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Safety and Quality

Delivering Products which Help Prevent Traffic Accidents

Basic Approach to Safety

Mitsubishi Motors is aware of its responsibility towards traffic safety as an automaker, and we have set “Delivering products which help preventing traffic accidents” as a key part of our CSR activities. Approximately 1.35 million people are lost in traffic accidents worldwide every year*1 As vehicle ownership increases in emerging countries in particular, traffic accident fatalities are also on the rise. Reducing traffic accidents is an urgent global issue, and Target 3.6, the United Nations Sustainable Development Goals, (SDGs) calls for halving the number of global deaths and injuries from road accidents by 2020.

Mitsubishi Motors is upholding a safety philosophy towards a car society with zero traffic accidents. To this end, we are taking action from two perspectives: developing safety technologies and promoting traffic safety education.

Initiatives

Development of Safety Technology
We strive to incorporate various safety technologies into our products, and to provide comfortable and safe mobility. Our goal is to help customers enjoy the freedom of movement, the convenience of transportation, and the pleasure of driving.

Active Safety Technology to Avoid Crashes
The ultimate solution to eliminate traffic accidents caused by automobiles is to prevent collisions, that is, to prevent accidents in advance. Mitsubishi Motors puts its energies into developing and equipping vehicles with various types of preventive safety technologies and providing safety to society in order to achieve this objective.

Management Structure

The vision for the safety concept behind product development is “the realization of a car society with zero traffic accidents,” and guidelines and a strategy for safe development have been established by the product safety committee. Here, we are promoting the development and use of accident prevention technology by assessing both the tangible and intangible aspects of the fundamental safety of products from the perspectives of both the prevention and damage limitation of traffic accidents for vehicle traffic safety.

Specifically, we have clarified initiatives for technology that prevents accidents in advance (active safety technology), technology that reduces damage (passive safety), prevention of fires and injury, etc. (safety protection), and more.

Targets and Results

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Ideal image</th>
<th>Indicator</th>
<th>FY2018 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering products which help prevent traffic accidents</td>
<td>Realization of a car society with zero traffic accidents</td>
<td>Completion period for establishment of approach (framework) to safety technology</td>
<td>Approach (framework) to safety technology established January 2019</td>
</tr>
</tbody>
</table>

*1 2018 World Health Organization (WHO) survey
Safety and Quality

Delivering Products which Help Prevent Traffic Accidents

**Active Safety Technologies**
We are increasing the models equipped with active safety technology: “Active Safety Technologies” to support safe and comfortable driving using equipment such as millimeter wave radar and cameras. Active Safety Technologies comprises one or more of the following functions to support safe operation by drivers.

**Active safety functions**

<table>
<thead>
<tr>
<th>Function</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward Collision Mitigation Brake System</td>
<td>Detects vehicles and pedestrians ahead. If there is a risk of collision, the system alerts the driver or automatically applies the brakes to mitigate collision damage or avoid a collision.</td>
</tr>
<tr>
<td>Lane Departure Warning</td>
<td>Continuously monitors the lane markers ahead of the vehicle. If the vehicle appears to nearly drift out of the lane, the system will alert the driver.</td>
</tr>
<tr>
<td>Adaptive Cruise Control System</td>
<td>Automatically follows the vehicle ahead by decelerating or stopping. Maintains a constant, preset headway distance from the vehicle ahead to reduce the risk of a collision.</td>
</tr>
<tr>
<td>Ultrasonic Misacceleration Mitigation System</td>
<td>When the driver starts a car to drive forward or in reverse, the system prevents rapid acceleration caused by the driver’s improper operation of the gear shift or accelerator pedal.</td>
</tr>
<tr>
<td>Automatic High Beam</td>
<td>Automatically switches between low beams and high beams depending on whether there is an approaching vehicle or vehicle ahead, the ambient lighting conditions, and other factors.</td>
</tr>
</tbody>
</table>

**Body Structures that Protect People**
In the event of a collision, it is crucial to have a vehicle body structure that mitigates the impact on passengers and provides adequate space. Mitsubishi Motors has adopted the Reinforced Impact Safety Evolution (RISE) body, and enhance collision safety performance in all directions: front, rear, and sides. The Eclipse Cross, launched in 2018, adopts a front-to-rear straight frame structure that can efficiently absorb collision energy. The vehicle interior (cabin) has numerous high tensile strength steel plates to restrict deformation and protect passengers. The Eclipse Cross has been awarded a five out of five star rating for its safety performance in many countries and regions around the world.

**Main External Ratings of the Eclipse Cross**

<table>
<thead>
<tr>
<th>Region</th>
<th>Date</th>
<th>Name</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>November 2017</td>
<td>2017 Euro NCAP*2</td>
<td>Five-star</td>
</tr>
<tr>
<td>Australia/New Zealand</td>
<td>December 2017</td>
<td>2017 ANCAP*2</td>
<td>Five-star</td>
</tr>
<tr>
<td>ASEAN</td>
<td>January 2018</td>
<td>2018 ASEAN NCAP*2</td>
<td>Five-star</td>
</tr>
<tr>
<td>Latin America</td>
<td>June 2018</td>
<td>2018 Latin NCAP*2</td>
<td>Five-star</td>
</tr>
<tr>
<td>Japan</td>
<td>November 2018</td>
<td>2018 JNCAP*2</td>
<td>Five-star</td>
</tr>
</tbody>
</table>

*2 Abbreviation of New Car Assessment Program. An automobile safety testing and assessment program implemented by a third party organization in each country or region.

Mitsubishi Motors is also pursuing safety with regard to pedestrians as well as drivers and passengers. We have adopted energy absorbing structures in the hood, cowl top, windshield wipers, and other parts in order to mitigate injury to pedestrians’ heads. Energy absorbing structures that protect pedestrians’ legs are also used in bumper faces and headlights, for example.
Safety and Quality

Delivering Products which Help Prevent Traffic Accidents

Scope of Support Cars Expanded

Safety support cars are vehicles equipped with advanced technologies that support safe driving. As part of the effort to prevent traffic accidents caused by all drivers including elderly people, and to mitigate damages and injuries caused by the accidents, Japanese government recommends this new automobile safety concept. Vehicles are classified into the following categories: "Safety Support Cars" or and "Safety Support Cars S" (Basic, Basic +, and Wide) depending on the features in each vehicle. Mitsubishi Motors is expanding its lineup of safety support cars.

Safety Support Car Models (as of July 2019)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RVR</td>
<td>Mirage</td>
<td>eK Space</td>
<td>Outlander PHEV</td>
<td></td>
</tr>
<tr>
<td>Delica D:5</td>
<td></td>
<td></td>
<td>Outlander</td>
<td></td>
</tr>
<tr>
<td>Delica D:5 Urban Gear</td>
<td></td>
<td></td>
<td>Eclipse Cross</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>eK Wagon</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>eK Cross</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>eK Space Custom</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Delica D:2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Delica D:2 Custom</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Town Box</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Minicab</td>
<td></td>
</tr>
</tbody>
</table>

Among these models, the eK Space, eK Space Custom, Delica D:2 and Delica D:2 Custom were awarded the highest rating, ASV+++, by the National Agency for Automotive Safety and Victims' Aid (NASVA) in its fiscal 2018 car assessment of active safety performance.

In addition, in the “Advanced Emergency Braking System Performance Evaluation System” newly established by the Ministry of Land, Infrastructure, Transport and Tourism in March 2018, the eK Cross and the eK Space received recognition for their AEBS performance.
Safety and Quality

Delivering Products which Help Prevent Traffic Accidents

Traffic Safety Education and Promotion
Mitsubishi Motors conducts traffic safety education and promotes safe driving to raise safety awareness throughout society with the objective of reducing traffic accidents.

- Dissemination of Traffic Safety Information
  Automobile Safety Facts Guide Website
  We disseminate information on the proper use of equipment and other topics that require drivers’ special attention so that drivers will use automobiles more safely.

- Dissemination of Traffic Safety Information for Children
  Website for Children “Do You Know the Answer? Traffic Safety Quiz”
  On the “Why? Why? Car Development Research Group” website that was designed to provide information on the automobile industry to elementary school age children, there is a webpage about traffic safety using a quiz format to introduce traffic rules and manners they should follow when walking or riding a bicycle in their day-to-day activities.

Click here for details:
(This site is only available in Japanese.)
Safety and Quality

Improvement of Product, Sales, and Service Quality

**Policy**

Mitsubishi Motors revised the following quality policy on April 1, 2019.

**Quality Policy**

Quality is the fundamental requirement to support our business.

1. Commit to excellence in Product, Sales, and Service Quality exceeding customer expectations
2. Focus on Quality of Management to continuously improve overall company performance.
3. Comply with laws and global regulations to gain trust in Mitsubishi Motors Quality.

On the basis of this policy, in order to enhance quality in all stages from when a customer first considers purchasing a product through the vehicle ownership period, we are taking measures to improve quality in four categories: Product quality, perceived quality, sales quality, and service quality.

Product quality includes the initial quality that customers experience immediately after purchasing a new car, and durability that customers experience throughout the entire period of use and so we sincerely listen to the opinions of customers and correct any issues so that we can promptly make improvements.

In addition, we are working to improve perceived quality in terms of aspects such as the usability, comfort, and appearance that customers perceive when they observe, feel, and use our products.

With regard to sales quality and service quality demonstrated at sales companies that have direct contact with customers, we listen closely to customers and make timely proposals and responses to customer requests to achieve high levels of customer satisfaction.

We strive to achieve the highest levels of quality from the customer's viewpoint so that we can achieve customer satisfaction during every point of contact with customers.
Improvement of Product, Sales, and Service Quality

We analyze quality information in order to realize “Top level quality from customer viewpoint” and we set specific objectives for which we investigate and implement policies toward realization while regularly following-up on the status of improvements.

**Initiatives**

**Improving Product Quality**
Dealing responsibly not only with defects related to safety but also with regard to points raised and complaints about products is essential to improving customer satisfaction.

Regarding vehicles that have already been sold, we are taking measures to reduce initial defects with a focus on defect incidents that occurred within three months to twelve months after sale. We have raised the speed of solutions through collaboration among development and production divisions, leading to a reduction in complaints by customers.

Furthermore, with the aim of improving the initial quality of its new vehicles, Mitsubishi Motors holds cross-functional “oobeya (large room) activities” where employees from various divisions including development, production, service, quality control, and procurement meet in one room from the point at which shipment starts to consider countermeasures to address any problems that may occur. By so doing, the initial quality can be improved more quickly.

Also, issues that are not defects but can cause customer dissatisfaction lead to the improvement of processes during the development stage so that new vehicles can be improved.

**Use of Customer Voice**
One of the missions of the Group is to provide new experiences for our customers with attractive products and service excellence to achieve a high level of customer satisfaction. For that reason, we gather and analyze valuable customer comments and opinions received by our sales companies in Japan and overseas and

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Ideal image</th>
<th>Indicator</th>
<th>FY2018 Results</th>
<th>FY2019 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving Product Quality</td>
<td>Top level Quality from Customer viewpoint</td>
<td>Ratio of defects identified within 3 months in service of new vehicle sale</td>
<td>Reduction in ratio of defects identified within 3 months in service of new vehicle sale</td>
<td>Further reduction in ratio of defects identified within 3 months in service of new vehicle sale</td>
</tr>
<tr>
<td>Improving Sales Quality</td>
<td>SSI (Sales Satisfaction Index)</td>
<td>SSI (Sales Satisfaction Index)</td>
<td>Achievement of Top 3 positioning in two of the key management countries</td>
<td>Achievement of Top 3 positioning in key management countries</td>
</tr>
<tr>
<td>Improving Service Quality</td>
<td>CSI (Customer Satisfaction Index)</td>
<td>CSI (Customer Satisfaction Index)</td>
<td>Achievement of Top 3 positioning in four of the key management countries</td>
<td>Achievement of Top 3 positioning in key management countries</td>
</tr>
</tbody>
</table>

Neutral quality control, development, production, sales, and service divisions work together to actively improve quality.

**Improving Quality through Customer Voice**
Sales companies hold specific interviews with customers on defects and related conditions. The quality sections have a system in place for sharing information received from sales companies with relevant divisions.

Also, by using a newly introduced system to analyze issues found in specific models, indications of defects from customers (quality information) and repair records, we can identify defect information and take countermeasures at an early stage to improve quality.
Improvement of Product, Sales, and Service Quality

Customer Support for Recalls and Other Market Responses
We have systems in place to provide information to customers in a timely manner in the case of market responses such as recalls as a result of defects that involve safety. We send direct mail to users of the affected vehicles and provide information on obtaining free inspections and repairs to be performed at a sales company at an early time. We also post information on our website so that customers can check whether their vehicles are subject to a recall and the status of repair implementation.

Recall information can be found at the following website:
http://www.mitsubishi-motors.co.jp/support/recall/
This site contains the Japanese market information (only in Japanese).

Improving Perceived Quality
We are taking measures from the development stage to improve quality with an emphasis on customer perceptions in order to achieve high levels of customer satisfaction not only at the time of purchase, but throughout the life of a vehicle after purchase.

Improving Sales Quality
We aim for Top level Quality from Customer’s viewpoint and take action in concert with sales companies to improve the quality of sales in order to become a brand supported and identified with by our customers.

Cooperation with Domestic Sales Companies
One of the measures that domestic sales companies are taking is the provision of proposals and a new sales pitch experience tailored to customer needs by promoting sales pitch styles using IT. For example, sales companies introduced tablet PCs to provide visual and easy to understand product explanations and have customers that come to the sales outlets use the tablets to respond to questionnaires regarding the quality of service in order to make timely improvement. Further improvements in customer satisfaction are being made through the timely sharing with nationwide sales companies of best practices that have resulted in higher customer satisfaction.

In addition, in order to promote the popularization of EV/PHEVs, in fiscal 2018, the number of Dendo Drive Stations, which are next-generation sales outlets designed to convey the significance and value of EV/PHEVs to as many people as possible using presentations and demonstrations, increased to 64 stores.

Please refer to “Efforts at Dealers” on p. 42 regarding Dendo Drive Stations.
Safety and Quality

Improvement of Product, Sales, and Service Quality

Cooperation with Overseas Sales Companies
Cooperation with sales companies in each country and region is essential for achieving high customer satisfaction overseas. Mitsubishi Motors provides product information to sales companies on a daily basis and strives to gather comments and opinions from local customers. Also, we visit individual countries to plan further improvements by gathering market information and product requests directly through interviews. Regional meetings are held regularly in Europe, ASEAN, the Middle East, and other regions, and sales companies from around the world gather each year at the Global Distributors Meeting. Those meetings serve to develop a sense of unity among the sales companies and to share sales strategies, the latest product information, best practices for raising customer satisfaction, and so on.

Appropriate Product and Service Information Disclosure
In compliance with the laws and regulations of each country and region, we strive to provide product and service information and labeling displays.

Improving Service Quality
At the service sites of sales companies (dealers), which have direct contact with customers, it is crucial to provide customer-oriented “service quality” starting at the time of vehicle purchase. Mitsubishi Motors collaborates with domestic and overseas sales companies to improve day-to-day on-site response capabilities (communication and technical skills) so that we can live up to customer expectations and receive customer satisfaction.

Succeeding Service Skills in Japan
Succeeding and improving service skills and knowledge of service staff are essential to customer satisfaction. Mitsubishi Motors has its own servicing skill certification, and encourages service staff at sales companies to acquire this certification. In addition, we hold the biennial national Service Skills Contest where service staff from domestic sales companies can improve their service skills by competing against one another. At a national contest held in February 2018, 51 winners of the regional competitions tested their skills against one another. The winning engineer and service advisor of the contest represented Japan in the Global Service Skills Contest described below.

Our seven Technical Centers across Japan organize technical meet-ups and seminars and support sales companies to solve difficult repairs and swiftly meet customer requests through visiting sales companies by technical staffs of technical centers.
Safety and Quality

Improvement of Product, Sales, and Service Quality

Management Structure
Mitsubishi Motors has established a Quality Strategy Committee (QSC) and a Quality Management Committee (QMC) chaired by the executive officer in charge of Quality. Periodically, the QSC deliberates on matters of quality strategy, while the QMC deliberates on the improvement of the quality of management as a whole. Also, Quality Management Meetings are held with the TCS corporate general manager as the chair, which makes monthly confirmations regarding the progress of each policy for quality improvement, and which engages in problem resolution toward the execution of strategies and target achievement.

Also, regarding information from customers about vehicle defects provided by sales companies, we have established systems for immediate policy consultation, establishment and enactment by regularly gathering and sharing information.

Developing a Quality-Oriented Mindset
Since fiscal 2014, we have been holding Quality Forum in all domestic business locations in connection to activities that lead to increased quality in products, people and the Company as each employee individually reassesses and improves the quality of their work.

Quality Forums were also newly held overseas in fiscal 2018 at factories in Thailand and Indonesia, and we plan to expand this to other regions in the future.

Assessing the Needs of Customers
By listening to the actual comments and opinions of customers, we are helping employees to consider customer needs. This is included in the new employee training curriculum for both new employees and mid-career entry, and we provide numerous opportunities to take on customer perspectives, including training for promoted personnel and voluntary training courses.

Numbers of Participants in Quality Forum

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic forums</th>
<th>Overseas forums</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>2,324</td>
<td>—</td>
</tr>
<tr>
<td>FY2015</td>
<td>3,590</td>
<td>—</td>
</tr>
<tr>
<td>FY2016</td>
<td>Postponed</td>
<td>—</td>
</tr>
<tr>
<td>FY2017</td>
<td>2,809</td>
<td>—</td>
</tr>
<tr>
<td>FY2018</td>
<td>4,550</td>
<td>1,880</td>
</tr>
</tbody>
</table>

Improvement of Customer Focus
At Mitsubishi Motors, for employees that so desire, we are supporting the acquisition of Consumer Affairs Advisor qualification, which is a business qualification from the Prime Minister and Minister of Economy, Trade and Industry, with the objective of considering needs from the perspective of consumers and improving the quality of products and services.

As of April 1, 2019, 62 qualifications holders have enrolled, making Mitsubishi Motors 10th in the list of companies with the largest number of qualification holders.*1

*1 According to research by Japan Industrial Association

Consumer Affairs Advisor qualification holders

<table>
<thead>
<tr>
<th>Division</th>
<th>Number of qualification holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Affairs</td>
<td>10</td>
</tr>
<tr>
<td>Product Strategy/ Development</td>
<td>36</td>
</tr>
<tr>
<td>Procurement/ Production</td>
<td>4</td>
</tr>
<tr>
<td>Sales</td>
<td>4</td>
</tr>
<tr>
<td>Quality</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
</tbody>
</table>

Customer Voice Seminar
Mitsubishi Motors has been developing business in the ASEAN region since prior to the rise of motorization, and we have grown up alongside these countries while developing close ties with the region based on the idea that “regional development” is “Mitsubishi Motors development.” “Contributing to local economies through business” is a material CSR issue for CSR, and we are promoting activities with the aim of “contributing to local economies through investment, employment, human resource development, technology transfer and export by developing business in the ASEAN region.”

By providing ASEAN customers with the products that they need, in addition to expanding business from now on, we will contribute to the local economy through employment, human resource development, investment, technology transfer and export.

*1 For “identification of CSR material issues,” please go to P.06

### Policies

The Sales Division of the Head Office, which has the role of overseeing local subsidiaries in the ASEAN region, is responsible for material CSR issues, and it confirms the progress and results from initiatives. Regarding initiatives in Thailand, Indonesia and the Philippines, where Mitsubishi Motors’ production bases are located, the rate of progress and results and checked with local subsidiaries every six months, and a report is made to executives in through the CSR committee.

#### Targets and Results

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Ideal image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>Continuous creation of local employment</td>
</tr>
<tr>
<td>Human resource development</td>
<td>Support for the development of personnel responsible for the development of the local economy</td>
</tr>
<tr>
<td>Investment</td>
<td>Continuous implementation of capital investment in factories that supports the growth of the local economy and meets the need for business enhancement</td>
</tr>
<tr>
<td>Technology Transfer</td>
<td>Support for creation of markets by providing technology/expertise for electric vehicles and electric vehicle infrastructure</td>
</tr>
<tr>
<td>Export</td>
<td>Supporting growth of the local economy through the acquisition of foreign currency by means of export</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY2018 Results</th>
<th>FY2019 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation of employment for a total of 11,616 (incl. non-full time employees) local employees in Thailand, Indonesia and the Philippines</td>
<td>Level maintained since FY2018</td>
</tr>
<tr>
<td>Representative training: Dispatching local employees to Japan, Implementation of business level reinforcement seminars for local employees, Implementation of “Manufacturing Training” in order to enhance skills</td>
<td>Under the same policy as FY2018, offer the same level of training opportunities</td>
</tr>
<tr>
<td>Representative Investment: Establishment of a plan to increase the production capacity of factories in Indonesia from 160,000 units to 220,000 units*1 by FY2020</td>
<td>Implementation of capital investment</td>
</tr>
<tr>
<td>Decision on KD production** for electric vehicles in Thailand, Implementation of joint research with the government and universities, etc. in Indonesia, the Philippines and Vietnam</td>
<td>Implementing factor analysis in order for each factory to improve itself and making improvements through PDCA</td>
</tr>
<tr>
<td>Promoting the improvement of factory quality, on-site improvements and increased productivity by participating in plant ranking in the Alliance Product Way (APW**3)</td>
<td></td>
</tr>
<tr>
<td>FY2018 export units Thailand: 560,000 units Indonesia: 42,000 units</td>
<td>Export more units than FY2018</td>
</tr>
</tbody>
</table>

*1 Production capacity during peak periods of operation
*2 Knock Down production. A method of local construction and sales by importing the major parts
*3 Production method shared between Renault, Nissan and Mitsubishi
Contribution to Local Economy through Business Activities

Initiatives

Employment

We believe that the mission of Mitsubishi Motors is to lead the way for the continuous growth of the business and to create local employment. In fiscal 2018, the number of local employees in Thailand, Indonesia and the Philippines, where Mitsubishi Motors’ production bases are located, reached 11,000. In fiscal 2019, we will maintain the same level since FY2018.

Human resource development

Mitsubishi Motors is supporting the growth of personnel responsible for the development of the local economy by furnishing them with specialist knowledge and skills through their experience of work at the company. Regarding the provision of training and OJT according to the situation in each country, in fiscal 2018, 19 local employees from Thailand were dispatched to Japan in order to train them as local employees/managers that are capable of being active in global business through the provision of opportunities to enhance management capabilities and leadership strengthening. In Indonesia, empowerment seminars were held for more than 500 employees according to their business level, which accounts for 15% of the total number of employees. In the Philippines, "Manufacturing Training" was conducted with the aim of raising the ability of the production division, and more than 700 employees received the training. Their specialisms are being increased, including the achievement of high scores at the Mitsubishi Motors "Global Monozukuri Skill Competition." Continuing in FY2019, we plan to conduct training and OJT in accordance with the situation in each country.

Investment

In addition to supporting the growth of the local economy, we are proactively making capital investment in factories in order to respond to the needs of business expansion. The demand for the XPANDER compact MPV produced in Indonesia has vastly exceeded initial plans, so the plan is to increase production capacity from the current 160,000 units to 220,000 units by fiscal 2020 by expanding the facilities of the entire factory. In Thailand, which is the largest overseas production site, we are making capital investment for the improvement of factory systems with the intention of continuously renewing global vehicle models centering on the Triton pickup truck. In the Philippines, we are continuing to renew production facilities, including IT, and to make investment.

Technology Transfer

In the ASEAN region, meeting environmental regulations is becoming a more important issue than ever. While mobility is on the rise and there is a global shift to electric vehicles, there is a rush to introduce electric vehicles in the ASEAN region, as well. Utilizing electric vehicle technology and expertise, which is one of the strengths of Mitsubishi Motors, we are leading the way ahead of other companies by conducting joint studies alongside governments, universities and research agencies in each country to contribute to drafting government policy related to the popularization of electric vehicles. In Thailand, we have decided KD production for electric vehicles, and in Indonesia we will start the sale of final models of electric vehicles in 2019. We will continuously contribute to the creation of the market through the provision of technology and expertise related to electric vehicles and EV infrastructure. Also, in terms of technology transfer by production sites, we are working to strengthen the competitiveness of factories such that the value chain of the manufacturing industry in the local society is transformed. Specifically, by participating in plant ranking in the Alliance Production Way that measures the quality, inventory, costs and productivity of factories, we are strengthening competitiveness by means of PDCA for the improvement of factory quality, the promotion of on-site improvements and increased productivity. In the plant rankings, Thailand improved in fiscal 2018 over the previous year, and Indonesia and the Philippines are scheduled to take part from fiscal 2019.

Export

Through exports, we are supporting the continuous growth of local economies. Utilizing its strategic location, the factory in Thailand, which is our largest overseas production site, is exporting key models, including pickup truck and SUVs to the ASEAN region and worldwide. The number of units exported from Thailand reached 360,000 in fiscal 2018, and a stable export business
Initiatives

is being developed. Also, in Indonesia, exports of the XPANDER compact MPV began in fiscal 2018, and more than 42,000 units have been exported primarily in the ASEAN region. Mitsubishi Motors is promoting a mutually complementary structure for production models whereby the different models are mass produced in individual countries in the ASEAN region and are supplied to the other countries. Through the increase in exports and the stable growth in local production from this, we are contributing to the local economy, including the further creation of employment and the development of the automobile industry.
**Employees**

**Work Style Reform**

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### Policies

Mitsubishi Motors views the key to creating sustainable growth and improving corporate value in an ever-changing operating environment is people. We therefore believe that realizing an environment is important where each and every person can perform meaningful work and demonstrate his or her abilities, and where people can work enthusiastically and in good health, both physically and mentally.

Work style reform is not simply about reducing the time spent working. Our efforts are directed at a vision of creating a work style of which we can be proud, through which employees can get a solid sense of their own personal development, and which realizes both development for the company and happiness for families.

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### Management Organization

Up till now, we have worked on developing an environment where diverse employees can maximize their abilities, promoting flexible ways of working that are free from the constraints of location and time, such as telecommuting and flextime systems. In January 2019, we established the Work Style Reform Committee, comprised of division general managers and led by the CEO, to promote further work style reform through the expansion and entrenchment of policies and measures.

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### Targets and Results

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Ideal Image</th>
<th>Indicator</th>
<th>FY2018 Results</th>
<th>FY2019 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of work style reforms</td>
<td>Realize total working hours within 2,000 hours/year</td>
<td>Total working hours within 2,152 hours/year</td>
<td>Work style reform ongoing implementation of measures</td>
<td></td>
</tr>
</tbody>
</table>

---

### Examples of initiatives

**Measures related to working hours**

- Establishing every Friday as "No Overtime Day" where employees are encouraged to leave work on time
- Setting the third Friday or the Friday closest to the 20th day of each month as "Premium Friday" when employees are encouraged to leave work by 3 p.m.
- Encouraging employees to use our half-day leave system and flextime system, which we recently revised to remove the core time requirements
- Encouraging employees to take paid leave around public holidays and consecutive holidays in order to make a longer weekend

**Measures related to places of work**

- Encouraging employees to make use of the telecommuting system to a maximum of 80 hours per month
- Prohibiting work after 8 p.m. in principle, and holding activities to raise awareness of exercising self-control and not making phone calls or sending emails during overtime hours
- Making progress visible by counting and internally disclosing overtime hours and paid leave taken by each division

**Measures for raising awareness about work style reforms**

- DATA (P.89, 90): Working hours, ratio of paid leave taken, number of employees using telecommuting/flextime systems

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### Shortening Total Working Hours

Mitsubishi Motors is implementing measures to shorten total working hours in order to promote and establish work-life balance. Together with improving work efficiency, by encouraging employees to leave work on time and to take paid leave, and by introducing a telecommuting system and flextime system with no core time requirements, we are proceeding to create workplaces that allow a variety of flexible working styles free from the constraints of work location and time.

At the new head office building, which we moved into in January 2019, we have created an environment that more actively promotes communication among employees, including free-address offices, open meeting spaces and cafeterias. In addition, we have also introduced the latest meeting room controlling system in an effort to improve productivity, and we have worked on eliminating paper, such as by installing large display screens in each meeting room.

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**Employee Surveys**

Since fiscal 2013, we have conducted employee surveys to identify issues affecting the company, organizations, and individual employees. The survey results are used as reference indicators for improving awareness and operations at each workplace.

In fiscal 2017, we conducted an online survey of approximately 14,000 employees. In fiscal 2018, action plans for addressing the issues identified through the survey were formulated and implemented on a workplace basis.
Employees

Diversity

Diversity Promotion Policy

Mitsubishi Motors aims to grow sustainably while flexibly responding to the changing business and market environment resulting from progressive globalization and diversifying customer needs. To this end, we need employees with different values and ideas working together to create automobiles with new appeal and value for customers. With respect for employee diversity including gender, age, nationality, race, religion or ability, we are making efforts to create an environment where each person can energetically work without difficulty. We established a Diversity Promotion Policy in July 2014 to promote and achieve diversity.

Diversity Promotion Policy

We aim to respond to change and heighten organizational capabilities by incorporating diverse viewpoints and approaches through the different abilities and characteristics of each employee. In this way, we will create vehicles offering new levels of attractiveness and value. We are promoting Di@MoND (Diversity @ Mitsubishi Motors New Drive) activities to create an environment where employees can maximize their individual abilities and play an active role.

Management Organization

Diversity is promoted in the form of Di@MoND activities by the Diversity Promotion Office based on the Diversity Promotion Policy.

◆ Targets and Results

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Ideal image</th>
<th>Indicator</th>
<th>FY2018 Results</th>
<th>FY2019 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of women’s participation and advancement in the workplace</td>
<td>Have 100 women in management by the end of FY2020</td>
<td>Number of female managers</td>
<td>68</td>
<td>Implementation of reinforcement measures aimed at realizing vision</td>
</tr>
<tr>
<td>Promotion of employment of people with disabilities</td>
<td>Promote stable, continual employment of people with disabilities</td>
<td>Percentage of employees with disabilities</td>
<td>2.19%</td>
<td>Ongoing promotion of employment of people with disabilities</td>
</tr>
<tr>
<td>Promotion of LGBT awareness</td>
<td>Create workplace environments where LGBT people find it easy to work</td>
<td>External indicator for LGBT initiatives</td>
<td>“work with Pride 2018” PRIDE Index: GOLD</td>
<td>Continuation of activities promoting LGBT awareness</td>
</tr>
</tbody>
</table>

Diversity Report

Mitsubishi Motors has been periodically issuing the Diversity Report, a publication dedicated to diversity issues, since 2015 to raise awareness inside and outside the company regarding our diversity promotion initiatives. The latest issue, Vol. 4, is titled “Invigorating the organization through diversity.” It picks up on some examples for utilizing individual diversity and values as a new driving force for the organization, while looking back at the history of diversity promotion thus far. Through this publication, we are working to raise awareness and create workplaces where every employee can shine and individuality can thrive.

Diversity Report

Diversity Report Vol. 4: Invigorating the organization through diversity
Issued December 2018

The Diversity Report can be downloaded in PDF format.
Diversity

Promoting Women’s Participation and Advancement in the Workplace

Mitsubishi Motors promotes women’s participation and advancement in the workplace as a priority issue. In fiscal 2018, we conducted leadership training for women and role model lectures and dispatched four female employees to the Women’s Forum for the Economy & Society in Paris, France. As of July 2019, there were five female executives (12.5%), and there were 68 women in management positions (3.9%), of which 13 were at the general manager level. We also have our first ever female corporate vice president. Based on the Act on Promotion of Women’s Participation and Advancement in the Workplace, we have formulated an action plan to promote women’s advancement, setting a goal of 100 women working at the management level by the end of fiscal 2020. We will continue this initiative to create an environment where more female employees can work in positions of greater responsibility.

Work-Life Balance Initiatives

We are enhancing our work-life balance assistance programs to accommodate the diverse work styles of our employees. Creating foundations to facilitate work by employees in a variety of situations, in fiscal 2017 we introduced the telecommuting and accompanying leave systems to accommodate diverse work styles and life events. In fiscal 2018, we established the Work-life Balance Support Concierge within Mitsubishi Motors, from which employees can seek advice on the programs suitable for their individual childcare and nursing care needs. Following feedback from employees who had sought advice, we relaxed the criteria for child nursing leave, short-term nursing care leave and the telecommuting system.

DATA (P.89): Status of Female Management Promotions
DATA (P.90): Number of persons taking childcare leave and utilizing main work-life assistance programs

List of work-life balance assistance programs

<table>
<thead>
<tr>
<th>Programs</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Childcare</strong></td>
<td></td>
</tr>
<tr>
<td>Pregnancy leave</td>
<td>Can be taken for the designated period of time applied for in advance, between becoming pregnant and the day prior to maternity leave (may be taken multiple times)</td>
</tr>
<tr>
<td>Maternity leave</td>
<td>Six weeks prior to birth and eight weeks after birth</td>
</tr>
<tr>
<td>Childcare leave</td>
<td>Can be taken up to the end of April of the following fiscal year after the child’s third birthday</td>
</tr>
<tr>
<td>Child nursing leave</td>
<td>Can be taken until the end of the fiscal year of the child’s 12th birthday (one child: up to 5 days; two and over: up to 10 days; first five days are paid in both cases)</td>
</tr>
<tr>
<td>Reduced working hours for childcare</td>
<td>Four-, five-, six-, or seven-hour work shifts can be chosen until the end of the fiscal year of the child’s 12th birthday (combined use with the flextime system is also available)</td>
</tr>
<tr>
<td>Nursing care leave</td>
<td>Aggregate total of three years can be taken per person receiving nursing care</td>
</tr>
<tr>
<td>Short-term nursing care leave</td>
<td>If one person receiving nursing care: up to 5 days; if two or more people receiving nursing care: up to 10 days (first five days are paid in both cases)</td>
</tr>
<tr>
<td>Reduced working hours for nursing care</td>
<td>Available until the reason for the nursing care no longer exists. Employees can elect to work, four-, five-, six-, or seven-hours per day, and are also eligible for flextime work.</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td></td>
</tr>
<tr>
<td>Life plan leave</td>
<td>Employees can take up to 10 days leave per year for various predefined purposes such as receiving treatment for non-work related injury/illness, caring for family, childcare, infertility treatment, participating in volunteer activities, and language studies</td>
</tr>
<tr>
<td>Accumulation of unused paid leave</td>
<td>Employees can accumulate unused annual paid leave up to four days per year to a maximum of 40 days which can be used for predefined purposes. (E.g., receiving treatment for non-work related injury/illness, caring for family, childcare, participating in volunteer activities, and infertility treatment)</td>
</tr>
<tr>
<td>Flextime system</td>
<td>System that lets employees set their own working hours with no core time under predefined conditions on prescribed work days</td>
</tr>
<tr>
<td>Telecommuting system</td>
<td>Limited to a maximum of 80 hours per month. Employees can work remotely using their own work PC, either at their own home or at the home of a family member if providing childcare or care for that family member.</td>
</tr>
<tr>
<td>Reemployment system</td>
<td>Eligible for employees who resigned due to pregnancy, the birth of a child, childcare, nursing care, marriage, moving due to spouse work transfer, or other reason recognized by the Company, with an applicable period within five years after resignation</td>
</tr>
<tr>
<td>Accompanying leave</td>
<td>Temporary leave system for employees to accompany spouses who have been transferred in Japan or overseas or are studying abroad, with an applicable period of from one month to five years</td>
</tr>
</tbody>
</table>
Helping Employees to Balance Work and Childcare
Mitsubishi Motors actively supports employees who seek to balance work and childcare. This support also extends to facilities, with two on-site day-care centers having been established. Dia-Kids Okazaki was opened at the Okazaki site in April 2017, followed by Dia-Kids Tamachi at our head office building in February 2019. Since fiscal 2015, we have been holding get-to-know-you lunch meetings at the head office for employees on childcare leave and employees working reduced hours for childcare in order to eliminate concerns about returning to work by employees on leave, alleviate worries unique to those working while performing childcare, and support network building. Meet-and-talk sessions are also held between employees on childcare leave and workplace supervisors.

In addition, we have continued to hold training for employees who are working while raising children as well as training for managers with subordinates on childcare leave or who are raising children. In fiscal 2018, training sessions were held at two business sites (head office and Okazaki) with about 60 participants. Outside instructors were invited and employees with children learned how they should approach long-term career development while supervisors learned how to manage them properly about proper management.

Helping Employees to Balance Work and Nursing Care
As birth rates decline and society ages, we must not only support childcare as a company, but also help them balance their work and nursing care. At Mitsubishi Motors, we have set up contact points where employees can consult with nursing care specialists as required via email or on the phone. We also organize on-site individual nursing care consultations with nursing care specialists. Furthermore, in fiscal 2018, we organized nursing care seminars delivered by outside instructors to provide basic information about how they can balance their Work and nursing care. The seminars, held in four regions (head office, Okazaki, Kyoto and Mizushima), were attended by about 300 employees, primarily managers.

Increasing Employment of Senior Workers
With the goal of handing down skills and technologies and securing a talented workforce that makes the most of its knowledge and experience, Mitsubishi Motors operates a program to reemploy senior workers after their retirement. As of March 2019, there were 664 reemployed workers, engaged in handing down techniques and training the next generation.

We also promote the employment of people with disabilities through MMC WING, a special-purpose subsidiary established in April 2007, which, as of April 2019, was employing 53 workers with intellectual disabilities at the Okazaki and Mizushima plants. After 13 years has passed since its establishment, MMC WING has received many inquiries about employment from “Hello Work” Public Employment Security Offices, the prefectural employment and support center for disabled persons, and special needs schools, and has established a high profile in the region. In addition, we do not stop at just providing employment within our company when doing our part for employment support of people with disabilities. For example, we proactively accept requests from employment support facilities and special needs schools to try on-site training, providing people with disabilities opportunities to experience group activities and work processes.

Promoting Employment of People with Disabilities
Aiming to achieve a workplace where everyone can work, we actively hire people with disabilities in a wide range of occupations. As of April 2019, the percentage of employees with disabilities at Mitsubishi Motors was 2.14%. We will continue to promote additional employment while improving the work environment.

Global Action
As part of the support offered to our workforce of non-Japanese employees, which is increasing year by year, we have established prayer rooms at our head office and Okazaki sites which are available to people of all religions and denominations. A facility for cleansing parts of the body before worship has also been set up in the prayer room at the Okazaki site.
Employees

Diversity

Addressing LGBT Issues
The Mitsubishi Motors Global Code of Conduct expressly includes respect for LGBT individuals under “Respect Human Rights and Diversity and Provide Equal Opportunity.” In fiscal 2018, we held an LGBT seminar with the aim of providing basic knowledge for accurate understanding of LGBT issues and increasing supporters known as “Allies.” It was attended by about 250 employees. We also exhibited at the Tokyo Rainbow Pride 2018 LGBT event, showcasing our initiatives for LGBT and diversity in general to visitors to the event.

Awarded PRIDE Index Gold Rating
Developed by “work with Pride,” a voluntary organization in Japan, PRIDE Index is an indicator for rating workplace initiatives for sexual minorities, including LGBT. In October 2018, Mitsubishi Motors was awarded the highest “gold” rating. We will continue to create workplace environments that are friendly for all employees.
Employees

Human Resource Development

Policies

This educational system is supported by three pillars: the Three Principles, a statement of the Mitsubishi Group’s management principles; our Corporate Vision and Mission; and the MMC WAY, guidelines for daily behavior. We have clarified the abilities and skills necessary to put these principles or behavior into practice. We also specified the ideal model for each job classification and introduced respective curricula based on both. Employees also discuss their personal vision for the future during annual interviews with their superiors. Sharing such visions between superiors and subordinates leads to achievement of human resource development with deeper understanding.

Education Pillars of Mitsubishi Motors

Three Principles

Corporate Vision and Mission

MMC WAY

MMC Companywide Education

(1) Ideal to be pursued

- Required human resource model
- Ability requirements
- Criteria for ability development (dimensions)

(2) Training (off-the-job-training)

- Introduction of selective reinforcement training
- Awareness-raising for MMC WAY (some training)
- Enhancement of objective ability assessment (Quality Gates assessment)

(3) Human resource development (HRD) systems

- Introduction of PDCA cycle for HRD
- Revitalization of HRD communication
- Promotion of awareness/development based on results of assessment

(4) Practical training (on-the-job training)

- Performance evaluation / feedback interview
- Check of preferred career / stocktaking of skills
- Provision of development experience/opportunities based on results of assessment
Employees

Human Resource Development

Management Organization

Based on the education pillars, sections in charge of education within the Human Resources Division have put in place a training program for the systematic development of human resources, from entry-level employees to general managers.

In addition to training curricula tailored to employee job classifications, various other training programs for employees have also been mapped out, including e-learning training for all employees and selective training that allows employees to select the programs they want to participate in.

**Targets and Results**

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Ideal Image</th>
<th>Indicator</th>
<th>FY2018 Results</th>
<th>FY2019 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion of human resource development program</td>
<td>Promote development of human resources who practice the MMC WAY</td>
<td>Education program</td>
<td>Strengthened outside training open to all employees</td>
<td>Introduction of reinforcement training for middle management</td>
</tr>
</tbody>
</table>

**Organizational Framework of Mitsubishi Motors’ Human Resource Development**

<table>
<thead>
<tr>
<th>Job Classification (required human resource model)</th>
<th>Training for each job rank</th>
<th>Training across all job ranks</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>General managers (M1) (innovation leader)</td>
<td>Training for newly-promoted M1</td>
<td>Selective reinforcement training for promotion</td>
<td>Mindset/Skills</td>
</tr>
<tr>
<td>Section managers (M2) (management professional)</td>
<td>Leadership training for organizational transformation</td>
<td>Training for M2 candidates (assessment)</td>
<td></td>
</tr>
<tr>
<td>Assistant Manager (a leader of practical work)</td>
<td>Training for newly-promoted Assistant Manager</td>
<td>Training for M2 candidates (preparatory training for assessment)</td>
<td></td>
</tr>
<tr>
<td>Main Staff (a key player in the execution of work)</td>
<td>Training for newly-promoted Main Staff</td>
<td>Training for M2 candidates (assessment)</td>
<td></td>
</tr>
<tr>
<td>Staff (a professional in the operational work)</td>
<td>Third year training*1</td>
<td>Second year training</td>
<td></td>
</tr>
<tr>
<td>Clerical Staff (efficiently carries out operations)</td>
<td>Third year training*1</td>
<td>Second year training</td>
<td></td>
</tr>
</tbody>
</table>

*1 Mid-career employees undergo fundamental business skills follow-up training corresponding to third year training.
*2, 3 To be conducted within third year training and entry-level employee training program, respectively.
*4 OCD: Overseas Career Development
Human Resource Development

**Initiatives**

**Training and Education**

**Strengthening of Middle Management**

The role of middle managers acting as a bridge between management and the work floor is becoming increasingly important for responding to environmental change and enhancing organizational capability. Mitsubishi Motors has a training program for the systematic development of human resources from entry-level employees to general managers, and is particularly focused on enhancing programs that strengthen middle management.

Specifically, in the training for section manager (M2) and general manager (M1) candidates, which is designed to improve management capability, opportunities are provided for them to learn the skills and abilities required at each level for identifying and resolving issues, and to also learn about characteristics of their own thinking and behavior, as well as points for improvement, through feedback provided by external assessors.

**Fostering Global-Minded Human Resources**

In line with increases in both overseas production and sales volumes, Mitsubishi Motors is placing emphasis on developing human resources who are capable of adopting a global perspective and performing in the global business field.

English language skills are essential when working with people outside Japan, so we offer employees training designed to systematically improve their English skills, including beginner and intermediate courses aimed at improving basic skills. We also offer local language courses for employees who will be stationed in non-English-speaking countries.

In addition to language training, we run a program in which younger employees are dispatched to non-English-speaking emerging countries for three years (one year of language training + two years of work experience at a local affiliate). Plans are also in place for training programs at overseas subsidiaries.

**Supporting Lifelong Education**

In keeping with the Revised Act for Stabilization of Employment of Older Persons, Mitsubishi Motors is encouraging the reemployment of retirees aged 60 and over to steadily hand down the techniques, knowledge and experience of skilled workers.

We are also working to support the lifelong career development of our employees. For instance, we regularly hold Good Life Seminars, a joint undertaking with the labor union geared toward employees aged 50 and over, where we give post-retirement life planning advice.

**Fiscal 2018 Seminars for Future Good Life**

<table>
<thead>
<tr>
<th>Number of seminars</th>
<th>4 in total across the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of participants</td>
<td>109</td>
</tr>
</tbody>
</table>

**Career formation and evaluation**

**Personnel System**

Regarding career formation, we have put in place a system which enables employees to proactively set their own goals based on their achievements, capabilities, and life plans, while elevating their capacity to achieve these goals. As a specific career development method, employees participate in interviews with their superiors every year. The interviews are held based on their Career Development Plans in which employees describe a future career course they hope to take and their medium- to long-term career design by reflecting on their past career. The aim of this process is to have employees build an objective picture of their challenges and then proceed along a career path they have formed for themselves with conviction and a high degree of motivation.

In the personnel system for section managers and general managers, we have introduced “Commitment & Target” and “Assessment of MMC WAY Embodiment” as tools for enhancing management in order to revitalize the organization. In doing so, we aim to: (1) Share organizational objectives and foster a sense of responsibility for achieving these objectives, (2) Enhance incentives for achieving objectives, (3) Enforce mindset and behavior expected from employees, and (4) Make appointments and promotions according to merit.

We have also introduced "Commitment & Target" and "Assessment of MMC WAY Embodiment" into the personnel system for non-management personnel, with an aim of: (1) Sharing organizational objectives and instilling a sense of responsibility for achieving them, (2) Raising transparency and employee approval of evaluations and employee treatment, and (3) Promoting the establishment of shared values.
Employees

Human Resource Development

Evaluation Standards: MMC WAY
We have created six, simple keywords that capture the minimum necessary preparation and behavior required as Mitsubishi Motors employees.

MMC WAY

<table>
<thead>
<tr>
<th>Mindset</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-functional</td>
<td>Commit</td>
</tr>
<tr>
<td>Work beyond organizational</td>
<td>Achieve quantifiable goals</td>
</tr>
<tr>
<td>boundaries</td>
<td></td>
</tr>
<tr>
<td>Transparent</td>
<td>Challenge</td>
</tr>
<tr>
<td>Candid and accountable</td>
<td>Take proactive action for value</td>
</tr>
<tr>
<td></td>
<td>creation</td>
</tr>
<tr>
<td>Look outward</td>
<td>Perform</td>
</tr>
<tr>
<td>Go out and learn</td>
<td>Results with sense of speed</td>
</tr>
</tbody>
</table>

Fair Compensation System
Mitsubishi Motors introduced a remuneration system that allows for appropriate compensation based on the roles, degree of contribution, and weight of the roles and responsibilities of each employee. We provide the system to enhance each employee’s career and motivation. In conjunction with raises given annually based on individual performance, raises are also given according to advances in career.

We comply with local laws and regulations regarding wage levels and set wage levels according to job classifications, taking into consideration industry levels. There are no discrepancies in wages based on race, nationality, sex, or other such reasons.

DATA (P.90): Wage levels

Evaluation Process (Non-Managerial Employees)
In May, employees are provided feedback on the results of their evaluation score for the prior year and set their objectives for the current year.

Supervisors routinely observe the behavior of employees to assess their embodiment of MMC Way. As for evaluations based on Commitment & Target, objectives are finalized by July by the employee together with his or her supervisor, followed by an interim interview in October or November. Employees conduct self-evaluations in March of the following year, after which a final evaluation is conducted in April to finalize the annual evaluation.
Employees

Occupational Health and Safety

Policies

 Ensuring the health and safety of employees is the foundation of corporate activities. Mitsubishi Motors has established a Health and Safety Management Policy, and is continually taking related measures.

Basic Policy

1. We will undertake companywide activities with emphasis on each process of the PDCA cycle to eliminate workplace risks and hazards with safety taking priority over all else. Within each activity, confirmation, follow-up, and improvement will be carried out successively and continuously.

2. Workplace supervisors from senior management down will implement comprehensive health and safety management measures under their own responsibility with an awareness that ensuring health and safety is the foundation of management. They will strive to create a workplace culture of discipline with consideration for others and a strict attitude of not engaging in, not allowing others to engage in, and not overlooking unsafe conduct. All workplace supervisors will also work to create a workplace culture that fosters open communication where subordinate personnel feel that they can say anything through honest dialogue at any time and to raise awareness of health and safety.

3. Each employee shall observe basic rules and conduct guidelines relating to safety to protect their own safety and endeavor to create healthy workplaces with no accidents by conducting on health and safety activities in cooperation with all Mitsubishi Motors personnel with a strong commitment to complying with decisions that they have made and decisions that have been made by others.

4. Companywide efforts shall be made to create clean and comfortable work environments, prevent disease, and promote the health and physical well-being of each employee.

5. Health and safety management shall be implemented in accordance with the Mitsubishi Motors Health and Safety Management System.

Management Organization

The Central Production Committee comprises the lead officer, heads of production sites, and labor union representatives, and meets once a year to assess the status of measures taken over the year for such issues as occupational safety, traffic safety, natural disaster preparedness and health management. The committee also sets quantitative targets for health and safety in the coming year, determines priority measures, and takes action to achieve the targets.

Targets and Results

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Ideal image</th>
<th>Indicator</th>
<th>FY2018 Results</th>
<th>FY2019 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation of safe workplaces</td>
<td>Realize safe and secure workplaces</td>
<td>Overall accident rate*</td>
<td>0.41</td>
<td>Ongoing measures for the creation of safe workplaces</td>
</tr>
</tbody>
</table>

* Number of accidents with or without loss of workdays per 1 million working hours

Initiatives

Initiatives to Ensure Workplace Safety

Mitsubishi Motors works to create safe and secure workplaces where all employees can dedicate themselves to their work with a feeling of reassurance. In particular, we strive to prevent accidents in production sites, which account for around 80% of workplace accidents. In order to prevent these, we identify unsafe conditions or employee behaviors in all work situations and make improvements. Additionally, we create safe workplaces by carrying out mutual safety checks at production sites by senior officials and workplace supervisors to identify commonly overlooked hazards. Other measures include adopting improvement proposals and requests raised by employees. We also established “safety training schools” at each business site to raise hazard awareness and conduct hands-on hazard training so that all employees can experience hazardous situations firsthand.

In fiscal 2018, there were four workplace accidents involving the loss of one or more workdays, up one from fiscal 2017. There were no fatal accidents. The main causes of these accidents were insufficient safety checks by workers and overlooked unsafe conditions. In fiscal 2019, as well as providing hazard prediction training, we are taking synchronized, company-wide, in-depth efforts for workplace safety, such as by ensuring the prevention of similar accidents and carrying out thorough pre-work safety checks.

As for assessing our compliance with safety-related laws and regulations, we use checklists to conduct self-checks of each workplace and to conduct reciprocal checks.
Employees

Occupational Health and Safety

on other workplaces to ensure thorough compliance. Following on from Mitsubishi Motors Thailand (MMTh) in fiscal 2017, a compliance assessment was conducted for Mitsubishi Motors Philippines Corporation (MMPC) in fiscal 2018. Going forward, we will expand these assessments to other locations.

With the aim of strengthening our health and safety management structure and further raising the level of management, we also plan to rebuild the company-wide health and safety management system, and to acquire ISO 45001 by fiscal 2022.

Mental and Physical Health Initiatives

For the purpose of maintaining and improving the mental and physical health of our employees, Mitsubishi Motors prioritizes two key measures: guidance on preventing lifestyle-related diseases and measures for maintaining good mental health.

Given that mental health issues account for more than half of absences due to illness, and that such absences have been increasing since fiscal 2016, we have positioned mental health measures as a company-wide priority issue and have introduced an outside Employee Assistance Program* (EAP), a type of mental health program.

The number of employees who were absent from work due to the onset of mental health issues increased by 16% in fiscal 2018 compared to the previous fiscal year. Given that work-related concerns account for approximately 80% of all cases, we have placed priority on prevention with the aim of providing care for individuals, encouraging care of subordinates by superiors, and improving workplace environments. We have compiled 13 priority measures along with company-wide health and safety management into the Mitsubishi Motors Mental Health Promotion Plan, which we announced as part of the Top Message as we strive to revitalize our efforts.

We arrange face-to-face sessions with industrial physicians or counselors for employees determined to be experiencing high levels of stress based on the results of annual stress checks. Following an appeal for employees to actively attend sessions with industrial physicians, explaining the purpose of the sessions and about how confidentiality is assured, the number of employees wishing to attend these sessions increased by about 70% compared to the previous fiscal year. We also assess stress levels at each workplace, conduct training to improve workplace communications, and conduct a program delivered by outside counselors to improve workplace environments. In fiscal 2018, 54 workplaces accessed this program in an effort to make improvements.

We are creating environments where employees feel comfortable consulting about their concerns with consultation desks for individuals. We have established consultation desks with counselors, attorneys, tax accountants, and other professionals and made them available not only to employees, but also to their family members.

Labor-Management Relations

Mitsubishi Motors supports the basic principles of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the United Nations Global Compact, and guarantees fundamental labor rights to employees. Our labor agreement stipulates that the labor union has the three rights of labor (the right to organize, the right to collective bargaining, and the right to collective action).

As of April 2019, our labor union had 12,655 members (excluding reemployed senior staff), accounting for 99% of general employees excluding officers and management.

Status of Labor-Management Communications

The labor-management council is regularly held along with collective bargaining as an opportunity for labor management discussions. These discussions aim to share information about issues such as working conditions and the working environment, and labor and management then work together to solve these issues.

In fiscal 2018, 50 discussions were held between the Company headquarters and union headquarters, and many discussions were also held between offices and union branches in each business site.

For important topics such as major changes in working conditions, we organize a labor-management expert committee and make decisions after careful consideration and discussions and management.

We are also working to build good relationships with labor unions at overseas affiliates in accordance with the labor laws and regulations of each country.

* An employee support program that seeks to improve individual and workplace health by implementing organizational mental health measures, offering health consultations on individual physical or mental health issues, and addressing compliance and other issues.
### Human Resource-Related Data

#### Number of Employees

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>13,222</td>
<td>13,693</td>
<td>14,171</td>
</tr>
<tr>
<td>(non-consolidated)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>11,932</td>
<td>12,336</td>
<td>12,695</td>
</tr>
<tr>
<td>Female</td>
<td>1,290</td>
<td>1,357</td>
<td>1,476</td>
</tr>
<tr>
<td>Number of employees</td>
<td>29,604</td>
<td>30,507</td>
<td>31,314</td>
</tr>
<tr>
<td>(consolidated)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>28,220</td>
<td>29,729</td>
<td>30,625</td>
</tr>
<tr>
<td>Female</td>
<td>1,384</td>
<td>1,778</td>
<td>1,689</td>
</tr>
<tr>
<td>Number of temporary</td>
<td>5,892</td>
<td>7,122</td>
<td>8,682</td>
</tr>
<tr>
<td>workers (consolidated)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Employee Makeup (non-consolidated)

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>41.1</td>
<td>41.9</td>
<td>41.6</td>
</tr>
<tr>
<td>Female</td>
<td>38.3</td>
<td>39.2</td>
<td>38.5</td>
</tr>
<tr>
<td>Average years of service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>16.7</td>
<td>16.7</td>
<td>16.7</td>
</tr>
<tr>
<td>Female</td>
<td>12.3</td>
<td>12.8</td>
<td>12.4</td>
</tr>
<tr>
<td>Number of employees who have left the company (total)</td>
<td>665</td>
<td>539</td>
<td>533</td>
</tr>
<tr>
<td>Retirement</td>
<td>221</td>
<td>248</td>
<td>272</td>
</tr>
<tr>
<td>Voluntary retirement</td>
<td>421</td>
<td>249</td>
<td>240</td>
</tr>
<tr>
<td>Involuntary retirement</td>
<td>8</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Work transfer, other</td>
<td>15</td>
<td>40</td>
<td>14</td>
</tr>
</tbody>
</table>

#### Number of New Graduates Hired

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>298</td>
<td>220</td>
<td>314</td>
</tr>
<tr>
<td>Female</td>
<td>40</td>
<td>31</td>
<td>54</td>
</tr>
<tr>
<td>University graduate/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master’s degree or</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>above</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>196</td>
<td>133</td>
<td>226</td>
</tr>
<tr>
<td>Female</td>
<td>34</td>
<td>27</td>
<td>47</td>
</tr>
<tr>
<td>Junior college/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vocational school</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>graduates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Female</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>High school graduates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>/other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>100</td>
<td>86</td>
<td>83</td>
</tr>
<tr>
<td>Female</td>
<td>6</td>
<td>4</td>
<td>7</td>
</tr>
</tbody>
</table>

#### Status of Female Management Promotions

<table>
<thead>
<tr>
<th></th>
<th>As of July 2017</th>
<th>As of July 2018</th>
<th>As of July 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of female</td>
<td>Persons</td>
<td>Ratio</td>
<td>Persons</td>
</tr>
<tr>
<td>managers*1</td>
<td>49</td>
<td>2.9%</td>
<td>68</td>
</tr>
<tr>
<td>General manager or</td>
<td>Persons</td>
<td>Ratio</td>
<td>Persons</td>
</tr>
<tr>
<td>above</td>
<td>6</td>
<td>3.5%</td>
<td>13</td>
</tr>
<tr>
<td>Number of female</td>
<td>Persons</td>
<td>Ratio</td>
<td>Persons</td>
</tr>
<tr>
<td>executives*2</td>
<td>2</td>
<td>5.1%</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Ratio</td>
<td>7.7%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

*1 Excludes employees dispatched to other companies.
*2 Number of female executives includes outside directors.

#### Working Hours and Ratio of Paid Leave Taken

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total working hours</td>
<td>2,092.9 hours</td>
<td>2,115.5 hours</td>
<td>2,131.2 hours</td>
</tr>
<tr>
<td>per person/year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overtime worked per</td>
<td>328.3 hours</td>
<td>329.5 hours</td>
<td>372.3 hours</td>
</tr>
<tr>
<td>person</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratio of annual paid</td>
<td>81.6%</td>
<td>82.6%</td>
<td>86.6%</td>
</tr>
<tr>
<td>leave taken</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Employees

Human Resource-Related Data

### Number of Persons Taking Childcare Leave and Retention of Returnees

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of persons taking childcare leave</td>
<td>Total</td>
<td>86</td>
<td>127</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>83</td>
<td>121</td>
</tr>
<tr>
<td>Retention rate of returnees*</td>
<td>91.9%</td>
<td>92.3%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* : Total number of employees still employed 12 months after returning to work from childcare leave / Total number of employees whose childcare leave ended during the previous reporting period \( \times 100 \)

### Major Programs to Promote Work-Life Balance

#### Childcare
- Pregnancy leave: 0 / 9 / 9
- Maternity leave: 0 / 65 / 65
- Childcare leave: 10 / 121 / 131
- Child nursing leave: 279 / 190 / 469
- Reduced working hours for childcare: 5 / 178 / 183

#### Nursing care
- Nursing care leave: 2 / 0 / 2
- Short-term nursing care leave: 185 / 56 / 241
- Reduced working hours for nursing care: 3 / 6 / 9

#### Miscellaneous
- Life plan leave: 119 / 34 / 155
- Accumulation of unused paid leave: 577 / 55 / 632
- Flextime system (including managerial employees)*: 6,762 / 1,040 / 7,802
- Telecommuting system: 260 / 203 / 463
- Reemployment system: 0 / 4 / 4
- Accompanying leave: 0 / 9 / 9

*With regard to the flextime system, the number of employees eligible to use the system (as of April 2019)

### Fiscal 2018 Training Results

- Number of employees who took courses during the year (total): 20,350 employees
- Total number of hours attended: 186,147 hours
- Number of course hours/days per employee: 13.1 hours / 1.7 days
- Training expenses per employee: ¥34,509

### Wage Levels

#### Starting pay
- High school graduate Administrative and Engineering staff: ¥165,000
- High school graduate Manufacturing Worker: ¥171,000
- Technical college graduate: ¥184,700
- Junior college graduate: ¥169,500
- University graduate: ¥208,500
- Master’s degree: ¥230,500
- Doctor of Philosophy: ¥264,500

Average salary of all employees (annual): ¥7,618,000
Percentage of women’s salaries to men’s salaries (annual salary): 78%

### Accident Rate (Accident Frequency)

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall accident rate*1</td>
<td>0.54</td>
<td>0.60</td>
<td>0.41</td>
</tr>
<tr>
<td>Accident rate with loss of workdays*2</td>
<td>0.06</td>
<td>0.09</td>
<td>0.10</td>
</tr>
</tbody>
</table>

*1 Number of accidents with or without loss of workdays per 1 million working hours
*2 Number of accidents with loss of workdays per 1 million working hours

### Employment of People with Disabilities

- Number of disabled persons hired: 209 / 207 / 218 / 221 / 216
- Employment rate (%) 2015: 2.09, 2016: 2.07, 2017: 2.18, 2018: 2.21, 2019: 2.16

* In accordance with the Act for Promotion of Employment of Persons with Disabilities, one severely disabled person is recognized as two people

### Employee Shareholding Association

As of March 2019
- Number of members of the employee shareholding association: 1,260
- Membership rate: 8.3%
- Shares owned: 1,716,971
Human Rights

Basic Approach and Policies

Approach/Policy to Human Rights

Based on the idea that respect for human rights is the foundation of our business activities, in May 2019, Mitsubishi Motors announced its support for the United Nations Global Compact (UNGC) in which the United Nations advocates the ten principles in the four categories of human rights, labor, environment, and anti-corruption. As a participating company, we support and respect international standards and norms such as “the International Bill of Human Rights,” “the ILO’s Declaration on Fundamental Principles and Rights at Work,” and “the United Nations Guiding Principles on Business and Human Rights.” Based on the 10 principles of the UNGC, we will continue our activities toward the realization of the sustainable growth of society.

As a global company, Mitsubishi Motors believes that respect for human rights and anti-corruption initiatives are very important.

Based on that idea, in order to further specify initiatives for the respect of human rights and anti-corruption, in May 2019, a partial revision was made to the MITSUBISHI MOTORS Global Code of Conduct.

“Respect Human Rights and Diversity, Provide Equal Opportunity” in the Global Code of Conduct specifies that discrimination, retaliation and harassment are not permitted in any form or to any extent, and that the diversity of suppliers, customers, executives, employees and local communities shall be respected in addition to respecting human rights.

In fiscal 2019, in the newly enacted Mitsubishi Motors “Human Rights Policy,” specific initiatives are defined, including support and respect for international standards and norms regarding human rights, matters for compliance, and the implementation of human rights risk evaluations and executive/employee training.

Human Rights Policy

Consideration for Human Rights in Work and Investment

As we believe that positive relationships based on mutual understanding between employees and everyone in the community are essential to the sustainability of our business, when establishing business sites or related facilities, we give consideration to the cultural values of the country and region including customs and religions.

Prohibiting Discrimination

In our Human Rights Policy, executives and employees are required to respect diversity and to create equal opportunities with no allowance for unfair discrimination or harassment on bases such as race, skin color, nationality, ethnicity, family origin, sex, sexual orientation, gender identity, age, disability, language or religion.

Also, we emphasize the importance of diversity in our training programs, and we encourage our employees to work together with respect for diverse values.

Management Systems

Framework of Human Rights Enlightenment

We offer human rights awareness training companywide headed by the executive in charge of human resources. Personnel in charge of education stationed at our business sites are working to raise human rights awareness among employees by conducting lectures using shared educational materials. We also participated in events held by the Industrial Federation for Human Rights, Tokyo, of which we have been a member for some time, and the Mitsubishi Human Rights Enlightenment Committee and attended conferences, research meetings, and so on held by other external organizations, gathered information, and took measures to improve understanding (approx. 100 days in fiscal 2018). The insights gained from these opportunities have been reflected in internal training and other purposes.

Human Rights Compliance in the Value Chain

Not only do we carry out initiatives with consideration for human rights internally but also we place great importance on initiatives that give consideration to human rights among suppliers by specifying matters of respect for human rights in the Supplier CSR Guidelines, including the complete elimination of discrimination and the prohibition of child labor and forced labor. In February 2019, in order to clarify the items required of suppliers, a new chapter entitled “Our Call to Suppliers” was added to the guidelines. Also, we confirm that suppliers agree to consider human rights by receiving “SUPPLIER COMMITMENT.” At sales companies, we carry out initiatives to provide a work environment with consideration for the health and safety of employees and we prohibit acts that infringe on human rights.
Human Rights

Management Systems

Establishment of Consultation Offices regarding Human Rights

In order to make timely responses in cases where a human rights related issue occurs within the company, we have established internal and external consultation offices (helplines) for whistle blowing and consultation for employees. Also, having established a Business Partner Helpline for suppliers, and a Customer Contact Center as a consultation office for customers, we are receiving reports and request of consultations regarding human rights issues. Confidentiality and user anonymity is guaranteed at all of these consultation offices.

Establishment of Internal and External Consultation Offices (Helplines) P.107
For further information regarding the Business Partner Helpline, please go to P.94.
For further information regarding the Customer Contact Center, please go to P.72

Initiatives

Human Rights Education and Training

Human Rights Education Programs

In order to encourage all employees to cultivate their respect for human rights, Mitsubishi Motors is offering courses that deepen understanding toward human rights within its training programs tailored to each job rank, beginning with entry-level employee training. In fiscal 2018, we conducted a total of 620 hours of human rights training for 654 employees including entry-level employees, mid-career employees, and newly promoted managers (general managers/managers). Details of the training are described below.

In addition to training, we also regularly distribute information on human rights related topics to all divisions within the company with the aim of raising awareness of human rights.

Continuing from fiscal 2018, with regard to LGBT issues, a topic that is attracting societal interest, we conducted educational seminars mainly for personnel responsible for human rights in each division. In the future, we plan to enhance the content and increase the frequency of these seminars.

<table>
<thead>
<tr>
<th>Training Programs by Type</th>
<th>Number of Participants</th>
<th>Attendance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry-level employee training</td>
<td>291</td>
<td>100%</td>
</tr>
<tr>
<td>Mid-career employee training</td>
<td>206</td>
<td>100%</td>
</tr>
<tr>
<td>Newly promoted manager training</td>
<td>157</td>
<td>100%</td>
</tr>
<tr>
<td>Seminars to raise understanding of LGBT issues</td>
<td>249</td>
<td>— *</td>
</tr>
</tbody>
</table>

* Attendance ratio not disclosed for voluntary attendance

Participation in the United Nations Global Compact

In May 2019, Mitsubishi Motors announced its support for the United Nations Global Compact (UNGC) that provides the universal principle regarding human rights, labor, the environment and anti-corruption advocated by the United Nations. The UNGC are voluntary behavioural principles for companies that were proposed by former UN Secretary-General Kofi Annan at the 1999 World Economic Forum (Davos Conference).

Based on the 10 principles of the UNGC, we will continue our activities toward the realization of the sustainable growth of society.
Deploying Supply Chain Sustainability Initiatives (Social)

Basic Approach and Policies

With approximately 800 parts supplier companies, Mitsubishi Motors and its main production bases concentrated in the ASEAN region recognize the magnitude of their influence, including on tier 2 and subsequent suppliers. As such, we are strengthening collaboration with our suppliers to maintain and increase sustainable competitiveness across the entire supply chain. We promote industry-leading quality, cost competitiveness, and localization. We work as one with our suppliers to contribute to society on a foundation of shared Supplier CSR Guidelines.

Part Procurement Ratios by Region (FY2018)

- **China**: 7%
- **Japan**: 59%
- **ASEAN**: 33%
- **Other**: 1%

Supplier CSR Guidelines

Aiming for collaborative initiatives with suppliers, Mitsubishi Motors formulated its Supplier CSR Guidelines in 2010. Through these guidelines, we promote collaborative activities with our suppliers from the same point of view. The scope of these activities covers all domestic suppliers and their quality, while also including labor practices, environment management, and compliance. Also, having reestablished these guidelines in February 2019, we have specified the implementation of supplier CSR initiative evaluations by third party agencies and measures to be taken when compliance violations are discovered. We have also received statements of agreement regarding compliance with the guidelines from suppliers.

Green Procurement Guidelines

Mitsubishi Motors formulated its Green Procurement Guidelines in 2012 to ensure that its procurement and manufacturing have minimal impact on the environment and to promote green procurement alongside suppliers. These guidelines request that suppliers manage environmentally hazardous substances and promote the three R’s (reduce, reuse, and recycle). In addition, we clearly state in the Parts Purchase Agreement signed with our suppliers that they are requested to comply with our Green Procurement Guidelines. Our Supplier CSR Guidelines and Green Procurement Guidelines are posted on our portal site for suppliers, which suppliers have ready access to.

Policies and Initiatives for Conflict Minerals

The “conflict minerals” (tin, tantalum, tungsten, and gold) produced in the Democratic Republic of the Congo and neighboring countries have become a source of funding for armed groups, resulting in serious violations of human rights. In order to ensure that it is not complicit in human rights abuses through the procurement of these conflict minerals, our Supplier CSR Guidelines clearly state our policy of not using conflict minerals as raw materials, and we promote responsible procurement.
Deploying Supply Chain Sustainability Initiatives (Social)

Management Organization

Supply Chain Management Organization

In April 2018, Mitsubishi Motors, Renault and Nissan established the APO (Alliance Purchasing Organization), a joint purchasing organization that integrates the three companies’ purchasing functions. This organization carries out its activities with the three shared pillars of trust, respect, and transparency as its basic principles. The organization selects business partners using uniform process and evaluation standards, provides numerous suppliers with opportunities for participation, and operates fairly.

Establishing a Business Partner Helpline

As part of our efforts to adhere to the METI guidelines, we have established a Business Partner Helpline for the suppliers of our procurement division. The helpline receives opinions and comments from business partners, quickly identifies compliance issues or concerns, such as legal or regulatory infractions or unfair practices in our procurement activities, and promptly rectifies them, striving to achieve even fairer business transactions.

FY2018 Results and Targets for FY2019

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Ideal Image</th>
<th>Indicator</th>
<th>FY2018 Results</th>
<th>FY2019 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinforcement of CSR in Supply Chain</td>
<td>We promote healthy supply chain management by ensuring full consideration is given to the environment, labor and human rights in the supply chain</td>
<td>• Promoting the purpose of Supplier CSR Guidelines • Recommendation of third party supplier CSR evaluations</td>
<td>• Updating Supplier CSR Guidelines and providing supplier briefing sessions • Explaining the aims of third party evaluations to suppliers</td>
<td>• Expansion of Supplier CSR Guidelines to Mitsubishi Motors overseas production bases • Support for implementation of third party supplier CSR evaluations</td>
</tr>
</tbody>
</table>
Deploying Supply Chain Sustainability Initiatives (Social)

Initiatives

Promoting Supply Chain Management

Sharing of Supplier CSR Guidelines
At Mitsubishi Motors, the Supplier CSR Guidelines were reestablished in February 2019, and we have received statements of agreement regarding compliance with the guidelines from suppliers.
In the future, we will expand these guidelines to suppliers from work locations in Thailand, Indonesia and the Philippines taking into consideration the situation in each region based on these guidelines.

Supply Chain Auditing
In order to mutually confirm and promote CSR activities with suppliers, we will request statements of agreement for the Supplier CSR Guidelines, and, as an APO, regarding the evaluation of supplier CSR activities, we will start to use the same third party evaluations as Renault-Nissan. We regularly conduct quality audits and quality self-check guidance with our suppliers to improve quality along the entire supply chain.
In fiscal 2018, we conducted process audits at 89 suppliers and 115 plants. Improvements to issues pointed out during these audits were generally implemented in three months or less. Quality self-checks were also conducted at 352 supplier plants. We will continue to improve communication and quality across the supply chain through these activities.
Audits, etc. also provide guidance regarding the creation of systems for rapidly tracing the sources of defects found in parts manufactured by suppliers, who used this information to improve their systems.

Ensuring Knowledge of the Guidelines within the Company
As part of managing the Supplier CSR Guidelines, we take efforts to ensure that the guidelines are well-known within the company. As part of Mitsubishi Motors procurement training, we conduct training for new employees (both entry-level employees and new midcareer employees), as well as training when employees are transferred. In fiscal 2018, briefings were held when the guidelines were reestablished in February 2019.

Communicating with Suppliers
Providing suppliers with appropriate information and two-way communication is essential for proper supply chain management. At the end of every fiscal year, Mitsubishi Motors holds Suppliers Meeting to make our policy for the next fiscal year well-known. In Japan, we help the Mitsubishi Motors Cooperation Council, a voluntary organization of around 200 supplier companies, hold lectures and conduct research activities each year.

Promotion of Localization
Mitsubishi Motors has a basic policy of procurement from local business partners whenever possible when local procurement is effective and technologically feasible, excluding cases in which local parts manufacturing is difficult, with the aim of maximizing local procurement rates at overseas bases.
For parts which are already locally procured, we also promote the local procurement of the components used within these parts, etc., to optimize costs.
We conduct advance audits of the systems and structures of new business partners, evaluating items such as their development capabilities, production capabilities, and quality management capabilities and issuing improvement instructions if necessary. We also provide support to local business partners by serving as a go-between with Japanese business partners moving into their regions, joint ventures with local business partners, technical partnerships, and the like. We strive to contribute to local regions by creating local jobs and improving local technical capabilities.
Deploying Supply Chain Sustainability Initiatives (Social)

Initiatives

Initiatives for Business Continuity Plans in the Supply Chain

To reduce the risk of suspended manufacturing operations due to a shortage of parts during a large-scale natural disaster, Mitsubishi Motorsformulates business continuity plans (BCPs) in the supply chain and takes measures that include finding alternative production for each supplier and part. In addition, we ask that our suppliers be registered in the damage status confirmation system, so that in the event of a natural disaster, the damage status of plants will be reported to us immediately.

We have created a special supplier map that enables us to better understand the status of damage and risk with regard to not only tier 1 but also tier 2 and subsequent suppliers.

Our parts suppliers have already formulated their BCPs. In fiscal 2018, so as to maintain and improve the effectiveness of BCP, we developed a Checklist and requested that suppliers conduct self-evaluation. In fiscal 2019, we plan to use the supplier self-evaluation results, to provide feedback on our evaluation of the Checklist to suppliers.
Social Contribution Activities

Policies

Social Contribution Activities Policy

Based on its corporate vision and mission, Mitsubishi Motors carries out its STEP social contribution activities, focused on four main themes: support for the next generation, traffic safety, environment preservation, and participation in local communities.

- **Support for the next generation**
  - Supporting the education of the next generation to create a prosperous future

- **Traffic safety**
  - Contributing to traffic safety education and the spread of safe driving to strive towards a zero-accident society

- **Environment preservation**
  - Contributing to the preservation of our precious global environment

- **Participation in local communities**
  - Contributing to the revitalization and development of regional communities

Initiatives

Mitsubishi Motors STEP Funds and Matching Gift Program

The Mitsubishi Motors STEP Funds, introduced in April 2009, is a structure through which employees can continuously participate in social contribution activities by voluntarily donating fixed sums to the funds. These funds are then used for support activities in developing countries and areas struck by the Great East Japan Earthquake, in line with the purposes of Mitsubishi Motors’ social contribution activities. The company also matches donations made by the Mitsubishi Motors STEP Funds.

Support Recipient

- World Vision Japan
- OISCA International (The Organization for Industrial, Spiritual and Cultural Advancement-International)
- The MICHINOKU Future Fund
- Kindergartens, Nursery schools, elementary schools, etc., near Mitsubishi Motors workplaces

Breakdown of Social Contribution Expenditures*1

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for the next generation</td>
<td>216</td>
<td>208</td>
<td>259</td>
</tr>
<tr>
<td>Traffic safety</td>
<td>6</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Environment preservation</td>
<td>47</td>
<td>137</td>
<td>236</td>
</tr>
<tr>
<td>Participation in local communities</td>
<td>35</td>
<td>83</td>
<td>74</td>
</tr>
<tr>
<td>Support for disaster-stricken areas</td>
<td>24</td>
<td>25</td>
<td>62</td>
</tr>
<tr>
<td>Other**</td>
<td>55</td>
<td>79</td>
<td>42</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>383</td>
<td>540</td>
<td>677</td>
</tr>
<tr>
<td>Social contribution expenditure as a ratio of ordinary income</td>
<td>0.94%</td>
<td>2.32%</td>
<td>1.05%</td>
</tr>
</tbody>
</table>

*1 Mitsubishi Motors’ expenditures on a non-consolidated basis, including donations as well as in-kind benefits, employee activities, and free use of company facilities converted into monetary equivalents. However, it does not include fund-raising and volunteer activities individually conducted by employees.

*2 Including support for sporting activities, donations to the Mitsubishi Foundation, etc.

Support for the Construction of New Elementary School Building

With cooperation from World Vision Japan, we have supported the construction of a new elementary school building for the Camayse Elementary School in Santa Rita City, Samar State in the Philippines. By means of the construction of the new school building, an improvement has been made in the situation where two grades of students had to study in the same classroom. Also, by means of this support, Mitsubishi Motors aims to make the local society and community as a whole more aware of the importance of child education and more proactively involved in school management.

Donation of traffic safety picture books

Mitsubishi Motors donates traffic safety picture books (a set of six books) to elementary schools, libraries, and other organizations located near worksites in Japan to teach children about traffic safety rules and manners in an easy to understand format. In fiscal 2018, 558 books were donated in 93 locations, and a total of 5,436 books have been donated in 906 locations since 2010.
Social Contribution Activities

Initiatives

**Support for the next generation**

**Hands-on Lessons Program**
Based on the idea of helping children to enjoy learning by experiencing the "real thing," every year since 2005, Mitsubishi Motors has dispatched employees to elementary schools where they conduct classes about the environment to teach students about the relationship between cars and environmental problems, and design classes where students learn about the fun that comes from making things and about working with cars. In fiscal 2018, 3,418 students attended these classes at 56 schools. Approximately 39,000 children have participated in these classes since 2005.

**Support for Vocational Training Schools in Indonesia**
Mitsubishi Motors Krama Yudha Indonesia (MMKI) began a support program for vocational training schools in 2017, the year in which it was established. In 2018, this program was implemented in 10 vocational training schools in West Java Province with a total of 1,044 students participating.

**Traffic Safety**

**Driving School**
Mitsubishi Motors offers a limited-participation driving school to learn driving tips as well as important information about cars and safety. The concept of this driving school is for both participants and staff to think and learn together while having an enjoyable time. 38 people participated in fiscal 2018, and a total of 155 people have participated since fiscal 2014. Also, we held a school in collaboration with the "Metropolitan Expressway Driving Course" implemented by Metropolitan Expressway Company Limited.

**Environment Preservation**

**Pajero Forest**
Mitsubishi Motors is collaborating with OISCA to preserve forests in Hayakawa-cho, Yamanashi Prefecture, while interacting with the local community through volunteer employee activities. These activities aim to protect metropolitan water sources and spread awareness of the environment among our employees. In fiscal 2018, under the direction of the Hayakawa-cho forest union, 60 volunteer employees and their family members trimmed undergrowth, while 104 new employees worked on thinning and maintaining sidewalks within the forest.

**Afforestation in the Philippines**
In March 2018, Mitsubishi Motors Philippines Corporation (MMPC) donated 2.6 million pesos to the DENR (Department of Environment and Natural Resources) for tree-planting projects. Not only does this contribute to the improvement of the local environment and the preservation of habitats for living things, but also it leads to the improved level of life for local residents by preparing agricultural land suited to high-added value crops.
In September 2018, a major M7.5 earthquake struck the center of Sulawesi island in Indonesia, which affected many residents. Our local vehicle production base, Mitsubishi Motors Krama Yudha Indonesia (MMKI), and Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) donated 1 billion Indonesia rupiah (approx. 8 million yen) as a contribution to the disaster-stricken area. Also, MMKI and MMKSI loaned two Mitsubishi Triton pickup trucks to the disaster area as rescue vehicles.

Immediately after the Great East Japan Earthquake, we carefully listened to the needs of the disaster-stricken areas, created a mechanism to support them through our business and in our employees’ daily lives, and have been continuously providing support under the theme of “Don’t Forget/Stay Connected.” Every effort is made to provide a wide range of support in response to emergency situations such as natural disasters. This includes contributions through donations, free loan of vehicles, and volunteer work by employees. In fiscal 2018, we assisted with travelling expenses to employees participating in volunteer activities and provided support materials to support disaster-stricken areas in the July 2018 Heavy Rain Disaster.

Support in Asia
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Sports Classes
With the objective of promoting sports in local areas, employees hold sports classes, including baseball, rugby and soccer, for elementary, junior and senior high school students in areas near domestic business sites. In fiscal 2018, these classes were held a total of 10 times with 669 people participating. Also, in Mabi-cho, Kurashiki City, which was struck by the heavy rains that hit west Japan in July 2018, a soccer event was held by players from Urawa Red Diamonds and Mitsubishi Mizushima FC.

Disaster Assistance
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Social Contribution Activities

Initiatives

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Main Support in Fiscal 2018

<table>
<thead>
<tr>
<th>Date</th>
<th>Disaster Assistance</th>
<th>Support Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2018</td>
<td>Donation of 16 million yen</td>
<td>Okayama Prefecture, Kyoto Prefecture, Shiga Prefecture, Gifu Prefecture, Kurashiki City, and Soja City</td>
</tr>
<tr>
<td></td>
<td>Provision of materials</td>
<td>Kurashiki City, Soja City</td>
</tr>
<tr>
<td>September 2018</td>
<td>Five million yen in donations</td>
<td>Hokkaido</td>
</tr>
<tr>
<td>October 2018</td>
<td>Eight million yen in donations</td>
<td>Sulawesi Island, Indonesia</td>
</tr>
<tr>
<td></td>
<td>Free loan of 19 vehicles</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Free loan of 16 vehicles</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Free loan of 2 vehicles</td>
<td></td>
</tr>
</tbody>
</table>