. six issues/¥91.4 billion (including partial sales), reducing the ratio of shares held for purposes other than pure investment to total equity (consolidated) to 7.1% (down 1.5% from the end of FY2024). While continuing to make investments to build partnerships in growth areas, MHI will work to keep the ratio to less than 10% of total equity on a consolidated basis.

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

At the Board of Directors meeting held in February 2026, we reviewed all of our listed shareholdings in terms of both their significance and economic rationale and confirmed that the number of shares whose initial significance has reduced has decreased.

### (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, etc.

<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 2026, 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 key 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

MHI has pursued its mission to "combine cutting-edge technology with many years of expertise to provide solutions to the evolving challenges facing the world while enriching people's lives". In line with this Group Mission, under our 2024 Medium-Term Business Plan, the MHI Group has established the objectives of "Strengthen Portfolio Management", "Strengthen Technologies and Human Capital", and "Promote of MISSION NET ZERO" with the aim of creating a safe, secure, and comfortable society.

Achieving these objectives requires close alignment between business strategies that translate value generation into concrete actions and HR strategies that maximize the potential of our people. When management leaders and each individual employee envision the future they aspire to realize, align those aspirations with the future that the MHI Group seeks to create, and work

together to build a collaborative organization, this becomes a powerful driving force for achieving our goals.

The MHI Group will continue to promote the following initiatives including policies on human resource development (A. below) and on the development of internal workplace environment (B., C., and D. below) with management personnel, business units, and the HR departments working as one together with all MHI Group employees to "Launching the Future."

**A. Human resource development**

The environment where The MHI Group operates business is rapidly changing, 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 - Combine cutting-edge technology with many years of expertise to provide solutions to the evolving challenges facing the world while enriching people's 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**

It shall be MHI's basic policy on occupational safety and health that "Safety is our number one priority. We will do everything in our power to protect lives," and 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 safely 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**

Applicable Policy	Indicators	Units	Applicable Scope	Goals	Results
Policies on Human Resource Development	Employee survey – positive responses to "Growth Opportunities"	%	MHI Group *1	Continuous Improvement	116% *2
Policies on the Development of Internal Workplace Environment	Lost Workday Injury Incidence Rate (Employee + Contractors) *3	–	Submitting Company	At or below the industry peer average (FY2024:1.24)	0.31

(Note) 1. Employees across the MHI Group were invited to participate in the survey, and the score was calculated based on the responses received.

2. This indicator is indexed using the average score of multiple survey questions related to growth opportunities, with the results of the 2020 survey set at 100 and the FY2024 survey results expressed relative to that baseline.

3. Number of casualties due to work-related casualties resulting in absence of one day or more ÷ total number of actual working hours x 1,000,000

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 101st Annual General Meeting of Shareholders” and “Notice of the 100th Annual General Meeting of Shareholders”  
([https://www.mhi.com/finance/stock/meeting/pdf/101\\_notice.pdf](https://www.mhi.com/finance/stock/meeting/pdf/101_notice.pdf),  
[https://www.mhi.com/finance/stock/meeting/pdf/100\\_notice.pdf](https://www.mhi.com/finance/stock/meeting/pdf/100_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 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. In addition, 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”.

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.

MHI Group has identified material issues (materiality) that it should address in order to enhance corporate value and achieve sustainable growth over the medium- to long-term through the resolution of social challenges. In 2021, the Group established the Materiality Council, monitors the status of business activities aimed at achieving the objectives associated with each

material issue, discusses the direction of future initiatives, and provides the necessary guidance to business units. In light of the increasingly dynamic external environment in recent years, MHI Group recognizes that, in order to achieve sustainable growth, it is important to further enhance the effectiveness of its materiality initiatives by ensuring closer alignment with its business strategies. Accordingly, from FY2026 onward, materiality-related matters will no longer be addressed through a standalone committee and will instead be incorporated into MHI Group's existing management processes.

In addition, with respect to various themes, including climate change, human rights due diligence, natural capital and biodiversity, MHI Group identifies relevant risks and opportunities, promptly determines its response policies at the management level, and monitors the progress of related initiatives. Important matters related to these sustainability initiatives are regularly reported to the Board of Directors.

## 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, identifies potential human rights risks within its supply chain and conducts thorough investigations. Additionally, a dedicated Human Rights Expert Subcommittee, represented by 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.

## 3) Strategy

Under the 2024 Medium-Term Business Plan launched in FY2024, the MHI Group is leveraging the business and financial foundations established through the previous plan (2021 Medium-Term Business Plan) to further "strengthen portfolio management" and its "technologies and human capital". In addition, through its "MISSION NET ZERO" initiatives, the MHI Group strives to achieve carbon neutrality to realize a sustainable, safe, secure, and comfortable society.

Furthermore, in order to enhance corporate value and grow over the medium- to long-term through the resolution of social issues, the MHI Group has identified the following five 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; and Enhance corporate governance, and is working to address these issues through its business units.

## 4) Performance Indicators and Goals

For each material issue, the MHI Group has established company-wide goals and progress monitoring indicators (KPIs).

For details on the company-wide goals corresponding to each material issue, please refer to the relevant page on MHI's website. (<https://www.mhi.com/sustainability/library/pdf/material-issues.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 human resources, etc." 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/sustainabilitydatabook2025.pdf>)

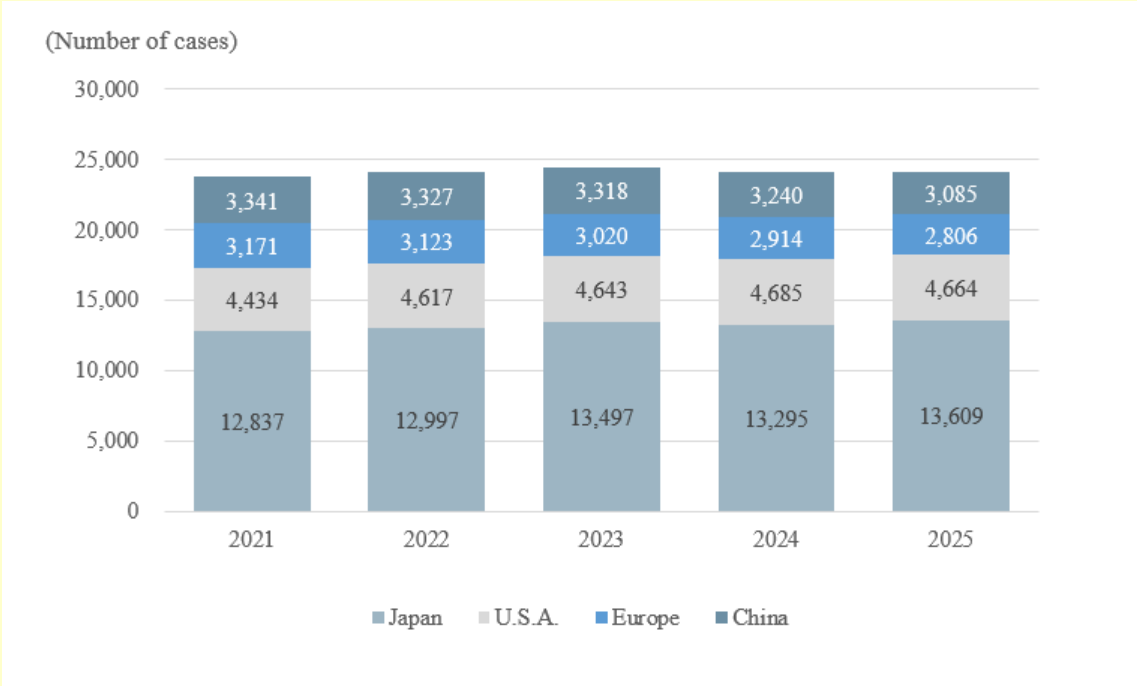
#### 2) Investment in Intellectual Property

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

implementing 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.

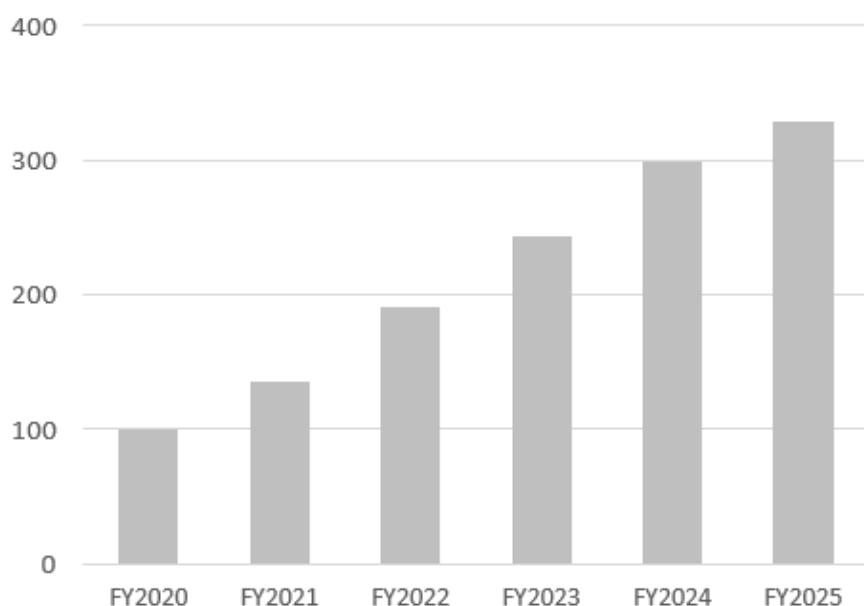
- To globally protect and leverage the outcomes of research, development, and design as IP, while respecting the IP rights of others.
- Expansion of business operations through partnerships and licensing businesses

Based on these fundamental policies, MHI Group strengthens the integration of business and IP and strategically incorporates the creation, protection, and utilization of IP from the upstream stages of business development, thereby striving to achieve an exponential social contribution. 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.



**Change 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 2026” 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/sustainabilitydatabook2025.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.

MHI recognizes that providing solutions to address climate change is both a social contribution and a responsibility of the MHI Group. Accordingly, following discussions as part of its business strategy, the MHI has made disclosures in line with the recommendations of “the Task Force on Climate-related Financial Disclosures (TCFD)”. Please refer to the relevant page on MHI’s website for further details.

([https://www.mhi.com/sustainability/environment/climate\\_tcf.html](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 soundness 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, 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, etc. of each director is listed in MHI’s “Notice of the 101st Annual General Meeting of Shareholders.” ([https://www.mhi.com/finance/stock/meeting/pdf/101\\_notice.pdf](https://www.mhi.com/finance/stock/meeting/pdf/101_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 is 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 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 (FY2024), in FY2025, 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, FY2025 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) With regards to “growth strategy,” we discussed energy transition trends, and with regard to “the business portfolio,” we discussed our approach and direction.
- (2) We held several discussions on the composition and other aspects of the Board of Directors in Nomination and Remuneration Committee meetings.
- (3) We held one meeting of the independent outside directors for outside directors to exchange information and share awareness of issues.
- (4) We created forums for engaging in dialogue with the President and CEO and Senior Vice Presidents to enhance opportunities for communication, while conducting visits to production sites and other locations to help deepen understanding of our business

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

### (1) Discussions regarding the business plan and business portfolio

We will create several opportunities throughout the year for discussions regarding the formulation of the 2027 Medium-Term Business Plan and the business portfolio.

### (2) Discuss the composition and other aspects of the Board of Directors

We will continue to discuss the ideal composition, the succession plan, and other aspects of the Board of Directors in the Nomination and Remuneration Committee meetings.

### (3) Provide opportunities for outside directors to exchange information and discuss awareness of issues

In addition to various meetings, we will create several opportunities in advance where meetings of independent outside directors can be held, as well as maintain and continue 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 inside directors and 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 26, 2026

### Explanation of Actions

In MHI’s 2024 Medium-Term Business Plan, MHI has set a goal to continuously improve our rate on equity (ROE). From FY2024, we adopted the dividend on equity (DOE) ratio as our dividend policy to steadily increase dividends over the medium- and long-term. Under the 2024 Medium-Term Business Plan, MHI recognizes that its cost of capital is approximately 8%. In addition, MHI aims to return profits generated through business growth to shareholders, using a DOE (\*1) of 4% or higher as a benchmark. The level of the cost of capital that management takes into consideration needs to be updated in light of factors such as changes in market interest rates. MHI will continue its review of this matter in preparation for the formulation of the next medium-term business plan.

\*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 2024 Medium-Term Business Plan

(2024 Medium-Term Business Plan).

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

For FY2025, the ROE was 12.2%, and the annual dividend was ¥25 per share (DOE: 4.1%).

(FY2025 Financial Results)

<https://www.mhi.com/finance/library/result/pdf/fy20254q/presentation.pdf>

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

(the material for 2024 Medium-Term Business Plan Progress)

<https://www.mhi.com/finance/library/plan/pdf/260527presentation.pdf>

## 2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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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>528,890,400</u>	<u>15.69</u>
Custody Bank of Japan, Ltd. (Trust Account)	<u>176,303,000</u>	<u>5.23</u>
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS (Standing Proxy Mizuho Bank, Ltd., Settlement & Clearing Services Department)	<u>114,775,714</u>	<u>3.40</u>
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy Mizuho Bank, Ltd., Settlement & Clearing Services Department)	<u>107,527,908</u>	<u>3.19</u>
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DR HOLDERS (Standing Proxy MUFG Bank, Ltd.)	<u>56,894,859</u>	<u>1.68</u>
GOVERNMENT OF NORWAY (Standing Proxy Citibank, N.A., Tokyo Branch)	<u>51,594,346</u>	<u>1.53</u>
Meiji Yasuda Life Insurance Company (Standing Proxy Custody Bank of Japan, Ltd.)	<u>48,670,040</u>	<u>1.44</u>
JP MORGAN CHASE BANK 385781 (Standing Proxy Mizuho Bank, Ltd., Settlement & Clearing Services Department)	<u>46,825,790</u>	<u>1.38</u>
BNYM AS AGT/CLTS 10 PERCENT (Standing Proxy MUFG Bank, Ltd.)	<u>39,710,334</u>	<u>1.17</u>
Mitsubishi Heavy Industries Employee Shareholding Association	<u>34,462,545</u>	<u>1.02</u>

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
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Name of Parent Company, if applicable	—
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Name of listed stock exchange of Parent Company, if applicable	—
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Amendments to the large volume holding report were submitted to the Director-General of the Kanto Local Finance Bureau and made available for public inspection. However, since the exact number of shares effectively owned by the entity as of March 31, 2026 cannot be fully verified, the status of major shareholders presented above is based on the entries in the shareholder registry.

(1) Sumitomo Mitsui Trust Asset Management Co., Ltd. submitted to the Director-General of the Kanto Local Finance Bureau, on September 19, 2025, an amendment report to the large volume holding report naming itself and Amova Asset Management Co., Ltd. as joint holders, and the report has been made available for public inspection. The shareholding status as of September 15, 2025, as reported in the amendment report, is as follows.

1. Name: Sumitomo Mitsui Trust Asset Management Co., Ltd.  
Address: 1-1, Shiba-koen 1-chome, Minato-ku, Tokyo  
Shares Held (Thousand Shares): 107,649  
Percentage of shares held against total number of shares issued: 3.19%
  2. Name: Amova Asset Management Co., Ltd.  
Address: 7-1, Akasaka 9-chome, Minato-ku, Tokyo  
Shares Held (Thousand Shares): 65,026  
Percentage of shares held against total number of shares issued: 1.93%
- Total of 1 to 2  
Shares Held (Thousand Shares): 172,676  
Percentage of shares held against total number of shares issued: 5.12%

(2) BlackRock Japan Co., Ltd. submitted to the Director-General of the Kanto Local Finance Bureau on March 4, 2026, an amendment to the large volume holding report naming itself and 10 other entities as joint holders, and the report has been made available for public inspection. The shareholding status as of February 27, 2026, as reported in the amendment report, is as follows.

1. Name: BlackRock Japan Co., Ltd.  
Address: 8-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo  
Shares Held (Thousand Shares): 65,679  
Percentage of shares held against total number of shares issued: 1.95%
2. Name: BlackRock Advisers, LLC  
Address: 251 Little Falls Drive, Wilmington, DE, USA  
Shares Held (Thousand Shares): 4,487  
Percentage of shares held against total number of shares issued: 0.13%
3. Name: BlackRock Financial Management, Inc.  
Address: 251 Little Falls Drive, Wilmington, DE, USA  
Shares Held (Thousand Shares): 3,579  
Percentage of shares held against total number of shares issued: 0.11%
4. Name: BlackRock Investment Management (Australia) Limited  
Address: Level 37, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia  
Shares Held (Thousand Shares): 3,495  
Percentage of shares held against total number of shares issued: 0.10%
5. Name: BlackRock (Netherlands) BV  
Address: Amstelplein 1, Amsterdam, 1096 HA Netherlands  
Shares Held (Thousand Shares): 7,352  
Percentage of shares held against total number of shares issued: 0.22%
6. Name: BlackRock Fund Managers Limited  
Address: 12 Throgmorton Ave. London, EC2N 2DL UK  
Shares Held (Thousand Shares): 10,776  
Percentage of shares held against total number of shares issued: 0.32%

7. Name: BlackRock Asset Management Canada Limited  
 Address: 161 Bay Street #2500, Toronto, Ontario, Canada  
 Shares Held (Thousand Shares): 4,683  
 Percentage of shares held against total number of shares issued: 0.14%
8. Name BlackRock Asset Management Ireland Limited  
 Address: 1F, 2 Ballsbridge Park, Ballsbridge, Dublin, 4 D04 YW83, Ireland  
 Shares Held (Thousand Shares): 22,068  
 Percentage of shares held against total number of shares issued: 0.65%
9. Name: BlackRock Fund Advisors  
 Address: 400 Howard St. San Francisco, CA, USA  
 Shares Held (Thousand Shares): 63,853  
 Percentage of shares held against total number of shares issued: 1.89%
10. Name: BlackRock Institutional Trust Company, N.A.  
 Address: 400 Howard St. San Francisco, CA, USA  
 Shares Held (Thousand Shares): 44,622  
 Percentage of shares held against total number of shares issued: 1.32%
11. Name: BlackRock Investment Management (UK) Limited  
 Address: 12 Throgmorton Ave. London, EC2N 2DL UK  
 Shares Held (Thousand Shares): 7,736  
 Percentage of shares held against total number of shares issued: 0.23%
- Total of 1 through 11  
 Shares Held (Thousand Shares): 238,332  
 Percentage of shares held against total number of shares issued: 7.06%

(3) Mitsubishi UFJ Financial Group, Inc. submitted to the Director-General of the Kanto Local Finance Bureau, on March 16, 2026, an amendment report to the large volume holding report naming itself and 3 other entities as joint holders, and the report has been made available for public inspection. The shareholding status as of March 9, 2026, as reported in the amendment reports, is as follows.

1. Name: MUFG Bank, Ltd.  
 Address: 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo  
 Shares Held (Thousand Shares): 25,113  
 Percentage of shares held against total number of shares issued: 0.74%
2. Name: Mitsubishi UFJ Trust and Banking Corporation  
 Address: 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo  
 Shares Held (Thousand Shares): 73,645  
 Percentage of shares held against total number of shares issued: 2.18%
3. Name: Mitsubishi UFJ Asset Management Co., Ltd  
 Address: 9-1, Higashi-shinbashi 1-chome, Minato-ku, Tokyo  
 Shares Held (Thousand Shares): 34,636  
 Percentage of shares held against total number of shares issued: 1.03%
4. Name: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  
 Address: 9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo  
 Shares Held (Thousand Shares): 5,903  
 Percentage of shares held against total number of shares issued: 0.17%
- Total of 1 through 4  
 Shares Held (Thousand Shares): 139,299  
 Percentage of shares held against total number of shares issued: 4.13%

### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo (Prime), Nagoya (Premier), Sapporo (Existing Market), Fukuoka (Existing Market)
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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 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 to further strengthen business growth and profitability, MHI Group aims to promote “Strengthen Portfolio Management” with the business and financial foundations established through the 2021 Medium-Term Business Plan. In addition, we will continue to “Strengthen Technologies and Human Capital” that supports this, while also advancing “Promote MISSION NET ZERO”. With regard to “Strengthen portfolio management”, we have identified our priority fields as “Ensure Steady Performance in Growth Core Businesses” and “Commercialize Future Growth Areas,” while also striving for “Enhance 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 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 directors of Ryoyu Systems, these representatives do not constitute a majority of its Board of Directors. Additionally, other than such directors, 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 or is 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	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>	<p>Mr. Ken Kobayashi 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, etc. 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.</p>
Nobuyuki Hirano	○	<p>- MUFG Bank, Ltd., where Mr. Nobuyuki Hirano previously served as Chairman of the Board, serves as one of MHI's lending banks. However, it is one of several major lenders and not a borrowing counterparty 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 34% 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</p>	<p>Mr. Nobuyuki Hirano has extensive knowledge and experience, etc. gained as a top executive at international financial institutions, including holding the positions of President &amp; Group CEO (Representative Corporate Executive) 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>

		stipulated in the MHI's "Independence Criteria for Outside Directors" and is therefore deemed not to affect Mr. Nobuyuki Hirano's independence.	
Mitsuhiro Furusawa	○	—	Although Mr. Mitsuhiro Furusawa has never been involved in corporate management other than as an outside director or outside statutory auditor, he has wide range of insights related to financial policy gained as a regulator and a global perspective gained as an 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.
Hiroo Unoura	○	—	Mr. Hiroo Unoura has extensive knowledge and experience, etc. gained 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 NTT, Inc. and expand the overseas business as the former President & CEO of NTT, Inc., 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 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	○	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	Ms. Noriko Morikawa has extensive knowledge and experience, etc. related to business management and organizational operation in global companies, such as overseeing administration departments in the role of manager, in addition to her experience

		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.	in internal audit and accounting operations at foreign companies operating in Japan, and she will provide insightful views and frank assessments at the meetings of the Board of Directors and the Nomination and Remuneration Committee, etc., as an outside director. 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 appointed.
Masako Ii	○		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, and she will provide insightful views and frank assessments at the meetings of the Board of Directors and the Nomination and Remuneration Committee, etc., as an outside director. 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
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## Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

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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 independence of them from the departments engaging in business execution and the effectiveness of instructions by the Audit and Supervisory Committee to them.

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

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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, etc. 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
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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

Aimed at ensuring transparency and soundness of procedures, MHI has established a "Nomination and Remuneration Committee" as a 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, 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.

The Nomination and Remuneration Committee consists of 6 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\*

In FY2025, the Nomination and Remuneration Committee met six 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	6 out of 6 times
	Eisaku Ito	6 out of 6 times
	Seiji Izumisawa	6 out of 6 times
	Ken Kobayashi	6 out of 6 times
	Nobuyuki Hirano	6 out of 6 times
	Mitsuhiro Furusawa	6 out of 6 times

Director, Audit and Supervisory Committee Member	Hiroo Unoura	6 out of 6 times
	Noriko Morikawa	6 out of 6 times
	Masako Ii	6 out of 6 times

(note) The number of attendances of Eisaku Ito includes meetings of the Nomination and Remuneration Advisory Council prior to the date of the 100th Annual General Meeting of Shareholders (June 27, 2025) when Eisaku Ito was appointed as Director.

### Matters Concerning Independent Directors

Number of Independent Directors	6
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Other Matters Concerning Independent Directors
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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 20% basic remuneration, 25% performance-linked remuneration, and 55% stock remuneration (in the event that consolidated profit from business activities ("profit from business activities") reached ¥400.0 billion; calculated based on the fair value of Stock Award Points granted during FY2024).

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, etc. 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 FY2025, which will be used for calculating performance-linked remuneration of FY2025, was ¥432.2 billion, against a target (initial forecast) of ¥420.0 billion.

For the fiscal year under review, the businesses of Mitsubishi Logisnext Co., Ltd. (currently LOGISNEXT CO., LTD.) and its subsidiaries and affiliates were classified as discontinued operations. Accordingly, the actual profit presented above reflects the amount attributable to continuing operations, excluding discontinued operations.

Profit from business activities in FY2024, which will be used for calculating stock remuneration of FY2025, was ¥383.1 billion, against a target (initial forecast) of ¥350 billion.

Persons Eligible for Stock Options

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### Supplementary Explanation for Applicable Items

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## 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

Monetary remuneration: ¥936 million, non-monetary remuneration (stock remuneration) 584,000 points (including monetary remuneration for outside directors, of ¥51 million)

Note: Non-monetary remuneration (stock remuneration) represents the Stock Award Points granted in FY2025. Directors who satisfy the beneficiary requirements are, in principle, entitled to receive MHI's shares and money in the amount equivalent to liquidation value of shares of MHI's shares corresponding to the Stock Award Points granted after three years have elapsed from

the grant of such points (or, if the director retires before the expiration of such period, at the time of retirement). The fair value per point used for accounting expense recognition was ¥3,558 (the most recent fair values were ¥625 for FY2023 and ¥1,670 for FY2024).

Remuneration for Directors who are Audit and Supervisory Committee Members

Monetary Remuneration: ¥185 million (including remuneration for outside directors, of ¥64 million)

Policy on Determining Remuneration Amounts and Calculation Methods

Established

## 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 shall be 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 × Profit from business activities for the given fiscal year ÷ 10,000 × 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, after assessing the earnings and achievements, etc. of the business for which they are responsible.

#### • 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, which is based on Stock Award Points to 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 × 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, etc., 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 formulated and hold the meetings of a "Nomination and Remuneration Committee", composed of six outside directors, the Chairman of the Board, and the President and CEO and is 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 Director, 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 Committee for FY2025 are as follows:

- 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 was also reported at the Board of Directors meeting held in August 2025.

- The payment policy and remuneration allocation, etc. for FY2025 were deliberated at the Nomination and Remuneration Committee meeting held in April 2026 and subsequently reported and approved at the extraordinary Board of Directors meeting held in May 2026. The actual remuneration allocation for FY2025 is scheduled to be reported at a Board of Directors meeting in FY2026.

## 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 Miyana	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 soundness of procedures, MHI has established a “Nomination and Remuneration Committee,” comprised of independent outside directors, Chairman of the Board, and the President and CEO, 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, 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.

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)

Hisato Kozawa, Katsunori Tanaka, Hiroo Unoura\*, Noriko Morikawa\*, Masako Ii\*

<Audit and Supervisory Committee Members> asterisks denote outside directors

Hisato Kozawa (Chairman), Katsunori Tanaka, 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)

HR officer (Human Resources Officer)

(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	4 out of 4 times
	Seiji Izumisawa	14 out of 14 times
	Hitoshi Kaguchi	4 out of 4 times
	Eisaku Ito	10 out of 10 times
	Masayuki Suematsu	10 out of 10 times
	Hiroshi Nishio	10 out of 10 times
	Ken Kobayashi	13 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	4 out of 4 times
	Masayuki Fujisawa	14 out of 14 times
	Hisato Kozawa	14 out of 14 times
	Hiroo Unoura	14 out of 14 times
	Noriko Morikawa	14 out of 14 times
	Masako Ii	14 out of 14 times

(Note) Directors Shunichi Miyanaga and Hitoshi Kaguchi, and Director who is serving as Audit and Supervisory Committee Member Setsuo Tokunaga retired upon the conclusion of the 100th Annual General Meeting of Shareholders held on June 27, 2025. Accordingly, the number of meetings of the Board of Directors for which they were eligible to attend differs from that of the other officers.

Additionally, since Directors Eisaku Ito, Masayuki Suematsu, and Hiroshi Nishio assumed their positions at the 100th Annual General Meeting of Shareholders held on June 27, 2025, the number of meetings of the Board of Directors for which they were eligible to attend differs from that of other officers.

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 30 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, 2026, 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, etc. 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 eight 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 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 26, 2026.

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 FY2025.

#### (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 26, 2026, the number of assistants involved in our financial audit services is 36 certified public accountants, 15 certified public accountant exam passers, and 63 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 soundness of procedures, MHI has established a "Nomination and Remuneration Committee," comprised by independent outside directors, the Chairman of the Board, and the President and CEO, 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, 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. <a href="https://www.mhi.com/finance/management/policy">https://www.mhi.com/finance/management/policy</a>	
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	The following materials are disclosed on our website, in	

	<p>principle. in Japanese and English  <a href="https://www.mhi.com/finance/">https://www.mhi.com/finance/</a>  Disclosure Materials: Briefing Materials of Financial Results, briefing materials of Medium-Term Business Plan, Financial Results, annual securities reports, semiannual securities report, 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, GTCC Business Briefing), individual investor briefing materials, IR event videos, etc.</p>
<p>Establishment of Department and/or Placement of a Manager in Charge of IR</p>	<p>Department in Charge: Investor Relations &amp; Shareholder Relations Department, IR Group  Director in Charge: Representative Director, Senior Vice President and CFO Hiroshi Nishio</p>
<p>Other</p>	<p>(Key concerns of shareholders and investors)</p> <ul style="list-style-type: none"> <li>• Management policy, group strategies, and their progress and outlook</li> <li>• Progress and outlook of carbon neutrality targets</li> <li>• Business portfolio management initiatives</li> <li>• Business environment, performance, and outlook of each business</li> <li>• Profit and loss status of specific projects</li> </ul> <p>(Feedback for the Board of Directors)</p> <ul style="list-style-type: none"> <li>• Regular feedback from the officer in charge on the content of dialogues with shareholders and investors</li> <li>• Investor Relations &amp; Shareholder Relations Department regularly reports to the Board of Directors on the status of the stock market and the content of meetings with investors.</li> </ul>

### 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. ( <a href="https://www.mhi.com/sustainability/library/pdf/sustainabilitydatabook2025.pdf#page=7">https://www.mhi.com/sustainability/library/pdf/sustainabilitydatabook2025.pdf#page=7</a> )
Implementation of Environmental Preservation Activities and CSR Activities, etc.	In response to various global social challenges, including environmental issues, we engage in communication with stakeholders 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. ( <a href="https://www.mhi.com/sustainability/library/pdf/material-issues.pdf">https://www.mhi.com/sustainability/library/pdf/material-issues.pdf</a> )
Formulation of Policies, etc. on Provision of Information to Stakeholders	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
Other	<p>&lt;Policies and Initiatives for the Advancement of Females&gt;</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
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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.

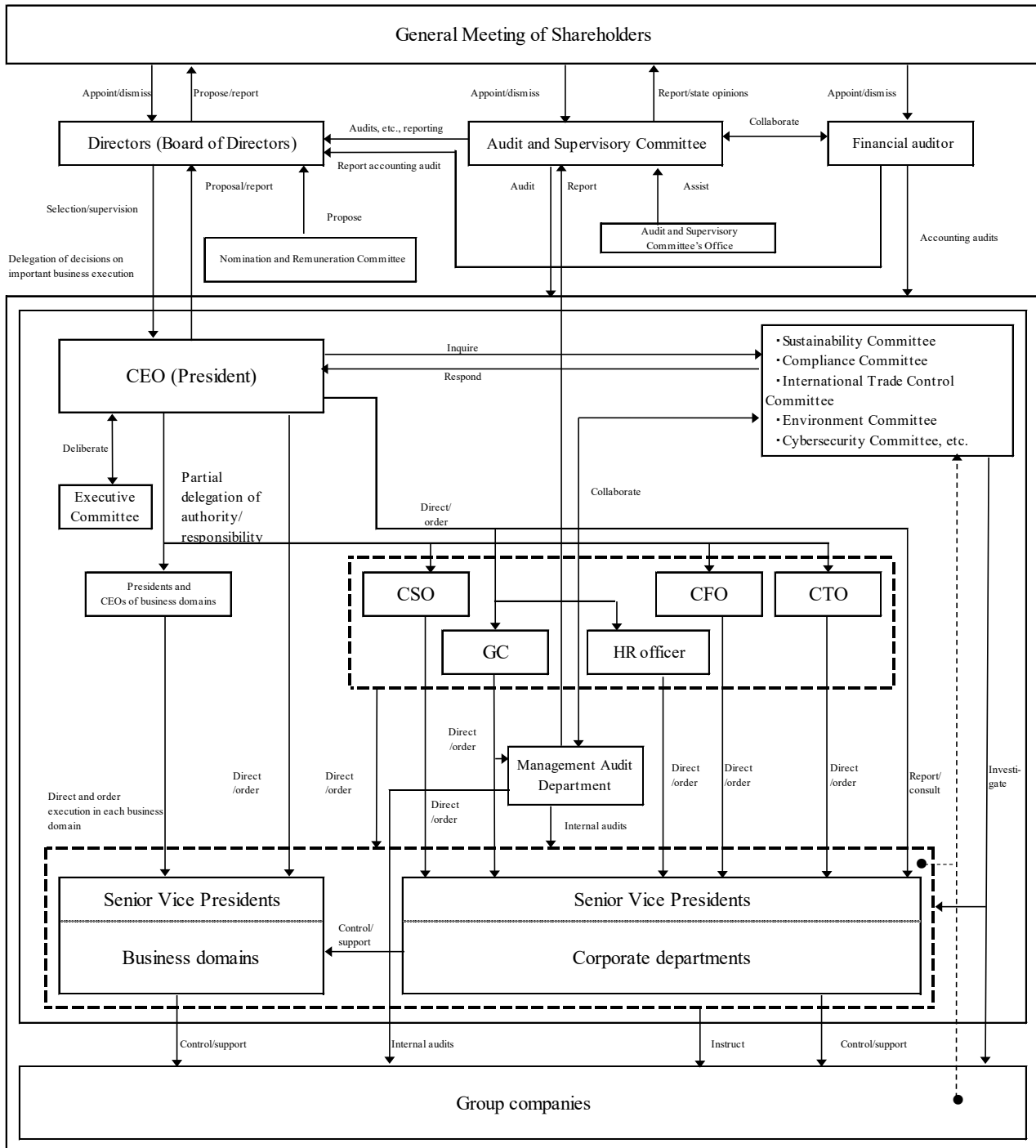
#### 3. Publication of annual securities reports, etc.

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.



END