Responding to Climate Change and Energy Issues

Progress in FY2024

-19%	Average CO_2 emissions from new vehicles (Tank to Wheel, compared with FY2010) [FY2023: -17%]
16%	Ratio of electrified vehicle sales [FY2023: 15%]
-40%*	CO_2 emissions from business activities (Scope 1 and 2 total emissions, compared with FY2018) [FY2023: -35%*]
29,713 thousand t-CO_2eq	Scope 3 emissions [FY2023: 31,743 thousand t-CO_2eq]
106 branches	Number of DENDO DRIVE STATIONs [FY2023: 97 branches]

Reference **Dealer Initiatives**
https://www.mitsubishi-motors.com/en/sustainability/environment/climate_change/index.html

- Expanded electrified vehicle lineup: Launched the “ASX HEV model” in Europe in June 2024, and the “XFORCE HEV model” in Thailand in March 2025.
- Introduction of renewable energy: Newly installed 0.5 MW of solar panels at the Kyoto Plant, bringing total power generation capacity across Group companies to approximately 33 MW.

Reference **Introduction of Renewable Energy**
https://www.mitsubishi-motors.com/en/sustainability/environment/climate_change/index.html

* Until FY2020, we included some equity-method associates in our environmental management target companies. However, these equity-method associates have been excluded since FY2021. We set the base value 545 thousand t-CO_2, which is calculated by subtracting 43 thousand t-CO_2, the emission amount made by the equity-method associates, from 588 thousand t-CO_2, the officially reported volume of FY2018 (the benchmark year).

Reference **Development of Improving Fuel Economy Technologies**
https://www.mitsubishi-motors.com/en/sustainability/environment/climate_change/index.html

Governance

Basic Approach

We recognize that addressing the globally shared challenge of achieving carbon neutrality by 2050 is a critically important initiative that will determine the future of the MITSUBISHI MOTORS Group. The Group positions climate change countermeasures as one of the key issues in formulating its business strategies. By incorporating measures to address climate-related risks and opportunities into the Environmental Plan Package, which sets forth the direction and goals of our environmental initiatives, and reflecting them in our business strategies, we are working to ensure sustainable business growth, reduce future risks, and enhance our resilience as a company.

Reference **P18 Environmental Plan Package**

Management Structure

a. Board’s oversight of climate-related risks and opportunities

The Group recognizes “responding to climate change and energy issues” as an important management issue and has accordingly identified it as one of our materiality issues. The Board of Directors makes decisions on important matters related to environmental initiatives, including those related to climate change, and oversees their execution. The Board of Directors approved the “Environmental Vision 2050” and “Environmental Targets 2030,” which were revised in FY2022, and these measures were announced.

Examples of climate change-related issues discussed or reported by the Board of Directors

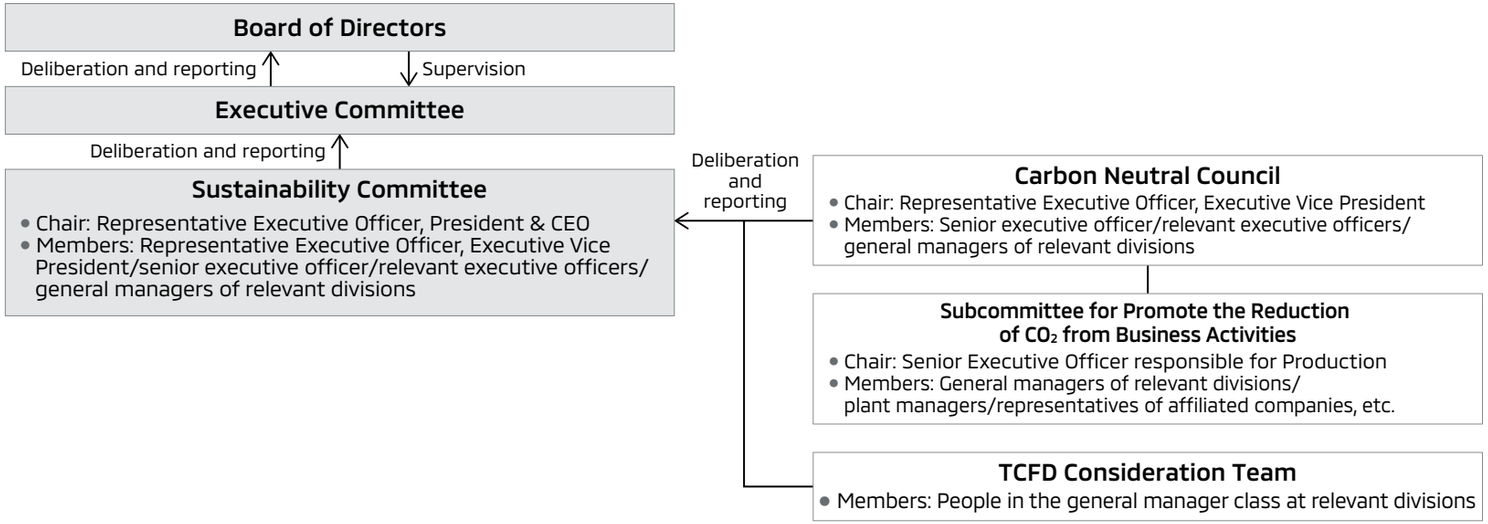
- Endorsement of TCFD recommendations
- Disclosure in line with TCFD recommendations
- Declaration of intent to achieve carbon neutrality by 2050 and revision of Environmental Vision 2050
- Revision of Environmental Targets 2030

b. Management’s role in assessing and managing climate-related risks and opportunities

To address climate change and energy issues, we have established the Sustainability Committee, chaired by the Representative Executive Officer, President & CEO, who also holds top responsibility for initiatives related to climate change. The committee evaluates climate-related risks and opportunities, discusses response measures, and reviews progress and achievements in line with the Environmental Targets 2030.

We have established the Carbon Neutrality Council under the Sustainability Committee. This council is chaired by the Representative Executive Officer, Executive Vice President and consists of executives responsible for management strategy, products, manufacturing, procurement and logistics. This organization formulates medium- to long-term policies and goals based on the assessment of climate-related risks and opportunities, considering specific response measures in each area. These policies, goals, and their progresses are reported by the respective heads of each area at the Sustainability Committee for review and deliberation. The organization generally meets three times per year, and particularly important matters are deliberated and decided by the Board of Directors.

Promoting Carbon Neutrality Structure (As of March 31, 2025)



	Roles	Meeting frequency
Sustainability Committee	Monitoring Progress toward the Environmental Targets 2030	Three times a year
Carbon Neutral Council	Formulating medium- to long-term policies and targets for achieving carbon neutrality by 2050	Three times a year
Subcommittee for Promote the Reduction of CO_2 from Business Activities	Draft action plans for reducing CO_2 in areas of business activity, promotion of specific measures, etc.	Twice a year
TCFD Consideration Team	Identify and assess climate-related risks and opportunities, consider scenario analysis, etc.	Meets as necessary

Strategy

Risks and Opportunities

a. Short-, medium- and long-term climate-related risks and opportunities the organization has identified

The Group considers climate-related risks and opportunities to be an important perspective in the formulation of our business strategy. We are identifying and evaluating short-, medium-, and long-term risks and opportunities, as well as analyzing the impact on our business based on multiple climate scenarios. We are also considering countermeasures in response to these risks and opportunities.

As particularly high-impact migration risks, we identified the “strengthening of regulations for fuel economy/CO_2 and zero-emission vehicles” and the “introduction and expansion of carbon pricing.” We identified “increasing frequency and intensity of meteorological disasters” as a physical risk. While these risks may affect our business in various ways, we recognize that responding appropriately to these risks will lead to greater sales of electrified vehicles* and new business opportunities.

* Electrified vehicles: Battery-powered electric vehicles, plug-in hybrid electric vehicles (PHEV), and hybrid electric vehicles (HEV)

Identified climate-related risks and opportunities

Type		Item	Assumed Impact on MITSUBISHI MOTOR'S Business Activities	Timing of the Impact*1	Degree of impact
Transition risks	Policy and legal	Strengthening of regulations for fuel economy/CO_2 and zero-emission vehicles	• Increased development/procurement/production costs to comply with stricter regulations • Increase in fines, credit purchase costs, and stakeholder litigation expenses due to non-fulfillment of regulations	Short/medium/long term	Large
		Introduction and expansion of carbon pricing	• An increasing tax burden on our emissions due to the introduction and expansion of carbon taxes and other sorts of carbon pricing, as well as higher prices on carbon, and higher costs due to a price shift toward the procurement, production and logistics stages	Medium/long term	Large
	Technology	Investment in new technologies	• Decline in the Company's competitiveness and market share due to delays in investment in electrification and other new technologies	Short/medium/long term	Medium
	Market	Changes in the energy mix	• Higher energy costs due to a rise in electricity prices resulting from the increased introduction of renewable energy and carbon-neutral sources of electricity, such as hydrogen	Medium/long term	Small
		Tight supply and demand for raw materials (rare metals)	• Rise in the cost of raw materials (such as rare metals) and components due to growing demand for storage batteries	Medium/long term	Medium
		Changes in user awareness and behavior	• Decrease in sales volume due to the development of public transportation infrastructure and the proliferation of sharing in urban areas	Medium/long term	Medium
	Reputation	Increasingly stringent assessment by ESG rating institutions and stakeholders	• Decline in our social image and share price	Short/medium term	Medium
Physical risks	Acute	Increasing frequency and intensity of meteorological disasters	• Damage to buildings, facilities, and vehicles in inventory caused by typhoons and torrential rains, and the suspension of operations at production facilities due to supply chain disruptions (delays in the supply of parts stemming from damage to suppliers and the disruption of transportation routes)	Short/medium/long term	Large
	Chronic	Rise in average temperatures	• Rising (energy) cost of air conditioning to maintain the work environment and employee health • Difficulty in securing the water needed to manufacture automobiles due to depletion of water resources	Medium/long term	Small
		Rise in ocean levels	• Increased flooding and surge in the instance of storms due to rising sea levels, resulting in operational shutdowns at manufacturing facilities and increased investment in disaster countermeasures	Medium/long term	Medium
Opportunities	Products and services	Growing demand for electrified vehicles	• Expand sales of electrified vehicles by improving product capabilities and taking advantage of government and municipal measures to promote electrified vehicles • Increase sales of electrified vehicles and V2X*2-related equipment/services in line with the growing value of electrified vehicles as energy infrastructure • Boost sales of electrified vehicles that can help supply power in response to growing demand to securing sources of emergency power in times of disaster	Medium/long term	Large
	Energy sources	Advancement in energy technologies	• Reduce energy costs by promoting energy conservation activities and the introduction of renewable energy	Short/medium/long term	Medium

*1 Short term: Up to three years; medium term: three to 10 years; long term: more than 10 years. Some issues impacts have already occurred as a result of the recent international situation.
*2 A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others

b. Impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning

With the vision of "creating vibrant society by realizing the potential of mobility," the Group aims to enhance our corporate value over the long term by providing products with value that is unique to MITSUBISHI MOTORS through contributions to carbon neutrality and other efforts. As society-wide efforts to achieve carbon neutrality accelerate, we recognize that climate-related matters may affect our business, strategies, and financial plans, so we periodically review our strategies and plans as appropriate based on climate change risks and opportunities.

c. Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2℃ or lower scenario

Based on climate scenarios and future information from organizations such as the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), and the Network for Greening the Financial System (NGFS), MITSUBISHI MOTORS considered the "less than 2℃ scenario*1," which assumes actions by society to avoid climate change as of 2030 and 2050. We also looked at a "growth scenario*2," which assumes national policies continue to grow more stringent. Under these scenarios, we examined the risks and opportunities, focusing on areas with significant impact on our business activities.

The results of analysis related to the impact on our business of the associated risks and opportunities are as described on the following page.

*1 Referenced the IEA's Announced Pledges Scenario (APS), the IPCC's "RCP4.5," the NGFS' "Net Zero 2050," etc.

*2 Referenced the IEA's Stated Policies Scenario (STEPS), the IPCC's "RCP8.5," the NGFS' "Current Policies," etc.

Impact on strategies and plans

Business area	Recognized impact	Incorporation into strategies and plans
Products and services	To realize a carbon-neutral society, various countries and regions are strengthening regulations for fuel economy/CO_2 and zero-emission vehicles. These will affect our product development, production and procurement strategies.	In 2020, we formulated the Environmental Targets 2030, which set the target of achieving a 40% reduction in CO_2 emissions from new vehicles (compared with FY2010 levels) and a target ratio of electrified vehicle sales of 50% by FY2030. In February 2023, we set a new target, raising our target ratio of electrified vehicle sales to 100% by FY2035. Meanwhile, in our mid-term business plan, "Challenge 2025" we set a target of introducing nine electrified vehicle models by FY2028.
Supply chain, value chain	In the automobile manufacturing and sales business, greenhouse gases such as CO_2 are emitted not only during the manufacture of products, but throughout the entire value chain. As climate change advances, the worldwide risk of increasingly frequent and severe occurrences, such as typhoons and floods, is mounting. If our supply chain or value chain is affected by such events, our plants' operations and sales could be affected.	We revised our Environmental Targets 2030 in February 2023, adding the procurement target of "promoting CO_2 reduction activities with major business partners," and the logistics target of "promoting CO_2 reduction activities in cooperation with transportation companies."
Investment in R&D	We are promoting investment in R&D to address increasingly stringent and new regulations for fuel economy/CO_2 and zero-emission vehicles in the countries and regions where we operate. These moves will affect our R&D costs for electrified vehicles and other products.	In our mid-term business plan, "Challenge 2025," we are budgeting ¥70.0 billion in R&D expenses related to electrification in FY2025. We have also earmarked ¥55.0 billion in capital expenditures related to electrification.
Adaptation and mitigation measures	Our business could be affected by countries and regions introducing or expanding carbon taxes and emissions trading systems, as well as by rising energy costs.	In 2020, we formulated the Environmental Targets 2030 and set the goal of reducing CO_2 emissions from our business activities "by 40% compared to FY2014." In February 2023, we raised this figure to "a reduction of 50% compared to FY2018," the SBT* target equivalent to a 1.5℃ level.

* Short for Science Based Targets, which are greenhouse gas emission reduction targets set by companies consistent with the Paris Agreement levels

Impact of Risks and Opportunities on the MITSUBISHI MOTORS Group's Business Activities

Scenario / Item		Risks/Opportunities		Impact on MITSUBISHI MOTORS' business	Key countermeasures
Less than 2°C	Strengthening of regulations for fuel economy/CO_2 and zero-emission vehicles	Risks	• Need for both developed countries and emerging markets to comply with stricter regulations • Increasing likelihood of noncompliance	• Higher development/procurement/production costs • Fines and credit purchase costs increase if regulations are not met	• Reduce costs by taking advantage of the alliance, such as by standardizing components • Promote electrification, including PHEV and EV
		Opportunities	• Growing demand for electrified vehicles	• Increased sales of electrified vehicles and expansion of the value chain related to electrified vehicles	• Promote new mobility businesses such as energy management using electrified vehicles and used batteries
	Introduction and expansion of carbon pricing	Risks	• Introduction and expansion of carbon taxes, causing carbon prices to rise	• Increased direct and indirect tax burdens and higher costs at the procurement, production and logistics stages	• Promote energy conservation activities and introduce renewable energy • Promote CO_2 reduction efforts in cooperation with suppliers
		Opportunities	• Promotion of energy-saving technologies • Increasing use of renewable energy	• Lower energy costs	
Growth	Increasing frequency and intensity of meteorological disasters (flooding, inundation)	Risks	• Increased possibility of factory damage and supply chain disruptions due to frequent and severe heavy rain and flooding	• Damage to production and development facilities • Lower earnings due to operational shutdowns due to damage to our own factories and suppliers	• Review BCP, assuming such factors as heavy rain and flooding • Promote risk mitigation initiatives in collaboration with suppliers
		Opportunities	• Greater demand for electrified vehicles, owing to growing need to secure emergency power sources	• Increased use of electrified vehicles that can help supply emergency power	• Reduce costs by taking advantage of the alliance, such as by standardizing components • Promote electrification of PHEVs and EVs equipped with external power supply features • Promote new mobility businesses such as energy management using electrified vehicles and used batteries

The MITSUBISHI MOTORS Group's Response Measures Based on Risks and Opportunities

The Group will incorporate measures to address climate-related risks and opportunities into our Environmental Plan Package and business strategies, which set forth the direction and goals of our environmental initiatives. In this way, we are promoting initiatives to reduce future risks, ensure sustainable business growth and enhance our resilience as a company.

On the product front, we will take our own plug-in hybrid electric vehicles (PHEV) and commercial electric vehicles in the Kei-car segment as a starting point, and leveraging the Allian's technologies. We will develop electrified vehicles and promote fuel-efficient internal combustion vehicles, proactively introducing electrified vehicles that optimally meet customers' needs, taking into consideration the energy situation and infrastructure development status in each country and region. Working toward carbon neutrality is one of the key challenges stated in "Challenge 2025," our mid-term business plan. We will develop electrified vehicles and step up our efforts in the Alliance as we work toward the second phase of our plan to reinforce electrified vehicles (FY2026–FY2028). By FY2028, we plan to introduce nine electrified vehicle models. To date, we have introduced five: the "ASX PHEV/HEV models," the "COLT HEV model," the "XPANDER HEV model," the "XPANDER CROSS HEV model," and the "XFORCE HEV model." Including models launched prior to February 2023—the "MINICAB EV/L100 EV," "eK X EV," "OUTLANDER PHEV model", and "ECLIPSE CROSS PHEV model"—we offer a total of nine electrified vehicle models as of March 2025. In light of the global slowdown in the growth of battery EVs since 2024, we have adopted a policy of utilizing mainly OEM-supplied models from partners for battery EVs for the time being, and will concentrate our development efforts on PHEVs and HEVs, where we have a competitive advantage.

In our business activities, we are promoting energy minimization and the transition to renewable energy sources, and are working to reduce CO_2 emissions.

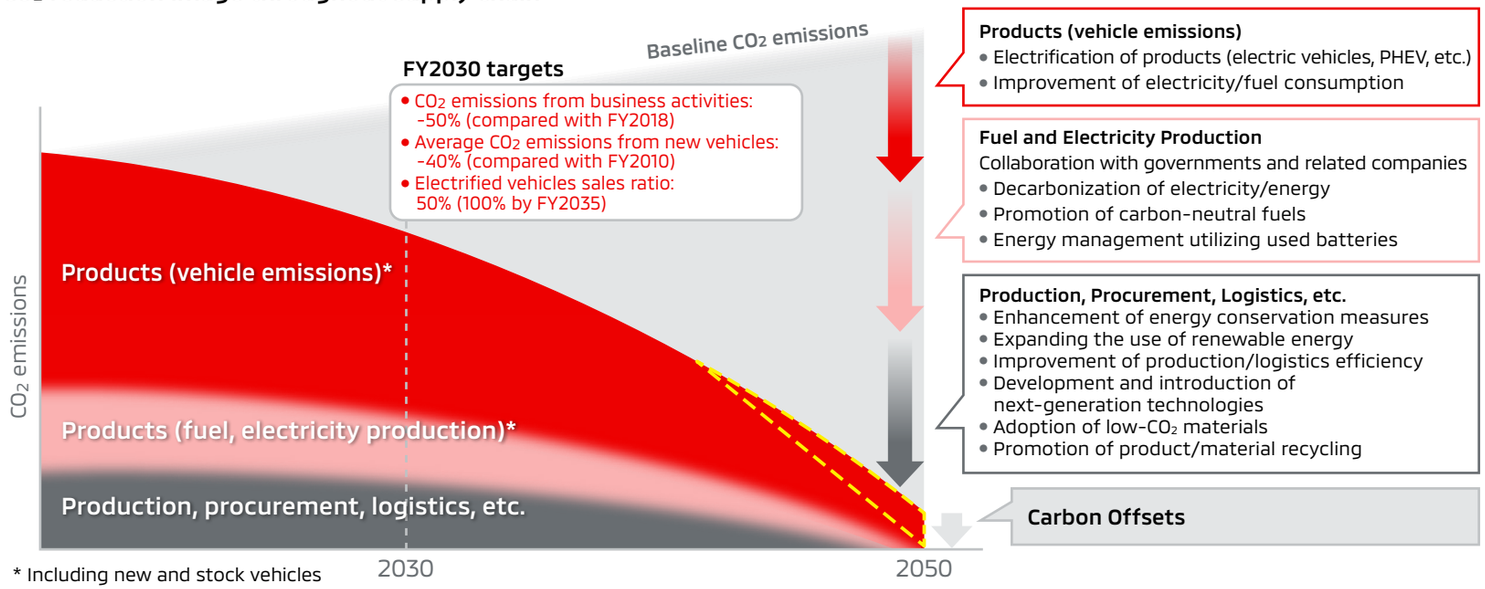
Across the supply chain, we will collaborate with business partners, related companies and organizations, and governments and municipalities to reduce CO_2 emissions at the production stage (through raw materials and parts) and in logistics (including products). We are also promoting renewable energy and charging infrastructure, utilize carbon-neutral fuel and promote V2X*.

We believe the spread of electrified vehicles represents a chance to do new business in the form of reuse of used batteries, energy management, and data business using vehicle driving and battery data, and in collaboration with our partners and municipalities we will grow a mobility business that contributes toward the realization of a carbon-neutral society, which represents a unique opportunity for us as an automotive maker, into a fourth pillar of revenue after vehicle sales, financing (leasing), and after sales.

* V2X: A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others

Reference
P30 Promoting the Use of Electrified Vehicles as a Way of Adapting to Climate Change

CO_2 reduction image throughout supply chain



* Including new and stock vehicles

Risk Management

a. Organization's processes for identifying and assessing climate-related risks

The Group has established a cross-functional team under the Sustainability Committee to conduct scenario analysis based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have identified and assessed climate-related risks and opportunities that could affect our business, considering their potential occurrence and impact levels. We have incorporated goals and action plans for addressing climate-related risks and opportunities that have a particularly significant impact, and are monitoring progress through the Sustainability Committee.

b. Organization's processes for managing climate-related risks

The climate-related risks, opportunities, and corresponding measures identified by the Sustainability Committee have been assigned to responsible executives at the executive officer level. We have set KPI and are implementing a PDCA cycle. Additionally, reports on critical risks and opportunities requiring prompt action are provided to the Board of Directors, which decides on appropriate responses.

In FY2018, we identified material issues that we should address, involving various problems related to fields of the environment, society, and governance. We have positioned "responding to climate change and energy issues" as one of the most critical material issues, and we are stepping up our efforts in this regard across the Group.

c. How process of identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

Risks affecting our business are managed throughout the Group and include risks related to the effects of climate change. In addition, the Internal Control Committee manages operational hazard risk, based on the annual "Companywide Risk Survey."

Reference **Disclosure Based on the TCFD Recommendations**
https://www.mitsubishi-motors.com/en/sustainability/environment/tcfd/index.html

Metrics and Targets

a. Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

The MITSUBISHI MOTORS Group formulated the Environmental Plan Package in 2020. Through electrified vehicles and the increased use of renewable energy, we aim to become carbon neutral by 2050 and contribute to the realization of a society that is resilient to climate change. We also formulated the "Environmental Targets 2030," which clarifies specific initiatives to be achieved by 2030 in accordance with this vision. As major indices to be monitored and evaluated under "Action to Climate Change," we have established "CO_2 emissions from business activities" for Scope 1 and 2*, and "average CO_2 emissions from new vehicles" and "ratio of electrified vehicle sales" for Scope 3* Category 11 (use of sold products) as key indicators for management and evaluation purposes.

In an effort to reinforce sustainable management, aimed at ensuring the Group's sustainable growth, in FY2022 we added ESG-related items to an index used to determine the medium- to long-term performance-linked compensation for executive officers. In relation to the environment, we introduced "CO_2 emissions from business activities" as an indicator to measure progress in addressing the escalating climate.

To move forward on efforts to reduce CO_2 emissions, we introduced ICP (Internal Carbon Pricing: ¥18,000 per ton of CO_2) for domestic sites from FY2024, taking into account IEA and other international carbon prices. We use this as one of the factors for consideration when making decisions on capital investment.

* Scope 1: A company's direct emissions (such as from burning fuel)
  Scope 2: Indirect emissions, resulting from electricity, heat or steam provided by another company
  Scope 3: Indirect emissions other than Scope 1 and Scope 2 (Such as emissions due to the use of sold products)

b. Scope 1, 2 and 3 GHG emissions and related risks

MITSUBISHI MOTORS Group calculates CO_2 emissions based on the GHG protocol. The table below shows the actual CO_2 emissions for Scope 1, 2, and 3 in FY2018 (the base year for our CO_2 emissions reduction target from business activities) and from FY2021 to FY2024.

To ensure our information is reliable and transparent, we have obtained independent third-party assurance for our Scope 1 and 2 emissions, as well as for Scope 3, Category 11 (use of sold products).

Scope 1, 2 and 3 Emission

	Unit	FY2018	FY2021	FY2022	FY2023	FY2024
Scope 1	x10^3 t-CO_2	119	92	95	90	85
Scope 2	x10^3 t-CO_2	469	319	271	264	243
Scope 3	x10^3 t-CO_2 eq	42,580	28,294	28,710	31,743	29,713
Total	x10^3 t-CO_2 eq	43,168	28,705	29,076	32,097	30,041

Reference

Third-Party Assurance (Scope 1 and Scope 2) (Scope 3)
https://www.mitsubishi-motors.com/en/sustainability/esg/index.html

c. Targets used by the organization to manage climate-related risks and opportunities and performance against targets

Major FY2030 Targets and Progress

Indicators	FY2030 Target	FY2035 Target	FY2024 Result
Average CO_2 emissions from new vehicles (Tank to Wheel)	-40% (Compared to FY2010)	—	-19% (Compared to FY2010)
Ratio of electrified vehicles sales	50%	100%	16%
CO_2 emissions from business activities (Total Scope1 and 2)	-50%(※) (Compared to FY2018)	—	-40% (Compared to FY2018)

* FY2018 Scope 1 and Scope 2 emissions of 588 thousand t-CO_2 include emissions of 43 thousand t-CO_2 from certain equity-method associates. In March 2023, we reviewed our targets in line with the latest perspectives on selecting companies subject to environmental management. After subtracting emissions from these equity-method associates, we revised our base figure to 545 thousand t-CO_2.

FY2024 Initiatives

Product-related Initiatives

Development and Spread of Electrified Vehicles

In our Environmental Targets 2030, the Group set the target of achieving a 40% reduction in average CO_2 emissions from new vehicles by 2030 (compared with FY2010 levels). To meet this target, we are positioning electrified vehicles, which emit low CO_2 while driving, as a core technology in responding to climate change and energy issues, and are advancing their development while also aiming to raise the electrified vehicle sales ratio to 50% by FY2030 and to 100% by FY2035. Centering on our strength in plug-in hybrid electric vehicles (PHEV), we will expand our lineup of electrified vehicles, thereby promoting their popularization and use in society and contributing toward the realization of a sustainable society.

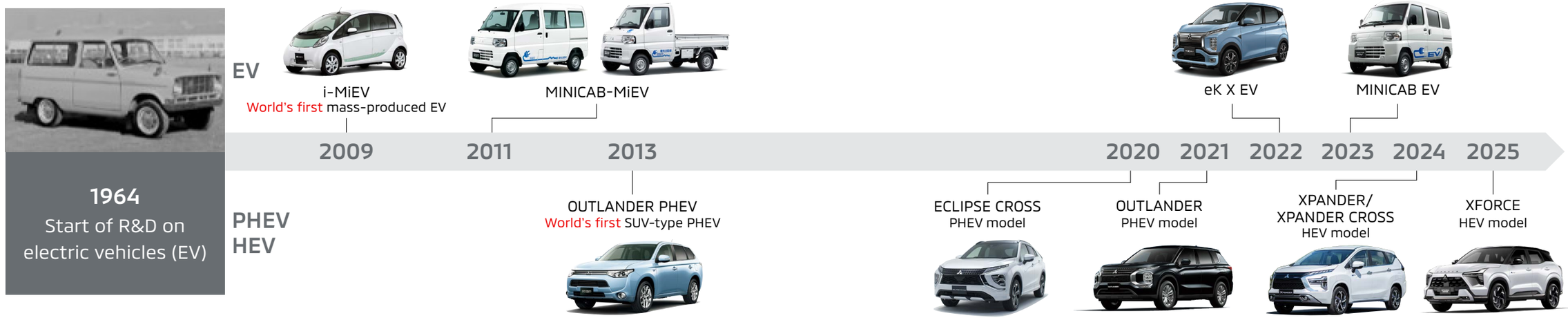
■ Electric Vehicles (EV)

Electric vehicles (EV) are driven by electricity in battery, so they emit no exhaust gases such as CO_2 while driving.

We released the “i-MiEV” as the world’s first mass-produced EV in 2009. In addition to its environmental performance, the “i-MiEV” performed better than conventional gasoline engine vehicles on quietness and acceleration starting from maximum torque. In 2011, we launched the “MINICAB-MiEV,” a Kei-car segment commercial electric EV. In 2012, we began offering the “MINICAB-MiEV TRUCK,” also an EV in the Kei-car segment. These technologies are the foundation of next-generation EVs, such as PHEV.

We believe that expanding the lineup of Kei-car EVs, which are expected to be used in more everyday situations, will be the key to the spread of electrified vehicles. Accordingly, in June 2022 we launched the “eK X EV,” a new EV in the Kei-car segment, and in December 2023 we launched the “MINICAB EV,” new commercial EV in the Kei-car segment.

Our History of Developing Electrified Vehicles



■Plug-in Hybrid Electric Vehicles (PHEV)

PHEV are powered by electricity stored in batteries and by the motor, using the engine to generate electric power when the battery level is low. PHEV combine the powerful driving performance, high level of quietness, and driving stability characteristic of electric vehicles, without the concern that battery capacity will limit the vehicle's driving range.

Our journey in PHEV began with the “OUTLANDER PHEV” in 2013, followed by the “ECLIPSE CROSS PHEV model” in 2020 and the launch of the All-New “OUTLANDER PHEV model” in 2021. At low to medium speeds, the PHEV system uses electric power from the battery, but when the battery level is low, it generates electric power during operation using the engine while also supplying power to the motor and battery. Furthermore, during high-speed driving, the vehicle is driven by the engine and simultaneously assisted by the battery-powered motor. In this way, the drive mode is automatically selected according to the situation. CO_2 emissions are substantially lower than conventional gasoline engine vehicles, delivering outstanding environmental performance. In October 2024, we launched an upgraded version of the OUTLANDER PHEV with significantly extended EV driving range and improved acceleration performance.

“OUTLANDER PHEV”

■Hybrid Electric Vehicles (HEV)

MITSUBISHI MOTORS’ HEV system offers EV mode, series hybrid mode, parallel hybrid mode, and regenerative mode. The system automatically selects the optimal driving mode according to driving conditions and remaining drive battery capacity to achieve low fuel consumption and powerful and pleasant motor drive.

When starting off or at low speeds, in EV mode the vehicle runs on electric power alone, with the drive battery supplying power to the motor. In series hybrid mode, when the vehicle is climbing or accelerating, the engine is used to generate electricity, and the motor is used to drive the vehicle in combination with power from the drive battery. At higher speeds, the system switches to parallel hybrid mode, in which the car runs on engine power and is assisted by the motor. In regenerative mode, the vehicle recovers energy from deceleration, which it converts into electric power and stores in the drive battery.

In FY2024, we began launch of the new “ASX HEV model” in Europe and the new “XFORCE HEV model” in Thailand.

Promoting the Use of Electrified Vehicles as a Way of Adapting to Climate Change

By leveraging the large-capacity batteries on its electric vehicles (EV) and PHEV and their power supply functions, we are promoting adaptation measures to climate change and energy issues in collaboration with other industries. We are applying these to such areas as energy management, V2X* and use as emergency power sources in times of disaster.

* A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others

TOPICS

Demonstration Testing of Two Concepts for Energy Storage Utilization in Conjunction with Chargers for Electrified Vehicles

In January 2023, we installed demonstration facilities for two concepts linked to quick chargers and bi-directional chargers for electrified vehicles in the M-Tech Lab*1, a smart grid demonstration facility at the Okazaki Plant, where we are conducting demonstration tests.

Both systems utilize used battery modules. One is an energy storage system that connects to the power line of a quick charger and discharges stored power to reduce power peaks when fast-charging electrified vehicles. The other is an energy storage unit, which is connected to a bidirectional charger in a CHAdeMO*2 standard. This unit stores energy even when the electrified vehicles are away, facilitating efficient energy management. Through demonstration testing, we will establish technical requirements for safely and more effectively utilizing used batteries under various conditions. In the future, we will work with energy storage equipment manufacturers to introduce these systems at Group dealers' shops and other locations.

*1 M-Tech Lab: Test equipment for a smart grid demonstration, our first initiative utilizing used batteries, began operating in April 2012.
*2 CHAdeMO: A quick-charging system for electric vehicles, a global standard that Japan led the way in standardizing in 2010

Demonstration facility for utilizing used batteries

M-Tech Lab

TOPICS

Launch of a Commercial Smart Charging Service Employing Our Connected Technologies for Electrified Vehicles

MITSUBISHI MOTORS, MC Retail Energy Co., Ltd., Kaluza Japan, and Mitsubishi Corporation launched Japan's first* commercial smart charging service using connected technologies from our electrified vehicles in October 2024.

* As of July 2025, according to our research, this refers to the use of connected vehicle technologies in a controlled charging service.

Features of the Service

This service optimizes the charging of OUTLANDER PHEVs in line with electricity prices by connecting MITSUBISHI MOTORS' connected systems to an advanced energy software platform provided by Kaluza Japan. The service is available through subscriptions to MC Retail Energy's EV smart-charging plans for households.

■ Benefits to Customers

○ Daily smart charging
Simply by connecting OUTLANDER PHEVs to a home charging station and setting intended departure time via the smartphone app, customers can enable the system to automatically control the charging schedule.

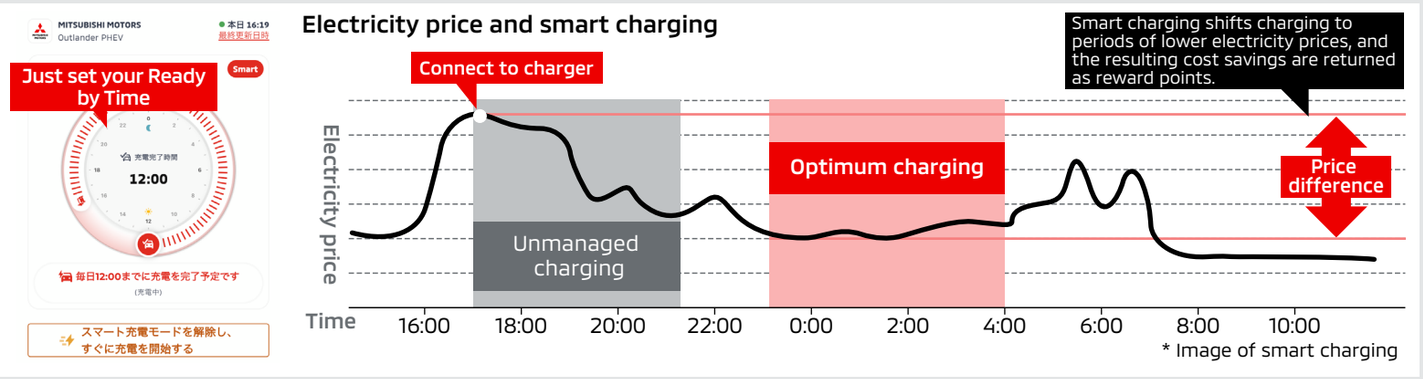
○ Points system based on use of controlled charging
Some of the cost savings achieved through optimized charging with this service will be returned to customers in the form of electricity-bill discounts.

■ Benefits to Society

○ Effective use of renewable energy
By charging during periods of low electricity prices, the system helps make use of surplus renewable energy and indirectly contributes to the more effective renewables.

○ Efficient "peak-hour" shifts
By controlling charging, this service helps to shift the hours of peak electricity loads and contributes to the efficient operation of power grid infrastructure.

Image of Peak Shifting



* Image of smart charging

TOPICS

Launch of Joint Demonstration of Movable Storage Batteries Utilizing Used Batteries

In September 2023, MITSUBISHI MOTORS and Hitachi, Ltd. began joint demonstration testing of the "Battery Cube"*, a movable storage battery that utilizes used batteries from electrified vehicles. In this demonstration, used batteries from OUTLANDER PHEVs are installed in the Battery Cube. In preparation for power outages during large-scale disasters, power from the Battery Cube is used to operate the "Urban Ace HF", Hitachi's standard elevator. In addition to supplying power from electrified vehicles equipped with V2H functionality, this combination using a Battery Cube should help to ensure continuous backup power supply in case of disaster.

We aim to commercialize Battery Cube with Hitachi in FY2025. We will work together to introduce Battery Cube to companies and local governments. We are also planning a joint demonstration for energy management that connects electrified vehicles and Battery Cube with solar panels and other devices to make effective use of renewable energy.

* Battery Cube: Registered trademark of Hitachi High-Tech Corporation in Japan

Left: Battery Cube supplying electricity
Right: Used batteries inside the Battery Cube

TOPICS

Launch of Self-Directed Light That Utilizes Used Batteries from Plug-in Hybrid Vehicles (PHEV)

MITSUBISHI MOTORS and MIRAI-LABO Co., Ltd. have been developing a self-directed light using used PHEV batteries aiming to contribute to decarbonization by promoting the use of renewable energy. Our self-directed lights store solar power generated during the day in used PHEV batteries, using the power to illuminate LED lights at night. Since they do not require an external power supply, they continue to operate independently in the event of a disaster or power failure. Used batteries mean that CO_2 emissions from battery production are lower than for streetlights using new batteries, and CO_2 emissions during operation are zero, as the electricity comes from solar power.

In FY2022 and FY2023, MITSUBISHI MOTORS conducted a demonstration project that involved installing 24 self-directed lights at the facilities of the Okazaki Plant, Mizushima Plant, Kyoto Plant, and Tokachi Research & Development Center. In March 2025, based on the results of the demonstration, we sold the first self-directed light to Okazaki City in Aichi Prefecture. As part of its Decarbonization Leading initiative, the city installed the light at the Social Welfare Council Service Center.

Self-directed light

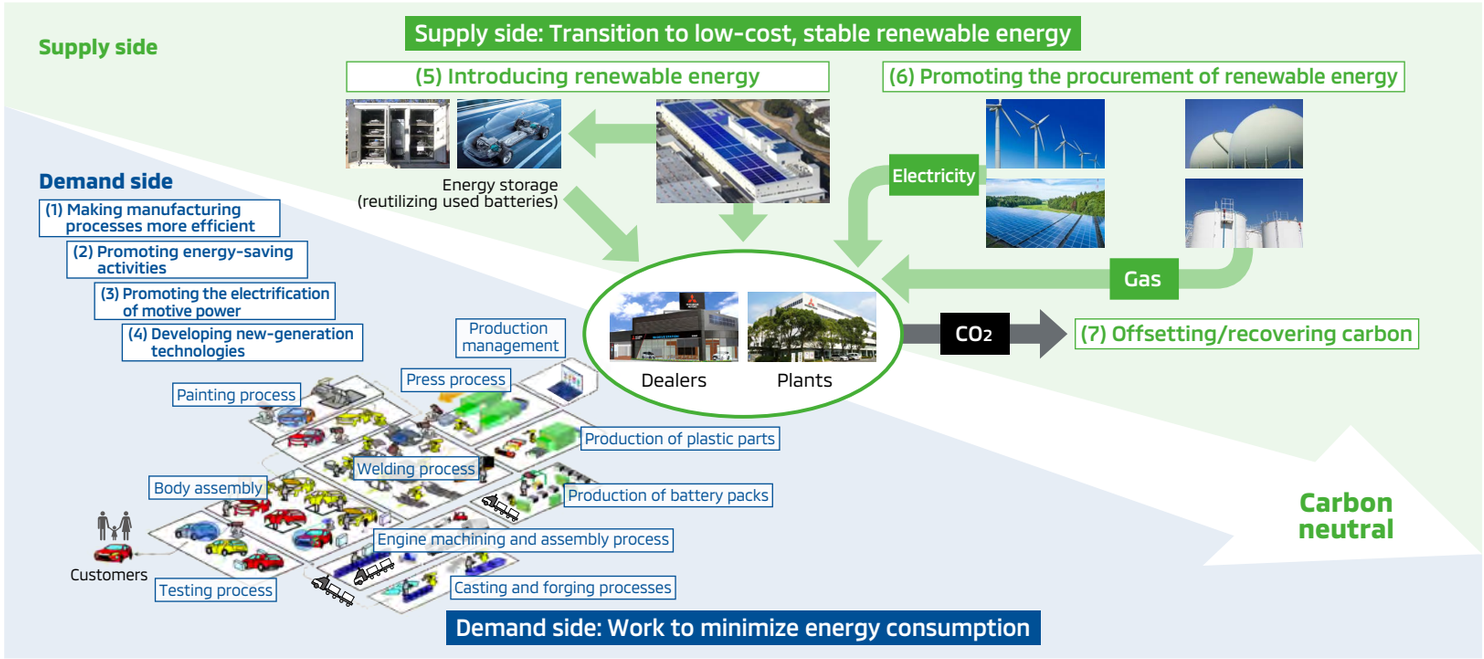
Business Activity Initiatives

Taking the Initiative in Business Activities Toward Carbon Neutrality

To achieve carbon neutral, the Group will approach the issue from both the “demand side” (energy consumption) and the “supply side” (energy generation and procurement). To ensure our activities are carried out systematically, we have formulated a medium- to long-term roadmap toward carbon neutrality. Following this plan, we are working to develop future technologies, improve production processes and expand the introduction of renewable energy.

We have established the Subcommittee to Promote the Reduction of CO_2 as an infrastructure of the Sustainability Committee. The subcommittee, which has members from production, development and dealers in Japan and overseas, aims to help the entire MITSUBISHI MOTORS Group achieve carbon neutrality in its business activities. Beside sharing information on the progress of action plans, actual CO_2 emissions, and other pertinent data, the committee also drafts reduction measures, considers future technologies, and deliberates the future energy mix.

“Seven Approaches” to Become Carbon Neutral



Promoting CO_2 Reduction in Business Activities Structure (as of April 2025)

Subcommittee to Promote the Reduction of CO_2
Chair: Senior Executive Officer in charge of Production

Person in charge of the initiative: Division General Manager, Production Strategy Planning Division

In charge of promoting overall activities: (Carbon Neutral Promotion Office)

Promotion structure and responsible parties

Production Engineering: Division General Manager, Production Engineering Division
Domestic plants: Plant managers
Overseas plants: People in charge of production companies overseas
Development (business sites): Division General Manager, Vehicle Engineering Development Division 1
Dealers: Presidents of dealers
Electricity procurement: Division General Manager, Procurement Communication Division
Gathering/sharing of information: General Manager, Sustainability Promotion Department

Introduction of Renewable Energy

The MITSUBISHI MOTORS Group is actively seeking to use renewable energy in its operations, taking into consideration the energy situation at each site. To do so, we are introducing in-house renewable energy generation and purchasing renewable energy from energy suppliers.

We believe solar power offers us an important way to achieve carbon neutrality, and we are proactively introducing solar power generation at our locations. In addition, we began introducing electricity derived from renewable energy sources for some of our domestic and overseas production facilities, and we plan to gradually expand this initiative going forward.

Reference **Introduction of Renewable Energy**
https://www.mitsubishi-motors.com/en/sustainability/environment/climate_change/index.html

Initiatives at Manufacturing Plants

To reduce CO_2 emissions from production activities, we have established a medium- to long-term roadmap to achieve carbon neutrality in each area of production technology—pressing, welding, painting, assembly and powertrain—and we are developing future technologies and improving production processes to this end.

We are incorporating measures such as production efficiency improvements and the introduction of energy-saving equipment into our capital investment plans and implementing them to promote energy conservation in the production process. In energy-saving activities involving participants from production sites, production technology, and power supply department, we are working on operational improvements and loss prevention following the introduction of new equipment.

Reference **Initiatives at Manufacturing Plants**
https://www.mitsubishi-motors.com/en/sustainability/environment/climate_change/index.html

Office Initiatives

We are also promoting the use of renewable energy and introducing various types of energy-saving equipment in areas other than manufacturing, such as at R&D and head office locations. Part of the electric power used at the Research and Development Building (Okazaki, Aichi Prefecture) and head office (Minato-ku, Tokyo) is supplied by renewable energy, thanks to the erection of rooftop solar power system and making use of the Tradable Green Certificates System*. Also, CO_2 emissions are being reduced at all our offices by using energy-saving electrical equipment and air conditioners.

* This system is used to trade environmental added value of renewable energy generated from natural energy sources using renewable energy certificates issued by a certificate issuer and confirmed by a third-party organization.

Reference **Office Initiatives**
https://www.mitsubishi-motors.com/en/sustainability/environment/climate_change/index.html

Dealer Initiatives

We encourage our dealers in Japan to acquire Eco-Action 21* certification and carry out activities such as reducing the amount of energy and water they use, lowering the amount of waste they produce, and promoting the widespread use of electrified vehicles.

We are expanding the nationwide rollout of DENDO DRIVE STATIONs—next-generation dealerships where visitors can experience the appeal of electrified vehicles, including their use as power sources in times of disaster and their contribution to the environment.

*Eco-Action 21 is a certification and registration system based on the Environmental Management Systems guidelines formulated by the Japanese Ministry of the Environment.

Reference **Eco-Action 21 central secretariat (only in Japanese)**
https://www.ea21.jp/

Reference **Dealer Initiatives**
https://www.mitsubishi-motors.com/en/sustainability/environment/climate_change/index.html

Dealers That Have Acquired "Eco-Action 21" Certification (As of the end of March 2025)

Company		
Aomori Mitsubishi Motor Sales Co., Ltd.	Shiga Mitsubishi Motor Sales Co., Ltd.*	Kyushu Mitsubishi Motor Sales Co., Ltd.
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.	Toyama Mitsubishi Motor Sales Co., Ltd.	Oita Mitsubishi Motor Sales Co., Ltd.
Ibaraki Mitsubishi Motor Sales Co., Ltd.	Toyama Diamond Motors Co., Ltd.	Sobu Mitsubishi Motor Sales Co., Ltd.
Kyoto Mitsubishi Motor Sales Co., Ltd.	Ishikawa Chuo Mitsubishi Motor Sales Co., Ltd.	Tokai Mitsubishi Motor Sales Co., Ltd.
Nishi Nihon Mitsubishi Motor Sales Co., Ltd.	Gunma Mitsubishi Motor Sales Co., Ltd.	Sunen Mitsubishi Motor Sales Co., Ltd.

* Certification received for the Kyoto Mitsubishi Motor Sales Co., Ltd. Group

Physical Distribution

Capture and visualize Global Logistics CO_2 Emissions

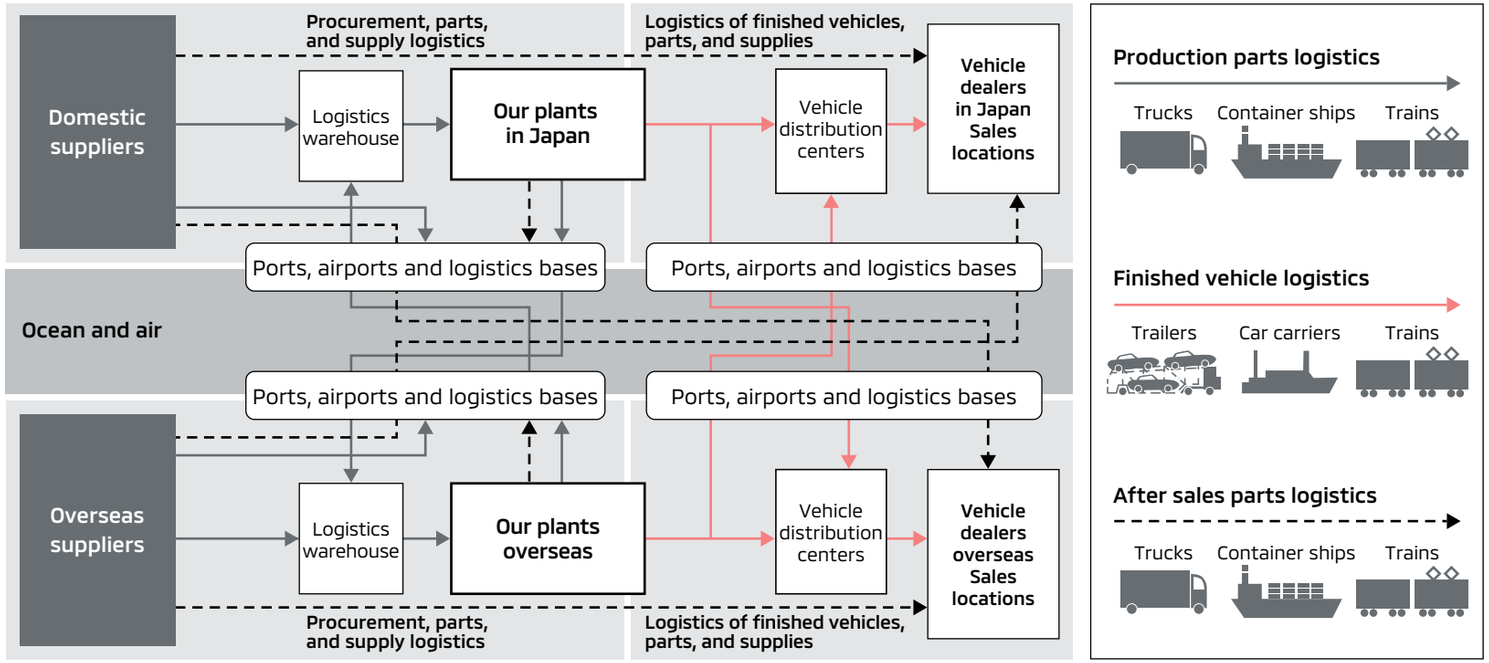
The Group is promoting initiatives to capture and visualize global logistics CO_2 emissions across the supply chain, including overseas operations. In addition to the ongoing efforts to understand logistics CO_2 emissions from overseas production plants, from FY2023, we expanded the scope to include overseas vehicle sales subsidiaries. Furthermore, we are analyzing the visualized logistics CO_2 emissions and promoting initiatives to reduce emissions.

Working to Reduce CO_2 Emissions from Logistics

The Group is promoting initiatives to reduce Logistics CO_2 emissions in the transportation of production parts, after sales parts, and finished vehicles. Key logistics efficiency measures include not only improvements driven by our own efforts, such as packaging improvements and increasing transport loading rates, but also active and comprehensive initiatives through collaboration with logistics partners. These include promoting eco-driving, increasing the size of transport equipment, modal shifts, reducing transport distances through joint transportation with alliance partners, and shared use of logistics facilities. We have been implementing these initiatives proactively for some time. In addition to these proactive and comprehensive measures, we are considering collaborating more closely with logistics partners to encourage the introduction of vehicles that run on non-fossil fuels.

Reference Physical Distribution
https://www.mitsubishi-motors.com/en/sustainability/environment/climate_change/index.html

Schematic of Our Global Logistics Domain



Initiatives throughout the Supply Chain

The Group aims to become carbon neutral across the supply chain by 2050. To do so, it is essential that our suppliers reduce CO_2 emissions.

In November 2023, we held a briefing session for our suppliers to share the Group's initiatives toward carbon neutrality and deepened communication with suppliers handling items with high CO_2 emissions and emissions reduction. By the end of FY2024, we had supported concrete activities to reduce CO_2 emissions at three supplier companies. We also invited suppliers to our in-house exhibition showcasing energy-saving products, services, and technologies, with 44 companies participating. Furthermore, following FY2023, we continued in FY2024 to use the CDP* Supply Chain Program to better understand our suppliers' initiatives, as well as related risks and opportunities.

In FY2025 and beyond, we will continue to collaborate with our business partners to promote activities aimed at reducing CO_2 emissions throughout the supply chain.

* An international environmental NGO that collects requests from institutional investors and others interested in environmental issues, and encourages major companies and organizations around the world to disclose environmental information, and evaluate

Reference P46 Green Procurement Guidelines