

## Third-Party Opinion



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The Sustainability Report 2023 is published with the aim of conveying and continuously communicating sustainability information on the MITSUBISHI MOTORS Group. In reviewing the details, let us look again at the system for disclosing information on sustainability at the beginning of the report. This visually clarifies the division of roles between the Sustainability Report and the Integrated Report, which targets investors and discloses financial and non-financial information directly related to management strategies. The size of the area indicates the volume of information covered in this report.

It is not easy to make such a vast amount of information on diverse activities function as a tool for communication with readers, rather than merely disseminating information one-sidedly. The key lies in the overlap of roles between the two reports in the system chart or the common part in the Venn diagram. This area corresponds to the essence of integrated reporting, the value creation story, i.e. the strategy part that supports the long-term sustain-

ability of the business model. Whereas the integrated reporting is structured primarily on the connection (connectivity) between this essence and financial and non-financial data, this report plays a multifaceted role in presenting how diverse sustainability activities contribute to the value creation story. Therefore, the main role expected of this third-party opinion is to consider not only the review of individual activity reports but also the connection and consistency between them and the overall strategy.

From this perspective, the steady evolution of this report is evident. Its structure remains unchanged, consisting of the first half that outlines the corporate mission and strategy, and the latter half that detailed reports on diverse activities of the previous year. However, throughout the report, the well-designed connection between a series of sustainability activities and management strategies can be observed.

Symbolic of these efforts is the newly established entitled "Management Strategy and Sustainability." The new medium-term management plan "Challenge 2025" defines the concept of "Mitsubishi Motors-ness," which is the main theme of this report, and clarifies the direction of value creation. Furthermore, our growth strategy, which is based on the three pillars of challenge that support this concept, namely, (1) focus on the ASEAN region as a growth driver to establish and strengthen an absolutely stable revenue base, (2) pursue carbon neutrality (CN) through the shift to electrified vehicles based on proprietary technologies and alliances, and (3) drive digital transformation (DX) to meet the needs of the next generation users of digital native, describes a story of value creation from a medium- to long term

perspective, based on our recognition that we are in a once-in-a-century of great change.

Once this point is clear, we shall then look at the connection with the individual activity reports. What I found impressive this year is the clear connection between strategy and initiatives with regard to carbon neutrality. In FY2022, the company made significant progress by revising its "Environmental Vision 2050," declaring its aim to achieve CN across the supply chain, and also reinforcing the milestone of "Environmental Target 2030." This report presents a clear overview initiative of CN in a special feature, and highlighting specific measures that include (1) promoting electrification, leveraging core technologies such as PHEV and Kei-car segment commercial EV, underpinned by the Alliance and (2) enhancing new mobility businesses utilizing connected functions in line with the progress of electrification, and pursuing new revenue opportunities by strengthening energy management through the use of electrified vehicles.

On the other hand, the connection between area and digital strategies and the sustainability activities that support these strategies still needs to be worked out. For example, reflecting the characteristics of each region could enhance the visibility and resolution of the Company's initiatives and potential towards CN. Furthermore, the human capital initiatives emphasized in the "Commitment of Top Management" also show potential for further strengthening linkage with the management strategy, such as leveraging global talent and the focus on human rights. The narrative of the Company pertaining to value creation is steadily being enhanced. I look forward to seeing its further evolution.