

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 mitigate these risks.

In divisional risk management, we have appointed risk management officers to each division or plant. These officers work to mitigate 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 (BCP) 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 (BCM) 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.