

## **Notice Regarding Introduction of Share-Based Compensation Plan**

Mitsubishi Corporation (the “Company”) hereby announces that the meeting of the Board of Directors was held today to introduce a share-based compensation plan (the “Plan”) for the employees (the “employee”) to promote reciprocal employee-company growth.

### 1. Introduction of the Plan

- (1) The Company has announced its new three-year management strategy starting from fiscal year 2019, entitled “Midterm Corporate Strategy 2021- Achieving Growth Through Business Management Model” on November 2, 2018. The strategy is comprised of 4 sections, (1) Business Portfolio, (2) Growth Mechanisms, (3) HR System Reforms, (4) Financial Targets and Capital Policy.

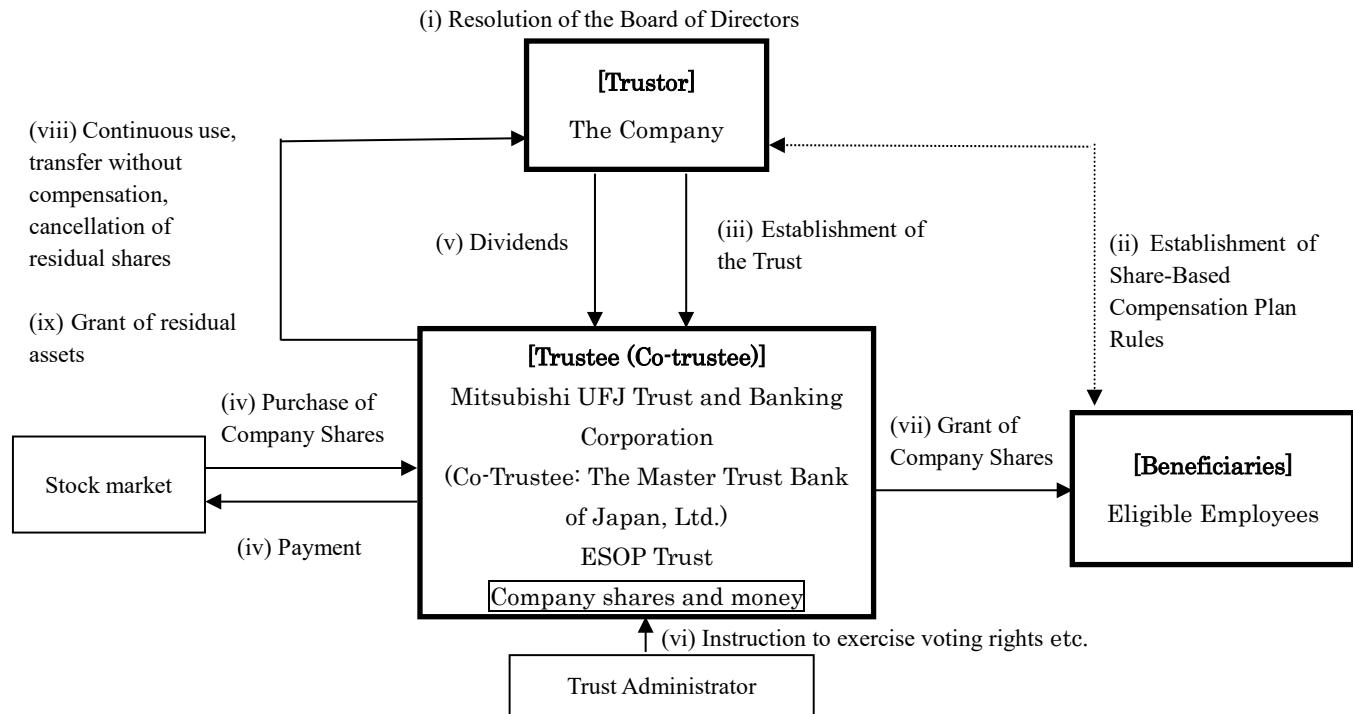
The goal of the new strategy, HR system Reform strategy, is based on three principles, (1) Ensure that the employee gain the right experience to become management professionals earlier in their careers; (2) Be more meritocratic to ensure that the right people are assigned to the right positions; and (3) Utilize management talent more widely and effectively throughout the MC Group.

The Company’s aims are to continuously produce management professionals, committed to increase business values with the appropriate management mindset and also capable of excelling in different fields, and to foster reciprocal growth between the Company and its employee. Therefore, the Company has decided to introduce the Plan in addition to the cash numeration packages.

- (2) The Plan will adopt a scheme called ESOP (Employee Stock Ownership Plan, the “ESOP Trust”). The ESOP Trust, similar to the Performance Share Plan or the Restricted Stock Plan prevalent in the U.S., grants or pays the common shares of the Company (the “Company Shares”) to the eligible employee based on the rank and achievements.

The ESOP Trust is designed for the Company’s continuous growth to reciprocate with the employee’s growth, as ultimately the employee will financially benefit from the Company’s share price appreciation. Also, as the employee may entrust their voting rights of the company shares within the Trust as a beneficiary, the ESOP Trust is effectively designed for the employee to be able to take participation in the management of the Company.

## 2. Structure of ESOP Trust



- (i) The Company shall obtain a resolution from the Board of Directors for the introduction of the Plan.
- (ii) The Company shall establish “Share-Based Compensation Plan Rules” at the Board of Directors Meeting.
- (iii) The Company shall set up a ESOP Trust for the benefit of the eligible employee with the satisfactory beneficiary requirements.
- (iv) The Trust shall, in accordance with instructions from the trust administrator, utilize the money contributed to the trust to acquire the Company’s shares from the stock market.
- (v) Dividends on the Company’s shares in the Trust shall be distributed with other shares of the Company.
- (vi) The voting rights of the Company’s shares in the Trust will be exercised in accordance with instructions from the trust administrator, throughout the period of the Trust.
- (vii) Employees shall be awarded points based on their rank and/or performance achievement levels according to the Share-Based Compensation Plan Rules. Eligible Employees with certain satisfactory beneficiary requirement to receive shares shall be awarded shares based of the accumulated point at the time of retirement.
- (viii) In the event the Company Shares remain upon the expiry of the trust period, the Company will continuously use the ESOP Trust by revising the trust agreement or cancel such shares based on the resolution by the Board of Directors after receiving such remaining shares gratis from the ESOP Trust.
- (ix) The trust asset remaining after the distribution to the eligible employees upon the expiry of the ESOP Trust will belong to the Company to the extent of the allowances for trust expenses which remain after the fund for stock purchases is deducted from the cash in the trust. Furthermore, the amount exceeding the allowances for trust expenses will firstly be distributed to the employees with certain satisfactory beneficiary requirements, and secondly donated to organizations with which the Company have no conflict of interest.

(Note) In the event that no Company Shares remains within the ESOP Trust after the grant or payment of the company shares to the eligible employees who meet the beneficiary requirements, the ESOP Trust shall expire before the expiry of the trust period. The Company may entrust additional cash to the ESOP Trust to purchase the Company Shares for the grant or payment to the eligible employees.

(Reference)

[Outline of the Trust agreement]

(i)	Type of trust	Money trust other than a specified cash trust for separate investment (Third party benefit trust)
(ii)	Purpose of trust	To grant incentive to eligible employees
(iii)	Trustor	The Company
(iv)	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(v)	Beneficiaries	Eligible employees with the necessary beneficiary requirements
(vi)	Trust administrator	Third party with no conflict of interest with the Company (certified public accountant)
(vii)	Trust agreement date	May 10, 2019 (planned)
(viii)	Trust period	From May 10, 2019 (planned) to May 31, 2022 (planned)
(ix)	Start of scheme	May 10, 2019 (planned)
(x)	Exercise of voting Rights	The Trustee will exercise the voting rights reflective of the representative of the eligible employees, directed by the Trust administrator
(xi)	Type of acquired shares	Common shares of the Company
(xii)	Maximum amount of trust cash	9.5 billion Yen (planned) (including trust fees and trust expenses)
(xiii)	Period of acquiring shares	From May 13, 2019 (planned) to September 30, 2019 (planned) (excluding the five business days before the end of each fiscal period (i.e. the full year, interim, and quarterly fiscal periods))
(xiv)	Method to acquire shares	To be acquired from the stock market
(xv)	Holder of the vested right	The Company
(xvi)	Residual assets	Residual assets to be received by the Company, as holder of the vested rights, shall be limited to the extent of the allowances for trust expenses remaining after the fund for stock purchases is deducted from the cash in trust.

(The time period mentioned above as planned, are subject to change according to the appropriate laws and regulations.)

[Trust/Share related back office]

(i)	Administrative affairs related to the trust	Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan Ltd. will serve as the Trustee of the ESOP Trust and will be engaged in the administrative affairs related to the ESOP Trust.
(ii)	Administrative affairs related to shares	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will engage in administrative affairs related to the grant of the Company Shares to beneficiaries based on the service outsource agreement.