

# Risk Management

## Basic Approach and Policies

MITSUBISHI MOTORS has defined a policy for the management of business risks in the form of the “Basic Policy on the Establishment of Internal Control Systems,” and promotes risk management activities throughout the entire MITSUBISHI MOTORS Group. We consider it one of our most critical management issues to appropriately assess risks to the MITSUBISHI MOTORS Group’s business, prevent risks from occurring, and engage in appropriate management to minimize the impact of risks if they do occur.

## Development of Risk Management Framework

We have put in place and work to improve our risk management system for the entire Group through three types of risk management activities: “priority risk management,” “divisional risk management” and “affiliated company risk management.”

For priority risk management, we select risks that the entire MITSUBISHI MOTORS Group faces directly, that have a high potential impact and a high degree of urgency. For each risk, we assign “risk owners,” and work as quickly as possible to mitigate these risks. In divisional risk management, we have appointed risk management officers to each division or plant. These officers work to mitigate risks through repeated application of the PDCA cycle involving identifying and evaluating each risk, devising and implementing countermeasures, and monitoring. Affiliated company risk management involves regular check by MITSUBISHI MOTORS of the status of initiatives addressing various risks faced by subsidiaries and associates and activities such as Business Continuity Planning (BCP) improvements. Improvement suggestions and guidance are provided as required.

These risk management initiatives are regularly reported to

the Board of Directors as major internal control activities and their effectiveness is checked.

## Business Continuity Management

We are working on disaster countermeasures and Business Continuity Management (BCM) in line with our basic policy to prepare disaster such as earthquake and typhoons, or other natural disaster or an outbreak of infectious disease to ensure the safety of customers, as well as employees and their families, and provide mutual support to local communities.

Since FY2020, we have held the “BCM Committee” twice a year, chaired by the Executive Officer for Internal Control. By centrally managing related internal initiatives, we aim to strengthen BCM activities during normal times and implement company-wide countermeasures.

In order to establish a system to ensure appropriate measures, we have created an emergency response manual that includes provisions for setting up an emergency response organization and establishing the chain of command. In addition, company-wide BCP operating procedures are also in place. We conduct annual disaster drills at each site under normal conditions, assuming an emergency situation, and also conduct a company-wide BCP drill once a year to confirm coordination between the company-wide BCP headquarters and each site. In preparation for unforeseen contingencies, we operate an emergency contact system to enable the rapid communication of information to senior management and ensure a swift and accurate response. We also secure multiple communication methods, including the distribution of IP radios at each site.

We have built stockpiles as preparations against the possibility that employees will be unable to return to their homes for a three-day period (in accordance with the

Metropolitan Tokyo Ordinance on Measures for Stranded Persons). Additionally, at each of our plants, we are working with neighboring municipalities to improve stockpiles and welcome visitors.