

MITSUBISHI MOTORS CORPORATION



INTEGRATED REPORT 2023

For the year ended March 31, 2023



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Editorial Policy

- This report: The Integrated Report 2023 introduces "Challenge 2025," the new mid-term business plan announced in March 2023, and describes Mitsubishi Motors' value creation process aimed at sustainable growth, our aims and the initiatives.
- Period Covered: Mainly fiscal 2022 (the business year from April 1, 2022 to March 31, 2023), but including some content before and after that period
- Positioning of the integrated report

The Company discloses information in the following media.

Financial Information	Non-Financial Information
Integrated Report https://www.mitsubishi-motors.com/en/investors/library/annual.html	
Summary of Financial Results https://www.mitsubishi-motors.com/en/investors/library/earning.html	Sustainability Report https://www.mitsubishi-motors.com/en/sustainability/report/
Annual Securities Report https://www.mitsubishi-motors.com/en/investors/library/yuka.html	Corporate Governance Report https://www.mitsubishi-motors.com/en/sustainability/pdf/governance.pdf

Forward-looking Statements

Current plans, strategies, beliefs, performance outlook and other statements of Mitsubishi Motors Corporation (sometimes referred to as we, the Company, Mitsubishi Motors or MMC) in this Integrated Report that are not historical facts are forward-looking statements. These forward-looking statements are based on management's beliefs and assumptions drawn from current expectations, estimates, forecasts and projections. These expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those indicated in any forward-looking statement. Mitsubishi Motors Corporation, therefore, cautions readers not to place undue reliance on forward-looking statements. Furthermore, any forward-looking statements are subject to change as a result of new information, future events or other developments.



MISSION

Create a vibrant society
by realizing the potential
of mobility

VISION

1. Provide new experiences for our customers with creative products and service excellence
2. Make positive contributions to the sustainable development of our society
3. Act sincerely as a trusted company
4. Enhance stakeholder value by leveraging the Alliance



All-New Xforce



The Start of "Challenge 2025," Our New Mid-Term Business Plan to Establish a Stable Revenue Base

Meeting the Targets of our Mid-Term Business Plan with Record-High Profits

Fiscal 2022 marked the final year of Mitsubishi Motors' mid-term business plan, "Small but Beautiful," and was a milestone year for the Group. We worked together as one team to address various challenges, including cost reduction efforts and quality improvement activities in sales across different countries. Thanks to these factors, combined with the tailwind of favorable exchange rates, we exceeded the performance targets in our mid-term business plan. We saw particularly positive results in our "quality-of-sales improvement activities," which we have been promoting since fiscal 2021. This initiative involved reviewing processes from shipment at plants to delivery, with the aim of maximizing revenue per unit. Thanks to these achievements, the Group's "true strength" has improved, and we are prepared to enter a new stage.

On the product front, we launched the *eK X EV* from Japan. This is a Kei EV that people can easily choose and that evokes Mitsubishi Motors-ness: "Eco-friendly x Safety, Security and Comfort." With advanced driver-assistance functions and connected technologies, the *eK X EV* provides a safe, secure and comfortable driving experience. Demand is also ris-

ing for the *MINICAB MiEV*, a pioneering commercial electric vehicle in the Kei-car segment, mainly among logistics companies and local governments, and we have reopened general sales.

Overseas, March 2023 marked the launch of our all-new *ASX*, a compact SUV, in Europe. The *ASX* uses a common platform from the Renault-Nissan-Mitsubishi Motors Alliance and is supplied to us on an OEM basis by Renault. Meanwhile, in the ASEAN market, which is the most important market for the Mitsubishi Motors Group, we continued with efforts begun during our previous mid-term business plan to develop vehicles for the ASEAN region. In August, the all-new *Xforce* made its global premiere at an international auto show in Indonesia. Similarly, the all-new *Triton* made its world premiere in July in Thailand, followed by the start of sales. We aim to achieve further growth by sequentially expanding these offerings to other countries.

Aiming to Realize Sustainable Growth under the New Mid-Term Business Plan, Challenge 2025, through Stable Investment in R&D and Capital Expenditures

In March 2023, the Mitsubishi Motors Group unveiled "Challenge 2025," a new mid-term business plan end-

ing in fiscal 2025. The new plan outlines a new story of value creation. In the automotive industry, the concept of an automobile as a means of mobility for people and transportation for goods is undergoing substantial change, spurred by a countermeasure to global warming and technological advances. We are embarking on a period of immense change.

The Mitsubishi Motors Group will continue its transformation over the next three years, which we see as a turning point in the era. Our new mid-term business plan, Challenge 2025, calls for us to leverage the management base we have strengthened through previous structural reforms and establish a stable revenue base through the selection and concentration of regional strategies and the maintenance of "quality-of-sales improvement activities."

At the same time, we will further prioritize R&D and capital expenditures, increasing investment in electrification, the IT sector, and new businesses to pursue sustainable growth. On the product front, we will promote electrification to address climate change issues and achieve carbon neutrality, while strengthening our regional strategy and allocating management resources to maximize the potential of each region. To create new sources of revenue, we will take up the challenges of expanding our value chain and exploring new business opportunities.

Moving forward, in line with its vision to "Create a vibrant society by realizing the potential of mobility," the Mitsubishi Motors Group aims to achieve carbon neutrality, ensure respect for human rights, establish a workplace where diverse talent can thrive and manage the Group with a high level of transparency for every stakeholder.

Challenge 2025 is the story of our endeavor to forge the future of ourselves and the automotive industry. It represents a new step forward, embracing the mission to pursue sustainable development and contribute to society.

A handwritten signature in black ink, appearing to read "T. Kato".

Takao Kato
Member of the Board
Representative Executive Officer, President & CEO
Mitsubishi Motors Corporation

The Value Creation Process

Societal Changes

- Society-wide efforts to achieve carbon neutrality are accelerating.
- Marketing activities are changing to target Generation Z, which values experiences, empathy, and time performance.
- Evolving digital technology is essential to strengthen competitiveness in the autonomous driving/connected/mobility business area.

Vision

Create vibrant society by realizing the potential of mobility

Mission

1. Provide new experiences for our customers with creative products and service excellence.
2. Make positive contributions to the sustainable development of our society.
3. Act sincerely as a trusted company.
4. Enhance stakeholder value by leveraging the Alliance.

Inputs (fiscal 2022)

Financial capital	
• Total assets	¥2,201.5 billion
• Equity ratio	36.4%
• Free cash flow	¥120.5 billion
Manufacturing capital	
• Capital expenditures	¥78.6 billion
• Global bases	28 locations in 13 countries and regions
Intellectual capital	
• R&D expenses	¥107.2 billion
Human capital	
• Consolidated number of employees	28,428
Of which, Japan	18,847
ASEAN region	8,518
Other locations	1,063
Social capital	
• Social contribution expenditures	¥416 million
Natural capital	
• Energy input (Primary and secondary energy)	8.2 PJ*
• Withdrawn water volume	4,659,000 m ³

*A Petajoule is 10¹⁵ Joules.

Highly Impactful Materiality

- Responding to Climate Change and Energy Issues
- Delivering Products which Help Prevent Traffic Accidents
- Improvement of Product, Sales, and Service Quality
- Contribution to Local Economy through Business Activities
- Creating an environment where diverse talent can demonstrate their abilities and work with pride and fulfillment
- Strengthening Governance and Ensuring Compliance

The Three Main Challenges of the "Challenge 2025" Mid-Term Business Plan

- **Establishment/strengthening of absolutely stable revenue base**
Categorize each country's market based on regional growth potential and implement strategies suited to the characteristics of each region
- **Working toward carbon neutrality**
Increase the ratio of electrified vehicles by boosting the proportion of R&D expenses and capital expenditures spent on electrification, strengthen collaboration within the Alliance and reduce CO₂ emissions from business activities
- **Digitalization/Expansion into New Business Areas**
Accelerate DX and new business initiatives to survive in an era of major change

Corporate governance

Alliances

Respect for human rights

Value chain

A Foundation That Supports Value Creation

Outputs

	Fiscal 2022	Fiscal 2025
Financial		
Retail sales volume	834,000 units	1,100,000 units
Net sales (billions of yen)	2,458.1	
Operating profit (Billions of yen)	190.5	220.0
Equity ratio (%)	36.4	45.0
Social		
• Help reduce traffic accidents		
• Provide quality and service that satisfies customers		
• Promote economic development in the regions where we operate		
• Produce a diverse workforce that can demonstrate its capabilities		
• Promote disaster countermeasures, such as electricity supply systems that use electrified vehicles		
Environmental		
• Help achieve carbon neutrality		
Average CO ₂ emissions from new vehicles (Tank to Wheel) (Compared to fiscal 2010)	-18%	-40%
Percentage of EVs in the sales mix (100% by fiscal 2035)	11%	50%
CO ₂ emissions from business activities (Scope 1)	95,000 t-CO ₂	
(Scope 2)	271,000 t-CO ₂	
(Total Scope 1 and 2) (Compared to fiscal 2018)	-33%	-50%
Mobility		
• Provision of battery reuse, energy management services, etc.		



Value Provided

Mitsubishi Motors-ness

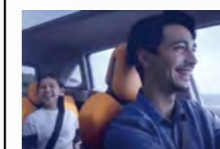
Providing customers with a fulfilling mobility life that awakens their 'Adventurous Spirit' on the basis of reliability backed by technology that achieves 'Eco-friendly x Safety Technology, Peace of Mind and Comfort'



Environmentally friendly and enable activities close to nature



Contribute to carbon neutrality with commercial EVs



Enable anyone to experience an exciting adventure with confidence



Enable people to get home safely with their family from any adventure



Reliable and useful when needed in natural disasters, power cuts, etc.

Message from the CFO

We aim to expand earnings and free cash flow after absorbing the rise in costs and investments.



Kentaro Matsuoka
Representative Executive Officer,
Executive Vice President
(CFO)

Fiscal 2022 in Review

In fiscal 2022, as the COVID-19 vaccination rate improved and treatment drugs were developed, the risk of severe cases decreased. This led countries around the world to refocus on easing measures to control infection, and economic activity gradually returned to normal. Nevertheless, a challenging business environment persisted, due to ongoing uncertainty surrounding the Russia-Ukraine situation, logistics disruptions, soaring energy prices, and interest rate hikes aimed at reining in inflation.

Against this backdrop, in fiscal 2022 the Mitsubishi Motors Group's performance improved substantially year on year. This was partly due to our implementation of "quality-of-sales improvement activities" such

as price enhancements and incentive controls across all regions, and partly thanks to favorable exchange rates. Our efforts helped offset the impact of vehicle supply constraints, rising raw material costs, and increased transportation expenses. Sales volume fell 11% to 834,000 vehicles, but successful initiatives to bolster revenue per unit by increasing selling prices led to a 21% increase in net sales to ¥2,458.1 billion. Operating profit more than doubled to ¥190.5 billion, reaching a historic high, and the operating profit margin rose 3.4 percentage points to 7.7%. Ordinary profit amounted to ¥182.0 billion, and profit attributable to owners of the parent totaled ¥168.7 billion, affected by the posting of extraordinary losses related to the businesses in Russia and China.

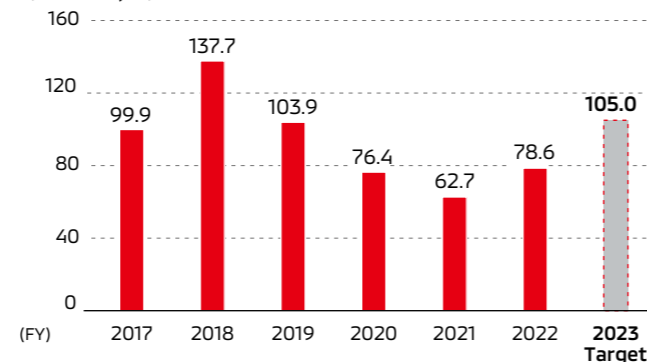
Operating Performance and Forecast

(Billions of yen, thousands of units)

	FY2022 (Actual)	FY2023 (Forecast)
Sales volume (retail)	834	917
Net sales	2,458.1	2,780.0
Operating profit	190.5	170.0
Ordinary profit	182.0	170.0
Profit attributable to owners of the parent	168.7	110.0

Capital Expenditures

(Billions of yen)



Future Outlook

In March 2023, the Mitsubishi Motors Group unveiled a new mid-term business plan, "Challenge 2025." Building on the lean and agile business structure we put in place under our previous mid-term business plan, the new plan aims to establish a stable revenue base, ensure the ability to respond flexibly to changes in the external environment, and step up investment toward the next phase of growth. Specifically, by the plan's final year in fiscal 2025, we are targeting ¥130.0 billion in capital expenditures and ¥150.0 billion in R&D spending, centering on electrification initiatives. Depreciation expenses will rise in line with the increase in capital expenditures. However, by introducing new models, restoring production levels now that the semiconductor supply situation has been resolved and securing shipping capacity, we expect to ramp up sales volume and simultaneously boost per-unit profitability. This will enable us to effectively absorb other cost increases and achieve higher earnings and free cash flow.

In fiscal 2023, the first year of our new mid-term business plan, we have launched the *Triton* and the *Xforce*—new models for the ASEAN market that showcase Mitsubishi Motors-ness. We aim to boost sales volume by further promoting sales of the *Delica Mini*,

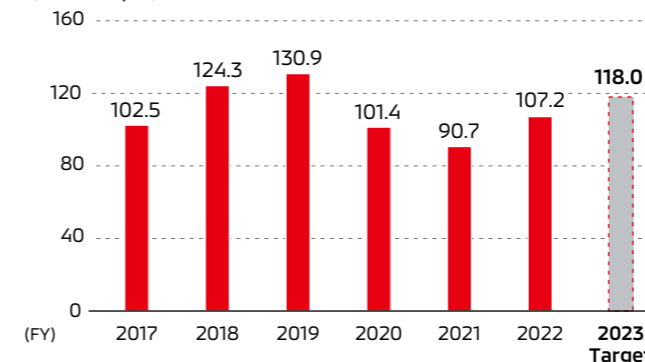
which got off to a strong start in Japan, and the new *Outlander*, our flagship model. In addition to leveraging Mitsubishi Motors' brand strengths, in fiscal 2023 we plan to continue with quality-of-sales improvement activities. As a result, we anticipate net sales of ¥2,780.0 billion, operating profit of ¥170.0 billion, ordinary profit of ¥170.0 billion, and profit attributable to owners of the parent of ¥110.0 billion.

Shareholder Returns

We had been unable to pay dividends since the end of fiscal 2019 because of negative non-consolidated distributable income. This negative distributable income was turned into a positive as of the end of fiscal 2022, and we had a reasonable prospect of being able to afford steady dividends from fiscal 2023. Accordingly, we have decided to resume year-end dividends at ¥5 per share. Our fundamental policy is to maintain stable, long-term dividend payments. Taking our future business and investment plans into overall consideration, we intend to pay an annual dividend of ¥10 per share for fiscal 2023. We will continue to decide our dividend policy with the aim of maintaining stable dividends, while carefully balancing such factors as fluctuations in the operating environment and the need to invest in future growth and accumulate equity capital.

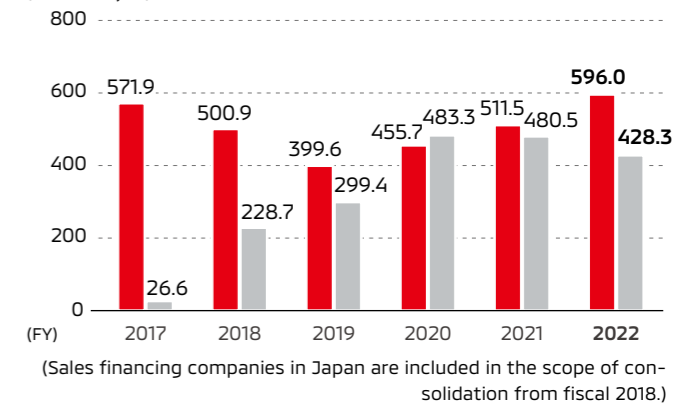
R&D Expenses

(Billions of yen)



Cash and Deposits/Interest-Bearing Debt

(Billions of yen)



Feature: "Challenge 2025," Our New Mid-Term Business Plan

We think the three years beginning in fiscal 2023 will mark a major turning point for Mitsubishi Motors. Our new mid-term business plan sets the challenge for Mitsubishi Motors itself to change and the challenge of further reinforcing our management base so we can respond to the new era. These two challenges begot the plan's name: "Challenge 2025." Under this plan, we aim to realize a sustainable society and sustainable growth for the Mitsubishi Motors Group.

Long-Term Road Map

When formulating our new mid-term business plan, Challenge 2025, we started by coming up with several scenarios for how the world might look 15 years hence in the fields of technology, regional communities and the mobility business. We then performed backcasting to arrive at a plan for what we need to work on in the next three years.

Based on our scenarios, we imagined three changes that would bring about a period of major transformation. The first is mounting efforts across society to achieve carbon neutrality. We think the evolution of batteries and biofuels will support this in the automotive industry. The second is our target customer segment. Our marketing and sales activities will change to focus on Generation Z, who are digital

natives. Finally, we believe it will be essential to adopt evolving digital technology as we strengthen our competitiveness in the areas of autonomous driving, connected car services and the mobility business.

Based on these scenarios, the Mitsubishi Motors Group will strengthen its development of electrification technology and work to reduce greenhouse gas emissions. Also, as we anticipate that Generation Z will become core purchasers and users of automobiles, we will renew our IT infrastructure and go forward with digital transformation (DX). Furthermore, we will explore new business opportunities created by electrification and the evolution of digital technology and build a foundation to expand them.

	2020	2025	2030	2035
Societal Changes	Increased awareness of CN		Initiatives to achieve CN / Battery evolution	
	Generation Z (prioritize Experience, Empathy, and Time Performance)		To Generation α...	
	Digital Technology Evolution (Comms(5G/6G), DX, AI, Robotics, and Metaverse)			
Mid-Term Business Plan	"Small but Beautiful"	"Challenge 2025"		
Vehicle Electrification	Mainly ICE	ICE / HEV / PHEV / BEV mixed	Mainly HEV / PHEV / BEV	Mainly BEV
DX/ New Business	Use of digital tech in business	System upgrade DX	Fully fledged rollout of new business using digital tech	
Business Form	Vehicle sales After sales	Value chain expansion New business challenges	Vehicle sales + securing profit in new business areas Deeper collaboration with partners (energy management, etc.)	
Regional Strategy	Global rollout	Focus area selection and role clarification	Clarifying regional roles and securing profit in each region	

* Internal combustion engine vehicles

Main Management KPIs

Looking at the main management KPIs of the new mid-term business plan, by leveraging the rollout of new products for the ASEAN region, we aim to grow retail sales volume by around 300,000 units over three years, targeting the 1.1 million vehicle range by fiscal

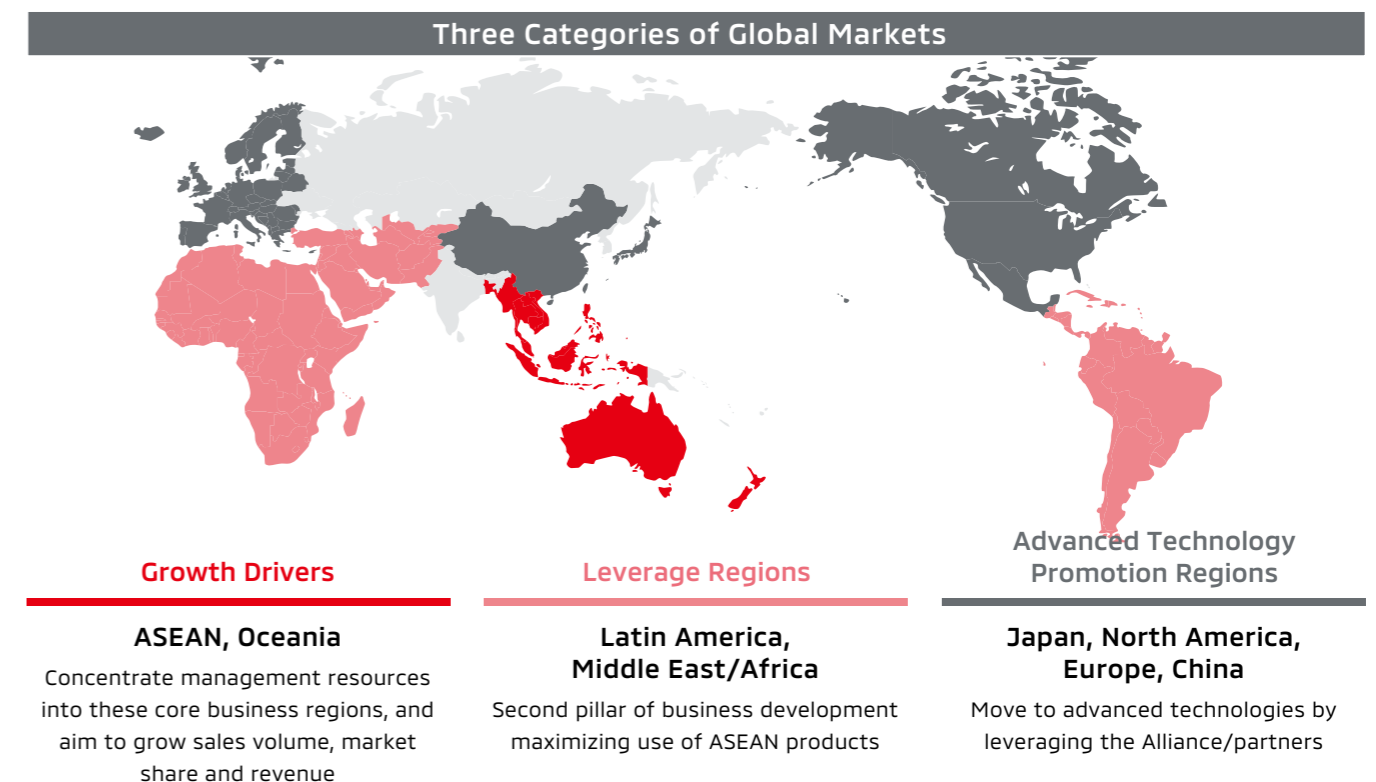
2025. Our operating profit target for fiscal 2025 is ¥220 billion with a profit margin of 7%, which we aim to achieve even while substantially ramping up R&D and capital expenditures as we focus on electrification and IT ahead of the transition phase from fiscal 2026.

Sales KPIs	Sales Volume (Retail)	1,100,000 units	FY2025
	Operating Profit (%)	¥220.0 billion	7%

Regional Strategy

To address one of the main challenges set forth for the period of our new mid-term business plan, we have set a regional strategy that divides the world's markets into three categories. After clarifying the role of each region, we will work to establish and reinforce

our revenue base. Particularly important are the ASEAN and Oceania regions, which we have defined as our "growth drivers." We will concentrate our management resources into these core business regions, where we aim to grow sales volume, market share and revenue.



Addressing Carbon Neutrality

As part of our efforts to achieve carbon neutrality, which is a global issue, we have set the goal of achieving a 50% ratio of electrified vehicles in our sales mix by 2030. We will work on the development of electrified vehicles and bolster collaboration with other Alliance members ahead of the phase of accelerated electrification after the new mid-term business plan.

Environmental Targets 2030 (update)

Average CO ₂ emissions from new vehicles -40% (Tank to Wheel, compared to FY2010)	xEVs sales mix 50% FY2035 100%	CO ₂ emissions from business activities -50% (Scope 1 and 2 total emissions, compared to FY2018)
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Mitsubishi Motors-ness

To make Mitsubishi Motors the automaker of choice for customers, we need to thoroughly refine the idea of Mitsubishi Motors-ness and promote this to the market in an appropriate way so customers will understand this and feel a connection with it. We define Mitsubishi Motors-ness as "The provision to customers of a fulfilling mobility life that awakens their adventurous spirit on the basis of reliability backed up by technology that achieves "Eco-friendly x Safety Technology, Peace of Mind and Comfort." This also applies to existing models that have been well received by customers. We will continue to deliver vehicles that convey Mitsubishi Motors-ness more effectively strengthen the Mitsubishi Motors brand, and promote the spread of a value-oriented business.

Mitsubishi Motors-ness - To be the company of choice for our customers

What is Mitsubishi Motors-ness?
The provision to customers of a fulfilling mobility life that awakens their adventurous spirit on the basis of reliability backed up by technology that achieves "Eco-friendly x Safety Technology, Peace of Mind and Comfort"

Boosting the Mitsubishi Motors brand and value-oriented business

Digital Transformation and Initiatives towards New Business

To survive in an era of major transition, we will renew our in-house IT infrastructure, develop digital talent, and make other moves to shore up our internal foundation. Also, we will put in place the base for new businesses in areas that automakers are in a unique position to exploit, such as energy management, the reuse of used batteries and the external sale of vehicle data.

Digitalization/ Expansion into New Business Areas

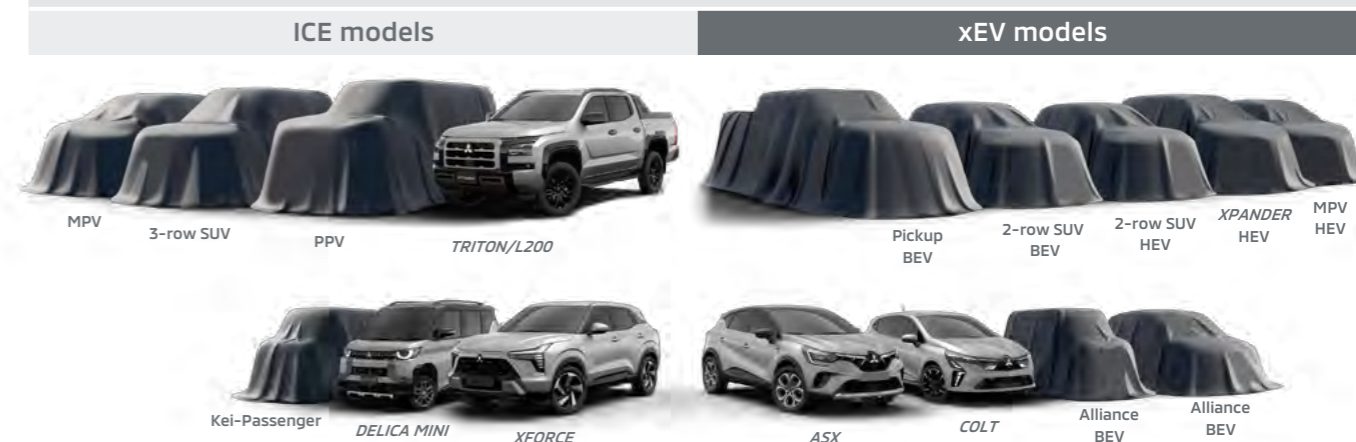
In-house IT Infrastructure Renewal/
Digital Talent Development

Energy Management

Battery Reuse

Data Sales

Roll out 16 models (inc. 9 xEV models) over the next 5 years



Product Rollout

Over the next five years, the Mitsubishi Motors Group will roll out 16 new vehicles, including EVs. Our forays into new segments include the launch of an all new compact SUV "the Xforce" and a new three-row SUV. We will steadily roll out products for our core regions.

To ensure sustainable growth, the Alliance with Renault and Nissan is extremely important to the Mitsubishi Motors Group. In Japan and other developed countries, we will accelerate the rollout of a range of EVs with the cooperation of our Alliance partners.

Contribution to the Alliance

The Mitsubishi Motors Group will also contribute substantially to the Alliance. In the Kei-car business, we are jointly planning and producing a Kei-car at NMKV, our joint venture with Nissan. The Mizushima Plant, which is a joint production hub, handles the mixed production of gasoline engine vehicles and electric vehicles with only a small amount of capital expenditures. This plant has earned high marks from external parties. In the area of product development, we will take the lead in developing frame products, as these are mainstay products for the Mitsubishi Motors Group. We have also started looking into new collaborations in the ASEAN and Oceania markets. In our Alliance, we will continue with a mutually complementary system where we take mutual advantage of electrification technology and components or enhance each other's product line-ups through OEM collaboration models.

Mobility Business

In the automotive industry, we expect to face a period of major transition, centering on the mobility business. Against this backdrop, the Mitsubishi Motors Group will work to build its mobility business by leveraging digital technologies, automakers' vehicle data, vehicle remote operation functions, and reused batteries taken from used vehicles. As an automaker, the Mitsubishi Motors Group is uniquely positioned to develop the mobility business into a fourth pillar of revenue to follow vehicle sales, financing and after sales services. We are already working on a demonstration experiment in energy management with the city of Okazaki in Aichi Prefecture, and the Japan Post Group. In this experiment, we use traction batteries as mobile batteries to help coordinate the supply and demand of electricity and provide an emergency power source in case of power cuts due to natural disasters. We are also promoting wide-ranging initiatives to utilize batteries, such as self-directed street lights, to reduce CO₂ emissions during manufacturing. In pursuing these business activities, the Mitsubishi Motors Group will place the highest priority on compliance and will strengthen its consideration for society and the environment as an honest company that earns the trust of customers and society.

Feature: Our New Models

All-New Triton

The *Triton* One-Ton Pickup Truck—A Truck That Fits for the New Era and Offers Even More Mitsubishi Motors-ness



Based on the product concept “Power for Adventure,” all elements of the *Triton* have been completely reimagined, from the interior and exterior design to the chassis, ladder frame and engine.

The all-new *Triton* comes in a type with two rows of seats offering both the comfort of an SUV and the utility of a pickup truck, a basic type with one row of seats, and a type with cargo space behind the front seats that enables reclining. With a larger body, it has a newly developed 2.4L clean diesel turbo engine that significantly boosts environmental performance and power. The ladder frame, suspension and other main components have been newly developed uniquely by Mitsubishi Motors, and road performance has been greatly enhanced. With the adoption of Adaptive Cruise Control among other new safety features and emergency support using connected car technology, safety and comfort has been greatly improved not only in terms of the truck’s hardware, but also in terms of its software.

The key features of the all-new *Triton*

- A beefed-up body size compared to the previous model, a newly developed ladder frame that provides durability and reliability, and a newly developed engine that achieves both higher output and improved environmental performance
- A newly developed suspension that provides excellent ride comfort and steering stability, and Super Select 4WD-II system and upgraded drive modes that achieve high road performance
- A front face with a strong sense of presence and reliability, a wide and robust styling, and a classy interior offering excellent functionality and operability
- Significantly improved safety and comfort for a wide range of purposes, from business to personal use



All-New Xforce

A stylish and robust compact SUV combining practicality and road handling with peace of mind



Based on the concept “Best-suited buddy for an exciting life,” we developed this five-passenger compact SUV with a focus on the way compact SUVs are used in the ASEAN region.

The all-new Xforce model uplifts the owner’s everyday life with its stylish yet robust, authentic SUV styling as well as comfort and practicality including a spacious cabin and versatile storage spaces well-balanced in a maneuverable, compact body size, and road handling that allows safe, secure ride in a variety of weather or road conditions.

The key features of the all-new Xforce

- **Interior and exterior design based on the concept of Silky & Solid**
An exterior with a stylish yet powerful, authentic SUV design
A sophisticated interior with a cutting-edge feel
- **Comfort for everyone on board**
A spacious interior room among the best in class
Dynamic Sound Yamaha Premium sound system for greater excitement
- **Practicality for making every day comfortable**
12.3-inch Smartphone-link Display Audio (SDA) and 8-inch digital driver display offering intuitive operation
- **Road handling offering safe, secure ride in various weather or road conditions, including rough or flooded roads**
A high-efficiency CVT for low fuel consumption and quietness
Well-tuned suspension for ride comfort on ASEAN roads
Class-leading ground clearance of 222 mm for confidence even on rough roads
Four drive modes including a new Wet mode as a Mitsubishi Motors first

New Delica Mini

A Friendly, Powerful SUV Look with a Spacious, Convenient Interior in an All-New Super Height-Wagon Kei-Car



Based on the concept of being a reliable and active super height-wagon kei-car, the new *Delica Mini* takes its name from the *Delica* minivan combining spacious interior room with powerful driving.

The *Delica Mini* features an SUV-like styling that gives the impression of powerful driving like the *Delica*, a functional cabin convenient for both outdoor recreation and everyday use, spacious interior room allowing for comfort even in the rear seats, secure and pleasant road performance even when driving on unpaved surfaces such as gravel roads, MI-PILOT driver assistance technology and active safety technology. It offers an enjoyable time with family and friends in situations ranging from daily life to leisure use.

The vehicle's friendly, *Delica*-like front face, as well as the large-diameter 15-inch tires and specially tuned shock absorbers, both exclusive equipment for the 4WD model, have gained a favorable reception. The model answers a wide range of customer needs, from families with children and customers looking to enjoy outdoor activities.

The key features of the new *Delica Mini*

- **Exterior and interior based on the design theme of Daily Adventure**
Tough SUV look of the *Delica*
User-friendly and comfortable interior, including for outdoor activities
- **Spacious, convenient interior room**
Long rear-seat slider tracks and a variety of seat arrangements
Rear sliding doors for easy ingress and egress
Stain-resistant cargo room
Comfortable rear-seat space
- **Secure and comfortable road performance and safety equipment, for both outdoor activities and everyday life**
Large-diameter tires and specially tuned shock absorbers that enhance stability and comfort (4WD model)
Grip Control and Hill Descent Control that enhance a sense of security
MI-PILOT driver assistance technology and active safety technology
Adaptive LED Headlight to assist nighttime driving

Feature: Putting "Challenge 2025," Our New Mid-Term Business Plan, into Practice

We aim to further enhance the Company's presence in markets where Mitsubishi Motors is already strong.

The region we are responsible for includes the 10 ASEAN countries, as well as Australia and New Zealand. Notably, the Company has been operating in the key ASEAN countries of Thailand, Indonesia and the Philippines for around 60 years, and in Vietnam for some 30 years. Our mission is to build upon the Mitsubishi Motors presence that our predecessors have established in these regions and strive to elevate it even further.

The mid-term business plan, Challenge 2025, sets high expectations for the ASEAN and Oceania regions as growth drivers, with the Company strategically allocating management resources in particular to the ASEAN region. The Company is kickstarting the period with successive launches of new products, such as the all-new *Triton* and the new *Xforce* model, which should contribute to revenue growth.

We are collaborating closely with our sales companies in individual countries and preparing thoroughly to ensure that customers choose our products, including our new offerings. To strengthen our sales and service network, we will focus on transitioning from quantity to quality, continue training to improve sales and service quality, and work to increase productivity. Through these initiatives, we aim to provide new value to customers on the purchasing and service fronts, as well as giving them the oppor-

tunity to experience "Mitsubishi Motors-ness" through new products. We intend to convey brand value to customers at each location to enhance customer retention.

As the Company is allocating valuable management resources to the ASEAN and Oceania regions, we all share the determination to ensure the success of new product launches. We will collaborate with distributors in each country and execute planned measures, involving relevant departments within the Company, to advance steadily forward.



Sustainability

Reiko Saito
General Manager
Sustainability Promotion Dep.
General Administration, Sustainability Div.

Our efforts to help build a sustainable society through our business will result in enhancing Mitsubishi Motors' corporate value.

Our corporate vision describes the society we want to create. We aim to realize our vision to "Create a vibrant society by realizing the potential of mobility." One of our missions on the way to achieving this vision is to "Make positive contributions to the sustainable development of our society." We believe that by helping to resolve social issues through our business, we will earn society's recognition, which will help us achieve sustainable growth and increase our corporate value.

The Sustainability Promotion Department serves as the secretariat of the Sustainability Committee, which is chaired by the CEO and takes the lead in developing policies and plans related to sustainability and driving our efforts in this area. The Sustainability Committee deliberates on how the Company should address areas the world recognizes to be issues. It also formulates plans and monitors progress based on material issues we have identified in the environmental, social,

and governance fields, guiding our efforts toward success. Following deliberations by the Sustainability Committee, we have reached a shared understanding that addressing carbon neutrality and human resources are top priorities, and these elements have been incorporated into our new mid-term business plan, Challenge 2025.

One of the three key challenges set forth in Challenge 2025 is "working toward carbon neutrality." We have reviewed our Environmental Targets 2030 in light of this challenge, setting ourselves even higher goals. To strengthen the company-wide efforts towards achieving these goals, we have established the Carbon Neutrality Council, led by the Executive Officer and Executive Vice President (in charge of development, product strategy, TCS and design). The Council is responsible for developing roadmaps and implementation plans in 10 areas* and driving initiatives to support the realization of our

carbon neutrality objectives.

To achieve sustainable growth under Challenge 2025, we are committed to providing an environment in which our employees can thrive, as they are key drivers of growth. This includes focusing on talent development and enhancing the working environment. Additionally, we respect the basic human rights of our employees and conduct human rights due diligence as part of our active approach to addressing any issues. We strive to recognize and value individuals with diverse attributes, respecting different perspectives and opinions from people of various backgrounds, and fostering a culture that allows each person's abilities and uniqueness to flourish.

By promoting sustainability activities, I will continue to support the sustainable growth of the Mitsubishi Motors Group.

* Business activities, procurement, logistics, products, contribution to reduction, cross-domain, adaptation, disposal, off-setting, common platforms

ASEAN
Oceania

Minoru Kinoshita
Corporate Officer
Responsible for ASEAN & Oceania



Patcharee Kositwarakitkul
 Vice President of Supply Chain Management and Production Control
 Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)

Our three initiatives will drastically transform production at MMTh.

I am in charge of supply chain management and production control at MMTh. My job functions, which span the entire factory, include new model launch controls, logistics engineering, production scheduling, material planning and handling, global parts logistics, vehicle logistics, and customs and shipment control.

With regard to our new mid-term business plan, Challenge 2025, I have had a good opportunity to work with top management at MMC to develop the manufacturing-related initiatives we will undertake under the plan. These initiatives fall into three broad groups. The first is to develop a system for the timely sharing of information with suppliers. By doing so, we can work together effectively to determine solutions to emerging issues and to maintain and improve quality, thereby realizing effective initiatives.

The second initiative relates to human resources. Labor costs are rising in Thailand, and the new generation of employees has different

expectations about their work and private lives than generations past. In response, we are working to apply AI to our back-office operations in order to make work more efficient and transform quality. We must deploy AI swiftly; delaying implementation by even one year will result in lost opportunities.

My third initiative under Challenge 2025 relates to the

environment. At MMTh, we are targeting a 50% reduction in CO₂ emissions from 2018 levels. We have already achieved a 25% reduction, and we aim to achieve the remaining 25% by 2030. Other environment-related items include more efficient truck transportation, a shift to EVs in shipping, and the use of recycled materials in our packaging.



Viewing change as an opportunity, we will take on the challenge of searching for and creating new value outside of conventional boundaries.

The New Business Development and VC Promotion Division is a new organization that was established in April 2023. As the automotive industry enters a once-in-a-century period of major transformation, our mission is to embrace change as an opportunity and create new value and new businesses, without being bound by traditional business domains and models. For Mitsubishi Motors to sustain its growth for the next 10 or 20 years, it is imperative for us to simultaneously strengthen our existing businesses and create new ones. I feel a strong sense of responsibility

toward the role I play in this effort. We are currently working on DX and new business areas. We are expanding the business model by following the long-term road map laid out in the new mid-term business plan, Challenge 2025. We aim to create new revenue opportunities and develop businesses that strengthen the value chain. We will work together with partner companies in areas where we can leverage Mitsubishi Motors' strengths and create businesses that will become future pillars of revenue. In this endeavor, we focus on envisioning the future direction

of Mitsubishi Motors from the customer's perspective, backcasting from there, and considering what actions we should take. We keep this approach top of mind and strive to put it into practice.

I will take the lead in the process of sowing the seeds of new ideas and business opportunities, then generating, nurturing and expanding them. I am not afraid of failure. Instead, I intend to learn from it and use those lessons to pave the way for success. Together with my colleagues, I will approach this endeavor with passion.

Long-Term Road Map

	2020	2025	2030	2035
DX/New Business	Use of digital tech in business	System upgrade DX	Fully fledged rollout of new business using digital tech	
Business Form	Vehicle sales After sales	Value chain expansion New business challenges	Vehicle sales + securing profit in new business areas Deeper collaboration with partners (energy management, etc.)	



Masaaki Fujiwara
 Division General Manager
 New Business Development and Value Chain promotion Div.



Tetsuya Tobe
 Segment Chief Vehicle Engineer
 (Mid Size Frame)
 Product Development Division

The all-new *Triton* one-ton pickup truck is tough and dependable looking and provides a comfortable ride.

As its name suggests, the Product Development Division works on the development of all-new vehicles and model updates. Within this division, the role of the segment chief vehicle engineer (SCVE) is to oversee the overall vehicle development process, collaborating with the procurement and production departments and coordinating the entire car manufacturing process.

I am in charge of the all-new *Triton*, which represents a significant pillar of earnings for Mitsubishi Motors. Taking it as my mission to work toward the objectives of the new mid-term business plan, "Challenge 2025," my goal was to successfully produce and launch the all-new *Triton*. I poured my heart and soul into it. We completely revamped the platform and powertrain for this model, but development did not progress as smoothly as planned. We faced various challenges in many processes, but we continued to move forward with a never-say-die attitude. At the same time, we focused on creating an environment where

mid-level employees, such as team leaders and managers, could demonstrate their abilities. Thanks to the dedication and contributions of each and every member of the manufacturing team, especially those in mid-level positions, we were able to successfully produce and launch the vehicle.

The all-new *Triton* is designed to have a tough and rugged appearance. It very much looks like a truck, conveying an impres-

sion of reliability and sturdiness. This is not just the design; durability has actually been enhanced. However, when you take a ride in it, you might be surprised to find that it has a comfortable ride similar to that of a passenger car. This is a point that we especially want to emphasize. If you have the opportunity to ride in it, we hope you will enjoy the contrast between its appearance and its comfortable ride.



I do my best to clearly convey the value the Company offers to create a brand that customers love.

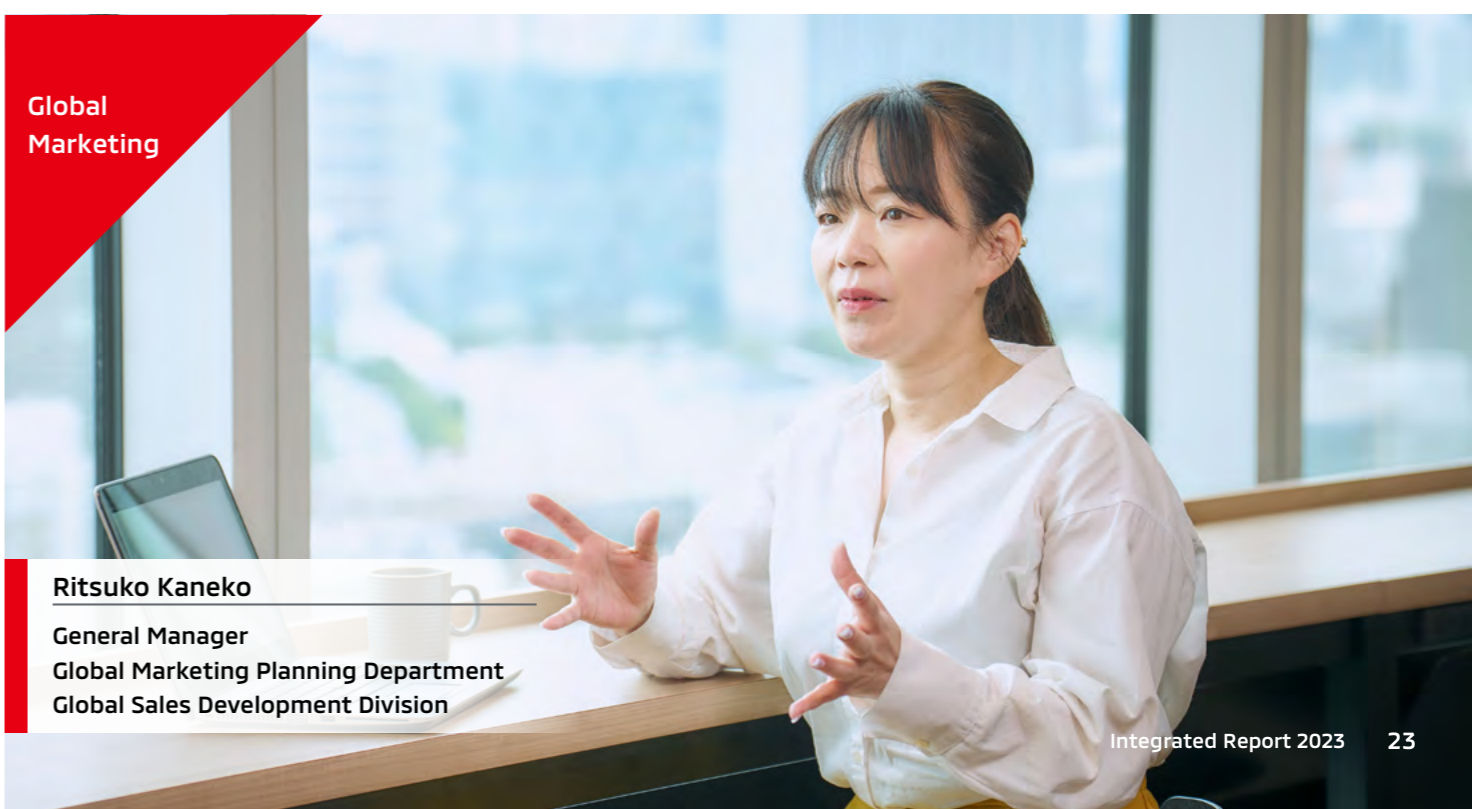
I am responsible for global marketing, which encompasses a wide range of activities. Of particular importance is ensuring the penetration of our brand among customers, employees and sales companies, as well as improving customer service quality.

Currently, we are focusing on communicating to customers the value of "Mitsubishi Motors-ness," as defined in our mid-term business plan, Challenge 2025, as well as enhancing added value and becoming a beloved brand. To ensure that our customers and employees have a consistent understanding of "Mitsubishi Motors-ness," we are driving the concept's penetration gradually and steadily, in different phases. We have positioned this fiscal year as the phase for ensuring a proper understanding of "Mitsubishi Motors-ness," and we are carrying

out various initiatives to this end.

The Company will introduce many products over the next three years, primarily in the ASEAN region. I see this as an opportune time to further permeate the market with the essence of "Mitsubishi Motors-ness" and enhance our brand power, ultimately expanding our fan base. I feel the weight of this responsibility for as well as the joy of being in charge of, marketing during such a crucial period.

To achieve successful brand penetration, we need to consistently deliver customer-centric value propositions and compelling messaging that resonates with customers. We will strengthen our brand appeal by ensuring consistent branding across all touchpoints with customers, through advertising, events and in-store interactions, all in pursuit of our aim to become a beloved brand by a larger number of customers.



Ritsuko Kaneko
 General Manager
 Global Marketing Planning Department
 Global Sales Development Division

Feature: Fiscal 2022 Highlights

Team Mitsubishi Ralliart's *Triton* Finishes in First Place Overall at Its First Attempt in the Asia Cross Country Rally 2022

Team Mitsubishi Ralliart, which receives technical support from Mitsubishi Motors, participated in the Asia Cross Country Rally (AXCR) 2022 that ran in November 2022 in Thailand and Cambodia with *Triton* rally cars (Group T1 prototype cross-country vehicles). After starting strong and finishing in fifth position on the first day, the team recorded the top time on the second day and rose to the top position overall. They then successfully maintained their lead, built by the powerful performance and agile handling of the *Triton*, and achieved the overall victory.

Furthermore, in August 2023 we participated in an AXCR held in Thailand and Laos with the all-new *Triton* (Group T1 specifications) and achieved a third place overall finish. Team Mitsubishi Ralliart entered more than two vehicles, all successfully completed the race, earning the team an award based on the total time of the top two cars.

The Mitsubishi Motors Group will feed the knowledge gained through participation in the AXCR back into the development of production vehicles, and build Mitsubishi vehicles that are even tougher, more powerful and more reliable.



Team Mitsubishi Ralliart



Triton rally car (Group T1 prototype)

The *eK X EV*, a Kei EV, Wins Triple Crown Car of the Year

The *eK X EV* is a new triple-crown-winning EV model in the *eK X* series, Mitsubishi Motors' kei-car series with an SUV flavor, offered a driving range of 180 km (in WLTC mode) on a single charge that is sufficient for everyday use. It has been well received for its spacious and pleasant cabin, user-friendliness, the smooth and powerful driving experience of EVs, a quiet and comfortable ride, advanced driver assistance systems, and connectivity.

We believe the model owes its triple crown Car of

the Year status to the electrification technology that we have honed over the years and our underlying strength in car manufacturing that have been highly evaluated. We will continue to deliver vehicles that embody Mitsubishi Motors-ness—a combination of safety, security, comfort and environmental-friendliness—and that make driving even more fulfilling for our customers, while contributing to the realization of a carbon-neutral society.



2022-2023 Car of the Year Japan
Run by the Car of the Year Japan steering committee



RJC Car of the Year for 2023
Run by the Automotive Researchers' and Journalists' Conference of Japan (RJC)



Japan Automotive Hall of Fame
Car of the Year 2022-2023
Run by the Japan Automotive Hall of Fame



eK X EV

Sustainability Management

Corporate Philosophy and Policy

■ Mitsubishi Group Three Principles

The "Three Principles," which is the spirit of Mitsubishi's founding, is positioned as a fundamental philosophy common to the Mitsubishi Group.

Shoki Hoko

= Corporate Responsibility to Society

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

Shoji Komei

= Integrity and Fairness

Maintain principles of transparency and openness, conducting business with integrity and fairness.

Ritsugyo Boeki

= Global Understanding through Business

Expand business, based on an all-encompassing global perspective.

■ Vision & Mission

MITSUBISHI MOTORS has formulated our corporate vision and mission to serve as common guiding principles for the employees of the MITSUBISHI MOTORS Group as we look toward the future. The automobile industry is in a period of major change, and our business environment is also undergoing substantial changes. Under these circumstances, the Vision (the society we want to create) and Mission (how to realize the Vision) specify how we become more proactive to exert a positive influence on society.

MITSUBISHI MOTORS' Philosophy System

Our company's corporate activities are based on the "Three Principles," which are positioned as the basic principles common to the Mitsubishi Group. For each employee, aim to realize the "Vision" through carry out the "Mission" by practicing the "MMC WAY" that shows the minimum necessary attitude and behavior and the "Global Code of Conduct" that all executives and employees must comply with.

We contribute to the realization of a sustainable society while deepening mutual understanding through dialogue with various stakeholders through business activities in each country and region centered on familiar products such as cars.

In the automobile industry, technological innovations are being born one after another due to the diversification of power trains, the intelligence of cars, and the shift to IoT, and the role of automobiles has changed from "cars" as hardware to "mobility" as a whole transportation system. Under such a major transition, we are committed to research and develop the potentialities of mobility broadly and to provide all people with possible opportunities to go wherever they want, to see whatever they want, and meet whomever they want, at any time. The "Vision" includes our desire to promote new challenges and economic activities of individuals and contribute to the revitalization of society as a whole by streamlining and optimizing the movement of people.

Sustainability Management

■ Approach to Sustainability

Interest toward realizing a sustainable environment, society and economy has been growing, as is illustrated by such initiatives as the Sustainable Development Goals (SDGs) adopted by the United Nations, the Paris Agreement going into effect and growing ESG investment. In recent years, corporate initiatives have also placed a growing emphasis on these areas.

In particular, on the environmental front, climate change and energy problems are becoming more serious worldwide, and the automotive industry is seeing changes on a scale said to occur only once in 100 years. These changes include new technologies, such as connectedness and autonomous driving, as well as car sharing and other new business models.

We recognize that various challenges in the environmental, social, and governance fields pose risks



For details on the MMC Way and the Global Code of Conduct, please refer to the Sustainability Report

to the Company's sustainable growth. At the same time, the Company views tackling societal issues as an opportunity for new business and strives to mitigate risks. We are also contributing to the realization of a sustainable society through responsible business management initiatives such as reducing greenhouse gases from its business activities. We are also striving to resolve social issues through our business activities in various countries and regions.

■ Framework for Promoting Sustainability

We have established the Sustainability Committee, which is chaired by the executive officer, president & CEO, to promote sustainability initiatives throughout the MITSUBISHI MOTORS Group. The Sustainability

Committee identifies materiality, which represents the important issues that the company should prioritize in addressing various challenges in the environmental, social, and governance fields. The responsible individuals for each initiative conduct a long-term assessment to identify risks and opportunities. Based on external environmental factors and the needs and expectations of stakeholders from a medium-term perspective, the committee deliberates and decides on goals and targets. Through this process, the committee implements the PDCA cycle to monitor progress.

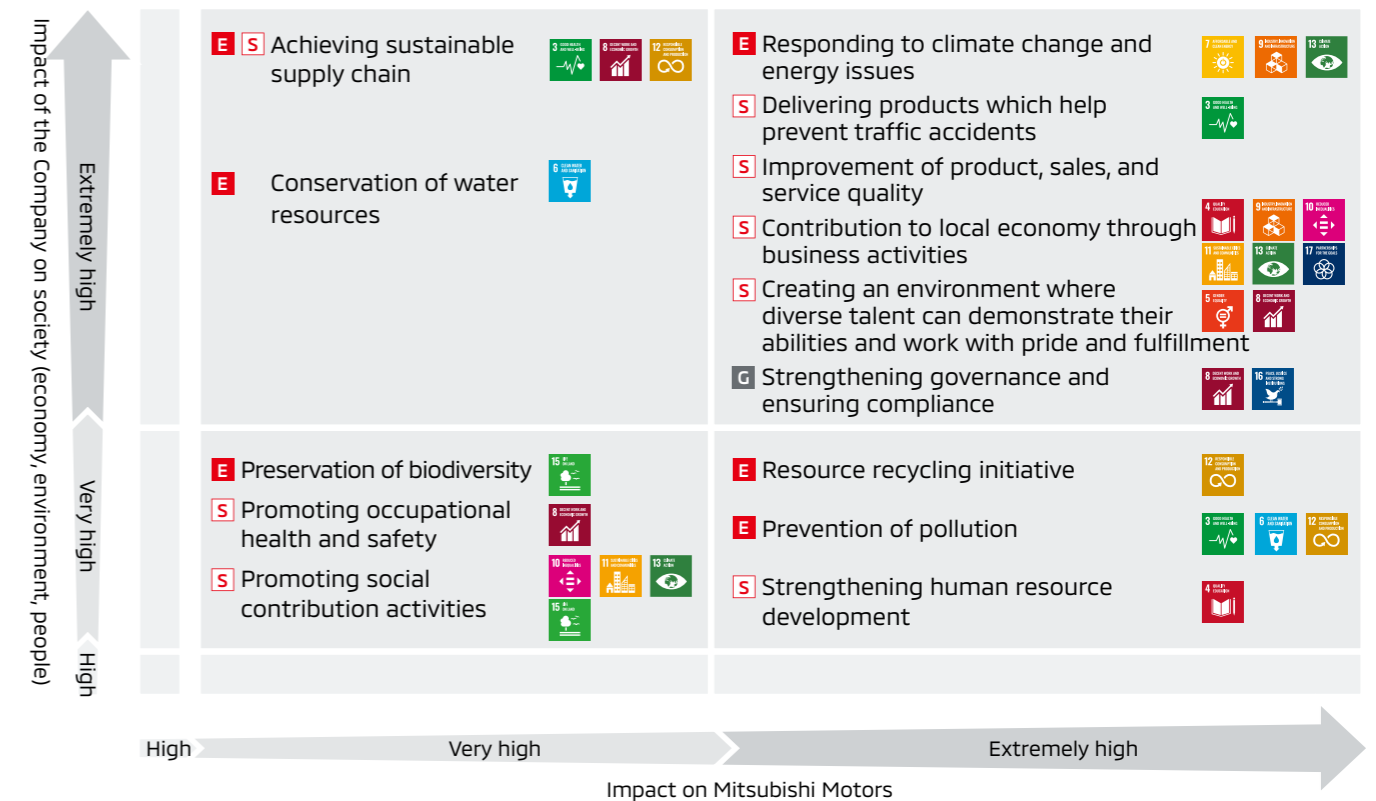
We have established a system where important matters such as the review of materiality and the overall status of sustainability activities are discussed and reported on in Board of Directors' meetings.

Materiality at Mitsubishi Motors

WE recognized importance of the United Nations Sustainable Development Goals (SDGs) and identified material issues that we should wrestle from various problems of environment, society and governance fields in 2018.

In recent years, social trends related to sustainability have changed substantially and rapidly. After carefully considering the most notable impacts our Company has on the economy, environment and human rights, we are flexibly reviewing material issues and enacting measures as necessary. We aim to respond to stakeholders' needs and expectations as a result.

In fiscal 2022, we revised our materiality item related to people, given the need to enhance our response to human capital in order to achieve sustainable growth for the Company and enhance corporate value. Following discussion by the Sustainability Committee, this materiality item was resolved by the Executive Committee. The revised materiality items are described below.



Environmental Plan Package

Environmental Policy

Mitsubishi Motors has 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

Mitsubishi Motors recognizes that responding to environmental issues through its business activities is essential. Accordingly, we will engage proactively in specific and effective measures from a medium- to long-term perspective.

(Directions of initiatives)

- We will face three specific environmental issues head-on: climate change, resource depletion and environmental pollution.
- Given that 2050 is an important landmark for climate change on a global scale, we have clarified levels to be achieved, in 10-year increments, and are pursuing initiatives to this end.
- We will respond to environmental issues through the following activities:
 - Unique environmental contributions through our products
 - Initiatives at each stage of automobile production, sale and use
 - Collaboration with business partners, affiliated institutions, governments and local authorities
 - Initiatives targeting environmental issues rooted in the local community
 - Initiatives to determine and reduce environmental impact of all related business activities

Environmental Vision 2050

Based on the Environmental Policy, in 2020 we formulated Environmental Vision 2050, which defines the social vision we wish to realize by 2050 and the direction of our efforts with regard to "action to climate change," resource circulation," and "pollution prevention."

Regarding "action to climate change," we have stated our commitment toward helping to shape a society resilient to the impact of climate change by achieving net-zero CO₂ emissions. In September 2022, we revised Environmental Vision 2050, incorporating the goal of achieving carbon neutrality as a company.

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.

Action to Climate Change

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.

Resource Circulation

We will contribute to a resource-recycling-oriented society by minimizing input resources and maximizing resource efficiency.

Pollution Prevention

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.

Environmental Targets 2030

In 2020, Environmental Vision 2050 set out our vision for society in 30 years' time, as well as the directions for our initiatives. In line with this vision, we formulated Environmental Targets 2030, which sets forth items to be addressed in the next 10 years. When setting these targets, we referred to various external scenarios and international frameworks.

We revised the Environmental Targets 2030 in February 2023, setting even higher targets in our "action to climate change" to demonstrate our commitment to achieving carbon neutrality.

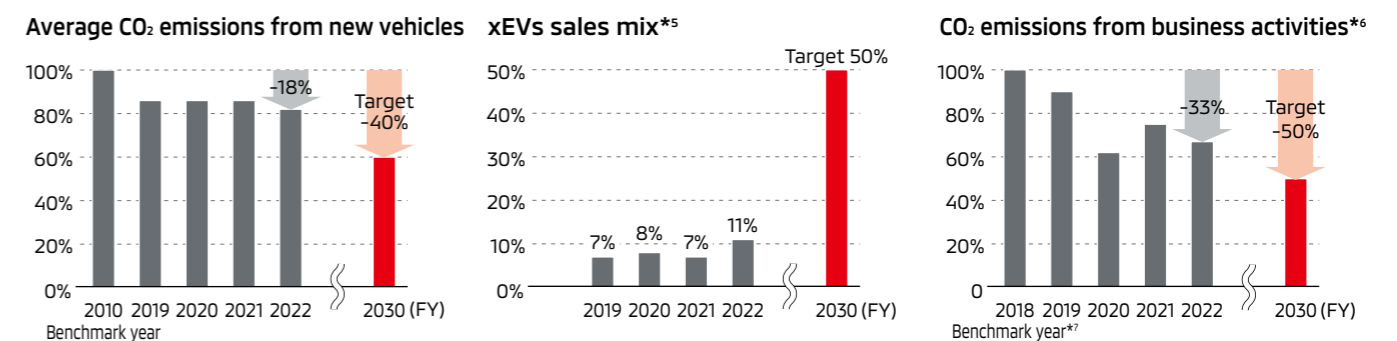
Environmental Targets 2030

Underlines indicate revised items.

Issues	Targets 2030 (after revision)	Targets 2030 (before revision)	
Climate Change	Average CO ₂ emissions from new vehicles* ¹	-40% (compared with fiscal 2010)	-40% (compared with fiscal 2010)
	xEVs* ² sales mix	50% <u>FY2035 100%</u>	50%
	CO ₂ emissions from business activities* ³	-50% (compared with fiscal 2018)	-40% (compared with fiscal 2014)
	<u>Promoting CO₂ reduction activities with major business partners</u>		-
	<u>Promoting CO₂ reduction activities in cooperation with transportation companies</u>		-
	<u>Providing energy management services utilizing electrified vehicles and used batteries</u>		-
	Implementing measures to adapt to climate change		
Resource Circulation	Expanding adoption of plastic materials not derived from oil		
	Achievement of zero direct landfill waste (less than 0.5%)		
	Reuse of batteries used in electrified vehicles		
Pollution Prevention	Conformance to regulations on use of substances of concern in products		
Environmental Management	<ul style="list-style-type: none"> • Promotion of LCA*⁴ • Promotion of environmental management within the Group and at sales outlets • Expanded environmental information disclosure • Promotion of employee education and awareness activities • Collaboration with suppliers • Promotion of grass-roots community environmental preservation activities 		

*1 CO₂ emissions per new vehicle while driving. Tank to Wheel
 *2 Electric vehicles, plug-in hybrid electric vehicles (PHEVs), and hybrid electric vehicles
 *3 Total of Scope 1 Scope 2
 *4 LCA stands for life cycle assessment, which is a technique for calculating the environmental impact of a product from manufacturing to disposal.

Environmental Targets 2030: Principal Targets and Results



*⁵ Based on number of wholesale units sold. Mitsubishi Motors brand products only.
 *⁶ Target sites: Environmental management target companies (including the Company)
 *⁷ CO₂ emissions using fiscal 2018 as the base year (Scope 1+2): 588,000 t-CO₂.
 The requirements for companies targeted for environmental management were reorganized to exclude equity-method associates from fiscal 2021. Excluding equity-method associates, CO₂ emissions in fiscal 2018 were 545,000 t-CO₂. On that basis, the ratio of CO₂ emissions reduced was -33% in fiscal 2022.

Disclosure Based on the TCFD Recommendations

With the issue of climate change growing increasingly serious, the Financial Stability Board established the Task Force on Climate-related Financial Disclosures (TCFD), which in 2017 announced its recommendations. These recommendations encourage companies to disclose information related to climate change so that investors can appropriately assess climate-related risks and opportunities.

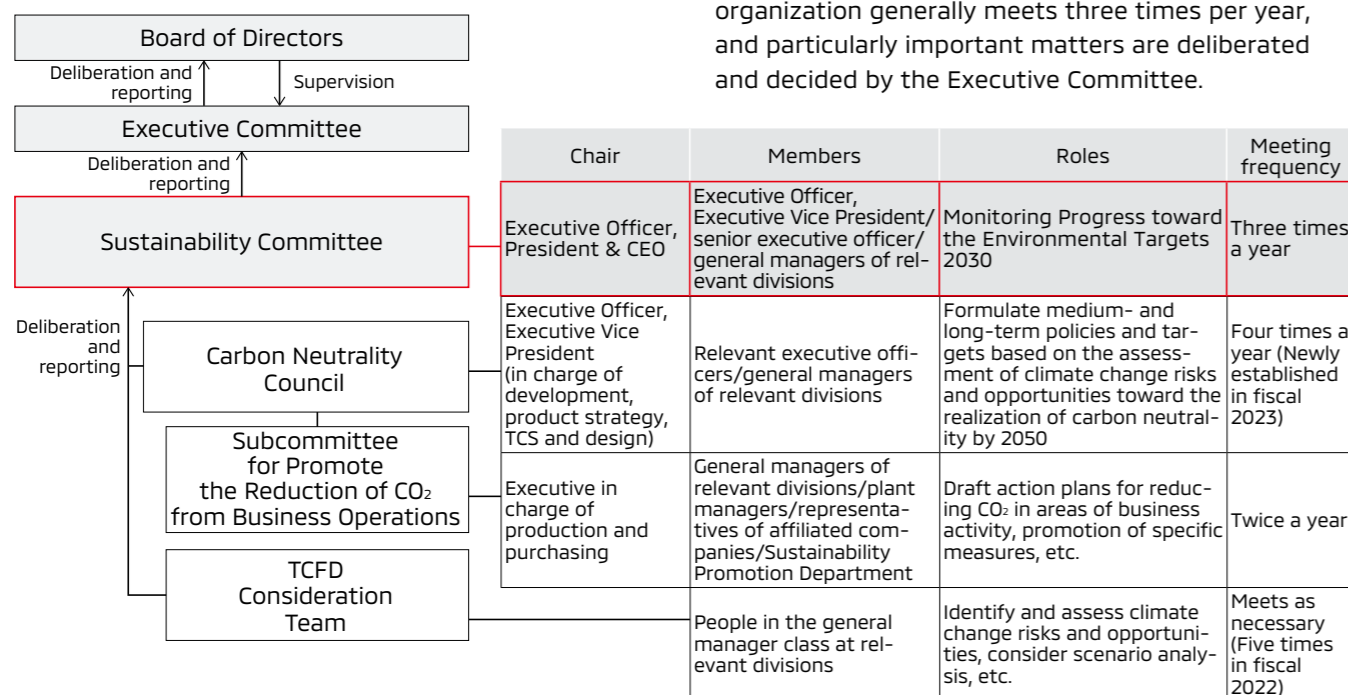
Recognizing the potential of climate change to present medium- to long-term risks and opportunities that affect its business domains, in July 2021 MITSUBISHI MOTORS expressed its support for the TCFD Recommendations. Accordingly, we are analyzing the impact of climate change on our businesses and finances (scenario analysis). We will reflect the results of scenario analysis in our management strategies to enhance the resilience of our strategies and improve information disclosure in accordance with the TCFD Recommendations.

Governance

a. Board of Directors-based supervision system for climate-related risks and opportunities

We recognize "responding to climate change and energy issues" as an important management issue and one of the Company's materiality items. The Board of Directors serves as a forum for the deliberation and oversight of strategies, business plans and approaches. When important matters related to environmental initiatives arise, such as climate change, these matters are supervised through deliberation and reporting at

System for Promoting Carbon Neutrality



Example of climate change-related matters deliberated on and reported by the Board of Directors

- 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

the Board of Directors. When we revised our Environmental Vision 2050 and Environmental Targets 2030 in fiscal 2022, we also went through the process of deliberation and reporting at Board of Directors meetings.

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

To address climate change and energy issues, the Company has established a Sustainability Committee, chaired by the executive officer, president & CEO, who also holds top responsibility for initiatives related to climate change. The committee evaluates climate change risks and opportunities, discusses response measures, and reviews progress and achievements in line with the Environmental Targets 2030. Under the Sustainability Committee, we have established a body consisting 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 change risks and opportunities. These policies, goals, and their progress 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 Executive Committee.

In recognition that addressing sustainability is an important management challenge, in fiscal 2022, the Mitsubishi Motors Group added ESG-related items as an indicator for determining medium- to long-term performance-linked compensation. Specifically, in relation to the environment, we introduced "CO₂ emissions from business activities" as an indicator to measure progress in addressing the escalating climate change issue.

Strategies

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

We consider climate change risks and opportunities to be an important perspective in the formulation of

our business strategy. We are identifying and evaluating short-term, medium-term, 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. As particularly high-impact migration risks, we identified the "strengthening of requirements for fuel economy/CO₂ 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.

Recognized climate change risks and opportunities

Category	Item	Assumed Impact on the Company's Business Activities	Timing of the Impact*	Degree of impact	
Migration risks	Policies and regulations	Strengthening of requirements for fuel economy/CO ₂ and zero-emission vehicles	• Increased development/procurement/production costs to comply with stricter regulations • Increase in fines and credit purchase costs due to non-fulfillment of regulations	Medium/long term	Large
		Introduction and expansion of carbon pricing	• An increasing tax burden on the Company's 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
	Markets	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	Medium
		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 institutions and stakeholders	• Decline in the Company's social image and share price	Short/medium term	Medium
Physical risks	Acute	Increasing frequency and intensity of meteorological disasters	• Damage to buildings and facilities 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	Short/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	Short/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 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 to securing sources of emergency power in times of disaster	Medium/long term	Large
		Energy sources	Advancement in energy technologies	• Reduce energy costs by promoting energy conservation activities and the introduction of renewable energy	Medium/long term

* Timing of the impact

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.

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

Mitsubishi Motors recognizes that climate-related issues may affect its business, strategies, and financial plans, and reviews its strategies and plans from time to time in light of 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 requirements for fuel economy/CO ₂ and zero-emission vehicles. These will affect our product development, production and procurement strategies.	Our Environmental Targets 2030 set the goals of "a 40% reduction in CO ₂ emissions from new vehicles (compared to fiscal 2010)" and an "electrified vehicle sales ratio of 50% (100% by fiscal 2035)." In line with these objectives, looking to 2030 we are promoting efforts to develop electrified vehicles and improve the fuel efficiency of internal combustion engine vehicles. In the five years to 2027, we plan to introduce nine electrified vehicle models.
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 the Company's supply chain or value chain is affected by such events, our plants' operations could be affected.	The Environmental Targets 2030 call for us to cooperate with major suppliers and transportation companies to promote efforts to reduce CO ₂ throughout the supply chain. In response to the risk of supply chain disruption, we are working with key parts suppliers to formulate BCPs*1 so suppliers can quickly restore operations in the event of a disaster.
Investment in R&D	We are promoting investment in R&D to address increasingly stringent and new requirements 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 Environmental Targets 2030 set a target of an "electrified vehicle sales ratio of 50% (100% by fiscal 2035)." To meet this objective, looking to 2030 we will promote R&D to develop electrified vehicles and improve the fuel efficiency of internal combustion engine vehicles. We are budgeting ¥70.0 billion in R&D expenses related to electrification in fiscal 2025. We have also earmarked ¥55.0 billion in capital expenditures related to electrification in fiscal 2025.
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.	The Environmental Targets 2030 set the goal of "reducing CO ₂ emissions from our business activities by 50% (compared to fiscal 2018)." To reach this objective by 2030, we will promote energy conservation activities and the introduction and expansion of renewable energy.

*1 Short for business continuity plan

c. Impacts under different scenarios, including the 2°C scenario, on business, strategic and financial planning

Based on climate scenarios and future information from organizations such as the International Energy Agency (IEA) and the Network for Greening the Financial System (NGFS), we considered the "less than 2°C scenario*2," which assumes actions by society to avoid climate change as of 2030 and 2050. We also looked at a "growth scenario*3," which assumes national policies continue to grow more stringent. Under these scenarios, we examined the risks and opportunities, focusing on areas with significant impact on Mitsubishi Motors' business activities.

In fiscal 2022, we conducted an analysis that expanded the scope beyond our own operations and the product usage stage to include the procurement stage. The results of analysis related to the impact on our business of the associated risks and opportunities are as described below.

*2 Set with reference to the IEA's "Announced Pledges Scenario (APS)" and the NGFS's "Net Zero 2050"

*3 Set with reference to the IEA's "Stated Policies Scenario (STEPS)" and the NGFS's "Current Policies"

Mitsubishi Motors' Response Measures Based on Risks and Opportunities

We will incorporate measures to address climate change 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.

In September 2022, we stated our aim of achieving carbon neutrality throughout our supply chain by 2050. In February 2023, we revised the Environmental Targets 2030 to serve as a milestone along the path to achieving carbon neutrality by 2050.

On the product front, we will take our own plug-in hybrid electric vehicles (PHEVs) and commercial electric vehicle in the Kei-car segment as a starting point. To meet various needs in the global market, we will leverage the Alliance's technology and introduce optimal electrified vehicles*4 at the appropriate timing, taking into consideration the energy situation and infrastructure development status in each country and region. Working toward carbon neutrality is one

Impact of Risks and Opportunities on the Company's Business Activities

Scenario	Item	Risks/Opportunities		Impact on the Company's business	Key countermeasures
		Risks	Opportunities		
Less than 2°C	Strengthening of requirements for fuel economy/CO ₂ and zero-emission vehicles	Risks	<ul style="list-style-type: none"> Need for both developed countries and emerging markets to comply with stricter regulations Increasing likelihood of noncompliance 	<ul style="list-style-type: none"> Higher development/procurement/production costs Fines and credit purchase costs increase if regulations are not met 	<ul style="list-style-type: none"> Reduce costs by taking advantage of the alliance, such as by standardizing components Promote electrification, including PHEVs and EVs Promote new mobility businesses such as energy management using electrified vehicles and used batteries
		Opportunities	<ul style="list-style-type: none"> Growing demand for electrified vehicles 	<ul style="list-style-type: none"> Increased sales of electrified vehicles and expansion of the value chain related to electrified vehicles 	
	Introduction and expansion of carbon pricing	Risks	<ul style="list-style-type: none"> Introduction and expansion of carbon taxes, causing carbon prices to rise 	<ul style="list-style-type: none"> Increased direct and indirect tax burdens and higher costs at the procurement, production and logistics stages 	<ul style="list-style-type: none"> Promote energy conservation activities and introduce renewable energy Promote reduction efforts in cooperation with suppliers
		Opportunities	<ul style="list-style-type: none"> Promotion of energy-saving technologies Increasing use of renewable energy 	<ul style="list-style-type: none"> Lower energy costs 	
Result	Increasing frequency and intensity of meteorological disasters (flooding, inundation)	Risks	<ul style="list-style-type: none"> Increased possibility of factory damage and supply chain disruptions due to frequent and severe heavy rain and flooding 	<ul style="list-style-type: none"> Damage to production and development facilities Lower earnings due to operational shutdowns due to damage to our own factories and suppliers 	<ul style="list-style-type: none"> Review BCP, assuming such factors as heavy rain and flooding Promote risk mitigation initiatives in collaboration with suppliers Reduce costs by taking advantage of the alliance, such as by standardizing components Promote electrification of PHEVs/EVs Promote new mobility businesses such as energy management using electrified vehicles and used batteries
		Opportunities	<ul style="list-style-type: none"> Greater demand for electrified vehicles, owing to growing need to secure emergency power sources 	<ul style="list-style-type: none"> Increased use of electrified vehicles that can help supply emergency power 	

of the key challenges stated in Challenge 2025, the new mid-term business plan we announced in March 2023. We will develop electrified vehicles and step up our efforts in the Alliance as we work toward the second phase of our plan to reinforce electrified vehicles (fiscal 2026-2028). Over the next five years, we plan to introduce nine electrified vehicle models.

In our business activities, we will seek to minimize energy use and transition to renewable sources of energy to reduce CO₂ emissions. Across the supply chain, we will collaborate with business partners, related companies and organizations, and governments and municipalities to reduce CO₂ emissions at the production stage (through raw materials and parts) and in logistics (including products). We will also promote renewable energy and charging infrastructure, utilize carbon-neutral fuel and promote V2X*5.

We believe the spread of electrified vehicles represents a chance to do new business in the form of reuse of used batteries, energy management, and data business using vehicle driving and battery data, and in collaboration with our partners and municipalities we will grow a mobility business that contrib-

utes to carbon neutrality, which represents a unique opportunity for us as an automotive maker, into a fourth pillar of revenue after vehicle sales, financing (leasing), and after sales.

*4 Electrified vehicles: Battery-powered electric vehicles, plug-in hybrid electric vehicles (PHEVs), and hybrid electric vehicles (HEVs)

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

Risk Management

a. Process by which the organization identifies and assesses climate-related risks

The Company 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 change 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 change risks and opportunities that have a particularly significant impact, and are monitoring progress through the Sustainability Committee.

b. Processes by which the organization manages climate-related risks

The climate change risks, opportunities, and corresponding measures identified by the Sustainability Committee have been assigned to responsible executives at the executive officer level. We have set KPIs 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 fiscal 2018, Mitsubishi Motors identified materiality as an important issue that the Company needs to address based on various challenges in the environmental, social, and governance fields. "Responding to climate change and energy issues" is recognized as one of the most critical issues. During the identification process, we considered the stakeholders' level of interest and the impact on our company and conducted hearings with experts. Based on this, we had extensive discussions within the Sustainability Committee and made the final decision in the Executive Committee.

Indices and Targets

a. Indicators used by the organization to assess climate-related risks and opportunities in the context of their strategies and risk management processes

We formulated the Environmental Plan Package in 2020. Through electrified vehicles and the increased use of renewable energy, we aim to become carbon neutral by 2050 and contribute to the realization of a society that is resilient to climate change. We also formulated the Environmental Targets 2030, which clarifies specific initiatives to be achieved by 2030 in accordance with this vision. As major indices to be monitored and evaluated under "Action to Climate Change," which we positioned as a topmost issue, we set a target for Scope 1 and 2*1 in the category of "CO₂ emissions from our business activities." We also set a target of reducing emissions under Scope 3*1, Category 11 (Use of sold products), which accounts for around 70% of total emissions throughout our supply chain, as well as "reduction in CO₂ emissions from new vehicles" and "percentage of EVs in the sales mix."

*1 Scope 1: A company's direct emissions (such as from burning fuel)
 Scope 2: Indirect emissions, resulting from electricity, heat or steam provided by another company
 Scope 3: Indirect emissions other than Scope 1 and Scope 2 (Such as emissions due to the use of sold products)

b. Scope 1, 2 and 3 GHG emissions and related risks

The company calculates CO₂ emissions based on a GHG protocol. The table below shows actual CO₂ emissions in Scope 1, 2, and 3 for the period from fiscal 2018 to fiscal 2022.

To ensure our information is reliable and transparent, we have obtained independent third-party certification for our Scope 1 and 2 emissions.

<Scope 1, 2 and 3 Emissions >

	Unit	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Scope 1	Thousand t-CO ₂	119	110	80	92	95
Scope 2	Thousand t-CO ₂	469	416	285	319	271
Scope 3	Thousand t-CO ₂ : eq	42,580	35,429	20,286	28,294	28,710
Total	Thousand t-CO ₂ : eq	43,168	35,955	20,651	28,705	29,076

c. Goals used to manage climate-related risks and opportunities, and performance against those goals

We are promoting a host of measures based on the Environmental Plan Package, which we formulated in 2020. We are developing electrified vehicles and technologies to improve fuel efficiency, introducing energy-saving equipment in production processes and using renewable energy in factories, offices and dealerships.

The Environmental Plan Package comprises the Environmental Policy, which incorporates our medium- to 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 FY2030 in accordance with this vision. We have positioned the actions for climate change, resource circulation and pollution prevention as three environmental issues that we will directly address and have set specific targets for these themes.

As we position "action to climate change" as a topmost priority, in September 2022 we stated our aim of achieving carbon neutrality throughout the supply chain by 2050, and we revised the Environmental Vision 2050 accordingly. In March 2023, we announced revised Environmental Targets 2030 to serve as a milestone along the path to achieving carbon neutrality by 2050.

Major Fiscal 2030 Targets and Progress

Indicators	Fiscal 2030 Target	Fiscal 2035 Target	Fiscal 2022 Result
Average CO ₂ emissions from new vehicles (Tank to Wheel, Compared to fiscal 2010)	-40%		-18%
Percentage of EVs in the sales mix	50%	100%	11%
CO ₂ emissions from business activities (Total Scope1 and 2, compared to fiscal 2018)	-50%		-33**2

**2 CO₂ emissions using fiscal 2018 as the base year (Scope 1+2): 588,000 t-CO₂.
 The requirements for companies targeted for environmental management were reorganized to exclude equity-method associates from fiscal 2021. Excluding equity-method associates, CO₂ emissions in fiscal 2018 were 545,000 t-CO₂. On that basis, the ratio of CO₂ emissions reduced was -33% in fiscal 2022.

Delivering Products which Help Prevent Traffic Accidents

As an automaker, Mitsubishi Motors is aware of its responsibility towards traffic safety. Accordingly, we have defined "Delivering products which help prevent traffic accidents" as a material issue.

Approximately 1.35 million people are lost in traffic accidents worldwide every year* As vehicle ownership increases in emerging countries in particular, traffic accident fatalities are also on the rise. Reducing the number of traffic accidents 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.

Mitsubishi Motors is upholding a safety philosophy towards a car society with zero traffic accidents. To this end, we are taking action from two perspectives: developing and disseminating safety technologies and promoting traffic safety education.

* 2018 World Health Organization (WHO) survey

Improvement of Product, Sales, and Service Quality

Based on Quality Policy revised in April 2019, MITSUBISHI MOTORS are undertaking measures to improve quality in four categories: product quality, perceived quality, sales quality and service quality as compliance is a fun-

damental requirement, in order to enhance quality in all stages from when a customer first considers purchasing a product through the vehicle ownership period.

Product quality includes the initial quality that customers experience immediately after purchasing a new car, and durability quality that customers experience throughout the entire period of use and so we sincerely listen to the opinions of customers and correct any issues so that we can promptly make improvements.

In addition, we are working to improve perceived quality in terms of aspects such as the usability, comfort, and appearance that customers perceive when they observe, feel, and use our products.

With regard to sales quality and service quality demonstrated at sales companies, we listen closely to customers and make fitting proposals and responses to customer requests to achieve high levels of customer satisfaction.

Quality Policy

Quality is the fundamental requirement to support our business.

1. Commit to excellence in Product, Sales, and Service Quality exceeding customer expectations
2. Focus on Quality of Management to continuously improve overall company performance.
3. Comply with laws and global regulations to gain trust on MMC quality.

MITSUBISHI MOTORS has been developing business in the ASEAN region since prior to 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" is "MITSUBISHI MOTORS development."

In this region, where we have undertaken business activities for many years, we are working proactively to address local social issues. To promote joint growth, we will invigorate the region, cultivate the market, understand consumers' needs and reinforce our own brand. In these ways, we believe we can simultaneously achieve regional development and our own development. "Challenge 2025," the new mid-term business plan we announced in March 2023, calls for the concentration of management resources

on the ASEAN region—a core area of business. In addition, in the aim of achieving further growth MITSUBISHI MOTORS will conduct higher and stable spending on R&D and capex, which will include increased expenditure on electrification, IT and new business as a proportion of total expenditure. One of our material issues is "contribution to the local economy through business activities." In accordance with this aim, by developing our business in the ASEAN region, we will contribute to the local economy through employment, human resource development, investment, technology transfer and exports.

In addition, by responding to social needs specific to the ASEAN region, we will engage in initiatives that leverage our technologies and services in the areas of the environment and social contribution, as well.

HR Management

MITSUBISHI MOTORS believes that human resources are the key to achieving sustainable growth and enhancing corporate value, especially amid a rapidly changing business environment.

In FY2022, our president and management team engaged in discussions to determine the ideal path for the Company, taking employee feedback into account. As a result, we have updated our behavioral guidelines, the "MMC WAY," which outline the principles that the Company values.

As a company and as individuals, we will share the new "MMC WAY," which embodies what is important in our lives, and work together as one to take on challenges as we work toward our goals.

Furthermore, we will continue to create fulfilling workplaces and invest in human resource development as the basis for putting the "MMC WAY" into practice.

<HR Strategy Directions>

- Build a better place to work
- Enhance learning opportunities/reskilling programs
- Secure/cultivate a diverse workforce

MMC WAY
1. Think of Our Customers, Strengthen Trust
2. Enrich Society
3. Welcome All Facts, Share Difficult News First
4. Conduct and Challenge Yourself Professionally
5. Respect All, Work as a Broader Team

Efforts to Respect Human Rights

Based on the idea that respect for human rights is the foundation of its business activities, Mitsubishi Motors signed the United Nations Global Compact in May 2019. That same year, we formulated a human rights policy, which states that "through human rights due diligence, we work to identify, prevent, mitigate, and account for negative impacts on human rights in which we may be involved."

We recognize that the human rights of our employees, including working conditions, health and safety, are risks with significant impact throughout our operations and for our stakeholders. Based on this understanding, as one aspect of our human rights due diligence we conducted human rights assessments at our headquarters and three plants in Japan in fiscal 2021. In fiscal 2022, we conducted a human rights assessment at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) a key production base in the ASEAN region.

The assessment uncovered no incidents representing a major impact on business or employees. However, based on the findings from this assessment and the points raised by the evaluation organization, we will promptly implement countermeasures and continue our efforts to reduce human rights risks.

To level up suppliers' CSR including respect for human rights, MITSUBISHI MOTORS uses the same third-party-evaluations as its alliance partner, Renault-Nissan. Also in FY2022, we communicated with numerous business partners and had them undergo third-party evaluations. We plan to continue expanding the number of business partners who undergo evaluations in FY2023, and we will focus on augmenting the evaluation scores of business partners who have already undergone evaluations.

Please see our Sustainability Report for details of our initiatives related to human rights.

Stakeholder Engagement

Mitsubishi Motors believes that its stakeholder relationships is important to its achievement of sustainable corporate growth. Through dialogue and other forms of engagement, the Mitsubishi Motors Group clarifies its responsibilities and issues, and strives on a daily basis to improve its operations. By further deepening dialogue with our diverse stakeholders, we will continue to sincerely address society's expectations and challenges and incorporate our understanding of them into our business activities.

Through business, the Company and the Mitsubishi Motors Group are involved with a host of individuals and organizations. From the standpoint of realizing a sustainable society and enhancing our corporate value, we have identified our most important stakeholders as our consumers and customers, business partners, shareholders and investors, employees and local communities.

Dialogue with Stakeholders

Stakeholders	Policies on Dialogue	Opportunities for Dialogue	Frequency	Reflecting Input in Our Business
Consumers and customers	Promote activities that better reflect customer input in our products and services.	Customer Contact Center, sales companies, after-sales services	Ongoing	Promoting customer satisfaction activities
		Website, social networks	Ongoing	
		Customer satisfaction surveys	As necessary	Improving products and services
		Events, TV/newspaper/magazine advertising, email magazine	As necessary	
Business partners	Engage in communication aimed at coexistence and coprosperity based on mutual trust.	Contact for inquiries, Business Partner Helpline	Ongoing	Building relationships aimed at coexistence and coprosperity based on mutual trust
		Suppliers Meeting, presentations, events, specialized websites	As necessary	
		Participation in industry organizations	As necessary	
Shareholders and investors	Disclose business and financial information and results in an appropriate manner and time. Conduct constructive dialogue aimed at sustainable growth and enhanced corporate value.	IR inquiry contacts	Ongoing	Promoting initiatives Targeting sustainable growth and enhanced corporate value
		Interviews	As necessary	
		Financial results briefings	Four times per year	
		Mid-term business plan briefings	As necessary	
		Individual initiative briefings	As necessary	
		Shareholders' Meeting	Once per year	
		IR websites	Ongoing	
		Events, email magazines	As necessary	
		Integrated report	Once per year	
		Employees	Two-way communication for fostering teamwork and a sense of unity based on the principle of mutual trust and mutual responsibility between labor and management.	
Consultation offices (Employee Consultation Office, Outside attorney consultation (Helpline), MITSUBISHI MOTORS Global Hotline)	Ongoing			
Town hall meetings with Executives	As necessary			
Internal websites	Ongoing			
Engagement survey	Once per year			
Local communities	Build good relations with local communities. Engage in dialogue with diverse stakeholders to resolve social and environmental issues.	Local community consultation desks, websites	Ongoing	Promoting initiatives to resolve social and environmental issues
		Collaborations with municipalities	As necessary	
		Social contributions	As necessary	
		Community events	As necessary	
		Plant tours	Ongoing	

<Status of Dialogue between Management and Shareholders during the Most Recent Fiscal Year>

Members of the management team, directors and other people deemed appropriate engage in dialogue with shareholders and investors under the supervision of the executive officer in charge of corporate strategy management.

Our management team regularly receives reports about topics of concern for shareholders and investors. Examples of the most recent feedback are described below.

- I understand that efforts to promote "revenue improvement activities" had a greater-than-anticipated impact on earnings in fiscal 2022. I would like to commend you on this point.
- It is my impression that the new mid-term business plan is a rather ambitious and forward-looking plan to expand profits while aggressively making investments.
- It seems that fiscal 2023, being the first year of the new mid-term business plan, will be extremely important.

Corporate Governance

Basic Views Regarding Corporate Governance

Based on its corporate philosophy (vision and mission), MITSUBISHI MOTORS considers compliance to be of topmost importance and accordingly aims to meet the expectations of shareholders, customers and all other stakeholders, while achieving sustainable growth and increases in corporate value over the medium to long term, by making the ongoing reinforcement and improvement of governance a management priority.

In addition, the Company has put together its basic framework for and views on corporate governance in the form of "Corporate Government Guidelines" and publishes these guidelines on the Company's website.

Overview of Corporate Governance System

We are a company with a Nomination Committee, etc. in order to achieve swift execution of business in quick response to environmental changes by clearly separating supervisory and execution function and ensuring the soundness and transparency of management through further strengthening of supervision and implementation of more thorough risk management.

Board of Directors and Members of the Board

The Board of Directors is responsible for making decisions concerning important management issues and overseeing business execution.

MMC has established the following basic policy regarding the policy for nominating candidates for Directors and the composition and size of the overall Board of Directors.

As it is 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 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, candidates for Directors shall be nominated to realize this.

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

In order to strengthen the supervisory function 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.

Outside Directors shall be nominated based on their diverse knowledge, experience, and expertise, which cannot be obtained from Internal Directors alone, for example, specialists in law, accounting, finance, etc., persons with management experience at global companies above a certain size, and persons with a wealth of knowledge of world affairs or social and economic trends, etc. Importance shall be placed on their eagerness to devote the necessary time and efforts to understand the business of the Company as a group, and discuss the direction the Company as a group should take, and to express their opinions to the manage-

ment without hesitation. In addition, the diversity of backgrounds such as gender, age, and internationality shall be also taken into account, as it shall be recognized that multiple perspectives contribute to business promotion and appropriate supervision and auditing.

As for Internal Directors, Executive Officer, President & CEO, 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 who can openly and constructively discuss and exchange opinions.

As of June 23, 2023, the Board comprised 13 Members (2 female Members), and eleven of the thirteen Directors are Outside Directors with extensive experience and high levels of insight, and five of the Outside Directors are Independent Outside Directors.

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 corporate governance functions in a fair and transparent manner.

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 Representative Executive Officer, President & CEO to the Board of Directors, and discusses succession planning for MMC's President.

The Compensation Committee deliberates and makes decisions regarding policy with respect to de-

termining compensation, etc. of Members of the Board and Executive Officers, and regarding details of compensation, etc. per individual.

The Audit Committee audits the execution of duties of the Members of the Board and Executive Officers, supervises the status of implementation and operation of internal control systems, and prepares audit reports; furthermore, it implements internal investigations into matters for which the Board of Directors determined that it is unreasonable for the person who executes the business to conduct an investigation.

Executive Officers

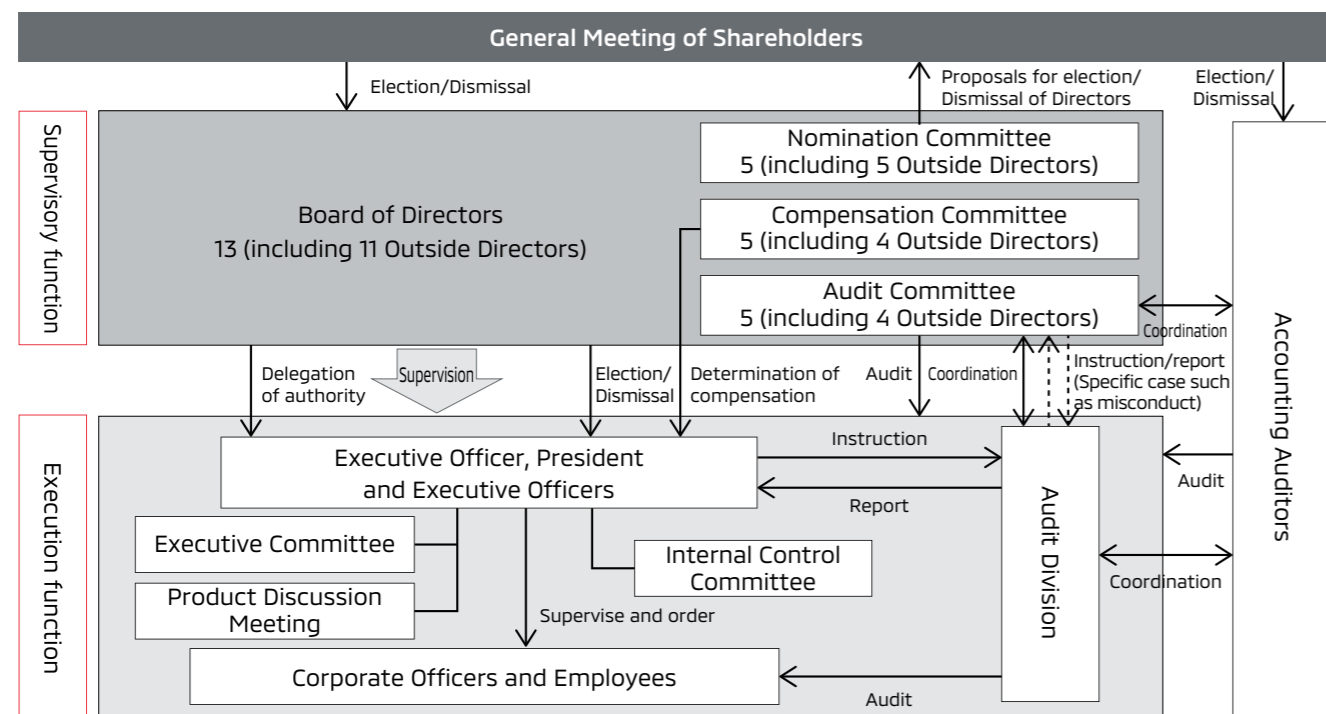
Executive Officers make decisions on business execution delegated to them by the Board of Directors and are responsible for carrying out their execution. The President is selected as head of the executive department by resolution of the Board of Directors. MMC has 11 Executive Officers (including the President) as of June 23, 2023.

Decision-Making Process in the Execution of the Business of the Company and Related Committees

When executing business, the Executive Officer, Executive Vice President is positioned as the responsible person with authority and responsibility for business execution within the scope of duties, in addition to the President who is the head of the executive department. In addition, delegation of decision-making authority is systematized based on the Delegation of Authority (DOA) Rules, in which items subject to delegation and their scope are defined, and decision-making procedures for major matters are formulated to speed up business execution and improve the transparency of the decision-making process.

Important management matters are decided after deliberation at the "Executive Committee (EC)," which

Corporate Governance Structures (June 23, 2023)



Knowledge, Experience and Specialization of the Board of Directors as a Whole (Skill Matrix)

Name	Classification	Person with Management experience at a listed company	Person with expertise in the automotive field	Person with specialization in law, accounting or finance	Expert in world affairs, social and economic trends, etc.
Tomofumi Hiraku	Outside/independent				●
Takao Kato			●		
Hitoshi Inada				●	
Shunichi Miyanaga	Outside	●			
Main Kohda	Outside/independent				●
Kenichiro Sasae	Outside/independent				●
Hideyuki Sakamoto	Outside		●		
Yoshihiko Nakamura	Outside/independent			●	
Joji Tagawa	Outside		●		
Takahiko Ikushima	Outside			●	
Takehiko Kakiuchi	Outside	●			
Kanetsugu Mike	Outside	●			
Junko Ogushi	Outside/independent			●	

Note: The table above does not represent all the knowledge and experience possessed by each director.

is composed of all Executive Officers and chaired by the President.

Furthermore, important matters related to product projects are decided after deliberation at the "Product Meeting (PDM)."

Moreover, matters related to internal control are decided after deliberation at the "Internal Control Committee." For each of these, the President serves as Chairperson and relevant Executive Officers are members.

Conflicts of Interest

Transactions between the Company and Directors or Executive Officers that particularly compete with the Company's business operations or conflict with the Company's 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, the Company conducts transactions with related parties, such as its Officers or major shareholders, based on the validation of multiple related departments and approval of the person in charge, pursuant to the delegation of authority rules (hereinafter referred to as the "DOA"), after the Company has sufficiently considered the economic rationality to confirm there is no harm to the Company's interests, which is the same process the Company goes through with non-related parties.

Analysis and Evaluation of the Effectiveness of the Board

To improve the effectiveness of corporate governance, the Company annually evaluates the effectiveness of its Board through a questionnaire survey of all Directors.

Interviews were also conducted in fiscal 2022, in addition to the questionnaire. In doing so, we obtained the

support of an external organization to ensure objectivity and transparency in the evaluation process, as well as in-depth consideration of the latest trends in governance.

As a result, it was confirmed that the Board has improved on the structure, framework, and operations compared to the previous fiscal year and is sufficiently effective in total in its work. We recognized that while the foundation of governance, focusing on the composition, structure, and operation of the Board of Directors, has been largely established, the remains an issue with efforts and initiatives towards having more and even richer "discussion about broader and longer-term strategies of the Company." Toward the further effectiveness of the above, the following points were identified as key aspects.

- Development of a common understanding about environmental changes and management issues that the Company faces
- Formulation of a more robust outlook of the future of the relevant industry's structure surrounding automotive and mobility matters and the further deepening of insights about the Company's core competencies
- The importance of a greater variety of opportunities for interactive and multilateral communications and discussions between the Board and the executive teams for the purpose of helping adaptations to forthcoming changes in the world

The Company will endeavor continuously for more heightened effectiveness of the Board and enhanced corporate governance by incorporating the results of this evaluation into the agendas of Board meetings in FY2023 and other relevant efforts.

Executive Compensation

Pursuant to the Companies Act, the Compensation Committee establishes the policy for determining the content of individual compensation, etc. for Members of the Board and Executive Officers.

<Basic approach>

1. The compensation system shall contribute to MMC 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 MMC 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 Directors who do not concurrently serve as Executive Officers shall be basic compensation, which is a fixed amount, considering that their role is to supervise the overall execution of business from a standpoint independent from the execution of business. In addition, the chairpersons and members of the Nomination Committee, Compensation Committee, and Audit Committee receive only a fixed amount of remuneration that is added in accordance with their duties.

The compensation of Executive Officers (including Executive Officers who serve concurrently as Members of the Board) consisting of Base Compensation, Short-term Performance-linked Compensation and Additional Individual Compensation, as well as Long-term Performance-linked Compensation and Deferred Retirement Compensation as share-based compensation (BIP Trust; see the page50). The goal of this is to strive for sustained improvement of corporate value, while sharing value with shareholders, and to secure skilled professionals including those from outside the company and overseas.

Based on the recognition that addressing sustainability is a high priority management issue for the Group, from FY2022 we have added the following ESG-related items as indicators for determining medium-to-long-term performance-linked compensation.

- Environmental indicator:
We have introduced "CO₂ 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 to gauge employees' job satisfaction and pride in working for the Company.

Note: For details of executive compensation, please see the section of our annual securities report entitled "Executive Compensation."

Internal Control Systems

Basic Approach, Policies and Organization

Based on the "Basic Policy on the Establishment of Internal Control Systems" resolved at the Board of Directors, MITSUBISHI MOTORS monitors the status of operations and strives to improve and reinforce internal control systems.

In fiscal 2017 the Company 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. (In FY2023, the name of the post was changed to the Executive Officer for Internal Control/Corporate Affairs.) Furthermore, in order to reinforce, and improve the efficiency of, its handling of internal controls based on laws and regulations, it revised its 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. The Internal Control Committee, chaired by the Executive Officer, President & CEO and vice-chaired by the Executive Officer in charge of Global Risk Control, promotes internal control related to the Companies Act. This Internal Control Committee confirms and evaluates the contents reported and /or resolved at subcommittees in each internal control field, such as compliance, information security, business continuity management, and J-SOX, in accordance with the "Basic Policy on the Establishment of Internal Control Systems."

From FY2022, we expanded the scope of risks covered to address the new risks that have emerged in recent years and are intricately intertwined with multiple risk factors (strategy, finance, operational and hazard risks) for a single event. In addition, we have established the Internal Control Promotion Office under the supervision of the Executive Officer for Internal Control/Corporate Affairs to identify and prevent potential risks, respond to emergencies when risks materialize, and make the Company's major risks visible.

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 the responsible department according to their roles, providing various support, checks and balances, and supervision to strengthen the affiliate and promote its development. Furthermore, internal rules have been established to ensure that important information at subsidiaries is reported to the Company in a timely and appropriate manner, and subsidiaries operate in accordance with these rules. To ensure the

Total compensation paid to corporate 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			Monetary compensation	
		Base Compensation	Short-term Performance-linked Compensation	Additional Individual Compensation	Long-term Performance-linked Compensation	Deferred Retirement Compensation	Stock Options Granted Linked to Performance in Previous Fiscal Years	Others	
Members of the Board (Excluding Outside Directors)	33	33	—	—	—	—	—	—	2
Executive Officers	834	511	185	35	23	23	2	53	12
Outside Directors and Outside Audit & Supervisory Board Members	206	206	—	—	—	—	—	—	13

Notes: The number shown in the above table for Outside Directors and Outside Audit & Supervisory Board Members indicates the number of persons who, of the total of 13 persons served as Outside Directors or Outside Audit & Supervisory Board Members during FY2022, received compensation as Members of the Board. In addition, the number includes two Outside Directors who resigned during FY2022. 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.

appropriateness of financial reporting, a specialized organization has been set up under the J-SOX Promotion Committee described above. This organization follows up on and gathers information about systems in place at the Company and its affiliates, the scope of evaluation, the evaluation status of companies subject to evaluation, the improvement status and other matters.

We have also positioned the Internal Audit Division as independent of business execution. 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 working to ensure compliance with laws and regulations and to promote proper, effective business execution in line with changes in the domestic and overseas environments.

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 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 associates in Japan and overseas.

Management Structure

At MITSUBISHI MOTORS, to prevent compliance infractions and information security incidents, under the direction of the Executive Officer for Internal Control/Corporate Affairs each division appoints a compliance officer, and department heads serve as code leaders.

■ Establishment of Internal and External Consultation Offices

To prevent and promptly detect improper conduct, MITSUBISHI MOTORS has established an internal consultation office (Employee Consultation Office) allowing employees of the Company or its subsidiaries and associates in Japan to report or consult about such conduct. Outside the Company, we have set up a consultation office, the "MMC Hotline," staffed by outside attorneys, as well as the MITSUBISHI MOTORS Global Hotline, accessible to employees both in Japan and overseas. In FY2022, these offices fielded 94 reports or consultations.

■ Education and Training

Every fiscal year we formulate compliance-related education and training programs, and offer them to employees stratified by each job rank. Each division also draws up and conducts its own measures under the direction of the compliance officer.

■ Policies and Approach

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 servants and business partners. Moreover, we have built and operate a system that is designed to prevent corruption.

■ Political Involvement (Political Contributions)

Recognizing that reasonable expenditures are required to appropriately maintain a democratic government, the Company considers making political contributions to be one aspect of its 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 to follow our own internal rules for approval.

■ Information Security

Our measures to ensure information security include putting in place and reviewing internal regulations related to information security, managing information assets and strengthening measures against computer viruses and cyberattacks, providing education and fostering employee awareness via e-learning, the internal intranet and monitoring information security activities by the Information Security Committee.

■ Protection of Personal Information

Based on our Privacy Policy, we have built a management framework by establishing internal rules and taking other measures. We also conduct education, such as through the use of e-learning for employees. In addition, rules on personal information protection are being strengthened around the world. We coordinate with our bases in individual countries, putting in place systems to respond appropriately with their laws and regulations on the protection of personal information.

■ Security Export Controls

The Company sincerely believes in the importance of strict security trade 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 through our management system, with its the Security Export Control Committee, led by the Executive Officer, President & CEO, who serves as chief security trade control officer.

Compliance officers work closely with the code leaders to prevent compliance violations within their departments. When a compliance violation occurs, corrective actions are taken, prevention of recurrence and effectiveness are confirmed, and horizontal deployment is implemented and reported to the Executive Officer for Internal Control.

Major subsidiaries and associates in Japan and overseas also appoint compliance officers. To help prevent compliance infractions, in FY2018 we established and started operating MITSUBISHI MOTORS Global Hotline.

The Board of Directors is provided with regular reports on these compliance structures, efforts related to education and the formulation or revision of the Global Code of Conduct, as well as the status of any compliance infractions and their countermeasures.

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

As for internal controls related to financial reporting, we verify compliance structures and procedures for financial summaries. If inadequate controls are found at a company being evaluated, we request reporting on the nature of the problem and improvements being made. In FY2022, we checked the status of 19 Group companies (MITSUBISHI MOTORS, 6 domestic associates, and 12 overseas associates).

In FY2022, we experienced no serious compliance infractions that might damage our credibility with customers, investors, or other parties.

Risk Management

Basic Approach and Policies

MITSUBISHI MOTORS has defined a policy for the management of business risks in the form of the "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 works to improve its 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 that the entire MITSUBISHI MOTORS Group faces directly, that have a high potential impact and a high degree of urgency. For each risk, we assign "risk owners," and work as quickly as possible to reduce these risks.

In divisional risk management, we have appointed risk management officers to each division or plant. These officers work to reduce risks through repeated

application of the PDCA cycle involving identifying and evaluating each risk, devising and implementing countermeasures, and monitoring.

Affiliated company risk management involves regular confirmation by MITSUBISHI MOTORS of the status of initiatives addressing various risks faced by subsidiaries and associates and activities such as business continuity planning improvements. Improvement suggestions and guidance are provided as required.

As a new strengthening measure, the Internal Control Promotion Office was established in FY2022. As geopolitical risks, risks related to economic security, risks related to business and human rights, etc. that are intricately intertwined with strategy, finance, operational and hazard risks, have surfaced in recent years, the Company has established a system to manage risks with expanded scope.

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

In addition, to prepare for unforeseen contingencies we have developed urgent information communication system that enable the rapid communication of information to directors and other key personnel, as well as a swift and accurate response. In particular, to create a crisis management system to respond when serious incidents occur, we have formulated an emergency response manual, which we revise as appropriate. This manual outlines the establishment of an emergency response organization and clarifies the chain of command, enabling us to put appropriate response systems into place.

The MITSUBISHI MOTORS basic policy in times of disaster such as earthquake or other natural disaster or an outbreak of infectious disease to ensure the safety of customers, as well as employees and their families, and assist local communities. We are preparing disaster countermeasures and business continuity management to this end. In FY2020, we established the BCM Committee as a permanent meeting body. In 2022, we consolidated our existing internal initiatives to strengthen BCM activities during normal times and take measures across the company.

We conduct company-wide BCP drills, in which a company-wide BCP headquarters is set up, employees' safety and damage situations are reported from each plant, and instructions are given by the company-wide BCP headquarters, under the assumption that an emergency has occurred.

As preparations against the possibility that employees will be unable to return to their homes for a three-day period (in accordance with the Metropolitan Tokyo Ordinance on Measures for Stranded Individuals), we have ensured means through which they can communicate with their families, cached emergency supplies and are conducting initiatives by communicating with local municipal authorities.

We have formulated plans of operation that assume a large-scale earthquake or major outbreak of infectious disease. We work to improve these BCPs through regular drills and communication among individual regions.

Business-related risks

Important risks that may significantly affect the business results, financial position, cash flow position, etc. of the MMC group include those listed below. The following matters, however, are not an exhaustive list of all risks, and the MMC group is also potentially exposed to risk other than those listed below. Any

of the risks listed below might impact the business results, etc. of the MMC group. Moreover, please note that the following matters concerning the future may differ from actual results in the future since the matters concerning the future were assessed by the MMC group as of the filing date of the securities report and contains uncertainties.

Risks related to the market and business (operational risks)	
Impacts of parts and raw material procurement	Risk that, if supplies from suppliers are stopped, or if it is not possible to procure in a timely way and at competitive prices due to such unexpected reasons as rapid changes in the supply and demand of raw materials, parts, etc., changes in the political situation of the country of procurement, tightening of import/export regulations related to economic security, and occurrence of natural disasters, production of our products will be delayed or stopped, and costs may increase Risk that, if human rights violations at a supplier occur and/or are discovered, they will damage the Group reputation
Impact of product quality and safety	Risk that if recalls, improvement measures, etc. due to product defects or failures become large scale, or if there is a large-scale liability claim from customers due to product defects or failures, the Group may be affected by the incurring of substantial costs, evaluation of the Company's products, damage to its brand image, decline in sales, etc.
Impact of laws and regulations, etc.	Given the various laws and regulations apply in the countries where the business operates, risk that violations of laws and regulations, or inadequate response in terms of content, effectiveness, and speed, may result in being subject to administrative investigations by regulatory authorities, penalties, or becoming involved in related lawsuits, thereby adversely affecting the compliance and reputation of the Mitsubishi Motors Group
Impacts of lawsuits and other legal procedures	As we may become involved as parties in various lawsuits and other legal proceedings with users, business partners, third parties and others in the course of our business activities, risk that unfavorable judgments could be made against us in these ongoing legal proceedings or any future legal proceedings. Although we have insurance coverage for product liability claims that is believed to be able to cover damages in the event of a loss in the product liability lawsuit, risk of unexpected verdicts with unforeseen outcomes
Impact of infringement of intellectual property rights	Risk of incurring legal costs due to unlawful infringement of the Mitsubishi Motors Group's intellectual property rights Risk of the Mitsubishi Motors Group suspending the manufacture and sale of its products, unforeseen license fee payments, compensation payments, evaluation and reduced demand for its products, arising from unexpected allegations of intellectual property infringement by third parties
Impact of IT and information security	Risk that, due to hacking and cyberattacks on our infrastructure, products, and services, inadequate management or human error within the Group or at contractors, or occurrence of natural disasters there may be leakage of confidential, personal, and other information including information concerning our technologies, suspension of our important operations and services, improper paperwork or destruction/falsification of important data resulting in an impairment of the Group's brand image and social credibility causing sales to decline, legal claims, lawsuits or liability for damages, obligation to pay penalties or fines, or operational problems such as production suspension

Risks related to business strategy and the maintenance of competitiveness (strategic risks)	
Impact on the sales strategy and response to competitor trends	By promoting the medium-term business plan "Challenge 2025," which poses "regional strategy to establish a stable revenue base," "promotion of efforts to achieve carbon neutrality" and "digital transformation and initiatives towards new business" as its main challenges, and providing customers with products and services bearing the distinct hallmarks of Mitsubishi Motors, the Group aims to maintain and expand sales volume and market share and improve profitability. Despite these efforts, we face the risk that such a strategy does not progress as planned and we are unable to implement measures that surpass our competitors.
Impact of product and technology development	Risk that we cannot sufficiently capture the values and needs of customers even with our research and development based on detailed study and/or cannot provide customers with new technologies and products in a timely manner because of internal and external factors, causing sales market share, sales and profitability to decline
Impacts of alliances with other companies	Risks associated with business operations through alliances and joint ventures with other companies, including changes in the partner's business strategy, disagreements in alliance policy between parties, modifications or dissolution of the alliance or joint venture relationship due to changes in the investment ratio, deterioration in the financial condition of the alliance or joint venture partner, and the risk of not achieving expected results
Impact of the personnel and labor strategy	Risk that the Group's competitiveness may decline if recruitment and retention do not proceed as planned due to hiring difficulties and increased liquidity in the labor market Risk of a loss of trust and confidence among our customers due to any Group company and related party acting in a way that creates a human rights problem, or of damage to our brand image due to a deterioration of our social trust that impacts our business foundations
Influence of climate change	Risk that cost of sales rises to address the further strengthening of fuel economy/CO ₂ emissions regulations and other regulations due to climate change countermeasures proceeding more than expected Risk that costs of production and procurement rise due to expanding the introduction of carbon pricing, etc. Risk that the procurement of components, manufacture, sale and distribution of products, etc. are delayed or suspended due to more frequent or severe natural disasters, such as flooding, than predicted in countries or regions where manufacturing bases of the Group and its business partners are located
Risks related to finance and the economy (financial risks)	
Impact of foreign exchange rate fluctuations	Risk of significant fluctuations in exchange rates in situations where the values of foreign currency denominated assets (accounts receivable-trade, etc.) and liabilities (accounts payable-trade, etc.) change as exchange rates between the Japanese yen and foreign currencies fluctuate
Impacts of changes in the market environment	Risk that business activities may be affected by an economic downturn, financial crisis, etc. in an individual region and country Risk that if transportation costs rise, it could be difficult to secure ships for transportation, or ship arrangements could be delayed, adversely affecting our production and sales activities
Credit risk of business partners	Risk that a loss stemming from such credit risk exceeds the Group's expectations due to a deterioration of the external environment, etc.
Impact of the liquidity of funds	Risk of being unable to raise the required funding at appropriate terms in the financial markets due to an economic or financial crisis, etc. or due to a lowering of the Group's credit ratings
Risks related to business continuity (hazard risks)	
Impacts of war, terrorism, political instability, and deteriorating security	Risk of the procurement of components or the manufacture, sale and distribution of products being delayed or suspended, or the risk of costs increasing, due to terrorism, war, civil war, political instability, security instability, or the like occurring on a larger scale than expected
Impact of natural disasters, accidents and outbreak of infectious diseases	Risk of facilities, such as development, manufacturing and sales bases, being damaged due to a natural disaster, accident or spread of infectious disease on a scale larger than anticipated, or the risk of the procurement of components, manufacture, sale and distribution of products being delayed or suspended

Members of the Board



Tomofumi Hiraku
Chairman of the Board
Outside Director
Independent Director
Nomination Committee member

Apr. 1978 Joined the Ministry of International Trade and Industry (MITI) (present: Ministry of Economy, Trade and Industry (METI))
Apr. 1993 Director, Industrial Labor Policy Office, Industrial Policy Bureau, MITI
May 1994 Consul, Consulate-General of Japan at Vancouver, Canada, Ministry of Foreign Affairs
Jun. 1997 Director, Tariff Division, International Economic Affairs Department, International Trade Policy Bureau, MITI
Jul. 1998 Director-General, General Coordination and Policy Planning Department, Kansai Bureau, MITI (present: Ministry of Economy, Trade and Industry (METI))
Jun. 2000 Director, Planning Division, Coal and New Energy Department, Agency for Natural Resources and Energy, MITI
Jan. 2001 Director, Policy Planning Division, Energy Conservation and Renewable Energy Department, Agency for Natural Resources and Energy, METI
Jul. 2002 Director, Economic and Fiscal Management Bureau, Cabinet Office, Government of Japan
Sep. 2005 Director-General for Manufacturing Industries Policy, Manufacturing Industries Bureau, METI
Jul. 2006 Director-General for Natural Resources and Energy Policy, Agency for Natural Resources and Energy, METI
Jul. 2008 Director-General, Kansai Bureau, METI
Jul. 2009 Director-General, Manufacturing Industries Bureau, METI
Oct. 2010 Executive Advisor, IBM Japan, Ltd.
Jun. 2021 Chairman of the Board, MMC (to the present)



Takao Kato
Director
Compensation Committee member

Apr. 1984 Joined MMC
Aug. 2008 Expert of Production Dept., Nagoya Plant, MMC
Apr. 2010 Senior Expert of the Russian Assembly Business Promotion Office, MMC
May 2010 PCMA RUS Deputy Manufacturing Director
Apr. 2014 Vice Plant General Manager of Nagoya Plant, MMC
Apr. 2015 President, PT Mitsubishi Motors Krama Yudha Indonesia
Jun. 2019 Member of the Board, Representative Executive Officer, CEO, MMC
Apr. 2021 Member of the Board, Representative Executive Officer, President & CEO, MMC (to the present)



Hitoshi Inada
Director
Audit Committee member

Apr. 1980 Joined Mitsubishi Corporation
Apr. 2009 General Manager of Legal Dept., Mitsubishi Corporation
Jul. 2010 Senior Vice President (Compliance), Mitsubishi International Corporation
Oct. 2011 Vice Corporate General Manager of Corporate Planning Office, MMC
Apr. 2013 Corporate Vice President, Vice Corporate General Manager of Corporate Planning Office, MMC
Apr. 2015 Corporate Vice President, Corporate General Manager of CSR Promotion Office, MMC
Jul. 2016 Senior Executive Officer, Corporate General Manager of CSR Promotion Office, MMC
Jan. 2017 Senior Executive Officer (Legal), Corporate General Manager of CEO/COO Office, MMC
Oct. 2017 Senior Executive Officer (Corporate Governance), MMC
Apr. 2019 Senior Vice President (Corporate Governance), MMC
Jun. 2019 Executive Officer, Senior Vice President (Corporate Governance), MMC
Apr. 2020 Senior Executive Officer (Corporate Governance), MMC
Jun. 2022 Member of the Board, MMC (to the present)



Shunichi Miyanaga
Outside Director
Compensation Committee chair

Apr. 1972 Joined Mitsubishi Heavy Industries, Ltd.
Jun. 2008 Member of the Board, Executive Vice President, Mitsubishi Heavy Industries, Ltd.
Apr. 2011 Member of the Board, Senior Executive Vice President, Mitsubishi Heavy Industries, Ltd.
Apr. 2013 Member of the Board, President, Mitsubishi Heavy Industries, Ltd.
Apr. 2014 Member of the Board, President, CEO, Mitsubishi Heavy Industries, Ltd.
Jun. 2014 Member of the Board, MMC (to the present)
Apr. 2019 Chairman of the Board, Mitsubishi Heavy Industries, Ltd. (to the present)
Jun. 2019 Outside Director, Mitsubishi Corporation (to the present)



Main Kohda
Outside Director
Independent Director
Nomination Committee chair
Compensation Committee member

Sep. 1995 Started as an independent Novelist (to the present)
Jan. 2003 Member of Financial System Council, Ministry of Finance Japan
Apr. 2004 Visiting Professor, Faculty of Economics, Shiga University
Mar. 2005 Member of the Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism
Nov. 2006 Member of Government Tax Commission
Jun. 2010 Member of the Board of Governors, Japan Broadcasting Corporation
Jun. 2012 Outside Director, Japan Tobacco Inc. (to the present)
Jun. 2013 Outside Director, LIXIL Group Corporation
Jun. 2016 Outside Director, Japan Exchange Group (to the present)
Jun. 2018 Member of the Board, MMC (to the present)



Kenichiro Sasae
Outside Director
Independent Director
Nomination Committee member
Compensation Committee member

Apr. 1974 Joined Ministry of Foreign Affairs
Apr. 2000 Executive Assistant to the Prime Minister for Foreign Affairs
Apr. 2001 Deputy Director-General, Foreign Policy Bureau
Mar. 2002 Director-General, Economic Affairs Bureau, Ministry of Foreign Affairs
Jan. 2005 Director-General, Asian and Oceania Affairs Bureau, Ministry of Foreign Affairs
Jan. 2008 Senior Deputy Minister for Foreign Affairs
Aug. 2010 Vice-Minister for Foreign Affairs
Sep. 2012 Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America
Jun. 2018 President and Director General, The Japan Institute of International Affairs
Jun. 2019 Outside Director, SEIREN CO., LTD. (to the present)
Jun. 2019 Member of the Board, MMC (to the present)
Dec. 2020 President, The Japan Institute of International Affairs (to the present)
Jun. 2021 Outside Director, Fujitsu Limited (to the present)
Mar. 2022 Outside Director, Asahi Group Holdings, Ltd. (to the present)



Hideyuki Sakamoto
Outside Director
Nomination Committee member

Apr. 1980 Joined Nissan Motor Co., Ltd.
Apr. 2008 Corporate Officer, Nissan PV Product Development Div. No.1, Nissan Motor Co., Ltd.
May 2009 Corporate Officer, Alliance Common Platform and Components, Nissan Motor Co., Ltd.
Apr. 2012 Corporate Vice President, Production Engineering Div., Nissan Motor Co., Ltd.
Apr. 2014 Executive Vice President, Product Engineering, Nissan Motor Co., Ltd.
Jun. 2014 Director, Executive Vice President, Product Engineering, Nissan Motor Co., Ltd.
Jan. 2018 Director, Executive Vice President, MFG & SCM Operations, Nissan Motor Co., Ltd.
Jun. 2018 Chairman of the Board, Nissan Motor Kyushu Co., Ltd. (to the present)
Aug. 2018 Board Member, Chairman, AICHI MACHINE INDUSTRY CO., LTD. (to the present)
Sep. 2018 Chairman of the Board, JATCO Ltd
Jun. 2019 Member of the Board, MMC (to the present)
Jun. 2019 Executive Officer, Executive Vice President, Manufacturing & SCM Operations, Nissan Motor Co., Ltd.
Feb. 2020 Director, Executive Officer, Executive Vice President, Manufacturing & SCM Operations, Nissan Motor Co., Ltd. (to the present)



Yoshihiko Nakamura
Outside Director
Independent Director
Audit Committee chair

Nov. 1979 Joined Peat Marwick Mitchell & Company (present: KPMG AZSA LLC)
Mar. 1983 Registered as certified public accountant
Oct. 1994 Partner (Representative), Minato Audit Corp. (present: KPMG AZSA LLC)
Oct. 2003 Partner, KPMG AZSA LLC
Jun. 2019 Substitute Auditor, Seika Corporation
Jul. 2019 Started CPA Yoshihiko Nakamura Accounting Office (to the present)
Jun. 2020 Member of the Board, MMC (to the present)
Jun. 2020 Auditor, Seika Corporation
Jun. 2022 Outside Director (Audit & Supervisory Committee member), Seika Corporation (to the present)




Joji Tagawa
Outside Director
Compensation Committee member

Apr. 1983 Joined Nissan Motor Co., Ltd.
Apr. 2006 Corporate Officer, Treasury Department and Investor Relations Department, Nissan Motor Co., Ltd.
Apr. 2010 Corporate Officer, Investor Relations Department and M&A Support Department, Nissan Motor Co., Ltd.
Apr. 2014 Corporate Vice President, Investor Relations and M&A Support Department, Nissan Motor Co., Ltd.
Oct. 2014 Director, RENAULT JAPON CO., LTD.
Apr. 2019 Corporate Vice President, Investor Relations, Nissan Motor Co., Ltd.
Dec. 2019 Senior Vice President, Chief Sustainability Officer, Board of Directors Office, Corporate Management Office, Corporate Service, Environment/CSR, Global External & Government Affairs, IP promotion and Investor Relations Department, Nissan Motor Co., Ltd.
Apr. 2020 Senior Vice President, Chief Sustainability Officer, Corporate Service, Environment/CSR, Global External & Government Affairs, IP promotion, and Investor Relations Department, Nissan Motor Co., Ltd.
Apr. 2020 Outside Director, Renault SA (to the present)
Jun. 2020 Member of the Board, MMC (to the present)
Jun. 2021 Senior Vice President, Chief Sustainability Officer, Compliance, Corporate Service, Crisis Management and Security, Environment/Sustainability, Global External & Government Affairs, IP Customer Business Development, Nissan Motor Co., Ltd. (to the present)

Members of the Board

Takahiko Ikushima
Outside Director
Audit Committee member



Apr. 1990 Joined Nissan Motor Co., Ltd.
Nov. 2019 Division General Manager, Budget and Accounting Department, Global Revenue and Regional Financial Management Group, General Manager, MC-Controller, LCVBU, Nissan Motor Co., Ltd.
Dec. 2019 Corporate Vice President, Global Controller, Accounting, Nissan Motor Co., Ltd.
Jun. 2020 Member of the Board, MMC (to the present)
Aug. 2021 Corporate Vice president, Global Controller, Region's Performance Optimization, Nissan Motor Co., Ltd. (to the present)

Takehiko Kakiuchi
Outside Director
Nomination Committee member



Apr. 1979 Joined Mitsubishi Corporation
Apr. 2010 Senior Vice President, Division COO, Foods (Commodity) Div., Mitsubishi Corporation
Apr. 2011 Senior Vice President, General Manager, Living Essential Group CEO Office, (Concurrently) Division COO, Foods (Commodity) Div., Mitsubishi Corporation
Apr. 2013 Executive Vice President, Group CEO, Living Essentials Group, Mitsubishi Corporation
Apr. 2016 President and CEO, Mitsubishi Corporation
Jun. 2016 Member of the Board, President and CEO, Mitsubishi Corporation
Apr. 2022 Chairman of the Board, Mitsubishi Corporation (to the present)
Jun. 2022 Member of the Board, MMC (to the present)

Kanetsugu Mike
Outside Director
Audit Committee member



Apr. 1979 Joined The Mitsubishi Bank, Ltd.
Jun. 2005 Executive Officer, The Bank of Tokyo-Mitsubishi, Ltd.
Executive Officer, Mitsubishi Tokyo Financial Group, Inc.
May 2009 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU")
May 2011 Managing Officer, Mitsubishi UFJ Financial Group, Inc. ("MUFG")
Jun. 2011 Member of the Board of Directors, Managing Executive Officer, BTMU
May 2013 Senior Managing Executive Officer, BTMU
Oct. 2015 Executive Chairman of MUFG Americas Holdings Corporation
Executive Chairman of MUFG Union Bank, N.A.
May 2016 Deputy President, BTMU
May 2016 Senior Managing Corporate Executive, MUFG
Jun. 2016 Member of the Board of Directors, Deputy President, BTMU
Jun. 2017 President & CEO, BTMU
Member of the Board of Directors, Deputy Chairman, MUFG
Apr. 2019 Member of the Board of Directors, President & Group CEO, MUFG
Apr. 2020 Member of the Board of Directors, Deputy Chairman, MUFG
Apr. 2021 Member of the Board of Directors, Chairman, MUFG (to the present)
Jun. 2022 Member of the Board, MMC (to the present)
Jun. 2022 Outside Director, Tokio Marine & Nichido Fire Insurance Co., Ltd. (to the present)

Junko Ogushi
Outside Director
Independent Director
Audit Committee member



Apr. 1984 Corporate work experience (banks, trading companies)
Apr. 1998 Registered as an attorney at law (Member of Tokyo Bar Association)
Apr. 1998 Joined Hibiya Joint Law Office
Jan. 2000 Joined Atsumi & Usui (present: Atsumi & Sakai)
Jan. 2003 Partner, Atsumi & Usui
Jan. 2006 Senior Partner, Atsumi & Usui (to the present)
Oct. 2006 Executive Secretary, Legislative Council of the Ministry of Justice (Insurance Law Subcommittee)
Dec. 2017 Registered as an attorney at law in the State of California
Oct. 2020 Auditor, Tokyo Metropolitan Industrial Technology Research Institute (to the present)
Jun. 2021 Outside Director, Hibiya Engineering, Ltd. (to the present)
Jun. 2023 Member of the Board, MMC (to the present)

Executive Officers

Takao Kato
Representative Executive Officer
President & CEO

Hiroshi Nagaoka
Representative Executive Officer,
Executive Vice President
(responsible for Engineering/
Product Strategy/TCS/Design)

Tatsuo Nakamura
Representative Executive Officer,
Executive Vice President
(responsible for Sales)

Kentaro Matsuoka
Representative Executive Officer,
Executive Vice President
(CFO)

Noboru Tsuji
Senior Executive Officer
(responsible for Corporate
Governance)

Mitsunori Kitao
Senior Executive Officer
(responsible for Production/
Procurement)

Koichi Namiki
Executive Officer
(responsible for Product Strategy)
Division General Manager, Product
Strategy Division

John Signoriello
Executive Officer
(responsible for Global
Marketing & Sales)

Tomoo Yoshida
Executive Officer
(responsible for Procurement)

Ikuro Hirozane
Executive Officer
(responsible for Internal Control
Promotion/General Administration/
Corporate Affairs)
Division General Manager,
Corporate Affairs Division

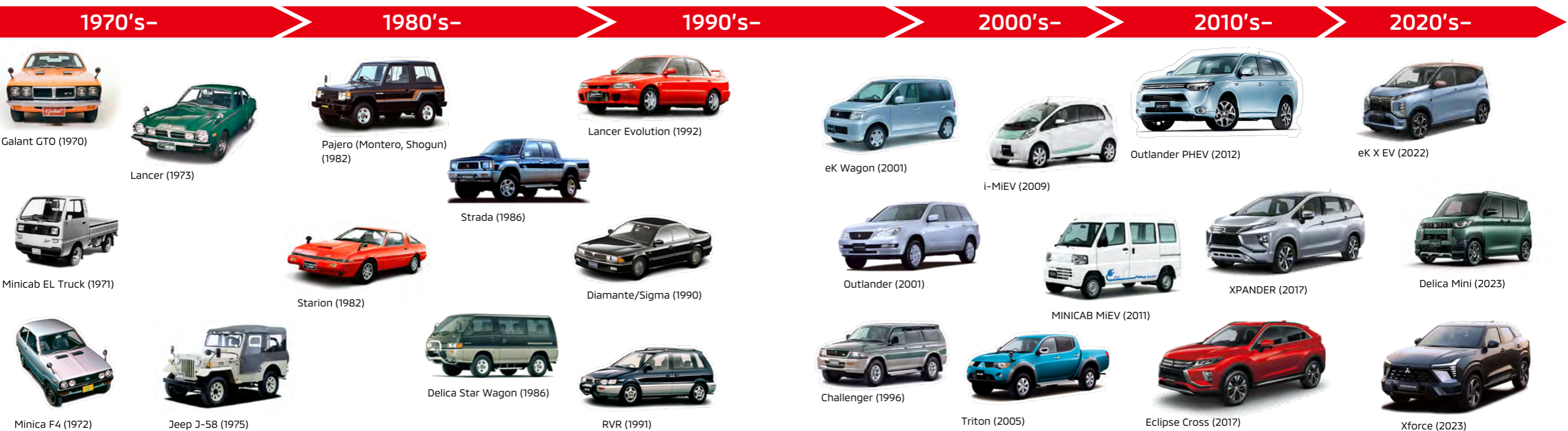
Yoichi Yokozawa
Executive Officer
(responsible for Corporate
Strategy Management)

Mitsubishi Motors' History

Date	Outline
April 1970	Mitsubishi Motors Corporation (MMC) incorporated as wholly-owned subsidiary of Mitsubishi Heavy Industries, Ltd. (MHI)
June 1970	MMC started business taking over MHI motor vehicle division operations. MHI's certain facilities of Kyoto Works (presently Kyoto Works Kyoto Plant), Nagoya Motor Vehicle Works (presently Okazaki Plant), Mizushima Motor Vehicle Works (presently Mizushima Plant) and one other Vehicle Works transferred from MHI to MMC
August 1977	MMC commissioned Nagoya Motor Vehicle Works (presently Okazaki Plant) -Okazaki Plant
December 1979	MMC commissioned Kyoto Works - Shiga Plant
October 1980	MMC and Mitsubishi Corporation jointly established Mitsubishi Motors Australia Ltd. (MMAL) (MMC subsequently acquired all MMAL shares in December 2001)
October 1984	MMC took over management of Mitsubishi Motor Sales Co., Ltd. (established in October 1964)
October 1985	MMC established Diamond-Star Motors Corporation (DSM) as a joint venture company with Chrysler Corporation (MMC subsequently acquired all DSM shares in October 1991 and renamed "Mitsubishi Motor Manufacturing of America, Inc." (MMMA) in July 1995)
December 1988	MMC shares listed on First Section of Tokyo, Osaka and Nagoya stock exchanges (MMC shares delisted from Nagoya Stock Exchange in November 2003 and delisted from Osaka Stock Exchange in November 2009)
March 1995	MMC acquired the majority of shares in Toyo Koki Co. Ltd. (renamed "Pajero Manufacturing Co., Ltd." (PMC) in July 1995 and MMC subsequently acquired all PMC shares in March 2003. PMC's production ended in August 2021 and factories were closed down.)
November 1996	MMC commissioned Tokachi Proving Ground in Hokkaido.

Date	Outline
March 2000	MMC signed basic agreement on business alliance for overall passenger vehicle operations including capital participation with DaimlerChrysler AG (DaimlerChrysler AG acquired 34% of shares in MMC in October 2000 and subsequently sold all shares in November 2005)
January 2003	MMC spun off truck and bus operations into a separate company, incorporating them as Mitsubishi Fuso Truck and Bus Corporation (MFTBC)
March 2003	MMC transferred a 43% stake in MFTBC to DaimlerChrysler AG and a collective 15% stake to 10 Mitsubishi group firms, leaving it with a shareholding of 42% in MFTBC (MMC transferred all remaining MFTBC shares to DaimlerChrysler AG in March 2005)
March 2008	Car production terminated at MMAL
April 2010	Established a new plant in Russia under the agreement between MMC and France's PSA Peugeot Citroen
December 2012	MMC and MME transferred all shares in Netherlands Car B.V. to VDL Groep B.V. in the Netherlands
March 2015	MMC and Mitsubishi Corporation jointly established PT Mitsubishi Motors Krama Yudha Indonesia (MMKI)
November 2015	Car production terminated at MMNA
May 2016	MMC and Nissan Motor Co., Ltd. signed Strategic Alliance Agreement regarding Capital and Business Alliance (Nissan Motor Co., Ltd. acquired 34% of shares in MMC in October 2016)
June 2019	MMC made the transition to a company with three committees
August 2021	Production suspended at PMC and factories closed down
April 2022	MMC shares that had been listed on the first section of the Tokyo Stock Exchange were transferred to the Prime Market.

Major Successive Models



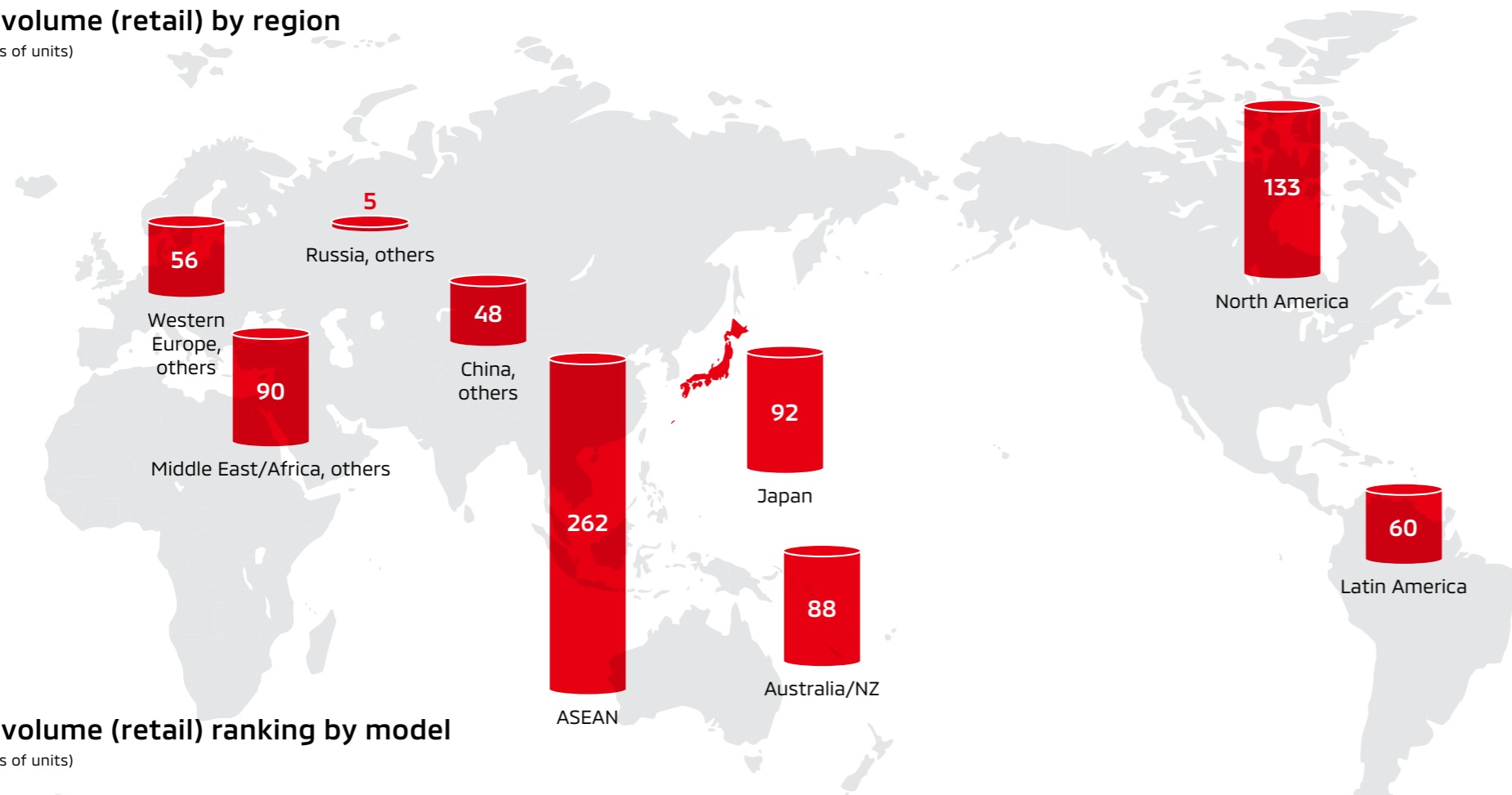
Business and Financial Condition

Sales and Production Data

Fiscal 2022 Sales volume (retail): **834,000** units; production volume: **1,019,000** units

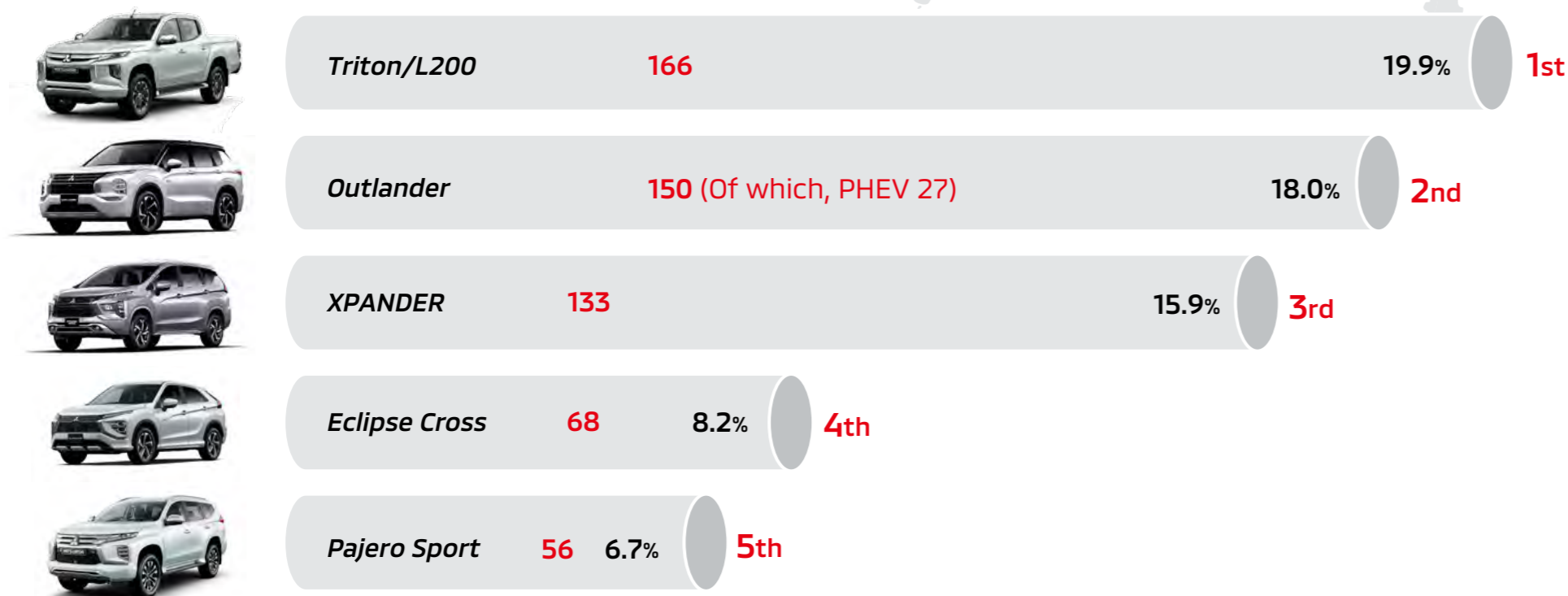
Sales volume (retail) by region

(Thousands of units)



Sales volume (retail) ranking by model

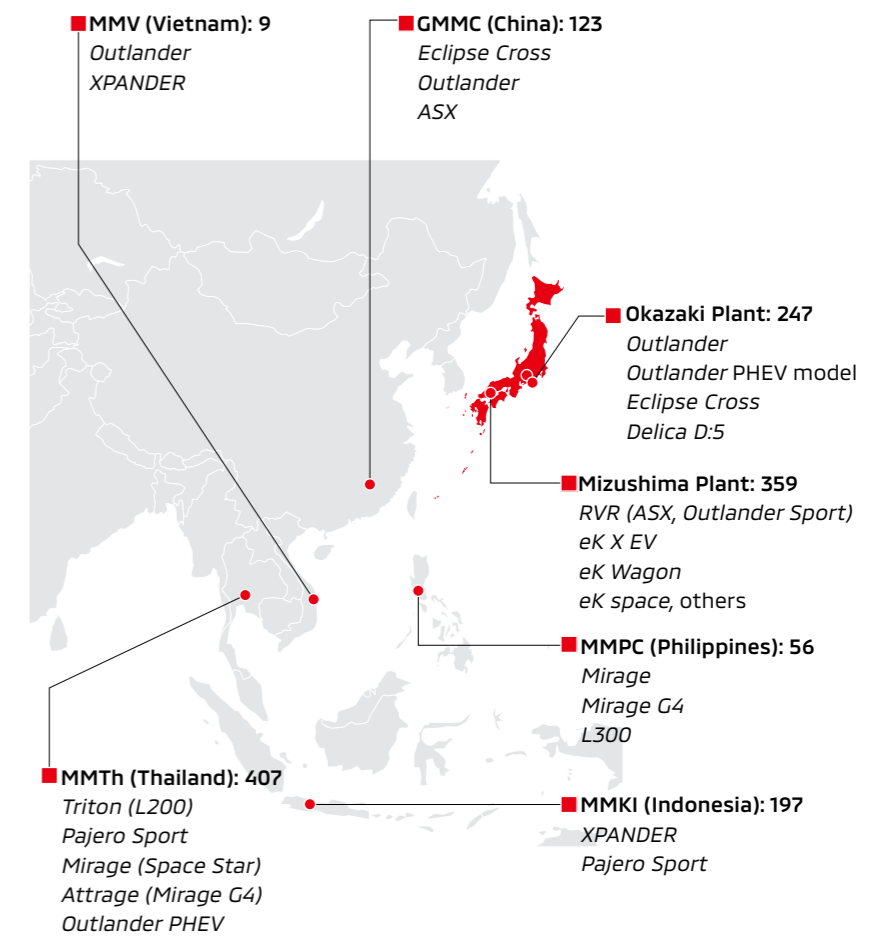
(Thousands of units)



Production capacity

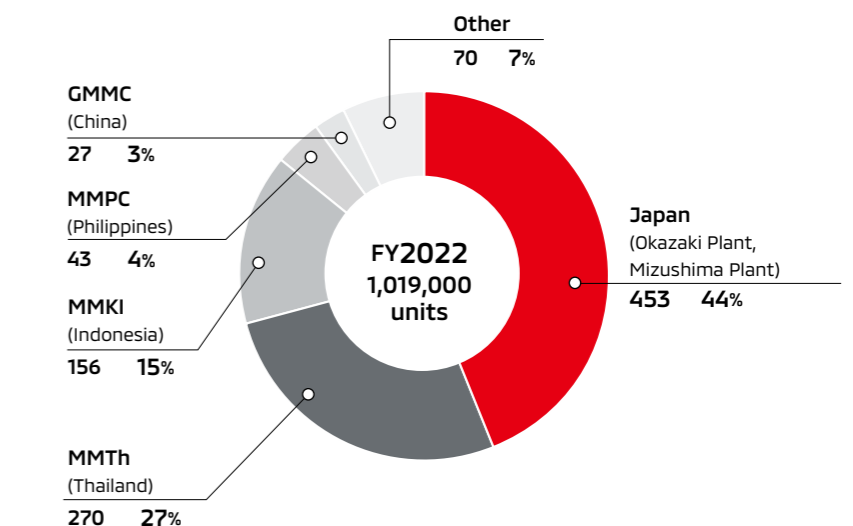
(Thousands of units)

For fiscal 2022, based on standard operation



Production results

(Thousands of units)



The count of the number of vehicles produced by plant is based on their site of final assembly, so statistical data may vary from that of the Japan Automobile Manufacturers Association.

Overview of Operations by Region

Sales Volume

(Thousands of units)

	FY2021	FY2022	FY2023 (Forecast)
ASEAN	250	262	311
Oceania	97	88	86
Latin America/Middle East/Africa, others	159	150	140
Japan	75	92	111
North America	156	133	161
Europe	119	61	81
China, others	81	48	27
Total	937	834	917

Net Sales

(Billions of yen)

	FY2021	FY2022	FY2023 (Forecast)
ASEAN	466.1	584.6	674.0
Oceania	254.7	281.9	273.0
Latin America/Middle East/Africa, others	275.2	334.3	340.0
Japan	393.9	552.7	579.0
North America	397.2	538.0	622.0
Europe	235.1	154.2	286.0
China, others	16.7	12.4	6.0
Total	2,038.9	2,458.1	2,780.0

Operating Profit

(Billions of yen)

	FY2021	FY2022
ASEAN	32.1	46.6
Oceania	28.6	37.2
Latin America/Middle East/Africa, others	11.3	21.7
Japan	(10.2)	(6.1)
North America	24.1	81.9
Europe	(1.3)	6.8
China, others	2.7	2.4
Total	87.3	190.5

Note: From fiscal 2022 some countries in Europe were reclassified to Middle East/Africa, others. Figures for fiscal 2021 have been revised to fit this classification.

ASEAN (Indonesia, Thailand, the Philippines, Vietnam, others)

Performance in the year ended March 31, 2023

In the first half of fiscal 2022, performance was affected by semiconductor shortages and production constraints due to lockdowns in Shanghai. In the second half of the fiscal year, we faced intermittent interest rate hikes, inflation and a decrease in consumer purchasing motivation, and challenges in the sales environment increased as the year-end approached. Under these circumstances, we focused on segments with relatively low supply constraints and worked to eliminate order backlogs. As a result, sales volume in the region rose 12,000 units year on year to 262,000 units.

Net sales rose ¥118.5 billion year on year to ¥584.6 billion. Operating profit came to ¥46.6 billion, up ¥14.5 billion from the previous year.

Outlook for the year ending March 31, 2024

Owing to the launch of the all-new *Triton* and the introduction of a hybrid model, the *XPANDER HEV*, we anticipate a sales volume of 311,000 units, up 49,000 units from fiscal 2022, and net sales of ¥674.0 billion, up ¥89.4 billion.



XPANDER Cross



Triton

Oceania (Australia, New Zealand)

Performance in the year ended March 31, 2023

In fiscal 2022, New Zealand's Clean Car Discount policy promoted a demand shift from ICE vehicles to electrified vehicles, but orders were firm overall. However, logistics problems, including a shortage of shipping capacity, became more serious, and the vehicle supply shortage became more pronounced. Consequently, sales volume fell 9,000 units year on year to 88,000 units.

Favorable sales of the all-new *Outlander* series pushed up sales ¥27.2 billion year on year to ¥281.9 billion. Operating profit rose ¥8.6 billion from the previous year to ¥37.2 billion.

Outlook for the year ending March 31, 2024

Although orders in Australia remain favorable, an inability to supply vehicles means that backorders continue to mount—an issue we are working to resolve. In fiscal 2023, we expect the sales volume to shrink by 2,000 units from fiscal 2022 levels, to 86,000 units. Similarly, we forecast an ¥8.9 billion decline in net sales to ¥273.0 billion.



Outlander PHEV model



Eclipse Cross PHEV model

Latin America/Middle East/Africa, others

Performance in the year ended March 31, 2023

Sales volume decreased by 9,000 units in fiscal 2022 to 150,000 units. Although the market was significantly affected by shortages of semiconductor supply and shipping capacity, sales prices have been improving due to our "quality of sales improvement activities."

Net sales rose ¥589.1 billion year on year to ¥334.3 billion. Operating profit increased ¥10.4 billion to ¥21.7 billion.

Outlook for the year ending March 31, 2024

Although we expect sales volume to decline due to mainstay model changes we will concentrate on profit-focused sales efforts. We believe sales volume will fall 10,000 units from fiscal 2022 levels to 140,000 units. In fiscal 2023, we forecast net sales of ¥340.0 billion, up ¥5.7 billion.



XPANDER Cross

Japan

Performance in the year ended March 31, 2023

In fiscal 2022, in addition to the popular all-new *Outlander* (PHEV model), in June 2022 we launched the *eK X EV*. Furthermore, in November we resumed general sales of the *MINICAB-MiEV*, enhancing our lineup of electrified vehicles, which is our forte. Consequently, sales volume rose by 17,000 units year on year to 92,000 units.

Net sales expanded by ¥158.8 billion year on year to ¥552.7 billion, and the operating loss narrowed from ¥10.2 billion to ¥6.1 billion.

Outlook for the year ending March 31, 2024

The year got off to a good start with the May 2023 launch of the *DELICA Mini*, an all-new Kei super height wagon. We anticipate a sales volume of 111,000 million vehicles in fiscal 2023, up by 19,000 vehicles year on year, and forecast net sales of ¥579.0 billion, up ¥26.3 billion.



Delica Mini



Kei-class EV eK X EV

North America (The United States, Canada, Mexico, others)

Performance in the year ended March 31, 2023

In fiscal 2022, sales volume fell 23,000 units year on year to 133,000 units. With inventories limited, we suppressed fleet sales, instead prioritizing sales to dealers.

Net sales grew ¥140.8 billion during the year to ¥538.0 billion, while operating profit rose ¥57.8 billion to ¥81.9 billion.

Outlook for the year ending March 31, 2024

In the North American market, sales of the all-new *Outlander* series are favorable, and we anticipate a 28,000 unit increase in sales volume from fiscal 2022 levels to 161,000 units. We forecast net sales of ¥622.0 billion, up ¥84.0 billion from fiscal 2022.



Outlander PHEV model

Europe (Russia, Germany, the Netherlands, Spain, France, others)

Performance in the year ended March 31, 2023

In fiscal 2022, we reduced the model lineup, and we continued to halt the supply of vehicles to Russia. Accordingly, sales volume fell by 58,000 units year on year to 61,000 units.

Net sales decreased ¥80.9 billion year on year to ¥154.2 billion, but performance improved at the operating level, going from an operating loss of ¥1.3 billion in fiscal 2021 to operating profit of ¥6.8 billion.

Outlook for the year ending March 31, 2024

In Europe, in April we commenced full-fledged sales of our all-new compact SUV, the *ASX*, which, together with the all-new *COLT*, reinforces our model lineup. For this reason, in fiscal 2023 we forecast sales volume of 81,000 units, up 20,000 units from fiscal 2022 levels, and net sales of ¥286.0 billion, up ¥131.8 billion.



ASX



COLT

China, others

Performance in the year ended March 31, 2023

In fiscal 2022, deterioration of the competitive environment led to a 33,000 unit decline in sales volume to 48,000 units.

Due to the lower sales volume, sales fell ¥4.3 billion, to ¥12.4 billion, and operating profit decreased ¥0.3 billion, to ¥2.4 billion.

Outlook for the year ending March 31, 2024

In fiscal 2023, in the Chinese market we expect sales volume to fall by 21,000 units from fiscal 2022 levels to 27,000 million, and we expect net sales of ¥6.0 billion, down ¥6.4 billion.



Outlander

Consolidated Financial Summary

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
For the year:						
	(In billions of yen)					
Net sales	2,192.4	2,514.6	2,270.3	1,455.5	2,038.9	2,458.1
Operating profit (loss)	98.2	111.8	12.8	(95.3)	87.3	190.5
Ordinary profit (loss)	110.1	119.9	(3.8)	(105.2)	101.0	182.0
Profit (loss) attributable to owners of the parent	107.6	132.9	(25.8)	(312.3)	74.0	168.7
Sales volume (retail) (Thousands of units)	1,101	1,244	1,127	801	937	834
R&D expenses	102.5	124.3	130.9	101.4	90.7	107.2
Capital expenditures	99.9	137.7	103.9	76.4	62.7	78.6
Depreciation	52.0	61.6	74.8	65.9	53.6	60.1
Return on equity (ROE) (%)	14.6	16.1	(3.1)	(48.8)	13.3	24.0
Per share data:						
	(In yen)					
Earnings per share	72.23	89.26	(17.32)	(209.88)	49.76	113.38
Diluted earnings per share*1	72.20	89.18	—	—	49.74	113.36
Dividends per share	17.00	20.00	10.00	0.00	0.00	5.00
At year-end:						
	(In billions of yen)					
Total assets	1,655.3	2,010.3	1,938.1	1,856.3	1,928.4	2,201.5
Net assets	796.6	881.2	788.4	525.3	630.3	830.4
Cash and deposits	571.9	500.9	399.6	455.7	511.5	596.0
Interest-bearing debt	26.6	228.7	299.4	483.3	480.5	428.3
Equity ratio (%)	47.2	43.4	39.9	27.4	31.5	36.4
Number of shares outstanding (Thousands)	1,490,282	1,490,282	1,490,282	1,490,282	1,490,282	1,490,282
CO₂ Emissions*2						
Scope 1 (direct emissions)*3 (x10 ³ t-CO ₂)	119	119	110	80	92	95
Scope 2 (indirect emissions)*3 (x10 ³ t-CO ₂)	436	469	416	285	319	271
Scope 3 (x10 ³ t-CO ₂ eq)	38,721	42,580	35,429	20,286	28,294*4	28,710
Energy input*2						
(Primary and secondary energy) (PJ)	9.9	10.2	9.5	7.0	8.2	8.2
Generated waste*2 (x10 ³ t)	162	187	202	109	143	141
Withdrawn water volume*2 (x10 ³ m ³)	6,727	6,211	5,915	4,420	4,640	4,659
Number of female managers (Persons)*5	49	58	68	74	80	98
Ratio of annual paid leave taken (%)*6	82.6	86.6	100.6	99.2	89.5	94.8
Accident rate*7	0.51*8	0.54*8	0.42	0.30	0.20	0.31
Number of reports to or consultations with the internal employee consultation office (Instances)	170	194	166	112	109	74

(Note) Changes in accounting methods have not been retroactively applied to previous fiscal years.

*1 Diluted net income per share is not indicated for fiscal 2019 and 2020 because no dilutive shares existed.

*2 Target sites: Environmental management target companies for each fiscal year (including the Company)

*3 CO₂ emission factors are based on "Greenhouse Gas Emissions Conversion, Reporting, and Announcement System based on the Act on Promotion of Global Warming Countermeasures." Overseas electric power conversion factors are provided by individual utilities. The IEA's "CO₂ Emissions from Fuel Combustion" of each year or "Emission Factors" are used for some locations.

*4 Figures for fiscal 2021 have been revised.

*5 The number of employees for Mitsubishi Motors on a non-consolidated basis for fiscal 2022 is calculated as of March 31. From fiscal 2017 through fiscal 2021, figures are as of July each year, including dispatched personnel on leave and secondees, but excluding medical workers.

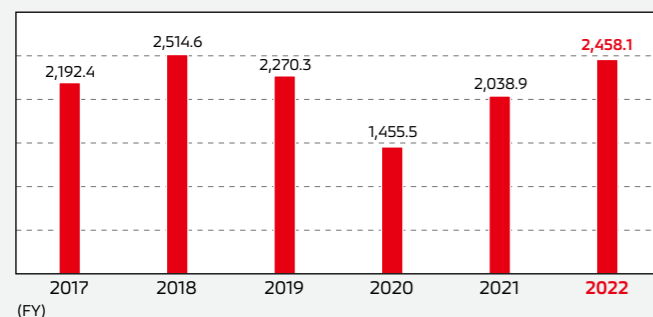
*6 Days of annual paid leave taken during the year (days carried forward from the previous year + days granted for the current year) × 100
Days of annual paid leave available for the year

*7 Number of accidents with or without loss of workdays per 1 million working hours

*8 Figures for fiscal 2017 and fiscal 2018 have been revised, as the aggregation period was changed from a calendar year to a fiscal year basis. (From fiscal 2019, aggregation is the conventional practice, based on fiscal years.)

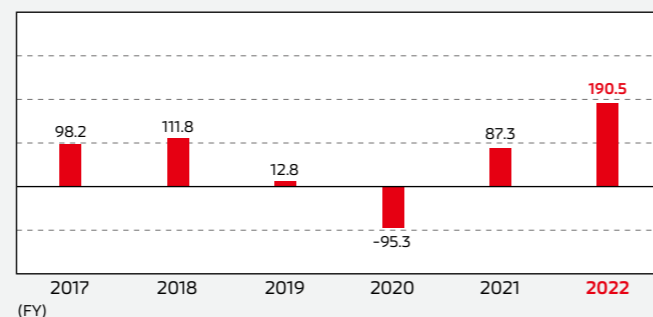
Net Sales

(Billions of yen)



Operating Profit

(Billions of yen)



Operational Review

Results of Operations

Although COVID-19 was prevalent throughout the year, the risk of serious illnesses has been controlled thanks to improved vaccination rates and the development of therapeutic drugs. Under these circumstances, countries around the world are relaxing measures against infection, and socioeconomic activities are gradually beginning to normalize. On the other hand, there is still no end in sight for the situation in Russia and Ukraine, and with logistical disruptions showing no signs of easing, energy prices soaring, inflation reaching levels not seen in decades, and sharply rising interest rates to curb that inflation, it has been difficult to take control of the business environment.

Amid this business environment, the MMC group's results improved significantly year on year, thanks to the achievements of improving sales quality in all regions and promoting the "revenue improvement activities," as well as the effect of yen depreciation.

As a result, full-year global sales volume was 834,000 units, down 11% from the previous fiscal year, and full-year net sales were 2,458.1 billion yen, up 21% from the previous fiscal year. Despite this severe environment, including material cost hikes and semiconductor and vessel shortages, improved marginal profit ratio effects driven by improved quality of sales and the effect of favorable exchange rates helped to increase operating profit to 190.5 billion yen for the full fiscal year 2022 (up 103.2 billion yen year on year). MMC has posted the highest operating profit since 2015. Ordinary profit was 182.0 billion yen (up 81.0 billion yen year on year), and profit attributable to owners of parent was 168.7 billion yen (up 94.7 billion yen year on year).

Financial position

Total assets as of March 31, 2023 amounted to 2,201.5 billion yen (up 273.1 billion yen from the end of the previous fiscal year). Cash and deposits amounted to 596.0 billion yen (up 84.5 billion yen from the end of the previous fiscal year). Total liabilities amounted to 1,371.1 billion yen (up 73.0 billion yen from the end of the previous fiscal year). Of total

liabilities, the interest bearing debt balance was 428.3 billion yen (down 52.2 billion yen from the end of the previous fiscal year). Net assets as of March 31, 2023 amounted to 830.4 billion yen (up 200.1 billion yen from the end of the previous fiscal year).

Cash flow status

Cash flows for the fiscal year under review consisted of a net inflow of 173.6 billion yen from operating activities (up 55.5 billion yen year on year), a net outflow of 53.1 billion yen from investing activities (down 16.0 billion yen year on year), and a net outflow of 61.9 billion yen from financing activities (up 51.7 billion yen year on year). In addition, the balance of cash and cash equivalents at the end of the fiscal year under review increased by 84.4 billion yen from the end of the previous fiscal year to 595.9 billion yen.

Free cash flow for the fiscal year under review ended up with a net inflow of 120.5 billion yen (up 71.5 billion yen year on year), due to an increase in inflow contributed by operating activities with an improvement of operating profit.

Overview of Cash Flow

(FY)	2018	2019	2020	2021	2022
Shareholders' equity ratio (%)*1	43.4	39.9	27.4	31.5	36.4
Shareholders' equity ratio (fair value basis)*2	43.5	23.5	25.2	25.5	35.3
Cash flows/interest-bearing debt ratio*3	1.6	15.9	(11.6)	4.1	2.5
Interest coverage ratio*4	38.9	4.8	(8.0)	23.2	47.9

*1 The shareholders' equity ratio is shareholders' equity divided by total assets.

*2 The shareholders' equity ratio (fair value basis) is market capitalization divided by total assets.

*3 The cash flows/interest-bearing debt ratio is interest-bearing debt divided by cash flow.

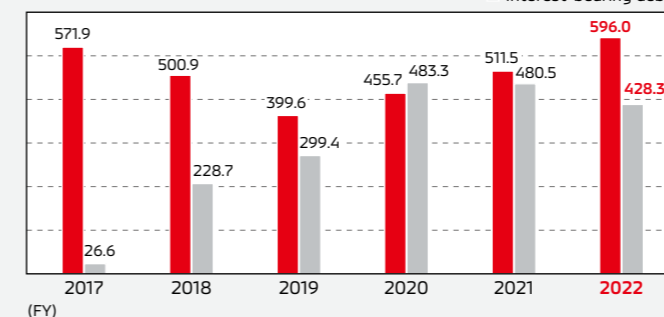
*4 The interest coverage ratio is cash flow divided by interest paid.

Notes:

- Each indicator is calculated from consolidated financial figures.
- Market capitalization is calculated based on the number of issued shares excluding treasury stock.
- Cash flow refers to operating cash flow.
- Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet for which interest is paid.

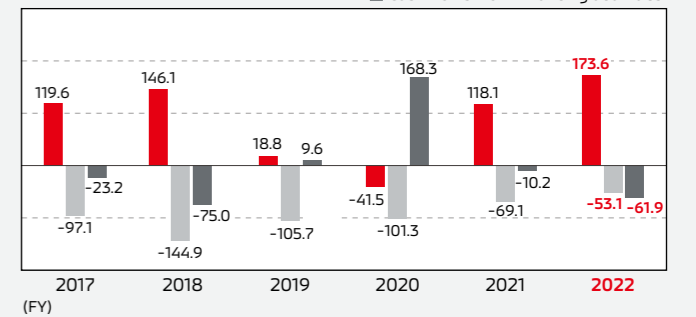
Cash and Deposits/Interest-Bearing Debt

(Billions of yen)



Cash Flows

(Billions of yen)



Consolidated Subsidiaries and Affiliates

(As of March 31, 2023)

Company Name	Location	Capital Stock (In millions)	Business Lines	Percentage of Voting Stock Holding (%) *1
Consolidated subsidiaries				
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.	Japan	JPY 100	Automobile sales	100.0
Nishi Nihon Mitsubishi Motor Sales Co., Ltd.	Japan	JPY 100	Automobile sales	100.0
Mitsubishi Automotive Logistics Technology Co., Ltd.	Japan	JPY 436	Automobile transport, maintenance and sales of parts	100.0
Mitsubishi Automotive Engineering Co., Ltd.	Japan	JPY 350	Automobile development	100.0
Suiryo Plastics Co., Ltd.	Japan	JPY 100	Manufacture of automobile parts	100.0
Mitsubishi Motors Finance Co., Ltd.	Japan	JPY 3,000	Auto sales financing, leasing, rentals and sales, etc.	100.0
Mitsubishi Motors North America, Inc. (MMNA)*2	U.S.A	USD 398.8	Automobile sales	100.0
Mitsubishi Motors R&D of America, Inc. (MRDA)	U.S.A	USD 2.0	Investigation, testing and research related to automobiles	100.0 (100.0)
Mitsubishi Motor Sales of Canada, Inc. (MMSCAN)	Canada	CAD 2.0	Automobile sales	100.0
Mitsubishi Motor Sales of Caribbean, Inc. (MMSC)	Puerto Rico	USD 47.5	Automobile sales	100.0
Mitsubishi Motors de Mexico S.A. de C.V.	Mexico	MXN 92.0	Automobile sales	100.0
Mitsubishi Motors Europe B.V. (MME)*2	Netherlands	EUR 237.2	Automobile sales	100.0
Mitsubishi Motor R&D Europe GmbH (MRDE)	Germany	EUR 0.8	Investigation, testing and research related to automobiles	100.0
Mitsubishi Motor Sales Netherlands B.V.	Netherlands	EUR 6.8	Automobile sales	100.0
Mitsubishi Motors Australia, Ltd. (MMAL)*2	Australia	AUD 1,789.9	Automobile sales	100.0
Mitsubishi Motors New Zealand Ltd. (MMNZ)	New Zealand	NZD 48.0	Automobile sales	100.0
Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)*2	Thailand	THB 7,000.0	Automobile assembly, sales	100.0
MMTh Engine Co., Ltd.	Thailand	THB 20.0	Manufacturing of automobile engines and press parts	100.0 (100.0)
Mitsubishi Motors Philippines Corp. (MMPC)	Philippines	PHP 1,640.0	Automobile assembly, sales	100.0
Asian Transmission Corp. (ATC)	Philippines	PHP 770.0	Manufacturing of automobile transmissions	100.0
Mitsubishi Motors Middle East and Africa FZE	U.A.E.	UAD 10.0	Automobile parts sales	100.0
MMC Manufacturing Malaysia Sdn. Bhd,	Malaysia	MYR 20.0	Automobile parts sales	60.0
P.T. Mitsubishi Motors Krama Yudha Indonesia	Indonesia	IDR 2,200,000	Automobile assembly	51.0
Mitsubishi Motors Vietnam Co., Ltd.	Vietnam	VND 410,812	Automobile assembly, sales	41.2
11 other subsidiaries in addition to the above				
Equity-method associates				
Tokachi Mitsubishi Motor Sales Co., Ltd.	Japan	JPY 60	Automobile sales	40.0
Nagano Mitsubishi Motor Sales Co., Ltd.	Japan	JPY 40	Automobile sales	49.86
Mie Mitsubishi Motor Sales Co., Ltd.	Japan	JPY 58	Automobile sales	24.8
Kagawa Mitsubishi Motor Sales Co., Ltd.	Japan	JPY 50	Automobile sales	23.0
Miyazaki Mitsubishi Motor Sales Co., Ltd.	Japan	JPY 60	Automobile sales	38.8
Higashi Kanto MMC Parts Sales Co., Ltd.	Japan	JPY 100	Automobile parts sales	33.0 (10.0)
NMKV Co., Ltd	Japan	JPY 10	Automobile planning and development	50.0
MMD Automobile GmbH	Germany	EUR 30.0	Automobile sales	24.99
GAC Mitsubishi Motors Co., Ltd. (GMMC)	China	CNY 1,947.0	Automobile assembly, sales	30.0
PT Mitsubishi Motors Krama Yudha Sales Indonesia	Indonesia	IDR 1,300,000	Automobile sales	30.0
7 other associates in addition to the above				
Other related companies				
Company Name	Location	Capital Stock (In millions)	Business Lines	Percentage of Voting Stock Held (%)
Nissan Motor Co., Ltd.*3	Japan	JPY 605,814	Automobile assembly, sales and related business	34.0
Mitsubishi Corporation*3	Japan	JPY 204,447	Wholesale trade	20.0

* 1 Figures in parentheses represent indirect shares.

* 2 Specified subsidiaries. (Mitsubishi Motors North America, Inc. (MMNA), Mitsubishi Motors Europe B.V. (MME), Mitsubishi Motors Australia, Ltd. (MMAL), Mitsubishi Motors (Thailand) Co., Ltd. (MMTh))

* 3 A company submitting an annual securities report.

Principal Production Facilities



Country	Name	Major Products
Japan	① Okazaki Plant	Outlander PHEV model, Outlander Eclipse Cross, Delica D:5
	② Mizushima Plant	eK Wagon, eK space, ek X EV, ASX (RVR, Outlander Sport), MINICAB-MiEV
	③ Kyoto Plant-Kyoto	Engines
	④ Kyoto Plant-Shiga	Engines
Thailand	⑤ Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)	Triton (L200, Strada), Pajero Sport (Montero Sport), Mirage (Space Star), Attrage (Mirage G4), Outlander PHEV
	⑥ MMTh Engine Co., Ltd. (MEC)	Engines
Philippines	⑦ Mitsubishi Motors Philippines Corporation (MMPC)	Mirage, Mirage G4, L300
	⑧ Asian Transmission Corporation (ATC)	Transmissions
Indonesia	⑨ P.T. Mitsubishi Motors Krama Yudha Indonesia (MMKI)	XPANDER, Pajero Sport
Vietnam	⑩ Mitsubishi Motors Vietnam Co., Ltd. (MMV)	Outlander, XPANDER
Russia	⑪ PCMA Rus, LLC	Outlander, Pajero Sport
China	⑫ GAC Mitsubishi Motors Co., Ltd. (GMMC)	Outlander

Investor Information

(As of March 31, 2023)

Company Name	MITSUBISHI MOTORS CORPORATION
Head Office	3-1-21, Shibaura, Minato-ku, Tokyo 108-8410, Telephone: +81-3-3456-1111
Established	April 22, 1970
Capital	¥284,382 million
Number of Employees	Consolidated: 28,428 Non-consolidated: 13,671
Stock Listing	Tokyo Stock Exchange Prime Market
Securities Code	7211
Number of Shares per Unit	100 shares
Number of Issued Shares	1,490,282,496
Number of Shareholders	245,704

Major Shareholders

Name	Number of shares held (Share)	Ratio of shareholding (%)
Nissan Motor Co., Ltd.	506,620,577	34.01
Mitsubishi Corporation	298,012,214	20.00
The Master Trust Bank of Japan, Ltd. (Trust account)	107,181,300	7.19
Mitsubishi Heavy Industries, Ltd.	21,572,455	1.44
CGMI PB CUSTOMER ACCOUNT	16,674,718	1.11
MUFG Bank, Ltd.	14,877,512	0.99
SBI SECURITIES Co., Ltd.	11,042,374	0.74
Custody Bank of Japan, Ltd. (Trust account)	8,583,200	0.57
STATE STREET BANK WEST CLIENT - TREATY 505234	8,138,200	0.54
THE BANK OF NEW YORK MELLON 140044	7,795,947	0.52

(Note) The ratio of shareholding is calculated in proportion to the number of issued shares excluding treasury stock (852,954 shares).
The number of "Treasury shares" does not include shares of MMC held by Board Incentive Plan (BIP) Trust (1,103,450 shares).

Administrator of shareholders register Mitsubishi UFJ Trust and Banking Corporation

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