[NOTICE: This Notice of Convocation is a translation of a part of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail.]

(Securities Code: 3636)
December 1, 2023
Start date of measures for electronic provision: November 27, 2023

To Our Shareholders

Mitsubishi Research Institute, Inc.
10-3, Nagatacho 2-Chome, Chiyoda-Ku, Tokyo
Kenji Yabuta
President and Representative Director

NOTICE OF CONVOCATION OF THE 54TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We are pleased to announce the 54th Annual General Meeting of Shareholders (the "Meeting") of Mitsubishi Research Institute, Inc. (the "Company"), which will be held as described below.

If you are unable to attend in person, please review the attached Reference Materials for the General Meeting of Shareholders and exercise your voting rights by 5:15 p.m. on Monday, December 18, 2023, in accordance with the Procedures for the Exercise of Voting Rights via the Internet on page 3.

When convening this Meeting, the Company takes measures for providing information that constitutes the content of Reference Materials for the General Meeting of Shareholders, etc. (items for which the measures for providing information in electronic format will be taken; hereinafter also referred to as "items subject to measures for electronic provision") in electronic format, and makes this information available on the following websites. Please access one of the websites to review the information.

The Company's website
https://ir.mri.co.jp/ja/stock/meeting.html (in Japanese only)

Tokyo Stock Exchange website
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese only)
(Access the website by using the internet address shown above, enter "Mitsubishi Research Institute" in "Issue name (company name)" or the Company's securities code "3636" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

Website for informational materials for the general meeting of shareholders
https://d.sokai.jp/3636/teiji/ (in Japanese only)

PARTICULARS

1. **Date and Time of the Meeting:** Tuesday, December 19, 2023 at 10:00 a.m.

2. **Place of the Meeting:** 4th floor Conference Room at the Head Office of the Company
10-3, Nagatacho 2-Chome, Chiyoda-Ku, Tokyo

3. **Meeting Agenda:**

Matters for Reporting:	The Business Report for the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023), Consolidated and Non-Consolidated Financial Statements, and the Results of the Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
Matters for Resolution:	
First Item of Business:	Appropriation of Surplus
Second Item of Business:	Amendment to the Articles of Association
Third Item of Business:	Election of Nine (9) Directors
Fourth Item of Business:	Election of Two (2) Audit & Supervisory Board Members
Fifth Item of Business:	Partial Amendment to Amount and Contents of Compensation, etc. Following Continuation of Performance-based Stock Remuneration System for Directors, etc.

4. Exercise of Voting Rights

(1) If you exercise voting rights by proxy, please present a document evidencing authority of the proxy together with the Voting Rights Exercise Form to the receptionist at the Meeting. Please note that the proxy must be one shareholder with voting rights as stipulated in the Articles of Association of the Company.

(2) Regarding the exercise of voting rights by mail, if there is no indication of your approval or disapproval of each item of business, we will deem that you have approved each item.

(3) Please note that if your voting rights were exercised both by mail and via the Internet, the Internet vote shall take precedence.

(4) In instances where a shareholder exercises their voting rights more than once via the Internet, the very last vote cast shall take precedence. In instances where a shareholder exercises voting rights using both a personal computer and a smartphone, the very last vote cast shall take precedence.

[Request to Shareholders]
Shareholders attending the Meeting in person are requested to present the enclosed Voting Rights Exercise Form to the receptionist at the Meeting.

[Announcements]
Other items subject to measures for electronic provision (items excluded from paper-based documents delivered upon request)

(1) For this Meeting, paper-based documents stating items subject to measures for electronic provision will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents. However, among the items subject to measures for electronic provision, the System to Ensure Appropriate Conduct of Operations and its Operation Status of the Business Report, Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements as well as Non-Consolidated Statements of Changes in Net Assets and Notes to Non-Consolidated Financial Statements are not included in the paper-based documents, in accordance with laws, regulations and Article 16, paragraph 2 of the Company's Articles of Association, and are posted on the above-mentioned websites.
The Business Report, Consolidated and Non-Consolidated Financial Statements attached to this Notice constitute part of the documents audited by the Audit & Supervisory Board Members and Accounting Auditor in preparing their respective Audit Reports.

(2) If any modification is required for items subject to measures for electronic provision, the revised content will be posted on the above-mentioned websites.

Procedures for the Exercise of Voting Rights via the Internet

Login by Scanning the QR Code

You can log in to the voting right exercise website without entering a Login ID and temporary password printed on the stub attached to the Voting Rights Exercise Form.

1. Scan the QR Code on the stub attached to the Voting Rights Exercise Form (right side).
   * QR Code is a registered trademark of DENSO WAVE INCORPORATED.

2. Follow the instructions on the screen to indicate your approval or disapproval.

Login by Entering the Login ID and Temporary Password

The voting right exercise website: https://evote.tr.mufg.jp/ (in Japanese only)

1. Access the voting right exercise website.

2. Enter the Login ID and temporary password printed on the Voting Rights Exercise Form and click “Login.”

3. Register a new password

Please be careful not to forget your new password.

4. Follow the instructions on the screen to indicate your approval or disapproval.

1) The website will be unavailable from 2:30 a.m. to 4:30 a.m. everyday. The website may not be available depending on your Internet environment.
2) Please note that costs for accessing the voting right exercise website shall be borne by shareholders.

Exercise of voting rights is accepted **until 5:15 p.m. Monday, December 18, 2023**, but please exercise your voting rights as soon as possible.

Inquiries on the Voting Right Exercise Systems Mitsubishi UFJ Trust and Banking Corporation, Transfer Agent Department (Help Desk) TEL: Toll-free number (Japan only): 0120-173-027 (Office hours: From 9:00 a.m. to 9:00 p.m.)

REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

Items of Business and Reference Matters

First Item of Business: Appropriation of Surplus

Matters concerning the year-end dividends:

The Company aims to contribute to the advancement of customers and society and promote creation of value, through which to realize its sustainable growth and enhance its corporate value. In returning its profits to shareholders, the Company determines its details based on maintaining stable dividend payments while comprehensively taking into account the balance among business results, future capital needs and financial soundness. The Company has set a guideline of 40% for the consolidated dividend payout ratio.

Based on the above policy, the Company plans to pay a year-end dividend of ¥75 per share for the fiscal year ended September 30, 2023.

Consequently, the annual dividend for the fiscal year will be ¥150 per share, including an interim dividend of ¥75 per share.

(1) Kind of dividend property
Cash

(2) Matters concerning allocation and the total amount of dividend property for shareholders
Ordinary shares of the Company: ¥75 per share
¥1,203,269,775 in total

(3) Date on which dividends from surplus shall be effective
December 20, 2023

Second Item of Business: Amendment to the Articles of Association

1. Reasons for the proposal

With the objective of further strengthening the management structure and enhancing corporate governance, the Company proposes to amend Article 20 (Election of Directors) of the current Articles of Association to raise the total number of directors by one (1), from a maximum of eight (8) persons to nine (9) persons.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Association	Proposed Amendments
Article 20 (Election of Directors) The total number of directors of the Company shall be not more than <u>eight</u>, and such directors shall be elected by means of a resolution adopted at the general meeting of shareholders.	Article 20 (Election of Directors) The total number of directors of the Company shall be not more than <u>nine</u>, and such directors shall be elected by means of a resolution adopted at the general meeting of shareholders.

Third Item of Business: Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the close of this Meeting.
In that regard, on the condition that the second item of business, "Amendment to the Articles of Association," is approved as originally proposed, the Company proposes to increase the number of Directors by one (1) with the objective of further strengthening the management structure and enhancing corporate governance, and therefore, you are hereby requested to newly elect nine (9) Directors.
The candidates are as follows.

No.	Name		Positions and Responsibilities at the Company	Years in Office as Director	
1	Takashi Morisaki	(68 years old)	Chairman of the Board	7 years	Reelected
2	Kenji Yabuta	(63 years old)	President and Representative Director Officer in Charge of Internal Audit Office Officer in Charge of VCP	2 years	Reelected
3	Yasuteru Hirai	(62 years old)	Executive Vice President and Executive Officer General Manager, Corporate Administration Unit	—	Newly elected
4	Yoshihiko Ito	(58 years old)	Managing Executive Officer General Manager, Digital Innovation Unit	—	Newly elected
5	Mariko Bando	(77 years old)	Outside Director	4 years	Outside Independent Reelected
6	Ken Kobayashi	(74 years old)	Outside Director	2 years	Outside Independent Reelected
7	Nobuyuki Hirano	(72 years old)	Outside Director	2 years	Outside Independent Reelected
8	Seiji Izumisawa	(66 years old)	Outside Director	1 year	Outside Independent Reelected
9	Satoko Shisai	(60 years old)	—	—	Outside Independent Newly elected

No.	Name	Career Summary, Positions and Responsibilities at the Company and Important Concurrent Positions	Number of the Company's Shares Owned
1	 Takashi Morisaki [Date of Birth] January 1, 1955 (68 years old) [Years in Office as Director] 7 years at the close of the Meeting [Attendance at the Board of Directors Meetings] 100% (10/10) Reelected	[Career Summary] April 1978 Joined The Mitsubishi Bank, Limited April 2008 Managing Officer of Mitsubishi UFJ Financial Group, Inc. Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2010 Managing Executive Officer and Chief Executive Officer, Headquarters for Asia of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2012 Senior Managing Executive Officer and Chief Executive, Global Markets Unit of The Bank of Tokyo-Mitsubishi UFJ, Ltd. June 2012 Senior Managing Director and Chief Executive, Global Markets Unit of The Bank of Tokyo-Mitsubishi UFJ, Ltd. July 2012 Managing Officer and Group Head, Integrated Global Markets Business Group of Mitsubishi UFJ Financial Group, Inc. May 2014 Deputy President of The Bank of Tokyo-Mitsubishi UFJ, Ltd. June 2016 Corporate Advisor of The Bank of Tokyo-Mitsubishi UFJ, Ltd. September 2016 Senior Counselor of the Company October 2016 Executive Vice President and Executive Officer of the Company December 2016 President and Representative Director of the Company December 2021 Chairman of the Board of the Company (incumbent) [Positions and Responsibilities at the Company] Chairman of the Board [Important Concurrent Positions] Director (Outside) (Audit & Supervisory Committee Member) of NORITAKE CO., LIMITED Outside Director of Japan Business Systems, Inc. Outside Director of INES Corporation	15,700
	[The Reasons for Nomination as Director] Mr. Takashi Morisaki is once again recommended as a candidate for Director in view of the appropriate performance of his current duties as Chairman of the Board of the Company toward the Company's sustainable growth and enhancement of its corporate value in the medium- to long-term, based on his abundant business experience at the Company.		

No.	Name	Career Summary, Positions and Responsibilities at the Company and Important Concurrent Positions	Number of the Company's Shares Owned
2	 Kenji Yabuta [Date of Birth] April 27, 1960 (63 years old) [Years in Office as Director] 2 years at the close of the Meeting [Attendance at the Board of Directors Meetings] 100% (10/10) Reelected	[Career Summary] April 1983 Joined The Mitsubishi Bank, Limited April 2007 General Manager, Public Relations Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. June 2009 Executive Officer and General Manager, Public Relations Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2010 Executive Officer and General Manager, Kyoto Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2012 Executive Officer and General Manager, Corporate Business Planning Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2013 Managing Executive Officer and Group Head, Nagoya Corporate Banking Group of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2016 Managing Executive Officer and Group Head, Corporate Banking Group No.1 of The Bank of Tokyo-Mitsubishi UFJ, Ltd. June 2017 Senior Managing Executive Officer and Group Head, Corporate Banking Group No.1 of The Bank of Tokyo-Mitsubishi UFJ, Ltd. June 2018 Member of the Board of Directors, Deputy President, Officer in Charge of Supervising Overall Business, and Chief Executive, Corporate Banking Business Unit of MUFG Bank, Ltd. July 2019 Member of the Board of Directors, Deputy President, and Officer in Charge of Supervising Overall Business (Concurrently) Chief Executive, Corporate Banking Unit (Concurrently) Group Head, Research & Advisory Group of MUFG Bank, Ltd. June 2021 Corporate Advisor of MUFG Bank, Ltd. September 2021 Senior Counselor of the Company October 2021 Executive Vice President and Executive Officer of the Company December 2021 President and Representative Director of the Company (incumbent) [Positions and Responsibilities at the Company] President and Representative Director Officer in Charge of Internal Audit Office Officer in Charge of VCP [Important Concurrent Positions] Chairman of the Board of Mitsubishi Research Institute DCS Co., Ltd.	5,100
	[The Reasons for Nomination as Director] Mr. Kenji Yabuta is once again recommended as a candidate for Director in view of the appropriate performance of his current duties as President and Representative Director of the Company toward the Company's sustainable growth and enhancement of its corporate value in the medium- to long-term, based on his abundant business experience at the Company.		

No.	Name	Career Summary, Positions and Responsibilities at the Company and Important Concurrent Positions	Number of the Company's Shares Owned
3	 Yasuteru Hirai [Date of Birth] September 28, 1961 (62 years old) Newly elected	[Career Summary] April 1984 Joined Mitsubishi Corporation April 2014 Senior Vice President, Deputy Regional CEO, East Asia of Mitsubishi Corporation President of Mitsubishi Corporation (Shanghai) Ltd. General Manager of Shanghai Office April 2017 Senior Vice President, Regional CEO, East Asia of Mitsubishi Corporation President of Mitsubishi Corporation China Co., Ltd. General Manager of Beijing Branch October 2018 Senior Vice President, Regional CEO, East Asia of Mitsubishi Corporation President of Mitsubishi Corporation China Co., Ltd. General Manager of Beijing Branch President of Mitsubishi Corporation (Guangzhou) Ltd. April 2019 Senior Vice President of Mitsubishi Corporation President of Mitsubishi Corporation China Co., Ltd. General Manager of Beijing Branch April 2020 Executive Vice President of Mitsubishi Corporation President of Mitsubishi Corporation China Co., Ltd. General Manager of Beijing Branch April 2021 Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, and Officer for Emergency Crisis Management Headquarters of Mitsubishi Corporation June 2021 Member of the Board, Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, and Officer for Emergency Crisis Management Headquarters of Mitsubishi Corporation April 2023 Member of the Board of Mitsubishi Corporation June 2023 Corporate Advisor of Mitsubishi Corporation September 2023 Senior Counselor of the Company October 2023 Executive Vice President and Executive Officer, General Manager, Corporate Administration Unit of the Company (incumbent) [Positions and Responsibilities at the Company] Executive Vice President and Executive Officer General Manager, Corporate Administration Unit	200
	[The Reasons for Nomination as Director] Mr. Yasuteru Hirai is newly recommended as a candidate for Director as he is expected to appropriately perform his duties as a Director of the Company in order to work toward the Company's sustainable growth and enhancement of the corporate value in the medium- to long-term by participating in the decision making of the Company, based on his years of broad experience as an executive of a global company.		

<table>
<tr><th>No.</th><th>Name</th><th>Career Summary, Positions and Responsibilities at the Company
and Important Concurrent Positions</th><th>Number of the Company’s Shares Owned</th></tr>
<tr><td rowspan="2">4</td><td>

Yoshihiko Ito

[Date of Birth]
July 9, 1965
(58 years old)

Newly elected</td><td>[Career Summary]
April 1992 Joined the Company
October 2013 General Manager, Social ICT Solutions Division of the Company
April 2016 General Manager, Social ICT Business Division of the Company
April 2018 General Manager, Social ICT Innovation Division of the Company
December 2018 Executive Officer and General Manager, Social ICT Innovation Division of the Company
April 2019 Executive Officer and Deputy General Manager, Consulting Unit of the Company
October 2020 Executive Officer and General Manager, Digital Transformation Unit of the Company
December 2022 Managing Executive Officer and General Manager, Digital Transformation Unit of the Company
October 2023 Managing Executive Officer and General Manager, Digital Innovation Unit of the Company (incumbent)
[Positions and Responsibilities at the Company]
Managing Executive Officer
General Manager, Digital Innovation Unit</td><td>2,700</td></tr>
<tr><td colspan="3">[The Reasons for Nomination as Director]
Mr. Yoshihiko Ito is newly recommended as a candidate for Director as he is expected to appropriately perform his duties as a Director of the Company in order to work toward the Company’s sustainable growth and enhancement of the corporate value in the medium- to long-term by participating in the decision making of the Company, based on his abundant business experience at the Business Unit of the Company in the fields of ICT and DX.</td></tr>
</table>

No.	Name	Career Summary, Positions and Responsibilities at the Company and Important Concurrent Positions	Number of the Company's Shares Owned
5	 Mariko Bando [Date of Birth] August 17, 1946 (77 years old) [Years in Office as Director] 4 years at the close of the Meeting [Attendance at the Board of Directors Meetings] 100% (10/10) Reelected Outside Independent	[Career Summary] July 1969 Entered the Prime Minister's Office October 1985 Counsellor of Cabinet Secretariat July 1989 Director of Consumer Statistics Division, Statistics Bureau, Management and Coordination Agency July 1994 Director of Gender Equality Bureau, Cabinet Secretariat April 1995 Vice-Governor of Saitama Prefecture June 1998 Consul General of Japan in Brisbane, Australia January 2001 Director General of Gender Equality Bureau, Cabinet Office October 2003 Director of Showa Women's University April 2007 President of Showa Women's University April 2014 Chancellor (Rijicho) of Showa Women's University July 2016 Chancellor (Socho) of Showa Women's University (incumbent) December 2019 Director of the Company (incumbent) [Positions and Responsibilities at the Company] Outside Director [Important Concurrent Positions] Chancellor (Socho) of Showa Women's University Outside Director of MS&AD Insurance Group Holdings, Inc. External Director of Itoki Corporation	2,100
	[The Reasons for Nomination as Outside Director and Outline of Expected Roles] Ms. Mariko Bando is once again recommended as a candidate for Outside Director in the expectation that she will continue to contribute to the Company's sustainable growth and to the enhancement of corporate value in the medium- to long-term and in view of the appropriate performance of her current duties as an Outside Director of the Company, including supervision of its business execution, based on her years of diverse experience gained through administrative activities and broad knowledge as someone involved in education. Although she has not previously been involved in corporate management through any means other than becoming an Outside Director or Outside Audit & Supervisory Board Member, based on the above reasons, the Company has judged that she is capable of appropriately performing her duties as an Outside Director.		

<table>
<tr><th>No.</th><th>Name</th><th>Career Summary, Positions and Responsibilities at the Company and Important Concurrent Positions</th><th>Number of the Company’s Shares Owned</th></tr>
<tr><td rowspan="2">6</td><td>
Ken Kobayashi

[Date of Birth]
February 14, 1949
(74 years old)
[Years in Office as Director]
2 years at the close of the Meeting
[Attendance at the Board of Directors Meetings]
100% (10/10)

Reelected
Outside
Independent</td><td>[Career Summary]
July 1971 Joined Mitsubishi Corporation
June 2007 Member of the Board, Executive Vice President, and Group CEO, Industrial Finance, Logistics & Development Group of Mitsubishi Corporation
June 2008 Executive Vice President and Group CEO, Industrial Finance, Logistics & Development Group of Mitsubishi Corporation
April 2010 Senior Executive Vice President and Executive Assistant to President of Mitsubishi Corporation
June 2010 Member of the Board, President & CEO of Mitsubishi Corporation
April 2016 Chairman of the Board of Mitsubishi Corporation
December 2021 Director of the Company (incumbent)
April 2022 Member of the Board, Corporate Advisor of Mitsubishi Corporation
June 2022 Corporate Advisor of Mitsubishi Corporation (incumbent)
[Positions and Responsibilities at the Company]
Outside Director
[Important Concurrent Positions]
Corporate Advisor of Mitsubishi Corporation
Outside Director of NISSIN FOODS HOLDINGS CO., LTD.
Outside Director of Mitsubishi Heavy Industries, Ltd.</td><td>1,000</td></tr>
<tr><td colspan="3">[The Reasons for Nomination as Outside Director and Outline of Expected Roles]
Mr. Ken Kobayashi is once again recommended as a candidate for Outside Director in the expectation that he will continue to contribute to the Company’s sustainable growth and to the enhancement of corporate value in the medium- to long-term and in view of the appropriate performance of his current duties as an Outside Director of the Company, including supervision of its business execution, based on his years of broad experience as an executive of a global company.</td></tr>
</table>

No.	Name	Career Summary, Positions and Responsibilities at the Company and Important Concurrent Positions	Number of the Company's Shares Owned
7	 Nobuyuki Hirano [Date of Birth] October 23, 1951 (72 years old) [Years in Office as Director] 2 years at the close of the Meeting [Attendance at the Board of Directors Meetings] 100% (10/10) Reelected Outside Independent	[Career Summary] April 1974 Joined The Mitsubishi Bank, Limited April 2012 President of The Bank of Tokyo-Mitsubishi UFJ, Ltd. April 2013 President & CEO of Mitsubishi UFJ Financial Group, Inc. April 2016 Chairman of The Bank of Tokyo-Mitsubishi UFJ, Ltd. April 2019 Member of the Board of Directors, Chairman (Corporate Executive), of Mitsubishi UFJ Financial Group, Inc. April 2021 Senior Corporate Advisor of MUFG Bank, Ltd. (incumbent) December 2021 Director of the Company (incumbent) [Positions and Responsibilities at the Company] Outside Director [Important Concurrent Positions] Senior Corporate Advisor of MUFG Bank, Ltd. Outside Director of Mitsubishi Heavy Industries, Ltd.	900
	[The Reasons for Nomination as Outside Director and Outline of Expected Roles] Mr. Nobuyuki Hirano is once again recommended as a candidate for Outside Director in the expectation that he will continue to contribute to the Company's sustainable growth and to the enhancement of corporate value in the medium- to long-term and in view of the appropriate performance of his current duties as an Outside Director of the Company, including supervision of its business execution, based on his years of broad experience as an executive of financial institutions.		

No.	Name	Career Summary, Positions and Responsibilities at the Company and Important Concurrent Positions	Number of the Company's Shares Owned
8	 Seiji Izumisawa [Date of Birth] September 3, 1957 (66 years old) [Years in Office as Director] 1 year at the close of the Meeting [Attendance at the Board of Directors Meetings] 100% (8/8) Reelected Outside Independent	[Career Summary] April 1981 Joined Mitsubishi Heavy Industries, Ltd. April 2013 Senior Executive Officer of Mitsubishi Motors Corporation June 2013 Director of Mitsubishi Motors Corporation April 2016 Senior Vice President, Senior General Manager of Technology Strategy Office of Mitsubishi Heavy Industries, Ltd. June 2017 Director (Member of the Board), Full-time Audit and Supervisory Committee Member of Mitsubishi Heavy Industries, Ltd. June 2018 Director (Member of the Board), Executive Vice President, CSO of Mitsubishi Heavy Industries, Ltd. April 2019 President and CEO (Member of the Board) and CSO of Mitsubishi Heavy Industries, Ltd. April 2020 President and CEO (Member of the Board) of Mitsubishi Heavy Industries, Ltd. (incumbent) December 2022 Director of the Company (incumbent) [Positions and Responsibilities at the Company] Outside Director [Important Concurrent Positions] President and CEO (Member of the Board) of Mitsubishi Heavy Industries, Ltd.	100
	[The Reasons for Nomination as Outside Director and Outline of Expected Roles] Mr. Seiji Izumisawa is once again recommended as a candidate for Outside Director in the expectation that he will continue to contribute to the Company's sustainable growth and to the enhancement of corporate value in the medium- to long-term and in view of the appropriate performance of his current duties as an Outside Director of the Company, including supervision of its business execution, based on his years of broad experience as an executive in the manufacturing business.		

No.	Name	Career Summary, Positions and Responsibilities at the Company and Important Concurrent Positions	Number of the Company's Shares Owned
9	 Satoko Shisai [Date of Birth] November 11, 1963 (60 years old) Newly elected Outside Independent	[Career Summary] April 1986 Joined IBM Japan Ltd April 2009 Vice President, Government Cluster of IBM Japan Ltd October 2015 Vice President, Security of IBM Japan Ltd January 2018 Vice President, Government Office System, Enterprise Business of IBM Japan Ltd May 2019 Vice President and Head, IT Supervisory Div. of Chugai Pharmaceutical Co., Ltd. October 2019 Vice President and Head, Digital & IT Supervisory Div. of Chugai Pharmaceutical Co., Ltd. April 2022 Executive Vice President and Head, Digital Transformation Unit of Chugai Pharmaceutical Co., Ltd. (incumbent) [Important Concurrent Positions] Executive Vice President and Head, Digital Transformation Unit of Chugai Pharmaceutical Co., Ltd. Independent Director of Panasonic Connect Co., Ltd.	0
	[The Reasons for Nomination as Outside Director and Outline of Expected Roles] Ms. Satoko Shisai is newly recommended as a candidate for Outside Director as she is expected to appropriately perform her duties as an Outside Director of the Company, including supervision of its business execution, based on her years of broad experience in the field of IT.		

(Notes)

1. The Company engages in outsourcing and other transactions with Mitsubishi Heavy Industries, Ltd. where Mr. Seiji Izumisawa serves as President and CEO (Member of the Board). There are no special interests between any other candidates for Director and the Company.
2. The five (5) candidates for Director, Ms. Mariko Bando, Mr. Ken Kobayashi, Mr. Nobuyuki Hirano, Mr. Seiji Izumisawa and Ms. Satoko Shisai are candidates for Outside Director. The Company has designated Ms. Mariko Bando, Mr. Ken Kobayashi, Mr. Nobuyuki Hirano and Mr. Seiji Izumisawa as Independent Directors provided for by Tokyo Stock Exchange, Inc. and has notified the Exchange to that effect. The Company intends to newly designate Ms. Satoko Shisai as an Independent Director and notify the Exchange to that effect.
3. The Company has entered into liability limitation agreements with Ms. Mariko Bando, Mr. Ken Kobayashi, Mr. Nobuyuki Hirano and Mr. Seiji Izumisawa, whereby, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, their liability for damages stipulated in Article 423, paragraph (1) of the said Act is limited to the amount as prescribed by the relevant laws and regulations, insofar as they execute their duties bona fide without gross negligence. If they are elected, such agreements shall be continued. Moreover, if Ms. Satoko Shisai is elected, the Company intends to enter into an agreement to the same effect with her.
4. The Company has entered into a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. An overview of this policy can be found in for the Business Report (in Japanese only). If each of the candidates for Director is elected, they will be included in the policy as an insured. Furthermore, the Company plans to renew the policy with the same terms during the terms of office of each of the candidates for Director.
5. At Mitsubishi Motors Corporation, where Mr. Ken Kobayashi served as an outside director, it emerged in May 2018 that certain technical intern trainees from overseas at Mitsubishi Motors Corporation's Okazaki Plant were not being trained in accordance with a technical intern training plan for which approval had been received from the Organization for Technical Intern Training. In January 2019, approval for Mitsubishi Motors Corporation's technical intern training plan was canceled in accordance with the Act on Proper

Technical Intern Training and Protection of Technical Intern Trainees, and the company received an improvement order. Mr. Kobayashi was unaware of the fact, but had routinely emphasized at meetings of the Board of Directors and at other times the importance of adhering to laws and regulations. Moreover, after the fact came to light he discharged his responsibilities by giving instructions for a thorough investigation into the fact, and for the implementation of measures to prevent a recurrence.

6. In February 2019, MUFG Bank, Ltd., at which Mr. Nobuyuki Hirano served as a Member of the Board of Directors, entered into an agreement with the U.S. Office of the Comptroller of the Currency (OCC) to take improvement measures after receiving indication from the OCC that there were deficiencies in relation to the state of its internal control, etc. concerning anti-money laundering measures based on the Bank Secrecy Act. In addition, the aforementioned agreement did not pertain to any identification of the bank's involvement in individual transactions that violated laws, including violations of U.S. economic sanctions and controls, and no instances arose that required payment of civil penalties or other fines.

Fourth Item of Business: Election of Two (2) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Messrs. Kenji Matsuo and Kunio Ishihara will expire at the close of this Meeting.

Therefore, you are hereby requested to newly elect two (2) Audit & Supervisory Board Members.

The Audit & Supervisory Board has given its consent for this proposal.

The candidates are as follows.

<table>
<tr><th>No.</th><th>Name</th><th>Career Summary, Positions and Responsibilities at the Company and Important Concurrent Positions</th><th>Number of the Company's Shares Owned</th></tr>
<tr><td>1</td><td>
Kenji Matsuo

[Date of Birth]
June 22, 1949
(74 years old)
[Years in Office as Audit & Supervisory Board Member]
8 years at the close of the Meeting
[Attendance at the Board of Directors Meetings]
90% (9/10)
[Attendance at the Audit & Supervisory Board Meetings]
90% (10/11)

Reelected
Outside
Independent</td><td>[Career Summary]
April 1973 Joined Meiji Life Insurance Company
December 2005 Director, President, Representative Executive Officer of Meiji Yasuda Life Insurance Company
July 2006 Director, President and Representative Executive Officer of Meiji Yasuda Life Insurance Company
July 2013 Representative Executive Officer of Meiji Yasuda Life Insurance Company
July 2013 Senior Adviser of Meiji Yasuda Life Insurance Company
December 2015 Audit & Supervisory Board Member of the Company (incumbent)
April 2022 Honorary Adviser of Meiji Yasuda Life Insurance Company (incumbent)
[Positions and Responsibilities at the Company]
Outside Audit & Supervisory Board Member
[Important Concurrent Positions]
Honorary Adviser of Meiji Yasuda Life Insurance Company
Outside director (Audit & Supervisory Committee Member) of Daido Steel Co., Ltd.</td><td>2,500</td></tr>
<tr><td></td><td colspan="3">[The Reasons for Nomination as Outside Audit & Supervisory Board Member]
Mr. Kenji Matsuo is once again recommended as a candidate for Outside Audit & Supervisory Board Member in view of the appropriate performance of his duties as an Outside Audit & Supervisory Board Member of the Company, including auditing its business execution, based on his years of abundant experience and expertise as an executive of a life insurance company.</td></tr>
</table>

No.	Name	Career Summary and Positions at the Company	Number of the Company's Shares Owned
2	 Naomi Koshi [Date of Birth] July 5, 1975 (48 years old) Newly elected Outside Independent	[Career Summary] October 2002 Registered as an attorney at law October 2002 Attorney at law of Nishimura & Partners (current Nishimura & Asahi) June 2009 Graduated from Harvard Law School October 2009 Worked at Debevoise & Plimpton LLP January 2010 Admitted to the New York State Bar September 2010 Visiting Fellow, the Center on Japanese Economy and Business of Columbia Business School January 2012 Mayor of Otsu City September 2020 Partner Lawyer of Miura & Partners (incumbent) January 2021 Admitted to the State Bar of California February 2021 Co-Founder and CEO of OnBoard K.K. (incumbent) [Important Concurrent Positions] Partner Lawyer of Miura & Partners Co-Founder and CEO of OnBoard K.K. Outside Director of V-cube, Inc. External Director of SoftBank Corp.	0
	[The Reasons for Nomination as Outside Audit & Supervisory Board Member] Ms. Naomi Koshi is newly recommended as a candidate for Outside Audit & Supervisory Board Member as she is expected to appropriately perform her duties as an Outside Audit & Supervisory Board Member of the Company, including auditing its business execution, based on her broad knowledge of corporate legal affairs and management operations gained through her years of activities as an attorney at law, as well as the diverse experience gained through administrative activities.		

(Notes)

1. There are no special interests between any of the candidates for Audit & Supervisory Board Member and the Company.
2. The two (2) candidates for Audit & Supervisory Board Member, Mr. Kenji Matsuo and Ms. Naomi Koshi are candidates for Outside Audit & Supervisory Board Member. The Company has designated Mr. Kenji Matsuo as an Independent Director provided for by Tokyo Stock Exchange, Inc. and has notified the Exchange to that effect. The Company intends to newly designate Ms. Naomi Koshi as an Independent Director and notify the Exchange to that effect.
3. The Company has entered into a liability limitation agreement with Mr. Kenji Matsuo, whereby, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, his liability for damages stipulated in Article 423, paragraph (1) of the said Act is limited to the amount as prescribed by the relevant laws and regulations, insofar as he executes his duties bona fide without gross negligence. If he is elected, such agreement shall be continued. Moreover, if Ms. Naomi Koshi is elected, the Company intends to enter into an agreement to the same effect with her.
4. The Company has entered into a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. An overview of this policy can be found in the Business Report (in Japanese only). If each of the candidates for Audit & Supervisory Board Member is elected, they will be included in the policy as an insured. Furthermore, the Company plans to renew the policy with the same terms during the terms of office of each of the candidates for Audit & Supervisory Board Member.

(Reference) Structure of Audit & Supervisory Board Members (as of the close of this Meeting)

	Name		Years in Office as Audit & Supervisory Board Member	Attendance at the Board of Directors Meetings	Attendance at the Audit & Supervisory Board Meetings
	Junichi Egawa	(62 years old)	3 years	100% (10/10)	100% (11/11)
	Toshiyuki Ogawa	(62 years old)	1 year	100% (8/8)	100% (8/8)
Outside Independent	Kenji Matsuo	(74 years old)	8 years	90% (9/10)	90% (10/11)
Outside Independent	Yutaka Kawakami	(71 years old)	3 years	100% (10/10)	100% (11/11)
Outside Independent	Naomi Koshi	(48 years old)	—	—	—

Fifth Item of Business: Partial Amendment to Amount and Contents of Compensation, etc. Following Continuation of Performance-based Stock Remuneration System for Directors, etc.

1. Reasons for the proposal

At the 47th Annual General Meeting of Shareholders held on December 19, 2016, the Company obtained approval from shareholders for the introduction of a performance-based stock remuneration system (hereinafter, the "System") for Directors (excluding Outside Directors and Non-Executive Directors, the same shall apply in this Item of Business), Executive Officers and Research Fellows (excluding residents outside Japan, hereinafter, "Directors, etc.") of the Company, whereby shares of the Company are delivered based on the degree of accomplishment of business targets, and the System has remained in effect to the present.

In order to further motivate Directors, etc. to make contributions to implementing the medium- to long-term growth strategy and enhancing corporate value, and to address changes in the office rank of Directors, etc. going forward, the Company proposes to change the indicators used to evaluate performance under the System, as well as the upper limit of the amount of money contributed, and the upper limit of the number of shares to be delivered.

The continuation of the System and partial amendment to the contents thereof submitted as this Item of Business take into account the results of deliberations conducted by the Governance Advisory Committee. The Company judges that the continuation of the System and partial amendment to the contents thereof are reasonable for the following reasons. They further clarify the link between the compensation for Directors, etc. and the business performance of the Company and shareholder value, and are intended to motivate Directors, etc. to make contributions to improving the medium- to long-term business performance and enhancing corporate value. In addition, they are said to be necessary and reasonable as a limit on compensation in light of the standards for calculating the amount of compensation, the level of the proportion of the limit on compensation to overall Directors' compensation, the level of the number of Directors eligible for grants, and other factors, with regard to the relationship with the content of policies on determining details of individual compensation, etc. for Directors of the Company (as can be found in the Business Report (in Japanese only), the contents of which will be changed as described at the end, conditional on approval for this Item of Business being received). Moreover, they have been determined after giving comprehensive consideration to the business situation of the Company and various other factors.

This Item of Business proposes that a stock remuneration be provided to Directors, etc. based on the degree of accomplishment of business performance, etc. in each fiscal year, separately from the amount of maximum compensation (¥600 million per year) for Directors approved at the 38th Annual General Meeting of Shareholders held on December 14, 2007.

The number of Directors who are eligible for the System will be four (4), if the Third Item of Business: "Election of Nine (9) Directors" is approved as proposed. Additionally, as mentioned above, the System also covers Executive Officers and Research Fellows (at the close of this Meeting, the number of Executive Officers and Research Fellows who do not concurrently serve as Directors and are eligible for the System is sixteen (16)), therefore, compensation based on the System is extended to Executive Officers and Research Fellows. This Item of Business seeks to propose the amount and contents of compensation for Directors, etc., in relation to overall compensation based on the System, taking into account the possibility that these Executive Officers and Research Fellows may newly assume the office of Directors during the target period of this Trust (as defined in (2) below).

2. The amount and contents of compensation, etc. of the System

(1) The System summary

The System is a stock remuneration system where the Trust acquires shares of the Company using the amount of compensation for Directors, etc. contributed by the Company as the principal, and delivers and pays (hereinafter, "Delivery, etc.") shares of the Company and cash equivalent of the conversion

value of the said shares (hereinafter, "Company Shares, etc."). (Please see (2) and below for details.)

(i) Persons eligible for the Delivery, etc. of the Company Shares, etc. under this Item of Business	・ Directors, etc. of the Company

(ii) Impact of the shares of the Company under this Item of Business on the total number of shares issued and outstanding	
The upper limit of the amount of money to be contributed by the Company (as described in (2) below)	・ A total of ¥1,350 million for the target period consisting of three (3) fiscal years
The upper limit of the number of the Company Shares, etc. that Directors, etc. receive from the Delivery, etc., and method of acquiring the shares of the Company (as described in (2) and (3) below)	・ The upper limit of the Share Granting Points to be granted to Directors, etc. per fiscal year is 100,000 points. The upper limit of the total number of the Company Shares, etc. that Directors, etc. receive from the Delivery, etc. is 300,000 shares during the target period consisting of three (3) fiscal years ・ The number of the shares of the Company corresponding to the upper limit of the Share Granting Points to be granted to Directors, etc. per fiscal year as mentioned above corresponds to approximately 0.6% of the total number of shares issued and outstanding (as of September 30, 2023, after deduction of treasury shares) ・ As the shares of the Company will be acquired from the stock market, shares will not be diluted

(iii) Contents of conditions for accomplishment of business performance (as described in (3) below)	・ Fluctuates according to the degree of accomplishment of business performance for consolidated net sales and consolidated operating profit in each fiscal year, and the target achievement rate for return on equity (ROE) and non-financial value, etc. in the medium-term management plan ・ The number of shares will be determined within the range of 0% to 150%

(iv) Timing of Delivery, etc. of Company Shares, etc. to Directors, etc. (as described in (4) below)	・ As a general rule, after resignation

(2) The upper limit of the amount to be contributed by the Company

Including cases where a trust period is extended as set forth in the fourth paragraph of this (2), the Company, in principle, sets three (3) fiscal years corresponding to the period covered by the medium-term management plan as a target period of the System (the period set as a target of the System is hereinafter referred to as "Target Period").

The Company will contribute money with an upper limit of ¥1,350 million as the total for every Target Period as compensation for Directors, etc. and continue a trust (hereinafter, "Trust") with a three (3)-

year trust period wherein the Directors, etc. who meet the beneficiary requirements are the beneficiaries. Shares of the Company will be acquired from the stock market using the trust money in accordance with the instructions of the trust caretaker. The Company will continue to grant the Share Granting Points (as defined in (3) below) to Directors, etc. every year during the trust period. The Delivery, etc. of the Company Shares, etc. corresponding to the cumulative value of the Share Granting Points (hereinafter, "Cumulative Share Granting Points") will be continued to be carried out through the Trust after the resignation of Directors, etc. (if it is decided that Directors, etc. will be residents outside Japan due to overseas assignment, then after such decision; if Directors, etc. passed away, then after such passing. The same shall apply hereafter).

In addition, the Trust may be continued, by changing the trust agreement and entrusting additional money, in lieu of establishing a new Trust, at the expiration of the trust period of the Trust. In such cases, the Company may further extend the trust period of the Trust by three (3) years, and set the three (3) fiscal years after the extension of the trust period as a new Target Period. The Company will then entrust additional money to the Trust per each extended trust period to the extent of the upper limit of ¥1,350 million as a total, and continue the grant of Share Granting Points to Directors, etc. during the Target Period pertaining to the extended trust period. However, in cases where such additional entrustment is made and there are remaining shares of the Company (excluding Company Shares, etc. corresponding to the Share Granting Points granted to the Directors, etc., of which Delivery, etc. has not been completed) and money (hereinafter, the "Remaining Company Shares, etc.") in the trust assets as of the last day of the trust period before extension, the total amount of the Remaining Company Shares, etc. and the additional contribution of trust money shall be within the upper limit of ¥1,350 million.

Upon termination of the trust period, if there are any incumbent Directors, etc. who possibly satisfy the beneficiary requirements, Share Granting Points will no longer be granted to the said Directors, etc. thereafter. However, the trust period of the Trust may be extended for a certain period of time until the Delivery, etc. of the Company Shares, etc. to such Directors, etc. is completed.

(3) Calculation method and the maximum amount of the number of the shares of the Company (including the number of shares subject to conversion into cash) for Delivery, etc. to Directors, etc.

The number of the shares of the Company for Delivery, etc. to Directors, etc. (including the number of shares subject to conversion into cash) will be determined based on the Cumulative Share Granting Points as defined below. One (1) Share Granting Point shall be equal to one (1) share, and fractions less than one (1) Share Granting Point will be rounded down. If the shares of the Company belonging to the Trust are increased or decreased due to a share split, an allotment of shares without contribution or a reverse share split, the Company will adjust the number of the shares of the Company (including the number of shares subject to conversion into cash) for Delivery, etc. per Share Granting Point according to the ratio of such increase or decrease.

For the Directors, etc., the "annual performance-based points," which fluctuate according to the degree of accomplishment of business performance targets, etc. in each fiscal year based on the base point calculated according to office rank, and the "medium-term management plan lumped performance-based points," which are multiplied by the medium-term management plan performance-based coefficient that fluctuates according to the degree of accomplishment of business performance targets, etc. in the medium-term management plan, are granted. The composition ratio of the "annual performance-based points" and the "medium-term management plan lumped performance-based points" is one to one.

After the resignation of the Directors, etc., the total of the cumulative number of "annual performance-based points" and the cumulative number of "medium-term management plan lumped performance-based points" will be calculated (hereinafter, "Share Granting Points"), and the Delivery, etc. of the number of the Company Shares, etc. corresponding to the Share Granting Points will be carried out. The calculation formulas for the "annual performance-based points," "medium-term management

plan lumped performance-based points" and Share Granting Points are as shown below.
The number of Share Granting Points fluctuates within the range of 0% to 150% of the base point according to the degree of accomplishment of business performance targets, etc. in each fiscal year and the medium-term management plan. The indicators used to evaluate the degree of accomplishment of business performance targets, etc. are consolidated net sales, consolidated operating profit, return on equity (ROE), non-financial value, etc.

(Calculation formula for base point)
Base point = total of (amount of stock remuneration predetermined by office rank x the number of months in office during the Target Fiscal Year for each office rank / 12 months) / the average of closing prices of the shares of the Company on the Tokyo Stock Exchange for the month that includes the first day of the extended trust period (fractions after the decimal point to be rounded down)

(Calculation formula for annual performance-based points)
Annual performance-based points = base point x 50% x performance-based coefficient related to the annual plan

(Calculation formula for medium-term management plan lumped performance-based points)
Medium-term management plan lumped performance-based points = base point x 50% x medium-term management plan period x performance-based coefficient related to the medium-term management plan

(Calculation formula for Share Granting Points)
Share Granting Points = cumulative number of annual performance-based points + cumulative number of medium-term management plan lumped performance-based points

Additionally, to Directors, etc. who resigned or whose overseas assignment is decided in the middle of a fiscal year during the Target Period, base point that is in accordance with the period of service up to the resignation or overseas assignment during the fiscal year shall be granted as annual performance-based points and medium-term management plan lumped performance-based points pertaining to such fiscal year, instead of applying the performance-based coefficient.
After resignation, passing or decision on overseas assignment of such Directors, etc., Cumulative Share Granting Points will be calculated, and Delivery, etc. of Company Shares, etc. corresponding to Cumulative Share Granting Points will be conducted.
The total number of Share Granting Points to be granted to Directors, etc. during the trust period of the Trust shall be up to 100,000 points per fiscal year. The total number of Share Granting Points to be granted to Directors, etc. during Target Period shall be up to 300,000 points. This upper limit of the total number of Share Granting Points has been determined based on the upper limit of trust money mentioned in (2) above and in reference to past stock prices, etc.

(4) Timing and method of Delivery, etc. of Company Shares, etc. to Directors, etc.
Directors, etc., who satisfy the beneficiary requirements shall be granted the Delivery, etc. of Company Shares, etc. corresponding to Cumulative Share Granting Points to be calculated based on (3) above, after the resignation, passing, or decision on overseas assignment of such Directors, etc.
In cases where Directors, etc., who satisfy the beneficiary requirements resign, such Directors, etc. shall receive the shares of the Company (shares less than one (1) unit to be rounded down) corresponding to the 70% of such Share Granting Points, and the remaining will be converted within the Trust and the cash equivalent of the conversion value shall be paid. In cases where Directors, etc.,

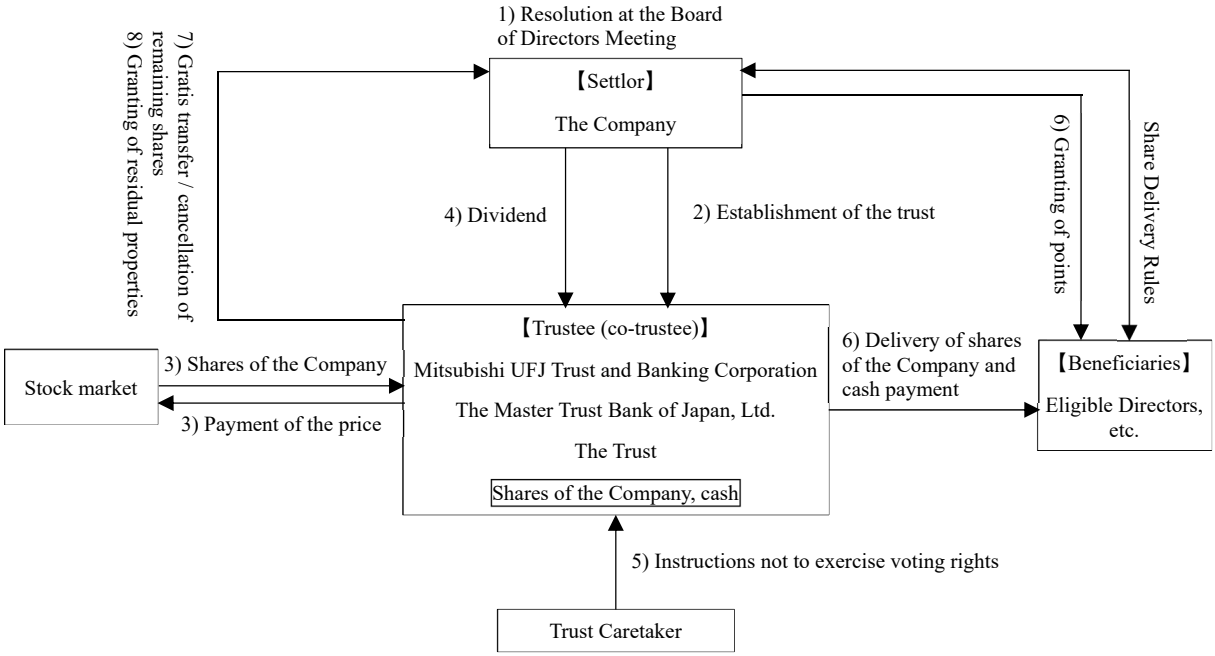
who satisfy the beneficiary requirements have passed away, an heir of such Directors, etc. shall receive the cash equivalent of the conversion value of the shares of the Company converted within the Trust, corresponding to Cumulative Share Granting Points to be calculated based on (3) above after the passing. In cases where Directors, etc., who satisfy the beneficiary requirements are to leave Japan due to overseas assignment, it shall be handled in the same way as in the case of passing of Directors, etc., and such Directors, etc. shall receive the cash equivalent of the conversion value of the shares of the Company converted within the Trust, corresponding to Cumulative Share Granting Points to be calculated after the decision on the overseas assignment.

(5) The voting rights of the shares of the Company in the Trust
The voting rights of the shares of the Company in the Trust will not be exercised during the trust period, to maintain the neutrality of the Company management.

(6) Clawback clause
In the event that a Director, etc. has been involved in certain types of misconduct, the Company shall be able to demand, in part or in full, compensation in an amount obtained by multiplying the number of shares already delivered under the System (including the number of shares sold to generate funds for payment of taxes) by the closing price of the shares of the Company on the Tokyo Stock Exchange on the date on which the Company provided notification of return to said Director, etc.

(7) Other contents of the System
Other contents regarding the System will be determined by the Board of Directors on each occasion such as establishment of the Trust, changing the trust agreement and entrusting additional money to the Trust.

(Reference) The System Summary (an excerpt from the press release "Notice of Continuation of Performance-based Stock Remuneration System" dated February 3, 2021)



1) At a meeting of the Board of Directors, the Company resolved to continue the System. The Company has already established the Share Delivery Rules regarding the System.
2) The Company will entrust additional money within the limit approved by the resolution at the 47th Annual General Meeting of Shareholders held on December 19, 2016 (hereinafter, the "2016 General Meeting of Shareholders"), and extend the period of the trust (hereinafter, the "Trust") whose beneficiaries are the Directors, etc. who satisfy the beneficiary requirements.
3) The Trust will acquire shares of the Company from the stock market using the money in the Trust (including the additional money entrusted in 2)) in accordance with the instructions of the trust caretaker. The number of the shares to be acquired by the Trust shall be within the limit approved by the resolution at the 2016 General Meeting of Shareholders.
4) Dividends on the shares of the Company in the Trust will be paid in the same manner as those on the other shares of the Company.
5) The voting rights of the shares of the Company in the Trust will not be exercised during the trust period.
6) Every year during the trust period, certain points will be granted to Directors, etc. according to office rank and the degree of accomplishment of business performance, etc. in each fiscal year. Directors, etc. who satisfy the certain beneficiary requirements will, in principle, after their resignation, receive delivery of the shares of the Company in the number corresponding to a certain percentage of the cumulative points and the provision of cash equivalent to the conversion value of the shares of the Company corresponding to the remaining points after they are converted within the trust in accordance with the provisions of the trust agreement.
7) In cases where there are remaining shares at the expiration of the trust period due to, for example, underachievement of business targets, the Company plans to either continue to use the Trust by changing the trust agreement and entrusting additional money or, to acquire the remaining shares through a gratis transfer from the Trust and cancel them by a resolution of the Board of Directors.
8) Any residual property remaining at the termination of the Trust after all required distributions to beneficiaries will be attributable to the Company within the limit of the trust expense reserve, which is calculated by deducting the funds to acquire shares from the trust money. Any residual property in excess of the trust expense reserve will be donated to an organization in which the Company and the Directors, etc. do not have any interest.

(Reference) Corporate Governance of the Company

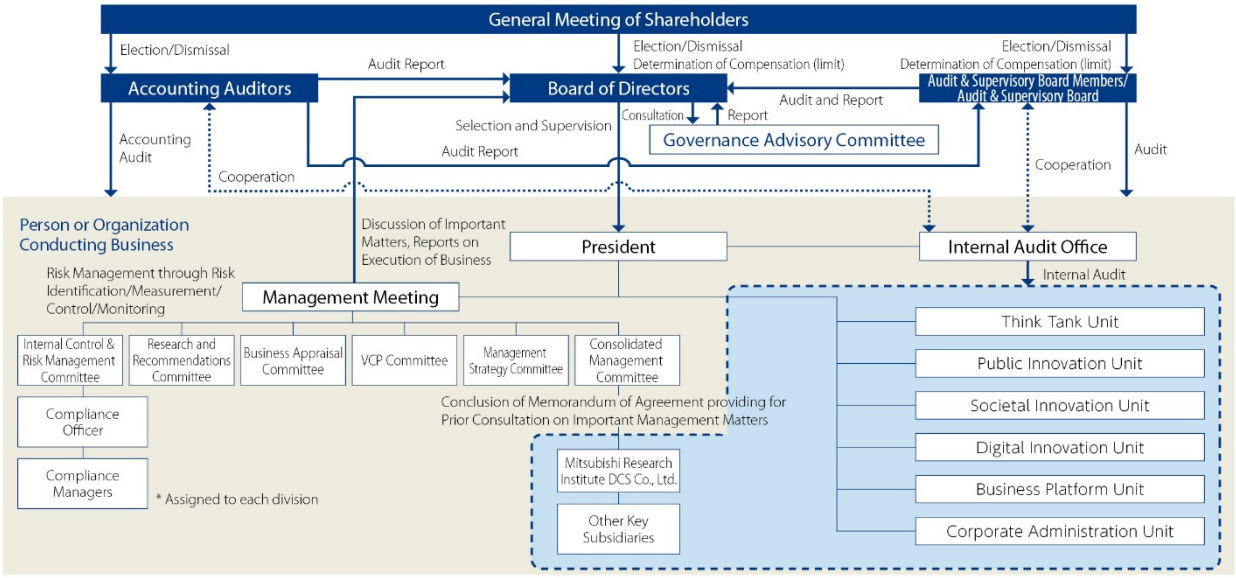
Basic Views on Corporate Governance

Our basic corporate governance policy is to ensure proper execution of business activities, based on our management philosophy of sustainably improving corporate value—the aggregate of social, customer, shareholder, and employee value.

More than one-third of our Directors and a majority of our Audit & Supervisory Board Members are from outside the Group. This ensures an outside perspective in our decisions. Management Meetings settle matters concerning the execution of business in line with the basic management policy established by the Board of Directors. Executive Officers then implement decisions. Crucial matters are subject to deliberation by internal committees before the Management Meetings.

As the corporate group which has subsidiaries and affiliates that include Mitsubishi Research Institute DCS Co., Ltd., an important subsidiary, under its umbrella, we share the aims of the code of conduct, the Corporate Governance Guidelines, and the System to Ensure Appropriate Operations (Internal Control System) and respect them as our common values and ethics.

Corporate Governance Structure of the Company



Board of Directors/Officer Structure/Governance Advisory Committee

The Company's Board of Directors consists of eight Directors (including four Outside Directors), and it has the authority to make decisions about our management and to supervise Directors in the execution of their duties. Three of the four current Outside Directors have experience as managers of other companies, and one is an educator. This structure allows the Outside Directors to make decisions and monitor management from a broad perspective, based on their individual positions, experience, and knowledge. We work to make efficient and accurate decisions, and to clarify responsibility for business execution by selecting Executive Officers and by separating management from execution.

We have also established a Governance Advisory Committee to serve as an advisory body to the Board of Directors, which seeks its input on the appointment, dismissal, and compensation of officers, such as the Chief Executive Officer (CEO), and requests that the Governance Advisory Committee analyze and evaluate the effectiveness of the Board of Directors. The Governance Advisory Committee deliberates on questions put to it by the Board of Directors and reports its findings to the Board. When the Committee deliberates on matters relating to the appointment, dismissal, and compensation of officers, including the CEO, attendance is limited to ensure that independent Outside Directors form the majority.

<Members of the Governance Advisory Committee>

Takashi Morisaki (Chairperson, Chairman of the Board), Kenji Yabuta, Hidemoto Mizuhara, Jun Nobe, Mariko Bando, Ken Kobayashi, Nobuyuki Hirano and Seiji Izumisawa

* Underlining denotes an Outside Director.

Audit & Supervisory Board/Audit & Supervisory Board Members

We adopt a corporate structure with an Audit & Supervisory Board in accordance with the Companies Act and related laws and regulations. The Audit & Supervisory Board consists of five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members). Audit & Supervisory Board Members exercise their rights under the law to attend the General Meeting of Shareholders and the Board of Directors, and to receive reports from Directors, Executive Officers, employees, and Accounting Auditor. Audit & Supervisory Board Members effectively audit the Company by attending important meetings such as the Management Meeting and internal committees, receiving internal audit reports, and sharing the report results with all Audit & Supervisory Board Members.

Management Meeting/Executive Officer Meeting

The Management Meeting is composed of Executive Directors, Executive Officers holding a managerial position, and Unit managers. The Management Meeting discusses and decides important general matters concerning management based on the basic policies determined by the Board of Directors. It is held in principle regularly every Wednesday and on a temporary basis as necessary. In addition, Audit & Supervisory Board Members participate in every Management Meeting as monitors. The Executive Officer Meeting consists of Executive Directors, Executive Officers, and Research Fellows. In principle, Executive Officer Meetings are held once a month. In the Executive Officer Meeting, Executive Directors ascertain the status of business execution on the part of the Executive Officers and inform the Executive Officers of the instructions and decisions of the Board of Directors on behalf of the Board of Directors. The President issues necessary instructions to each Executive Officer and explains the current status of management to them. Other Executive Officers and Research Fellows report on the execution of their own business or the status thereof.

Various Internal Committees

We have established a variety of internal committees as advisory bodies to the Management Meeting.

Regarding important management matters such as management strategy, consolidated management, and internal controls, we ensure transparency and checks, and make it possible to decide on a variety of measures from a broad perspective—not just by specific management lines—by referring such issues to the Management Meeting after sufficient discussion by these in-house committees chaired by officers.

Group Internal Controls

We have subsidiaries and affiliates that include Mitsubishi Research Institute DCS Co., Ltd. We ensure corporate value improvement and appropriateness of operations as a group by sharing the aims of and stringently enforcing the code of conduct, the Corporate Governance Guidelines, and the System to Ensure Appropriate Operations (Internal Control System).

In addition, we have signed a Memorandum of Agreement with Mitsubishi Research Institute DCS Co., Ltd., which is a particularly important subsidiary, requiring prior consultation with us regarding important matters of their company management. At the same time, we have a Consolidated Management Committee and have established a system whereby the Executive Director regularly checks on their management situation. Furthermore, through internal auditing by the Internal Audit Office, we have established a system to ensure the appropriateness of operations of each group company to prevent violations of laws and regulations.

Election and Dismissal of Directors and Audit & Supervisory Board Members

Election and dismissal of our Directors and Audit & Supervisory Board Members shall be in line with the "basic policies." Specifically, in accordance with the provisions of laws and regulations, the Board of Directors determines the candidates, and election and dismissal are carried out at the General Meeting of Shareholder. For candidates for Audit & Supervisory Board Members, we obtain the consent of the Audit & Supervisory Board in advance.

<Basic Policy for Election of Officers>

(1) A person who always puts the Management Philosophy into practice.
(2) A person who demonstrates the necessary insight, high ethical standards, experience, ability and qualifications as an officer.
(3) For outside officers, a person who has the experience, capabilities, and qualifications to rigorously monitor and provide advice from the viewpoint of a third party with regard to our management.

Requirements for Independence

The Company considers Outside Directors and Outside Audit & Supervisory Board Members to be independent only when none of the following conditions apply to them.

<Independence Evaluation Standards for Outside Officers>

(1) Main business partners
    a. Persons whose main business partners are the Company or the Company's subsidiaries, or persons who execute business on their behalf
    b. The Company's main business partners or persons who execute business on their behalf
(2) Experts
    Consultants, accountants, or legal experts who receive a large amount of remuneration or other assets other than officer compensation from the Company (in the event that said assets are received by corporations, associations, or other organizations, this condition applies to members of said organization)
(3) First and second degree relatives of persons one or more of the following applies (excluding persons not classified as important)
    a. Persons to whom (1) and (2) apply
    b. Persons executing business on the behalf of the Company's subsidiaries
    c. Persons to whom b. have recently applied, or who have recently executed business on behalf of the Company

Skill Matrix of Directors and Audit & Supervisory Board Members

In order to achieve the Medium-term Management Plan 2026 based on our Management Philosophy, mission to be fulfilled, and desired vision, principal specialist skills and knowledge required to supervise and support corporate activities have been selected as follows.

Skill items	Reason for selection
Business management	Business management experience and skills, including knowledge based on wide-ranging business experience and relevant experience in the implementation of strategies are deemed essential for Directors and Audit & Supervisory Board Members as they work to address various societal issues.
Legal affairs/ risk management	As a listed company, we need to develop and administer compliance structures and maintain appropriate risk management systems so that we can response precisely to the problems that we encounter as we work to address issues that have never previously been resolved.
Financial accounting	The Board of Directors and the Audit & Supervisory Board have a responsibility to contribute to the continuing improvement of our corporate value. Accurate financial reporting is essential.
Society/policies	Diverse knowledge, logical thinking, and a vision for society are all essential to our continuing efforts to enhance the value that we provide within the company and to our clients by addressing societal issues in an increasingly complex and difficult environment. We regard experience and skills honed through approaching and challenging societal issues on the basis of wide-ranging experience and specialized knowledge as vital for this process.
Digital/technologies	Cutting-edge technologies, including digital, are essential to our efforts to create solutions for societal issues in the current environment. Therefore, we believe that not only the latest knowledge, but also experience and specialist skills relating to digital and technologies are necessary.
Human resources	People are key assets for the Company. To create solutions for societal issues, we need to maximize the effectiveness of our human resources by continually enhancing their knowledge in a broad spectrum of fields. We believe that our Directors and Audit & Supervisory Board Members need to have diverse experience and specialist knowledge relating to human resource development and education.

The Company's Directors and Audit & Supervisory Board Members after the close of the 54th Annual General Meeting of Shareholders (December 19, 2023), and expected skills

Role	Name	Principal specialist areas/knowledge					
		Business management	Legal affairs/risk management	Financial accounting	Society/ policies	Digital/ technologies	Human resources
Chairman of the Board	Takashi Morisaki	●		●	●		●
President and Representative Director	Kenji Yabuta	●		●	●		●
Executive Vice President and Representative Director	Yasuteru Hirai	●	●		●		●
Director and Managing Executive Officer	Yoshihiko Ito				●	●	
Outside Director	Mariko Bando	●			●		●
Outside Director	Ken Kobayashi	●			●		●
Outside Director	Nobuyuki Hirano	●	●	●	●		
Outside Director	Seiji Izumisawa	●			●	●	●
Outside Director	Satoko Shisai				●	●	●
Audit & Supervisory Board Member	Junichi Egawa		●	●			
Audit & Supervisory Board Member	Toshiyuki Ogawa		●		●		
Outside Audit & Supervisory Board Member	Kenji Matsuo	●	●		●		●
Outside Audit & Supervisory Board Member	Yutaka Kawakami		●	●			●
Outside Audit & Supervisory Board Member	Naomi Koshi		●		●		●

* This is not an exhaustive list of all specialist skills and knowledge possessed by our Directors and Audit & Supervisory Board Members (candidates).

Officer Compensation

Our officer compensation shall be in line with the "Basic Policy." Specifically, through deliberations at the Governance Advisory Committee, such compensation is determined by the Board of Directors for Directors, and by way of discussion among Audit & Supervisory Board Members for Audit & Supervisory Board Members.

<Basic Policy Regarding Officer Compensation>

(1) To put in practice a management policy that responds to the mandate of the shareholders, we will have a fair compensation system that motivates officers to execute their duties.
(2) To ensure accountability to our stakeholders, we will decide officer compensation through an appropriate process that guarantees transparency, fairness, and reasonableness.
(3) To secure talented individuals essential for our continued growth, we will aim to set officer compensation at levels that are attractive over the long term.

A breakdown of the compensation structure is provided below.

- Internal officers: Basic compensation consists of base pay, variable monetary compensation, and variable stock compensation. The intent of variable stock compensation is to motivate and incentivize officers to enhance business performance and corporate value over the medium to long term by linking their compensation to Group performance.
- Outside officers: Because these positions are independent of business execution, their compensation consists only of base pay.
- Audit & Supervisory Board Members: To ensure independence, their compensation consists only of base pay.

Details of our officer compensation system can be found in the fifth item of business stated above and in the Business Report (in Japanese only).

Analysis and evaluation of the effectiveness of the Board of Directors

The Governance Advisory Committee reviews the Board of Directors to improve effectiveness; the Board of Directors then analyzes and evaluates its own effectiveness and implements operational improvements.

In the fiscal year ended September 30, 2023, a questionnaire survey covering all Directors and Audit & Supervisory Board Members was conducted on composition and operation, supervision over strategy, appointment and compensation, and other matters. To make an evaluation ensuring objectivity, an external organization was utilized in design of the questionnaire, and evaluation and analysis of it.

As a result, our Board of Directors was highly regarded for engaging in constructive discussions and opinion exchanges in its supervisory function, being involved in challenges on strategies and sustainability, and appropriately performing its function based on a free and open atmosphere, and we have confirmed that the board functions effectively.

Regarding the management relating to significant risks and other matters that were recognized as issues in the previous fiscal year, opportunities for making reports and holding discussions were provided. We also confirmed that there was a certain amount of improvement in these issues, such as with initiatives that were implemented through the Governance Advisory Committee with respect to involvement in succession planning, and received constructive opinions in expectation of further efforts regarding the operation of the Board of Directors in the future.

On the other hand, in order to make the monitoring function of the Board of Directors more effective, we newly recognized other measures, such as the usefulness of providing opportunities for holding discussions in a planned manner regarding the progress of the Medium-term Management Plan 2026, which started in the fiscal year ending September 30, 2024, the progress of business strategies, and material risks and other important monitoring matters.

Based on such analysis and evaluation results, we will continue to enhance the effectiveness of the Board of Directors.