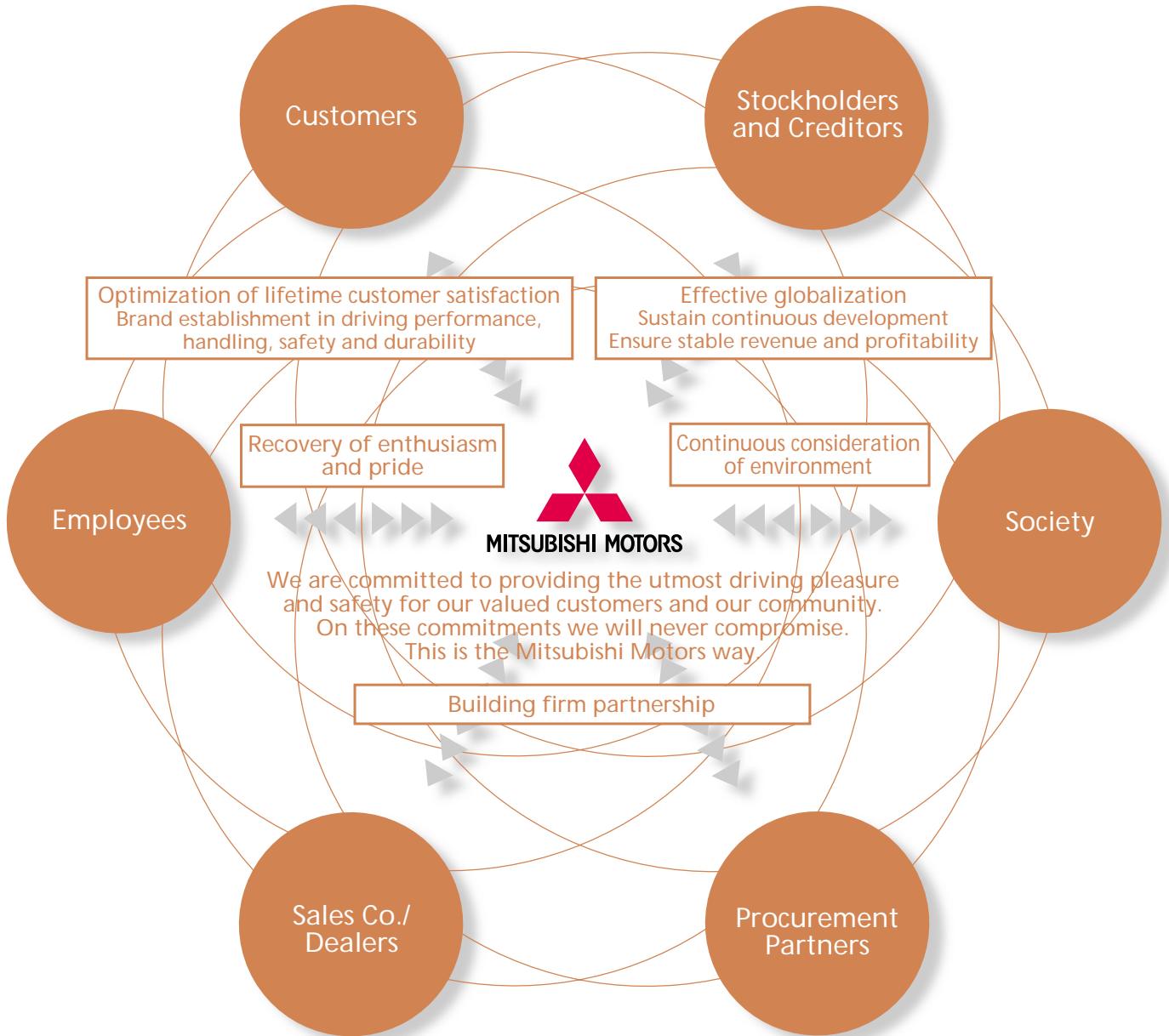


Emphasizing Stakeholders Involvement

MMC regards customers, stockholders and creditors, society at large, procurement partners, sales companies and dealers, and employees as its stakeholders. MMC is conducting business activities that pay consideration to the environment and society.

Relationships between Our Stakeholders



With Our Customers

To provide customers with a safe and comfortable driving environment, we are undertaking various initiatives.

Car School

Since 1995, MMC has been running “Car School,” a safe driving program mainly for beginners, at various locations across Japan. “Car School” is a program in which the instructors think together, learn together, and enjoy driving together with all the participants.

To ensure that we respond to every single participant’s concerns and questions, learning events involve a small number of participants and we put great emphasis on communication.

In particular, the highly experienced team of instructors provides wide-ranging advice that includes parking in a garage and parallel parking, which many drivers find difficult, useful basic driving advice to avoid being flustered in emergencies such as taking care of flat tires and using emergency flares, as well as equipment to be carried in vehicles for handling emergency situations.

Through the “Car School,” MMC will continue to

Web <http://www.kurumano-gakko.com/> (Japanese Only)



“Car School”

conduct these activities in order to convey to as many people as possible the pleasure of driving.

“Hearty Run” Series of Welfare Vehicles

Based on the desire to provide more people with convenience and comfort when moving from one place to another by car, MMC announced the “Hearty Run” series of welfare vehicles from 1991. These welfare vehicles embody the concept of driving in close companionship with others.

MMC currently offers a lineup of various models and types that includes wheelchair, boarding assistance and assisted-driving models.

We are also providing opportunities for people to actually experience and easily select “Hearty Run” vehicles. We have established *Mitsubishi Barrier-Free Lounge in Tama* and *Mitsubishi Barrier-Free Lounge in Osaka* permanent showrooms, and we are actively exhibiting these vehicles at welfare exhibitions in various locations.

Web <http://www.mitsubishi-motors.co.jp/heartyrun/> (Japanese Only)



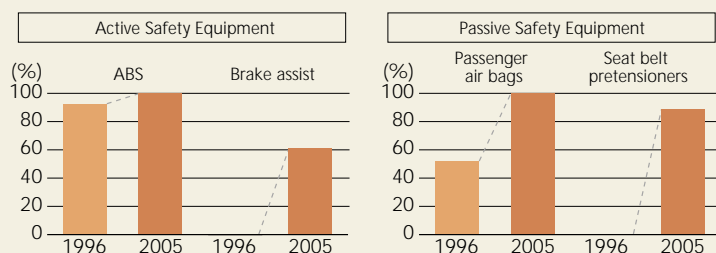
“Grandis” vehicle equipped with a movable passenger seat

Traffic Safety Initiatives—For a Secure, Accident-free Society—

The number of traffic deaths in Japan has been on the decline, but during the calendar year 2005, 6,871 precious lives were lost due to traffic accidents. Moreover, as the number of deaths combined with those injured has been running at a high level of nearly 1.2 million people, it has become imperative to adopt safety measures to prevent accidents before they occur.

MMC recognizes that traffic accidents are the greatest negative legacy that has been brought about by motor vehicles, and while aiming for an accident-free society, we will continue to strive to reduce the number of traffic accidents.

MMC’s Increasing Use of Safety Equipment (Passenger-car Production Unit Basis)



With Society and Local Communities

Through donations and education and activities such as factory tours, MMC is deepening exchange with local communities.

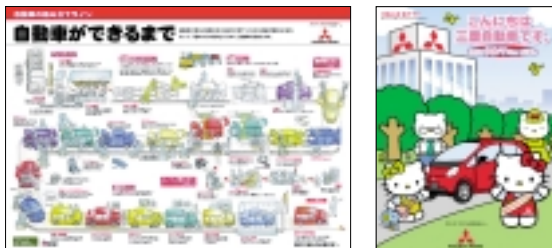
Donations and Contributions

MMC endorses the activities of the Foundation for Orphans from Automobile Accidents, which is operated mainly for the purpose of supporting children orphaned by traffic accidents. MMC also contributes financially to the Foundation.

In fiscal 2005, MMC also made contributions of cash and goods, and raised funds from all staff members, to assist the areas struck by Hurricane Katrina in the United States and the major earthquake in Pakistan.

Automobile Information Service for Elementary School Children

Every year since 1993, we have provided a toll-free telephone information service for elementary school children—an initiative that is unique in the auto industry. We also publish a pamphlet targeted at elementary school children that explains the car-making process using illustrations and explains our environmental initiatives.



Automobile information service for elementary school children

On a website specifically for children called “Children’s Car Museum,” we have also added an environmental page called “Let’s Protect the Global Environment!” that explains in simple terms the relationship between cars and the environment.



Automobile Information Service for Elementary School Children’s “Children’s Car Museum” website

Web http://www.mitsubishi-motors.com/corporate/about_us/kids/e/index.html

Cooperating With Local Schools

MMC visits the nearest elementary schools to each factory, and gives lessons that enable children to learn about our environmental initiatives using electric vehicles and cut-away engine models. We also give lessons that enable children to experience the work involved in car manufacturing through workshops involving design sketches and clay models (1,100 students at 11 schools in fiscal 2005), for example. These lessons have gained a very high reputation.



Hands-on lesson (electric vehicle)



Hands-on lesson (design)

In addition, we allow junior high school students to visit MMC on their school excursions. In fiscal 2005, 55 students visited us from 12 schools.

During these visits, we let students look at our showrooms, and hold workshops to deepen students’ understanding of the auto industry via presentations of MMC’s environmental and safety initiatives. We also answer various questions from our student visitors.



Work place experience lesson for junior high school students



Junior high school newspaper

Mizushima Plant

MMC is carrying out the “Japanese Version of the Dual System,” an occupational training system combining on-the-job training and education that has been introduced through cooperation with the Ministry of Health, Labour and Welfare and the Ministry of Education. In fiscal 2005, we accepted 11 trainees from Okayama Prefecture. They undertook basic training for three months as automobile production line workers and spent two months learning manufacturing in practice. They are currently playing an active role as good employees at MMC.

Through these activities, we allow young people to enjoy working toward a goal and learn the importance of colleagues. We also communicate with participants regarding Japanese manufacturing and MMC’s manufacturing activities.

Looking ahead, we will continue a variety of activities that contribute to society as well as continuing this “Japanese Version of the Dual System.”



Training scene

Nagoya Plant

As a result of a tie-up with the Okazaki Educational Committee, the MMC Okazaki Baseball Club is holding baseball classes by making use of the off season. In fiscal 2005, 75 students from 15 junior high schools took part in these classes. The Nagoya Plant is also working to develop relationships with the local community by allowing the community to use company facilities such as the recreation ground, tennis courts and gymnasium, and through other activities.



Baseball tuition by the MMC Okazaki Baseball Club

Powertrain Plant

MMC employees at the Baton Cheer Club in Kyoto Powertrain Plants use their days off work to carry out voluntary social service activities.

They visit homes for the elderly and participate in events such as regional festivals and sporting events, thereby deepening social interaction with the regional community.

The MMC Baton Cheer Club conducts at least 20 public performances a year and all the participants have greatly enjoyed themselves.

Numerous events are planned this year as well. When there are requests for performances from the local community, the club will happily oblige. The group aims to conduct activities that are rooted in the culture of the local community.



Visit to a home for the elderly

Exhibiting at Kidzania Tokyo

When completed, Kidzania Tokyo will be an exhibition site that creates opportunities for children to discover their dreams, life goals and the satisfaction to be gained from work. MMC supports this concept, and plans to stage an exhibition in a pavilion at Kidzania Tokyo.

The MMC pavilion will enable children to enjoyably learn more about cars by understanding how they are sold, the functions they possess and how they are used. At the same time, children can learn about the qualities needed to play a full role in society: the spirit of cooperation, activeness and the ability to communicate with people.

In this way, as well as showing children the pleasure to be derived from cars, MMC will contribute to their education by introducing them to future work experiences.



Kidzania Tokyo to open in October 2006

With Stockholders and Creditors

MMC is disclosing information by improving its publications and other actions. Through these initiatives, we aim to ensure that stockholders and creditors are even more satisfied with MMC.

Information Disclosure Policy

At MMC, we believe it is important to disclose company information in a timely and precise manner in order to receive the support of all our stockholders and investors. In particular, the number of MMC stockholders has risen rapidly from approximately 46,000 at the end of March 2004 to approximately 429,000 as of the end of March 2006.

In light of this situation, it has become increasingly important to provide information to all individual stockholders and individual investors and to inform them of new developments at MMC. We will continue to disclose information to ensure the transparency of the company.

ROUTE, a Stockholder Bulletin

In December 2005 and June 2006, MMC published ROUTE, a short-form bulletin for stockholders. This publication has incorporated the role of the “Interim Report” that we previously distributed to stockholders on a regular basis. Compared to the previous reports, ROUTE is easier to read, more accessible, and more familiar.

We hope that the content will ensure as many individual stockholders as possible support MMC, and we plan to continue to publish this bulletin twice a year.



ROUTE, a stockholders' magazine

General Shareholders' Meetings

MMC regards general shareholders' meetings as an opportunity for all stockholders and investors to gain a better understanding of MMC's activities. We are attempting to provide highly accessible meetings by avoiding holding them on traditional meeting days and choosing venues that accommodate as many people as possible. Furthermore, we are striving to answer as many stockholder questions as possible.

After the conclusion of the General Shareholders' Meeting held on June 23, 2005, we provided a briefing regarding the “Outlander” and the “i” before their market launches.

Other Measures to Strengthen Information Disclosure

- Upgrading of content on the MMC website, including the addition of an investor-directed FAQ
- Publication of annual reports in Japanese and English
- Publication of fact books in Japanese and English



Annual Report



Fact Book

<http://www.mitsubishi-motors.com/corporate/ir/irlibrary/e/index.html>

<http://www.mitsubishi-motors.com/corporate/ir/irlibrary/e/index.html>

With Sales Companies, Dealers and Procurement Partners

With Sales Companies and Dealers

In August 2005, we invited staff within the company to be sent to sales companies and dealers to work temporarily as sales representatives. The objective is to support the sales companies in tandem with the launch of the “Outlander” and the “i”, which will drive the revitalization of MMC.

Among the applicants, there was one employee who said directly to MMC President Masuko: “Let me tell our customers how good Mitsubishi Motors cars are.”

We interviewed that person, Ms. Ritsuko Kaneko, at the Takaido store of Tokyo Mitsubishi Motors Sales Co., Ltd.

—Why did you consider undertaking a temporary sales job assignment?

When I joined MMC, I was assigned to the Customer Relations Department and I was handling customers on the phone every day. From that time on, I felt that I wanted to deal with customers not only on the phone, but also when they buy vehicles through after-sales service. I also felt that I wanted to make as many customers as possible become fans of MMC.

—Did you have any particular impressions when seeing MMC from the outside?

I feel that the “Customers First” principle has penetrated MMC more than before. However, if all employees can keep the customer’s viewpoint in mind as they work, I think MMC will be able to regain customer trust even more.

—What do you honestly feel about your time at the dealer?

I realized again that there are many customers who support MMC. This made me feel encouraged, and I think constantly that it must be possible to do something better to meet customers’ expectations.

—Has MMC changed?

In the past, female employees were never sent to work in actual sales operations. The fact that I was sent to work at a dealer, without being bound by this precedent, is one example showing that things have changed.



MMC takes commemorative photos of all staff members and customers at car delivery ceremonies.

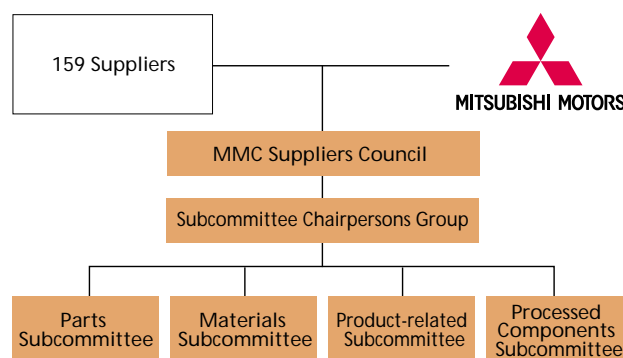
With Procurement Partners

Strengthening trust and cooperation with suppliers is a vital part of developing and producing cars. MMC procurement is shifting its emphasis from purchasing by volume to purchasing by quality. MMC works with suppliers to determine the optimum cost and quality of components right from the design stage.

One concrete example of how we do this is our Plant Performance Improvement, an initiative implemented last year with suppliers. This initiative involves the participation of specialists from various MMC departments including purchasing. These personnel visit suppliers’ plants and work with them to develop proposals for improving the entire plant’s performance. In fiscal 2005, 15 suppliers participated in this improvement initiative, and MMC plans to expand this to 46 suppliers in fiscal 2006.

In June 2005, MMC established a new Suppliers Council to build new trust relationships with suppliers, foster a feeling of solidarity, and realize strong partnerships. The Council is broadly composed of four subcommittees: the Parts Subcommittee, the Materials Subcommittee, the Product-related Subcommittee, and the Processed Components Subcommittee. The Council is managed by a Subcommittee Chairpersons Group that brings these subcommittees together. The Council consists of 159 suppliers, primarily major business customers.

Organization of MMC Suppliers Council



The MMC Suppliers Council

With Employees

At MMC, we are creating a framework so that employees can get fulfillment from their work.

Personnel Policies

At MMC, we believe that a workplace should enable an employee to realize their full potential and allow them to express creativity. Based on this belief, since 2002, we have reformed the personnel system for managerial and ordinary employees based on the stance of treating employees as independent individuals who share equal relationships and the same lofty aspirations for the company. At the same time, we place emphasis on staff education.

The Personnel Department, which is responsible for promoting these initiatives, executes a PDCA^{*1} cycle with respect to all personnel policies and also supports staff.

Employee System

MMC evaluates, remunerates and promotes employees on the basis of market principles, not age or past achievements. The basis of this system is the concept that there is a role expected of each position and job, and employees are rewarded according to their performance and achievement of targets within that role.

Professional Development Policy

MMC supports employees in their professional development with the aim of fostering self-reliant professionals.

We offer numerous training programs in this regard. These include “leadership training” to nurture future strategic business leaders, “management training” to equip employees with systematic managerial skills, “engineering training” aimed to refine specialized knowledge skills, “quality training,” and “professional and manufacturing training” designed to enhance and pass on technology. Support also extends to job rotation to promote the sharing of information and foster the career development of individuals.

Employment of Elderly Staff

Today, the demand to employ elderly staff in Japan is growing. Recognizing that an increasing number of its employees are reaching retirement age, MMC adopted a re-employment system for elderly staff on April 1, 2006. The aim of this system is to pass on important skills and technology, as well as to secure valuable human resources.

In-house Communication

Seamless execution of our business revitalization plan demands that the company and employees share the same goals. In-house communication that keeps employees informed has a vital role to play here. At MMC, we use internal newsletters, intranets, meetings with top management and other means to share internal and external information and top management policy, thereby ensuring healthy communication between employees and top management.

Internal Newsletter

(REBORN-Domestic and Overseas Editions)

In September 2004, MMC’s internal newsletter was completely revamped. This effort culminated in the publication of a journal to encourage employees to support the revitalization plan through the sharing of related information.

First issued in September 2005, the new journal combined local newsletters that had previously been published independently at each MMC worksite. From June 2005, a special website was set up that allows employees to access the newsletter from home. Among other benefits, this website has proven useful in stimulating communication among MMC employees and their families. Meanwhile, an overseas edition of the newsletter was first published and distributed electronically in October 2004 to MMC Group employees worldwide.



REBORN, MMC’s internal newsletter

*1 PDCA cycle

A management technique for promoting continuous improvement in business activities that involves a cycle (Plan, Do, Check and Act) that is repeated over and over.

In-house Intranet Streaming Video (REBORN Video News Edition)

Since May 2005, MMC has been using its in-house intranet to post carefully selected information and news that cannot be communicated by print and photographs alone. This includes comments from customers and dealers and measures taken to improve manufacturing lines.

Both the newsletter version of REBORN and its video incarnation are planned, researched, written and edited entirely by employees. REBORN is popular throughout the company with employees also cooperating in supplying information, contributing articles, requesting articles and in numerous other ways.

Intranet

A wide range of information is posted on MMC's intranet that is compiled from internal and external sources, from recent events to basic information such as company work standards. In this way, the company's intranet provides multifaceted support to employees in the work that they do.



Intranet

Meetings With the President (FLAT)

FLAT is the name MMC has given to a series of face-to-face meetings between top management and employees, in which top management visit the workplace. The aim of these meetings is to create a workplace atmosphere in which everyone, whether president or employee, can speak frankly about issues that concern them in an equal exchange of opinions. MMC believes that this opportunity for face-to-face communication both enables top management to directly convey to employees their convictions and ideas, and employees to say what they really think, including the expression of workplace problems.



FLAT sessions

The "Ear" of the President

All MMC employees have the "ear" of the president. MMC has a hotline that allows employees to present ideas and opinions directly to the president. Submissions are used to change various aspects of the company.

Employee Welfare

MMC, guided by a basic policy of creating environments that help employees realize their potential, offers a "menu" of welfare services, including dormitories for singles and company housing, that employees can select freely according to their particular requirements. For employees with children and dependent family members, MMC provides support including childcare leave and family-care leave, as part of efforts to develop systems that make allowance for flexible working hours and other needs.

Health and Safety

Occupational Safety

Safety comes first at MMC. With this fundamental philosophy in mind, MMC pursues initiatives that enable every employee to work side by side with their colleagues in workplaces conducive to their health and safety.

Road Safety

Automaker employees have a particular obligation to follow traffic rules. To ensure this happens, we offer all employees safe-driving courses and general inspections of commuting vehicles, as well as undertaking hazard-awareness tests for new employees. Furthermore, employees are required to report any traffic accidents or infringements to share information and raise awareness of safety. We take a hard line on serious infringements and accidents and all members of MMC are working toward their elimination.

Positive Health

We conduct ongoing activities based on the concept that individual health is an individual responsibility.

- We offer voluntary proactive health-management campaigns
- We offer health guidance and consultation with hygienists and dieticians, disease prevention education and physical examinations

Mental Health

Communication with others has an important role to play in the early detection and treatment of mental health problems. We have therefore created an environment that makes it easy for employees to seek advice on these issues.

- On-site visits by psychiatrists and counselors
- Telephone counseling with a health insurance society
- Mental health education for managerial employees