MITSUBISHI MOTORS CORPORATION

SUSTAINABILITY REPORT 2020

MITSUBISHI MOTORS
Drive your Ambition

CONTENTS

Editorial Policy

Purpose of Publication

MITSUBISHI MOTORS CORPORATION has published the Sustainability Report 2020 to provide stakeholders with a better understanding of the Group's social responsibilities and the wide-ranging efforts aimed at fulfilling them.

Scope of This Report

MITSUBISHI MOTORS CORPORATION and its Group companies in Japan and overseas

Period Covered

Fiscal 2019 (April 1, 2019 to March 31, 2020) When appropriate, the Report also includes some historical and recent data from outside the reporting period.

Date Published

Japanese edition: October 2020
(previous edition published November 2019, next edition to be published September 2021)
English edition: November 2020
(previous edition published November 2019, next edition to be published October 2021)

Reference Guidelines

- GRI Standards (Global Reporting Initiative)
- Environmental Reporting Guidelines (2018 edition) issued by the Ministry of the Environment of Japan

Inquiries

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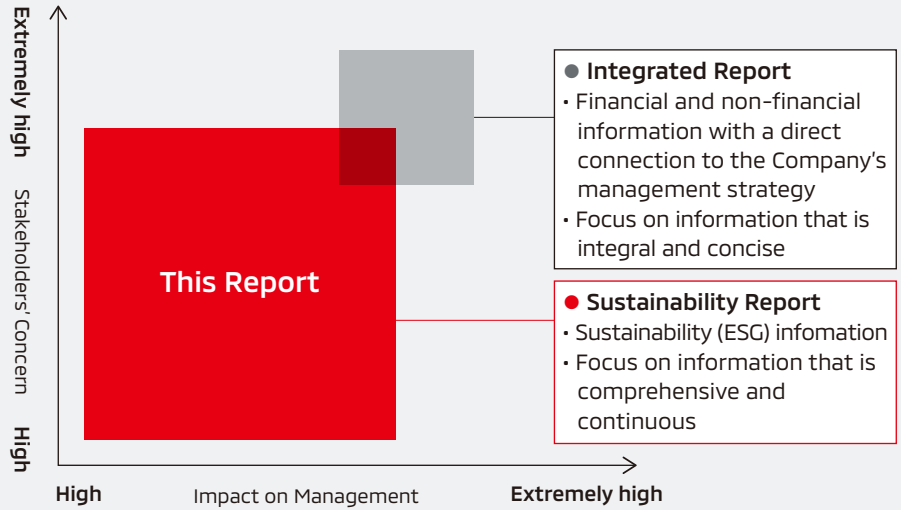
Disclaimer

MITSUBISHI MOTORS' current plans, strategies, assurances, business forecasts, and other non-historical matters indicated in this Sustainability Report include future predictions as of the time of publication.
Please note that these expectations, predictions, and forecasts include risk and volatility factors and hypotheses, and may significantly diverge from actual future results.

System for Disclosing Information on Sustainability



- Global Website: "Sustainability"
  https://www.mitsubishi-motors.com/en/sustainability/

- Integrated Report 2020
  https://www.mitsubishi-motors.com/en/investors/library/
- Corporate Governance Report
  https://www.mitsubishi-motors.com/en/sustainability/pdf/governance.pdf

Help Us with Our Survey

Please share your opinions and impressions with us. We will refer to this input in our activities to promote sustainability and in preparing reports.

Sustainability Report 2020 Survey
https://www.mitsubishi-motors.com/en/sustainability/report/enq_view.html

Corporate Overview (As of March 31, 2020)

Company Name	MITSUBISHI MOTORS CORPORATION
Established	April 22, 1970
Head Office	1-21, Shibaura 3-chome, Minato-ku, Tokyo, 108-8410
Business Description	MITSUBISHI MOTORS Group carries out development, production and sales of vehicles and vehicle parts and engages in the financial businesses.
Brand Name	MITSUBISHI MOTORS
Capital Stock	¥284,382 million
Number of Shares Issued and Outstanding (Common Stocks)	1,490,282,496 (including treasury stock)
Group Companies	Consolidated Subsidiaries: 35 Equity-Method Affiliates: 19
Number of Employees	Consolidated: 32,171 Non-consolidated: 14,407

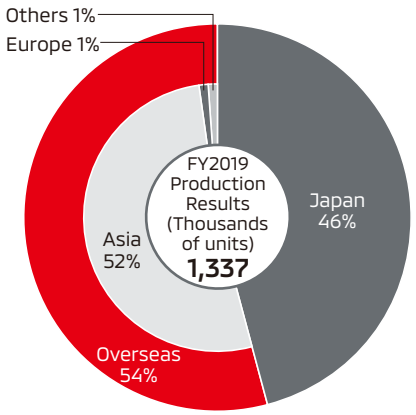
Please see our global website for details on product information.
https://www.mitsubishi-motors.com/en/products/

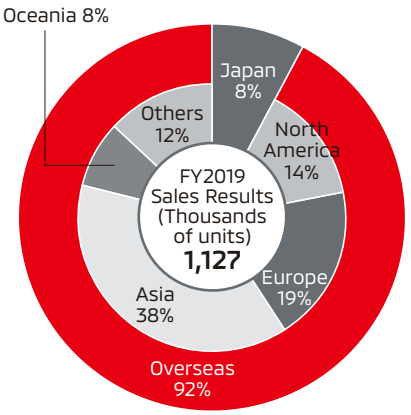
Performance Highlights

(million yen)

	FY2015	FY2016	FY2017	FY2018	FY2019
Net Sales	2,267,849	1,906,632	2,192,389	2,514,594	2,270,276
Operating Income	138,377	5,118	98,201	111,815	12,788
Ordinary Income	141,027	8,944	110,127	119,850	(3,843)
Net income attributable to owners of the parent	72,575	(198,524)	107,619	132,871	(25,779)

Global Sales and Production Volumes





Production volume by region

(Thousands of units)

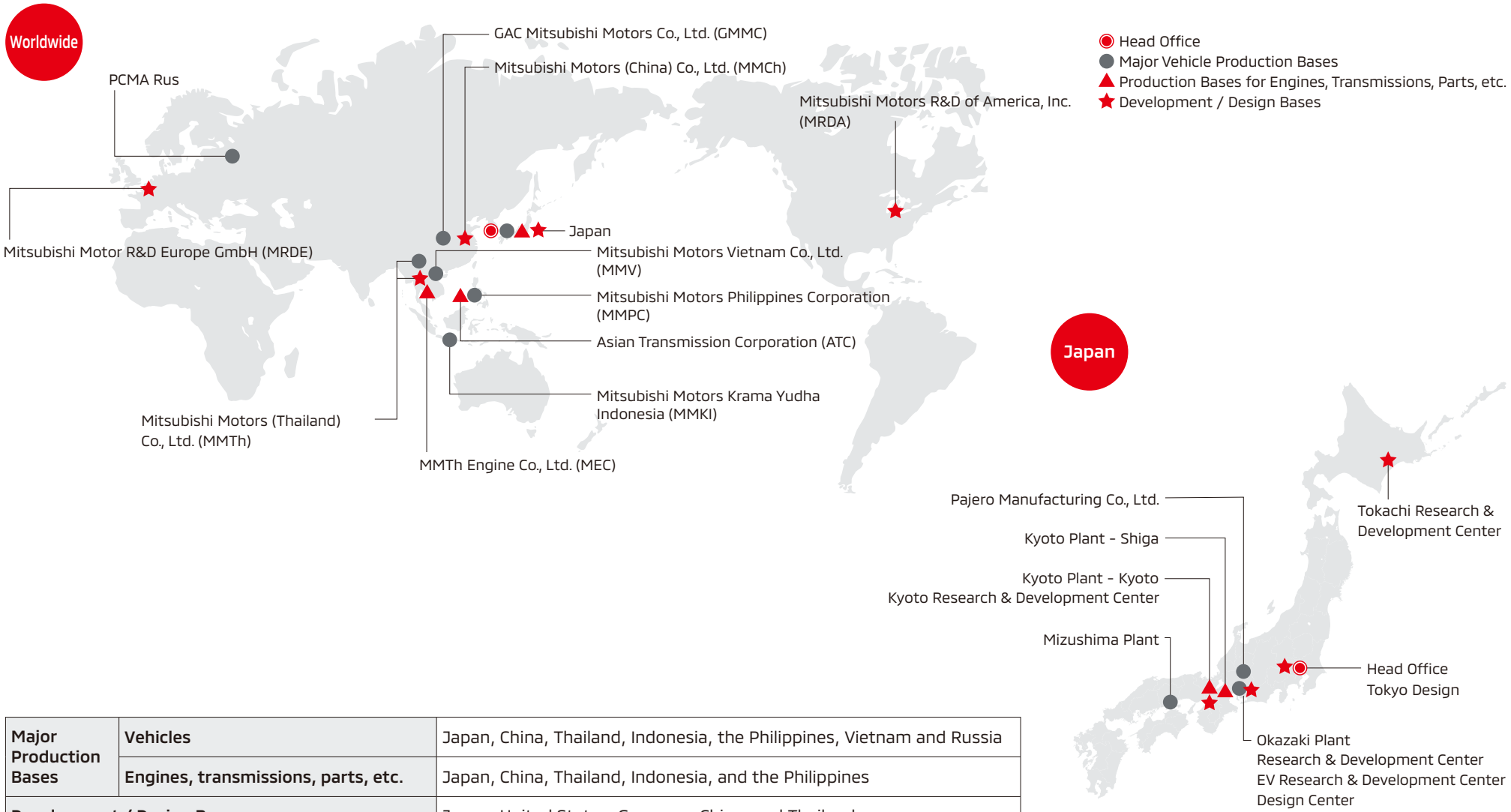
	FY2015	FY2016	FY2017	FY2018	FY2019
Japan	653	531	590	661	620
North America	38	–	–	–	–
Europe	3	–	1	10	6
Asia	490	533	661	752	697
Others	24	15	19	18	14
Total	1,208	1,079	1,271	1,441	1,337

Sales volume by region

(Thousands of units)

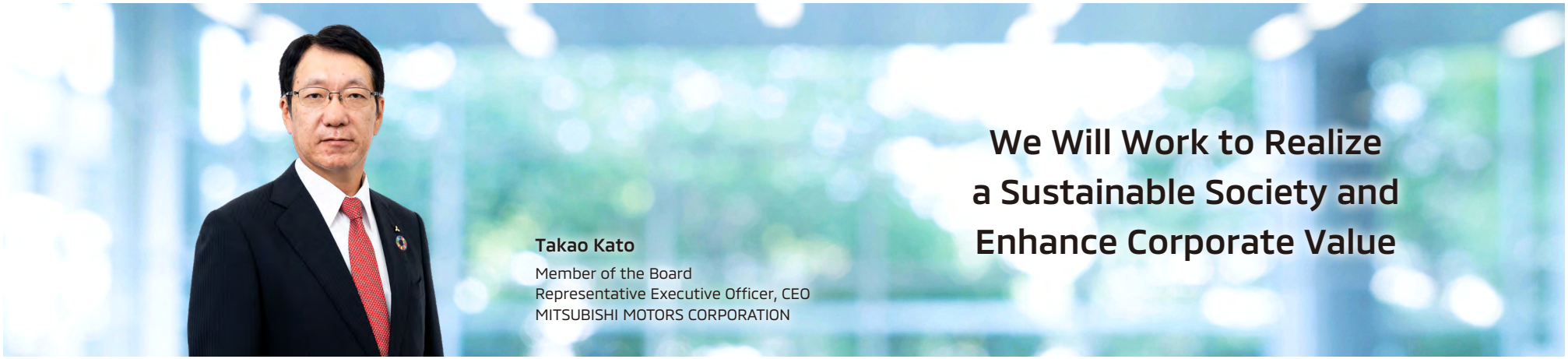
	FY2015	FY2016	FY2017	FY2018	FY2019
Japan	102	80	97	104	95
North America	135	138	155	173	160
Europe	206	179	193	236	215
Asia	322	315	432	481	433
Oceania	82	83	95	102	88
Others	201	131	129	148	136
Total	1,048	926	1,101	1,244	1,127

Principal Facilities



Major Production Bases	**Vehicles**	Japan, China, Thailand, Indonesia, the Philippines, Vietnam and Russia
	Engines, transmissions, parts, etc.	Japan, China, Thailand, Indonesia, and the Philippines
Development / Design Bases		Japan, United States, Germany, China, and Thailand

Commitment of Top Management



We Will Work to Realize a Sustainable Society and Enhance Corporate Value

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

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

MITSUBISHI MOTORS applied the expertise it has cultivated through automobile development and manufacturing, as well as its production facilities, to the manufacture of face shields needed at healthcare facilities. We then donated these shields to the locations where they were needed. Going forward, we will continue to work with national and local governments in various countries around the world, as well as related institutions, to help prevent the spread of COVID-19.

In July 2020, we established the Flexible Working Styles Consideration Committee. The committee is tasked with creating flexible working styles that enable individual employees to maximize their potential, unfettered by time and location. We introduced remote working as a stopgap measure to help halt the spread of COVID-19. We are now looking at ways to adopt this approach on a more permanent basis, transitioning to a flexible working style that will balance work and an enhanced quality of life.

Sustainability Initiatives Focused on Contributing to All Stakeholders and Society

MITSUBISHI MOTORS' sustainability initiatives are based on the Three Principles, a statement of the Mitsubishi Group's management principles, our Corporate Vision, which sets out our vision for the society we want to create, and our Corporate Mission, which is a method to realize the vision.

The spirit of the Three Principles has continued to pulsate throughout the Company since their introduction 90 years ago. One of these principles, Shoki Hoko, expresses how we strive to enrich society through our business, both materially and spiritually, while contributing towards the preservation of the global environment.

Based on these principles, we strive to realize our Corporate Vision, to "Create a vibrant society by realizing the potential of mobility," while deepening mutual understanding with diverse stakeholders through dialogue, and engaging in business activities in various countries and regions.

Regarding the efforts for our material issues (materiality) that we have identified from the fields of environment, society, and governance, the Sustainability Committee, which I chair, confirms the progress and derives results. By reporting the status of activities to the Board of Directors and applying the Board's opinions to our sustainability initiatives, we are working to realize a sustainable society and enhance corporate value.

Leveraging Our Own Technologies to Help Preserve the Global Environment

In recent years, climate change, resource depletion, environmental pollution and other environmental problems have grown apparent and become more serious. Adoption of the international targets and rules to address social issues has accelerated. Those include the United Nations Sustainable Development Goals (SDGs), the Paris Agreement (an international accord on climate change), and the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD).

MITSUBISHI MOTORS has recently formulated the "New Environmental Plan Package," recognizing that it is necessary to set the direction of medium- to long-term efforts based on these social trends in order to keep the business alive.

This package contains a new "Environmental Policy" that incorporates a medium- to long-term outlook, the "Environmental Vision 2050" that defines the social image that we want to realize by 2050 and the direction of our efforts, the "Environmental Target 2030" that clarifies specific initiatives and milestones backcast from 2050 to 2030.

We consider action toward climate change to be a topmost material issue. In light of the goal to achieve net-zero CO_2 emissions across society by 2050, we are considering a long-term outlook based on external scenarios and by running our own simulations. Taking these factors and our own business characteristics into account, by 2030 we aim to achieve a 40% reduction in CO_2 emissions from new vehicles (compared with fiscal 2010 levels). We have also set the target of reducing CO_2 emissions from our business activities by 40% (compared with fiscal 2014 levels).

Focusing on our strength, PHEVs, we will contribute toward the realization of a sustainable society, achieving a balance between the progress of humankind and the global environment, through the proliferation of electric vehicles and the promotion of their use in society.

Concentrating Our Management Resources on Products and Regions Where Strengths Lie to Contribute to Society through Activities Demonstrating MITSUBISHI MOTORS' Character

As automotive industry is experiencing a major transition of the sort that occurs only once every 100 years. We will broadly pursue the potential of mobility and encourage individuals to take on new challenges, promote economic activities, and contribute to the revitalization of society by improving the efficiency and optimizing the movement of people. We are working daily to develop technologies and services that respond to increasingly diverse customer needs, providing all people with possible opportunities to go wherever they want at any time.

Under the new medium-term management plan "Small but Beautiful" from this fiscal year, we will concentrate management resources on products and regions where MITSUBISHI MOTORS has strengths.

In terms of products that showcase our strengths, we will enhance the distinctive environmental technologies used in the plug-in hybrid electric vehicles (PHEVs), electric vehicles (EVs) and hybrid electric vehicles (HEVs) we have developed, along with 4WD technologies, combining these with alliance partners' technologies. As a result, we will provide environmentally friendly automobiles that contribute to a society in which people, automobiles and nature coexist harmoniously.

Furthermore, in regions where we have strengths, we will proactively work to resolve social issues in the regions and aim for sustainable growth together with local communities while drawing on the characteristics unique to MITSUBISHI MOTORS.

We have for many years directed efforts into spreading PHEVs, which can demonstrate their worth not only in terms of the environment but also in times of disaster or other emergencies, contributing to a sustainable society. We are promoting the "DENDO Community Support Program," which aims to conclude disaster cooperation agreements with local governments throughout Japan by 2022 so that the PHEVs can be quickly delivered to disaster-stricken areas and evacuation shelters.

Looking ahead to the fulfillment of our Corporate Vision of creating a vibrant society by realizing the potential of mobility, we will contribute to the sustainable development of society by making every effort to tackle our material issues in each aspect of the environment, society, and governance.

Reinforcing Corporate Governance and Building a Sound Business Foundation

In June 2019, MITSUBISHI MOTORS made the transition to become a company with three committees. By separating the roles and functions of the directors who supervise management from those of the executive officers who are in charge of management execution, we have enhanced directors' supervisory function over business execution, increased transparency and put in place a structure for executing operations swiftly in response to fast-paced changes in the operating environment. Under this new structure, we are building a sound business foundation for our future development, and we aim to be a company that is trusted by its stakeholders.

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

Sustainability Management

Corporate Philosophy and Policy

The Three Principles of the Mitsubishi Group

The Three Principles represent the spirit of Mitsubishi since its founding and embody the fundamental philosophy shared by all Mitsubishi Group companies.

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

We have formulated our corporate vision and mission to serve as common guiding principles for the people of the MITSUBISHI MOTORS Group as we look toward the future. The automobile industry is in a period of major change, and MITSUBISHI MOTORS' business environment is also undergoing substantial changes.

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 alliances.

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.

The automobile industries have been creating numerous technologies and innovations including the powertrain diversification, intelligence and IoT (Internet of Things) into vehicles. The role of the automobile has been and will be transformed from a "car" as a type of hardware currently to "mobility" as a transportation system entirely. 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. Our Vision embraces our desire to encourage individuals to take on new challenges, promote economic activities, and contribute to the revitalization of society by improving the efficiency and optimizing movement of the people.

MITSUBISHI MOTORS' Philosophy System

The Three Principles, which guide corporate activities, embody the fundamental philosophy shared by Mitsubishi Group companies. MITSUBISHI MOTORS strives to carry out its Mission and realize its Vision through the MMC Way*1, the minimum necessary preparation and behavior required of each MITSUBISHI MOTORS employee, and the Global Code of Conduct*2, which is to be observed by all executives and employees.

We contribute to the sustainable development of society while deepening mutual understanding with diverse stakeholders through dialogue, and engaging in business activities in various countries and regions centered on automobiles, which are the products we see and use every day.

*1: Please see page 67 for details on the MMC Way.
*2: For details on the Global Code of Conduct, please see page 86.

Sustainability Management

Approach to Sustainability

In recent years, interest toward realizing a sustainable environment, society and economy has grown, 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. Corporate initiatives have also placed a growing emphasis on these areas.

In particular, 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.

On the environmental front, climate change and energy problems are growing increasingly severe throughout the world. MITSUBISHI MOTORS is contributing to the sustainable development of 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

At MITSUBISHI MOTORS, the Sustainability Committee, chaired by the CEO, implements a plan-do-check-act (PDCA) cycle that involves setting activity targets corresponding to material issues and checking progress toward those targets. Structures are in place for promoting sustainability throughout the MITSUBISHI MOTORS Group, deliberating important matters and reporting them to the Board of Directors.

In April 2019, we established the Sustainability Promotion Department to reinforce internal and external communications. While strengthening communication with stakeholders, including Sustainability Committee members and other executives and employees, we will help to realize a sustainable society and enhance corporate value.

Fiscal 2019 Achievements of the Sustainability Committee

- Meetings convened: 3
- Principal matters for deliberation
  Review of initiatives targeting material issues in fiscal 2018, plans for initiatives in fiscal 2019, MITSUBISHI MOTORS' human rights policies, the editorial policy for Sustainability Report 2019, the New Environmental Plan Package, etc.
- Committee members (As of April 2020)
  Chair: Representative Executive Officer, CEO
  Vice-chair:
  Corporate officer (General Administration/Communication, Sustainability)
  Committee members:
  Representative Executive Officer, Co-COO and responsible for Engineering
  Representative Executive Officer, Co-COO and responsible for ASEAN and Oceania and Division General Manager of the Global Sales Development Division
  Senior Executive Officer (Corporate Governance)
  Senior Executive Officer (Production)
  General Manager, Corporate Strategy Management Office
  Division General Manager of TCS* Division
  Division General Manager of Product Strategy Division
  Division General Manager of Human Resources Division
  General Manager of Finance Planning Office
  Division General Manager of Mobility Business Division
  Division General Manager of Procurement Management Division
  Division General Manager of Corporate Affairs Division
  Division General Manager of Production Engineering Division
  Division General Manager of Global After Sales Division
  Division General Manager of Domestic Sales Division
  Division General Manager of Development Management Division
  General Manager of Public Relations Department
  General Manager of the IR Office
  Observer: Member of the Board (Audit Committee member)

*TCS: Total Customer Satisfaction

Instilling Internal Awareness of Sustainability

Throughout the year, MITSUBISHI MOTORS conducts awareness activities to enhancing the understanding of sustainability among executives and employees and promote sustainability initiatives in routine operations. We check this level of awareness through surveys of employee attitudes. Survey results are incorporated into activities for the next fiscal year.

Examples of Activities

- E-learning related to overall sustainability
  8,724 participants
- Training on overall sustainability tailored to each job rank
  833 participants
  (Entry-level employees, mid-career employees, newly appointed M2 employees <Managers>, M1 employees <General Managers>)
- Monthly newsletter on sustainability

Training tailored to each job rank
(M1 employees <General Managers>)

Participation in the United Nations Global Compact

In May 2019, MITSUBISHI MOTORS announced its support for the United Nations Global Compact (UNGC) that provides the universal principle regarding human rights, labor, the environment and anti-corruption advocated by the United Nations. The UNGC are voluntary behavioral principles for companies that were proposed by former UN Secretary-General Kofi Annan at the 1999 World Economic Forum (Davos Conference).

Based on the 10 principles of the UNGC, we will continue our activities toward the realization of the sustainable growth of society.

WE SUPPORT
UN GLOBAL COMPACT

Participation in External Organizations

- Japan Business Federation (Keidanren)
- Japan Automobile Manufacturers Association, Inc.
- Society of Automotive Engineers of Japan, Inc.
- Global Compact Network Japan (GCNJ)

External Initiatives Supported or Referred to

- United Nations' Sustainable Development Goals (SDGs)
- United Nations Global Compact (UNGC)
- Core Labor Standards of the International Labour Organization (ILO)
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- ISO 26000 Guidance to Social Responsibility
- Keidanren Charter of Corporate Behavior

Stakeholder Engagement

Basic Approach

Through dialogue with stakeholders that are important for the sustainable growth of the company, MITSUBISHI MOTORS clarifies the responsibilities and issues of the MITSUBISHI MOTORS Group and works on its daily operations while making efforts for improvement.

For example, if a customer points out issues related to quality or defects, we seek to resolve this customer issue in collaboration with sales companies and drive further quality enhancements. In addition, feedback and opinions about product functionality, or opinions about specifications, are shared with relevant divisions and used to improve product capabilities even further. Noteworthy comments and opinions including those that are particularly important are periodically reported to management.

By strengthening dialogue with stakeholders, we strive to sincerely address society's expectations and face any issues, reflecting this input in our future initiatives.

Responding to customers at a call center

Customer Voice Seminar in the Okazaki area

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 Improving products and services
		Website, social networks	Ongoing	
		Customer satisfaction surveys	As necessary	
		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	Engage in bilateral communication to cultivate a sense of teamwork and unity based on relationships of mutual trust between labor and management and a sense of mutual responsibility.	Labor management discussions	As necessary	Creating a working environment that is safe and rewarding
		Consultation offices (Employee Consultation Office, MMC Hotline, MITSUBISHI MOTORS Global Internal Reporting Office)	Ongoing	
		Town hall meetings with senior management	As necessary	
		Internal websites	Ongoing	
		Employee surveys	Every two years	
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 local government bodies	As necessary	
		Social contributions (support for the next generation, traffic safety, environment preservation, participation in local communities, disaster assistance)	As necessary	
		Community events	As necessary	
		Plant tours	Ongoing	

MITSUBISHI MOTORS' Materiality

Identifying Material Issues

MITSUBISHI MOTORS recognized importance of the United Nations Sustainable Development Goals (SDGs) and identified 15 material issues as the important issue that we should wrestle from various problems of each environment, society, governance field in 2018.

During the identification process, we considered the level of importance to stakeholders and from the perspective of the degree of impact on the Company, and held hearings with experts. The Sustainability Committee then deliberated the issues, which were decided by the Executive Committee.

Identification Process

STEP 1

Sorting through Issues and Setting Evaluation Standards

We selected candidates, taking into consideration the SDGs, the GRI standards and external assessments of the Company's sustainability activities.

We also established assessment criteria for use in prioritizing issues, taking into account the extent of the impact of the company's activities (boundary) and compatibility with business risks.

STEP 2

Internal investigation

Relevant individuals involved in practical-level operations within the company met multiple times to exchange opinions and confirm the ranking of priorities of measures from the perspective of impact on the company's business.

STEP 3

Interviews with outside experts

We conducted interviews of five outside experts on social issues (and had them review the issues that the Company should address from the perspective of social impact.)

STEP 4

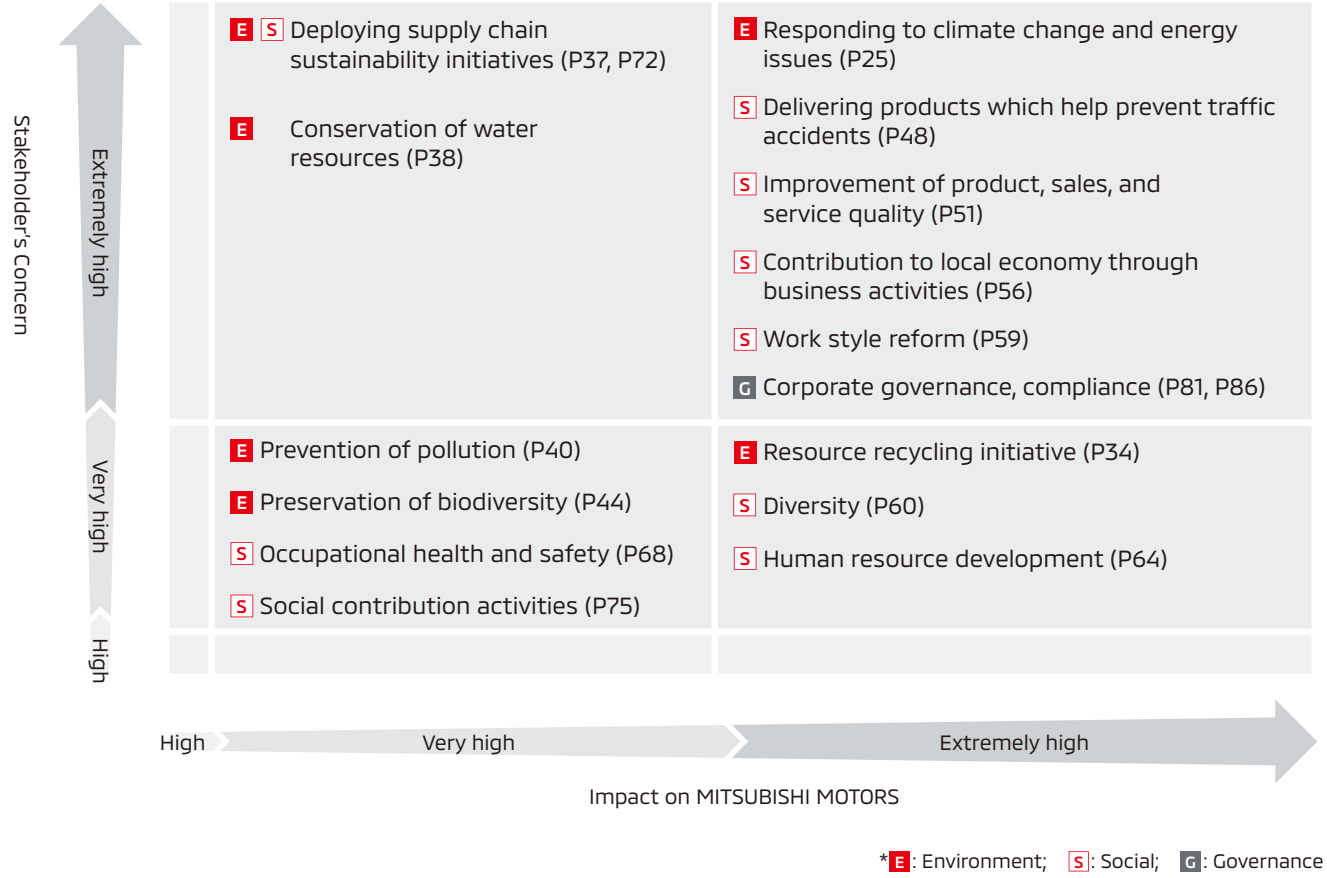
Deciding the Material Issues and Setting KPIs

The Sustainability Committee verified this issues, and Executive Committee gave its final approval. We also set KPIs for each material issues and assigned people to oversee them.

The Material Issues We Identified

In fiscal 2018, we identified 15 material issues to be addressed in relation to the environment, society, and governance.

In fiscal 2020, we will review the material issues, considering our responses to increasingly severe environmental problems and the changing social situation due to the COVID-19 pandemic.



*E: Environment; S: Social; G: Governance

Risks and Opportunities Associated with Particularly Important Material Issues

When identifying material issues, MITSUBISHI MOTORS sorted them according to risks (social problems we recognized) and opportunities (Issues that we should tackle based on risks).

Material Issues	Risks	Opportunities	Contribution to the SDGs
Responding to climate change and energy issues	・Growing corporate responsibility for responding to global warming ・Increasing consumer desire to purchase eco-products ・Rising number of global meteorological disasters having a major impact on people's lives and the economy	・Increase sales through a stronger lineup of products featuring reduced CO_2 emissions ・Contribute to the environment by lowering CO_2 emissions across the procurement, manufacturing and sales processes, such as by proactively introducing renewable energy ・Expand sales of electric vehicles, which can help supply electricity in times of meteorological disaster	
Delivering products which help prevent traffic accidents	・The emerging problem of traffic accidents caused by senior drivers ・An increasing number of fatal accidents due to a surge in automobile ownership in emerging economies	・Boost sales through the development and popularization of preventive safety technologies ・Enhanced competitiveness through collision safety functions (drivers/passengers and pedestrians)	
Improvement of product, sales, and service quality	・Growing consumer preference to buy products that are safe and provide peace of mind ・Increasingly diverse customer needs throughout the automobile life cycle	・Boost customer satisfaction by providing high-quality products ・Earn trust by responding swiftly when defects occur ・Enhance loyalty by enhancing the customer response skills of dealers' employees	
Contribution to local economy through business activities	・Rising competition between companies from developed countries moving into emerging economies	・Foster prosperity in local communities by reinforcing business in the ASEAN region ・Expand business opportunities through initiatives to raise trust among stakeholders in the ASEAN regions	
Work style reform	・The increasing social issues of physical and mental illnesses due to overwork ・Shrinking population due to a falling birthrate and aging population and difficulties in recruiting excellent human resources	・Boost labor productivity and shorten total working hours through working environment innovations ・Reduce turnover owing to such reasons as childcare, nursing care, and outpatient treatment ・Recruit excellent human resources by offering diverse working styles	
Corporate governance, compliance	・Corporate scandals becoming an increasing social problem ・Increasing number of cyberattacks and other issues related to information leaks, as well as their increasing severity	・Ensure soundness and transparency by establishing a robust governance system ・Earn society's trust by augmenting the compliance system and strengthening employee education ・Ensure operational safety though enhanced risk management	

Feature 1: The New Environmental Plan Package

MITSUBISHI MOTORS believes that to realize a sustainable society, we must strike a balance between preservation of the global environment and the progress of humankind. Based on this understanding, we have formulated the New Environmental Plan Package, which defines the directions and targets of our environmental directives. On this basis, we will endeavor to preserve the global environment by leveraging our strengths in such areas as plug-in hybrid electric vehicles and other electric vehicle technologies.

Basic Approach

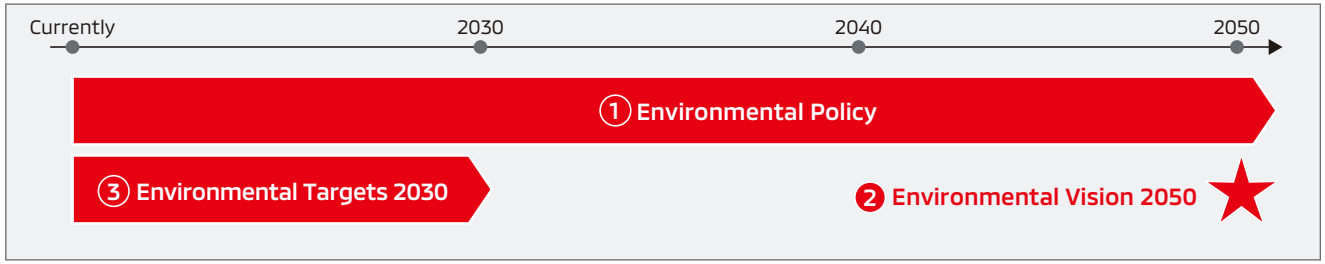
MITSUBISHI MOTORS' Vision is to "Create a vibrant society by realizing the potential of mobility," and one element of the Mission for realizing the Vision is to "Make positive contributions to the sustainable development of our society.

"Small but Beautiful," the mid-term business plan we unveiled in July 2020, identifies our challenges as "Conducting business with an emphasis on contributing to all stakeholders and society" and "Selection and concentration in line with our strengths and earnings area." On this basis, we will decisively complete structural reforms with a view to stabilizing our management foundation. Furthermore, we consider environmental issues to be material and believe they must be addressed without delay. Given that the problem of climate change is now becoming a reality and reflecting social trends, we formulated the New Environmental Plan Package based on our recognition of the need to define the direction of initiatives that anticipate society 30 years in the future.

Acknowledging our responsibility as a company that produces and sells automobiles, we will work toward specific targets in activities that reduce environmental impact. At the same time, we will reinforce our environmental technologies, hinging on plug-in hybrid electric vehicles, and encourage the spread of effective products and technologies. In this way, we will contribute toward the development of a vibrant and sustainable society.

Structure of the New Environmental Plan Package

The New Environmental Plan Package has three components: the Environmental Policy, the Environmental Vision 2050 and the Environmental Targets 2030

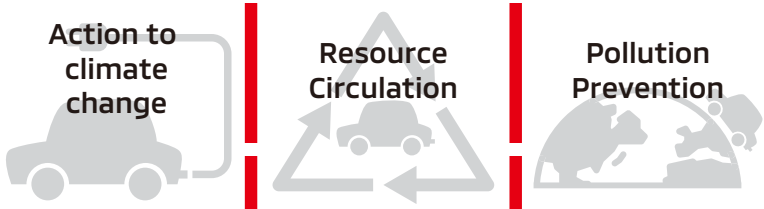


① Environmental Policy
- Directions for universal initiatives

② Environmental Vision 2050
- Recognition of social demands
- Ideals for society as a whole
- Directions for initiatives through 2050

③ Environmental Targets 2030
- Targets for initiatives to be achieved by 2030
- Initiatives unique to MITSUBISHI MOTORS

Three Environmental Issues MITSUBISHI MOTORS Will Face Head-on



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Feature 1

The New Environmental Plan Package

Steps to Formulation

The Environmental Working Group we set up in fiscal 2018 gathered data related to global social changes, such as economic growth and population increase, as well as environmental issues. In particular, the group looked for information on regions of importance to MITSUBISHI MOTORS, ascertaining the status of local communities and government environmental policies. We also looked at unit sales and the number of vehicles owned in each country, arranging this data to match the Company's business characteristics by looking at our business data and results of environmental initiatives. The group also summarized our efforts to date.

Using this data, we then verified each of the environmental issues and our relationship to them. We identified three environmental issues to face head-on: action to climate change, resource circulation and pollution prevention. We considered the long-term outlook for these environmental issues by studying external scenarios from the IEA*1 and IPCC*2, as well as by running our own simulations. We then arranged the issues to be addressed by thinking about how to contribute in a manner tailored to local communities while maximizing our strengths, looking at each market from a regional perspective and considering plug-in hybrid electric vehicles and other business characteristics.

Based on this analysis, we clearly spelled out the directions for initiatives indicated in the Environmental Policy and Environmental Vision and set numerical targets for the items in the Environmental Targets. In this way, we formulated the New Environmental Plan Package, which provides an overall summary of our environmental strategies.

In addition, we had outside experts review the draft package we had formulated, looking at it from a stakeholder perspective.

*1: International Energy Agency
*2: United Nations Intergovernmental Panel on Climate Change

Gathering of Information

- **Social and economic conditions**
  Such as economic growth and population increases
- **Status of environmental issues**
  Climate change, resource depletion, environmental pollution, loss of biodiversity and shortage of water resources
- **Trends in key regions (Japan, ASEAN, Oceania, others)**
  GDP, changes in the population, government environmental policies, etc.
- **Automobile production and data related to the Company**
  <Business>
  Unit sales and number of vehicles owned, globally and by region
  <Results of Environmental Initiatives>
  CO_2 emissions (Scope 1, 2, 3), amount of waste generated, etc.

Analysis

- **Verify relationships between environmental issues and the Company**
  Identify environmental issues to face head-on
- **Consider long-term outlook for environmental issues**
  Gather external scenarios on CO_2 emissions, run our own simulations
- **Arrange initiatives to be taken, given our business characteristics (markets and products)**

Formulation

- **Clearly spell out the Environmental Policy and Environmental Vision 2050**
- **Consider initiatives in the Environmental Targets 2030, as well as numerical targets**

Review

- **Conduct review via outside experts**

Framework for Consideration

We formed the Environmental Working Group, made up of members from across the Company, and proceeded with considerations.

After certain directions had been determined, a small circle chaired by the CEO moved forward to specifics. These were proposed to the Executive Committee and Board of Directors and approved.

<July 2018 to December 2019 >

Sustainability Committee
(Chair: CEO; members: Division general managers of relevant divisions)

Environmental Working Group
(Established July 2018)

Leader: Technical advisor to the chairman*3
Subleader: Division general manager of the Development Management Division*3
Secretariat: Sustainability Promotion Department
Members: Corporate departments
- Strategy management
- Human resources
- Public and investor relations
- Asset management
- Finance

Product and business activities departments
- Technology strategy
- Manufacturing
- EV business
- Development management
- Materials technology
- Logistics
- Procurement
- Overseas sales
- Domestic sales
- After-sales service

*3 Positions as of March 2020

<From January 2020>

Board of Directors

Executive Committee

Small Circle

Members:
- CEO
- Co-COO (in charge of development)
- Director in charge of manufacturing
- Director in charge of sustainability
- Head of corporate strategy
- Division general manager of the Development Management Division
- Division general manager of the Product Strategy Division
- Division general manager of the Production Engineering Division

Feature 1

The New 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 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)

1. We will face three specific environmental issues head-on: climate change, resource depletion and environmental pollution.
2. 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.
3. 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

Members of the Paris Agreement, adopted in 2015, agreed to limit the rise in average global temperatures to 2°C above levels before the Industrial Revolution. From this basis, we established initiatives to pursue from a long-term perspective, leading up to 2050. In 2018, the IPCC published the Special Report on Global Warming of 1.5°C, which calls for society as a whole to achieve a net-zero balance between human-caused greenhouse gas emissions and absorption.

As these measures illustrate, awareness of climate change and other environmental issues is rising each year. Companies are also being called upon to undertake more ambitious initiatives.

Against this backdrop, we formulated the Environmental Vision 2050, which sets out our vision for society to be achieved by 2050, as well as directions for our initiatives, with regard to climate change, resource circulation and preventing environmental pollution.

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 electric vehicles and the promotion of their use in society.

Action to Climate Change

Through electric vehicles and the increased use of renewable energy, we will contribute to net-zero CO_2 emissions and 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.

Feature 1

The New Environmental Plan Package

Environmental Targets 2030

Environmental Vision 2050 sets out our vision for society in 30 years' time, as well as the directions for our initiatives. In line with this vision, we have formulated Environmental Targets 2030, which sets forth items to be addressed in the next 10 years.

	Targets 2030	Main Initiatives
Action to Climate Change	CO_2 emissions from new vehicles*1: **-40%** (compared with fiscal 2010)	• Promotion of electric vehicles, centering on PHEVs (percentage of electric vehicles*2: 50%) • Improved fuel efficiency of ICE vehicles
	CO_2 emissions from business activities*3: **-40%** (compared with fiscal 2014)	• Promotion of energy conservation • Introduction of renewable energy
	Implementation of measures to address climate change	• Promotion of V2X*4 (DENDO DRIVE STATION/HOUSE) • Contribution to adaptation through agreements in times of disaster
Resource Circulation	**Expanding adoption of plastic materials not derived from oil**	• Development of material technologies • Proactive use in parts
	Achievement of zero direct landfill waste (less than 0.5%)	• Reduction of waste generation and promotion of reuse as resources • Appropriate waste treatment
	Reuse of batteries used in electric vehicles	• Promotion of recovery and use (BESS*5, etc.) • Technology development with a view to reuse (battery packs, systems)
Pollution Prevention	**Conformance to regulations on regulations on use of hazardous substances in products**	• Obtaining information on laws and regulations, enhancing the internal management structure • Collaboration with suppliers

Environmental Management

- Promotion of LCA*6
- Expanded environmental information disclosure
- Collaboration with suppliers
- Promotion of environmental management within the Group and at sales outlets
- Promotion of employee education and awareness activities
- Promotion of grass-roots community environmental preservation activities

*1: CO_2 emissions per new vehicle while driving *2: Electric vehicles, plug-in hybrid electric vehicles, and hybrid electric vehicles
*3: Scope 1 (direct emissions) and Scope 2 (indirect emissions)
*4: A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others.
*5: BESS stands for Battery Energy Storage System.
*6: LCA stands for life cycle assessment, which is a technique for calculating the environmental impact of a product from manufacturing to disposal.

Examples of Initiatives Unique to MITSUBISHI MOTORS

Introduction of a Power Storage System Employing Used Batteries from Electric Vehicles

We have installed a large-scale solar power plant at the Okazaki Plant and built a power system that employs used batteries from the OUTLANDER PHEV. The system is currently undergoing verification. By making this shift to renewable energy, we aim to reduce the plant's CO_2 emissions and lower its peak power consumption. In the event of a disaster-related power outage, electricity can be routed from this system to our gymnasium, which can serve as a local evacuation center, contributing to community response in the face of disaster.

Creating a Structure to Swiftly Provide Electric Vehicles to Affected Areas in Times of Disaster

We are promoting the DENDO Community Support Program, under which we aim to create a structure for quickly providing our electric vehicles to local governments in times of disaster. Under this program, we aim to enter into disaster cooperation agreements with local governments throughout Japan by fiscal 2022.

By providing the OUTLANDER PHEV, which can operate on rough roads and supply electricity for extended periods, we will contribute to the nation's resilience.

Feature 1

The New Environmental Plan Package

PDCA Cycle

We have positioned the environmental issues set forth in the New Environmental Plan Package as material issues for MITSUBISHI MOTORS. We are addressing these issues through a PDCA cycle, mainly via the Sustainability Committee, which the CEO chairs.

To realize the targets set in the Environmental Targets 2030, related departments draft annual action plans. These plans are gathered throughout the Group and approved by top management at the Sustainability Committee at the start of the fiscal year.

Based on these annual plans, individual departments work together to promote initiatives aligned with their business activities. We follow up each quarter on the status of these initiatives and seek to ensure effectiveness through reporting to the Sustainability Committee throughout the fiscal year.

Results of initiatives and issues encountered during the previous fiscal year are reported to management via the Sustainability Committee at the start of the fiscal year. In addition to results during the fiscal year, on the topics of CO_2 emissions from new vehicles, percentage of electric vehicles and CO_2 emissions from business activities, in particular, we report forecasts based on our mid-term business plan and product plans. Discrepancies between these figures and the Targets 2030 are shared and reflected when formulating the next mid-term business plan. We also share the evaluations we receive from stakeholders, clarifying issues at the companywide level.

Taking on board any issues identified in this manner, individual departments take the lead in drafting plans for the next fiscal year. Management reviews these plans at the Sustainability Committee as part of our effort to ensure improvements are made.

- Establishment of annual plans based on the Environmental Targets 2030

- Promotion of action plans aligned with individual departments' business activities
- Quarterly follow-up on the status of initiatives

- Formulation by individual departments of action plans for the next fiscal year, taking any issues into consideration

- Reporting on the results of initiatives in each department (twice each year)
- Reporting of stakeholders' evaluations of the Company

Feature 2: Measures in Response to the COVID-19 Pandemic

MITSUBISHI MOTORS has been affected by the COVID-19 pandemic in a variety of ways. Under these circumstances, we have given topmost priority to business continuity and the health of our employees as we introduced measures through a structure cutting across the organization.

CORONAVIRUS
COVID-19

Events Related to COVID-19*

- 1/14 WHO Confirmation of the Coronavirus
- 1/28 First infection of a Japanese person confirmed
- 1/30 WHO declares a Public Health Emergency of International Concern
- 2/27 Prime Minister Abe requests the closure of schools throughout Japan
- 3/24 Decision to postpone the Tokyo Olympic and Paralympic Games
- 4/7 Prefectural states of emergency declared
- 4/16 State of emergency declaration extended to all of Japan
- 5/14 State of emergency declaration lifted for 39 prefectures, remaining in place for eight
- 5/25 State of emergency declaration lifted nationwide
- 6/28 Number of COVID-19 cases tops 10 million globally
- 7/27 WHO says the "pandemic continues to accelerate"

* Source: NHK website

Building a Structure that Cuts Across the Organization

In mid-February 2020, MITSUBISHI MOTORS established the COVID-19 Countermeasures Council to facilitate the timely sharing of information and swift decision-making. The council, composed of the CEO, directors and division general managers, and leaders at key locations in Japan and overseas, had met 16 times as of early June.

The council gathered up-to-date information from individual departments and reported on and discussed matters across the organization, such as the impact of the pandemic on production, procurement (including suppliers) and sales, the status of affiliated companies and measures being taken to protect the health of employees. The council expedited decisions on production plans, responses to employees, public announcements and a host of other policies.

Support the MITSUBISHI MOTORS Group's COVID-19 Measures (Japanese Only)
WEB: https://www.mitsubishi-motors.com/jp/sustainability/contribution/society/relief/covid-19/

Working Styles That Strike a Balance between Employee Health and Work

Preventing and Containing Infection

To protect the health of our employees, we have notified all employees about efforts to prevent and contain infection.

- A call for attention to efforts to prevent and contain infection and instructions for how to respond if feeling ill or if infected or in close contact with those who are
- Consistent rules to apply when working at all sites, such as social distancing at business sites and offices, temperature checks and cafeteria measures
- Details about the Ministry of Health, Labour and Welfare's enhanced quarantine measures in relation to employee business travel to and from overseas locations, danger levels for infection around the world and other precautions

Specific Initiatives

- Daily disinfection of common areas
- Installation of shielding curtains on production lines
- Temperature checks of employees and visitors
- Preparation of face guards
- Erection of shields in the cafeteria, and other measures

Shields in the cafeteria (Mizushima Plant)

Implementation of Telecommuting to Prevent the Spread of Infection

In late February 2020, we notified all employees of our basic policy on telecommuting.

- We relaxed rules on telecommuting, raising the maximum number of hours per month from 80 to 160.
- We recommended teleworking for employees concerned about the high risk of infection from using public transport, as well as employees with existing illnesses that placed them at increased risk from the disease.

We enhanced our telecommuting system in late March, eliminating the upper limit on teleworking hours and making telecommuting the default option.

We continued to recommend teleworking even after the government lifted the state of emergency declaration. Taking infection rates in various regions into consideration, we managed the ratio of people telecommuting to the head office (in Tokyo) at a certain level.

Putting IT Systems in Place to Enable Efficient Teleworking

In response to the rapid increase in the number of employees teleworking, we increased the number of VPN* account , which allow employees to access the corporate systems from their homes, and rapidly boosted the speed of VPN network connections to accommodate this demand growth. In early April 2020, we introduced a new cloud-based Web conferencing system to make online meetings more pleasant and convenient, leading to more efficient remote working.

* VPN refers to a virtual private network.

Feature 2

Measures in Response to the COVID-19 Pandemic

Fostering a Work-Life Balance

Given telecommuting's potential to blur the boundaries between life and work, we created a telecommuting guidebook and used e-learning to disseminate points to consider when teleworking. We enforced a system whereby employees maintain email contact with their supervisors, helping them to understand what employees were working on and preventing overly long working hours by communicating their starting and ending times.

With elementary and other schools temporarily closed and government authorities requesting that people refrain from attending after-school children's clubs and the like, some employees were compelled to take time off to care for their children. We addressed this issue with a system of special paid leave. This leave was provided in addition to annual paid leave and offered to help employees balance work and home life during the emergency.

Living with Coronavirus Taking on New Lifestyle Challenges

Now transitioning to a period when people are living in the shadow of the coronavirus, MITSUBISHI MOTORS will take up new challenges, responding to risks and transitioning to new working styles.

Reflecting back on the countermeasures we introduced during the emergency, we recognize the importance of learning from our experiences and addressing new issues in order to reinforce our sustainability.

Further Enhancing Our Risk Management System

The COVID-19 Countermeasures Council took on the important roles of consolidating information and deciding policies during the emergency. To take a lesson from this experience and prevent an end to the system we had created, we moved to establish the BCM* Committee. This committee, whose core members are the departments that took part in the COVID-19 Countermeasures Council, will address the risk of business being interrupted due to such factors as natural disasters and infectious disease. In this way, we have put in place an internal structure that will prepare for emergencies during normal times; during emergencies, it will function as a countermeasures task force. Through initiatives such as these, we are augmenting our risk management and working to strengthen our business continuity.

* BCM refers to business continuity management

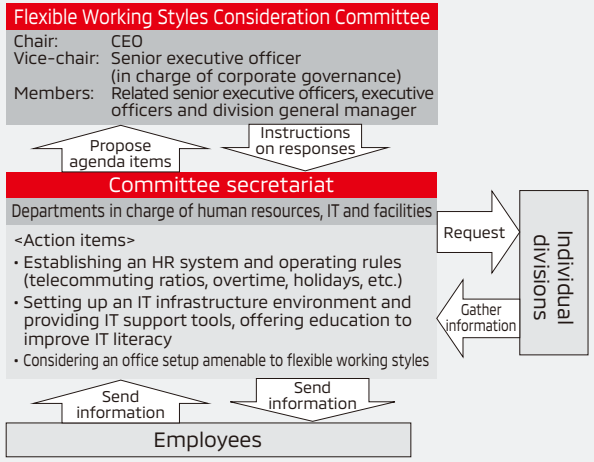
Offering Flexible Working Styles

Whereas working styles were mostly uniform prior to COVID-19, with employees coming to the workplace, we have now shifted to a flexible working style that is less dependent on specific times and locations. That being said, we need to focus on reducing long working hours, both to boost work productivity and to enhance the quality of life of our employees.

In an internal questionnaire on telecommuting, employees responded favorably on a number of fronts: "I can concentrate on my work," "Not having to commute reduces my stress" and "I can more easily balance work with childcare and nursing care." Employees also identified a number of issues: "Emailing operating instructions is inefficient," "It is difficult to communicate a sense of urgency, importance and crisis," "Working performance of IT tools/the network is poor," and "Education and training are affected."

Recognizing the need to consider these matters from a medium- to long-term perspective, as well as from a short-term standpoint, we began deliberating these matters at the Flexible Working Styles Consideration Committee. This committee, chaired by the CEO, was established in July 2020.

Organization of the Flexible Working Styles Consideration Committee



MITSUBISHI MOTORS joined OPEN COVID-19 DECLARATION, which aims to prevent the spread of COVID-19.

In order to prevent the spread of COVID-19, industry-government-academia cooperation is required so they can accelerate development and manufacturing of therapeutic drugs, vaccines, medical devices and infection control products in an unconventional way.

Based on this declaration, we will neither seek compensation nor assert any patents, utility models, designs or copyrights against any activities, which purpose to stop the epidemic, until the World Health Organization (WHO) declares the end of the COVID-19 outbreak.

We will continue to support measures against the spread of COVID-19.

COVID-19 ・ IP OPEN ACCESS DECLARATION AGAINST
OA CVD 19
COVID-19と戦う知財宣言

Environment

Environmental Management

Basic Approach

In order to promote environmental initiatives reliably and efficiently, MITSUBISHI MOTORS has constructed a framework for environmental management. We are promote Group initiatives, including education and awareness activities for employees, and the acquisition of certifications for environment management systems among affiliated companies.

We also dissemination information about initiatives on our website and through our sustainability report. We value opportunities to receive feedback from our various stakeholders.

Management Structure

Since 1993, we have been holding an Environmental Council, which is attended by the CEO and officers from each division. The Sustainability Committee, chaired by the CEO, has met since fiscal 2017, and environmental initiatives have been positioned as key material issues for the Company. The committee discusses our environmental policies and targets and confirms the progress and results from the Environment Initiative Program. Items of particular importance are reported to the Board of Directors.

Management Target Companies (21 Companies)

Production Affiliates

Country	Company Name
Japan	Pajero Manufacturing Co., Ltd. Suiryo Plastics Co., Ltd.
Thailand	Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) MMTh Engine Co., Ltd. (MEC)
Philippines	Mitsubishi Motors Philippines Corporation (MMPC) Asian Transmission Corporation (ATC)
Indonesia	Mitsubishi Motors Krama Yudha Indonesia (MMKI)
China	GAC Mitsubishi Motors Co., Ltd. (GMMC)

Non-Production Affiliates

Country	Company Name
Japan	Mitsubishi Automotive Engineering Co., Ltd. Mitsubishi Automotive Logistics Technology Co., Ltd. Higashi Kanto MMC Parts Sales Co., Ltd. Higashi Nihon Mitsubishi Motor Sales Co., Ltd. Nishi Nihon Mitsubishi Motor Sales Co., Ltd.
United States	Mitsubishi Motors North America, Inc. (MMNA) Mitsubishi Motors R&D of America, Inc. (MRDA)
Puerto Rico	Mitsubishi Motor Sales of Caribbean, Inc. (MMSC)
Netherlands	Mitsubishi Motors Europe B.V.(MME)
Germany	Mitsubishi Motor R&D Europe GmbH (MRDE)
UAE	Mitsubishi Motors Middle East and Africa FZE (MMMEA)
Australia	Mitsubishi Motors Australia, Ltd. (MMAL)
New Zealand	Mitsubishi Motors New Zealand Ltd. (MMNZ)

Environment Initiative Program 2019

In March 2018, MITSUBISHI MOTORS formulated the Environment Initiative Program 2019, an environmental action plan through fiscal 2019. The program had two pillars: enhancing environmental management and initiatives to address environmental issues. From fiscal 2020, we have been promoting activities toward the realization of our newly formulated New Environmental Plan Package.

Overview of Results for the Environment Initiative Program 2019

1. Enhancing Environmental Management

○: As planned △: Delayed

Field	Initiative	Implementation Items (Target Year: FY2019)	FY2019 Results	Evaluation
Environmental management	**Promote the use of renewable energy**	Use renewable energy considering local characteristics	Began operating renewable energy facility (solar power generation) at the Okazaki Plant	○
	Conserve water resources	Manage water risks at each production facility	Assessed amounts of water used at production facilities in Japan	○
	Environmental activities in purchasing	Deploy Green Procurement Guidelines to business partners of overseas plants	Deployed Green Procurement Guidelines to business partners of overseas plants	○
		Assess environmental management conditions and CO_2 emissions of business partners	Assessed environmental management conditions and CO_2 emissions of business partners by means of CDP supply chain program (climate change)	○
	Environmental activities in sales	Promote the acquisition of Eco-Action 21 certification to our dealers	Four companies have newly acquired and are maintaining certification	△
		Emphasize and publicize value of EV/PHEVs to widely expand their use	New deployment and ongoing operation of DENDO DRIVE STATION at 19 dealers	△
	Environmental data management	Renew environmental data management system	Commenced operation of new environmental data system	○
		Implementation of LCA*1 for new vehicle models and improve reliability of evaluation methods for GHG*2 emissions LCA	Considering assessment of production process data	△

*1 LCA stands for life cycle assessment, which is a technique for calculating the environmental impact of a product from manufacturing to disposal

*2 Abbreviation of greenhouse gas

2. Initiatives to Address Environmental Issues

Field	Initiative	Implementation Items (Target Year: FY2019)	FY2019 Results	Evaluation
Responding to climate change and energy issues	**Reduce CO_2 emissions while driving**	CO_2 emissions per new vehicle while driving: 8% reduction compared to FY2010	-14%	○
	Develop technologies for next-generation environmentally friendly vehicles	Promote development of motor efficiency improvement methods	Promoted the development as planned	○
	Reduce amount of CO_2 emitted by production activities	CO_2 emissions at production facilities per production vehicle: 37% reduction compared to FY2005	-41%	○
	Reduce amount of CO_2 emitted by non-production activities	Unit CO_2 emissions in non-production facilities: 1% reduction compared to FY2018	-8.1%	○
	Reduce amount of CO_2 emitted by logistics activities	CO_2 emissions per unit of transportation in Japan: 9% reduction compared to FY2010	-9.3%	○
Resource recycling	**Commercialize and expand usage of resource-conserving materials**	Application of technology for reduction in component waste production and expanded use of recycled component materials	Promoting development of components using recycling materials	△
	Reduce volume of disposal	Externally disposed waste of production activities per production vehicle: 52% reduction compared to FY2005	-53%	○
Prevention of pollution	**Improve risk management system for hazardous substances in products**	Thorough management of hazardous substances	Continued appropriate management, including response to legal trends	○
	Reduce use of hazardous substances	35g/m² or less of VOC*3 emissions per painting area in production activities	36.5g/m²	△
Environmental preservation	**Promote preservation of biodiversity**	Conduct biological surveys and implement conservation activities at sites in Japan	Conducted ecosystem survey at the Kyoto Plant	○
		Plant and grow trees at Pajero Forest	Conducted activities twice a year	○
		Plant trees at overseas business sites	Planned tree-planting activities in the Philippines	○

*3 VOC stands for volatile organic compounds

Environmental Management System

In fiscal 2010, MITSUBISHI MOTORS acquired company-wide integrated ISO 14001 certification. Major affiliates in Japan and overseas have also acquired ISO 14001 and Eco-Action 21* certification. As of fiscal 2019, approximately 55% of companies targeted for environmental management (including MITSUBISHI MOTORS) had received certification for their environmental management systems.

As of fiscal 2019, 23 dealers in Japan had received Eco-Action 21 certification.

*Eco-Action 21 is a certification and registration system based on the Environmental Management Systems guidelines formulated by the Japanese Ministry of the Environment for medium-sized companies.

See page 32 for a list of the dealers that have received Eco-Action 21 certification.

Status of ISO 14001 Certification (As of June 30, 2020)

Development
Mitsubishi Automotive Engineering Co., Ltd.
Production
Pajero Manufacturing Co., Ltd.
Suiryo Plastics Co., Ltd.
Mitsubishi Motors Philippines Corporation (MMPC)
Asian Transmission Corporation (ATC)
Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)
MMTh Engine Co., Ltd. (MEC)
Mitsubishi Motors Krama Yudha Indonesia (MMKI)
Distribution and After-Sales Service
Mitsubishi Automotive Logistics Technology Co., Ltd.

Environmental Education and Awareness

The Company conducts sustainability-related awareness activities throughout the year as part of its aims of deepening the understanding of sustainability among all executives and employees and contributing toward the realization of a sustainable society through routine business activities. Environmental education and awareness are one aspect of these activities.

In fiscal 2019, we conducted rank-based training and e-learning to promote an understanding of our social responsibility for sustainability, the relationship between sustainability and the environment, and the relationship between environmental issues and our business activities.

Please see page 9 for details on our activities to promote an awareness of sustainability.

External Environmental Communication

We disclose information about our environmental initiatives through our website and sustainability report. We will continue to take leverage these initiatives to engage in dialogue with institutional investors and experts about environmental and other non-financial information.

Release of Environmental Information on Website and in the Sustainability Report

The Company releases information on the concepts and details of its environmental initiatives on the Company website and in the sustainability report in order to make its environmental initiatives more widely known.

Sustainability website: “Environment”

WEB https://www.mitsubishi-motors.com/en/sustainability/environment/

Communication with Investors

We engage in dialogue with investors, exchanging opinions about environmental and other non-financial information.

In fiscal 2019, we participated in dialogue with people in charge of stewardship at institutional investors in Japan and overseas. Our executives in charge of various areas of sustainability listened to opinions on such matters as climate change risks and opportunities, response to TCFD, our CO_2 emissions and electric vehicles, among other topics.

Environmental Risk Management

Having learned from past cases of failing to comply with environmental regulations such as those aimed at preventing pollution, MITSUBISHI MOTORS makes every effort to comply with relevant regulations.

We sincerely respond to complaints from neighborhood residents after investigating the situation. In the event that environmental laws and regulations are violated or an environmental accident occurs (such as if regulatory values are exceeded), or if we receive a complaint, the corresponding division must submit a Legal Non-Conformity Report to the Compliance Department and take necessary measures against the cause. The report clarifies the details of the case, measures and more, and appropriate countermeasures are taken. Furthermore, in order to prevent recurrence, initiatives are in place to improve work processes, enhance the supervision system, and increase employee awareness.

In fiscal 2019, we were subject to no fines or administrative orders stemming from violations of environmental laws and regulations*. However, the plant twice exceeded statutory values provided under the Water Pollution Prevention Act, and we received two complaints related to odors and sound.

Other than those cases mentioned above, voluntary internal checks and monitoring activities uncovered 10 cases of legal non-compliance (including delays in notification and inadequate inspections).

We responded to these incidents by swiftly taking corrective action, introducing measures to prevent recurrence and sharing information with other related divisions about the incidents and countermeasures.

*Refers to 31 environment-related laws and regulations identified by the Company, including the Water Pollution Prevention Act and the Air Pollution Control Act.

Life Cycle Assessment (LCA)

We perform life cycle assessment (LCA) to determine the environmental impact across a product's life cycle. We evaluate total emissions, mainly of CO_2, from such processes as extracting the resources used in parts and materials, producing materials, manufacturing parts, assembling vehicles, producing fuel, driving and disposing of disused automobiles.

We use LCA to develop environment-friendly parts, electric vehicles and new-model vehicles, and compare their life cycle CO_2 emissions with those of conventional parts and vehicles. Recent examples have involved the ECLIPSE CROSS and the TRITON. Results are indicated in our sustainability report.

We recognize that concern about environmental impact throughout the life cycle is mounting in individual countries and regions. We are putting in place systems and infrastructures to facilitate our response to regulations and incentives.

Examples of LCA Implementation

	Examples of LCA Implementation	Objectives
Components and technologies	Body parts employing plastics	・Verifying the effect of weight reduction
Vehicles	OUTLANDER PHEV	・Assessing the effect of improvement from the gasoline engine model ・Assessing the impact of components
	ECLIPSE CROSS, TRITON	・Comparing the effects of improvement from the previous model and other vehicles in the same class

Responding to Climate Change and Energy Issues

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Reduce CO_2 emissions while driving	CO_2 emissions per new vehicle while driving: 8% reduction compared to FY2010	CO_2 reduction (%)	-14%	○
Reduce amount of CO_2 emitted by production activities	CO_2 emissions at production facilities per production vehicle: 37% reduction compared to FY2005	CO_2 reduction (%)	-41%	○
Reduce amount of CO_2 emitted by non-production activities	Unit CO_2 emissions in non-production facilities: 1% reduction compared to FY2018	CO_2 reduction (%)	-8.1%	○
Reduce amount of CO_2 emitted by logistics activities	CO_2 emissions per unit of transportation in Japan: 9% reduction compared to FY2010	CO_2 reduction (%)	-9.3%	○
Promote the acquisition of Eco-Action 21 certification to our dealers	New certifications: 5 dealers or more	Number of certified dealers	4	△

Basic Approach

In recent years, extreme weather, such as heat waves, droughts and floods due to heavy rain, has caused disasters one after another around the world. The leading culprit behind these extreme-weather events is climate change, and global warming caused by CO_2 and other greenhouse gases is a major factor.

International frameworks for realizing a sustainable society, such as the Paris Agreement and the United Nations Sustainable Development Goals (SDGs) are making major progress. In particular, the Paris Agreement has set targets on climate change and fostered increased awareness toward corporate responsibility.

Automobiles generate CO_2 throughout the life cycle, from production to driving and disposal. For this reason, MITSUBISHI MOTORS has identified "responding to climate change and energy issues" as a topmost material issue. In the New Environmental Plan Package, we have set new specific targets for addressing this issue.

To reduce energy consumption and CO_2 emissions in all business activities, including development, production and distribution, as well as at and offices, we are promoting various initiatives, such as electric vehicle technologies, the development of fuel-economy-improving technologies, the introduction of low-energy equipment in production processes and the use of renewable energy in offices and dealers.

Our electric vehicles have large-capacity batteries that can be used in energy management and as emergency power sources in times of disaster. Through these measures, we are also engaging in measures to adapt to climate change.

Our Risks and Opportunities Related to Climate Change and Energy Issues

Recent years have seen an increase in ESG investment*1 that utilizes non-financial information. Based on a final report by the TCFD*2, investors are becoming significantly more aware of the long-term risks and opportunities for companies as a result of climate change.

MITSUBISHI MOTORS believes climate change presents the following risks and opportunities for its business.

*1 Environment, social and governance (ESG) investment
*2 Task Force on Climate-related Financial Disclosures

Risks

The MITSUBISHI MOTORS Group's operating performance and financial condition could be affected significantly by interrupted factory operations due to meteorological disasters, as well as the need for investment to address increasingly stringent regulations related to automobile fuel efficiency and CO_2 emissions. Furthermore, if we fail to introduce sufficient measures to counter climate change, we could be forced to withdraw from the marketplace due to a lack of compliance with environmental regulations, and our reputation could suffer. As a result, we could experience a decrease in sales, significantly affecting our operating performance and financial condition.

Opportunities

Sales of electric vehicles and other highly fuel-efficient vehicles could grow, due to incentives set by various countries and regions and growing environmental awareness. Sales of electric vehicles could also expand due to their ability to serve as power sources in the event of meteorological disasters.

Developing Electric Vehicles

Automobiles emit CO_2 throughout their life cycle, during production, driving and disposal. Emissions are particularly high during the driving phase.

MITSUBISHI MOTORS positions its technologies for producing electric vehicles, which emit little CO_2 while driving, as core technologies for "responding to climate change and energy issues," and we are focusing on development in this area.

Electric Vehicles

Electric vehicles are powered by electric motors, and so they emit no exhaust gases such as CO_2 while driving.

MITSUBISHI MOTORS released the i-MiEV as the world's first mass-produced electric vehicle in 2009. We are still improving it today. The i-MiEV performs much better than conventional gasoline engine vehicles, including environmental performance, acceleration starting with maximum torque, reduced noise by the electric motor, and stability with the battery unit beneath the floor. These technologies are the foundation of next-generation electric vehicles, such as plug-in hybrid electric vehicles.

TOPICS

10th Anniversary of the i-MiEV Electric Vehicle

June 2019 marked the 10th anniversary of our launch of the i-MiEV, the world's first mass-produced electric vehicle. In addition to customers with high environmental awareness, the i-MiEV is being adopted widely for use as public vehicles by local and national governments, and as police cars, taxis and rental cars. They can also be used in place of gasoline vehicles to transport supplies and people when fuel supplies are cut off during emergencies.

In 2011, we adapted the i-MiEV power train for commercial vehicles and launched the MINICAB MiEV, a minicar-class commercial electric vehicle. To date (as of March 31, 2020), sales of this model have reached more than 31,000 units.

Learning from the Great East Japan Earthquake the previous year, in 2012 we launched the MiEV power BOX. This model, which can power household devices through the electricity stored in its battery, set the stage for vehicle to home (V2H) applications.

TOPICS

Japan Post Using Mitsubishi Electric's EVs as Delivery Vehicles

Since fiscal 2019, MITSUBISHI MOTORS has been providing Japan Post Co., Ltd. with the MINICAB MiEV, a minicar-class commercial electric vehicle, for use as delivery vehicles. By the end of fiscal 2020, we expect the total number of vehicles delivered to reach 1,500. These vehicles are well suited for deliveries in large metropolitan areas, where travel distances are relatively short. They make up an estimated 30% of minicar-class electric vehicles used for deliveries.

The MINICAB MiEV is equipped with the drive battery and motor used in the i-MiEV. In addition to the superior environmental performance inherent to an electric vehicle, it excels in power, silence, comfort and more. It is highly effective as a delivery vehicle due to the driving range and payload capacity. By using vehicles that emit no CO_2 or other exhaust gas while driving, it is helping to promote environmental management by Japan Post, which aims to reduce the emission of greenhouse gases.

Plug-in Hybrid Electric Vehicles

Plug-in hybrid electric vehicles are powered by electricity stored in drive batteries and by the motor, using the engine to generate electric power when the battery level is low. Concern over the driving range is no longer an issue as it offers the advantages of EVs: powerful driving, superb quietness and high stability.

MITSUBISHI MOTORS released the OUTLANDER PHEV in 2013. At low to medium speeds, the Plug-in Hybrid EV System uses electric power from the drive battery, but when the battery level is low, it generates electric power during operation using the engine while also supplying power to the motor and battery. Furthermore, during high-speed driving, the vehicle is driven by the engine and simultaneously assisted by the battery-powered motor. In this way, the drive mode is automatically selected according to the situation. CO_2 emissions are substantially lower than conventional gasoline engine vehicles, delivering outstanding environmental performance.

TOPICS

Launching the OUTLANDER PHEV in the ASEAN Market

We have launched the OUTLANDER PHEV in Indonesia, its first ASEAN market. Indonesia is introducing measures to curtail CO_2 emissions. Through the OUTLANDER PHEV, we are contributing to the country's national objectives.

In ASEAN markets as well, through the OUTLANDER PHEV we aim to increase the value we contribute to society.

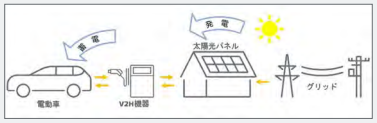
Promoting the Use of Electric Vehicles as a Way of Adopting to Climate Change

By leveraging the large-capacity batteries on its electric vehicles and plug-in hybrid electric vehicles to supply electricity, MITSUBISHI MOTORS is contributing to measures in various countries and industries to adapt to climate change and energy issues. We are applying these to such areas as areas as energy management, V2X* and use as emergency power sources in times of disaster.

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

TOPICS

Commencing Trial Sales of the DENDO DRIVE HOUSE in Some Regions



We began offering the DENDO DRIVE HOUSE for sale at a particular dealership on a trial basis in October 2019.

DENDO DRIVE HOUSE is a bundled system that comprises solar panels and V2H equipment. Along with the purchase of an electric vehicle, we offer a one-stop service in which dealers provide sales, installation and after-sales maintenance. Clean, solar-derived electricity is used to power a customer's home and electric vehicle, reducing everyday fuel and electricity charges and contributing toward a low-carbon society. The solar panels can also be used to generate electricity during power outages, and the power stored in the electric vehicles can be supplied to the home.

We plan to apply the knowledge gained from this initiative to help realize the new-energy society of the future.

TOPICS

Participating in Joint Study on Energy Management in Indonesia

We participated in joint study on energy management on the island of Sumba, in the Indonesian province of East Nusa Tenggara. Using solar power generation and electric vehicles, the test is aimed at finding a way to use energy efficiently in islands and other locations where gasoline is difficult to obtain.

This study, which was designed to deliver a stable supply of electricity generated from a renewable source, was conducted by Indonesia's Agency for the Assessment and Application of Technology and Kyudenko Corporation, with support from Japan's Ministry of the Environment. The test commenced in December 2017. In February 2018, MITSUBISHI MOTORS donated to the Indonesian government two i-MiEVs, eight OUTLANDER PHEVs and four quick chargers. One i-MiEV and one quick charger were used in the proof-of-concept test. The solar power is being used to charge the vehicles, which drive about the island, accumulating test data.

The i-MiEV used in the test

Commemorative photo from the ceremony

TOPICS

Implementation of V2G Demonstration Project by Using Electric Vehicles

MITSUBISHI MOTORS took part in the FY2019 V2G Aggregator Project, entrusted by the Ministry of Economy, Trade and Industry, with providing the employees' parking spaces at the Okazaki Plant as a demonstration site.

V2G is a scheme where the high-capacity batteries of electric vehicles are utilized to regulate the demand and supply of the power grid through an IT aggregation system.

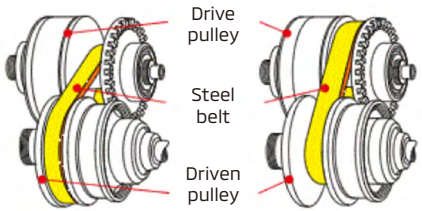
In FY2019, the second year for this demonstration, we added 40 electric vehicles (for a total of 50) and established one of the largest demonstration sites in Japan. In addition, electric vehicles at multiple demonstration sites were simultaneously charged/discharged via online control, taking into consideration driving patterns restrictions, and we concluded that response speed could meet the requirements of power supply and demand directives.

There are further needs to realize more stable power grid to keep the expansion of variable Renewable Energy resources. We believe the realization of V2G will increase the value of electric vehicles and could help to solve the environmental problems such as climate change and energy issues.

Development of Improving Fuel Economy Technologies

MITSUBISHI MOTORS develops technologies to boost the fuel efficiency of vehicles powered by conventional engines. We are developing engine and vehicle body technologies to reduce fuel and energy waste.

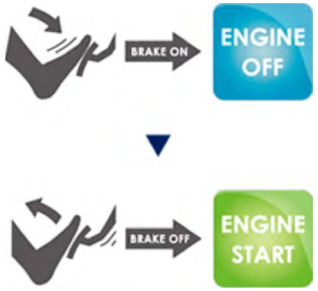
Continuously Variable Transmission (CVT)



A continuously variable transmission (CVT) varies transmission ratio by seamlessly changing the effective diameter of the pulleys.

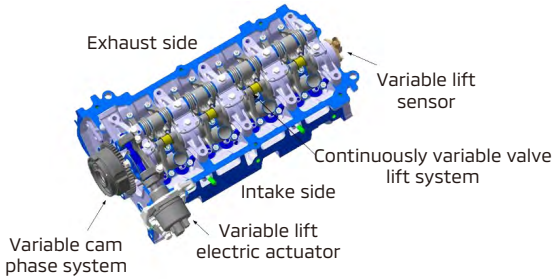
Based on throttle position information, driving power is controlled in accordance to the driving condition to achieve the most efficient balance between the engine and CVT.

Idle-Stop "AS&G"



AS&G is an idling stop function that automatically stops and starts the engine when the vehicle stops or moves off. This has a major effect on improving the fuel economy because no fuel is consumed when at a stop. When fitted with a coasting stop function, AS&G stops the engine while decelerating.

Variable Valve Timing Mechanism
Mitsubishi Innovative Value timing Electronic Control System (MIVEC)



MIVEC engine

The MIVEC is a variable valve timing mechanism for minimizing fuel consumption. The intake valve lift is continuously varied according to the operating condition to reduce intake resistance. This minimizes air intake energy loss, resulting in improved fuel efficiency.

Deceleration Energy Recovery (Power Generation Control)

This technology controls power generation under various driving conditions such as idling, accelerating, and cruising by conducting intensive charging of the battery using electric power generated while decelerating. We are improving fuel consumption by reducing the load on the engine during charging and power generation.

TOPICS

New Models: the eK CROSS SPACE and eK SPACE

Our new mini-cars that launched in March 2020, the eK CROSS SPACE and the eK SPACE, are mounted with naturally aspirated and turbo engines that use a hybrid system. This is combined with a CVT to achieve a balance between acceleration performance and fuel efficiency. Furthermore, the AS&G fitted with a coasting stop function stops the engine when travel speed falls below around 13km/h.

Efforts in Production

MITSUBISHI MOTORS is upgrading its production facilities, introducing new equipment and improving operations in an effort to conserve energy and reduce CO_2 emissions from production activities.

In fiscal 2019, at our production facilities we brought on line a servo locator for our body transport device, upgraded from a hydraulic to an electrical molding machine and introduced efficient replaceable coil to billet heater.

People involved with production sites, production technologies and power supply are also taking part in energy-conservation activities. We are improving the operation of production facilities by focusing on energy-intensive processes, such as painting and forging. We are improving the operation of boilers, compressors and other equipment that supplies power. Also, we are working to optimize the operation of various types of motor. In these ways, we are introducing measures, starting from areas where we expect results to be greatest.

In an effort to introduce renewable energy, we are also setting up solar power facilities at plants in Japan and overseas.

TOPICS

Establishment of a Large-Scale Solar Power Facility at the Okazaki Plant

Utilizing the energy solutions service provided by Mitsubishi Corporation and Mitsubishi Corporation Power Ltd., we installed a solar power plant capable of generating around 3MW (3GWh per year) at the Okazaki Plant, our mainstay factory for electric vehicles. The power generated there is used at the Okazaki Plant, creating a lower-carbon, cleaner production environment for electric vehicles. In fiscal 2020, we expect to expand the generating plant's capacity and introduce a power storage system (1MWh capacity) employing used batteries from the OUTLANDER PHEV that are produced and sold by the Okazaki Plant.

This initiative introduces a third-party ownership scheme for the solar power plant, in which Mitsubishi and Mitsubishi Corporation Power install and own the solar power plant and the power storage system that employs used batteries from electric vehicles, while Mitsubishi Motor provides the space for installation on the roof of its plant and buys the electricity produced by the plant. Rather than footing initial investment costs and owning the facility, under this scheme MITSUBISHI MOTORS pays only for the electric power charges and has access to CO_2-free electricity.

This solar power plant and power storage system are expected to reduce CO_2 emissions by approximately 1,600 tons per year and reduce peak power consumption.

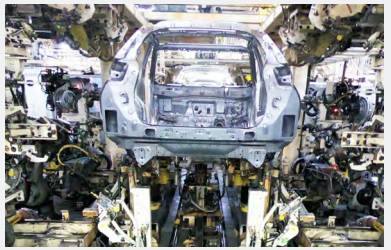
Large-scale solar power plant

TOPICS

Introducing Servo Locators to Body Transport Equipment

The body transport equipment used in the welding and assembly processes at the Okazaki Plant had previously used air cylinders for the section that receives the body. Instead, we adopted more general-purpose electric servo locators and robotic controls.

Transitioning the segment that had been driven by an air cycling powered by compressed air to electric power succeed in reducing demand on the air compressor, lowering CO_2 emissions by around 200 tons per year.



Body being transported

Newly introduced servo locators

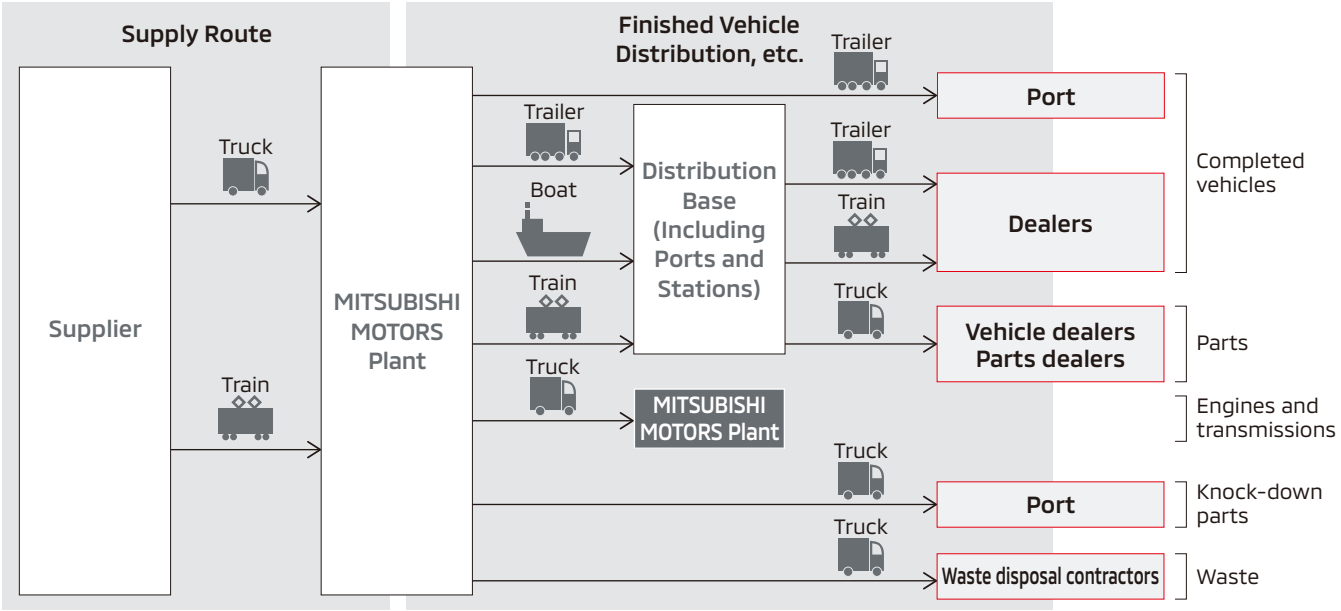
Efforts in Distribution

MITSUBISHI MOTORS sets reduction targets for unit CO_2 emissions (kg-CO_2/1000t km) during the transport of procured parts and products to promote initiatives for achieving these targets.

We strive to shorten transport distances through the use of less distant procurement sources and increasing direct deliveries. We also work to decrease the number of transport trips by improving the packing to increasing the load factor, and consolidating transport routes, reducing the number of trucks.

Other activities include modal shifts such as improving rail utilization rates and requesting the introduction of ecologically-friendly vehicles and promotion of eco-driving by our business partners' transport subcontractors.

Target Distribution Routes for CO_2 Emissions Results



Collecting CO_2 Emissions Data in Distribution among Overseas Affiliates

We understand the importance of collecting and disclosing CO_2 emissions volumes throughout the supply chain, including overseas, and we are promoting initiatives in this regard.

Following on from the Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) plant in fiscal 2018, in fiscal 2019 Mitsubishi Motors Krama Yudha Indonesia (MMKI) also began to collect and calculate CO_2 emissions in distribution including local land transport in Indonesia during sea/air transport.

Transportation of vehicles (Thailand)

Sea transport

Office Initiatives

MITSUBISHI MOTORS is also promoting the use of renewable energy and introducing various types of energy-saving equipment in areas other than manufacturing, such as at research and head office locations.

Part of the electric power used at the Research and Development Building (Okazaki, Aichi Prefecture) and our head office (Minato-ku, Tokyo) is supplied by renewable energy, thanks to the erection of solar panels and making use of the Tradable Green Certificates System*1. Also, CO_2 emissions are being reduced by using energy-saving electrical equipment and air conditioners.

*1 This system is used to trade environmental added value of renewable energy generated from natural energy sources using renewable energy certificates issued by a certificate issuer and confirmed by a third party organization.

Dealer Initiatives

We encourage the acquisition of Eco-Action 21 to our dealers in Japan. Dealers that have acquired certification carry out activities such as reducing the amount of energy and water they use, lowering the amount of waste they produce, and promoting the widespread use of electric vehicles.

Also, we are promoting the development of the "DENDO DRIVE STATION" next-generation dealers to introduce the value brought by EV/PHEV toward the spread of electric vehicle. By fiscal 2019, we opened 83 DENDO DRIVE STATIONs nationwide.

"DENDO DRIVE STATION"
WEB https://www.mitsubishi-motors.co.jp/special/dendo/index.html

Dealers That Have Acquired Eco-Action 21 Certification
(As of June 1, 2020)

Company
Hokkaido Mitsubishi Motor Sales Co., Ltd.
Aomori Mitsubishi Motor Sales Co., Ltd.
Yamagata Mitsubishi Motor Sales Co., Ltd.
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.
Ibaraki Mitsubishi Motor Sales Co., Ltd.
Sawara Mitsubishi Motor Sales Co., Ltd.
Sobu Mitsubishi Motor Sales Co., Ltd.
Tokai Mitsubishi Motor Sales Co., Ltd.
Sunen Mitsubishi Motor Sales Co., Ltd.
Nishiowari Mitsubishi Motor Sales Co., Ltd.
Toyama Mitsubishi Motor Sales Co., Ltd.
Toyama Diamond Motors Co., Ltd.
Fukui Mitsubishi Motor Sales Co., Ltd.
Kanazawa Mitsubishi Motor Sales Co., Ltd.
Kyoto Mitsubishi Motor Sales Co., Ltd.
Nishi Nihon Mitsubishi Motor Sales Co., Ltd.
Shiga Mitsubishi Motor Sales Co., Ltd.
Fukuyama Mitsubishi Motor Sales Co., Ltd.
Kyushu Mitsubishi Motor Sales Co., Ltd.
Oita Mitsubishi Motor Sales Co., Ltd.
Kumamoto Mitsubishi Motor Sales Co., Ltd.
Nagasaki Mitsubishi Motor Sales Co., Ltd.
Kagoshima Mitsubishi Motor Sales Co., Ltd.

TOPICS

Rolling out the DENDO DRIVE STATION across Japan's Prefectures

MITSUBISHI MOTORS seeks to put DENDO DRIVE STATIONs into operation in prefectures across Japan. In fiscal 2019, we opened these stations at seven locations, each of which were the first in their prefecture: Toyama Main Branch (Toyama Prefecture), Ichinoseki Interchange Branch (Iwate Prefecture), Yamagata Branch (Yamagata Prefecture), Nagasaki Main Branch (Nagasaki Prefecture), Tokushima Main Branch (Tokushima Prefecture), Hinode-machi Branch (Miyagi Prefecture) and Kisarazu Branch (Chiba Prefecture). By deploying DENDO DRIVE STATIONs across Japan, we will increase the significance of electric vehicles (EVs and PHEVs) by diversifying their energy sources and communicating their value as sources of electric power in times of disaster.

Toyama Main Branch
Toyama Mitsubishi Motor Sales Co., Ltd.

Ichinoseki Interchange Branch
Iwate Mitsubishi Motor Sales Co., Ltd.

Yamagata Branch
Yamagata Mitsubishi Motor Sales Co., Ltd.

Nagasaki Main Branch
Nagasaki Mitsubishi Motor Sales Co., Ltd

Tokushima Main Branch
Tokushima Mitsubishi Motor Sales Co., Ltd.

Hinode-machi Branch
Miyagi Mitsubishi Motor Sales Co., Ltd.

Kisarazu Branch
Chiba Mitsubishi Colt Car Dealership Co., Ltd.

TOPICS

Signing a Memorandum of Understanding on the Opening of DENDO DRIVE STATIONs in the Philippines

In January 2020, Mitsubishi Motors Philippines Corporation (MMPC), which is our automotive assembler and distributor in the Philippines, signed a Memorandum of Understanding with five MMPC's authorized dealers, on the opening of next-generation dealerships (DENDO DRIVE STATIONs). In addition to standard dealership functions (selling new vehicles and providing after-sales service), DENDO DRIVE STATIONs are equipped with solar power generation systems and V2H* equipment. These stations can be used to charge electric vehicles from solar power generation. Alternatively, electric vehicles can provide power to the dealerships. Like Japan, the Philippines is prone to natural disasters. Our DENDO DRIVE STATIONs are expected to help build up the country's national resilience (ability to recover from disasters).

MMPC plans to launch the OUTLANDER PHEV in 2020. The company is undertaking efforts aimed at encouraging an understanding and affinity for electric vehicles. Rolling out the DENDO DRIVE STATION should facilitate this effort, as well as contributing to automotive industry and economic development initiatives in the Philippines.

*V2H stands for vehicle to home and this system can power household devices through the electricity stored in its battery.

Signing ceremony for a Memorandum of Understanding

Resource Recycling Initiatives

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Commercialize and expand usage of resource conserving materials	Application of technology for reduction in component waste production and expanded use of recycled materials	Expanded usage	Developing parts made of recycled materials	△
Reduce waste material in production activities	Externally disposed waste from production activities per production vehicle: 52% reduction compared to FY2005	Reduction of external waste disposal	-53%	○

Basic Approach

The consumption of resources is increasing due to the rise in populations and economic growth in emerging countries. Countries and industry groups are formulating various initiatives in order to promote automobile recycling and correct processing.

Based on the above, MITSUBISHI MOTORS considers effective resource use as our task and promotes initiatives for recycling and resource conservation.

MITSUBISHI MOTORS set targets to improve the ease of recycling, reduce the use of lead, and introduce recycled parts for new vehicles when the MITSUBISHI MOTORS Recycling Initiative was established in 1998, which we are engaged in continuously.

At production plants, with the aim of realizing a recycling-oriented society that gives consideration to the environment and resources, we are promoting the effective use of resources. We are achieving a landfill waste disposal rate of zero* at every plant by converting industrial waste materials generated from production processes into reusable resources and reducing the volume of waste discharged.

*Land reclamation rate below 0.1%

Recycling-Based Design and Development

Under vehicle recycling legislation in Japan, Europe and China, automobile manufacturers are obligated to consider recycling when developing products.

MITSUBISHI MOTORS conducts design and development that actively incorporates not just recycling, but all aspects of the 3Rs including reduction and reuse. Since 1999, we have implemented the 3Rs in the stage starting with conceptual design in accordance with our unique Recycling Plan Guidelines.

With regard to wires and harnesses, and motors, we have improved detachability and ease of recycling in accordance with the Harness Design Guidelines.

At dealers, bumpers replaced during repairs are recycled for undercovers and battery trays. We are also increasing the use of recycled materials in other parts.

TOPICS

Using Thermoplastic Resin

DELICA D:5, which was launched in 2019, uses easily recyclable thermoplastic resin for exterior and interior parts.

Main parts (indicated in green) that use thermoplastic resin

Exterior

Interior

End-of-Life Vehicle Recycling

MITSUBISHI MOTORS encourages the recycling of end-of-life vehicles to reduce the environmental impact of waste from these vehicles. In Japan, the European Union and other regions, we promote recycling in accordance with the automobile recycling laws of each country. We comply carefully with the evolving automobile recycling laws that are being introduced in emerging countries in Asia.

Response to Automobile Recycling Laws in Japan

After the End-of-Life Vehicle Recycling Law was enacted in 2005, the company has been accepting used automobile shredder residue (ASR), airbags, and fluorocarbons for recycling.

Regarding ASR recycling, we participate in ART*1 in order to jointly process ASR. As a result of the creation of new processing facilities and other measures, the ASR recycling rate in fiscal 2019 was 96.5%, substantially above the statutory standard of 70% in effect since 2015. We will continue to develop new recycling facilities to ensure the stable processing of ASR.

The company outsources the treatment of airbags and fluorocarbons to the Japan Auto Recycling Partnership (JARP).

In addition, for the effective use of recycling fees deposited from customers, we proactively works on increasing the recycling rate by conducting efficient recycling and proper processing of these three items.

*1 Automobile Shredder Residue Recycling Promotion Team established by Nissan Motor Co., Ltd., Mazda Motor Corporation, MITSUBISHI MOTORS and others.

Recycling Promotion in the EU

Response to the EU's Directive on the Recycling of End-of-Life Vehicles

In the EU, in accordance with the End-of-Life Vehicles Directive*2 established in 2000, automobile manufacturers or importers must accept and recycle end-of-life vehicles. Also, in 2003, the ELV Directive*3 was enacted, specifying ease of recycling as a certification requirement.

The company built a system of acceptance and recycling in line with the actual situation of EU member countries centering on our European subsidiary Mitsubishi Motors Europe B.V. (MME).

*2 "Directive of the European Parliament and of the Council on End-of- Life Vehicles"
*3 Abbreviation of End-of-Life Vehicles.

Provision of Dismantling Information

In the EU, automobile manufacturers must provide dismantling information for new model vehicles to treatment operators. The company provides such information on a timely basis by using the International Dismantling Information System (IDIS) jointly developed by automobile manufacturers.

Response to the EU's Directives on Approval for Vehicle Models for Recyclability

In the EU, satisfying the minimum 95% recyclability rate is a requirement for type approval of vehicle models, and the company established a system that satisfies the requirements of this directive. Our vehicles sold in the EU meet the requirements of the directive under this system. We will continue to acquire recyclability approval for all new models sold in the EU.

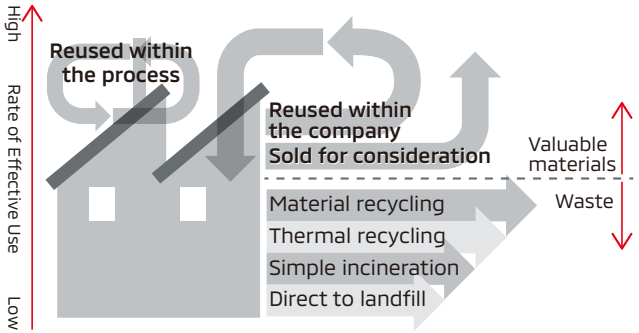
Collection of Drive Batteries in Electric Vehicles/Construction and Operation of the Recycling System

In Japan, Europe, and North America, the company established and operates a battery collection system for the purpose of recycling technology development and proper treatment of end-of-life batteries in electric vehicles and plug-in hybrid vehicles.

Initiatives to Reduce Waste Generation and Reuse Resources in Production Activities

By improving its production processes, MITSUBISHI MOTORS is working to reduce the amount of waste it generates through manufacturing. For the waste we do generate, while curtailing treatment costs we continue to review and improve the ways in which we sort and treat waste, using it more effectively as resources.

Effective Use of Resources and Recycling



TOPICS

Reducing Waste Generation by Transitioning Casting to the Aluminum Die-Casting Process

In recent years, aluminum die casting has been widely adopted in the manufacture of engine blocks for passenger cars to make them more lightweight than when using conventional cast iron. The die-casting of aluminum generates substantially less waste casting sand than the casting of iron.

At the Kyoto Plant, which mainly manufactures engine and powertrain parts, we are moving to consolidate our production line for cast iron engine blocks, as the production of aluminum die-cast parts is growing while that of cast-iron products is decreasing. Our last cast iron line ceased operations in June 2019, and we stopped producing cast iron engine block at the Company. As a result, the amount of waste casting sand we generate fell by around 10,000 tons per year.

Production line for cast iron engine blocks

Deploying Supply Chain Sustainability Initiatives (Environment)

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Reinforcement of CSR in the supply chain	・Expansion of Supplier CSR Guidelines to MITSUBISHI MOTORS' overseas production bases ・Support for supplier CSR evaluations by third-party organization.	・Promoting the purpose of Supplier CSR Guidelines ・Recommendation of supplier on CSR evaluations by third-party organization.	・Rolled out Supplier CSR Guidelines to the business partners of MMTh/MMKI/MMPC ・Explained the purpose of third-party evaluations to business partners and have begun conducting evaluations	○

Basic Approach

Automobiles are composed of a wide variety of materials and parts which are developed and produced by our business partners. For that reason, MITSUBISHI MOTORS believes that it is important to reduce the impact on the environment not only from our own business activities but also in all other processes from the production of materials and parts to delivery. Insufficient responses could put us into conflict with various national and regional regulations and harm our reputation, affecting our operations.

Under the basic concept of purchasing materials and parts with low impact to the environment from suppliers who continuously work to reduce their environmental impact, Parts Purchase Agreement we enter into with business partners stipulate compliance with our Green Procurement Guidelines. Our Supplier CSR Guidelines and Green Procurement Guidelines are posted on our portal site for suppliers, which they can readily access. In these ways, we are working to reduce the environmental impact of our entire supply chain and address risks to our business on the environmental front.

Expansion of Green Procurement Guidelines

We requests business partners to acquire and renew of external certifications of environment management systems, as well as to manage hazardous substances, promote the 3Rs (reduce, reuse and recycle), submit LCA data to allow us to understand the life-cycle environmental impact, reduce environmental impact in business activities, and reduce their environmental impact related to logistics.

In addition to Japan, we have introduced the Green Procurement Guidelines at major bases overseas—Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), Mitsubishi Motors Krama Yudha Indonesia (MMKI) and Mitsubishi Motors Philippines Corporation (MMPC)—to ascertain conditions in each country and operational details at each location. These companies are also applying the guidelines to their business partners.

Green Procurement Guidelines

Collection of Materials and Hazardous Substance Data through IMDS

Applying the International Material Data System (IMDS), we ask business partners to disclose hazardous substance data, etc. regarding materials and parts based on the Green Procurement Guidelines. We also have our business partners construct their own internal management systems for hazardous substances.

Through these processes, we confirm compliance with use regulations regarding hazardous substances used in new vehicles and vehicles in ongoing production, and we confirm that their usage decreases.

Communicating with Suppliers

Our business partners cooperate with us in various initiatives, including meeting the requirements of our Green Procurement Guidelines. We believe that ongoing communication is an important part of the steady implementation of initiatives by business partners. We explain the importance of environmental initiatives at our Suppliers Meetings, for example, which are attended by our business partners, and strive to engage in communications to reduce the environmental impact of our entire supply chain.

Conservation of Water Resources

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Manage water risks at each production facility	Manage the amount of water used based on water risks at each production facility	Understanding the amount of water used	Determined the amount of water used at production facilities in Japan	○

Basic Approach

Due to the increasing population and changes in the natural environment caused by climate change, the demand for water is expected to increase, and social concern for the preservation of water resources are increasing.

MITSUBISHI MOTORS requires a large amount of industrial water, city water, and groundwater, etc., for the automobile production process and discharge of water into sewage lines and rivers, etc. In fiscal 2019, we conducted water risk surveys in regions where our main production plants are located. In regions where water risk is high, it is essential to consider the impact that water withdrawal and discharge from our business activities have on the surrounding environment.

Also, as water is required for the operations of our business partners. MITSUBISHI MOTORS is aware of the importance of water risk management throughout the entire value chain.

As an initiative to preserve water resources in each country and region, we strive to reduce the amount of water withdrawal and to monitor the quality of discharged water, for example.

Water Withdrawal Source and Drainage of Each Plant

Plant	Water Withdrawal Source	Drainage
Okazaki Plant (Okazaki, Aichi Pref.)	Yahagi River	Kanda River Tributary → Kanori River
Kyoto Plant –Kyoto (Kyoto, Kyoto Pref.)	Lake Biwa	Sewage line
Kyoto Plant –Shiga (Konan, Shiga Pref.)	Lake Biwa	Sewage line
Mizushima Plant (Kurashiki, Okayama Pref.)	Takahashi River	Hakken River → Mizushima Port
Pajero Manufacturing Co., Ltd. (Sakahogi-cho, Gifu Pref.)	Kiso River	Kiso River
Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)	Nong Pla Lai Reservoir, etc.	Sewage line
Mitsubishi Motors Krama Yudha Indonesia (MMKI)	Lake Jatiluhur	Sewage line

Reduction of Water Withdrawal Volume

We are striving to reduce water withdrawal volumes by reusing washing water used in production processes for pre-washing and by circulating cooling water and temperature control water.

At the Okazaki Plant, rainwater storage tanks have been set up in order to reuse rainwater. We have also set up equipment to filter groundwater so that it can be used to supply drinking water during disasters to employees and people nearby the plant.

Rainwater storage tanks (Okazaki Plant)

Groundwater membrane filtration equipment (Okazaki Plant)

Reuse of Discharged Water

Mitsubishi Motors Krama Yudha Indonesia (MMKI) is making efforts to recycle wastewater and reuse rainwater in order to reduce water withdrawal. In fiscal 2019, roughly 50% of the water processed in its wastewater treatment plant is reused within MMKI.

In line with the construction of a new paint plant, Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) is moving forward with a project to upgrade its wastewater treatment plant. On this project, as well, plans call for the introduction of a system to reuse treated water.

Industrial water and wastewater treatment plant (Indonesia)

Prevention of Water Pollution

In order to take precautions against any effects on the areas surrounding plants, we regularly conduct surveys and confirmations regarding the quality of groundwater and soil pollution. In this way, we confirm that no toxic substances are being discharged to the outside area. If contamination is found, we take immediate measures to prevent its dispersion, report to authorities, and disclose the information to the communities.

In order to detect abnormalities in discharge water quality, surface oil detectors* have been set up in front of outlets leading from the plant to public water. We carry out continuous monitoring so that water discharged from the plant does not affect the environment outside the site.

*Detects the presence of oil by capturing changes in reflectance as the reflectance of oil is greater than that of water.

Observation well (Okazaki Plant)

General effluent treatment facilities (Okazaki Plant)

Surface oil detector (Okazaki Plant)

TOPICS

Improving the Combined Wastewater Method

In old sewer systems, rainwater and domestic wastewater flow together and are eliminated through the same pipes as "combined sewerage." During typhoons and heavy rains, water volumes can exceed the capacity of downpipes and water treatment facilities. In such cases, water is diverted into rivers and other public waterways. This pollution load is an issue from the standpoint of environmental preservation.

Remnants of this old sort of combined sewerage system were intact at the Kyoto Plant (established in 1944). To address this situation, we are proceeding with phased construction to install new wastewater-specific piping to allow for the complete separation of rainwater and other wastewater. In fiscal 2019, we had completed construction to separate piping at around 30% of our site area. We plan to finish this construction in fiscal 2020.

Underground construction to install separate wastewater piping (Kyoto Plant)

For details on the issues with combined sewerage, see the City of Kyoto website (Japanese only).
WEB https://www.city.kyoto.lg.jp/suido/page/0000008679.html

Prevention of Pollution

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Properly manage hazardous substances in products	Properly manage hazardous substances	Reflection in in-house management system	Continued correct management including legal movements	○
Curtail emissions of VOCs in production activities	35g/m² or less of VOC* emissions per painting area in production activities *: VOC stands for Volatile organic compounds	VOC emissions	36.5g/m²	△

Basic Approach

It is possible that the air pollutants and chemical substances emitted due to business activities will have an impact on human health and biodiversity.

In order to contribute to the realization of a sustainable society, MITSUBISHI MOTORS considers the prevention of pollution to be one of the material issues for the Company. In the stage of product development, along with promoting the development of fuel economy improving technologies and electric vehicle technologies, we strive to manage to hazardous substances. In production processes, we are endeavoring to reduce air pollutants emitted from out plants by voluntarily enacting activity standards that are stricter than legal requirements. In order to reduce the impact on the environment from air pollutants and chemical substances, we engage in the prevention of pollution throughout all of our business activities.

Purifying Exhaust Gas while Driving

Vehicles powered by gasoline and diesel engines inevitably emit combustion gases from the engine while driving.

In addition to developing and popularizing electric vehicles, which emit little exhaust while driving, we are endeavoring to develop and encourage the use of gasoline and diesel vehicles that have emissions containing fewer hazardous substances.

Improving Gasoline Engine Vehicles

Since the 1960s, emissions of carbon monoxide, hydrocarbons, and nitrogen oxides (NOx) have been steadily restricted by regulations.

MITSUBISHI MOTORS has taken various measures since such regulations were first introduced. We currently comply with these regulations by applying electronically controlled fuel injectors and advanced catalyst technologies to the combustion control system.

Improving Diesel Engine Vehicles

For diesel engine vehicles, carbon monoxide, hydrocarbons, NOx, and particulate matter have been regulated in some countries, such as Japan, United States and European countries, since the 1970s.

Since such regulations were first introduced, we have taken measures including improving the combustion technology. To comply with these regulations, we have developed and produced clean diesel engines by systemizing technology such as VG turbochargers, controlling combustion with a common rail fuel injection system, introducing after-treatment using NOx trap catalysts, and diesel particulate filters.

VG Turbocharger

The VG turbocharger helps to improve fuel economy and suppress emissions of particulate matter through optimum supercharging across the engine's operating range.

Common Rail Fuel Injection System

Particulate matter and NOx can be generated due to incomplete combustion. In MITSUBISHI MOTORS vehicles, this is suppressed using a high-pressure fuel pump, common rail accumulator that stores highly pressurized fuel, and electronically controlled fuel injectors.

Diesel Particulate Filter (DPF)

This substantially reduces particulate matter.

TOPICS

The Clean Diesel Engine on the ECLIPSE CROSS

The ECLIPSE CROSS, which launched in June 2019, is equipped with a clean diesel engine. Its 2.2-liter common-rail DI-D*1 clean diesel turbo engine achieves a balance between environmental and driving performance.

A urea SCR*2 system is used to purify the diesel engine's emissions. Nitrous oxides (NOx) are stably purified by AdBlue®*3, an aqueous urea solution.

*1 Abbreviation of direct-injection diesel
*2 Abbreviation of selective catalytic reduction
*3 AdBlue® is a registered trademark of Verband der Automobilindustrie (VDA).

Reduction of Hazardous Substances

In accordance with the reduction targets of the Japan Automobile Manufacturers Association, Inc. (JAMA) and EU end-of-life vehicles directive, MITSUBISHI MOTORS is working to reduce the use of four substances (lead, mercury, cadmium, and hexavalent chromium). We have established internal technical standards to voluntarily reduce hazardous substances. We are also taking measures to comply with regulations on the use of hazardous substances in each country in compliance with the REACH regulation* concerning substances. At present, in addition to four substances and other heavy metals, the use of VOCs (volatile organic compounds), bromine-based flame retardants and various other substances is regulated. Regulations similar to European ones are being enforced in developing countries in Asia as well.

We are working to voluntarily reduce hazardous substances by setting internal technical standards.

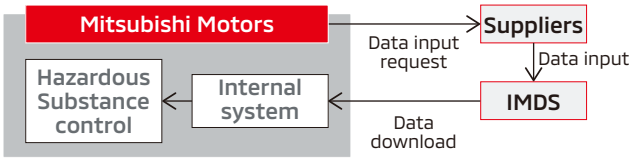
*REACH stands for "Registration, Evaluation, Authorisation and Restriction of Chemicals." Enacted on June 1, 2007, the REACH regulation is a general system to register, evaluate, authorize and restrict the use of substances

Material Data Control by the International Material Data System (IMDS)

Data on the hazardous substances contained in vehicle parts delivered by suppliers are collected by the International Material Data System (IMDS), an international system for collecting such data. Together with overseas plants such as Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), we utilize the collected data under a globally centralized internal system for reducing hazardous substances.

In cooperation with suppliers, we are complying with the REACH regulation, a general system for the registration, evaluation, authorization, and restriction of substances used in the EU.

Flow of Data Collection through IMDS



Reduction of In-Cabin VOCs

To provide customers with a healthy and safe cabin space, MITSUBISHI MOTORS works to reduce volatile organic compounds (VOCs) inside the cabin.

VOCs are organic compounds that are easily volatilized at room temperature such as formaldehyde and toluene. These compounds are thought to cause sick building syndrome, and may irritate the eyes, nose, and throat. In an automobile cabin, they are mainly generated by adhesives and paint used in interior parts.

JAMA established voluntary guidelines for reducing vehicle cabin VOC concentration levels applicable to new model passenger cars marketed starting from the 2007 fiscal year.

Please see the JAMA website for details regarding the Voluntary Guidelines.

WEB http://www.jama-english.jp/release/release/2005/050214.html

Progress

We are working to reduce in-cabin VOCs by developing materials with low VOC emissions and technologies to reduce VOCs generated inside the cabin.

Example of Measures to Reduce VOCs

Carpet	Reduced aldehydes in pile adhesives
Seat	Reduced organic solvents in fabric adhesives
Ornaments	Reduced VOCs by using spun-dyed high-gloss interior parts
Air-conditioner	Reduces VOCs with clean air filter with deodorizing function

Preventing Air Pollution

Reduction of VOC Emissions from Production Processes

MITSUBISHI MOTORS is applying the waterborne 3WET paint method*1 to its painting process to reduce VOC emissions. In Japan, we use this method at the Mizushima Plant and the Okazaki Plant. Overseas, the system is used on the No. 3 paint line at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh). MMTh also plans to use this approach at a new paint plant it is constructing.

We are also upgrading our robotic and other painting systems, reducing the amount of paint used by adjusting production lots and increasing the amount of used thinner we recover. Through these moves, we are reducing VOC emissions from vehicle production.

*1 With this method, water-soluble paints are used for the middle and top coats. Solvent-based paint is used only for the clear overcoat.

Deodorizing equipment for electrodeposition drying furnaces to reduce VOC emissions (Okazaki Plant)

Management of Air Pollutants

We follow laws and regulations to manage the concentrations and amounts of such air pollutants as Nitrogen oxides (NOx), Sulfur oxides (SOx) and soot emitted in production processes. (For details, see the ESG Data on page 97.)

To lower NOx emissions, we introduce low-NOx-content boilers and burners when upgrading or installing new equipment. To reduce Sox emissions, we are transitioning to the use of lower-sulfur boiler fuels, such as kerosene or natural gas

Management of Chemical Substances

Appropriate Management of Chemical Substances

When using chemical substances, we employ a system of examining substance toxicity before introducing them. We examine their physical properties and the details of usage plans, as well as legal requirements, conduct risk assessments, judge whether they can be used and educate workers. In fiscal 2019, augmenting the functionality our conventional system, we updated our chemical substance management system by introducing systematic risk assessment of chemical substances and centralized management of the most recent Safety Data Sheet (SDS) information. We are using this system to manage chemical substances appropriately.

Appropriate Management of Hazardous Waste

MITSUBISHI MOTORS manages hazardous waste to avoid importing or exporting hazardous waste that is restricted by the Basel Convention on the Control of Transboundary Movements of Hazardous and Their Disposal*2.

We also transport and treat waste produced in Japan appropriately, based on various legal requirements.

*2 This convention stipulates international frameworks and procedures related to restrictions on the movement of certain types of waste across national boundaries.

Appropriate Management of Waste Containing PCBs

Harmful polychlorinated biphenyls (PCBs) are contained as insulation oil in transformers and condensers that were manufactured a long time ago. Based on the Act on Special Measures concerning Promotion of Proper Treatment of PCB Waste, we promote the correct processing of equipment that uses low-concentration PCB and waste that contains PCB, and we plan for disposal by the processing deadline.

Preservation of Biodiversity

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Conduce ecosystem surveys and expand the scope of biodiversity preservation activities at domestic business sites	・Conduct ecosystem survey at the Kyoto Plant ・Plant and grow trees at Pajero Forest (Yamanashi Prefecture) ・Plant trees in the Philippines	Initiatives Conducted	・Conducted ecosystem survey at the Kyoto Plant ・Performed activities twice during the year ・Planned afforestation activities in the Philippines	○

Basic Approach

All living things are intricately connected in various relationships and live in balance. We benefit from this biodiversity in our lives.

MITSUBISHI MOTORS both directly and indirectly impacts on biodiversity due to land use (including the construction of plants), the release of chemical substances from plants, and the greenhouse gas emitted from the use of the company's products and business activities. We believe it is a priority to protect biodiversity so that we can continue to enjoy the blessings of biodiversity.

The company formulated the "MITSUBISHI MOTORS Group Guidelines for the Preservation of Biodiversity" in August 2010 and promotes conservation activities. None of our business sites in Japan are located in or adjacent to protected areas according to the Nature Conservation Act and prefectural codes. However, we have been progressively conducting surveys on ecosystems in order to understand the impact our business activities have on biodiversity.

MITSUBISHI MOTORS is collaborating with OISCA to preserve forests in Hayakawa-cho, Yamanashi Prefecture, while interacting with the local community through volunteer employee activities. These activities aim to protect metropolitan water sources and spread awareness of the environment among our employees.

We are also promoting preservation activities at affiliated companies overseas.

MITSUBISHI MOTORS Group Guidelines for the Preservation of Biodiversity

The MITSUBISHI MOTORS Group will continue to track and reduce its impact on biodiversity, recognizing that the activities of humankind can both benefit from and affect the diversity of living organisms. To this end, the entire Group will take on initiatives for preventing global warming and environmental contamination, and promote the recycling and efficient use of resources, while engaging in activities that pay consideration to biodiversity.

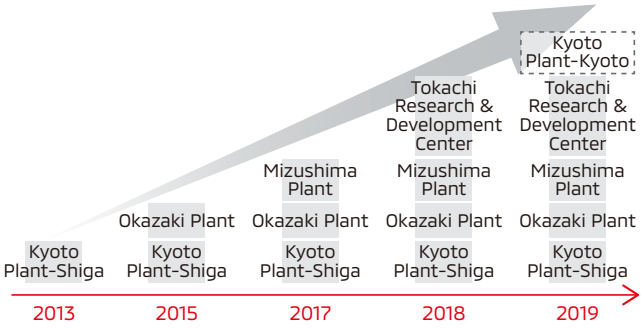
1. **Consideration to biodiversity in business activities**
   We will track and reduce the impact of business activities on biodiversity by conserving energy, reducing the generation of waste, and curtailing the release of chemicals. At the same time, we will also pay consideration to neighboring communities when making use of land for factory construction and other purposes.
2. **Consideration to biodiversity in products**
   We will promote fuel efficiency, exhaust gas countermeasures and recycling-friendly design of our products, while striving to select and use materials that pay consideration to the environment.
3. **Education, understanding and self-awareness**
   We will continue to educate the entire Group from management to employees on the front lines to share a common understanding and develop a self-awareness of the relationship between business activity and biodiversity.
4. **Cooperation and collaboration with society**
   These activities will be promoted in cooperation with all stakeholders including the supply chain, stockholders, local governments, local communities, non-profit organizations (NPOs) and non-governmental organizations (NGOs).
5. **Information disclosure**
   We will strive to disclose and disseminate the content and results of these activities to customers and local communities.

Ecosystem Surveys at Business Sites in Japan

Production of vehicles requires largescale plants. MITSUBISHI MOTORS believes that assessing the impact that the use of land in company business has on local biosystems is important to our biodiversity protection initiatives.

Based on this concept, we conduct ecosystem surveys at our domestic business sites with large-scale land, such as our factories with support from consultancies related to biodiversity. Ascertaining biosystems not only in domestic business sites but also in the surrounding environment by means of field surveys and documentary research leads to maintenance measures that are in harmony with local biodiversity.

Locations of past initiatives



TOPICS

Ecosystem Survey at the Kyoto Plant

The Kyoto Plant is located in the Kyoto metropolitan area, surrounded by numerous houses and factories. At first glance, the environment appears inhospitable to living things, but we conducted a survey from April through October 2019 to ascertain the impact of land use at the Kyoto Plant on the area's biodiversity and in an effort to preserve that biodiversity.

As a result of the survey, we discovered 367 varieties of flora and fauna at the Kyoto Plant. Although we discovered no rare species or alien species of a particularly urgent nature, we did find Ranunculus japonicas and Carex doniana, species that grow mainly in mountain villages but are unusual in urban areas. We assume the plants are a legacy of the mountainous environment that formerly surrounded the area.

Another factory stood on this location before the Kyoto Plant was established in 1944. At that time, the surrounding area was dotted with paddy fields. The area around the Kyoto Plant later urbanized, and the environment that supported this mountain flora gradually disappeared. However, some remnants of this greenery has survived on our premises despite the urbanization. As we have regularly cut the grass and otherwise managed the area, it has managed to survive to this day.

Accordingly, we believe the Kyoto Plant serves as a refuge where certain plants can survive locally. We consider this an important environment in terms of preserving regional biodiversity.

On the site of the Kyoto Plant, we work to preserve the region's biodiversity through such efforts as cultivating Asarum caulescens, a native species that is deeply rooted in the culture of Kyoto. Going forward, we will also nurture the connections between the Kyoto Plant and the natural surroundings we discovered during this survey. Through ongoing maintenance of the site's greenery, we will maintain biodiversity and strive to preserve the regional ecosystem.

Unusual Flora Discovered in the City during Our Survey

Ranunculus japonicus

Carex doniana

Overseas Preservation Activities

The overseas affiliate Mitsubishi Motors Philippines Corporation (MMPC) and the Department of Environment and Natural Resources (DENR), in accord with the Sustainable Integrated Area Development (SIAD), began a joint afforestation project in March 2018. This project aims to realize sustainable development that is essential for people in poverty, who are particularly susceptible to climate change, and local communities that have been left behind by society. The plan is to plant trees in a total area of 100 hectares in approximately five years in Luzon.

In the second phase of this project, in fiscal 2019 we signed a memorandum of understanding with DENR regarding land preparation, afforestation and farmland production on a 30ha site in Laguna Province.

Signing the Memorandum of Understanding

Social

Delivering Products which Help Prevent Traffic Accidents

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	Ideal Image	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Delivering products which help prevent traffic accidents	Realization of a car society with zero traffic accidents	Formulate basic policies for individual safety technologies as planed	Formulation of policies	Formulated as planned	○

Basic Approach

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

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 traffic accidents is an urgent global issue, and Target 3.6, the United Nations Sustainable Development Goals, (SDGs) calls for halving the number of global deaths and injuries from road traffic accidents by 2020.

MITSUBISHI MOTORS is upholding the R&D safety philosophy towards a car society with zero traffic accidents. To this end, we are taking action from two perspectives: developing safety technologies and promoting traffic safety education.

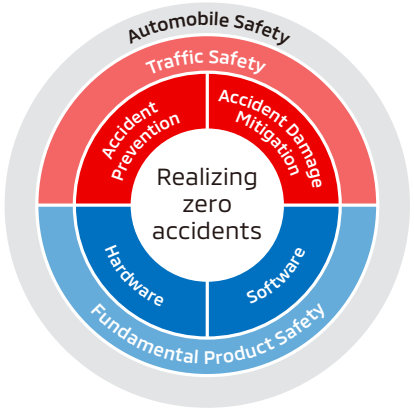
*2018 World Health Organization (WHO) survey

Management Structure

The vision for the safety concept behind product development is "the realization of a car society with zero traffic accidents," and guidelines and a strategy for safe development have been established by the product safety committee. We also formulated an automobile safety framework as our approach to safety technology. We are conducting initiatives based on three points: 1. Technology to prevent traffic accidents (active safety), 2. technology to mitigate damage from traffic accidents (passive safety) and 3. avoidance of dangers, both in hardware and software, assumed as industrial products (fundamental product safety).

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

Automobile Safety Framework



Development of Safety Technology

We strive to incorporate various safety technologies into our products, and to provide comfortable and safe mobility. Our goal is to help customers enjoy the freedom of movement, the convenience of transportation, and the pleasure of driving.

Active Safety Technology to Avoid Crashes

The ultimate solution to eliminate traffic accidents caused by automobiles is to prevent collisions, that is, to prevent accidents in advance. MITSUBISHI MOTORS puts its energies into developing and equipping vehicles with various types of preventive safety technologies and providing safety to society in order to achieve this objective.

Active Safety Technologies

We are increasing the models equipped with active safety technology: "Active Safety Technologies" to support safe and comfortable driving using equipment such as millimeter wave radar and cameras.

Active Safety Technologies comprises one or more of the following functions to support safe operation by drivers.

Active safety functions

Function	Description
Forward Collision Mitigation Brake System	Detects vehicles and pedestrians ahead. If there is a risk of collision, the system alerts the driver or automatically applies the brakes to help avoid a collision or mitigate collision damage.
Lane Departure Warning System and Lane Departure Prevention Function	Continuously monitors the lane markers ahead of the vehicle. If the vehicle appears to nearly drift out of the lane, the system will alert the driver. In addition, Lane Departure Prevention Function takes control of the brakes for a short period of time, helping to return the vehicle to its lane.
Adaptive Cruise Control System	Automatically follows the vehicle ahead by decelerating or stopping. Maintains a constant, preset headway distance from the vehicle ahead to reduce the risk of a collision.
Ultrasonic Misacceleration Mitigation System	When the driver starts a car to drive forward or in reverse, the system prevents rapid acceleration caused by the driver's improper operation of the gear shift or accelerator pedal.
Automatic High Beam	Automatically switches between low beams and high beams depending on whether there is an approaching vehicle or vehicle ahead, the ambient lighting conditions, and other factors, helping safe nighttime driving.

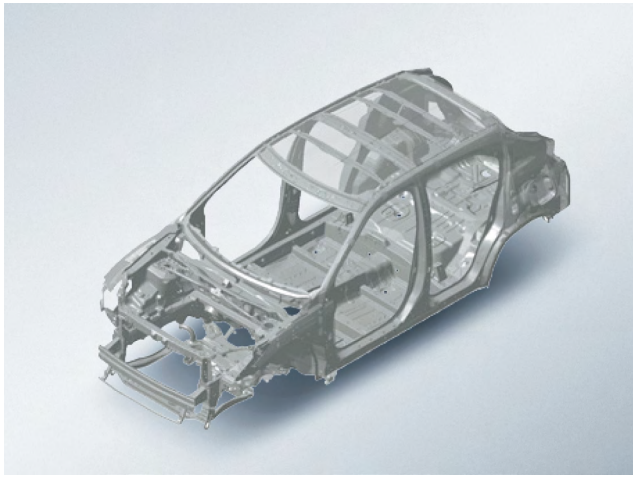
Body Structures that Protect People

In the event of a collision, it is crucial to have a vehicle body structure that mitigates the impact on passengers and provides adequate space. MITSUBISHI MOTORS has adopted the Reinforced Impact Safety Evolution (RISE) body, and enhance collision safety performance in all directions: front, rear, and sides.

The ECLIPSE CROSS adopts a front-to-rear straight frame structure that can efficiently absorb collision energy. The vehicle interior (cabin) has numerous high tensile strength steel plates to restrict deformation and protect passengers.

MITSUBISHI MOTORS is also pursuing safety with regard to pedestrians, as well as drivers and passengers. We have adopted energy-absorbing structures in the hood, cowl top, windshield wipers and other parts to mitigate injury to pedestrians' heads. Energy-absorbing structures that protect pedestrians' legs are used in bumper faces and headlights, for example.

These efforts have earned us high marks for safety performance in locations around the world.



RISE Body used in the ECLIPSE CROSS

Results of Major Third-Party Safety Evaluations

Region	Third-Party Evaluation		Model	Rating
Japan	JNCAP*2	Collision safety performance evaluation	eK WAGON/eK CROSS	5★ (Five-Star Award)
		Preventive safety performance evaluation	eK WAGON/eK CROSS	ASV+++
United States	NCAP*2		ECLIPSE CROSS OUTLANDER (AWD) OUTLANDER PHEV	Overall 5★
	IIHS*3		ECLIPSE CROSS OUTLANDER	2019 TOP SAFETY PICK
ASEAN	ASEAN NCAP*2		OUTLANDER PHEV	5★

Period: In Japan, April 2019 to March 2020 for JNCAP; in the United States, 2020MY for NCAP and December 2018 to November 2019 for IIHS; in the ASEAN region, January to December 2019 for NCAP

*2 Abbreviation of New Car Assessment Program. An automobile safety testing and assessment program implemented by a third party organization in each country or region.

*3 Abbreviation for Insurance Institute for Highway Safety. A not-for-profit organization that publicizes information on automotive safety performance testing.

Avoidance of Dangers Assumed as Industrial Products

On the hardware side, we work to reduce the risk of factors other than traffic accidents, such as fires, electric shocks and injuries. To do so, we use flame-retardant materials, employ isolation structures on high-voltage components and use anti-pinch function during automatic open/close operations of electric opening/closing devices (such as power windows).

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

TOPICS

Scope of Support Cars Expanded

Safety support cars are vehicles equipped with advanced technologies that support safe driving. As part of the effort to prevent traffic accidents caused by all drivers including elderly people, and to mitigate damages and injuries caused by the accidents, Japanese government recommends this new automobile safety concept. Vehicles are classified into the following categories: "Safety Support Cars" or and "Safety Support Cars S" (Basic, Basic +, and Wide) depending on the features in each vehicle. MITSUBISHI MOTORS is expanding its lineup of safety support cars.

Safety Support Car Models (as of June 2020)

Category	Safety Support Car S Wide	
Model	OUTLANDER PHEV	OUTLANDER
	DELICA D:5	DELICA D:5 URBAN GEAR
	ECLIPSE CROSS	RVR
	eK WAGON	eK CROSS
	eK SPACE	eK CROSS SPACE
	DELICA D:2	DELICA D:2 CUSTOM
	MIRAGE	TOWN BOX
	MINICAB	MINICAB TRUCK

Among these models, the eK WAGON and eK CROSS were awarded the highest rating, ASV+++, by the National Agency for Automotive Safety and Victims' Aid (NASVA) in its fiscal 2019 car assessment of preventive safety performance.

In addition, in the Ministry of Land, Infrastructure, Transport and Tourism's "Advanced Emergency Braking System Performance Evaluation System," the ECLIPSE CROSS, DELICA D:5, eK CROSS SPACE and eK SPACE received recognition for their AEBS performance.

Traffic Safety Education and Promotion

MITSUBISHI MOTORS conducts traffic safety education and promotes safe driving to raise safety awareness throughout society with the objective of reducing traffic accidents.

Dissemination of Traffic Safety Information

Automobile Safety Facts Guide Website

We disseminate information on the proper use of equipment and other topics that require drivers' special attention so that drivers will use automobiles more safely.

Automobile Safety Facts Guide
(WEB) https://www.mitsubishi-motors.co.jp/support/safety/popup/index.html
(This site is only available in Japanese.)

Improvement of Product, Sales, and Service Quality

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	Ideal Image	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Improving product quality	Top-level quality from customer viewpoint	Ratio of defects identified within three months in service of new vehicle sale	Ratio of defects identified within three months in service of new vehicle sale	Achieved reduction target	○
Improving sales quality		Sales Satisfaction Index (SSI) Achieve top-three positioning in the key management countries	Sales Satisfaction Index (SSI)	Sales Satisfaction Index (SSI) Achieved top-three positioning in three of the key management countries	△
Improving service quality		Customer Satisfaction Index (CSI) Achieve top-three positioning in the key management countries	Customer Satisfaction Index (CSI)	Customer Satisfaction Index (CSI) Achieved top-three positioning in two of the key management countries	△

Quality Policy

MITSUBISHI MOTORS revised the following quality policy on April 1, 2019.

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.

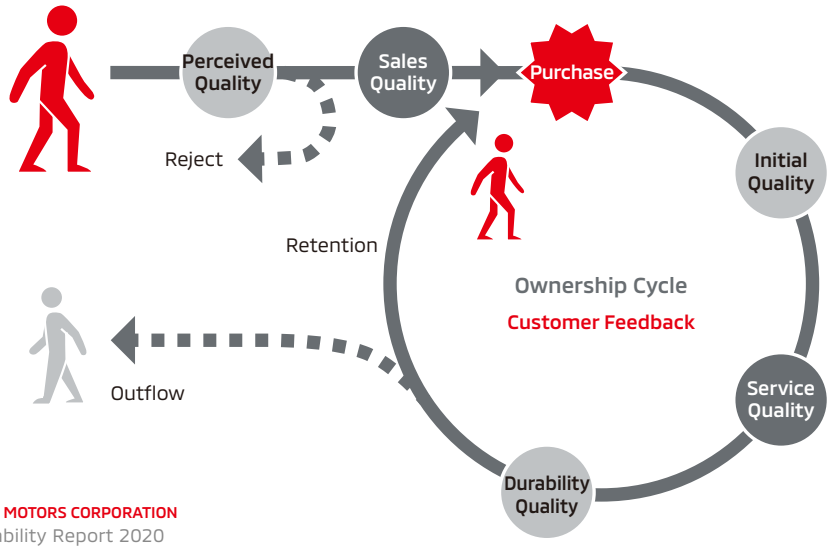
On the basis of this policy, in order to enhance quality in all stages from when a customer first considers purchasing a product through the vehicle ownership period, we are taking measures to improve quality in four categories: Product quality, perceived quality, sales quality, and service quality.

Product quality includes the initial quality that customers experience immediately after purchasing a new car, and durability 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 that have direct contact with customers, we listen closely to customers and make timely proposals and responses to customer requests to achieve high levels of customer satisfaction.

We strive to achieve the highest levels of quality from the customer's viewpoint so that we can achieve customer satisfaction during every point of contact with customers.



Management Structure

We analyze quality information in order to realize "Top level quality from customer viewpoint" and we set specific objectives for which we investigate and implement policies toward realization while regularly following-up on the status of improvements.

Also, regarding information from customers about vehicle defects provided by sales companies, we have established systems for immediate policy consultation, establishment and enactment by regularly gathering and sharing information.

Organization	Meeting Frequency	Chair	Members	Objective
Quality Strategy Committee (QSC)	Quarterly	Division general manager of TCS*1 Division	Directors in charge of development and production, division general managers related to sales, service and product quality	Deliberation and decision of strategic topics in quality relating to sales, service and products
Quality Management Committee (QMC)	Quarterly	Top management of QMS*2	Division and plant general managers (excluding finance divisions), vice presidents and senior vice presidents of direct departments, and directors	Sharing of best practices related to enhancing companywide management quality, responding to external examinations, reporting on items requiring correction and lateral deployment
Quality Management Meeting (QMM)	Monthly	Division general manager of TCS Division	Division general managers and managers of division related to product quality	Confirmation of progress toward product quality targets, consideration and deliberation concerning effectiveness of improvement measures, provision of a forum for resolution in the event of defects

*1 Total customer satisfaction
*2 The CEO or an executive designated by the CEO

Developing a Quality-Oriented Mindset

Since fiscal 2014, we have been holding Quality Forums in all domestic business locations in connection to activities that lead to increased quality in products, people and the Company as each employee individually reassesses and improves the quality of their work.

We also introduced Quality Forums in fiscal 2018 at two overseas business locations: Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) and Mitsubishi Motors Krama Yudha Indonesia (MMKI). We plan to expand this activity going forward.

Number of Participants in Quality Forums

	Domestic forums	Overseas forums
FY2014	2,324	–
FY2015	3,590	–
FY2016	Postponed	–
FY2017	2,809	–
FY2018	4,550	1,880
FY2019	6,200	796*3

*3 Due to COVID-19, held only in Indonesia, with all subsequent events cancelled

Assessing the Needs of Customers

By listening to the actual comments and opinions of customers, we are helping employees to consider customer needs.

We incorporate this approach into the new employee training curriculum for new graduates and mid-career hires. We also provide numerous opportunities to take on customer perspectives, including through training for promoted personnel and voluntary training courses.

Customer Voice Seminar in the Tamachi area

Improvement of Customer Focus

At MITSUBISHI MOTORS, for employees that so desire, we are supporting the acquisition of Consumer Affairs Advisor qualification, which is a business qualification from the Prime Minister and Minister of Economy, Trade and Industry, with the objective of considering needs from the perspective of consumers and improving the quality of products and services.

As of April 1, 2020, 69 qualifications holders have enrolled, making MITSUBISHI MOTORS 9th in the list of companies with the largest number of qualification holders.*4

*4 According to research by Japan Industrial Association

Consumer Affairs Advisor qualification holders

Division	Number of qualification holders
Corporate Affairs	6
Product Strategy/ Development	37
Procurement/Production	6
Sales	7
Quality	8
Other	5

Improving Product Quality

Dealing responsibly not only with defects related to safety but also with regard to points raised and complaints about products is essential to improving customer satisfaction.

Regarding vehicles that have already been sold, we are taking measures to reduce initial quality issues with a focus on defect incidents that occurred within three months to twelve months after sale. We have accelerated the speed of resolution through collaboration between the quality and development and production divisions, helping to reduce customer complaints.

Furthermore, to improve the initial quality of its new vehicles, MITSUBISHI MOTORS holds cross-functional "oobeya (large room) activities," where employees from various divisions (including development, production, service, quality control and procurement) meet in one room from the point at which shipment starts to consider countermeasures to address any problems that may occur. This approach allows initial quality to be improved more quickly.

Also, addressing issues that are not defects but that can cause customer dissatisfaction helps to improve processes during the development stage so new vehicles can be improved.

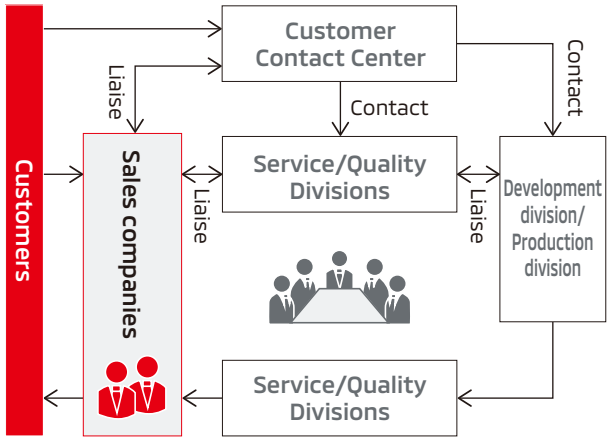
Use of Customer Voice

One of the missions of the Group is to provide new experiences for our customers with attractive products and service excellence to achieve a high level of customer satisfaction. For that reason, we gather and analyze valuable customer comments and opinions received by our sales companies in Japan and overseas and by our Customer Contact Center. Our quality control, development, production, sales, and service divisions work together to actively improve quality.

Improving Quality through Customer Voice

Sales companies hold specific interviews with customers on defects and related conditions. The quality sections have a system in place for sharing information received from sales companies with relevant divisions.

Also, by using a newly introduced system to analyze issues found in specific models, indications of defects from customers (quality information) and repair records, we can identify defect information and take countermeasures at an early stage to improve quality.



Major Activities of the Customer Contact Center

The Customer Contact Center accepts inquiries every day including weekends and holidays. The various comments and information from customers are managed in a database. Of the points raised, matters regarding defects are addressed in order to resolve customer problems in collaboration with sales companies and are used for further quality enhancements. In addition, feedbacks as well as opinions about product functionality, or opinions about specifications, are shared with relevant divisions and used to improve product capabilities even further. Noteworthy comments and opinions including those that are particularly important are periodically reported to management.

Customer Support for Recalls and Other Market Responses

We have systems in place to provide information to customers in a timely manner in the case of market responses such as recalls as a result of defects that involve safety. We send direct mail to users of the affected vehicles and provide information on obtaining free inspections and repairs to be performed at a sales company at an early time. We also post information on our website so that customers can check whether their vehicles are subject to a recall and the status of repair implementation.

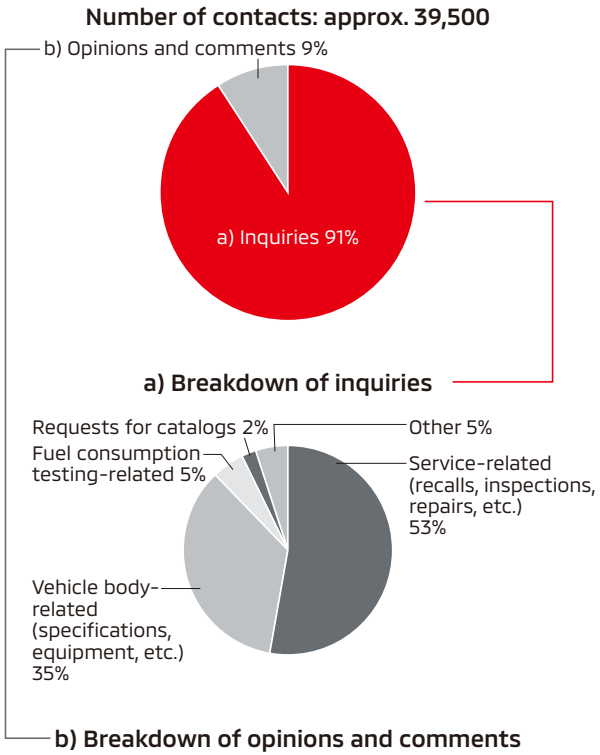
Refer to the site below for information on recalls.

WEB http://www.mitsubishi-motors.co.jp/support/recall/
This site contains the Japanese market information (only in Japanese).

Cases and Number of Vehicles Involved in Recalls, Improvement Measures, and Service Campaigns

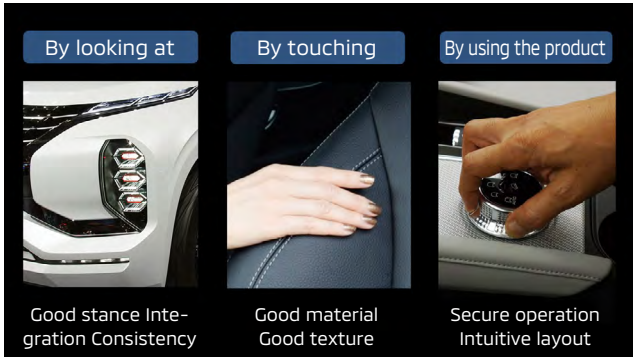
	Domestic	
	No. of cases	No. of units
FY2016	26 cases	Approx. 1,938,000 units
FY2017	27 cases	Approx. 629,000 units
FY2018	13 cases	Approx. 298,000 units
FY2019	15 cases	Approx. 590,000 units

Contacts Received at the Customer Contact Center in Fiscal 2019



Improving Perceived Quality

We are taking measures from the development stage to improve quality with an emphasis on customer perceptions in order to achieve high levels of customer satisfaction not only at the time of purchase, but throughout the life of a vehicle after purchase.



Improving Sales Quality

We aim for top-level quality from a customer viewpoint and act in concert with sales companies to improve the quality of sales and become a brand that customers support and identify with.

Cooperation with Domestic Sales Companies

One of the measures that domestic sales companies are taking is the provision of proposals and a new sales pitch experience tailored to customer needs by promoting sales pitch styles using IT. For example,

sales companies introduced tablet PCs to provide visual and easy to understand product explanations and have customers that come to the sales outlets use the tablets to respond to questionnaires regarding the quality of service in order to make timely improvement. Further improvements in customer satisfaction are being made through the timely sharing with nationwide sales companies of best practices that have resulted in higher customer satisfaction.

Cooperation with Overseas Sales Companies

Cooperation with sales companies in each country and region is essential for achieving high customer satisfaction overseas. MITSUBISHI MOTORS provides product information to sales companies on a daily basis and strives to gather comments and opinions from local customers. Also, we visit individual countries to plan further improvements by gathering market information and product requests directly through interviews.

In FY2019, we held regional meetings in the ASEAN region, as well as in Europe, the Middle East and other regions, and sales companies from around the world gathered at the Global Distributors Meeting. Those meetings served to develop a sense of unity among the sales companies and to share sales strategies, the latest product information, best practices for raising customer satisfaction, and so on.

Global Distributors Meeting

Appropriate Product and Service Information Disclosure

In compliance with the laws and regulations of each country and region, we strive to provide product and service information and labeling displays.

Improving Service Quality

At the service sites of sales companies (dealers), which have direct contact with customers, it is crucial to provide customer-oriented "service quality" starting at the time of vehicle purchase.

MITSUBISHI MOTORS collaborates with domestic and overseas sales companies to improve day-to-day onsite response capabilities (communication and technical skills) so that we can live up to customer expectations and receive customer satisfaction.

Succeeding Service Skills in Japan

Succeeding and improving service skills and knowledge of service staff are essential to customer satisfaction. MITSUBISHI MOTORS has its own servicing skill certification, and encourages service staff at sales companies to acquire this certification. In addition, we hold the biennial national Service Skills Contest where service staff from domestic sales companies can improve their service skills by competing against one another.

At a national contest held in December 2019, 48 winners of the regional competitions tested their skills against one another. The winning engineer and service advisor of the contest are scheduled to represent Japan in the Global Service Skills Contest described below.

Our seven Technical Centers across Japan organize technical meet-ups and seminars and support sales companies to solve difficult repairs and swiftly meet customer requests through visiting sales companies by technical staffs of technical centers.

TOPICS

Succeeding Service Skills Overseas

With the intent of succeeding service skills, MITSUBISHI MOTORS dispatches outstanding engineers from Japan to emerging countries to conduct "caravan activities" where they provide technical guidance. In fiscal 2019, we worked to improve technical capabilities on a global scale by training local service staff in the field by dispatching a total of six people: two each to Indonesia and Malaysia and one each to Laos and Myanmar.

February 2019, 36 service personnel who won national and regional contests from 23 countries and regions including China, Thailand, Indonesia, Australia, and Taiwan gathered to compete on the accuracy and speed of their work.

Caravan activities

Global Service Skills Contest

Contribution to Local Economy through Business Activities

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	Ideal Image	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Employment	Continuous creation of local employment	Maintain same level as in FY2018	Actual employment	Created local employment for 11,000 people in three countries: Thailand, Indonesia and the Philippines (including non-full-time employees)	○
Human resource development	Support for the development of personnel responsible for the development of the local economy	Under the same policy as FY2018, offer the same level of training opportunities	Number of training sessions, number of participants	Representative examples of training ・Dispatched local employees to Japan ・Conducted business-level-enhancement seminars for local employees ・Performed "manufacturing training" to enhance skills	○
Investment	Continuous implementation of capital investment in factories that supports the growth of the local economy and meets the need for business enhancement	Implementation of capital investment	Rate of progress on investment plan	・Related to new vehicles ・Put manufacturing and export structures in place ・Expanded headquarters functions	○
Technology transfer	Support for creation of markets by providing technology/expertise for electric vehicles and electric vehicle infrastructure	・Implementation of KD production project in Thailand ・Start of sales of finished models in Indonesia ・Continuous communication with government	Results of projects and initiatives	・Conducted joint research with governments, universities and research institutes in Indonesia, the Philippines and Vietnam ・Began selling electric vehicles in Indonesia ・Promoted a KD*1 production project for electric vehicles in Thailand ・Decided to begin selling electric vehicles in the Philippines in FY2020 ・Decided on the opening of DENDO DRIVE STATIONs in the Philippines	○
	Reforming the manufacturing industry value chain in the local society by improving the competitiveness of factories	Implementing factor analysis in order for each factory to improve itself and making improvements through PDCA	Plant ranking KPI scores	Leveraged the Alliance Product Way*2 to promote improvements in factory quality, local sites and productivity; achieved year-on-year improvements	○
Export	Supporting growth of the local economy through the acquisition of foreign currency by means of export	Export more units than in FY2018	Units exported	Units exported in FY2019 Thailand: 330,000 Indonesia: 67,000	○

*1 Refers to knockdown production—a practice of importing major parts for local assembly and sale
*2 Production method shared between Renault, Nissan and Mitsubishi

Basic Approach

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."

"Contributing to local economies through business" is a material issue, and we are promoting activities with the aim of "contributing to local economies through employment, human resource development, investment, technology transfer and export by developing business in the ASEAN region." *3

By providing ASEAN customers with the products that they need, in addition to expanding business from now on, by responding to social needs unique to the ASEAN region we will also leverage our distinctive technologies and services in the areas of environmental and social contribution.*4

*3 For details on identifying material issues, see page 11.
*4 See pages 76–78 for specific examples.

Management Structure

Local subsidiaries take charge of planning and implementing activities in line with initiatives that target material issues in the ASEAN region. MITSUBISHI MOTORS' Sales Division, which maintains administrative and supervisory functions, is responsible for promoting these initiatives. In Thailand, Indonesia and the Philippines, where MITSUBISHI MOTORS' production bases are located, every six months we check with local subsidiaries on the rate of progress and results of initiatives, reporting to the management team via the Sustainability Committee.

Employment

We believe that the mission of MITSUBISHI MOTORS is to lead the way for the continuous growth of the business and to create local employment. We have production bases in Thailand, Indonesia and the Philippines. In fiscal 2019, our number of local employees in those three countries remained at 11,000, the same level as in fiscal 2018. In fiscal 2020, we plan to create employment in line with our business plans.

Human Resource Development

MITSUBISHI MOTORS supports the growth of personnel responsible for the development of the local economy by furnishing them with specialist knowledge and skills through their experience of work at the Company. We provide training courses and on-the-job training (OJT) according to the situation in each country. In addition, in fiscal 2019 five local employees from Thailand were dispatched to Japan for training as local employees/managers capable of being active in global business. In Indonesia, we conducted training for more than 300 local employees according to their business level. In the Philippines, more than 300 employees received manufacturing training in the aim of enhancing the production division's capabilities, boosting their level of specialization. In fiscal 2020, we plan to continue providing training courses and OJT according to conditions in each country.

Investment

In addition to supporting the growth of the local economy, we are proactively making capital investment in factories in response to the need for business expansion. Demand for the XPANDER, a compact MPV we produce in Indonesia, vastly exceeded initial plans. In response, in fiscal 2019 we expanded facilities there, boosting production capacity from 160,000 units to 220,000 units. In Thailand, our largest overseas production site, we continued to renew global vehicle models, through the fiscal 2019 launch of the new-model PAJERO SPORT, an SUV. We also made progress on reconfiguring our production structure, such as by building a new paint factory. In the Philippines, we have decided to export the L300, a commercial van, and we are making progress on putting production facilities in place.

Technology Transfer

In the ASEAN region, meeting environmental regulations is becoming a more important issue than ever. While mobility is on the rise and there is a global shift to electric vehicles, there is a rush to introduce electric vehicles in the ASEAN region, as well. Utilizing electric vehicle technology and expertise, which is one of the strengths of MITSUBISHI MOTORS, we are leading the way ahead of other companies by conducting joint studies alongside governments, universities and research agencies in each country to contribute to drafting government policy related to the popularization of electric vehicles. In Indonesia, we began selling complete build up vehicle of plug-in hybrid vehicle (PHEV) in fiscal 2019. We have decided to begin KD production of PHEV model in Thailand in fiscal 2020 and to begin selling PHEV model in the Philippines from fiscal 2020. In addition, at five dealers we have decided to open DENDO DRIVE STATIONs (V2H systems that utilize electric vehicles). We will continue contributing to the creation of the market through the provision of technology and expertise related to electric vehicles and EV infrastructure.

Also, in terms of technology transfer by production sites, we are working to strengthen the competitiveness of factories such that the value chain of the manufacturing industry in the local society is transformed. Specifically, we are introducing the Alliance Production Way, using the method's KPIs to measure the quality, inventory, costs and productivity of factories. We are working to enhance competitiveness by using a PDCA cycle to improve factory quality, promote on-site improvements and bolster productivity. In fiscal 2019, our KPIs improved year on year in Thailand, the Philippines and Indonesia, up for the second year in a row since introducing the Alliance Production Way.

Export

Through exports, we are supporting the continuous growth of local economies. Utilizing its strategic location, the factory in Thailand, which is our largest overseas production site, is exporting key models, including pickup truck and SUVs to the ASEAN region and worldwide. In fiscal 2019, we maintained a stable export business, exporting 330,000 units from Thailand. The XPANDER, a compact MPV, was popular in export markets, as well. As a result, exports from Indonesia exceeded 67,000 units, mainly to the ASEAN region. We have decided to begin exporting the L300, a commercial van, from the Philippines, and we will continue promoting a mutually complementary structure for production within the ASEAN region. Through the stable growth of local production, we are contributing to the local economy, including the further creation of employment and the development of the automobile industry.

Work Style Reform

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	Ideal Image	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Promotion of work style reforms	Realize total working hours within 2,000 hours/year	Ongoing implementation of work style reform measures	Total working hours	2,073 hours/year	○

Basic Approach

MITSUBISHI MOTORS views the key to creating sustainable growth and improving corporate value in an everchanging operating environment is people. We therefore believe that realizing an environment is important where each and every person can perform meaningful work and demonstrate his or her abilities, and where people can work enthusiastically and in good health, both physically and mentally.

Work style reform is not simply about reducing the time spent working. Our efforts are directed at a vision of creating a work style of which we can be proud, through which employees can get a solid sense of their own personal development, and which realizes both development for the company and happiness for families.

Management Organization

We have been promoting telecommuting and flextime systems as flexible working styles that free employees from the constraints of work location and time. In this way, we have worked on developing an environment where diverse employees can maximize their abilities. In January 2019, we established the Work Style Reform Committee, composed of division general managers and led by the CEO, to enact and entrench policies and measures. Going forward, we will continue promoting work style reform at individual worksites.

Shortening Total Working Hours

MITSUBISHI MOTORS is implementing measures to shorten total working hours to establish and promote work-life balance. Together with improving work efficiency, by encouraging employees to take paid leave and introducing a telecommuting system and flextime system with no core time requirements, we are creating workplaces that allow a variety of flexible working styles free from the constraints of work location and time.

At our head office building, which we moved into in January 2019, we have created an environment that more actively promotes communication among employees, including free-address seating (in which employees have no set seating location), open meeting spaces and cafeterias. In addition, meeting rooms are equipped with controlling systems to improve productivity, and we have installed large display screens in an effort to boost productivity and move away from the use of paper.

Examples of initiatives

Measures related to working hours
• Setting the third Friday or the Friday closest to the 20th day of each month as "Premium Friday" when employees are encouraged to leave work by 3 p.m.
• Encouraging employees to use our half-day leave system and flextime system, which we recently revised to remove the core time requirements
• Encouraging employees to take paid leave around public holidays and consecutive holidays in order to make a longer weekend
Measures related to places of work
• Encouraging employees to make use of the telecommuting system to a maximum of 80 hours per month
Measures for raising awareness about work style reforms
• Making progress visible by counting and internally disclosing overtime hours and paid leave taken by each division

▶DATA (P104-105): Working hours, ratio of paid leave taken, number of employees using telecommuting/flextime systems

Employee Surveys

Since fiscal 2013, we have conducted employee surveys to identify issues affecting the Company, organizations, and individual employees. The survey results are used to improve awareness and operations at each workplace.

In fiscal 2017, we conducted an online survey of approximately 14,000 employees. In fiscal 2018, action plans for addressing the issues identified through the survey were formulated and implemented on a workplace basis. We confirmed the results of these efforts through an employee survey in fiscal 2019.

Diversity

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	Ideal Image	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Promotion of women's participation and advancement in the workplace	Have 100 women in management by the end of FY2020	Implementation of reinforcement measures aimed at realizing ideal image	Number of female managers	76 (As of March 2020)	△
Promotion of employment of people with disabilities	Promote stable, continual employment of people with disabilities	Ongoing promotion of employment of people with disabilities	Percentage of employees with disabilities	2.19% (As of March 2020)	△
Promotion of LGBT awareness	Create workplace environments where LGBT people find it easy to work	Continuation of activities promoting LGBT awareness	External indicator	Received gold, the highest ranking in the PRIDE Index, for the second consecutive year	○

Diversity Promotion Policy

MITSUBISHI MOTORS aims to grow sustainably while flexibly responding to the changing business and market environment resulting from progressive globalization and diversifying customer needs. To this end, we need employees with different values and ideas working together to create automobiles with new appeal and value for customers. With respect for employee diversity including race, nationality, ethnicity, gender, sexual orientation, gender identity, age, ability or religion, we are making efforts to create environment where each person can energetically work without difficulty.

We established a Diversity Promotion Policy in July 2014 to promote and achieve diversity.

Diversity Promotion Policy

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

Di@MoND
Diversity @ Mitsubishi Motors New Drive

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

Management Organization

MITSUBISHI MOTORS is promoting diversity in the form of Di@MoND activities by the Diversity Promotion Office based on the Diversity Promotion Policy. By embracing diversity, our aim is to leverage employees' diverse characteristics in a manner that will contribute to the mutual growth of the Company and each individual employee. Initially, Di@MoND activities prioritized women's participation and advancement in the workplace. Now, we are also working to provide working environments that are comfortable for all.

Diversity Report

MITSUBISHI MOTORS has been issuing the Diversity Report, a publication dedicated to diversity issues, since 2015.

Vol. 4, issued in fiscal 2018, is titled "Invigorating the organization through diversity." It picks up on some examples for utilizing individual diversity and values as a source of innovation for the organization, while looking back at the history of diversity promotion thus far. Through this publication, we aim to foster internal and external awareness of our Di@MoND activities. We are also working to raise awareness and create workplace environments in which every employee can shine and individuality can thrive.

The Diversity Report can be downloaded via the link below.
Diversity Report Vol. 4, "Invigorating the organization through diversity" (Issued December 2018) PDF [5MB]

Promoting Women's Participation and Advancement in the Workplace

MITSUBISHI MOTORS promotes women's participation and advancement in the workplace as a priority issue. Since 2014, we have been selecting female managers and manager candidates to join Working Women's Empowerment Forum, led by the Japan Institute for Women's Empowerment & Diversity Management.

As of July 2020, 12.5% (five) of the Company's executives were women, and we had 74 female managers, of whom 14 were division general managers. Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, in 2016 we formulated an action plan to promote women's advancement, setting a goal of 100 women working at the management level by the end of fiscal 2020. We will continue this initiative to create an environment where more female employees can work in positions of greater responsibility.

TOPICS

MITSUBISHI MOTORS Selected as Constituent of MSCI Japan Empowering Women Index

In 2020, MITSUBISHI MOTORS was selected as a constituent member of the MSCI Japan Empowering Women Index (WIN) for the third year in a row. WIN is an index developed by MSCI Japan Inc. for supporting investment in the environment, society, and governance (ESG).

MSCI selects companies that lead their industries in promoting the hiring, continued employment, and advancement of women and diversity. MSCI makes its determinations based on data relating to the employment of women disclosed pursuant to the ACT on Promotion of Women's Participation and Advancement in the Workplace and information disclosed by companies for example.

Promoting a Work-Life Balance

We are enhancing our work-life balance assistance programs to accommodate the diverse work styles of our employees. In fiscal 2017, we introduced the telecommuting and accompanying leave systems to accommodate diverse work styles and life events. In fiscal 2018, we established the Work-life Balance Support Concierge within MITSUBISHI MOTORS, from which employees can seek advice on the programs suitable for their individual childcare and nursing care needs. Following feedback from employees who had sought advice, we relaxed the criteria for child nursing leave, short-term nursing care leave and the telecommuting system.

▶DATA (P104): Status of Female Management Promotions
▶DATA (P105): Number of persons taking childcare leave and utilizing main work-life assistance programs

List of work-life balance assistance programs

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

Helping Employees to Balance Work and Childcare

MITSUBISHI MOTORS actively supports employees who seek to balance work and childcare. This support also extends to facilities, with two on-site daycare centers having been established. Dia•Kids Okazaki was opened at the Okazaki site in April 2017, followed by Dia•Kids Tamachi at our head office building in February 2019.

Since fiscal 2015, we have been holding get-to-know-you lunch meetings at the head office for employees on childcare leave and employees working reduced hours for childcare in order to eliminate concerns about returning to work by employees on leave, alleviate worries from those working while performing childcare, and support network building. Meet-and-talk sessions are also held between employees on childcare leave and workplace supervisors.

In addition, we regularly bring in outside instructors to conduct training for employees who are working while raising children as well as training for managers with subordinates on childcare leave or who are raising children. Through these sessions, employees with children learn how they should approach long-term career development while workplace supervisors learn how to manage them properly.

Dia•Kids Tamachi, a day-care center for employees

Helping Employees to Balance Work and Nursing Care

As birth rates decline and society ages, we believe it is important to help employees balance work and nursing care.

MITSUBISHI MOTORS has set up contact points where employees can consult with nursing care specialists as required via email or on the phone. We also organize on-site individual nursing care consultations with nursing care specialists. Furthermore, we organize nursing care seminars delivered by outside instructors to provide basic information about how they can balance their work and nursing care. The seminars are held in four regions (head office, Okazaki, Kyoto and Mizushima). In fiscal 2019, they were attended by about 150 employees, primarily managers.

Increasing Employment of Senior Workers

With the goal of handing down skills and technologies and securing a talented workforce that makes the most of its knowledge and experience, MITSUBISHI MOTORS operates a program to reemploy senior workers after their retirement. As of March 2020, there were 868 reemployed workers, engaged in handing down techniques and training the next generation.

Promoting Employment of People with Disabilities

Aiming to achieve a workplace where everyone can work, we actively hire people with disabilities in a wide range of occupations. As of April 2020, the percentage of employees with disabilities at MITSUBISHI MOTORS was 2.2%. We will continue to promote additional employment while improving the work environment.

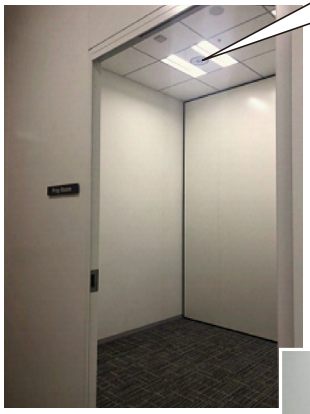
At the parent company, we employ 185 people with physical and mental disabilities (as of April 2020). At our head office, we have installed wheelchair- and ostomate-compatible toilet facilities, creating a working environment amenable to employees with disabilities.

We also promote the employment of people with disabilities through MMC WING, a special-purpose subsidiary established in April 2007. As of April 2020, this company employed 60 workers with intellectual disabilities at the Okazaki and Mizushima plants. In the 13 years that have passed since its establishment, MMC WING has received many inquiries about employment from "Hello Work" Public Employment Security Offices, the prefectural employment and support center for disabled persons, and special needs schools, and has established a high profile in the region. In addition, we do not stop at just providing employment within our company when doing our part for employment support of people with disabilities. For example, we proactively accept requests from employment support facilities and special needs schools to try on-site training, providing people with disabilities opportunities to experience group activities and work processes.

▶DATA (P105): Number of hired people with disabilities

Global Action

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



Signs on the ceiling indicting the direction of worship

Prayer room in our head office building

Hand- and foot-washing facilities

Prayer room in the Okazaki area

Promoting LGBT Awareness

The MITSUBISHI MOTORS Global Code of Conduct expressly includes respect for LGBT individuals under "Respect Human Rights and Diversity and Provide Equal Opportunity." Since fiscal 2018, we have held an LGBT seminar with the aim of providing basic knowledge for accurate understanding of LGBT issues and increasing supporters known as "Allies." To date, the seminar has been attended by around 500 employees. In fiscal 2019, we provided an e-learning course, "Understanding the Basics of LGBT," which was taken by 6,654 employees.

We also exhibit at the Tokyo Rainbow Pride LGBT event, showcasing our initiatives for LGBT and diversity in general to visitors to the event.

In September 2019, we partially revised our rules of employment so that the definition of marriage extends to same-sex partners and applies when taking wedding vacations or life planning leave.

TOPICS

Awarded PRIDE Index Gold Rating

Developed by "work with Pride," a voluntary organization in Japan, PRIDE Index is an indicator for rating workplace initiatives for sexual minorities, including LGBT. In 2018 and again in 2019, MITSUBISHI MOTORS was awarded the highest "gold" rating. We will continue to create workplace environments that are friendly for all employees.

work with Pride Gold 2019

Human Resource Development

FY2019 Materiality Targets and Results

○: As planned △: Delayed

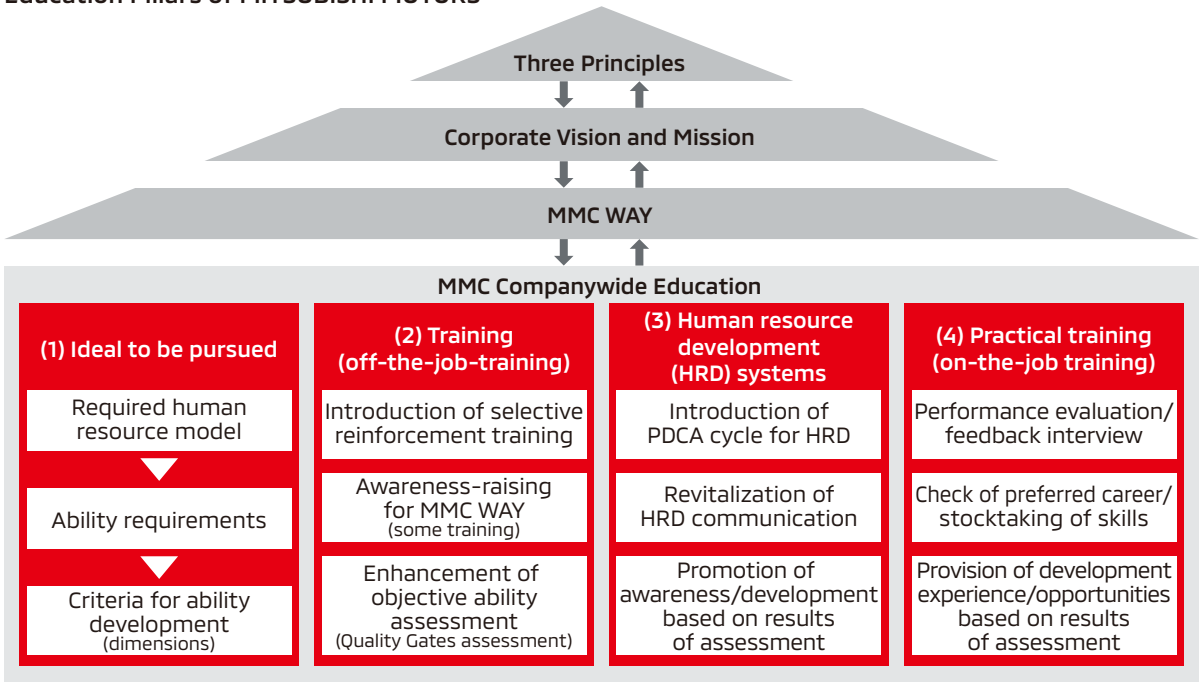
Details of Main Initiatives	Ideal Image	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Expansion of human resource development program	Promote development of human resources who practice the MMC WAY	Introduction of reinforcement training for middle management	Education program	Introduced e-learning platform for managers and general managers to promote learning on daily-basis	○

Basic Approach

MITSUBISHI MOTORS' educational system is supported by three pillars: the Three Principles, a statement of the Mitsubishi Group's management principles; our Corporate Vision and Mission; and the MMC WAY, guidelines for daily behavior. We have clarified the abilities and skills necessary to put these principles or behavior into practice. We also specified the ideal model for each job classification and introduced respective curricula based on both.

Employees also discuss their personal vision for the future during annual interviews with their superiors. Sharing such visions between superiors and subordinates leads to achievement of human resource development with deeper understanding.

Education Pillars of MITSUBISHI MOTORS



Management Organization

Based on the education pillars, sections in charge of education with the Human Resources Division have put in place a training program for the systematic development of human resources, from entry-level employees to general managers.

In addition to training curricula tailored to employee job classifications, we have mapped out an introduced various other training programs for employees, including e-learning training for all employees and selective training that allows employees to select the programs they want to participate in.

Organizational Framework of MITSUBISHI MOTORS' Human Resource Development

:Newly implemented

Job Classification (required human resource model)	Training for each job rank: Training for newly promoted employees	Training for each job rank: Reinforcement training	Training for each job rank: Training for candidates for promotion	Training for each job rank: Institutional training	Training across all job ranks	Global: Mindset/Skills	Global: English
General managers (M1) (innovation leader)	Training for newly Promoted M1	Selective reinforcement raining (e-Learning)		Feedback interview training; Follow-up training on commitment and target & MMC WAY	Training for mid-career employees; Engineer training	Selective training (OCD*4 program, etc.); Training for expats to be dispatched to foreign affiliates	TOEIC score range from 300 to 695; Measures for improving TOEIC score
Section managers (M2) (management professional)	Training for newly promoted M2	Leadership training for organizational transformation; Selective reinforcement training (e-Learning)	Training for M1 candidates (assessment)				
Assistant Manager (a leader of practical work)	Training for newly promoted Assistant Manager	Training for M2 candidates (preparatory training for assessment)	Training for M2 candidates (assessment)		Training for mentors of new graduates		
Main Staff (a key player in the execution of work)	Training for newly promoted Main Staff	Training for Assistant Manager candidates (advance training); Good communicator development training					
Staff (a professional in the operational work)	Entry-level employee training	Third year training*1; Second year training				Global communications training*2; Global mindset training*3	
Clerical Staff (efficiently carries out operations)	Entry-level employee training	Third year training*1; Second year training				Global communications training*2; Global mindset training*3	

*1 Mid-career employees undergo fundamental business skills follow-up training corresponding to third year training.
*2, 3 To be conducted within third year training and entry-level employee training program, respectively.
*4 OCD: Overseas Career Development

Training and Education

Strengthening of Middle Management

The role of middle managers acting as a bridge between management and the work floor is becoming increasingly important for responding to environmental change and enhancing organizational capability. MITSUBISHI MOTORS has a training program for the systematic development of human resources from entry-level employees to general managers, and is particularly focused on enhancing programs that strengthen middle management.

Specifically, in the training for section manager (M2) and general manager (M1) candidates, which is designed to improve management capability, opportunities are provided for them to learn the skills and abilities required at each level for identifying and resolving issues, and to also learn about characteristics of their own thinking and behavior, as well as points for improvement, through feedback provided by external assessors.

In fiscal 2019, we held elective e-learning courses for section managers and division general managers, providing opportunities to learn on a routine basis. We are currently operating in an environment that is difficult to forecast, and individual capabilities are being tested. We will continue to consider and implement frameworks that help nurture employees' abilities to adapt to a changing environment and create frameworks that support individual growth.

Fostering Global-Minded Human Resources

In line with increases in both overseas production and sales volumes, MITSUBISHI MOTORS is placing emphasis on developing human resources who are capable of adopting a global perspective and performing in the global business field.

English language skills are essential when working with people outside Japan, so we offer employees training designed to systematically improve their English skills, including beginner and intermediate courses aimed at improving basic skills. We also offer local language courses for employees who will be stationed in non-English-speaking countries.

In addition to language training, we run a program in which younger employees are dispatched to non-English-speaking emerging countries for three years (one year of language training + two years of work experience at a local affiliate). Plans are also in place for training programs at overseas subsidiaries.

Supporting Lifelong Education

In keeping with the Revised Act for Stabilization of Employment of Older Persons, MITSUBISHI MOTORS is encouraging the reemployment of retirees aged 60 and over to steadily hand down the techniques, knowledge and experience of skilled workers.

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

Fiscal 2019 Seminars for Future Good Life

Number of seminars	4 in total across the company
The number of participants	90

Career formation and evaluation

Personnel System

Regarding career formation, we have put in place a system which enables employees to proactively set their own goals based on their achievements, capabilities, and life plans, while elevating their capacity to achieve these goals.

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

We have introduced management-enhancing tools aimed at section managers and general managers with the objective of revitalizing the organization. In doing so, we aim to: (1) Share organizational objectives and foster a sense of responsibility for achieving these objectives, (2) Enhance incentives for achieving objectives, (3) Enforce mindset and behavior expected from employees, and (4) Make appointments and promotions according to merit.

For non-management personnel, our aims are (1) Sharing organizational objectives and instilling a sense of responsibility for achieving them, (2) Raising

transparency and employee approval of evaluations and employee treatment, and (3) Promoting the establishment of shared values.

Evaluation Standards: MMC WAY

We have created six, simple keywords that capture the minimum necessary preparation and behavior required as MITSUBISHI MOTORS employees.

MMC WAY

Mindset

◇**Cross-functional**
Work beyond organizational boundaries

◇**Transparent**
Candid and accountable

◇**Look outward**
Go out and learn

Actions

◇**Commit**
Achieve quantifiable goals

◇**Challenge**
Take proactive action for value creation

◇**Perform**
Results with sense of speed

Fair Compensation System

MITSUBISHI MOTORS introduced a remuneration system that allows for appropriate compensation based on the roles, degree of contribution, and weight of the roles and responsibilities of each employee. We provide the system to enhance each employee's career and motivation. In conjunction with raises given annually based on individual performance, raises are also given according to advances in career.

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

▶DATA (P105): Wage levels

Occupational Health and Safety

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	Ideal Image	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Creation of safe workplaces	Realize safe and secure workplaces	Ongoing measures for the creation of safe workplaces	Overall accident rate*	0.42	△

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

Health and Safety Management Policy

MITSUBISHI MOTORS believes ensuring the health and safety of employees is the foundation of corporate activities. Accordingly, we have established a Health and Safety Management Policy and are undertaking related measures on an ongoing basis, including through offices for on-site cooperation.

Basic Policy

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

Management Organization

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

Initiatives to Ensure Workplace Safety

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

by employees. We also established "safety training schools" at each business site to raise hazard awareness and conduct hands-on hazard training so that all employees can experience firsthand such hazardous situations as pinching, being caught up in equipment, becoming wounded and falling. In fiscal 2019, 1,820 people took part in this training.

In fiscal 2019, there were four workplace accidents involving the loss of one or more workdays, one fewer than in fiscal 2018. However, the accident rate was 0.42, falling short of our 0.26 target. The main causes of these accidents were an insufficient ability by workers to predict danger and overlooked unsafe conditions. In fiscal 2020, as well as providing hazard prediction training, we are taking synchronized, company-wide, in-depth efforts to eradicate unsafe conditions by identifying potential accidents and ensuring that facilities are intrinsically safe.

As for assessing our compliance with safety-related laws and regulations, we use checklists to conduct self-checks of each workplace and to conduct reciprocal checks on other workplaces to ensure thorough compliance. At our overseas plants, following on from Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) and Mitsubishi Motors Philippines Corporation (MMPC), a compliance assessment was conducted for P.T. Mitsubishi Motors Krama Yudha Indonesia (MMKI) in fiscal 2019. Going forward, we will expand these assessments to other locations.

With the aim of strengthening our health and safety management structure and further raising the level of management, we also plan to rebuild the company-wide health and safety management system, and to acquire ISO 45001 by fiscal 2022.

▶DATA (P105): Accident Rate

Mental and Physical Health Initiatives

For the purpose of maintaining and improving the mental and physical health of our employees, MITSUBISHI MOTORS prioritizes two key measures: guidance on preventing lifestyle-related diseases and measures for maintaining good mental health.

Given that mental health issues account for more than half of absences due to illness, we have positioned mental health measures as a company-wide priority issue and have introduced an outside Employee Assistance Program* (EAP), a type of mental health program. We also offer consultation on individual issues, provide mental health education and offer support programs to improve the workplace.

The number of employees who were absent from work due to the onset of mental health issues increased by 16% in fiscal 2019 compared to the previous fiscal year. Given that work-related concerns account for approximately 80% of all cases, we have placed priority on prevention with the aim of providing care for individuals, encouraging care of subordinates by superiors, and improving workplace environments.

We arrange face-to-face sessions with industrial physicians or counselors for employees determined to be experiencing high levels of stress based on the results of annual stress checks. We have made an appeal for employees to actively attend sessions with industrial physicians, explaining the purpose of the sessions and about how confidentiality is assured. This effort is helping with the early detection and response to mental health issues. We also assess stress levels at each workplace, conduct training to improve workplace communications, and conduct a program delivered by outside counselors to improve workplace environments. In fiscal 2019, 55 departments and divisions accessed this program in an effort to make improvements.

We are creating environments where employees feel comfortable consulting about their concerns with consultation desks for individuals. We have established consultation desks with counselors, attorneys, tax accountants, and other professionals and made them available not only to employees, but also to their family members.

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

Labor-Management Relations

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

As of April 2020, our labor union had 12,755 members (excluding reemployed senior staff), accounting for 99% of general employees excluding officers and management.

Status of Labor-Management Communications

The labor-management council is regularly held along with collective bargaining as an opportunity for labor management discussions. These discussions aim to share information about issues such as working conditions and the working environment, and labor and management then work together to solve these issues. In fiscal 2019, 47 discussions were held between the Company headquarters and union headquarters, and many discussions were also held between offices and union branches in each business site.

For important topics such as major changes in working conditions, we organize a labor-management expert committee and make decisions after careful consideration and discussions and management.

We are also working to build good relationships with labor unions at overseas affiliates in accordance with the labor laws and regulations of each country.

Human Rights

Basic Approach and Policies

Based on the idea that respect for human rights is the foundation of our business activities, in May 2019, MITSUBISHI MOTORS announced its support for the United Nations Global Compact (UNGC)* in which the United Nations advocates the ten principles in the four categories of human rights, labor, environment, and anticorruption. As a participating company, we support and respect international standards and norms such as "the International Bill of Human Rights," "the ILO's Declaration on Fundamental Principles and Rights at Work," and "the United Nations Guiding Principles on Business and Human Rights." Based on the 10 principles of the UNGC, we will continue our activities toward the realization of the sustainable growth of society.

As a global company, MITSUBISHI MOTORS believes that respect for human rights and anti-corruption initiatives are very important.

Based on that idea, in order to further specify initiatives for the respect of human rights and anti-corruption, in May 2019, a partial revision was made to the MITSUBISHI MOTORS Global Code of Conduct. "Respect Human Rights and Diversity, Provide Equal Opportunity" in the Global Code of Conduct specifies that discrimination, retaliation and harassment are not permitted in any form or to any extent, and that the diversity of suppliers, customers, executives, employees and local communities shall be respected in addition to respecting human rights.

In fiscal 2019, in the newly enacted MITSUBISHI MOTORS "Human Rights Policy," specific initiatives are defined, including support and respect for international standards and norms regarding human rights, matters for compliance, and the implementation of human rights risk evaluations and executive/employee training.

*See page 9 for details on our support of the UN Global Compact.

PDF Human Rights Policy

Consideration for Human Rights in Work and Investment

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

Prohibiting Discrimination

In our Human Rights Policy, executives and employees are required to respect diversity and to create equal opportunities with no allowance for unfair discrimination or harassment on bases such as race, skin color, nationality, ethnicity, family origin, sex, sexual orientation, gender identity, age, disability, language or religion.

Also, we emphasize the importance of diversity in our training programs, and we encourage our employees to work together with respect for diverse values.

Framework of Human Rights Awareness

We offer human rights awareness training companywide headed by the executive in charge of human resources. Personnel in charge of education stationed at our business sites are working to raise human rights awareness among employees by conducting lectures using shared educational materials. We also participated in events held by the Industrial Federation for Human Rights, Tokyo, of which we have been a member for some time, and the Mitsubishi Human Rights Enlightenment Committee and attended conferences, research meetings, and so on held by other external organizations, gathered information, and took measures to improve understanding (approx. 140 days in fiscal 2019). The insights gained from these opportunities have been reflected in internal training and other purposes.

Human Rights Compliance in the Value Chain

In addition to internal efforts targeting human rights internally, we place great importance on initiatives that address human rights among suppliers. In the Supplier CSR Guidelines, we specify matters involving respect for human rights, including the complete elimination of discrimination and the prohibition of child labor and forced labor. We confirm that suppli-

ers agree to consider human rights based on these guidelines by having them sign Supplier Commitment agreements.

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

Establishing Consultation Offices

In order to make timely responses in cases where a human rights related issue occurs within the company, we have established internal and external consultation offices (helplines) for whistle blowing and consultation for employees.

Also, having established a Business Partner Helpline for suppliers, and a Customer Contact Center as a consultation office for customers, we are receiving reports and request of consultations regarding human rights issues.

Confidentiality and user anonymity is guaranteed at all of these consultation offices.

Establishment of Internal and External Consultation Offices (Helplines) P88
For further information regarding the Business Partner Helpline, please go to P73
For further information regarding the Customer Contact Center, please go to P54

Education and Training

Human Rights Education Programs

In order to encourage all employees to cultivate their respect for human rights, MITSUBISHI MOTORS is offering courses that deepen understanding toward human rights within its training programs tailored to each job rank, beginning with entry-level employee training. In fiscal 2019, we conducted a total of 770 hours of human rights training for 800 employees, including entry-level employees, mid-career employees and newly promoted managers (section managers and division general managers). Details of the training are described below.

Entry-level employees	The significance of corporate initiatives regarding human rights, fundamental knowledge regarding human rights, etc.
Mid-career employees	Recent topics regarding human rights, the relation between our business and human rights, etc.
Newly promoted managers	Recent topics regarding human rights, prevention of harassment, roles of managers, etc.
Newly promoted general managers	Provision of expertise needed as workplace managers, etc.

In addition to training, we regularly distribute information on human rights-related topics to all divisions within the Company with the aim of raising awareness of human rights. One such initiative is the dissemination of a message from our CEO, coinciding with Human Rights Day on December 10.

To promote LGBT awareness among employees, we held seminars at various sites. We also rolled out an internal e-learning course covering basic knowledge of LGBT issues.

Training Programs by Type	Number of Participants	Attendance Rate
Entry-level employee training	470	100%
Mid-career employee training (newly promoted)	168	100%
Newly promoted manager training	168	100%
Seminars to raise understanding of LGBT issues	251	—*
LGBT e-learning course	6,654	—*

*Attendance ratio not disclosed for voluntary attendance

Deploying Supply Chain Sustainability Initiatives (Social)

FY2019 Materiality Targets and Results

○: As planned △: Delayed

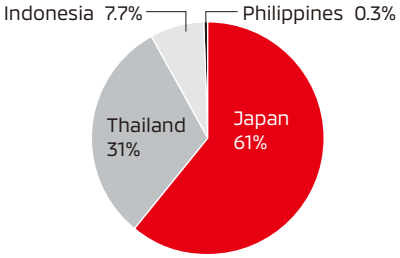
Details of Main Initiatives	Ideal Image	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation
Reinforcement of CSR in the supply chain	We promote healthy supply chain management by ensuring full consideration is given to the environment, labor and human rights in the supply chain	・Expansion of Supplier CSR Guidelines to MITSUBISHI MOTORS overseas production bases ・Support for supplier CSR evaluations by third-party organization	・Promoting the purpose of Supplier CSR Guidelines ・Recommendation of supplier on CSR evaluations by third party organization	・Rolled out Supplier CSR Guidelines via MMTh, MMKI and MMPC to their business partners ・Explained the purpose of third-party evaluations to business partners and commenced evaluations	○

Basic Approach

With approximately 800 parts supplier companies, MITSUBISHI MOTORS and its main production bases concentrated in the ASEAN region recognize the magnitude of their influence, including on tier 2 and subsequent suppliers. As such, we are strengthening collaboration with our suppliers to maintain and increase sustainable competitiveness across the entire supply chain. We promote industry-leading quality, cost competitiveness, and localization.

We work as one with our suppliers to contribute to society on a foundation of shared Supplier CSR Guidelines.

Parts Procurement Ratios by Major Production Base (FY2019)



Supplier CSR Guidelines

Aiming for collaborative initiatives with suppliers, MITSUBISHI MOTORS formulated its Supplier CSR Guidelines in 2010. Through these guidelines, we promote collaborative activities with our suppliers from the same point of view. The scope of these activities covers all domestic suppliers and their quality, while also including labor practices, environment management, and compliance. Also, having reestablished these guidelines in February 2019, we have specified the implementation of supplier CSR initiative evaluations by third party agencies and measures to be taken when compliance violations are discovered. We have also received statements of agreement regarding compliance with the guidelines from suppliers.

PDF Supplier CSR Guidelines

Policies on Conflict Minerals

The “conflict minerals” (tin, tantalum, tungsten and gold) produced in the Democratic Republic of the Congo and neighboring countries have become a source of funding for armed groups, resulting in serious violations of human rights.

In order to ensure that it is not complicit in human rights abuses through the procurement of these conflict minerals, our Supplier CSR Guidelines clearly state our policy of not using conflict minerals as raw materials, and we promote responsible procurement.

In fiscal 2019, we began conducting hearings of suppliers to identify the metals used on electric circuit boards and the use of conflict minerals by parts category.

Management Organization

In April 2018, MITSUBISHI MOTORS, Renault and Nissan established the APO (Alliance Purchasing Organization), a joint purchasing organization that integrates the three companies' purchasing functions. This organization carries out its activities with the three shared pillars of trust, respect, and transparency as its basic principles.

The organization selects business partners using uniform process and evaluation standards, provides numerous suppliers with opportunities for participation, and operates fairly.

Establishing a Business Partner Helpline

As part of our efforts to adhere to the METI guidelines, we have established a Business Partner Helpline for the suppliers of our procurement division.

The helpline receives opinions and comments from business partners, quickly identifies compliance issues or concerns, such as legal or regulatory infractions or unfair practices in our procurement activities, and promptly rectifies them, striving to achieve even fairer business transactions.

In addition to putting into effect management based on the Supplier CSR Guidelines, MITSUBISHI MOTORS holds a Suppliers Meeting each year to share and spread information about CSR policy in conjunction with procurement and other policies.

We not only adhere to the guidelines for proper trading in the automotive industry formulated by Japan's Ministry of Economy (METI), but also request that our tier 1 suppliers follow these guidelines as well to ensure that transactions are properly handled with tier 2 and subsequent suppliers and that the Company does not engage directly in transactions with those business partners.

Supply Chain Auditing

Sharing of Supplier CSR Guidelines

At MITSUBISHI MOTORS, the Supplier CSR Guidelines were reestablished in February 2019, and we have received statements of agreement regarding compliance with the guidelines from suppliers.

In fiscal 2019, we expanded these guidelines to suppliers from work locations in Thailand, Indonesia and the Philippines, taking into consideration the situation in each region.

Supply Chain Auditing

In order to mutually confirm and promote CSR activities with suppliers, we will request statements of agreement for the Supplier CSR Guidelines, and, as an APO, regarding the evaluation of supplier CSR activities, we will start to use the same third party evaluations as Renault-Nissan.

We disclose evaluation results to business partners and ask them to make improvements and regularly audit the results of those improvements.

Based on their evaluation scores, we draft improvement plans for specific suppliers and ask them to implement those plans.

Working with Suppliers to Improve Quality

MITSUBISHI MOTORS regularly conducts quality audits and quality self-check guidance with its suppliers to improve quality along the entire supply chain.

In fiscal 2019, we conducted process audits at 53 suppliers and 64 plants. Improvements to issues pointed out during these audits were generally implemented by suppliers in three months or less. Quality self-checks were also conducted at 392 supplier plants. We will continue to improve communication and quality across the supply chain through these activities.

Audits also provide guidance regarding the creation of systems for rapidly tracing the sources of defects found in parts manufactured by suppliers, who use this information to improve their systems.

Ensuring Knowledge of the Guidelines within the Company

As part of managing the Supplier CSR Guidelines, we take efforts to ensure that the guidelines are well-known within the company. As part of MITSUBISHI MOTORS procurement training, we conduct training for new employees (both entry-level employees and new midcareer employees), as well as training when employees are transferred.

Communicating with Suppliers

Providing suppliers with appropriate information and two-way communication is essential for proper supply chain management. At the end of every fiscal year, MITSUBISHI MOTORS holds Suppliers Meeting to make our policy for the next fiscal year well-known. In Japan, we help the MITSUBISHI MOTORS Cooperation Council, a voluntary organization of around 200 supplier companies, hold lectures and conduct research activities each year. In fiscal 2019, we held a MITSUBISHI MOTORS Cooperation Council lecture on October 18.

Executive officer, CEO giving a speech to the MITSUBISHI MOTORS Cooperation Council

Promotion of Localization

MITSUBISHI MOTORS has a basic policy of procurement from local business partners whenever possible when local procurement is effective and technologically feasible, excluding cases in which local parts manufacturing is difficult, with the aim of maximizing local procurement rates at overseas bases.

For parts which are already locally procured, we also promote the local procurement of the components used within these parts, etc., to optimize costs.

We conduct advance audits of the systems and structures of new business partners, evaluating items such as their development capabilities, production capabilities, and quality management capabilities and issuing improvement instructions if necessary. We also provide support to local business partners by serving as a go-between with Japanese business partners moving into their regions, joint ventures with local business partners, technical partnerships, and the like. We strive to contribute to local regions by creating local jobs and improving local technical capabilities.

Initiatives for Business Continuity Plans in the Supply Chain

To reduce the risk of suspended manufacturing operations due to a shortage of parts during a large-scale natural disaster or a major outbreak of infectious disease, MITSUBISHI MOTORS formulates business continuity plans (BCPs) in the supply chain and takes measures that include finding alternative production for each supplier and part. In addition, we ask that our suppliers be registered in the damage status confirmation system, so that in the event of a natural disaster, the damage status of plants will be reported to us immediately.

We have created a special supplier map that enables us to better understand the status of damage and risk with regard to not only tier 1 but also tier 2 and subsequent suppliers.

Social Contribution Activities

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	FY2019 Target	Indicator	FY2019 Results	Self-Evaluation
Undertake activities in cooperation with local communities, NGOs, and other organizations	Social contribution expenditure: 1.0% of ordinary income*1 *1 Ordinary income for MMC on a non-consolidated basis	Social contribution expenditure as a percentage of ordinary income	3.28%	○

Social Contribution Activities Policy

In April 2020, we formulated a wider-ranging social contribution activities policy to help address increasingly diverse global social issues. In addition to continuing with ongoing efforts, the policy calls for us to step up activities through alliances in key markets.

To make more people aware of these activities, we have coined a new phrase for communications, "STEP to the future," and established a logo mark.

Logo Mark for Social Contribution Activities

The figure shows how our circle of activity in STEP areas expands outward from the center.

STEP to the future
by MITSUBISHI MOTORS

Social Contribution Activities Policy

To address diversifying social issues, MITSUBISHI MOTORS carries out its STEP social contribution activities, focused on four main themes, standing for the first letters of Society, Traffic safety, Environment and People. Based on this policy, we will continue to contribute to society by utilizing each and every employee's skills and know-how as well as our technologies and products, aiming to create a better society where people can hope for a better future.

Breakdown of Social Contribution Expenditures*2

(¥ million)

	FY2017	FY2018	FY2019
Society	132	116	118
Traffic safety	10	8	21
Environment	135	37	32
People	206	225	169
Support for disaster-stricken areas	25	62	60
Other*3	33	33	43
Total expenditure	540	480	442

*2 Social contribution expenditures including donations as well as in-kind benefits, employee activities, and free use of company facilities converted into monetary equivalents. However, it does not include fund-raising and volunteer activities individually conducted by employees.
Figures for FY2017 and FY2018 are for MMC on a non-consolidated basis.
Payments in FY2019 are on a consolidated basis.
*3 Including support for sporting activities, donations to the Mitsubishi Foundation, etc.

Supporting Measures to Address COVID-19

To help prevent the spread of COVID-19, at overseas subsidiaries we provided vehicles so healthcare workers to travel to medical institutions. We also contributed protective clothing and masks.

In Japan, MITSUBISHI MOTORS plants produced face shields, which we donated to local governments and medical institutions.

By taking advantage of the expertise we have cultivated in the development and production of automobiles, as well as by making use of factory facilities, we are working with national and local governments as well as related organizations around the world on ongoing measures to help prevent the spread of COVID-19.

Providing vehicles to the Department of Transportation in the Philippines

Donated face shields

◆Measures to help prevent the spread of COVID-19
https://www.mitsubishi-motors.com/en/sustainability/contribution/society/relief/covid-19/

MITSUBISHI MOTORS STEP Funds and Matching Gift Program

The MITSUBISHI MOTORS STEP Funds, introduced in April 2009, is a structure through which employees can continuously participate in social contribution activities by voluntarily donating fixed sums to the funds. These funds are then used for to support activities in developing countries and areas struck by the Great East Japan Earthquake, in line with the purposes of MITSUBISHI MOTORS' social contribution activities. The company also matches donations made by the MITSUBISHI MOTORS STEP Funds.

Support Recipient
■ World Vision Japan
■ OISCA International (The Organization for Industrial, Spiritual and Cultural Advancement-International)
■ The MICHINOKU Future Fund
■ Kindergartens, Nursery schools, elementary schools, etc., near MITSUBISHI MOTORS workplaces

Support for Construction of a Children's Forum* Library and Assembly Hall

With cooperation from World Vision Japan, an international NGO, we have supported the construction of a library and assembly hall for the Children's Forum in the city of Ternate, North Maluku, Indonesia.

An increasing number of people are participating in Children's Forum activities, which are recognized as positive examples of leading regional change, and these efforts are gaining traction. By building a library and assembly hall, we have provided a place for regular gatherings.

Decorations that incorporate children's ideas

Through this support, we aim to provide a place for diverse activities that will help children enjoy prosperous growth.

*A community group for children that is promoted and supported by World Vision. In addition to such life skills as reading and writing, the forum provides an opportunity to discuss school and regional issues and a venue for social participation activities leveraging regional management.

"Forest Wooden Building Block Project" for children

The concept of this project is to present nurseries and kindergartens with cozy wooden building blocks for enhancing the children's creativity through block play, which are made of Japanese cypress comes from forestry thinning operations mainly in Hayakawa-cho, located in the prefecture of Yamanashi, where we carry out our forest conservation activities.

In addition, we have newly started "Employee Presenting Project" through which our employees hand out the set of forest wooden building blocks through our internal donation funds to a nursery or kindergarten of their choice.

In fiscal 2019, we presented blocks to 70 kindergartens and nursery schools. The blocks have been donated to 325 kindergartens since 2010.

Building blocks made from thinned cypress

Society

Donating an EV as a Regional Patrol Vehicle

We donated a MINICAB-MiEV electric vehicle to the Kitano School District in the city of Okazaki, Aichi Prefecture, located near our Okazaki Plant. The vehicle is being used as a "blue-light safety patrol" car.

This car patrols the neighborhood to help prevent crime and play a role in safety activities. Its battery can also be used as an external power source at events or to supply electricity in emergencies.

Ceremony for the donation of uniquely wrapped vehicle

Traffic safety

Traffic safety around business sites

Employees regularly serve as traffic safety sentries on the roads around our business sites, helping to ensure safe commutes to school and work.

In fiscal 2019, employees in our business sites participated in such activities 39 times in total.

In April 2019, a team of Mitsubishi safety sentries took part in the Ieyasu Procession in the city of Okazaki, Aichi Prefecture, helping to secure the safety of the many people gathering along the streets.

Calling out for traffic safety at intersections

Helping to Build a Bridge along a School Commuting Route in Vietnam

Mitsubishi Motors Vietnam Co., Ltd. (MMV), in cooperation with the Vietnam Red Cross Society, participated in a project to build a bridge for children on a school commuting route in Thới Lai District, contributing 926 million Vietnamese dong (around ¥4.2 million) toward construction costs. In the past, elementary school children crossed the river in small boats. The new bridge, built by the Vietnam Red Cross Society to help reduce the number of accidents and make travel to and from school safer, was completed in March 2020.

A bridge on the school commuting rout

Dissemination of Traffic Safety Information for Children

Website for Children "Do You Know the Answer? Traffic Safety Quiz"

On the "Why? Why? Car Development Research Group" website that was designed to provide information on the automobile industry to elementary school age children, there is a webpage about traffic safety using a quiz format to introduce traffic rules and manners they should follow when walking or riding a bicycle in their day-to-day activities.

In 2019, we augmented the daytime schemes with evening scenarios, which present new sources of danger.

"Do You Know the Answer? Traffic Safety Quiz"
WEB https://www.mitsubishi-motors.com/jp/csr/contribution/next/kids/anzen/
(This site is only available in Japanese.)

Environment

Forest Preservation Activities

MITSUBISHI MOTORS is collaborating with OISCA to preserve forests in Hayakawa-cho, Yamanashi Prefecture, while interacting with the local community through volunteer activities. These activities aim to protect metropolitan water sources and spread awareness of the environment among our employees.

In fiscal 2019, under the direction of the Hayakawa-cho forest union, 97 volunteer employees and their family members trimmed undergrowth, while 80 new employees worked on thinning and maintaining sidewalks within the forest.

Trimming undergrowth in planted areas

Joint study in Indonesia Using EVs

In August 2019, MITSUBISHI MOTORS participated in a joint study on renewable energy management being carried out by Indonesia's Agency for the Assessment and Application of Technology and Kyudenko Corporation on the Indonesian island of Sumba. We participated in the study with an i-MiEV electric vehicle and a quick charger. On remote islands, where sourcing gasoline can be difficult, we are contributing to efforts to help Indonesian people use EVs by charging the energy generated photovoltaic power and accumulating data on EV travel.

The i-MiEV used in the test

People

Hands-on Lessons Program

Based on the idea of helping children to enjoy learning by experiencing the "real thing," every year since 2005, MITSUBISHI MOTORS has dispatched employees to elementary schools. At the schools, employees conduct classes about the environment to teach students about the relationship between cars and environmental problems. They also offer design classes where students learn about the fun that comes from making things and about working with cars. We also hold a manufacturing class, where students learn about the people who make cars in our factories.

In fiscal 2019, 6,872 students attended these classes at 119 schools. Approximately 42,000 children have participated in these classes since 2005.

Children learning about the structure of electric vehicles

"One-Day Parents" Activities in Indonesia

Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) contributes to orphans and runs the Mitsubishi Children Program (MCP). In this program, employees act as foster parents for a day, taking part in activities that put them in touch with children.

In June 2019, we participated in the MCP in the province of West Java, inviting around 100 children aged 5–10 from three orphanages near MMKSI's office to take part. Employees and members of management took part as volunteer staff, serving as foster parents.

Interaction between employees and the children

Support for Disaster-Stricken Areas

Support in Asia

In September 2019, Mitsubishi Motors Thailand (MMTh) and dealers from the area affected by the tropical storm Podul, which devastated parts of northeastern Thailand, donated 700,000 Thai baht (approximately ¥2.5 million) to five provincial and regional government bodies in the affected region. Employees at the dealers and MMTh, along with their family members, participated in disaster support activities, supplying drinking water, dried food and medical first aid kits.

Support for people affected by disaster

Support in Japan

Immediately after the Great East Japan Earthquake, we carefully listened to the needs of the disaster-stricken areas, created a mechanism to support them through our business and in our employees' daily lives, and have been continuously providing support under the theme of "Don't Forget/Stay Connected." Every effort is made to provide a wide range of support in response to emergency situations such as natural disasters. This includes contributions through donations, free loan of vehicles, and volunteer work by employees.

In fiscal 2019, we donated 12 OUTLANDER PHEVs to welfare facilities in Chiba Prefecture, which was hit by large-scale power outages due to Typhoon Faxai. The vehicles helped power home appliances. Going forward, we will continue to offer swift support in times of disaster.

Washing machine powered by OUTLANDER PHEV

Main Support in Fiscal 2019

	Support		Support Recipient
March 2020	COVID-19	• Donated three ASX and three ECLIPSE CROSS vehicles • Donated hand cream and protective kit	Medical institutions in China's Hunan Province
		Donated output from two mask production lines	Red Cross Society of China
		Support money of ¥4 million*	World Vision Japan, an international NGO
		Support money of ¥100,000	Medical institutions in the city of Okazaki, Aichi Prefecture
October 2019	Typhoon Hagibis	• Donation of ¥10 million	Japanese Red Cross Society
September 2019	Typhoon Faxai	• Loan of 12 OUTLANDER PHEVs	Welfare institutions in Chiba Prefecture
	Disaster due to Podul, a tropical storm, in Thailand	• Donation of 700,000 Thai baht • Relief supplies	Thai provinces of Ubon Ratchathani, Yasothon, Roi Et, Amnat Charoen and Si Sa Ket

*Totals for MITSUBISHI MOTORS STEP Funds and the Matching Gift Program

DENDO Community Support Program (Disaster cooperation agreements with local governments)

MITSUBISHI MOTORS is promoting the DENDO Community Support Program. Under this program, we work with affiliated dealers, entering into disaster cooperation agreements with municipalities around Japan. Our aim is to build a nationwide network for providing the OUTLANDER PHEV, our plug-in electric vehicle, to ensure that power can be provided quickly and without a loss of time to disaster-affected areas and evacuation shelters in times of disaster.

As of June 2020, we had agreements in place with 54*1 municipalities. By fiscal 2022, we aim to have agreements in place with municipalizes across Japan.

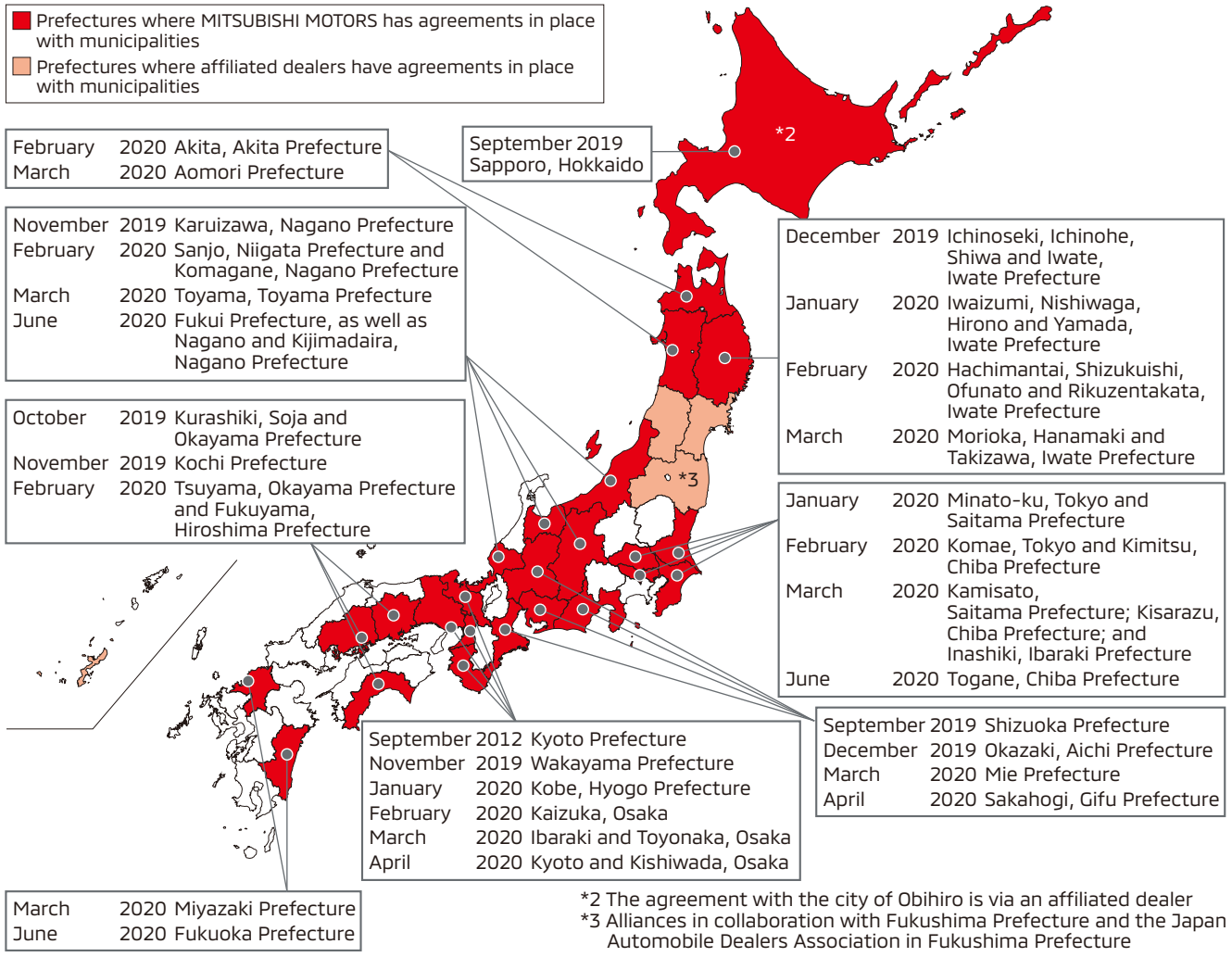
*1 Excluding two-party agreements between affiliated dealers and municipalities

Okayama Prefecture

Okazaki, Aichi Prefecture

Minato-ku, Tokyo

Agreements in Place with Municipalities around Japan (As of June 30, 2020)



*2 The agreement with the city of Obihiro is via an affiliated dealer
*3 Alliances in collaboration with Fukushima Prefecture and the Japan Automobile Dealers Association in Fukushima Prefecture

◆Current agreement status
https://www.mitsubishi-motors.com/jp/sustainability/contribution/society/relief/dendo-csp/
(This site is only available in Japanese.)

Governance

Corporate Governance

Basic Approach and Policies

Based on its corporate philosophy (vision and mission), MITSUBISHI MOTORS considers compliance to be its highest priority, and works for the ongoing strengthening and improvement of corporate governance as a priority issue for management with the aim of sustainable growth and improvement of its corporate value to meet the expectations of all of its stakeholders, including its shareholders and customers.

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

PDF Corporate Governance Guidelines

System of Corporate Governance

As of June 21, 2019, MITSUBISHI MOTORS has transitioned to a company with three committees, as part of its efforts to enhance its corporate governance 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.

(1) Board of Directors and Members of the Board

(i) Composition of Members of the Board

The Board makes decisions on important management issues and oversees the execution of business by Executive Officers. As of June 30, 2020 the Board consists of 15 Directors (including 4 female members), 12 of whom oversee the Company as Outside Directors each with considerable experience and a high level of insight. Furthermore, the Tokyo Stock Exchange has been provided notice that six of the Outside Directors are Independent Officers.

We believe that these Outside Officers make insightful comments at Board meetings based on their considerable experience and knowledge as professors, novelists, attorneys-at-law, accountants, and diplomats, and sufficiently fulfill their duties as Directors. The Company will continue to build a structure with awareness of the balance and diversity of knowledge, experience and capabilities, as well as the scale, of the Board as a whole.

(ii) Independence standards for outside directors

We have established independence standards for outside directors as follows, and we appoint as independent directors those persons who are not at risk of having a conflict of interest with general shareholders.

<Independence standards for outside directors>

The Company's Outside Directors must occupy a neutral position, independent from the Company's operational management and must not be:

1. An executive of a major shareholder*1 of the Company
2. An executive of a major business partner*2 of the Company, or of a company for which the Company is a major business partner, or the parent company or subsidiary of such a company
3. An executive of a major lender*3 to the Company or the parent company or subsidiary of such a company
4. A person affiliated with an auditing firm that conducts statutory audits of the Company
5. A consultant, an accounting professional such as a certified public accountant, or a legal professional such as an attorney-at-law who receives a large amount*4 of monetary consideration or other property other than compensation of Members of the Board from the Company (in the event such property is received by a corporation, association or other group, then any person belonging to such group)
6. An executive of a company with which the Company shares a Director
7. An executive of an organization that is receiving a large*4 donation or grant from the Company
8. A person to whom any of 1 through 7 has applied during the past 3 years
9. A person with a close relative (second degree of kinship) to whom any of 1 through 7 applies
10. A person whose total period in office as an Outside Director exceeds 8 years
11. Other persons for whom the possibility of a relationship with the Company appears strong under substantive and comprehensive consideration of the situation

*1. A shareholder who owns a 10% or greater share of voting rights
*2. A business partner of the Company with annual transactions valued at 2% or more of either the Company's consolidated net sales in the most recent fiscal year or the business partner's consolidated net sales in the most recent fiscal year
*3. A financial institution that provides the Company with loans amounting to 2% or more of the Company's consolidated total assets at the end of the most recent fiscal year
*4. An amount of consideration received from the Company that is 10 million yen or more

(iii) Analysis and evaluation of the effectiveness of the Board of Directors

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

In FY2019, the Company evaluated the effectiveness of the Board based mainly on the four elements "composition of the Board and each committee," "matters for deliberation by the Board and each committee," "oversight functions of the Board and each committee," and "status of deliberations by the Board and each committee" from the perspective of enhancing the Board's oversight function in light of the change to a company with three committees in June 2019.

As a result of the evaluation, the Company has judged that there are no serious concerns or other issues regarding the effectiveness of the Board. The main issues revealed in the evaluation were as follows.

- Enforcement of policies to enable further enhancement of deliberations related to important matters pertaining to the Board's oversight function, including the mid-term business plan and governance frameworks
- Enhanced prior analysis of, and provision of a broad variety of information pertaining to, matters for deliberation
- Mid-to-long term consideration of the Board's composition

We will work to continue to strengthen corporate governance by further improving the effectiveness of the Board, including initiatives for major issues recognized through analysis and evaluation of the Board.

(2) Committees

The Board has the following three statutory committees of which Outside Directors comprise the majority of the Members and the Company has established a system that monitors Directors and Executive Officers as well as facilitates corporate governance.

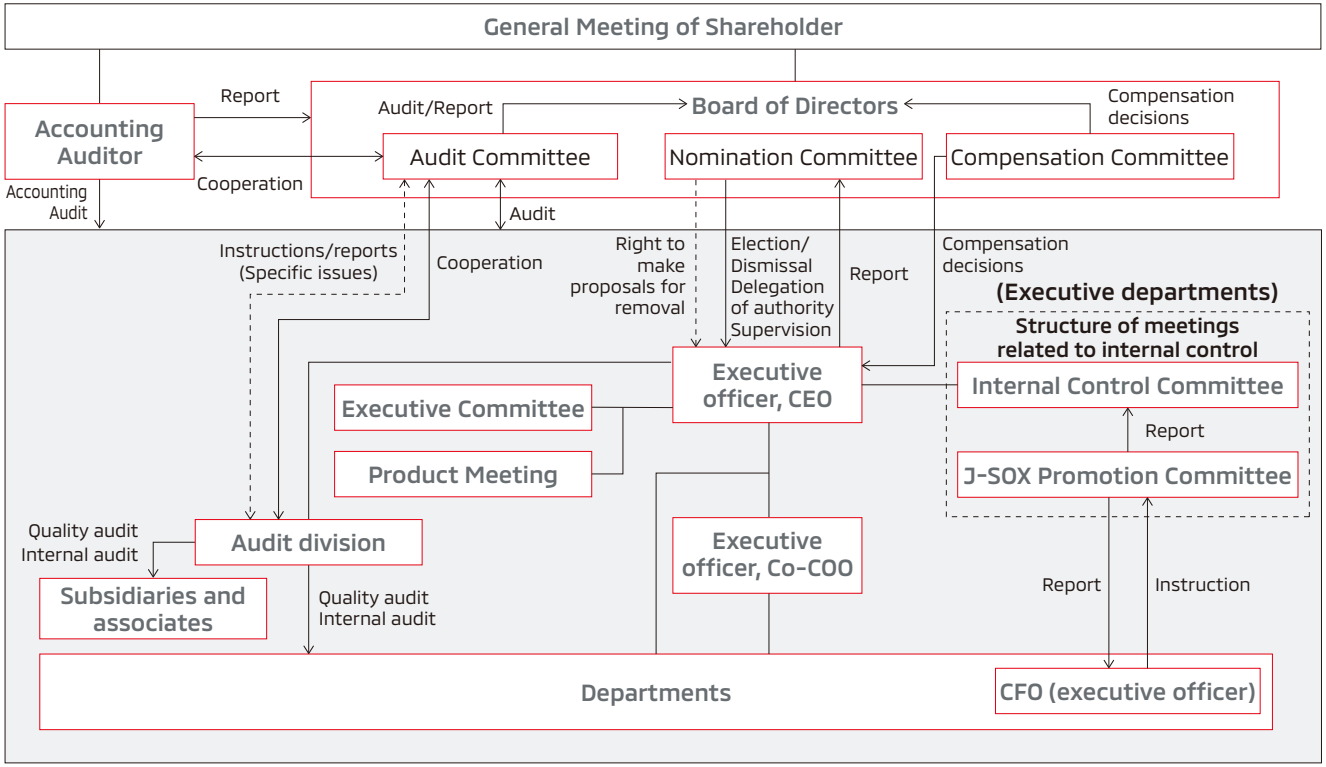
(i) Nomination Committee

The Nomination Committee makes decisions on resolution proposals for the appointment of Directors. The Nomination Committee also deliberates matters such as appointment and dismissal standards for Directors, Executive Officers, and Executive Managing Officers and appointment and dismissal proposals and succession plans for the Company's CEO. An Independent Outside Director (Main Kohda) serves as the chairperson.

(ii) Compensation Committee

The Compensation Committee deliberates and deter-

Corporate Governance Framework (As of June 30, 2020)



mines the policy regarding determination of remuneration of Directors and Executive Officers, as well as the details of individual remuneration. An Outside Director (Shunichi Miyanaga) serves as the chairperson.

(iii) Audit Committee

The Audit Committee supervises the execution of the duties of Directors and Executive Officers and prepares audit reports, and also implements internal investigations based on the judgment of the Board An Independent Outside Director (Yaeko Takeoka) serves as the chairperson.

(3) Executive Officers

Executive Officers decide matters related to execution of business and execute the business of the Company, with the CEO as the division head entrusted with execution of business in general by resolution of the Board. The CEO grants his or her authority to the Co-COOs, the CFO, and other chief officers and executive officers in charge of departments with important functions and holds control over the shared business execution framework. As of June 18, 2020, there were 13 Executive Officers (including the Representative Executive Officer and CEO).

(4) Executive Managing Officers

Executive Managing Officers manage the functions or business of the Company within a certain scope, pursuant to delegation by the Board or CEO, and carry out business. As of June 18, 2020, there were 11 Executive Managing Officers.

(5) Conflicts of Interest

To avoid harming the common interests of the Company and its shareholders, the Company conducts transactions with interested parties such as executives and major shareholders in the same manner as other transactions: we engage in such transactions after giving due consideration to their economic rationale, checking with multiple related departments and upon the approval of the responsible person to whom authority has been delegated. Particularly with regard to transactions that are in competition with or that represent conflicts of interest between the Company and its directors or executive officers, the rules of the Board of Directors stipulate prior approval from the Board of Directors and reporting both before and after any such transaction.

In addition, the rules of the Board of Directors stipulate that directors with special conflicts of interest may not participate in voting on such Board of Directors resolutions.

Status of Audit Committee Audits and Internal Audits

(1) Status of Audit Committee audits

The Company's Audit Committee gathers information and conducts organizational audits in relation to the implementation and operation status for internal control systems (including internal controls pertaining to financial reporting), such as those for main affiliates in Japan and overseas, status of progress with and operation of compliance activities, verification of the appropriateness of risk evaluations, and risk management frameworks and the like, through Audit Committee meetings that are held monthly in principle and other meetings with Internal Audit Divisions, interviews with Executive Officers, and the like, based on audit policy and audit plans.

(2) Status of internal audits

The Company has established internal audit departments (the Internal Audit Department and the Quality Audit Department) in the Audit Division (an independent organization reporting directly to the CEO) and these departments systematically conduct internal audits based on the annual audit plan.

The Internal Audit Department conducts audits to determine whether operational management of the Group is being conducted with transparency using appropriate processes. The Quality Audit Department conducts audits regarding the proper execution of the quality-related work of the Group.

Audit results from internal audits conducted by the Internal Audit Department and the Quality Audit Department are reported directly to the CEO.

(3) Cooperation between the Audit Committee and internal audit departments

The Audit Committee Members regularly hold meetings with the Internal Audit Department to receive information regarding the auditing system, auditing plans, and internal audit results within the Company and at its affiliated domestic and overseas companies, and to provide feedback to the Internal Audit Department on the status of the Audit Committee Members' audits.

Items Relating to Takeover Defense

Not applicable.

Internal Control

Basic Approach, Policies and Organization

Based on the "Basic Policy on the Establishment of Internal Control Systems"*1 established by resolution of the Board of Directors, MITSUBISHI MOTORS monitors the status of operations and strives to improve and reinforce internal control systems.

MITSUBISHI MOTORS recognizes the gravity of its improper conduct in fuel consumption testing, on top of past quality problems, and in fiscal 2017 made profound reforms to its internal control system as one of its priority measures aimed at regaining trust.

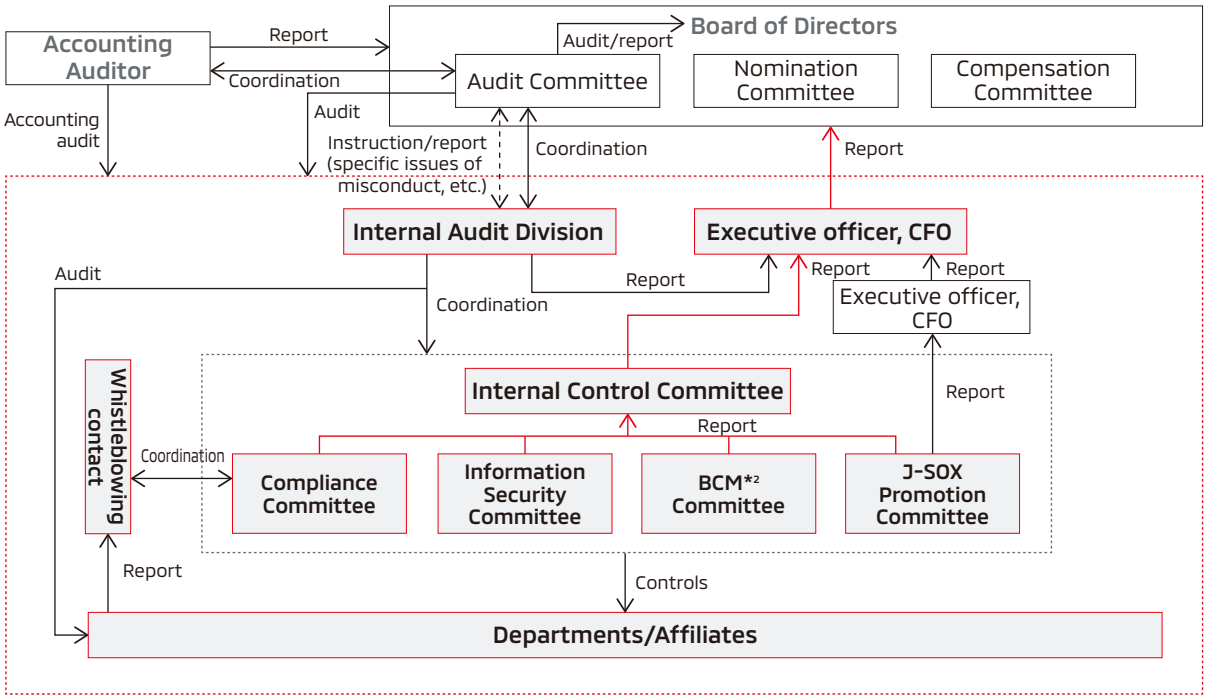
First, it appointed a Vice President in charge of Global Risk Control to manage compliance and operation risk and regularly report on governance improvement measures to the Board of Directors. Furthermore, in order to reinforce, and improve the efficiency of, its handling of internal controls based on laws and regulations, it revised its internal control system. In the revised system, the J-SOX Promotion Committee, under the direct control of the CFO, handles internal control related to financial reporting in accordance with the Financial Instruments and Exchange Act. The Internal Control Committee, chaired by the CEO and vice-chaired by the Vice President in charge of Global Risk Control, promotes internal control related to the Companies Act. This Internal Control Committee confirms and evaluates the reports and resolution contents decided on by 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 fiscal 2018 and onwards, the company will proceed to create a global internal control system through establishing and operating internal control committees at its major affiliates in Japan and overseas.

MITSUBISHI MOTORS has 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.

*1 See here for "Basic Policy on the Establishment of Internal Control systems" PDF

Internal Control Structure



*2 BCM refers to business continuity management (The BCM Committee is scheduled for launch in fiscal 2020.)

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 that do occur.

Development of Risk Management Framework

MITSUBISHI MOTORS has 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," who are of vice president or corporate vice president level, 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.

These risk management initiatives are regularly reported to the Board as major internal control activities, and their efficacy is verified.

In addition, to prepare for unforeseen contingencies MITSUBISHI MOTORS has 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. 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 plans (BCPs) to this end.

We conduct drills in communicating among various manufacturing facilities and Group companies on the basis of a presumed emergency.

As preparations against the possibility that employees will be unable to return to their homes for a three-day period, 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.

Further, in light of the recent spread of COVID-19, the Company newly established a "BCM (Business Continuity Management) Committee" from FY2020 and will endeavor to promote BCM activities on a regular basis.

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, MITSUBISHI MOTORS has issued a "Global Code of Conduct" to serve as a standard of conduct for all executives and employees. We are also redoubling our efforts to enhance our compliance framework and employee training, including those at our major affiliates in Japan and overseas.

MITSUBISHI MOTORS Global Code of Conduct

[Principle]

MITSUBISHI MOTORS Group Companies (collectively herein referred to as "MITSUBISHI MOTORS Group" or "Company") have set this Global Code of Conduct that all MITSUBISHI MOTORS Group executives and employees must follow in order to fulfill our social responsibilities as a company.

This Global Code of Conduct applies to all MITSUBISHI MOTORS Group executives and employees. Each member of the Company is charged with responsibility to comply this Global Code of Conduct.

1. Comply with all Laws and Rules
We shall comply with all applicable laws and regulations of the country where the Company conducts business as well as all Company policies and rules.

2. Promote Safety
We shall maintain and promote a healthy work environment, and engage in safe work practices. We are also committed to ensuring the safety of our customers and passengers, and continually promoting the safety of products.

3. Avoid Conflicts of Interest
We shall act in the best interests of the Company, and shall not behave, act, or use any information contrary to the Company's interests. Furthermore, we shall strive to avoid any conduct that may be considered a conflict of interest.

4. Prohibit Association with Anti-Social Forces
We shall never have any association with anti-social forces whatsoever. We shall not participate in acts of terrorism, drug dealings, money laundering, and other individual or organized criminal activities.

5. Preserve Company Assets
We shall safeguard the Company's assets, and shall never use the said assets, including funds, confidential business information, physical properties and intellectual properties without permission.

6. Be Impartial and Fair
We shall maintain impartial and fair relationship with public servants as well as business partners, including dealers, suppliers, and other third parties. We shall not participate in or endorse any corrupt practices including bribery, directly or indirectly such as through a third party.

7. Be Transparent and Accountable
We shall maintain accounts and records relating to corporate management with integrity, and disclose Company's business activities fairly and transparently to our stakeholders, including shareholders, customers, employees, and local communities with timely and properly manner.

8. Respect Human Rights and Diversity, Provide Equal Opportunity
We shall respect the human rights and diversity of suppliers, customers, other executives, colleagues, and local communities. We shall never tolerate discrimination, retaliation or harassment in any form or degree.

9. Be Environmentally Responsible
We shall strive to take into consideration environmental conservation when developing products and providing services, and promote recycling, as well as resource and energy savings.

10. Be Active and Report Violations
We shall carry out our work in accordance with this Global Code of Conduct. When we have come to know any violation of this Global Code of Conduct, we shall immediately report it to the Company, and the executives and employees who have come forward with such information based on their own beliefs shall be infallibly protected from any form of retaliation.

Management Structure

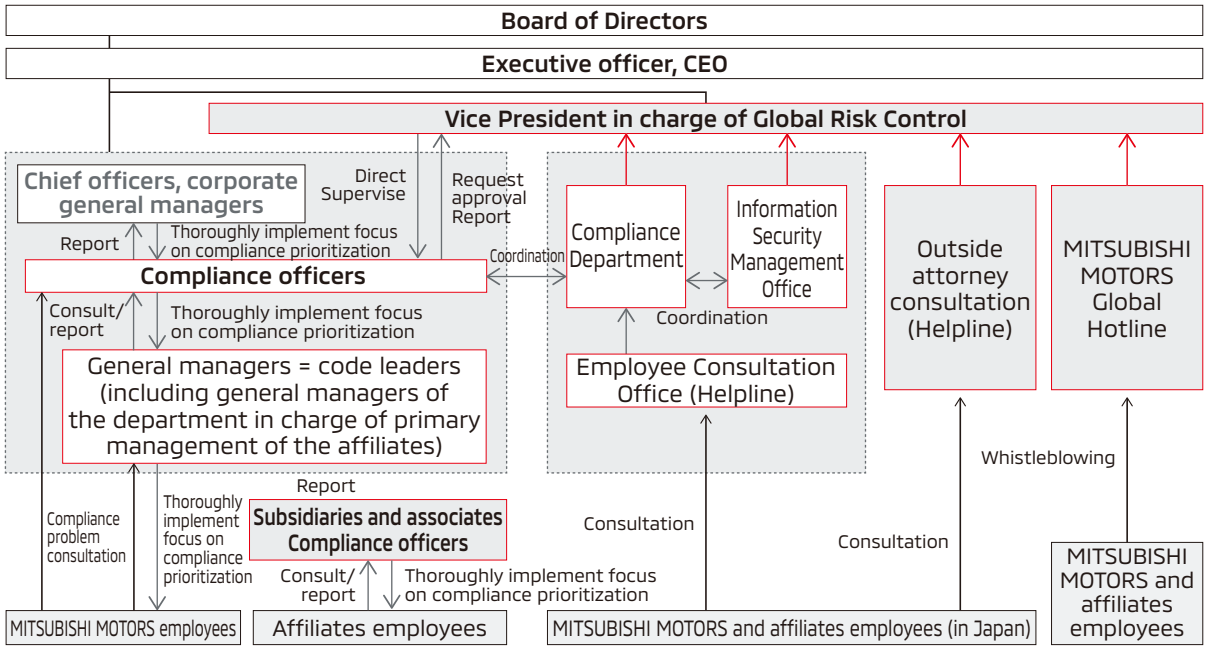
In order to prevent compliance infractions, including information security infractions, from a global internal control perspective, each division or function appoints a compliance officer and department heads serve as code leaders, with the Vice President in charge of Global Risk Control providing overall leadership. Major subsidiaries and associates in Japan and overseas also appoint compliance officers. To help prevent compliance infractions, in fiscal 2018 we established and started operating Mitsutishi Motors Global Hotline.

Procedures are in place for reporting of serious compliance concerns ultimately to the Board of Directors via code leaders and compliance officers. As required, compliance officers give their departments appropriate instructions for dealing with problems, taking corrective action and preventing a recurrence.

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. Members of the Board of Directors, including outside directors, deliberate on and supervise these matters.

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 fiscal 2019, we checked the status of 22 Group companies (MITSUBISHI MOTORS, 9 domestic affiliates, and 12 overseas affiliates).

Organizational Framework for Promoting Compliance



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 staffed by outside attorneys, as well as the MITSUBISHI MOTORS Global Hotline, accessible to employees both in Japan and overseas. In fiscal 2019, these offices fielded 198 reports or consultations.

Offices endeavor to swiftly resolve issues raised in reports and consultations after first seeking to confirm the facts through an investigation by the Employee Consultation Office or by enlisting the assistance of relevant compliance officers. Information received about compliance issues or issues with potential business risks is immediately reported to the Vice President in charge of Global Risk Control. After receiving instructions on how to respond, offices endeavor to resolve the issues.

In handling such information and in investigating the relevant facts, we established our "Compliance-Oriented Whistleblowing Operation Procedure" and made company personnel aware of the provision in order to ensure that persons who seek consultation are not treated unfairly.

We have also established a Business Partner Helpline designated to be used by our business partners.

The MITSUBISHI MOTORS Global Hotline established in fiscal 2018 was set up within an outside firm providing such services. This makes it possible to file anonymous reports. Systems for identifying and managing risks of the entire group have been put in place, too, with MITSUBISHI MOTORS headquarters even able to check details of reports from subsidiaries and associates.

Number of Reports/Consultations Fielded by Consultation Offices by Category (FY2019)

Item	Number
Corporate/business proposals	23
Workplace environment	23
Labor relations	19
Human relations/harassment	43
Compliance, violations of operational rules, fraud	34
Others	56

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.

Specifically, in order to improve the compliance awareness of all employees, when new graduates or mid-career recruits join the company, they receive training regarding Mitsubishi Motor's compliance history and the lessons to be learned from it. This training is repeated when employees are given promotions, helping reinforce employees' sense of compliance. Furthermore, similar training is also offered in some Japanese affiliates, fostering such sense for the group as a whole.

We also use e-learning and lectures by outside instructors in legal compliance training relating, for example, to environmental laws, the Labor Standards Act, and security trade control laws, to provide employees with the most current information related to their own work. In particular, we are currently putting effort into harassment prevention training. In fiscal 2019, we provided e-learning to all employees and special education for each division, as well as conducting awareness activities over the internet.

On and around Safety Pledge Days,* each individual division voluntarily holds events to reaffirm the day's significance. Workplace discussions are also held at the same time (two times a year) to talk about business ethics issues faced in the workplace and workplace culture.

In addition, we provide easy-to-understand compliance-related information by posting a Compliance Newsletter on our intranet every month.

*To prevent past incidents, such as the regrettable recall cover-up, from being forgotten over time, in October 2004 we designated January 10 and October 19 as "Safety Pledge Days." These days were chosen because two fatal accidents involving large trucks manufactured by Mitsubishi Fuso, a former MITSUBISHI MOTORS division, occurred on these days.

Anti-Corruption

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.

Management Structure

MITSUBISHI MOTORS implements e-learning programs for all employees to familiarize them with the Global Code of Conduct and allows them to review the code at any time by distributing pamphlets and posting it to a smartphone app (for managers and above). We also communicate the code across the group, distributing the pamphlets to subsidiaries and associates in Japan, and in electronic form to subsidiaries and associates overseas.

We have formulated the "Mitsubishi Motors Global Anti-Bribery Policy" as a global guideline for the prevention of bribery and corrupt practices. This policy states clearly that we tolerate absolutely no bribery or corrupt practices. In our efforts to reinforce measures for preventing bribery and corrupt practices throughout the Group, we require affiliated companies in Japan and overseas to comply with the same policies. We also ask our suppliers, contractors, procurement partners, dealers and outside agents to comply with applicable laws and regulations related to bribery and with individual companies' anti-bribery policies.

In particular, the Company has formulated control regulations and operational standards on the provision and receipt of gifts or business entertainment for public servants, prohibiting the improper provision of such gifts or business entertainment to public servants or their receipt from public servants. When providing gifts or business entertainment to public servants, a preemptive application must be made to the general manager of the Legal Department, and must be provided only if approval is received.

MITSUBISHI MOTORS has management and operational standards for providing and receiving gifts or business entertainment, in addition to those to public servants. It expressly prohibits (1) providing gifts or business entertainment that is illegal or goes beyond generally accepted bounds, and (2) receiving illicit payoffs. In addition to this, we provide guidelines for the scope of exceptions to the above and make filing of an application compulsory to ensure transparency. If these standards are violated, the compliance officer of the relevant division formulates internal reports and implements preventative measures for the future.

Since many employees in sales sites directly handle money with customers, there is a heightened risk of improper conduct such as embezzlement. At our domestic sales subsidiaries we conduct regular education and training to instill thorough awareness of our compliance policies and prevent improper activity. Each company implements site audits regularly, while our Internal Audit Division also conducts operational audits, the results of which are reported to the head officer of our Domestic Sales Division and followed up on until the improvement measures of the identified issues are completed.

We work to thoroughly prevent corruption when employees from the Company are appointed as executives at overseas affiliates. Prior to their appointment, we provide training on legal risks, including the prohibition and prevention of corruption.

In fiscal 2019, no fine or any other punishment was imposed on MITSUBISHI MOTORS by regulatory authorities for corrupt practices.

No employees have been disciplined for corrupt practices.

Information Security

MITSUBISHI MOTORS recognizes its social responsibility to adequately protect its important information assets (information and the IT systems, equipment, media, facilities, and products that handle this information) in the course of its business activities in order to gain the trust of all its stakeholders. Our measures to ensure information security include putting in place and reviewing internal regulations, managing information assets, strengthening measures against computer viruses and cyberattacks, providing education to employees via e-learning and other measures, and monitoring information security activities by the Information Security Committee.

Personal Information Protection

Based on our Privacy Policy, we have built a management framework by establishing internal rules and taking other measures. We also conduct ongoing education, such as through the use of e-learning for employees. In addition, in response to global strengthening trend of privacy regulations, we endeavor to protect personal information, by collaborating with our affiliates and ensuring compliance with personal information protection laws in countries around the world, such as the General Data Protection Regulation, the regulation concerning the protection of personal data in the EU.

Security Export Control

MITSUBISHI MOTORS 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 CEO, who serves as chief security trade control officer.

Approach to Taxation

MITSUBISHI MOTORS recognizes that proper tax payment in all operating countries is one of key elements of corporate social responsibility for multinational companies. MITSUBISHI MOTORS Group has established the following Global Tax Policy to promote tax compliance in business activities.

In line with this policy, we have created a governance system and strive to maintain proper tax payments in compliance with international rules and national regulations.

Global Tax Policy for MITSUBISHI MOTORS Group

1. Tax compliance
   The MITSUBISHI MOTORS Group (hereinafter simply referred to as "MITSUBISHI MOTORS") pledges to pursue proper tax payments all over the world based on the "MITSUBISHI MOTORS Global Code of Conduct." This means MITSUBISHI MOTORS maintains appropriate and timely tax payments by understanding the intent and purpose of the BEPS* Action Plan, which was developed and publicized by the OECD and G20 countries, as well as by complying with tax regulations in all countries and regions in which it conducts businesses, tax treaties, and other international tax regulations related to its business. In addition, MITSUBISHI MOTORS pledges not to use any tax havens or loopholes that are against the intentions and purposes of laws.
   *Base Erosion and Profit Shifting Action Plan

2. Corporate governance on tax matters
   (1) MITSUBISHI MOTORS recognizes corporate governance on tax matters as an infrastructure to promote tax compliance and tax planning and, under the initiative of top management, pursues the optimization of governance systems to secure the accuracy and transparency of accounting and tax-related information.
   (2) MITSUBISHI MOTORS makes disclosures to all relevant taxation authorities and stakeholders in a proper and timely manner, ensuring the submission of the country-by-country report (CBCR) required by the taxation authority under the transfer pricing regulation for multinational enterprises after receiving verification from external experts.

List of Executives (as of August 7, 2020)

Outside Outside director Indep. Independent director Male Female

Name	Position	Attributes	Committees	Attendance at Board of Directors and Committee Meetings (April 2019 to March 2020)	Tenure as Director (As of June 18, 2020)	Reasons for Appointment
Takao Kato	Member of the Board		Compensation Committee	Board of Directors 13 of 13 times Compensation Committee 12 of 12 times	1 year	Mr. Kato has accumulated many years of global management experience, knowledge and operational experience with the Company, including serving as president of the Company's subsidiary in Indonesia, which is one of its largest overseas manufacturing bases. In addition, since last year he has served as representative executive officer and CEO of the Company.
Kozo Shiraji	Member of the Board		Audit Committee (Full time Member)	Board of Directors 15 of 15 times Audit Committee 9 of 9 times	1 year (Reference: Previously served for one year as an Audit & Supervisory Board member of the Company)	In addition to his experience at the Company, Mr. Shiraji has considerable experience, achievements and insight through his long involvement with automotive business at a general trading company that operates worldwide.
Shunichi Miyanaga	Member of the Board	Outside	Compensation Committee (Chairman)	Board of Directors 15 of 15 times Compensation Committee 12 of 12 times	6 years	Mr. Miyanaga has considerable experience, achievements and insight nurtured through his longstanding involvement in corporate management at a manufacturing company that operates worldwide.
Ken Kobayashi	Member of the Board	Outside	Nomination Committee	Board of Directors 14 of 15 times Nomination Committee 6 of 7 times	4 years	Mr. Kobayashi has considerable experience and achievements as a corporate manager and extensive insight on global business management nurtured through his career at a general trading company that operates worldwide.
Setsuko Egami	Member of the Board	Outside Indep.	Compensation Committee	Board of Directors 14 of 15 times Compensation Committee 12 of 12 times	2 years	Ms. Egami has considerable insight concerning corporate strategies, marketing strategies, human resources development and others.
Main Kohda	Member of the Board	Outside Indep.	Nomination Committee (Chairman) Compensation Committee	Board of Directors 15 of 15 times Nomination Committee 7 of 7 times Compensation Committee 12 of 12 times	2 years	In addition to extensive knowledge about international finance, Ms. Kohda has keen acumen and an objective perspective as a writer. She also has considerable insight and experience gained as a member of the Council of the Ministry of Finance and the Ministry of Land, Infrastructure, Transport and Tourism.
Yaeko Takeoka	Member of the Board	Outside Indep.	Audit Committee (Chairman)	Board of Directors 15 of 15 times Audit Committee 9 of 9 times	1 year (Reference: Previously served for four years as an Audit & Supervisory Board member of the Company)	In addition to her experience as an Audit & Supervisory Board member of the Company, Ms. Takeoka has considerable expert knowledge and extensive insight as a legal specialist, having been active as an attorney at law for many years.
Kenichiro Sasae	Member of the Board	Outside Indep.	Nomination Committee	Board of Directors 11 of 13 times Nomination Committee 5 of 7 times	1 year	Having held a series of important posts at the Ministry of Foreign Affairs, Mr. Sasae has a broad international understanding as a diplomat and considerable insight and experience.
Kiyoshi Sono	Member of the Board	Outside	Audit Committee	Board of Directors 12 of 13 times Audit Committee 9 of 9 times	1 year	Mr. Sono has considerable experience and extensive insight from serving as a corporate manager at international financial institutions.
Hideyuki Sakamoto	Member of the Board	Outside	Nomination Committee	Board of Directors 12 of 13 times	1 year	Mr. Sakamoto has considerable insight and experience concerning the automotive business.
Mitsuko Miyagawa	Member of the Board	Outside Indep.	Audit Committee	Board of Directors 11 of 13 times Audit Committee 8 of 9 times	1 year	Ms. Miyagawa has considerable expert knowledge and extensive insight as a legal specialist, having been active as an attorney at law for many years.
Yoshihiko Nakamura	Member of the Board	Outside Indep.	Audit Committee	–	–	Mr. Nakamura has worked for many years as a certified public accountant and possesses extensive knowledge as a specialist in accounting audits.
Joji Tagawa	Member of the Board	Outside	Compensation Committee	–	–	Mr. Tagawa has considerable insight and experience concerning the automotive business.
Takahiko Ikushima	Member of the Board	Outside	–	–	–	Mr. Ikushima has considerable insight and experience concerning the automotive business.

For directors' career summaries, visit:
WEB https://www.mitsubishi-motors.com/en/company/director/

Executive Remuneration

Information on the remuneration of directors and executive officers, as well as policies for determining how this remuneration is calculated, is contained in the annual securities report.

WEB https://www.mitsubishi-motors.com/en/investors/library/yuka.html

ESG Data

E

Environmental Data Related to Products and Business Activities

Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data (Results from FY2019)

Biodiversity Data

S

Human Resource-Related Data

G

Governance-Related Data

Environmental Data Related to Products and Business Activities

Product Fuel Economy and CO_2 Emissions (Corporate Average) *1

(FY)

		Unit	2015*2	2016	2017	2018	2019
Japan (fuel economy)	Passenger automobile*3	km/L	18.4	19.2	18.2	18.3	18.8
United States (fuel economy)	Import passenger automobile	mpg	39.8	41.3	44.6	45.9	45.4
	Light truck	mpg	34.4	34.6	34.9	35.8	35.9
Europe (CO_2 emissions)	Passenger automobile	g-CO_2/km	110	118	118	121	–
China (fuel economy)	Import vehicle	L/100km	8.4	10.0	12.0	12.0	12.0
	Local production vehicle	L/100km	7.4	7.6	7.5	7.1	7.2

*1 Values reported to authorities or reported publicly in respective countries and regions
*2 Values are by fiscal year in Japan, by model year in the United States and by calendar year in China
*3 Excluding electric vehicles and plug-in hybrid vehicles

Business Activity Indicators

CO_2 emissions

(FY)

	Unit	2015	2016	2017	2018	2019
Production	x10^3t-CO_2	449	394	477	513	472
Non-production	x10^3t-CO_2	69	67	63	70	62
Japan	x10^3t-CO_2	400	363	387	404	356
Asia	x10^3t-CO_2	89	91	147	173	173
Others	x10^3t-CO_2	29	7	6	6	5
Scope 1 (direct emissions)	x10^3t-CO_2	110	104	120	132	117
Scope 2 (indirect emissions)	x10^3t-CO_2	408	357	420	451	417
(Scope 1+2) Total	x10^3t-CO_2	518	461	540	583	534
Scope 3 (Supply Chain Greenhouse Gas Emissions)	x10^3t-CO_2 eq	35,711	32,592	38,721	42,580	35,429
(Scope 1+2+3) Total	x10^3t-CO_2 eq	36,229	33,053	39,261	43,163	35,963

Target site: 21 management target companies (Cover ratio: 100%)
CO_2 emission factors
- Based on "Greenhouse Gas Emissions Conversion, Reporting, and Announcement System based on the Act on Promotion of Global Warming Countermeasures"
- Overseas emission factors taken from the IEA's "CO_2 Emissions from Fuel Combustion (2018 edition)"

Scope 3 Breakdown

(FY)

		Unit	2015	2016	2017	2018	2019	Coverage
Category 1	Purchased goods and services	x10^3t-CO_2 eq	6,026	5,389	5,855	6,900	6,331	consolidated (only production)
Category 2	Capital goods	x10^3t-CO_2 eq	164	159	297	407	319	non-consolidated
Category 3	Fuel energy not included in Scope 1 or 2	x10^3t-CO_2 eq	44	42	45	21	49	consolidated
Category 4	Upstream transportation and distribution	x10^3t-CO_2 eq	1,343	772	1,013	1,278	1,174	consolidated
Category 5	Waste generated in operations	x10^3t-CO_2 eq	12	10	16	19	21	consolidated (only production)
Category 6	Business travel	x10^3t-CO_2 eq	4	4	4	4	4	consolidated
Category 7	Employee commuting	x10^3t-CO_2 eq	13	13	14	14	14	consolidated
Category 8	Upstream leased assets	x10^3t-CO_2 eq	–	–	–	–	–	–
Category 9	Downstream transportation and distribution	x10^3t-CO_2 eq	–	–	–	–	–	–
Category 10	Processing of sold products	x10^3t-CO_2 eq	–	–	–	–	–	–
Category 11	Use of sold products	x10^3t-CO_2 eq	27,475	25,623	30,731	33,199	26,833	all destination
Category 12	End-of-life treatment of sold products	x10^3t-CO_2 eq	626	575	741	727	671	all destination
Category 13	Downstream leased assets	x10^3t-CO_2 eq	–	–	–	–	–	–
Category 14	Franchises	x10^3t-CO_2 eq	4	5	5	12	13	some domestic dealers
Category 15	Investment	x10^3t-CO_2 eq	–	–	–	–	–	–

Energy Input (Primary and Secondary Energy)

(FY)

	Unit	2015	2016	2017	2018	2019
Total amount	PJ*	10.4	8.3	9.7	10.6	9.5
Production	PJ	9.1	7.0	8.2	8.9	8.3
Non-production	PJ	1.3	1.3	1.5	1.7	1.2
Japan	PJ	6.9	6.5	6.9	7.2	6.6
Asia	PJ	2.8	1.6	2.4	2.9	2.8
Others	PJ	0.7	0.2	0.4	0.5	0.1

Target site: 21 management target companies (Cover ratio: 100%)
* 10^{15} joules Unit calorific value: Quoted from the "Act on the Rational Use of Energy"

Sulfur Oxide

(FY)

	Unit	2015	2016	2017	2018	2019
Total emissions	t	185	193	195	219	232

Target site: 21 management target companies (Cover ratio: 100%)
Calculation method: calculated the weight of sulfur contained in the used fuel and converted the weight into sulfur dioxide (SO_2)

Nitrogen Oxide

(FY)

	Unit	2015	2016	2017	2018	2019
Total emissions	t	93	89	92	87	82

Target site: 21 management target companies (Cover ratio: 100%)
Calculation method: Fuel usage volume calculated using the Ministry of the Environment's "Environmental Activity Evaluation Program" emission factor

VOC (Volatile Organic Compounds)

(FY)

	Unit	2015	2016	2017	2018	2019
Total emissions	t	2,151	2,166	1,882	2,354	2,243

Target site: Okazaki Plant, Mizushima Plant, Pajero Manufacturing Co., Ltd, Suiryo Plastic Co., Ltd.

Emissions of Ozone-Depleting Substances

Estimated at less than 0.1t (CFC equivalent) for MITSUBISHI MOTORS CORPORATION alone.

Generated Waste

(FY)

	Unit	2015	2016	2017	2018	2019
Total emissions	x10^3t	162	150	162	187	202
Production	x10^3t	153	141	148	176	194
Non-production	x10^3t	9	9	14	11	8

Target site: 21 management target companies (Cover ratio: 100%)

Generated Waste and Externally Disposed Waste (MITSUBISHI MOTORS alone)

(FY)

	Unit	2015	2016	2017	2018	2019
Total amount produced	x10^3t	111	93	99	104	89
Externally disposed waste	x10^3t	52	47	48	56	53
Internal recycle	x10^3t	59	46	51	48	36

Raw Material Input

(FY)

	Unit	2015	2016	2017	2018	2019
Iron and aluminum	x10^3t	158	137	143	154	141
Resin	x10^3t	2.9	3.0	3.0	2.5	2.1

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant

Withdrawn Water Volume

(FY)

	Unit	2015	2016	2017	2018	2019
Total amount	x10^3m^3	5,452	5,606	6,727	6,211	5,915
Production	x10^3m^3	5,184	5,295	6,343	5,901	5,654
Non-production	x10^3m^3	268	311	384	310	261
City water	x10^3m^3	652	428	1,150	878	988
Industrial water	x10^3m^3	3,232	3,505	3,602	3,412	3,280
Underground water	x10^3m^3	1,568	1,673	1,975	1,921	1,647

Target site: 21 management target companies (Cover ratio: 100%)
• MMKI recycles and reuses some of its wastewater. In fiscal 2019, roughly 344,000m^3 of water was recycled. (Roughly 2% of total MITSUBISHI MOTORS Group water withdrawal.)

Wastewater Volume

(FY)

	Unit	2015	2016	2017	2018	2019
Total amount	x10^3m^3	4,170	3,977	4,577	4,504	4,104
Production	x10^3m^3	3,902	3,666	4,193	4,194	3,843
Non-production	x10^3m^3	268	311	384	310	261
Sewage	x10^3m^3	1,635	1,708	2,405	2,396	2,041
Public waters	x10^3m^3	2,535	2,269	2,172	2,108	2,063

Target site: 21 management target companies (Cover ratio: 100%)
• Includes some estimated figures.

Environmental Accounting

Environmental Conservation Costs

Category	Main Initiatives Details		Unit	2017		2018		2019	
				Investment	Cost	Investment	Cost	Investment	Cost
Business Area Cost	Pollution Prevention Cost	Preventing air pollution, water pollution and soil pollution	Million yen	63	1,269	106	1,315	41	1,251
	Global Environmental Conservation Cost	Preventing global warming and the ozone depletion	Million yen	388	14	171	13	250	9
	Resource Circulation Cost	Reduction, proper disposal and recycling of the waste	Million yen	6	829	22	1,226	0	1,418
Upstream/ Downstream Costs	Withdrawing used bumpers and corresponding automobile recycling law		Million yen	35	1,789	0	1,770	0	1,688
Administration Activity Cost	Maintaining certification of ISO14001, educating employees and monitoring		Million yen	120	668	56	680	130	420
R&D Cost	Research and development about reductions in environmental impact of products such as improving fuel economy and exhaust gas measures		Million yen	3,567	39,545	1,116	41,527	1,711	51,383
Social Activity Cost	Hands-on environmental lessons, supporting global environmental activity, donation to environmental groups and disclosing environmental information		Million yen	2	328	68	239	0	273
Environmental Remediation Cost	Compensation for environmental damage by business activities		Million yen	10	4	0	138	0	12
Total			Million yen	4,191	44,446	1,539	46,907	2,132	56,454

	Unit	Capital investment	R&D cost	Capital investment	R&D cost	Capital investment	R&D cost
<Reference> Group-wide capital investment, R&D cost	100 Million yen	999	1,025	1,377	1,243	1,039	1,308

Economic Benefit Associated with Environmental Conservation Activities (Actual Benefits)

Category	Details of Benefit	Unit	2017	2018	2019
			Benefit	Benefit	Benefit
Revenue	Operating revenue from the sale of recycled waste products and used products produced through key business	Million yen	2,232	2,512	1,774
Cost Reduction	Energy expense saving through energy conservation	Million yen	-675	-889	532
	Water expense saving through water conservation	Million yen	1	-3	8
	Disposal cost saving through lower resource input or recycle	Million yen	-3	-241	114
	Packaging materials cost saving through recycling	Million yen	454	439	422
Total		Million yen	2,009	1,818	2,850

Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data (Results from FY2019)

Explanation of values

The regulation values indicate the strictest values in the text of laws, regulations and pollution prevention agreements.

For atmospheric emissions, the maximum values are indicated.

Regarding PRTR, Class I Designated Chemical Substances that are handled at a volume of a 1 t/year or more are listed.

Technical words in the charts NOx: Nitrogen oxide SOx: Sulfur oxide BOD: Biochemical oxygen demand COD: Chemical oxygen demand SS: Concentration of suspended solids in water

Atmospheric pollutants

Okazaki Plant

Atmospheric pollutants	Equipment	Unit	Regulation	Actual (maximum)
NOx	Boiler (Large-type, NO_2)	ppm	130	67
	(Other)	ppm	150	68
	Drying furnace (for coating)	ppm	250	49
Soot dust	Boiler	g/Nm³	0.1	≦0.002
	Drying furnace (for coating)	g/Nm³	0.1	≦0.002
SOx (sulfur in fuel regulations)		wt%	0.5	–
Formaldehyde	Drying furnace	mg/m³	30	4.3

Mizushima Plant

Atmospheric pollutants	Equipment	Unit	Regulation	Actual (maximum)
NOx	Boiler (Steam)	ppm	150	–
	(Heating)	ppm	150	77
	(Small-type)	ppm	150	46
	(Absorption-type air conditioner)	ppm	180	58
	(Booth fan heating facility)	ppm	100	<15
	Drying furnace	ppm	230	43
	Melting furnace	ppm	200	<27
	Metal heating furnace	ppm	180	34
	Total amount	Nm³/h	12.749	6.246
Soot dust	Boiler	g/Nm³	0.1	0.009
	(Booth fan heating facility only)	g/Nm³	0.03	0.0007
	Drying furnace	g/Nm³	0.1	0.093
	Melting furnace	g/Nm³	0.1	<0.001
	Metal heating furnace	g/Nm³	0.1	0.028
SOx (sulfur in fuel regulations)		wt%	0.50	0.025

Mizushima Plant (Harmful gases (Okayama Prefecture regulations))

Atmospheric pollutants	Unit	Regulation	Actual (maximum)
Acrylonitrile	ppm	40	0.1
Acetonitrile	ppm	80	0.5
Formaldehyde	ppm	10	0.4
Cyan and its compounds	ppm	10	–
Carbon disulfide	ppm	40	–
Phenol	ppm	10	<0.1
Styrene	ppm	200	<0.1
Benzene	ppm	50	1.2
Phosgene	ppm	0.1	–
Vinyl chloride	ppm	500	–

Kyoto Plant – Kyoto

Atmospheric pollutants	Equipment	Unit	Regulation	Actual (maximum)
NOx	Boiler	ppm	150	77
	Drying furnace	ppm	230	≦66
	Melting furnace	ppm	200	≦120
	Metal heating furnace	ppm	180	≦130
Soot dust	Boiler	ppm	0.1	≦0.0084
	Drying furnace	ppm	0.2	≦0.0034
	Melting furnace	ppm	0.1	0.0084
	Metal heating furnace	ppm	0.2	0.020
SOx (sulfur in fuel regulations)		wt%	0.5	0
Dioxin	Melting furnace	ng-TEQ/Nm³	1	0.10
	Drying furnace	ng-TEQ/Nm³	1	0.0054

Kyoto Plant – Shiga

Atmospheric pollutants	Equipment	Unit	Regulation	Actual (maximum)
NOx	Boiler	ppm	150	78
Soot dust	Boiler	g/Nm³	0.1	≦0.0038

Water pollutants

Okazaki Plant

Water pollutants	Unit	Regulation		Actual (Maximum)		
		Daily average shown in parentheses		Maximum	Minimum	Average
pH	–	5.8～8.6		7.6	6.7	7.1
BOD	mg/L	25	(20)	3.6	<0.5	1.9
COD	mg/L	25	(20)	8.9	0.5	4.9
SS	mg/L	30	(20)	6.0	<1.0	1.5
Oil	mg/L	2		<0.5	<0.5	<0.5
Copper	mg/L	0.5		<0.01	<0.01	<0.01
Zinc	mg/L	1		0.16	0.02	0.08
Soluble iron	mg/L	3		<0.1	<0.1	<0.1
Soluble manganese	mg/L	3		<0.1	0.1	0.1
Chromium	mg/L	0.1		<0.02	<0.02	<0.02
E-coli	Unit/cm³	300		280	30	66
Total nitrogen	mg/L	15		10.0	4.9	7.2
Total phosphorus	mg/L	2		0.40	0.10	0.20
Fluorine	mg/L	4.0		0.90	0.10	0.50
COD total amount	kg/day	61.6		22.7	1.0	9.2
Total amount of total nitrogen	kg/day	71.5		36.2	0.2	14.7
Total amount of total phosphorus	kg/day	8.6		2.48	0.04	0.73

- Other than the above, the following were all below lower limits (not detected): Cyan, hexavalent chromium, cadmium, organic phosphorus, lead, phenol, trichloroethylene, 1,1,1-trichloroethane, alkyl mercury, PCB, selenium, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, dichloromethane, cis-1,2-dichloroethylene, tetrachloroethylene, 1,1,2-trichloroethane, benzene, 1,3-dichloropropene, simazine, and thiram, thiobencarb.

Mizushima Plant

Water pollutants		Unit	Regulation		Actual (Maximum)		
			Daily average shown in parentheses		Maximum	Minimum	Average
pH	**Rivers**	–	6～8		7.7	6.6	7.2
pH	**Seas**	–	6～8		7.9	6.9	7.3
BOD	**Rivers**	mg/L	30	(20)	61.0	1.1	7.5
COD	**Rivers**	mg/L	30	(20)	24.0	3.2	5.9
COD	**Seas**	mg/L	20	(15)	7.1	<0.5	2.1
COD Total amount	**Rivers + Seas**	kg/day	294		25.9	7.3	40.6
SS	**Rivers**	mg/L	40	(20)	28.0	<1.0	2.0
SS	**Seas**	mg/L	40	(20)	<2.5	<1.0	<1.0
Oil	**Rivers**	mg/L	2	(1)	7.1	<0.5	<0.5
Oil	**Seas**	mg/L	2	(1)	<0.5	<0.5	<0.5
Zinc	**Rivers**	mg/L	2		0.06	<1.0	0.05
Zinc	**Seas**	mg/L	2		0.48	<0.11	0.30
Soluble iron	**Rivers**	mg/L	10		<0.02	<0.01	<0.01
Soluble iron	**Seas**	mg/L	10		<0.01	0.01	<0.01
Soluble manganese	**Rivers**	mg/L	10		0.12	<0.04	<0.08
Soluble manganese	**Seas**	mg/L	10		<0.01	<0.01	<0.01
E-coli	**Rivers**	Unit/cm³	3,000		0	0	0
E-coli	**Seas**	Unit/cm³	3,000		0	0	0
Total amount of total nitrogen		kg/day	123		86.7	6.3	49.9
Total amount of total phosphorus		kg/day	47.8		45.9	0.3	16.5
Total nitrogen	**Rivers**	mg/L	120	(60)	14.0	1.8	8.2
Total nitrogen	**Seas**	mg/L	120	(60)	4.9	0.3	2.0
Total phosphorus	**Rivers**	mg/L	16	(8)	6.00	0.20	1.80
Total phosphorus	**Seas**	mg/L	16	(8)	0.14	0.01	0.08
Boron	**Rivers**	mg/L	10		<0.1	<0.1	<0.1
Boron	**Seas**	mg/L	230		<0.1	<0.1	<0.1
Fluorine	**Rivers**	mg/L	8		2.0	0.9	1.5
Fluorine	**Seas**	mg/L	15		<0.2	<0.2	<0.2
Ammonia, ammonium compounds, nitrites, and nitric compounds	**Rivers**	mg/L	100		4.6	2.3	3.5
	Seas	mg/L	100		2.1	1.0	1.6

- Other than the above, the following were all below lower limits (not detected): Copper, lead, cyan, total chromium, hexavalent chromium, cadmium, organic phosphorus, total mercury, arsenic, phenol, trichloroethylene, trichloroethane, alkyl mercury, PCB, selenium, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, dichloromethane, cis-1,2-dichloroethylene, tetrachloroethylene, 1,1,2-trichloroethane, benzene, 1,3-dichloropropene, simazine, thiram, and thiobencarb.

Water pollutants

Kyoto Plant - Kyoto

Water pollutants		Unit	Regulation	Actual (Maximum)		
				Maximum	Minimum	Average
pH		–	5–9	7.1	5.5	6.4
BOD		mg/L	600	350.0	1.4	109.5
SS		mg/L	600	46.5	8.5	17.8
Oil	**Mineral oil**	mg/L	5	<1.0	<1.0	<1.0
Oil	**Animal and vegetable oils**	mg/L	30	13.8	1.0	5.5
Zinc		mg/L	5	0.05	0.05	0.05
Soluble iron		mg/L	10	0.36	0.09	0.20
Soluble manganese		mg/L	10	0.78	0.42	0.53
Total nitrogen		mg/L	240	49.4	16.8	31.4
Total phosphorus		mg/L	32	0.35	0.10	0.14
Arsenic		mg/L	0.1	<0.05	<0.05	<0.05
Dioxins		pg-TEQ/L	10	0.0036	0.0036	0.0036

- All drainage from processes is discharged to sewers, and the items for analysis have been determined in an agreement with the government of Kyoto City.

Kyoto Plant - Shiga

Water pollutants	Unit	Regulation	Actual (Maximum)		
			Maximum	Minimum	Average
pH	–	5–9	8.2	6.5	7.5
BOD	mg/L	600	31.0	1.0	6.3
SS	mg/L	600	6.0	5.0	5.1
Oil	mg/L	5	5.4	1.0	1.4
Total nitrogen	mg/L	60	7.4	0.1	4.0
Total phosphorus	mg/L	10	0.7	0.1	0.3

- All drainage from processes is discharged to sewers, and the items for analysis have been determined in an agreement with the government of Konan City.

PRTR-designated pollutants

Okazaki Plant

NO.	Substance name	Unit	Amount handled	Emissions volume		Removal volume		Recycled volume	Consumed volume	Removal Treatment volume
				Atmosphere	Public waters	Sewage line	Waste			
1	Water-soluble zinc compounds	kg/year	17,155	0	45	0	0*	0	12,821	0
53	Ethyl benzene	kg/year	61,119	32,936	0	0	961	4,297	14,565	8,360
71	Ferric chloride	kg/year	14,765	0	0	0	0	0	0	14,765
80	Xylene	kg/year	135,022	40,691	0	0	1,067	2,871	61,757	28,636
239	Organic tin compounds (Dibutyltin oxide)	kg/year	3,330	0	0	0	500	0	2,831	0
240	Styrene	kg/year				0				
296	1,2,4-Trimethylbenzene	kg/year	65,830	9,805	0	0	1,002	38	32,646	22,339
297	1,3,5-Trimethylbenzene	kg/year	9,012	2,644	0	0	289	17	20	6,042
300	Toluene	kg/year	322,125	53,951	0	0	2,097	56,090	104,553	105,434
302	Naphthalene	kg/year				0				
309	Nickel compounds	kg/year	1,749	0	138	0	983	0	629	0
392	n-Hexane	kg/year	18,688	97	0	0	6	0	11,252	7,333
400	Benzene	kg/year	9,271	32	0	0	3	0	6,955	2,281
411	Formaldehyde	kg/year	948	142	0	0	1	0	0	805
412	Manganese and its compounds	kg/year	5,008	0	300	0	1,705	0	3,004	0
Total		kg/year	664,023	140,297	482	0	12,903	63,313	251,032	195,996

- Amount handled=Emission+transport volume+recycled volume+consumed volume+removal processed volume
- Consumed volume: Volume transformed to other substances by means of a reaction or contained within a product
- Removal treatment volume: Volume transformed to other substances by means of incineration, decomposition or reaction

*The amount of sludge accounting for transported decomposed matter was 4,289 (kg/year). However, as this was not aqueous compounds, it has not been included in the amount of transported decomposed matter (confirmed by Okazaki City)

PRTR-designated pollutants

Mizushima Plant

NO.	Substance name	Unit	Amount handled	Emissions volume		Removal volume		Recycled volume	Consumed volume	Removal Treatment volume
				Atmosphere	Public waters	Sewage line	Waste			
1	Water-soluble zinc compounds	kg/year	21,035.9	0	817.2	0	5,918.5	0	14,300.3	0
53	Ethyl benzene	kg/year	21,657.7	2,669.4	0	0	194.0	5,675.1	12,980.5	138.7
80	Xylene	kg/year	67,093.0	3,162.8	0	0	215.6	6,148.0	57,412.5	154.1
188	N, N-Dicyclohexylamine	kg/year	1,569.7	0	0	0	1,569.7	0	0	0
239	Organic tin compounds	kg/year	5,836.6	0	0	0	291.8	0	5,544.8	0
296	1,2,4- Trimethylbenzene	kg/year	56,984.2	17,026.2	0	0	1,009.6	0	36,581.6	2,366.7
297	1,3,5- Trimethylbenzene	kg/year	5,928.2	4,941.2	0	0	294.9	0	0	691.8
300	Toluene	kg/year	125,149.5	661.6	0	0	0	13,714.8	110,773.2	0
309	Nickel compounds	kg/year	4,383.0	0	471.8	0	2,281.0	0	1,630.1	0
392	n-Hexane	kg/year	49,713.7	290.9	0	0	0	0	49,422.8	0
400	Benzene	kg/year	8,741.4	26.1	0	0	0	0	8,715.3	0
407	Polyoxyethylene alkyl ether	kg/year	11,881.9	0	118.8	0	11,763.1	0	0	0
411	Formaldehyde	kg/year	2,538.9	1,388.3	0	0	0	0	0	1,150.6
412	Manganese and its compounds	kg/year	4,362.4	0	220.0	0	1,687.7	0	2,414.4	40.3
438	Methylnaphthalene	kg/year	3,303.2	186.3	0	0	0	0	3,116.9	0
Total		kg/year	390,179.3	30,352.8	1,627.8	0	25,225.9	25,537.9	302,892.4	4,542.2

- Amount handled=Emission+transport volume+recycled volume+consumed volume+removal processed volume
- Consumed volume: Volume transformed to other substances by means of a reaction or contained within a product
- Removal treatment volume: Volume transformed to other substances by means of incineration, decomposition or reaction

PRTR-designated pollutants

Kyoto Plant - Kyoto

NO.	Substance name	Unit	Amount handled	Emissions volume		Removal volume		Recycled volume	Consumed volume	Removal Treatment volume
				Atmosphere	Public waters	Sewage line	Waste			
37	**Bisphenol A**	kg/year	5,144.0	0	0	0	0	0	5,128.6	15.4
53	**Ethyl benzene**	kg/year	7,860.7	2.4	0	0	0	0	7,858.3	0
80	**Xylene**	kg/year	34,577.7	10.4	0	0	0	0	34,567.3	0
87	**Chromium and chromium (III) compounds**	kg/year	3,365.9	0.1	0	0	0	0	3,365.8	0
258	**Hexamethylenetetramine**	kg/year	41,982.8	0	0	0	0	0	29,387.9	12,594.8
296	**1.2.4-Trimethylbenzene**	kg/year	28,405.5	8.5	0	0	0	0	28,397.0	0
297	**1.3.5-Trimethylbenzene**	kg/year	4,902.6	1.5	0	0	0	0	4,901.1	0
300	**Toluene**	kg/year	138,859.3	41.7	0	0	0	0	138,817.7	0
349	**Phenol**	kg/year	4,584.1	0	0	0	0	0	3,667.2	916.8
392	**n-Hexane**	kg/year	13,936.5	2.8	0	0	0	0	13,933.7	0
400	**Benzene**	kg/year	4,179.0	0.4	0	0	0	0	4,178.6	0
411	**Formaldehyde**	kg/year	1,194.5	0	0	0	0	0	1,190.9	3.6
412	**Manganese and its compounds**	kg/year	4,890.3	0.1	0	0	0	0	4,890.2	0
Total		kg/year	293,882.7	67.8	0	0	0	0	280,284.2	13,530.6
243	**Dioxins**	mg-TEQ/year		6.8		0.00000131				

Kyoto Plant - Shiga

NO.	Substance name	Unit	Amount handled	Emissions volume		Removal volume		Recycled volume	Consumed volume	Removal Treatment volume
				Atmosphere	Public waters	Sewage line	Waste			
300	**Toluene**	kg/year	2,082.0	0.6	0	0	0	0	2,081.4	0
Total		kg/year	2,082.0	0.6	0	0	0	0	2,081.4	0

- Amount handled=Emission+transport volume+recycled volume+consumed volume+removal processed volume
- Consumed volume: Volume transformed to other substances by means of a reaction or contained within a product
- Removal treatment volume: Volume transformed to other substances by means of incineration, decomposition or reaction

Biodiversity Data

Condition of Protected or Restored Habitats (Achievements by FY2019)

Business Site	Protection: Initiatives of preserving native plants and creatures in and around the plants	Restoration: Initiatives of restoring the ecosystem in and around the business sites to the condition which native plants and creatures are able to live
Kyoto Plant-Shiga	Environmental preservation of "Yatsuda" where White egret flower lives	Restoration of cogongrass gregariousness, which provides habitats for various insects
Kyoto Plant- Kyoto	–	Planting Asarum caulescens, Blackberry lily and Eupatorium japonicum, which are native plants of Kyoto city
Okazaki Plant and Research & Development Center	Preparation of growth environments for birds through the installation of birdbaths	–
	Construction of a culvert beneath the test course to provide a movement route for mammals, etc.	

Habitat Status of Rare Species (Red List of Japanese Ministry of the Environment) in and around the Plants (Status up to FY2019)

Kyoto Plant-Shiga (period of survey: 2013 - 2014)

Category	Number of Species	Discovered Species
VU (Vulnerable)	3	Clouded salamander, Whirligig Beetle and Oryzias latipes
NT (Near Threatened)	7	White egret flower, Agrostis valvata, Eurasian Sparrow-hawk, Japanese pond turtle, B lackspotted Pond Frog, Trigomphus citimus and Trigomphus interruptus
EN (Endangered)	1	Species of insects not to be disclosed

Okazaki Plant and Research & Development Center (period of survey: 2016)

Category	Number of Species	Discovered Species
NT (Near Threatened)	2	Northern Goshawk, Eurasian Sparrowhawk
DD (Data Deficient)	1	Polistes japonicus

Mizushima Plant (period of survey: 2017)

Category	Number of Species	Discovered Species
VU (Vulnerable)	1	Falcon
NT (Near Threatened)	2	Osprey, Japanese buzzard (Okayama Prefecture Red Data Book)

Tokachi Research & Development Center (period of survey: 2018)

Category	Number of Species	Discovered Species
VU (Vulnerable)	7	White tailed eagle, Black woodpecker, Far eastern brook lamprey, Japanese crayfish, Corydalis, Rhododendron dauricum, Ajuga ciliata var. villosior
NT (Near Threatened)	12	Japanese sable, Grey nightjar, Latham's snipe, Northern goshawk, Lasius teranishi, Brenthis daphne (subspecies of Hokkaido/North Honshu), Glaucopsyche, Japanese big-ear radix, Hyphydrus japonicus Sharp, Ilybius apicalis, Water scavenger beetles, Potamogeton pusillus
EN (Endangered)	2	Margaritiferidae, Carex uda
DD (Data Deficient)	4	Tamias sibiricus, Hazel grouse, Ezo salamander, Coeno-myia basalis

Kyoto Plant- Kyoto (period of survey: 2019)

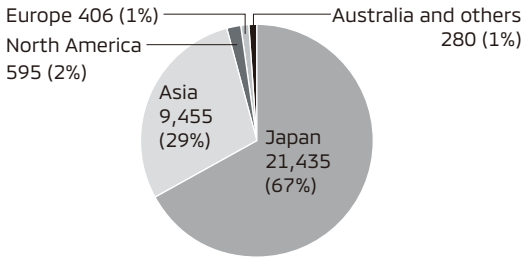
Category	Number of Species	Discovered Species
DD (Data Deficient)	1	Grey-headed lapwing

Human Resource-Related Data

Number of Employees

		FY 2016	FY 2017	FY 2018	FY 2019
Number of employees (nonconsolidated)	Total	13,222	13,693	14,171	14,407
	Male	11,932	12,336	12,695	12,848
	Female	1,290	1,357	1,476	1,559
Number of employees (consolidated)		29,604	30,507	31,314	32,171
Number of temporary workers (consolidated)		3,892	7,122	8,682	7,558

Number of Employees by Region: 32,171 (consolidated)



Number of Locally-Hired Managerial Employees at Overseas Subsidiaries

Number of managerial employees	Persons	1,098
	Ratio	10.2%
Number of employees		10,736

(As of March 2020)

Status of Female Management Promotions

		As of July 2017	As of July 2018	As of July 2019	As of July 2020
Number of female managers	Persons	49	58	68	74
	Ratio	2.9%	3.5%	3.9%	3.5%
	General manager or above	6	11	13	14
Number of female executives*1	Persons	2	3	5	5
	Ratio	5.1%	7.7%	12.5%	12.5%

*1 Number of female executives includes outside directors.

Employee Makeup (non-consolidated)

		FY 2016	FY 2017	FY 2018F	FY 2019
Average age	Male	41.1	41.9	41.6	41.4
	Female	38.3	39.2	38.5	38.1
Average years of service	Male	16.7	16.6	16.7	16.2
	Female	12.3	12.8	12.4	11.6
Number of employees who have left the company (total)		665	539	533	735
Retirement		221	248	272	381
Voluntary retirement		421	249	240	303
Involuntary retirement		8	2	7	14
Work transfer, other		15	40	14	37

Number of New Graduates Hired

		FY 2016	FY 2017	FY 2018F	FY 2019
Total	Male	298	220	314	368
	Female	40	31	54	92
University graduate/Master's degree or above	Male	196	133	226	229
	Female	34	27	47	76
Junior college/ vocational school graduates	Male	2	1	5	1
	Female	0	0	0	0
High school graduates/other	Male	100	86	83	138
	Female	6	4	7	16

Working Hours and Ratio of Paid Leave Taken

	FY 2016	FY 2017	FY 2018F	FY 2019
Total working hours per person/per year	2,092.9 hours	2,115.5 hours	2,131.2 hours	2,013.6 hours
Overtime worked per person	328.3 hours	329.5 hours	372.3 hours	288.6 hours
Ratio of annual paid leave taken*2	81.6%	82.6%	86.6%	100.6%

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

Number of Persons Taking Childcare Leave and Retention of Returnees

		FY 2016	FY 2017	FY 2018F	FY 2019
Number of persons taking childcare leave	Total	86	127	131	194
	Male	3	6	10	49
	Female	83	121	121	145
Retention rate of returnees*1		91.9%	92.3%	100%	97.7%

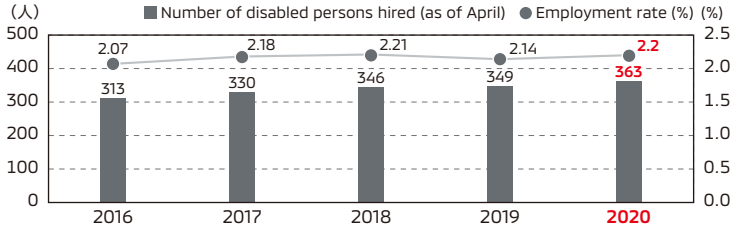
*1 $\frac{\text{Total number of employees still employed 12 months after returning to work from childcare leave}}{\text{Total number of employees whose childcare leave ended during the previous reporting period}} \times 100$

Major Programs to Promote Work-Life Balance

FY 2019 Results		Male	Female	Total
Childcare	Pregnancy leave	0	11	11
	Maternity leave	0	72	72
	Childcare leave	49	145	194
	Child nursing leave	319	186	505
	Reduced working hours for childcare	10	191	201
Nursing care	Nursing care leave	3	6	9
	Short-term nursing care leave	169	60	229
	Reduced working hours for nursing care	2	6	8
Miscellaneous	Life plan leave	98	33	131
	Accumulation of unused paid leave	208	13	221
	Flextime system (including managerial employees)*2	7,015	1,157	8,172
	Telecommuting system	880	425	1,305
	Reemployment system Number of employees registered as candidates for re-hiring under the reemployment system (in fiscal 2019, no employees were rehired under this program)	0	6	6
	Accompanying leave	0	8	8

*2 With regard to the flextime system, the number of employees eligible to use the system (as of April 1, 2019)

Employment of People with Disabilities*3



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

Fiscal 2019 Training Results

Number of employees who took courses during the year (total)	26,811
Total number of hours attended	230,367 hours
Number of course hours/days per employee	16 hours / 2.0 days
Training expenses per employee	¥30,095

Wage Levels

Starting pay	High school graduate Administrative and Engineering staff	¥166,400
	High school graduate Manufacturing Worker	¥172,400
	Technical college graduate	¥186,100
	Junior college graduate	¥170,900
	University graduate	¥209,900
	Master's degree	¥231,900
	Doctor of Philosophy	¥265,900
Average salary of all employees	(annual)	¥7,311,000
Percentage of women's salaries to men's salaries	(annual)	74%
Ratio of Valuable Compensation	General Manager	Maximum of 35% of annual basic salary
	General Manager (responsible for specific duties)	Maximum of 25% of annual basic salary
	Manager	Maximum of 20% of annual basic salary

Accident Rate (Accident Frequency)

	FY 2016	FY2017	FY2018	FY2019
Overall accident rate*4	0.54	0.60	0.41	0.42
Accident rate with loss of workdays*5	0.06	0.09	0.10	0.10

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

Employee Shareholding Association

	As of March 2020
Number of members of the employee shareholding association	1,211
Membership rate	7.8
Shares owned	1,881,798

Governance-Related Data

Overview of Corporate Governance in FY2019

Organizational form	Company with three committees
Board of Directors members	15
Internal directors	3
Of whom, non-executive directors	1
Outside directors	12
Of whom, independent directors	6
Number of Board of Directors meetings	15
Ratio of attendance at Board of Directors meetings	95.8%
Of which, ratio of attendance by outside directors	94.8%
Chairperson of the Board of Directors	Chairman
Statutory committees	Nomination Committee, Compensation Committee, Auditor Committee
Nomination Committee	5 (including 4 outside directors) Chairperson: Outside director (independent director)
Compensation Committee	5 (including 4 outside directors) Chairperson: Outside director
Auditor Committee	5 (including 4 outside directors) Chairperson: Outside director (independent director)

Total Compensation in FY2019

Information related to total compensation is disclosed in the Annual Securities Report.
(WEB) https://www.mitsubishi-motors.com/en/investors/library/yuka.html

Compliance-Related Data

	Units	FY2015	FY2016	FY2017	FY2018	FY2019
Number of reports to or consultations with the internal Employee Consultation Office (helpline)	Instances	110	153	170	194	166
Number of reports to or consultations with the outside attorney consultation office (helpline)	Instances	1	2	4	13	4
Number of reports to or consultations with the MITSUBISHI MOTORSs Global Hotline	Instances	–	–	–	14	25
Number of reports to or consultations with the Business Partner Hotline	Instances	–	0	0	0	3

GRI Standards Reference Chart

Item	Description	Index for applicable pages
GRI 102: General Disclosures 2016		
Organizational profile		
102-1	a. Name of the organization	Corporate Overview
102-2	a. A description of the organization's activities b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets	Corporate Overview Securities Report (P4-5) Description of business
102-3	a. Location of the organization's headquarters	Corporate Overview
102-4	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report	Corporate Overview Securities Report (P4-10) Description of business, Status of subsidiaries and associates
102-5	a. Nature of ownership and legal form	Corporate Overview Securities Report (P37-46) Information about shares, etc.
102-6	a. Markets served	Corporate Overview Securities Report (P4-10) Description of business, Status of subsidiaries and associates
102-7	a. Scale of the organization	Corporate Overview ESG Data > Human Resource-Related Data Securities Report (P11) Employees, (P17-22) Management analysis of financial position, operating results and cash flows
102-8	a. Total number of employees by employment contract (permanent and temporary), by gender b. Total number of employees by employment contract (permanent and temporary), by region c. Total number of employees by employment type (full-time and part-time), by gender d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.	Corporate Overview ESG Data > Human Resource-Related Data Securities Report (P.11) Employees
102-9	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services	Deploying Supply Chain Sustainability Initiatives (Social) Deploying Supply Chain Sustainability Initiatives (Environment) Securities Report (P4-5) Description of business
102-10	a. Significant changes to the organization's size, structure, ownership, or supply chain	N/A
102-11	a. Whether and how the organization applies the Precautionary Principle or approach	Environmental Management Corporate Governance > Risk Management Securities Report (P13-16) Business-related risks
102-12	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	Editorial Policy Sustainability Management > Sustainability Management
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations	Sustainability Management > Sustainability Management Human Rights > Framework of Human Rights Awareness

Item	Description	Index for applicable pages
Strategy		
102-14	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability	Commitment of Top Management
102-15	a. A description of key impacts, risks, and opportunities	Commitment of Top Management Sustainability Management＞MITSUBISHI MOTORS' Materiality Securities Report (P13-16) Business-related risks
Ethics and integrity		
102-16	a. A description of the organization's values, principles, standards, and norms of behavior	Sustainability Management＞Corporate Philosophy and Policy Governance＞Compliance
102-17	a. A description of internal and external mechanisms for seeking advice about ethical and lawful behavior, and organizational integrity, and reporting concerns about unethical or unlawful behavior, and organizational integrity.	Governance＞Compliance Environment＞Environmental Management＞Environmental Risk Management Social＞Deploying Supply Chain Sustainability Initiatives (Social)＞Establishing a Business Partner Helpline
Governance		
102-18	a. Governance structure of the organization, including committees of the highest governance body b. Committees responsible for decision-making on economic, environmental, and social topics	Sustainability Management＞Sustainability Management Governance＞Internal Control Corporate Governance Report (P28)
102-19	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees	Securities Report (P49-93) Information about corporate governance, etc.
102-20	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics b. Whether post holders report directly to the highest governance body	Sustainability Management＞Sustainability Management Securities Report (P49-93) Information about corporate governance, etc.
102-21	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body	Social＞Occupational Health and Safety＞Labor-Management Relations General Shareholders Meetings Website Corporate Governance Report (P4) Basic Views＞Policy for Constructive Dialogue with Shareholders
102-22	a. Composition of the highest governance body and its committees	Governance＞List of Executives Corporate Governance Report (P6-21) Business Management Organization and Other Corporate Governance Systems regarding decision-making, Execution of Business, and Oversight in Management Securities Report (P49-93) Information about corporate governance, etc.
102-23	a. Whether the chair of the highest governance body is also an executive officer in the organization b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement	Securities Report (P49-93) Information about corporate governance, etc.

Item	Description	Index for applicable pages
102-24	a. Nomination and selection processes for the highest governance body and its committees b. Criteria used for nominating and selecting highest governance body members	Corporate Governance Report (P1-21), I. Basic Views and II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management
102-25	a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:	Corporate Governance Report (P.1-4) Basic Views
102-26	a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organizations' purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics	Securities Report (P.49-93) Information about corporate governance, etc.
102-27	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics	Corporate Governance Report (P.1-4) Basic Views
102-28	a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics b. Whether such evaluation is independent or not, and its frequency c. Whether such evaluation is a self-assessment d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.	Governance＞Corporate Governance Corporate Governance Report (P.1-4) Basic Views
102-29	a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities–including its role in the implementation of due diligence processes b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics, and their impacts, risks, and opportunities	Securities Report (P13-16) Business-related risks, (P.49-93) Information about corporate governance, etc.
102-30	a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics	Governance＞Risk Management
102-31	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities	Governance＞Risk Management
102-32	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered	Sustainability Management＞Sustainability Management
102-33	a. Process for communicating critical concerns to the highest governance body	Governance＞Compliance
102-34	a. Total number and nature of critical concerns that were communicated to the highest governance body b. Mechanism(s) used to address and resolve critical concerns	Governance＞Compliance
102-35	a. Remuneration policies for the highest governance body and senior executives b. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics	Corporate Governance Report (P15) Incentives Securities Report (P49-93) Information about corporate governance, etc.
102-36	a. Process for determining remuneration b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management c. Any other relationships which the remuneration consultants have with the organization	Corporate Governance Report (P15) Incentives Securities Report (P49-93) Information about corporate governance, etc.
102-37	a. How stakeholders' views are sought and taken into account regarding remuneration b. If applicable, the results of votes on remuneration policies and proposals	General Shareholders Meetings Website

Item	Description	Index for applicable pages
102-38	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	–
102-39	a. Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	–
Stakeholder engagement		
102-40	a. A list of stakeholder groups engaged by the organization	Sustainability Management>Sustainability Management
102-41	a. Percentage of total employees covered by collective bargaining agreements	Social>Occupational Health and Safety>Labor-Management Relations
102-42	a. The basis for identifying and selecting stakeholders with whom to engage	–
102-43	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Sustainability Management>Sustainability Management
102-44	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. How the organization has responded to those key topics and concerns, including through its reporting	–
Reporting practice		
102-45	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	Securities Report (P6-10) Status of subsidiaries and associates
102-46	a. An explanation of the process for defining the report content and the topic Boundaries b. An explanation of how the organization has implemented the Reporting Principles for defining report content	Editorial Policy
102-47	a. A list of the material topics identified in the process for defining report content	Sustainability Management>MITSUBISHI MOTORS' Materiality
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements	N/A
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries	N/A
102-50	a. Reporting period for the information provided	Editorial Policy
102-51	a. If applicable, the date of the most recent previous report	Editorial Policy
102-52	a. Reporting cycle	Editorial Policy
102-53	a. The contact point for questions regarding the report or its contents	Editorial Policy
102-54	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards	–
102-55	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include:	GRI Standards Reference Chart
102-56	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report b. If the report has been externally assured:	–

Item	Description	Index for applicable pages
GRI103 Management approach 2016		
103-1	For each material topic, the following information shall be described: a. An explanation of why the topic is material b. The Boundary for the material topic c. Any specific limitation regarding the topic Boundary	Sustainability Management＞MITSUBISHI MOTORS' Materiality
103-2	For each material topic, the following information shall be described: a. An explanation of how the organization manages the topic b. A statement of the purpose of the management approach c. A description of the following, if the management approach includes that component:	Sustainability Management＞Framework for Promoting Sustainability Sustainability Management＞MITSUBISHI MOTORS' Materiality FY2019 Materiality Targets and Results
103-3	For each material topic, the following information shall be described: a. An explanation of how the organization evaluates the management approach	Sustainability Management＞MITSUBISHI MOTORS' Materiality FY2019 Materiality Targets and Results
Economical		
GRI201: Economic performance 2016		
201-1	a. Direct economic value generated and distributed b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance	Securities Report (P97-98) Consolidated statement of income Social Contribution Activities＞Social Contribution Activities Policy (Breakdown of Social Contribution Expenditures)
201-2	a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure	Securities Report (P13-16) Business-related risks
201-3	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities b. If a separate fund exists to pay the plan's pension liabilities, its explain c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage d. Percentage of salary contributed by employee or employer e. Level of participation in retirement plans	Securities Report (P129-131) Retirement benefits
201-4	a. Total monetary value of financial assistance received by the organization from any government during the reporting period b. The information in 201-4-a by country c. Whether, and the extent to which, any government is present in the shareholding structure	–
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–
202-2	Proportion of senior management hired from the local community	ESG Data＞Human Resource-Related Data
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Social＞Contribution to Local Economy through Business Activities
203-2	Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts	Social＞Contribution to Local Economy through Business Activities

Item	Description	Index for applicable pages
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Social > Deploying Supply Chain Sustainability Initiatives (Social)
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Governance > Compliance
205-2	Communication and training about anti-corruption policies and procedures	Governance > Compliance
205-3	Confirmed incidents of corruption and actions taken	Governance > Compliance
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	–
GRI 207: TAX 2019		
207-1	Approach to tax	Governance > Compliance > Approach to Taxation
207-2	Tax governance, control, and risk management	Governance > Compliance > Approach to Taxation
207-3	Stakeholder engagement and management of concerns related to tax	Governance > Compliance > Approach to Taxation
207-4	Country-by-country reporting	–
Environment		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	ESG Data > Environmental Data Related to Products and Business Activities
301-2	Percentage of recycled input materials used to manufacture the organization's primary products and services.	–
301-3	Reclaimed products and their packaging materials	Environment > Resource Recycling Initiatives
GRI302: Energy 2016		
302-1	Energy consumption within the organization	ESG Data > Environmental Data Related to Products and Business Activities
302-2	Energy consumption outside of the organization	ESG Data > Environmental Data Related to Products and Business Activities
302-3	Energy intensity	–
302-4	Reduction of energy consumption	ESG Data > Environmental Data Related to Products and Business Activities
302-5	Reductions in energy requirements of products and services	ESG Data > Environmental Data Related to Products and Business Activities
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Environment > Conservation of Water Resources
303-2	Management of water discharge-related impacts	Environment > Conservation of Water Resources
303-3	Water withdrawal	ESG Data > Environmental Data Related to Products and Business Activities
303-4	Water discharge	ESG Data > Environmental Data Related to Products and Business Activities
303-5	Water consumption	ESG Data > Environmental Data Related to Products and Business Activities

Item	Description	Index for applicable pages
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment > Preservation of Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	Environment > Preservation of Biodiversity
304-3	Habitats protected or restored	Environment > Preservation of Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	ESG Data > Biodiversity Data
GRI305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	ESG Data > Environmental Data Related to Products and Business Activities
305-2	Energy indirect (Scope 2) GHG emissions	ESG Data > Environmental Data Related to Products and Business Activities
305-3	Other indirect (Scope 3) GHG emissions	ESG Data > Environmental Data Related to Products and Business Activities
305-4	GHG emissions intensity	ESG Data > Environmental Data Related to Products and Business Activities
305-5	Reduction of GHG emissions	ESG Data > Environmental Data Related to Products and Business Activities Identifying Material Issues Environmental Management > Environment Initiative Program 2019
305-6	Emissions of ozone-depleting substances (ODS)	ESG Data > Environmental Data Related to Products and Business Activities
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	ESG Data > Environmental Data Related to Products and Business Activities ESG Data > Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data
GRI 306: Effluents and Waste 2016		
306-1	Water discharge by quality and destination	ESG Data > Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data Environment > Conservation of Water Resources
306-2	Waste by type and disposal method	ESG Data > Environmental Data Related to Products and Business Activities
306-3	Significant spills	Environmental Management > Environmental Risk Management
306-4	Transport of hazardous waste	Environment > Prevention of Pollution
306-5	Water bodies affected by water discharges and/or runoff	Environment > Conservation of Water Resources
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Environmental Management > Environmental Risk Management
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Environment > Deploying Supply Chain Sustainability Initiatives (Environment)
308-2	Negative environmental impacts in the supply chain and actions taken	Environment > Deploying Supply Chain Sustainability Initiatives (Environment)

Item	Description	Index for applicable pages
Social		
GRI 401: Employment 2016		
401-1	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	ESG Data＞Human Resource-Related Data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Data＞Human Resource-Related Data Securities Report (P129-131) Retirement benefits
401-3	Total number of employees that took parental leave, by gender.	ESG Data＞Human Resource-Related Data
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Social＞Occupational Health and Safety＞Labor-Management Relations
GRI403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Social＞Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Social＞Occupational Health and Safety
403-3	Occupational health services	Social＞Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Social＞Occupational Health and Safety＞Labor-Management Relations
403-5	Worker training on occupational health and safety	Social＞Occupational Health and Safety
403-6	Promotion of worker health	Social＞Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	–
403-8	Workers covered by an occupational health and safety management system	Social＞Occupational Health and Safety＞Labor-Management Relations
403-9	Work-related ill health	Social＞Occupational Health and Safety ESG Data＞Human Resource-Related Data
403-10	Work-related ill health	–
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	ESG Data＞Human Resource-Related Data
404-2	Programs for upgrading employee skills and transition assistance programs	Social＞Human Resource Development
404-3	Percentage of employees receiving regular performance and career development reviews	Social＞Human Resource Development
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	ESG Data＞Human Resource-Related Data
405-2	Ratio of basic salary and remuneration of women to men	Social＞Human Resource Development ESG Data＞Human Resource-Related Data
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	–

Item	Description	Index for applicable pages
GRI407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social＞Occupational Health and Safety＞Labor-Management Relations
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	–
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	–
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	–
GRI411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	–
GRI 412: Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	Social＞Human Rights＞Basic Approach and Policies
412-2	Employee training on human rights policies or procedures	Social＞Human Rights＞Framework of Human Rights Awareness
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Social＞Human Rights＞Basic Approach and Policies
GRI413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Social＞Contribution to Local Economy through Business Activities
413-2	Operations with significant actual and potential negative impacts on local communities	–
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Social＞Deploying Supply Chain Sustainability Initiatives (Social)
414-2	Negative social impacts in the supply chain and actions taken	Social＞Deploying Supply Chain Sustainability Initiatives (Social)
GRI 415: Public Policy 2016		
415-1	Political contributions	–
GRI416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Securities Report (P4-5) Description of business
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Recall Information

Item	Description	Index for applicable pages
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Social＞Improvement of Product, Sales, and Service Quality
417-2	Incidents of non-compliance concerning product and service information and labeling	–
417-3	Incidents of non-compliance concerning marketing communications	–
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–
GRI419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	–

FY2019 Materiality Targets and Results

○: As planned △: Delayed

Category	Material Issues	Details of Main Initiatives	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation	Page Described	Contribution to the SDGs
E: Environment	Responding to climate change and energy issues	Reduce CO_2 emissions while driving	CO_2 emissions per new vehicle while driving: 8% reduction compared to FY2010	CO_2 reduction (%)	-14%	○	P26	
		Reduce amount of CO_2 emitted by production activities	CO_2 emissions at production facilities per production vehicle: 37% reduction compared to FY2005	CO_2 reduction (%)	-41%	○	P30	
		Reduce amount of CO_2 emitted by non-production activities	Unit CO_2 emissions in non-production facilities: 1% reduction compared to FY2018	CO_2 reduction (%)	-8.1%	○	P32	
		Reduce amount of CO_2 emitted by logistics activities	CO_2 emissions per unit of transportation in Japan: 9% reduction compared to FY2010	CO_2 reduction (%)	-9.3%	○	P31	
		Promote the acquisition of Eco-Action 21 certification to our dealers	New certifications: 5 dealers or more	Number of certified dealers	4	△	P32	
	Conservation of Water Resources	Manage water risks at each production facility	Manage water risks at each production facility	Understanding the amount of water used	Determined the amount of water used at production facilities in Japan	○	P38	
	Resource Recycling Initiatives	Commercialize and expand usage of resource-conserving materials	Application of technology for reduction in component waste production and expanded use of recycled materials	Expanded usage	Promoting development of components using recycling materials	△	P34	
		Reduce waste material in production activities	Externally disposed waste of production activities per production vehicle: 52% reduction compared to FY2005	Reduction of external waste disposal	-53%	○	P36	
	Prevention of Pollution	Properly manage hazardous substances in products	Thorough management of hazardous substances	Reflection in in-house management system	Continued appropriate management, including response to legal trends	○	P42	
		Curtail emissions of VOCs in production activities	35g/m^2 or less of VOC*2 emissions per painting area in production activities *2 VOC stands for volatile organic compounds	VOC emissions	36.5g/m^2	△	P42	
	Preservation of Biodiversity	Conduce ecosystem surveys and expand the scope of biodiversity preservation activities at domestic business sites	・Conduct ecosystem survey at the Kyoto Plant ・Plant and grow trees at Pajero Forest (Yamanashi Prefecture) ・Plant trees in the Philippines	Initiatives conducted	・Conducted ecosystem survey at the Kyoto Plant ・Conducted activities twice a year ・Planned tree-planting activities in the Philippines	○	P45	
E: Environment S: Social	Deploying Supply Chain Sustainability Initiatives	Reinforcement of CSR in the supply chain	・Expansion of Supplier CSR Guidelines to MITSUBISHI MOTORS' overseas production bases ・Support for implementation of third-party-supplier CSR evaluations	・Promoting the purpose of Supplier CSR Guidelines ・Recommendation of third-party-supplier CSR evaluations guidelines	・Rolled out Supplier CSR Guidelines to the business partners of MMTh/MMKI/MMPC ・Explained the purpose of third-party evaluations to business partners and have begun conducting evaluations	○	P37, P72	

○: As planned △: Delayed

Category	Material Issues	Details of Main Initiatives	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation	Page Described	Contribution to the SDGs
S: Social	Delivering Products which Help Prevent Traffic Accidents	Delivering Products which Help Prevent Traffic Accidents	Formulate basic policies for individual safety technologies as planned	Formulation of policies	Formulated as planned	○	P48	
	Improvement of Product, Sales, and Service Quality	Improving product quality	Ratio of defects identified within three months in service of new vehicle sale	Ratio of defects identified within three months in service of new vehicle sale	Achieved reduction target	○	P53	–
		Improving sales quality	Sales Satisfaction Index (SSI) Achieve top-three positioning in the key management countries	Sales Satisfaction Index (SSI)	Sales Satisfaction Index (SSI) Achieved top-three positioning in three of the key management countries	△	P54	
		Improving service quality	Customer Satisfaction Index (CSI) Achieve top-three positioning in the key management countries	Customer Satisfaction Index (CSI)	Customer Satisfaction Index (CSI) Achieved top-three positioning in two of the key management countries	△	P55	
	Contribution to Local Economy through Business Activities	Employment	Maintain same level as in FY2018	Actual employment	Created local employment for 11,000 people in three countries: Thailand, Indonesia and the Philippines (including non-full-time employees)	○	P57	  
		Human resource development	Under the same policy as FY2018, offer the same level of training opportunities	Number of training sessions, number of participants	Representative examples of training • Dispatched local employees to Japan • Conducted business-level-enhancement seminars for local employees • Performed "manufacturing training" to enhance skills	○	P57	
		Investment	Implementation of capital investment	Rate of progress on investment plan	• Related to new vehicles • Put manufacturing and export structures in place • Expanded headquarters functions	○	P57	
		Technology transfer	• Implementation of KD production project in Thailand • Start of sales of finished models in Indonesia • Continuous communication with government	Results of projects and initiatives	• Conducted joint research with governments, universities and research institutes in Indonesia, the Philippines and Vietnam • Began selling electric vehicles in Indonesia • Promoted a KD*1 production project for electric vehicles in Thailand • Decided to begin selling electric vehicles in the Philippines in FY2020 • Decided on the opening of DENDO DRIVE STATIONs in the Philippines *1 Refers to knockdown production—a practice of importing major parts for local assembly and sale	○	P58	

○: As planned △: Delayed

Category	Material Issues	Details of Main Initiatives	FY2019 Targets	Indicators	FY2019 Results	Self-Evaluation	Page Described	Contribution to the SDGs
S: Social	Contribution to Local Economy through Business Activities	Technology transfer	Implementing factor analysis in order for each factory to improve itself and making improvements through PDCA	Plant ranking KPI scores	Leveraged the Alliance Product Way* to promote improvements in factory quality, local sites and productivity; achieved year-on-year improvements *Production method shared between Renault, Nissan and Mitsubishi	○	P58	
		Export	Export more units than in FY2018	Units exported	Units exported in FY2019 Thailand: 330,000 Indonesia: 67,000	○	P58	
	Work Style Reform	Promotion of work style reforms	Ongoing implementation of work style reform measures	Total working hours	2,073 hours/year	○	P59	
	Diversity	Promotion of women's participation and advancement in the workplace	Implementation of reinforcement measures aimed at realizing ideal image	Number of female managers	76 (As of March 2020)	△	P61	
		Promotion of employment of people with disabilities	Ongoing promotion of employment of people with disabilities	Percentage of employees with disabilities	2.19% (As of March 2020)	△	P62	
		Promotion of LGBT awareness	Continuation of activities promoting LGBT awareness	External indicator	Received gold, the highest ranking in the PRIDE Index, for the second consecutive year	○	P63	
	Human Resource Development	Expansion of human resource development program	Introduction of reinforcement training for middle management	Education program	Introduced e-learning platform for managers and general managers to promote learning on daily-basis	○	P66	
	Occupational Health and Safety	Creation of safe workplaces	Ongoing measures for the creation of safe workplaces	Overall accident rate* *Number of accidents with or without loss of workdays per 1 million working hours	0.42	△	P68	
	Social Contribution Activities	Undertake activities in cooperation with local communities, NGOs, and other organizations	Social contribution expenditure: 1.0% of ordinary income* *Ordinary income for MMC on a non-consolidated basis	Social contribution expenditure as a percentage of ordinary income	3.28%	○	P75	
G: Governance	Corporate governance, compliance	Establish and operate internal control committees at key affiliated companies in Japan and overseas	Increase the number of target companies by five	Number of target companies	Increased the number of target companies by five and continued operations	○	P84	
		Establish global whistleblowing contacts (early detection/emergence of risks)	Increase the number of target companies by five	Number of target companies	Commenced operations at four new companies, but operations were delayed at one company due to the impact of COVID-19 (operations slated to begin in the second quarter)	△	P88	

Third-Party Opinion

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The Sustainability Report 2020 focuses on presenting new directions in line with the publication time of the first year of the new medium-term management plan "Small but Beautiful." Mitsubishi Motors' sustainability management system has made great strides during the previous medium-term management plan, such as establishing the CSR Management Committee chaired by the CEO and the Sustainability Promotion Department that functions as the secretariat, formulating a new corporate vision and mission, identifying Materiality (material issues). In this report, the "New Environmental Planning Package" has finally been launched in a concrete form. The Environmental Vision 2050 presents a major direction to contribute to the realization of a society with zero CO_2 emissions, and then sets the milestone "Environmental Target 2030" that connects the backcast from 2050 and extension of current efforts. This clarifies the long-term timeline of MITSUBISHI MOTORS' environmental efforts. Having taken this opportunity last fiscal year to request such efforts, I was impressed by the Company's attitude of sincerely responding to expectations from outside the Company.

The fact that the environmental policy, which was revised for the first time in 20 years, will evaluate and review the achievement level in units of 10 years toward 2050, is also a good reinforcement to show concrete progress in the future. With this edition, the Company elucidates the first stage, or Environmental Targets 2030. Measures to address climate change include setting the numerical targets of reducing CO_2 emissions from new vehicles by 40% (compared with fiscal 2010 levels) by 2030, as well as lowering CO_2 emissions from business activities by 40% (compared with fiscal 2014 levels). It is easy to imagine that there was considerable internal debate about the issuance of such commitments amid the difficult economic environment at home and abroad, but at this time when the post-corona glares at green recovery is drawing worldwide attention, the long-term outlook I think it is epoch-making that it was clearly stated. As a CO_2 reduction measure for new vehicles, top management commits to combine the technologies of alliance partners in addition to your core technologies such as PHEVs. It was also impressive that he suggested future strategies.

As direct initiatives targeting environmental issues, the New Environmental Plan Package stands out for focusing on three points: climate change, resource depletion and environmental pollution. The scope of the theme of environmental pollution prevention is broad, and it may not be significantly different from the past in terms of effectiveness, given that it is considered to be a high-level concept for many issues in fact, but it is worth noting here that the materiality identified in FY2018 is being reviewed as early as possible. I think this indicates the flexibility to revise material issues promptly in response to a changing awareness of the issues and progress on initiatives. I also believe the Company deserves high marks for its stance on making this an open process.

In this way, it can be said that this report has further strengthened its function as a communication tool by strengthening the connection with business strategy in a way that corresponds to the new medium-term management plan. What I would like to expect in the future is the story-like part throughout. While maintaining the two-part structure (the first half describing management and strategy and the second half reporting on overall activities), I feel that constant efforts to improve the report's readability, such as building ESG data separately from the two-part. On the other hand, I still have the impression that the two-part are not connected smoothly.
I would like to expect further ingenuity in how to show the latter part, such as enhancing the description of the part corresponding to the strategy emphasized in the former. There may be room to consider the need to fit all the information into a single report at that time. As a change of pace in the back half, personally I would like to see more extensive information on the technologies that are key to furthering the New Environmental Plan Package, the R&D investments supporting these technologies, and strategies related to investments in human capital and other intangible assets. Following the presentation of the long-term strategy, it is thought that external interest will be directed to its effectiveness in the future. I look forward to further enhancing the Company's non-financial information disclosure as it entered this new phase.