

Corporate Strategy and Sustainability

Formulating a Long-Term Road Map

In developing MITSUBISHI MOTORS' mid-term business plan, through internal activities called "15-Year Plan" with a global view of the world 15 years from now in mind, we established a road map in the three areas of technology, regional communities, and the mobility business.

We believe that there are three major societal changes that will bring about significant transition in the environment surrounding the automotive industry over the next 15 years.

The first is the global challenge of climate change. In the automotive industry, we see advances in batteries and biofuels as supporting the achievement of a carbon-neutral.

The second is the customer image. Generation Z,

who are digital natives and prioritize experience and empathy, will be the core automotive purchasing group and user group in future, and we believe that this will greatly change marketing and sales activities going forward.

The third is the diverse and ever-evolving digital technologies. We recognize that incorporating these evolutions is essential for enhancing our competitiveness in areas such as autonomous driving, connected car service, and the mobility business.

Revising Environmental Targets 2030

In our previous mid-term business plan, "Small but Beautiful," we emphasized strengthening environmental technologies with a focus on plug-in hybrid electric vehicles (PHEV). In November 2020, we announced the Environmental Plan Package (Environmental Policy,

Environmental Vision 2050, and Environmental Targets 2030) that sets our direction and targets for environmental initiatives looking ahead to the next 30 years.

In response to the increasing interest in carbon neutrality, in September 2022, we declared our commitment to achieving carbon neutrality throughout our supply chain and revised our Environmental Vision 2050 accordingly. Furthermore, in February 2023, we revised our Environmental Targets 2030, specifically raised our FY2030 business activities CO₂ emissions reduction target by "- 50% compared with the FY2018 level," maintaining our current targets of "- 40% compared with the FY2010 level" for average CO₂ emissions from new vehicles and "50% for FY 2030" for the electrified vehicles sales ratio, we have also established a lofty target of "100% in FY2035" for the electrified vehicles sales ratio. In order to solve the global issue of climate change, We will continue to make steady progress in these initiatives.

Please see page 31 for details on "Environmental Targets 2030."

Long-Term Road Map

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

Please see page 7 of the presentation on our website for details of the Long-Term Road Map.

[WEB](https://www.mitsubishi-motors.com/content/dam/com/ir_en/pdf/financial/2023/230310-2.pdf?20230808) https://www.mitsubishi-motors.com/content/dam/com/ir_en/pdf/financial/2023/230310-2.pdf?20230808

Revised Targets

CO₂ emissions from business activities
(Total Emissions of Scope 1 and 2)
-40% → **-50%**
(Compared to FY2014) (compared to FY2018)

Added Targets

- Ratio of electrified vehicles sales 100% by FY2035
- Promoting CO₂ emission reduction activities through collaborations with suppliers/transporters in the fields of procurement and logistics
- Provision of energy management services utilizing electrified vehicles and used batteries

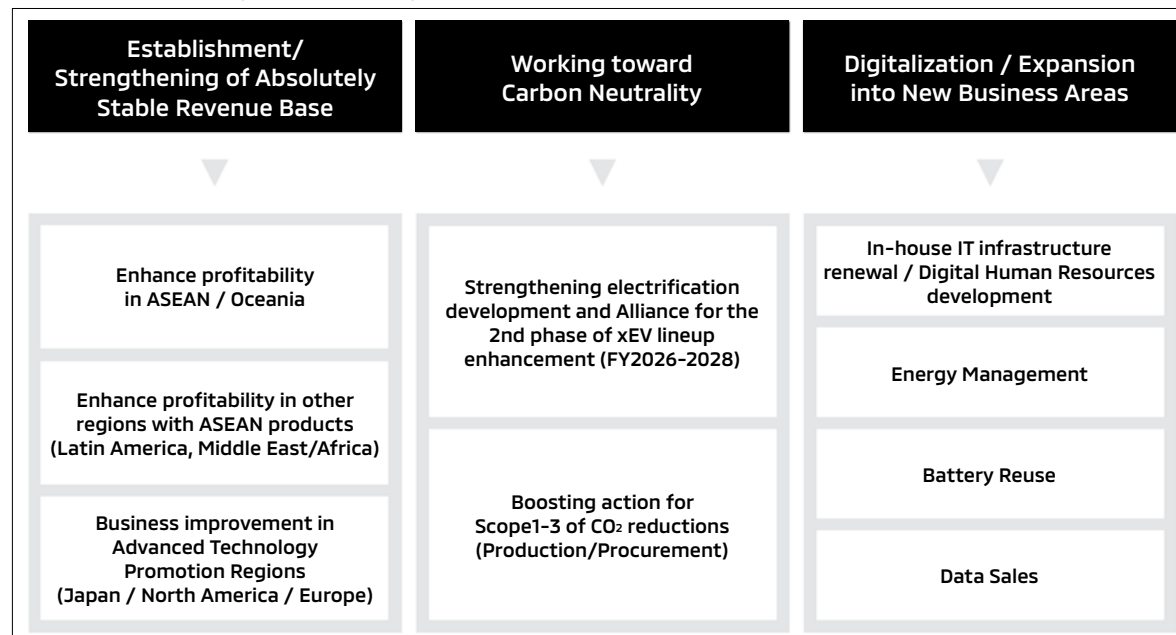
Overview of Our New Mid-Term Business plan, "Challenge 2025"

We developed the new mid-term business plan, "Challenge 2025," announced in March 2023, performing backcasting the road map for the technology, regional communities, and mobility business sectors outlined in our "15-Year Plan."

In "Challenge 2025," we have set three major challenges to achieve the sustainable growth of MITSUBISHI MOTORS amid the significant environmental changes that surround us.

Firstly, it is a regional strategy to establish a stable revenue base. We set the global market into three categories* and after clarifying the role of each region, we work to establish and strengthen the absolutely stable revenue base.

The 3 major Challenges in "Challenge 2025"



Particularly in the ASEAN, which we have categorized as a growth driver, from FY2023, we will roll out a series of new products that encapsulate "Mitsubishi Motors-ness." We will work to improve the brand value of Mitsubishi Motors by closely linking those products and opportunities for customers to experience them. And in ASEAN countries we will grow the number of sales outlets, increase area coverage, improve store facilities and customer interaction methods, improve convenience for customers through digitalization, and take other actions to achieve quality improvement in both sales and services.

* We categorize our core business regions, the ASEAN and Oceania regions, as "GROWTH DRIVERS"; Latin America, the Middle East, and Africa, where we horizontally roll out our ASEAN products, as "LEVERAGE REGIONS"; and Japan, North America, and Europe, which need environmental technologies such as electrification, ADAS and other safety technologies, as well as the utilization of vehicle data among other things, as "ADVANCED TECHNOLOGY PROMOTION REGIONS."

Please see page 5 for details on "Principal Facilities."

<Related materiality>

Please see page 70 for details on "Improvement of Product, Sales, and Service Quality."

Please see page 76 for details on "Contribution to Local Economy through Business Activities."

Secondly, it is "working towards carbon neutrality." As the automotive maker that was the first in the world to achieve mass production of BEV and SUV PHEV models, we will bolster our development of electrification technology, while collaborating within the Alliance. Over the next five years, we will roll out nine electrified vehicles in the market. Our numerical targets for the environment are set on a Tank-to-Wheel basis. By combining the quietness and pleasant acceleration performance that are the attractive features of electrified vehicles with durability and reliability in technology and four-wheel control that forms our DNA, we will introduce to the market electrified vehicles that embody "Mitsubishi Motors-ness." We will continue to work on car manufacturing that combines ever-evolving IT and digital technologies with comfortable and advanced interior spaces, aiming to create a more attractive and fulfilling mobility life that awakens their adventurous spirit. Additionally, we will strengthen our efforts in further electrification, not only by reducing battery costs but also by minimizing cost of ownership for our customers through energy management and the reuse of used batteries.

We will also aim to reduce emissions of greenhouse gas that originate from our business activities.

For details, please see the following

- "Environmental Plan Package": P30
- "Environmental Targets 2030": P31
- Materiality "Responding to Climate Change and Energy Issues": P36

Thirdly, it is "digitalization/expansion into new business areas." Based on the assumption that the digital natives who are Generation Z will become the core automotive purchaser and user group, we will renew our IT infrastructure in operations and go forward with digital transformation.

Furthermore, we believe that electrification and the evolution of digital technology will provide opportunities for new business such as energy management and the data business. During the period of the new mid-term business plan, we will explore the possibilities of new business, and work to build an infrastructure for a subsequent full-scale undertaking.

As the business environment changes rapidly, the key for us to grow sustainably and achieve improved corporate value is "employees." In FY2022, we had many discussions of the ideal standards for Mitsubishi Motors. We updated our action guideline "MMC WAY," by taking on ever more challenges that each and every one of our employees faces in uncharted areas with the aim of meeting the expectations of our stakeholders and contributing to the realization of a sustainable society. In order to establish a fulfilling workplace, foster talent, and ensure a diverse workforce as the basis for implementing the "MMC WAY," we will promote the following initiatives which are aligned with our management strategy.

<Strategic Human Resources Priorities >

- Build a better workplace
- Enhance learning opportunities/reskilling programs
- Secure/cultivate a diverse workforce

<Related materiality>

Please see page 79 for details on "Human Resources Management."

"Mitsubishi Motors-ness"

In order to encourage customers to choose our products, we have redefined "Mitsubishi Motors-ness" in our new mid-term business plan, "Challenge 2025."

"Mitsubishi Motors-ness" means providing customers with a fulfilling mobility life that awakens their adventurous spirit on the basis of reliability backed up by technology that achieves "Eco-friendly x Safety Technology, Peace of Mind and Comfort."

We aim to bring joy to the lives of our customers by providing them with something new, not to mention those who drive uncharted path, but also those simply want to expand their world a little even if they are anxious about driving.

We will thoroughly refine our unique value, of "Mitsubishi Motors-ness," and convey to it to our customers to gain their understanding and empathy. In this way, we will strengthen our brand and promote the penetration of value-oriented businesses.

Pursuing "Mitsubishi Motors-ness"

What is Mitsubishi Motors-ness?


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




Environmentally friendly and enable activities close to nature



Help contribute to carbon neutrality with Commercial EV



Enable our customers to experience an exciting adventure with confidence



Returning home with peace of mind from safety technology for just about every adventure



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



Electrification

The world's first mass-produced BEV and globally recognized PHEV at the core



Durability and Reliability

Reliable even in adverse conditions thanks to a design philosophy nurtured on almost all road surfaces and in almost all environments around the world



Four-wheel control (S-AWC)

Provide innovative driving performance and reliability on almost any road surface



Comfortability

Excite drivers and passengers with a comfortable and advanced interior with ever-advancing IT