

# Human Resources Management

## MMC WAY (Behavioral Guidelines)

mitsubishi motors believes that "Human Resources" are the key to achieving sustainable growth and enhancing corporate value, especially amid a rapidly changing business environment.

Accordingly, we established the "MMC WAY" as a common action guideline that is shared among the organization and all employees who work here, and serves as a "Foundation" on which to proceed. As five years had passed since its formulation, and Company's operating environment had changed during that time, so we thought it necessary to revise our action guidelines. For this reason, in FY2022, our president and top management team engaged in discussions to determine the ideal path for the Company, taking employee feedback into account. As a result, we have updated our behavioral guidelines, the "MMC WAY," which outline the principles that the Company values.

As a company and as individuals, we will share the new "MMC WAY," which embodies what is important in our lives, and work together as one to take on challenges as we work toward our goals.

The first two items in the new "MMC WAY" emphasize key values. They call on us to "think of our customers first" as the foundation for earning "society's trust" and to "contribute to the advancement of society" through our corporate activities. These items incorporate the message that every employee must remember our raison d'être: satisfying customers and contributing to society through corporate activities.

With the other three items, we have expressed

important elements in the previous "MMC WAY" more specifically and clearly.

The "MMC WAY," the behavioral guidelines that outline the principles that the Company values, is reflected in our personnel evaluation system. It introduces a multi-faceted competency evaluation based on three pillars: the "MMC WAY," "Human Resource Development and Organizational Management," and "Expertise." This aims to encourage proactive employee growth.

When rolling out the MMC Way, in FY2022 we began holding on-site workshops. In FY2023, specific examples of actions for each item were discussed in order to lead to actions based on this philosophy and to improve understanding.

### Results of Questionnaire Following On-Site Workshops on the MMC WAY

	Percentage of people responding "I understand the MMC WAY."
FY2022	91.3%
FY2023	95.2%

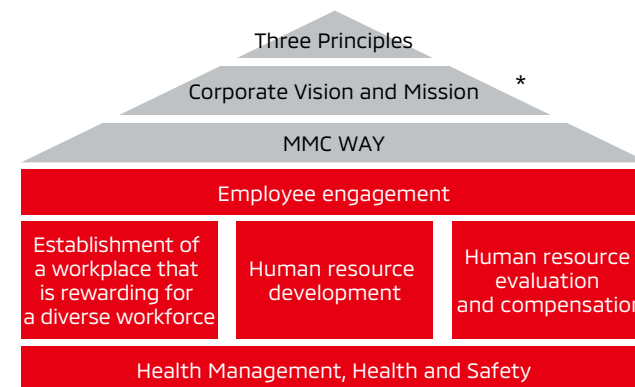
### MMC WAY

1. Think of Our Customers, Strengthen Trust
2. Enrich Society
3. Welcome All Facts, Share Difficult News First
4. Conduct and Challenge Yourself Professionally
5. Respect All, Work as a Broader Team

## Basic Framework

We are committed to human resource development that embodies the "MMC WAY," our behavioral guidelines that are in place to carry out our Vision and Mission. We recognize the importance of providing an environment in which each individual can work with a sense of fulfillment, fully utilize their abilities, remain engaged, and maintain good physical and mental health and vigor, and we are promoting a variety of initiatives to this end.

### Basic Framework



\* For details on the Three Principles, Vision, and Mission, please refer to P8.

### Establishment of a Workplace That Is Rewarding for a Diverse Workforce

To leverage diverse human resources to create value, we are creating a working environment that helps individuals maximize their capabilities. In this way, we aim to achieve increases both in work productivity and quality of life, helping to realize a better work-life balance. In parallel with the promotion of female employees, the utilization of senior human resources,

and the employment of people with disabilities, MITSUBISHI MOTORS is working to create a more comfortable workplace by promoting location-free work arrangements and a flexible work system that takes into consideration childcare and nursing care.

- Promoting diversity and inclusion, and enhancement of employee engagement: P68

### Human Resource Development

At MITSUBISHI MOTORS, education structure 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 put in place a training system that cultivates personnel in a systematic manner, from entry-level employees to general managers. We are working to enhance our educational programs in order to produce personnel who will grow through their work and become more active in the workplace. With the increase in overseas production and sales volume, we are focusing on efforts to develop human resources who can think and act from a global perspective, as well as implementing DX reskilling programs in line with the changing times. We are establishing "expertise," which refers to the specialized knowledge/skills and behavioral standards required in each organization, as one of our behavioral evaluation items. In addition, we will enhance educational measures in both on-the-job training and off-the-job training to promote the strengthening of expertise, and develop next-generation leaders.

- Stepping up Human Resource Development: P72

### Human Resource Evaluation and Compensation

We have introduced multifaceted competency (behavioral) evaluation systems for general managers and section managers, as well as for general employees, based on a performance achievement evaluation using a target management system, the "MMC WAY," "Human

Resource Development and Organizational Management," and "Expertise," respectively.

We have positioned these systems as management-enhancing tools aimed at general managers and section managers with the objective of revitalizing 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.

For non-management personnel, our aims are (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.

We introduced a remuneration system that allows for appropriate compensation based on the 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. 123): Wage levels

### Health Management, Health and Safety

The well-being of each and every employee is a driving force for enhancing corporate value and achieving sustainable growth. We regard the preservation and enhancement of employee health as one of its important management challenges. We have set forth "The

Health Declaration" below and established a system to work together as one company at domestic locations, promoting health management. In addition, we believe ensuring the health and safety of employees is the foundation of corporate activities. Accordingly, based on a Health and Safety Management Policy we are undertaking related measures on an ongoing basis, including through offices for on-site cooperation.

- "Promoting Occupational Health and Safety": P75

### Improving Employee Engagement

We have continued to conduct engagement surveys (employee awareness surveys) since FY2013. This survey aims to visualize the state of ourselves, the entire organization, and employees, and to address the challenges revealed by the results, thereby reinvigorating individuals and organizations and promoting an improvement in employee engagement.

Engagement is measured through two questions: "How happy are you working at MITSUBISHI MOTORS?" and "Do you recommend MITSUBISHI MOTORS as great place to work?" In addition, we ask a comprehensive set of questions about Company policies, management, decision-making speed, career, wellbeing, and more to gather employee feedback.

Based on the analysis of the survey results, we conducted feedback sessions with executives, department heads, and respective departments to promote actions for improving engagement. In particular, to improve organizational and human resource management, we held in-office workshops for heads of organizations and "Drive your team" seminars with outside experts to promote the quality of management. The survey results are also used as reference data during human resources development meetings attended by senior executives to discuss the future direction of human resources development. This helps us take action as a company to continuously enhance employee engagement.

## Management Structure

MITSUBISHI MOTORS has established the Human Resources Development Council, consisting of the Executive Officer, President & CEO and other members of the management team to promote and implement human resources strategies that are linked to management strategies. Once a month, the council systematically discusses and examines issues, measures, and policies related to securing and developing human resources, which are directly related to corporate competitiveness.

We are formulating an optimal personnel plan that incorporates strengthening the expertise of each function that supports our business to develop powertrain control system for electric vehicles, expanding the scope of various elemental technologies, promoting carbon neutrality, driving digitalization, and exploring new business areas. We thoroughly analyze the internal and external environment and market trends surrounding our company, such as creating a rewarding workplace where employees can work with peace of mind and showcase their abilities, expanding opportunities for development, including education and training to encourage employee challenges and growth. Through open discussions at human resources development meetings, we review and evaluate existing measures and initiatives, as well as consider and deliberate new initiatives.

In FY2023, we started by recognizing and analyzing our current situation, including a distorted labor structure that strongly reflects our past his-

tory. We discussed a wide range of issues related to human resources to realize the objectives of the mid-term business plan, "Challenge 2025," while also conducting individual interviews with executives. We set the three pillars of our HR strategy as "build a better place to work," "enhance learning opportunities/reskilling programs," and "secure/cultivate a diverse workforce. In prioritizing issues and themes, we gave "quantity" issues particularly high priority. These include ongoing efforts to strengthen recruitment of mid-career workers and new graduates, early empowerment and retention of mid-career hires, utilization of senior human resources, and flexible operation of tenure for management positions in accordance with departmental conditions. In addition, going forward we will continue our discussions on "quality" issues, aiming to raise the level of internal human resources by enhancing human resource development.

## HR Strategy under "Challenge 2025"

To support "Challenge 2025," the mid-term business plan that commenced in FY2023, it is vital to provide a workplace where our employees can work comfortably and demonstrate their capabilities. We also consider education and reskilling and securing a diverse workforce important in order to accelerate DX and new business initiatives so we can survive in an era of rapid change. To give direction to our HR strategy, we have set "build a better place to work," "enhance learning opportunities/reskilling programs," and "se-

cure/cultivate a diverse workforce" as priorities, and we are working to put measures into place.

Strategic HR Priorities
<p><b>Build Better Place to Work</b></p> <ul style="list-style-type: none"> <li>■ Adopt location-free work arrangements</li> <li>■ Introduce flexible working style in consideration of childcare and family nursing care</li> </ul>
<p><b>Enhance Learning Opportunities/Reskilling Programs</b></p> <ul style="list-style-type: none"> <li>■ Expand mutual talent exchanges between Japan and overseas and global career development programs</li> <li>■ Launch digital reskilling programs to support DX</li> <li>■ Embed technical expertise into HR system and processes</li> </ul>
<p><b>Secure/Cultivate Diverse Workforce</b></p> <ul style="list-style-type: none"> <li>■ Implement flexible total rewards strategy and structure</li> <li>■ Develop vibrant workplaces in which employees appreciate the differences to fulfill their potential</li> </ul>

- Promoting diversity and inclusion, and enhancement of employee engagement: P68
- "Stepping up Human Resource Development": P72