

Employees

▶ Career Development and Evaluation

Basic Approach and Policies

To create sustainable growth and improve corporate value in an ever-changing operating environment, Mitsubishi Motors promotes car manufacturing to be readily chosen by customers.

The key to achieving this is our employees. We strive to create environments where each and every person can perform meaningful work and demonstrate and improve his or her abilities and where human rights and diversity are respected.

Developing and Promoting Effective Human Resource Measures

Human Resource Division personnel are assigned to each division as “Business Partner.” The roles of these Business Partners are to support resolution of concerns and issues at each work site, gather workplace opinions, and reflect those opinions in human resource measures. Business Partners also conduct periodic training sessions and other programs to maintain and enhance the quality of activities. In fiscal 2018, 20 Business Partners conducted activities in collaboration with each division.

Personnel System

We revised the Personnel system for management level personnel effective June 2017. The changes to the system had four objectives: (1) Sharing organizational objectives and fostering a sense of responsibility for achieving these objectives, (2) Enhancing incentives for

achieving objectives, (3) Enforcing mindset and behavior expected from employees, and (4) Performance-based promotion to revitalize the organization. We introduced “Commitment & Target” and “The assessment of the degree of MMC Way embodiment” as tools for enhancing management.

MMC WAY is a set of principles for mindsets and actions as Mitsubishi Motors employees. It outlines six simple aims.

We also revised the Personnel system applicable to non-management personnel to supplement the existing concepts of “handing down and strengthening manufacturing capabilities” and “growth and rewarding challenges” to reinforce “sharing organizational objectives and action for achieving them” and pursue the establishment of shared values so that employees can perform their work with a sense of unity, effective as of fiscal 2018. Similarly for management level positions,

we introduced “Commitment & Target” and “The assessment of the degree of MMC Way embodiment”.

Overview of Changes to System for Non-Management Personnel

As for the new system for Administrative and Engineering Staff,^{*1} only the evaluation system was reformed. Under the reformed evaluation system, “Commitment & Target” and “The assessment of the degree of MMC Way embodiment” were introduced to promote shared organizational targets and instill a sense of responsibility for achieving them, raise transparency and employee approval of evaluations and employee treatment, and promote the establishment of shared values.

With regard to Manufacturing Workers,^{*2} only the evaluation system was reformed and Commitment & Target and evaluation based on the degree of achievement of MMC WAY were introduced.

| Group | Item | Objective/System Overview |
|--|--|--|
| Administrative and Engineering Staff ^{*1} | Promotion frameworks | Promotions are determined based on evaluations for the most recent three years, ability and skill requirements (referred to as “Quality Gates” ^{*3}) required for upper-level positions, and “Credits,” which are additional evaluations for voluntary contributions, the acquisition of certifications, and other skills. |
| | Education program tailored for each job rank | Support the improvement of personnel skill levels both in terms of Personnel systems and training by linking promotion criteria with the education program |
| Manufacturing Workers ^{*2} | Meister system | Develop forepersons able to promote manufacturing workplace improvement activities and employee training by certifying extremely high-skilled employees who are making a significant contribution in solving cross-sectional issues/improving product methods/training junior employees as “Meister” |
| | Increase wages for supervisory positions | Raise wages of personnel in supervising positions to fairly reward the weight of duties and responsibilities they undertake |

*1 Administrative and Engineering Staff perform planning, coordination, research, investigation, negotiation, guidance, instruction, organization, and so on based on administrative and technical work experience and specialized knowledge.

*2 Manufacturing Workers directly involved in production operations and related support operations as well as personnel who are responsible for instructing and supervising those employees.

*3 Quality Gates are a mechanism for objectively determining the status of acquisition of abilities, knowledge, and skills required for an individual to step up to the next level (job classification; generally referred to as promotion).

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▶ Career Development and Evaluation

In developing its employees' careers, Mitsubishi Motors has worked on setting up a system which enables employees to proactively set their own goals based on their achievements, capabilities, and life plans, while elevating their capacity to achieve these goals. We established new education "pillars" and "objectives" to express the ideals that we are pursuing with regard to human resource development. Education pillars are positioned as elements that employees should acquire and demonstrate through their activities as company employees. They were established as the pillars of the educational system based on the Three Principles, the corporate Vision and Mission, and MMC WAY, which are key values for all employees. The education objectives were established so that employees can easily conceptualize the ideals that they should pursue in their job classifications as they undergo continuous education.

As a specific career development method, employees participate in interviews with their superiors every year. The interviews are held based on their Career Development Plans in which employees describe a future career course they hope to take and their medium- to long-term career design by reflecting on their past career. The aim of this process is to have employees build an objective picture of their challenges and then proceed along a career path they have formed for themselves with conviction and a high degree of motivation.

The rate of implementation of career development interviews with superiors is approximately 70% for administrative and engineering employees.

Evaluation Standards: MMC WAY

| | | | |
|---------|--|--|--|
| Mindset |  Cross-functional Work beyond organizational boundaries |  Transparent Candid and accountable |  Look outward Go out and learn |
| | Actions |  Commit Achieve quantifiable goals |  Challenge Take proactive action for value creation |

Evaluation Process (Non-Managerial Employees)

In May, employees are notified about the results of their evaluation score for the prior year (a feedback interview) and set their objectives for the current year. Monitoring of conduct is carried out continuously for evaluations based on "The assessment of the degree of MMC Way embodiment". For evaluations based on Commitment & Target, these objectives are finalized by July and an interim interview is conducted in October or November. Employees conduct self-evaluations in March of the following year, followed by primary, secondary, and final evaluations in April to finalize the annual evaluation.

| | Evaluation based on "The assessment of the Degree of MMC Way Embodiment" | Evaluation based on Commitment & Target | Evaluator |
|------------------|--|---|--|
| May | Feedback Interview | | Employee/Primary Evaluator |
| May-July | Monitoring of behavior | Setting of individual objectives (objective setting interview**/ group objective setting meeting) | Employee/Primary Evaluator |
| | | | Primary Evaluator |
| October-November | | Interim Interview | Employee/Primary Evaluator |
| March | Self-Evaluation | Self-Evaluation | Employee |
| April | Primary Evaluation | Primary Evaluation | Primary Evaluator |
| | Secondary Evaluation | | General Manager |
| | Final Evaluation (evaluation meetings on the division level) | | Division General Manager/General Manager |
| | Finalization of Annual Evaluation | | Human Resources & Labor Administration Planning Department |

*4 Objectives are set during the feedback interview in May. If objectives are changed after unit objectives are finalized, an additional interview is conducted and the changes are reflected in objectives.

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> Career Development and Evaluation

Fair Compensation System

Mitsubishi Motors introduced a remuneration system that allows for appropriate compensation based on the roles, degree of contribution, and weight of the roles and responsibilities of each employee. We provide the system to enhance each employee's career and motivation. Raises are given both periodically and in conjunction with career enhancement.

Approach to Local Hiring

We comply with local laws and regulations regarding wage levels in Japan and other countries and set wage levels according to job classifications, taking into consideration industry levels. There are no discrepancies in wages within individual companies based on race, nationality, sex, or other such reasons.

| | | |
|---|--|------------|
| Starting pay | High school graduate Administrative and Engineering staff | ¥163,500 |
| | High school graduate Manufacturing Worker | ¥169,500 |
| | Technical college | ¥183,200 |
| | Junior college graduate | ¥168,000 |
| | University graduate | ¥207,000 |
| | Master's degree | ¥229,000 |
| | Doctor of Philosophy | ¥263,000 |
| Average salary of all employees (annual) | | ¥7,209,000 |
| Ratio of women's salaries to men's salaries | | 0.78 |
| Ratio of Valuable Compensation | General Manager: Maximum of 35% of annual basic salary | |
| | General Manager (responsible for specific duties): Maximum of 25% of annual basic salary | |
| | Manager: Maximum of 20% of annual basic salary | |

> Training and Education

Approach to Human Resource Development

Mitsubishi Motors has a training program for the systematic development of human resources from entry-level employees to general managers. This educational system is supported by three pillars: the Three Principles, a statement of the Mitsubishi Group's management principles; our Corporate Vision and Mission; and the MMC WAY, guidelines for day-to-day behaviors. We have clarified the abilities and skills necessary to put these principles or behavior into practice. We also specified the ideal model for each job classification and introduced respective curricula based on both. Employees discuss their vision of their future with respect to human resource development during their annual interviews with their superiors. Sharing such visions between superiors and subordinates leads to development of each employees with deeper understanding.



| | |
|--|---|
| (1) Ideal to be pursued | Set the pillars of training and development targets |
| (2) Training (off-the-job-training) | Enhance training and set quality gates*1 |
| (3) Human resource development systems | Incorporate departments (superiors) into training more and develop a culture where superiors and subordinates grow together |
| (4) Practical training (on-the-job-training) | Conduct more effective OJT by raising the abilities and skills of all employees through the measures in (1) to (3) |

*1 System for objectively assessing the status of proficiency of abilities, knowledge, and skills necessary for an individual to be promoted to the next step (job classification).

Training Structures and Achievement

In addition to training curricula tailored to employee job classifications, Mitsubishi Motors has various other training programs for employees including e-learning training for all employees and selective training that allows employees to select the programs they want to participate in.

◆ Fiscal 2017 Training Results

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| Number of employees who took courses during the year (total) | 18,920 employees |
| Number of course hours per employee | 10.9 hours |
| Training expenses per employee | ¥30,182 |

We continue to prioritize the enhancement and expansion of training programs. In fiscal 2017, we introduced a number of new programs and reviewed the content of and reinforced existing programs.

Employees

▶ Training and Education

◆ Organizational Framework of Mitsubishi Motors' Human Resource Development

Legend: Newly implemented

| Job Classification (required human resource model) | Training for job rank | | | | Common to all ranks | Global | |
|---|---|---|---|-----------------------------------|--|---|---|
| | Training for newly promoted employees | Reinforcement training | Training for candidates for promotion | Mid-career employees | | Mindset/Skills | English |
| M1 (innovation leader) | Training for newly-promoted M1 | | | | | | |
| M2 (management professional) | Training for newly-promoted M2 | Leadership training for organizational transformation | Training for M1 candidates | | Training with participants from external companies | Global leader development trainings*5 | Training for experts to be dispatched to foreign affiliates |
| Assistant Manager (a leader of practical work) | Training for newly promoted Assistant Manager | To be implemented in fiscal 2019*2 | Training for M2 candidates | | | | |
| Main Staff (a key player in the execution of work) | Training for newly promoted Main Staff | Good facilitator development training Good communicator development training | Training for Assistant Manager candidates | Training for mid-career employees | Internal collaboration training (37 meeting) | Global talent development training | TOEIC score 700 and above Weekly voluntary English conversation class / Voluntary English conversation via Skype |
| Staff (a professional in the operational work) | Entry-level employee training | Third year training*3 Second year training | | | | | |
| Clerical Staff (efficiently carries out operations) | Entry-level employee training | Third year training*3 Second year training | | | | Global communications training*6 Global mindset training*7 | |

We plan to enhance training even further in the future. To this end, we will gather information on practices of training at other companies and on the needs of participants and their superiors and make continuous improvements.

From the Customer's Perspective

The achievements in one's work create value only when they contribute to the benefit of others. We are taking measures to foster human resources who continuously check their own work from the perspective of subsequent processes, asking whether their work truly creates value and whether it is meeting the needs of colleagues and customers.

In-house Cooperative Training

Aiming to strengthen inter-divisional cooperation and to foster personnel with strong leadership, Mitsubishi Motors is concentrating efforts on in-house cooperative training. As an example, we conduct training session on problem-solving where managers from various divisions are brought together. Participants select issues faced by their divisions as the themes for the session, and everyone works together to find solutions. By allowing staff to repeatedly participate in this type of training, we aim to strengthen ties between fellow colleagues from beyond divisional boundaries, broaden employees' perspectives, and raise workplace management capabilities and problem-solving skills.

*2 A portion of training for M2 candidates will be conducted as reinforcement training, including the initially-planned business negotiation skills training starting in fiscal 2019

*3 Mid-career employees undergo fundamental business skills follow-up training corresponding to third year training. *4 To be introduced in fiscal 2019.

*5 To be introduced in fiscal 2020. *6, 7 To be conducted within third year training and entry-level employee training program, respectively.

Employees

▶ Training and Education

Fostering Global-Minded Human Resources

In line with increases in both overseas production and sales volumes, Mitsubishi Motors is placing emphasis on developing human resources who are capable of adopting a global perspective and snowing performance in global business.

English language skills are essential when working with people outside Japan, so Mitsubishi Motors offers its employees curricula designed to systematically improve their English skills. We provide a variety of programs, from beginner courses aimed at improving basic skills, to advanced courses aimed at improving practical English communication skills for business use. We also offer local language courses for employees who will be stationed in non-English-speaking countries.

In addition to language training, we have newly started a program dispatching Japanese employees to overseas plants for a short period. Under this program, participants will have the opportunity to observe and learn local operations and business habits through interaction with local staff. We are also planning a training programs at overseas subsidiaries.

Supporting Lifelong Education

In keeping with the Revised Act for Stabilization of Employment of Older Persons, Mitsubishi Motors is encouraging the reemployment of retirees aged 60 and over to steadily hand down the techniques and

knowledge of skilled workers. We are also working to support the lifelong career development of our employees. For instance, we regularly hold Good Life Seminars, a joint undertaking with the labor union geared toward employees aged 50 and over, where we give post-retirement life planning advice.

◆ Fiscal 2017 Seminars for Future Good Life

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| The Number of Seminars held | Held four times companywide |
| The number of participants | Approximately 80 people in four seminars |

Accepting Overseas Trainees

Mitsubishi Motors has started accepting overseas trainees since 2007 as a part of its CSR initiatives. In May 2018, it was found out that 33 welding job trainees among 65 technical trainees from the Philippines who have been in Okazaki Plant engaged in training work other than the training plan, and this incident was not complied with Technical Intern Training Act.

This incident shows a lack of sensitivity to legal compliance and the delayed response after the issue was found indicates a low level of business quality. We are going to work on improving from every aspect.

▶ Labor-Management Relations

Approach to Labor-Management Relations

Mitsubishi Motors supports the basic principles of the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises and guarantees fundamental labor rights to employees. Our labor agreement stipulates that the labor union has the three rights of labor (the right to organize, the right to collective bargaining, and the right to collective action).

As of April 2018, our labor union had 12,351 members (excluding reemployed senior staff), accounting for 99% of general employees excluding officers and management.

Status of Labor-Management Communications

The labor-management council is regularly held along with collective bargaining as an opportunity for labor-management discussions. These discussions aim to share information about issues such as working conditions and the working environment, and labor and management then work together to solve these issues. In fiscal 2017, 54 discussions were held between the Company headquarters and union headquarters, and many discussions were also held between offices and union branches in each business site.

For important topics such as major changes in working conditions, we organize a labor-management expert committee and make decisions after careful consideration and discussions and management. We are also working to build good relationships with labor unions at overseas affiliates in accordance with the labor laws and regulations of each country.

Employees

Occupational Health and Safety

Health and Safety Policies and Management

Ensuring the health and safety of employees is the foundation of corporate activities. Mitsubishi Motors continuously takes measures to ensure employee health and safety on a universal basis in accordance with its Health and Safety Management Policy.

Basic Policy

1. We will undertake companywide activities with emphasis on each process of the PDCA cycle to eliminate workplace risks and hazards with safety taking priority over all else. Within each activity, confirmation, follow-up, and improvement will be carried out successively and continuously.
2. Workplace supervisors from senior management down will implement comprehensive health and safety management measures under their own responsibility with an awareness that ensuring health and safety is the foundation of management. They will strive to create a workplace culture of discipline with consideration for others and a strict attitude of not engaging in, not allowing others to engage in, and not overlooking unsafe conduct. All workplace supervisors will also work to create a workplace culture that fosters open communication where subordinate personnel feel that they can say anything through honest dialogue at any time and to raise awareness of health and safety.
3. Each employee shall observe basic rules and conduct guidelines relating to safety to protect their own safety and endeavor to create healthy workplaces with no accidents by conducting on health and safety activities in cooperation with all Mitsubishi Motors personnel with a strong commitment to complying with decisions that they have made and decisions that have been made by others.

4. Companywide efforts shall be made to create clean and comfortable work environments, prevent disease, and promote the health and physical well-being of each employee.
5. Health and safety management shall be implemented in accordance with the Mitsubishi Motors Health and Safety Management System.

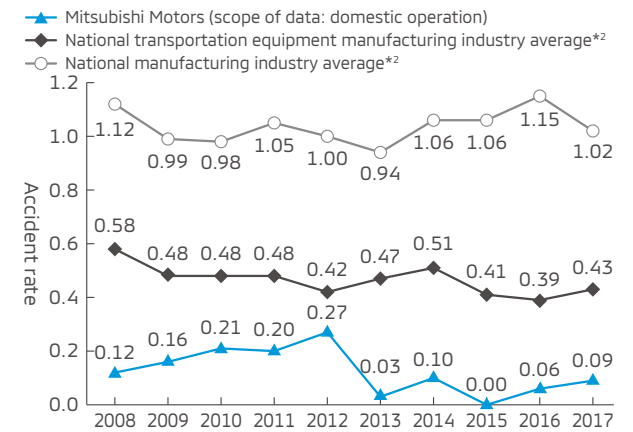
The Central Production Committee, comprising the lead officer, heads of production sites, and labor union representatives, meets once a year to assess the status of measures taken over the year. The committee examines occupational safety, traffic safety, natural disaster preparedness, health management, and other issues, sets quantitative targets for health and safety in the coming year, determines priority measures, and takes action to achieve the targets.

Initiatives to Ensure Workplace Safety

Mitsubishi Motors works to create safe and secure workplaces where all employees can dedicate themselves to their work with a feeling of reassurance. In particular, we strive to prevent accidents in production sites, which account for around 80% of workplace accidents. In order to prevent these, we identify unsafe conditions or employee behaviors in all work situations and make improvements. Additionally, we create safe workplaces by carrying out mutual safety checks at production sites by senior officials and workplace supervisors to identify commonly overlooked hazards. Other measures include

adopting improvement proposals and requests raised by employees. We also established “safety training schools” at each business site to raise hazard awareness and conduct hands-on hazard training so that all employees can experience hazardous situations firsthand. The number of workplace accidents in 2017 was 20, up three from 2016. There were no fatal accidents. The main causes of these accidents were insufficient countermeasures against unsafe conditions in the workplace, insufficient rules governing irregular work, and insufficient training and education for employees with little work experience. Over half of these accidents were caused by employees with less than six months of work experience, so we have positioned the enhancement of introductory training as a key measure for 2018.

Accident Rate*1 (Accident Frequency)



*1 Number of deaths and injuries due to industrial accidents per 1 million gross actual working hours (for those requiring an absence from work of one day or more)

*2 Source: Ministry of Health, Labour and Welfare of Japan "Survey on Industrial Accidents"

Employees

Occupational Health and Safety

Mental and Physical Health Initiatives

In order to maintain and improve the mental and physical health of its employees, Mitsubishi Motors prioritizes two key measures: guidance on preventing lifestyle-related diseases and measures for maintaining good mental health.

Mental health issues accounted for more than half of absences due to illness, and such absences have been increasing since 2016. In response, we have positioned this as a companywide priority issue and introduced an outside Employee Assistance Program* (EAP), a type of mental health program.

The number of employees who were absent from work due to the onset of mental health issues increased by 6% in 2017 compared to the previous year. Work-related concerns accounted for approximately 80% of all cases. As a result, we have gone further than past measures and placed priority on prevention such as providing care for individuals, encouraging care of subordinates by superiors, and improving workplace environments. We arrange face-to-face sessions with industrial physicians or counselors for employees determined to be experiencing high levels of stress based on the results of annual stress checks. We also assess stress levels at each workplace, conduct training to improve workplace communications, and have introduced programs conducted by outside counselors to improve workplace environments. We are creating environments where employees feel comfortable consulting about their concerns with consultation desks for individuals. We have established consultation desks with counselors, attorneys, tax

accountants, and other professionals and made them available not only to employees, but also to their family members.

* An employee support program that seeks to improve individual and workplace health by implementing organizational mental health measures, offering health consultations on individual physical or mental health issues, and addressing compliance and other issues.

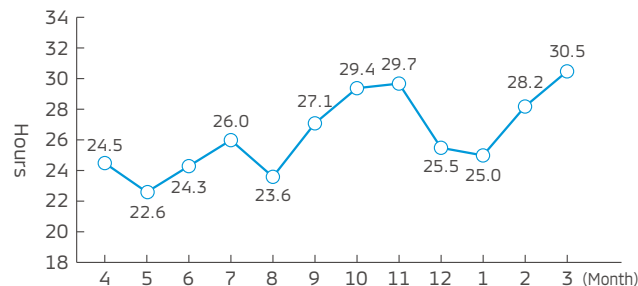
Shortening Total Working Hours

Mitsubishi Motors is taking measures to shorten total working hours in order to promote and establish work-life balance. Together with improving work efficiency, we implement measures for leaving work on time and making it easier to take paid leave, such as newly establishing "Premium Fridays" from 2017, to promote the creation of workplaces that allow a variety of working styles.

| | |
|----------------------------------|--|
| Average Monthly Overtime Hours*1 | 26.4 (fiscal 2017, administrative and engineering personnel example) |
|----------------------------------|--|

*1 Excluding personnel on long absence.

Fiscal 2017 Overtime Hours



Examples of Initiatives

- Establishing every Friday as "No Overtime Day" where employees are encouraged to leave work on time
- Setting the third Friday or the Friday closest to the 20th day of each month as "Premium Friday" when employees are encouraged to leave work by 3 p.m.
- Establishing days on which employees are encouraged to take paid leave (14 days annually*2) and encouraging "Plus One Leave" where employees can have long weekends by combining leave with weekends
- Prohibiting work after 8 p.m. in principle, and holding activities to raise awareness of exercising self-control to not make phone calls or send emails after office hours
- Making progress visible by counting and internally disclosing overtime hours and paid leave taken by each division
- Training managers in areas such as management of working hours and compliance with the Labor Standards Act and overtime work agreements (commonly known as the "36 Agreement" after Article 36 of the Labor Standards Act)
- Encouraging the use of the telecommuting system
- Actively encouraging employees to use our half-day leave system and our flextime system, which we recently revised to remove the core time requirements

*2 Mainly by encouraging employees to take paid leave on public holidays which are working days in Mitsubishi Motors' work calendar

Employees

▶ Diversity and Work Styles

Diversity Promotion Policy

Mitsubishi Motors aims to grow sustainably while flexibly responding to the changing business and market environment resulting from progressive globalization and diversifying customer needs. To this end, we need employees with different values and ideas working together to create automobiles with new appeal and value for customers. We are working to create environments that value employee diversity, are easy to work in, and foster employee enthusiasm. We established a Diversity Promotion Policy in July 2014 to promote and achieve diversity.

Diversity Promotion Policy

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



Each diamond has its own unique brilliance as well as the strength to cut into bedrock. We have given the name "Di@MoND" (Diversity @ Mitsubishi Motors New Drive) to our diversity promotion activities to represent our hope that all employees will harness their unique attributes and shine brightly while demonstrating the strength to overcome even the toughest challenges to achieve goals, thus acting as a new driving force for the company.

Diversity Report

Mitsubishi Motors has been periodically issuing the Diversity Report, a publication dedicated to diversity issues, since 2015 to raise awareness inside and outside the company regarding our diversity promotion initiatives. Volume 3 of the report was entitled "Creating a workplace where we can all bring our capabilities into full play." The report included an article on a management discussion regarding current conditions at workplaces with increasing levels of diversity and future workplace measures, introduced the activities of various employees and personnel who work at Mitsubishi Motors in the Philippines, and reported on a variety of topics including LGBT issues. Through this publication, we are working to create workplaces where every employee can shine and individuality can thrive.



Diversity Report

■ Diversity Report Vol. 3: Creating a workplace where we can all bring our capabilities into full play
 Issued in December 2017 [PDF](#) [3.8MB]

The Diversity Report can be downloaded in PDF format.

Promoting Women's Participation and Advancement in the Workplace

Mitsubishi Motors promotes women's participation and advancement in the workplace as a priority issue. In fiscal 2017, we conducted leadership training for women and role model lectures and dispatched four

female employees to the Women's Forum for the Economy & Society in Paris, France. As of July 2018, the percentage of women in management was 3.5% (58 persons) of which 10 women are on the general manager level and one is on the division general manager level. Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, we formulated an action plan to promote women's advancement and set a goal of 100 women working at the management level by the end of fiscal 2020. We will continue this initiative to create an environment where more female employees can work in positions of greater responsibility.

TOPICS

Mitsubishi Motors Selected as Constituent of MSCI Japan Empowering Women Index

Mitsubishi Motors was selected as a constituent member of the MSCI Japan Empowering Women Index (WIN), an index developed by MSCI Japan Inc. for supporting investment in the environment, society, and governance (ESG). MSCI selects companies that lead their industries in promoting the hiring, continued employment, and advancement of women and diversity. MSCI makes its determinations based on data relating to the employment of women disclosed pursuant to the ACT on Promotion of Women's Participation and Advancement in the Workplace and information disclosed by companies for example.

Employees

> Diversity and Work Styles

Work-Life Balance Initiatives

We are enhancing our work-life balance support program to accommodate the diverse work styles of our employees. We introduced a telecommuting system and accompanying leave (temporary leave for employees whose spouses have been transferred) to accommodate diverse work styles and life events. In fiscal 2017, we increased the maximum number of hours of work that can be performed from home under the telecommuting system from 40 to 80 per month and made it possible for employees to work from the home of a family member in cases

where an employee is providing childcare or care for a family member. We are creating foundations to facilitate work by employees in a variety of situations. We also created childcare and nursing care guidebooks to encourage employees to make effective use of our work-life balance support programs.

Helping Employees to Balance Work and Childcare

Mitsubishi Motors actively supports employees who seek to balance work and childcare. Since fiscal 2015, we have been holding get-to-know-you lunch meetings at the head office for employees on childcare leave and employees working reduced hours for childcare to eliminate

concerns about returning to work by employees on leave, alleviate worries unique to those working while performing childcare, and support network building.

The get-to-know-you lunch meeting held in fiscal 2017 was attended by around 60 employees. For employees on childcare leave, it was also an opportunity to come to the office and talk with their supervisors. In addition, we have continued to hold training for employees who are working while raising children as well as training for managers with subordinates on childcare leave or who are raising children. In fiscal 2017, training sessions were held at two business sites (the company head office and Okazaki) with about 70 participants. Outside instructors discussed how employees with children should approach long-term career development and taught supervisors how to manage employees with childcare responsibilities. A seminar on achieving balance between work and childcare designed specifically for male employees was also held. About 15 employees with children aged up to one year old participated. An outside instructor discussed key points and hints on optimal career growth achieved not by employees alone, but with their children and partners.

Helping Employees to Balance Work and Nursing Care

As birth rates decline and society ages, we must not only support childcare as a company, but also a balance between work and nursing care. In fiscal 2017, we provided individual nursing care consultations by nursing care specialists to reduce employee anxieties regarding nursing care. We also held nursing care seminars conducted by outside instructors to provide basic information about achieving a balance between work and nursing care. The seminars, held in four regions (the company head office, Okazaki, Kyoto, and Mizushima), were attended by about 180 employees.

◆ Major Programs to Promote Work-Life Balance (As of July 2018)

| Programs | Overview | |
|---------------|--|---|
| Childcare | Pregnancy leave | Can be taken once for a certain term during the period after becoming pregnant until entering into maternity leave |
| | Maternity leave | Six weeks prior to birth and eight weeks after birth |
| | Childcare leave | Can be taken up to the end of April of the following fiscal year after the child's third birthday |
| | Child nursing leave | Can be taken until the end of the fiscal year of the child's 12th birthday (one child: up to 5 days; two and over: up to 10 days; first five days are paid in both cases) |
| | Reduced working hours for childcare | Four-, five-, six-, or seven-hour work shifts can be chosen until the end of the fiscal year of the child's 12th birthday (combined use with the flextime system is also available) |
| Nursing care | Nursing care leave | Aggregate total of three years can be taken per person receiving nursing care |
| | Short-term nursing care leave | If one person receiving nursing care: up to 5 days; if two or more people receiving nursing care: up to 10 days (first five days are paid in both cases) |
| | Reduced working hours for nursing care | Available until the reason for the nursing care no longer exists. Employees can elect to work, four-, five-, six-, or seven- hours per day, and are also eligible for flextime work. |
| Miscellaneous | Life plan leave | Employees can take up to 10 days leave per year for various predefined purposes such as receiving treatment for non-work related injury/illness, caring for family, childcare, infertility treatment, participating in volunteer activities, and language studies |
| | Accumulation of unused paid leave | Employees can accumulate unused annual paid leave up to four days per year to a maximum of 40 days which can be used for predefined purposes. (E.g., receiving treatment for non-work related injury/illness, caring for family, childcare, participating in volunteer activities, and infertility treatment) |
| | Flextime system | System that lets employees set their own working hours with no core time under predefined conditions on prescribed work days |
| | Telecommuting system | Employees can work remotely using their own work PC at home (limited to a maximum of 80 hours per month) |
| | Reemployment system | Eligible for employees who resigned due to pregnancy, the birth of a child, childcare, nursing care, marriage, moving due to spouse work transfer, or other reason recognized by the Company, with an applicable period within five years after resignation |
| | Accompanying leave | Temporary leave system for employees to accompany spouses who have been transferred in Japan or overseas or are studying abroad, with an applicable period of from one month to five years |

Employees

Diversity and Work Styles

Increasing Employment of Senior Workers

With the goal of handing down skills and technologies and securing a robust workforce, Mitsubishi Motors operates a program to reemploy senior persons after retirement. As of March 2018, about 615 employees have enrolled, and they are handing down techniques and training the next generation. We will continue to create a work environment where senior employees can make a significant contribution.

Promoting Employment of People with Disabilities

Aiming to achieve a workplace where everyone can work, we actively hire people with disabilities in a wide

range of occupations.

The percentage of employees with disabilities at Mitsubishi Motors as of April 2018 was 2.21% (the legally mandated employment ratio is 2.2%) and we will continue to promote additional employment while improving the work environment.

We also promote the employment of people with disabilities through MMC WING, a special-purpose subsidiary established in April 2007, which employs 49 workers with intellectual disabilities at the Okazaki and Mizushima plants. Now entering its 12th year since establishment, MMC WING has received many inquiries about employment from "Hello Work" Public Employment Security Offices, the prefectural employment and support center for disabled persons, and special needs schools, and has established a high profile in the region. In addition, as in the past, we do not stop at just providing employment within our company when doing our part

for employment support of people with disabilities. For example, we proactively accept requests from employment support facilities and special needs schools to try on-site training, providing people with disabilities guidance on group behavior and how to go about work.

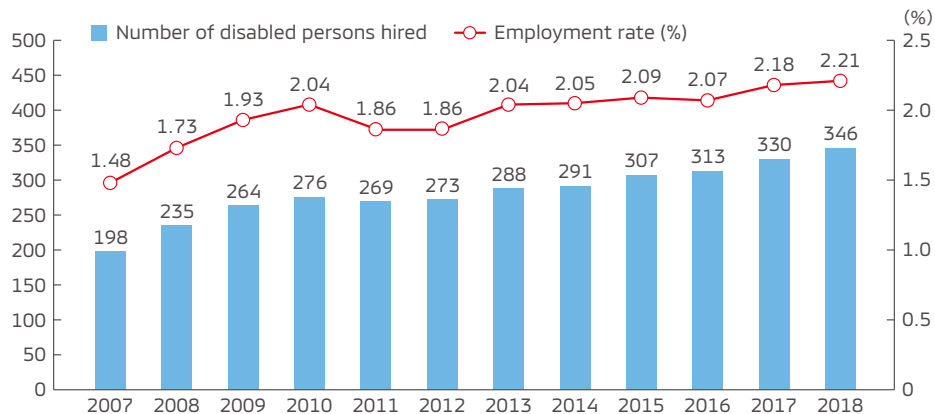
Addressing LGBT Issues

The Mitsubishi Motors Global Code of Conduct expressly includes respect for LGBT individuals under "Value Diversity and Provide Equal Opportunity." In fiscal 2017, the Diversity Report discussed LGBT issues, and we held an LGBT seminar, attended by about 50 persons, with the aim of providing basic knowledge for accurate understanding of LGBT issues and increasing supporters known as "Ally."

Employee Surveys

Since fiscal 2013, we have conducted employee surveys to identify issues affecting the company, organizations, and individual employees. The survey results are used as reference indicators for improving awareness and operations at each workplace. In fiscal 2017, we conducted an online survey of approximately 14,000 employees. Action plans for addressing the issues identified through this survey will be formulated under the leadership of division general managers and then carried out. We will continue to conduct employee surveys annually and try to improve our organization culture continuously.

◆ Employment of People with Disabilities*



*In accordance with the Act for Promotion of Employment of Persons with Disabilities, one severely disabled person is recognized as two people

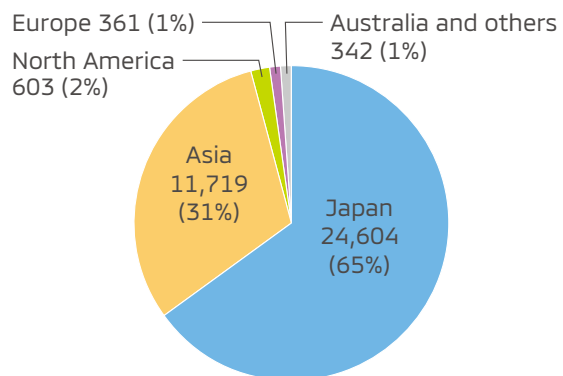
Employees

▶ Human Resource-Related Data

Number of Employees

| | | FY 2015 | FY 2016 | FY 2017 |
|--|--------|---------|---------|---------|
| Number of employees (non-consolidated) | Total | 13,033 | 13,222 | 13,693 |
| | Male | 11,806 | 11,932 | 12,336 |
| | Female | 1,227 | 1,290 | 1,357 |
| Number of employees (consolidated) | | 29,555 | 29,604 | 30,507 |
| Number of temporary workers (consolidated) | | 4,515 | 3,892 | 7,122 |

Number of Employees by Region: 37,692 (consolidated)



Figures for the number of employees are as of March 31, 2018

Number of Locally-Hired Managerial Employees at Overseas Subsidiaries

| | |
|--------------------------------|----------|
| Number of managerial employees | 922 (7%) |
| Number of employees | 13,025 |

(As of March 2018)

Employee Makeup (non-consolidated)

| | | FY 2015 | FY 2016 | FY 2017 |
|---|--------|---------|---------|---------|
| Average age | Male | 41.4 | 41.1 | 41.9 |
| | Female | 38.6 | 38.3 | 39.2 |
| Average years of service | Male | 16.9 | 16.7 | 16.6 |
| | Female | 12.5 | 12.3 | 12.8 |
| Number of employees who have left the company (total) | | 511 | 665 | 539 |
| Retirement | | 276 | 221 | 248 |
| Voluntary retirement | | 205 | 421 | 249 |
| Involuntary retirement | | 3 | 8 | 2 |
| Work transfer, other | | 27 | 15 | 40 |

Number of New Graduates Hired

| | | FY 2015 | FY 2016 | FY 2017 |
|--|--------|---------|---------|---------|
| Total | Male | 297 | 298 | 220 |
| | Female | 38 | 40 | 31 |
| University graduate/ Master's degree or above | Male | 198 | 196 | 133 |
| | Female | 35 | 34 | 27 |
| Junior college/ vocational school graduates | Male | 1 | 2 | 1 |
| | Female | 0 | 0 | 0 |
| High school graduates/ other | Male | 98 | 100 | 86 |
| | Female | 3 | 6 | 4 |

Employees

▶ Human Resource-Related Data

Working Hours and Ratio of Paid Leave Taken

| | FY 2015 | FY 2016 | FY 2017 |
|---|-------------|---------------|-------------|
| Total working hours per person/per year | 2,116 hours | 2,092.9 hours | 2,082 hours |
| Overtime worked per person | 330 hours | 328.3 hours | 307 hours |
| Ratio of annual paid leave taken | 79.9% | 81.6% | 83% |

Number of Persons Taking Childcare Leave and Retention of Return

| | | FY 2015 | FY 2016 | FY 2017 |
|--|--------|---------|---------|---------|
| Number of persons taking childcare leave | Total | 111 | 86 | 127 |
| | Male | 3 | 3 | 6 |
| | Female | 108 | 83 | 121 |
| Retention of returnees*1 | | 94.4% | 91.2% | 92.3% |

*1 $\frac{\text{Total number of employees still employed 12 months after returning to work from childcare leave}}{\text{Total number of employees whose childcare leave ended during the previous reporting period}} \times 100$

Note: In this year's report, calculations were performed in accordance with the GRI standards and the retention rates for fiscal 2015 and 2016 were recalculated.

Status of Female Management Promotions

| | | As of July 2016 | As of July 2017 | As of July 2018 |
|-------------------------------|--------------------------|-----------------|-----------------|-----------------|
| Number of female managers*2 | Persons | 45 | 49 | 58 |
| | Ratio | 2.7% | 2.9% | 3.5% |
| | General manager or above | 3 | 6 | 11 |
| Number of female executives*3 | Persons | 2 | 2 | 3 |
| | Ratio | 4.3% | 5.1% | 7.7% |

*2 Excludes employees dispatched to other companies.

*3 Number of female executives includes outside directors and auditors.

Major Programs to Promote Work-Life Balance

| FY 2017 Results | | Male | Female | Total |
|-----------------|--|-------|--------|-------|
| Childcare | Pregnancy leave | – | 8 | 8 |
| | Maternity leave | – | 60 | 60 |
| | Childcare leave | 6 | 121 | 127 |
| | Child nursing leave | 140 | 162 | 302 |
| | Reduced working hours for childcare | 5 | 164 | 169 |
| Nursing care | Nursing care leave | 3 | 0 | 3 |
| | Short-term nursing care leave | 118 | 35 | 153 |
| | Reduced working hours for nursing care | 2 | 3 | 5 |
| Miscellaneous | Life plan leave | 98 | 30 | 128 |
| | Accumulation of unused paid leave | 559 | 51 | 610 |
| | Flextime system (including managerial employees)*4 | 6,172 | 970 | 7,142 |
| | Telecommuting system | 60 | 77 | 137 |
| | Reemployment system * Number of employees registered as candidates for re-hiring under the reemployment system (in fiscal 2017, no employees were rehired under this program) | 1 | 2 | 0 |
| | Accompanying leave | 0 | 7 | 7 |

*4 With regard to the flextime system, the number of employees eligible to use the system (as of April 2017)

Employee Shareholding Association

| | As of March 2018 |
|--|------------------|
| Number of members of the employee shareholding association | 1,089 |
| Membership rate | 8.5% |
| Shares owned | 1,613,025 |