Commitment of Top Management

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Toward the Realization of "MITSUBISHI MOTORS-Ness"

MITSUBISHI MOTORS' Vision is to "Create vibrant society by realizing the potential of mobility," and one element of the Mission for realizing the Vision is to "Make positive contributions to the sustainable development of our society." In "Small but Beautiful," the mid-term business plan we released in July 2020, we identified our missions as "Conducting business with an emphasis on contributing to all stakeholders and society" and "Selection and concentration in line with our strengths and earnings area." We intend to make our structural reform through the finish line for stabler management base. Our product strategy is to focus on strengthening our lineup of environmentally friendly battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) during Phase 1, which is from FY2020 to FY2022. We spearheaded this strategy with the FY2020 launch of the ECLIPSE CROSS (PHEV model).

After releasing the mid-term business plan, "Small but Beautiful," we redefined "MITSUBISHI MOTORS-ness" with a view to sustainable growth in the medium- to long-term. We believe that "MITSUBISHI MOTORS-ness" is to provide customers with safety, security and comfort as well as the environment, and will continue to contribute to the environment and "MMC-ness driving" with our strength in electrification technology.

We thus believe that the environment is essential to "MITSUBISHI MOTORS-ness" and that environmental issues are material issues that cannot be postponed. Given that the problem of climate change is now becoming a reality and reflecting social trends, we formulated the Environmental Plan Package* based on our recognition of the need to define the direction of initiatives that anticipate society 30 years in the future. Taking "Action to climate change," "Resource Circulation" and "Pollution Prevention" as environmental measures we should address directly, we formulated medium- to long-term directions and targets in our Environmental Policy, Environmental Vision 2050, and Environmental Targets 2030. The Environmental Policy sets forth directions for universal initiatives. The Environmental Vision 2050 indicates our ideal social image and directions for initiatives aimed at achieving it by 2050. The Environmental Targets 2030 set out initiatives to be undertaken by 2030 on the path to realizing the Environmental Vision 2050.

As climate change countermeasures in the area of products, the Environmental Targets set targets

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to be achieved by 2030-a 40% reduction in CO₂ emissions from new vehicles (compared with FY2010 levels) and electric vehicles (EVs) to account for 50% of sales—and we are moving forward with product development to this end. In May 2021, we announced an update to "Small but Beautiful," our mid-term business plan. This update specified that we would offer electrification model on all vehicles by 2030. We will proactively launch EVs, such as the new OUT-LANDER PHEV, targeting mainly advanced countries and regions that are enhancing their infrastructures and adopting more stringent regulations. Meanwhile, while taking the lead in introducing PHEVs and BEVs in emerging markets, we plan to strengthen our competitiveness by providing products that are suited to regional requirements.

We believe that initiatives progressing rapidly toward a carbon-neutral society represent a major opportunity for us. For example, we think Kei-car segment commercial BEVs are an optimal "last one-mile" solution in logistics. To expand our business by meeting society's needs, we are considering the launch of an improved MINICAB-MiEV model.

* Please see pages 21-23 for details.

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In addition to leveraging our own electrification technologies, we plan to take advantage of our alliance partners' electric drive units and components. This combination of options should enable us to respond to the differing needs of individual countries and regions and facilitate the steady rollout of attractive electric vehicles (EVs) with distinctive "MITSUBISHI MOTOS-ness."

For other environmental issues, as well, we are drawing a roadmap for activities defined in Environmental Targets 2030, and we plan to move steadily along this path.

Now that the Environmental Plan Package has been formulated, individual divisions in the Company are considering what measures to take to meet the targets specified in the Environmental Targets 2030, incorporating them into annual plans and moving forward with initiatives. The Sustainability Committee, chaired by the Executive Officer, President & CEO, regularly follows up with divisions to check their progress on formulating annual plans and initiatives, thereby ensuring effectiveness. If we find any gap between our annual operating results and forecasts based on the mid-term business plan and product plans and our 2030 targets, we will reflect it on our plans to achieve these targets. This is particularly the case with regard to the targets raised in the Environmental Targets 2030 for reduction in CO₂ emissions from new vehicles, sales ration of EVs, and decreased CO₂ emissions from business activities.

Thus acknowledging our responsibility as a company that produces and sells automobiles, we will work toward specific targets in activities that reduce environmental impact. At the same time, we will reinforce our environmental technologies, hinging on plug-in hybrid electric vehicles (PHEVs), and encourage the spread of effective products and technologies. In this way, we will contribute toward the development of a vibrant and sustainable society.

Pursuing the New Potential of Mobility

We are manifesting "MITSUBISHI MOTORS-ness" by pursuing the potential of mobility that leverages EVs. Automobiles are typically driven for only about 5% of the day; for the remaining 95% of the time they are parked*. EVs have value as high-capacity storage batteries, and when they are parked this stored electricity could potentially be utilized for something else. We believe that using parked EVs to store and use electricity generated from renewable energy sources, can unlock new potential for mobility to lower economic and environmental impacts.

Another potential area is the so-called 'Smart cities', where all devices and infrastructure are connected via IoT technology. Within these cities, EVs are connected to the electricity grid from places where people live, via homes, office buildings, factories, hospitals, government offices and post offices. And with AI, charging and supply timing are optimally con-

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trolled to help ensure balance across the grid. Consumers could be incentivized by returning the monetary benefits that accrue, while helping to reduce the environmental impact on society as a whole.

In these ways, EV combined with IoT, might extend their scope of use even further. For instance, a parked EV might receive an alert about an electricity shortage in another area. Autonomous driving technology could be put to use to move the parked EV to the location where the power is needed to supply electricity. In this case, EVs could act like "self-driving batteries" that help balance electricity loads. In addition to a means of mobility, EVs will be able to contribute to people's lives and support electricity demand, helping to realize a carbon-neutral society.

* The High Cost of Free Parking

WEB https://www.researchgate.net/publication/235359727_The_ High_Cost_of_Free_Parking

The potential of mobility: A future using vehicle-to-grid (V2G) technologies



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We are pursuing the potential of mobility by making effective use of electric vehicles (EVs), and considering the implementation of vehicle-to-grid (V2G). V2G is a technology that enables the EV battery to help balance electricity demand and supply of a certain grid.

With V2G, EVs can be charged at off-peak times, when electricity rates are lower, and even supply back to the grid, when rates are higher. In similar way, households can use solar powered electricity for home appliances or for charging EVs, thereby cutting daily electricity bills and contributing to more efficient power use. During power outages, EVs can supply power to the home, making life safer and more secure. In this context, we are considering a variety of services that involves solar power systems and bi directional (V2H: Vehicle - to -Home) chargers, named DENDO DRIVE HOUSE (DDH)*. This service is under consideration in a global perspective, such as ASEAN countries and Oceania.



V2G demonstration site in the employee parking lot of Okazaki Plant



We will continue working to unleash the new potential of EVs and contribute to a sustainable society. We aim to start by realizing V2G to increase the value of EVs and addressing climate change actions and energy problems. Conceptual rendering of the DENDO DRIVE HOUSE (DDH)

 * This is an all-in-one bundled solution that comprises solar panels, bi directional (V2H: Vehicle - to -Home) charger, along with the purchase of an electric vehicle, offering a onestop service in which dealers provide sales, installation and after-sales maintenance.
The benefits of DENDO DRIVE HOUSE (DDH) can be expressed using four 'E's.

Easy: We provide a one-stop solution that provides all necessary equipment and services as a package.

Economy: Solar power is used to generate power for the home, contributing to savings on daily electricity bills.

Energy: In times of disaster and during power outages, the system supplies back-up power.

Environment: CO₂ emissions are reduced, as solar panels are used for clean electric power generation.

Characteristics of Plug-in Hybrid Electric Vehicles (PHEVs)

Travel	Charging	Supplying Electricity
Quieter and Further	Quick and Easy	From the Everyday to the Unexpected
PHEVs have both a motor and an engine, one of which is selected automatically to drive the vehicle according to circumstances and driving style. This arrangement delivers environmental performance, as well as practicality. In addition to providing the power for quiet yet powerful travel, the electricity is generated by the engine, extending travel range with- out having to worry about remained electricity in battom.	Charging spots are situated in places people frequent, such as convenience stores and commercial facilities, as well as along major roads at express- way parking or service areas and Michi-no-Eki (roadside station), for convenient charging during long trips. On PHEVs, the engine auto- matically starts up when battery levels are running low, generating electricity and keep driving without charging.	PHEV batteries can supply power to entire home via bi-directional char- ger, allowing electrical appliances to be used as normal. PHEVs are also equipped with 100V AC (1,500W) power outlets, so they can generate power to operate laptop, electric kettle, or microwave ovens.

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The Values Plug-in Hybrid Electric Vehicles (PHEVs) Provide:



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A Pioneer of electric vehicles (EVs)

When motorization took off in Japan in the 1960s, vehicle exhaust gases caused air pollution, which became a major social problem. In 1966, before MITSUBISHI MOTORS became independent from Mitsubishi Heavy Industries, Ltd., the Company began working with three others (Tokyo Electric Power Company, Mitsubishi Electric Corporation and Japan Storage Battery Corporation) to develop EVs. Our aim was to make the skies blue again. In 1971, we succeeded in developing a battery electric vehicle (BEV) (the EV12), based on a Kei-car segment van.

After that, we conducted demonstration experiments with the California Air Resources Board in the United States, sought performance gains with lithium-ion batteries (achieving a Guinness World Record), developed in-wheel motors and researched driving performance. These steady R&D efforts on EVs led to the 2009 launch of the i-MiEV, the world's first mass-produced BEV, ushering in the era of EVs.

At the same time, we started to develop PHEV system, which combined the advantages of being environmentally friendly and having the ability to drive on rough roads and serve as batteries. These efforts success of the one and only EV with the OUTLANDER PHEV. Moving on from this development concept, we pursued the EV concept further with the launch of the ECLIPSE CROSS (PHEV model). We thus offered a new value proposition: an electrical SUV that delivered value whether driving or parked.

Going forward, we plan to leverage our electrification technologies to help preserve the global environment and provide new value.



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Electric Vehicles (EVs) and the Realization of a Resilient Society

(DENDO Community Support Program)

By entering into disaster cooperation agreements with municipalities and loaning them roving COVID-19 vaccine vehicles, MITSUBISHI MOTORS is helping municipalities with its plug-in hybrid electric vehicles (PHEVs), which can generate power and be tapped as sources of electricity. By combining the power of PHEVs to provide transportation and the power of electricity, we are making people's lives safer and more reliable.

DENDO Community Support Program Activities 1. Disaster Cooperation Agreements with Municipalities

Under this program, the Company enters into disaster cooperation agreements with municipalities around Japan. Our aim is to build a nationwide network for providing electrified vehicles such as OUTLANDER PHEV to ensure that power can be provided quickly and without a loss of time to disaster-affected areas and evacuation shelters in times of disaster.

As July 2021, we had agreements in place with 128* municipalities. By FY2022, we aim to have agreements in place with municipalities across Japan.

Minato-ku, Tokyo

Agreements in Place with Municipalities around Japan (As of July 31, 2021)

Municipalities with agreements in place:



Recent agreement status (Japanese only)
WEB https://www.mitsubishi-motors.co.jp/carlife/phev/dcsp/
* Excluding two-party agreements between affiliated dealers and municipalities

2. Contributing Vehicles for COVID-19 Vaccinations

To support the COVID-19 vaccination drive, the Company is making free loans of the OUTLANDER PHEV to municipalities.

To facilitate the vaccination process, in addition to transporting medical teams these PHEVs provide electricity to help keep the refrigerant cool during transport. The vehicles also serve as backup power sources in the event of power outages at vaccine sites.

Loan to Minato-ku, Tokyo





Using the PHEV to keep the refrigerant cool

Okazaki city, Aichi Prefecture

Okayama Prefecture

Aichi Prefecture

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