Our Approach to and Framework for Promoting Sustainability

Approach to Sustainability

The automotive industry is undergoing a period of major transformation, driven not only by advances in electrification and vehicle intelligence but also by the need to address decarbonization, resource constraints, and geopolitical risks.

As the external environment surrounding MITSUBISHI MOTORS Group becomes increasingly complex, we believe that efforts to realize a sustainable society and strengthen our competitiveness under our corporate vision, "Create vibrant society by realizing the potential of mobility", are indispensable for the Group's sustainable growth.

In formulating the "New Mid- Long-Term Vision looking ahead to the 2030s," we looked beyond a simple extension of our previous medium-term business plan against the backdrop of a business environment characterized by growing uncertainty, including expanding geopolitical risks and changes in environmental regulations. Instead, we adopted "Enhancing customer satisfaction and corporate value through distinctive products and brand strengthening." as our medium- long-term direction. The Group recognizes that various challenges in the environmental, social, and governance fields pose risks to its sustainable growth. At the same time, we see working to solve social issues as an opportunity for new business, and we will strive to reduce risk and contribute to solving social issues through responsible business operations.

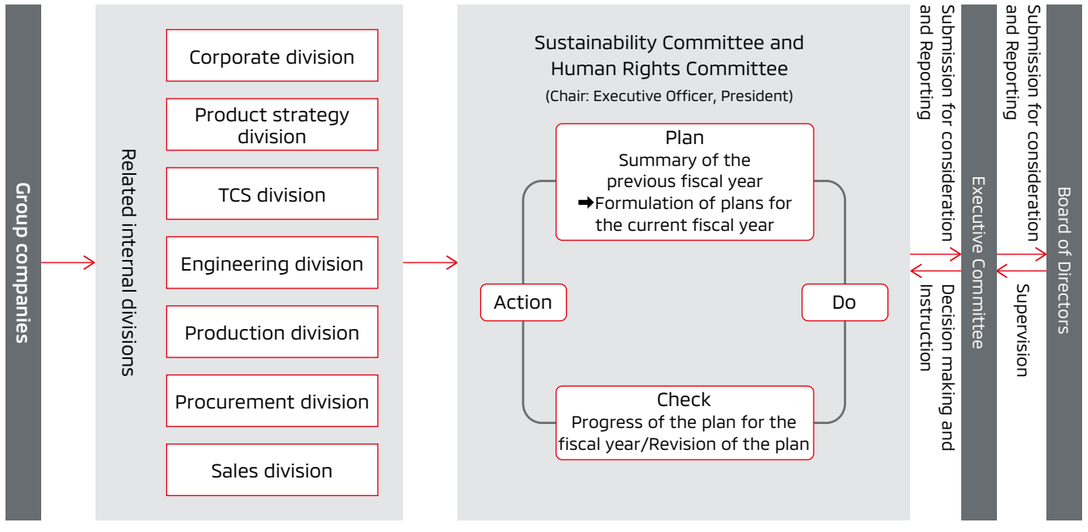
Framework for Promoting Sustainability

We have established the Sustainability Committee and the Human Rights Committee, which are chaired by the Executive Officer, President, to promote sustainability initiatives throughout the Group. The committee is held about three times a year. MITSUBISHI MOTORS Group has identified material issues as important issues that we should wrestle from various problems in the environmental, social, and governance fields. The Sustainability Committee confirms the risks and opportunities identified from a long-term perspective by those responsible for each materiality initiative. In addition to assessing and managing these risks and opportunities, the committee deliberates and decides on initiative targets and KPIs based on the external environment and stakeholder needs and expectations from a medium-term perspective, and uses the PDCA cycle by checking progress.

We also have a structure in which the Board of Directors deliberates and receives reports on important matters such as reviewing material issues and the overall status of sustainability activities, as well as makes decisions, conducts supervision, and gives instructions, as needed, regarding those matters.

- Proceedings of Sustainability Committee and Human Rights Committee
- Sustainability Committee members
- Human Rights Committee Agenda List
- Human Rights Committee Members
- Instilling Sustainability Awareness within the Company
- Stakeholder Engagement

Sustainability Promotion Structure



MITSUBISHI MOTORS' Materiality

Identifying and Reviewing Materiality

MITSUBISHI MOTORS, with recognition of importance of the United Nations Sustainable Development Goals (SDGs), identified material issues as the important issue that we should wrestle from various challenges in the fields of environment, social and governance in FY2018.During the identification process, we conducted repeated examinations from the perspective of stakeholders' concern and impact on the Company, and held hearings with experts. After that, we repeated discussions about our material issues at the Sustainability Committee, and the decision was made at the Executive Committee.*

In recent years, social trends related to sustainability have changed substantially and rapidly. After carefully considering the impacts the Company has on the economy, environment, human rights and people, we flexibly review material issues in response to the latest social conditions and the needs and expectations of our stakeholders.

* Determined by the Executive Committee in accordance with internal regulations as of 2018. From 2019 onwards, resolved by the Board of Directors and other bodies in accordance with changes in the internal regulations.

History of Materiality Identification and Review

Process of Identification and Review

STEP 1 Sorting through Issues and Setting Evaluation Standards

The MITSUBISHI MOTORS Group selected candidates, taking into consideration the SDGs, the GRI standards and external assessments of the Group's sustainability activities. Furthermore, we have set evaluation criteria to determine priorities based on the scope of impact of our activities (boundary) and consistency with business risks.

STEP 2 Internal Investigation

The secretariat, in consultation with related internal departments, confirmed the priority of the initiatives from the viewpoint of impact on the Group's business.

STEP 3 Interviews with Outside Experts

Interviews were conducted by the secretariat with an expert familiar with social issues. The expert reviewed important issues that the Group should address from the perspective of its impact on society (economy, environment and people).

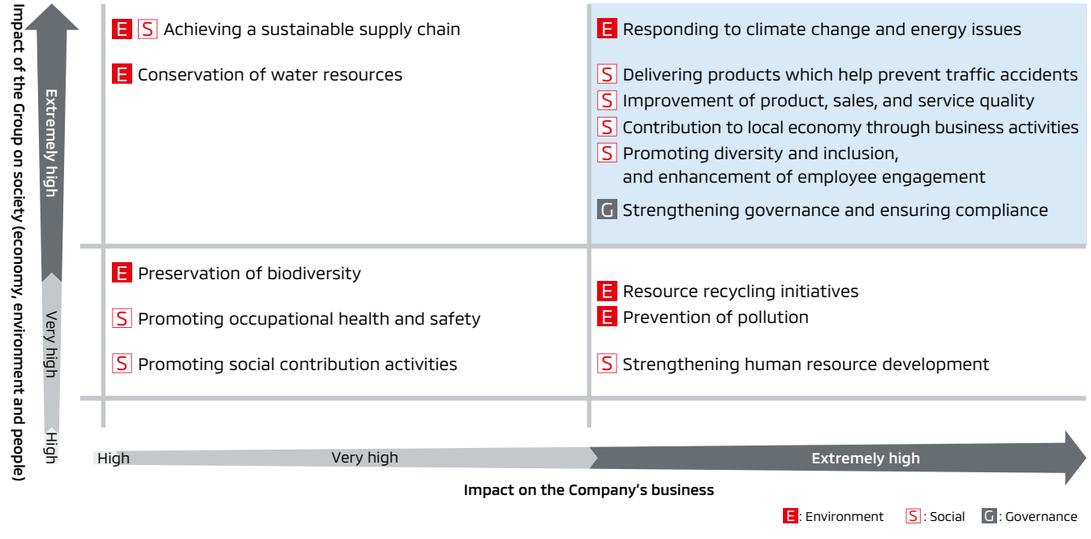
STEP 4 Deciding the Materiality and Setting KPIs

The Sustainability Committee deliberated on material issues that reflects internal and external opinions, and the Board of Directors and other bodies gave their final approval. We also set KPIs for each material issue and assigned people to oversee them.

STEP 5 Reviewing Materiality

After carefully considering the impacts the Group has on the economy, environment and people, including human rights, we flexibly reviews material issues in response to the latest social conditions and the needs and expectations of our stakeholders. These material issues were then deliberated by the Sustainability Committee, and the Board of Directors and other bodies gave their final approval.

The Materiality Identified



MITSUBISHI MOTORS' Materiality

Materiality with Significant Impacts: External Environment Analysis / Risks and Opportunities / Impacts / Medium-Term Targets

Materiality	Analysis of the External Environment	Risks to the Company	Opportunities for the Company	Impact on Society and the Environment	Medium-Term Targets
Responding to Climate Change and Energy Issues	• Declaration of carbon neutrality by more than 140 countries/regions by 2050 • Limiting the rise in global temperature to 1.5°C requires a 60% reduction in greenhouse gas emissions by 2035 compared with 2019; however, a gap has become apparent between the required reduction and the aggregate of individual countries' targets. Accordingly, discussions at COP30 have progressed based on the assumption of a temporary overshoot of the 1.5°C level • Governments around the world are introducing and strengthening measures, such as CO_2/fuel economy standards, ZEV regulations, emissions trading schemes, and disclosure regulations. Meanwhile, in the United States, Europe, and other regions, some progress has also been made in making the operation of such measures more flexible and reviewing them • Toward carbon neutrality by 2050, approaches that combine a variety of measures, including not only BEVs but hybrids and low-carbon fuels, are becoming more common	• Increased development/procurement/production costs to comply with stricter regulations • Increased fines, costs of purchasing credits, and litigation-related expenses involving stakeholders due to failure to comply with regulations • An increasing tax burden on our CO_2 emissions due to the introduction and expansion of carbon taxes and other forms of carbon pricing, as well as higher carbon prices, and higher costs due to the pass-through of such costs at the procurement, production and logistics stages • Damage to buildings, facilities, and vehicles in inventory caused by typhoons and torrential rains, and the suspension of operations at production facilities due to supply chain disruptions (delays in the supply of parts stemming from damage to suppliers and the disruption of transportation routes)	• Expand sales of electrified vehicles by improving product capabilities and taking advantage of government and municipal measures to promote electrified vehicles • Increase sales of electrified vehicles and V2X*-related equipment/services in line with the growing value of electrified vehicles as energy infrastructure • Boost sales of electrified vehicles that can help supply power in response to growing demand for emergency power sources in times of disaster * V2X: A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others	• Contribute to the realization of a society more resilient to climate change as we move toward net-zero CO_2 emissions through the wider adoption of electrified vehicles and renewable energy	FY2030 targets: • Average CO_2 emissions from new vehicles: -40% (Tank to Wheel, compared with FY2010) • Electrified vehicle sales ratio: 50% (100% by FY2035) • CO_2 emissions from business activities: -50% (Scope 1 and 2 total emissions, compared with FY2018) • Promoting CO_2 reduction activities with major suppliers • Promoting CO_2 reduction activities in cooperation with logistics companies • Providing energy management services utilizing electrified vehicles and used batteries • Implementing measures to adapt to climate change
Delivering Products which Help Prevent Traffic Accidents	• Strengthening of traffic-accident-related laws and regulations, government safety targets and safety performance evaluation standards • Introduction of safety standards and regulations for CASE and other advanced technologies	• Increase in accidents due to aging drivers worldwide and rapid increase in car ownership in emerging markets • Frequent occurrence of fatal motorcycle accidents in ASEAN countries	• Securing MITSUBISHI MOTORS' brand recognition for its focus on safety technology and expanding sales by continuing to introduce advanced technologies • Securing brand image and earnings through the development and introduction of vehicle safety technologies for motorcycles, etc. for the ASEAN market	• Contribute to the realization of a mobility society with zero traffic accidents through penetration and expansion of safety technologies	• Leading the way in the environmental sustainability, we provide the transportation with peace of mind, confidence and comfort • Developing safety technologies suited to the road traffic environments in ASEAN and other focus regions
Improvement of Product, Sales, and Service Quality	• Diversification of customer needs in line with the increasing sophistication of vehicles (electrification and intelligent technologies) • Expansion of off-board vehicle functions (connected and smartphone integration)	• Declines in customer satisfaction and purchase intent due to product- and service-related quality issues	• Enhancing loyalty and acquiring new customers by delivering high-quality products and services	• Enhancing customer satisfaction by delivering product, sales, and service quality that exceed customer expectations	• With a truly customer-oriented mindset and from the customer's point of view, prevent defects and dissatisfaction and promptly resolve customers' problems - Eliminate major quality defects at the launch of new models - Speed up the resolution of problems with vehicles already sold - In key countries, improve sales and service quality survey scores and promptly resolve dissatisfaction and complaints when they arise
Contribution to Local Economy through Business Activities	In the ASEAN region • Gradual expansion of the automobile market, driven by ongoing economic growth and rising incomes • Intensifying competition due to increased market entry by overseas manufacturers • Promotion of protective measures by countries seeking to develop their own industries • Government initiatives toward carbon neutrality • Increased severity of environmental problems caused by economic development and numerous natural disasters caused by climate change	• Increasing intra-regional and income disparities due to economic development (and resulting slowdowns in automotive markets) • Increasing global investment in the ASEAN region, resulting in labor shortages and rising labor costs • Increased burdens placed on companies by new tax systems instituted in conjunction with tightening of environmental regulations • Impact of natural disasters on the supply chain (factory operation stoppages, distribution network slowdowns, suspension of sales activities)	• Strengthening the business foundation by continuously securing and developing human resources through good working conditions • Improving the work environment and productivity through continuous capital investment • Promoting technological innovation by responding to regulatory developments • Positive evaluations of ESG contributions to the achievement of carbon neutrality, resulting in improved brand image	• Growing together with local communities by contributing to the development of, and resolution of issues in, the regions where we operate	• Continuously contribute to the economic development of local communities through the five areas of employment, human resource development, investment, technology transfer, and exports by expanding and continuing business activities in the ASEAN region • As announced in the mid-term business plan, continue to concentrate management resources in the ASEAN region, a core area of business, and further advance business activities that contribute to all stakeholders and society • With respect to environmental and social contributions, which are growing in importance, utilize our technologies to launch electrified vehicles, including HEVs, in ASEAN markets, thereby helping reduce environmental impacts in the region
Promoting diversity and inclusion, and enhancement of employee engagement	• United Nations' Guiding Principles on Business and Human Rights • Information disclosure on human capital (annual securities report, ISO 30414) • Raising of the legally mandated rate of employment of persons with disabilities (2.7% in July 2026) • Mandating of disclosure of status of use of childcare leave by male employees, etc. (effective April 2023) • General Employer Action Plans based on the Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Advancement of Measures to Support Raising Next-Generation Children (Mitsubishi Motors action plan period: April 2024 to March 2029)	• Outflow of personnel to companies with greater diversity or better working environments • Risk of being regarded as a company that does not respect human rights	• Securing talented human resources and creating value from diverse perspectives • Increasing productivity by improving workplaces based on individual circumstances	• Enhancing corporate value by building an organization where diverse human resources can thrive • Providing value by creating a comfortable work environment that further enhances productivity	• Developing workplaces where diverse human resources can thrive (improvement of employee engagement) • Creating more productive and comfortable workplaces, taking the above perspectives into consideration
Strengthening Governance and Ensuring Compliance	• Revision of business-related laws and regulations • Business interruptions due to natural disasters or outbreaks of infectious diseases • Frequent information leaks and business interruptions due to cyberattacks and other incidents • Occurrence of wars, terrorism, political unrest, or deterioration of public safety in our key markets	• Corporate misconduct becoming a social issue • Business interruptions caused by natural disasters, outbreaks of infectious diseases, war, political unrest, etc. • Increasing incidents of data breaches—such as those resulting from cyberattacks—and their growing severity	• Ensuring soundness and transparency by establishing a robust governance system and earning society's trust • Ensuring the safety and continuity of business operations through enhanced risk management	• Enhancing trust by further strengthening governance, including ensuring compliance with laws and regulations and the appropriateness and efficiency of business execution • Ensuring business continuity by appropriately identifying risks, preventing them from materializing, and minimizing their impact if they do materialize	• Creating and maintaining a stronger governance system through the continuous operation of an effective internal control system and securing the trust of stakeholders • Preventing serious incidents through strict compliance • Minimizing the negative impact of risks that manifest themselves and creating a structure that ensures business continuity • Continuously acquiring and analyzing information regarding cyberattacks, improving technical countermeasures, and using ongoing employee training to build and operate a sustainable information security system

Environmental Plan Package

Structure of the Environmental Plan Package

Anticipating a time 30 years in the future, in October 2020 MITSUBISHI MOTORS formulated the Environmental Plan Package, which defines the directions and targets of its environmental initiatives. This package establishes the foundation for our directions on environment-related management strategy, outlining our objectives for realizing a sustainable society, including one that is carbon-neutral, as we conduct our business activities. The Environmental Plan Package comprises the Environmental Policy, which we have revised to incorporate our medium- long-term perspective; the Environmental Vision 2050, which sets out our vision for society to be achieved by 2050 and directions for our initiatives; and the Environmental Targets 2030, which clarifies specific initiatives to be achieved by 2030 in accordance with this vision.

Environmental Policy

We have been acting in accordance with its Environmental Policy, which was formulated in 1999. However, in the 20 years that have passed since that time the operating environment has changed, prompting us to revise the policy in 2020 to reflect current social trends. We recognize that responding to environmental issues in our business activities is essential, and so have newly incorporated a medium- to long-term outlook into our policy. Focusing specifically on climate change, resource depletion and environmental pollution, we aim to contribute to the preservation of water resources and biodiversity through initiatives in these areas.

▶ Environmental Policy

Environmental Vision 2050

Our Group has formulated Environmental Vision 2050, which defines the society we aim to realize by 2050 and the direction of our initiatives with respect to Climate Change, Resource Circulation, and Pollution Prevention. As part of our Climate Change initiatives, we have declared our commitment to achieving carbon neutrality.

Environmental Targets 2030

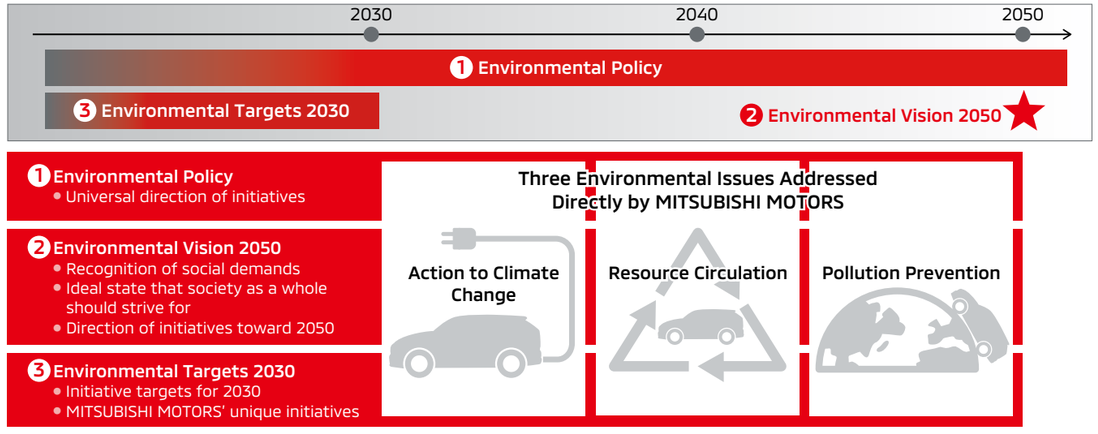
We formulated Environmental Targets 2030, which are targets to be addressed in line with the direction of society and initiatives to be pursued, as set forth in our Environmental Vision 2050. In formulating the targets, we referred to scenarios published by the IEA (Internal Energy Agency) and the IPCC (Intergovernmental Panel on Climate Change), as well as international frameworks such as the SDGs and the Paris Agreement.

We revised the Environmental Targets 2030 in February 2023 through the resolution by the Board of Directors and set even higher targets in our "action to climate change" to demonstrate our commitment to achieving carbon neutrality. The target CO_2 emissions of Scope 1*1 and Scope 2*2 are established in reference to the target level of 1.5°C, which is based on international climate science.

*1 Scope 1: A company's direct emissions (such as from burning fuel)
*2 Scope 2: Indirect emissions, resulting from electricity, heat or steam provided by another company

▶ Environmental Plan Package: Structure for Consideration in Formulation, Steps to Formulation

Structure of the Environmental Plan Package



Environmental Vision 2050 & Environmental Targets 2030

Preamble to Environmental Vision 2050

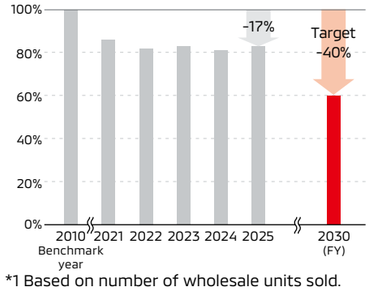
In December 2015, the Paris Agreement was adopted at COP21. Members of this accord agreed to curtail the rise in average global temperatures to 2°C above levels before the Industrial Revolution and to work to keep the rise to 1.5 °C. Given such social demands, MITSUBISHI MOTORS believes it can contribute toward the realization of a sustainable society, achieving a balance between the progress of humankind and the global environment, through the proliferation of electrified vehicles and the promotion of their use in society.

Environmental Vision 2050		Environmental Targets 2030 (Targets 2030)
Through electrified vehicles and the increased use of renewable energy, we aim to become carbon neutral and contribute to the realization of a society that is resilient to climate change.	Action to Climate Change	Average CO_2 emissions from new vehicles*1: -40% (compared with FY2010)
		Electrified vehicles*2 sales ratio: 50% FY2035 100%
		CO_2 emissions from business activities*3: -50% (compared with FY2018)
		Promoting CO_2 reduction activities with major suppliers
		Promoting CO_2 reduction activities in cooperation with logistics companies
		Providing energy management services utilizing electrified vehicles and used batteries
		Implementing measures to adapt to climate change
We will contribute to a resource-recycling-oriented society by minimizing input resources and maximizing resource efficiency.	Resource Circulation	Expanding adoption of non-fossil-based plastic
		Achievement of zero direct landfill waste (less than 0.5%)
		Reuse of batteries used in electrified vehicles
We will contribute toward a society free of environmental pollution affecting human health and the ecosystem by reducing the environmental impact of our products and the pollution resulting from our business activities.	Pollution Prevention	Conformance to regulations on use of substances of concern in products
	Environmental Management	Promoting Life Cycle Assessment (LCA)
		Promotion of environmental management within the Group and at dealers
		Enhancing disclosure of environmental information
		Promotion of employee education and awareness activities
		Collaboration with suppliers
		Promotion of grass-roots community environmental preservation activities

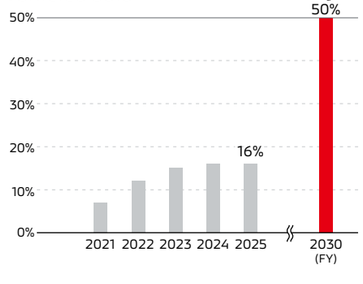
*1 CO_2 emissions per new vehicle while driving. Tank to Wheel
*2 Electrified vehicles: Battery-powered electric vehicles, plug-in hybrid electric vehicles (PHEV), and hybrid electric vehicles (HEV)
*3 Co_2 emissions from business activities : Total of Scope 1 and Scope 2

Principal Results for FY2025

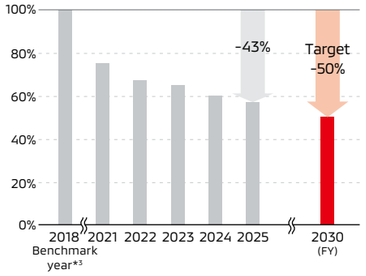
Average CO_2 emissions from new vehicles



Ratio of electrified vehicles sold*1



CO_2 emissions from business activities*2



*1 Based on number of wholesale units sold.
*2 Scope 1 and Scope 2
*3 The officially reported emission volume of FY2018 (the benchmark year), was 588 thousand t-CO_2. This volume includes 43 thousand t-CO_2 emissions from some equity-method associates. For the purposes of target setting, we have revised our base figure to 545 thousand t-CO_2, as our current method of selecting environmental management target companies excludes these equity-method associates.

Responding to Climate Change and Energy Issues

Governance

Basic Approach

We recognize that addressing the globally shared challenge of achieving carbon neutrality by 2050 is a critically important initiative that could affect our medium-long-term corporate value. The Group positions climate change countermeasures as one of the key issues in formulating its business strategies. By incorporating measures to address climate-related risks and opportunities into the Environmental Plan Package, which sets forth the direction and goals of our environmental initiatives, and reflecting them in our business strategies, we are working to ensure sustainable business growth, reduce future risks, and enhance our resilience as a company.

Against the backdrop of growing geopolitical risks and changes in the energy supply and demand landscape in recent years, energy security has become increasingly important. Through the promotion of energy conservation and the transition to renewable energy, the Group is working not only to reduce greenhouse gas emissions but also to enhance energy security and reduce the risk of energy price fluctuations.

▶ Environmental Plan Package

Management Structure

a. Board's oversight of climate-related risks and opportunities

The Group identified "responding to climate change and energy issues" as an important management issue and has accordingly identified it as one of our materiality issues. The Board of Directors makes decisions on important matters related to environmental initiatives, including those related to climate change, and oversees their execution. The Board of Directors approved the Environmental Vision 2050 and Environmental Targets 2030, which were revised in FY2022, and these measures were announced.

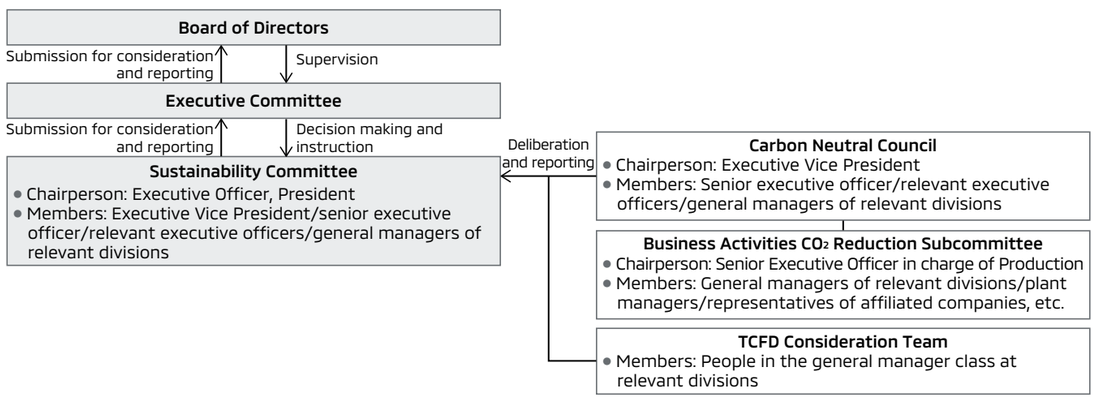
Examples of climate change-related issues submitted or reported by the Board of Directors

- Expressed our support for the TCFD Recommendations
- Information disclosure in line with the TCFD Recommendations
- 2050 governmental declarations of carbon neutrality and the revision of the Environmental Vision 2050
- Revision of the Environmental Vision 2030

b. Management's role in assessing and managing climate related risks and opportunities

To address climate change and energy issues, we have established the Sustainability Committee, chaired by the Executive Officer, President, who also holds top responsibility for initiatives related to climate change. The committee evaluates climate-related risks and opportunities, discusses response measures, and reviews progress and achievements in line with the Environmental Targets 2030.

Structure of Promoting Carbon Neutrality (as of March 31, 2026)



	Roles	Meeting frequency
Sustainability Committee	Monitoring Progress toward the Environmental Targets 2030	Three times a year
Carbon Neutral Council	Formulating medium- to long-term policies and targets for achieving carbon neutrality by 2050	Three times a year
Business Activities CO_2 Reduction Subcommittee	Draft action plans for reducing CO_2 in areas of business activity, promotion of specific measures, etc.	Twice a year
TCFD Consideration Team	Identify and assess climate-related risks and opportunities, consider scenario analysis, etc.	Meets as necessary

We have established the Carbon Neutrality Council under the Sustainability Committee. This council is chaired by the Executive Vice President and consists of executives responsible for management strategy, products, manufacturing, procurement and logistics. This organization formulates medium- to long-term policies and goals based on the assessment of climate-related risks and opportunities, considering specific response measures in each area. These policies, goals, and their progresses are reported by the respective heads of each area at the Sustainability Committee for review and deliberation. The organization generally meets three times per year, and particularly important matters are deliberated and decided by the Board of Directors.

Strategy

Risks and Opportunities

a. Short-, medium- and long-term climate-related risks and opportunities the organization has identified

We recognize climate-related risks and opportunities as one of the key aspects in formulating our business strategy, and are identifying and evaluating short-, medium-, and long-term risks and opportunities, as well as analyzing the impact on our business based on multiple climate scenarios. We are also considering countermeasures in response to these risks and opportunities.

Identified climate-related risks and opportunities

Type		Item	Assumed Impact on MITSUBISHI MOTOR'S Business Activities	Timing of the Impact*1	Degree of impact
Transition risks	Policy and legal	Strengthening of regulations for fuel economy/CO_2 and zero-emission vehicles	• Increased development/procurement/production costs to comply with stricter regulations • Increase in fines, credit purchase costs, and stakeholder litigation expenses due to non-fulfillment of regulations	Short/ medium/ long term	Large
		Introduction and expansion of carbon pricing	• An increasing tax burden on our emissions due to the introduction and expansion of carbon taxes and other sorts of carbon pricing, as well as higher prices on carbon, and higher costs due to a price shift toward the procurement, production and logistics stages	Medium/ long term	Large
	Technology	Investment in new technologies	• Decline in the Company's competitiveness and market share due to delays in investment in electrification and other new technologies	Short/ medium/ long term	Medium
	Market	Changes in the energy mix	• Higher energy costs due to a rise in electricity prices resulting from the increased introduction of renewable energy and carbon-neutral sources of electricity, such as hydrogen	Medium/ long term	Small
		Tight supply and demand for raw materials (rare metals)	• Rise in the cost of raw materials (such as rare metals) and components due to growing demand for storage batteries	Medium/ long term	Medium
		Changes in user awareness and behavior	• Decrease in sales volume due to the development of public transportation infrastructure and the proliferation of sharing in urban areas	Medium/ long term	Medium
	Reputation	Increasingly stringent assessment by ESG rating institutions and stakeholders	• Decline in our social image and share price	Short/ medium term	Medium
Physical risks	Acute	Increasing frequency and intensity of meteorological disasters	• Damage to buildings, facilities, and vehicles in inventory caused by typhoons and torrential rains, and the suspension of operations at production facilities due to supply chain disruptions (delays in the supply of parts stemming from damage to suppliers and the disruption of transportation routes)	Short/ medium/ long term	Large
	Chronic	Rise in average temperatures	• Rising (energy) cost of air conditioning to maintain the work environment and employee health • Difficulty in securing the water needed to manufacture automobiles due to depletion of water resources	Medium/ long term	Small
		Rise in ocean levels	• Increased flooding and surge in the instance of storms due to rising sea levels, resulting in operational shutdowns at manufacturing facilities and increased investment in disaster countermeasures	Medium/ long term	Medium
Opportunities	Products and services	Growing demand for electrified vehicles	• Expand sales of electrified vehicles by improving product capabilities and taking advantage of government and municipal measures to promote electrified vehicles • Increase sales of electrified vehicles and expand the provision of V2X-related equipment and services in line with the growing role of electrified vehicles as energy infrastructure. • Boost sales of electrified vehicles that can help supply power in response to growing demand to secure sources of emergency power in times of disaster	Medium/ long term	Large
	Energy source	Advancement in energy technologies	• Reduce energy costs by promoting energy conservation activities and the introduction of renewable energy	Short/ medium/ long term	Medium

*1 Short term: Up to three years; medium term: three to 10 years; long-term: more than 10 years. Some issues impacts have already occurred as a result of the recent international situation.
*2 V2X: A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others

Responding to Climate Change and Energy Issues

As particularly high-impact migration risks, we identified the "strengthening of regulations for fuel economy/CO_2 and zero-emission vehicles" and the "introduction and expansion of carbon pricing." We identified "increasing frequency and intensity of meteorological disasters" as a physical risk. While these risks may affect our business in various ways, we recognize that responding appropriately to these risks will lead to greater sales of electrified vehicles* and new business opportunities.

*1 Electrified vehicles: Battery-powered electric vehicles, plug-in hybrid electric vehicles (PHEV), and hybrid electric vehicles (HEV)

b. Impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning

With the vision of "creating vibrant society by realizing the potential of mobility," the Group aims to enhance our corporate value over the long term by providing products with value that is unique to MITSUBISHI MOTORS through contributions to carbon neutrality and other efforts. As countries' policies and market conditions continue to change toward achieving carbon neutrality, we recognize that climate-related matters may affect our business, strategies, and financial plans, so we periodically review our strategies and plans as appropriate based on climate change risks and opportunities.

Impact on strategies and plans

Business area	Recognized impact	Incorporation into strategies and plans
Products and services	To realize a carbon-neutral society, various countries and regions are strengthening regulations for fuel economy/CO_2 and zero-emission vehicles. These will affect our product development, production and procurement strategies.	In 2020, we formulated the Environmental Targets 2030, which set the target of achieving a 40% reduction in CO_2 emissions from new vehicles (compared with FY2010 levels) and a target ratio of electrified vehicle sales of 50% by FY2030. In February 2023, we set a new target, raising our target ratio of electrified vehicle sales to 100% by FY2035. In addition, the new mid- to long-term vision announced in May 2026 incorporates a plan to introduce 10 electrified vehicle models between FY2026 and FY2031.
Supply chain, value chain	In the automobile manufacturing and sales business, greenhouse gases such as CO_2 are emitted not only during the manufacture of products, but throughout the entire value chain. As climate change advances, the worldwide risk of increasingly frequent and severe occurrences, such as typhoons and floods, is mounting. If our supply chain or value chain is affected by such events, our plants' operations and sales could be affected.	We revised our Environmental Targets 2030 in February 2023, adding the procurement target of "promoting CO_2 reduction activities with major business partners," and the logistics target of "promoting CO_2 reduction activities in cooperation with transportation companies."
Investment in R&D	We are promoting investment in R&D to address increasingly stringent and new regulations for fuel economy/CO_2 and zero-emission vehicles in the countries and regions where we operate. These moves will affect our R&D costs for electrified vehicles and other products.	The new mid- to long-term vision announced in May 2026 also includes plans to invest 250 billion yen in growth investments related to electrification and intelligent technologies (R&D expenses and capital expenditures (CAPEX)) between FY2026 and FY2029.
Adaptation and mitigation measures	Our business could be affected by countries and regions introducing or expanding carbon taxes and emissions trading systems, as well as by rising energy costs.	In 2020, we formulated the Environmental Targets 2030 and set the goal of reducing CO_2 emissions from our business activities "by 40% compared to FY2014." In February 2023, with reference to the 1.5°C target based on international climate science, we raised our target to a 50% reduction (compared with FY2018 levels).

c. Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Based on climate scenarios and future information from organizations such as the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), and the Network for Greening the Financial System (NGFS), MITSUBISHI MOTORS considered the "less than 2°C scenario*1," which assumes actions by society to avoid climate change as of 2030 and 2050. We also looked at a "growth scenario*2," which is premised on the current or announced policies. Under these scenarios, we examined the risks and opportunities, focusing on areas with significant impact on our business activities.

*2 Referenced the IEA's Announced Pledges Scenario (APS), the IPCC's "RCP4.5," the NGFS' "Net Zero 2050," etc.
*3 Referenced the IEA's Stated Policies Scenario (STEPS), the IPCC's "RCP8.5," the NGFS' "Current Policies," etc.

Impact of Risks and Opportunities on the MITSUBISHI MOTORS Group's Business Activities

Scenario	Item	Risks/Opportunities		Impact on MMC's business	Measures to address them
Less than 2°C	Strengthening of regulations for fuel economy/CO_2 and zero-emission vehicles	Risks	● Need for both developed countries and emerging markets to comply with stricter regulations ● Increasing likelihood of noncompliance	● Higher development/procurement/production costs ● Fines and credit purchase costs increase if regulations are not met	● Reduce costs through collaboration with partners and optimization of parts and components sharing ● Promote electrification through in-house development of HEVs and PHEVs and utilization of collaborative models for EVs
		Opportunities	● Growing demand for electrified vehicles	● Increased sales of electrified vehicles and expansion of the value chain related to electrified vehicles	● Promote new mobility businesses such as energy management using electrified vehicles and used batteries
	Introduction and expansion of carbon pricing	Risks	● Introduction and expansion of carbon taxes, causing carbon prices to rise	● Increased direct and indirect tax burdens and higher costs at the procurement, production and logistics stages	● Promote energy conservation activities and introduce renewable energy ● Promote CO_2 reduction efforts in cooperation with suppliers
		Opportunities	● Promotion of energy-saving technologies ● Increasing use of renewable energy	● Lower energy costs	
Growth	Increasing frequency and intensity of meteorological disasters (Flooding and inundation)	Risks	● Increased possibility of factory damage and supply chain disruptions due to frequent and severe heavy rain and flooding	● Damage to production and development facilities ● Lower earnings due to operational shutdowns due to damage to our own factories and suppliers	● Review BCP, assuming such factors as heavy rain and flooding ● Promote risk mitigation initiatives in collaboration with suppliers
		Opportunities	● Greater demand for electrified vehicles, owing to growing need to secure emergency power sources at the time of disaster	● Increased use of electrified vehicles that can help supply emergency power	● Reduce costs through collaboration with partners and optimization of parts and components sharing ● Promote electrification of PHEVs and EVs equipped with external power supply features ● Promote new mobility businesses such as energy management using electrified vehicles and used batteries

The MITSUBISHI MOTORS Group's Response Measures Based on Risks and Opportunities

Our Group incorporates measures to address climate related risks and opportunities into our Environmental Plan Package and business strategies, which set forth the direction and goals of our environmental initiatives. In this way, we are promoting initiatives to reduce future risks, ensure sustainable business growth and enhance our resilience as a company.

On the product front, we develop electrified vehicles and promote fuel-efficient internal combustion vehicles, proactively introducing electrified vehicles that optimally meet customers' needs, taking into consideration the energy situation and infrastructure development status in each country and region. Working toward carbon neutrality is one of the key challenges stated in "Challenge 2025," our mid-term business plan. We have introduced seven models: ASX (PHEV/HEV), COLT (HEV), XPANDER (HEV), XPANDER CROSS (HEV), XFORCE (HEV), GRANDIS (HEV), and ECLIPSE CROSS (BEV). Including the "MINICAB EV/L100 EV," "eK X EV," "OUTLANDER" (PHEV), and "ECLIPSE CROSS" (PHEV), which were launched prior to February 2023, we offer a total of 11 electrified vehicle models as of March 2026. Going forward, based on the new mid- to long-term vision announced in May 2026, we plan to introduce 13 new vehicle models between FY2026 and FY2031 to strengthen our product lineup. As for electrification, while continuing to adopt collaborative models for EVs, we will focus on HEVs and PHEVs in in-house development and plan to introduce five models of each, totaling 10 models, in phases. Furthermore, we will continue to deepen our electrification technologies, one of our core strengths, through in-house development of high-efficiency engines dedicated to PHEVs and HEVs and advancement of next-generation electrification systems through joint development with parts manufacturers.

In our business activities, we are promoting energy minimization and the transition to renewable energy sources, and are working to reduce CO_2 emissions.

Across the supply chain, we will collaborate with business partners, related companies and organizations, and governments and municipalities to reduce CO_2 emissions at the production stage (through raw materials and parts) and in logistics (including products). We are also promoting renewable energy and

charging infrastructure, utilize carbon-neutral fuel and promote V2X*.

We believe that the widespread adoption of electrified vehicles will create new business opportunities, such as energy management and the reuse of end-of-life batteries. Furthermore, we believe that combining these with vehicle data and other technologies will create additional value. Therefore, we are working with a wide range of partner companies and local governments to contribute not only to the realization of a carbon-neutral society but also to enhancing the value of electrified vehicles.

* V2X: A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others

▶ Promoting the Use of Electrified Vehicles as a Way of Adapting to Climate Change:

Risk management

a. Organization's processes for identifying and assessing climate-related risks

Our Group has established a cross-functional team under the Sustainability Committee to conduct scenario analysis based on the recommendations of the Task Force on Climate related Financial Disclosures (TCFD). We have identified and assessed climate-related risks and opportunities that could affect our business, considering their potential occurrence and impact levels. We have incorporated goals and action plans for addressing climate-related risks and opportunities that have a particularly significant impact, and are monitoring progress through the Sustainability Committee.

b. Organization's processes for managing climate-related risks

The climate-related risks, opportunities, and corresponding measures identified by the Sustainability Committee have been assigned to responsible executives at the executive officer level. We have set KPI and are implementing a PDCA cycle. Additionally, reports on critical risks and opportunities requiring prompt action are provided to the Board of Directors, which decides on appropriate responses.

In FY2018, we identified material issues that we should address, involving various problems related to fields of the environment, society, and governance. We have positioned "responding to climate change and energy issues" as one of the most critical material issues, and we are stepping up our efforts in this regard across the Group

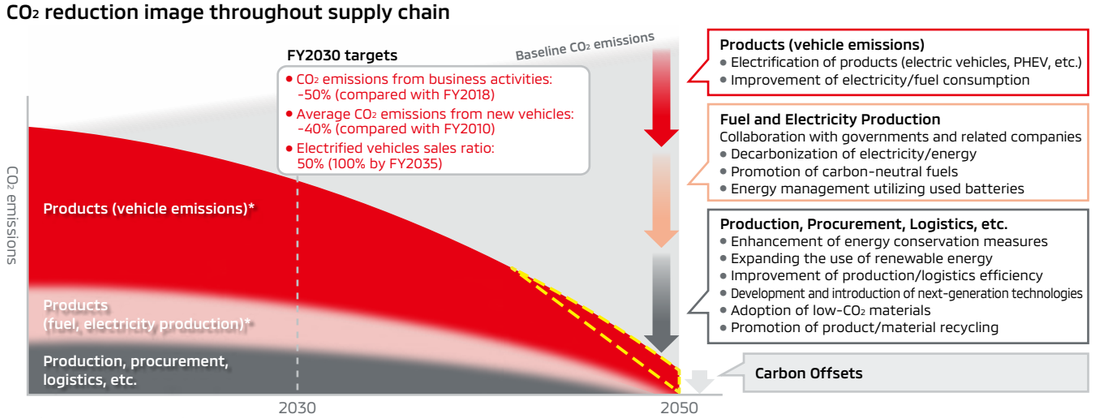
c. How process of identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

Risks affecting our business are managed throughout the Group and include risks related to the effects of climate change. In addition, the Internal Control Committee manages operational hazard risk, based on the annual "Companywide Risk Survey."

▶ Disclosure Based on the TCFD Recommendations

▶ For details on Responding to Climate Change and Energy Issues

CO_2 reduction image throughout supply chain



* Including new and stock vehicles

Respect for Human Rights

Governance

Basic Approach

Based on the idea that respect for human rights is the foundation of our business activities, the MITSUBISHI MOTORS Group supports and respects international standards and norms such as "the International Bill of Human Rights," "the United Nations Guiding Principles on Business and Human Rights," "the ILO's Declaration on Fundamental Principles and Rights at Work," and "the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct."

We established our "Human Rights Policy" after consultation with experts and approval by the Executive Committee, with the aim of conducting our business activities in a manner that respects the human rights of our stakeholders. This policy outlines fundamental matters such as support and respect for international standards and norms regarding human rights, and matters for compliance. It also stipulates specific measures to prevent and reduce negative impacts on human rights, to provide remedial measures, and to provide education for officers and employees. It has been translated into English and made available on our website to all our stakeholders in Japan and overseas.

Article 8, "Respect Human Rights and Diversity, Provide Equal Opportunity," of the MITSUBISHI MOTORS Group Global Code of Conduct stipulates that we respect human rights as well as the diversity of our business partners, customers, officers and employees, and local communities, and that we do not tolerate discrimination, retaliation, or harassment in any form or to any extent.

In March 2026, we formulated and disclosed the Sustainability Due Diligence Policy, which sets forth the definition, scope, and processes for environmental and human rights due diligence.

▶ Human Rights Policy

▶ Complying with the Human Rights Policy

▶ Due Diligence Policy

Consideration for Human Rights in Work and Investment

We believe that building positive relationships based on mutual understanding between employees and everyone in the community is essential to the sustainability of our business, when establishing business sites or related facilities, we give consideration to the cultural values of the country and region, including customs and religions.

Initiatives at Dealers

At dealers, we carry out initiatives to provide a work environment with consideration for the health and safety of employees and we prohibit acts that infringe on human rights.

Management Structure

Our Group's efforts in addressing respect for human rights are mainly focused on the sustainability, human resources, procurement and administration divisions, while also incorporating advice from external experts. In addition, in 2024, we established the Human Rights Committee chaired by the Executive Officer, President. The Committee is held approximately three times a year to discuss major human rights-related matters, and important matters are reported to and deliberated by the Board of Directors. Matters reported to and deliberated by the Board of Directors are shared by the Human Rights Committee members with relevant divisions and are used to improve efforts to respect human rights both internally and externally.

In addition, we have positioned the risk related to business and human rights as a priority risk with high potential impact and urgency and have integrated it into the Company-wide risk overseen by the Internal Control Committee to ensure appropriate management.

▶ Management Structure

▶ Internal Control: Basic Approach, Policies, and Structure

Disclosing Information

To appropriately respond to human rights due diligence reporting requirements in various countries and regions, as well as international standards for sustainability reporting, we are considering enhancing information disclosure, including disclosure of prevention and mitigation measures, to ensure transparency.

Strategy

We promote respect for human rights as a company-wide initiative by integrating it into each materiality. The KPIs and progress related to each materiality are monitored by the Sustainability Committee and the Human Rights Committee, both chaired by the Executive Officer, President & COO.

Specifically, through the medium- to long-term targets and KPIs set for materiality themes such as "Contribution to Local Economy through Business Activities," "Promoting Diversity and Inclusion, and Enhancement of Employee Engagement," and "Achieving a Sustainable Supply Chain," we are working together with employees and business partners to raise sensitivity to human rights risks and enhance practical responses. Through these efforts, the awareness of respect for human rights is becoming embedded throughout our corporate activities, serving as a foundation for fulfilling our social responsibilities.

▶ Respect for Human Rights

Approach to Human Capital : Human Resources Management

MMC WAY (Behavioral Guidelines)

MITSUBISHI MOTORS 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 & COO, 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'etre: 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.

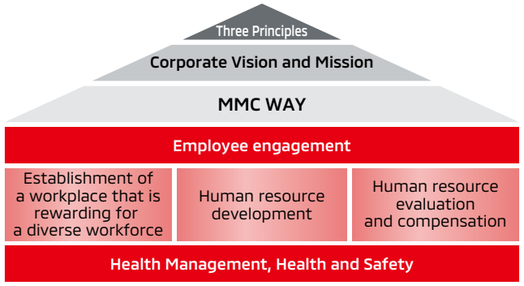
In addition, to promote understanding of the MMC WAY, we hold on-site workshops every year.

▶ MMC WAY

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.

Human Resources Management Basic Framework



▶ "Three Principles, Corporate Vision, and Mission"

Management Structure

MITSUBISHI MOTORS has established the Human Resources Development Council, consisting of the Executive Officer, President & COO 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.

Human Resources 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.

▶ Social Data: Wage Levels

Furthermore, to support the well-being of our employees and maintain and enhance their motivation, we offer the following employee benefit programs.

- Company dormitory and housing program
- Employee cafeteria
- Retirement benefit plans / Defined contribution pension plans
- Employee shareholding association program
- Asset building support program
- Cafeteria plan program
- Discount use of recreation facilities
- Group insurance
- In-house childcare facility (Dia•Kids), etc.

Our HR Strategy

To 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 companywide learning opportunities and reskilling programs," and "Strategically secure and cultivate diverse workforce," and is focusing on formulating and implementing concrete measures.

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

▶ Materiality, Risks and Opportunities/Impacts/Medium-Term Targets
▶ Human Resources Management

Approach to Human Capital: Promoting Diversity and Inclusion, and Enhancement of Employee Engagement

Governance

Diversity Promotion Policy

MITSUBISHI MOTORS Group aims to grow sustainably while responding to the significant changes in the business and market environment resulting from diversifying customer needs and technological innovation. To this end, it is important for employees with diverse values and perspectives inspire and challenge one another to create automobiles with new appeal and value. With respect for employee diversity, including race, nationality, ethnicity, gender, sexual orientation, gender identity, age, disability status, or religion, we are making efforts to create an environment where each person can work energetically without difficulty.

We position three areas as priority issues: the female manager ratio, the rate of male employees taking childcare leave, and the employment rate of persons with disabilities. Accordingly, we set annual targets and monitor the progress of relevant initiatives and results.

These three areas are also addressed as part of our materiality activities, and the annual targets and actual results are reported to management at the Sustainability Committee, which is chaired by the Executive Officer, President.

To promote and achieve diversity, we established the Diversity Promotion Office based on the "Diversity Promotion Policy" formulated in 2014, and are pursuing Di@MoND activities. By embracing diversity, our aim is to leverage employees' diverse characteristics in a manner that will contribute to the mutual growth of the Company and each individual employee. We are working to create an environment in which all employees can work comfortably and find their work rewarding.

Diversity Promotion Policy

We aim to respond to change and heighten organizational capabilities by incorporating diverse viewpoints and approaches through the different abilities and characteristics of each employee. In this way, we will create vehicles offering new levels of attractiveness and value. We are promoting Di@MoND (Diversity @MITSUBISHI MOTORS New Drive) activities to create an environment where employees can maximize their individual abilities and play an active role.

Di@MoND
Diversity @ Mitsubishi Motors New Drive

- Social Data: Number of employees, number of employees by region, number of female employees in management positions, number of female executives, employee composition, number of new graduates hired, and number of mid-career hires
- Materiality; Risks and Opportunities / Impacts / Medium-Term Targets)
- Promoting Diversity and Inclusion, and Enhancement of Employee Engagement

Strategy

Work-Life Balance

MITSUBISHI MOTORS Group recognizes that creating a workplace where each employee can find fulfillment in their work, fully demonstrate their abilities, and work energetically while maintaining physical and mental health is an important priority. With this understanding, we are creating a working environment that enables individuals to maximize their capabilities and supports the realization of a work-life balance that allows for both increased productivity and improved quality of life, thereby linking the active participation of diverse human resources to value creation. We promote flexible work styles unconstrained by location or time by developing systems such as flextime and remote work, as well as support measures for balancing work and personal responsibilities, such as shortened working hours and various leave and absence programs.

Supporting Employees to Balance Work and Childcare

MITSUBISHI MOTORS actively supports employees who seek to balance work and childcare. We have established on-site daycare centers at our facilities. Dia•Kids Okazaki was opened at the Okazaki site in April 2017, followed by Dia•Kids Tamachi at our head office building in February 2019. Since FY2023, we have also offered "childcare counseling" by staff from both centers to all employees, providing individual consultations about childcare for employees and their families online or by phone.

In the development of a supportive work environment, we are working to expand various work-life balance assistance programs and develop a foundation that enables employees to work comfortably. In FY2018, we established the "Work-life Balance Support Concierge" internally as a contact point for employees seeking advice on balancing work and private life. We offer guidance on appropriate work-life balance assistance programs for individual consultations regarding balancing work with childcare, nursing care, etc. Feedback collected through the concierge service is used to improve programs and their operation, helping to create an environment that enables more flexible working styles.



Dia•Kids Tamachi, a nursery school for employees (within the head office building)



Dia•Kids Okazaki (within the Okazaki site)

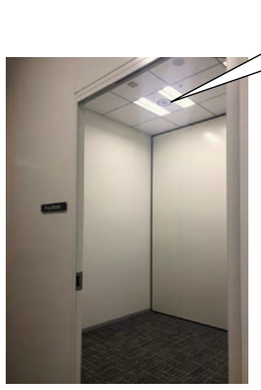
In addition, to further encourage male employees to take childcare leave in accordance with the revision of the Childcare and Family Care Leave Act, we have been conducting since 2022 training for managers and holding classes and seminars for expectant fathers as well as e-learning programs. We also provide video learning materials for various training programs and seminars, developing an environment where employees can watch them according to their individual needs and work schedules. Going forward, we will continue to promote initiatives aimed at bringing the rate of male employees taking childcare leave close to that of female employees.

Supporting Employees to Balance Work and Nursing Care

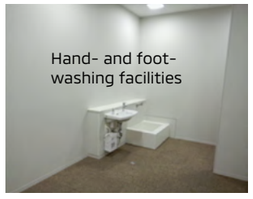
As society ages, we believe it is important to help employees balance work and nursing care. In addition to the aforementioned "Work-life Balance Support Concierge," we have established a consultation service that enables employees to seek advice from nursing care specialists by email or telephone as needed. We also continue to provide video learning materials featuring external instructors, through which employees can learn basic knowledge on balancing work and nursing care.

Creating an Environment That Welcomes Non-Japanese Employees

As part of the support offered to our workforce of non-Japanese employees, which is increasing year by year, we have established prayer rooms at our head office and Okazaki sites that are available to people of all religions and denominations. These rooms are open to customers, suppliers and other stakeholders who visit our sites. A facility for cleansing parts of the body before worship has also been set up in the prayer room at the Okazaki site.



Prayer room in our head office



Prayer room in the Okazaki area

▶ Social Data: Number of employees by region

Promoting Employment of People with Disabilities

Aiming to achieve a workplace where everyone can thrive, we actively hire people with disabilities in a wide range of occupations. In FY2025, the percentage of employees with disabilities at the Company (Non-consolidated) was 2.76% (employment rate of persons with disabilities reported as of June 2025), which exceeds the statutory level. We will continue working to further promote employment and improve the workplace environment. On a non-consolidated basis, the Company employs 190 people with disabilities, including physical, mental, and intellectual disabilities. In addition, we are working to create an inclusive workplace by installing multipurpose toilets that accommodate ostomates and wheelchair users, and providing communication support tools for employees with hearing impairments. Starting in FY2024, we have assigned dedicated personnel to the Human Resources Division at the head office to promote initiatives that expand employment opportunities for people with diverse disabilities, including developing centralized hiring arrangements within designated departments. In FY2025, we implemented initiatives aimed at further promoting employment, including Company-wide seminars to deepen understanding. We also promote the employment of people with disabilities through MITSUBISHI MOTORS WING, a special-purpose subsidiary established as MMC WING in April 2007 and renamed MITSUBISHI MOTORS WING in December 2023. The company has workplaces at the Okazaki, Mizushima, and Kyoto plants, where a total of approximately 90 employees with physical, mental, and intellectual disabilities work. Now in its 18th year since establishment, MITSUBISHI MOTORS WING has received numerous inquiries and requests for consultation regarding the employment of people with disabilities from Hello Work (Public Employment Security Offices), disability employment support organizations in the prefecture, and special needs schools, reflecting its growing recognition in the local community. To help support the employment of people with disabilities, we actively accept trainees from special needs schools and employment support organizations for workplace experience programs, providing instruction on such matters as group activities and work procedures. Going forward, we will also strengthen the sharing of initiatives for the employment of persons with disabilities across workplaces and the dissemination of related information.

▶ Social Data: Employment of people with disabilities

Delivering Products which Help Prevent Traffic Accidents

Governance

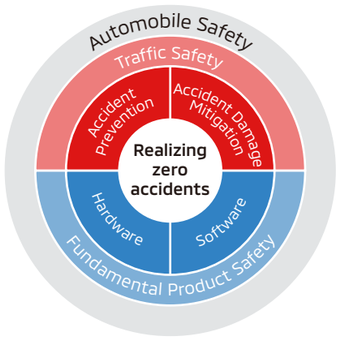
Management Structure

With regard to product development, the product safety committee has established guidelines and a strategy for safety technology development based on the MITSUBISHI MOTORS' safety philosophy. The committee also formulated an automobile safety framework as our approach to safety technology. We are conducting initiatives primarily focused on three points:

1. Technology to help prevent traffic accidents (active safety)
2. Technology to mitigate damage from traffic accidents (passive safety)
3. Mitigation of dangers, both in hardware and software, in the situation of daily use (fundamental product safety)

We are also working to enhance the management structure by educating R&D personnel, promoting awareness of the safety philosophy and automobile safety philosophy framework.

Automobile Safety Philosophy Framework



▶ Delivering Products which Help Prevent Traffic Accidents

Strategy

Basic Approach

MITSUBISHI MOTORS Group is aware of its responsibility towards traffic safety as an automaker, and we have identified "Delivering products which help prevent traffic accidents" as a key part of our sustainability activities.

Approximately 1.19 million people were killed in traffic accidents worldwide in 2021. Although the annual number dropped by around 5% between 2010 and 2021, many lives are still lost every year*1. Reducing the number of traffic accidents and, in turn, traffic accident fatalities is an urgent matter globally. A target was adopted for Target 3.6 of the Sustainable Development Goals (SDGs) at the 74th UN General Assembly held in 2020. This target calls for halving the number of global deaths and injuries from road traffic accidents between 2021 and 2030.

*1 2023 World Health Organization

Risks and Opportunities

Based on the risks and opportunities related to the materiality of "Delivering Products which Help Prevent Traffic Accidents," the Group is advancing initiatives from two perspectives: the development and dissemination of safety technologies and traffic safety education.

Risks and Opportunities	
Risks	**Opportunities**
• Increase in accidents due to aging drivers worldwide and rapid increase in car ownership in emerging markets • Frequent occurrence of fatal motorcycle accidents in ASEAN countries	• Securing MITSUBISHI MOTORS' brand recognition for its focus on safety technology and expanding sales by continuing to introduce advanced technologies • Securing brand image and earnings through the development and introduction of vehicle safety technologies for motorcycles, etc. for the ASEAN market

▶ Materiality, Risks and Opportunities/Impacts/Medium-Term Targets

Development of Safety Technology

By reflecting a variety of safety technologies in our products, the Group aims to help our customers drive with peace of mind, confidence, and comfort.

Active Safety Technology

We are working to develop and install various active safety technologies to help to eliminate traffic accidents preemptively.

MITSUBISHI MOTORS Safety Sensing [MMSS]

Using millimeter-wave radar and cameras, these technologies help to detect the risk of accidents and help prevent, avoid or mitigate damage.

Scope of Support Cars Expanded

Safety support cars are vehicles equipped with advanced technologies that help to support safer driving. It is a new automotive safety concept, as an effort to help prevent traffic accidents among senior drivers, being promoted in Japan through collaboration between the government and private sectors. Vehicles are classified into the following categories: "Safety Support Cars" or "Safety Support Cars S" (Basic, Basic+, and Wide), depending on the features in each vehicle. We are expanding our lineup of Safety Support Car S Wide Models*2.

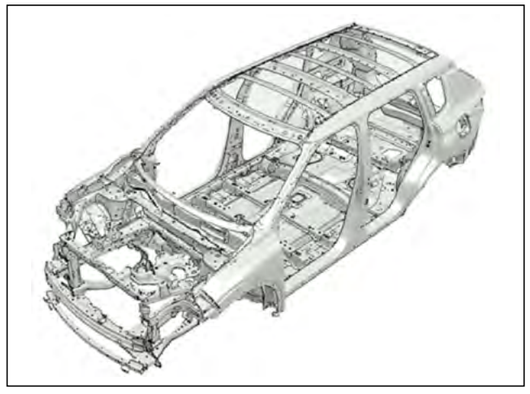
*2 Applicable functions include Forward Collision Mitigation (against pedestrians), Pedal Misapplication Prevention Device, Lane Departure Warning, and the advanced lighting system.

In addition, MITSUBISHI MOTORS' pedal misapplication prevention device and retrofit pedal misapplication prevention device have been certified as achieving a certain degree of performance under the Ministry of Land, Infrastructure, Transport and Tourism's "Advanced Safety Technology Performance Evaluation Certification System"

Body Structures

We seek to have a vehicle body structure that mitigates the impact on passengers and provides adequate space in the event of a collision. We have adopted the Reinforced Impact Safety Evolution (RISE)*3 body, and enhanced collision safety performance in all directions: front, rear, and sides.

*3 RISE: Reinforced Impact Safety Evolution



RISE Body used in the "OUTLANDER" (PHEV)

Mitigation of Dangers in Daily Use

On the hardware (physical) side, MITSUBISHI MOTORS uses flame-retardant materials, employs isolation structures on high-voltage components, and uses other technologies to enhance safety and security.

On the software side, we use firewalls on vehicle networks and employ encrypted communications to help reduce the risk of cyber threats via electrical equipment mounted in vehicles.

Traffic Safety Education and Promotion

We seek to help reduce the number of traffic accidents by conducting traffic safety education and promoting awareness. In these ways, we are working to raise safety awareness throughout society. We also aim to help reduce the number of traffic accident fatalities and injuries through collaboration among industry, government, and academia.

▶ Social Contribution Activities — "Traffic Safety"

Improvement of Product, Sales, and Service Quality

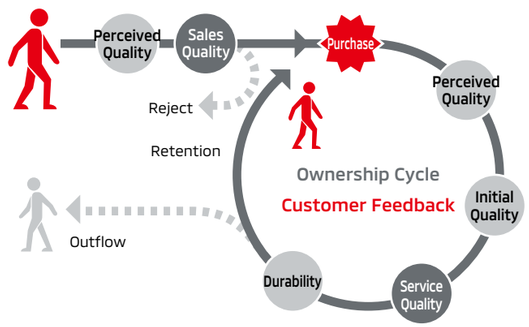
Basic Philosophy and Quality Policy

Based on the Quality Policy revised in April 2019, MITSUBISHI MOTORS adopted compliance as a fundamental requirement, and has been working on quality improvement in four categories: product quality, perceived quality, sales quality and service quality, to enhance quality at every touch point from the consideration of purchasing a product to the entire vehicle ownership. Product quality includes both the initial quality that customers experience immediately after purchasing, and the durability quality that customers experience throughout vehicle ownership. We carefully listen to the voices of customers and address any issues reported from the field and are strengthening our system to make improvements quickly. Additionally, we are working on improvements in perceived quality such as the usability, comfort, and appearance that customers perceive when they see, feel, and use our products. Regarding sales quality and service quality at dealers, we are continuously making improvements by listening closely to customers, making proposals and responding to their needs to achieve high levels of customer satisfaction.

We reviewed our mid-term quality plan called Quality MTP in FY2026 and are implementing initiatives under the new plan. With the basic policy of "Preventing issues and dissatisfaction before they occur and promptly resolving customers' problems by adopting a truly customer-oriented perspective," we are strengthening our quality initiatives in response to vehicle electrification and increasingly advanced vehicle technologies, thereby underpinning, from a quality standpoint, products that embody the distinctive qualities of Mitsubishi Motors. In terms of sales and service quality, we are working to improve the quality of customer service and enhance the customer experience through the use of digital and IT technologies to build long-term relationships of trust with customers based on these products. We aim for top-level quality from the customer's perspective to ensure customer satisfaction at every touchpoint.

Quality Policy

Quality Experience Cycle



Management Structure

We analyze quality information to achieve our goal of being recognized by customers for top-level quality, set specific objectives, develop and implement measures to achieve them, and regularly follow up on the progress of improvements.

Additionally, we share information on vehicle issues reported by distributors or dealers with relevant departments daily, and work together to quickly decide and implement necessary countermeasures. TCS* Division, which includes departments that communicate with customers regarding quality, promotes these Company-wide quality improvement initiatives based on customer feedback.

* Total Customer Satisfaction

Materiality, Risks and Opportunities / Medium-Term Targets / Impacts

For details on "Improvement of Product, Sales, and Service Quality," visit the website below.

Quality Improvement Promotion Organization

Meeting	Frequency	Chair	Members	Objective
Quality Strategy Committee (QSC)	Quarterly	Executive Officer, President, or the executive officer in charge*1	Executive officers responsible for engineering and production, and division general managers responsible for sales, service, and product quality	Deliberation and decision of strategic topics in quality relating to sales, service and products
Quality of Management Committee (QMC)	Quarterly	Top management of QMS*2	Division and plant general managers, responsible person of direct departments	Sharing best practices for enhancing company-wide management quality, responding to external audits, and reporting matters requiring corrective action and deploying the corrective measures across the organization.
Quality Management Meeting (QMM)	Monthly	Top management of QMS*2	Division general managers and supervisors in specialist positions (section head or higher) of divisions related to product quality	Confirmation of progress toward product quality targets, consideration and deliberation concerning effectiveness of improvement measures, deliberation of solutions to challenges faced in advancing initiatives

*1 The President and Executive Officer, or the delegated Executive Officer in Charge
*2 The President and Executive Officer, or the delegated Quality Management System Executive

Contribution to Local Economy through Business Activities

Basic Approach

Mitsubishi Motors Group has been developing business in the ASEAN region since before the rise of motorization, and we have grown up alongside these countries while developing close ties with the region based on the idea that "regional development" contributes to the development of our Group.

Through our business activities over many years, we have actively worked to resolve social issues in the regions where we operate, as well as to revitalize local communities, foster markets, and grasp consumer needs. We believe these efforts will also strengthen our business foundation and brand, enabling us to achieve both regional development and the sustainable growth of our company.

The ASEAN region is the core market for our growth strategy and an important foundation for the sustainable growth of our business.

In our medium- to long-term vision, we aim to achieve business growth centered on the ASEAN region, focusing on the two pillars of "growth by strengthening distinctive products and the brand" and "competitiveness enhancement through structural transformation." Under this policy, we are advancing technologies such as electrification, continuously introducing new products, and expanding value chain businesses, with the aim of simultaneously contributing to the regional economy and achieving our sustainable growth.

Furthermore, we position "Contribution to Local Economy through Business Activities" as one of our material issues, and are working to create employment, expand investment, advance technology transfer, and promote exports, as well as develop people who support the automotive industry, thereby fostering the talent that will drive regional economic growth. Through these efforts, we will pursue business development in the ASEAN region and contributions to regional economies in an integrated manner.

In addition, to address the societal needs of the ASEAN region, we are engaging in initiatives that leverage our Group's technologies and services in the environment and social fields.

Management Structure

Local subsidiaries are responsible for formulating and implementing activity plans for the material issue "Contribution to Local Economies through Business Activities" in the ASEAN region, while our sales division, as the responsible division, manages and oversees these initiatives. For local subsidiaries in the four countries where we have production bases—Thailand, Indonesia, the Philippines, and Vietnam—our sales division reviews the progress and results of initiatives twice a year and reports them to management through the Sustainability Committee.

Materiality, Risks and Opportunities/Impacts/Medium-Term Targets

Contribution to Local Economy through Business Activities

Promotion Structure for Contribution to Local Economy through Business Activities



* Indonesian Sales Company

Governance

Corporate Governance

Basic Approach and Policies

Based on its corporate principles (Vision and Mission), the Company considers compliance to be its highest priority and has been working on strengthening and enhancement of corporate governance on an ongoing basis as a priority for management, in order to meet the expectations of all of its stakeholders, including its shareholders and customers, with the aim of materializing the Company's sustainable growth and improving its medium- and long-term corporate value.

In addition, we have put together our basic framework for and views on corporate governance in the form of the "Corporate Governance Guidelines."

▶ Corporate Governance Guidelines

System of Corporate Governance

MITSUBISHI MOTORS takes the form of a company with three committees in order to: (i) make explicit the separation of supervisory and executive functions, (ii) work to further enhance supervisory functions and ensure thorough risk management to safeguard the soundness and transparency of management, and (iii) realize the agile execution of business to rapidly respond to changes in the business environment.

Board of Directors and Members of the Board

Policy for Nominating Director Candidates and Composition of the Board

The Board of Directors makes decisions on important management matters and supervises the execution of duties by Executive Officers.

We have set out a policy for nominating candidates for Directors and for the composition and size of the overall Board.

In order for the Board to objectively and multi-dimensionally deliberate on management policies and execution of specific matters, and to appropriately supervise the execution status of operation by Executive Officers, it shall be important that the appropriate number of Directors, internal or outside, with diversity in terms of knowledge, experience, expertise and background, engage in vigorous discussions from a variety of perspectives. To this end, candidates for Directors shall be nominated.

In accordance with the above nomination policy, the independence and diversity of the Board shall be ensured as follows.

In order to strengthen the oversight capability of the Board, the majority of Board members shall be Outside Directors. Furthermore, in order to fulfill their duties from an independent and objective standpoint, at least one-third of the Directors shall be Independent Directors, and consideration shall be given to their total term of office. In addition, the majority of the Nomination, Compensation, and Audit Committees, respectively, shall be Outside Directors, and in principle, the chairperson of each committee shall be an Outside Director.

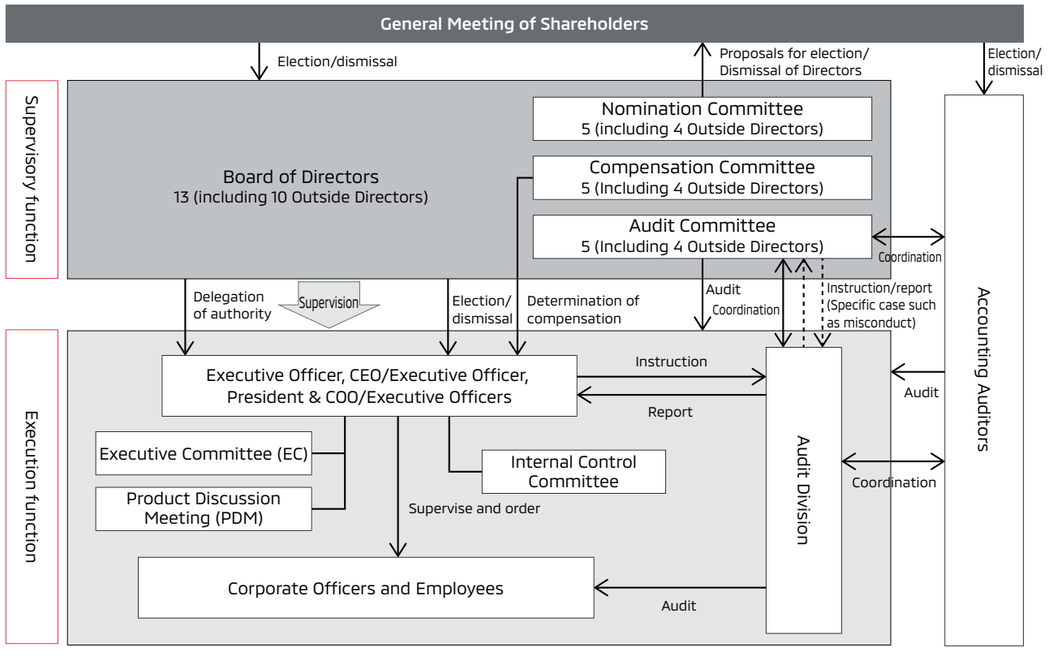
For the nomination of Outside Directors, importance shall be placed on ensuring that nominees are persons who are motivated and able to devote sufficient time and effort to understanding MMC group's business and discussing the directions the company pursues. They should be able to state their opinions to the senior executive team without hesitation, based on various knowledge, experience, and expertise that cannot be drawn solely from internal directors, such as legal or accounting experts, those who have experienced senior executive positions in sizable companies with global business operations, and individuals with insights into world situations or social and economic trends. In addition, based on the understanding that multi-dimensional viewpoints contribute to business development and appropriate supervision and audit, diversity in the background of Board members shall be taken into account, such as gender, age, and internationality.

As for Internal Directors, appropriate individuals including the top of the executive team, and a person who can appropriately serve as a member of the Audit Committee based on his or her execution experience of operation at the Company shall be nominated.

It shall be ensured that the Board is composed of the number of people which facilitates open and constructive discussions and dialogues.

As of June 18, 2026, the Board comprised 13 Directors, including 2 female Directors. Ten of the 13 Directors are Outside Directors with extensive experience and deep insight, five of whom are Independent Directors.

Corporate Governance and Business Execution Structures (June 18, 2026)



Committees

The Board of Directors has the following three statutory committees, which supervise Directors and Executive Officers together with the Board of Directors. Each committee is composed of a majority of Outside Directors, and the Chairpersons of each committee are Outside Directors. Through this, a system is in place in which fairness and transparency are ensured and corporate governance functions effectively.

The Nomination Committee makes decisions on proposals for the appointment and dismissal of Members of the Board to be proposed to the General Meeting of Shareholders, approves proposals for the appointment and dismissal of Executive Officers proposed by the Executive Officer, CEO or Executive Officer, President to the Board of Directors, and deliberates and decides on succession planning for MMC's Executive Officer, CEO and Executive Officer, President.

The Compensation Committee deliberates and makes decisions regarding policy with respect to determining compensation, etc. of Members of the Board and Executive Officers, and regarding details of compensation, etc. per individual.

Among other activities, the Audit Committee audits the execution of duties by Directors and Executive Officers, supervises the status of the formulation and operation of the internal control system and prepares audit reports. Additionally, the Audit Committee conducts internal investigations on matters that the Board or the Audit Committee deems inappropriate for the executive side to conduct.

Executive Officers

Executive Officers make decisions on business execution delegated by the Board of Directors and are responsible for executing those decisions. The Board of Directors appoints the CEO, who has ultimate responsibility for management, and the President, who has overall responsibility for business execution, by resolution. As of June 18, 2026, there are 11 Executive Officers.

Outline of decision-making process for business execution and various decision-making bodies

Important matters on management are decided after deliberation at the Executive Committee (EC), which is composed of all Executive Officers and chaired by the CEO. Important matters relating to product development projects are decided after deliberation at the Product Decision Meeting (PDM). Additionally, matters related to internal control are decided after deliberation at the Internal Control Committee. Each of these committees are chaired by the CEO and the relevant Executive Officers serve as members.

In the execution of business, executive Vice Presi-

Board of Directors Composition (as of June 18, 2026)

Name	Attributes	Persons with management experience in a listed company	Persons with expertise in the automotive field	Persons with expertise in law, accounting, or finance	Experts in global affairs and social and economic trends
Takao Kato			●		
Keisuke Kishiura			●		
Hitoshi Inada				●	
Kenichiro Sasae	Outside/ Indep.				●
Hideyuki Sakamoto	Outside		●		
Yoshihiko Nakamura	Outside/ Indep.			●	
Joji Tagawa	Outside		●		
Tomofumi Hiraku	Outside/ Indep.				●
Takehiko Kakiuchi	Outside	●			
Kanetsugu Mike	Outside	●			
Junko Ogushi	Outside/ Indep.			●	
Seiji Izumisawa	Outside	●			
Sakie Akiyama	Outside/ Indep.				●

Note: The knowledge, experience, and expertise indicated here do not represent the full range of knowledge, experience, and expertise possessed by each Director.

Governance

dents are appointed as persons with authority and responsibility for business execution within the scope of their respective duties, besides the CEO, who bears ultimate responsibility for management, and the President, who bears overall responsibility for business execution. Moreover, the Company has systematized decision making authority based on the Delegation of Authority Rules and defined the matters delegated and their scope. The Company also established decision making procedures for major matters and is working to speed up business execution and improve the transparency of the decision making process.

Conflicts of Interest

Transactions between MITSUBISHI MOTORS and Directors or Executive Officers that particularly compete with our business operations or conflict with our interests require prior resolution from, and after-the-fact reporting to, the Board in accordance with the rules of the Board (hereinafter referred to as the "Rules of the Board"). In addition, the Rules of the Board stipulate that Directors with a special interest in a resolution of the Board shall not participate in such resolution.

Furthermore, as with the case with other non-related parties, we conduct transactions with related parties, such as its Executive Officers, Directors or major shareholders, in accordance with the Delegation of Authority Rules and after review and approval by multiple responsible personnel, fully taking into account the economic rationality to confirm there is no harm to our interests.

Evaluation of Effectiveness of the Board of Directors

To improve the effectiveness of corporate governance, MMC annually evaluates the effectiveness of the Board of Directors by a questionnaire survey to all Members of the Board. The results are reported to the Board of Directors.

In FY2025, besides a questionnaire survey of the aspects listed below, MMC conducted interviews with all Members of the Board. The questionnaire survey and interviews were conducted by an independent third-party to enable in-depth analysis reflecting the latest governance trend and to ensure objectivity and transparency of the evaluation process.

<Aspects evaluated>

1. Structure and operations of the Board
2. Management and business strategy
3. Corporate ethics and risk management
4. Monitoring of management team
5. Dialogue with shareholders
6. Committees

Below is a summary of the effectiveness of the Board of Directors for FY2025, based on opinions and feedback received from each Member of the Board:

- The Board of Directors of MMC is generally judged to be effective.
- Amid an increasingly uncertain environment in the automotive industry, the importance of continuing to deepen discussions over the medium- to long-term, and big-picture management strategy was reconfirmed. For further improvement, it is important to advance the following initiatives:
  - Need to update high-quality management-related information by maintaining appropriate relationship between the Members of the Board and the Executive Officers.
  - Need further improvement in quality of discussion and decision-making by discussing the business environment and medium- to long-term business strategies in order to make decisions on important management issues,

Based on the above summary, the Board is considering the following actions:

- Expand reporting and discussion on management-related information.
  - Further enhance the contents and opportunities of key divisions business status updates.
- Expand strategic discussions.
  - Enhance discussions on important themes in medium- to long-term management strategy.
  - Continuously conduct formal and informal discussion sessions.

Through these initiatives, MMC will continuously improve the effectiveness of the Board and enhance corporate governance.

Executive Remuneration

Our Compensation Committee, which is chaired by an Outside Director, has established the following policy regarding remuneration for Directors and Executive Officers.

<Basic approach>

1. The compensation system shall contribute to our group's sustainable growth and medium- to long term improvement of corporate value.
2. The compensation system shall be linked with corporate results in order to motivate Executive Officers to accomplish management strategies and management plans as well as to achieve targeted corporate results in an appropriate manner.
3. The compensation levels shall contribute to securing professionals who measure up to ideal standards for management personnel that MITSUBISHI MOTORS expects for those responsible for corporate operation to have.
4. The compensation system shall increase a shared awareness of profits with shareholders and awareness of shareholder-focused management.
5. The decision-making process relating to compensation shall be highly transparent and objective.

Based on these policies, the Compensation Committee determines the method calculating remuneration and individual remuneration amounts of the Directors and Executive Officers. Remuneration for FY2025 is contained in the FY2025 Annual Securities Report (P74-79).

From FY2022, based on the recognition that the response to sustainability is one of the crucial issues of our group, we added ESG-related items as the index to determine the Medium-and Long-term Performance-linked Compensation for Executive Officers.

- **Environmental indicator:**
  We have introduced "CO_2 emissions from business activities" as an indicator for measuring progress in addressing climate change and other increasingly environmental issues.
- **Social indicator:**
  We have introduced "employee engagement" as an indicator of advancement of employee job satisfaction and increased initiative through securing diversity and work-life balance, and promoting human resources development.

▶ FY2025 Annual Securities Report

Total compensation paid to directors and officers, compensation total by type, and number of payees

Classification	Total compensation (Millions of yen)	Total compensation by type (Millions of yen)					Number of payees (persons)
		Monetary compensation			Share-based compensation		
		Base Compensation	Short-Term Performance Linked Compensation	Additional Individual Compensation	Long-Term Performance Linked Compensation	Deferred Retirement Compensation	
Members of the Board (Excluding Outside Directors)	34	34	–	–	–	–	1
Executive Officers	586	415	52	30	53	36	10
Outside Directors and Outside Audit & Supervisory Board Members	204	204	–	–	–	–	11

Notes 1. The number shown in the above table for Outside Directors and Outside Audit & Supervisory Board Members indicates the number of persons who received compensation as Members of the Board among the 11 Outside Officers who served during the fiscal year under review.
2. For Members of the Board who serve concurrently as Executive Officers, MMC pays compensation for their service as Executive Officers and does not pay compensation for their service as Members of the Board.

Internal Control

Basic Approach and Policies / Structure

Based on the "Basic Policy on the Establishment of Internal Control Systems" approved by the Board of Directors, MITSUBISHI MOTORS monitors its operational status and strives to improve and reinforce internal control systems.

We recognize the gravity of our improper conduct in fuel consumption testing, on top of past quality problems. As one of our 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 (now the Executive Officer in charge of Internal Control). Furthermore, in order to reinforce, and improve the efficiency of, our handling of internal controls based on laws and regulations, we revised the internal control system. In the revised system, the J-SOX Promotion Committee, under the direct control of the Executive Officer, Executive Vice President (CFO), handles internal control related to financial reporting in accordance with the Financial Instruments and Exchange Act and the Internal Control Committee, chaired by Executive Officer, CEO and vice-chaired by Executive Officer in charge of Internal Control, will promote internal control in accordance with the Companies Act. The Internal Control Committee meets regularly twice a year with the participation of all Executive Officers. In accordance with the "Basic Policy on the Establishment of Internal Control Systems," the Committee reviews and evaluates the status of company-wide risk management and matters reported and resolved by subcommittees responsible for individual areas of internal control, including compliance, information security, business continuity management (BCM), and J-SOX. These activities are also reported regularly to the Board of Directors to check their effectiveness.

To address new risks that have emerged in recent years, such as geopolitical risks, economic security risks, and business and human rights risks, in which multiple risk factors (strategic, financial, and operational hazard risks) are intricately intertwined in relation to a single event, the Internal Control Promotion Division, under the Executive Officer in charge of Internal Control, takes the lead in identifying and preventing potential risks, responding promptly when risks materialize, and enhancing the visibility of significant risks.

We will continue the "Internal Control KAIZEN Activities" launched in FY2024, through which each division identifies issues in its business processes and implements improvements, while working to firmly establish these activities.

In accordance with revisions to ministerial ordinances, including the Vehicle Type Designation Regulations, which took effect in April 2026, we have begun initiatives to strengthen and ensure the thorough implementation of internal controls related to certification operations. These include explicitly stating compliance with laws and regulations in our management policy, clarifying responsibility for certification operations, and evaluating and reporting on the implementation status of internal controls. We have designated personnel responsible for implementing these measures within the Company and established a framework for evaluating their implementation.

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 and further develop the management of affiliated companies. 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

Governance

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 an organization independent of other business execution departments. 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.

▶ Corporate Governance Report "Basic Policy on the Establishment of Internal Control Systems"

Compliance Initiatives

Establishment of Internal and External Consultation Offices

To prevent and promptly detect improper conduct, MITSUBISHI MOTORS has established several consultation offices allowing our employees or its affiliates in Japan and overseas to report or consult about such conduct. Of the 121 reports and consultations received in FY2025, the results of the investigation revealed 10 cases of compliance issues, including violations of laws and regulations and harassment. We instructed the relevant departments to promptly take corrective actions and confirmed that the corrective actions had been implemented and were effective.

Education and Training (Japan)

Every fiscal year we formulate compliance-related education and training programs and provide them by employee level. Each division also draws up and conducts its own measures under the direction of the compliance officer.

Anti-Corruption

The "Global Code of Conduct" clearly stipulates that MITSUBISHI MOTORS executives and employees shall comply with laws and regulations and shall maintain fair and equitable relationships with public officials and business partners. Additionally, we have formulated the "MITSUBISHI MOTORS GLOBAL ANTI-BRIBERY POLICY" as a global guideline for the prevention of bribery and corrupt practices. This policy clearly states that we tolerate absolutely no bribery or corrupt practices. Furthermore, this policy is also enforced at both domestic and overseas affiliates.

Political Involvement (Political Contributions)

Recognizing that reasonable expenditures are required to appropriately maintain a democratic government, we consider making political contributions to be one aspect of our social responsibility. When making such contributions, we do so in accordance with the Public Offices Election Act, the Political Funds Control Act, and other laws and regulations related to politics. We also ensure compliance with our internal approval rules.

Information Security

MITSUBISHI MOTORS recognizes its social responsibility to adequately protect its important information assets (information and the IT systems, equipment, media, facilities, and products that handle this information) in the course of its business activities in order to gain the trust of all its stakeholders. In addition, with the recent advancement of digital technologies, we recognize that the use of new technologies, including generative AI, not only brings the benefits of improved productivity but also requires appropriate measures to address risks such as information leakage and improper use. We have established an information security policy and disclosed it on the following page. Based on this policy, we are working to protect information assets and strengthen cybersecurity measures, while promoting continuous improvement. While promoting the use of new technologies, we are also taking measures to address improper use and other related issues, including the establishment of internal guidelines for the use of tools such as generative AI.

Protection of Personal Information

Based on our Privacy Policy, we have established an organizational response framework, compliance requirements for handling personal information, and a reporting line for information leakage incidents. The Chief Information Security Officer (CISO) oversees all activities related to personal information protection. As the laws and regulations governing the protection of personal information continue to strengthen globally, we have established a framework to ensure compliance with applicable personal data protection requirements in each jurisdiction in collaboration with our local affiliates and offices.

Security Export Control

We fully recognize the importance of strict security export controls to prevent the proliferation of weapons of mass destruction and the excessive accumulation of conventional weapons in order to maintain international peace and security. To conduct strict export controls, we have established "Security Export Control Regulations." We ensure the legality of our export transactions by having the Executive Officer, CEO, hold ultimate responsibility for export control management and appointing an export control management supervisor under the CEO.

Compliance

Basic Approach and Policies

Corporate activities are closely interlinked with various laws and public systems such as those related to the environment, labor, and consumer protection. Corporate activities must be carried out in compliance with these laws and systems.

MITSUBISHI MOTORS Group recognizes that the failure to appropriately comply with these laws, regulations, and systems would not only impede its business continuity, but would also place significant burdens on society and the environment.

In order to fulfill its social responsibilities as a company by not only complying with laws, international rules, and internal regulations but also by respecting changing social norms to the greatest degree possible, we have issued a "Global Code of Conduct" to serve as a standard of conduct for all executives and employees. We are also redoubling our efforts to enhance our compliance framework and employee training, including those at our major affiliates in Japan and overseas. We review the Global Code of Conduct as necessary. Most recently, following the revision of the Road Transport Vehicle Act (effective April 2026), we revised the Code on April 1, 2026. Specifically, we added a statement, ". We shall prioritize compliance with laws and regulations over Company convenience (such as cost or schedule) to ensure we provide our customers with safe and reliable products and services."

▶ Global Code of Conduct

Management Structure

At MITSUBISHI MOTORS Group, we have established a compliance framework with the Executive Officer for Internal Control as the person responsible, overseeing, directing, and supervising all compliance activities. This officer also reports regularly to the Board of Directors on the status of compliance activities. In addition, each division appoints a compliance officer, and department heads serving as code leaders, to ensure a structured compliance system across the Company.

Compliance officers work closely with the code leaders to prevent compliance violations and information security incidents, including those involving personal data. When a compliance violation occurs, compliance officers take corrective actions, establish measures to prevent recurrence and verify their effectiveness, and roll out the measures across relevant divisions, then report to the Executive Officer in charge of Internal Control.

Major affiliates in Japan and overseas also appoint compliance officers. To help prevent compliance violations, we have established and operated the MITSUBISHI MOTORS Global Hotline since FY2018.

In the event of a serious incident, an emergency response organization is set up in accordance with the emergency response manual, and a system is in place to ensure that appropriate measures are taken.

As for internal controls related to financial reporting, we verify compliance structures and financial closing procedures. If inadequate controls are found at those companies under evaluation, we request reporting on the nature of the problem and improvements being made. In FY2025, we checked the status of 17 Group companies (MITSUBISHI MOTORS, 5 domestic affiliates, and 11 overseas affiliates).

In FY2025, we experienced no serious compliance violations that might damage our credibility with customers, investors, or other parties.

Risk Management

Basic Approach and Policies

MITSUBISHI MOTORS has established a policy for business risk management in its "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 faced by the entire MITSUBISHI MOTORS Group that have a potentially significant 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 departmental risk management, we have appointed risk management officers in each division or plant. These officers work to reduce risks through repeated application of the PDCA cycle, which involves identifying and evaluating each risk, devising and implementing countermeasures, and monitoring. Risk management at subsidiaries and affiliates includes initiatives for addressing various types of risks encountered by Mitsubishi Motors' subsidiaries and affiliates. We periodically confirms the status of activities such as improvement of business continuity plans (BCPs*), and proposes and directs improvements, as necessary.

These risk management initiatives are reported regularly to the Board of Directors as major internal control activities and their effectiveness is checked.

* Business continuity plan

BCM*

We are implementing disaster preparedness measures and Business Continuity Management (BCM) to prepare for large-scale natural disasters such as earthquakes and typhoons, as well as outbreaks of infectious diseases, based on our basic policy of ensuring the safety of customers, employees, and their families and promoting mutual support with local communities.

Since FY2020, the BCM Committee chaired by the officer in charge of internal control has met twice a year, and centrally administrated relevant internal initiatives to strengthen BCM activities during normal times and implement cross-functional measures across the Company.

Furthermore, we have formulated an emergency response manual and company-wide BCP operating procedures that include the establishment of an emergency response organization and the chain of command and has established a framework to enable an appropriate response in the event of a major incident. Assuming an emergency even during normal times, we are conducting emergency drills on a regional basis and company-wide BCP drills to confirm the collaborative framework between the company-wide task force and individual regions conducts these drills continuously in accordance with established plans. 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.

* BCM is an abbreviation for "Business Continuity Management"