

Internal Control

Basic Approach, Policies and Structure

Based on the “Basic Policy on the Establishment of Internal Control Systems”^{*} resolved at the Board of Directors, MITSUBISHI MOTORS monitors the status of operations and strives to improve and reinforce internal control systems.

We recognize the gravity of its improper conduct in fuel consumption testing, on top of past quality problems. As one of its priority measures aimed at regaining trust, in FY2017 we appointed a Global Risk Control Officer to manage compliance and operational, hazard risks and report regularly to the Board of Directors on governance improvement measures. (currently Executive Officer for Internal Control.) Furthermore, in order to reinforce, and improve the efficiency of, its handling of internal controls based on laws and regulations, it revised its internal control system. In the revised system, the J-SOX Promotion Committee, under the direct control of the Representative Executive Officer, Executive Vice President (CFO), handles internal control related to financial reporting in accordance with the Financial Instruments and Exchange Act. The Internal Control Committee, chaired by the Representative Executive Officer, President & CEO and vice-chaired by the Executive Officer in charge of Internal Control Committee, promotes internal control related to the Companies Act. This Internal Control Committee, which convenes twice a year with the participation of all Executive Officers, checks and evaluates the contents reported and/or resolved at subcommittees in each internal control field, such as Compliance, Information Security, Business Continuity Management (BCM), and J-SOX, in accordance with the “Basic Policy on the Establishment of Internal Control Systems”. These activities are also reported regularly to the Board of Directors to check their effectiveness.

In response to newly emerging risks, (geopolitical risks, risks related to economic security, and risks concerning business and human rights), that are intricately intertwined with multiple risk factors (strategic, financial, operational, and hazard) for a single

event, the Internal Control Promotion Division, under the supervision of the Executive Officer for Internal Control, takes the lead in identifying and preventing potential risks, responding promptly when risks materialize, and visualizing significant risks.

In FY2024, we also launched company-wide “Internal Control KAIZEN Activities,” through which each division identifies issues in their business processes and works to implement improvements.

We have been working to establish a global internal control structure by gradually establishing and operating internal control committees from FY2018 at main affiliates in Japan and overseas. In addition, we have established a system in which a designated department is responsible for the overall management of each affiliated company, and related internal departments support such responsible department according to their roles, providing various support, checks and balances, and supervision to strengthen the affiliate and promote its development. Additionally, internal rules have been established to ensure that important information at subsidiaries is reported to MITSUBISHI MOTORS in a timely and appropriate manner, and subsidiaries operate in accordance

with these rules. To ensure the reliability of financial reporting, a specialized organization has been set up and is operated under the J-SOX Promotion Committee described above. This organization follows up on and compiles information related to the development of systems at MITSUBISHI MOTORS and its affiliates, the determination of evaluation scope, and the evaluation and improvement status of companies subject to assessment.

We have also positioned the Internal Audit Division as independent of business execution. The Internal Audit Division coordinates with other committees, including the Internal Control Committee, with the aim of achieving effective and efficient internal control system operation.

Going forward, we will continue with initiatives to further reinforce governance by ensuring compliance with laws and regulations and promoting proper and efficient business execution in line with changes in the internal and external environments.

Reference
Corporate Governance Report “Basic Policy on the Establishment of Internal Control Systems”
https://www.mitsubishi-motors.com/en/sustainability/strategy/policy_guideline/pdf/guideline.pdf

