

Contribution to Local Economy through Business Activities



Progress in FY2023

Annual employment Number of local employees (including non-full-time employees) (Thailand, Indonesia, the Philippines, Vietnam) [FY2022: 11,000 people] **13 thousand people**

Annual vehicle exports Of which, Thailand: 301,000 vehicles Indonesia: 115,000 vehicles [FY2022: 384,000 vehicles] **41.6 thousand units**

- Employment creation in the ASEAN: Continued to create local employment at four consolidated companies in Thailand, Indonesia, the Philippines, and Vietnam
- Major human resource development and technology transfers in the ASEAN: provided scholarships to vocational training schools and technical universities, provided training vehicles, conducted education and training courses (Thailand, Indonesia, the Philippines, Vietnam)
- Major exports to the ASEAN: Continued to export vehicles from Thailand and Indonesia (exported vehicles: [Thailand]: TRITON, PAJERO SPORT, MIRAGE, Attrage [Indonesia]: XPANDER)
- Started joint study of Kei-car segment commercial electric vehicle in Thailand and Indonesia with logistics companies and state-owned postal service. Also began projects to install solar power systems at hospitals in Thailand, projects to install rooftop solar power systems at factories in Indonesia and the Philippines, and promoted other activities to help realize a carbon-neutral society.

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Basic Approach

MITSUBISHI MOTORS has been developing business in the ASEAN 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."

In this region, where we have undertaken business activities for many years, we are working proactively to address local social issues. To promote joint growth, we will invigorate the region, cultivate the market, understand consumers' needs and reinforce our own brand. In these ways, we believe we can simultaneously achieve regional development and our own development. "Challenge 2025," the midterm business plan, calls for the concentration of management resources on the ASEAN—a core area of business. In addition, in the aim of achieving further growth MITSUBISHI MOTORS will conduct higher and stable spending on R&D and capex, which will include increased expenditure on electrification, IT and new business as a proportion of total expenditure. One of our material issues is "contribution to local economy through business activities." Through the development of our business in the ASEAN region, we will contribute to the regional economy and aim to grow together by creating employment, investment, technology transfer, and exports, as well as cultivating human resources to support the automotive industry (supporting the growth of human resources who are responsible for the regional economy).^{*1}

In addition, by responding to social needs specific to the ASEAN, we will engage in initiatives that leverage our technologies and services in the areas of the environment and social contribution, as well.^{*2}

^{*1} Please see page 12 for details on identifying material issues
^{*2} Please see pages 89–91 for specific examples

Management Structure

Local subsidiaries take charge of planning and implementing activities in line with initiatives that target material issues in the ASEAN, such as "contribution to local economy through business activities." Our sales division, which maintains administrative and supervisory functions, is responsible for promoting these initiatives. In the four countries where our production bases are located, we check every six months with the local subsidiaries on the rate of progress and results of initiatives, reporting to the management team via the Sustainability Committee.

Employment

Our mid-term business plan, "Challenge 2025," which started in FY2023, positions the ASEAN region as a core region for our business. In Indonesia and Vietnam, we launched the new "XFORCE" SUV, an internal combustion engine vehicle. In Thailand and the Philippines, we have started production and sales of the new-model "TRITON" pickup truck. We have also been working to reflect a series of policies announced in various countries to promote the realization of a carbon-neutral society. In Thailand, we have started producing and selling the "XPANDER" series HEV model and sales of the "XPANDER" series HEV model started, and in Indonesia, we have begun production and sales of the "L100 EV (MINICAB EV)", our first electric vehicle outside of Japan. Through these business activities, in addition to generating business profits for companies, we expect to create new jobs in the ASEAN region. We employed approximately 13 thousand people in FY2023, in the four countries where we have production bases: Thailand, Indonesia, the Philippines and Vietnam. In FY2024, we will continue to create local employment in line with our business plans.



Human Resource Development

In the ASEAN, which is working to become more industrially advanced, MITSUBISHI MOTORS helps by providing experience in automobile manufacturing, sales and service. In addition to cultivating specialized expertise and skills, we cultivate people who are involved in manufacturing and foster local economic growth.

- In Thailand, we implemented an internship program for 36 students recruited from seven industrial universities to cultivate human resources who will become local economic leaders.
- In Indonesia, we conducted training to enhance operational skills for 310 local employees according to their business level.
- In the Philippines, 16,183 local employees took education and training aimed at enhancing their operational skills and productivity, thereby enhancing their expertise.
- In Vietnam, we provided training to 564 employees with the intention of strengthening the work skills and enhancing the expertise of local employees according to their position and field.

In FY2024, we plan to continue providing training courses and OJT according to conditions in each country.

Investment

We continue to make capital investments in plants, which support local economic growth.

Our mid-term business plan, "Challenge 2025," positions the ASEAN region as our core business region. There, we plan to promote the continuous launch of new products and the production and introduction of electric vehicles suitable for each market. To this end, we plan to continue investing in R&D and making capital expenditures in the ASEAN region at a stable and higher level than in the past.

	Key Investment Projects
From FY2019 FY2023 Results	Indonesia: Expansion of facilities to increase production capacity (Increased production capacity from 160,000 vehicles in FY2019 to 220,000 units in FY2020) Thailand: Updated existing paint plant Philippines: Equipped plant to promote the export of commercial vehicles to ASEAN countries
Future Plans	Vietnam: Consider new plant

Technology Transfer

We continue to support the enhancement of manufacturing capabilities and strengthening of competitiveness through local production in various countries, with a focus on the ASEAN, our driver of growth.

In FY2023, we promoted the overseas transfer of manufacturing technologies, including electrified vehicles developed in Japan, through the preparation for production of new models such as the "TRITON"

new pickup truck; the "XFORCE," a compact SUV; the "MINICAB EV," which is our first electric vehicle to be produced overseas; and the "XPANDER HEV."

To enhance manufacturing competitiveness, we have introduced the Buddy system (sharing a common destiny), which has gained traction. This allows for the implementation of various measures to enhance competitiveness and the transfer of expertise, from the start-up of new model vehicles to mass production, making improvements and imparting expertise in such areas as quality control and logistics. In Thailand, we have brought the automation of welding and painting up to the same level as Japan, and promoted the training of robot engineers.

In addition, we are actively promoting the adoption of solar power generation in our efforts to create environmentally friendly factories. Going forward, we will promote the construction and expansion of solar panels at our plants in Thailand, Indonesia, and the Philippines, and we will continue to transfer the solar power generation and energy storage technologies and know-how cultivated in Japan to our overseas production bases.

Furthermore, to help local people acquire technological expertise, we provided scholarships and training vehicles to technical universities and vocational training schools in Thailand, Indonesia, the Philippines, and Vietnam. In addition, we have organized online seminars for teachers to help vocational school students working in the automotive industry understand the latest technologies and industry needs. Through these efforts, we promote local technology transfer by providing multifaceted support, as needed.

In FY2024, we will continue to support the advancement of the regional manufacturing industry.

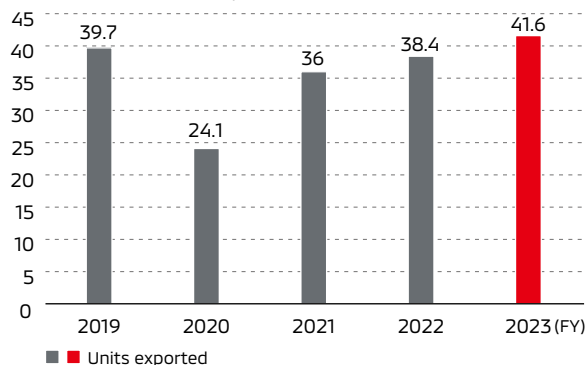


Export

Exports generate foreign currency, which supports the continuous growth of the local economy. MITSUBISHI MOTORS' overseas production bases, Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) and P.T. Mitsubishi Motors Krama Yudha Indonesia (MMKI), are leveraging their strategic locations to export our mainstay models, such as pickup trucks and SUVs, both throughout the ASEAN region and globally.

Units Exported from the ASEAN Region

(Tens of thousands of vehicles)



Environmental and Social Contribution

As the importance of complying with environmental regulations in the ASEAN region gains importance, we are leveraging our electric vehicle technology and expertise, as well as working with our partners in each region, to realize sustainable business in the region and to promote efforts to realize a carbon-neutral society.

Realizing a Carbon-Neutral Society through Our Products

Our Electric Vehicle (Battery EV) Strategy

- As in FY2022, in Thailand we conducted demonstration experiments using our Kei-car commercial electric vehicle, the "MINICAB EV," in collaboration with national postal services and logistics companies to lay the foundation for the spread of EVs.
- In Indonesia, In February 2024 we produced the "L100 EV (MINICAB EV)," a Kei-car segment commercial electric vehicle.

Promoting Adoption of Hybrid Electric Vehicles (HEVs)

- In Thailand, we launched an HEV model in the "XPANDER" series in February 2024.



Charging of "MINICAB EV," which are being used in a joint study in Thailand



The "L100 EV (MINICAB EV)," our Kei-car segment commercial electric vehicle that launched in Indonesia



An HEV model in the "XPANDER" series that launched in Thailand

Promoting the Spread of Renewable Energy

- In Thailand, we are promoting "Solar for Lives" activities to install solar power generation systems at local hospitals.*1
- In Indonesia, we have installed solar panels on the

roof of a paint plant at PT Mitsubishi Motors Krama Yudha Indonesia (MMKI).*2 (5.6MW, commenced operation in February 2024)

- In the Philippines, we have installed solar panels at a plant of Mitsubishi Motors Philippines Corp. (MMPC).*3 (2.8MW, began operating on a trial basis in February 2024)



Hospital with a rooftop solar power system installed as part of the "Solar for Lives" environmental project



Solar panels on the roof of MMKI's plant



Solar panels erected on the roof of MMPC's plant

*1 Launched in 2022, Solar for Lives is an activity promoted by MMTh in collaboration with partners and national institutions, including the Thai Ministry of Public Health, the Electricity Generating Authority (EGAT), and the Thailand Greenhouse Gas Management Organization (TGO). We are donating a total of THB60 million (approx. ¥220 million) to be spent on solar power generation systems to 40 community hospitals in Thailand by 2032. This activity is expected to reduce carbon dioxide (CO₂) emissions from 40 hospitals by 17,300 tons/year. Since its launch in 2022, the system has been installed at a total of eight hospitals.

*2 This is the second MMKI initiative since the program was launched in FY2022, based on the Indonesian government's policy of becoming carbon neutral by 2060.

*3 MMPC is working in accordance with the Philippine government's target of reducing greenhouse gas emissions by 75% by 2030.