



We aim to provide people with mobility that offers better safety, peace of mind, and comfort, while exploring the potential for better convenience and efficiency, thereby creating a more prosperous and vibrant society.

Aiming to Provide Products and Technologies that Evoke Mitsubishi Motors-ness and Realize Our Vision

The automotive industry has experienced a series of technological innovations in recent years. In addition to moves toward electrification to counter global warming, we have seen the diversification of powertrains and the incorporation into vehicles of intelligence and the Internet of Things (IoT). Against the backdrop of this major transition and based on our vision, to “create a vibrant society by realizing the potential of mobility,” we are committed to providing all people with possible opportunities to go wherever they want, to see whatever they want, meet whomever they want, at any time, experience exciting adventures with confidence, and get home safely from any adventure.

The key to realizing this vision is to build long-term relationships of trust with our customers and enhance our brand value through products, technologies and services that are unique to Mitsubishi Motors. To make our brand value easier for customers to understand, we have redefined “Mitsubishi Motors-ness.” We now define Mitsubishi Motors-ness as “The provision to

customers of a fulfilling mobility life that awakens their adventurous spirit on the basis of reliability backed up by technology that achieves ‘Eco-friendly x Safety Technology, Peace of Mind and Comfort.’” We aim to strengthen the Mitsubishi Motors brand and pursue more value-added business by encouraging our customers to understand and empathize with this concept at every possible opportunity.

Responding to the Needs and Expectations of Society and Stakeholders through Corporate Activities Based on Our Material Issues

Furthermore, to achieve sustainable growth for Mitsubishi Motors, which is essential to the realization of our vision, in fiscal 2018 we identified priorities (material issues) to address from among various problems in the fields of the environment, society, and governance. We have taken a flexible approach to reviewing our materiality since then. By addressing materiality, we hope to meet the needs and expectations of society and our stakeholders.

To enhance effectiveness, we have assigned

responsibility for all 14 material items to executive officers and division general managers. In addition, the Sustainability Committee, which I chair, deliberates on targets for the materiality items that we have identified with respect to the environment, society, and governance, checks our progress, and implements a plan-do-check-act (PDCA) cycle.

Notably, in terms of “responding to climate change and energy issues,” in 2022 we stated our aim of achieving carbon neutrality throughout our supply chain by 2050. In 2023, we revised the targets serving as milestones along the path to achieving carbon neutrality by 2050 and updated the Environmental Vision 2050. Furthermore, in 2023 we revised our Environmental Targets 2030 as milestones in light of this aim. On the product front, we will take our own plug-in hybrid electric vehicles (PHEVs) and commercial electric vehicle in the Kei-car segment as a starting point. We will promote efforts to develop electrified vehicles and improve the fuel efficiency of internal combustion engine vehicles, and introduce optimal electrified vehicles at the appropriate timing, taking into consideration the energy situation and infrastructure development status in each country and region. In

our business activities, we will seek to minimize energy use and transition to renewable sources of energy to reduce CO₂ emissions.

On the other hand, recognizing that human capital is the source of sustainable growth, we will develop and secure the human resources necessary to realize our vision. Specifically, we will build a better place to work by introducing flexible working styles in consideration of childcare and family nursing care. We will expand mutual talent exchanges between Japan and overseas and global career development programs and launch digital reskilling programs to support DX. To secure and cultivate a diverse workforce, we will implement a flexible total rewards strategy and structure and develop vibrant workplaces in which employees appreciate the differences to fulfill their potential.

Making Steady Progress on Our Mid-Term Business Plan to Achieve Further Growth and Take on the Challenges of the Next Era

Under Challenge 2025, the mid-term business plan we launched in fiscal 2023, Mitsubishi Motors is taking a



new step toward realizing its vision. We are committed to innovation in our mobility business and to achieving carbon neutrality on a global scale. In addition, we are further accelerating our efforts toward sustainable growth by respecting human rights and establishing a work environment in which diverse human resources can play an active role.

Based on the resilient and agile business structure put in place through structural reforms enacted thus far, Mitsubishi Motors will expand its business in a manner suited to the unique characteristics of each region and country. We are working to establish a stable revenue base through ongoing improvement activities to increase profitability per unit. To achieve sustainable growth and tackle future challenges, we plan to steadily increase R&D and expenditures as we prepare for the next generation of innovation.

Fiscal 2023, the first year for Challenge 2025, was truly a turning point. The Company diverged significantly from past trends. For instance, we reviewed our regional portfolio in light of the situation in China and Russia, renewed the vehicle lineup including the introduction of new models from Alliance partners, revised

the product mix, and introduced Mitsubishi Motors' first hybrid electric vehicle (HEV). The success of the *Delica Mini* and the *TRITON*, which embody Mitsubishi Motors-ness, and the success of our hybrid model, the result of development over the past few years, generated a certain amount of revenue and provided a solid foundation for the next stage of growth.

Specifically, we steadily rolled out strategic vehicles for the ASEAN market: the all-new *TRITON* one-ton pickup truck; an all-new compact SUV, the *Xforce*; and hybrid models of crossover MPVs, the *XPANDER* and *XPANDER CROSS*.

On the sales front, per-unit sales increased due to our efforts to revise selling prices to boost profit per unit, and foreign exchange rates provided a tailwind. Looking at performance by region, profitability improved in Latin America, the Middle East, and Africa, where we can roll out products developed for the ASEAN market, and we achieved a shift toward value-oriented sales in North America. On the other hand, in response to rapid changes in the Chinese market we have fundamentally revised our strategy and reduced our local production of finished vehicles. We

had suspended assembly and production of finished vehicles in Russia in response to its military invasion of Ukraine, and we decided not to resume production. As an investment toward sustainable growth, we have decided to invest in Ampere, a new EV company established by the Renault Group. This move will step up the development of EVs in response to the growing trend toward electrification and strengthen cooperation with the Alliance. As the first step of this cooperation, in the European market we plan to receive EVs supplied by Ampere on an OEM basis.

Working to Rapidly Seize upon Moments of Rapid and Significant Change in the Automotive Industry and Turn Them into Opportunities

In the automotive industry, the presence of HEVs and PHEVs is increasing as demand for battery EVs temporarily levels off. In response to such rapid and significant changes, we are committed to providing sustainable mobility solutions to meet evolving needs. That said, we believe the overarching direction of change will

remain consistent, so in fiscal 2024 we will implement specific strategies for further growth in order to identify turning points and turn them into opportunities.

Through these efforts, we will continue to create value that exceeds the expectations of our customers, shareholders, and all other stakeholders, and establish our position of leadership for a sustainable future. We look forward to your continued support.

Takao Kato

Member of the Board
Representative Executive Officer, President & CEO
Mitsubishi Motors Corporation