

Responding to the TCFD Recommendations

With the issue of climate change growing increasingly serious, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD), which in June 2017 announced its Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD Recommendations). These recommendations encourage companies to disclose information related to climate change so that investors can appropriately assess climate-related risks and opportunities.

Recognizing the potential of climate change to present medium- to long-term risks and opportunities that affect its business domains, in July 2021 Mitsubishi Motors expressed its endorsement of the TCFD Recommendations. Accordingly, we are analyzing the impact of climate change on our businesses and finances (scenario analysis). Going forward, we will enhance our disclosure in line with the TCFD Recommendations.



Principal Risks and Opportunities the Company Recognizes, and their Response Measures

Global changes	Risks to the Company	Opportunities for the Company	Principal response measures
Strengthening of requirements for fuel economy and zero-emission vehicles*1	<ul style="list-style-type: none"> Fines for failing to meet fuel economy requirements Additional costs to respond to requirements 	Increased sales of EVs	<ul style="list-style-type: none"> Promote EVs, centering on plug-in hybrid electric vehicles (PHEVs) Reduce costs by taking advantage of the alliance, such as by standardizing components
Introduction of carbon taxes and carbon pricing	<ul style="list-style-type: none"> Higher costs to procure electricity and raw materials 	—	<ul style="list-style-type: none"> Promote energy conservation activities and introduce renewable energy
Increasing frequency and intensity of meteorological disasters	<ul style="list-style-type: none"> Production stoppages due to damage to production facilities and disruption of supply chains 	Increased sales of EVs in line with a growing need to secure emergency power sources	<ul style="list-style-type: none"> Implement BCM-related systems and operating procedures Promote EVs, centered on PHEVs Promote V2X*2

*1: Zero emission vehicles (ZEVs) are EVs and fuel cell vehicles that emit no exhaust gases. Automotive regulations in the US State of California state that for manufacturers that sell more than a certain number of units in the state, a certain percentage of those units must be ZEVs.

*2: A catch-all term including vehicle to home (V2H) and vehicle to grid (V2G)



Scenario in Which Climate Change Countermeasures Are Successful

In the countries and regions that are the Company's target markets, EVs and zero emission vehicles (ZEVs) are expected to become more commonplace as regulations on fuel economy, CO₂ emissions and ZEVs are introduced or further strengthened. Failure to comply with these regulations could affect the Company by making it susceptible to fines or increasing costs for regulatory compliance. Also, the Company could incur higher costs at the production and procurement stages due to the introduction of carbon taxes and carbon pricing.

At the same time, measures to counter regulations on fuel economy, CO₂ emissions and ZEVs could present opportunities in the form of increased sales of EVs.

The Company will seek to respond to these conditions by lowering costs (by standardizing components through the alliance) and promoting the adoption of EVs, centered on PHEVs. At the production and procurement stages, we will seek to reduce risks by promoting energy conservation activities and introducing renewable energy.

Scenario in Which Climate Change Countermeasures Are Not Successful

Typhoons, flooding and other meteorological disasters are forecast to become more frequent and intense. Accordingly, the Company faces the growing risk that damage to production facilities or supply chain interruptions could halt production. At the time, increasingly frequent and intense meteorological disasters could present an opportunity in the form of higher sales of EVs as demand rises for emergency power sources that can be used in

times of disaster.

The Company's BCM (Business Continuity Management) Committee has formulated a business continuity plan and is seeking to mitigate risk by putting in place systems and operating procedures in anticipation of natural disasters. In addition, we are responding to the opportunity to increase sales by promoting EVs, centering on PHEVs, which can serve as V2X units.

Given the circumstances outlined above, the Company is promoting climate change countermeasures based on its Environmental Plan Package. We are currently moving forward with vehicle development employing plug-in hybrid technology, which is at the core of our electrification technology. Among our efforts to achieve a decarbonized society, we will work to

address the so-called "last mile problem" in logistics with the *MINICAB-MiEV*, which we believe is ideally suited to this application. This combination of options based on alliance and proprietary technologies should enable us to respond flexibly to uncertain future scenarios and the differing needs of individual countries and regions.