

Commitment of Top Management

Providing greater value with a view to realizing a sustainable society and achieving sustainable growth for the Company



Takao Kato
Member of the Board
Representative Executive Officer,
President & CEO
MITSUBISHI MOTORS CORPORATION

I would like to extend my deepest condolences to the families of the people who have perished due to COVID-19. My heart goes out to those who are bravely fighting the disease, and I pray for their early recovery.

I also would like to express profound respect for the people who are working around the clock to prevent the disease from spreading and to care for patients, such as healthcare workers and administrative officials.

In response to the outbreak of COVID-19, the MITSUBISHI MOTORS Group has continued to provide various types of support in Japan and overseas.

In FY2021, we helped stem the spread of the disease by providing the "Outlander PHEV," a plug-in hybrid electric vehicle, equipped with power storage and supply functions to assist in transporting vaccines. We also donated medical instruments, antigen test kits and daily necessities.

While praying for an end to outbreak of COVID-19, we will continue to provide support in cooperation with governments, municipalities and related organizations around the world.

Responding Flexibly to Changes in Social Conditions

Based on MITSUBISHI MOTORS' vision, to "Create vibrant society by realizing the potential of mobility," the Company is working to realize a sustainable society and achieve our sustainable growth.

We recognize the importance of staying abreast of trends and responding flexibly in a challenging business environment, which has been affected by the global spread of COVID-19 and the Russia-Ukraine issue, involving parts supply shortages, disruptions in logistics networks, sharp exchange rate fluctuations, and surging prices etc. In addition, as environmental issues become more serious each year and the entire world accelerates its counterefforts, we feel that the role played by companies is becoming increasingly important.

In order to avoid inconvenience to our customers as much as possible, we have been working closely with many suppliers on a daily basis to minimize the production impact of shortages in the supply of semiconductors and other components and disruptions in the logistics network.

In addition, people's lives have changed dramatically in the wake of COVID-19's spread, and consumer needs for products and services have diversified, too. To meet the needs of our customers, we are promoting Digital Transformation (DX) and Customer Experience (CX)

strategies, including the development of a comprehensive customer information management system.

Going forward, we will explore the endless possibilities of DX and provide new value by introducing a new sales method of E-Commerce and offering ancillary services using connected technology.

Aiming to Become Carbon Neutral throughout the Supply Chain

The 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), held in Glasgow, United Kingdom, last October, has triggered a rapidly growing movement toward carbon neutrality by 2050, with many countries accelerating their greenhouse gas reduction targets.

In October 2020, we formulated the Environmental Plan Package, and we have been working to reduce our CO₂ emissions to contribute toward the realization of a society with net-zero CO₂ emissions by 2050. In addition to it, we will strengthen our efforts to reduce CO₂ further in the aim of achieving carbon neutrality throughout our supply chain by 2050.

On the product front, we will promote electrification by utilizing our core PHEV technologies and the technologies of our Alliance partners, and we will actively introduce electrified vehicles that are best

sued to regional conditions and customer's needs. As another part of our approach to reducing CO₂ emissions, we will promote energy conservation measures as well as utilize renewable energy in our business activities. We will also work with our business partners, related companies and organizations, and governments and municipalities to achieve carbon neutrality throughout our supply chain.

Cultivating Human Resources Who Will Take up the Challenge of Enhancing Corporate Value

In July 2022, MITSUBISHI MOTORS revised its behavioral guideline, the "MMC WAY." Diverse human resources who play an active role are key to increasing our corporate value and remaining an automaker of choice for our customers. The new "MMC WAY" is intended to encourage each and every employee to take on new challenges in uncharted areas to meet the expectations of stakeholders and contribute to the realization of a sustainable society.

In addition, to strengthen our human capital, we will work to enhance the expertise of our employees in various fields, particularly in the continuous upskilling of our IT and digital personnel, as well as the dispatch of young employees overseas. At the same time, we are striving to secure human resources for our businesses of focus. We will continue recruiting with a view to developing electrified vehicles, expanding various technology domains and promoting DX.

Reinforcing Our Efforts Addressing Respect for Human Rights

Based on the recognition that respect for human rights is fundamental to our business activities, we use our human rights due diligence framework to identify the negative impacts of our business activi-

ties on human rights and work to prevent or mitigate such impacts.

In FY2021, an external evaluation organization conducted human rights assessments for the first time at our head office and three domestic manufacturing plants. In FY2022 and beyond, we will expand the scope of evaluation to include affiliated companies, thereby strengthening the Group's overall human rights response.

Meanwhile, in an effort to understand the status of human rights initiatives in our supply chain, we are having a third-party evaluation organization conduct CSR assessments of our suppliers.

Enhancing Governance in an Effort to Realize Highly Transparent Management

Recognizing that addressing sustainability is a high priority management issue for the Group, the Board of Directors discusses and makes decisions taking into account sustainability. Based on the deliberation of the Compensation Committee, starting in FY2022 "CO₂ emissions from business activities" and "employee engagement" were newly included as indicators for determining medium-to long-term performance-linked compensation for executives. By introducing important non-financial indicators into calculation of executive remuneration, we intend to raise awareness of sustainability among the executives who are leading the Company's efforts in this regard and reinforcing sustainability management throughout the Company.

In order to promote highly transparent management, we work continuously to reinforce and improve initiatives toward corporate governance, which is at the foundation of efforts to achieve sustainable growth of the Company and enhance corporate value over the medium to long term.

Continuing to Pursue "MITSUBISHI MOTORS' Uniqueness" and Providing Higher Value

In FY2020, the first year of our current medium-term business plan, "Small but Beautiful," COVID-19 spread throughout the world, substantially disrupting supply chains and markets. Thereafter, in FY2021, MITSUBISHI MOTORS' operating environment grew increasingly opaque, changing on a daily basis, due to cost increases caused by soaring material and logistics costs. Despite these circumstances, our sales and earnings are on the road to recovery, thanks to the large number of customers who purchased our products and to the flexible, company-wide response to the challenging environment.

As a manifestation of "MITSUBISHI MOTORS' uniqueness" (Environment x Safety, Security and Comfort) during the period of our medium-term business plan, we have launched three electrified vehicle models, the "Eclipse Cross PHEV Model," the All-New "Outlander PHEV Model" and "eK X EV," and the "XPANDER" as an overseas model. They continue to enjoy a strong reputation among our customers, and we are once again impressed by their high awareness of the environment and safety.

We will continue to build a stronger and more flexible cooperative relationship as the Renault-Nissan-MITSUBISHI MOTORS Alliance, aiming for more robust technological capabilities in the areas of the environment, safety and digitalization. We will work to provide even greater value to our customers by integrating "MITSUBISHI MOTORS' uniqueness" with the Alliance's technologies.



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