

Human Resources Management

MMC WAY (Behavioral Guidelines)

The Company believes that “Human Resources” is the key to achieving sustainable growth and enhancing corporate value, especially amid a rapidly changing business environment.

Accordingly, we established the “MMC WAY” in FY2017 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. In light of the significant changes in the Group’s operating environment, the Representative Executive Officer, President & CEO, and top management team engaged in discussions to determine the ideal path for the Group, taking employee feedback into account. As a result, we have updated the “MMC WAY” in FY2022. We have organized what is important for us as a company and as individuals in the new “MMC WAY,” and together as one to take on challenges toward the realization of our Vision and Mission.

The first two items in the new “MMC WAY” set forth the fundamental values that underpin the Company’s actions. 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 two items incorporate the Group’s 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.

In addition, to promote understanding of the MMC WAY, we

hold on-site workshops every year. In FY2024, the necessity of the MMC WAY was revisited, and specific examples of actions for each item were discussed in order to lead to actions based on this philosophy and to improve understanding.

Reference MMC WAY
<https://www.mitsubishi-motors.com/en/company/information/philosophy/index.html>

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

Question: Percentage of people responding “I understand the MMC WAY.”		
FY2022	FY2023	FY2024
91.3%	95.2%	96.5%

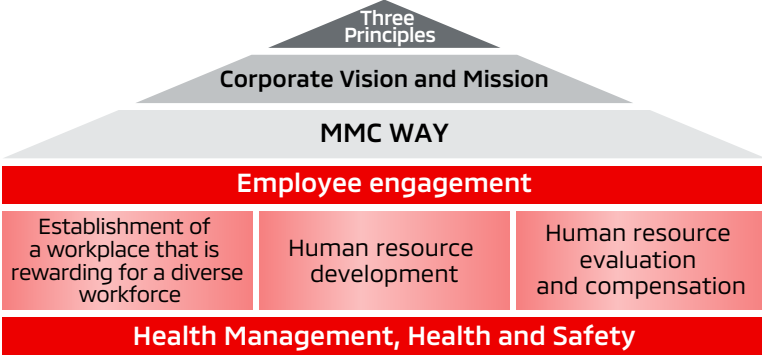
Basic Framework

MITSUBISHI MOTORS Group is 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.

Establishment of a Workplace That Is Rewarding for a Diverse Workforce

To leverage diverse human resources to create business values, we are creating a working environment that helps individuals maximize their capabilities. To achieve a better work-life balance that improves both work productivity and quality of life, MITSUBISHI MOTORS is working to further promote the active participation of female employees, create diverse opportunities for senior human resources, and advance the employment of people with disabilities.

Human Resources Management Basic Framework



Reference P07 Three Principles, Vision, and Mission

In addition, we are promoting a hybrid work style that combines on-site and remote work, and developing a flexible work system that accommodates life events such as childcare and nursing care.

Reference P53 Promoting Diversity and Inclusion, and Enhancement of Employee Engagement

Human Resource Development

The Company’s 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 MITSUBISHI MOTORS’ “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.

Reference P57 Stepping up Human Resource Development

Human Resource Evaluation and Compensation

In our evaluation and compensation system, we have adopted a multifaceted competency (behavioral) evaluation that incorporates not only performance achievement evaluations based on a target management system but also the behavioral guideline “MMC WAY” and the three pillars of “Human Resource Development and Organizational Management” and “Expertise,” thereby building a framework that captures individual performance and growth from multiple perspectives.

For managerial personnel, we assign them the role of promoting organizational revitalization through management and practice of human resource management that contributes to strengthening our management foundation by: (1) Sharing organizational goals and fostering a sense of responsibility for achieving these objectives, (2) Enhancing incentives for achieving objectives, (3) Enforcing expected mindsets and behaviors, and (4) Making appointments and promotions according to merit.

For non-management personnel, we have established a framework to foster both organizational unity and individual growth by: (1) Sharing organizational goals and cultivating awareness toward their achievement; (2) Enhancing transparency and a sense of fairness in evaluation and treatment; and (3) Promoting the penetration of the Company’s corporate philosophy and code of conduct.

Furthermore, we are working to create an environment that

supports career development and further enhances employee motivation by designing a remuneration system that accurately evaluates the level of responsibility associated with each position and the degree of individual contribution to the Company, and appropriately reflects these factors in compensation. Particularly for management-level employees, we strive to instill a sense of participation in management and strong ownership. To ensure transparency and fairness, we incorporate a company performance-linked component into bonuses.

In terms of wage levels, in addition to complying with applicable laws and regulations, we ensure appropriate compensation based on job responsibilities while fully considering industry standards. In addition, we are committed to eliminating unjustified wage disparities based on race, nationality, gender, and other factors and to maintaining fair and trustworthy operation of our compensation system.

Reference Human Resources-Related Data Wage Levels
<https://www.mitsubishi-motors.com/en/sustainability/esg/report/pdf/report-2025/sustainability2025-esg-employee.xlsx>

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 our important management challenges. We have set forth “The Health Declaration” below 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.

Reference

P61 Promoting Occupational Health and Safety Health and Safety Management Policy
https://www.mitsubishi-motors.com/en/sustainability/strategy/policy_guideline/index.html

Improving Employee Engagement

The Company has 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 encourage the implementation of actions to improve engagement. In particular, to improve organizational and human resource management, we developed our original learning program, “A Better Workplace Dialogue,” supervised by a leading expert in organizational development research. We offer workshops for organizational leaders to practically learn workplace development and also provide video learning materials to all employees. Since FY2023, we have also been holding the “Drive your team” seminar annually, inviting outside experts to promote improvements in 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

The Company 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 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, as well as consider and deliberate new initiatives.

Starting from our recognition and analysis of the current situation—including a distorted labor structure strongly influenced by our past history—we have been engaging in broad discussions since FY2023, the first year of the mid-term business plan, “Challenge 2025,” on human resource issues toward achieving the plan’s goals, while also conducting individual interviews with executives. In FY2023, 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.

Furthermore, in FY2024, having confirmed a certain level of “quantity,” we shifted our focus to the next step: enhancing “quality” to improve the productivity of each employee. Accordingly, we concentrated our efforts on strengthening human resource development. Specifically, we are advancing initiatives to systematically establish an educational framework by first defining each division’s envisioned “ideal state,” identifying the “skills” necessary to achieve it, and then aligning these with appropriate “training and on-the-job training (OJT)” programs. These efforts are tailored to each division’s job responsibilities and the experience levels of its employees. Through these initiatives, we aim to foster employee awareness of medium- to long-term career development, eliminate perception gaps between supervisors and subordinates by visualizing each employee’s current position, and encourage a proactive attitude toward learning by promoting an understanding of the significance of assigned duties and training. We are steadily preparing for full implementation during the period of the mid-term business plan. In addition, we will continue to regard the further enhancement of “quality” as an important issue and will continue discussions and deliberations to further strengthen human resource development and raise the level of internal talent.

HR Strategy under “Challenge 2025”

To drive the mid-term business plan “Challenge 2025,” which

was launched in FY2023, and realize sustainable growth, it is essential to create a workplace environment where all employees can work in good physical and mental health, feel their work is rewarding, and fully demonstrate their capabilities. In addition, amid unprecedented changes in the operating environment, we recognize that strengthening education and reskilling to accelerate digital transformation (DX) and create new businesses, as well as securing and utilizing human resources with diverse values and backgrounds, are critical elements that will determine our competitiveness as a company.

Based on this recognition, the Company has positioned the following three pillars at the core of its human resource strategy: “Build better work environment,” “Enhance company-wide learning opportunities and reskilling programs,” and “Strategically secure and cultivate diverse workforce,” and is focusing on formulating and implementing concrete measures.

Reference

P53 Promoting Diversity and Inclusion, and Enhancement of Employee Engagement

P57 Stepping up Human Resource Development

Strategic HR Priorities

Build Better Place to Work

- Adopt location-free work arrangements
- Introduce flexible working style in consideration of childcare and family nursing care

Enhance Learning Opportunities/Reskilling Programs

- Expand mutual talent exchanges between Japan and overseas and global career development programs
- Launch digital reskilling programs to support DX
- Embed technical expertise into HR system and processes

Secure/Cultivate Diverse Workforce

- Implement flexible total rewards strategy and structure
- Develop vibrant workplaces in which employees appreciate the differences to fulfill their potential